



Annual Report

2019 - 2020



CUB
Trust and Excellence
SINCE 1904

CITY UNION BANK LIMITED



Inauguration of "CUB All in One" Mobile App. by Smt. Nirmala Sitharaman, Hon'ble Minister of Finance & Corporate Affairs on the Bank's 116th Foundation day Celebration.



Address by Chief Guest
Smt. Nirmala Sitharaman, Hon'ble Minister of Finance & Corporate Affairs
on the Bank's 116th Foundation Day Celebration

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Statutory Central Auditors

M/s. Sundaram & Srinivasan,
Chartered Accountants,
New No.4, Old No.23, C P Ramaswamy Road,
Alwarpet, Chennai - 600018.

Secretarial Auditors

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

Registrar & Share Transfer Agents

KFin Technologies Private Limited
(Unit : CITY UNION BANK LIMITED)
Karvy Selenium Tower B
Plot No : 31 & 32
Financial District, Gachibowli,
Nanakramguda, Serilingampally
Hyderabad - 500 032 India.
Phone: +91 40 67161509 / 67161592
email: einward.ris@kfintech.com

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



R. MOHAN B.Sc., MBA., CAIIB.
NON-EXECUTIVE PART-TIME CHAIRMAN



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



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



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



S. BERNARD
B.Com., 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.

SENIOR EXECUTIVES



V. RAMESH
General Manager



K. MAHARAJAN
General Manager



S. MOHAN
General Manager

DEPUTY GENERAL MANAGERS



S. RAMESH



S. RAJAM



J. SRIDHARAN



J. RAMASAMY



G. SANKARAN



V. GOPALAKRISHNAN



K. JAYARAMAN



C. GANESAN



R. LAKSHMINARAYANAN



R. BALAJI



V. GANESAN



S. VENKATESAN

ASSISTANT GENERAL MANAGERS

RAJASEKARAN J

UMA R

VENKATESH S

GANESH B

SUBBARAMAN R

MOHAN S

NARAYANAN R

THOTA VENKATASARAVANAN S

RAMESH KUMAR S

SURESH T V

GANESAN J

RAJA B

SIVAKUMAR V

KANAGASUNDARAM G

BALACHANDAR K V

VENKATAKRISHNAN K

GURUMURTHY V

SUNDARARAMAN G

SWAMINATHAN K

VENKATESWARAN B

ELANGOVA T K

SADAGOPAN J

DEVNATHAN V

SADIQ BATCHA I

RAVICHANDRAN R

GANESAN S

NAZEER AHAMED M

MOHAN KUMARAMANGALAM N

KANDASAMY N

SRINIVASAN S

VAIDYANATHAN N

DHAMODARAN T L

KANNAPIRAN.C

SWAMINATHAN R

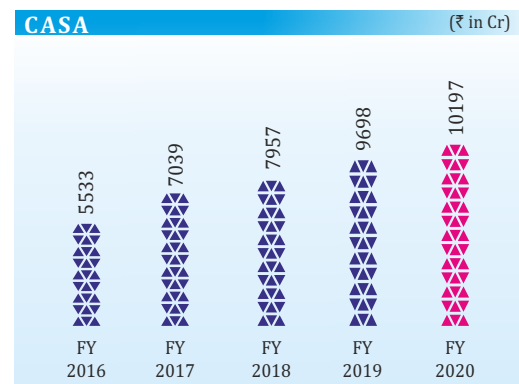
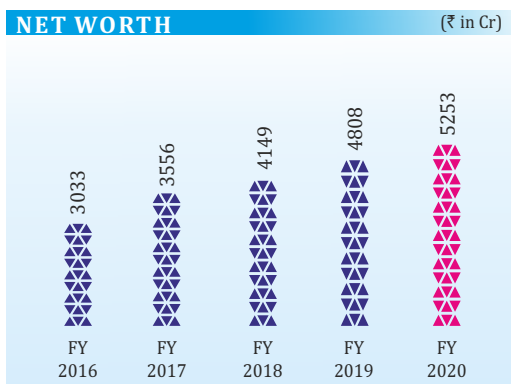
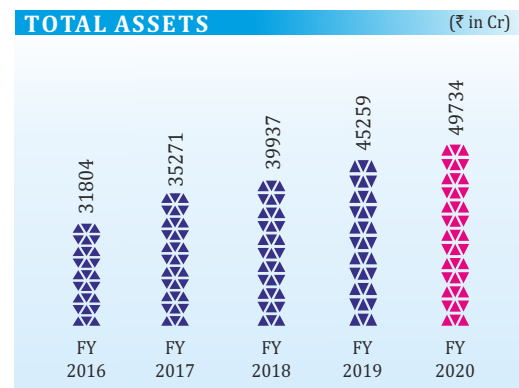
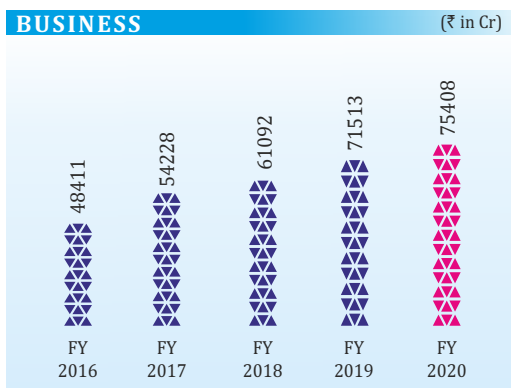
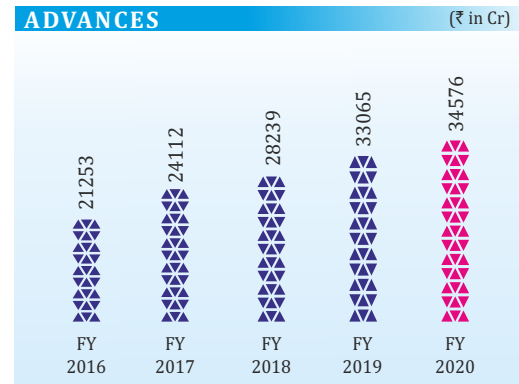
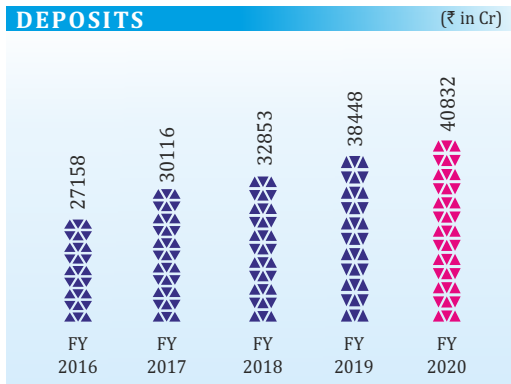
SUYAMBULINGA RAJA G

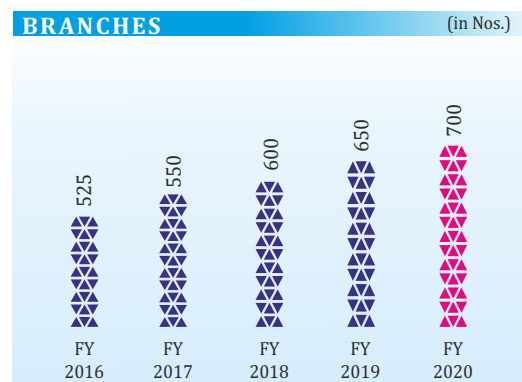
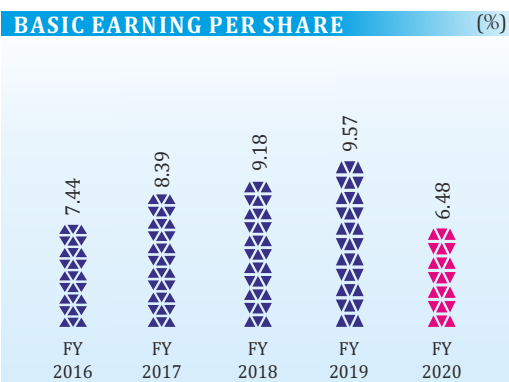
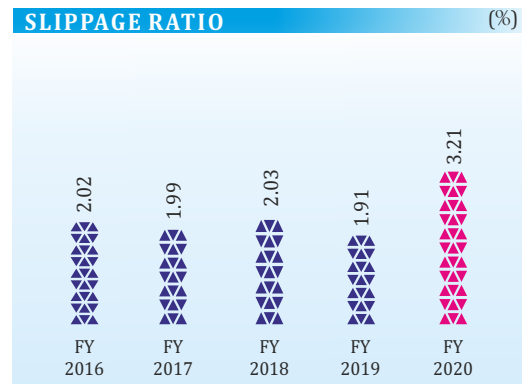
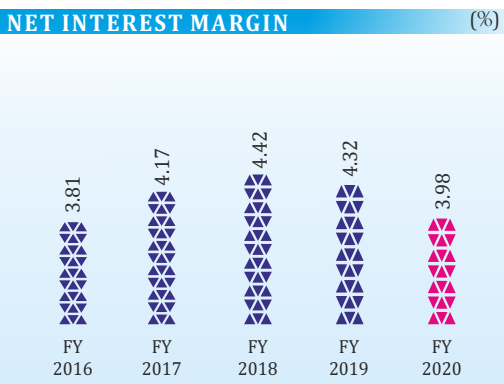
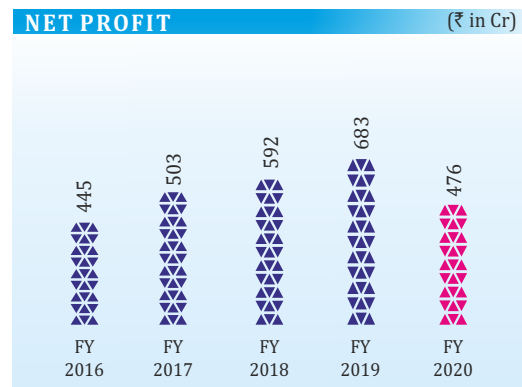
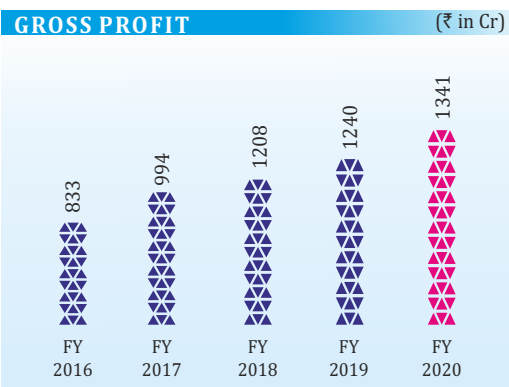
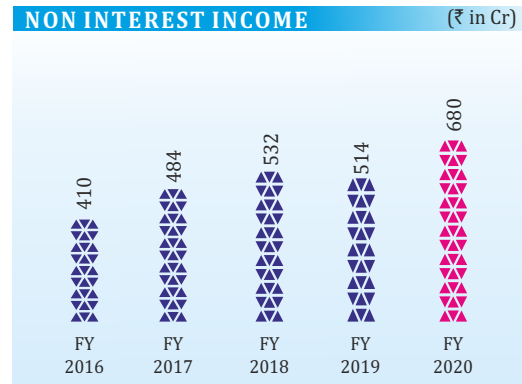
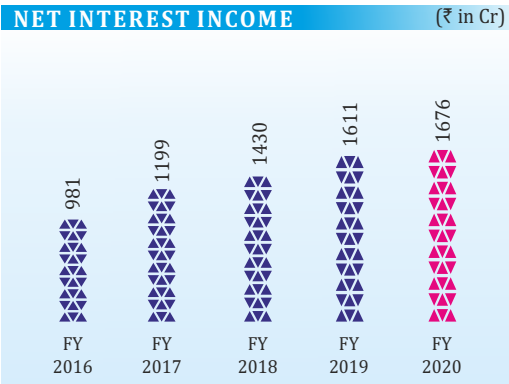
GUHAN V

RAGHUNATHA REDDY

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

V. RAMESH







Partnering progress...

As a trusted partner, CUB has been nurturing the spirit of entrepreneurship and fostering growth. The trust reposed in us over the years combined with our commitment towards the path of progress with strong SME Policies has laid a strong foundation for enduring relationships. After all, a friend in need is a friend indeed.

- Precisely understanding the needs
- Timely Assistance
- Single Window Dispensation



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CITY UNION BANK LTD.

www.cityunionbank.com

CUB - CSR Initiatives

Desilting work at Okkanadu Keelaiyur, Thamarai Kulam



(Before)



(After)

Empowering Entrepreneurs!

More than Lending, it is Our Passion.



Trust is the basic link of every life, every relationship or even every progression for that matter. Profitable operation of an enterprise depends on several factors; some of which are not within the control of the entrepreneurs and lies in the trusted hands of other external business partners, especially banks. Going reliable and consistent over 115 years, City Union Bank has been trusted for its excellence, fostering confidence in entrepreneurs through its specially designed SME Policies, to ensure smooth flow of credit to MSME Sector.

- Precisely understanding the needs
- Timely Assistance
- Single Window Dispensation



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CUB - CSR Initiatives

Cleaning and Desilting work at Odayar Palayam



(Before)



(After)

CSR Initiatives

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Basel III

CUB - CSR Initiatives



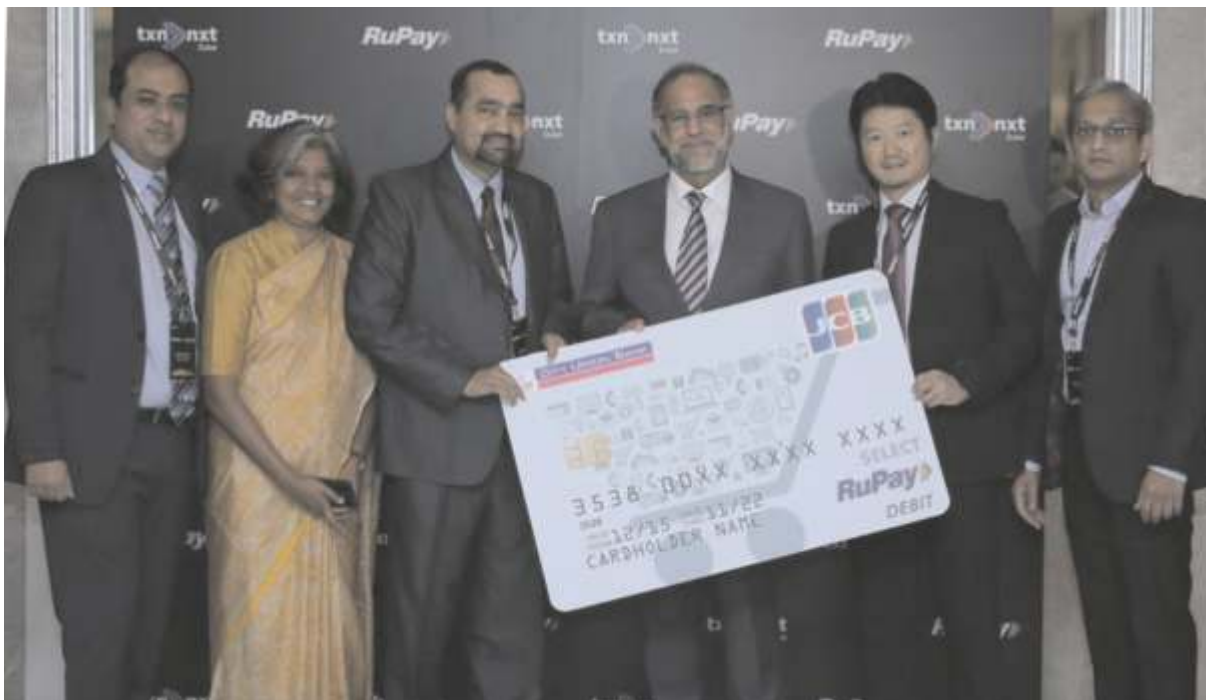
Donation to Guru Harkrishnan Charitable Hospital, Ludhiana



Van donated to Mercy Home, Kilpauk, Chennai



Inauguration of 700th Branch - Chinna Kancheepuram by His Holiness Pujyashri Vijayendra Saraswathi Shankaracharya Swamigal - Kanchi Mutt



CITY UNION BANK RuPay SELECT LAUNCH EVENT AT DUBAI
From the Left: Our MD & CEO along with Mr. Richard Anderson, Business Head India - JCB International, Ms. Praveena Rai, COO - NPCI, His Excellency Navdeep Singh Suri, Indian High Commissioner - UAE, Mr. Yulchiro Kadowaki - Executive Vice President- JCB International, Mr. Rajeeth Pillai, Chief Business Development - NPCI

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CITY UNION BANK

Converting Ideas into Business Opportunities



City Union Bank, the 115 years old traditional bank of the country has been trusted by generations for its excellence fostering confidence in entrepreneurs through its SME Policy, for easy flow of Credit to MSME Sector.

- Precisely understanding the needs
- Timely Assistance
- Single Window Dispensation



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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, 2020.

STATE OF AFFAIRS OF THE BANK

The year 2019 – 2020 was an extremely challenging period for the Banks in India. Although, COVID 19 emerged during the fag end of the financial year, the Industry had its impact on account of factors like mergers of PSBs, NBFC crisis involving some private sector banks also. The pandemic did not spare the financial services sector even and the regulators moved swiftly to secure the system. During May 2020, the Government announced a special economic package under Aatma Nirbhar Bharat Abhiyan with a view to making the country Independent against tough competition in global supply chain and to help in empowering the poor, labourers, migrants who have been adversely affected by COVID 19. The measures under this package have certainly improved the domestic Banking outlook involving credit booster to MSMEs, liquidity support to NBFCs, HFCs and MFIs focusing on rural and social segment, power sector reforms etc. The stimulus package is expected to be the key driver of revival and structural reforms going forward.

Under the above odd circumstances, the Bank recorded a total business of ₹ 75,408 crore, an increase of 5% over the previous year figure of ₹71,513 crore in FY 2019. The Net Profit of the Bank has decreased to ₹ 476 crore from

₹683 crore on account of COVID provision made during the fourth quarter of FY2020. The Net Interest Income of the Bank stood ₹1,676 crore, a 4% increase over FY 2019 position and the Net Interest Margin of the Bank stood at 3.98%. The key performance indicators i.e., the Return on Assets of the Bank stood at 1%, Return on Equity at 9.47% and the Cost to Income ratio at 43.04%. The financial performance has been discussed in detail in the forthcoming paragraphs.

During the year the Bank has opened 50 additional branches to total 700 branches and has 1,793 ATM's as at 31st March 2020. On the digital front, the Bank continued to upgrade and strengthen its Information Technology framework to ensure smooth and secure customer friendly Banking. The Bank has introduced "CUB EASY" a video KYC based account opening App. Also, measures are being undertaken to comply with the directions issued by the Reserve Bank of India with respect to strengthening of the Cyber Security and Information Technology framework of the Bank.

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 Annual Report.

Financial Highlights

(₹ in crore)

Particulars	2019-20	2018-19	Growth (%)
Share Capital	74	73	1%
Reserves & Surplus	5,222	4,767	10%
Deposits	40,832	38,448	6%
Advances (Gross)	34,576	33,065	5%
Investments (Gross)	9,236	7,863	17%
Total Assets / Liabilities	49,734	45,259	10%
Total Income	4,848	4,282	13%
Total Expenses	3,507	3,042	15%
Net Interest Income	1,676	1,611	4%
Operating Profit	1,341	1,240	8%
Provisions & Contingencies	865	557	55%
Net Profit (A)	476	683	-ve
Appropriations			
Balance of Profit brought forward (B)	57	37	—
Amount available for appropriations (A+B)	533	720	—
Transfers to:			
- Statutory Reserve	140	200	—
- Capital Reserve	81	6	—
- General Reserve	145	340	—
- Investment Reserve Account	0	31	—
- Special Reserve under IT Act, 1961	65	60	—
- Dividend & Dividend Tax*	44	26	—
- Balance of Profit carried forward	58	57	—
Total	533	720	—

*Dividend & Dividend Distribution Tax reported as per MCA notification on revised AS 4 dated 30th March, 2016.

The Deposits and Advances for the current year stood at ₹ 40,832 crore and ₹ 34,576 crore respectively. The total business stood at ₹ 75,408 crore as compared to ₹ 71,513 crore for the previous year registering a growth of 5%. The size of the Balance Sheet as on 31st March, 2020 is ₹ 49,734 crore as compared to ₹ 45,259 crore last year recording an increase of 10%.

GROSS PROFIT

(₹ in Cr)



During the year the Bank earned a Gross profit of ₹ 1,341 crore registering an increase of 8% as compared to previous year's figure of ₹ 1,240 crore. The Net profit of the Bank for the current year was ₹ 476 crore as against ₹ 683 crore last year. The Bank had registered a net loss of ₹ 95 crore for Q4 FY 2020 because of the precautionary additional provision of ₹ 102 crore made over and above the requirement prescribed by RBI, to meet the requirements on account of possible slippage in the loans likely to be impacted by the COVID 19.

NET PROFIT

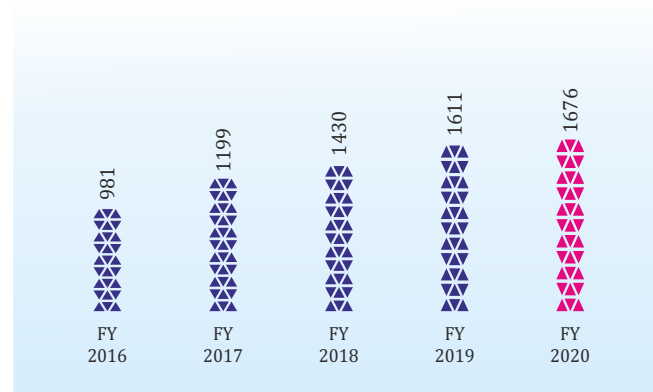
(₹ in Cr)



Total income earned by the Bank for FY 2020 was at ₹ 4,848 crore as against ₹ 4,282 crore in FY 2019 registering a growth of 13%. The total expenditure of the Bank increased by 15% to record ₹ 3,507 crore as compared to ₹ 3,042 crore in the previous year.

NET INTEREST INCOME

(₹ in Cr)



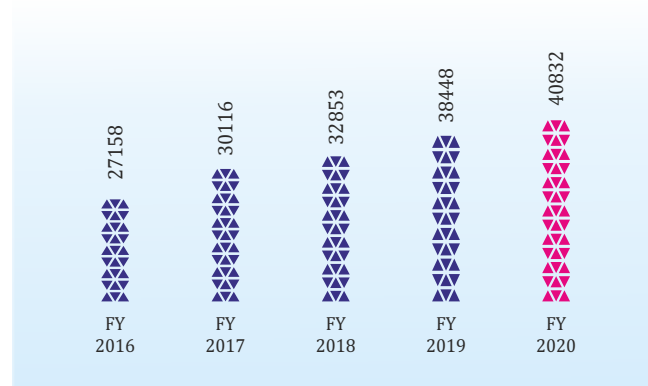
Net Interest Income for the year FY 2020 under review increased by 4% to ₹ 1,676 crore from ₹ 1,611 crore last year. The non-interest income of the Bank increased from ₹ 514 crore to ₹ 680 crore registering a growth of 32% mainly on account of increase in treasury income.

DEPOSITS

The Bank's total Deposits for the year under review increased by ₹ 2,384 crore from ₹ 38,448 crore to ₹ 40,832 crore registering a growth of 6% over previous year. During the current year CASA increased by ₹ 499 crore from ₹ 9,698 crore to ₹ 10,197 crore recording a growth of 5%. The cost of deposit of the Bank marginally increased from 6.17% to 6.20% in FY 2020.

DEPOSITS

(₹ in Cr)



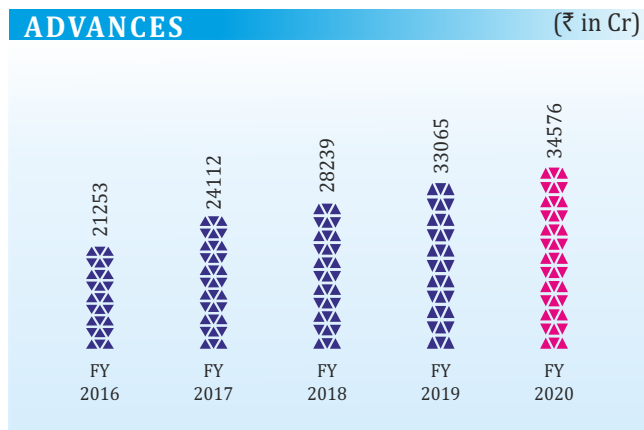
ADVANCES

Gross Advances of the Bank increased by ₹ 1,511 crore to ₹ 34,576 crore from ₹ 33,065 crore, posting a growth of 5%. The yield on advances declined to 10.76% from 10.95% during the reporting year on account of the due transmission of the cut in the interest rates to the

borrowers. For FY 2020, the Bank had achieved the target/ sub-targets prescribed by RBI for Priority sector, Agriculture, Micro Enterprises, Small / Marginal farmers and weaker section.

The Gross NPA and Net NPA for the year under review stood at 4.09% and 2.29% respectively as compared to 2.95% and 1.81% in the previous year.

The provision for tax for the reporting year decreased to ₹110 crore from ₹242 crore in previous year. The provision made for NPA for the financial year was ₹631 crore vis-a-vis ₹270 crore last year. The total provision increased by ₹308 crore to ₹865 crore from ₹557 crore.



TREASURY OPERATIONS

Domestic Treasury

The Bank had utilized the volatile yield movement during the year and through the timely sale of securities, the Bank could book a profit to the tune of ₹159.60 crore as against ₹32.56 crore made last year.

The Gross Investments increased by ₹1,373 crore to ₹9,236 crore as on 31st March 2020 from ₹7,863 crore as on 31st March 2019. Out of this, the investments in Government Bonds alone account to ₹8,939 crore constituting 97% of the total investments. The non-SLR investments declined by ₹90 crore mainly on account of partial redemption of Security Receipts to the extent of ₹78 crore.

Forex Treasury

During the financial year 2019-20, Indian Rupee weakened against USD by 9.4%. Indian Rupee against USD opened at ₹ 69.15 and closed at ₹ 75.66. Major reasons for weaker rupee were US China trade war and the Corona Virus outbreak. The large FPI outflows towards the

second half of FY aggravated the situation. Compared to other currencies, Indian Rupee performed better with RBI's intervention. The low crude oil prices kept the rupee from weakening further. With a healthy foreign exchange reserves, the Indian Rupee remained at a comfort zone against USD. During FY 2019-20, profit on our foreign exchange operations stood at ₹84.62 crore as against ₹54.46 crore during the previous year.

NET WORTH & CAPITAL ADEQUACY RATIO

Net Worth

The paid-up Share Capital of the Bank increased from ₹73.45 crore as on 31st March, 2019 to ₹73.73 crore as on 31st March, 2020. During the reporting period the Bank has allotted 28,18,403 Equity Shares to employees under Employee Stock Options pursuant to CUB ESOS Scheme 2008.

The Net worth of the Bank stands improved to ₹ 5,253.24 crore as on 31st March, 2020 from ₹4,808.27 crore as on 31st March, 2019.

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 requires creation of capital conservation buffer and countercyclical buffer of 2.50% at the end of March 2019 in a phased manner beginning from 31st March, 2016 @ 0.625% in each year up to 31st March, 2019. The Reserve Bank of India vide Notification No. DBR.BP.BC. No.20/21.06.201/2018-19 dt.10th January, 2019 - "Review of transitional arrangement under Basel III Capital Regulations" deferred the implementation of the last tranche of 0.625% of Capital Conservation Buffer (CCB) from 31st March, 2019 to 31st March, 2020.

Again, RBI by its Notification No.DOR.BP.BC. No.45/21.06.201/2019-20 dated 27th March 2020 "Basel III Capital Regulations - Review of transitional arrangements", further deferred the implementation of last tranche of 0.625% of Capital Conservation Buffer to 30th September 2020. Accordingly, CRAR required to be maintained for the period ended is 10.875%. The Bank maintained Tier I CRAR of 15.80% and total CRAR of 16.76% as at 31st March, 2020 which are well above the norm prescribed by RBI.

SHAREHOLDERS' RETURN

Dividend

The Board of the Bank at its meeting held on 19th March 2020 had declared an interim dividend of ₹0.50 per equity share of Face Value of ₹1/- each for the year ended 31st March, 2020 (previous year ₹0.50 per equity share).

The Bank as a dividend distribution policy in terms of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 which is uploaded in the website of the Bank.

Weblink: <https://www.cityunionbank.com/downloads/DividendDistributionPolicy.pdf>

As per the statement of RBI Governor followed by RBI circular no.DOR.BP.BC.No.64/21.02.067/2019-20 dt.17th April 2020, in the wake of heightened uncertain environment due to COVID-19, all Scheduled Commercial Banks (SCBs) were advised on the importance of conserving capital and to retain their capacity for absorbing losses and supporting the economy. Accordingly, all SCBs were directed not to make any dividend payouts from the profits pertaining to financial year 2020 till further directions and hence no final dividend is recommended to the shareholders for FY 2020.

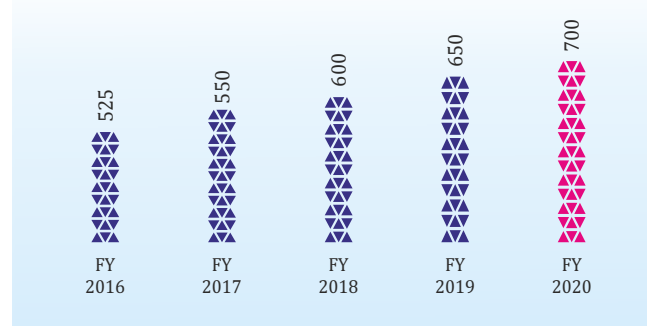
BRANCH EXPANSION

During the financial year, the Bank expanded its branch network by adding 50 more branches and 108 ATM's across the country totaling 700 branches and 1,793 ATM's as on 31st March, 2020. The Bank has a major presence in the State of Tamil Nadu and expanded its presence in other states by identifying potential centers. Out of the additional branches opened during FY2020, the Bank had opened 30 Branches in Tamil Nadu, 6 in Andhra Pradesh, 2 in Telangana and the rest in other states. As on date, 90% of the Bank's total branches are operational in South, 5% in West, 4% in North and 1% in Eastern parts of India.

The branches opened during the year were as per the guidelines issued by the RBI on opening of Branches in unbanked and under Banked regions. During the period the Bank opened 14 branches in unbanked rural centers and complied with relevant RBI norms.

BRANCHES

(in Nos.)



FINANCIAL INCLUSION

The Bank has been successful in implementing the concept of Financial Inclusion over a long period and has shown tremendous progress in providing basic banking services, especially to the rural citizens.

The Bank is very much keen in creating awareness on various Government schemes viz., Atal Pension Yojana, MUDRA, PMJJBY, PMSBY etc. Such schemes have been made available to the villages for connecting the underprivileged areas within the Banking network, by conducting frequent campaigns. The services to the rural poor are not confined to the opening of Bank accounts alone, but also rendering other services such as credit, overdraft facilities, etc., to accelerate country's economic growth.

Further, by way of establishing BC Outlets at the unbanked areas and with the introduction of technology products and issue of jewel loans, the Bank has been able to provide all the Banking services to the rural poor.

The Bank offers e-KYC and Aadhaar enabled Payment System (AePS) to render quick services to the rural poor. The Bank has deployed POS machines at various rural locations, which is very much helpful for doing merchant transactions.

Further, during the last year, the Bank has actively participated in the "Customer Outreach Initiative" of the Government of India, with the objective of providing easy access to credit which includes Retail, Agriculture,

CSR Initiatives

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Basel III

Vehicle, Home, MSME, Education and Personal Consumer loans. In coordination with the Lead Bank, the Bank has conducted financial literacy campaigns and put stalls for promotion and publicity of the social welfare schemes and Agriculture products available for the farmers. The outreach helped us to connect with the farmers in true spirit for creating awareness among the farmers.

By rendering services through our technology products, in the unbanked areas, we have created confidence in the minds of the people, to get uninterrupted Banking services. The Business Correspondents also make regular visits to the Villages and do the Banking services at their doorstep.

EMPLOYEES STOCK OPTION SCHEME (ESOS)

The Bank implemented an 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 shares 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 Regulation"). As at the end of 31st March, 2020, we have so far granted ₹4.83 crore options and only ₹0.17 crore options are yet to be granted under the scheme.

The disclosures pursuant to Regulation 14 of SEBI SBEB Regulation have been set out in the website of the Bank and also the same is annexed here to 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. No options have been granted to any employees of the Bank during the reporting year under this new scheme.

HUMAN RESOURCE DEVELOPMENT

The Bank is committed to create a congenial working environment involving mutual trust and respect duly recognizing the talents, rights and dignity of each employee. Your bank places great value on developing and nurturing its human capital as a critical resource in its efforts for value creation. All CUBians (Employees) periodically undergo training programmes in-house or in reputed institutions like IIM, NIBM, CAB, CAFRAL, SIBSTC, IDRBT etc., for developing their functional and behavioral skills as also to align with the fast changing business needs. There exists a capacity building program in the Bank as per which employees are encouraged to qualify / get certified in various areas of Banking to grow personally as well as professionally, thereby contributing to overall growth of the organization. Further, as a part of succession planning, recruitment and promotion including lateral entries are undertaken periodically.

As in the past the Bank has maintained a cordial and healthy industrial relationship with the employees and we are happy to mention here that there has not been even a single occasion of employee unrest in the Banking history of CUB.

As on 31st March, 2020, the Bank has 5,741 on-roll employees comprising of 54 employees in Executive cadre, 2,270 in Middle Management cadre, 3,159 in Clerical cadre and 258 in Subordinate Staff cadre.

AUTOMATION

'Technology' plays a vital role in servicing the customers, managing and fulfilling the customer demands and providing enhanced quality service to the customers. In the backdrop of COVID-19 pandemic and when social distancing has become the order of the day, technology enables banks and other service industries deliver service to customers through different channels.

The Bank has implemented various Digital solutions/products to fulfil customer satisfaction, availability of services at all times, reduction of work pressure at branches and for providing efficient MIS information to Bank's management. The digital strategy encompasses initiatives focusing on Omni-channel experience, Self-service model, real-time analytics, lean footprint, operation efficiency and host of value added services to enrich and enhance customer experience. The Bank is deploying all possible technology enabled & digital payment systems to cater to the needs of the customers.

The Bank has deployed CBS (Core Banking Solution) BaNCS for transaction processing system developed by M/s Tata Consultancy Services, covering 100% of its business, which is being used by many major banks and other peers.

The Bank, as on 31st March, 2020, has deployed 2,847 self service touch points comprising of ATMs – 993, BRM – 799, Passbook Kiosk – 570 and Cheque deposit Kiosk – 485 for customer use. The Bank has also been spreading its Self Service Bank branches (e-Lounge) to cater customer needs and enabling our ATMs / BRMs for cardless deposit and withdrawals in addition to e-KYC processes.

Some of the recent technological developments are detailed below:

- The Bank introduced All-in-One Mobile Banking app with interactive voice chat available in four languages. It is the first of its kind in India. Bank's Internet Banking solution offers a variety of services to our customers.
- The Bank has obtained PCI DSS certification for the digital card environment, which only very few banks have obtained.
- Various services like CUB e-Wallet, Wealth Management, ASBA, 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 etc. are made available to our customers.
- The bank offers instant account opening through Welcome Kit, Video KYC through Selfie Banking, enabling DBT, Aadhaar Enabled Payment System (AEPS).
- Bank has efficient Fraud / Risk monitoring solution which detects anomalies in the customer transaction patterns and prevents frauds.
- Bank also provides facility for new generations - Banking via facebook. Customers can transact via facebook messenger while on chat.
- The Bank has rolled out FASTag facility for making payments by vehicles in Toll Plazas electronically through rechargeable prepaid instruments.
- The Bank introduced 'chat-bot' service, powered by 'Artificial Intelligence' that interact with the customers via chat interface either auditory (Ask Lakshmi) or textual (Chat-Box in website and social media).
- As a green initiative, Green PIN is enabled for PIN generation for ATM cards through OTP on customers' registered mobile. The bank also issues Credit Card and the customers are facilitated to get Virtual Credit Card through Internet / Mobile banking just by choosing their fixed deposit account. Customers have the option of availing SBI co-branded credit cards also.
- Customers can now set their own limit for the ATM, POS and Ecom channel transactions. They can disable a particular channel and can enable whenever required from mobile and net banking. They can enable/disable International usage of the card also through Net/Mobile Banking.
- Facility has been provided to customers to block Net-Banking/Mobile banking/ UPI by sending SMS to 9281056789 in the prescribed format – BLOCK {LOGINID} from the registered mobile number.
- Bank has provided EMV CHIP cards to all its customers to enhance additional security for card based transactions. All our ATMs are accepting EMV CHIP cards by reading CHIP and process the transactions in secured manner. The Bank also offers Prepaid / gift cards and Travel Cards to the customers.
- A customer friendly Contact Centre (Call Centre) with Interactive Voice Response System (IVRS), is put in place to promote customer support on multi-languages on 24x7 basis.

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. The same is fully functional at present.

- 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.

SUBSIDIARIES AND ASSOCIATES

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

BOARD MEETINGS

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 14 (fourteen) meetings were held, the details of which are given under report on Corporate Governance forming part of this report.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Since last reporting to the members of the Bank, there were no changes in the Board / KMP positions to the date of this report except Dr. N. Kamakodi, who was re-appointed by RBI as the Managing Director & CEO of the Bank w.e.f. 1st May, 2020. for a further period of three years. The relevant disclosures on his re-appointment are set-out in this report as well as the notice calling this Annual General Meeting.

Dr. N. Kamakodi, MD & CEO (DIN 02039618)

Pursuant to the provisions of Section 35B of Banking Regulation Act, 1949, the Reserve Bank of India vide its communication dated 20th April, 2020, accorded its

approval for the re-appointment of Dr. N. Kamakodi as the Managing Director & CEO of the Bank for a further period of 3 years w.e.f. 1st May, 2020.

As per the relevant provisions of Section 196 of the Companies Act, 2013, the re-appointment of Managing / Whole Time Director requires the approval of shareholders. The Board therefore recommends the re-appointment of Dr. N. Kamakodi as Managing Director & CEO of the Bank for approval by the shareholders in the Notice calling this Annual General Meeting. The relevant details pursuant to SEBI Listing Regulations 2015 and Secretarial Standard-2 of ICSI are disclosed separately in such notice.

Directors to retire by Rotation - The application of provisions of Section 152(6) arises only when the Board of Directors of the public company comprises of such number of directors who are not prohibited or restricted by the Act 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 this Annual General Meeting.

Declaration by Independent Directors

The Bank has received relevant declarations from all the Independent Directors under Section 149(6) and 149(7) of the Companies Act, 2013, notifications issued by the Ministry of Corporate Affairs and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and 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.

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.

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

Key Managerial Personnel

Dr. N. Kamakodi, Managing Director & CEO and Shri. V. Ramesh, Chief Financial Officer & Company Secretary, 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. Sundaram & Srinivasan, Chartered Accountants, Chennai was appointed as the Statutory Central Auditors of the Bank in the previous Annual General Meeting ('AGM') held on 29th August, 2019. The term of the present Auditor will conclude at the conclusion of the ensuing Annual General Meeting of the Bank and being eligible has offered themselves for re-appointment. 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 Sundaram and Srinivasan, Chartered Accountants, Chennai to act as Statutory Central Auditors for the Financial Year 2020-21. Based on the above, RBI vide its letter No. Dos.ARG.No.PS-13/08.13.005/2019-20 dt.17.06.2020 has given its approval for their appointment. Members are requested to consider and approve their appointment as Statutory Central Auditors of the Bank for FY 2020-21.

The Statutory Central Auditors have furnished their Report for FY 2020 which forms part of this report and there are no qualifications, reservations or adverse remarks made by the Auditors in their report. The Auditors while making reference to the impact of the pandemic COVID 19 on the global economy, has mentioned about the relief provided by the Bank to some of the borrowers, in line with the "COVID 19 Regulatory Package" announced by RBI (Refer Notes on Accounts No.12.14).

Further, the Auditors of the Bank has not reported any fraud u/s 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 2019-20. The report of Secretarial Auditor 'Secretarial Audit Report' in the prescribed format is annexed to this report as **Annexure II**.

There are no observations, reservations or adverse remarks made by the Secretarial Auditor in their report.

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.
- 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 has amended from time to time ("SEBI PIT Regulation") 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://cityunionbank.com/downloads/InsiderTrading_Mar2020.pdf

The Bank has taken necessary steps with KFin Technologies Private Limited (Registrar and Transfer Agents of the Bank) 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

There are no material changes and commitments affecting the financial position of the Bank which has occurred between the end of the financial year of the Bank i.e., 31st March, 2020 and the date of Directors Report i.e., 18st June, 2020.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, no significant and material orders have been passed by the Regulators.

POLICIES

Directors Appointments 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 incumbent 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 of the incumbent 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 such incumbent 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 set out 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, all top 500 listed entities (as at the end of financial year based on market capitalization) shall report a Business Responsibility Report describing the Bank's social, environmental and governance aspects. The same is set out as a separate report forming part of 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 Sections 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 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://cityunionbank.com/downloads/documents/Related%20Party%20Disclosure.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

Pursuant to Section 134(3)(a), of the Companies Act, 2013 (the Act), read with Rule 12(1) of Companies (Management & Administration) Rules, 2014 an Annual Return in form MGT - 9 as provided under Sub-section (3) of Section 92 of the Act is set out as **Annexure III**.

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, which

recommends and oversees the CSR initiatives of the Bank.

A Report on CSR activities as required under Rule 9 of the Companies (Corporate Social Responsibility) Rules 2014 is furnished under **Annexure IV** to this report.

The members are aware that in light of COVID 19 pandemic, during the initial stages our Government launched a mobile App. "Aarogya Setu" which is India's official App. to track the COVID-19 spread by registered users. The Bank takes pride in informing its shareholders that as part of its CSR initiatives during the reporting year, it has funded IIT Madras to facilitate the pre-launch Security Audit of Aarogya Setu mobile App. An appreciation letter given by Prof. V. Kamakoti, Associate Dean IC & SR - IIT Madras, Member of National Security Advisory Board and also, former Board member of our Bank, is set-out in page no. 45 of this report.

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

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

CORPORATE GOVERNANCE

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

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

MANAGEMENT DISCUSSION & ANALYSIS

A detailed Management Discussion and Analysis Report for the year under review as stipulated in SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 is presented as a separate section forming part of this Annual 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 power saving LED bulbs at majority of Branches and Central Office. Further, to make use of alternate source of energy, the Bank has installed solar power panels at some of its branches and has planned to implement the same at other branches too subject to feasibility.

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 V**.

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 VI**.

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 working in the Bank. The Bank has a policy on Prevention of Sexual Harassment at workplace which provides for adequate safeguards and

protection for women employees working in the organization. The Bank has complied with the requirement of constitution of Internal Complaints Committee under the Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013. No complaint was received in this regard during FY 2019-20.

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://cityunionbank.com/downloads/Whistleblower%20Policy.pdf>

All employees and directors have access to the Chairman of the Audit Committee in appropriate and exceptional 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) respectively relating to Meetings of the Board, its Committees and Shareholders. Further proper systems are in place to ensure compliance of all laws applicable to the Bank.

ACKNOWLEDGEMENT

The Board of Directors of the Bank would like to take this opportunity to thank all the 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, Stock Exchanges, Depositories, KFin Technologies Pvt. Ltd., Life Insurance Corporation of India, United India Insurance, New India Assurance, Star Health, BSE Star Mutual Fund, FISDOM, Tata Consultancy Services, CCIL, CIBIL, Correspondent Banks, Exchange Houses and other authorities.

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

For and on behalf of the Board

R. Mohan
Chairman

Place : Kumbakonam
Date : 18th June, 2020



ANNEXURE - I

The Shareholders of the City Union Bank Ltd. ("the Bank") had approved the Employees Stock Options Scheme at the Extraordinary General Meeting held on April 26, 2008. As per the Scheme, a total of 5,00,00,000 stock options were available for grant to the eligible employees of the Bank, through Primary Source.

The vested options are exercisable over a period of 5 years from the respective dates of vesting. During the financial year 2019-20 no fresh Employee stock options under CUB ESOS Scheme 2008 was granted. The option movement since inception of the scheme is detailed hereunder.

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	₹ 13.00 Per Option	₹ 32.00 Per Option	₹ 47.00 Per Option	₹ 46.95 Per Option	₹ 93.20 Per Option	₹ 88.05 Per Option	₹ 179.00 Per Option
Revised price due to corporate action	₹ 11.60 Per Option	₹ 26.91 Per Option	₹ 34.38 Per Option	₹ 38.80 Per Option	₹ 77.03 Per Option	₹ 72.77 Per Option	0
No. of options outstanding as on 1 st April, 2019	0	0	0	4,13,852	44,91,238	11,16,865	46,09,500
No. of additional options granted pursuant to corporate action 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	12,705	88,370	20,569	2,33,000
No. of options exercised during the year	0	0	0	1,74,451	21,14,036	2,94,791	2,35,125
No. of shares arising as a result of exercise of options during the year	0	0	0	1,74,451	21,14,036	2,94,791	2,35,125
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	67,68,699	16,28,44,193	2,14,51,941	4,20,87,375
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, 2020	0	0	0	2,26,696	22,88,832	8,01,505	41,41,375
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							
Dr. N. Kamakodi	-	-	-	-	1,51,250	-	-
Shri. R Venkatasubramanian	-	-	-	-	22,250	-	-
Shri. K P Sridhar	-	-	-	-	9,075	-	-
Shri. V Ramesh	-	-	-	-	3,025	1,815	-
Shri. K Maharajan	-	-	-	-	3,025	3,025	-
Shri. S. Mohan	-	-	-	-	6,050	-	-
Shri. K. Jayaraman	-	-	-	-	13,613	-	-
Shri. V. Gopalakrishnan	-	-	-	-	16,638	-	-
Shri. G.Sankaran	-	-	-	-	10,588	-	-
Shri. J. Sridharan	-	-	-	-	3,025	-	-
Shri. S. Ramesh	-	-	-	-	7,260	-	-
Shri. R. Balaji	-	-	-	-	12,100	-	-
Shri. S. Rajam	-	-	-	-	6,353	-	-
Shri. V. Ravi	-	-	-	-	4,538	3,025	-
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

Employee compensation cost calculated as per the intrinsic value method for the financial year 2019-20 is NIL. If the Employee compensation cost was calculated as per fair value method as prescribed under SEBI (Share Based Employee Benefits) Regulations, 2014, the total cost

to be recognized in the financial statement for the Financial Year 2019-20 would be ₹3,94,24,000/-. Consequently, net profit would have been reduced by ₹3,94,24,000/- and EPS would have been reduced by ₹0.053 per share.

Weighted Average Details

Particulars	
Weighted Average Market Price (In ₹)	138.88
Weighted Average Exercise Price (In ₹)	138.88
Weighted Average Risk Free Interest Rate (%)	7.53
Weighted Average Stock Volatility	0.0152
Weighted Average Fair Value of Options (In ₹)	41.70

The Company has adopted Black-Scholes model to arrive value of options granted under ESOS 2008 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.

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ANNEXURE - II

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020
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 called "the BANK") for the audit period covering the financial year ended on 31st March, 2020.

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 electronically 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, 2020 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, 2020, 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) Regulations, 2014
- e) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003
- (iv) The following Acts, Rules and Regulations are specifically applicable to the Bank:
 - a) The Banking Regulations Act, 1949
 - b) The Reserve Bank of India Act, 1934
 - c) Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
 - d) The Bankers' Books Evidence Act, 1891
 - e) Recovery of Debts due to Banks and Financial Institution Act, 1993
 - f) Credit Information Companies (Regulation) Act, 2005
 - g) Prevention of Money Laundering Act, 2002
 - h) The Deposit Insurance and Credit Guarantee Corporation Act, 1961
 - i) Industrial Disputes (Banking and Insurance Companies) Act, 1949
 - j) Information Technology Act, 2000
 - k) SEBI (Bankers to an Issue) Regulations, 1994

- l) Negotiable Instruments Act, 1881
- m) 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.

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, 1998.
- (ii) The Securities and Exchange Board of India (Delisting of Equity Shares Regulations) 2009
- (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 Company had no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., referred to above.

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

Sd/-

B. Kalyanasundaram

Company Secretary

ACS. No. A672 CP. No. 2209

UDIN: A000672B000339549

Place : Tiruchirapalli

Date : 12th June, 2020

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

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**ANNEXURE TO SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

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 Company. Our responsibility is to express an opinion based on our audit regarding the compliance by the listed entity only.
2. 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 electronically 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: A000672B000339549

Place : Tiruchirappalli

Date : 12th June, 2020

ANNEXURE - III

EXTRACT OF THE ANNUAL RETURN

Form MGT - 9 as on the financial year ended on 31st March, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the (Companies Management and Administration) Rules, 2014]

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I. REGISTRATION AND OTHER DETAILS :

Sl.No.	Particulars	Details
1.	CIN	L65110TN1904PLC001287
2.	Registration Date	31.10.1904
3.	Name of the Company	CITY UNION BANK LTD.
4.	Category / Sub-Category of the Company	Public Limited Company
5.	Address of the Registered office and contact details	149, T.S.R. (Big) Street, Kumbakonam - 612001, Tamilnadu. Tel : 0435 - 2432322
6.	Whether listed company	Yes, Listed in BSE and NSE.
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. KFin Technologies Private Ltd., (Unit : CITY UNION BANK LTD.) Karvy Selenium Tower B, Plot No.31&32, Financial Dist., Gachibowli, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana State, India. Tel : 040 - 67161509, Fax: 040-23420812 E-mail: einward.ris@kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the company shall be stated :-

Sl.No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Banking	64191	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl.No.	Name and address of the company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Not Applicable					

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual / HUF									
(b) Central Govt.									
(c) State Govt. (s)									
(d) Bodies Corporate									
(e) Banks / FI									
(f) Any Other									
Sub-Total (A) (1)					NIL				
(2) Foreign									
(a) NRIs - Individuals									
(b) Other - Individuals									
(c) Bodies Corporate									
(d) Banks / FI									
(e) Any Other									
Sub-Total (A) (2)									
Total Shareholding of Promoter									
(A)= (A) (1) + (A) (2)									
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	164801495	0	164801495	22.44	202268564	0	202268564	27.43	4.99
(b) Banks / FI	27668238	6050	27674288	3.77	30570833	6050	30576883	4.15	0.38
(c) Central Govt.	0	0	0	0	0	0	0	0.00	0.00
(d) State Govt(s)	0	0	0	0	0	0	0	0.00	0.00
(e) Venture Capital funds	0	0	0	0	0	0	0	0.00	0.00
(f) Insurance Companies	399910	0	399910	0.05	0	0	0	0.00	-0.05
(g) FIIs	178900494	0	178900494	24.36	153279897	0	153279897	20.79	-3.57
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00
(I) Others - Allternate Investment Fund	3507933	0	3507933	0.48	3740913	0	3740913	0.51	0.03
Sub-Total (B)(1)	375278070	6050	375284120	51.10	389860207	6050	389866257	52.88	1.78

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non- Institutions									
(a) Bodies Corporate									
i. Indian	59294411	592514	59886925	8.15	33133184	584541	33717725	4.57	-3.58
ii. Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals									
i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	141706670	20362890	162069560	22.07	139072351	15068766	154141117	20.91	-1.16
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	125997238	1327165	127324403	17.33	122703139	941230	123644369	16.77	-0.56
(c) Others									
i. Trusts	57245	77047	134292	0.02	49857	77047	126904	0.02	0.00
ii. NRI	3511830	0	3511830	0.48	3493142	0	3493142	0.47	-0.01
iii. Clearing Members	502629	0	502629	0.07	1456689	0	1456689	0.20	0.13
iv. NBFC	18528	0	18528	0.00	14808	0	14808	0.00	0.00
v. NRI Non - Repatriation	3880790	1	3880791	0.52	3978028	1	3978029	0.54	0.02
vi. IEPF	1887740	0	1887740	0.26	2040662	0	2040662	0.28	0.02
vii. Qualified Institutional Buyer	0	0	0	0.00	24839519	0	24839519	3.37	3.37
Sub-Total (B)(2)	336857081	22359617	359216698	48.90	330781379	16671585	347452964	47.12	-1.78
Total Public Shareholding									
B = (B) (1) + (B) (2)	712135151	22365667	734500818	100.00	720641586	16677635	737319221	100.00	0.00
C. Shares held by custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	712135151	22365667	734500818	100.00	720641586	16677635	737319221	100.00	0.00

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(ii) Shareholding of Promoters:

Sl.No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change in Share holding during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Not applicable								

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl.No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Bank	No. of Shares	% of total Shares of the Bank
Not applicable					

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl.No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAP OPPORTUNITIES FUND	32225288	4.39	32225288	4.39
	Add : Market Purchase on 12.04.2019	415712	0.06	32641000	4.44
	Market Purchase on 19.07.2019	411000	0.06	33052000	4.50
	As on 31.03.2020			33052000	4.48
2	LIFE INSURANCE CORPORATION OF INDIA	26901295	3.66	26901295	3.66
	Add : Market Purchase on 13.09.2019	392000	0.05	27293295	3.71
	Market Purchase on 20.09.2019	725622	0.10	28018917	3.81
	Market Purchase on 27.09.2019	170000	0.02	28188917	3.83
	Market Purchase on 17.01.2020	27110	0.00	28216027	3.83
	Market Purchase on 07.02.2020	209600	0.03	28425627	3.86
	Market Purchase on 14.02.2020	455951	0.06	28881578	3.93
	Market Purchase on 21.02.2020	281456	0.04	29163034	3.96
	Market Purchase on 28.02.2020	900000	0.12	30063034	4.08
	Market Purchase on 06.03.2020	400000	0.05	30463034	4.13
	As on 31.03.2020			30463034	4.13

Sl.No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Bank	No. of Shares	% of total Shares of the Bank
3	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND	19150045	2.61	19150045	2.61
	Add : Market Purchase on 05.04.2019	652309	0.09	19802354	2.70
	Less : Market Sale on 10.05.2019	(200737)	0.03	19601617	2.67
	Market Sale on 31.05.2019	(3178)	0.00	19598439	2.67
	Add : Market Purchase on 07.06.2019	431061	0.06	20029500	2.73
	Market Purchase on 14.06.2019	200000	0.03	20229500	2.75
	Market Purchase on 21.06.2019	484939	0.07	20714439	2.82
	Less : Market Sale on 28.06.2019	(18263)	0.00	20696176	2.82
	Add : Market Purchase on 12.07.2019	400000	0.05	21096176	2.87
	Market Purchase on 09.08.2019	94978	0.01	21191154	2.88
	Market Purchase on 16.08.2019	969946	0.13	22161100	3.01
	Market Purchase on 23.08.2019	1052988	0.14	23214088	3.16
	Less : Market Sale on 23.08.2019	(42417)	0.01	23171671	3.15
	Add : Market Purchase on 30.08.2019	280000	0.04	23451671	3.19
	Less : Market Sale on 13.09.2019	(8611)	0.00	23443060	3.19
	Add : Market Purchase on 20.09.2019	215451	0.03	23658511	3.22
	Less : Market Sale on 20.09.2019	(288902)	0.04	23369609	3.18
	Add : Market Purchase on 27.09.2019	195499	0.03	23565108	3.20
	Less : Market Sale on 27.09.2019	(410971)	0.06	23154137	3.15
	Add : Market Purchase on 04.10.2019	100000	0.01	23254137	3.16
	Market Purchase on 25.10.2019	269501	0.04	23523638	3.20
	Market Purchase on 01.11.2019	500000	0.07	24023638	3.27
	Market Purchase on 15.11.2019	100000	0.01	24123638	3.28
	Market Purchase on 22.11.2019	133202	0.02	24256840	3.30
	Less : Market Sale on 22.11.2019	(16127)	0.00	24240713	3.30
	Add : Market Purchase on 06.12.2019	90000	0.01	24330713	3.31
	Market Purchase on 20.12.2019	420000	0.06	24750713	3.36
	Less : Market Sale on 20.12.2019	(96162)	0.01	24654551	3.35
	Add : Market Purchase on 27.12.2019	123185	0.02	24777736	3.37
	Market Purchase on 17.01.2020	194239	0.03	24971975	3.39
	Market Purchase on 24.01.2020	105761	0.01	25077736	3.41
	Market Purchase on 31.01.2020	975648	0.13	26053384	3.54
	Market Purchase on 07.02.2020	727000	0.10	26780384	3.64
	Market Purchase on 14.02.2020	1286021	0.17	28066405	3.81
	Less : Market Sale on 14.02.2020	(35029)	0.00	28031376	3.81
	Add : Market Purchase on 28.02.2020	500000	0.07	28531376	3.88
	Market Purchase on 20.03.2020	270000	0.04	28801376	3.91
	Market Purchase on 27.03.2020	1183000	0.16	29984376	4.07
	As on 31.03.2020			29984376	4.07

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		No. of Shares	% of total Shares of the Bank	No. of Shares	% of total Shares of the Bank	
4	SMALLCAP WORLD FUND, INC	19845727	2.70	19845727	2.70	
	Less : Market Sale on 05.07.2019	(1002738)	0.14	18842989	2.57	
	Market Sale on 12.07.2019	(2215262)	0.30	16627727	2.26	
	Market Sale on 25.10.2019	(2363534)	0.32	14264193	1.94	
	Market Sale on 01.11.2019	(739199)	0.10	13524994	1.84	
	Add : Market Purchase on 22.11.2019	1788262	0.24	15313256	2.08	
	Market Purchase on 29.11.2019	718966	0.10	16032222	2.18	
	Market Purchase on 06.12.2019	858298	0.12	16890520	2.30	
	Market Purchase on 13.12.2019	2152346	0.29	19042866	2.59	
	Market Purchase on 27.12.2019	291428	0.04	19334294	2.63	
	Market Purchase on 10.01.2020	379017	0.05	19713311	2.68	
	Market Purchase on 17.01.2020	655996	0.09	20369307	2.77	
	Market Purchase on 07.02.2020	1112877	0.15	21482184	2.92	
	Market Purchase on 14.02.2020	322703	0.04	21804887	2.96	
	Market Purchase on 21.02.2020	431107	0.06	22235994	3.02	
	Market Purchase on 13.03.2020	317590	0.04	22553584	3.06	
	Market Purchase on 20.03.2020	383091	0.05	22936675	3.11	
	Market Purchase on 27.03.2020	88319	0.01	23024994	3.12	
		As on 31.03.2020			23024994	3.12
	5	HDFC LIFE INSURANCE COMPANY LIMITED	14952757	2.04	14952757	2.04
Add : Market Purchase on 05.04.2019		299843	0.04	15252600	2.08	
Market Purchase on 19.04.2019		470	0.00	15253070	2.08	
Market Purchase on 26.04.2019		112	0.00	15253182	2.08	
Market Purchase on 10.05.2019		250	0.00	15253432	2.08	
Less : Market Sale on 24.05.2019		(147843)	0.02	15105589	2.06	
Market Sale on 07.06.2019		(35218)	0.00	15070371	2.05	
Add : Market Purchase on 28.06.2019		164	0.00	15070535	2.05	
Market Purchase on 12.07.2019		83947	0.01	15154482	2.06	
Less : Market Sale on 19.07.2019		(500000)	0.07	14654482	2.00	
Add : Market Purchase on 02.08.2019		500	0.00	14654982	2.00	
Market Purchase on 09.08.2019		200	0.00	14655182	1.99	
Market Purchase on 30.08.2019		360	0.00	14655542	1.99	
Less : Market Sale on 06.09.2019		(508)	0.00	14655034	1.99	
Add : Market Purchase on 13.09.2019		200	0.00	14655234	1.99	
Less : Market Sale on 27.09.2019		(3000)	0.00	14652234	1.99	
Add : Market Purchase on 30.09.2019		819807	0.11	15472041	2.10	
Market Purchase on 04.10.2019		5198	0.00	15477239	2.10	
Market Purchase on 11.10.2019		250	0.00	15477489	2.10	
Market Purchase on 18.10.2019		75500	0.01	15552989	2.12	
Market Purchase on 15.11.2019		9856	0.00	15562845	2.12	
Less : Market Sale on 06.12.2019		(20334)	0.00	15542511	2.11	
Market Sale on 13.12.2019		(13472)	0.00	15529039	2.11	
Add : Market Purchase on 20.12.2019		28000	0.00	15557039	2.11	
Market Purchase on 03.01.2020		300	0.00	15557339	2.11	
Market Purchase on 10.01.2020		200	0.00	15557539	2.11	

Sl.No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Bank	No. of Shares	% of total Shares of the Bank
	Less : Market Sale on 17.01.2020	(20781)	0.00	15536758	2.11
	Add : Market Purchase on 24.01.2020	325	0.00	15537083	2.11
	Less : Market Sale on 31.01.2020	(28744)	0.00	15508339	2.11
	Add : Market Purchase on 07.02.2020	475400	0.06	15983739	2.17
	Market Purchase on 14.02.2020	200	0.00	15983939	2.17
	Market Purchase on 28.02.2020	700	0.00	15984639	2.17
	Market Purchase on 06.03.2020	189867	0.03	16174506	2.20
	Market Purchase on 13.03.2020	214288	0.03	16388794	2.22
	Market Purchase on 20.03.2020	1065522	0.14	17454316	2.37
	Market Purchase on 27.03.2020	1296032	0.18	18750348	2.54
	As on 31.03.2020			18750348	2.54
6	L AND T MUTUAL FUND TRUSTEE LTD- L AND T MID CAP FUND	16340438	2.22	16340438	2.22
	Add : Market Purchase on 05.04.2019	347289	0.05	16687727	2.27
	Market Purchase on 31.05.2019	133234	0.02	16820961	2.29
	Market Purchase on 14.06.2019	35780	0.00	16856741	2.29
	Market Purchase on 21.06.2019	247790	0.03	17104531	2.33
	Market Purchase on 28.06.2019	348564	0.05	17453095	2.38
	Market Purchase on 19.07.2019	244966	0.03	17698061	2.41
	Market Purchase on 26.07.2019	456503	0.06	18154564	2.47
	Market Purchase on 02.08.2019	102863	0.01	18257427	2.49
	Market Purchase on 16.08.2019	200000	0.03	18457427	2.51
	Less : Market Sale on 27.09.2019	(1000000)	0.14	17457427	2.37
	Add : Market Purchase on 11.10.2019	362680	0.05	17820107	2.42
	Market Purchase on 03.01.2020	425000	0.06	18245107	2.48
	Market Purchase on 17.01.2020	159511	0.02	18404618	2.50
	Market Purchase on 24.01.2020	90982	0.01	18495600	2.51
	Less : Market Sale on 07.02.2020	(220000)	0.03	18275600	2.48
	Add : Market Purchase on 20.03.2020	271913	0.04	18547513	2.52
	Less : Market Sale on 20.03.2020	(1475900)	0.20	17071613	2.32
	As on 31.03.2020			17071613	2.32
7	DSP EQUITY OPPORTUNITIES FUND	13489997	1.84	13489997	1.84
	Add : Market Purchase on 05.04.2019	209421	0.03	13699418	1.87
	Market Purchase on 03.05.2019	366296	0.05	14065714	1.92
	Market Purchase on 17.05.2019	314707	0.04	14380421	1.96
	Market Purchase on 14.06.2019	13440	0.00	14393861	1.96
	Market Purchase on 21.06.2019	431286	0.06	14825147	2.02
	Market Purchase on 12.07.2019	262600	0.04	15087747	2.05
	Market Purchase on 19.07.2019	10375	0.00	15098122	2.06
	Market Purchase on 23.08.2019	268883	0.04	15367005	2.09
	Less : Market Sale on 06.12.2019	(412773)	0.06	14954232	2.03
	Market Sale on 20.12.2019	(99683)	0.01	14854549	2.02
	Market Sale on 03.01.2020	(224109)	0.03	14630440	1.99
	Market Sale on 24.01.2020	(452736)	0.06	14177704	1.93
	Market Sale on 31.01.2020	(128254)	0.02	14049450	1.91
	Market Sale on 14.02.2020	(65149)	0.01	13984301	1.90

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		No. of Shares	% of total Shares of the Bank	No. of Shares	% of total Shares of the Bank
	Add : Market Purchase on 13.03.2020	894747	0.12	14879048	2.02
	Market Purchase on 20.03.2020	1843152	0.25	16722200	2.27
	As on 31.03.2020			16722200	2.27
8	VISALAM G As on 31.03.2020	15125000	2.06	15125000	2.06
				15125000	2.05
9	VILASINI VAIDYANATHAN As on 31.03.2020	15125000	2.06	15125000	2.06
				15125000	2.05
10	FRANKLIN INDIA PRIMA FUND	14620156	1.99	14620156	1.99
	Less : Market Sale on 17.05.2019	(200000)	0.03	14420156	1.96
	Add : Market Purchase on 13.12.2019	14420156	1.96	28840312	3.92
	Less : Market Sale on 13.12.2019	(14420156)	1.96	14420156	1.96
	Market Sale on 14.02.2020	(365977)	0.05	14054179	1.91
	Market Sale on 28.02.2020	(57530)	0.01	3996649	1.90
	Add : Market Purchase on 27.03.2020	200000	0.03	14196649	1.93
	As on 31.03.2020			14196649	1.93
11	GKFF VENTURES #	20214709	2.75	20214709	2.75
	Less : Market on Sale on 28.06.2019	(300000)	0.04	19914709	2.71
	Market on Sale on 05.07.2019	(101277)	0.01	19813432	2.70
	Market on Sale on 26.07.2019	(319643)	0.04	19493789	2.65
	Market on Sale on 09.08.2019	(752100)	0.10	18741689	2.55
	Market on Sale on 16.08.2019	(987375)	0.13	17754314	2.41
	Market on Sale on 23.08.2019	(1188000)	0.16	16566314	2.25
	Market on Sale on 30.08.2019	(663299)	0.09	15903015	2.16
	Market on Sale on 13.09.2019	(120000)	0.02	15783015	2.15
	Market on Sale on 20.09.2019	(316180)	0.04	15466835	2.10
	Market on Sale on 27.09.2019	(400000)	0.05	15066835	2.05
	Market on Sale on 22.11.2019	(600000)	0.08	14466835	1.97
	Market on Sale on 06.12.2019	(60242)	0.01	14406593	1.96
	Market on Sale on 14.02.2020	(300000)	0.04	14106593	1.92
	Market on Sale on 21.02.2020	(1000000)	0.14	13106593	1.78
	Market on Sale on 28.02.2020	(803000)	0.11	12303593	1.67
	Market on Sale on 20.03.2020	(515000)	0.07	11788593	1.60
	Market on Sale on 27.03.2020	(500000)	0.07	11288593	1.53
	As on 31.03.2020			11288593	1.53

Not in the list of Top ten shareholders as on 31st March, 2020. The same is reflected above since the shareholder was one among the Top ten Shareholders as on 1st April, 2019.

Note:

- i. Total paid up equity shares as on 1st April, 2019 - 73,45,00,818 and as on 31st March, 2020 - 73,73,19,221
- ii. As the Company is listed, its shares are traded on a daily basis and hence the above dates refer to the respective beneficiary position dates.
- iii. The holdings of the shareholders have been combined based on PAN and Folio No. / DP-Client ID.

(V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

Sl.No.	For Each of the Directors and KMP Sarvashri	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	R. Mohan As on 31.03.2020	1,45,200 -	0.02 -	1,45,200 1,45,200	0.02 0.02
2	Dr. N. Kamakodi Add : ESOP allotment on 07.08.2019 As on 31.03.2020	20,85,900 1,51,250 -	0.28 0.02 -	20,85,900 22,37,150 22,37,150	0.28 0.30 0.30
3	Smt. CA. Abarna Bhaskar As on 31.03.2020	36,377 -	0.01 -	36,377 36,377	0.01 0.00
4	M. Narayanan As on 31.03.2020	21,589 -	0.00 -	21,589 21,589	0.00 0.00
5	S. Bernard As on 31.03.2020	1,101 -	0.00 -	1,101 1,101	0.00 0.00
6	Subramaniam Narayanan Less: Inter-se transfer on 31.05.2019 As on 31.03.2020	2,87,108 (2,87,106) -	0.04 0.04 -	2,87,108 2.00 2.00	0.04 0.00 0.00
7	V. N. Shiva Shankar As on 31.03.2020	7,01,122 -	0.10 -	7,01,122 7,01,122	0.10 0.10
8	Dr. T. S. Sridhar As on 31.03.2020	110 -	0.00 -	110 110	0.00 0.00
9	K. Vaidyanathan Add : Market purchase on 10.05.2019 As on 31.03.2020	0 100 -	0.00 0.00 -	0 100 100	0.00 0.00 0.00
10	T. K. Ramkumar As on 31.03.2020	1,64,310 -	0.02 -	1,64,310 1,64,310	0.02 0.02
11	V. Ramesh (KMP) Add : ESOP allotment on 07.08.2019 Less : Market Sale on 06.12.2019 As on 31.03.2020	1,78,035 4,840 (4,100) -	0.02 0.00 0.00 -	1,78,035 1,82,875 1,78,775 1,78,775	0.02 0.02 0.02 0.02

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

A. Remuneration to Managing Director, Whole Time Directors and / or Manager :

Sl.No.	Particulars of Remuneration	Name of MD / WTD / Manager Dr. N. Kamakodi	Total Amount (₹)
1	Gross salary		11507070
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	10607000	
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	900070	
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	
2	Stock Option - Perquisites		15102313
3	Sweat Equity		-
4	Commission - as % of profit - others, specify		-
5	Others, please specify		
	- Variable pay (FY 2017-18)		2000000
Total (A)			28609383
Ceiling as per the Act		The Remuneration paid to MD & CEO is well within ceiling limits as prescribed under the provisions of the Companies Act, 2013	

B. Remuneration to other Directors :

Sl.No.	Particulars of Remuneration	Name of Directors (Shri. / Smt)	Total Amount (₹)
1	Independent Directors - Fee for attending Board / Committee meetings	R Mohan - Remuneration (including value of perquisites) - Sitting fees S. Mahalingam (Retd. on 03.05.2019) - Remuneration (including value of perquisites) - Sitting fees Abarna Bhaskar M. Narayanan S. Bernard Subramaniam Narayanan V.N. Shiva Shankar Dr. T.S. Sridhar K. Vaidyanathan T. K. Ramkumar Prof. V. Kamakoti (Retd. on 26.04.2019) Total	 1090323 1180000 137096 130000 1280000 960000 1010000 1210000 780000 770000 660000 600000 80000 9887419

Sl.No.	Particulars of Remuneration	Name of Directors (Shri. / Smt)	Total Amount (₹)
	- Commission	Prof. V. Kamakoti (Retd. on 26.04.2019)	750000
		Abarna Bhaskar	750000
		R. Mohan	750000
		M. Narayanan	750000
		S. Bernard	750000
		Subramaniam Narayanan	750000
		V.N. Shiva Shankar	750000
		Dr. T.S. Sridhar	750000
		Total	6000000
	- Others, please specify	NA	-
		Total (1)	15887419
2	Other Non-Executive Directors		
	- Fee for attending Board / Committee meetings		-
	- Commission		-
	- Others, please specify	NA	-
		Total (2)	-
		Total (B) = (1)+(2)	15887419
		Total Managerial Remuneration (A) + (B)	44496802
		Overall Ceiling as per the Act	NA

Note : Profit linked commission for F Y 2018-19 has been paid during F Y 2019-20.

C. Remuneration to key managerial personnel other than MD / MANAGER / WTD :

(in ₹)

Sl.No.	Particulars of Remuneration	Key Managerial Personnel	
		CFO & CS	Total
1	Gross Salary		3033134
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	3015486	
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	17648	
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	
2	Stock Option		497395
3	Sweat Equity		-
4	Commission		-
	- as % of profit	-	
	- others, specify	-	
5	Others, please specify		-
	Total		3530529

Note : The above remuneration details given for Shri. V. Ramesh – General Manager - CFO & CS for the entire FY 2019-20.

VII. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment as on 31.03.2020

(₹ in lakh)

Sl.No.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year				
	I) Principal Amount	0.00	48090.85	0.00	48090.85
	ii) Interest due but not paid	0.00	0.00	0.00	0.00
	iii) Interest accrued but not due	0.00	169.26	0.00	169.26
	Total (i+ii+iii)	0.00	48260.11	0.00	48260.11
	Change in Indebtedness during the financial year				
	Addition	3494129.56	1122771.73	0.00	4616901.29
	Reduction	3408670.00	1052920.80	0.00	4461590.80
	Net Change	85459.56	69850.93	0.00	155310.49
	Indebtedness at the end of the financial year				
	I) Principal Amount	85438.78	117801.53	0.00	203240.31
	ii) Interest due but not paid	0.00	0.00	0.00	0.00
	iii) Interest accrued but not due	20.78	309.51	0.00	330.29
	Total (i+ii+iii)	85459.56	118111.04	0.00	203570.60

VIII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (Give Details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty			NIL		
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

Place : Kumbakonam
Date : 18th June, 2020

R. Mohan
Chairman

ANNEXURE IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on Bank's CSR policy and the overview of activities undertaken :

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 hazard 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 2019-20 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) Promoting Scientific programs & Scientific Learning, Technology Incubators.

The complete details on the manner of spending are provided at the end of this report.

2. Web-link of the Bank's CSR Policy:
https://cityunionbank.com/downloads/CSR%20Policy_mar2020.pdf
3. CSR Committee Composition as on the latest date:

Dr. N.Kamakodi : Chairman of the Committee
Smt. Abarna Bhaskar : Member
Dr. T.S. Sridhar : Member
Shri. R. Mohan : Member
Shri. T.K. Ramkumar : Member

4. Average Net profits (Before Tax) for the last three financial years: ₹ 802,53,93,828/-
5. CSR Expenditure (2% of Item no. 4 above) : ₹16,05,07,877/-
6. Total amount spent : ₹17,06,33,579 (Includes an unspent amount of ₹3,22,72,962/- of FY 2019 spend during FY 2020 which has been detailed in the CSR Report).
7. Amount unspent for FY 2020: ₹2,21,21,383 (The amount has already been sanctioned and will be released in due course)

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Report on Corporate Social Responsibility

(₹ in crore)

Sl. No.	Sector	Projects	Locations	Budget project wise	Amount spent during FY 2020	Cumulative expenditure up to reporting period	Amount Spent : Direct or Through Agency
1	Cleanliness & Swachh Bharat Mission (N1)	Sanitation, Construction of toilets, Safe Drinking water and Solid waste management.	Hyderabad, Nagapattinam, Kumbakonam, Tiruvenkadu.	1.69	2.57	21.87	Direct
2	Literacy and Rural Sports (N2)	Construction / Restoration / Renovation of school building & classrooms, Provision of Smart Class, promotion of Scientific learning, Promoting rural sports & Nationally Recognized sports.	Rajkot, Thiruthuraiipoondi, Kottaiyur, Darasuram, Valangaiman, Neelathanallur, Papanasam, Chennai Kumbakonam. Thanjavur, Eravancheri, Chidambaram	3.70	3.85	12.89	Direct
3	Healthcare (N3)	Construction of hospital building, hospital development for Cancer patients, Organizing Health camps, Neurotherapy Service, contribution for artificial limbs to disabled persons, Fogging Sprayer Machines, dialysis machine etc.	Bangalore, Ludhiana, Trivandrum, Chennai, Coimbatore, Trichy, Kumbakonam & Several Villages	3.76	3.47	7.19	Direct
4	Protection of Art & Culture including Restoration of sites of historical importance (N4)	Protection of heritage sites and monuments of archaeological importance, promoting of art, culture and yoga	Palakkad, Chennai, Kovalam, Chidambaram, Ikkaraipuluvampatti, Darasuram, Trichy, Kumbakonam	0.63	0.73	4.96	Direct
5	Environment Sustainability and Social Community Development (N5)	Renovation, desilting and construction of retaining wall of water bodies, maintenance of public park, Providing community hall in several villages, distribution of sewing machines to poor and needy people, provision of battery cars at Govt hospitals, provision of roof top solar systems, supply of tricycles to disabled persons, providing CCTV / PA system for use of public.	Chennai, Madurai, Pudukottai, Cuddalore, Nagapattinam & Several Villages	5.22	5.39	11.99	Direct

Report on Corporate Social Responsibility

(₹ in crore)

Sl. No.	Sector	Projects	Locations	Budget project wise	Amount spent during FY 2020	Cumulative expenditure up to reporting period	Amount Spent : Direct or Through Agency
6	Disaster Relief.			-	-	2.31	Direct
7	Measures for benefit of Armed forces veterans, war widows and their dependents			-	-	0.42	Direct
8	Animal Welfare	Ghoshala Maintenance	Govindapuram	0.05	0.05	0.15	Direct
9	Contribution of funds to Technology Incubators	Development of open source platform, Employment enablement, Financial analytics -IIT Chennai,	IIT, Chennai	1.00	1.00	2.10	Direct
		TOTAL		16.05	17.06	63.88	

The total Amount spent includes an unspent amount of ₹ 3.23 cr of FY 2019, the details of which are as follows.

- N1 The total Amount spent includes the unspent amount of ₹ 0.96 cr of FY 2019.
- N2 The total Amount spent includes the unspent amount of ₹ 0.59 cr of FY 2019.
- N3 The total Amount spent includes the unspent amount of ₹ 0.13 cr of FY 2019.
- N4 The total Amount spent includes the unspent amount of ₹ 0.27 cr of FY 2019.
- N5 The total Amount spent includes the unspent amount of ₹ 1.28 cr of FY 2019.

DETAILS OF UNSPENT AMOUNT OUTSTANDING AS ON 31st March, 2020

(₹ in crore)

Financial Year	2019-20	2018-19
Unspent amount	2.21	1.48

The above unspent amount has been duly budgeted for the respective financial years and will be disbursed upon project completion in a phased manner as per requirements of CSR beneficiary.

The CSR Committee of the Board hereby confirms that the implementation and monitoring of CSR activities is in compliance with the provisions of Companies Act, 2013 and the CSR Policy of the Bank.

For and on behalf of the Board

Place : Kumbakonam
Date : 18th June, 2020

R. Mohan
Chairman



Professor V. Kamakoti

ASSOCIATE DEAN, IC & SR

July 14, 2020

To
Dr. N. Kamakodi,
Managing Director,
City Union Bank Ltd.,
Kumbakonam.

Dear Dr. N. Kamakodi,

Sub: Tracking the COVID Spread.

As you may be aware that our Hon'ble Prime Minister had launched the Aarogya Setu (AS) Mobile application through which citizens of our Country can report symptoms related to COVID. The application shall also find out if any COVID patient had come in close proximity to the user. The AS is one of the best contacts tracing application developed globally and currently used by more than 14 crore citizens.

I am happy to inform you that the Datalibre team from the Pratap Subrahmanyam Centre for Digital Intelligence and Secure Hardware Architecture, RISE Group, Department of Computer Science and Engineering, IIT Madras performed the Performance and Security Testing of the application prior to its launch. As witnessed the application had to cater to a large population and also handle their sensitive private health data. Both of these have been very successfully handled by the tool.

Subsequently, the massive data generated by the AS application was analysed to provide actionable insights to the different State Administration in the monitoring of COVID. The entire data analytics platform was setup on the open source datalibre stack of IIT Madras.

The building of Datalibre stack and the software team has been funded completely by the CSR grant from City Union Bank over the last three years. I thank CUB for this funding and support that has enabled us in building such critical platforms rapidly for our Country especially at a point of crisis.

Thanking You.

Yours Sincerely,

(V. Kamakoti)
Member, National Security Advisory Board
Former Director, City Union Bank

ANNEXURE - V

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 2020.	MD & CEO: 56.41x 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: 208.54% CFO & CS: 15.90% The remuneration of MD & CEO has increased in comparison with the previous year as a result of increase in the Salary and Perquisites. The remuneration on CFO & CS has been increased from the previous year as a result of increase in perquisite income and annual increment.
3	The percentage increase in the median remuneration of employees in the financial year.	The median remuneration of the employees was increased by 9.11% This increase in median remuneration is on account of the annual increment, Performance Linked Pay and increase in DA.
4	No. of permanent employees on rolls of the Bank.	5741 employees as on 31 st March, 2020.
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 8.07% in the Financial Year 2019-20. Average Managerial personnel salaries have increased by 160.90% in the Financial Year 2019-20. Employees' salaries increased as a result of annual increment, Performance Linked Pay and increase in DA. Salaries of Managerial Personnel have increased in comparison with previous year as a result of increase 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 : Kumbakonam
Date : 18th June, 2020

R. Mohan
Chairman

ANNEXURE - VI

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 2020.

Sl. No.	Name (Sarvashri)	Designation	Qualification	Age	Remuneration received (₹)	Experience (in yrs.)	a. Date of Commencement of employment b. Nature of employment, whether contractual or otherwise	Last employment
1.	Dr. N. Kamakodi	MD & CEO	B.Tech, MBA, CAIIB, Ph.D	45	286,09,383	16	18-06-2003	Director - BuPro Solutions (P) Ltd
2.	R. Venkatasubramanian	CGM	M.Com, MBA, M.Phil, CAIIB	57	61,36,276	10	14-10-2009	Kotak Mahindra Bank
3.	S. Mohan	AGM	MA, Post Graduate Diploma in Marketing and Finance Management	50	48,74,578	26	03-09-1993	Not Applicable
4.	V. Gopalakrishnan	DGM	BA	48	45,65,689	23	04-04-1996	Not Applicable
5.	K.P. Sridhar	SGM	MA, CAIIB	58	45,65,050	9	24-05-2010	State Bank of India
6.	R. Balaji	DGM	Bcom	53	39,56,962	31	02-06-1988	Not Applicable
7.	K. Maharajan	GM	BCom, AICWA, CAIIB	55	39,18,720	16	05-09-2003	Bharat Overseas Bank Ltd
8.	K. Jayaraman	DGM	BSc, CAIIB	46	37,40,238	23	06-11-1996	Not Applicable
9.	S. Mohan	GM	MA, ACS, CAIIB	56	36,01,389	30	03-04-1989	Not Applicable
10.	A. Rajaganesan	CM	Msc	56	35,58,755	31	02-06-1988	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, taxable perquisites and other retirement benefits as per Income Tax Act, 1961

For and on behalf of the Board

Place : Kumbakonam
Date : 18th June, 2020

R. Mohan
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.com	Financial Statements
Financial Year Reported	2019-20	
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 of Branches
List three key products / services that the Company manufactures / provides (as in Balance Sheet)	Retail Banking, Corporate Banking and Treasury	
Total number of locations where business activity is undertaken by the Company		Basel III
a. Number of international locations (provide details of major 5)	Nil	
b. Number of national locations	700 branches	
Markets served by the Company - Local / State / National / International	National	

Section B : Financial Details of the Company

1.	Paid up capital (INR)	₹ 73,73,19,221
2.	Total Turnover (INR)	₹ 48,48,54,90,163.32
3.	Total Profit after Taxes (INR)	₹ 4,76,31,54,930.28
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.90%
5.	List of activities in which expenditure in 4 above has been incurred	Refer Page No. 44 of 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
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.

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

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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?	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 banks internal policy namely HR Policy. The weblink of policies are as follows:

N2. CSR weblink: https://cityunionbank.com/downloads/CSR%20Policy_mar2020.pdf

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

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.
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.
P3.	Compensation Policy, Staff Rotation Policy, HR Policy, Mandatory Leave Policy, Training Policy and Policy on Prevention of Sexual Harassment.
P4.	The Bank through its Loan policy and Financial Inclusion programs addresses this principle to the benefit of disadvantaged, marginalized and the vulnerable.
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.

Principle wise policies :

Principle	Policy details
P6.	Given its nature and scope of activities the Bank does not have direct bearing on the applicability of the principle. Hence there is no specific policy. However, under CSR, the Bank takes up activities which promotes clean environment.
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 deputes Executives to represent the view of the Bank at such meetings. Also, the MD & CEO of the Bank is a member of IBA representing the Bank.
P8.	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, activities under Corporate Social Responsibility furthers these objectives.
P9.	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.

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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 s 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.

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

A total of 26,320 complaints were received from the Stakeholders (Shareholders & Customers) during the reporting year and 99.81% cases were resolved. Members may please refer Pg. No.65 for shareholders complaints and Pg. No.132 for Customer complaints in this Annual Report.

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.

- b. Agricultural Business: The Bank has a major presence in South India and considering the potential for Agri-Business, the Banks 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.

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?

- 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 us.

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 drained/ waste water from RO plants for various purposes thus promoting better water management. Towards electricity consumption, the Bank has started installing solar batteries in a few branches thus reducing the dependence on thermal power.

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 makes use of services of people belonging to weaker sections in the surrounding areas for the upkeep and maintenance of premises.

Further, in order to encourage and uplift the local and small vendors, the Bank procures goods like stationery, housekeeping items on a regular basis from them and, on marketing front gives job orders to local vendors etc.

- 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 : 5,741
2. Please indicate the total number of employees hired on temporary/ contractual/ casual basis : 82

3. Please indicate the number of permanent women employees :1,593
4. Please indicate number of permanent employees with disabilities : 14
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 -100%
Number of CUBSA - 57.65 %
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	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?
 - a. Permanent employees - 69.50%
 - b. Permanent women employees – 72.06%
 - c. Casual/ Temporary/ Contractual employees – 2.43%
 - d. Employees with disabilities – 71.42%

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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 17% 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.

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

Kindly refer Section E, Principle 1 (2).

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.

Though Banking business does not have a direct bearing on this principle, as part of initiatives Corporate Social Responsibility, the Bank supports such cause.

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 thro' 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 para 2 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:

City Union Bank Ltd. (CUB) is a member of Indian Banks Association (IBA)

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 IBA who actively represents the Bank participates in IBA council meetings. During such meetings, the MD & CEO of the Bank voices his views on various development policies beneficial for Banking industry.

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.

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?

The assessment of CSR activities of the Bank is carried out by respective Executives responsible for CSR.

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 2019-20, the Bank has spent ₹17.72 crore towards various CSR initiatives. For further details on CSR activities please refer **Annexure IV** to Directors' Report.

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?

Refer Principle 1 Point No.2

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 informations 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 behavior 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, frequent 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.

REPORT ON CORPORATE GOVERNANCE

(Forming part of the Directors' Report for the year ended 31st March, 2020)

Corporate Governance is the system of rules, 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 Director's Report for the Financial Year ended 31st March, 2020.

1. BANK'S PHILOSOPHY ON CORPORATE GOVERNANCE

City Union Bank Ltd., (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 code aims:

- a) to 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) to 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 of good Corporate Governance 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 2020, the Board comprised ten members consisting of Independent Part-Time Chairman, Managing Director & CEO, and eight 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 atleast 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 has identified the following core skills/expertise/competency for effective and dynamic board composition which is in line with Section 10A(2) of Banking Regulation Act, 1949 and relevant circular issued by RBI.

- i. Accountancy
- ii. Agriculture and Rural Economy
- iii. Banking
- iv. Co-operation
- v. Economics
- vi. Finance
- vii. Law
- viii. Small-scale industry
- ix. Human Resource
- x. Information Technology
- xi. Risk Management
- xii. Payment and Settlement Systems
- xiii. Business Management

The majority of Directors on the Board as on 31st March 2020 have special knowledge and practical experience in the above major areas which is detailed hereunder alongwith other disclosures.

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	Non-Executive Chairman (Independent)	Nil	145200
Dr. N. Kamakodi (DIN:02039618)	Banking	Managing Director & CEO	Nil	2237150
Smt. Abarna Bhaskar (DIN:06971635)	Accountancy and Banking	Independent Director	Nil	36377
M. Narayanan (DIN:00682297)	Accountancy, Agriculture & Rural Economy	Independent Director	Nil	21589
S. Bernard (DIN:01719441)	Banking and Accountancy	Independent Director	Nil	1101
Subramaniam Narayanan (DIN :00166621)	Accountancy and Finance	Independent Director	3	2
V.N. Shiva Shankar (DIN : 00929256)	Law and Accountancy	Independent Director	5	701122
Dr. T. S. Sridhar (DIN : 01681108)	Agriculture & Rural Economy, SSI and Co-operation	Independent Director	1	110
K. Vaidyanathan (DIN : 07120706)	Accountancy and Finance	Independent Director	2	100
T. K. Ramkumar (DIN : 02688194)	Law	Independent Director	Nil	164310

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As the Banking level scope is changing, different levels of expertise are required at the Board level to govern the affairs of the Bank. In addition to the skill sets mentioned in the above table some of the Board members possess experience / expertise in other areas as follows:

Smt. Abarna Bhaskar is a qualified Chartered Accountant. She has Banking experience with both Indian and International Banks. She has hands on experience in supervising the Risk Management department apart from handling Finance, Accounts and Taxation at various Banks.

Shri. M. Narayanan is a qualified Chartered Accountant and Cost Accountant. He is also having expertise in System Audit.

Shri. Subramaniam Narayanan is a qualified Chartered Accountant, Cost and Management Accountant, Company Secretary and MBA from IIM- Ahmedabad. Apart from skill sets given in above table, he brings into the Board the skill sets of Payment & Settlement system, Treasury, Risk Management, Information Technology, and Business Management through his experience in serving the Board of IT companies. Though he started his career as a Banker, he has gained experience across various asset classes

including bonds, currencies, equities in both Domestic & International markets.

Shri. V.N. Shiva Shankar is a qualified Lawyer, CS and Cost/Management Accountant with over 25 years of rich experience in Indian Corporate Sector. In addition to the skill sets mentioned in the above table, he holds expertise in Risk Management functions also.

Dr. T. S. Sridhar is qualified as MA, Ph.D. (Economics) and is a retired IAS Officer who holds 37 years of rich experience in rural development and Administration of Govt. Schemes. Apart from the skill sets mentioned in the above table he holds expertise in Human Resource and Economics as well.

Shri. K Vaidyanathan is a qualified Cost Accountant and Company Secretary He has over 40 years of rich domain experience in Financial and Management Accounting, Corporate Finance, Auditing and Regulatory Compliance. He is a Practicing Company Secretary. He also holds expertise in Compliance and Business management.

Shri. T K Ramkumar is one of the leading Lawyers in Chennai possessing special knowledge in Banking law, Company law and Intellectual Property Rights. He is also an active environmentalist.

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 29.08.2019	Directorship in other Public Ltd., Companies	Committee Membership (Chairmanship) in other Companies
	Held during the Tenure	Meeting Attended			
R. Mohan	14	14	Yes	Nil	Nil
Dr. N. Kamakodi	14	14	Yes	Nil	Nil
Smt. Abarna Bhaskar	14	14	Yes	Nil	Nil
M. Narayanan	14	14	Yes	Nil	Nil
S. Bernard	14	14	Yes	Nil	Nil
Subramaniam Narayanan	14	14	Yes	Nil	Nil
V. N. Shiva Shankar	14	14	Yes	2	Nil
Dr. T. S. Sridhar	14	14	Yes	1	Nil
K. Vaidyanathan (w.e.f. 03.05.2019)	12	12	Yes	Nil	Nil
T. K. Ramkumar (w.e.f. 17.06.2019)	10	10	Yes	Nil	Nil
S. Mahalingam (upto 03.05.2019)	2	2	NA	NA	NA
Prof. V.Kamakoti (upto 26.04.2019)	1	1	NA	NA	NA

Meetings held on: 25.04.2019, 03.05.2019, 17.05.2019, 17.06.2019, 18.07.2019, 08.08.2019, 28.08.2019, 23.09.2019, 07.11.2019, 22.11.2019, 21.12.2019, 12.02.2020, 28.02.2020 and 19.03.2020.

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.

Names of other Directorships held by Directors in Listed Entities - **NIL**

The meetings 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 investors section.

web link : https://cityunionbank.com/downloads/Familiarisation%20programe_apr2020.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.

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 ₹50,000/- and ₹10,000/- 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 1st 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 employees and KMP (except MD & CEO who is also a KMP) are remunerated pursuant to a separate memorandum of understanding entered into with the Officers Association, Staff Union and Executives.

ii. REMUNERATION PAID DURING FY 2019-20

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 2018-19 (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 2020.

The details of remuneration paid to Directors are furnished below:

(in ₹)

Name of Director (Sarvashri)	Salary/ Fixed Pay	Variable pay	Perquisites	Sitting Fees	Profit linked commission	Total Remuneration
EXECUTIVE DIRECTOR						
Dr. N. Kamakodi	1,06,07,000	20,00,000	1,60,02,383	-	-	2,86,09,383
NON-EXECUTIVE INDEPENDENT DIRECTORS						
R. Mohan	10,90,323	-	-	11,80,000	7,50,000	30,20,323
Abarna Bhaskar	-	-	-	12,80,000	7,50,000	20,30,000
S. Bernard	-	-	-	10,10,000	7,50,000	17,60,000
M. Narayanan	-	-	-	9,60,000	7,50,000	17,10,000
Subramaniam Narayanan	-	-	-	12,10,000	7,50,000	19,60,000
V. N. Shiva Shankar	-	-	-	7,80,000	7,50,000	15,30,000
Dr. T. S. Sridhar	-	-	-	7,70,000	7,50,000	15,20,000
K. Vaidyanathan	-	-	-	6,60,000	-	6,60,000
T.K. Ramkumar	-	-	-	6,00,000	-	6,00,000
S. Mahalingam	1,37,096	-	-	1,30,000	-	2,67,096
Prof. V. Kamakoti	-	-	-	80,000	7,50,000	8,30,000

Note 1. RBI vide its approval dt.20th April, 2020, revised the salary of Executive Director (MD & CEO) from ₹84 lakhs p.a. plus perquisites to ₹87 lakhs p.a. plus perquisites w.e.f. 1st May, 2019. The incremental pay / arrears shall be paid during the current financial year and variable pay paid to him during the FY 2020 pertains to FY 2018.

2. Profit Linked Commission for FY 2018-19 has been paid during FY 2020

It is 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 during the year under review carried 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 was 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 Executive 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, 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 2019-20.

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 fulfil the conditions specified under SEBI Listing Regulations and are Independent of the management.

G. 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, 2020

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 12 Board level Committees as of 31st March, 2020. The details on composition and attendance of members in various committees are as follows:

The terms and reference of various Committees of the Board 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.

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- 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	13	13
S Bernard (since 21.12.2019)	Independent	04	04
Smt. Abarna Bhaskar	Independent	13	13
Subramaniam Narayanan	Independent	13	13
R. Mohan (upto 22.11.2019)	Independent	09	09
S Mahalingam (upto 25.04.2019)	Independent	01	01

Meetings held on 25.04.2019, 16.05.2019, 17.06.2019, 18.07.2019, 08.08.2019, 28.08.2019, 23.09.2019, 07.11.2019, 22.11.2019, 21.12.2019, 11.02.2019, 28.02.2020 and 19.03.2020.

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, 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
Subramaniam Narayanan (Chairperson)	Independent	04	04
Smt. Abarna Bhaskar (upto 25.04.2019)	Independent	01	01
Dr. T S Sridhar (since 18.07.2019)	Independent	03	03
V. N. Shiva Shankar	Independent	04	04
K Vaidyanathan (since 18.07.2019)	Independent	03	03
Prof. V. Kamakoti (upto 25.04.2019)	Independent	01	01
S. Mahalingam (upto 25.04.2019)	Independent	01	01

Meetings held on: 25.04.2019, 18.07.2019, 07.11.2019 and 12.02.2020.

Name and Designation of the Compliance Officer : Shri. V. Ramesh, Company Secretary

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

Pending at the beginning of the year	:	0
Received during the year	:	5
Disposed off during the year	:	5
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
R. Mohan (Chairperson)	Independent	14	14
Dr. N. Kamakodi	Executive	14	14
Smt. Abarna Bhaskar	Independent	14	14
S Bernard (upto 22.11.2019)	Independent	10	10
Subramaniam Narayanan	Independent	14	14

Meetings held on: 25.04.2019, 03.05.2019, 17.05.2019, 17.06.2019, 18.07.2019, 08.08.2019, 28.08.2019, 23.09.2019, 07.11.2019, 22.11.2019, 21.12.2019, 12.02.2020, 28.02.2020 and 19.03.2020.

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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 and
- e. Performance of NPA accounts sold to ARCs

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
R. Mohan (upto 22.11.2019)	Independent	03	03
Smt. Abarna Bhaskar	Independent	04	04
M Narayanan	Independent	04	04
T K Ramkumar (since 28.02.2020)	Independent	01	01

Meetings held on: 17.06.2019, 23.09.2019, 22.11.2019 and 28.02.2020

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
Subramaniam Narayanan (Chairperson)	Independent	04	04
R. Mohan	Independent	04	04
Dr. N. Kamakodi	Executive	04	04
Abarna Bhaskar	Independent	04	04
K Vaidyanathan (since 28.08.2019)	Independent	03	03
Meetings held on: 17.06.2019, 28.08.2019, 22.11.2019 and 28.02.2020.			

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VI. Customer Service Committee

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

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

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

Composition and meeting details:

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
Dr. T. S. Sridhar (Chairperson)	Independent	02	02
R. Mohan	Independent	02	02
Dr. N. Kamakodi	Executive	02	02
Subramaniam Narayanan	Independent	02	02
Meetings held on: 23.09.2019 and 19.03.2020			

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:

- 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.
- Carry out the performance evaluation of every Director.
- Examine the vacancies that will come up at the Board on account of retirement or otherwise i.e., succession planning.
- 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.
- Identify persons who may be appointed in senior management and recommend to the Board of Directors as to their appointment and removal.
- 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.
- 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
M. Narayanan(Chairperson)	Independent	05	05
R. Mohan	Independent	05	05
Smt. Abarna Bhaskar	Independent	05	05
S. Bernard	Independent	05	05
Prof. V. Kamakoti (upto 25.04.2019)	Independent	01	01
Meetings held on: 25.04.2019, 03.05.2019, 17.06.2019, 18.07.2019 and 06.11.2019.			

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

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

- 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.
- Identify the reasons for delay in detection, if any, reporting to top management of the Bank and Reserve Bank of India.
- Monitor the progress of Police investigation and recovery position.
- 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.
- Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls.
- 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
Smt. Abarna Bhaskar (Chairperson)	Independent	06	06
Dr. N. Kamakodi	Executive	06	06
S. Bernard	Independent	06	06
Subramaniam Narayanan	Independent	06	06
T K Ramkumar (since 28.08.2019)	Independent	05	05
Meetings held on: 17.06.2019, 28.08.2019, 22.11.2019, 21.12.2019, 11.02.2020 and 28.02.2020.			

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
Subramaniam Narayanan (Chairperson)	Independent	04	04
R. Mohan	Independent	04	04
Smt. Abarna Bhaskar	Independent	04	04
S. Bernard	Independent	04	04
Meetings held on: 07.08.2019, 07.11.2019, 22.11.2019 and 28.02.2020.			

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
Subramaniam Narayanan (Chairperson)	Independent	04	04
R. Mohan	Independent	04	04
Dr. N. Kamakodi	Executive	04	04
Smt. Abarna Bhaskar	Independent	04	04
M. Narayanan	Independent	04	04
T.K. Ramkumar (since 08.08.2019)	Independent	03	03
S. Mahalingam (upto 25.04.2019)	Independent	01	01
Prof. V. Kamakoti (upto 25.04.2019)	Independent	01	01

Meetings held on: 25.04.2019, 08.08.2019, 22.11.2019 and 19.03.2020.

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 adjusted Net Income (NI) for last 3 years (i.e. 2% as per the Act) 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	03	03
R. Mohan	Independent	03	03
Smt. Abarna Bhaskar	Independent	03	03
S. Bernard (upto 18.07.2019)	Independent	02	02
Dr. T S Sridhar (since 18.07.2019)	Independent	02	02
T K Ramkumar (since 21.12.2019)	Independent	01	01
Meetings held on: 03.05.2019, 18.07.2019 and 21.12.2019			

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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	-	-
Dr. N. Kamakodi	Executive	-	-
M. Narayanan	Independent	-	-
S. Bernard	Independent	-	-
Meetings held on: There was no meeting during the year.			

Meeting of Independent Directors

The Independent Directors of the Bank met on 12th February, 2020, to discuss and review the following for FY 2019-2020:

- the performance of Non-Independent Directors and the Board as a whole;
- the performance of the Chairman of the Bank taking into account the views of Executive and Non-Executive Directors, and;
- the quality, quantity and timeliness of flow of information between the Bank management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meetings.

4. GENERAL BODY MEETINGS

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

Sl.No.	Date	Time	Venue	Special Resolutions considered there at
1.	29.08.2019	10:00 a.m.	"Raya Mahal", 45 - 46, Gandhi Adigal Salai, Kumbakonam - 612 001.	Resolution No.9 Re-appointment of Smt. Abarna Bhaskar as Independent Director. Resolution No.10 Issue of shares under Qualified Institutions Placement (QIP) route. Resolution No.11 Amendment to Articles of Association of the Bank.
2.	01.09.2018	10:31 a.m.		Resolution No.8 Issue of shares under Qualified Institutions Placement (QIP) route.
3.	23.08.2017	10:15 a.m.		Resolution No.10 Issue of shares under Qualified Institutions Placement (QIP) route. Resolution No.11 Issue / Grant of Stock Option to employees of the Bank under 'CUB ESOS SCHEME 2017'

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 AGM of the Bank. The detailed procedure for such voting is prescribed under Notice of 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://cityunionbank.com/downloads/documents/Related%20Party%20Disclosure.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. Further, during the year under review no reference was received from any source under Whistle Blower Policy.

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 Chairman at the Banks Administrative Office situated at Kumbakonam. The terms of 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 2020.

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 2020 the Bank has not raised any funds either through Preferential Allotment or Qualified Institutions Placement (QIP).

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

The Bank has obtained a certificate pursuant to Regulation 34(3) read with Schedule V of Listing Regulations, from M/s B. K. Sundaram & Associates, Practicing Company Secretaries, 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 AUDITORS

The Statutory Central Auditors were paid a remuneration of ₹30.37 lacs towards audit services for FY2020 including certification fee. Beside, they were paid a remuneration of ₹6 lacs towards branch audit, ₹20 lacs for having undertaken special assignment (CSITE/IT System Audit) and ₹11.50 lacs 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 received during the financial year : Nil

No. of Complaints disposed during the financial year : Nil

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

6. CERTIFICATION BY MD & CEO / 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 and the compliance of the same is affirmed by all Directors and Senior Management heads annually.

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

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.

weblink: <https://cityunionbank.com/investor/about-cub/quarterly-results>

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:

- Dinamalar / Daily Thanthi / Dinamani, local Tamil newspapers
- Business Line, a national English newspaper

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 IDs are registered with the respective depository participants.

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. Hard copies are sent to shareholders who have not registered as above and also to those who demand for the same in writing to the Bank or RTA.

10. GENERAL SHAREHOLDER INFORMATION

Date, Time and Venue of AGM	<p>14th August, 2020 10:15 a.m.</p> <p>The meeting will be held through Video Conferencing (VC)/Other Audio Visual Means (OAVM) as per MCA notifications dt.5th May, 2020, 13th April, 2020 and 8th April, 2020. Further details set out in the notice calling this AGM.</p>
Financial Year	1 st April, 2019 to 31 st March, 2020
Interim Dividend Payment Date	Declared on 19 th March, 2020 and paid on 29 th March, 2020 onwards.
Share Transfer Agent	<p>KFin Technologies Private Ltd., (Formerly Karvy Fintech Private Ltd.) (Unit: CITY UNION BANK LIMITED) Karvy Selenium Tower B, Plot No. 31 & 32, Financial Dist., Gachibowli, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana State, India. Ph: 040 - 67161509 / 67161592 Fax: 040 - 23420814 Toll Free No : 1800 - 345 - 4001 E-mail: einward.ris@kfintech.com</p>
Bank's Address for Correspondence	<p>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</p>
Company Secretary & Compliance Officer	Shri. V. Ramesh
Statutory Central Auditors	M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai
Listing on Stock Exchange and ISIN	<p>The shares of the Bank have been 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 East, Mumbai - 400 051.

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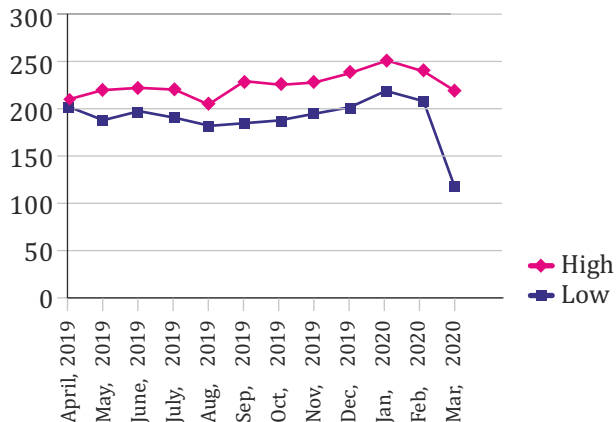
	The Annual Listing Fees payable to the Stock Exchanges for the Financial Year 2019-20, have been paid. ISIN : INE491A01021
Commodity Price Risk or Foreign Exchange Risk and Hedging Activities	The details are given under "Other disclosures" Sl. No.5 of this report.
Plant Operations	The Company being a Banking entity, disclosure on plant operations is not applicable.
Credit Rating	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.

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.

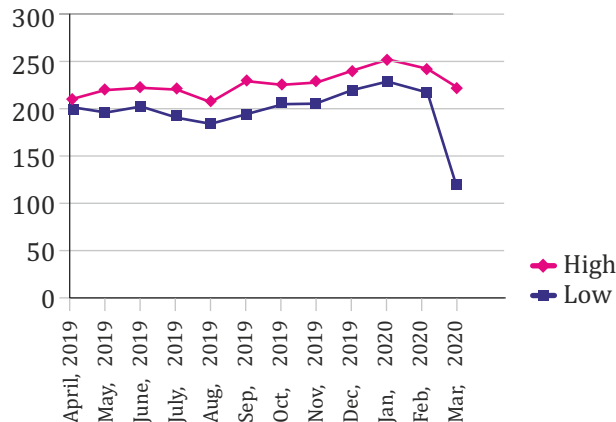
ii. **Market Price Data** : Low / High during each month of the Financial Year 1st April, 2019 to 31st March, 2020

Month	NSE		BSE	
	Low	High	Low	High
April, 2019	196.20	208.45	196.25	208.40
May, 2019	193.20	218.50	193.25	218.35
June, 2019	205.85	220.50	200.00	220.25
July, 2019	190.50	219.15	190.70	219.00
Aug, 2019	181.65	204.45	182.60	206.00
Sep, 2019	191.70	227.00	191.85	227.05
Oct, 2019	205.10	224.25	204.00	223.60
Nov, 2019	203.20	227.00	203.25	226.70
Dec, 2019	217.00	237.00	217.00	236.80
Jan, 2020	226.00	249.35	225.95	249.00
Feb, 2020	213.80	239.15	214.50	238.95
Mar, 2020	118.80	218.00	118.50	219.55

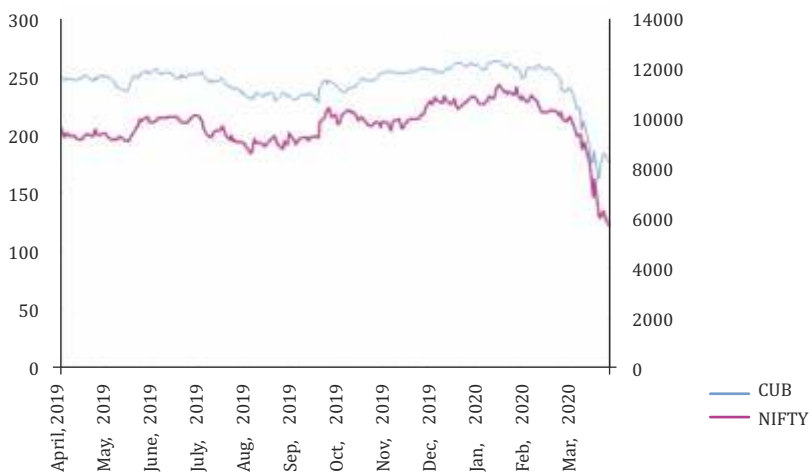
NSE - Market Price movements



BSE - Market Price movements



iii. a. Performance of the Bank's Equity shares as compared with NSE Nifty Indices during FY 2019-20



b. Performance of the Bank's Equity shares as compared with BSE Sensex indices during FY 2019-20



11. DISTRIBUTION OF SHAREHOLDING

(a) Share Distribution Schedule as on 31st March, 2020

Sl. No.	Category (No. of shares)	No. of Holders	% of Holders	No. of Shares	% to Share Capital
1.	1 - 5000	1,04,483	93.84	5,71,04,621	7.75
2.	5001 - 10000	2,942	2.64	2,09,65,975	2.84
3.	10001 - 20000	1,793	1.61	2,51,43,886	3.41
4.	20001 - 30000	639	0.57	1,56,65,413	2.13
5.	30001 - 40000	330	0.30	1,13,68,284	1.54
6.	40001 - 50000	218	0.20	97,97,826	1.33
7.	50001 - 100000	426	0.38	3,02,42,257	4.10
8.	100001 & above	514	0.46	56,70,30,959	76.90
	TOTAL	1,11,345	100.00	73,73,19,221	100.00

(b) Shareholding Pattern as on 31st March, 2020

Sl. No.	Category	No. of Shares	% of Shares
1	MUTUAL FUNDS	20,22,68,564	27.43
2	FOREIGN PORTFOLIO - CORPORATES	15,32,25,161	20.78
3	FOREIGN INSTITUTIONAL INVESTORS (FIIs)	46,476	0.01
4	FOREIGN PORTFOLIO INVESTORS (FPIs)	8,260	0.00
5	QUALIFIED INSTITUTIONAL BUYER	2,48,39,519	3.37
6	TRUSTS	1,26,904	0.02
7	ALTERNATIVE INVESTMENT FUND	37,40,913	0.51
8	NON RESIDENT INDIANS	34,93,142	0.47
9	NON RESIDENT INDIAN NON REPATRIABLE	39,78,029	0.54
10	CLEARING MEMBERS	14,56,689	0.20
11	INDIAN FINANCIAL INSTITUTIONS	3,04,63,034	4.13
12	BANKS	1,13,849	0.02
13	BODIES CORPORATES	3,37,17,725	4.57
14	DIRECTORS	33,07,061	0.45
15	DIRECTORS AND THEIR RELATIVES	1,96,27,295	2.66
16	RESIDENT INDIVIDUALS	22,25,43,583	30.18
17	H U F	1,47,12,460	2.00
18	EMPLOYEES	1,75,95,087	2.39
19	NBFC	14,808	0.00
20	I E P F	20,40,662	0.28
	Total	73,73,19,221	100.00

12. SHARE TRANSFER SYSTEM AND RELATED MATTERS

a. Shares Transfers

KFin Technologies Pvt., Ltd., Hyderabad, the Registrar and Share Transfer Agents (RTA) of the Bank, monitors the share transfer process. As per SEBI circular all share transfers shall only take place in demat mode with effect from 01st April, 2019. Now, the shares of the Bank are traded only in demat mode. The Bank obtains from a Company Secretary in practice, a half 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 half 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. share transfers, transmission, issuance of duplicate share certificate 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 informations 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.

b. Nomination Facility

Section 72 of the Companies Act, 2013 provides that every holder of a securities of a Company may, at any

time nominate, in the prescribed manner, any person to whom his Securities shall vest in the event of his death. Where the Securities of a Company are held by more than one person jointly, the joint holders may together nominate any person to whom all the rights in the Securities shall vest in the event of death of all the joint holders.

In view of the above, Shareholders may avail of the Nomination Facility. The relevant Nomination Form is appended at the end of this report. Please note that the Nomination shall be automatically rescinded on transfer / dematerialization of the shares.

c. Updation of Permanent Account Number (PAN) and Bank details:

SEBI vide its Circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 has constituted a Committee on "Strengthening the Guidelines and Raising Industry Standards" for RTA, Issuer Companies and Bankers to an Issue with the objective to streamline and strengthen the procedure and processes with regard to handling & maintenance of records, transfer of securities and payment of dividend / interest / redemption of securities. In this regard our Bank has issued notice / letter to the shareholders who have not updated the PAN and Bank account details in order to process the corporate benefits through ECS facility. The Bank has already provided the Electronic Clearing Service 'ECS' facility to its shareholder(s) who have already registered personal Bank details with the Bank's RTA / DP for availing various corporate benefits viz., Dividend etc., and get the credit in their registered Bank account by way of NEFT / RTGS / Direct credit.

As per the Bank's records on 31st March, 2020, 96% of the shareholder(s) have registered their ECS mandate. The shareholder(s), by availing this facility can mitigate the risk of Non / Late - Receipt of Dividend Warrants, loss, misplace, re-validation etc., and save their precious time involved in en-cashing the physical warrants.

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, 2019	12	7835
2.	No. of shareholders who approached the issuer for transfer of shares from the unclaimed suspense a/c during FY 2019-20	8	5231
3.	No. of shareholders to whom shares were transferred from the unclaimed suspense a/c during FY 2019-20	7	4787
4.	Aggregate no. of shareholders and the outstanding shares lying in the unclaimed suspense a/c at 31 st March, 2020	5	3048

14. TRANSFER OF UNCLAIMED / UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND

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 and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Bank's website.

Weblink: <https://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 2020 are as follows:

Financial Year	Amount of unclaimed dividend transferred	Number of shares transferred
2011 - 12	44,56,239	1,58,662

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 as per IEPF Rules.

The following table give information relating to outstanding dividends and the dates by which it can be claimed by the shareholders from the Bank's Registrar and Share Transfer Agent:

Financial Year	Date of declaration	Last Date for claiming unclaimed dividend
2018-19	29.08.2019	04.10.2026
2017-18	01.09.2018	06.10.2025
2016-17	23.08.2017	28.09.2024
2015-16 (Interim)	12.03.2016	17.04.2023
2015-16 (Final)	22.08.2016	27.09.2023
2014-15	24.08.2015	29.09.2022
2013-14	23.08.2014	28.09.2021
2012-13 (Interim)	20.05.2013	25.06.2020

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15. Dematerialisation of shares

The paid up capital of the Bank as on 31st March, 2020 is ₹ 73,73,19,221 which is duly listed in the stock exchanges NSE and BSE. Out of this

72,06,41,586 shares (97.74%) are held in De-mat mode and 1,66,77,635 shares (2.26%) 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, 2020.

Date: 2nd May, 2020
Place: Kumbakonam

Dr. N. Kamakodi
Managing Director & CEO

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

- We have examined the relevant registers, records, forms, returns and disclosures received 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 Company'), produced before us by the Company electronically for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- In our opinion and to the best of our information and according to the verifications of relevant records (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below as on the date of Financial Year ended on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India and/or the Registrar of Companies or such other authority under the Ministry of Corporate Affairs, New Delhi.

Sl. No.	Name of the Director as per DIN Sarvashri	DIN	Date of Appointment in the Company	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
6	THIRUVALLIANGUDI SRINIVASAN SRIDHAR	01681108	07-02-2018	Independent Director
7	BERNARD STEPHEN	01719441	21-07-2016	Independent Director
8	ABARNA BHASKAR	06971635	25-10-2014	Independent Director - Women Director

Sl. No.	Name of the Director as per DIN Sarvashri	DIN	Date of Appointment in the Company	Designation and remarks if any
9	VAIDYANATHAN KALYANASUNDARAM	07120706	03-05-2019	Independent Director
10	TIRUKKARUGAVUR KRISHNAMOORTHY RAMKUMAR	02688194	17-06-2019	Independent Director

3. It is the responsibility of the Board of Directors of the Company to ensure the eligibility for the appointments of Directors and their continuance as

Directors on the Board. Our responsibility is to express an opinion on the matter of non-disqualification of Directors in the Board.

Place: Tiruchirappalli
Date : 12th June, 2020

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

Sd/-
B. Kalyanasundaram

Company Secretary
ACS.No. : A672 CP No. 2209
UDIN: A000672B000339538

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

We, Dr. N. Kamakodi, Managing Director & CEO and V. Ramesh, Chief Financial Officer hereby certify that for the Financial Year ended 31st March, 2020, 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 FY ended 31.03.2020 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. 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.

Place: Kumbakonam
Date : 18th June, 2020

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 31st March, 2020, 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. Sundaram & Srinivasan**
Chartered Accountants
(Firm No. 004207S)

P. Meenakshi Sundaram
Partner
M.No. : 217914
UDIN : 20217914AAAADH4598

Place: Kumbakonam
Date : 18th June, 2020

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Scenario:

Global

Global economic growth for the year 2019, as per IMF registered 2.4% with 90% of advanced economies and 60% of emerging market economies experiencing varying degrees of deceleration last year. The United Nations, Department of Economic and Social affairs in its report dated September 01, 2019 had highlighted that Global Trade Conflict is a serious issue to global growth. The trade disputes heightened policy uncertainty, throughout the world for most of 2019. Trade tensions between USA & China, Delay in Brexit, Geo Political tensions (Iran and North Korea), social unrest (Syria, Venezuela, and Libya), oil market disruptions (Saudi Arabia) posed significant risk to all emerging market economies, including advanced economies of Europe. As the year 2019 drew to a close, Business and Stock markets ended on a positive note with gain in equities by almost 30% in USA and 18% in Japan. Overall year 2019, turned out to be not-so-bad year for markets since last decade and markets had no material risks to worry going into 2020, until the onset of COVID-19 pandemic.

During the last quarter of 2019-20, global economic activity exhibited symptoms of deceleration, due to the impact of the COVID-19 pandemic and the lockdown measures undertaken by the Central Governments of Advanced Western economies & Developing countries. The World Health Organization (WHO) declared the Novel Corona virus disease (COVID-19) a global pandemic, indicating significant and ongoing person-to-person spread in multiple countries, and its major threat to the global economy. Since March 2020, global economic activity has remained standstill under COVID-19 related lockdowns and social distancing norms. Among the key Advanced Economies (AEs), economic activity has contracted in the Euro area, Japan, Great Britain and United States of America in the first half of 2020. Among the Emerging Market Economies (EMEs), the Chinese economy went into a decline due to COVID-19, and the data on high frequency indicators also suggest that economic activities may have also shrunk in other Emerging Market Economies (EMEs) such as South Africa and Brazil. As per the forecast made by IMF (International Monetary Fund) on April 14, 2020, the global economy during the year 2020, is expected to plunge into the worst recession since the Great Depression of the 1930s and has termed it much worse than the Global Financial crisis. Further, according to World Bank report, the world

economy as a whole is set to witness its deepest recession since World War II, with a forecasted contraction of 5.2% this year. It is expected that tight financial conditions would persist around the world for longer, resulting in job losses and insolvency of firms.

The global pandemic has significantly impacted the economic growth of major economies. Amidst this gloom, majority of the Central Banks and Governments around the world have taken significant measures using various economic tools viz., easing of monetary, liquidity and regulatory policies etc., to deal with COVID-19 pandemic. The International Monetary Fund (IMF) & World Bank are facilitating financial aid to member countries to respond the crisis.

Indian

The Indian economy performed well in the first half of FY2020 mainly due to various policy measures taken by the New Government at the Centre. India's GDP (Gross Domestic Product) grew at 5.2% in Q1, 4.4% in Q2, 4.1% in Q3 & 3.1 in Q4, aggregating to a growth of 4.2% for the full year. The slowdown in last quarter has been due to decline in economic activity because of the countrywide lockdown due to COVID19. With the economy hit by pandemic towards the end, the GDP for FY2020 would be below the government target of 5%. The retail inflation touched a high of 7.59% in month of January 2020 and declined thereafter to close at 5.81%. Crude Oil remained volatile with geopolitical events, supply-demand mismatches and resurgence of trade barriers. The Brent crude oil hovered between \$74 / barrel and \$20 / barrel in the year. The Agriculture sector however proved to be a silver lining, necessitated by sowing of pulses, rice and oilseeds in the summer months. Agriculture and Allied activities were buoyed by increase in Kharif and horticulture production. Domestic Air Traffic, Passenger and Commercial vehicle sales, Domestic Tourism, Hospitality & Trade experienced sizeable contraction. There has been a decline in private domestic consumption due to contraction of manufacturing activities. As per RBI reports, it is difficult to assess the depth of the damage caused by the pandemic and estimate how long will it take to return to normal levels.

The Indian Banking Sector which experienced mounting NPA's in FY 2018-19 started showing signs of revival in the first half of FY 2019-20. FY 2019 also saw a steady flow of Foreign Direct Investment of which the banking and

financial sector received the highest share for the first three quarters of 2019-20. Public Sector Banks had also collectively posted net profits in the First Quarter of FY 2019-20 as against 2018-19. However the Banking sector as of now is facing a tough task due to COVID-19 pandemic. The banking sector is likely to witness a partial recovery, following the revival of economy and gradual easing of lockdown. Fiscal measures by the government and significant Monetary and Liquidity measures by RBI would go a long way in mitigating the adverse impact on domestic economy and help boost economic activity once normalcy is restored.

MONETARY POLICY AND INTEREST RATES

The Reserve Bank of India on the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) at its meeting held on May 22, 2020 made the following changes

- Reduced the policy repo rate under the Liquidity Adjustment Facility (LAF) by 40 bps to 4.0 per cent from 4.40 per cent.
- Marginal Standing Facility (MSF) rate and the Bank Rate were reduced to 4.25 per cent from 4.65 per cent.
- Reverse repo ratio under Liquidity Adjustment Facility (LAF) was reduced to 3.35 per cent from 3.75 per cent.

The Monetary Policy Committee (MPC) also decided to continue with its accommodative stance as long as it is necessary to mitigate the impact of COVID-19 on the economy and revive growth, and at the same time ensuring that inflation remains within the target. According to the Governor RBI, the Monetary Policy Committee (MPC) is of the opinion that the macroeconomic impact of the pandemic is more severe and various sectors of the economy are experiencing acute stress. The impact of the shock has been exacerbated by the interaction of demand compression and supply disruptions. Apart from the economic activity, health and livelihood are also severely affected. The MPC is of the view that the easing of financial conditions would facilitate the flow of funds at affordable rates and would pave a long way in reviving the economy and mitigate the impact of COVID-19, while ensuring that inflation remains within the target. The policy stance to address the growth concerns needs to be used to support the economy, and at the same time ensuring sufficient headroom for revival of activity in the future.

Towards the closing of the Financial Year 2019-2020, as the world was engulfed with Corona Virus pandemic, RBI came out with various measures like targeted long-term repo operation (TLTRO), reduction in daily CRR maintenance limits, moratorium on loans etc., to keep the economy afloat. Cash Reserve Ratio was reduced to 3.00% from 4.00% w.e.f March 28, 2020. CRR Daily Minimum maintenance changed to 80 % from 90 % upto September 25, 2020.

DOMESTIC TREASURY

Utilizing the favourable market scenario, the bank had booked profit to the tune of ₹159.60 crore as against ₹32.56 crore during the previous year. The Bank's gross Investments increased by ₹1373 crore to ₹9236 crore as on March 31, 2020 from ₹7863 crore as on March 31, 2019 and out of this, the investments in Government Bonds alone amounted to ₹8939 crore.

The financial year turned favourable for the bond market with the Government Securities yields starting to fall from the high of 7.47% to 6.07% during the year. The first half of financial year saw yield falling with various positive factors like the continuation of government in centre, benign inflation etc. The yield also saw spikes due to increase in core inflation and concerns about fiscal deficit which was offset by RBI's Open market intervention. The budget also helped with various measures like equity infusion in PSU banks and announcement of sovereign bond issue. However, the continued worries on growth and fiscal position of government, led the yields to reverse the trend. The various fiscal measures like surcharge hike and cut in corporate tax kept the yield volatile. The second half of the FY 2019-20 saw introduction of a new 10 year benchmark with a lower coupon. The continued support from the regulator with policy rate cut, and slew of measures like Operation twist capped the yield rise. The outbreak of the COVID 19 pandemic towards the closing of the year led the Reserve bank of India to advance its policy decisions. To ensure sufficient liquidity in the system under the pandemic situation, in addition to rate cuts, the central bank reduced Cash reserve ratio to 3% from 4%, daily maintenance of CRR reduced to 80% and moratorium of 3 months provided on loans. The yield of the 10 year benchmark closed at 6.14% for the year.

FOREX TREASURY

During the financial year 2019-20, Indian Rupee weakened against USD by 9.4% and the major reason being US China trade war and Corona Virus outbreak.

Indian Rupee against USD opened at ₹69.15 and closed at ₹75.66. The large FPI outflows towards the second half of FY aggravated the situation. Compared to other currencies, Indian Rupee performed better with RBI's intervention. The low crude oil prices kept the rupee from weakening further. With a healthy foreign exchange reserves, the Indian Rupee remained at a comfort zone against USD. During FY 2019-20, profit on our foreign exchange operations stood at ₹84.62 crore as against ₹54.46 crore during the previous year.

SOME NOTABLE UPDATES IN BANKING INDUSTRY

"The RBI announced additional regulatory measures on March 27, 2020, April 17, 2020 and May 22, 2020, to ease financial stress. Some of key directions are as follows:

- a) Granting of Three months moratorium on term loan installments which were further extended till August 31, 2020 vide RBI notification dated May 22, 2020.
 - b) Easing of working capital financing requirements by reducing margins/ reassessment of working capital cycle.
 - c) Deferment of interest by six months on Working Capital facilities.
 - d) Extension of timelines for resolution of stressed assets.
 - e) Asset classification standstill by excluding the moratorium period of 3 months by lending institutions.
 - f) Exemption from defaulter classification in supervisory reporting and reporting to credit information companies.
- RBI has permitted the lending institutions to convert the accumulated interest on working capital facilities over the total deferment period of 6 months (i.e., March 01, 2020 till August 31, 2020) into a funded interest term loan which shall be repaid by the close of the current year ending March 31, 2021.
 - RBI has increased the period of realization and repatriation of export proceeds to India from nine months to 15 months from the date of export in respect of exports made up to or on July 31, 2020 to offer relief to exporters who have been facing extreme difficulties such as postponement of export orders and delay in realization of export proceeds.
 - In the recently announced Budget Hon'ble Finance Minister has allowed DICGC (Deposit Insurance and Credit Guarantee Corporation) to raise deposit insurance coverage to INR 5 lakh from INR 1 lakh. The premium has since been revised from 10 paise to 12 paise per ₹100, per year for the premium payable covering 1st half of FY 2021.
 - COVID-19 has created immense difficulties in raising resources from the capital market. RBI has therefore increased the Group exposure limit of banks from 25 per cent to 30 per cent of eligible capital base, for enabling corporate sector to meet its funding requirement from banks. The increased limit will be applicable up to June 30, 2021.
 - In the wake of COVID 19 pandemic, the RBI, directed all Bank's to conserve their capital at times of prevailing uncertainty and prevented all banks from making any dividend payments for FY 2019-2020, which shall be reviewed by RBI based on the financial position of banks as on September 30, 2020.
 - RBI announced the creation of Payments and Infrastructure Development Fund (PIDF) on June 05, 2020 to encourage acquirers to deploy Points of Sale (POS) infrastructure, both in digital and physical mode in tier-3 to tier 6 centers and in North Eastern States. RBI would make an initial contribution of Rs.250 crores to the fund and the balance would be from the card issuing banks. As the payments ecosystem in the country developed with a wide array of options such as bank accounts, mobile phones, card etc., it was decided to give it further impetus to the digitization of payments systems across the country. The PIDF will be governed by an Advisory Council and administered by RBI.
 - The Hon'ble Prime Minister of India announced a special economic package called the "Aatmanirbhar Bharat Abhiyan" (Self Reliant India campaign) on May 14, 2020 amounting to ₹20 lakh crore, which is almost equal to 10% of India's GDP. The special package mainly targets MSMEs which were either saddled with stressed accounts or non - performing assets but functioning. The Aatmanirbhar Bharat package included the following important measures
 1. Collateral free automatic loans for business - MSMEs.
 2. Subordinate debt for stressed MSMEs.

3. Equity infusion through MSME Fund of Funds.
 4. ₹4000 crore provided to CGTMSE (Credit Guarantee Fund Trust for Micro and Small Enterprises).
 5. Reclassification of MSME sector based on Investment criteria dated June 01, 2020.
 6. Liquidity injection for Discoms.
 7. Special Refinance facilities to Nabard, SIDBI, NHB at the policy repo rate.
- The Finance Ministry has allocated ₹ 40,000 crore to MGNREGA (Mahatma Gandhi Rural Employment Guarantee Scheme) as a relief measure to migrant workers returning home due to COVID-19 pandemic.

YOUR BANK'S PERFORMANCE

Given the market conditions, your Bank recorded a moderate growth rate during the year. The credit growth remaining subdued during the year, the biggest challenge faced by the Banking system was dealing with stressed assets, restructured debts and NPA accounts. Despite these challenges, the Bank was able to post a 5% growth in its total business, with Deposits growing by 6% and Gross Advances growing by 5%. The total business of the Bank as on March 31, 2020 stood at ₹75,408 crore.

The Bank has made efficient use of technology to fulfill various banking needs of its customers. The Bank offers wide range of customer centric services in order to deepen the customer relationship and attain overall business growth. It is committed to the best practices in terms of product offerings, technology, service levels, risk management, audit and compliance. The Bank is committed to do so by ensuring the highest levels of compliance, ethical standards, professional integrity and Governance practices. The Bank understands and respects its fiduciary role and responsibility to all stakeholders and strives to meet their expectations. The cardinal principles of independence, accountability, responsibility, transparency, fair and timely disclosures serve as the basis of our approach to good corporate governance.

Financial Performance

The performance of the Bank during the financial year ended March 31, 2020 remained stable with a total income of ₹4,848.55 crore as compared to ₹4,281.55 crore during the previous year recording growth of 13% and Net Interest Income recorded a growth of 4% to ₹1,675.19 crore from ₹1,611.49 crore last year.

As on March 31, 2020, the Deposits of the Bank increased to ₹40,832.49 crore as compared to ₹38,447.95 crore as at March 31, 2019. Total CASA improved by 5% from ₹9,698.19 crore last year to ₹10,196.95 crore in FY 2019-20. The proportion of CASA to total deposits was at 25% as on March 31, 2020. The cost of deposits stands slightly increased to 6.20% for FY 2020 against 6.17% as at March 31, 2019.

The Gross Advances of the Bank increased by ₹1,510.92 crore to ₹34,576.17 crore from ₹33,065.25 crore, posting a growth of 5% coupled with a Net Interest Margin (NIM) of 3.98% for the year ended March 31, 2020. The yield on advances declined to 10.76% from 10.95% during the financial year due to transmission of policy rates and also stiff competition among banks. Other income earned for the financial year ended March 31, 2020 has improved significantly to ₹679.95 crore from ₹514.39 crore last year mainly on account of treasury income. The Return on Assets as on March 31, 2020 was 1% and for March 31, 2019, it was 1.64%.

As the credit growth was slightly sluggish during the year, the investment of the bank rose to ₹9,236.25 crore against ₹7,863.33 crore in FY 2019. The yield on 10 year benchmark closed at 6.14% in March 2020, amidst surging crude oil prices, CPI being higher than RBI target for several months. Despite positive triggers provided by Government of India, overall negative sentiments weighed on markets. Through the timely sale of securities, the Bank had booked a profit to the tune of ₹159.60 crore as against ₹32.56 crore during the previous year.

During FY 2020, operating expenses increased by 14% to ₹1,013.74 crore from ₹885.89 crore in FY 2019. The staff expenses increased from ₹364.44 crore last year to ₹420.65 crore in FY 20. During the year, the Bank had opened 50 new branches and increased the number of ATMs to 1,793 which resulted in higher infrastructure and staffing expenses. The other operating expenses increased from ₹521.45 crore to ₹593.09 crore which was due to normal increase in expenses like rent, telephones and repairs & maintenance etc. The Cost to Income ratio was at 43.04% for the year ended March 31, 2020 as against 41.67% in the previous year.

Thus, the Bank has recorded a growth of 8% in Operating Profit from ₹1,239.99 crore in FY 2018-19 to ₹1,341.40 crore in FY 2019-20. The operating profit to NII constitutes 80%. The total provisions for FY20

increased to ₹865.08 crore from ₹557.14 crore in FY19. Tax provision decreased to ₹110 crore in FY 20 as against ₹242 crore last year on account of reduction in tax rate. The provision for NPA had increased to ₹631 crore in FY 2020 against ₹270 crore in FY 2019 on account of increase in slippages. The Bank had also made COVID provision to the tune of ₹102 crore over and above the regulatory requirement.

The Bank recorded a Net Profit of ₹476.32 crore as on March 31, 2020.

Return on Assets of the Bank for the FY 2019-20 stands at 1% and Return on Equity was at 9.47. The basic earnings per share stood at ₹6.48 per share as compared to ₹9.57 per share last year. The book value per share of the Bank increased from ₹65.91 to ₹71.83 as on March 31, 2020 as compared to previous year.

Operational Performance

The incremental growth in the operational performance as well as certain key percentages is are as follows :

(₹ in cr)

Particulars	FY 2020	FY 2019
Deposits (₹ in cr)	2,384.54	5,595.33
Gross advances (₹ in cr)	1,510.92	4,826.67
Net Interest Income (₹ in cr)	63.70	181.19
Number of Branches (in Nos.)	50	50
Staff productivity (₹ in cr)	13.13	12.96
Cost of Deposits (%)	6.20%	6.17%
Yield on Advances (%)	10.76%	10.95%
Total Yield on Investments (%)	8.44%	7.36%

Segmentwise Performance

A. Deposits of the Bank comprise of the following :

Sl. No.	Particulars	Amount (₹ in crore)	Percentage to total (%)
1.	Demand Deposit	2,924.40	7.16
2.	Savings Deposit	7,272.55	17.81
3.	Term Deposit	30,635.54	75.03
	Total	40,832.49	100.00

The total investments stood at ₹9,236.25 crore as at 31st March, 2020 as against ₹7,863.33 crore as at 31st March, 2019.

B. Investments of the Bank consist of the following :

Sl. No.	Particulars	Amount (₹ in crore)	Percentage to total (%)
1.	Government Securities	8,939.49	96.79
2.	Other Approved Securities	NIL	NIL
3.	Shares, Debentures / Bonds and Mutual funds	49.18	0.53
4.	Security Receipts	247.36	2.68
	Investments in India	9,236.03	100.00
5.	Investments in Equity Shares of SWIFT (Investment outside India)	0.22	NIL
	Total Investments	9,236.25	100.00

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	Gross Profit (₹ in crore)	Percentage to total (%)
Treasury	472.58	35.23
Corporate Banking	359.06	26.77
Retail Banking	492.68	36.73
Other Banking Operations	17.08	1.27
Total	1,341.40	100.00

During the year the total revenue generated from Treasury Operations amounted to ₹908.95 crore as against ₹663.93 crore in previous year. The increase in Treasury income could be attributed to the fact that the Indian Rupee performed better with RBI's intervention and our bank booked significant profit through timely sale of securities. The total revenue generated from Corporate /Wholesale Banking amounted to ₹1,327.97 crore as against ₹1,251.84 crore last year. The Retail Banking

segment generated revenues of ₹2,588.82 crore as against ₹2,344.84 crore last year. This can be attributed to a good performance in the domestic Banking space by our Bank due to growth in Deposits and Advances. Revenues generated from other Banking operations rose to ₹22.81 crore this year, compared to ₹20.95 crore last year. Thus all the segments showed an increasing trend in revenue generation for our Bank.

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ASSET QUALITY AND LOAN COMPOSITION

A. Asset Quality

The Gross NPA as at March 31, 2020 increased to ₹1,413.40 crore (4.09%) as against ₹977.05 crore (2.95%) in FY 2019. The Net NPA stands increased to ₹778.49 crore (2.29%) in FY2020 as against ₹ 591.46 crore in FY 2019 (1.81%). The first 9 months recovery was ₹254 crore and in Q4, the Bank has recovered ₹46 crore only because of the lockdown. The Provision Coverage was 65% as at March 31, 2020 (Previous year 63%).

As per the Reserve Bank of India guidelines, banks are required to make a provision of 10% (5% in Q4 FY 20 and 5% in Q1 FY21) for accounts where the asset classification benefit was extended. Accordingly, as a prudent measure our bank has made a provision of ₹125 crore in the current quarter, which includes an adhoc Covid-19 provision of ₹102 crore over and above the RBI prescribed norms.

Priority Sector Advances stood at ₹17,506.89 crore as on March 31, 2020 as compared to previous year amount of ₹16,413.06 crore. The total agricultural advances stood at ₹5,463.85 crore as on March 31, 2020 as against ₹4,878.47 crore as on March 31, 2020. During the year the bank had achieved all its targets / sub-targets as specified by RBI.

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 w.r.t. advances. As aforesaid, the Bank improved its Gross Advances to ₹34,576.17 crore as at March 31, 2020 of which ₹8,149.57 crore were directed to major industries and ₹26,426.60 crore to other sectors.

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, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
Major Industries	8,149.57	7,972.21	24 %	24%
Textile	3,719.36	3,503.08	11%	11%
Metal	1,660.10	1,621.42	5%	4%
Paper & Paper Products	710.38	706.60	2%	2%
Food Processing	87.98	194.07	0%	1%
Chemicals	355.85	303.85	1%	1%
Rubber & Plastics	423.45	385.34	1%	1%
Engineering	576.05	622.29	2%	2%
Beverage & Tobacco	38.37	43.11	-	-
Automobiles	192.15	235.69	1%	1%
Other Industries	385.88	356.76	1%	1%
All other Advances				
(Agri., Trade Service, Gold Loan etc.)	26,426.60	25,093.04	76%	76%
TOTAL	34,576.17	33,065.25	100%	100%

Sectoral Deployment

Sector	Amount (₹ in cr.)		% to Total Advances	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
Agriculture	5,463.85	4,878.49	16%	15%
MSME	10,753.12	10,280.96	31%	31%
Large Industries	2,138.67	2,218.80	6%	7%
Retail Traders	943.08	1,137.17	3%	3%
Wholesale Traders	4,806.78	4,588.37	13%	14%
Commercial Real Estate	2,770.03	1,954.80	8%	6%
JL Non Agriculture	713.06	350.64	2%	1%
Housing Loans	2,283.29	2,109.07	7%	6%
Other Personal Loan	1,017.67	1,317.72	3%	4%
Loans Collateralized by deposits	585.87	582.88	2%	2%
Infrastructure	372.99	353.39	1%	1%
NBFC	288.59	249.37	1%	1%
Others	2,439.17	3,043.59	7%	9%
TOTAL	34,576.17	33,065.25	100%	100%

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OPPORTUNITIES AND THREATS

City Union Bank is a prominent and major player in Southern states of India. There is an ample opportunity for the Bank in the years to come to enlarge its presence across the length & breadth of India and become a major player in the National Banking Space.

The opening up of the domestic Banking sector to numerous Fin Tech Companies, Large Technology Companies (Big Techs) have led to multiple players offering banking services posing a threat to traditional banks. Post Offices which have a large presence in India are offering Banking services through their Postal network in the form of India Postal Payments Bank. With their vast network and large customer base they have been able to cater to the Banking needs of unbanked segments at lower cost compared to Banks.

Emergence of Large Technology Companies (Big Techs) have also further dented the Retail Banking space. Building on the advantages of their data-network activities, they are venturing into payments, money management, insurance and lending activities. Given their size and reach, they have the potential to bring about

rapid transformation of the financial sector landscape. Using big data, Big Techs can assess the riskiness of borrowers, reducing the need for collateral, thereby providing basic financial services to the unbanked population.

Harnessing, the Bank's technological prowess, our Bank has adopted numerous digital platforms to offer Banking services to its clientele, such as Mobile Banking, PoS (Point of Sale), Social Media Banking, CUB Fastag, CUB Digital Insta Loans, CUB-SBI Co-branded Credit Cards, CUB Easy, CUB Spend Analyser, CUB Prepaid Travel Card and Wealth Management services.

In enabling customers to do their banking operations from their home, which is very much required, in the current COVID context, our Bank has launched Video KYC account opening app. - Yet another technology based solution. General public can open a Savings account instantly in few minutes. All they need is their Aadhaar, a registered mobile number and their PAN to open an account. Indian Banking Sector is poised to move forward to a higher orbit, the bank has to constantly reinvent itself to remain relevant in the changed economic landscape by designing new products, and redesigning existing ones

with a customer focus in mind on improving its efficiency. There is enormous potential in the banking arena and the bank should seize those opportunities to achieve a high growth trajectory in the years to come.

RISK MANAGEMENT

The main objective of risk management of the Bank is to balance between risk and return. The Bank operates within the Board approved risk policy, which is communicated to each of the departments. The Bank is exposed to various types of risks, the most important of which being Credit Risk, Market Risk and Operational Risk. The identification, measurement, monitoring and management of risks remain a key focus area for the Bank. Sound risk management and balancing risk-reward trade-off are critical to the Bank's success. Business and revenue growth are therefore to be weighed in context of the risks implicit in the Bank's business strategy.

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, which assesses the Bank's risk profile and key areas of risk in particular. The responsibility of the Committee is to develop and implement a proper risk management framework and internal control system in the Bank. Also, it articulates the Bank's policy for the oversight and management of business risks. 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 and adhered to. It guides the policies, procedures and systems for managing and controlling various types of risks. The Committee reviews the level of risks involved in the business, portfolio composition, risk appetite for all risks and also conducting various stress tests and scenario analysis for each type of risk associated with the business.

The Bank has a Risk Management team headed by the Chief Risk Officer ("CRO"), who reports to the MD & CEO / Board of the Bank. The overall risks faced by the Bank and the risk appetite are evaluated by the team which frames policies and procedures, verifying the models that are used for pricing products, identifying new risks etc. Risk Management practices have been aligned with the best industry practices and are adaptable to the dynamic operating environment and market conditions.

The Bank is BASEL II compliant since March 31, 2009. The Bank has implemented the BASEL III Capital Regulations from April 01, 2013 by computing the Capital and Risk weighted Assets as per RBI guidelines dated May 02, 2012. The Bank presently adopts Standardized Approach for Credit Risk, Standardized Duration Approach for Market Risk and Basic Indicator Approach for Operational Risk. Necessary initiatives have been taken for moving over to advanced approaches under BASEL III as per the timelines indicated by RBI. The Risk Management Department of the Bank effectively functions to measure, monitor and control all risks paving way for effective Enterprise-wide Risk Management.

The RBI vide notification no.DOR.BP.BC.No.45/21.06.201/2019-20 dated 27th March, 2020, notified Basel III Capital Regulations - Review of transitional arrangements, as per which the implementation of last tranche of 0.625% of Capital Conservation Buffer was deferred to September 30, 2020. Accordingly, CRAR required to maintain for the period ended is 10.875%. The Bank maintained Tier I CRAR of 15.80% and total CRAR of 16.76% as at March 31, 2020 which are well above the norm prescribed by RBI.

The Bank has formulated "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 2020, along with the plans and strategies for meeting the same. The purpose of the document is to inform the Board and the Reserve Bank of India about the Bank's internal capital adequacy assessment process and the Bank's approach to capital and risk management. The document also endeavours to furnish detailed information on the Bank's assessment of the holistic risks, how the Bank intends to identify, assess, monitor, manage and control those underlying risks besides maintaining adequate capital necessary for its current and future internal capital requirements. Thus ICAAP is an important component of Supervisory Review Process (SRP) under Pillar 2 of Basel III framework.

The overall risk of the Bank is being managed through three committees viz. Credit Risk Management Committee (CRMC), Asset-Liability Committee (ALCO) and Operational Risk Management Committee (ORMC).

On the advice of the said three committees and based on the said 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 Bank has put in place certain policies / standards as mentioned hereunder 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.

Policy on Credit Risk Management, Asset and Liability Management, Operational Risk Management, Stress Testing, Pillar 3 Disclosure, Business Continuity Plan, Inspection and Audit, Internal Capital Adequacy Assessment Process (ICAAP), Credit Risk Mitigation and Collateral Management, Integrated Risk Management, Loan (Including Recovery Policy), Integrated Treasury, Unhedged Foreign Currency exposures of corporates including SMEs, Market Risk Management, New Product Assessment, Risk & Control Self-Assessment standards (RCSA), Pricing and MCLR.

The above policies are subject to review on a periodical basis as and when guidelines / directions are given by RBI from time to time or whenever any situation warrants review.

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 duly being factored into, under Pillar 2 risks while preparing the Internal Capital Adequacy Assessment Process (ICAAP) document on annual basis.

For the year ended March 31, 2020, 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. Leverage Ratio of our Bank stood at 9.88%, 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 January 1, 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 April 17, 2020). Due to the COVID-19 pandemic, the minimum requirement has been reduced to 80% from April 17, 2020, which will be up to September 30, 2020, after which it will be 90% up to March 31, 2021. From April 01, 2021, the minimum requirement will be restored to 100%.

We have formulated the Risk & Control Self-Assessment RCSA standards (RCSA) and the same has been duly approved by the Board. As laid down in the RCSA standards, a Workshop & Questionnaire session with respect to Operational Risk covering one of the products has already been conducted in the Staff College and the results placed to the Board. More such workshops have been planned to be conducted during FY 2020-21 on various identified risk areas.

INTERNAL CONTROL SYSTEMS

The Bank recognizes the importance of good internal control mechanism which is pivotal to long term sustainability of any organization. A good system of Internal control ensures that all the internal regulations and regulatory guidelines are strictly adhered to by all the departments while achieving the goals of the Bank.

The Inspection department of the Bank ensures adherences to the laid down systems and procedures of the Bank. The Bank's Inspection function undertakes internal audit to assess the business and control risk of all branches and has formulated a risk based internal audit plan as recommended by the RBI. The inspection function provides an independent assurance to its Board of Directors and Senior Management as to the effectiveness of its internal controls, risk management systems, governance systems & processes on an on-going basis to ensure that the audited units comply with both internal and regulatory guidelines. 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.

In line with the RBI's guideline on Audit, the Bank has adopted a Risk-Based approach of Internal Audit (RBIA). The primary focus of the audit is on key risk areas, which are of substantial importance to the Bank. 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.

Further, the Bank also subjects its operations to Concurrent Audit by audit firms to complement its internal audit function. The concurrent audit covers core activities such as credit portfolio, general computer controls, fraud risk management, financial markets, operations, policies and procedures. For each component, various check list / risk control matrix are prepared to identify those which have a material bearing. These controls are then tested for their operating effectiveness.

Our Bank is having an exclusive Compliance Department headed by a Chief Compliance officer ("CCO") to ensure effective implementation and compliance of all the directives issued by various Regulators, its Board of Directors and its own Internal Control Policy.

HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS

The Human Resource function of the Bank has been taking various efforts to direct the employees in successfully implementing the bank's vision in attaining sustainable business growth. During the reporting year, the human resource department continued its focus on talent acquisition, skill development, motivation and reward, retention and employee management.

Foreseeing the future expansion plans of the Bank, the human resource function has been constantly working on the manpower requirements. The employees are being groomed by imparting trainings at various centers of excellence like IIM, SIBSTC, NIBM, CAFRAL, IDRBT etc. The employees are also given exposure in different areas of banking through job rotation. For more details please refer Director's Report.

OUTLOOK

Fiscal year 2019-20 posed a serious challenge to the Banking sector especially in Q4 in view of the COVID 19 pandemic which engulfed the globe. Global banks are in the process of addressing numerous issues, exposed by the global financial crisis, which have posed numerous challenges posed by the traditional banking system. Banks across the world have adopted innovative digital system to combat the increasing competition from non-traditional players, such as NBFC's which are slowly and steadily encroaching the customer base of the banking system. Numerous Fin Tech companies have been formed, spanning the banking and financial space. They are offering their services in trade finance, insurance, account aggregation, wealth management, peer to peer lending & crowd funding. Many banks have also tied up with Fin Tech companies where mobile services interact with banking services.

Indian banking system is seeing a transformation never witnessed before with the emergence of numerous segments. The first segment consists of large Indian banks with domestic and international presence. The merger of various Public Sector Banks as envisaged by the Government will lead to emergence of large banks in terms of business matrix and customer size. The second segment is likely to comprise of several mid-sized banking institutions including niche banks with pan India presence. The third segment comprises smaller private sector banks, small finance banks, regional rural banks, and co-operative banks, which significantly caters to the credit requirements of small borrowers, in the unorganized sector in rural areas. The fourth segment consists of digital players who act as service providers directly to customers or through banks by acting as their agents or associates. Banks and non-banks are partnering to offer an amalgam of trust and innovation to the Indian customer, which has phenomenally expanded the digital payments segment. In the light of these developments, traditional banking is making way for next-generation banking with a primary emphasis on modernization and digitization, thereby obviating the need for conventional brick and mortar branches as technology has brought banking services to customer's doorstep, or in other words it can be termed as banking at fingertips.

In consonance with the idea of strengthening regulation and supervision, RBI has been constantly on the move to improve the efficacy of its supervisory and regulatory

functions. It has also been focusing on strengthening off-site surveillance along with on-site supervision. A Sup-tech web-based interface is being implemented as a part of integrated compliance management and tracking system to ensure seamless collection of data.

One of the challenges for regulators and policy makers in India is to ensure that innovations in banking sector serves the customer by offering wide range of financial products at reduced cost. Banks have to make best use of technology and innovation to bring down intermediation costs, while at the same time ensuring their profits. Technology can also help the banks in fraud detection and

in identifying better ways of monitoring use of funds by the borrowers; trace suspicious transactions by use of large datasets such as Artificial Intelligence (AI), Machine learning (ML) and big data. Indian Banking sector will have to strive hard to remain relevant in the changing economic environment by reworking their business strategies, designing innovative products, customer focus and efficiency in customer service. There is abundant opportunity and banks should seize those to move forward to a higher growth trajectory not only in the bank's own interests but also in the interest of all its stakeholders.

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INDEPENDENT AUDITOR'S REPORT*To the Members of***CITY UNION BANK LIMITED****Report on 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, 2020, 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 return of 16 branches and office audited by us and 689 branches & offices audited by other branch statutory auditors. The branch 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, 2020, and Profit and its Cash Flows for the year ended on that date.

Basis of Opinion

We conducted our audit 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 thereunder, 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.

Emphasis of Matter

We draw attention to Note No. 12.14 of the Other Notes forming part of Financial results which describes the impact and complications due to the outbreak of novel coronavirus (COVID-19). The situation continues to remain uncertain and in view of its impact on the Bank's financial results, which is significantly dependent on future developments.

Our Opinion is not modified in respect of this matter.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the financial statements as 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.

A. Identification of Non-Performing Assets ('NPA') and Provisions on Advances including Implementation of COVID-19 Reserve Bank of India Regulatory Package

(Reference to Schedule 9 read with Statement of Accounting Policies Note 6 and Note No. 12.14 of the Other Notes forming part of Financial results - Schedule to the Financial Statements)

	(₹ in thousands)
Gross Advances	34,57,61,733
Provisions	64,87,273
Net Advances	33,92,74,460
COVID-19 Provisions	12,50,000

Significant estimates and judgment involved Key Audit Matter

Identification of NPAs and provisions in respect of NPAs and restructured advances are made based on management's assessment in accordance with norms

issued by Reserve Bank of India on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances.

The provision on NPA are based on the valuation of the security available and also requires management estimates and judgements. In case of restructured accounts, provision is made for diminution in fair value of restructured loans, in accordance with the RBI guidelines.

Accordingly, our audit focused on identification of NPAs and provision on advances as a key audit matter because of the level of management estimates and judgment involved in determining the provision and the valuation of the security of the NPA loans and the resultant impact on the financial statements of the Bank.

Due to the ongoing pandemic, during our audit we have also identified implementation of the "COVID-19 Regulatory Package - Asset Classification and Provisioning" ('Regulatory Package') issued by the RBI on 17th April, 2020 as a matter of significance in measurement of provision for advances. Since the Bank is permitted to grant moratorium on repayment of loan instalments and / or deferment of interest due between 1st March, 2020 to 31st August, 2020 including relaxation in certain parameters, to all eligible borrowers, without considering the same as restructuring, as per RBI's announcement on 27th March, 2020 separate asset classification and provisioning norms have been also prescribed by the RBI in the Regulatory package for such borrowers availing the moratorium benefit.

Since the identification of NPAs and provisioning for such advances requires considerable level of estimation and given its significance to the overall audit including possible observations by RBI which could result in disclosures in the financial statements and regulatory changes due to COVID-19 we have identified this as a key audit matter.

Auditor's Response

Our key audit approach included assessing the design, implementation and operating effectiveness of key internal controls and substantive audit procedures over approval, recording and monitoring of loans, assessing the reliability of documentation, measurement of provisions, identification of NPA accounts, and Valuation of Security for NPA accounts along with basis and rationale for various other management information's.

We have evaluated details for a sample of exposures for identification of NPA and calculation of Loan Loss provisions including valuation of primary and collaterals as at 31st March, 2020 involving certain degree of estimation.

We have evaluated and understood the Bank's internal control systems completeness, accuracy and relevance of data and to ensure that the same is in compliance with the RBI guidelines on the Prudential Norms on Income Recognition, Asset Classification & Provisioning.

We also selected samples to test potential cases of "ever greening" of loans.

We tested samples to ensure completeness of documentation, adherence of the approval process to the Bank's Policy and board minutes, credit review of customers, review of Special Mention Accounts (SMA) reports and other related documents including evaluation of the past trends of management judgement, governance and review of internal control. Held discussion with the management of the Bank on sectors wherein there has been stress and the steps taken by the Bank to mitigate such sectorial risks.

Obtained an understanding of implementation of the Regulatory Package and with respect to borrowers to whom a moratorium was granted, on a sample basis, we tested that such moratorium was granted in accordance with the board approved policy. We re-performed the calculations for the additional general provisions made in accordance with the "Regulatory Package".

We read the RBI – Risk Based Assessment Report / Risk Mitigation Plan (RMP) / Inspection report for the financial year ended 31st March, 2019 and other communication with regulators.

We assessed the appropriateness and adequacy of disclosures against the relevant accounting standards and RBI requirements relating to NPAs including the additional disclosures required to be made in accordance with the Regulatory Package.

B. Valuation of Financial Instruments (Investments)

(Reference to Schedule 8 read with Statement of Accounting Policies Note 5– Schedule to the Financial Statements)

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Subjective estimates and judgment involved Key Audit Matter

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 valuation of investments as a key audit matter because of the management judgment involved in determining the value of investments based on the policy of the Bank, impairment assessment for HTM book and the overall impact on the financial statements of the Bank.

Auditor's Response

Our audit approach included Assessing the design, implementation and operating effectiveness of management's key internal controls over classification and valuation of Investments. The appropriateness of the valuation methodology and test checking the inputs used such as pricing, measure of volatility and discount factors. Compared the valuation methodology in accordance with the relevant accounting standards/RBI circulars, master directions and guidelines issued from time to time.

We test checked the investments and re-performed independent valuation where no direct observable inputs were used. We reviewed the assumptions used, by considering the alternate valuation method and sensitivity of other key factors assessing whether the financial statement disclosures appropriately reflect the Bank's exposure to investments valuation risks with reference to the requirements of the prevailing accounting standards and RBI guidelines.

B. Information Technology - IT Systems and Controls Key Audit Matter

The Bank's Key Information Technology (IT) systems is used to record all the operational and financial transactions on a daily basis. The financial accounting and reporting process are highly dependent on information systems and hence we tested automated controls in IT systems.

In addition, large transaction volumes, ensuring integrity and data protection the Bank's Information systems has to be capable to handle the increased cyber risk emanating across the globe.

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.

Auditor's Response

We involved our IT Specialists to obtain a detailed understanding of the Bank's IT Systems and its related controls. 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.

We obtained a detailed understanding on the General IT controls which includes evaluation of Bank's control to evaluate granting access right, segregation of duties, new user creation, removal of user rights and preventive controls.

We involved our IT Specialists to evaluate and review the security configuration on certain critical aspects of cyber security on network security, operational security, data and client information's, monitoring and recovery management.

D. Direct and Indirect Taxes

(Reference to Notes to Accounts, Note 10.1 & 12.1 read with Statement of Accounting Policies Note 13 & 14 – Schedule to the Financial Statements)

Key Audit Matter

The Bank has evaluated tax positions including matters under dispute which involves significant judgements to determine the possible outcome of these disputes.

Auditor's Response

We have reviewed the nature of the amounts recoverable, obtained details of completed tax assessments and demands for the year ended 31st March 2020, the sustainability and the likelihood of the amounts recoverable which are pending final resolution.

Information Other than the Financial Statements and Auditor's 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 auditor's 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 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 auditor otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Bank's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, 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 Board of Directors is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.

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

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

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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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a 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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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) Since the Key operations of the Bank are automated with the Key applications integrated to the Core Banking Systems, the audit is carried out centrally as all the necessary records and data required for the purpose of our audit are available therein. However, during the course of our audit we have visited 16 branches and offices. The returns received from the offices and branches of the Bank not visited by us 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 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, 2020 taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2020 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- (i) The bank disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 12.1 to the financial statements;
- (ii) The bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts- Refer Note 10.1 to the financial statements; and
- (iii) There has been no delay in transferring the funds to the Investor Education and Protection Fund Account by the Bank.
- (iv) The disclosures required on holdings as well as dealing in Specified bank notes during the period from 8th November, 2016 to 30th December, 2016 as envisaged in notification G.S.R. 308(E) dated 30th March, 2017 issued by the Ministry of Corporate Affairs is not applicable to the Bank.
- (v) With respect to the matter to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Companies Act, 2013 as amended:

In our opinion and to the best of our information and according to the explanations given to us, the entity being a banking company, Section 197 of the Act related to the managerial remuneration is not applicable by virtue of Section 35B (2A) of the Banking Regulation Act, 1949.

For **M/s. Sundaram & Srinivasan**
Chartered Accountants
(Firm No.004207S)

P. Menakshi Sundaram

Partner

M. No.217914

UDIN - 20217914AAAADC4033

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Place: Kumbakonam
Date : 18th June, 2020

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

Opinion

We have audited the Internal Financial Controls over Financial Reporting ("ICFR") of City Union Bank Limited ("the Bank") as of 31st March, 2020 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

In our opinion, the Bank has, in all material respects, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, 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").

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 both 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 auditor's 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.

For **M/s. Sundaram & Srinivasan**
Chartered Accountants
(Firm No.004207S)

P. Menakshi Sundaram
Partner

M. No.217914
UDIN - 20217914AAAADC4033

Place: Kumbakonam
Date : 18th June, 2020

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BALANCE SHEET AS ON 31st MARCH, 2020

(₹ in thousands)

	SCHEDULE No.	AS ON 31.03.2020	AS ON 31.03.2019
CAPITAL AND LIABILITIES			
Share Capital	1	73,73,19	73,45,01
Reserves and Surplus	2	5222,33,54	4767,30,74
Deposits	3	40832,49,36	38447,94,85
Borrowings	4	2032,40,31	480,90,85
Other Liabilities & Provisions	5	1572,56,91	1489,27,38
Total		49733,53,31	45258,88,83
ASSETS			
Cash and Balances with Reserve Bank of India	6	2030,36,77	1993,12,09
Balances with Banks & Money at Call and Short Notice	7	2691,28,00	970,16,36
Investments	8	9116,78,61	7712,20,06
Advances	9	33927,44,61	32673,34,08
Fixed Assets	10	245,16,20	250,03,31
Other Assets	11	1722,49,12	1660,02,93
Total		49733,53,31	45258,88,83
Contingent Liabilities	12	8502,70,70	4835,44,51
Bills for Collection		335,78,77	460,81,36

V. RAMESH
GM - CFO & CS

Dr. N. KAMAKODI
MD & CEO

R. MOHAN
Chairman

R. VENKATASUBRAMANIAN
Chief General Manager

S. BERNARD

K. VAIDYANATHAN

Directors

For **M/s. Sundaram & Srinivasan**
Chartered Accountants
(Firm No.004207S)

Kumbakonam
18th June, 2020

P. Menakshi Sundaram
Partner
M. No.217914

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2020

(₹ in thousands)

	SCHEDULE No.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
I INCOME			
Interest Earned	13	4168,60,28	3767,16,66
Other Income	14	679,94,62	514,38,87
Total		4848,54,90	4281,55,53
II EXPENDITURE			
Interest Expended	15	2493,41,19	2155,67,74
Operating Expenses	16	1013,73,97	885,88,62
Provisions and Contingencies		865,08,19	557,14,03
Total		4372,23,35	3598,70,39
III PROFIT / LOSS			
Net Profit / loss(-) for the year		476,31,55	682,85,14
Profit / loss (-) brought forward		57,02,21	37,47,66
Total		533,33,76	720,32,80
IV APPROPRIATIONS			
- Transfer to Statutory Reserves		140,00,00	200,00,00
- Transfer to Capital Reserve		81,08,09	6,03,61
- Transfer to General Reserve		145,00,00	340,00,00
- Investment Reserve Account		Nil	30,80,00
- Transfer to Special Reserve under IT Act, 1961		65,00,00	60,00,00
- Dividend paid		36,76,39	21,95,66
- Dividend Tax paid		7,55,69	4,51,32
- Balance carried over to Balance Sheet		57,93,59	57,02,21
Total		533,33,76	720,32,80

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V. RAMESH
GM - CFO & CS

Dr. N. KAMAKODI
MD & CEO

R. MOHAN
Chairman

R. VENKATASUBRAMANIAN
Chief General Manager

S. BERNARD

K. VAIDYANATHAN

Directors

For **M/s. Sundaram & Srinivasan**
Chartered Accountants
(Firm No.004207S)

Kumbakonam
18th June, 2020

P. Menakshi Sundaram
Partner
M. No.217914

SCHEDULES FORMING PART OF THE ACCOUNTS

(₹ in thousands)

	AS ON 31.03.2020	AS ON 31.03.2019
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 (73,73,19,221 / 73,45,00,818 equity shares of ₹1/- each)	<u>73,73,19</u>	<u>73,45,01</u>
Subscribed and Paid-up Capital (73,73,19,221 / 73,45,00,818 equity shares of ₹1/- each)	73,73,19	73,45,01
Less: Calls unpaid	Nil	Nil
Add: Forfeited shares	Nil 73,73,19	Nil 73,45,01
Total	<u>73,73,19</u>	<u>73,45,01</u>
SCHEDULE - 2 RESERVES AND SURPLUS		
I. Statutory Reserves		
Opening Balance	1286,00,00	1086,00,00
Additions during the year	140,00,00	200,00,00
Deductions during the year	Nil	Nil
	<u>1426,00,00</u>	<u>1286,00,00</u>
II. Capital Reserves		
Opening Balance	125,56,24	119,52,63
Additions during the year	81,08,09	6,03,61
Deductions during the year	Nil	Nil
	<u>206,64,33</u>	<u>125,56,24</u>
III. Share Premium		
Opening Balance	853,04,30	838,87,96
Additions during the year	23,03,33	20,81,69
Deductions during the year	Nil	6,65,35
	<u>876,07,63</u>	<u>853,04,30</u>
IV. Revenue and Other Reserves		
i) General Reserve		
Opening Balance	2066,50,00	1726,50,00
Additions during the year	145,00,00	340,00,00
Deductions during the year	Nil	Nil
	<u>2211,50,00</u>	<u>2066,50,00</u>
ii) Investment Reserve Account		
Opening Balance	33,17,99	2,37,99
Additions during the year	Nil	30,80,00
Deductions during the year	Nil	Nil
	<u>33,17,99</u>	<u>33,17,99</u>

SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

(₹ in thousands)

	AS ON 31.03.2020	AS ON 31.03.2019
iii) Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	346,00,00	286,00,00
Additions during the year	65,00,00	60,00,00
Deductions during the year	Nil	Nil
	411,00,00	346,00,00
V. Balance in Profit and Loss Account	57,93,59	57,02,21
Total	5222,33,54	4767,30,74
SCHEDULE - 3 DEPOSITS		
A I. Demand Deposits		
i) From Banks	49,44	5,92,05
ii) From Others	2923,90,39	3208,57,63
	2923,90,39	3214,49,68
II. Savings Bank Deposits	7272,55,45	6483,68,98
III. Term Deposits		
i) From Banks	15,20,00	15,55,51
ii) From Others	30620,34,08	28734,20,68
	30620,34,08	28749,76,19
Total (I, II & III)	40832,49,36	38447,94,85
B i) Deposits of Branches in India	40832,49,36	38447,94,85
ii) Deposits of Branches outside India	Nil	Nil
Total	40832,49,36	38447,94,85
SCHEDULE - 4 BORROWINGS		
I. Borrowings in India		
i) Reserve Bank of India	412,00,00	80,00,00
ii) Other Banks	Nil	Nil
iii) Other Institutions and Agencies	1620,40,31	400,90,85
iv) Subordinated Debt	Nil	Nil
II. Borrowings from outside India	Nil	Nil
Total (I & II)	2032,40,31	480,90,85
III. Secured Borrowings included in (I & II) above	854,38,78	Nil

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(₹ in thousands)

	AS ON 31.03.2020	AS ON 31.03.2019
SCHEDULE - 5 OTHER LIABILITIES & PROVISIONS		
I. Bills Payable	200,61,79	420,58,99
II. Inter-Office Adjustments (Net)	Nil	Nil
III. Interest Accrued	267,36,07	254,51,74
IV. Others (including Provisions)	1104,59,05	814,16,65
Total	1572,56,91	1489,27,38
SCHEDULE - 6 CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I Cash in Hand (including Foreign Currency Notes)	527,51,50	516,70,83
II Balances with Reserve Bank of India		
i) In Current Accounts	1502,85,27	1476,41,26
ii) In Other Accounts	Nil	Nil
Total	2030,36,77	1993,12,09
SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. In India		
i) Balances with Banks		
a) In Current Accounts	32,82,04	55,60,80
b) In Other Deposit Accounts	50000	Nil
	37,82,04	55,60,80
ii) Money at Call and Short notice		
a) With Banks	40,00,00	25,00,00
b) With Other Institutions	Nil	Nil
Total	77,82,04	80,60,80
II. Outside India		
i) In Current Accounts	3,01,71	11,28,71
ii) In Deposit Accounts	2610,44,25	878,26,85
iii) Money at call and short notice	Nil	Nil
Total	2613,45,96	889,55,56
Grand Total	2691,28,00	970,16,36

SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

(₹ in thousands)

	AS ON 31.03.2020	AS ON 31.03.2019
SCHEDULE - 8 INVESTMENTS		
I. Investments in India in		
i) Government Securities	8939,49,29	7476,37,85
ii) Other Approved Securities	Nil	Nil
iii) Shares	7,14,09	9,95,67
iv) Debentures and Bonds	41,70,55	51,44,45
v) Subsidiaries / Joint Ventures	Nil	Nil
vi) Others	128,22,90	174,19,75
Inside India Total	9116,56,83	7711,97,72
Gross Investments in India	9236,02,99	7863,10,88
Less : Provision for Investment Depreciation	119,13,16	151,13,16
Less : Provision for Non Performing Investments	33,00	Nil
Net Investments in India	9116,56,83	7711,97,72
II. Outside India	21,78	22,34
Grand Total	9116,78,61	7712,20,06
SCHEDULE - 9 ADVANCES		
A. i) Bills Purchased and Discounted	185,82,12	283,89,78
ii) Cash Credits, Overdrafts and Loans repayable on Demand	21041,45,73	21240,79,51
iii) Term Loans	12700,16,76	11148,64,79
Total	33927,44,61	32673,34,08
B. i) Secured by Tangible Assets (includes Advances against Book Debts)	33564,62,50	32331,56,81
ii) Covered by Bank / Government Guarantees	101,80,00	61,10,00
iii) Unsecured	261,02,11	280,67,27
Total	33927,44,61	32673,34,08
C. I. Advances in India		
i) Priority Sector	17506,89,55	16413,06,69
ii) Public Sector	101,80,00	61,10,00
iii) Banks	Nil	Nil
iv) Others	16318,75,06	16199,17,39
Total	33927,44,61	32673,34,08
II. Advances outside India	Nil	Nil
Grand Total	33927,44,61	32673,34,08

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SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

(₹ in thousands)

	AS ON 31.03.2020	AS ON 31.03.2019
SCHEDULE - 10 FIXED ASSETS		
I. Premises		
i) At Cost as at 31 st March of the preceding year	68,21,48	65,66,96
ii) Additions during the year	Nil	2,96,19
iii) Deductions during the year	Nil	41,67
Total	68,21,48	68,21,48
iv) Depreciation to date	12,65,56	12,07,24
Total	55,55,92	56,14,24
II. Other Fixed Assets (including Furniture and Fixtures)		
i) At Cost as at 31 st March of the preceding year	621,62,70	537,00,73
ii) Additions during the year	75,03,10	86,50,47
Total	696,65,80	623,51,20
iii) Deductions / Adjustments during the year	5,62,56	1,88,50
Total	691,03,24	621,62,70
iv) Depreciation to date	501,42,96	427,73,63
Total	189,60,28	193,89,07
Grand Total	245,16,20	250,03,31
SCHEDULE - 11 OTHER ASSETS		
I. Inter office Adjustments	Nil	9,74
II. Interest accrued	141,81,97	144,28,89
III. Tax paid in advance / Tax deducted at source	851,62,07	860,58,41
IV. Stationery and Stamps	60,81	59,83
V. Non-Banking assets acquired in satisfaction of claims	Nil	Nil
VI. Others	728,44,27	654,46,06
Total	1722,49,12	1660,02,93

SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

(₹ in thousands)

	AS ON 31.03.2020	AS ON 31.03.2019
SCHEDULE - 12 CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as Debts	4,95,36	4,65,36
II. Liability for Partly Paid Investments	Nil	Nil
III. Liability on account of outstanding Forward Exchange Contracts	6455,07,44	3020,72,67
IV. Guarantees given on behalf of Constituents		
- In India	1455,20,47	1352,97,80
- Outside India	16,07,68	17,59,19
V. Acceptances, endorsements and other obligations	529,24,43	402,58,37
VI. Other items for which the Bank is contingently liable	42,15,32	36,91,12
Total	8502,70,70	4835,44,51

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SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

(₹ in thousands)

	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
SCHEDULE - 13 INTEREST EARNED		
I. Interest / Discount on Advances / Bills	3494,57,62	3177,65,50
II. Income on Investments	609,91,77	5535981
III. Interest on Balances with Reserve Bank of India and other Inter-Bank funds	54,81,34	23,31,45
IV. Others	9,29,55	12,59,90
Total	4168,60,28	3767,16,66
SCHEDULE - 14 OTHER INCOME		
I. Commission, Exchange and Brokerage	55,40,81	54,53,91
II. Profit / Loss on sale of Investments (Net)	159,59,90	32,55,72
III. Profit / Loss on revaluation of Investments	Nil	Nil
IV. Profit / Loss on sale of Land, Buildings and Other Assets	15,39	2,67,36
V. Profit on Exchange transactions (Net)	84,61,82	54,45,62
VI. Income earned by way of dividends etc. from subsidiaries, companies and / or joint ventures abroad / in India	Nil	Nil
VII. Miscellaneous Income	380,16,70	370,16,26
Total	679,94,62	514,38,87
SCHEDULE - 15 INTEREST EXPENDED		
I. Interest on Deposits	2436,91,20	2107,95,06
II. Interest on RBI / Inter-Bank Borrowings	12,47,36	22,53,36
III. Others	44,02,63	25,19,32
Total	2493,41,19	2155,67,74
SCHEDULE - 16 OPERATING EXPENSES		
I. Payments to and Provision for Employees	420,65,36	364,43,71
II. Rent, Taxes and Lighting	160,21,18	149,69,67
III. Printing and Stationery	11,34,30	12,91,39
IV. Advertisement and Publicity	23,03,87	19,31,07
V. Depreciation on Bank's Property	78,98,76	61,49,81
VI. Directors' Fees, Allowances and Expenses	1,51,85	1,57,96
VII. Auditors' Fees and Expenses(including Branch Auditor's fees & expenses)	2,02,49	1,68,95
VIII. Law Charges	1,37,43	77,98
IX. Postage, Telegrams, Telephone, etc.	25,16,52	23,48,52
X. Repairs and Maintenance	93,22,45	86,99,00
XI. Insurance	43,73,85	37,38,55
XII. Other Expenditure	152,45,91	126,12,01
Total	1013,73,97	885,88,62

NOTES ON ACCOUNTS

1. CAPITAL

(₹ in crore)

Sl. No.	Particulars	31 st March 2020	31 st March 2019
		Basel III	Basel III
i)	Common Equity Tier 1 Capital Ratio (%)	13.93%	13.16%
ii)	Tier 1 Capital Ratio (%)	15.80%	15.03%
iii)	Tier 2 Capital Ratio (%)	0.96%	0.52%
iv)	Total Capital Ratio (CRAR) (%)	16.76%	15.55%
v)	Percentage of shareholding of the Government of India in Public Sector Banks	NA	NA
vi)	Amount of Equity Capital raised	0.28*	6.98
vii)	Amount of Additional Tier 1 Capital raised; of which, PNCPS PDI	Nil	Nil
viii)	Amount of Tier 2 Capital raised; of which, Debt Capital Instrument Preference Share Capital Instruments - PCPS / RNCPS / RCPS	Nil	Nil

* During the year 2019-20, the Bank has allotted 28,18,403 (P.Y. 32,36,341) equity shares aggregating to ₹ 23.32 cr (P.Y. ₹ 21.14 cr) pursuant to exercise of options under ESOP.

2. INVESTMENTS

(₹ in crore)

Sl. No.	Particulars	31 st March 2020	31 st March 2019
1.	Value of Investments		
	(i) Gross value of Investments		
	(a) In India	9236.03	7863.11
	(b) Outside India	0.22	0.22
	(ii) Provision for		
	(a) Depreciation in India	119.13	151.13
	(b) Depreciation outside India	Nil	Nil
	(c) Non-performing Investments	0.33	Nil
	(iii) Net Value of Investments		
	(a) In India	9116.57	7711.98
	(b) Outside India	0.22	0.22
2.	Movement of provision held towards depreciation on Investments		
	(i) Opening Balance	151.13	135.87
	(ii) Add: Provision made during the year	Nil	16.00
	(iii) Less: Write-off / Write-back of excess provision during the year	32.00	0.74
	(iv) Closing Balance	119.13	151.13

2.1. 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 2020
Securities sold under Repo				
i) Government Securities	23.75	552.88	113.71	394.46
ii) Corporate Debt Securities	Nil	Nil	Nil	Nil
Securities purchased under Reverse Repo				
i) Government Securities	22.13	752.48	201.33	182.58
ii) Corporate Debt Securities	Nil	Nil	Nil	Nil

2.2 Non-SLR Investment Portfolio

i) Issuer Composition of Non-SLR Investments

(₹ in crore)

Sl. No.	Issuer	Amount	Extent of Private Placement	Extent of below "Investment Grade" Securities	Extent of "Unrated Securities"	Extent of "Unlisted Securities"
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	PSUs	3.60	3.60	Nil	Nil	3.60
2.	Financial Institutions	2.05	Nil	Nil	Nil	1.70
3.	Banks	41.54	40.00	Nil	Nil	Nil
4.	Private Corporates	0.98	0.33	Nil	Nil	0.33
5.	Subsidiaries / Joint Ventures	Nil	Nil	Nil	Nil	Nil
6.	Others (Security Receipts / SWIFT Shares/CCIL Pref Shares)	248.58	248.58	Nil	Nil	248.58
	Total (1 to 6)	296.75	292.51	Nil	Nil	254.21
7.	Provision held towards depreciation	119.13	***	***	***	***
	BALANCE	177.62	292.51	Nil	Nil	254.21

ii) Non - Performing Non - SLR Investments

(₹ in crore)

Particulars	31 st March 2020	31 st March 2019
Opening Balance	0.33	Nil
Additions during the year since 1 st April	Nil	0.33
Reductions during the above period	Nil	Nil
Closing Balance	0.33	0.33
Total provisions held	0.33	*0.33

*Previous year provision was held under "Provision for Depreciation in Investment". The same has been identified and disclosed separately from FY 2019-20.

2.3 Sale and Transfer to / from HTM category

The value of sales and transfer of securities from HTM category after considering the exemptions allowed by RBI exceeds 5 percent of the book value of investments held in HTM category at the beginning of the year. As per RBI guidelines, the excess of book value over the market value of the investments held

under HTM for which provision is not made has to be disclosed. As on 31st March, 2020, the book value is less than the market value of investments held under HTM category.

The details of HTM category as on 31st March, 2020 are furnished below:

(₹ in crore)

Sl. No	Particulars	Amount
1	Market Value as on 31.03.2020	7880.96
2	Book value as on 31.03.2020	7684.47
3	Excess of Book value over Market value for which provision is not made	Nil

All SLR securities held under HTM have been valued as per FIMMDA/FBIL rates.

There is no requirement to make provision since the book value is less than the market value of investments held under HTM category.

During the year ended 31st March, 2020, the Bank has sold securities from HTM category exceeding 5% of the book value of investments held in HTM category at the beginning of the year, with due approval from Investment Committee. The book value of HTM investment sold during the year ended 31st March, 2020 was ₹2,571.08 cr (excluding OMO sale worth ₹890.94 cr). The market value of investments under

HTM category was at ₹7,880.96 cr and was higher than the book value to an extent of ₹196.49 cr as on March 31, 2020.

2.4 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 from the FY 2018-19 which is considered adequate for the FY 2019-20 and arrived as follow:

(₹ in crore)

I	Transfer to Investment Fluctuation Reserve	Amount
(a)	Net Profit on Sale of Investments during the year	159.60
(b)	Net Profit for the Year less Mandatory Provisions	476.32
(c)	(a) or (b) lower of the above	159.60
(d)	Total of HFT & AFS Portfolio as on 31 st March, 2020	1551.78
(e)	2% on the (d)	31.04
	Investment Fluctuation Reserve created as at 31 st March, 2020 upto a maximum of (e)	Nil

As per the above working, the Bank already created in FY 2018-19 for an amount of ₹ 30.80 crore which is appropriate for the current year.

3. DERIVATIVES

3.1 Forward Rate Agreement / Interest Rate Swap

(₹ in crore)

Sl. No.	Particulars	31 st March 2020	31 st March 2019
(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

3.2 Exchange Traded Interest Rate Derivatives

(₹ in crore)

Sl. No.	Particulars	31 st March 2020	31 st March 2019
(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 as on 31 st March, 2020 (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

3.3 Disclosures on risk exposure in derivatives

3.3.1 Qualitative Disclosure

A. 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.

B. 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 Board for ratification.

- C. 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.

- D. 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. 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.

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3.3.2 Quantitative Disclosures :

(₹ in crore)

Sl. No.	Particulars	Currency Derivatives		Interest Rate Derivatives	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
(i)	Derivatives (Notional Principal Amount)				
	a) for hedging	2346.09	1325.53	Nil	Nil
	b) for trading	4108.99	1793.10	Nil	Nil
(ii)	Marked to Market Positions				
	a) Assets (+)	63.32	61.78	Nil	Nil
	b) Liability (-)	-165.31	-13.06	Nil	Nil
(iii)	Credit Exposure @	229.16	129.46	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 ₹229.16 crore (P.Y. ₹129.46 crore), exposure to the tune of ₹142.43 crore (P.Y. ₹116.09 crore) is accepted for guaranteed settlement by Clearing Corporation of India (CCIL) and

exposure to the tune of ₹57.73 crore (P.Y. ₹4.44 crore) are other Inter-Bank deals not guaranteed by CCIL. Balance of ₹29.01 crore (P.Y. ₹8.93 crore) is out of forward contracts outstanding with customers.

4. ASSET QUALITY

4.1. Non-Performing Assets

(₹ in crore)

Sl. No.	Particulars	31 st March 2020	31 st March 2019
(i)	Net NPAs to Net Advances (%)	2.29%	1.81%
(ii)	Movement of Gross NPAs		
	Opening balance	977.05	856.55
	Additions during the year	1110.47	632.16
	Reductions during the year	674.12	511.66
	Closing balance	1413.40	977.05
(iii)	Movement of Net NPAs		
	Opening balance	591.46	474.78
	Additions during the year (Net)	833.85	503.30
	Reductions during the year	646.82	386.62
	Closing balance	778.49	591.46
(iv)	Movement of provision for NPAs (excluding provision on Standard Assets)		
	Opening balance	381.28	377.18
	Provisions made during the year	631.00	270.00
	Write-off / Write-back of excess provisions	381.41	265.90
	Closing balance	630.87	381.28

4.2. Divergence in Asset Classification and Provisioning for NPAs: (RBI/DBR.BP.BC. No. 63/21.04.018/2016-17 dated 18th April, 2017)

In terms of RBI circular No.DBR.BP.BC.No. 32/21.04.018/2018-19 dated 1st April, 2019 Banks are required to disclose the divergence in asset classification and provisioning consequent to RBI's Annual Supervisory Review Process in their "Notes

to Accounts" to the financial statement if such divergence exceeds the threshold prescribed by the RBI. Since, the divergences identified by RBI for the Financial Year ended 31st March, 2019 are less than the prescribed thresholds hence there is no disclosure required relating to Asset Classification & provisioning on NPA.

4.2.1 Particulars of Accounts Restructured

As per Annexure I.

4.2.2 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 on Micro, Small and Medium Enterprises (MSME) sector- Restructuring of Advances as on 31.03.2020

MSME

Number of Accounts Restructured (during the FY 2019-20) - MSME	Amount outstanding as on 31.03.2020 (₹ in Crore)	Total No. of Standard Restructured Accounts (MSME) Outstanding as on 31.03.2020	Total Amount of Standard Restructured Advances (MSME) outstanding as on 31.03.2020 (₹ in Crore)
69	261.94	82	275.99

GAJA

No account was restructured under Gaja Cyclone Relief during the FY 2019-2020.

Total No. of Standard Restructured Accounts Outstanding as on 31.03.2020 (Gaja Relief)	Total Amount of Standard Restructured Advances outstanding as on 31.03.2020 (Gaja Relief) (₹ in crore)
69	21.15

4.2.3 Disclosures on the scheme for Sustainable Structuring of Stressed Assets (S4A), as at 31st March, 2020.

There were no accounts during the year which were restructured under the S4A scheme.

4.2.4 Disclosures on Flexible Structuring of Existing Loans.

No borrowers had opted for flexible structuring of the loans during the year.

4.2.5 Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period)

No borrowal accounts were restructured under the SDR scheme during the year.

4.2.6 Disclosures on change in Ownership outside SDR scheme (accounts which are currently under the stand-still period)

No accounts were restructured outside the SDR scheme involving change in ownership.

4.2.7 Disclosures on change in Ownership of Projects under Implementation (accounts which are currently under the stand-still period)

There were no project loan accounts during the year where Bank has decided to effect change in ownership.

4.3 Details of financial assets sold to Securitisation / Reconstruction company for Asset Reconstruction:

A. Details of Sales:

(₹ in crore)

Sl. No.	Particulars	31 st March 2020	31 st March 2019
a.	Number of Accounts	1	Nil
b.	Aggregate value (Net of provision) of accounts sold to SC / RC {Book balance of ₹ 55.78 Crore Less Provision of ₹ 55.78 Crore}	Nil	Nil
c.	Aggregate consideration	13.90	Nil
d.	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
e.	Aggregate gain / (loss) over net book value	13.90	Nil

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 31st March, 2020 - NIL.

B. 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	247.36	325.00	0.00	0.00	247.36	325.00

C. 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	28.97	218.39	-
Provision held against (i)	23.85	95.28	-
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)	28.97	218.39	-

4.4 Details of Non - Performing financial assets purchased / sold

4.4.1 Details of non performing financial assets purchased from other Banks :

(₹ in crore)

Sl. No.	Particulars	31 st March 2020	31 st March 2019
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

4.4.2 Details of non performing financial assets sold to other Banks : (₹ in crore)

Sl. No.	Particulars	31 st March 2020	31 st March 2019
1.	Number of accounts sold during the year	Nil	Nil
2.	Aggregate outstanding	Nil	Nil
3.	Aggregate consideration received	Nil	Nil

4.5 Provisions on Standard Assets (₹ in crore)

Particulars	31 st March 2020	31 st March 2019
Provision towards Standard Assets	146.13	126.88

5. BUSINESS RATIOS

Particulars	31 st March 2020	31 st March 2019
Interest Income as a percentage to Working Funds	8.72%	9.06%
Non-Interest Income as a percentage to Working Funds	1.42%	1.24%
Operating Profit as a percentage to Working Funds	2.81%	2.98%
Return on Assets	1.00%	1.64%
Business per employee (₹ in crore)	13.13	12.96
Profit per employee (₹ in crore)	0.08	0.12

6. ASSET LIABILITY MANAGEMENT

Maturity Pattern of certain items of Assets and Liabilities - 31st March, 2020 (₹ in crore)

Period	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1 Day	493.17	89.82	2681.96	854.38	70.84	39.06
2 to 7 days	686.18	984.59	370.50	0.00	99.15	45.68
8 to 14 days	1364.21	2170.63	367.96	0.00	29.37	6.13
15 to 30 Days	449.65	240.14	839.62	0.00	1039.88	1001.88
31 days to 60 days	680.89	151.24	618.57	0.00	534.07	556.36
61 days to 90 days	898.98	861.97	605.75	0.00	183.95	75.68
Over 3 months & upto 6 months	1979.53	1037.27	1456.99	0.00	1436.72	1459.62
Over 6 months & upto 1 year	2862.38	4561.58	120.37	533.00	1532.44	1295.71
Over 1 year & upto 3 years	27222.03	17280.59	1650.21	645.02	54.70	471.08
Over 3 years & upto 5 years	3104.70	3601.71	31.86	0.00	1.09	32.95
Over 5 years	1090.77	2947.91	373.00	0.00	0.00	0.00
Total	40832.49	33927.45	9116.79	2032.40	4982.21	4984.15

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.

7. EXPOSURES

7.1 Exposure to Real Estate Sector

(₹ in crore)

	Category	31 st March 2020	31 st March 2019	
A)	Direct exposure			CSR Initiatives
	(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;*	2329.49	2150.34	
	(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 ₹ 2970.78 cr + NFB ₹ 23.44 cr)	2994.22	2194.07	Statutory Reports
	(iii) Investment in Mortgage Backed Securities (MBS) and other securitised exposures -			Financial Statements
a. Residential	Nil	Nil		
	b. Commercial Real Estate	Nil	Nil	List of Branches
B)	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	5323.71	4344.41	

* includes individual housing loans eligible for inclusion in priority sector advances amounting to ₹ 820.89 cr (P.Y. ₹ 757.12 cr) for the year ended 31st March, 2020.

7.2 Exposure to Capital Market

(₹ in crore)

Sl. No.	Particulars	31 st March 2020	31 st March 2019
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.	6.47	9.51
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.	2.44	2.44
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.	65.45	85.64
5.	Secured and Unsecured Advances to stock brokers and guarantees issued on behalf of stock brokers and market makers.	77.74	81.65
6.	Loans sanctioned to corporate 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	152.10	179.24

7.3 Risk Category-wise Country Exposure *

(₹ in crore)

Risk Category	Exposure (net) as at March 2020	Provision held as at March 2020	Exposure (net) as at March 2019	Provision held as at March 2019
Insignificant	1952.84	2.72	1015.53	0.50
Low	778.37	1.28	20.99	Nil
Moderately Low	0.86	Nil	1.30	Nil
Moderate	4.62	Nil	Nil	Nil
Moderately High	Nil	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	2736.69	4.00	1037.82	0.50

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

7.4 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.

7.5 Unsecured Advances - Advances secured by intangible securities such as Rights, licences, authorisations, etc. - Nil

7.6 Amount of Provision for Income-Tax for the year

(₹ in crore)

Particulars	31 st March 2020	31 st March 2019
Provision for Income Tax (Current Tax)	232.29	272.37
Deferred Tax Assets	-101.98	-50.75
Deferred Tax Liabilities	-20.31	20.38
Provision for Income Tax - Net	110.00	242.00

8. PENALTIES IMPOSED BY RBI

During the year, RBI has imposed penalty of ₹ 1,07,300/- on discrepancies detected towards Soiled Notes Remittance.

9. 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.

i) Prior Period Items - AS 5

There are no material prior period items of Income / Expenditure during the year requiring disclosure.

ii) Revenue Recognition - AS 9

As mentioned in the Accounting Policy of Income / Expenditure of certain items are recognised on cash basis.

iii) 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.

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iv) 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 2020	31 st March 2019
Present value of Obligation as at the beginning of the year	72.99	60.73
Interest cost	5.38	4.83
Current service cost	Nil	Nil
Past service cost - (non vested benefits)	Nil	Nil
Past service cost - (vested benefits)	Nil	Nil
Benefits paid	(11.73)	(10.42)
Actuarial gain / (loss) on obligation	20.76	17.85
Present value of obligation at the year end	87.40	72.99

ii) Amount recognized in Balance Sheet :

(₹ in crore)

Particulars	31 st March 2020	31 st March 2019
Closing Present value Obligation	87.40	72.99
Fair value of Plan Assets	Nil	Nil
Difference	87.40	72.99
Unrecognised transitional liability	Nil	Nil
Unrecognised past service cost - non vested benefits	Nil	Nil
Liability recognized in the Balance sheet	87.40	72.99

iii) Expenses recognized in Profit & Loss account :

(₹ in crore)

Particulars	31 st March 2020	31 st March 2019
Current Service cost	Nil	Nil
Interest cost	5.38	4.83
Expected return on Plan Assets	Nil	Nil
Net Actuarial (gain) / loss recognised in the year	20.76	17.85
Total expenses recognized in the Profit & Loss Account	26.14	22.68

iv) Principal actuarial assumption at the Balance Sheet Date :

Particulars	31 st March 2020	31 st March 2019
Discount factor	6.61%	7.55%
Salary escalation rate	6.00%	6.00%
Attrition rate	6.00%	6.00%
Expected rate of return on Plan Assets	0.00%	0.00%

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v) 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	908.95	663.93	1327.97	1251.84	2588.82	2344.84	22.81	20.95	4848.55	4281.56
Result	472.58	365.33	359.06	323.94	492.68	534.68	17.08	16.04	1341.40	1239.99
Unallocated Expenses									0.00	0.00
Operating Profit									1341.40	1239.99
Other Prov & Contingencies									755.08	315.14
Income Tax									110.00	242.00
Extra ordinary Profit / Loss									0.00	0.00
Net Profit									476.32	682.85
Other Information										
Segment Assets	12422.13	9293.07	12143.71	12449.80	23545.35	22036.52	Nil	Nil	48111.19	43779.39
Unallocated Assets									1622.34	1479.50
Total Assets									49733.53	45258.89
Segment Liabilities	11067.55	8263.44	10978.74	11314.16	21286.59	20026.37	Nil	Nil	43332.88	39603.97
Unallocated Liabilities									1104.58	814.16
Total Liabilities									44437.46	40418.13
Segment Capital	1354.58	1029.63	1164.97	1135.64	2258.76	2010.15	Nil	Nil	4778.31	4175.42
Unallocated Capital									517.76	665.34
Capital Employed									5296.07	4840.76

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

vi) 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 2020	31 st March 2019
Remuneration	1,26,83,000	1,15,99,000
Outstanding Housing Loan	40,40,579	41,36,804

vii) Leases - AS 19

- a) Lease rent paid for operating leases are recognized as an expense in the Profit & Loss Account in the year to which it relates.
- b) Future lease rents and escalation in the rent are determined on the basis of agreed terms.
- c) At the expiry of initial lease term, generally the Bank has an option to extend the lease for a further pre-determined period.
- d) The Bank does not have any financial lease.

viii) Earning Per share - AS 20

The details of EPS computation is set out below :

Particulars	31 st March 2020	31 st March 2019
Earnings for the year (₹ in crore)	476.32	682.85
Basic weighted average number of shares (Nos.)	73,53,31,633	71,33,39,443
Basic EPS (₹)	6.48	9.57
Dilutive effect of stock options (Nos.)	74,58,408	60,21,955
Diluted weighted average number of shares (Nos.)	74,27,90,041	71,93,61,398
Diluted EPS (₹)	6.41	9.49
Nominal value of shares (₹)	1	1

The dilutive effect of stock option outstanding as on 31.03.2020 is considered for 41,41,375 options which is having an exercise price of ₹179/- per option by anticipating that the price of the shares will be higher than the exercise price in the year of exercise of options.

ix) Consolidated Financial Statements (CFS) - AS 21

The Bank has no Subsidiaries / Joint Venture / Associates. Hence reporting under CFS is not applicable.

x) Accounting for Taxes on Income - AS 22

The major components of the Deferred Tax Asset and Liabilities as at 31st March, 2020 are as follows:

(₹ in crore)

Components	31 st March 2020	31 st March 2019
Deferred Tax Liability:		
Depreciation on Fixed Assets	1.00	3.83
Special Reserve under IT Act	103.45	120.93
Total Deferred Tax Liability (A)	104.45	124.76
Deferred Tax Asset:		
Provision for Advances (NPA)	101.55	17.84
Leave Encashment	22.00	27.24
Provision for FITL	0.96	1.34
Provision for Standard Assets	36.78	44.34
Provision for COVID-19 - General Provision	31.46	0.00
Total Deferred Tax Asset (B)	192.75	90.76
Net Deferred Tax Liability / (Asset) : (A - B)	(88.30)	34.00

xi) Accounting for Investments in Associates in CFS - AS 23

The Bank has no Associates. Hence reporting under CFS - AS 23 is not applicable.

xii) Discontinuing Operations - AS 24

The Bank has not discontinued any of its operations. Hence reporting under CFS - AS 24 is not applicable.

xiii) Interim Financial Reporting - AS 25

Quarterly review have been carried out with reference to RBI and SEBI circulars & prescribed formats.

xiv) 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.

xv) 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.

xvi) 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.

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10. ADDITIONAL DISCLOSURES

10.1 Break up of Provisions and Contingencies

(₹ in crore)

Particulars	31 st March 2020	31 st March 2019
Provision for		
- Depreciation on Investments (net)	-31.67	22.51
- Non Performing Assets	631.00	270.00
- Covid - 19	125.00	-
- Standard Assets	19.25	21.50
- Income Tax (including Def Tax)	110.00	242.00
- Restructured Accounts	6.90	-4.00
- Country Exposure	3.50	-1.75
- Others	1.10	6.88
Total	865.08	557.14

10.2.1 Movement in Countercyclical Provisioning Buffer for NPA

(₹ in crore)

Sl.No.	Particulars	31 st March 2020	31 st March 2019
a)	Opening Balance	9.65	9.65
b)	Additions during the year	Nil	Nil
c)	Deductions during the year	Nil	Nil
d)	Closing Balance	9.65	9.65

Reference to RBI Circular DBR No. BP.BC. 79 / 21.04.048 / 2014-15 dt 30th March, 2015. The Bank has not utilised Counter cyclical provisioning Buffer for making NPA provisions.

10.2.2 Movement in Floating Provisions

(₹ in crore)

Sl.No.	Particulars	31 st March 2020	31 st March 2019
a)	Opening Balance	9.00	9.00
b)	Additions during the year	Nil	Nil
c)	Deductions during the year	Nil	Nil
d)	Closing Balance	9.00	9.00

10.3 Drawdown from Reserves

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

10.4 Customer Complaints

Sl.No.	Particulars	Number of Customer Complaints					
		General		ATM related		Total	
		FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
a)	No. of complaints pending at the beginning of the year	29	63	149	108	178	171
b)	No. of complaints received during the year	1453	1470	24862	30599	26315	32069
c)	No. of complaints redressed during the year	1458	1504	24983	30558	26441	32062
d)	No. of complaints pending at the end of the year	24	29	28	149	52	178

Classification of customer complaints (General) received during the quarter ended 31st March, 2020 compared to the previous quarters:

Sl. No.	Classification	Complaints received during the quarter ended									
		31.03.2019		30.06.2019		30.09.2019		31.12.2019		31.03.2020	
		No.	%	No.	%	No.	%	No.	%	No.	%
1.	Credit / Debit cards	74	21.57	130	35.33	38	13.97	50	13.70	67	14.96
2.	Internet Banking / Mobile Banking / eBanking	87	25.36	72	19.57	91	33.46	149	40.82	220	49.11
3.	Staff Behaviour	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
4.	Discriminatory Pricing	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
5.	Retail	68	19.82	80	21.74	104	38.24	84	23.01	106	23.66
6.	Others	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
7.	Non-interest charges	38	11.08	30	8.15	25	9.19	38	10.41	30	6.70
8.	Delay in services	38	11.08	27	7.34	0	0.00	0	0.00	0	0.00
9.	Remittances	17	4.96	13	3.53	1	0.37	7	1.92	0	0.00
10.	Pension and Other Government services	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
11.	Loans and Advances - Sanction	17	4.96	16	4.35	13	4.78	16	4.38	19	4.24
12.	Liability Products - Credit of funds	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
13.	Third party service complaints	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
14.	Marketing agents such as (Direct Selling Agents) DSAs	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
15.	Recovery and collection agents	4	1.17	0	0.00	0	0.00	0	0.00	0	0.00
	TOTAL	343	100.00	368	100.00	272	100.00	365	100.00	448	100.00

10.5 Awards passed by the Banking Ombudsman

Sl.No.	Particulars	31 st March 2020	31 st March 2019
a)	No. of unimplemented Awards at the beginning of the year	Nil	Nil
b)	No. of Awards passed by Banking Ombudsman during the year	Nil	Nil
c)	No. of Awards implemented during the year	Nil	Nil
d)	No. of unimplemented Awards pending at the end of the year	Nil	Nil

10.6 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

Sl.No.	Particulars	31 st March 2020	31 st March 2019
a)	Number of frauds reported during the year	10	5
b)	Amount involved	*46.30	8.43
c)	Provisions made during the year	2.27	8.18
d)	Quantum of unamortised provision debited from 'Other Reserves'	Nil	Nil

* The amount includes a fraud of ₹43.21 crore in the borrowal account of M/s. Loha Ispaat Ltd under consortium lending. It has also been provided fully in the books of accounts.

Other than above, 281 incidents of Phishing / Vishing / Skimming frauds amounting to ₹0.93 crore, where there is no loss to the bank are reported to RBI during the year.

10.7.1 Letters of Comfort:

The Bank has not issued any letters of comfort to other Banks / branches during the year.

for Import of Goods into India and outstanding as of 31st March 2020 was NIL.

10.7.2 Guarantees for Trade Credits:

The Bank had not issued guarantee in any form on behalf of its customers for availing Trade Credits

10.8 Provisioning Coverage Ratio (PCR)

The Provisioning Coverage Ratio (PCR) of the Bank as on 31st March, 2020 is 65 %. (P.Y. 63%)

10.9 Bancassurance Business

(₹ in crore)

Particulars	31 st March 2020	31 st March 2019
Income from Life Insurance (LIC)	10.42	9.26
Income from Non-Life Insurance (Star Health)	1.33	-
Total	11.75	9.26

10.10 Concentration of Deposits, Advances, Exposures and NPAs

10.10.1 Concentration of Deposits

(₹ in crore)

Particulars	31 st March 2020	31 st March 2019
Total Deposits of twenty largest depositors	3736.13	3502.66
Percentage of Deposits of twenty largest depositors to total Deposits of the Bank	9.15%	9.11%

10.10.2 Concentration of Advances

(₹ in crore)

Particulars	31 st March 2020	31 st March 2019
Total Advances to twenty largest borrowers	1862.25	1840.62
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	5.39%	5.56%

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10.10.3 Concentration of Exposures

(₹ in crore)

Particulars	31 st March 2020	31 st March 2019
Total Exposure to twenty largest borrowers / customers	2084.42	2041.15
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Bank on borrowers / customers	5.19%	5.39%

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10.10.4 Concentration of NPAs

(₹ in crore)

Particulars	31 st March 2020	31 st March 2019
Total Exposure to top four NPA accounts	273.95	237.55

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10.11 Sector - wise Advances

(₹ in crore)

Sl. No.	Sector	Current Year			Previous Year		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1.	Agriculture and allied activities	5463.85	134.21	2.46%	4878.49	84.27	1.73%
2.	Advances to industries sector eligible as priority sector lending	6171.37	266.49	4.32%	5857.47	179.46	3.06%
3.	Services	4784.79	184.30	3.85%	4640.15	103.91	2.24%
4.	Personal Loans	Nil	Nil	Nil	Nil	Nil	Nil
5.	All other priority	1086.88	91.53	8.42%	1036.95	74.28	7.16%
	Sub-Total (A)	17506.89	676.53	3.86%	16413.06	441.92	2.69%

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10.11 Sector - wise Advances (Contd.)

(₹ in crore)

Sl. No.	Sector	Current Year			Previous Year		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
B	Non Priority Sector						
1.	Agriculture and allied activities	Nil	Nil	Nil	Nil	Nil	Nil
2.	Industry	2421.37	393.73	16.26%	2551.11	235.81	9.24%
3.	Services	1639.25	8.72	0.53%	1541.69	34.03	2.21%
4.	Personal Loans	2501.20	63.16	2.53%	3112.05	72.92	2.34%
5.	All other Non-Priority	10507.46	271.26	2.58%	9447.34	192.37	2.04%
	Sub-Total (B)	17069.28	736.87	4.32%	16652.19	535.13	3.21%
	Total (A+B)	34576.17	1413.40	4.09%	33065.25	977.05	2.95%

10.12 Movement of NPAs

(₹ in crore)

Particulars	31 st March 2020	31 st March 2019
Gross NPAs as on 1st April	977.05	856.55
Additions (Fresh NPAs) during the year	1110.47	632.16
Sub-Total (A)	2087.52	1488.71
Less:-		
(i) Upgradations	135.98	49.58
(ii) Recoveries (excluding recoveries made from upgraded accounts)	164.29	197.98
(iii) Technical / Prudential write-offs	367.01	256.45
(iv) Write-offs other than those under (iii) above	6.84	7.65
Sub-Total (B)	674.12	511.66
Gross NPAs as on 31st March (A-B)	*1413.40	977.05

*The above amount does not include Non-fund based exposure amounting to ₹ 6.59 crore as per RBI circular IRAC provisioning norms, the Bank shall be made provision only on funded exposure.

Stock of technical write-offs and the recoveries made thereon

(₹ in crore)

Particulars	31 st March 2020	31 st March 2019
Opening Balance of Technical / Prudential written-off accounts as at 1 st April	622.36	461.95
Add : Technical / Prudential write-offs during the year	367.01	256.45
Sub-Total (A)	989.37	718.40
Less : Recoveries made from previously technical / prudential written-off accounts during the year (B)	154.66	96.04
Closing Balance as at 31 st March (A - B)	*834.71	622.36

*The above amount does not include Non-fund based exposure amounting to ₹ 3.48 crore as per RBI circular IRAC provisioning norms, the Bank shall be made provision only on funded exposure.

10.13 Overseas Assets, NPAs and Revenue

(₹ in crore)

Particulars	31 st March 2020	31 st March 2019
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

10.14 Off-Balance Sheet SPVs sponsored

The Bank has not sponsored any SPVs. (Domestic / Overseas)

10.15 Unamortized Pension and Gratuity Liabilities – Nil.

10.16 Disclosures on Remuneration

Qualitative Disclosures :

(a)	Information relating to the composition and mandate of the Remuneration Committee.	Compensation Committee comprising of four members constituted to oversee the framing, review and implementation of Compensation Policy.
(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. ii) Effective Supervisory oversight. iii) Sound Compensation Practices.
(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.	Compensation related to the types of risks and symmetric with risk outcomes.

Qualitative Disclosures :		
(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.	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, 2020 & 31st March, 2019 is given below:

	Current Year	Previous Year
(g) Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	4 meetings were held during the financial year (Compensation Committee) and the total remuneration and commission paid during the year ₹ 31,60,000/- (including commission of ₹ 30,00,000/-)	7 meetings were held during the financial year (Compensation Committee) and the total remuneration and commission paid during the year ₹ 35,40,000/- (including commission of ₹ 32,00,000/-)
(h) (i) Number of employees having received a variable remuneration award during the financial year.	1	1
(ii) Number and total amount of sign-on awards made during the financial year.	NIL	NIL
(iii) Details of guaranteed bonus, if any, paid as joining / sign on bonus.	NIL	NIL
(iv) Details of severance pay, in addition to accrued benefits, if any.	NIL	NIL
(i) (i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	NIL	NIL
(ii) Total amount of deferred remuneration paid out in the financial year.	NIL	NIL

	Current Year	Previous Year
<p>(j) Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.</p> <p># → In addition to the Fixed pay the bank pays various perquisites as approved by RBI.</p> <p>* Pertain to FY 2018-19 payable to MD & CEO based on approval from RBI dated 20th April, 2020 which shall be paid on subsequent date. For FY 2019-20, the proposal for variable pay will be made to RBI.</p>	<p>Fixed: ₹87,00,000/- per annum# (paid /payable w.e.f., 1st May, 2019 as per RBI mail approval dt. 20th April, 2020).</p> <p>HRA - 12% of the fixed pay per month from May, 2018.</p> <p>Variable: * (pertains to FY 2019-20)</p> <p>No. of Stock options granted during the FY2019-20 : Nil</p> <p>The option vested during FY 18-19 i.e. 151250 has been exercised during FY 19-20. Further, during FY 19-20, 181500 option has been vested and will be exercised in the subsequent financial year</p> <p>Deferred : Nil</p>	<p>Fixed: ₹84,00,000/- per annum (w.e.f., 1st May, 2018 as per RBI approval dt. 29th March, 2019).</p> <p>HRA - 12% of the fixed pay per month from May, 2018.</p> <p>Variable: An amount of ₹20,00,000/- paid in the subsequent year to MD & CEO for FY 2018-19 based on RBI approval dated 29th March, 2019</p> <p>No. of Stock options granted during the FY2018-19 : Nil</p> <p>An option of 151250 being vested during FY2019 based on RBI approval dated 14.10.15</p> <p>Deferred : Nil</p>
<p>(k) (i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustments.</p> <p>(ii) Total amount of reductions during the financial year due to ex-post explicit adjustments.</p> <p>(iii) Total amount of reductions during the financial year due to ex-post implicit adjustments.</p>	<p>NIL</p>	<p>NIL</p>

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10.17 Disclosures relating to Securitization

The outstanding amount of securitized assets as per books of the SPVs sponsored by the Bank and total amount of exposures retained by the Bank as on 31st March, 2020 - Nil.

Sl.No.	Particulars	FY 2020	FY 2019
1.	No of SPVs sponsored by the Bank for securitization transactions		
2.	Total amount of securitized assets as per books of the SPVs sponsored by the Bank		
3.	Total amount of exposures retained by the Bank 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 exposure to securitization transactions other than MRR		
	a) Off Balance sheet exposures		
	i) Exposures to own securitizations		
	First Loss		
	Loss		
	ii) Exposures to third party securitizations		
	First Loss		
	Loss		
	b) On Balance Sheet exposures		
	i) Exposures to own securitizations		
	First Loss		
	Loss		
	ii) Exposures to third party securitizations		
	First Loss		
	Loss		

10.18 Credit Default Swaps

The Bank has not entered into Credit Default Swaps during the Current Financial Year.

10.19 Intra-Group Exposures

Disclosure under proprietary model price	Nil
Disclosure under standard model price	Nil

Hence explanation to rationale behind model is not applicable.

10.20 Transfers to Depositor Education and Awareness Fund (DEAF)

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance of amounts transferred to DEAF	36.91	30.82
Add : Amounts transferred to DEAF during the year	5.34	6.23
Less : Amounts reimbursed by DEAF towards claims	0.10	0.14
Closing balance of amounts transferred to DEAF	42.15	36.91

10.21 Unhedged Foreign Currency Exposure

- 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.
- The provision required for UFCE as on 31st March, 2020 is ₹1.96 crore only against which a provision of ₹2.22 crore has already been made.
- The incremental capital requirement for the UFCE as on 31st March, 2020 has been determined based on the additional risk weight of ₹31.56 crore.

11. LIQUIDITY COVERAGE RATIO

11.1 Disclosure Format

As per Annexure II.

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:

Particulars	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018	January 1, 2019
Minimum LCR	60%	70%	80%	90%	100%

11.2 Quality disclosure around 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.

As part of the various COVID-19 financial measures by RBI vide its press release dated 17th April, 2020, the LCR requirement for SCB is being brought down from 100% to 80% with immediate effect. The requirement shall be gradually restored back in two phases -90% by October, 2020 and 100% by 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 3% of NDTL as allowed for MSF), Facility to avail liquidity for liquidity coverage ratio at 15% 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. As the LCR is well within the norms, there is no requirement for Intra period changes as well changes over time.

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 impact of derivative exposures and currency mismatch in the LCR is very minimal. There is no such inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile.

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.

12.1 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 ₹960 crore (under appeal) (previous year ₹899 crore) and for Service Tax ₹30.42 crore (previous year ₹18.82 crore) based on the Appellate orders decided in its favour on similar issues.

12.2 Inter Branch Reconciliation

Reconciliation of Central Office accounts maintained by branches has been completed upto 31st March, 2020. 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.

12.3 Employees Stock Option

The Bank has allotted 28,18,403 (P.Y. 32,36,341) equity shares during the year to its eligible employees who have exercised their options granted under ESOP of the Bank.

12.4 In accordance with the RBI circular DBOD. No. BPBC.2/21.06.201/2013-14 dated 1st July, 2013, Banks are required to make quarterly Pillar III disclosures under Basel III capital requirements with effect from 30th September, 2013. The disclosures have been made available on the Banks web site.

12.5 CSR activities

(₹ in crore)

Particulars	FY 2019 - 20	FY 2018 - 19
Amount earmarked for CSR activities	16.05	13.90
Amount carried forward from previous year	4.70	-
Amount spent during FY 2018-19	-	13.49
Amount spent for FY 2019-20	13.83	-
Amount spent for previous year	3.23	-
Amount un-spent as at 31.03.2020 (₹ 1.48 cr FY 2018-19) (₹2.21 cr FY 2019-20)	3.69	-

(accounted under Schedule - 16 : Operating Expenses - XII Other Expenditure)

12.6 There are no dues to Micro and Small Enterprises requiring disclosure as at 31st March 2020 as per the records available.

12.7 Implementation of Ind AS:

As advised by RBI, the Bank has submitted proforma IndAS financials for the period ending 30th June, 2019, 30th September, 2019 and 31st December, 2019 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 IndAS until further notice from RBI.

12.8 Priority Sector Lending Certificates (PSLC)

During the year, Priority Sector Lending Certificate (PSLC) purchased totalling to ₹ 1300 cr (Small & Marginal Farmers ₹ 1030 cr and Agriculture ₹ 270 cr) and PSLC sold ₹ 2150 cr Micro enterprises on various dates.

12.9 In accordance with RBI instruction, the Bank has made a provision of 5% amounting to ₹3.40 cr against exposure in the long term food credit advance to Punjab State Government.

12.10 The Board of Directors at their meeting on March 19, 2020 approved an Interim Dividend of ₹ 0.50 paise per equity share (Previous year : dividend ₹ 0.50 paise per equity share) for the current year. As per RBI

circular No.DOR.BP.BC.No.64/21.02.067/2019-20 dated April 17, 2020 directing all Banks not to make any further dividend pay-outs from the profits pertaining to the financial year ended March 31, 2020 until further instructions. The Bank has complied in this regard.

12.11 RBI has advised Banks to make higher provisions for those accounts referred under the provisions of Insolvency and Bankruptcy Code, 2016 (IBC). The Bank had exposure to two such accounts which were declared as NPA and fully provided in earlier years.

12.12 In terms of RBI circular no. DBR.No.BP.BC.64/21.04.048/2016-17 dated April 18, 2017, no provision is required to be made since we do not have any exposure in telecom sector.

12.13 Previous year's figures have been regrouped wherever necessary to conform to the current year classification.

12.14 COVID 19 pandemic continues to spread across several countries including India resulting in a significant volatility in global and Indian financial markets and a significant decline in global and local economic activities. World Health Organization (WHO) has declared COVID 19 as Global pandemic. The Government of India had announced a series of lock-down measures from March 24, 2020 onwards which have been extended from time to time upto June 30, 2020. Government of India has

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directed a calibrated and gradual withdrawal of lock down and partial resumption of economic activity in spite of some of the major economic centers still continuing under strict lockdown. The revival of economic activities largely depends upon the intensity and spread of the disease. Government of India announced various stimulus packages and regulatory relief measures. The Bank has sufficient capital and adequate liquidity to support its business growth and would continue to be the focus area of the Bank during this period.

In accordance with the 'COVID-19 Regulatory Packages' announced by the RBI on March 27, 2020, April 17, 2020 and May 22, 2020 with regard to providing relief to borrowers on account of COVID-19 pandemic whose accounts were standard as on February 29, 2020, the Bank, in

accordance with the Board approved policy the Bank had offered moratorium on repayment of loan instalments and / or deferment of interest due between March 1, 2020 to August 31, 2020 including relaxation in certain parameters, to all eligible borrowers, without considering the same as restructuring.

In accordance with the RBI guidelines, as on 29th Feb. 2020 in respect of such borrowers whose accounts amounts to ₹125.61 crore, though classified as standard as on March 31, 2020, would have become non-performing but for these benefits/ relaxations extended as per RBI guidelines. The Bank, based on basic available information at this point of time and as a prudent measure, has made a provision of ₹ 125 crore in the current quarter which includes an COVID-19 provision of ₹102 crore over and above the RBI prescribed norms.

In terms of RBI circular DOR. No. BP. BC. 62/21.04.048/2019-20 dated 17th April, 2020 "COVID 19 Regulatory Package - Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets".

Accounts where the resolution period was extended based on the above RBI guidelines - NIL

In terms of RBI circular DOR.No. BP. BC. 63/21.04.048/2019-20 dated 17th April, 2020 "COVID 19 Regulatory Package - Asset Classification and Provisioning", the disclosures are as follows:

(₹ in crore)

Sl. No.	Particulars	Amount
(i)	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of para 2 and 3 of the above mentioned circular	2744.51
(ii)	Respective amount where assets classification benefits is extended.	125.61
(iii)	Provisions made during the Q4FY2020 and Q1 FY 2021 in terms of para 5 of the above mentioned circular.	13.00
(iv)	Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of para 6 of the above mentioned circular	Not Applicable for FY 2019-20

ANNEXURE - I

DISCLOSURE ON RESTRUCTURED ACCOUNTS
YEAR ENDED 31st March, 2020

(₹ in crore)

Sl. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
			Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on 1 st April, 2019 (Opening figures)*	No. of borrowers	0	0	0	0	0	44	0	6	0	50	53	0	4	0	57	97	0	10	0	107
		Amount outstanding	0.00	0.00	0.00	0.00	0.00	40.89	0.00	1.47	0.00	42.36	15.23	0.00	146.89	0.00	162.12	56.12	0.00	148.36	0.00	204.48
		Provision thereon	0.00	0.00	0.00	0.00	0.00	3.07	0.00	0.01	0.00	3.08	0.76	0.00	3.08	0.00	3.84	3.83	0.00	3.09	0.00	6.92
2	Fresh restructuring during the year	No. of borrowers	0	0	0	0	0	69	0	0	0	69	0	0	0	0	69	0	0	0	0	69
		Amount outstanding	0.00	0.00	0.00	0.00	0.00	264.58	0.00	00.03	0.00	264.61	2.14	0.00	0.08	0.00	2.22	266.72	0.00	0.11	0.00	266.83
		Provision thereon	0.00	0.00	0.00	0.00	0.00	8.55	0.00	0.00	0.00	8.55	0.00	0.00	0.00	0.00	0.00	8.55	0.00	0.00	0.00	8.55
3	Upgradations to restructured standard category during the FY	No. of borrowers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Amount outstanding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Amount outstanding	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Provision thereon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Downgradations of restructured accounts during the FY	No. of borrowers	0	0	0	0	0	-8	4	4	0	0	-2	0	2	0	0	-10	4	6	0	0
		Amount outstanding	0.00	0.00	0.00	0.00	0.00	-23.63	21.78	1.85	0.00	0.00	-0.75	0.00	0.75	0.00	0.00	-24.38	21.78	2.60	0.00	0.00
		Provision thereon	0.00	0.00	0.00	0.00	0.00	-0.99	0.90	0.10	0.00	0.01	0.00	0.00	0.00	0.00	0.00	-0.99	0.90	0.10	0.00	0.01
6	Write-offs of restructured accounts during the FY	No. of borrowers	0	0	0	0	0	1	0	0	0	1	4	0	1	0	5	5	0	1	0	6
		Amount outstanding	0.00	0.00	0.00	0.00	0.00	0.53	0	0.28	0.00	0.81	0.79	0.00	74.60	0.00	75.39	1.32	0.00	74.88	0.00	76.20
		Provision thereon	0.00	0.00	0.00	0.00	0.00	2.05	0.00	0.00	0.00	2.05	0.76	0.00	2.36	0.00	3.12	2.81	0.00	2.36	0.00	5.17
7	Restructured Accounts as on 31 st March, 2020 (closing figures)*	No. of borrowers	0	0	0	0	0	104	4	10	0	118	47	0	5	0	52	151	4	15	0	170
		Amount outstanding	0.00	0.00	0.00	0.00	0.00	281.31	21.78	3.07	0.00	306.16	15.83	0.00	73.12	0.00	88.95	297.14	21.78	76.19	0.00	395.11
		Provision thereon	0.00	0.00	0.00	0.00	0.00	8.58	0.90	0.11	0.00	9.59	0.00	0.00	0.72	0.00	0.72	8.58	0.90	0.83	0.00	10.31

* Both Opening and Closing figures are excluding the figures of Standard Restructured Advances which do not attract higher provisioning and risk weight

- Provision there on figures represent erosion in fair value and 5% additional provision only for Standard Accounts < 2 years.
- Sl.No 1 figures reported under DA include the opening as on 01.04.2019 and borrowers who were standard more than 2 years at the beginning of the FY 2019-20 and whose accounts become NPA in the current FY 2019-20. (SME - 2 Borrowers - ₹0.85 Cr; NSME - 2 borrowers - ₹72.40 Cr)
- Sl.No 2 includes : Fresh Restructuring done during the FY 2019-20. Fresh Restructuring under: MSME 2019 - ₹261.94 Cr. There is an increase in exposure of ₹2.64 Cr for the existing Restructured standard accounts.
- Sl.No 6 includes repayment by the borrowers and Technical Written Off made by the bank during the FY 2019-20. For Existing borrower, Written off under CDR - ₹NIL, Written Off under SME - NIL, Written Off under NSME - ₹74.40 Cr (Bal as on 31.03.2019; Repayment made during the year- ₹14.74 Cr). Repayment under CDR - Nil, under SME - ₹0.40 Cr; under NSME - ₹14.74 Cr
- Provision (Fair value Erosion) of ₹8.58 Cr pertains to Standard Restructured Advances < 2 years (arrived on the basis of ROI method.)
- Additional provision made (₹14.86 Crores only for Standard < 2 years) in the Books of accounts relating to Standard Restructured Accounts - 5%. Ref RBI Circular DBR No. BP.BC.2/21.04.048/2015-16

ANNEXURE - II

LIQUIDITY COVERAGE RATIO DISCLOSURE

(₹ in crore)

Liquidity Coverage Ratio		Current year for the Quarter ended								Previous Year *	
		Mar - 20		Dec - 19		Sep - 19		Jun - 19		Mar - 19	
Particulars		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)	7889.43		8521.61		7842.18		7082.79		6304.09	
Cash Outflows											
2.	Retail Deposits and Deposits from small business customers, of which:	30703.37	2283.03	30267.56	2563.91	29496.07	2496.84	28357.52	2389.59	26963.76	2263.10
	(i) Stable Deposits	15746.16	787.31	9256.92	462.85	9055.51	452.78	8923.20	446.16	8665.42	433.27
	(ii) Unstable Deposits	14957.21	1495.72	21010.64	2101.06	20440.56	2044.06	19434.32	1943.43	18298.34	1829.83
3.	Unsecured Wholesale funding	3713.81	1462.45	4024.79	1726.70	3922.48	1801.93	3996.30	1725.42	3625.24	1584.45
	(i) Operational Deposits (all counterparties)	0.39	0.10	0.85	0.21	1.16	0.29	0.73	0.18	0.80	0.20
	(ii) Non operational Deposits (all counterparties)	3713.42	1462.35	4023.94	1726.49	3921.32	1801.64	3995.57	1725.24	3624.44	1584.25
	(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	3697.44	415.03	3335.35	348.58	3441.36	456.45	3477.48	534.76	3066.65	392.00
	(i) Outflows related to derivative exposures and derivative exposures and other collateral requirements	188.88	188.88	133.31	133.31	241.36	241.36	322.63	322.63	199.24	199.24
	(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	3508.56	226.15	3202.04	215.27	3200.00	215.09	3154.85	212.13	2867.41	192.76
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	2001.44	60.04	1910.38	57.31	1850.80	55.52	1810.06	54.30	1812.88	54.39
8.	TOTAL CASH OUTFLOWS	40116.06	4220.55	39538.08	4696.50	38710.71	4810.74	37641.36	4704.07	35468.53	4293.94
Cash Inflows											
9.	Secured Lending	963.21	481.61	925.37	462.69	908.26	454.13	453.25	226.63	451.53	225.77
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	372.34	372.34	347.06	347.06	388.41	388.41	720.35	720.35	615.78	615.78
12.	Total Cash Inflows	1335.55	853.95	1272.43	809.75	1296.67	842.54	1173.60	946.98	1067.31	841.55
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value	
21.	TOTAL HQLA	7889.43		8521.61		7842.18		7082.79		6304.09	
22.	TOTAL NET CASH OUTFLOWS	3366.60		3886.75		3968.20		3757.09		3452.39	
23.	LIQUIDITY COVERAGE RATIO (%)	234.34%		219.25%		197.63%		188.52%		182.60%	

* Average of January - March 2019 alone furnished as applicable to previous year

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

- Held to Maturity (HTM)
- Available for Sale (AFS)
- Held for Trading (HFT)

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 at 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 ab-initio (i.e. where realizable value of security is not more than 10 percent ab-initio);
- 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 April 1, 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, 2020

(₹ in thousands)

	2019 - 20	2018 - 19
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit as per P&L account	4763155	6828514
Adjustments for :		
Depreciation	789876	614981
Provisions & Contingencies - Tax	1100000	2420000
Provisions & Contingencies - Others	7550819	3151403
Profit on sale of Investments	-1595990	-325572
Profit on sale of Assets	-1539	-26736
Foreign exchange fluctuations	-846182	-544562
Operating Profit before working capital changes	11760139	12118028
Adjustments for :		
Funds advanced to Customers	-18920053	-50865551
Other Operating Assets	877667	-174599
Deposits from Customers	23845451	55953267
Borrowing from Banks	15514946	-12549720
Other Operating Liabilities	-2624186	-158756
Purchase and sale of Investments (Net)	-12455418	1779174
Cash Generated from Operations	17998546	6101843
Taxation - Income Tax	363746	-1915800
Net Cash flow from Operating Activities - A	18362292	4186043
Cash flow from Investing Activities		
Purchase of Fixed Assets	-750310	-894666
Sale of Fixed Assets	154433	27739
Net Cash used in Investing Activities - B	-595877	-866927
Cash flow from Financing Activities		
Proceeds from issue of Share Capital	2818	3237
Proceeds from Share Premium	230334	208169
Dividend Paid	-370802	-216981
Tax on distributed profits	-45133	-45133
Net Cash flow from Financing Activities - C	-182783	-50708
Net increase in Cash and Cash equivalents (A+B+C)	17583632	3268408
Cash and Cash equivalents at 31.03.2019	29632845	26364437
Cash and Cash equivalents as at 31.03.2020	47216477	29632845

For and on behalf of the Board

Kumbakonam
18th June, 2020

Dr. N. KAMAKODI
MD & CEO

V. RAMESH
GM - CFO & CS

Dr. N. KAMAKODI
MD & CEO

R. MOHAN
Chairman

R. VENKATASUBRAMANIAN
Chief General Manager

S. BERNARD

K. VAIDYANATHAN

Directors

As per our separate report of even date

For **M/s. Sundaram & Srinivasan**
Chartered Accountants
(Firm No.004207S)

Kumbakonam
18th June, 2020

P. Menakshi Sundaram
Partner
M. No.217914

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
BHIMAVARAM
CHILAKALURIPET
CHIRALA
CHITTOOR
DHARMAVARAM
ELURU
GAJUWAKA
GUDIVADA
GUDUR
GUNTAKAL
GUNTUR- ARUNDELPET
GUNTUR- PATNAM BAZAAR
HINDUPUR
KADAPA
KAKINADA
KAVALI
KURNOOL
MACHILIPATNAM
MADANAPALLI
MANGALAGIRI
MYLAVARAM
NANDYAL
NARASARAO PET
NELLORE
ONGOLE
PRODATTUR
RAJAMUNDRY
SRIKAKULAM
TADA
TADEPALLIGUDEM
TANUKU
THENALI
TIRUPATI
THULLURU
TUNI
VEDAYAPALEM
VIJAYAWADA- AUTO NAGAR
VIJAYAWADA- BHAVANARAYANA STREET
VIJAYAWADA- GOVERNORPET
VISHAKAPATINAM
VIZIANAGARAM

CHANDIGARH

CHANDIGARH

CHATTISHGARH

BHILAI
RAIPUR

GUJARAT

AHMEDABAD - NAVRANGPURA
AHMEDABAD - RAIPUR
ANAND
ANKALESWAR
BHAVNAGAR
GANDHIDHAM
JAMNAGAR
KATARGAM - SURAT
MORBI
RAJKOT
SURAT
SURAT II

VADODARA
VAPI

HARYANA

FARIDABAD
GURUGRAM

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
ICHALKARANJI
KHARGHAR
KOLHAPUR
MUMBAI - ANDHERI
MUMBAI - CHEMBUR
MUMBAI - DOMBIVILI
MUMBAI - FORT
MUMBAI - KALYAN
MUMBAI - KHAR WEST
MUMBAI - MIRA ROAD
MUMBAI - NERUL
MUMBAI - THANE
MUMBAI - VASHI
NAGPUR
NASHIK
PIMPRI
PUNE

NEW DELHI

NEW DELHI - CHANDHINI CHOWK
NEW DELHI - JANAKPURI
NEW DELHI - KAROLBAGH
NEW DELHI - LAJPAT NAGAR
NEW DELHI - LAXMI NAGAR
NEW DELHI - MAYUR VIHAR
NEW DELHI - OKHLA
NEW DELHI - ROHINI

ODISHA

BHUBANESWAR

PUDUCHERRY

ARIYANKUPPAM
KARAIKAL
LAWSPET
PUDUCHERRY
REDDIARPALAYAM
VILLIANUR

PUNJAB

AMRITSAR
JALANDHAR
LUDHIANA

RAJASTHAN

AJMER
BALOTRA
BHILWARA
BIKANER
JAIPUR
JODHPUR
KISHANGARH
KOTA
PALI
UDAIPUR

LIST OF BRANCHES (Contd.)

TAMIL NADU

15 VELAMPALAYAM
ACHALPURAM
ADUTHURAI
AGARAMTHEN
AGARATHIRUMALAM
ALANGANALLUR
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 - CHROME PET
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 - TRIPPLICANE
CHENNAI - VADAPALANI
CHENNAI - VANAGARAM
CHENNAI - VELACHERY
CHENNAI - VILLIVAKKAM
CHENNAI - VINAYAGAPURAM
CHENNAI - ZAMIN PALLAVARAM
CHENNIMALAI
CHEYYARU
CHIDAMBARAM
CHINNA KANCHEEPURAM
CHINNALAPATTI
CHINNAMANUR
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
HARUR
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
KODAVASAL
KOILAMBAKKAM
KOMARAPALAYAM
KOOTHANALLUR
KORADACHERY
KORANATTU KARUPPUR
KOTHANGUDI
KOTTUR
KOVILPATTI
KRISHNAGIRI
KULASEKARAM
KULATHUR
KUMBAKONAM - GANDHINAGAR
KUMBAKONAM - MAIN
KUMBAKONAM - TOWN
KUNDRATHUR
KUNIAMUTHUR
KUNNATHUR
KURICHI
KUTTALAM
MADAGUDI
MADAPATTU

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MADATHUKULAM	ODDERPALAYAM	SENDAMANGALAM
MADIPAKKAM	OMALUR	SENGANUR
MADUKKUR	ORAGADAM	SENGURICHI
MADURAI - ANNA NAGAR	OTTAKOIL	SHOLINGANALLUR
MADURAI - CHOCHKIKULAM	PADAPPAI	SHOLINGHUR
MADURAI - K K NAGAR	PADUR	SILLATUR
MADURAI - K.PUDUR	PAKKAM	SINGAPERUMAL KOIL
MADURAI - KODAL NAGAR	PALANI	SIRKALI
MADURAI - MAIN	PALAVATHANKATTALAI	SITHALAPAKKAM
MADURAI - OTHAKADAI	PALAYAMKOTTAI	SITHARKADU
MADURAI - S.S. COLONY	PALLADAM	SIVAGANGAI
MADURAI - T V S NAGAR	PALLIPALAYAM	SIVAGIRI
MADURAI - VILAKKUTHOON	PAMMAL	SIVAKASI
MADURAI - VILLAPURAM	PANDARAVADAIMAPPADUGAI	SOMANUR
MADURANTHAKAM	PANNIMADAI	SRIKANTAPURAM
MADURAPAKKAM	PANRUTI	SRIPERAMBUDUR
MADURAPURI	PARAMAKUDI	SRIVILLIPUTHUR
MADURAVOYAL	PARUTHIKOTTAI	SULTANPET
MALUMICHAMPATTI	PATTEESWARAM	SULUR
MANALI	PATTUKOTTAI	SURAMPATTI
MANAMADURAI	PERAMBALUR	SURANDAI
MANAPAKKAM	PERIYAKULAM	TENKASI
MANAPPARAI	PERIYAKURICHI	THALAIVASAL
MANGADU	PERIYANAICKENPALAYAM	THALAIYUTHU
MANGAIMADAM	PERUMALPATTU	THAMARANGKOTTAI
MANGALAM	PERUMANALLUR	THAMMAMPATTI
MANJAKOLLAI	PERUMATHUNALLUR	THANJAVUR - MAIN
MANJAKUDI	PERUMBAKKAM	THANJAVUR - MEDICAL COLLEGE ROAD
MANJANAYACKANPATTI	PERUNDURAI	THARAMANGALAM
MANNARGUDI	PERUNGALATHUR	THENI
MANNIVAKKAM	PERUR	THENNAMPALAYAM
MARAIMALAI NAGAR	PICHANDAR KOIL	THEPPARUMANALLUR
MARTHANDAM	PODANUR	THILLAINAYAGAPURAM
MARUNGULAM	POLICHALUR	THIMMACHIPURAM
MAYILADUTHURAI	POLLACHI	THIMMAKUDI
MEDAVAKKAM	PONMAR	THIMMAVARAM
MELAIYUR	PONNAMARAVATHI	THINDAL
MELAKABISTHALAM	PONNERI	THIRUCHENGODU
MELAKOTTAIYUR	POONAMALLEE	THIRUINDALUR
MELAVAMPATTI	POONTHANDALAM	THIRUMALAISAMUDRAM
MELUR	PORAYAR	THIRUMANGALAM
MELVISHRAM	PUDUKKOTTAI	THIRUMAZHISAI
METTUPALAYAM	PULIYANKUDI	THIRUMUDIYAKKAM
MINJUR	PUNJAI PULIYAMPATTI	THIRUNAGAR
MODAKURICHI	RAJAPALAYAM	THIRUNAGESWARAM
MUDICHUR	RAMANATHAPURAM	THIRUNEERMALAI
MUDIKONDAN	RAMESWARAM	THIRUNINDRAVUR
MUSIRI	RANIPET	THIRUPAPULIYUR
MUTHUPET	RASIPURAM	THIRUPPALAI
NACHIAR KOIL	REDDIKUPPAM	THIRUTHANGAL
NADUKKADAI	REDHILLS	THIRUTHURAIPOONDI
NADUPATTY	RISHIVANDIYAM	THIRUVALANJULI
NAGAPATTINAM	S.PUDUR	THIRUVALLUR
NAGERKOIL	SAHUPURAM	THIRUVENCHERY
NAGORE	SAKKOTTAI	THIRUVERKADU
NALLAMANGUDI	SALEM - AMMAPETTAI	THISAYANVILAI
NALLUR	SALEM - FAIR LANDS	THOGUR
NAMAKKAL	SALEM - MAIN	THONDAMUTHUR
NAMBIYUR	SALEM - SHEVAPET	THUCKALAY
NANJIKOTTAI	SALEM - SURAMANGALAM	THUDIYALUR
NANNILAM	SANKAGIRI	THUVAKUDI
NARANAMANGALAM	SANKARANKOIL	TINDIVANAM
NATHAM	SANNANALLUR	TIRUCHERAI
NAVALUR	SANOORAPATTI	TIRUCHULI
NEDUNKUNDRAM	SARAVANAMPATTI	TIRUKALUKUNDRAM
NEYVELI	SATHYAMANGALAM	TIRUKKATTUPALLI
NILAKKOTTAI	SATTUR	TIRUKOILUR
NORTH POIGAINALLUR	SEMBANARKOIL	TIRUMAKOTTAI

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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
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
VEPPAMPATTU
VILANDAI
VILANDAKANDAM
VILATHIKULAM
VILLUPURAM
VIRASINGANKUPPAM
VIRUDHACHALAM
VIRUDHUNAGAR
WALAJABAD
WALAJAPET

TELENGANA

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
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
THIYAGARA 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

CENTRAL PROCESSING CENTRES (CPCs)**Chennai - Abiramapuram**

2nd Floor,
63-A, C.P.Ramaswami Road,
Abiramapuram, Alwarpet,
Chennai - 600 018.

Chennai - Tambaram

1st Floor, 24/38, Rajaji Salai
(Opp. To PF Office),
Tambaram (West),
Kancheepuram Dt.,
Chennai - 600 045.

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

1st Floor, No.13, II St.,
Kamarajar Nagar,
Chokkikulam,
Madurai - 625 002.

Trichy

Smt. Indira Gandhi College Campus
Kaliammal Koil Street,
Tiruchirapalli - 620002.

Bengaluru

1st Floor, 253, 16th Cross,
5th Phase, 24th Main,
J P Nagar,
Bengaluru - 560 078.

Vijayawada

29-2-50 & 50/1,
Ramamandiram Street, Governorpet,
Vijayawada - 520 002.

Erode

1st Floor, 907, Panner Selvam Park,
Brough Road, Erode - 638 001.

Mumbai

First Floor, Jains Arcade, 402,
14th Road Junction,
Khar West, Mumbai - 400052

Vellore

1st Floor, No.29, Arcot Road,
(Ida Scudder Road),
Near Murugan Temple,
Vellore - 632 004.

Puducherry

1st Floor, 119, Bussy Street,
Puducherry - 605 001.

New Delhi

1st Floor, 18/7, Arya Samaj Road,
Karolbagh, New Delhi - 110 005.

Kumbakonam

1st Floor, No.149, T.S.R Big Street,
Kumbakonam - 612 001.

BASEL III - PILLAR 3 DISCLOSURE AS ON 31st MARCH, 2020

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 financial year 2019-20, the Bank has allotted 28,18,403 equity shares of face value of ₹1/- each, pursuant to exercise of stock options by employees. The Equity Share Capital of the Bank as on 31.03.2020 stood at ₹73.73 crore. The share premium collected during this year was ₹23.03 crore on account of issuance of stock options to the employees. The Share Premium account as on 31.03.2020 stood at ₹876.08 crore.
Tier II Capital	The Bank has not raised Tier II capital during the financial year 2019-20.

Quantitative Disclosures :

(₹ in crore)

Sl. No.	Description	Amount
1.	Common Tier - I Capital	5262.89
	a) Paid-up Capital	73.73
	b) Reserves & Surplus	5189.16
	Amount deducted from Tier I Capital (if any)	131.13
	a) Intangible Assets	131.13
	b) Cross holdings	0.00
	Total Eligible Tier I Capital	5131.76
2.	Tier - II Capital	310.53
	a) Revenue Reserves (Investment Reserve)	33.18
	b) Provision for Impact of COVID-19	125.00
	c) Provision for Country Risk exposure	4.00
	d) Provision for Unhedged exposure	2.22
	e) Provision for Standard Assets	146.13
	Less: Cross Holdings	0.00
	Total Tier II Capital	310.53
	Total Eligible Capital (Tier I and Tier II)	5442.29

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Table DF - 2 CAPITAL ADEQUACY

Qualitative Disclosure :

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. The Bank has been 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.

In line with the RBI guidelines, the Bank successfully migrated to the revised framework (Basel-II) from 31.03.2009. The Bank has continued the Parallel run of Basel II framework continuously tracking the exposures and studied the impact on Bank's Capital to Risk weighted Assets Ratio (CRAR) on a quarterly basis.

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 fully from 31.03.2018. RBI issued detailed Guidelines on Composition of Capital Disclosure Requirements on 28.05.2013. Another circular on "Implementation of Basel III Capital Regulations in India - Capital Planning" was issued by RBI on 27.03.2014, in which,

the transitional period for full implementation of Basel III Capital Regulations in India was extended upto 31.03.2019, instead of 31.03.2018.

Further, on 10.01.2019, RBI issued a circular, in which, the transitional period for full implementation of Basel III Capital Regulations was extended upto 31.03.2020, instead of 31.03.2019. Accordingly, 'Capital Conservation Buffer Framework' as applicable from 31.03.2018 (i.e. CCB at 1.875%) will also apply from 31.03.2019 till the CCB attains the level of 2.5% on 31.03.2020. Again, on 27.03.2020, RBI issued a circular extending the transitional period for full implementation of Basel III Capital Regulations from 31.03.2020 to 30.09.2020. Accordingly, 'Capital Conservation Buffer Framework' as applicable from 31.03.2018 (i.e. CCB at 1.875%) will also apply from 31.03.2020 till the CCB attains the level of 2.5% on 30.09.2020.

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.

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 extant RBI guidelines mentioned above, the transitional period for full implementation of Basel III Capital Regulations in India has been extended upto 30.09.2020 as under:

(% to RWA's)

Capital Ratios	31.03.2016	31.03.2017	31.03.2018 / 31.03.2019 31.03.2020*	30.09.2020
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
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

* As per the RBI guidelines vide their circular dt.10.01.2019 & 27.03.2020.

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)		
	<ul style="list-style-type: none"> Portfolios subject to Standardised Approach Securitisation exposures 		2567.30 Nil
b)	Capital requirements for Market Risk: Standardised Duration approach		35.44
	<ul style="list-style-type: none"> Interest Rate Risk Equity Risk Foreign Exchange Risk 	14.35 19.09 2.00	
c)	Capital requirements for Operational Risk: Basic indicator approach		279.51
	Minimum capital required (a+b+c)		2882.25
d)	Capital Conservation Buffer (CCB) at 1.875%		608.67
	Minimum Total Capital + CCB		3490.92
	Total Capital Funds available		5442.29
	Total Risk Weighted Assets		32462.39
e)	Common Equity Tier I CRAR % (excluding CCB)		13.925%
	Capital Conservation Buffer %		1.875%
	Tier I CRAR %		15.80%
	Tier II CRAR %		0.96%
	Total CRAR %		16.76%

2. Risk Exposure and Assessment

Risk is an integral part of banking business in an ever dynamic environment, which is undergoing radical changes both on the technology front and product offerings. The main risks faced by the bank are credit risk, market risk and operational risk. The bank aims to achieve an optimum balance between risk and return to maximize shareholder value. The relevant information on the various categories of risks faced by the bank is given in the ensuing sections. This information is intended to give market participants a better idea on the risk profile and risk management practices of the bank.

The Bank has a comprehensive risk management system in order to address various risks and has set up an Integrated Risk Management Department (RMD), which is independent of operational departments. Bank has a Risk Management Committee of Board

functioning at apex level for formulating, implementing and reviewing bank's risk management measures pertaining to credit, market and operational risks. Apart from the Risk Management Committee of the Board at apex level, the Bank has a strong bank-wide risk management structure comprising of 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 Investment 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:

1. Integrated Risk Management Policy
2. Loan Policy
3. Credit Risk Management Policy
4. Operational Risk Management Policy
5. ALM Policy
6. Integrated Treasury Policy
7. Inspection and Audit Policies
8. KYC Policy
9. Risk Based Internal Audit Policy
10. Stress Testing Policy
11. Disclosure Policy
12. ICAAP Policy
13. Credit Risk Mitigation & Collateral Management Policy
14. Risk Rating Policy
15. Pricing Policy
16. New Product Assessment Policy
17. Risk & Control Self-Assessment Standards (RCSA)
18. Policy on Unhedged Foreign Currency exposures of corporates including SMEs
19. Market Risk Management Policy
20. Business Continuity Plan Policy

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The structure and organization of Risk Management functions of the Bank is as follows :

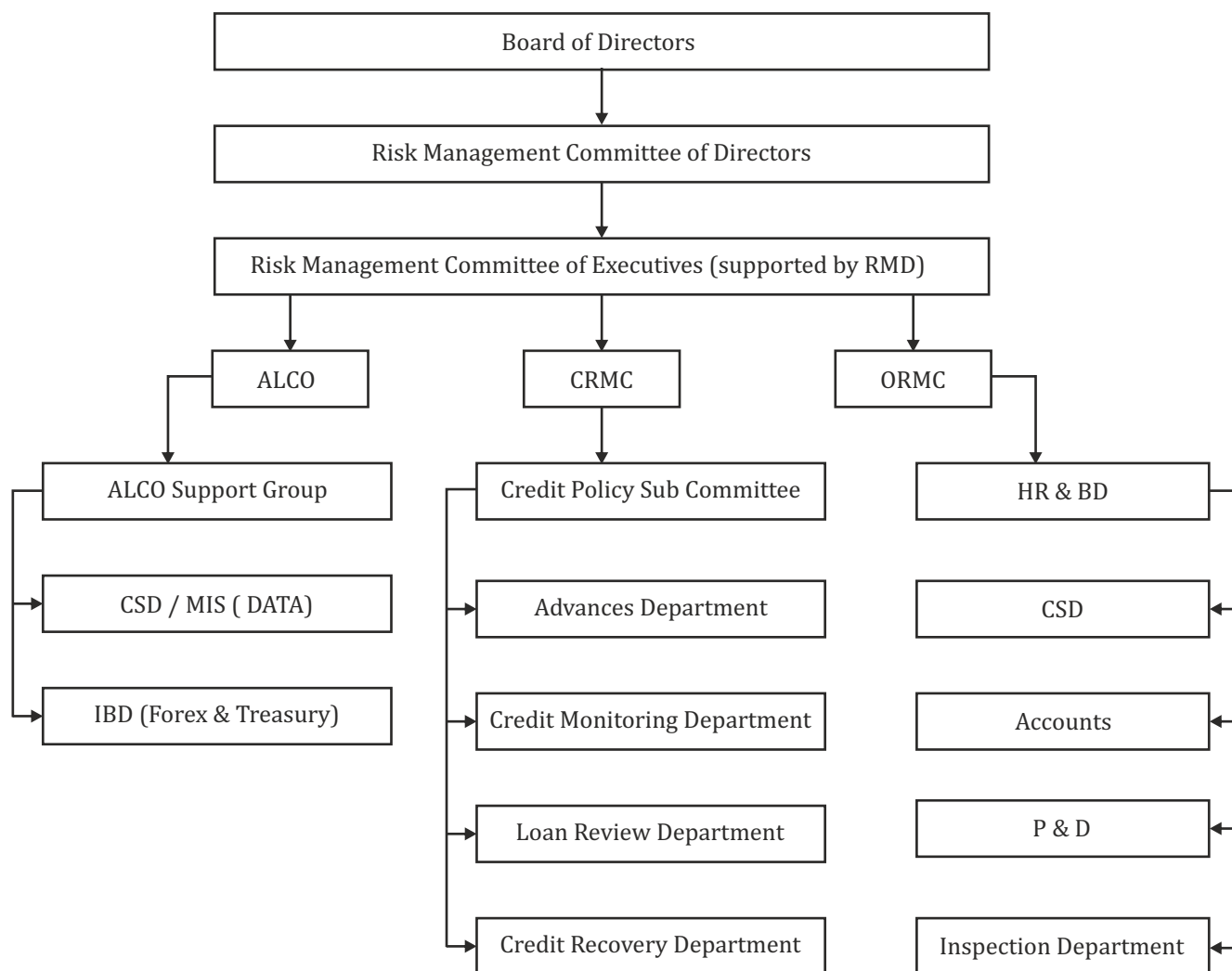


Table DF - 3

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 2020	Domestic	Overseas	Total
Fund based	37355.70	--	37355.70
Non-Fund based	2505.96	--	2505.96
Investment (Non SLR)	296.75	--	296.75
Total	40158.41	--	40158.41

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Industry type distribution of exposures as on 31st March, 2020

(₹ in crore)

INDUSTRY / ACTIVITY	Funded Exposure	Non-Funded Exposure	Investment Exposure (Non SLR)	Total Exposure
Mining and Quarrying	83.35	6.29	0.00	89.64
Iron and Steel	1223.06	173.93	0.33	1397.32
Other Metal and Metal Products	623.87	103.40	0.00	727.27
Engineering of which Electronics	149.26	54.72	0.00	203.98
Others (incl Electrical & Home Appliances)	516.33	147.38	0.00	663.71
Cotton Textiles	1851.82	93.61	0.00	1945.43
Other textiles	2088.08	56.11	0.00	2144.19
Food Processing	111.71	81.21	0.00	192.92
Beverages and Tobacco	39.05	14.84	0.00	53.89
Leather and Leather products	32.52	0.97	0.00	33.49
Wood and Wood Products	118.06	43.41	0.00	161.47
Paper and Paper Products	764.02	30.13	0.00	794.15
Petroleum, Coal Products and Nuclear Fuels	76.68	1.75	0.00	78.43
Drugs and Pharmaceuticals	96.88	22.33	0.00	119.21
Other Chemicals and Chemical Products	303.87	146.02	0.00	449.89
Rubber, Plastic and their Products	485.96	68.73	0.00	554.69
Glass & Glassware	21.39	0.00	0.00	21.39
Cement and Cement Products	22.69	4.46	0.00	27.15
Vehicles, Vehicle Parts and Transport Equipments & auto parts	208.49	44.46	0.00	252.95
Gems and Jewellery	126.98	25.92	0.00	152.90
Construction	2146.14	23.44	0.00	2169.58
Infrastructure	387.63	30.75	0.06	418.44
Other Industries	140.05	17.98	0.00	158.03
All Industries Total	11617.89	1191.84	0.39	12810.12
Residuary (other exposures)	25737.81	1314.12	296.36	27348.29
Total Gross Exposure	37355.70	2505.96	296.75	40158.41

Note: The exposure to Construction and Other Textiles accounted for 5.40% and 5.34% of Total Gross Exposure respectively as of 31.03.2020. 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, 2020

(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	599.77	89.82	2681.96	17.57	3389.12
2 to 7 days	205.00	984.59	370.50	36.32	1596.41
8 to 14 days	-	2170.63	367.96	67.16	2605.75
15 to 30 days	781.17	240.14	839.62	52.11	1913.04
31 days to 60 days	101.68	151.24	618.57	18.49	889.98
61 days to 90 days	99.58	861.97	605.75	18.87	1586.17
Over 3 months & upto 6 months	996.16	1037.27	1456.99	190.25	3680.67
Over 6 months & upto 1 Year	1552.03	4561.58	120.37	196.27	6430.25
Over 1 year & upto 3 years	348.15	17280.59	1650.20	189.21	19468.15
Over 3 years & upto 5 years	5.24	3601.71	31.86	160.36	3799.17
Over 5 years	32.87	2947.91	373.00	1021.04	4374.82
Total	4721.65	33927.45	9116.78	1967.65	49733.53

Gross NPA (₹ in crore)

Sub-Standard	858.94
Doubtful 1	286.52
Doubtful 2	142.75
Doubtful 3	115.65
Loss	9.54
Gross NPA Total	1413.40

Geographical wise NPA: (₹ in crore)

Gross NPA - Domestic	1413.40
Gross NPA - Overseas	Nil
Gross NPA - Total	1413.40

Particulars	%
Gross NPA to Gross Advances	4.09
Net NPAs to Net Advances	2.29

(₹ in crore)

Major Industry	O/s bal	Gross NPA	Provision held
Construction	2006.89	29.18	7.81
Other Textiles	1872.44	44.13	20.98

The movement of NPA is as under :

(₹ in crore)

I. Opening Balance at the beginning of the year (1 st April, 2019)	977.05
ii. Additions made during the year	1110.47
iii. Reductions during the year	674.12
iv. Closing Balance at the end of the year (31 st March, 2020) [i + ii - iii]	1413.40

The movements of provisions for NPA are as under :

(₹ in crore)

Nature	Floating Provision	Specific Provision	Total Provision
I. Opening balance at the beginning of the year (1 st April, 2019)	18.65	362.63	381.28
ii. Provisions made during the year	-	631.00	631.00
iii. Write-off / Write-back of excess provisions during the year	-	381.41	381.41
iv. Closing Balance at the end of the year (31 st March, 2020) [i+ ii -iii]	18.65	612.22	630.87

Recovery made during the year ended 31st March, 2020 which is directly taken to Income Account - ₹108.89 crore.

Amount of non-performing investment - ₹0.33 crore.

Amount of provision held for non-performing investment - ₹0.33 crore.

The movement of provisions for depreciation on investments :

(₹ in crore)

I. Opening balance at the beginning of the year 1 st April, 2019	151.13
ii. Provisions made during the year	0.00
iii. Write-off during the year	0.00
iv. Write-back of excess provisions during the year	32.00
v. Closing Balance at the end of the year (31 st March, 2020) [i + ii - iii - iv]	119.13

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) FITCH India, e) Brickwork, f) SMERA ratings and g) Infomeric Valuation and Rating Pvt. Ltd. to facilitate the corporate borrowers who enjoy credit facilities above ₹5.00 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 %	300.24	28044.89	28345.13
At 100 %	164.52	14625.43	14789.95
More than 100 %	1346.47	807.47	2153.94
Total outstanding after Mitigation	1811.23	43477.79	45289.02
Deducted (as per Risk Mitigation)	38.19	5573.05	5611.24

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 recognises 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 Central and State Governments
- 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 guarantees issued by Government, other Commercial banks, ECGC and CGTMSE.

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 13.47% 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.

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	1070.66
	Gold Jewels	3326.39
	LIC / KVP / NSC	4.04
Non Funded	Bank's own deposits	524.54

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(₹ 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	169.79
	ECGC	150.00
	CGTSI	26.54

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 method. The capital charge for both investments and foreign exchange exposure is computed as per prudential guidelines issued by Reserve Bank of India.

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 Duration Approach: - The bank's portfolio comprises 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) is calculated for Equity and Foreign Exchange portfolios on a daily basis.
2. The positions are marked to market at stipulated intervals. The Duration/Modified Duration for trading book is computed and its adherence to the prescribed duration limits is ensured.
3. The Bank is computing capital charge for both investments and foreign exchange exposure categories using Standardised Duration Approach as required under RBI guidelines.
4. Stress testing analysis is done by applying rate shocks on investment portfolio and also on foreign exchange open position.

Quantitative Disclosures :

The capital charge for market risk 31st March, 2020

(₹ in crore)

Interest Rate Risk	14.35
Equity Position Risk	19.09
Foreign Exchange Risk	2.00
Total	35.44

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**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 3 years i.e. 2016-17, 2017-18 and 2018-19 as defined in the Master Circular - Basel III Capital Regulations & New Capital Adequacy Framework guidelines. The required capital is ₹279.51 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 on 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 (earnings perspective) is measured through use of Gap Analysis by applying a 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 31.03.2020 is ₹125.83 crore.
- The impact of change in market value of Equity for an interest rate shock of 200 bps as on 31.03.2020 is 7.88%.

TABLE DF - 10

GENERAL DISCLOSURES FOR EXPOSURES RELATED TO COUNTERPARTY CREDIT RISK

Counterparty Credit Risk (CCR) is the risk that a counterparty to a transaction could default before the final settlement. 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 parties.

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, 2020

(₹ in crore)

Nature	Notional Amount	Potential Exposure @2%/10%	Current Exposure	Total credit Exposure
Forward contracts	6455.07	195.70	63.16	258.86

The Capital requirement for exposure to Qualified Central Counterparty (QCCP) - Clearing Corporation of India Ltd. (CCIL) - as on 31.03.2020 has been computed at ₹68.52 crore with risk weighted value of ₹13.70 crore. The Credit Valuation Adjustment (CVA) worked out to a capital

charge of ₹ 1.48 crore with risk weighted value of ₹ 18.56 crore. These two have been added to arrive at the Capital and Risk Weighted Assets pertaining to Credit Risk.

TABLE DF - 11
COMPOSITION OF CAPITAL

Basel III common disclosure - 31 st March, 2020			(₹ in million)	Ref No.
Common Equity Tier 1 Capital: Instruments and Reserves				
1.	Directly issued qualifying common share capital plus related stock surplus (share premium)	9498.08	-	
2.	Retained earnings	43130.79	-	
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	52628.87	-	
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)	428.29	-	
10.	Deferred tax assets (Net)	883.00	-	
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	0.00	-	
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)	-	-	

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Basel III common disclosure - 31 st March, 2020			Ref No.
20.	Mortgage Servicing Rights (amount above 10% threshold)	-	-
21.	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-
22.	Amount exceeding the 15% threshold	-	-
23.	of which : significant investments in the common stock of financial entities	-	-
24.	of which : Mortgage Servicing Rights	-	-
25.	of which : Deferred Tax Assets arising from temporary differences	-	-
26.	National specific regulatory adjustments (26a+26b+26c+26d)	-	-
26(a).	of which : Investments in the equity capital of unconsolidated insurance subsidiaries	-	-
26(b).	of which : Investments in the equity capital of unconsolidated non-financial subsidiaries	-	-
26(c).	of which : Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the Bank	-	-
26(d).	of which : Unamortised pension funds expenditures	-	-
27.	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	-
28.	Total regulatory adjustments to Common Equity Tier 1	1311.29	-
29.	Common Equity Tier 1 Capital (CET1)	51317.58	-
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 million)

Basel III common disclosure - 31 st March, 2020			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)	51317.58	-
	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	3105.34	-
51.	Tier 2 Capital before Regulatory Adjustments	3105.34	-
	Tier 2 Capital: Regulatory Adjustments		
52.	Investments in own Tier 2 instruments	-	-
53.	Reciprocal cross-holdings in Tier 2 instruments	-	-
54.	Investments in the capital of Banking, Financial and Insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the Bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	-
55.	Significant investments in the Capital Banking, Financial and Insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-

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Basel III common disclosure - 31 st March, 2020			Ref No.
56.	National specific regulatory adjustments (56a+56b)	-	-
56(a).	of which : Investments in the Tier 2 Capital of unconsolidated Insurance Subsidiaries	-	-
56(b).	of which : Shortfall in the Tier 2 Capital of majority owned financial entities which have not been consolidated with the Bank	-	-
57.	Total regulatory adjustments to Tier 2 Capital	-	-
58.	Tier 2 Capital (T2)	3105.34	-
58(a).	Tier 2 Capital reckoned for Capital adequacy	3105.34	-
58(b).	Excess Additional Tier 1 Capital reckoned as Tier 2 Capital	-	-
58(c).	Total Tier 2 Capital admissible for Capital Adequacy (58a+58b)	3105.34	-
59.	Total Capital (TC = T1 + Admissible T2) (45 + 58c)	54422.92	-
60.	Total risk weighted assets (60a + 60b + 60c)	324623.87	-
60(a).	of which : total credit risk weighted assets	285255.49	-
60(b).	of which : total market risk weighted assets	4430.09	-
60(c).	of which : total operational risk weighted assets	34938.29	-
Capital Ratios			
61.	Common Equity Tier 1 (as a percentage of risk weighted assets)	15.80%	-
62.	Tier 1 (as a percentage of risk weighted assets)	15.80%	-
63.	Total capital (as a percentage of risk weighted assets)	16.76%	-
64.	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	7.375%	-
65.	of which : capital conservation buffer requirement	1.875%	-
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 risk weighted assets)	15.80%	-
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) (including CCB upto 31 st March, 2020)	10.875%	-
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 million)

Basel III common disclosure - 31 st March, 2020		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)	-
77.	Cap on inclusion of provisions in Tier 2 under standardised approach	-
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)	-

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(₹ 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	883.00 883.00
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 44(a) of which : Excess Additional Tier 1 Capital which is considered as Tier 2 Capital under row 58(b)	-
50.	Eligible Provisions included in Tier 2 Capital	3105.34
	Eligible Revaluation Reserves included in Tier 2 Capital	-
	Total of row 50	3105.34
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 58(a)	-

Basel III

Table DF - 12

COMPOSITION OF CAPITAL - RECONCILIATION REQUIREMENTS

Step 1

(₹ in million)

Particulars as on 31.03.2020	Balance Sheet as in financial statements	Balance Sheet under regulatory scope of consolidation	
A Capital & Liabilities			
I Paid-Up Capital	737.32	↑ NOT APPLICABLE ↓	
Reserves & Surplus	52223.35		
Minority Interest	-		
Total Capital	52960.67		
II Deposits	408324.94		
of which : Deposits from Banks	156.94		
of which : Customer Deposits	408168.00		
of which : Other Deposits (pl. specify)	-		
III Borrowings	20324.03		
of which : From RBI (REPO)	4120.00		
of which : From Banks	-		
of which : From other Institutions & Agencies	16204.03		
of which : Others (pl. specify) Outside India	-		
of which : Capital Instruments	-		
IV Other Liabilities & Provisions	15725.69		
Total Liabilities	497335.33		
B Assets			
I Cash and Balances with Reserve Bank of India	20303.68		
Balance with Banks and Money at Call and Short Notice	26912.80		
II Investments	91167.86		
of which : Government Securities	89394.93		
of which : Other Approved Securities	-		
of which : Shares	73.58		
of which : Debentures & Bonds	417.06		
of which : Subsidiaries / Joint Ventures / Associates	-		
of which : Others (Commercial Papers, Mutual Funds etc.)	1282.29		
III Loans and Advances	339274.46		
of which : Loans and Advances to Banks	-		
of which : Loans and Advances to Customers	339274.46		
IV Fixed Assets	2451.62		
V Other Assets	17224.91		
of which : Goodwill and Intangible Assets	-		
of which : Deferred Tax Assets	1927.48		
VI Goodwill on Consolidation	-		
VII Debit Balance in Profit & Loss Account	-		
Total Assets	497335.33		

Step 2

1) As the Bank is not having any subsidiary, no disclosure relating to any legal entity for regulatory consolidation is made.

2) Break up for DF-11 items is given below as shown in the Bank's financial statements:

Common Equity Tier 1 capital : Instruments and reserves

Ref. No.	As per Balance Sheet	₹ in million	As shown in DF-11 Composition of Capital	As shown in DF-12 (Step1) Balance Sheet
a)	Paid-up Capital	737.32	S.No.1	Paid-up Capital
b)	Share Premium	8760.76		Reserves & Surplus
c)	Statutory Reserves	14260.00	S.No.2	Reserves & Surplus
d)	Capital Reserves	2066.43		Reserves & Surplus
e)	General Reserves	22115.00		Reserves & Surplus
f)	Special Reserve under IT	4110.00		Reserves & Surplus
g)	Balance in P&L	579.36		Reserves & Surplus
	Total	52628.87		

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Common Equity Tier 1 capital : Regulatory adjustments (deductions)

Ref. No.	As per Balance Sheet	₹ in million	As shown in DF-11 Composition of Capital	As shown in DF-12 (Step1) Balance Sheet
h)	Intangible assets (Application software)	428.29	S.No.9	Included in Fixed Assets
i)	Deferred Tax assets (net)	883.00	S.No.10	Other Assets/Liabilities
	Total	1311.29		

Tier 2 capital : Instruments and Provisions (Additions)

Ref. No.	As per Balance Sheet	₹ in million	As shown in DF-11 Composition of Capital	As shown in DF-12 (Step1) Balance Sheet
j)	Investment Reserve	331.80	S.No.50	Reserves & Surplus
k)	Provision for Standard Assets	1461.30		Other Liabilities & provisions
l)	Provision for Country Risk Exposure	40.00		
m)	Provision for Unhedged Foreign Currency Exposure (UFCE)	22.24		
n)	Provision for impact of COVID19	1250.00		
	Total	3105.34		

Step 3

(₹ in million)

**Extract of Basel III common disclosure template (with added column) - Table DF-11
(Part I / Part II whichever, applicable)**

Common Equity Tier 1 Capital: Instruments and Reserves

		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	9498.08	2(a) & 2 (b)
2.	Retained earnings	43130.79	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	52628.87	(Sum of 1 & 2 above)
7.	Prudential valuation adjustments	-	
8.	Goodwill (net of related tax liability)	-	

Table DF - 13

MAIN FEATURES OF REGULATORY CAPITAL INSTRUMENTS

Table DF - 13 : 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)	737.32 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	

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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	

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.	Compensation Committee comprising of four members constituted to oversee the framing, review and implementation of Compensation Policy.
(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	<p>Key Features:</p> <p>a) Board oversees the design of the compensation package and operations.</p> <p>b) Compensation commensurate with the responsibility and accountability.</p> <p>Objectives:</p> <p>a) Alignment of compensation with prudent risk taking.</p> <p>b) Effective Supervisory oversight.</p> <p>c) Sound Compensation practices.</p>
(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.	<p>a) ESOP and Reservation in Rights Issue to be the components of share based payment.</p> <p>b) Exgratia payment to be denied only in extreme cases of indiscipline, misuse of trust etc.</p>
(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.

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Quantitative Disclosures: The quantitative disclosures pertaining to the MD & CEO as on 31st March, 2020 & 31st March, 2019 is given below:

		Current Year 31st March, 2020	Previous Year 31st March, 2019
(g)	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	4 meetings were held during the financial year (Compensation and Committee) and the total remuneration and commission paid during the year ₹ 31,60,000/- (including commission of ₹ 30,00,000/-).	7 meetings were held during the financial year (Compensation Committee) and the total remuneration and commission paid during the year ₹ 35,40,000/- (including commission of ₹ 32,00,000/-)
(h)	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
(i)	1) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	NIL	NIL
	2) Total amount of deferred remuneration paid out in the financial year.	NIL	NIL
(j)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	<p>Fixed: ₹ 87,00,000/- per annum # (paid/payable w.e.f., 1st May, 2019 as per RBI mail approval dt. 20th April, 2020)</p> <p>HRA - 12% of the fixed pay per month from May 18.</p> <p>Variable: * (pertains to FY 19-20)</p> <p>No. of Stock options granted during the FY 2019-20: NIL</p> <p>The option vested during FY 2018-19 i.e., 151250 shares have been exercised during</p>	<p>Fixed: ₹ 84,00,000/- per annum (paid w.e.f., 1st May, 2018 as per RBI approval dt. 29th March, 2019)</p> <p>HRA - 12% of the fixed pay per month from May 18.</p> <p>Variable: An amount of ₹ 20 lakh paid in the subsequent year to MD & CEO for FY 2018-19 based on RBI approval dated 29th March, 2019.</p> <p>No. of Stock options granted during the FY 18-19: NIL</p> <p>An option of 151250 shares being vested during FY 2018-19 based on RBI approval dated 14.10.15.</p>

Quantitative Disclosures: The quantitative disclosures pertaining to the MD & CEO as on 31st March, 2020 & 31st March, 2019 is given below: (condt.)

	Current Year 31 st March, 2020	Previous Year 31 st March, 2019
	FY 2019-20. Further, during FY 2019-20, 181500 options have been vested and will be exercised in the subsequent financial years as per the ESOP.	
	Deferred: Nil	Deferred: Nil

In addition to the Fixed pay the Bank pays various perquisites as approved by RBI.

* Pertain to FY 2018-19 payable to MD& CEO based on approval from RBI dated 20th April, 2020 which will be paid on subsequent date. For FY 2019-20 the proposal for variable pay will be made to RBI.

(k)	(j) 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.	NIL	NIL
	(iii) Total amount of reductions during the financial year due to ex-post implicit adjustments.	NIL	NIL

Table DF - 16

EQUITIES - DISCLOSURE FOR BANKING BOOK POSITIONS

There are no equity investments as on 31st March, 2020 under Banking Book (HTM).

Table DF - 17

LEVERAGE RATIO

Leverage ratio is a non-risk based measure of all exposures for the Tier-I capital. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with

this ratio expressed as a percentage. Previously, the indicative benchmark Leverage Ratio prescribed was 4.50% (minimum), which has been reduced to 3.50% (minimum) as per the RBI circular on "Basel III Capital Regulations - Implementation of Leverage Ratio", vide DBR.BP.BC.No.49/21.06.201/2018-19 dated 28.06.2019.

$$\text{Leverage Ratio} = \frac{\text{Capital Measure (Tier I Capital)}}{\text{Exposure Measure}}$$

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SUMMARY COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO EXPOSURE MEASURE

(₹ in million)

Sl. No.	Item	Amount
1.	Total consolidated assets as per published financial statements	497335.33
2.	Adjustment for investments in Banking, Financial, Insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3.	Adjustment for fiduciary assets recognized on the Balance Sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4.	Adjustments for derivative financial instruments	2609.66
5.	Adjustment for securities financing transactions (i.e. Repos and similar Secured Lending)	-
6.	Adjustment for Off-Balance Sheet items (i.e. conversion to credit equivalent amounts of Off- Balance Sheet exposures)	20956.77
7.	Other adjustments (intangible)	(1311.29)
	Leverage Ratio exposure	519590.47

Table DF - 18

LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE – 31st March, 2020

(₹ in million)

Sl. No.	Item	Amount
	On - Balance Sheet Exposures	
1.	On-Balance Sheet items (excluding Derivatives and SFTs, but including Collateral)	497335.33
2.	(Asset amounts deducted in determining Basel III Tier 1 Capital)	(1311.29)
3.	Total On-Balance Sheet exposures (excluding Derivatives and SFTs) (sum of lines 1 and 2)	496024.04
	Derivative Exposures	
4.	Replacement cost associated with all Derivative transactions (i.e. net of eligible cash variation margin)	2609.66
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)	2609.66
	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	58464.65
18.	(Adjustments for conversion to credit equivalent amounts)	(37507.88)
19.	Off-Balance Sheet items (sum of lines 17 and 18)	20956.77
	Capital and total exposures	
20.	Tier 1 Capital	51317.58
21.	Total exposures (sum of lines 3, 11, 16 and 19)	519590.47
	Leverage Ratio	
22.	Basel III Leverage Ratio (20/21)	9.88%

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DECADE OF PROGRESS

(₹ in crore)

Year	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Paid up capital (Face value of ₹ 1 each)	40.50	40.82	47.44	54.27	59.66	59.82	60.11	66.47	73.45	73.73
Reserve fund and Other Reserves	966.12	1202.28	1593.22	1970.66	2635.87	2992.18	3510.09	4096.76	4767.31	5222.34
Deposits	12914.29	16340.76	20304.75	22016.89	24074.96	27158.13	30115.74	32852.62	38447.95	40832.49
Advances	9255.46	12137.46	15246.06	16096.84	17965.50	21056.92	23832.70	27852.79	32673.34	33927.45
Investments	3616.23	4586.19	5266.80	5953.56	5870.67	6826.45	7031.45	7879.11	7712.20	9116.79
Net Profit	215.05	280.25	322.02	347.07	395.02	444.69	502.77	592.00	682.85	476.32
Dividend	85%	100%	100%	100%	110%	120%	30%	30%	50%	50%*
No. of Branches	246	300	375	425	475	525	550	600	650	700
Total No. of Staff	2836	3347	3785	4215	4364	4517	4688	5319	5518	5741
Intrinsic value of Shares (₹)	24.85	30.45	30.44	37.31	45.18	51.02	59.40	62.63	65.91	71.83
Earning Rate (%)	530.95	686.55	597.51	639.52	662.12	743.38	836.42	890.63	929.68	646.03

* An Interim Dividend was paid during March 2020. No Final Dividend was declared as per RBI guidelines.

CITY UNION BANK LIMITED

ECS / NECS / RTGS / NEFT MANDATE FORM FOR PAYMENT OF DIVIDEND ON EQUITY SHARES

(In case of share held in physical form – send it to Registrar & Share Transfer Agent (RTA),

M/s. KFin Technologies Pvt. Ltd., Hyderabad)

(In case of share held in demat form – send it to your Depository Participant)

Name of the First / Sole shareholder						
Regd. Folio No.						
No. of Shares						
Bank A/c. Type [Please tick (✓)]	Saving A/c		Current A/c		Cash Credit A/c	
Bank Account Number						
Name of the Bank						
Branch Name						
IFSC Code						
Full Address of the Branch						
9-Digit Code number of the Bank & Branch appearing on the MICR cheque issued by the Bank (Please attach Photocopy of a cheque or a blank cancelled cheque issued by your bank relating to your above account for verifying the accuracy of the code).						

DECLARATION

I agree to avail the ECS / NECS / RTGS / NEFT facility as and when implemented by **CITY UNION BANK LIMITED** for payment of dividend to me.

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold **CITY UNION BANK LIMITED** / RTA responsible in any manner.

I further undertake to inform **CITY UNION BANK LIMITED** / RTA any change in my Bank, Branch and Account Number.

(Signature of the First / Sole shareholder)

Place :

Date :

CITY UNION BANK LIMITED NOMINATION FORM

[Pursuant to Section 72 of the Companies Act, 2013 and Rule 19 (1) of the Companies
(Share Capital and Debentures) Rules, 2014]

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	Regd. Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE(S)

Name:		Date of Birth: ___/___/___		Please affix recent passport size photograph of the Nominee signed across
Father's / Mother's / Spouse's name:		Occupation:	Nationality:	
e-mail Id:		Relationship with the Security Holder:		
Address:				
Phone No.		Pin code:		

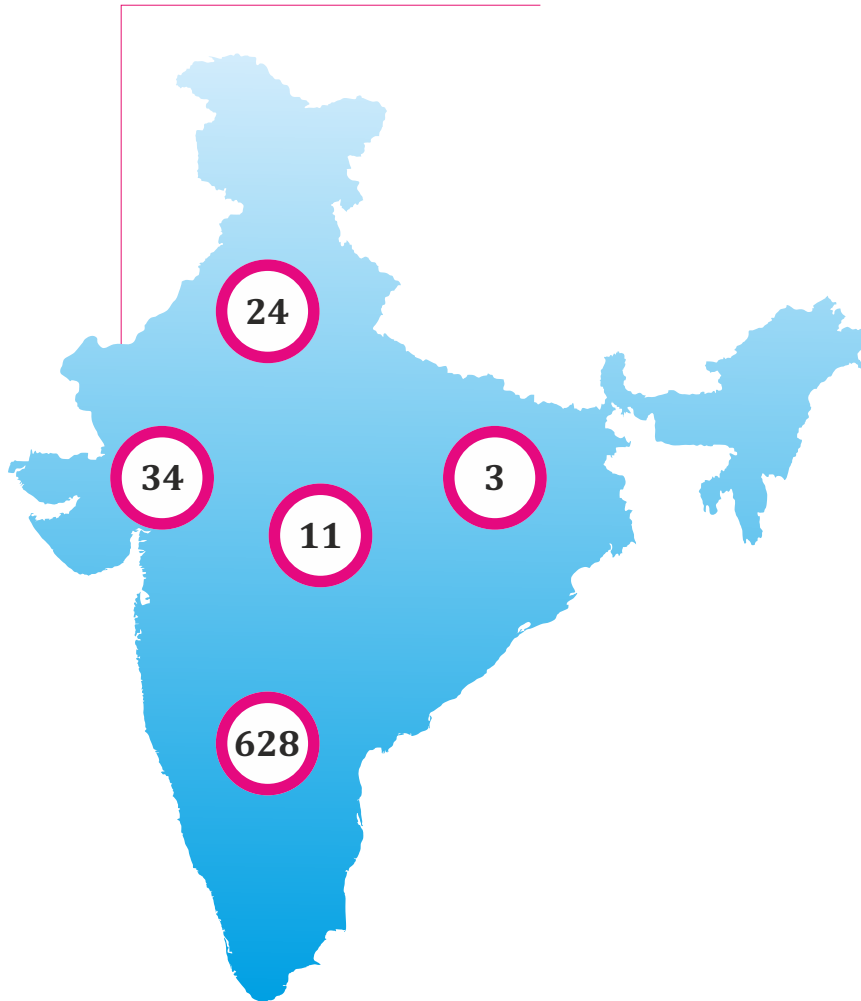
(3) IN CASE NOMINEE IS A MINOR

Date of Birth: ___/___/___	Date of attaining majority: ___/___/___	Name of guardian:
Address of guardian:		
Pin code:		

Name of the Security Holder	Signature
1.	
2.	
Name of Witness:	Signature of Witness with date:
Address of Witness:	
Place:	
Date:	

Note : The above form should be filled and submitted with the Bank's Registrar and Share Transfer Agents - KFin Technologies Pvt. Ltd., (Unit: **CITY UNION BANK LIMITED**) situated at Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally, Hyderabad - 500032, Telengana State, India.

REGIONWISE BRANCHES



BANK NETWORK

1793

ATMs
OF WHICH

799

CASH DEPOSIT
& WITHDRAWAL
MACHINES

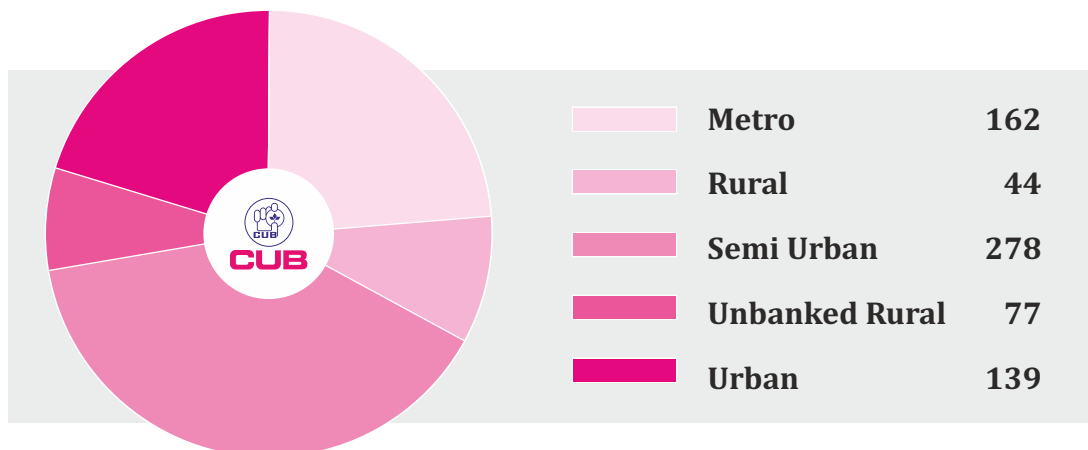
AND

994

CASH
WITHDRAWAL
MACHINE

700

BRANCHES



*An Inspiring
Banking
Journey
Continues!*



Thank you stakeholders

For your continued support and patronage



Annual General Meeting held at Kumbakonam on 29th August, 2019





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

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e-mail: customercare@cityunionbank.com