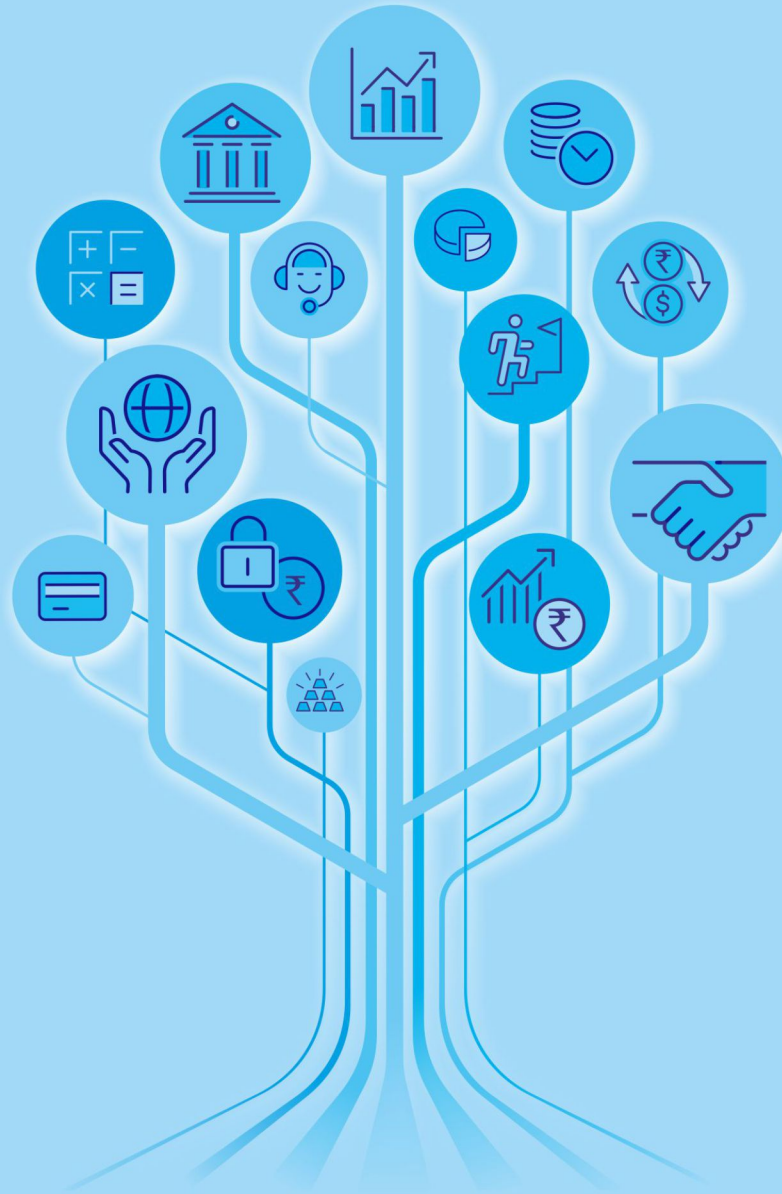


ANNUAL Report 2023-24



CUB
Trust and Excellence
SINCE 1904

CITY UNION BANK LIMITED



Inauguration of Bank's New Office Building at "CUB Bhavan", Guindy, Chennai, Tamilnadu



Inauguration of 800th Branch at Ayodhya, Uttar Pradesh

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		Joint Statutory Central Auditors
		M/s. Jagannathan & Sarabeswaran Chartered Accountants, No.4/9, 1 st Floor, 2 nd Cross Street, Seethammal Colony, Alwarpet, Chennai - 600 018.
		M/s. K. Gopal Rao & Co., Chartered Accountants, New No. 21, Old No. 9/1, Moosa Street, T. Nagar, Chennai - 600 017.
		Secretarial Auditor
		Shri. V. Sankar Practising Company Secretary, 306, Sree Daksha Yashus, Sivasakthi Nagar, Saravanampatti, Coimbatore - 641 035.
		Registrar and Transfer Agents
		Integrated Registry Management Services Private Limited, (Unit : CITY UNION BANK LIMITED) II Floor, "Kences Towers", No.1 Ramakrishna Street, Off North Usman Road, T. Nagar, Chennai - 600 017, Tamil Nadu, India. ☎ 044-28140801-803 ☎ 044-28142479 ✉ corpseiv@integratedindia.in
		BRSR Consultant
		M/s. J. Sundharesan & Associates Governance, Compliance & Sustainability Advisors, No. 32/33, 2 nd Floor, East Park Road, 18 th Cross, Malleswaram, Bengaluru - 560 055.

CIN: L65110TN1904PLC001287

Registered Office

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

Administrative Office

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

Customer Call Center

Premier Trade Center, 2nd Floor,
No.1/55, Mayiladuthurai Main Road, Ullur,
Kumbakonam - 612 001.
☎ 044 - 71225000

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



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Download Annual Report

BOARD OF DIRECTORS



M. NARAYANAN
B.Sc., F.C.A., Grad CMA, DISA
(upto 03rd May, 2024)



G. MAHALINGAM
M.Sc., MBA, CAIIB
(w.e.f. 04th May, 2024)

NON-EXECUTIVE PART-TIME CHAIRMAN



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



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



V. N. SHIVASHANKAR
B.Com., B.L., A.C.S., ACMA



Dr. T. S. SRIDHAR I.A.S. (Retd.)
MA, Ph.D



K. VAIDYANATHAN
B.Sc., FCMA, FCS



T. K. RAMKUMAR
B.Com., B.L



Prof. V. KAMAKOTI
B.E., M.S., Ph.D



LALITHA RAMESWARAN
B.Com., FCA., DISA



R. VIJAY ANANDH
B.Sc., MBA
EXECUTIVE DIRECTOR

SENIOR GENERAL MANAGERS



V. RAMESH



K. MAHARAJAN

GENERAL MANAGERS



J. SRIDHARAN



S. RAJAM



G. SANKARAN



V. GOPALAKRISHNAN



K. JAYARAMAN



M. KALYANARAMAN



R. BALAJI



S. VENKATESH



R. UMA



C. GANESAN

SENIOR DEPUTY GENERAL MANAGER

C RAJENDRAN

DEPUTY GENERAL MANAGERS

GANESAN V

VENKATESAN S

VENKATASUBRAMANIAN V

VENKAT KISHNA V

SUNDARARAMAN G

GANESAN J

MOHAN S

SIVAKUMAR V

NARAYANAN R

SUBBARAMAN R

VENKATAKRISHNAN K

SADAGOPAN J

MOHANKUMARAMANGALAM N

THOTA VENKATASARAVANAN S

SURESH T V

HARI KUMAR KASA

VIJAY CHANDAR K T

PRAKASH R

ASSISTANT GENERAL MANAGERS

RAJA B

SADIQ BATCHA I

VAIDYANATHAN N

SWAMINATHAN R

SUYAMBULINGA RAJA G

GUHAN V

RAGHUNATHA REDDY S

RAJAN MT

SENTHILKUMAR T

SENTHILKUMAR S

GANESH V

MUTHU KUMARAN P

SIVANESAKUMAR J

MANOJ KUMAR S

JAISANKAR J

AMIRTHAGANESH T S

PAVANKUMAR L

NATARAJAN R

RAMAKRISHNAN K

SRINIVASAN V

VENKATESAN G

KALYANA SUNDARAM S

SIVASUBRAMANIAN J S

SATHYANARAYANAN KV

GURUMOORTHY V

MAHESHWARAN M D

LAKSHMI B

MOHAN R

GURU PRASATH S

SRINIVASA PRASAD K K

ARUL ARASU A

MEENAKSHISUNDARAM S

VENKATARAMAN K

MALATHI CHANDRASEKAR

VIJAY ANAND B

JAYAKAR TD

ARUN JANARDHANA

PEDDIREDDY V SUBASH

SRIRAM TS

KUNAL DHOKE

NEELASRIKANDAN V R

JOHN PAUL RAJANAYAGAM DDI

JAYESH SATYENDRA BILTHERIA

CHIDAMBARASELVAN M

VISWANATHAN G

BASKARAN P C

GANESH SHENOY K

BABU GIRISHKUMAR K G

UNNIKRISHNAN S P

SJN GUPTA VUTUKURI

RAMANARAYANAN S

VASUKI G

PARTHASARATHY V

GOVINDARAJ G

BALASUBRAMANIAN S

SENTHILKUMAR RK

VENKAT SAIRAM S

GOWRISUDHAN V

SRI SELVENDIRAN R

RAVISWAMINATHAN R

SANTHOSH KUMAR K V

UMAKANATH L R U

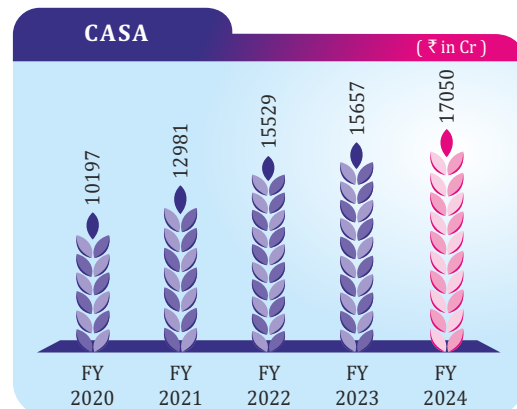
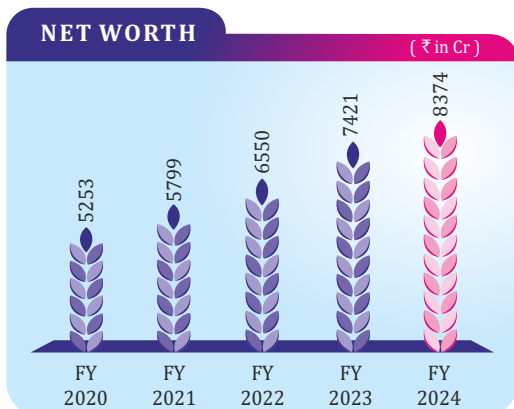
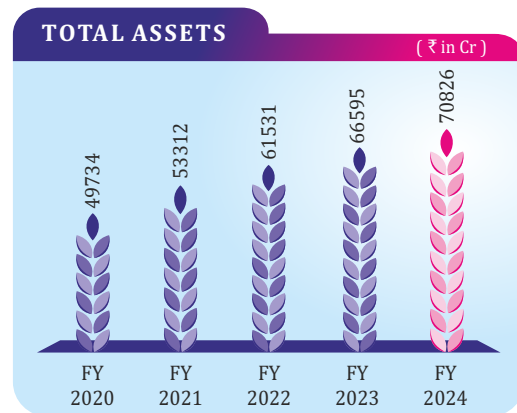
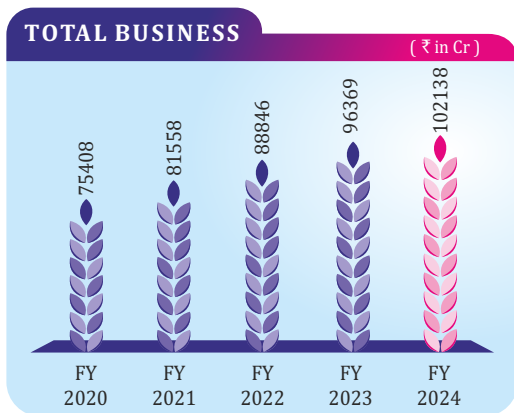
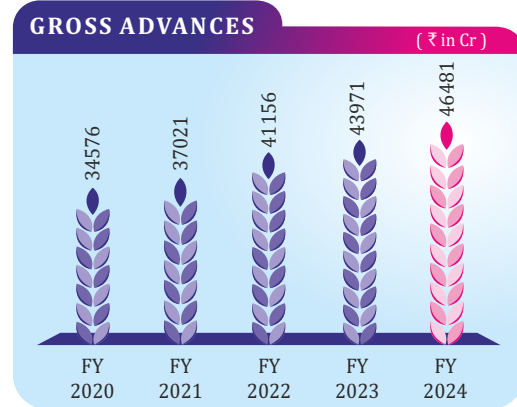
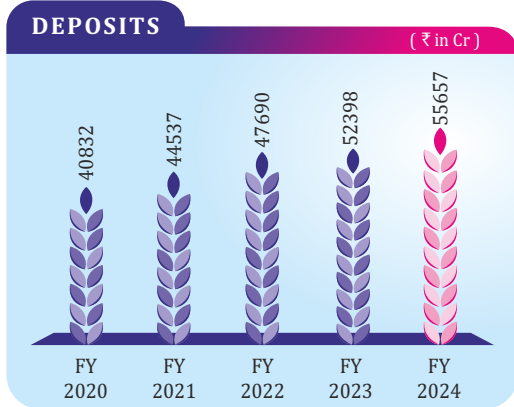
RAGHUNATH RAJAGOPALAN

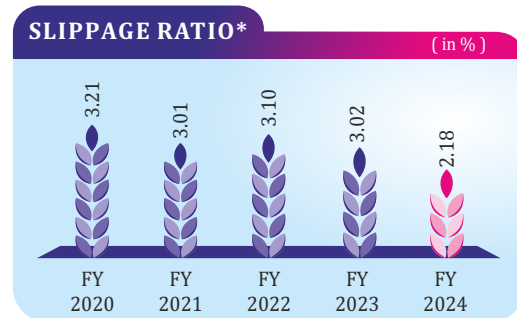
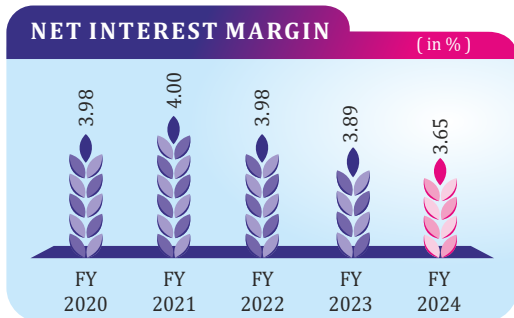
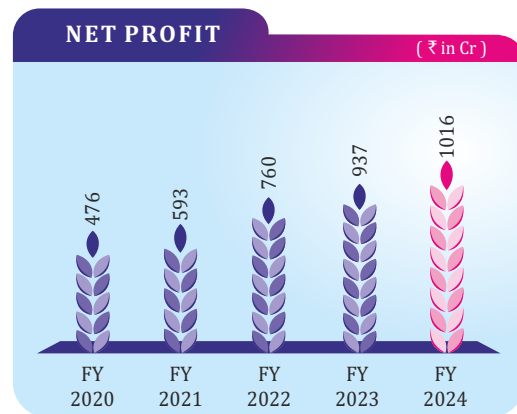
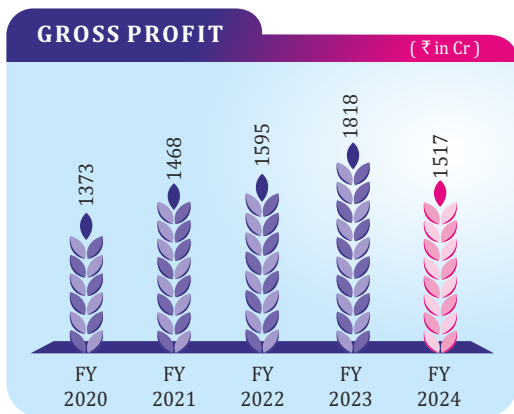
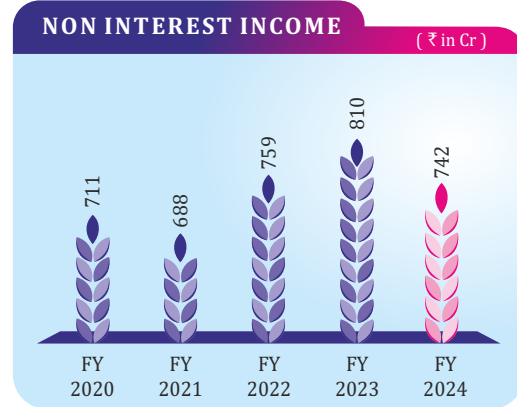
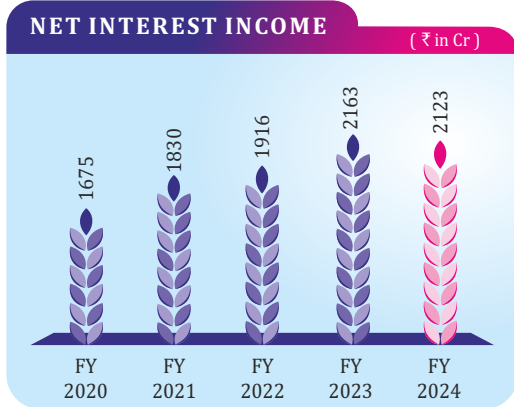
CHIEF FINANCIAL OFFICER

SADAGOPAN J

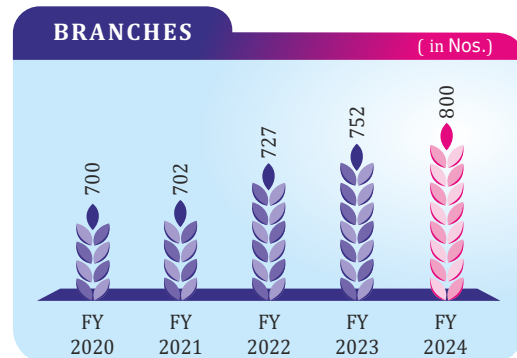
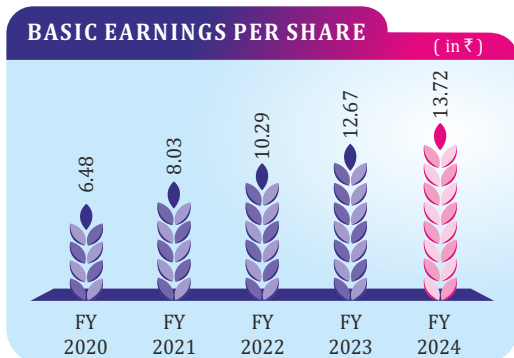
COMPANY SECRETARY

VENKATARAMANAN S





* to closing advances



CUB CSR - ENVIRONMENTAL & SUSTAINABILITY INITIATIVES



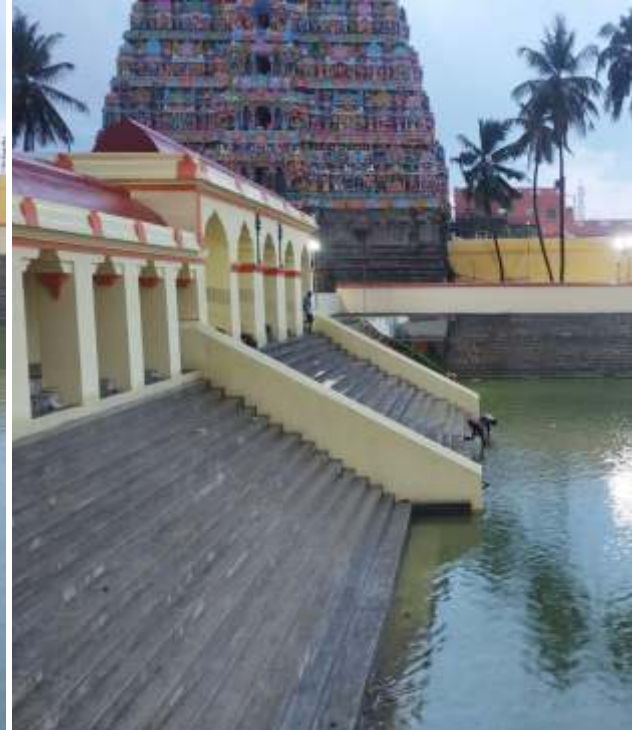
Olayakunnam Lake (Measuring 130 acre) Madukkur, Pattukottai Taluk, Tamilnadu

RENOVATION & DESILTATION OF LAKE

CUB CSR - ENVIRONMENTAL & SUSTAINABILITY INITIATIVES



A/M Narayana Perumal Temple Tank, Thirunangur (measuring 35,000 sq. ft. approx.) near Sirkazhi, Mayiladuthurai District, Tamilnadu



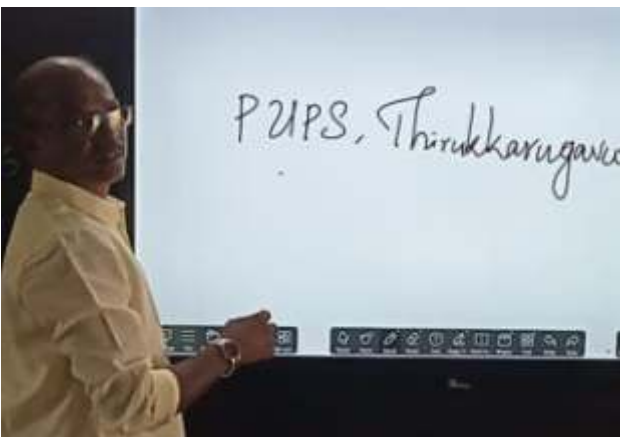
A/M Mayuranathar Temple Tank (measuring 40,000 sq. ft. approx.) Mayiladuthurai District, Tamilnadu

RENOVATION & DESILTATION OF TANKS

CUB CSR - LITERACY & EDUCATION INITIATIVE



Centennial Middle School, Veppathur, Thanjavur District, Tamilnadu



Panchayat union Primary School, Thirukkarugavur, Thanjavur District, Tamilnadu



National Vidyalaya Senior Secondary School, Kumbakonam, Tamilnadu

PROVISION FOR SMART CLASSES

CUB CSR - LITERACY & EDUCATION INITIATIVE



Contribution of Desk & Benches to Little Flower Higher Secondary School, Kumbakonam, Tamilnadu



Contribution for construction of Class rooms at S. Pudur High School, Thanjavur District, Tamilnadu

CUB CSR - HEALTHCARE INITIATIVES



Contribution of Bus to Sri Ramachandra Medical College, Porur, Chennai, for Conducting Health Camps



Contribution of Lithotripter Unit to Sacred Heart Leprosy Centre at Kumbakonam, Tamilnadu

CUB FINANCIAL LITERACY CAMPS - FY 2023 - 24



Ariyalur, Tamilnadu



Kattumannar Koil, Tamilnadu



Nagore, Tamilnadu

CUB CITY UNION BANK
TRUST AND EXCELLENCE SINCE 1904

Launch of
**SREE PADMANABHASWAMY TEMPLE
MOBILE APP**

Powered by
CITY UNION BANK

**CUB feels
blessed to have
developed the
SREE
PADMANABHA
SWAMY
TEMPLE
MOBILE APP**

Seek the blessings
and divine grace of
Lord
Padmanabhaswamy

WELCOME TO
SREE PADMANABHASWAMY TEMPLE
Email
Mobile
Sign in with Google
Phone Number
Password
Sign In
Forgot Password?
Need Help with Account? Sign Up
Powered By
CITY UNION BANK

Devotees can make their Pooja and other temple bookings through this unique Temple App

Mobile app is available in Play store & APP Store
GET IT ON Google Play Download on the App Store

www.cityunionbank.com

f X YouTube Instagram LinkedIn

CUB - HARNESSING DIGITAL ENVIRONMENT

DIGITAL BANKING

According to Forrester's Consumer Asia Pacific Survey, 2023, a staggering 87% of online Indian adults expressed their desire to do all their banking on a smartphone. This statistic marks the highest percentage among the countries surveyed in the Asia Pacific region. It also underscores the integral role that mobile banking apps play in the financial journey of Indian consumers.

Your Bank continues to offer top notch digital products and services to its customers. Today 97% of all transactions are through Alternate Channel at CUB. Your Bank offers a wide range of digital functionalities from opening an account through Video KYC to cardless transfers at ATMs. Your Bank's offerings have had less than 1% of glitches in digital transactions throughout the year. It even goes the extra mile and provides tracking of transactions from customer's account which can be accessed using mobile banking application.

Your Bank's quest for personalisation in Digital Banking continues. From thumb print to voice recognition, the Bank's customer recognition is digitized. Digital signature facility is offered to corporate customers.

The Reserve Bank has been taking progressive measures to improve availability of digital infrastructure for banking services. In furtherance of this objective and as a part of efforts to accelerate and widen the reach of digital banking services, the concept of "Digital Banking Units" (DBUs) has been introduced in 75 districts by the Govt. of India to commemorate the country's 75 years of Independence. In pursuance of announcements made in the Union Budget 2022-23, guidelines have been prepared for setting up of Digital Banking Units (DBUs) by commercial Banks on the basis of recommendations of a Working Group formed by RBI which included representatives of Banks and Indian Banks Association (IBA).

Your Bank's Digital Initiatives

- Inaugurated its first Digital Banking Unit (DBU) at Khammam, Telangana, during FY 2023.
- During FY 2024 another DBU was opened at Kadugodi - MVJ College, Bengaluru.



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INNOVATION IS THE KEY

Your Bank has launched some innovative Digital products and services to its customers. 'Wearable Keychain' enables customers to make payments just by taking the key chain closer to the PoS (Point of Sale) machine for payments. 'CUB Fit watch' was introduced to make payments on the go. Besides, the Bank offers a range of payment solutions through its 'All in One Mobile App'. Payments and recharging of mobile phones, FASTag, DTH and Cooking Gas refills have been digitised.

CYBERSECURITY MEASURES

Ransomware attacks on the Banks have been rising all over the world. Your Bank has already deployed adequate firewalls to protect the customers. Besides, customer education about such attacks continues through different media. Customers are also alerted to reach out to the Bank if they experience such attacks. Some of the Cyber Security measures undertaken by the Bank are given below :

- The Bank has implemented latest technology tools to protect, detect and respond all cyber security threats and risks.
- The Bank has established Security Operation Centre (SOC) working by 24 X 7 on all calendar days. The SOC takes steps to prevent the attempts from the IOC (Indicators of Compromise) and IOA (Indicators of Attack).
- The Bank participates in the cyber drills conducted by IDRBT on quarterly rests to enhance our threat detection and prevention capabilities. During this review period, the cyber cell function of the Bank detected all the attacks successfully in the cyber drills.
- The Bank provides training on information security and cyber security to all the concerned employees.
- The Bank regularly conducts Readiness Assessment among employees to prepare them to immediately detect and respond in the vent of a cyber-incident.
- Brand Indicator for Message Identification (BIMI) Implementation: This helps the customer to ensure the genuineness of any e-mail received from CUB. The e-mails received from CUB displays its logo in recipient box and the customer can identify and avoid phishing mails that may impersonate the Bank.



As Society harnesses the benefits of emerging technologies, the Financial Service Providers and the Regulators are required to pay utmost attention to the underlying risks, data security, privacy, legal compliance and ethical issues. Your Bank reskills and upskills the existing workforces on a continuous basis and adapts to the changing digital landscape in a sustainable way.

AUTOMATION OF LOAN PRODUCTS

Digital Loans and Instant loans have become a threshold level expectation among customers. In order to quicken the loan approval process and minimise the paperwork, your Bank has implemented Digital Loan processing for Retail, MSME and Non-MSME loans. The online process also involves various checks and balances using block chain technology to identify the genuineness of the proposal and the borrower. The implementation of digital lending as on date extends to MSME loans followed by Retail Lending with the help of ML. The entire life cycle is digitized from origination, renewal, enhancement, reconsideration etc. The turnaround time has considerably reduced which has given confidence to our Field Level Functionaries to garner more business.

Journey with NewGen Loan Originating System and Boston Consulting Group (BCG)

During FY 2023, the Bank tied up with M/s. Newgen Software Technologies Ltd for digitalisation of retail lending process and has launched NEWGEN Retail LOS. During the FY 2024, the Bank has engaged BCG to provide consulting services in implementing Digital Lending initiatives for automated credit underwriting for MSME using the digital data points available in ECO system. As on date, NEWGEN application also extends to MSME / Non-MSME products as well and that BCG has prescribed the process flow / framework for such products. The application is capable of various activities involved in loan on boarding to disbursement, including fraud check, Score Card, CAM report, e-stamping & e-signing, digital document execution etc. As on the Report date, the application is fully functional, and the Bank is witnessing increase in loan applications in number and quantum.

In order to adopt latest processes and best practices in the sector and implement ML (Machine Learning) based score card, and smooth implementation of Digital Lending, Bank is also focussing on Pre-Qualified / Unsecured Personal loan(s) and Unsecured Business Loan(s).



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The entire implementation of digital lending went on smoothly with implementation of all the products in the digital lending platform for Retail and MSME segments. Your Bank is able to leverage the expertise of BCG team in terms of adopting the latest technology, building the ML based score card, defining the various journey for digital lending and managing the testing. With their guidance and support, your Bank went live for all the products under MSME.

CUB DIGITAL JOURNEY - RECOGNITIONS FY 2024

During the year, your Bank got recognitions from various bodies like Indian Banks Association, Indian Chamber of Commerce, Economic Times, Global Fintech, IBEX etc. in Small Banks category, the details of which are given below :

IBA Awards

Winner in the category of :

1. Best AI & ML Bank
2. Best Fintech & DPI adoption
3. Best Financial Inclusion

Runner up in the category of :

4. Best Digital Engagement
5. Best IT Risk management
6. Best Technology Talent

Special Award :

7. Best Technology Bank

Awards from other renowned Organisations

8. Best Artificial Intelligence at BFSI Technology Awards 2023 by Express Computers (Indian Express Group)
9. Best Digital Bank at 6th BFSI Conclave & Awards 2023 by Governance Now
10. Digital Transformation Leader (CIO / CTO) at 6th BFSI Conclave & Awards 2023 by Governance Now



11. Top 100 CISO at 12th Infosec Maestros Awards 2023 by CIO Axis / CISO Connect
12. Best Innovation of the Year at BFSI Innovation Confex 2024
13. Innovative CIO Award at CIO Axis 9th Innovation CIO Awards 2024
14. Automation Hero Award at CIO Axis 9th Innovation CIO Awards 2024
15. Digital Banking Innovation of the Year at IBS India Banking Summit & Awards 2023
16. Digital CIO Award 2023 at Digital CIO Excellence & Awards
17. High Maturity Data Enterprise at Economic Times DATACON Awards 2023
18. Best Use of Technology Award at IBEX India 2024 Tech Awards
19. Voice Biometric Authentication at Finnoviti Awards 2023 by Banking Frontiers
20. Best Bank Award at Emerging Asia Banking Awards by Indian Chamber of Commerce
21. Best Performance on Profitability at Emerging Asia Banking Awards by Indian Chamber of Commerce
22. Best Performance on Risk Management at Emerging Asia Banking Awards by Indian Chamber of Commerce
23. 2nd Best Bank at National Level under Other Private Sector Bank Category at 15th State Forum of Bankers Club-Kerala
24. Best Bank Branch (Kerala) under Private Sector Banks at 15th State Forum of Bankers Club-Kerala

ROADMAP TO A DIGITAL FUTURE

The Bank appreciates the high value offered to the customer in personalization. From account management to money management and even marketing, there is untapped potential for personalisation and your Bank is moving in the right direction to achieve this. As a Bank in the forefront of customer relationships, it always in sync with the evolving needs of its customers.



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Your Money ! Your Hard-earned Values !!

Don't let it to trap by unknown !!!

- ✔ Don't share your password/PIN over phone call
- ✔ Don't let scammers swipe your life savings

alert

EMAIL OR WEB ID
USER ID
PASSWORD
Sign Up

Cyber Jaagrookta Diwas

Report Social media pages, Mobile Apps, Website, Emails, etc., impersonating CUB to reportphishing@cityunionbank.in

Dial 1930 or register your complaint at <https://cybercrime.gov.in> to report cyber fraud incidents

www.cityunionbank.com

120 YEARS TRUST AND EXCELLENCE 1904-2024

f X v i n

Directors' Report



Dear Shareholders

The Board of Directors of your Bank is pleased to present the Annual Report on business and operations of your Bank together with the Audited Financial Statements for the Financial Year ended March 31, 2024.

ECONOMY OVERVIEW

The world continued to witness the negative effects of the ongoing Russia-Ukraine war in the beginning of FY 2024. This was further aggravated in October 2023 when another catastrophe in the form of Israel - Palestine war erupted. Regular clashes between Israeli forces and Hamas in the West Bank area cast a severe and adverse impact on trade and commerce in the Asian region, displacing many people from their homes robbing them of their livelihood. Frequent attacks by Pirates in the Red Sea Zone on Merchant Ships have resulted in trade being re-routed along the 'Cape of Good Hope' leading to cost escalation for shipping companies with around 51% dip in the average daily container vessels between January - March of 2024 than the last quarter of 2023. As per the estimate of Organization for Economic Cooperation and Development, the re-alignment of shipping routes has affected 9% of world maritime trade and 18% of long distance ocean trade especially between Europe and Asia. The drought in the Panama Canal area of Latin America has also affected the journey time and escalated cost by 60% compared to 2023.

On the Economic front, a threat of potential debt crisis looms large over the global economic landscape. The Global Debt Monitor unit of the International Monetary Fund (IMF) reported that the total global debt has increased to USD 235 trillion which comes to 238% of Global GDP. As most of the countries are conducting elections in 2024, expenditures are expected to surpass budgets severely impacting fiscal prudence. Debt servicing costs are spiraling and interest rates are likely to remain at an elevated level, adversely impacting the financial stability by straining government finances and household budgets leading to shortage of funds for credit growth and investments. This can severely impact sovereign ratings and constrain government's ability to raise resources for productivity-enhancing public investments.

In the Emerging Market Economies, there is a boom in consumer confidence especially in India, Indonesia Vietnam and Mexico. In China, high frequency indicators of consumer spending have moderated and the growth of industrial production has remained subdued. Among the Asian emerging economies, according to OECD, India, Vietnam and Indonesia are expected to experience stable and rapid growth, while inflation is expected to moderate further, provided food prices remain insulated from extreme weather events. Internationally there is a growing optimism that India is on the cusp of a long awaited economic takeoff. The IMF has revised India's GDP growth by 2 percentage points for 2023-24, echoing the similar opinion of the World Economic Outlook (WEO) which has predicted a robust economic growth for India, supported by growth in domestic demand and a rising working age population.

Indian Economy

The domestic economy is experiencing a strong positive momentum. The Gross Domestic Product (GDP) expanded at 7.6 per cent in FY 2023-24, from 7.0 per cent in FY 2022-23, supported by robust fixed investment. On the supply side, economic activity was lifted by the boost in the manufacturing sector's profitability. While the services activity sustained momentum, the agricultural sector activity exhibited a slowdown. The Manufacturing sector is expected to maintain the momentum on the back of sustained profitability. The headline inflation softened to 5.1 percent in January - February 2024 from 5.7 per cent in December 2023. The core (CPI excluding food and fuel) inflation stood at 3.2 per cent in April 2024. The uncertainties in food price would get exacerbated by the increasing incidence of climate shocks, lower reservoir levels especially in the southern states and the extreme hot weather conditions during April - May 2024 and this would weigh on the inflation outlook. The services exports were predominantly driven by software exports and travel exports during FY 2023-24.

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The new phenomenon of Global Capability Centres (GCC) in India has provided a significant boost to our software exports. With an expected 15.2 percent share in world remittances in FY 2024, India continues to be the largest recipient of inwards remittances globally. Overall the current account deficit in FY 2024-25 is expected to remain well within its sustainable level. Touching a new milestone, India's Foreign Exchange reserves reached a historical high of USD 651.5 billion as on May 31, 2024.

OUTLOOK

As per the report of RBI, the Annual Financial Results for FY 2023-24 indicate that the banking system remained sound and resilient, backed by improvement in asset quality, sustained capital adequacy and rise in profitability. The Non Banking Finance Companies (NBFCs) also displayed strong financials, in line with banking sector. The Gross Non Performing Assets (GNPAs) of Scheduled Commercial Banks are below 3 per cent of total advances as at March 31, 2024. Going forward, your Bank will continue to focus on further

improving the governance standards, risk management practices, and compliance culture across the organization.

BANK'S PERFORMANCE

In the above backdrop, your Bank recorded a total business of ₹ 1,02,138 crore, an increase of ₹ 5,769 crore over the previous year figure of ₹ 96,369 crore, a 6% increase over FY 2023 position. The Net Profit of the Bank has increased to ₹ 1,016 crore from ₹ 937 crore, 8% increase over FY 2023 position. The Net Interest Income of the Bank stood at ₹ 2,123 crore. The key performance indicators i.e., the Return on Assets of the Bank stood at 1.52%, Return on Equity stood at 12.86%, the Net Interest Margin of the Bank stood at 3.65% and the Cost to Income ratio stood at 47.06% during the reporting year. The financial performance has been discussed in detail in the subsequent paragraphs. During the year the Bank opened 48 additional branches to total 800 branches and has 1,677 ATM's as at March 31, 2024. Further information on the state of affairs of the Bank has been discussed in detail in the Management Discussion and Analysis Report forming part of this Report.

FINANCIAL HIGHLIGHTS

(₹ in crore)

Particulars	2023-24	2022-23	Growth (%)
Share Capital	74	74	-
Reserves & Surplus	8,327	7,383	13%
Deposits	55,657	52,398	6%
Advances (Gross)	46,481	43,971	6%
Investments (Gross)	15,673	14,360	9%
Total Assets / Liabilities	70,826	66,595	6%
Total Income	6,012	5,525	9%
Total Expenses	4,495	3,707	21%
Net Interest Income	2,123	2,163	-
Operating Profit	1,517	1,818	-
Provisions & Contingencies	501	881	-
Net Profit (A)	1,016	937	8%
Appropriations			
Balance of Profit brought forward (B)	109	100	-
Amount available for appropriations (A+B)	1,125	1,037	-
Transfers to :			
Statutory Reserve	280	250	-
Capital Reserve	6	4	-
General Reserve	555	480	-
Investment Reserve Account	12	40	-
Special Reserve under IT Act, 1961	85	80	-
Dividend	74	74	-
Balance of Profit carried forward	113	109	-
Total	1,125	1,037	-

The total Business stood at ₹ 1,02,138 crore as compared to ₹ 96,369 crore for the previous year registering a growth of 6%. The size of the Balance Sheet as on March 31, 2024 is ₹ 70,826 crore as compared to ₹ 66,595 crore last year recording an increase of 6%.

Digital
Banking

Statutory
Reports

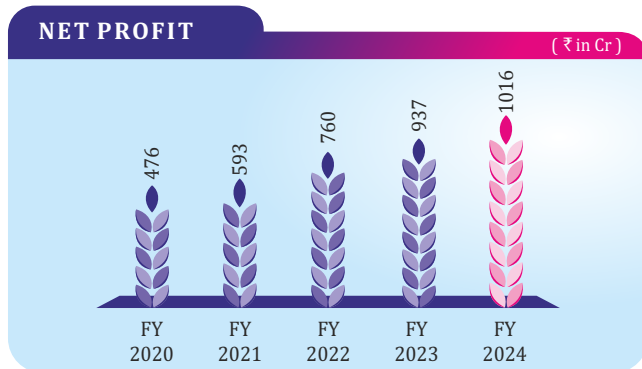
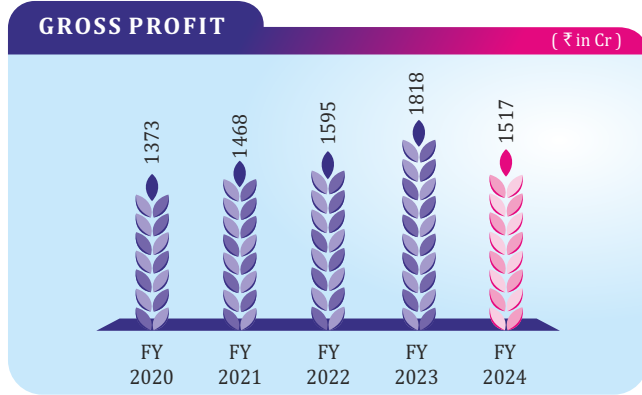
Financial
Statements

List of
Branches

Basel III

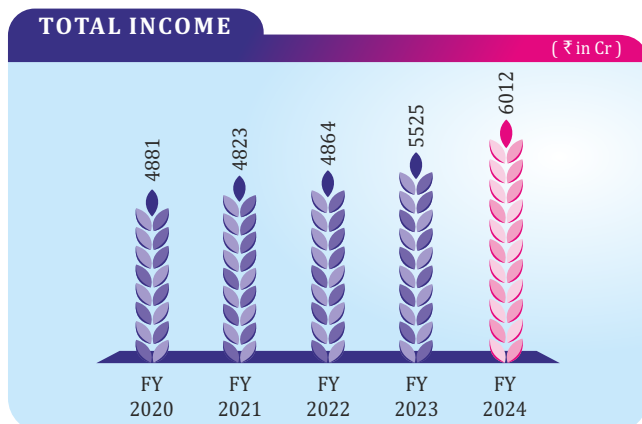
PROFIT

Gross profit and Net Profit of the Bank stood at ₹ 1,517 crore and ₹ 1,016 crore respectively.



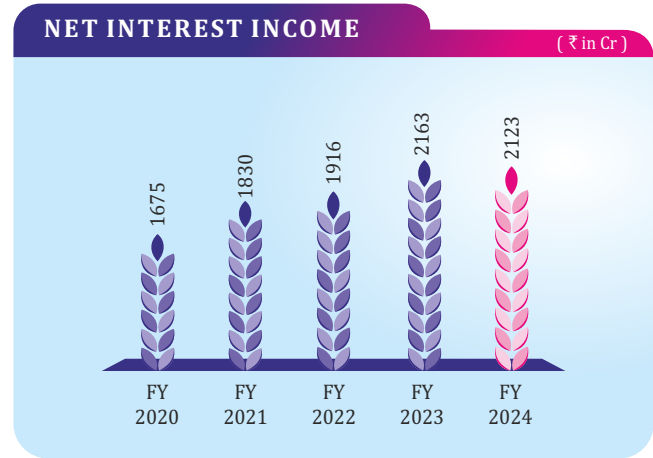
TOTAL INCOME

The Total Income earned by the Bank increased for FY 2024 to record ₹ 6,012 crore as against ₹ 5,525 crore in FY 2023, registering an increase of 9%. The non-interest income of the Bank decreased to ₹ 742 crore from ₹ 810 crore. The total expenditure of the Bank increased to ₹ 4,495 crore as compared to ₹ 3,707 crore, in the previous year, registering an increase of 21%, which was majorly on account of tie-up with Boston Consulting Group for automation of Loan products.



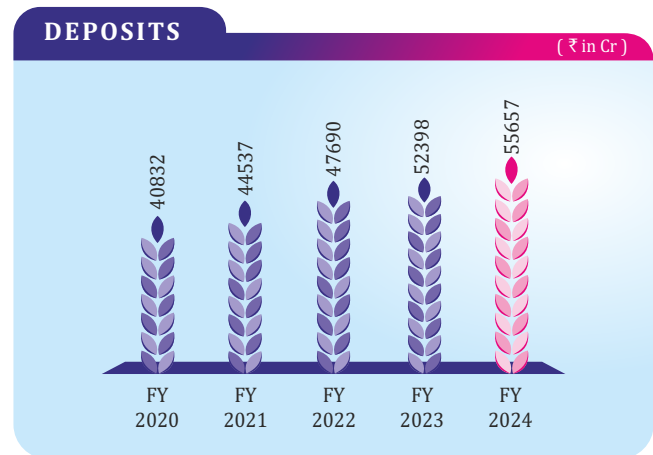
NET INTEREST INCOME

The Net Interest Income for FY 2024 stood at ₹ 2,123 crore as compared to ₹ 2,163 crore in the last year.



DEPOSITS

The Bank's total Deposits for the year under review increased by ₹ 3,259 crore to record ₹ 55,657 crore from ₹ 52,398 crore registering a growth of 6% over previous year. During the current year CASA increased by ₹ 1,393 crore to record ₹ 17,050 crore from ₹ 15,657 crore. The cost of deposit of the Bank stood at 5.59% in FY 2024 as compared to 4.66% in FY 2023.

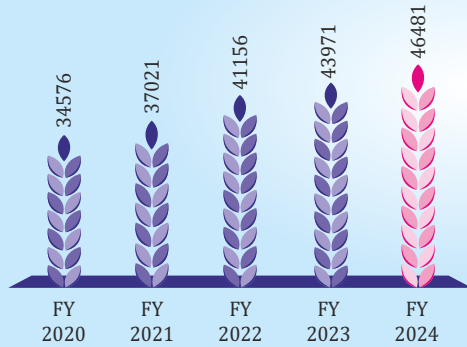


ADVANCES

Gross Advances of the Bank increased by ₹ 2,510 crore to record ₹ 46,481 crore from ₹ 43,971 crore, posting a growth of 6%. The yield on advances improved to 9.72% from 9.23% during the reporting year. The Bank achieved the target / sub-targets prescribed by the RBI for Priority sector, Agriculture, Micro Enterprises, Small / Marginal farmers and weaker section.

GROSS ADVANCES

(₹ in Cr)



The Gross NPA and Net NPA for the year under review stood at 3.99% and 1.97% respectively as compared to 4.37% and 2.36% in the previous year.

The total provision decreased by ₹ 380 crore to ₹ 501 crore from ₹ 881 crore in the previous year. The provision for tax for the reporting year stood at ₹ 215 crore. The provision for NPA for the financial year was ₹ 327 crore.

TREASURY OPERATIONS

Domestic Treasury

The gross Investments increased by ₹ 1,313 crore to ₹ 15,673 crore as on March 31, 2024 from ₹ 14,360 crore as on March 31, 2023. Out of this, the investments in Government Bonds alone remained at ₹ 15,520 crore constituting 99.02% of the total Investment. A fall in crude oil price and US treasury yield, provided support to the bond prices. However, in the second half of the FY 2024, bond market witnessed a sell off. On the domestic front, the Reserve Bank of India kept the policy rates unchanged at 6.50% during the year. The RBI's indication of managing liquidity through Open Market Operation (OMO) sales, kept the bonds under pressure. Towards the end of the FY 2024, bond yield softened on optimism over inclusion of domestic bond in JP Morgan Global Bond Index, benign inflation and renewed hopes of interest rate cut. During the year, the Bank booked a profit of ₹ 32.64 crore by sale of securities as against ₹ 7.63 crore in the previous year.

Forex Treasury

During the reporting year, Indian Rupee weakened against USD by 1.39%. Indian rupee opened at ₹ 82.3325 and closed at ₹ 83.3050 against USD. Geopolitical tension caused by the war between Ukraine & Russia and Israel & Palestine, impacted the local currency and favoured US

Dollar. The Red sea crisis and oil production cuts by OPEC also increased the demand for dollar. The intervention of the RBI reduced the pace of depreciation of the rupee. The Central Bank's reserves during the FY 2024 increased by 11.65%. During the FY 2024, profit from our foreign exchange operation stood at ₹ 71.80 crore as against ₹ 151.60 crore during the previous financial year.

NET WORTH & CAPITAL ADEQUACY RATIO

Net Worth

The paid-up Share Capital of the Bank increased to ₹ 74.07 crore as on March 31, 2024 from ₹ 74.04 crore as on March 31, 2023. During the reporting period, the Bank has allotted 2,55,519 equity Shares to employees under Employee Stock Options pursuant to CUB ESOS Scheme 2008 & CUB ESOS Scheme 2017. The Net worth of the Bank stands improved to ₹ 8,374.23 crore as on March 31, 2024 from ₹ 7,420.92 crore as on March 31, 2023.

Capital Adequacy Ratio

As per Basel III Regulations, Banks are required to maintain a minimum Pillar 1 Capital (Tier I + Tier II) to Risk Weighted Assets Ratio (CRAR) of 9% on an ongoing basis. Besides this minimum capital requirement, Basel III also required creation of capital conservation buffer and countercyclical buffer of 2.50%. Now the minimum regulatory requirement of CRAR under Basel III including Capital Conservation Buffer (CCB) is 11.50% (9.00%+2.50%) with effect from October 1, 2021. The Bank has maintained Tier I CRAR of 22.69% and total CRAR of 23.73% as at March 31, 2024, which are well above the norms prescribed by the RBI.

DIVIDEND

The Board of the Bank at its meeting held on May 20, 2024, had recommended a Dividend of 150% i.e. ₹ 1.50/- per equity share on face value of ₹ 1/- each fully paid up [including a Special Dividend of ₹ 0.50 paise per equity share in commemoration of 120th year of operations of the Bank] for the Financial Year ended March 31, 2024 subject to the approval of shareholders at the ensuing Annual General Meeting. The dividend, if declared, at the AGM will be paid to the shareholders as on the record date specified for such purpose, within the prescribed time. The dividend payout for FY 2024 is in accordance with the Dividend Distribution Policy of the Bank and the same has been uploaded in the website of the Bank. Weblink:

https://www.cityunionbank.com/filemanager/July24/Dividend%20Distribution%20policy_01.04.2017.pdf

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

BRANCH EXPANSION

During the financial year, the Bank expanded its branch network by adding 48 more branches across the country totaling 800 branches as on March 31, 2024. The total ATMs stood at 1,677 (including 860 Bulk Note Acceptor Machines (BRM) which performs the job of accepting and dispensing cash. As on March 31, 2024 the Bank had a total of 1,140 Onsite ATMs and 537 Offsite ATMs.

The details on the ATMs / BRMs opened, replaced and closed during the year are as follows:

Particulars	ATM	BRM	Total
Opened	26	67	93
Replaced	21	17	38
Closed	65	29	94

As for the Branch spread, as on date 87% of branches are operational in South, 6% in West, 4% in North, 2% in Central, 1% in Eastern parts of India.

FINANCIAL INCLUSION

Financial Inclusion is a concept where the banking financial solution and services are offered to every individual and to ensure that even the under privileged get easy access to banking channels. A detailed information on Financial Inclusion aspects of the Bank is set-out in Management Discussion & Analysis report forming part of this Report.

HUMAN RESOURCE DEVELOPMENT

The details on the Human Resource Management functions of the Bank is set-out in detail in Management Discussion and Analysis Report which forms part of this Report.

EMPLOYEES STOCK OPTION SCHEME (ESOS)

The Bank implemented Employee Stock Option Scheme 'CUB ESOS 2008' ['ESOS'] for grant of stock options to

eligible employees of the Bank. The Shareholders of the Bank approved the scheme on April 26, 2008 at an Extraordinary General meeting of the Bank. The maximum aggregate number of options that may be granted under this scheme is 5 crore. As per the scheme, exercise price of the options shall be decided by the Board 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, 25% and 30% for fourth and fifth year respectively. The options are offered at prevailing market prices at the time of grant to the employees. However the same is adjusted pursuant to corporate actions viz., Rights issue, Bonus issue etc. There were no material changes in the ESOS of the Bank during the period under review and the same is in compliance with the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 as amended from time to time ("SEBI SBEB Regulations"). As at the end of March 31, 2024, the Bank has 13,91,260 options yet to be granted under the scheme.

In addition, the shareholders of the Bank at its meeting held on August 23, 2017 approved **CUB ESOS Scheme 2017** for 3 crore options on terms and conditions mostly similar to previous one. As on March 31, 2024, 2,57,63,822 options are yet to be granted under the Scheme. The disclosures pursuant to Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 has been hosted in the website of the Bank and also the same is annexed hereto as **Annexure I**. Weblink:

<https://www.cityunionbank.com/filemanager/June24/esop2024%20final.pdf>

TECHNOLOGY

The present generation Banking system has moved from branch banking to the palm of customer to perform the transactions at their convenience and comfort. The advent of digital payment due to advancement of information technology and availability of easy access of network through mobile, flourish the cashless transactions. Thus, digital banking has become order of the day. With new / innovative technology, the banking service enrooted to all sphere of public. Some of the recent technology initiatives of the Bank are given below :

Digital Loan Originating System

Analysing the customers' comfort and convenience, the Bank has implemented Digital Loan Originating System for Housing Loan, Loan Against Property, Vehicle loan and

MSME loan. The Bank is also going to extend the same for all spheres of lending. The Bank has implemented automated AI based system for Credit Assessment Report to approve / reject loan proposals. System is now able to generate scorecard, credit decision and risk based pricing to the customer.

Conversational Payments - "Hello UPI" in UPI123Pay

The Bank had already launched IVR based payment product UPI123 for feature phones through which customers can make payments through a step by step process. As part of next innovation, the Bank has launched "HELLO UPI" Conversational Payment through UPI123Pay in Regional Languages. Customers can now make conversational payments through their Smart Phone or Feature Phone in their own language using voice. This will benefit majority of customers who prefer conversing in their own language and also benefit Senior Citizens and visually impaired to make payments. Globally, Conversational payments are on an increasing trend where voice is used in day-to-day activities. The "Hello UPI" facility was launched by RBI Governor as part of the NPCI's Global Fintech Fest (GFF) held during September 2023.

Aadhaar based registration in UPI123 pay

Currently customers can register UPI service by using their ATM card. In order to facilitate customers who do not have ATM card and to make them utilize UPI payments, CUB has launched an initiative which will facilitate registering for UPI through their Aadhaar. The customers need to follow simple steps to register themselves using their Aadhaar credentials and start making payments using UPI. This will promote increased usage of UPI by customers who, for want of ATM card did not have access to this facility.

UPI Lite

The Bank has extended the UPI Lite service, which enables small value transactions for the convenience of many users. In this, the customer can perform offline payments to merchants or persons without using MPIN. Additionally, Multiple Lite Account can be created by the customer on different UPI Apps for the same Bank Account.

Voice Biometric for Mobile Banking login

Users across the globe are moving away from PIN-based systems to solutions that offer them convenient and fast authentication. In continuation to the present

authentication process, the Bank launched "Voice Biometric" - based authentication facility for customers to login into Mobile banking.

Further, a separate section on Digital Lending initiatives of the Bank together with Cyber Security & Digital Products, is provided in the beginning of Annual Report.

OTHER BUSINESS ACTIVITY

The Bank has Corporate Agency tie-up with 8 Insurance Companies for augmenting the Non-interest Income, the details of which are given below :

A) Life Insurance Business :

1. LIC of India
2. Bajaj Allianz Life Insurance Company
3. TATA AIA Life Insurance Company

B) Standalone Health Insurance Business :

1. Star Health and Allied Insurance Company Ltd
2. Aditya Birla Health Insurance Company
3. Care Health Insurance

C) General Insurance Business :

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

The Bank offers Insurance products of all the above companies to its customers. During the reporting year, the Bank has earned a Fee income of ₹ 54.64 crore as against ₹ 26.72 crore in the previous year, through cross selling of Insurance Products.

The Bank also offers the following additional services through Net Banking & Mobile Banking Platforms :

- Opening of Demat A/c only
- Mutual Fund investment solution through Finwizard Technology Pvt Ltd (widely known as FISDOM) through Mobile Banking / Net Banking

SUBSIDIARIES AND ASSOCIATES

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

BOARD MEETING

The Board meetings of the Bank were held in accordance with the Companies Act, 2013, the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations']. During the year under review, 12 (Twelve) meetings were

held. The details of such meetings along with the constitution of the Board and its Committees are given under Report on Corporate Governance forming part of this Report.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Retirement(s):

Shri. M. Narayanan (DIN 00682297)

Shri. M. Narayanan, Part-time Chairman of the Bank had completed his tenure on May 03, 2024 as per his appointment terms approved by RBI vide its letter no. DOR.GOV. No.S663 / 08.42.001 / 2022-23 dated May 04, 2022. Shri. M. Narayanan, vacated his office of Part-time Chairman on the close of business hours of May 03, 2024 as per the said approval and also, pursuant to the provisions of Section 10A(2A)(i) of the Banking Regulation Act, 1949, he ceased to be a Director on completion of his 8 years tenure on the said date.

The Board hereby places on record its warm appreciation of the excellent services rendered by Shri. M. Narayanan during his tenure.

Appointment / Re-appointment:

Dr. N. Kamakodi (DIN 02039618)

During the reporting year, the RBI had approved the re-appointment of Dr. N. Kamakodi as the MD & CEO of the Bank for a period of 3 years w.e.f. May 1, 2023 and the same was approved by the Shareholders on July 2, 2023 through Postal Ballot by way of remote e-voting.

Shri. Gurumoorthy Mahalingam (DIN 09660723)

The RBI vide its letter no. DOR.GOV.No.280/08.42.001/2024-25 dated April 12, 2024 had approved the appointment of Shri. Gurumoorthy Mahalingam, Independent Director of the Bank, as the Part-time Non-Executive Chairman w.e.f. May 04, 2024 for a period of 3 years.

The Board recommends his appointment as Part-time Chairman of the Bank for approval by shareholders in the Notice calling the ensuing Annual General Meeting. The relevant details of Shri. Gurumoorthy Mahalingam pursuant to SEBI Listing Regulations, 2015 and Secretarial Standard - 2 [which includes his profile] is disclosed separately in the Notice.

Re-appointment of Shri. K. Vaidyanathan (DIN 07120706) and Shri. T.K. Ramkumar (DIN 02688194) as Independent Directors.

The Shareholders approved the re-appointment of Shri. K. Vaidyanathan and Shri. T.K. Ramkumar as

Independent Directors of the Bank on April 29, 2024 with requisite majority, for their remaining tenure in the Bank pursuant to Section 10A(2A)(i) and other relevant provisions of the Banking Regulation Act, 1949, Companies Act, 2013 and SEBI Listing Regulations, 2015, by way of Postal Ballot through remote e-voting.

Shri. R. Vijay Anandh (DIN 09656376)

The Bank appointed Shri. R. Vijay Anandh as Executive President of the Bank during December 2023. Thereafter, during February 2024, in order to comply with the requirements of RBI Circular No. DOR.HGG. GOV.REC.46/29.67.001/2023-24 dt.25.10.2023 (wherein the RBI had advised to ensure the presence of atleast two Whole - time Directors, including MD & CEO, on the Banks Boards), the Bank had made an application to RBI seeking its prior approval for his appointment as Executive Director (in Whole-time Director category). The RBI vide its letter no.DoR.Gov.No.1252/08.42.001/2024-25 dated May 28, 2024, accorded its prior approval for the appointment of Shri. R. Vijay Anandh as the Whole-time Director - Executive Director of the Bank for a period of 3 years. Pursuant to the aforesaid approval of the RBI, the Board at its meeting held on June 24, 2024, had approved the co-option of Shri. R. Vijay Anandh as an Additional Director of the Bank designated as Executive Director in the category of Whole-time Director, with effect from June 24, 2024, up to the date of the ensuing Annual General Meeting.

The Board recommends his appointment as Whole-time Director (Executive Director) of the Bank for approval by shareholders in the Notice calling the ensuing Annual General Meeting. The relevant details of Shri. R. Vijay Anandh as per to SEBI Listing Regulations, 2015 and Secretarial Standard - 2 [which includes his profile] are disclosed separately in the Notice.

Directors to retire by Rotation

All directors on the Board except the Managing Director and CEO and Executive Director 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 and Executive Director is required to retire by rotation at the ensuing Annual General Meeting.

Declaration by Independent Directors

The Bank has received relevant declarations from all the Independent Directors under Section 149(6), 149(7) of the Companies Act, 2013, notifications issued by the

Ministry of Corporate Affairs and SEBI Listing Regulations, 2015 as amended. 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. October 22, 2019, all Independent Directors of the Bank have registered themselves in the Independent Directors data bank of Indian Institute of Corporate Affairs and are qualified / exempt from undertaking self-assessment exam.

Familiarization program for Independent Directors

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

Performance Evaluation

In line with the provisions of the Companies Act, 2013, SEBI Listing Regulations, 2015 and relevant notifications / guidelines issued by SEBI in this regard, there exists an evaluation matrix approved by the Nomination Committee of the Board which is used for carrying out the performance evaluation of the Board as a whole, its Committees as well as Independent Directors, MD & CEO and Chairman.

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

Key Managerial Personnel

In terms of Section 203(1) read with Section 2(51) of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Bank had the following KMPs as on March 31, 2024:

- Dr. N. Kamakodi - Managing Director & CEO
- Shri. J. Sadagopan - Chief Financial Officer
- Shri. Venkataramanan S - Company Secretary

However, as on this report date, in addition to the above, Shri. R. Vijay Anandh is also a KMP who was co-opted as Additional Director in the category of Whole-time Director and designated as Executive Director w.e.f. June 24, 2024. His appointment is subject to approval of the shareholders at the ensuing Annual General Meeting.

AUDITORS

Joint Statutory Central Auditor

M/s. Jagannathan & Sarabeswaran, Chartered Accountants, Chennai and M/s. K. Gopal Rao & Co., Chartered Accountants, Chennai, Joint Statutory Central Auditors ("SCAs") of the Bank will retire at the conclusion of ensuing AGM. The Joint Statutory Central Auditors have furnished their Report for FY 2024 which forms part of this Report and there are no qualifications, reservations or adverse remarks made by the Auditors in their Report. Further, the Auditors of the Bank has not reported any fraud under Section 143(12) of the Companies Act, 2013.

As per RBI Circular No. DoS.CO.ARG / SEC.01 / 08.91.001 / 2021-22 dated April 27, 2021 read with the policy of the Bank on appointment of SCAs and the provisions of Section 139 of the Companies Act, 2013 and subject to the prior approval of RBI, the Board as per the recommendations of Audit Committee had considered & approved the appointment of M/s. P. B. Vijayaraghavan & Co., Chartered Accountants, Chennai (FRN 004712S) & M/s. M. Srinivasan & Associates, Chartered Accountants, Chennai (FRN 004050S) as the Joint Statutory Central Auditors of the Bank for FY 2024-25. Based on an application made by the Bank, the RBI vide its letter no. Co.DOS.RPD No. S2287/08.13.005/2004-25 dt. June 21, 2024, has accorded its approval for the aforesaid appointment which will be effective from the conclusion of ensuing AGM.

With respect to the above appointments, the Bank has received the consent from such Auditors and confirmation to the effect that they are not disqualified to be appointed as Joint Statutory Central Auditors of the Bank in terms of Companies Act, 2013 & the rules made there under and RBI guidelines. The Members are requested to consider and approve their appointments as Joint Statutory Central Auditors of the Bank as per the agenda set out in the Notice calling this Annual General Meeting.

Secretarial Auditor

Pursuant to Section 204 of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Bank had appointed Shri. V. Sankar, Practising Company Secretary, Coimbatore, having C.P number 26960, as Secretarial Auditor to conduct the Secretarial Audit of the Bank for the Financial Year 2024. The Report of Secretarial Auditor 'Secretarial Audit Report' in the prescribed format is annexed to this Report as **Annexure II**.

Pursuant to Regulations 24A of SEBI Listing Regulations, 2015, read with relevant SEBI circular, the Bank has obtained Secretarial Compliance Report certified by the above Auditor for the financial year ended March 31, 2024, on compliance with all applicable SEBI Regulations and circulars / guidelines issued thereunder and the copy of the same was submitted to the Stock Exchanges within due timelines.

There are no adverse observations or remarks, reservations made by the Secretarial Auditor in their Report. The Auditor has recorded the fact of levy of penalty of ₹ 66 lakh by RBI with regard to Non Compliance during FY 2022 with RBI directions on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Divergence in NPA Accounts and Reserve Bank of India [Know Your Customer (KYC)] Directions, 2016.

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 had been followed along with proper explanation relating to material departures.
- ii) The Directors had selected such accounting policies and applied them consistently and made judgements 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 had 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 had prepared the annual accounts on a going concern basis.
- v) The Directors had laid down adequate internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively; and
- vi) The Directors had 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 the Code of Conduct pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time SEBI PIT Regulations to regulate, monitor and ensure reporting of trading by the designated persons and other connected persons. The said code is being reviewed and amended by the Board of Directors from time to time.

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

https://www.cityunionbank.com/assets/frontend/pdf/others/Code_of_conduct_PIT_230322.pdf

All listed companies are required to maintain an in-house Structured Digital Database ("SDD") under Regulation 3(5) of SEBI (PIT) Regulations, 2015 and as under Regulation 9(2) through which Unpublished Price Sensitive Information (U PSI) are to be reported. In this regard our Bank has installed the required software which has been integrated in the Bank's server. The trades of all Designated and Connected persons ("Insiders") are monitored on a continuous basis.

Further, in order to exercise additional vigil on the trades conducted by all Insiders, the PAN of all the Insiders are linked in the database of RTA and thereby the RTA furnishes a Weekly Report to the Bank on trades conducted by the Insiders. In addition, the SEBI as per its circular dated July 19, 2023, has notified the freezing of transactions related to the PAN of Insiders at Depository Level effective October 1, 2023. Accordingly, the Demat

Accounts related to the PAN numbers of Insiders of the Bank are being frozen by our Designated Depository - NSDL for trading in the equity shares of the Bank, during the Trading Window Closure period beginning with the first day of the closure period till completion of two days after declaration of financial results.

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

There are no material changes and commitments affecting the financial position of the Bank which occurred between the end of the financial year of the Bank i.e., March 31, 2024 and the date of Director's Report i.e., June 24, 2024. In this connection, it needs to be mentioned that during the reporting year, the RBI vide its order ref. CO.ENFD.DECB.No.5789102.02.00212023-2024 dated February 26, 2024 has levied a penalty of ₹ 66 lakh towards non-compliance with RBI directions on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Divergence in NPA Accounts and Reserve Bank of India [Know Your Customer (KYC)] Directions, 2016 during FY2022.

POLICIES

Directors Appointment(s) and Remuneration / Compensation Policy

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

The Nomination Committee identifies and assesses the qualifications and positive attributes of the proposed candidate for the position of Director based on the disclosures / declarations received from such person under the Companies Act, 2013, the Banking Regulation Act, 1949 and also RBI guidelines. The Nomination Committee makes a thorough scrutiny of the prospective candidate and certifies the fit and proper status to the Board after exercising above due diligence process.

Apart from the above, the Nomination Committee before the appointment of an Independent Director also

considers the Declaration on Independence furnished by the proposed candidate for the position of Director under Section 149 (7) of the Companies Act, 2013 and SEBI Listing 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. Compensation policy is available at the Bank's website. Weblink:

<https://www.cityunionbank.com/filemanager/May24/compensationpolicy26032024final.pdf>

RISK MANAGEMENT

Pursuant to Regulation 21 of SEBI Listing Regulations, the Bank has constituted the Risk Management Committee. The details of the said Committee together with the terms of reference are set out in the Report on Corporate Governance, which forms part of this Annual report.

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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

As per Regulation 34(2)(f) of SEBI Listing Regulations, 2015, your Bank has prepared the Business Responsibility and Sustainability Report setting out the Bank's Social, Environmental and Governance aspects. The same is available in the website of the Bank. Weblink:

https://www.cityunionbank.com/filemanager/July24/BRSR_FINAL_26072024.pdf

DEPOSITS UNDER CHAPTER V OF COMPANIES ACT, 2013

Being a Banking company, as Section 73 of Companies Act, 2013 is not applicable, the disclosures as required under Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014 of the Companies Act, 2013 are not applicable.

INTERNAL FINANCIAL CONTROL SYSTEMS & ITS ADEQUACY

The Bank has put in place adequate internal financial controls commensurate with the size and scale of its operations. The Bank has, in all material aspects, adequate Internal Control Systems Over Financial Reporting and these controls have been designated to capture 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, all transactions with related parties of the Bank were in the ordinary course of business and on an arm's length basis. The Bank did not enter into any material transaction with such related parties, under Section 188 of the Companies Act, 2013, during the year. Form AOC-2, as required under Section 134 (3) (h) of the Act, read with Rule 8 (2) of the Companies (Accounts) Rules 2014, is attached as **Annexure III** forming part of this Report. A detailed policy on the Related Party Transaction is available at the Bank's website. Weblink:

https://www.cityunionbank.com/filemanager/July24/RPT%20POLICY_26062023.pdf

LOANS, GUARANTEES OR INVESTMENTS

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

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

The Annual Return pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is uploaded in the website of the Bank. Weblink:

https://www.cityunionbank.com/filemanager/Apr24/MGT7_2023.pdf

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with Section 135 of the Companies Act, 2013 (the Act) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time and in consonance with the CSR policy, the Bank had undertaken a number of initiatives that contribute to society at large, in the areas of healthcare, education, environment and preservation & improvement of Water Bodies and preservation of the country's rich culture and heritage.

The Bank has established CUB Foundation, a non-profit entity to identify suitable deserving projects, recommend and oversee the CSR initiatives of the Bank. The Annual Return on CSR activities as required under Rule 9 of the Companies (Corporate Social Responsibility) Rules 2014 is furnished under **Annexure IV** to this Report.

Further, in accordance with Section 135(5) of the Act read with Rule 8(3)(a) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, two of the projects funded in FY 2023 viz. Conservation and Restoration of Moovanallur Lake in Mannargudi Taluk, Thiruvarur District and Vidya Shakti Project under rural education are, required to undergo Impact Assessment through a third-party agency. Accordingly, assessment for Moovanallur Lake has been conducted by M/s. B. Balaumasudhan & Co., Chartered Accountants, Chennai and Vidya Shakti project by Social Audit Network, India and they have submitted their reports. As per MCA General Circular No.14 /2021 dated August 25, 2021, a summary of such Assessment reports are given hereunder while the complete report is given in the website of the Bank. Weblink:

https://www.cityunionbank.com/filemanager/July24/MOOVANALLURLAKE_MANNARGUDI TALUKA.pdf

<https://www.cityunionbank.com/filemanager/July24/Vidya%20Shakthi%20Project.pdf>

Restoration of Moovanallur Lake in Mannargudi Taluk, Thiruvarur District

The project was conducted with Tamilnadu Cauvery Vivasayigal Sangam on the request made to City Union Bank Limited, by Moovanallur Panchayat President, and Moovanallur Grama Vivasayigal Sangam. The restoration of Moovanallur Lake in Mannargudi Taluk, Thiruvarur District, involved renovation, desiltation, removal of encroachments, and bush clearance. The objectives were to increase groundwater levels, prevent bore water from becoming salty, maximize storage and water carrying capacity, mitigate flooding, and restore soil quality.

This project aims to conserve water for drinking, farming, and other basic amenities, prevent water pollution, and protect the environment from drought, particularly in the delta region. The entire 130 acres now have water storage capacity and 350 acres of surrounding agricultural land benefit from this project. In addition, 1,000 families in the village and nearby areas benefit from increased agricultural and allied activities due to the enhanced water availability.

Vidya Shakthi Project

The Vidya Shakthi Program was launched in 2023 by consortium of Open Mentor Trust, IITM Pravartak, section 8 Company of IIT Madras and IFE Academy which have been providing recorded online lessons in software programming languages, software testing, databases and project management. These videos are in YouTube offered free of cost. Based on this experience Kalvi Shakthi Program was launched in Tamil Nadu which offers free online teaching to Students from Class 6 to Class 12. This free online program has expanded to 32 districts in Tamil Nadu with 108 centers and benefiting 4000+ students. On being a successful model in Tamil Nadu, this model is replicated in Varanasi district of UP as well from Class 6 to Class 8 in Science and English.

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 Regulations, 2015. The details of the composition of the Audit Committee are furnished in the Corporate Governance Report which forms part of this Report.

CORPORATE GOVERNANCE

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

A detailed Report on Corporate Governance standards followed by the Bank as per SEBI Listing Regulations, 2015, Companies Act, 2013 and Rules made there under alongwith Certificate of Compliance issued by the

Statutory Central Auditor is 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 Regulations, 2015 is presented as a separate section forming part of this Report.

OTHER DISCLOSURES

Conservation of Energy and Technology Absorption

In respect of the nature of activities carried out by the Bank, w.r.t. the provisions of Section 134 (m) of the Companies Act, 2013 relating to conservation of energy and technology absorption, the Bank has taken every effort to conserve energy. The Bank has been installing energy efficient equipments at all its branches including installation of Solar panels wherever feasible and power saving LED bulbs at majority of Branches and Central Office. The members may refer the Business Responsibility and Sustainability Report for more details on this aspect.

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

Foreign Exchange Business

The Bank continues to encourage country's export promotion by lending to exporters and offering them forex transaction facilities. The Bank also offers necessary foreign exchange transaction facilities to all users having underlying forex exposures.

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**.

In terms of Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of limits set out in said rules forms part of this Report.

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In accordance with the provisions of Section 136(1) of the Act, Annual Report excluding the aforesaid information, is being sent to the Members of the Bank and others entitled thereto. The said information is available for inspection by the Members at the registered office of the Bank during business hours up to the date of the ensuing AGM.

Any member interested in obtaining a copy thereof, may write to the Company Secretary of the Bank at its registered office or at secretary@cityunionbank.in

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

The Bank has a policy on Prevention of Sexual Harassment at Workplace, which provides protection for Women employees working in the organization. An Internal Complaint Committee 'ICC' has been set up to redress the complaints received under Sexual Harassment. During the reporting period two complaints have been received by the ICC and one is pending as at the end of financial year.

Whistle Blower / Vigil Mechanism

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

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

Date : June 24, 2024

Place : Chennai

There exists an online forum for all employees in the intranet server of the Bank to report genuine concerns under the mechanism. During the reporting period 5 complaints were received under the Mechanism, out of which 4 cases had been disposed off and remaining 1 case is pending for disposal and investigation pertaining to the case is under process. The functioning of the mechanism is reviewed by the Audit Committee from time to time.

Compliance with Secretarial Standards and applicable laws

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

ACKNOWLEDGEMENT

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

Your Directors also place on record their deep sense of appreciation for the Bank's Executives, members of the Staff and all other employees for their unwavering commitment to serve the Bank to the best extent possible.

For and on behalf of the Board
Sd/-

G. Mahalingam

DIN 09660723

Chairman

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

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

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

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

Particulars	ESOS 2008		
	Series VI	Series VII	Series VIII
Pricing Formula	₹88.05	₹179.00	₹130.45
Revised price due to Rights & Bonus issue	₹72.77	-	-
No. of options outstanding as on April 1, 2023	1,73,030	29,27,925	-
No. of additional options granted pursuant to Bonus Issue during the year	-	-	-
No. of fresh options granted during the year	-	-	3,00,000
No. of options lapsed during the year	26,136	7,26,300	-
No. of options exercised during the year	1,46,894	-	-
No. of shares arising as a result of exercise of option during the year	1,46,894	-	-
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 (in ₹)	1,06,89,476.38	-	-
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 March 31, 2024	-	22,01,625	3,00,000
Employee wise details of Options granted			
i) Senior Management Personnel			
R. Vijay Anandh			2,00,000
Mahesh Rajaram			1,00,000
ii) Any other employee who received a grant in any one year of the options amounting to 5% or more of the options granted during the year	Nil		

Particulars	ESOS 2008		
	Series VI	Series VII	Series VIII
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	
Allotment of shares made during the Financial Year under ESOS 2008			
Employee wise details of the shares allotted to			
i) Senior Management Personnel			
Sridharan J	3,630	-	-
ii) Any other employee who received a grant in any one year of the options amounting to 5% or more of the options granted during the year		Nil	
iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Bank at the time of grant		Nil	

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Particulars	ESOS 2017 - Part A			
	Series I	Series II	Series III	Series IV
Pricing Formula	₹132.95	₹144.80	₹140.40	₹137.45
Revised price due to Rights & Bonus issue	-	-	-	-
No. of options outstanding as on April 1, 2023	25,71,925	4,41,800	60,000	-
No of additional options granted pursuant to Bonus Issue during the year	-	-	-	-
No. of fresh options granted during the year	-	-	-	1,00,000
No of options lapsed during the year	1,17,450	88,700	-	-
No of options exercised during the year	64,975	3,315	2,250	30,000
No. of shares arising as a result of exercise of option during the year	64,975	3,315	2,250	30,000
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 (In ₹)	86,38,426.25	4,80,012.00	3,15,900.00	41,23,500.00
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 March 31, 2024	23,89,100	3,49,785	57,750	70,000
Employee wise details of Options granted				
i) Senior Management Personnel				
Ramesh S	-	-	-	1,00,000
ii) Any other employee who received a grant in any one year of the options amounting to 5% or more of the options granted during the year	Nil			
iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Bank at the time of grant	Nil			

Particulars	ESOS 2017 - Part A			
	Series I	Series II	Series III	Series IV
Allotment of shares made during the Financial Year under ESOS				
Employee wise details of the shares allotted to				
i) Senior Management Personnel				
Sundararaman G	2,250	-	-	-
Lakshminarayanan R	3,000	-	-	-
Uma R	1,500	-	-	-
Venkatesan S	3,000	-	-	-
Mohan S	7,000	-	-	-
Rajam S	1,500	-	-	-
Balachandar K V	5,250	-	-	-
Venkatakrishnan K	3,750	-	-	-
Sankaran G	1,500	-	-	-
Jayaraman K	1,500	-	-	-
Sadagopan J	1,500	-	-	-
Venkatkishna V	-	-	2,250	-
ii) Any other employee who received a grant in any one year of the options amounting to 5% or more of the options granted during the year	Nil	-	-	-
iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Bank at the time of grant.	Nil	-	-	-

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

Particulars	ESOS 2017 - Part B#	
	Series I	Series II
Pricing Formula	₹ 1.00	₹ 1.00
Revised price due to Rights & Bonus issue	-	-
No. of options outstanding as on April 1, 2023	26,950	-
No of additional options granted pursuant to Bonus Issue during the year	-	-
No. of fresh options granted during the year	-	74,428
No. of options lapsed during the year	-	-
No. of options exercised during the year	8,085	-

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Particulars	ESOS 2017 - Part B#	
	Series I	Series II
No. of shares arising as a result of exercise of options during the year	8,085	-
Variation in terms of Options	Not Applicable	
Vesting Period	30%, 30% and 40% in each of the years - 3 Years	
Money realized by exercise of Options during the year (In ₹)	8,085.00	-
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 March 31, 2024	18,865	74,428

Part B of Employees Stock Options Scheme 2017 is specifically carved out for granting stock options to Whole Time Director / Managing Director & CEO and Material Risk Takers (MRTs). Presently, stock options are granted to MD & CEO of the Bank under Part B. Since, all the employees covered under the Part B are Senior Management Personnel, there is no separate disclosure made under head Senior Management Personnel.

Employee compensation cost calculated as per the Intrinsic Value Method for the financial year 2023-24 is Nil for the stock options granted under ESOS 2008 and ESOS 2017. If the Employee compensation cost was calculated as per fair value method as prescribed under

Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the total cost to be recognized in the financial statement for the Financial Year 2023-24 would be ₹2,17,32,383. Consequently, net profit would have been reduced by ₹2,17,32,383 and EPS would have been reduced by ₹0.0291 per share.

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

Weighted Average Details	ESOS 2008	ESOS 2017
Weighted Avg Market Price (In ₹)	173.48	134.83
Weighted Avg Exercise Price (In ₹)	173.18	130.44
Weighted Avg Risk - Free Interest Rate (%)	7.32	5.67
Weighted Avg Stock Volatility	0.003	0.04
Weighted Avg Fair Value of Options (In ₹)	51.83	40.65

ANNEXURE - II

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024
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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. City Union Bank Limited (CIN: L65110TN1904PLC001287) (hereinafter referred to as 'BANK') for the audit period covering the financial year ended on March 31, 2024.

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

Based on the verification of the books, papers, minute books, forms and returns filed and other records maintained by the 'Bank' and also the information provided by the 'Bank', its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the 'Bank' has, during the audit period covering the financial year ended on March 31, 2024 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the 'Bank' for the financial year ended on March 31, 2024, according to the provisions of:

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

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

- a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- e) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003;
- f) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent applicable to the Bank. There is no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (iv) The following Acts, Rules and Regulations are specifically applicable to the 'Bank' :
 - a) The Banking Regulations Act, 1949
 - b) The Reserve Bank of India Act, 1934
 - c) Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
 - d) The Bankers' Books Evidence Act, 1891
 - e) Recovery of Debts due to Banks and Financial Institution Act, 1993
 - f) Credit Information Companies (Regulation) Act, 2005
 - g) Prevention of Money Laundering Act, 2002

- h) The Deposit Insurance and Credit Guarantee Corporation Act, 1961
- i) Industrial Disputes (Banking and Insurance Companies) Act, 1949
- j) SEBI (Bankers to an Issue) Regulations, 1994
- k) The Negotiable Instruments Act, 1881
- l) Insurance Regulatory and Development Authority of India Act, 1999

I have also explained 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, Directions, Guidelines, Standards, etc. mentioned above, subject to the information made infra.

As per the representation of the Bank, due to a technical glitch on the website of the Ministry of Corporate Affairs there were delays in some cases in filing e-forms and for which additional fees were paid by the Bank.

BSE had observed that the bank had violated Regulation 30(6) of SEBI (LODR) for intimating the proceedings of AGM held on August 23, 2023 beyond 12 hours. The Bank informed that as per Regulation 30(6) of SEBI (LODR) the document was submitted within 24 hours since the information for preparing the proceedings has to flow from outside the Bank (from bank's e-voting service provider "NSDL"). The Bank opined that there is no violation and communicated the same to the stock exchange in its reply.

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

- (i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018.
- (ii) The Securities and Exchange Board of India (Delisting of Equity Shares Regulations) 2021.
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

I 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. In respect of Meetings held at short notice or Meetings for which the agenda notes (other than those relating to Unpublished Price Sensitive Information (UPSI)) were sent at a notice of less than 7 days, the unanimous consent of the Board / Committee was taken for discussion of the said agenda items and the same has been recorded in the minutes.

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.

I 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. As informed, the Bank has responded appropriately to communication received from various Statutory / Regulatory Authorities including initiating actions for corrective measures, wherever found necessary.

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

A show cause notice has been received by the company from Reserve Bank of India during the year towards non-adherence of certain RBI directions related to divergence in reported NPA's and risk categorization of customers and the Bank paid a penalty of ₹66.00 lakh.

The Bank was imposed a penalty of ₹16,550/- by RBI under scheme of Penalties for Bank branches and currency chests for deficiency in rendering service to the members of the public and a penalty of ₹1,60,000/- under scheme of penalty for non-replenishment of ATM's. The Bank paid the penalties.

Date : June 24, 2024
Place : Coimbatore

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

CS V. Sankar
Practising Company Secretary

C.P. No.: 26960
M. No. A7677
UDIN: A007677F000612578
Peer Review Cert No.: 5456/2024
ICSI Unique code: 12023TN2468700

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***ANNEXURE TO SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024 OF CITY UNION BANK LIMITED.***

1. Maintenance of secretarial records with reference to the provisions of the Companies Act, 2013 & the Rules made thereunder and the maintenance of records with reference to other applicable laws is the responsibility of the management of the 'Bank'. My responsibility was limited to express an opinion based on my audit regarding compliance thereof by the 'Bank' and verification of procedure on test basis.
2. The audit was conducted in accordance with applicable Standards issued by the Institute of Company Secretaries of India. I have followed the audit practices and procedures as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of the Secretarial Audit. The verifications were done on a random test basis to ensure the correctness of the facts reflected in the records.
3. I 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 I have covered the same in my report.
4. I have not verified the correctness and appropriateness of financial records and books of accounts of the Bank.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

CS V. SANKAR

Practising Company Secretary

C.P. No.: 26960

M. No. A7677

UDIN: A007677F000612578

Peer Review Cert No.: 5456/2024

ICSI Unique code: 12023TN2468700

Date : June 24, 2024

Place : Coimbatore

ANNEXURE - III

FORM NO. AOC -2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

All transactions entered into by the Bank during the year with related parties were on an arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

The transactions entered into by the Bank during the year with related parties on an arm's length basis were not material in nature.

For and on behalf of the Board
Sd/-

G. Mahalingam
DIN 09660723
Chairman

Date : June 24, 2024
Place : Chennai

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

1. Brief outline on CSR Policy of the Bank

Corporate Social Responsibility (CSR) has always been a core value of the Bank, committed to serving the society in which it operates. The Bank recognizes the contemporary environmental challenges and hazards. It consistently strives to make effective and meaningful contributions, aiming to positively impact the community.

In the FY 2023-24, the Bank effectively implemented CSR initiatives across a diverse range of activities, aiming for high social impact. The primary goal of the Bank's CSR policy is to foster overall positive development and improve living standards within the

community. This year, the Bank actively contributed to the following causes.

- a) Promoting Health Care, Sanitation and making available safe drinking water
- b) Promoting education among children and differently aged children
- c) Environment Sustainability, conservation of natural resources and maintaining quality of air, soil and water
- d) Restoration & Renovation of sites of Historical Importance, setting of public libraries
- e) Promote Rural Sports
- f) Rural Development Projects

2. Composition of CSR Committee :

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

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

Board & Committee Composition : Weblink

https://www.cityunionbank.com/filemanager/July24/Board%20composition_25.06.2024.pdf

CSR Policy : Weblink

<https://www.cityunionbank.com/filemanager/June24/CSR%20policy.pdf>

CSR Annual Action Plan : Weblink

<https://www.cityunionbank.com/filemanager/July24/CSR%20Annual%20Action%20Plan%202023-24.pdf>

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

The Executive Summary of the Impact Assessment Report on the CSR projects related to the FY 2023 as applicable is given in the Directors Report while the weblinks are as follows:

https://www.cityunionbank.com/filemanager/July24/MOOVANALLURLAKE_MANNARGUDITALUKA.pdf

<https://www.cityunionbank.com/filemanager/July24/Vidya%20Shakthi%20Project.pdf>

5. (a) Average net profit of the company as per Sub-Section (5) of Section 135 : ₹ 9,51,82,24,836/-
 (b) Two percent of average net profit of the company as per Sub-Section (5) of Section 135 : ₹ 19,03,64,497/-
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
 (d) Amount required to be set off for the financial year, if any : Nil
 (e) Total CSR obligation for the financial year ((b) + (c) - (d)) : ₹ 19,03,64,497/-
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹ 16,43,70,991/-
 (b) *Amount spent in Administrative Overheads : Nil
 (c) *Amount spent on Impact Assessment, if applicable : NA
 (d) Total amount spent for the Financial Year {(a)+(b)+©} : ₹ 16,43,70,991/-
**This expenditure has not been accounted from CSR funds.*

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

Amount unspent (in ₹)

Total Amount Spent for the Financial Year (in ₹)	Total Amount transferred to Unspent CSR Account as per Sub-Section 6 of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to Sub-Section 5 of Section 135		
	Amount (in ₹)	Date of transfer	Name of the Fund	Amount	Date of transfer
16,43,70,991	2,69,38,009	15.04.2023		Nil	

NOTE: CSR FY 2024 - An amount of ₹19,13,09,000/ has been budgeted which is in excess by ₹ 9,44,503/- over the actual CSR obligation mentioned above depending on the proposals received during the year.

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

Sl. No.	Particulars	Amount (in ₹)
1	Two percent of average net profit of the company as per Sub-Section (5) of Section 135	19,03,64,497
2	Total amount spent for the Financial Year	16,43,70,991
3	Excess amount spent for the Financial Year ((ii) - (i))	Nil
4	Surplus arising out of the CSR projects or programmes or activities of the Previous Financial Years, if any	Nil
5	Amount available for set off in succeeding Financial Years ((iii) - (iv))	Nil

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Sub-Section 6 of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under Sub-Section (6) of Section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to Sub-Section 5 of Section 135, if any.		Deficiency, if any
					Amount (in ₹)	Date of transfer	
1	2020-2021	-	-	-	Nil		
2.	2021-2022	2,94,65,143	56,96,276	56,96,276			
3.	2022-2023	2,46,15,856	2,46,15,856	2,46,15,856			
	TOTAL	5,40,80,999	3,03,12,132	3,03,12,132			

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

If Yes, enter the number of Capital assets created / acquired : 28

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

Sl. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹)	Details of Entity / Authority / Beneficiary of the Registered Owner		
					CSR Registration Number, if applicable	Name	Registered address
1	Construction of Classrooms in School	612203	22.11.2023	15,00,000	NA	Secretary, High School	S Pudur Village
2.	Construction of Classrooms in School	609501	03.11.2023	10,00,000	NA	Secretary, George High School	Vishnupuram Village
3.	Construction of Shed for Classrooms	612605	15.06.2023	2,60,000	NA	RRR Govt High School	Tirucherai Village
4.	Construction of School Building for Autism Children	625005	04.08.2023	50,00,000	NA	Saksham Trust	Thirupparankundram, Madurai
5.	Construction of Dining Hall in School - Boys	612402	11.07.2023	14,33,000	NA	Govt. Higher Secondary School	Thippirajapuram
6.	Construction of Dining Hall in School - Girls	612402	11.07.2023	14,33,000	NA	Govt. Higher Secondary School	Thippirajapuram
7.	Construction of School Building for Special Children	600053	25.09.2023	10,00,000	NA	Anandam Education Centre	Ambattur, Chennai
8.	Construction of Smart Classroom in School	612105	24.01.2024	9,77,000	NA	Head Master Govt. Aided School	Veppathur
9.	Construction of Lavatory	635001	07.12.2023	6,33,000	NA	Govt Higher Secondary School	Krishnagiri
10.	Construction of Lavatory for public	612303	17.07.2023	3,17,993	NA	President Panchayat Union	Kothangudi, Tiruppirambiam PO
11.	Construction of Lavatory	613205	22.11.2023	7,50,000	NA	Arulneri Govt Aided High School, Vedapuram	Ammanpettai
12.	Construction of Annadhana Koodam for pilgrims / public	600059	29.09.2023	25,00,000	NA	Nymisaranyam Azhagiyingar Charitable Trust	Selaiyur, Chennai
13.	Construction of Building for welfare of Traders Community	600078	28.08.2023	32,79,000	NA	Tamilnadu Traders Community	K K Nagar, Chennai
14.	Construction of Community Hall / Samudaya Koodam	612001	28.08.2023	10,00,000	NA	Bakthapuri Street, Cauvery Padithurai	Kumbakonam
15.	Construction of Wall and Pathway in Temple Pond	612402	10.07.2023	15,00,000	NA	President Panchayat Union	Thippirajapuram
16.	Computers / Printers / Double door Fridge	612001	13.07.2023	1,17,210	NA	Govt District HQ, Hospital	Kumbakonam
17.	Computers & CCTV	612001	02.01.2024	24,00,000	NA	Town Higher Secondary School	Kumbakonam

Sl. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹)	Details of Entity / Authority / Beneficiary of the Registered Owner		
					CSR Registration Number, if applicable	Name	Registered address
18.	Computers & Smart Classes	612001	10.07.2023	13,90,568	NA	Oriental High School	Kumbakonam
19.	Smart Board & Smart Classes	612001	01.08.2023	15,00,000	NA	Native Higher Sec School	Kumbakonam
20.	Construction of Digital Studio	600004	02.06.2023	5,00,000	NA	Madras Sanskrit College	Mylapore, Chennai
21.	LED Display Board	600036	03.11.2023	6,00,000	NA	Vanavani Matriculation Higher Secondary School	Chennai
22.	Providing of Smart Classes	612605	25.08.2023	3,74,982	NA	Panchayat Union School Harichandrapuram & RKR Govt High School, Tirucherai	Manargudi & Tirucherai
23.	Procurement of Projector for Classroom & Auditor	600020	12.03.2024	2,93,000	NA	Bala Vidya Mandir Higher Secondary School	Adyar, Chennai
24.	Ambulance Van for poor / needy people	642006	29.09.2023	5,00,000	NA	NRV Trust	Pollachi
25.	Patrol Vehicle provided to Coimbatore Police	641009	16.08.2023	20,00,000	NA	Police Commissioner	Coimbatore
26.	Bus to College Students	600116	18.08.2023	37,98,334	NA	Sri. Ramachandra Institute of Higher Education & Research Trust	Porur, Chennai
27.	Solar Water Pumping System at Potramarai Tank	612001	02.02.2024	9,34,080	NA	Executive Officer, A.M Sarangapani Temple Trust	Kumbakonam
28.	Procurement of Lithotripter Unit for Kidney Stone Patients	612401	23.06.2023	15,00,000	NA	Sacred Heart Hospital	Karaikal Main Road, Kumbakonam

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

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

For **CITY UNION BANK**

Sd/-

Dr. N. Kamakodi

DIN 02039618

Managing Director & CEO

(Chairman of CSR Committee)

Date : June 24, 2024

Place : Chennai

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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			
(i) & (ii)	The ratio of the remuneration of each Director of the Bank to the median remuneration of the employees of the Bank for the fiscal 2024 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary or Manager, if any, in the fiscal 2024, is as under :			
	Name of the Director	Designation	Ratio of remuneration to median remuneration of all employees	% increase in the remuneration in the fiscal 2024
	M. Narayanan	Independent Director and Part-Time Chairman	5.44	NA
	Dr. N. Kamakodi ¹	Managing Director & CEO	42.68	9.69%
	Narayanan Subramaniam	Independent Director	5.66	NA
	V.N. Shivashankar	Independent Director	5.16	NA
	Dr. T. S. Sridhar	Independent Director	5.31	NA
	K. Vaidyanathan	Independent Director	5.01	NA
	T. K. Ramkumar	Independent Director	5.26	NA
	V. Kamakoti	Independent Director	4.31	NA
	G. Mahalingam	Independent Director	4.69	NA
	Lalitha Rameswaran	Independent Director	3.68	NA
J. Sadagopan ²	Chief Financial Officer	6.26	NA	
S Venkataramanan ³	Company Secretary	3.44	NA	
(iii)	The percentage increase in the median remuneration of the employees of the Bank during the fiscal 2024 :	The median remuneration of the employees has decreased by 8.20%, when compared to previous year. This decrease in median remuneration was on account of resignation and retirement of senior staff members, whose median salary were high. This created an impact in median remuneration of employees.		
(iv)	The number of permanent employees on the rolls of the Bank as on March 31, 2024 :	There were 7,188 employees as on March 31, 2024.		
(v)	Average percentile increase already made in the salaries of employees of the Bank other than its managerial personnel during the last fiscal year and its comparison with the percentile increase in the managerial remuneration (KMPs) and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration : ⁴	Average salary of employees have increased by 0.45% in the Financial Year 2023-24, when compared to previous year. The increase in average salary of employee was on account of direct probation model introduced from FY 2023-24. Average salary of employees in Managerial Cadre have increased by 9.69% in the Financial Year 2023-24, when compared to previous year.		

Sl.No.	Requirements
	The increase in average salary of employees in managerial cadre on account of increase salary income, variable pay, PL Encashment and other components in the perquisite income.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Bank - It is hereby affirmed that the remuneration paid during fiscal 2024, is in accordance with the remuneration policy of the Bank.

1. The Bank has considered the annualised fixed pay for computation of ratios and percentage increase in remuneration. Fixed pay includes salary, allowances, retiral benefits as well as value of perquisites as approved by the Reserve Bank of India. Variable pay for FY 2024 has been excluded from the same since it is subject to approval of RBI in current financial year.
2. Appointed as Chief Financial Officer of the Bank w.e.f. February 12, 2023. Hence remuneration for FY 2023 is not comparable with FY 2024
3. Appointed as Company Secretary of the Bank w.e.f. February 12, 2023. Hence remuneration for FY 2023 is not comparable with FY 2024
4. The salary of MD & CEO only has been reckoned based on the approvals accorded by RBI as the remuneration of CFO & CS is not comparable as stated above in Point No. 2 & 3.

For and on behalf of the Board
Sd/-

G. Mahalingam
DIN 09660723
Chairman

Date : June 24, 2024
Place : Chennai

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INSTANT TAX PAYMENT WITH CUB

Steps to Pay Your Tax Directly

- 1 Log in to the Income Tax e-Filing Portal
- 2 Navigate to 'e-File' Menu and Select 'e-Pay Tax'
- 3 Click New payment and choose Assessment Year
- 4 Select City Union Bank and Choose Payment via Net / Mobile Banking or Over the Counter
- 5 Log in with CUB Credentials, Authenticate and Pay
- 6 Receive Confirmation and Generate receipt instantly



www.cityunionbank.com



REPORT ON CORPORATE GOVERNANCE

(Forming part of the Directors' Report for the year ended March 31, 2024)

Corporate Governance is a system of rules, practices and processes by which an Institution is operated, directed and governed. The main principles of good Corporate Governance revolve around conducting the business with integrity, being transparent in all transactions, making all the necessary disclosures and complying with the applicable laws with a sense of accountability and responsibility towards all the stakeholders and commitment to conduct the business in an ethical manner. The goal of Corporate Governance is to manage the business to maximize long term value while safeguarding the interests of all stakeholders.

This Report on Corporate Governance is set out pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Companies Act, 2013 ('the Act').

1. BANK'S PHILOSOPHY ON CORPORATE GOVERNANCE

City Union Bank Limited, (herein after called "the Bank") has been following robust Corporate Governance practices since its inception. 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, Leadership, Honesty and Accountability as core values, and the management believes that the practice of each of these creates the right corporate culture for fulfilling the purpose of Corporate Governance.

It is to be recognized that Corporate Governance is not just a one stop destination but a continuous journey to consolidate and enhance sustainable value creation to the Bank by adhering to the core values.

The Bank continues to believe strongly in adopting and adhering to the best governance practices. The Bank always endeavours to achieve the highest levels of governance as a part of its accountability and responsibility towards the shareholder and all other stakeholders. Transparency, Fairness, Responsibility

and Integrity continue to be at the epicentre in achievement of good Corporate Governance and the Bank is strongly committed to adhering to the principles for enhancing the stakeholders' values.

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

The governance practices of the Bank aims to :

- enhance the long term interest of its stakeholders, provide good management standards, adopt prudent risk management techniques and comply with the required benchmark of capital adequacy, thereby safeguarding the interest of all its stakeholders such as shareholders, investors, depositors, creditors, customers, suppliers and employees, to maximise benefits to all.
- ensure the implementation of good governance practices through the Board of Directors

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

- Adhere to the Laws and Regulations both in letter and spirit.
- 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.
- To make employees accountable for completion of work within specified time lines, without compromising on quality and at the sametime, adhering to risk controls and policy framework.
- 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 (the 'Board') 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, 2015 where the Chairperson of the Board of Directors is a Non-Executive Director, at least one third of the Board should comprise of Independent Directors. As on March 31, 2024, the Board comprised of Ten Directors of whom, Nine were Independent Directors including Part-time Non-Executive Chairman and One Woman Independent Director, and a Managing Director & CEO. The Independent Directors constitute 90% of the Board strength of the Bank which is more than the requirements specified under the Companies Act, 2013 and SEBI Listing Regulations, 2015. None of the Directors of the Bank have any relationships inter-se, as on March 31, 2024.

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

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

The majority of Directors on the Board as on March 31, 2024 holds diverse expertise, knowledge and business acumen in Banking and other related fields. The details on the skill sets / expertise, the Directors bring into the Board of the Bank to facilitate effective decision making, together with other disclosures are mentioned below.

Name of the Director Sarvashri	Expertise/Core Skills/Sector Representation	Category	Total No. of other Directorships held	No. of shares
M. Narayanan (DIN 00682297)	Accountancy, Agriculture & Rural Economy and Information Technology	Non-Executive Part-time Chairman (Independent)	Nil	21,589
Dr. N. Kamakodi (DIN 02039618)	Banking	Managing Director & CEO	Nil	24,26,735
Narayanan Subramaniam * (DIN 00166621)	Accountancy and Finance, Payment & Settlement System, Treasury, Risk Management, Information Technology and Business Management	Independent Director	6	Nil
V. N. Shivashankar (DIN 00929256)	Law, Accountancy and Risk Management	Independent Director	5	7,26,122
Dr. T. S. Sridhar (DIN 01681108)	Agriculture & Rural Economy, SSI, Co-operation, Human Resource and Economics	Independent Director	Nil	210
K. Vaidyanathan (DIN 07120706)	Accountancy, Finance, Information Technology and Business Management	Independent Director	Nil	100
T. K. Ramkumar (DIN 02688194)	Law, Banking and Information Technology	Independent Director	Nil	1,64,310
Prof. V. Kamakoti (DIN 03537382)	Information Technology and Agriculture & Rural Economy	Independent Director	5	1,512
G. Mahalingam* (DIN 09660723)	Accountancy, Finance, Banking, Economics and Business Management	Independent Director	9	Nil
Lalitha Rameswaran (DIN 02326309)	Accountancy, Finance, Banking and Information Technology	Independent Director	1	35,028

*Except Shri. Narayanan Subramaniam who is a Director in other Listed entities viz. Jyothi Labs Limited and Ganesha Ecosphere Limited and Shri. G. Mahalingam who is a Director in other Listed entities viz. LIC of India, Central Depository Services (India) Limited, Infrastructure Leasing & Financial Services Limited and CARE Ratings Limited, none of the other Directors on the Board of the Bank holds Directorship in any other listed entity.

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

Name of the Director Sarvashri	Board Meetings		Attendance at AGM held on 23.08.2023	Directorship in other Public Ltd., entities	Directorship in other Listed entities	Memberships in *ACB & SRC of other companies and (Chairmanships)
	Held during the Tenure	Meeting Attended				
M. Narayanan	12	12	Yes	Nil	Nil	Nil
Dr. N. Kamakodi	12	12	Yes	Nil	Nil	Nil
Narayanan Subramaniam	12	12	Yes	3	2	3(2)
V. N. Shivashankar	12	12	Yes	2	Nil	Nil
Dr. T. S. Sridhar	12	12	Yes	Nil	Nil	Nil
K. Vaidyanathan	12	11	Yes	Nil	Nil	Nil
T. K. Ramkumar	12	12	Yes	Nil	Nil	Nil
Prof. V. Kamakoti	12	11	Yes	Nil	Nil	Nil
G. Mahalingam	12	11	Yes	8	4	5(1)
Lalitha Rameswaran	12	12	Yes	1	Nil	1

Meeting Date: 25.04.2023, 26.05.2023, 26.06.2023, 11.08.2023, 23.08.2023, 20.09.2023, 27.10.2023, 29.11.2023, 15.12.2023, 01.02.2024, 27.02.2024 and 26.03.2024

*ACB - Audit Committee of Board, SRC - Stakeholders Relationship Committee

Note: As per Regulation 26 of SEBI Listing Regulations, 2015, the Directorship and Committee positions held by the Directors in other Public Limited Companies (including unlisted entities) only have been considered and also, only Audit and Stakeholders Relationship Committee have been considered for reckoning Committee positions. Further, none of the Directors of the Bank were members of more than 10 Committees or acted as Chairman of more than 5 Committees across all Public Limited Companies in which he / she is a Director. All Directors of the Bank hold directorship in compliance with Regulation 17A of the SEBI Listing Regulations, 2015 and Section 165 of the Companies Act, 2013.

The meetings of the Board and its Committees were conducted in line with the provisions of Companies Act, 2013, SEBI Listing Regulations, 2015 and the Secretarial Standards on Board Meetings issued by the Institute of Company Secretaries of India (ICSI). All information, as applicable and specified in Regulation 17(7) of the SEBI Listing Regulations, 2015, read with Part A of Schedule II thereto, are regularly placed before the Board. All the meetings were conducted with proper quorum. The date and place of the meeting as well as the agenda papers were circulated to all the Directors in advance to enable the Board members schedule and prepare for the meeting. The Directors had access to all additional information on the agendas to facilitate meaningful, informed and focussed discussions at the meetings. The Executives of the Bank were also invited to attend the Board meetings wherever required, to provide necessary clarifications.

C. FAMILIARISATION PROGRAMMES

The Bank in compliance with the requirement of the SEBI Listing Regulations, 2015 and Companies Act, 2013, 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 Bank also nominates the Directors to attend relevant external programs at reputed institutions on the areas relevant from the Bank's perspective. In addition, during the year, the Board was familiarised with Cyber Security programme considering its importance in the present industry scenario.

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

<https://www.cityunionbank.com/filemanager/July24/DIRECTORFAMILIARISATIONPROGRAMME.pdf>

D. DIRECTORS' REMUNERATION

i. REMUNERATION POLICY

Remuneration to Executive Director / Whole Time Director / Managing Director & CEO

There exists a Board approved Compensation Policy which also deals with the remuneration and other corporate benefits to the Whole Time / Executive Director. Such Compensation Policy is framed in accordance with Section 178 of the Companies Act, 2013 read with the relevant Rules made thereunder, Regulation 19 of the SEBI Listing Regulations, 2015 and the Guidelines or Circulars or directions issued by the RBI in this regard, from time to time. The remuneration of MD & CEO is recommended by the Compensation and Remuneration Committee to the Board of Directors for its approval and is subject to the prior approval by the Reserve Bank of India in terms of the Banking Regulation Act, 1949 and also the Shareholders.

Further, as per the extant guidelines issued by the Reserve Bank of India in respect of compensation to Whole Time Directors of Private Sector Banks [No.RBI/2019-20/89 DOR.Appt. BC.No.23/29.67.001/2019-20 dated November 04, 2019], all fixed elements of compensation, including the perquisites are treated as part of Fixed Pay. The perquisites that are reimbursable in nature would also be included in the Fixed Pay so long as there are monetary ceilings on these reimbursement. The contribution towards Superannuation / Retiral benefits will also be treated as part of Fixed Pay.

The variable compensation for Whole Time Directors / MD & CEO is fixed based on the assessment of performance under (i) QUALITATIVE factors viz. Compliance Culture, Strategy Initiatives, Investor Relations, Internal Controls, Show Cause Notices, Penalties / Fines received during the year, Human Resource Management, Sustainability Practices, Technology and Awards and Accolades and under (ii) QUANTITATIVE factors viz., Deposits, Advances, Business, Net Profit, Net Interest Income, Capital Adequacy Ratio (%), Return on Assets (%), Return on Equity (%), Net NPA %, Cost to Income Ratio being the financial parameters based on ICAAP (Internal Capital Adequacy Assessment Process) approved for each financial year by the Board. In line with the aforesaid RBI circular dt. November 4, 2019, in the beginning of

each financial year, the Board approves & recommends a target variable pay to RBI and after the year end, based on the assessment of actual performance vis-à-vis targets, the actual variable pay is determined & recommended to RBI for its approval for the relevant financial year. Such variable compensation is paid in the form of Cash, Stock Options and / or Share linked instruments as may be recommended by the Compensation & Remuneration Committee, Board and approved by RBI for each financial year.

Remuneration to Non-Executive Directors

All Non-Executive Directors of the Bank are paid sitting fees of ₹75,000/- and ₹ 25,000/- for attending Board and Committee Meetings respectively for each such meeting as per the provisions of the Companies Act, 2013. Further, except Shri. M. Narayanan, Part-time Non-Executive 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 extant RBI circular, the Companies Act, 2013, the Compensation Policy of the Bank and the approval of shareholders' vide its meeting held on September 1, 2018. The Compensation & Remuneration Committee determines and recommends to the Board for its approval, such commission, if any, for each financial year. Further, no stock options are granted to any of the Non-Executive Directors of the Bank.

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

Remuneration to Key Managerial Personnel (KMP) and Other Employees

The Bank has three KMPs as on March 31, 2024 viz. Dr. N. Kamakodi, Managing Director & CEO, Shri. J. Sadagopan, Chief Financial Officer and Shri. Venkataramanan S, Company Secretary & Compliance Officer. The KMPs and other employees are remunerated in terms of the Compensation Policy of the Bank.

ii. REMUNERATION PAID DURING FY 2023-24

The Bank remunerates the Chairman and the Managing Director & CEO in accordance with the terms and conditions as approved by the Reserve Bank of India and Shareholders. The RBI vide its letter no.CO.DOR.HGG.No.S6284/08-42-001/2023-2024

dt. January 31, 2024 conveyed its approval for revision in Fixed Pay to Dr. N. Kamakodi, MD & CEO for ₹ 1.96 crore including perquisites for FY 2023 and ₹ 2.15 crore including perquisites for FY 2024.

It also granted Variable Pay of ₹ 1.96 crore (₹ 98,00,000/- as Cash Component and ₹ 98,00,000/- as Non Cash Component) for FY 2023 to the MD & CEO. As per such approval, 74,428 stock options (representing Non Cash Component not exceeding the maximum amount sanctioned by RBI) was granted to the MD & CEO of the

Bank during the year under CUB ESOS 2017 Scheme - Part B Series II.

During FY 2024, all Independent Directors were paid Profit Linked Commission for FY 2023 (except Shri. M. Narayanan, the present Part-time Chairman who was paid for the period upto May 03, 2022 for being an Independent Director) 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 2024.

The details of remuneration paid to Directors are furnished below:

(in ₹)

Name of Director (Sarvashri)	Salary/ Fixed Pay / HRA	Variable pay	Perquisites	*Sitting Fees	**Profit Linked commission	Total Remuneration
EXECUTIVE DIRECTOR						
Dr. N. Kamakodi	1,96,86,589	-	22,36,735	-	-	2,19,23,324
NON-EXECUTIVE INDEPENDENT DIRECTORS						
R. Mohan (upto 27.06.2022)	-	-	-	-	1,50,685	1,50,685
Abarna Bhaskar (upto 24.10.2022)	-	-	-	-	5,67,123	5,67,123
M. Narayanan (commission upto 03.05.2022)	12,00,000	-	-	14,50,000	90,411	27,40,411
Narayanan Subramaniam	-	-	-	18,50,000	10,00,000	28,50,000
V. N. Shiva Shankar	-	-	-	16,00,000	10,00,000	26,00,000
Dr. T. S. Sridhar	-	-	-	16,75,000	10,00,000	26,75,000
K. Vaidyanathan	-	-	-	15,25,000	10,00,000	25,25,000
T.K. Ramkumar	-	-	-	16,50,000	10,00,000	26,50,000
Prof. V. Kamakoti (since 27.05.2022)	-	-	-	13,25,000	8,46,575	21,71,575
G. Mahalingam (since 06.07.2022)	-	-	-	16,25,000	7,36,986	23,61,986
Lalitha Rameswaran (since 04.11.2022)	-	-	-	14,50,000	4,05,479	18,55,479

*Sitting fees includes the fees paid for attending Board, Board Level Committees and Strategy Meeting.

**Profit linked commission for FY 2022-23 has been paid (on pro-rata basis) to the concerned Directors during FY 2024.

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

E. PERFORMANCE EVALUATION

I. Process

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

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

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

ii. Performance Evaluation Criteria

Individual Directors and Chairperson (Including MD & CEO and Independent Directors)

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

In respect of evaluation of Chairperson, additional criteria such as leadership capabilities and Board Level working relationships are taken into account.

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

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

iii. Board as Whole

Assessment is done based on structure of the Board including Directors' Competency and diverse expertise, frequency of meetings, quality of information called for, effectiveness of deliberation and discussions and follow up of assurance functions.

iv. Board Level Committees

The evaluation is done based on parameters viz., composition of the Committee, Terms of Reference, Meetings, structure of Committee Meetings, Reconstitution, Rotation of members, effectiveness of discussions, directions issued, 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 FY 2023-24.

F. CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS

The detailed criteria for appointment of Independent Directors are mentioned under the Director's 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, 2015.

All Independent Directors on the Board have confirmed that they meet the criteria of Independence under the Companies Act, 2013 and SEBI Listing Regulations, 2015. Further, the Board confirms that all Independent Directors fulfil the conditions specified under SEBI Listing Regulations, 2015 and are independent of the management.

G. DIRECTORS AND OFFICERS INSURANCE

The Bank has undertaken 'Directors and Officers Insurance' for all its Directors, including Independent Directors for a specific quantum and coverage of risks as determined by the Board Directors of the Bank.

H. COMPLIANCE OF LAWS

The Bank has an exclusive Compliance Department headed by the Chief Compliance Officer which ensures compliance of all laws applicable to the Bank on a continuous basis and submits its report to the Board of Directors at regular intervals. Accordingly, the Board reviews such reports and ensures the status of compliance by the Bank.

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3. COMPOSITION OF COMMITTEES OF THE DIRECTORS AND THEIR ATTENDANCE AT THE MEETINGS AS ON MARCH 31, 2024

The Bank, in order to facilitate informed decision making in the best of its interests, has constituted various 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 duly approved by the Board.

The Bank has 14 Committees as of March 31, 2024. The details on composition and attendance of members in various Committees along with terms and reference are detailed hereunder:

I. Audit Committee

This Committee has been constituted as per the requirements of RBI circular on Corporate Governance, SEBI Listing Regulations, 2015 and Section 177 of the Companies Act, 2013. The terms of reference of the Committee are as under:

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

Composition and Meeting details :

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
Lalitha Rameswaran (Chairperson)	Independent	11	11
V N. Shivashankar	Independent	11	11
K. Vaidyanathan	Independent	11	10
G. Mahalingam	Independent	11	10

Meeting Date: 25.04.2023, 26.05.2023, 26.06.2023, 11.08.2023, 20.09.2023, 27.10.2023, 28.11.2023, 15.12.2023, 31.01.2024, 26.02.2024 and 24.03.2024.

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II. Stakeholders Relationship Committee

The Committee has been constituted in accordance with Section 178 of Companies Act, 2013 and SEBI Listing Regulations, 2015. The terms of reference of this Committee are details below :

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

Transposition, Dematerializations, Rematerialization, Name change, Issue of Duplicate Share Certificates etc.

- To review the performance and service standards adopted by the Registrar and Transfer Agents of the Bank.
- Review the measures undertaken to reduce the quantum of Unclaimed Dividend and receipt of Warrants / Annual Reports / Statutory Notices by Shareholders of the Bank.
- Any other matters concerning Investors, as may be stipulated by SEBI, Companies Act, RBI, Stock Exchanges and any other Regulatory Authorities from time to time.

Composition and Meeting details :

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
G. Mahalingam (Chairperson)	Independent	04	04
Dr. N. Kamakodi	Executive	04	04
Narayanan Subramaniam	Independent	04	04
Dr. T.S. Sridhar	Independent	04	04

Meeting Date: 26.05.2023, 11.08.2023, 29.11.2023 and 01.02.2024

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

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

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

All information and queries received from the shareholders during the year have been attended to and addressed to their satisfaction.

III. Credit Committee of the Board

Terms of reference of this committee are as under :

- a. 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.
- b. Review the performance of Credit Appraisal Committee (CRAPCO) which scrutinize the credit proposals above ₹1 crore & above.
- c. 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
M Narayanan (Chairperson)	Independent	12	12
Dr. N. Kamakodi	Executive	12	12
Narayanan Subramaniam	Independent	12	12
G. Mahalingam	Independent	12	11
Meeting Date: 25.04.2023, 26.05.2023, 26.06.2023, 11.08.2023, 23.08.2023, 20.09.2023, 27.10.2023, 29.11.2023, 15.12.2023, 01.02.2024, 27.02.2024 and 26.03.2024.			

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

The terms of reference of this Committee are detailed below :

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

Composition and meeting details :

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
V.N. Shivashankar (Chairperson)	Independent	04	04
Dr. N. Kamakodi	Executive	04	04
Dr. T. S. Sridhar	Independent	04	04
T. K. Ramkumar	Independent	04	04
Meeting Date: 26.06.2023, 20.09.2023, 28.11.2023 and 26.02.2024			

V. Risk Management Committee

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

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

Composition and Meeting details :

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
Narayanan Subramaniam (Chairperson)	Independent	04	04
Dr. N. Kamakodi	Executive	04	04
Prof. V. Kamakoti	Independent	04	03
G. Mahalingam	Independent	04	03
Meeting Date : 26.06.2023, 20.09.2023, 29.11.2023 and 27.02.2024			

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VI. Customer Service Committee

In accordance with BCSBI guidelines, the Bank is having a 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.

The terms of reference of this Committee are as under :

- 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. Compliance 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 our Bank.

Composition and Meeting details :

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
Dr. T. S. Sridhar (Chairperson)	Independent	02	02
Dr. N. Kamakodi	Executive	02	02
Narayanan Subramaniam	Independent	02	02
Lalitha Rameswaran	Independent	02	02
Meeting Date: 29.11.2023 and 27.02.2024			

VII. Nomination Committee

The Nomination Committee is constituted as per Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, 2015. The terms of reference of this Committee are given below :

- a. To undertake the process of due diligence to determine the suitability of any person for appointment / continuing to hold appointment as a Director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria as may be prescribed under the Companies Act, 2013, Banking Regulation Act, 1949, SEBI Listing Regulations, 2015 and RBI guidelines.

- b. To carry out the performance evaluation of every Director.
- c. To examine the vacancies that will come up at the Board on account of retirement or otherwise i.e., succession planning.
- d. To formulate / review the criteria for the performance evaluation of Independent Directors and the Board of Directors and to determine the continuance of an Independent Director(s) based on the report of evaluation of Independent Directors.
- e. Identifying persons who may be appointed in Senior Management and recommend to the Board of Directors as to their appointment and removal.

- f. To ensure the Board diversity in terms of the Banking Regulation Act 1949, the Reserve Bank of India guidelines, the Companies Act 2013, SEBI Listing Regulations, 2015 etc., at all times.
- g. Any other functions as may be stipulated by SEBI, MCA, RBI, Stock Exchanges and any other Regulatory / Statutory Authorities from time to time.

Composition and Meeting details :

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
K. Vaidyanathan (Chairperson)	Independent	06	06
M. Narayanan	Independent	06	06
Prof. V. Kamakoti	Independent	06	06
Lalitha Rameswaran	Independent	06	06
Meeting Date: 25.04.2023, 26.06.2023, 27.10.2023, 15.12.2023, 01.02.2024 and 26.03.2024			

The Performance Evaluation criteria for evaluation of Independent Directors as required to be mentioned as per Para C (4) of Schedule V, is set-out elsewhere in this Report.

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

As per the Reserve Bank of India circular no. DBS.FGV(F) No.1004/23.04.01A/2003-04 dated January 14, 2004, the Board has constituted a Special Committee exclusively to monitor and follow up cases of fraud involving ₹ 1 crore and above. The approved terms and reference of this Committee are detailed below :

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

and reporting to top management of the Bank and Reserve Bank of India.

Composition and Meeting details :

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
T. K. Ramkumar (Chairperson)	Independent	06	06
Dr. N. Kamakodi	Executive	06	06
V.N. Shivashankar	Independent	06	06
Dr. T. S. Sridhar	Independent	06	06
K. Vaidyanathan	Independent	06	06
Meeting Date: 26.06.2023, 11.08.2023, 20.09.2023, 28.11.2023, 31.01.2024 and 24.03.2024			

IX. Compensation & Remuneration Committee

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

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

Composition and Meeting details :

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
Dr. T. S. Sridhar (Chairperson)	Independent	09	09
Narayanan Subramaniam	Independent	09	09
T. K. Ramkumar	Independent	09	09
Prof. V. Kamakoti	Independent	09	08

Meeting Date: 26.05.2023, 26.06.2023, 20.09.2023, 27.10.2023, 29.11.2023, 15.12.2023, 01.02.2024, 27.02.2024 and 26.03.2024

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.

The terms of reference of the Committee are detailed below :

- a. Approving IT strategy and policy documents;
- b. Ensuring that the management has put an effective strategic planning process in place;
- c. Ensuring that the IT strategy is aligned with business strategy;
- d. Ensuring that the IT organizational structure serves business requirements and direction;
- e. Supervising the implementation of the processes and practices that ensures IT delivers value to the businesses;
- f. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- g. Determining the IT resources needed to achieve strategic goals and provide direction for sourcing and use of IT resources;
- h. Ensuring proper balance of IT investments for sustaining Bank's growth;
- i. Assessing the exposure towards IT risks and its controls and evaluating effectiveness of management's monitoring of IT risks;
- j. Assessing Senior Management's performance in implementing IT strategies;
- k. Any other terms of reference as may be included from time to time by the Board or in compliance with RBI Guidelines.

Composition and Meeting details :

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
Prof. V. Kamakoti (Chairperson)	Independent	04	04
Dr. N. Kamakodi	Executive	04	04
Narayanan Subramaniam	Independent	04	04
T.K. Ramkumar	Independent	04	04
Meeting date: 26.06.2023, 20.09.2023, 15.12.2023 and 26.03.2024			

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XI. Corporate Social Responsibility Committee

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

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

- To formulate and recommend to the Board, a CSR Policy, which shall indicate the activities to be undertaken by the Bank as specified in Schedule

VII of the Companies Act, 2013, as may be amended from time to time.

- To recommend the amount of expenditure to be incurred on activities specified in clause(a)
- To monitor and review the CSR Policy of the Bank from time to time.
- To institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Bank and
- 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
V.N. Shivashankar	Independent	03	03
Dr. T.S. Sridhar	Independent	03	03
K Vaidyanathan	Independent	03	03
T. K. Ramkumar	Independent	03	03
Meeting date: 26.05.2023, 11.08.2023 and 31.01.2024			

XII. Premises Committee

The terms of reference of the Committee are as under :

- To consider and approve Purchase of new premises / vacant land / flats for accommodation of the Branch / CO / AO / Staff quarters.

- To consider and approve construction of building for accommodation of the CO / AO / Branch / Staff quarters.

- To consider and approve renovation of existing premises of AO / CO / Branch / Staff quarters for an amount exceeding ₹ 50 lakh.

Composition and Meeting details :

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

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

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

The terms of reference of the Committee are as follows :

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

Composition and Meeting details :

Name of the Member Sarvashri	Category	No. of Meetings held during the tenure	Attendance
M. Narayanan (Chairperson)	Independent	01	01
V.N. Shivashankar	Independent	01	01
T.K. Ramkumar	Independent	01	01
G. Mahalingam	Independent	01	01
Meeting date: 25.04.2023			

In respect of all the Board Level Committee meetings aforesaid, the Company Secretary of the Bank acted as the Secretary to the Committee.

XIV. Search and Selection Committee

During the year the Board constituted Search & Selection Committee consisting of Directors Shri M. Narayanan, Shri N. Subramaniam and Shri G. Mahalingam, as the Members of the Committee with the following terms of reference:

- To do all actions required for identification of Successor to the current MD & CEO including engaging with external firms, screening & interview process etc.
- Recommend suitable candidature to the Nomination Committee for the conducting the fit & proper exercise pursuant to Statutory and Regulatory provisions.

In FY 2023-24, the Committee met on several occasions to identify, interview, shortlist and recommend suitable profiles to the Nomination Committee. Further, the Members decided to waive the sitting fees for all meetings.

Meeting of Independent Directors

The Independent Directors of the Bank met on February 27, 2024, to discuss and review the following for the FY2023-24 :

- Non-Independent Director and the Board as a whole;
- Performance of the Chairman of the Bank taking into account the views of Executive and Non-Executive Directors, and;

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

All the Independent Directors were present at the meeting except Shri. K. Vaidyanathan and Shri. V. Kamakoti.

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.	23.08.2023	10:00 a.m.	As per MCA notifications dt. December 28, 2022 read with other connected circulars alongwith relevant SEBI circulars, meeting was conducted through Video Conferencing from CUB, Administrative Office, Kumbakonam - 612001, Tamil Nadu.	<p>Resolution No. 5 Re-appointment of Shri. V. N. Shivashankar (DIN 00929256) as an Independent Director on the Board for a second term.</p> <p>Resolution No. 6 Re-appointment of Shri. T.S. Sridhar (DIN 01681108) as an Independent Director on the Board for a second term.</p> <p>Resolution No. 7 Amendment of Articles of Association of the Bank</p> <p>Resolution No. 8 Issue of shares under Qualified Institutions Placement (QIP) route.</p>
2.	18.08.2022	11:00 a.m.		<p>Resolution No. 6 Re-appointment of Shri. Narayanan Subramaniam (DIN 00166621) as Independent Director on the Board for a second term.</p> <p>Resolution No. 7 Appointment of Shri. Veezhinathan Kamakoti (DIN 03537382) as an Independent Director on the Board.</p> <p>Resolution No. 8 Appointment of Shri. G. Mahalingam (DIN 09660723) as an Independent Director on the Board.</p> <p>Resolution No. 9 Issue of shares under Qualified Institutions Placement (QIP) route.</p>

Sl.No.	Date	Time	Venue	Special Resolutions considered there at
3.	19.08.2021	11:00 a.m.		<p>Resolution No. 7 Re-appointment of Shri. M. Narayanan (DIN 00682297) as Independent Director on the Board for a second term.</p> <p>Resolution No. 8 Issue of shares under Qualified Institutions Placement (QIP) route.</p> <p>Resolution No. 9 Amendment to Memorandum of Association of the Bank.</p>

Postal Ballot

Whether any Special Resolution passed last year through Postal Ballot & Voting pattern details : No

Person who conducted Postal Ballot exercise - Not Applicable

Whether any Special Resolution is proposed to be conducted through Postal Ballot - Yes, Resolution for re-appointment of Shri. K. Vaidyanathan (DIN 07120706) [Resolution no.1] and Shri. T.K. Ramkumar (DIN 02688194) [Resolution no.2] was proposed to be passed by way of Special Resolution on March 26, 2024 and the same was passed with requisite majority on April 29, 2024 by the shareholders of the Bank. The Board of Directors of the Bank had appointed Shri. V. Sankar, Practising Company Secretary, Coimbatore, as Scrutinizer to conduct the Postal Ballot exercise in a fair & transparent manner.

Based on the report furnished by the Scrutinizer, the outcome of the Postal Ballot exercise is given below :

Resolution No.	Votes Polled	Voted for		Voted Against	
		Voted Cast	Vote %	Voted Cast	Vote %
1	421662681	408565354	96.89	13097327	3.11
2	421663640	340260583	80.69	81403057	19.31

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

5. SENIOR MANAGEMENT

In terms of Para 5B of Schedule V of the SEBI Listing Regulations, 2015 the particulars of Senior Management including the changes therein since the close of the previous financial year is detailed below :

Particulars	Nos.
Senior Management Personnel as on April 01, 2023	13
Additions during the year	6
Separations during the year	5
Senior Management Personnel as on March 31, 2024	14

6. OTHER DISCLOSURES

A. MATERIAL SIGNIFICANT 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 SEBI Listing Regulations, 2015. There were no significant "Related Party Transactions" of any material, financial & commercial nature with the Bank by the Directors and their relatives that would have potential conflict with the interest of the Bank at large. A detailed policy on the Related Party Transaction is available at the Bank's website. Weblink:

https://www.cityunionbank.com/filemanager/July24/RPT%20POLICY_26062023.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 SEBI / any other regulatory authorities on any such matter during last three years except that during FY 2023, a fine of ₹ 41,300 /- was imposed by each of the Stock Exchanges viz. BSE Limited and The National Stock Exchange of India Limited for delayed filing of disclosures under Reg. 23(9) of SEBI Listing Regulations, 2015.

C. WHISTLE BLOWER / VIGIL MECHANISM

The Bank promotes ethical practices in all its business activities and has put in place a defined Whistle Blower / Vigil Mechanism as per the requirements of RBI, the Companies Act, 2013 and the SEBI Listing Regulations, 2015 for Directors and employees to report genuine 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 / Chairperson of the Audit Committee of the Board under the Mechanism. There exists an online forum for all employees in the intranet server of the Bank to report genuine concerns under the Mechanism.

During the reporting period 5 complaints were received under the Mechanism, out of which 4 cases had been disposed off and remaining 1 case is pending for disposal and investigation pertaining to the case is

under process. The Whistle Blower Policy of the Bank is available under the following Web link:

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

D. SUBSIDIARIES

The Bank does not have any Subsidiary and hence relevant disclosures regarding material subsidiaries prescribed under SEBI Listing Regulations, 2015 do not arise.

E. IMPLEMENTATION OF NON-MANDATORY REQUIREMENTS

- The Chairman's Office of the Bank is held by Part-time Independent Chairman at the Bank's Administrative Office situated at Kumbakonam. The terms of his remuneration are approved by the Reserve Bank of India.
- Unmodified Audit Opinion / Reporting : The Auditors have expressed an unmodified opinion on the Financial Statements of the Bank for FY 2024 and the same has been reported to concerned Stock Exchanges within due timelines.
- The post for Chairman and the post of Managing Director & CEO are separate. Chairman is a Non-Executive Independent Director and not related to Managing Director & CEO or any of the Directors.

F. COMPLIANCE WITH MANDATORY REQUIREMENTS

The Bank has complied with the Corporate Governance requirements specified in Regulations 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 2024 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, 2015

The Bank has obtained a certificate pursuant to Regulation 34(3) read with Schedule V of SEBI Listing Regulations, 2015 from Shri. V. Sankar, Practicing Company Secretary, Coimbatore, confirming that none of the Directors on the Board of the Bank have been debarred or discontinued from being appointed or continuing as Directors of the Bank either by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory Authorities. The said certificate is set out at the end of this Report.

J. REMUNERATION TO STATUTORY CENTRAL AUDITORS

The Joint Statutory Central Auditors were paid a remuneration of ₹ 90 lakhs towards Audit services for FY 2024 (including Certification fee) besides a remuneration of ₹7.95 lakhs towards Branch Statutory Audit and ₹ 8.94 lakhs as reimbursement of out of pocket expenses.

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

No. of Complaints pending at the beginning of financial year	:	Nil
No. of Complaints received during the financial year	:	2
No. of Complaints disposed during the financial year	:	1
No. of Complaints pending as on the end of financial year	:	1

7. CERTIFICATION BY MD & CEO and CFO

Pursuant to provisions of Regulation 17(8) read with Schedule II Part B of SEBI Listing Regulations, 2015 the Managing Director & CEO and Chief Financial Officer of the Bank have given the quarterly / annual certificate on Financial Reporting and Internal Controls, which is set out at the end of this Report. The quarterly / annual certificate(s) for all the quarters / year on financial results were also placed before the ACB / Board in terms of Regulation 33(2) of SEBI Listing Regulations, 2015.

8. ADHERENCE TO CODE OF CORPORATE GOVERNANCE

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

https://www.cityunionbank.com/assets/frontend/pdf/others/CUB_Code_of_Conduct.pdf

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 M/s. K. Gopal Rao & Co., Chartered Accountants, Chennai, is furnished at the end of this Report.

9. MEANS OF COMMUNICATION

A. QUARTERLY RESULTS

The quarterly results of the Bank are duly approved by the Board within the stipulated time of 45 days from the end of respective quarters and the Audited Annual Financial Results for the quarter and year ending on March 31 within 60 days from the end of the respective financial year. The same is disseminated to the Stock Exchanges within the prescribed time through NEAPS (National Electronic Application Processing System) to National Stock Exchange of India Ltd., and through BSE Corporate Compliance & Listing Centre to BSE Ltd. The results are also displayed on the Bank's website (www.cityunionbank.com).

B. NEWSPAPERS WHEREIN RESULTS ARE NORMALLY PUBLISHED

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

Tamil : Dinamalar / Dinakaran
Newspapers

National English : Business Line / Economic Times /
Newspapers Financial Express / Business Standard /

C. NEWS RELEASES AND PRESENTATIONS TO INSTITUTIONAL INVESTORS / ANALYST

Official news releases and presentations are submitted to Stock Exchanges. The detailed presentations are made to Institutional Investors and Financial Analysts on the Bank's Unaudited Quarterly and Audited Financial Results. The presentations and conference call transcripts are also uploaded on the Bank's website.

D. WEBSITE

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

10. GREEN INITIATIVE

The Bank has promoted and administered the "Green Initiative" proposed by the Ministry of Corporate Affairs and is effecting the electronic delivery of Notice of Annual General Meeting and Annual Report to the Shareholders whose e-mail ID's are registered with the respective Depository Participant. The Companies Act, 2013 and SEBI Listing Regulations, 2015 provide for circulation of Financial Statements electronically to shareholders. As per Regulation 36 of SEBI Listing Regulations, 2015 the Bank sends soft copies of Annual Report to all Shareholders who have registered their e-mail addresses either with the Bank or Depository.

11. GENERAL SHAREHOLDER INFORMATION

Date, Time and Venue of AGM	August 22, 2024 10:00 a.m. The meeting will be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) as per relevant MCA notification dt. September 25, 2023 together with relevant circulars issued earlier. Further details are set out in the Notice calling this AGM.
Financial Year	April 1, 2023 to March 31, 2024
Dividend Payment Date (FY 2024)	On or after August 23, 2024
Registrar and Transfer Agent	Integrated Registry Management Services Private Limited, (Unit : CUB) II Floor, "Kences Towers" No.1 Ramakrishna Street, Off North Usman Road, T. Nagar, Chennai - 600 017, Tamil Nadu, India. Ph : 044 - 28140801 - 803, Fax : 044 - 28142479 e-mail ID : corpserv@integratedindia.in
Bank's Address for Correspondence	CITY UNION BANK LIMITED Secretarial Department, Administrative Office, 'NARAYANA', 24B, Gandhi Nagar, Kumbakonam - 612 001, Tamil Nadu, India Ph: 0435 - 2402322, Fax: 0435 - 2431746 E-mail: shares@cityunionbank.in Website: www.cityunionbank.com
Company Secretary & Compliance Officer	Shri. Venkataramanan S

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Joint Statutory Central Auditors	M/s. Jagannathan & Sarabeswaran, Chartered Accountants, Chennai and M/s. K Gopal Rao & Co., Chartered Accountants, Chennai
Listing on Stock Exchange and ISIN	<p>The shares of the Bank are listed at :</p> <ol style="list-style-type: none"> 1. BSE Ltd., Scrip Code - 532210 Address : Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 2. National Stock Exchange of India Ltd., Scrip Code - CUB Address : Exchange Plaza, Plot C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. <p>The annual listing fees payable to the Stock Exchanges for the Financial Year 2023-24 have been paid.</p> <p>ISIN : INE491A01021</p>
Commodity Price Risk or Foreign Exchange Risk and Hedging Activities	The details are given under "Other disclosures" Sl. No.6 of this Report.
Plant Operations	The Company being a Banking entity, disclosure on plant operations is not applicable.
Credit Rating	<ol style="list-style-type: none"> a. [ICRA]A1+ (ICRA A One Plus) rating from ICRA to the Certificate of Deposit programme of the Bank. Further, issuer rating has been provided by ICRA as [ICRA]AA- (ICRA Double A Minus) rating to the Bank. b. CRISIL A1+" (CRISIL A One Plus) rating from CRISIL to the Certificate of Deposit Programme of the Bank

- 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 April 1, 2023 to March 31, 2024

Month	BSE		NSE	
	Low	High	Low	High
Apr, 2023	123.70	146.50	123.70	146.00
May, 2023	124.45	144.30	124.45	144.30
Jun, 2023	119.50	127.70	119.50	127.80
Jul, 2023	126.00	135.65	126.00	135.65
Aug, 2023	120.20	135.95	120.05	135.90
Sep, 2023	123.50	137.85	123.40	137.90
Oct, 2023	124.15	143.45	124.15	143.50
Nov, 2023	136.60	152.85	136.70	153.00
Dec, 2023	145.80	167.65	145.70	167.80
Jan, 2024	136.85	154.85	136.75	154.90
Feb, 2024	130.10	145.85	130.10	145.85
Mar, 2024	125.35	140.30	125.40	140.25

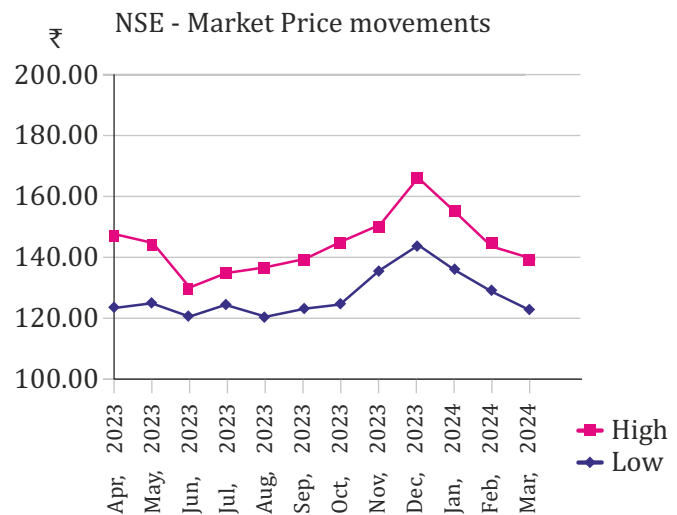
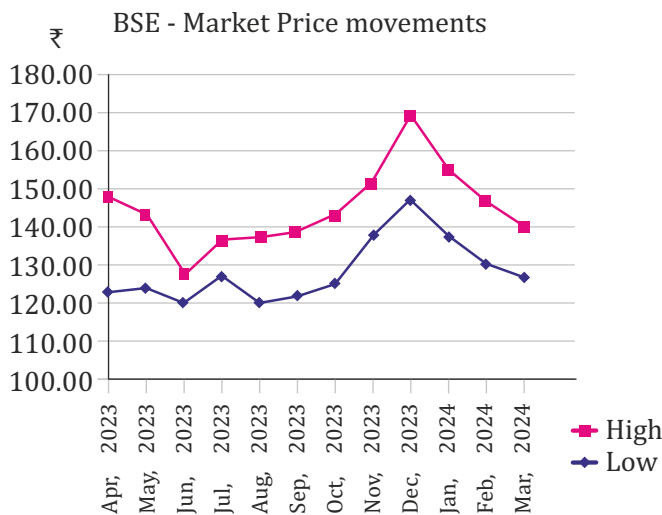
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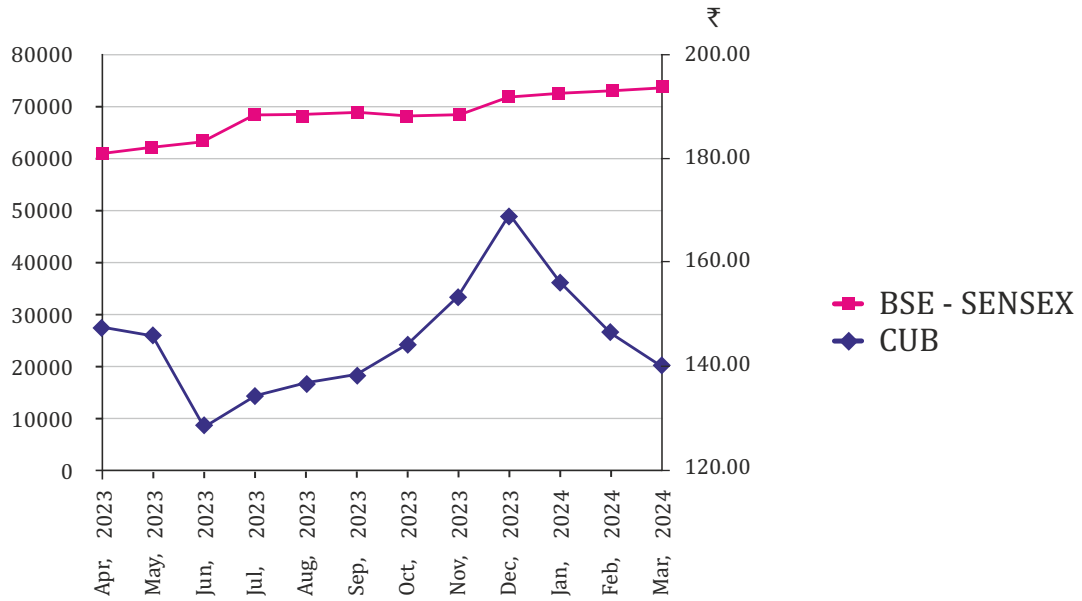
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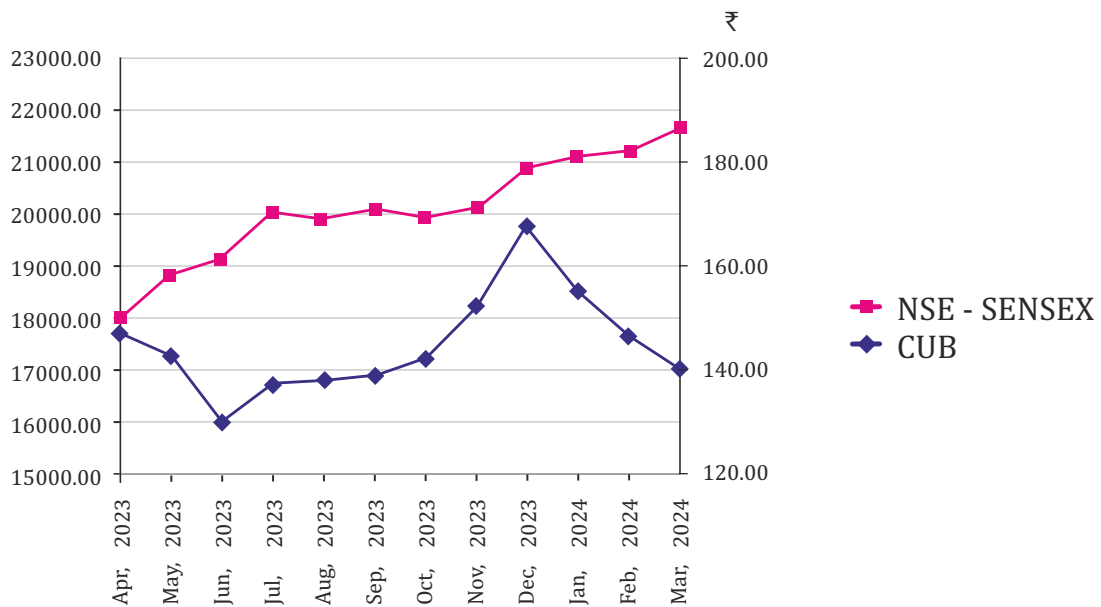
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iii. a. Performance of the Bank's Equity shares as compared with BSE SENSEX during FY 2023-24



b. Performance of the Bank's Equity shares as compared with NSE Nifty indices during FY 2023-24



12. DISTRIBUTION OF SHAREHOLDING

(a) Share Distribution Schedule as on March 31, 2024

Sl. No.	Category (No. of shares)	No. of Holders	% of Holders	No. of Shares	% to Share Capital
1.	1 - 500	211,457	82.86	2,21,20,187	2.99
2.	501 - 1000	17,138	6.72	1,31,55,053	1.78
3.	1001 - 2000	12,390	4.85	1,82,24,644	2.46
4.	2001 - 3000	3,661	1.43	91,25,519	1.23
5.	3001 - 4000	2,345	0.92	82,77,815	1.12
6.	4001 - 5000	1,537	0.60	71,54,662	0.96
7.	5001 - 10000	3,047	1.19	2,19,50,015	2.96
8.	10001 & above	3,632	1.42	64,06,64,009	86.50
TOTAL		2,55,207	100.00	74,06,71,904	100.00

(b) Shareholding Pattern as on March 31, 2024

Sl. No.	Category	No. of Shares	% of Shares
1	MUTUAL FUND	18,17,18,661	24.53
2	FOREIGN PORT FOLIO INVESTORS	19,96,48,567	26.95
3	INSURANCE COMPANY	2,34,90,243	3.17
4	TRUST	2,14,593	0.03
5	ALTERNATIVE INVESTMENT FUND	22,64,552	0.31
6	NON RESIDENT INDIAN NON REPATRIABLE	44,53,334	0.60
7	NON RESIDENT INDIAN REPATRIABLE	40,93,351	0.55
8	CLEARING MEMBER	2,48,162	0.03
9	INDIAN FINANCIAL INSTITUTIONS	1,00,30,777	1.35
10	BANK	10,06,145	0.14
11	BODIES CORPORATE	1,75,32,392	2.37
12	DIRECTORS	33,75,606	0.46
13	RELATIVES OF DIRECTORS	1,80,12,082	2.43
14	RESIDENT INDIAN, EMPLOYEES & HUF	27,00,53,046	36.46
15	NBFC	16,972	0.00
16	IEPF	27,12,892	0.37
17	LIMITED LIABILITY PARTNERSHIP	17,97,201	0.24
18	CUB ESCROW SUSPENSE ACCOUNT	280	0.00
19	CUB UNCLAIMED SUSPENSE ACCOUNT	3,048	0.00
Total		74,06,71,904	100.00

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13. SHARE TRANSFER SYSTEM AND RELATED MATTERS

Shares Transfers

M/s. Integrated Registry Management Services Private Limited, Chennai, the Registrar and Share Transfer Agents (RTA) of the Bank manages the share transfer process. As per relevant SEBI circular all share transfers shall only take place in demat mode with effect from April 1, 2019. Now, the shares of the Bank are traded only in demat mode. Further, to enhance ease of dealing in securities markets by investors, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-RTAMB/P/ CIR/2022/8 dated January 25, 2022 has directed all listed entities to issue securities in demat mode only while processing the service requests viz. issue of letter of confirmation for duplicate securities certificate in lieu of original, transmission, name change, status change, transposition, splitting and consolidation of securities certificate, claim from unclaimed suspense account, exchange for mutilated securities certificate.

The Bank obtains from a Company Secretary in practice, yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI Listing Regulations, 2015 and files a copy of the certificate with the Stock Exchanges. In addition, a yearly compliance certificate signed by the Compliance Officer of the Bank and

Authorised Signatory of the Bank's RTA is being submitted to the Stock Exchanges certifying compliance with Regulation 7(3) of SEBI Listing Regulations, 2015.

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

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

14. DETAILS OF SHARES KEPT UNDER UNCLAIMED SHARE SUSPENSE ACCOUNT

A. UNCLAIMED 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 April 1, 2023	5	3,048
2.	No. of shareholders who approached the issuer for transfer of shares from the unclaimed suspense a/c during FY 2023-24	0	0
3.	No. of shareholders to whom shares were transferred from the unclaimed suspense a/c during FY 2023-24	0	0
4.	Aggregate No. of shareholders and the outstanding shares lying in the unclaimed suspense a/c at March 31, 2024	5	3,048

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

B. CUB ESCROW SUSPENSE ACCOUNT :

During the reporting year, 280 shares [representing One Shareholder] was transferred to the CUB Escrow Suspense account of the Bank as the Letter of Confirmation was not submitted by the concerned Shareholder to his Depository Participant within stipulated time. The RTA / Bank has taken due efforts in reminding the Shareholder on various occasions, before the said transfer to such account.

The voting rights on the shares lying in above accounts shall remain frozen until the rightful owner of such shares claims the shares from the RTA / Bank.

15. TRANSFER OF UNCLAIMED / UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to Sections 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") dividend, if not claimed for a consecutive period of 7 years from the

date of transfer to the Unpaid Dividend Account of the company, are liable to be transferred to the Investors Education and Protection Fund ("IEPF").

Further, Underline Shares in respect of which Dividend has remained unclaimed for seven consecutive years or more from the date of transfer to Unpaid Dividend Account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is specific order of Court, Tribunal or Statutory Authority, restraining any transfer of shares.

In the interest of Shareholders, the Bank sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of Dividends / Shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of Unclaimed Dividend & Shareholders whose Shares are liable to be transferred to the IEPF Authority, are uploaded on the Bank's website. Weblink :

<https://www.cityunionbank.com/investor-relations>

In light of the aforesaid provisions, the details of Unclaimed / Unpaid Dividends and Shares transferred to IEPF during FY 2024 are as follows :

Financial Year	Amount of Unclaimed Dividend transferred	Number of Shares transferred
2015 - 16 (I)	₹ 56,93,280/-	1,60,004
2015 - 16 (F)	₹ 15,55,805/-	2,41,119

The members who have claim on the above Dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form IEPF - 5 available on the website: www.iepf.gov.in and send a physical copy of the same, duly signed to the Bank

along with requisite documents enumerated in such form. No claims shall lie against the Bank in respect of Dividends / Shares so transferred. The members / claimants can file only one consolidated claim in a financial year pursuant to IEPF Rules as amended from time to time.

Set-out below details on outstanding dividends and the dates by which it can be claimed by the Shareholders from the Bank / RTA :

Financial Year	Outstanding Dividend as on March 31, 2024 (in ₹)	Date of declaration	Last Date for claiming unclaimed dividend
2022-23	42,71,097.00	23.08.2023	25.09.2030
2021-22	45,54,461.00	18.08.2022	22.09.2029
2020-21 (F)	11,71,460.00	19.08.2021	23.09.2028
2020-21 (I)	17,95,259.30	28.05.2021	03.07.2028
2019-20 (I)	42,12,000.00	19.03.2020	24.04.2027
2018-19	26,61,998.50	29.08.2019	04.10.2026
2017-18	23,74,805.40	01.09.2018	06.10.2025
2016-17	20,95,330.00	23.08.2017	28.09.2024

16. DEMATERIALISATION OF SHARES

The paid up capital of the Bank as on March 31, 2024 is 74,06,71,904 which is duly listed in the Stock Exchanges NSE and BSE. Out of this 73,19,70,076 shares (98.83%) are held in De-mat mode and 87,01,828 shares (1.17%) in physical form.

Norms for furnishing of PAN, KYC, Bank details and Nomination

SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 has instructed that the Shareholders should mandatorily furnish PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers.

Further SEBI vide circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024 has instructed that any payment of dividend in respect of Physical Folios, will be effected through electronic mode only, w.e.f. April 1, 2024 and accordingly Bank had communicated to respective Shareholders by letters / e-mail.

Pursuant to above said SEBI circulars, the Shareholders are requested to furnish valid PAN, e-mail address mobile number, Bank account details and Nomination details to the RTA in the prescribed forms given below [formats available in website of the Bank] and submit the same to our RTA.

Sl.No.	Form	Purpose
1	Form ISR - 1	To register / update PAN, KYC details
2	Form ISR - 2	To confirm signature of securities holder by the Bank
3	Form ISR - 3	Declaration form for opting out of Nomination
4	Form SH -13	Nomination Form
5	Form SH -14	Cancellation or Variation of Nomination (if any)

17. DISCLOSURE OF AGREEMENTS BINDING THE BANK

During the reporting year, the Bank has not entered into any agreement with any of the parties mentioned in Clause 5A of Paragraph A of Part A of Schedule III of SEBI Listing Regulations, 2015 which has the effect of impacting the Management or control of the Bank.

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 March 31, 2024.

Date: May 2, 2024
Place: Chennai

Sd/-
Dr. N. Kamakodi
DIN 02039618
Managing Director & CEO

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Clause (10)(i) of Para C of Schedule V of Securities Exchange Board of India SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

- I have examined the relevant registers, records, forms, returns and disclosures received during the financial year 2023-2024 from the Directors of M/s. City Union Bank Limited having CIN: L65110TN1904PLC001287 and having registered office at 149, T.S.R. (Big) Street, Kumbakonam – 612 001 (hereinafter referred to as 'the listed entity'), produced to us by 'the listed entity' for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Clause 10(I) Para C of Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- In my opinion and to the best of my information and according to the verifications of documents including Directors' Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by 'the listed entity' & its officers, I hereby certify that none of the Directors on the Board of 'the listed entity' as stated below have been debarred or disqualified from being appointed or continuing as Directors of 'the listed entity', by the Securities and Exchange Board of India and / or the Registrar of Companies or such other authorities under the Ministry of Corporate Affairs, New Delhi as on March 31, 2024

Sl. No.	Name of the Director as per DIN	DIN	Date of appointment in 'the listed entity'	Designation and remarks if any
1.	SRI. MAHALINGAM NARAYANAN	00682297	03-05-2016	Independent Director and Part-time Chairman w.e.f. 04-05-2022 (ceased to be Director w.e.f. 03-05-2024)
2.	SRI.NARAYANAN KAMAKODI	02039618	01-05-2011	Managing Director
3.	SRI. NARAYANAN SUBRAMANIAM	00166621	20-06-2017	Independent Director
4.	SRI. SHIVASHANKAR NARAYANAN VELLUR	00929256	07-02-2018	Independent Director
5.	SRI. THIRUVALLIANGUDI SRINIVASAN SRIDHAR	01681108	07-02-2018	Independent Director
6.	SRI. VAIDYANATHAN KALYANASUNDARAM	07120706	03-05-2019	Independent Director
7.	SRI. TIRUKKARUGAVUR KRISHNAMOORTHY RAMKUMAR	02688194	17-06-2019	Independent Director

Sl. No.	Name of the Director as per DIN Sarvashri	DIN	Date of Appointment in the Company	Designation and remarks if any
8.	SRI. VEEZHINATHAN KAMAKOTI	03537382	27-05-2022	Independent Director
9.	SRI.MAHALINGAM G	09660723	06-07-2022	Independent Director (Appointed as Part-time Chairman w.e.f. 04-05-2024)
10.	SMT. LALITHA RAMESWARAN	02326309	04-11-2022	Independent Director - Women Director

3. It is the responsibility of the Board of Directors of 'the listed entity' (Bank) to ensure the eligibility for the appointments of Directors and their continuance as Directors on the Board. My responsibility is to express only an opinion on the matter of non-disqualification of Directors in the Board.

CS V. SANKAR

Practising Company Secretary

C.P. No.: 26960

M. No. A7677

UDIN: A007677F000612567

Peer Review Cert No.: 5456/2024

ICSI Unique code: 12023TN2468700

Date : June 24, 2024

Place : Coimbatore

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

We hereby certify that for the financial year ended March 31, 2024, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief,

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Bank for the financial year ended March 31, 2024 which are fraudulent, illegal or violate 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 and the same have been disclosed in the notes to the financial statements.
 - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Bank's internal control system over financial reporting.

Date : May 20, 2024
Place : Chennai

Sd/-
Dr. N. Kamakodi
Managing Director & CEO

Sd/-
J. Sadagopan
Chief Financial Officer

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AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

CITY UNION BANK LIMITED

We have examined the compliance of conditions of Corporate Governance by City Union Bank Limited ("the Bank"), for the year ended on March 31, 2024, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Sub Regulation (2) of Regulation 46, paras C, D, E and F of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (collectively referred to as SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Bank's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation

thereof, adopted by the Bank for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

For **M/s. K Gopal Rao & Co**
Chartered Accountants
(FRN 000956S)

Sd/-
CA Madan Gopal Narayanan
Partner
M.No. : 211784
UDIN : 24211784BKFJPJ6411

Date : May 20, 2024
Place : Chennai

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC SCENARIO

Global

The world continued to witness the negative effects of the ongoing Russia-Ukraine war in the beginning of FY2024. This was further aggravated in October 2023 when another catastrophe in the form of Israel - Palestine war erupted. Regular clashes between Israeli forces and Hamas in the West Bank area cast a severe adverse impact on the trade and commerce in the Asian region, displacing many people from their homes, robbing them of their livelihood. Frequent attacks by Pirates in the Red Sea Zone on Merchant Ships have resulted in trade being re-routed along the 'Cape of Good Hope' leading to cost escalation for shipping companies with around 51% dip in the average daily container vessels between January-March 2024 than the last quarter of 2023. As per the estimate of Organization for Economic Cooperation and Development, the re-alignment of shipping routes has affected 9% of world maritime trade and 18% of long distance ocean trade especially between Europe and Asia. The drought in the Panama Canal area of Latin America has also affected the journey time and escalated cost by 60% compared to 2023.

On the Economic front, a threat of potential debt crisis looms large over the global economic landscape. The Global Debt Monitor unit of The International Monetary Fund (IMF) reported that the total global debt has increased to US\$ 235 trillion which comes to 238% of Global GDP. As most of the countries are facing elections in 2024, expenditures are expected to surpass budgets severely impacting fiscal prudence. Debt servicing costs are spiraling and interest rates are likely to remain at an elevated level, adversely impacting financial stability by straining government finances and household budgets leading to shortage of funds for credit growth and investments. This can severely impact sovereign ratings and constrain government's ability to raise resources for productivity-enhancing public investments.

In the Emerging Market Economies, there is a boom in consumer confidence especially in India, Indonesia, Vietnam and Mexico. In China, high frequency indicators of consumer spending have moderated and the growth of

industrial production has remained subdued. Among the emerging Asian economies, according to OECD, India and Indonesia are expected to experience stable and rapid growth, while inflation is expected to moderate further, provided food prices remain insulated from extreme weather events. Internationally there is a growing optimism that India is on the cusp of a long awaited economic takeoff. The World Economic Outlook (WEO) has predicted a robust economic growth for India, supported by a growth in domestic demand and a rising working age population.

Indian

The domestic economy is experiencing a strong positive momentum. The Gross Domestic Product (GDP) expanded at 7.6 per cent in FY 2023-24, from 7.0 per cent in FY 2022-23, supported by robust fixed investment. On the supply side, economic activity was lifted by the boost to the manufacturing sector's profitability from the correction in input prices. While the services activity sustained momentum, the agricultural sector activity exhibited a slowdown. The Manufacturing sector is expected to maintain the momentum on the back of sustained profitability. The headline inflation softened to 5.1 percent in January - February 2024 from 5.7 per cent in December 2023. The core (CPI excluding food and fuel) inflation stood at 3.2 per cent in April 2024. The food price uncertainties would get exacerbated by the increasing incidence of climate shocks, lower reservoir levels especially in the southern states and the extremely hot weather conditions during April - May 2024 and this would weigh on inflation outlook.

The services exports were predominantly driven by software exports and travel exports during FY 2023-24. The new phenomenon of Global Capability Centres (GCC) in India which has been set up in FY 2025, has provided a significant boost to our software exports. India with an expected 15.2 percent share in world remittances in the FY 2024 continues to be the largest recipient of remittances globally. Overall the current account deficit in FY 2024-25 is expected to remain well within its sustainable level. Touching a new milestone, India's Foreign Exchange reserves reached a historical high of US\$ 651.5 billion as on May 31, 2024.

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During FY 2023-24, while the global banking institutes faced testing times, Indian banks displayed great resilience. They have held their ground in the face of uncertain global macroeconomic environment and interest rate volatility, posing record levels of profitability. There has been a notable progress in Deposit growth with a healthy increase of 13.5 per cent during FY 2023-24. Among the Total Deposits, the Term Deposits of Scheduled Commercial Banks experienced a faster growth of 13.7 per cent compared to the 12.1 per cent growth observed in Demand Deposits. The Credit growth during FY 2023-24 hit a decadal high of around 16 per cent, driven by strong retail demand deposits, despite high interest rates, supported by corporate loan book on the back of higher capacity utilization, by the private sector. Credit growth is expected to remain healthy at 13-15 per cent in FY 2024-25, driven by strong demand in the services and retail segments. Rising government and private capex in FY 2024-25 will also lead to increased demand for corporate credit.

MONETARY POLICY AND INTEREST RATES

The Monetary Policy Committee ("MPC") of the Reserve Bank of India (RBI) in its assessment and outlook noted that the global economic activity is rebalancing and is expected to grow at a stable pace in 2024. Equity markets have touched new highs both in advanced and emerging market economies. Non - energy commodity prices have firmed up, while the US Dollar and Bond yields are exhibiting two-way movement with spillovers to emerging market currencies. Gold prices have surged to record highs on safe haven demand.

In the challenging times confronting the global order, the Reserve Bank of India (RBI) has continued to focus on preserving price and financial stability, and ensuring adequate flow of financial resources to all the productive sectors of the economy.

The RBI took the following measures at the MPC meeting held on June 07, 2024 based on the assessment of the current and evolving macroeconomic situation:

- Policy Repo rate and Liquidity Adjustment Facility (LAF) kept unchanged at 6.50 per cent
- Bank Rate and Marginal Standing Facility Rate kept unchanged at 6.75 per cent
- Standing Deposit Facility rate kept unchanged at 6.25 per cent

The MPC decided to remain focused on gradual withdrawal of accommodation to ensure that inflation progressively aligns with the target while supporting the growth impulses of the economy. Domestic financial markets have moved broadly in sync with the accommodative monetary policy stance and remain conducive to growth as credit off take is gaining momentum. The Banking sector being the pillar of economy has to play a role of catalyst in the development of the Indian economy if India has to become a developed nation by 2047 in line with the Government's vision of "Viksit Bharat" and thus placing India in the comity of developed nations. The Banking Sector in India at the present juncture is financially sound and healthy and it is the best time for the sector to further strengthen the governance frameworks, assurance functions and strategize for better times ahead.

NOTABLE UPDATES IN BANKING INDUSTRY

The RBI through its Statement on Developmental and Regulatory Policies initiated various measures. The notable among them are as follows:

- RBI has decided to upwardly revise limit of Bulk Deposits for Scheduled Commercial Banks (excluding Regional Rural Banks) and Small Finance Banks (SFBs) from ₹ 2 crore to ₹ 3 crore.
- RBI has decided to set up a Digital Payments Intelligence Platform which will harness advanced technologies to mitigate payment fraud risks. A Committee under the Chairmanship of Shri A.P. Hota, former MD of NPCI, has been constituted to examine various aspects of setting up a digital public infrastructure.
- It is proposed to introduce an automatic replenishment facility under the e-mandate framework for UPI Wallet, Fastag, National Common Mobility Card (NCMC), whenever the balance falls below a threshold amount set by the customer.
- RBI Retail Direct Scheme was launched in November 2021, to provide access to individual investors to maintain gilt accounts with RBI and invest in Government Securities. To improve ease of access to customer, a New Mobile App for the Retail Direct Portal is being developed.

- Cash Deposit Machines (CDMs) were deployed by banks to enhance customer convenience and to reduce cash handling load on branches. Considering the growing popularity of UPI, it has been proposed to offer UPI Facility for cash deposits in Cash Deposit machines.
- Central Bank Digital Currency (CBDC) was started as a pilot project in the Retail and Wholesale Segments among select participating banks in select cities in December 2022. RBI has decided to offer CBDC wallets through Non - Bank Payment System Operators to a broader segment of users in a sustained manner. Functions of Programmability and Offline Functionality have been introduced as pilot projects in a gradual manner.
- Small Finance Banks have been permitted to deal in Rupee Interest Rate Derivative Products to expand their avenues for hedging interest rate risk in their Balance sheet and commercial operations more effectively.
- Key Fact Statements (KFS) for Retail and MSME Loans and Advances containing detailed information regarding a Loan agreement, such as all - in - cost of the loan need to be provided to all the borrowers by all Regulated Entities.
- Setting up of Fintech Repository for capturing essential information about Fintechs, encompassing their products, activities, technology stack, financial information etc. This Repository will be operationalized by RBI Innovation Hub.
- Monetary Ceiling of Gold Loans that can be granted under the Gold Loan - Bullet Repayment Scheme has been increased from ₹ 2.00 lakh to ₹ 4.00 lakh for all such Urban Co-Operative Banks (UCBs) who have met their overall Priority Sector Lending targets for March 31, 2023.
- Comprehensive Review of Regulatory framework for Financial Benchmark Administrators has been decided covering risk based framework of all benchmarks related to foreign exchange, interest rates, money markets and government securities such as Certificate of Deposits (CDs) Rates, Repo Rates etc., and other benchmarks on Governments Securities.

- Launch of an Innovative Payment Mode viz, "Conversational Payments" on UPI whereby users can engage in conversation with AI - powered system to initiate and complete transactions in a safe and secure environment. The facility will initially be available in Hindi & English and will subsequently be made available in more Indian languages.
- Framework for Responsible Conduct in Lending by providing greater transparency in Interest Rate Reset of Equated Monthly Instalments (EMI) for Floating Interest Rate Loans. The framework envisages that lenders should clearly communicate with borrowers for resetting the tenor or EMI and provide options of switchover to fixed rate loans or foreclosure of loans and proper communication of key information to the borrowers.
- The Regulator is exploring appropriate Deposit Insurance coverage for Green Deposits, Climate Risk-based differential premiums and ex ante funding needs for climate sustainability.

YOUR BANK'S PERFORMANCE

In the midst of war and economic turmoil impacting the world economy at large, your Bank adopted a cautious approach and recorded a reasonable growth rate during the year. Despite the various challenges, your Bank was able to post 6% growth in its total business with Deposits growing by 6% to ₹ 55,656.64 crore and Advances growing by 6% to ₹ 46,481.47 crore. The total business of the Bank as on March 31, 2024 stood at ₹ 1,02,138.11 crore, surpassing the target of ₹ 1,00,000 crore which was a landmark achievement in the history of the Bank, happening in the 120th year existence of the Bank, it holds a special significance.

Financial Performance

The performance of the Bank during the financial year ended March 31, 2024 largely remained stable with the Total Income of the Bank at ₹ 6,012.22 crore as compared to ₹ 5,524.70 crore last year recording a growth of 9%. The Net Interest Income stood at ₹ 2,123.46 crore as compared to ₹ 2,162.80 crore during the previous year.

As on March 31, 2024, the Deposits of the Bank increased to ₹ 55,656.64 crore as compared to ₹ 52,397.86 crore as at March 31, 2023 registering a growth of 6%. The total CASA deposits stood at ₹ 17,050.16 crore as against ₹ 15,656.89 crore last year recording a growth of 9%. The proportion of CASA to total deposits was at 31% as on March 31, 2024. The cost of deposits increased to 5.59% in FY 2024 against 4.66% in FY 2023.

The Gross Advances of the Bank increased by ₹ 2,510.67 crore to ₹ 46,481.47 crore from ₹ 43,970.80 crore, posting a growth of 6% in FY 2024. The Net Interest Margin (NIM) of the Bank stood at 3.65% for the year ended March 31, 2024 as against 3.89% in the previous year. The yield on advances increased to 9.72% from 9.23% during the financial year. Other income earned for the financial year ended March 31, 2024 stood at ₹ 741.66 crore as against ₹ 810.36 crore for March 31, 2023.

The investment portfolio of the Bank rose to ₹ 15,672.66 crore in FY 2024 as against ₹ 14,360.18 crore in FY 2023 recording a growth of 9%. During FY 2024, operating expenses increased by 17% to ₹ 1,348.39 crore from ₹ 1,155.18 crore in FY 2023. The other operating expenses

increased from ₹ 624.81 crore to ₹ 734.58 crore. The Cost to Income ratio increased to 47.06% for the year ended March 31, 2024 as against 38.85% in the previous year ended March 31, 2023. The staff expenses increased from ₹ 530.37 crore last year to ₹ 613.81 crore for this FY 2024.

The Bank's Operating Profit decreased from ₹ 1,817.98 crore in FY 2023 to ₹ 1,516.73 crore in FY 2024 mainly due to increase in Operating Expenses. The Operating Profit to NII constitutes 71.43%. The total provision decreased by ₹ 380 crore to ₹ 501 crore from ₹ 881 crore in the previous year. The provision for tax for the reporting year stood at ₹ 215 crore. The provision for NPA for the financial year was ₹ 327 crore. The Bank recorded a Net Profit of ₹ 1,015.73 crore as on March 31, 2024 as against ₹ 937.48 crore in March 31, 2023 registering a growth of 8%.

Return on Assets of the Bank for the FY 2024 stood at 1.52% as against 1.46% last year and Return on Equity was at 12.86% for FY 2024 as against 13.42% for FY 2023. The basic earnings per share stood at ₹ 13.72 per share as compared to ₹ 12.67 per share last year.

Operational Performance

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

Particulars	Incremental Growth over Previous year	
	FY 2024	FY 2023
Deposits (₹ in cr)	3,258.78	4,708.19
Gross Advances (₹ in cr)	2,510.67	2,814.79
Profit after Tax (₹ in cr)	78.25	177.31
Number of Branches (in Nos.)	48	25

Particulars	FY 2024	FY 2023
Cost of Deposits (%)	5.59%	4.66%
Yield on Advances (%)	9.72%	9.23%
Total Yield on Investments (%)	6.27%	5.89%

Segmentwise Performance

A. Deposits of the Bank comprise of the following :

Sl. No.	Particulars	FY 2023-24		FY 2022-23	
		Amount (₹ in crore)	Percentage to total (%)	Amount (₹ in crore)	Percentage to total (%)
1.	Demand Deposit	5,488.84	9.86	4,763.70	9.09
2.	Savings Deposit	11,561.32	20.77	10,893.19	20.79
3.	Term Deposit	38,606.48	69.37	36,740.97	70.12
	Total	55,656.64	100.00	52,397.86	100.00

B. Investments of the Bank consist of the following :

Sl. No.	Particulars	Amount (₹ in crore)	Percentage to total (%)
	Investments in India	15,672.44	100.00
1.	Government Securities	15,520.32	99.03
2.	Other Approved Securities	NIL	NIL
3.	Shares, Debentures / Bonds and Mutual funds	120.22	0.77
4.	Security Receipts	31.90	0.20
	Investments outside India	0.22	NIL
5.	Investments in Equity Shares of SWIFT (Investment outside India)	0.22	NIL
	Total Investments	15,672.66	100.00

The total investments stood at ₹ 15,672.66 crore as at March 31, 2024 against ₹14,360.18 crore as at March 31, 2023.

C. Performance of various Business Segments

The Bank operates under four Business Segments namely Treasury, Corporate / Wholesale Banking, Retail Banking, and Other Banking Operations.

The segment wise contributions are as under :

Segments	Total Revenue (₹ in crore)		Gross Profit (₹ in crore)	Percentage to total (%)
	FY 2024	FY 2023		
Treasury	1,236.55	1,033.87	632.38	41.69
Corporate Banking	1,141.10	964.06	213.93	14.10
Retail Banking	3,558.38	3,470.48	602.39	39.72
Other Banking Operations	76.19	56.29	68.03	4.49
Total	6,012.22	5,524.70	1,516.73	100.00

ASSET QUALITY AND LOAN COMPOSITION

A. Asset Quality

The Gross NPA as at March 31, 2024 decreased to ₹ 1,854 crore as against ₹ 1,920 crore in FY 2023. The percentage of Gross NPA has decreased from 4.37% in 2023 to 3.99% in FY 2024. The Net NPA decreased to ₹ 899 crore (1.97%) in FY 2024 as against ₹ 1,018 crore (2.36%) in FY 2023. The Provision coverage was 72% as at March 31, 2024 (Previous year 69%).

Priority Sector Advances amounted to ₹ 26,914.66 crore as on March 31, 2024 as compared to previous year amount of ₹ 28,029.47 crore. The total agricultural advances stood at ₹ 8,351.51 crore as on March 31, 2024 against ₹ 8,540.97 crore as on March 31, 2023. During the year the Bank had

achieved all its targets / sub-targets as specified by RBI on Priority Sector Lending.

B. Loan Composition

The Bank closely monitors the performance of various Industrial sectors periodically to assess the sector-wise potential risks for facilitating informed decision making regarding advances. As aforesaid, the Bank improved its Gross Advances to ₹ 46,481.47 crore as at March 31, 2024 of which ₹ 11,321.10 crore were directed to major industries and ₹ 35,160.37 crore to other sectors. There has been a greater emphasis on Advances to MSME Sector by RBI & Government of India. As of March 31, 2024 our total credit to MSMEs amounts to ₹ 17,649.19 crore which constitute around 38% of Total Advances.

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

Industry Name	Amount (₹ in cr.)		% to Total Advances	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
A. Major Industries	11,321.10	11,272.70	24%	26%
Textile	4,166.70	4,649.24	9%	11%
Metal	1,877.56	1,968.27	4%	4%
Paper & Paper Products	547.16	662.95	1%	2%
Food Processing	557.75	620.65	1%	1%
Chemicals	440.04	498.37	1%	1%
Rubber & Plastics	381.30	410.26	1%	1%
Engineering	620.38	734.87	1%	2%
Automobiles	203.17	170.31	1%	0%
Other Industries	2,527.04	1,557.78	5%	4%
B. All other Advances	35,160.37	32,698.10	76%	74%
(Agri., Trade Service, Gold Loan etc.)				
TOTAL (A + B)	46,481.47	43,970.80	100%	100%

Figures of the previous period have been regrouped / reclassified wherever considered necessary.

Sectoral Deployment

Sector	Amount (₹ in cr.)		% to Total Advances	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Agriculture	8,351.51	8,540.97	18%	19%
MSME	17,649.19	18,854.03	38%	43%
Large Industries	484.93	668.70	1%	2%
Retail Traders	701.68	794.12	1%	2%
Wholesale Traders	1,119.41	1,569.42	2%	4%
Commercial Real Estate	2,728.81	3,091.29	6%	7%
JL Non Agriculture	4,857.93	4,027.72	10%	9%
Housing Loans	2,113.31	2,071.39	5%	5%
Personal Loan	1,363.34	947.34	3%	2%
Loans Collateralized by deposits	824.89	659.40	2%	1%
Infrastructure	303.24	319.75	1%	1%
NBFC	1,194.54	488.89	3%	1%
Others	4,788.69	1,937.78	10%	4%
TOTAL	46,481.47	43,970.80	100%	100%

Figures of the previous period have been regrouped / reclassified wherever considered necessary.

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OPPORTUNITIES AND THREATS

India's Banking Sector with its mix of Foreign, Private Sector and Public Sector Banks, reflects the country's diverse economy. The large network of the Post Offices throughout the length and breadth of the country offering banking services through the India Postal Payment Bank poses a formidable challenge to other Scheduled Commercial banks. Regulatory reforms by the Reserve Bank of India aim to strengthen the banking sector, addressing the grave issues of Non Performing Assets (NPAs), augmenting cyber security, and improving governance. Initiatives, like the United Payments Interface (UPI) have revolutionized payment systems, promoting seamless and instant fund transfers. Financial Inclusion remains a focal point, with Payment Banks and Small Finance Banks exerting influence to bring the unbanked and underbanked within the ambit of formal Banking channels. The growth of the Credit function both Retail and Corporate emphasizes on responsible lending with focus on credit growth and prudent risk management. The presence of various Small Finance Banks and Urban Co-Operative Banks catering to niche segments have intensified the competition in Retail Banking space over the last few years especially with the RBI policy on "On Tap" licensing of Small Finance Banks. In addition Urban Co-operative Banks (UCBs) have been permitted to extend doorstep banking services to their customers on par with Scheduled Commercial Banks. All these leads to fierce competition in the retail banking space demanding better customer service. During the year our Bank launched "NEW SALARY ACCOUNT PRODUCTS" to augment our CASA Base in the Salary segment with various features such as CUB Salary Plus and CUB Salary Prime. Our Bank has also launched a New credit product "Pre - Qualified Unsecured Personal Loan" scheme for our existing salary account customers under the age category of 23-56 years with a repayment tenure of 1-4 years. The new products will further augment the customer base and profitability of our Bank.

Financial Inclusion

The main objectives of Financial Inclusion are to provide the following:

- Basic Savings Bank Deposit Accounts
- Servicing products (including investment and pension)

- Simple credit products and overdrafts linked with no frills account
- Remittance and money transfer facilities
- Pension and Insurance products

Your Bank has witnessed tremendous progress in the successful implementation of financial inclusion, especially to the citizens in rural areas. The Bank has already implemented Pradhan Mantri Jan Dhan Yojana (PMJDY) scheme and there are 83,370 accounts as on March 31, 2024. The Bank has 3,73,519 Basic Savings Bank Deposit Accounts, including 1,03,756 accounts sourced through Business Correspondents (BCs) as on March 31, 2024. To cater the needs of customers of unbanked areas, the Bank has established BC Outlets in those places and is providing Basic banking services through Business Correspondents (BCs). Your Bank has 137 BCs and 3 BC outlets for rendering services to the village level beneficiaries. The Business Correspondents of the Bank make regular visits to the villages and provides doorstep banking services.

Your Bank creates awareness on Financial Inclusion and also promotes the Government schemes for Social Welfare, Pension, Insurance viz Atal Pension Yojana (APY), MUDRA, PMJJBY, PMSBY etc., The Bank has 48,860 APY Accounts, 44,089 PMJJBY Accounts, 94,230 PMSBY Accounts under the scheme as on March 31, 2024.

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

As done in the past, 'Financial Literacy Week' is being conducted by the Bank with the aim of furthering Financial Literacy, developing credit discipline and encourage availing credit from formal Financial Institutions by the customers. As per the objectives of the National Strategy for Financial Education 2020-25, focus of the Bank will be on the following three topics with a view to promote digital transactions in a more secured manner:

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

Your Bank has conducted campaigns more particularly in rural and semi-urban areas for creation of awareness about Financial Literacy in an effective manner and to educate its customers properly. The theme for this year's Financial Literacy Week observed during Feb' 26, 2024 to Mar' 1, 2024 is "**Make a Right Start, Become Financially Smart**", with emphasis on "Savings and power of Compounding", "Banking Essentials for Students" and "Digital and Cyber Hygiene". Further, as a part of FLW campaign 2024, branches conducted more than 375 Financial Literacy awareness meeting and disseminated information on the above theme through pamphlets and posters to more than 10,000 people.

AUTOMATION

New age technologies such as application programming interfaces (APIs), Artificial Intelligence (AI) and Machine Learning (ML), biometric based identification and authentication (biometrics), Cloud Computing (CC) and Distributed Ledger Technology (DLT) are currently powering innovations in the financial sector worldwide. In response to the evolving financial landscape, Indian Banks are actively undergoing Digital transformation, to enhance customer experience and Fintech collaboration has gained prominence as traditional banks partner with fintech firms to incorporate innovative solutions in payments, lending and risk management. Banking services has moved from brick and mortar branch banking to palm of customer, to do banking based on their convenience and comfort. In order to meet the Digital challenges and enhance customer service, our Bank has launched the NEWGEN Retail Loan Software for Housing Loan and Loan against Property under the Retail segment. Under this Digital Transformation Initiative, our Bank has launched Digital Documentation Process, for e-signing processes. Central Government under the aegis of National e-Governance Services Limited (NeSL) introduced Digital Document Execution (DDE). DDE helps to perform Digital e-stamping and affixing digital signatures of parties to contract. A separate para on Digital Lending initiatives of the Bank is given in the beginning of the Annual Report.

Digital technology always contains inherent risks and banking transactions through digital channels are no exception. New types of cyber frauds are emerging with

the introduction of new digital channels. As the custodians of Depositors' money, your Bank takes utmost care to ensure necessary security measures to protect public interest and necessary mitigation measures are implemented.

RISK MANAGEMENT

The Bank is exposed to a variety of risks in the normal course of business, mainly, Credit Risk, Market Risk and Operational Risk. The main objective of Risk Management is to strike a proper balance between risk and return. The Risk Management department operates within the Board approved risk policy, which is communicated to all the departments. The identification, measurement, monitoring and management of risks remain the main focus areas of our Bank. Business and revenues are to be weighed in the context of the risks implicit in the bank's growth.

A. Framework

The Bank has in place, a sound Risk Management Architecture, established by the active involvement and supervision of Board of Directors. The Board of the Bank has constituted a Risk Management Committee of Directors which assesses the Bank's risk profile and key areas of risk in particular. Under the supervision of the Risk Management Committee of the Directors, the Risk Management Committee of Executives (RMCE) functions to ensure that the policy guidelines approved by the Board are implemented in toto. It guides the policies, procedures and systems for managing and controlling various types of risks.

The Bank has a Risk Management team headed by the Chief Risk Officer, who reports directly to MD & CEO and Risk Management Committee of Directors (RMCD) of the Board on a quarterly basis. The overall risks faced by the Bank and the risk appetite are evaluated by the team which frames policies and procedures. Risk Management practices have been aligned with the industry practices and are adaptable to the dynamic operating environment and market conditions.

B. Compliance to Standards

The Bank is BASEL II compliant since March 31, 2009. The Bank has implemented the BASEL III Capital Regulations from April 1, 2013, by computing the Capital and Risk Weighted Assets as per RBI guidelines

dated May 2, 2012. Under the Basel III Capital Regulations, Banks are required to maintain a minimum Pillar 1 Capital (Tier-1 + Tier-II) to Risk Weighted Assets Ratio (CRAR) of 9% on an on-going basis. Besides this minimum capital requirement, Basel III also provides for creation of Capital Conservation Buffer (CCB) to be implemented in phases. The CCB requirement of 2.50% are to be fully implemented from October 1, 2021 as per RBI circular dated February 5, 2021. The required CRAR is 11.50% (9%+2.50%). The Bank is well placed in complying with Basel III Capital Regulation and has maintained a CRAR of 23.73% as on March 31, 2024 which is well above the said minimum of 11.50%. Tier I Capital and Tier II Capital is ₹ 8,103.80 crore and ₹ 371.85 crore respectively as on March 31, 2024 and shareholders may kindly refer to the "Capital Adequacy" para under the Director's Report.

The Bank presently adopts Standardized Approach for Credit Risk, Standardized Duration Approach for Market Risk and Basic Indicator Approach for Operational Risk. The Risk Management Department of the Bank effectively functions to measure, monitor and control all risks paving way for effective Enterprise-wide Risk Management. Further, RBI has informed the banks to get ready to migrate to the New Standardised Approach for calculation of Operational risk vide 'Master Direction on Minimum Capital Requirements for Operational Risk' dated June 26, 2023. We have computed the operational risk as per the new guidelines for March 2023 and reported the same to RBI on July 27, 2023.

The Bank has prepared "Internal Capital Adequacy Assessment Process" (ICAAP) document and implemented the same in line with the Basel III requirement commensurate with the Bank's size, level of complexity, risk profile and scope of operations. The ICAAP document includes the capital adequacy assessment and projections of capital requirement for the next three financial years from FY 2025, along with the plans and strategies for meeting the same. The purpose of the document is to inform the Board and the Reserve Bank of India about the Bank's internal capital adequacy assessment process and the Bank's approach to capital and risk management.

The document also endeavours to furnish detailed information on the Bank's assessment of the holistic risks, how the Bank intends to identify, assess,

monitor, manage and control those underlying risks besides maintaining adequate capital necessary for its current and future internal capital requirements. Thus ICAAP is an important component of Supervisory Review Process (SRP) under Pillar 2 of Basel III Framework.

The Pillar 3 Disclosures under Basel III Framework are reported in the Bank's website on Quarterly basis and also in the Annual Report in the prescribed format as per the Disclosure Policy and RBI norm.

The Banks are expected to maintain a "Leverage Ratio" in excess of 3.50% (from June 30, 2019) under Basel III Framework prescribed by Reserve Bank of India. The Basel III Leverage Ratio Framework aims to prevent Banks from having an over reliance on leverage. This ratio is meant to be a supplementary measure to risk based capital requirements. For the year ended March 31, 2024, Leverage Ratio of our Bank stood at 11.02%, well above the prescribed norm of 3.5%, the computation of which is duly disclosed in Templates DF - 17 and DF - 18 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). The LCR for the position as of March 31, 2024 is arrived at 229.43%.

The final guidelines on "Net Stable Funding Ratio (NSFR)" under the Basel III Framework on Liquidity Standards was issued by RBI on May 17, 2018 and was implemented from 2021. The NSFR promotes resilience over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding on an ongoing basis. It is defined as the amount of available stable funding relative to the amount of required stable funding. The Bank is maintaining NSFR of above 100%, which is the minimum requirement prescribed by RBI. The NSFR for the position as of March 31, 2024 is arrived at 147.14%.

C. Risk Management - Process

The overall risk of the Bank is being managed through RMCE which in turn is supported by the three Committee of Executives viz.

1. Credit Risk Management Committee (CRMC)
2. Asset-Liability Committee (ALCO) and
3. Operational Risk Management Committee (ORMC)

Each Committee has been supported by the function group from each of the Department.

Further, the Bank has put in place the following Policies / Standards to manage various types of Risks apart from the overall Integrated Risk Management Policy to measure, monitor and control all the enterprise-wide risks and with the objective of integrating all the risks of the Bank.

1. Loan Policy (Including Recovery Policy, MSME Policy, etc.)
2. Integrated Risk Management Policy
3. Credit Risk Management Policy
4. Asset and Liability Management Policy
5. Operational Risk Management Policy
6. Stress Testing Policy
7. Pillar 3 Disclosure Policy
8. Business Continuity Plan Policy
9. Internal Capital Adequacy Assessment Process (ICAAP) Policy
10. Credit Risk Mitigation and Collateral Management Policy
11. Integrated Treasury Policy
12. Policy on Unhedged Foreign Currency exposures of corporates including SMEs
13. Market Risk Management Policy
14. New Product Assessment Policy
15. Risk & Control Self-Assessment Standards (RCSA)
16. Pricing Policy
17. Risk Rating Framework
18. Information Technology Risk Framework
19. Financing Framework for Green Deposits
20. Climate Risk Policy

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

Based on the respective 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.

Stress Tests and Scenario Analysis are conducted on a periodical basis to gauge the level of risk in the assumed crisis situation and remedial / preventive steps have been taken to mitigate risks in all areas. Further, the results of Stress tests are being duly factored into, under Pillar 2 Risks while preparing the Internal Capital Adequacy Assessment Process (ICAAP) document on an annual basis.

In order to further familiarize the operational staff on the various risk aspects, the Bank has formulated RCSA (Risk Control Self Assessment) standards. Workshops followed by questionnaires have been conducted on periodical basis highlighting the operational risks involved in these areas.

During the period, RCSA had been conducted on the following areas:

1. Bulk Deposits
2. Assessment on Branch operations

The Operational Risk Management Policy suggest for KRI framework to provide effective monitoring tool to track change in risk levels and minimize the occurrence of risk event / loss and give the Bank a complete view of its operations. Key Risk Indicators (KRIs) are early warning signals, which enable the Management to monitor and mitigate operational risks that are beyond acceptable levels. These are metrics, which can provide insight into Bank's operational risk profile and its changes. Based on the metrics, a list of KRIs have been suggested along with threshold for review and the same to be done on a quarterly basis.

The Framework for identifying, recording, reporting and quantifying loss data are governed by Operational Risk Policy of the Bank.

RBI in its circular dated June 26, 2023 on Master Direction on Minimum Capital Requirements for Operational Risk, came up with draft guidelines, with introduction of the New Standardised Approach replacing all existing approaches for Operational Risk with effective date to be announced later.

As per guidelines, Operational Risk Loss events have to be recorded for minimum of past ten years. The Framework for identifying, recording, reporting and quantifying loss data are governed by Operational Risk Policy of the Bank. The branches are advised to report immediately, loss event if any, to RMD through all branch circulars. The loss data / events are classified as per the draft guidelines and near miss events are also captured.

The loss data for the past years has been compiled and external validation is under process to validate the process of capturing the loss & data compilation.

In the comprehensive circular issued by RBI dated November 7, 2012 on Liquidity Risk Management by Banks, detailed guidelines have been given in respect of Contingency Funding Plan (CFP). Accordingly, the Bank had formulated a CFP for responding to severe disruption which might affect the Bank's ability to fund its activities in a timely manner and at a reasonable cost. Contingency plans envisage the Bank's readiness to manage a range of Bank specific as well as market wide liquidity stress scenarios, indicating the available sources and quantum of funds that can be drawn, besides clear escalation / prioritization procedures to tap funds from contingency sources.

The CFP is being carried out on a half yearly basis during June / December every year besides making an annual review. The CFP Policy has been revised which is forming part of ALM policy and an external validation was also conducted during FY 2024.

The Bank has, over the years, fine-tuned its approach to detect and control risk. In general controls are exercised closest to the point of risk origination (each department owner) through study of periodic data and MIS, proactively discuss potential risks.

This, we believe, will help establish a sound risk culture that enables prudent risk taking.

INTERNAL CONTROL SYSTEMS

Our Bank has an exclusive Compliance Department headed by a Chief Compliance officer to ensure effective implementation and compliance of all the directives issued by various Regulators, its Board of Directors and its own Internal Control Policy. Our Bank has always recognized the importance of strong internal control mechanism which is pivotal to long term sustainability of any organization.

The Inspection Department ensures the adherence to the laid down systems and procedures of the Bank. Moreover there exists a system of periodical Risk Based Inspection of the Branches, Concurrent Audit, Jewel Loan Inspection and Credit Inspection. Risk Based Internal Audit (RBIA) conducted at branches focuses on prioritizing the audit assignment and audit resources based on the level of control risks and inherent business risks. The Concurrent Audit serves as an early warning system to ensure detection of lapses, irregularities and as a tool to prevent frauds. The system of regular KYC inspection is being carried out to ensure compliance of all KYC and AML Regulations. Periodic cash inspection is carried out at our Currency Chest to test the accuracy of Chest transactions and also at Branch level to ensure the correctness of cash position of the Branches. Management Audit focuses on identifying the adequacy and effectiveness of processes adopted for decision making at various Departments in Head Office, Currency Chest, Computer System Department, Business Development Centre, International Banking Division, Central Processing Centers (CPC's) etc. The Information Systems Audit (ISA) focuses on the system risks and assesses the adequacy of controls implemented for mitigating the risks.

The Audit Committee of the Board reviews the adequacy of internal audit function, including its reporting structure, coverage and frequency of audits and provides guidance and direction. Self-assessment audits are undertaken of the Bank's internal financial controls, by testing and validating the effectiveness of controls on an on-going basis. The Inspection Department organizes incognito visit to certain large and prominent Branches chosen randomly on a yearly basis to ensure effective functioning of the Branches and also to ensure adherence of RBI guidelines like display of information to public, issue of coins etc. Inspection and Audit independently evaluates the adequacy, operational effectiveness and efficiency of all internal controls, risk management, governance systems and processes of our Bank.

A good system of internal control ensures that all the regulatory guidelines are strictly adhered to by all the departments of the Bank which hugely helps the growth process of the Bank mitigating the operational risk.

HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS

Human Resource Development and Industrial atmosphere play a prominent role in an organization's growth and our Bank is maintaining cordial relationship with its employees at all times. As part of HR strategy, the Bank offers its employees various monetary and non-monetary benefits, based on their performance in the form of ESOP, Performance Linked Pay (PLP) and Ex-Gratia thereby ensuring that each employee feels himself / herself as part and parcel of the Bank and strives hard to deliver to the best of his / her abilities. It is pertinent to note here that there has not even been a single occasion of employee's unrest in the Banking history of CUB.

In line with the Bank's expansion plans, 48 new branches were opened in various States during the FY 2024 for which the Human Resource Department provided adequate manpower. In order to identify the right person for the right job, Psychometric tests are also included in recruitment process of the Bank. Specific efforts were made towards talent acquisition, skill development, and manpower training. As part of the skill development effort, employees are identified and imparted trainings in various areas of banking. Job Rotation is also being followed to ensure that each and every employee gains experience across major areas of banking, apart from understanding the interlinkages.

In tune with the future expansion, the Bank is constantly upgrading and revisiting its manpower requirements by developing a talent pool. The members of the talent pool are offered trainings on an ongoing basis at the Bank's Staff colleges at Chennai and Kumbakonam, apart from training at various centres of excellence like SIBSTC, NIBM, CAFRAL, IRDBT, FEDAI, BITS, NIBM, IIM etc.

Continuous efforts are being made to enhance the quality of existing personnel and to attract quality new talent. As on March 31, 2024, the Bank has 7,188 employees on rolls, the details of which are given below :

Cadre	Number of Employee(s)
Executives cadre	79
Management cadre	2,918
Workmen cadre	4,191
TOTAL	7,188

The Bank has a policy on Prevention of Sexual Harassment at Workplace, which provides protection for Women employees working in the organization. An internal compliance committee has been set up to redress the complaints received under Sexual Harassment.

Further, there exists a separate menu in the Bank's Intranet portal wherein all Women employees of the Bank can lodge their grievances under the POSH Act. In addition, a separate menu has been provided for all employees to report their genuine concerns under Whistle Blower / Vigil mechanism.

OUTLOOK

The Annual Financial Results for FY 2024 indicate that our banking system remained sound and resilient, backed by improvement in asset quality, enhanced provisioning for bad loans, sustained capital adequacy and rise in profitability. The Non Banking Finance Companies (NBFCs) also displayed strong financials, in line with banking sector. The Gross Non Performing Assets (GNPAs) of Scheduled Commercial Banks are below 3 per cent of total advances as at March 31, 2024. Going forward, your bank will continue to focus on further improving the governance standards, risk management practices, and compliance culture across the organization.

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INDEPENDENT AUDITOR'S REPORT

To the Members of

CITY UNION BANK LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of City Union Bank Limited ('the Bank'), which comprise the Balance Sheet as at 31st March 2024, the Profit & Loss Account, and the Cash Flow Statement for the year ended, and Notes to the Financial Statements, including a summary of Significant Accounting Policies and other Explanatory Information, and incorporated in these Financial Statements are the returns of 26 Branches / Offices audited by us and 779 Branches / Offices audited by other Branch Statutory Auditors. The Branches audited by us and those audited by other Auditors have been selected by the Bank in accordance with guidelines issued to the Bank by the Reserve Bank of India.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Banking Regulations Act, 1949 as well as Companies Act, 2013 (the 'Act') in the manner so required for Banking Companies and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") as applicable to banks and other accounting principles generally accepted in India, of the state of affairs of the Bank as at 31st March, 2024, and its Profit and its Cash Flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing ('SAs') specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* Section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the rules 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.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current year ending March 31, 2024. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our Audit procedures addressed the Key Audit Matters
<p>A. Income Recognition, Asset Classification and Provisioning (IRACP) on Loans & Advances</p> <p>(Reference to Schedule 9 read with Statement of Accounting Policies Note C.3 of Schedule 17 to the Financial Statements)</p> <p>Loans and Advances constitute the largest class of Assets forming 64.28% of the total assets of the Bank as on the year ended 31st March, 2024. The income recognition, asset classification and provisioning on advances done by the Bank is governed by the directives / regulations issued by</p>	<p>We have assessed the design, implementation and operating effectiveness of key internal controls and compliance with IRACP and other RBI guidelines, and assessed the Bank's loan policies for sanctioning of loans, documentation, review of credit, identification and provisioning of non-performing loans & advances, and planned our audit accordingly.</p> <p>We have performed substantive audit procedures relating to income recognition, classification of advances into performing and non performing advances, restructured advances, provisioning and security valuation. We have considered the accounts</p>

Key Audit Matters	How our Audit procedures addressed the Key Audit Matters
<p>the Reserve Bank of India (RBI). The loans and advances are accounted in the Core Banking Solution (CBS) and the identification of non-performing loans and advances is system driven and in accordance with IRACP norms. The management also relies on independent external valuations, legal advice, other professional inputs and makes estimates and judgments to determine the income recognition, asset classification and provisioning for losses on loans and advances.</p>	<p>reported as Special Mention Accounts ("SMA") in RBI's Central Repository of Information on Large Credits (CRILC).</p> <p>Performed other procedures including but not limited to the following:</p> <ul style="list-style-type: none"> ● Selected samples of performing loans and assessed independently as to whether those should be classified as NPA, security valuation, Financial Statements and other qualitative information of the borrowers. ● Performed inquiries with the management of the Bank to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which needed to be considered as NPA and the steps taken to mitigate the risks involved. ● For NPAs identified, tested on a sample basis the asset classification dates, value of available security, income reversal and provisioning as per IRACP norms and recomputed the provision for NPA wherever required. ● We have also relied on the work performed by the Branch Auditors, reports of Internal Audit, Systems Audit, Concurrent Audit, Other Audits, work done by lawyers, legal experts, independent valuers and other professionals, in accordance with SA 600 "Using the Work of Another Auditor and SA 620 "Using the Work of an Auditor's Expert". ● Assessed the appropriateness and adequacy of disclosures in the Financial Statements against RBI guidelines / circulars.

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Key Audit Matters

B. Information Technology ('IT') Systems and Controls for Financial Reporting

The IT environment of the Bank involves a large number of, independent and interdependent IT systems used in the business operations of the Bank for processing and recording a large volume of transactions at multiple locations.

There is a high degree of reliance and dependency on the IT systems for the financial reporting process of the Bank. We have identified IT systems and controls as a key audit matter because of the high level of process automation, complexity of the IT architecture of the Bank and its relevance and impact on the financial reporting process.

How our Audit procedures addressed the Key Audit Matters

We have reviewed the Bank's Information Technology, Information Security, Cyber Security, and the IT Outsourcing Policies. We have also reviewed the IT Governance, BCP/DRP of the Bank, adequacy of the IT Policy, and effective implementation of the same.

We have reviewed the design and operating effectiveness of controls across the User Access Management, Change Management as well as effectiveness testing of automated business process controls.

We have tested the application controls and changes to applications and database, segregation of duties as per SOP, and also reviewed the mapping of interfaces between systems for generating financial information for reporting.

We have tested the controls in the Core Banking Solutions and Treasury Systems. This included testing the integrity of system interfaces, the completeness and accuracy of data feeds, system reconciliation controls and automated calculations.

Information Other than the Financial Statements and Auditors' Report Thereon

The Bank's Board of Directors is responsible for the other information. The other information comprises the Chairman's Statement, CSR initiatives, Director's Report, Annexures to Director's Report, Shareholder's Information, Business Responsibility Report, Corporate Governance Report, Management Discussions & Analysis Report, List of Branches, Basel III Disclosures, Decade of Progress included in the Bank's Annual Report, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and the Pillar 3 Disclosure and the Basel III Disclosures, and accordingly, we do not express any form of assurance and conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in

doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the other information, including Annexures in the Annual Report thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

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

The Bank's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, in so far as they apply to the Bank

and provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars and guidelines issued by Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act and the RBI Guidelines for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Management and Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for

our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(1) 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 Statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our Audit work and evaluating the results of our work; and (ii) to evaluate the effect of identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year ending 31st March, 2024, and are therefore the key audit matters.

We describe these matters in our Auditors' Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters:

We did not audit the Financial Statements / information of 779 Branches / Offices included in the Financial Statements of the Bank whose Financial Statements / financial information reflect total Assets of ₹46,046.18 crore as at 31st March, 2024 and total revenue of ₹3,619.05 crore for the year ended on that date as considered in the Financial Statements. These Branches and Offices cover 78.92% of advances, 81.79% of deposits and 77.57% of non-performing assets as at 31st March, 2024 and 60.19% of revenue for the year ended 31st March, 2024.

The Financial Statements / Information of these branches have been audited by the Branch Auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of Branches, is based solely on the report of such Branch Auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013.

1. As required Sub Section (3) of Section 30 of the Banking Regulation Act, 1949, we report that;

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

- (b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

- (c) The returns received from the Offices and Branches of the Bank have been found adequate for the purpose of our audit.

2. With respect to the matters to be included in the Auditor's Report under Section 197(16) of the Act, we report that since the Bank is a Banking Company as defined under Banking Regulation Act, 1949, the reporting under Section 197(16) in relation to whether the remuneration paid by the Bank is in accordance with the provisions of Section 197 of the Act do not apply by virtue of Section 35B(2A) of the Banking Regulation Act, 1949.

3. Further, as required by Section 143(3) of the Companies Act, 2013, we report that;

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books.

- (c) The reports on the accounts of the Branch Offices of the Bank audited under Section 143(8) of the Act by Branch Auditors of the Bank 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.

- (e) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the guidelines prescribed by Reserve Bank of India.

- (f) On the basis of the written representations received from the Directors as on 31st March, 2024 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2024 from being appointed as a Director in terms of Section 164(2) of the Act;

- (g) with respect to the adequacy of the Internal Financial Controls Over Financial Reporting of the Bank with reference to these Financial Statement and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report; and

- (h) In our opinion, as the entity is a Banking Company, the remuneration to its Directors during the year ended 31st March, 2024, has been paid / provided by the Bank in accordance with the provisions of Section 35B(1) of the Banking Regulation Act, 1949, and
- (i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us;
- (i) The Bank has disclosed the impact of pending litigations on its financial position in its Financial Statements - Refer Note XIII(11) of Schedule 18 to the Financial Statements;
- (ii) The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses if any, on long-term contracts including derivative contracts - Refer Note 15(V) of Schedule 18 to the financial statements; and
- (iii) There has been no delay in transferring the funds to the Investor Education and Protection Fund Account by the Bank.
- (iv) 1. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Notes to Accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other persons / entities, including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever

- by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
2. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Notes to Accounts, no funds have been received by the Bank from any persons / entities, including foreign entities, that the company has directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
3. Based on the audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under Sub-Clause (1) and (2) contain any material misstatement; and
- (v) The Bank has paid dividend during the year which is in compliance with Section 123 of the Act.
- (vi) Based on our examination which included test checks, the Bank has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

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

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

Date : 20th May, 2024
Place : Chennai

CA G.R. Ravi
Partner
Membership No : 025669
UDIN -24025669BKEDDW3163

CA. Madan Gopal Narayanan
Partner
Membership No : 211784
UDIN -24211784BKFJ002806

Annexure A

**To the Independent Auditors' Report of even date on the
financial statements of City Union Bank Limited [Refer paragraph 2(g)]
Report on other legal and regulatory requirements in our Independent Auditors' Report]
Report on the Internal Financial Controls over Financial Reporting under Clause (i) of
Sub-Section 3 of Section 143 of the Companies Act 2013**

To the Members of

CITY UNION BANK LIMITED

We have audited the Internal Financial Controls Over Financial Reporting ("IFCoFR") with reference to the Financial Statement of City Union Bank Limited ("the Bank") as of 31st March, 2024 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls Over Financial Reporting

The Bank's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on Internal Control Over Financial Reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its Business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Bank's Internal Financial Controls Over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls and issued by the Institute

of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls Over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls System Over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls Over Financial Reporting included obtaining an understanding of Internal Financial Controls Over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Banks' Internal Financial Controls System Over Financial Reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Bank's Internal Financial Control Over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Bank's Internal Financial Control Over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorizations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Bank's assets that could have a material effect on the Financial Statements.

Inherent limitations of Internal Financial Controls Over Financial Reporting

Because of inherent limitations of Internal Financial Controls Over Financial Reporting, including the possibility of collusion improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls Over Financial Reporting to future periods are subject to the risk that the Internal Financial Control Over Financial Reporting may become inadequate because of changes in

conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Bank has, in all material respects, an adequate Internal Financial Controls Systems Over Financial Reporting and such Internal Financial Controls Over Financial Reporting were operating effectively as at 31st March, 2024, based on the Internal Control Over Financial Reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Other Matters

Our report, in so far as it relates to the operating effectiveness of Internal Financial Controls with reference to Financial Statements of 779 Branches / Offices is based on the reports of the respective Statutory Branch Auditors of those Branches. Our opinion is not modified in respect of this matter.

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

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

Date : 20th May, 2024
Place: Chennai

CA G.R. Ravi
Partner
Membership No : 025669
UDIN - 24025669BKEDDW3163

CA. Madan Gopal Narayanan
Partner
Membership No : 211784
UDIN - 24211784BKJF002806

BALANCE SHEET AS ON 31st MARCH, 2024

(₹ in thousand)

	SCHEDULE No.	AS ON 31.03.2024	AS ON 31.03.2023
CAPITAL AND LIABILITIES			
Share Capital	1	74,06,72	74,04,16
Reserves and Surplus	2	8327,36,43	7383,16,86
Deposits	3	55656,64,11	52397,85,80
Borrowings	4	4724,15,77	4688,09,49
Other Liabilities & Provisions	5	2043,63,82	2051,39,89
Total		<u>70825,86,85</u>	<u>66594,56,20</u>
ASSETS			
Cash and Balances with Reserve Bank of India	6	4615,40,29	3302,35,96
Balances with Banks & Money at Call and Short Notice	7	2328,12,41	3346,91,53
Investments	8	15664,11,08	14332,62,82
Advances	9	45525,71,93	43053,34,57
Fixed Assets	10	270,37,33	239,32,52
Other Assets	11	2422,13,81	2319,98,80
Total		<u>70825,86,85</u>	<u>66594,56,20</u>
Contingent Liabilities	12	7847,00,14	10263,65,89
Bills for Collection		469,90,63	401,08,33

R. VIJAY ANANDH
Executive President

Dr. N. KAMAKODI
MD & CEO

G. MAHALINGAM
Chairman

V. RAMESH
Senior General Manager

NARAYANAN SUBRAMANIAM
Dr. T.S. SRIDHAR
T.K. RAMKUMAR

V.N. SHIVASHANKAR
K. VAIDYANATHAN
Prof. V. KAMAKOTI

J. SADAGOPAN
Chief Financial Officer

LALITHA RAMESWARAN
Directors

S.VENKATARAMANAN
Company Secretary

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

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

Chennai
20th May, 2024

CA. G.R. Ravi
Partner
M.No. : 025669
UDIN : 24025669BKEDDW3163

CA. Madan Gopal Narayanan
Partner
M.No. : 211784
UDIN : 24211784BKFJ002806

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2024

(₹ in thousand)

	SCHEDULE No.	YEAR ENDED 31.03.2024	YEAR ENDED 31.03.2023
I INCOME			
Interest Earned	13	5270,56,52	4714,33,71
Other Income	14	741,65,52	810,35,93
Total		6012,22,04	5524,69,64
II EXPENDITURE			
Interest Expended	15	3147,10,08	2551,54,07
Operating Expenses	16	1348,38,87	1155,17,62
Provisions and Contingencies		501,00,00	880,50,00
Total		4996,48,95	4587,21,69
III PROFIT / LOSS			
Net Profit / loss(-) for the year		1015,73,09	937,47,95
Profit / loss (-) brought forward		109,07,81	99,42,12
Total		1124,80,90	1036,90,07
IV APPROPRIATIONS			
- Transfer to Statutory Reserves		280,00,00	250,00,00
- Transfer to Capital Reserve		6,69,48	3,86,41
- Transfer to General Reserve		555,00,00	480,00,00
- Investment Reserve Account		11,50,00	40,00,00
- Transfer to Special Reserve under IT Act, 1961		85,00,00	80,00,00
- Dividend paid		74,04,16	73,95,85
- Dividend Tax paid		0	0
- Balance carried over to Balance Sheet		112,57,26	109,07,81
Total		1124,80,90	1036,90,07

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J. SADAGOPAN
Chief Financial Officer

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Company Secretary

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

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

Chennai
20th May, 2024

CA. G.R. Ravi
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M.No. : 025669
UDIN : 24025669BKEDDW3163

CA. Madan Gopal Narayanan
Partner
M.No. : 211784
UDIN : 24211784BKFJ002806

SCHEDULES FORMING INTEGRAL PART OF BALANCE SHEET

(₹ in thousand)

	AS ON 31.03.2024	AS ON 31.03.2023
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 (74,06,71,904 / 74,04,16,385 equity shares of ₹1/- each)	<u>74,06,72</u>	<u>74,04,16</u>
Subscribed and Paid-up Capital (74,06,71,904 / 74,04,16,385 equity shares of ₹1/- each)	74,06,72	74,04,16
Called-Up-Capital (74,06,71,904 / 74,04,16,385 equity shares of ₹1/- each)	74,06,72	74,04,16
Less: Calls unpaid	Nil	Nil
Add : Forfeited shares	Nil	Nil
Total	<u>74,06,72</u>	<u>74,04,16</u>
SCHEDULE - 2 RESERVES AND SURPLUS		
I. Statutory Reserves		
Opening Balance	2026,00,00	1776,00,00
Additions during the year	280,00,00	250,00,00
Deductions during the year	Nil	Nil
	<u>2306,00,00</u>	<u>2026,00,00</u>
II. Capital Reserves		
Opening Balance	319,62,50	315,76,09
Additions during the year	6,69,48	3,86,41
Deductions during the year	Nil	Nil
	<u>326,31,98</u>	<u>319,62,50</u>
III. Share Premium		
Opening Balance	901,78,56	893,88,49
Additions during the year	2,50,64	7,90,07
Deductions during the year	Nil	Nil
	<u>904,29,20</u>	<u>901,78,56</u>
IV. Revenue and Other Reserves		
i) General Reserve		
Opening Balance	3316,50,00	2836,50,00
Additions during the year	555,00,00	480,00,00
Deductions during the year	Nil	Nil
	<u>3871,50,00</u>	<u>3316,50,00</u>
ii) Investment Reserve Account		
Opening Balance	74,17,99	34,17,99
Additions during the year	11,50,00	40,00,00
Deductions during the year	Nil	Nil
	<u>85,67,99</u>	<u>74,17,99</u>

SCHEDULES FORMING INTEGRAL PART OF BALANCE SHEET (Contd.)

(₹ in thousand)

	AS ON 31.03.2024	AS ON 31.03.2023	
iii) Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961			Digital Banking
Opening Balance	636,00,00	556,00,00	
Additions during the year	85,00,00	80,00,00	
Deductions during the year	Nil	Nil	Statutory Reports
V. Balance in Profit and Loss Account	112,57,26	109,07,81	
Total	8327,36,43	7383,16,86	
SCHEDULE - 3 DEPOSITS			
A I. Demand Deposits			Financial Statements
i) From Banks	12	27,80	
ii) From Others	5488,83,89	4763,42,59	
II. Savings Bank Deposits	11561,31,53	10893,18,88	List of Branches
III. Term Deposits			
i) From Banks	5,33,05	209,31,83	
ii) From Others	38601,15,52	36531,64,70	
Total (I, II & III)	55656,64,11	52397,85,80	
B i) Deposits of Branches in India	55656,64,11	52397,85,80	Basel III
ii) Deposits of Branches outside India	Nil	Nil	
Total	55656,64,11	52397,85,80	
SCHEDULE - 4 BORROWINGS			
I. Borrowings in India			
i) Reserve Bank of India	1352,00,00	Nil	
ii) Other Banks	1,85,63	Nil	
iii) Other Institutions and Agencies	3370,30,14	4482,66,99	
iv) Subordinated Debt	Nil	Nil	
II. Borrowings from outside India	Nil	205,42,50	
Total (I & II)	4724,15,77	4688,09,49	
III. Secured Borrowings included in (I & II) above	1937,70,14	2611,86,99	

SCHEDULES FORMING INTEGRAL PART OF BALANCE SHEET (Contd.)

(₹ in thousand)

	AS ON 31.03.2024	AS ON 31.03.2023
SCHEDULE - 5 OTHER LIABILITIES & PROVISIONS		
I. Bills Payable	309,91,06	372,14,28
II. Inter-Office Adjustments (Net)	Nil	Nil
III. Interest Accrued	318,94,89	283,01,30
IV. Others (including Provisions)	1414,77,87	1396,24,31
Total	2043,63,82	2051,39,89
SCHEDULE - 6 CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I Cash in Hand (including Foreign Currency Notes)	971,76,77	691,31,84
II Balances with Reserve Bank of India		
i) In Current Accounts	2500,63,52	2400,04,12
ii) In Other Accounts	1143,00,00	211,00,00
Total (I and II)	4615,40,29	3302,35,96
SCHEDULE - 7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. In India		
i) Balances with Banks		
a) In Current Accounts	34,48,66	28,67,17
b) In Other Deposit Accounts	Nil	10,00,00
	34,48,66	38,67,17
ii) Money at Call and Short Notice		
a) With Banks	Nil	Nil
b) With Other Institutions	Nil	Nil
Total (I)	34,48,66	38,67,17
II. Outside India		
i) In Current Accounts	Nil	5,00,96
ii) In Other Deposit Accounts	2293,63,75	3303,23,40
iii) Money at Call and Short Notice	Nil	Nil
Total (II)	2293,63,75	3308,24,36
Grand Total (I and II)	2328,12,41	3346,91,53

SCHEDULES FORMING INTEGRAL PART OF BALANCE SHEET (Contd.)

(₹ in thousand)

	AS ON 31.03.2024	AS ON 31.03.2023
SCHEDULE - 8 INVESTMENTS		
I. Investments in India in		
i) Government Securities	15516,31,25	14246,49,36
ii) Other Approved Securities	Nil	Nil
iii) Shares	4,81,01	5,28,44
iv) Debentures and Bonds	111,87,41	80,33,87
v) Subsidiaries / Joint Ventures	Nil	Nil
vi) Others (Security Receipts & Mutal Funds)	30,89,63	29,37
Inside India Total	15663,89,30	14332,41,04
Gross Investments in India	15672,44,34	14359,96,07
Less : Provision for Investment Depreciation	5,00,67	24,00,66
Less : Provision for Non Performing Investments	3,54,37	3,54,37
Net Investments in India	15663,89,30	14332,41,04
II. Investments outside India in		
i) Government Securities (Incl. local authorities)	Nil	Nil
ii) Subsidiaries and/ or Joint Ventures abroad	Nil	Nil
iii) Other Investments (SWIFT Share)	21,78	21,78
Outside India Total	21,78	21,78
Grand Total (I & II)	15664,11,08	14332,62,82
SCHEDULE - 9 ADVANCES		
A. i) Bills Purchased and Discounted	177,71,01	175,66,46
ii) Cash Credits, Overdrafts and Loans repayable on Demand	29166,71,42	27383,85,65
iii) Term Loans	16181,29,50	15493,82,46
Total	45525,71,93	43053,34,57
B. i) Secured by Tangible Assets (includes Advances against Book Debts)	45283,31,22	42812,90,99
ii) Covered by Bank / Government Guarantees	10,19,66	4
iii) Unsecured	232,21,05	240,43,54
Total	45525,71,93	43053,34,57

Digital
Banking

Statutory
Reports

Financial
Statements

List of
Branches

Basel III

SCHEDULES FORMING INTEGRAL PART OF BALANCE SHEET (Contd.)

(₹ in thousand)

	AS ON 31.03.2024	AS ON 31.03.2023
C. I. Advances in India		
i) Priority Sector	26394,75,18	28029,46,68
ii) Public Sector	77,44,79	75,47,68
iii) Banks	525,01,05	25,00,52
iv) Others	18528,50,91	14923,39,69
Total	45525,71,93	43053,34,57
II. Advances outside India	Nil	Nil
Grand Total	45525,71,93	43053,34,57
SCHEDULE - 10 FIXED ASSETS		
I. Premises		
i) At Cost as at 31 st March of the preceding year	66,61,72	66,61,72
ii) Additions during the year	19,98,58	Nil
iii) Deductions during the year	Nil	Nil
Total	86,60,30	66,61,72
iv) Depreciation to date	15,11,69	14,48,03
Total	71,48,61	52,13,69
II. Other Fixed Assets (including Furniture and Fixtures)		
i) At Cost as at 31 st March of the preceding year	872,28,46	793,81,65
ii) Additions during the year	138,44,44	103,57,63
Total	1010,72,90	897,39,28
iii) Deductions / Adjustments during the year	61,83,27	25,10,82
Total	948,89,63	872,28,46
iv) Depreciation to date	750,00,91	685,09,63
Total	198,88,72	187,18,83
Grand Total	270,37,33	239,32,52

SCHEDULES FORMING INTEGRAL PART OF BALANCE SHEET (Contd.)

(₹ in thousand)

	AS ON 31.03.2024	AS ON 31.03.2023
SCHEDULE - 11 OTHER ASSETS		
I. Inter office Adjustments (Net)	Nil	Nil
II. Interest accrued	212,33,35	166,01,40
III. Tax paid in advance / Tax deducted at source	1246,46,87	1109,34,90
IV. Stationery and Stamps	84,65	66,43
V. Non-Banking assets acquired in satisfaction of claims	Nil	Nil
VI. Others	962,48,94	1043,96,07
Total	2422,13,81	2319,98,80
SCHEDULE - 12 CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as Debts	8,96,14	5,59,68
II. Liability for Partly Paid Investments	Nil	Nil
III. Liability on account of outstanding Forward Exchange Contracts	5697,67,29	8322,01,42
IV. Guarantees given on behalf of Constituents		
- In India	1801,94,89	1573,28,63
- Outside India	19,87,24	13,14,23
V. Acceptances, endorsements and other obligations	221,81,78	274,01,15
VI. Other items for which the Bank is contingently liable	96,72,80	75,60,78
Total	7847,00,14	10263,65,89

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SCHEDULES FORMING INTEGRAL PART OF PROFIT AND LOSS ACCOUNT

(₹ in thousand)

	YEAR ENDED 31.03.2024	YEAR ENDED 31.03.2023
SCHEDULE - 13 INTEREST EARNED		
I. Interest / Discount on Advances / Bills	4153,38,05	3800,90,30
II. Income on Investments	958,89,07	835,13,93
III. Interest on Balances with Reserve Bank of India and other Inter-Bank funds	154,21,71	74,99,51
IV. Others	4,07,69	3,29,97
Total	5270,56,52	4714,33,71

SCHEDULES FORMING INTEGRAL PART OF PROFIT AND LOSS ACCOUNT (Contd.)

(₹ in thousand)

	YEAR ENDED 31.03.2024	YEAR ENDED 31.03.2023
SCHEDULE - 14 OTHER INCOME		
I. Commission, Exchange and Brokerage	94,84,62	63,14,78
II. Profit on sale of Investments	34,26,84	9,46,97
Less : Loss on sale of Investments	(1,62,94)	(1,83,76)
Net sale of Investments	32,63,90	7,63,21
III. Profit on revaluation of Investments	Nil	Nil
Less : Loss on revaluation of Investments	(19,00,00)	35,50,00
Net Revaluation on Investments	19,00,00	(35,50,00)
IV. Profit on sale of Land, Bldgs and Other Assets	1,01,29	1,12,28
Less : Loss on sale of Land, Bldgs and Other Assets	(98,73)	(99,63)
Net sale of Land, Bldgs and Other Assets	2,56	12,65
V. Profit on Exchange transactions	357,89,02	971,02,53
Less : Loss on Exchange transactions	(286,09,47)	(819,42,37)
Net Exchange transactions	71,79,55	151,60,16
VI. Income earned by way of dividends etc. from Subsidiaries, Companies and / or Joint Ventures abroad / in India	Nil	Nil
VII. Miscellaneous Income	523,34,89	623,35,13
Total	741,65,52	810,35,93
SCHEDULE - 15 INTEREST EXPENDED		
I. Interest on Deposits	2898,99,66	2280,46,25
II. Interest on RBI / Inter-Bank Borrowings	182,63,25	183,27,41
III. Others	65,47,17	87,80,41
Total	3147,10,08	2551,54,07
SCHEDULE - 16 OPERATING EXPENSES		
I. Payments to and Provision for Employees	613,81,17	530,37,28
II. Rent, Taxes and Lighting	168,13,28	142,03,48
III. Printing and Stationery	14,79,69	18,27,50
IV. Advertisement and Publicity	21,00,83	15,27,94
V. Depreciation on Bank's Property	75,39,02	72,85,22
VI. Directors' Fees, Allowances and Expenses	2,37,75	2,00,48
VII. Auditors' Fees and Expenses (including Branch Auditors fees & expenses)	4,41,19	3,13,76
VIII. Law Charges	78,39	52,59
IX. Postage, Telegrams, Telephone, etc.	22,82,88	26,34,00
X. Repairs and Maintenance	154,15,08	115,00,36
XI. Insurance	68,57,46	63,32,47
XII. Other Expenditure	202,12,13	166,02,54
Total	1348,38,87	1155,17,62

**SCHEDULE - 17: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
FORMING AN INTEGRAL PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

A. BACKGROUND

City Union Bank Limited (the Bank), incorporated in Kumbakonam, India is a publicly held Banking Company governed by the Banking Regulation Act, 1949 and is engaged in providing a wide range of Banking and Financial Services including Commercial Banking and treasury operations.

B. BASIS OF PREPARATION

The Financial Statements are prepared under the historical cost convention following accrual basis of accounting, unless otherwise stated, using going concern assumption, and conform in all material aspects to the Generally Accepted Accounting Principles (GAAP) in India, which comprises applicable statutory provisions, regulatory norms / guidelines and extant disclosure norms prescribed by the Reserve Bank of India (RBI), Accounting Standards (AS) issued under Section 133 of the Companies Act, 2013 read together with the Companies (Accounting Standards) Rules, 2021, Banking Regulation Act, 1949 and practices prevalent in the banking industry in India.

USE OF ESTIMATES

The preparation of Financial Statements in conformity with GAAP require the management to make estimates and assumptions in the reported amounts of Assets and Liabilities (including Contingent Liabilities) as of the date of the Financial Statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Actual results could differ from these estimates. Any revision in the accounting estimates is recognised prospectively in the current and future periods.

C. SIGNIFICANT ACCOUNTING POLICIES

1. REVENUE RECOGNITION

Income and Expenditure are accounted on accrual basis, except the following;

- a. Interest on Non-Performing Advances (NPA) and Non-Performing Investments (NPI) are recognised

upon realisation as per the prudential norms prescribed by RBI.

- b. Interest on overdue bills, commission, exchange, brokerage and rent on lockers are accounted on realization.
- c. Dividend on equity shares, preference shares and mutual fund units is accounted as income when the right to receive the dividend is established.

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

2. INVESTMENTS

2.1 As per RBI guidelines, the investments of the Bank are classified into the following categories at the time of acquisition

- Held To Maturity (HTM)
- Available For Sale (AFS)
- Held For Trading (HFT)

They are further sub-classified and shown in the Balance Sheet under the following six categories :

- i) Government Securities
- ii) Other Approved Securities
- iii) Shares
- iv) Debentures and Bonds
- v) Subsidiaries / Joint Ventures and
- vi) Others
- a) Securities classified under HTM category are valued at acquisition cost. Where the acquisition cost is higher than the face value, such excess of acquisition cost over the face value is amortised over the remaining period to maturity.
- b) Securities held in AFS Category are valued scrip wise as under :
 - i) Government of India Securities are valued at market price as per quotation put out by Fixed Income Money Market and Derivatives Association of India (FIMMDA) & Bloomberg / Financial Benchmark India Limited.

- ii) State Government Loans, Trustee Securities, Securities guaranteed by Central / State Governments and PSU Bonds are valued on appropriate Yield to Maturity (YTM) basis as per FIMMDA & Bloomberg / Financial Benchmark India Limited.
 - iii) Treasury Bills / Certificate of Deposits / Commercial Papers, being discounted instruments, are valued at carrying cost.
 - iv) Equity Shares are valued at market rate if quoted, otherwise at Break up Value as per the latest Balance Sheet if available, or ₹1/- for each Company.
 - v) Preference shares are valued at market price if quoted or at appropriate YTM basis as per FIMMDA & Bloomberg / Financial Benchmark India Limited.
 - vi) Debentures / Bonds are valued at market price if quoted, otherwise on an appropriate YTM basis.
 - vii) Units of mutual funds are valued at the Latest Repurchase Price / Net Asset Value (NAV) declared by the mutual fund.
 - viii) Security Receipts are valued at NAV as declared by the Securitization Companies.
 - c) Individual scrips under HFT category are valued at Market Price.
- 2.2 Investments in AFS / HFT are valued scrip-wise, aggregated category-wise and net depreciation, if any, within each category is charged to Profit & Loss Account, while net appreciation, if any, under each category is ignored.
- 2.3 Shifting of Securities from one category to another is carried out at the lower of acquisition cost / book value / market value as on the date of transfer. The depreciation, if any on such transfer is fully provided for.
- 2.4 Purchase and Sale transactions in Securities are accounted on settlement date. Profit / Loss on Sale of Investments in any category is taken to the

Profit & Loss Account. However, in case of Sale of Investments in HTM category, the profit is first credited to Profit and Loss Account and thereafter an amount equivalent to profit, net of Statutory Reserve and Taxes, is appropriated to the Capital Reserve Account.

- 2.5 The Bank undertakes short sale transactions in Central Government dated securities. The short position is marked to market and loss, if any, is charged to the Profit and Loss Account while gain, if any, is ignored. Profit / Loss on short sale is recognised on settlement date.
- 2.6 Cost of Investments is based on the Weighted Average Cost Method.
- 2.7 Commission, Brokerage, Broken Period Interest etc., incurred on acquisition of Securities is debited to Profit and Loss account. Commission, Incentives, Brokerage received on subscription is deducted from the cost of the Securities.
- 2.8 Investments are shown net of Depreciation, if any in the Balance Sheet.
- 2.9 Non Performing Investments are identified and provided for as per RBI guidelines. The provision on such Non-Performing Investments are not set off against the appreciation in respect of Other Performing Investments. Interest on Non-Performing Investments is not recognised until received.

3. LOANS / ADVANCES AND PROVISIONS THEREON

- 3.1 Advances have been classified as per the Asset Classification norms laid down by the Reserve Bank of India. The required provisioning for Standard Assets and for Non Performing Assets have been made as per the Regulatory Norms.
- 3.2 Advances shown in the Balance Sheet are net of specific provisions, technical write offs and ECGC / DICGC claims received.

Partial recoveries in Non Performing Assets are apportioned first towards charges and interest, thereafter towards principal.

3.3 NPAs are classified into Sub-Standard, Doubtful and Loss Assets based on the following criteria stipulated by RBI:

- I. Sub-Standard : A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii. Doubtful : A loan asset that has remained in the sub-standard category for a period of 12 months.
- iii. Loss : A loan asset where loss has been identified but the amount has not been fully written off.

3.4 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

Substandard Assets:

- i. A general provision of 15% on the total outstanding;
- ii. Additional provision of 10% for exposures which are unsecured;
- iii. Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available 20%.

Doubtful Assets:

- **Secured portion**
 - i. Upto one year - 25%
 - ii. One to three years - 40%
 - iii. More than three years - 100%
- **Unsecured portion** - 100%

Loss Assets:

100% to be provided on the total outstanding;

3.5 Floating Provisions:

The Bank has a policy for creation and utilisation of floating provisions separately for advances, investments and general purposes. The quantum of floating provisions to be created is assessed at the end of the financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India.

3.6 Provision for Country Exposure :

In addition to the specific provisions held according to the asset classification status, provisions are also made for individual country exposures (other than the home country). Countries are categorised into seven risk categories, namely, insignificant, low, moderately low, moderate, moderately high, high and very high and provisioning made as per extant RBI guidelines. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposures. The provision is reflected in Schedules of the Balance Sheet.

3.7 Provision for Unhedged Foreign Currency Exposure :

Provision for Unhedged Foreign Currency Exposure of borrower entities is made considering their Unhedged Exposure to the Bank.

4. FIXED ASSETS, DEPRECIATION & AMORTIZATION

- 4.1 Premises, Software and Other Fixed Assets are accounted at acquisition cost less depreciation. Cost includes cost of purchase and all expenditure like site preparation, installation costs and professional fees incurred on the asset before it is ready to use.
- 4.2 Capital work-in-progress includes cost of fixed assets that are not ready for their intended use.
- 4.3 Depreciation has been provided on the composite value for premises acquired with land and building, where cost of the land is not separately identifiable.
- 4.4 The Bank has provided depreciation based on useful life of the assets in line with Schedule II of the Companies Act, 2013. Depreciation is charged over the estimated useful life of the fixed asset on a straight-line basis. Depreciation on assets purchased and sold during the year is provided on a pro-rata basis.

5. EFFECTS OF CHANGES IN THE FOREIGN EXCHANGE RATE

- 5.1 Assets and Liabilities denominated in Foreign Currencies are translated at the rates notified by FEDAI at the close of the year. Profit or Loss accruing from such transactions is recognised in the Profit and Loss Account.

- 5.2 Income and Expenditure items have been translated at the exchange rates prevailing on the date of the transactions.
- 5.3 The Bank does not have a Branch in any Foreign Country.
- 5.4 Outstanding Forward Exchange Contracts are revalued at the exchange rates notified by FEDAI and the resultant net gain or loss is recognised in the Profit and Loss Account.
- 5.5 Foreign Currency Guarantees, Acceptances, Endorsements and other obligations are reported at the FEDAI notified closing exchange rates prevailing on the date of the Balance Sheet.

6. EMPLOYEE BENEFITS

- 6.1 Payments to defined contribution schemes such as Provident Fund and Employees Pension Fund, are charged as expenses, as and when they fall due.
- 6.2 Provision towards Leave Encashment is accounted on actuarial basis in accordance with Accounting Standard 15 (Revised 2005) issued by ICAI.
- 6.3 Payments to the Group Gratuity Life Assurance Scheme of the Life Insurance Corporation of India towards gratuity liability are charged as expenses, as and when they fall due.

7. EMPLOYEES STOCK OPTION SCHEME

The Employee Stock Option Scheme provides for grant of equity stock options to employees that vest in a graded manner. The Bank follows the Intrinsic Value Method to account for its employee compensation costs arising from grant of such options. The excess of fair market price over the exercise price shall be accounted as employee compensation cost in the year of vesting. The fair market price is the latest closing price of the shares on the Stock Exchanges in which shares of the Bank are largely traded immediately prior to the date of meeting of the Compensation Committee in which the options are granted.

8. SEGMENT REPORTING

The Bank recognises the Business Segment as the Primary Reporting Segment and Geographical Segment as the Secondary Reporting Segment, in accordance with the RBI guidelines and in compliance with the Accounting Standard 17.

Business Segment is classified into (a) Treasury (b) Corporate and Wholesale Banking, (c) Retail Banking (includes Digital Banking Units) (d) Other Banking Operations.

9. EARNING PER SHARE

Basic earning per share is calculated by dividing the net profit of the year by the weighted average number of equity shares.

Diluted earning per share is computed using the weighted average number of equity shares and dilutive potential equity shares.

10. IMPAIRMENT OF ASSETS

An assessment is made at each Balance Sheet date whether there is any indication that an asset is impaired. If any such indication exists, an estimate of the recoverable amount is made and impairment loss, if any, is provided for.

11. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

11.1 In conformity with AS 29 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India, the Bank recognizes provision only when:

- a) It has a present obligation as a result of a past event.
- b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and
- c) A reliable estimate of the amount of the obligation can be made.

11.2 No provision is recognized for:

- I. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or
- ii. Any present obligation that arises from past events but is not recognized because
 - a) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
 - b) A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

11.3 Contingent Assets are not recognized in the Financial Statements.

12. INCOME TAX

Income Tax comprises current tax and deferred tax for the year. The deferred tax assets / liability is recognised in accordance with Accounting Standard 22 issued by the Institute of Chartered Accountants of India.

13. NET PROFIT

The Net Profit disclosed in the Profit and Loss Account is after considering:

- a. Provision for taxes on income in accordance with statutory requirements.
- b. Provision for Standard Assets and Non-Performing Assets.
- c. Provision for depreciation on Investments
- d. Other usual and necessary provisions.

14. PROPOSED DIVIDEND

In term of AS 4 - "Contingencies and Events occurring after the Balance Sheet date" proposed dividend or dividend declared after Balance Sheet date is not shown as "Other Liability" in the Balance Sheet, instead a note on the same will be included in the Financial Statement. Such proposed dividend will be appropriated from the "Reserves and Surplus" only after the approval of the shareholder.

15. SPECIAL RESERVES

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961 with the approval of the Board of Directors of the Bank.

16. CORPORATE SOCIAL RESPONSIBILITY

The expenditure towards Corporate Social Responsibility in accordance with the Companies Act, 2013 is recognised in the Profit and Loss Account.

17. OPERATING LEASES

Leases where all the risks and rewards of ownership are retained by the lessor are classified as 'Operating Lease'. Operating Lease payments are recognised as an expense in the Profit and Loss Account as per the lease terms. Initial direct costs in respect of operating leases such as legal costs, brokerage costs etc., are recognised as expense in the Profit and Loss Account.

SCHEDULE - 18: NOTES TO FINANCIAL STATEMENTS FORMING AN INTEGRAL PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

1. REGULATORY CAPITAL

a) Composition of Regulatory Capital : (₹ in crore)

Sl. No.	Particulars	31 st March 2024	31 st March 2023
		Basel III	Basel III
i)	Common Equity Tier 1 Capital (CET 1)	8,103.80	7,180.72
ii)	Additional Tier 1 Capital / Other Tier 1 Capital	--	--
iii)	Tier 1 Capital (i + ii)	8,103.80	7,180.72
iv)	Tier 2 Capital	371.85	360.30
v)	Total Capital (Tier 1+Tier 2)	8,475.65	7,541.02
vi)	Total Risk Weighted Assets (RWAs)	35,712.00	33,749.83
vii)	CET 1 Ratio (%)	22.69%	21.27%
viii)	Tier 1 Ratio (%)	22.69%	21.27%
ix)	Tier 2 Ratio (%)	1.04%	1.07%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (%)	23.73%	22.34%
xi)	Leverage Ratio (%)	11.02%	10.40%
xii)	Percentage of the shareholding of		
	a) Government of India	NA	NA
	b) State Government		
	c) Sponsor Bank		
xiii)	Amount of Paid-Up Equity Capital raised during the year*	0.03	0.08
xiv)	Amount of Non-Equity Tier 1 Capital raised during the year	0.00	0.00
xv)	Amount of Tier 2 Capital raised during the year	0.00	0.00

* During the year 2023-24, the Bank has allotted 2,55,519 (P.Y. 8,31,472) equity shares aggregating to ₹2.53 cr (P.Y. ₹ 7.98 cr) pursuant to exercise of options under ESOP.

b) Drawn down from Reserves :

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

2. ASSET LIABILITY MANAGEMENT

a. Maturity Pattern of certain items of Assets and Liabilities - 31st March, 2024

(₹ in crore)

Period	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1 Day	1,435.08	474.99	6,687.78	1.86	2.78	4.67
2 to 7 days	4,284.81	2,863.88	1,168.50	3,289.70	237.06	189.80
8 to 14 days	2,852.50	2,075.04	514.82	32.29	65.36	5.45
15 to 30 Days	2,059.74	742.54	390.87	Nil	82.14	9.65
31 days to 60 days	2,573.01	1,131.90	486.58	32.29	321.17	239.95
61 days to 90 days	1,590.59	1,295.09	289.69	32.29	690.11	629.67
Over 3 months & upto 6 months	4,391.05	4,592.39	778.40	496.87	1,745.51	1,796.72
Over 6 months & upto 1 year	5,732.62	8,179.68	1,014.44	168.45	856.90	845.62
Over 1 year & upto 3 years	30,620.40	17,425.47	4,178.53	670.41	300.42	444.42
Over 3 years & upto 5 years	101.96	2,352.43	27.84	Nil	238.19	370.55
Over 5 years	14.88	4392.31	126.66	Nil	0.22	0.00
Total	55,656.64	45,525.72	15,664.11	4,724.16	4,539.86	4,536.50

The above classification has been made on the basis of the guidelines of RBI and certain assumptions made by management and have been relied upon by auditors.

b. Liquidity Coverage Ratio (LCR)

Liquidity Coverage Ratio has been prescribed by RBI based on LCR Standards published by Basel Committee on Banking Supervision (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.

The LCR guidelines was made effective from 01.01.2015 with a minimum requirement of 60% which was increased annually by 10% to reach a level of 100% as at 01.01.2019.

As part of the COVID-19 financial measures by RBI, the LCR requirement for Scheduled Commercial Bank was brought down from 100% to 80% from 17.04.2020. Subsequently, the requirement was gradually restored 100% in two phases - 90% in October 1, 2020 and 100% effective from April 1, 2021.

The present requirement of LCR as at 31st March, 2024 is 100%. The Bank prepares LCR on a daily basis and assess the liquidity position on an ongoing basis. The LCR position is made available in Bank's website on a quarterly basis in prescribed format in addition to the annual disclosure in notes to accounts. The disclosure in prescribed format is given below:

Qualitative disclosures on LCR :

- Composition : The main drivers of the LCR is High Quality Liquid Assets (HQLA) which can be easily converted into Cash and 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

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mandatory SLR requirement to the extent allowed by RBI under MSF (Presently to the extent of 2.00% of NDTL as allowed for MSF), Facility to avail liquidity for Liquidity Coverage Ratio at 16.00% of NDTL Level 1 assets are main drivers of HQLA.

- Concentration of funding sources : Deposits are the main funding sources of the Bank.
- Currency mismatches in LCR : The Bank does not have any HQLA in foreign currency and accordingly LCR is reported in single currency only.
- The Bank does not have any Subsidiary / Associates and does not belong to any Group.
- The Bank has a well-diversified funding portfolio. Retail Deposits, considered as stable is the major funding source of the Bank, indicating lower dependence of the Bank on wholesale funds.
- The Liquidity Risk Management in the Bank is guided by the ALM Policy. The Bank's Liquidity Management is centralized at Treasury, Chennai as per the directions of ALCO.

The Bank has been maintaining the LCR above 100% (which is the minimum requirement prescribed by RBI). The LCR Disclosure Template for the Year ended 2024 is given below.

LCR Disclosure Template

(₹ in crore)

Particulars	Current year for the Quarter ended								Previous Year *	
	March - 24		December - 23		September - 23		June - 23		March - 23	
	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)	12967.89		12570.06		13697.98		12199.72		11497.14	
Cash Outflows										
2. Retail Deposits and deposits from small business customers, of which :	36594.51	2943.85	36078.15	2899.77	35631.65	2863.42	35119.03	2817.54	33874.13	2711.41
(i) Stable Deposits	14311.88	715.59	14160.87	708.04	13994.93	699.75	13887.31	694.37	13520.10	676.01
(ii) Unstable Deposits	22282.63	2228.26	21917.28	2191.73	21636.72	2163.67	21231.72	2123.17	20354.03	2035.40
3. Unsecured Wholesale funding	5525.08	1751.64	5597.14	1901.23	5688.70	2109.85	5987.01	2197.38	5818.65	2244.74
(i) Operational Deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Non Operational Deposits (all counterparties)	5525.08	1751.64	5597.14	1901.23	5688.70	2109.85	5987.01	2197.38	5818.65	2244.74
(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	6435.58	555.05	6102.09	529.71	6006.69	733.81	5952.85	1011.47	5392.04	651.86
(i) Outflows related to derivative exposures and other collateral requirements	125.66	125.66	120.82	120.82	340.34	340.34	638.60	638.60	298.65	298.65
(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	6309.92	429.39	5981.27	408.89	5666.35	393.47	5314.25	372.87	5093.39	353.21
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	1994.00	59.82	1870.70	56.12	1839.77	55.19	1866.14	55.98	1784.22	53.53
8. TOTAL CASH OUTFLOWS	50549.17	5310.36	49648.08	5386.83	49166.81	5762.27	48925.03	6082.37	46869.04	5661.54
Cash Inflows										
9. Secured Lending	318.60	159.30	304.51	152.26	288.11	144.06	281.03	140.52	262.41	131.21
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	327.45	327.45	480.84	480.84	619.52	619.52	1236.70	1236.70	539.68	539.68
12. Total Cash Inflows	646.05	486.75	785.35	633.10	907.63	763.58	1517.73	1377.22	802.09	670.89
		Total adjusted value	Total adjusted value	Total adjusted value	Total adjusted value	Total adjusted value	Total adjusted value	Total adjusted value	Total adjusted value	Total adjusted value
13. TOTAL HQLA		12967.89	12570.06	13697.98	12199.72	11497.14				
14. TOTAL NET CASH OUTFLOWS		4823.61	4753.73	4998.69	4705.15	4990.65				
15. LIQUIDITY COVERAGE RATIO (%)		268.84%	264.43%	274.03%	259.28%	230.37%				

* Average of January 2023 - March 2023 alone furnished as applicable to previous year

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c. Net Stable Funding Ratio (NSFR)

RBI vide its draft circular dated May 28, 2015 has prescribed norms for introduction of Net Stable Funding Ratio (NSFR). The final guidelines on "Net Stable Funding Ratio (NSFR)" under the Basel III Framework on Liquidity Standards was issued by RBI on May 17, 2018. However, due to the Covid-19 outbreak, RBI on various dates has extended the implementation of NSFR guidelines. As per RBI circular on 05.02.2021, the NSFR guidelines have been implemented from 01.10.2021.

LCR & NSFR for funding liquidity were prescribed by the Basel Committee for achieving two separate but complementary objectives. While LCR promotes short-term resilience of Banks to potential liquidity

disruptions by ensuring that they have sufficient HQLAs to survive an acute stress scenario lasting for 30 days, the NSFR promotes resilience over a longer-term time horizon by requiring Banks to fund their activities with more stable sources of funding on an ongoing basis.

The NSFR is defined as the amount of Available Stable Funding (ASF) relative to the amount of Required Stable Funding (RSF). The Bank is maintaining NSFR of above 100%, which is the minimum requirement prescribed by RBI.

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

(₹ in crore)

Particulars	NSFR Disclosure 31.03.2024					NSFR Disclosure 31.12.2023				
	Un - Weighted value by residual maturity				Weighted value	Un - Weighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥1yr		No maturity	< 6 months	6 months to < 1yr	≥1yr	
	ASF Item					ASF Item				
1. Capital: (2+3)	8475.65	-	-	-	8475.65	7550.30	-	-	-	7550.30
2. Regulatory Capital	8475.65	-	-	-	8475.65	7550.30	-	-	-	7550.30
3. Other Capital Instruments	-	-	-	-	-	-	-	-	-	-
4. Retail Deposits and Deposits from small business customers : (5+6)	13412.29	14540.43	10223.07	2401.12	35119.32	12316.74	11926.57	12050.96	2829.04	33396.45
5. Stable Deposits	7711.05	3665.04	3846.15	614.20	14461.13	7249.53	3002.73	4379.93	689.50	13900.58
6. Less Stable Deposits	5701.23	10875.40	6376.92	1786.93	20658.20	5067.21	8923.84	7671.03	2139.54	19495.87
7. Wholesale Funding : (8+9)	2292.96	1286.50	4751.15	221.04	4165.31	2720.74	1385.08	4173.15	314.30	4139.48
8. Operational Deposits	-	-	-	-	-	-	-	-	-	-
9. Other Wholesale Funding	2292.96	1286.50	4751.15	221.04	4165.31	2720.74	1385.08	4173.15	314.30	4139.48
10. Other Liabilities : (11+12)	10056.92	-	-	5786.91	5786.91	9060.74	-	-	6162.78	6162.78
11. NSFR Derivative Liabilities	-	-	-	-	-	-	-	-	-	-
12. All Other Liabilities and equity not included in the above categories	10056.92	-	-	5786.91	5786.91	9060.74	-	-	6162.78	6162.78
13. Total ASF (1+4+7+10)					53547.19					51249.01
	RSF Item					RSF Item				
14. Total NSFR High-Quality Liquid Assets (HQLA)					596.44					609.37
15. Deposits held at Other Financial Institutions for operational purposes	-	-	-	-	-	-	-	-	-	-
16. Performing Loans and Securities : (17+18+19+21+23)	0.00	13795.56	14059.30	16223.35	25408.70	44.17	14870.27	13699.50	17727.27	15304.54
17. Performing Loans to Financial Institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
18. Performing Loans to Financial Institutions secured by Non-Level 1 HQLA and Unsecured Performing Loans to Financial Institutions	-	1056.67	63.94	940.39	190.47	-	578.69	46.64	893.05	110.12
19. Performing Loans to Non- Financial Corporate Clients, Loans to Retail and Small Business Customers, and Loans to Sovereigns, Central Banks, and PSEs, of which :	-	12645.63	13935.06	13272.73	24310.16	44.17	14160.00	13609.05	14852.98	13906.61
20. With a Risk Weight of less than or equal to 35% under the Basel II Standardised Approach for Credit Risk	-	138.82	69.94	1364.56	-	-	129.68	269.75	2743.14	-
21. Performing Residential Mortgages, of which :	-	93.26	60.30	2010.23	908.07	-	131.58	43.81	1981.24	1287.81
22. With a Risk Weight of less than or equal to 35% under the Basel II Standardised Approach for Credit Risk	-	1.32	3.47	1278.91	-	-	1.28	3.29	1284.07	-
23. Securities that are not in default and do not qualify as HQLA, including Exchange Traded Equities	-	-	-	-	-	-	-	-	-	-

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Particulars	NSFR Disclosure 31.03.2024					NSFR Disclosure 31.12.2023				
	Un - Weighted value by residual maturity				Weighted value	Un - Weighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥1yr		No maturity	< 6 months	6 months to < 1yr	≥1yr	
24. Other Assets : (sum of rows 25 to 29)	9484.68	-	-	-	10255.92	8966.90	-	-	12946.42	19264.70
25. Physical Traded Commodities, including Gold	-	-	-	-	-	-	-	-	-	-
26. Assets Posted as initial margin for Derivative Contracts and contributions to Default Funds of CCPs	2579.90	-	-	-	2192.92	2576.69	-	-	-	2190.19
27. NSFR Derivative Assets	22.78	-	-	-	22.78	10.30	-	-	-	10.30
28. NSFR Derivative Liabilities before deduction of variation margin posted	15.20	-	-	-	0.76	13.98	-	-	-	0.70
29. All Other Assets not included in the above categories	6866.80	1876.61	437.74	47.70	8039.46	6365.93	-	-	12946.42	17063.51
30. Off-Balance Sheet items	6667.98	-	-	-	320.62	6609.18	-	-	-	318.45
31. Total RSF	-	-	-	-	36581.68	-	-	-	-	35497.05
32. Net Stable Funding Ratio (%)	-	-	-	-	146.38%	-	-	-	-	144.38%

(₹ in crore)

Particulars	NSFR Disclosure 30.09.2023					NSFR Disclosure 30.06.2023				
	Un - Weighted value by residual maturity				Weighted value	Un - Weighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥1yr		No maturity	< 6 months	6 months to < 1yr	≥1yr	
	ASF Item					ASF Item				
1. Capital: (2+3)	7538.99	-	-	-	7538.99	7521.85	-	-	-	7521.85
2. Regulatory Capital	7538.99	-	-	-	7538.99	7521.85	-	-	-	7521.85
3. Other Capital Instruments		-	-	-	-	-	-	-	-	-
4. Retail Deposits and Deposits from Small Business Customers : (5+6)	12196.95	7266.85	13840.98	-	30673.44	11897.39	8295.53	11248.25	-	28974.41
5. Stable Deposits	7179.34	1803.96	4999.48	-	13283.64	7058.73	2178.67	4309.79	-	12869.83
6. Less Stable Deposits	5017.61	5462.89	8841.50	-	17389.80	4838.66	6116.86	6938.46	-	16104.58
7. Wholesale Funding: (8+9)	3045.51	1327.59	3706.21	-	4039.65	3831.70	1347.09	3023.81	-	4101.30
8. Operational Deposits	-	-	-	-	-	-	-	-	-	-
9. Other Wholesale Funding	3045.51	1327.59	3706.21	-	4039.66	3831.70	1347.09	3023.81	-	4101.30
10. Other Liabilities : (11+12)	9265.56	-	-	9085.29	9085.29	7432.32	-	-	9935.54	9935.54
11. NSFR Derivative Liabilities	-	-	-	-	-	-	-	-	-	-
12. All Other Liabilities and Equity not included in the above categories	9265.56	-	-	9085.29	9085.29	7432.32	-	-	9935.54	9935.54
13. Total ASF (1+4+7+10)					51337.38					50533.10
	RSF Item					RSF Item				
14. Total NSFR High-Quality Liquid Assets (HQLA)					610.69				-	633.55
15. Deposits held at Other Financial Institutions for operational purposes	-	-	-	-	-	-	-	-	-	-
16. Performing Loans and Securities: (17+18+19+21+23)	-	13647.76	14260.46	17585.61	15168.80	-	13558.86	13308.27	19009.39	14673.49
17. Performing Loans to Financial Institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
18. Performing Loans to Financial Institutions secured by Non-Level 1 HQLA and Unsecured Performing Loans to Financial Institutions	-	38.51	90.14	279.32	50.85	-	43.90	86.23	130.14	49.70
19. Performing Loans to Non- Financial Corporate Clients, Loans to Retail and Small Business Customers, and Loans to Sovereigns, Central Banks, and PSEs, of which :	-	13500.66	14076.60	15261.18	13788.63	-	13445.55	13073.69	16780.53	13259.62
20. With a Risk Weight of less than or equal to 35% under the Basel II Standardised Approach for Credit Risk	-	6579.54	2037.22	3315.52	4308.38	-	6894.25	1153.21	5478.87	4023.73
21. Performing Residential Mortgages, of which :		108.59	93.72	2045.11	1329.32	-	69.41	148.35	2098.72	1364.17
22. With a Risk Weight of less than or equal to 35% under the Basel II Standardised Approach for Credit Risk	-	0.97	2.91	1322.89	859.88	-	1.08	3.17	1359.95	883.97
23. Securities that are not in default and do not qualify as HQLA, including Exchange Traded Equities	-	-	-	-	-	-	-	-	-	-

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Particulars	NSFR Disclosure 30.09.2022					NSFR Disclosure 30.06.2022				
	Un - Weighted value by residual maturity				Weighted value	Un - Weighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥1yr		No maturity	< 6 months	6 months to < 1yr	≥1yr	
24. Other Assets : (sum of rows 25 to 29)	8956.86	-	-	13216.07	19437.39	7554.52	-	-	-	17348.01
25. Physical Traded Commodities, including Gold		-	-				-	-	-	
26. Assets Posted as initial margin for Derivative Contracts and contributions to Default Funds of CCPs	2737.48	-	-	-	2326.86	2919.11	-	-	-	2481.24
27. NSFR Derivative Assets	5.52	-	-	-	5.52	17.28	-	-	-	17.28
28. NSFR Derivative Liabilities before deduction of variation margin posted	19.50	-	-	-	0.98	24.92	-	-	-	1.25
29. All Other Assets not included in the above categories	6194.36	-	-	13216.07	17104.04	4593.21	-	-	12525.79	14848.24
30. Off-Balance Sheet items	5922.27	-	-	-	284.61	6073.85	-	-	-	292.91
31. Total RSF	-	-	-	-	35501.49	-	-	-	-	32947.96
32. Net Stable Funding Ratio (%)	-	-	-	-	144.61%	-	-	-	-	153.37%

3. INVESTMENTS

a) Composition of Investment Portfolio as on 31.03.2024

(₹ in crore)

Particulars	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or Joint Ventures	Others (SR & MF)	Total Investments in India	Government Securities	Subsidiaries and/or Joint Ventures	Others*	Total Investments Outside India	
Held to Maturity												
Gross	12256.58	-	-	-	-	-	12256.58	-	-	-	-	12256.58
Less : Provision (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	12256.58	-	-	-	-	-	12256.58	-	-	-	-	12256.58
Available for Sale												
Gross	3263.74	-	6.74	113.49	-	31.89	3415.86	-	-	0.22	0.22	3416.08
Less : Provision for Depreciation	4.01	-	-	-	-	1.00	5.01	-	-	-	-	5.01
Less : Provision for Non-Performing Investments (NPI)	-	-	1.93	1.61	-	-	3.54	-	-	-	-	3.54
Net	3259.73	-	4.81	111.88	-	30.89	3407.31	-	-	0.22	0.22	3407.53
Held for Trading												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less : Provision for Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Less : Provision for Non-Performing Investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments												
Gross	15520.32	-	6.74	113.49	-	31.89	15672.44	-	-	0.22	0.22	15672.66
Less : Provision for Depreciation	4.01	-	-	-	-	1.00	5.01	-	-	-	-	5.01
Less : Provision for Non-Performing Investments (NPI)	-	-	1.93	1.61	-	-	3.54	-	-	-	-	3.54
Net	15516.31	-	4.81	111.88	-	30.89	15663.89	-	-	0.22	0.22	15664.11

* Investment in equity shares of SWIFT

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Composition of Investment Portfolio as on 31.03.2023

(₹ in crore)

Particulars	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or Joint Ventures	Others (SR&MF)	Total Investments in India	Government Securities	Subsidiaries and/or Joint Ventures	Others*	Total Investments Outside India	
Held to Maturity												
Gross	11364.71	-	-	-	-	-	11364.71	-	-	-	-	11364.71
Less : Provision (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	11364.71	-	-	-	-	-	11364.71	-	-	-	-	11364.71
Available for Sale												
Gross	2903.12	-	7.21	83.54	-	1.38	2995.25	-	-	0.22	0.22	2995.47
Less : Provision for Depreciation	21.34	-	-	1.59	-	1.08	24.01	-	-	-	-	24.01
Less : Provision for Non-Performing Investments (NPI)	-	-	1.93	1.61	-	-	3.54	-	-	-	-	3.54
Net	2881.78	-	5.28	80.34	-	0.30	2967.70	-	-	0.22	0.22	2967.92
Held for Trading												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less : Provision for Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Less : Provision for Non-Performing Investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments												
Gross	14267.83	-	7.21	83.54	-	1.38	14359.96	-	-	0.22	0.22	14360.18
Less : Provision for Depreciation	21.34	-	-	1.59	-	1.08	24.01	-	-	-	-	24.01
Less : Provision for Non-Performing Investments (NPI)	-	-	1.93	1.61	-	-	3.54	-	-	-	-	3.54
Net	14246.49	-	5.28	80.34	-	0.30	14332.41	-	-	0.22	0.22	14332.63

* Investment in equity shares of SWIFT

b) Government Security Lending (GSL) transactions* (in market value terms) as on 31st March, 2024

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Total volume of transactions during the year	Outstanding as on March 31 2024
Securities lent through GSL Transactions	Nil	Nil	Nil	Nil	Nil
Securities borrowed through GSL Transactions	Nil	Nil	Nil	Nil	Nil
Securities placed as collateral under GSL Transactions	Nil	Nil	Nil	Nil	Nil
Securities received as collateral under GSL Transactions	Nil	Nil	Nil	Nil	Nil

* Disclosure requirement as per RBI (Government Securities Lending) Directions, 2023 notified w.e.f. December 27, 2023. Hence there are no particulars to be disclosed for the previous year.

c) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in crore)

Sl. No.	Particulars	31 st March 2024	31 st March 2023
1)	Movement of provision held towards Depreciation on Investments		
	(i) Opening Balance	24.01	69.50
	(ii) Add : Provision made during the year	0.00	39.10
	(iii) Less : Write-off / Write-back of excess provision during the year	19.00	84.59
	(iv) Closing Balance	5.01	24.01
2)	Movement of Investment Fluctuation Reserve		
	(i) Opening Balance	74.18	34.18
	(ii) Add : Amount transferred during the year	11.50	40.00
	(iii) Less : Drawdown	0.00	0.00
	(iv) Closing Balance	85.68	74.18
3)	Closing Balance in IFR as a percentage of Closing Balance of Investments in AFS and HFT / Current category	2.51%	2.49%

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d) Sale and Transfers to / from HTM category :

The value of sales and transfer of securities from HTM category after considering the exemptions allowed by RBI doesn't exceed 5 percent of the book value of investments held in HTM category at the beginning of the year. Hence no disclosure is required.

e) Non-SLR Investment portfolio :

i) Non - Performing Non - SLR Investments

(₹ in crore)

Sl. No.	Particulars	31 st March 2024	31 st March 2023
a	Opening Balance	3.48	3.54
b	Additions during the year since 1 st April	0.00	0.00
c	Reductions during the above period	0.00	0.06
d	Closing Balance	3.48	3.48
e	Total Provisions held	3.54	3.54

ii) 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"	
		(3)	(3)	(4)	(4)	(5)	(5)	(6)	(6)	(7)	(7)
(1)	(2)	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
a)	PSUs	2.17	4.45	2.10	4.29	Nil	Nil	Nil	Nil	1.60	3.60
b)	Financial Institutions	0.06	0.06	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c)	Banks	113.05	83.09	32.00	37.00	Nil	Nil	Nil	Nil	Nil	Nil
d)	Private Corporates	1.95	2.46	1.89	1.88	Nil	Nil	1.55	1.55	1.88	1.88
e)	Subsidiaries / Joint Ventures	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f)	Others (Security Receipts / SWIFT Shares/CCIL Pref Shares)	35.11	2.29	35.11	2.29	Nil	Nil	Nil	Nil	35.11	2.29
	Total	152.34	92.35	71.10	45.46	Nil	Nil	1.55	1.55	38.60	7.78
g)	Less: Provision held towards depreciation (including NPI Provision)	4.54	6.21	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	147.80	86.14	71.10	45.46	Nil	Nil	1.55	1.55	38.60	7.78

iii) 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 2024
Securities sold under RBI Repo				
a) Government Securities	20.59	2,111.24	378.65	1,467.87
b) Corporate Debt Securities	Nil	Nil	Nil	Nil
c) Any Other Securities	Nil	Nil	Nil	Nil
Securities purchased under RBI Reverse Repo				
a) Government Securities	Nil	Nil	Nil	Nil
b) Corporate Debt Securities	Nil	Nil	Nil	Nil
c) Any Other Securities	Nil	Nil	Nil	Nil
Securities sold under Market Repo				
a) Government Securities	102.86	2,120.00	554.67	Nil
b) Corporate Debt Securities	Nil	Nil	Nil	Nil
c) Any Other Securities	Nil	Nil	Nil	Nil
Securities purchased under Market Reverse Repo				
a) Government Securities	Nil	Nil	Nil	Nil
b) Corporate Debt Securities	Nil	Nil	Nil	Nil
c) Any Other Securities	Nil	Nil	Nil	Nil
Securities sold under Tri-Party Repo				
a) Government Securities	513.59	3,670.67	1,910.29	2,003.59
b) Corporate Debt Securities	Nil	Nil	Nil	Nil
c) Any Other Securities	Nil	Nil	Nil	Nil
Securities purchased under Tri-Party Repo				
a) Government Securities	35.00	500.00	5.76	0.00
b) Corporate Debt Securities	Nil	Nil	Nil	Nil
c) Any Other Securities	Nil	Nil	Nil	Nil

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4. ASSET QUALITY

a) Classification of advances and provisions held as on 31st March, 2024

(₹ in crore)

Particulars	Standard	Non-Performing			Total Non - Performing Advances (5)=(2)+(3)+(4)	Total 6=(1)+(5)
	Total Standard Advances (1)	Sub - Standard (2)	Doubtful (3)	Loss (4)		
Gross Standard Advances and NPAs						
Opening Balance	42,050.64	556.07	1,239.51	124.58	1,920.16	43,970.80
Add : Additions during the year					1,013.51	
Less : Reductions during the year					1,079.24	
Closing Balance	44,627.04	427.40	1,266.88	160.15	1,854.43	46,481.47
Reductions in Gross NPAs due to:					1,079.24	
i) Upgradation					310.38	
ii) Recoveries (excluding recoveries from upgraded accounts)					505.40	
iii) Technical / Prudential Write-offs					232.90	
iv) Write-offs other than those under (iii) above					30.56	
Provisions (excluding Floating Provisions)						
Opening Balance of Provisions held	285.63	91.54	689.80	121.19	902.53	1,188.16
Add : Fresh Provisions made during the year					327.00	
Less : Excess Provision reversed / Write-off loans					296.03	
Closing Balance of Provisions held	268.63	71.98	699.04	162.48	933.50	1,202.13
Net NPA						
Opening Balance		464.53	549.71	3.39	1,017.63	
Add : Fresh Additions during the year					739.48	
Less : Reductions during the year					* 858.43	
Closing Balance		355.25	546.58	-3.15	898.68	
Floating Provisions						
Opening Balance						0.00
Add : Additional Provisions made during the year						0.00
Less : Amount drawn down during the year						0.00
Closing Balance of Floating Provisions						0.00

(₹ in crore)

Particulars	Standard	Non-Performing				Total 6=(1)+(5)
	Total Standard Advances (1)	Sub - Standard (2)	Doubtful (3)	Loss (4)	Total Non - Performing Advances (5)=(2)+(3)+(4)	
Technical write-offs and the recoveries made thereon						
Opening Balance of Technical / Prudential written-off accounts						1,380.66
Add : Technical / Prudential write-offs during the year						232.90
Less: Recoveries made from previously Technical / Prudential written-off accounts during the year						259.31
Closing Balance						1,354.25

*includes an amount of ₹22.25 crore pertaining to FITL NPA

Classification of Advances and Provisions held as on 31st March, 2023

(₹ in crore)

Particulars	Standard	Non-Performing				Total 6=(1)+(5)
	Total Standard Advances (1)	Sub - Standard (2)	Doubtful (3)	Loss (4)	Total Non - Performing Advances (5)=(2)+(3)+(4)	
Gross Standard Advances and NPAs						
Opening Balance	39,222.83	788.59	1,103.35	41.24	1,933.18	41,156.01
Add : Additions during the year					1,329.03	
Less : Reductions during the year					1,342.05	
Closing Balance	42,050.64	556.07	1,239.51	124.58	1,920.16	43,970.80
Reductions in Gross NPAs due to:					1,342.05	
i) Upgradation					236.16	
ii) Recoveries (Excluding Recoveries from Upgraded Accounts)					576.34	
iii) Technical / Prudential Write-offs					360.62	
iv) Write-offs other than those under (iii) above					168.93	
Provisions (Excluding Floating Provisions)						
Opening Balance of Provisions held	305.63	129.75	571.18	41.15	742.08	1,047.71
Add : Fresh Provisions made during the year					690.00	
Less : Excess Provision reversed / Write-off Loans					529.55	
Closing Balance of Provisions held	285.63	91.54	689.80	121.19	902.53	1,188.16
Net NPA						
Opening Balance		658.84	532.17	0.09	1,191.10	
Add : Fresh Additions during the year					997.01	
Less : Reductions during the year					1,170.48	
Closing Balance		464.53	549.71	3.39	1,017.63	
Floating Provisions						
Opening Balance						0.00
Add : Additional Provisions made during the year						0.00
Less : Amount drawn down during the year						0.00
Closing Balance of Floating Provisions						0.00

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(₹ in crore)

Particulars	Standard	Non-Performing			Total Non - Performing Advances (5)=(2)+(3)+(4)	Total 6=(1)+(5)
	Total Standard Advances (1)	Sub - Standard (2)	Doubtful (3)	Loss (4)		
Technical write-offs and the recoveries made thereon						
Opening Balance of Technical / Prudential written-off Accounts						1,401.53
Add : Technical / Prudential write-offs during the year						360.62
Less : Recoveries made from previously Technical/ Prudential written-off Accounts during the year						381.49
Closing Balance						1,380.66

Ratios in Percentage	31st March 2024	31st March 2023
Gross NPA to Gross Advances (%)	3.99%	4.37%
Net NPA to Net Advances (%)	1.97%	2.36%
Provision Coverage Ratio (%)	72%	69%

b) Sector-wise Advances and Gross NPAs - 31st March, 2024

(₹ in crore)

Sl. No.	Sector	31 st March, 2024		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
I.	Priority Sector			
a)	Agriculture and Allied Activities of which	8,351.51	228.37	2.73
	Agri Farm Credit	7,075.16	2.47	0.03
	Agri Ancillary Activities	1,208.34	123.96	10.26
b)	Industry of which	10,836.17	533.51	4.92
	Textiles	4,116.46	180.43	4.38
	Basic Metal & Metal Products	1,626.78	23.46	1.44
c)	Services of which	7,088.78	231.08	3.26
	Small Services	3,154.70	60.18	1.91
	Micro Services	2,511.38	160.07	6.37
	Medium Services	1,146.94	10.80	0.94
d)	Personal Loans of which	638.20	76.55	11.99
	Housing	565.59	25.18	4.45
	Education	71.60	47.95	66.97
	Subtotal (I) = (a+b+c+d)	26,914.66	1,069.51	3.97
II.	Non-Priority Sector			
a)	Agriculture and Allied Activities	0.00	0.00	0.00
b)	Industry of which	484.93	78.82	16.25
	Basic Metal & Metal Products	250.78	0.00	0.00
	Textiles	50.24	0.00	0.00
	Paper & Paper Products	82.90	78.48	94.67
c)	Services	10,319.65	535.29	5.19
	Wholesale Trade	1,119.41	165.62	14.80
	Real Estate	2,728.80	65.94	2.42
	NBFC	1,194.54	20.69	1.73
	Business Enterprises	2,210.42	238.63	10.80
d)	Personal loans	8,762.23	170.81	1.95
	Non Agri JL	4,831.11	4.41	0.09
	Housing Loan	1,547.72	69.81	4.51
	Other Personal (Consumption)	2,383.40	96.77	4.06
	Sub-total (II)= (a+b+c+d)	19,566.81	784.92	4.01
	Total (I + II)	46,481.47	1,854.43	3.99

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Sector-wise Advances and Gross NPAs - 31st March, 2023

(₹ in crore)

Sl. No.	Sector	31 st March, 2023		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
I.	Priority Sector			
a)	Agriculture and Allied Activities of which	8,540.97	214.29	2.51
	Agri Farm Credit	7,417.65	94.10	1.27
	Agri Ancillary Activities	1,045.15	112.13	10.73
b)	Industry of which	10,525.38	497.74	4.73
	Textiles	4,578.63	216.74	4.73
	Basic Metal & Metal Products	1,629.95	28.18	1.73
c)	Services of which	8,365.98	531.65	6.35
	Small Services	3,931.27	198.81	5.06
	Micro Services	2,861.12	252.61	8.83
	Medium Services	1,377.02	46.54	3.38
d)	Personal Loans of which	597.14	78.39	13.13
	Housing	514.69	25.39	4.93
	Education	82.45	53.00	64.28
	Subtotal (I) = (a+b+c+d)	28,029.47	1,322.07	4.72
II.	Non-Priority Sector			
a)	Agriculture and Allied Activities	0.00	0.00	0.00
b)	Industry of which	747.32	79.27	10.61
	Basic Metal & Metal Products	338.32	0.00	0.00
	Textiles	70.60	0.00	0.00
	Beverages	154.01	0.00	0.00
	Paper & Paper Products	79.16	78.51	99.18
c)	Services	7,857.39	369.03	4.70
	Wholesale Trade	1,569.42	192.54	12.27
	Real Estate	3,091.29	85.61	2.77
d)	Personal Loans	7,336.62	149.79	2.04
	Non Agri JL	3,998.42	14.44	0.36
	Housing Loan	1,556.70	59.02	3.79
	Other Personal (Consumption)	1,781.50	76.33	4.28
	Sub-total (II)= (a+b+c+d)	15,941.33	598.09	3.75
	Total (I + II)	43,970.80	1,920.16	4.37

c) Overseas Assets, NPAs and Revenue :

Particulars	31 st March 2024	31 st March 2023
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

d) Particulars of Resolution Plan and Restructuring :

Particulars of Resolution Plan

No accounts were resolved as per 'Prudential Framework for Resolution of Stressed Assets' issued vide circular DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019.

e) Divergence in Asset Classification and Provisioning :

In terms of RBI Circular No.DOR.ACC.REC.No.74/21.04.018/2022-23 dated October 11, 2022 Banks are required to disclose the Divergence in Asset Classification and Provisioning consequent to RBI's annual supervisory review process if such divergence exceeds the threshold prescribed by the RBI. The Inspection of Supervisory Evaluation (ISE 2023) for the position as on 31.03.2023 by RBI was completed and there was no reportable Divergence in Asset Classification and Provisioning for NPAs.

f) Disclosures as per 'Master Direction - Reserve Bank of India' (Transfer of Loan Exposures) direction 2021 dated September 24, 2021 for the Loans Transferred / Acquired during the Quarter ended March 31, 2024 are given below :

(i) The details of Non Performing Loans Transferred to ARC : (₹ in crore)

Details of Stressed Loans Transferred during the Year			
Particulars	To ARCs	To Permitted Transferees	To Other Transferees (please specify)
No of Accounts	Nil	-	-
Aggregate principal outstanding of Loans transferred	Nil	-	-
Weighted average residual tenor of the Loans transferred (in year)	Nil	-	-
Net Book Value of Loans transferred (at the time of transfer)	Nil	-	-
Aggregate consideration	Nil	-	-
Additional consideration realized in respect of Accounts transferred in earlier years	Nil	-	-

(ii) The Bank has not transferred any Special Mention Accounts (SMA) & Loan not in Default.

- (iii) During the Quarter / Year ended March 31, 2024 the Bank has acquired Loans not in Default through assignment details as follows :

(₹ in crore)

Particulars	
Aggregate Amount of Loans Acquired	48.70
Weighted Average Residual Maturity (in Years)	6.45
Weighted Average holding period by Originator (in years)	4.21
Retention of Beneficial Economic Interest by the Originator	5.41
Tangible Security Coverage	331%
Rating wise distribution of Rated Loans	Not Rated

- iv) **Disclosure on Stressed Loans transferred or Acquired :**

Details of Loans Acquired during the year		
Particulars	From SCBs, RRBs, UCBs, StCBs, DCCBs, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	From ARCs
Aggregate Principal Outstanding of Loans acquired	-	-
Aggregate consideration paid	-	-
Weighted average Residual Tenor of Loans acquired	-	-

- (v) Details of recovery ratings assigned to Security Receipts outstanding as on March 31, 2024

(₹ in crore)

Recovery Ratings	Anticipated Recovery as per Recovery Ratings	Book Value
RR1	>100% upto 150%	31.89

- g) **Fraud Accounts :**

Number of frauds reported, amount involved in such frauds, quantum of provisions made during the year and quantum of unamortised provision debited from "Other Reserves" as at the end of the year. (₹ in crore)

Sl. No.	Particulars	31 st March 2024	31 st March 2023
a)	Number of frauds reported during the year	7	8
b)	Amount involved in fraud	24.41	15.54
c)	Amount of Provisions made for such fraud	23.83	9.44
d)	Amount of Unamortised Provision debited from 'Other Reserves' as at the end of the year	-	-
e)	Amount of Unamortised Provision credited by making Provisions in the subsequent quarters of FY 2023 - 24	-	-

Other than the above, during the year from April 2023 to March 2024, 1818 incidents of Phishing / Vishing / Skimming frauds amounting to ₹ 12.41 crore were reported to RBI with no resultant loss to the Bank.

- h) Disclosure with reference to RBI circular DOR. No. BP. BC/3/21.04.048/2020-21 dt 06th August, 2020 on "Resolution Framework for COVID-19 - Related Stress" (Resolution Framework 1.0) and DOR.STR.REC.11/21.04.048/2021-22 dated 5th May 2021 (Resolution Framework 2.0 Covid - 19 related stress of Individuals and Small Business) are given below :

(₹ in crore)

Format B					
Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of Resolution Plan - Position as at the end of the previous half-year (Sep 2023) (A)	Of (A), aggregate debt that slipped into NPA during the half-year (March' 2024)	Of (A) amount written off during the half-year (March' 2024)	Of (A) amount paid by the borrowers during the half-year (March' 2024) #	Exposure to accounts classified as Standard consequent to implementation of Resolution Plan - Position as at the end of this half-year (March 2024)
Personal Loans	214.02	19.37	0.00	19.88	181.23
Corporate Persons*	173.80	0.00	0.00	4.41	169.43
<i>Of which MSMEs</i>	<i>19.48</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>19.48</i>
Others	176.82	12.33	0.00	15.28	155.55
Total	564.64	31.70	0.00	39.57	506.21

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Represents Net movement in Balances.

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5. EXPOSURES

a) Exposure to Real Estate Sector

(₹ in crore)

	Category	31st March 2024	31st March 2023
A)	Direct exposure		
	(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;*	2,165.85	2,111.05
	(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 ₹ 3014.46cr + NFB ₹ 35.10 cr)	3,049.56	3,399.40
	(iii) Investment in Mortgage Backed Securities (MBS) and Other Securitised Exposures -		
	a. Residential	Nil	Nil
	b. Commercial Real Estate	Nil	Nil
B)	Indirect Exposure		
	Fund Based and Non-Fund Based Exposures to National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil
	Total Exposure to Real Estate Sector	5,215.41	5,510.45

* includes individual housing loans eligible for inclusion in priority sector advances amounting to ₹ 507.05 cr (P.Y. ₹ 518.32 cr) for the year ended 31st March, 2024.

b) Exposure to Capital Market

(₹ in crore)

Sl. No.	Particulars	31 st March 2024	31 st March 2023
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.	3.96	4.73
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.	Nil	0.22
4.	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e., where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances.	0.05	0.21
5.	Secured and Unsecured Advances to stock brokers and guarantees issued on behalf of stock brokers and market makers.	0.75	0.75
6.	Loans sanctioned to corporates against security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	Nil	Nil
7.	Bridge loans to companies against expected equity flows / issues.	Nil	Nil
8.	Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	Nil	Nil
9.	Financing to stock brokers for margin trading.	Nil	Nil
10.	All exposures to venture capital funds (both registered and unregistered).	Nil	Nil
	Total Exposure to Capital Market	4.76	5.91

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c) Risk Category-wise Country Exposure *

(₹ in crore)

Risk Category	Exposure (net) as at March 2024	Provision held as at March 2024	Exposure (net) as at March 2023	Provision held as at March 2023
Insignificant	1,141.83	Nil	2,288.50	4.25
Low	753.25	2.25	1,127.33	Nil
Moderately Low	1.47	Nil	2.76	Nil
Moderate	0.72	Nil	7.24	Nil
Moderately High	2.10	Nil	1.04	Nil
High	Nil	Nil	Nil	Nil
Very High	Nil	Nil	Nil	Nil
Total	1,899.37	2.25	3,426.87	4.25

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

d) Unsecured Advances :

(₹ in crore)

Particulars	31 st March 2024	31 st March 2023
Total unsecured advances of the Bank	232.21	240.44
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	0.00	0.00
Estimated value of such Intangible Securities	0.00	0.00

e) Factoring Exposures :

There is no exposures on factoring during the year.

f) Intra-Group Exposures :

(₹ in crore)

Particulars	31 st March 2024	31 st March 2023
Total amount of Intra Group Exposure	Nil	Nil
Total amount of Top 20 Intra Group Exposure	Nil	Nil
Percentage of Intra Group Exposure to Total Exposure of the Bank on Borrower / Customer	Nil	Nil
Details of breach of limit on Intra Group Exposure and regulatory action there on if any	Nil	Nil

Hence explanation to rationale behind model is not applicable.

g) Unhedged Foreign Currency Exposure :

- (i) In terms of RBI circular No. DOR. MRG.REC. 76/00-00-007/2022-23 dated October 11, 2022 with regard to Capital and Provisioning Requirements for exposures to entities with Unhedged Foreign Currency Exposure (UFCE), the Bank has a policy approved by the Board of Directors.
- (ii) The provision required for UFCE as on 31.03.2024 is ₹2.06 crore only against which a provision of ₹2.72 crore has already been made.
- (iii) The incremental capital requirement for the UFCE as on 31.03.2024 has been determined based on the additional risk weight of ₹9.48 crore.

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

a) Concentration of Deposits

(₹ in crore)

Particulars	31 st March 2024	31 st March 2023
Total Deposits of twenty largest depositors	4,824.02	5,733.05
Percentage of Deposits of twenty largest depositors to total Deposits of the Bank	8.67%	10.94%

b) Concentration of Advances

(₹ in crore)

Particulars	31 st March 2024	31 st March 2023
Total Advances to twenty largest borrowers	2,190.26	1,817.72
Percentage of Advances to twenty largest borrowers to total Advances of the Bank	4.71%	4.13%

c) Concentration of Exposures

(₹ in crore)

Particulars	31 st March 2024	31 st March 2023
Total Exposure to twenty largest borrowers / customers	2,841.13	2,415.33
Percentage of Exposures to twenty largest borrowers / customers to total Exposure of the Bank on borrowers / customers	5.38%	4.88%

d) Concentration of NPAs

(₹ in crore)

Particulars	31 st March 2024	31 st March 2023
Total Exposure to top twenty NPA accounts	406.99	427.69
Percentage of Exposures to twenty largest NPA exposure to total Gross NPAs.	21.95%	22.27%

7. DERIVATIVES

a) Forward Rate Agreement / Interest Rate Swap

(₹ in crore)

Sl. No.	Particulars	31 st March 2024	31 st March 2023
(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

b) Exchange Traded Interest Rate Derivatives

(₹ in crore)

Sl. No.	Particulars	31 st March 2024	31 st March 2023
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	Nil	Nil
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding (instrument-wise)	Nil	Nil
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil
(iv)	Mark-to-Market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil

c) Disclosures on Risk Exposure in Derivatives :

i) Qualitative Disclosure

1. Structure and Organisation for Management of risk in derivatives trading.

Operations in the Treasury are segregated into three functional areas, namely Front-Office, Mid-Office and Back-Office, equipped with necessary infrastructure and trained officers, whose responsibilities are well defined. The Bank enters into plain vanilla

forward contracts only to backup / cover customer transactions as also for proprietary trading purpose.

The Integrated Treasury Policy of the Bank clearly lays down the scope of usages, approval process as also the limits like the open position limits, deal size limits and stop loss limits for trading.

The Mid Office is handled by Risk Management Department. Daily report is generated by Risk Management Department for appraisal of the risk profile to the Senior Management for Asset and Liability Management.

2. Scope and nature of risk measurement, risk reporting and risk monitoring systems.

Outstanding forward contracts are monitored by Risk Management Department against the limits (Counterparty, Stop Loss, Open Position, VaR, Aggregate Gap) fixed by the Board and approved by RBI (wherever applicable) and exceedings, if any, are reported to the Appropriate Authority / Board for ratification.

3. Policies for hedging and / or mitigating and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants.

The Bank's policy lays down that the transactions with the corporate clients are to be undertaken only after the inherent credit exposures are quantified and approved for customer appropriateness and suitability and necessary documents like ISDA agreements etc. are duly executed. The Bank adopts Current Exposure Method for monitoring the credit exposures.

While sanctioning the limits, the competent authority stipulates condition of obtaining collaterals / margin as deemed appropriate. The derivative limits are reviewed periodically along with other credit limits.

4. Accounting policy for recording the hedge and non-hedge transactions, recognition of Income premiums and discounts, valuation of outstanding contracts, provisioning, collateral and credit risk mitigation.

Valuation of outstanding forward contracts are done as per FEDAI guidelines in force. Marked to Market Profit & Loss is taken to Profit & Loss Account. MTM Profit & Loss calculated as per Current Exposure Method are taken into account while sanctioning forward contract limits to customers and collaterals / cash margins are prescribed for credit and market risks.

The Bank undertakes foreign exchange forward contracts for its customers and hedges them with other Banks. The credit exposure on account of forward contracts is also considered while arriving at the total exposure of each customer / borrower and counter party banker. The Bank also deals with other Banks in proprietary trading duly adhering to risk limits permitted by RBI, set in the policy and is monitored by Mid Office. The Marked to Market values are monitored on monthly basis for foreign exchange forward contracts. The credit equivalent is computed under Current Exposure Method. The operations are conducted in terms of the policy guidelines issued by Reserve Bank of India from time to time and as approved by the Board of the Bank.

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ii) Quantitative Disclosures :

(₹ in crore)

Sl. No.	Particulars	Currency Derivatives		Interest Rate Derivatives	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023
(i)	Derivatives (Notional Principal Amount)				
	a) for hedging	2,396.89	3,551.15	Nil	Nil
	b) for trading	3,302.86	4,770.87	Nil	Nil
(ii)	Marked to Market Positions				
	a) Assets (+)	38.81	40.96	Nil	Nil
	b) Liability (-)	-16.03	-56.38	Nil	Nil
(iii)	Credit Exposure @	237.62	274.24	Nil	Nil
(iv)	Likely impact of one percentage change in interest rate (100 * PV01)				
	a) on hedging derivatives	Nil	Nil	Nil	Nil
	b) on trading derivatives	Nil	Nil	Nil	Nil
(v)	Maximum and Minimum of (100 * PV01) observed during the year				
	a) on hedging	Nil	Nil	Nil	Nil
	b) on trading	Nil	Nil	Nil	Nil

@ → Out of the total credit exposure of ₹237.62 crore (FY : 22-23 ₹ 274.24 crore), exposure to the tune of ₹ 88.47 crore (FY : 22-23 ₹ 171.74 crore) is accepted for guaranteed settlement by Clearing Corporation of

India (CCIL) and exposure to the tune of ₹ 139.38 crore (FY : 22-23 ₹ 91.05 crore) are other Inter-Bank deals not guaranteed by CCIL. Balance of ₹ 9.77 crore (FY : 22-23 ₹ 11.45 crore) is out of forward contracts outstanding with customers.

d) Credit Default Swaps :

The bank has not entered into Credit Default Swaps during the current Financial Year.

8. DISCLOSURES RELATING TO SECURITIZATION

(₹ in crore)

Sl. No.	Particulars	31 st March 2024	31 st March 2023
1.	No. of SPEs holding assets for securitization transactions originated by the originator.		
2.	Total amount of securitized assets as per books of the SPEs		
3.	Total amount of exposures retained by the originator to comply with MRR as on the date of Balance Sheet		
	a) Off-Balance Sheet Exposures		
	● First loss		
	● Others		
	b) On-Balance Sheet Exposures		
	● First loss		
	● Others		
4.	Amount of Exposures to securitization transactions other than MRR		
	a) Off-Balance Sheet Exposures		
	i) Exposure to own securitizations		
	● First loss		
	● Others		
	ii) Exposure to third party securitizations		
	● First loss		
	● Others		
	b) On-Balance Sheet Exposures		
	i) Exposure to own securitizations		
	● First loss		
	● Others		
	ii) Exposure to third party securitizations		
	● First loss		
	● Others		
5.	Sale consideration received for the securitized assets and gain / loss on sale on account of securitisation		
6.	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitization asset servicing, etc.,		
7.	Performance of facility provided. Please provide separately for each facility viz., Credit Enhancement, Liquidity Support, Servicing Agent etc.,		
	(a) Amount paid		
	(b) Repayment received		
	(c) Outstanding amount		

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(₹ in crore)

Sl. No.	Particulars	31 st March 2024	31 st March 2023
8.	Average default rate of portfolios observed in the past.	↓	↓
9.	Amount and number of additional / top up loan given on same underlying asset.	NIL	NIL
10.	Investor complaints (a) Directly / Indirectly received and; (b) Complaints outstanding	↑	↑

9. OFF BALANCE SHEET SPVS SPONSORED :

(₹ in crore)

Name of the SPV sponsored	
Domestic	Overseas
Nil	Nil

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

(₹ in crore)

Particulars	31 st March 2024	31 st March 2023
Opening Balance of amounts transferred to DEAF	75.61	63.04
Add : Amounts transferred to DEAF during the year	20.13	13.64
Less : Amounts reimbursed by DEAF towards claims	1.10	1.07
Closing Balance of amounts transferred to DEAF	94.64	75.61

The Closing Balance of the amount transferred to DEA Fund, as disclosed above, is also included under "Schedule 12 - Contingent Liabilities - Other items for which the Bank is contingently liable".

11. DISCLOSURE OF COMPLAINTS

a) Summary information on complaints received by the Bank from customer and from the Office of the Banking Ombudsman (OBOs)

Sl.No.	Particulars	2023 - 24	2022 - 23
Complaints received by the Bank from its customers			
1	Number of complaints pending at beginning of the year	25	39
2	Number of complaints received during the year	2,825	2,797
3	Number of complaints disposed during the year	2,836	2,811
3.1	Of which, number of complaints rejected by the Bank	0	0
4	Number of complaints pending at the end of the year	14	25
Maintainable complaints received by the Bank from OBOs			
5	Number of maintainable complaints received by the Bank from OBOs	317	213
5.1	Of 5, Number of complaints resolved in favour of the Bank by BOs	194	94
5.2	Of 5, Number of complaints resolved through conciliation / mediation / advisories issued by BOs	122	119
5.3	Of 5, Number of complaints resolved after passing of Awards by BOs against the Bank	1	0
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

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b) Top five grounds of complaints received by the Bank from customers : (FY 2023-24)

Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increased / decreased in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
(1)	(2)	(3)	(4)	(5)	(6)
Internet / Mobile / Electronic Banking	2	526	-45%	2	0
Loans and Advances	4	439	84%	4	0
Account Opening / difficulty in operation of a/cs	2	353	13%	3	0
ATM / Debit cards	1	342	-41%	0	0
Levy of charges without prior notice / Excessive charges / Foreclosure charges	0	173	21%	0	0
Others	16	992	72%	5	0
Total	25	2,825		14	0

Top five grounds of complaints received by the Bank from customers : (FY 2022-23)

Grounds of complaints (1)	Number of complaints pending at the beginning of the year (2)	Number of complaints received during the year (3)	% increased / decreased in the number of complaints received over the previous year (4)	Number of complaints pending at the end of the year (5)	Of 5, number of complaints pending beyond 30 days (6)
Internet / Mobile / Electronic Banking	16	950	-19%	2	0
ATM / Debit cards	11	576	1%	1	0
Account Opening / difficulty in operation of a/cs	1	313	-52%	2	0
Loans and Advances	2	238	51%	4	0
Levy of charges without prior notice / Excessive charges / Foreclosure charges	2	143	62%	0	0
Others	7	577	221%	16	0
Total	39	2,797	-	25	-

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

- a) In terms of RBI Master Direction ref. DCM (CC) No.G-3/03.44.01/2023-24 dated April 03, 2023 "on Scheme of Penalties for bank branches and Currency Chests for deficiency in rendering customer service to the members of public", RBI has levied a total penalty amount of ₹ 16,550/- on various dates during the FY 2023-24.
- b) During the year, RBI has imposed penalty of ₹ 1,60,000/- under Scheme of penalty for

Non-replenishment of ATMs DCM (RMMT) No. S153/11.01.01/2021-22) dated August 10, 2021.

- c) RBI vide its order ref. CO.ENFD.DECB.No. S789/02.02.002/2023-2024 dated 26.02.2024 has levied a penalty totalling ₹ 66,00,000/- towards non adherence of certain RBI directions related to divergence in reported NPAs and risk categorization of customers' accounts observed during its inspection for Supervisory Evaluation with regard to the Financial Position of the Bank as on 31st March 2022.

13. Disclosures on Remuneration

Qualitative Disclosures :	
(a)	<p>Information relating to the composition and mandate of the Remuneration Committee.</p> <p>The Compensation & Remuneration Committee comprised of four members. The mandate includes administration of Employee Stock Options, review of Compensation Policy of the Bank, review of compensation to MD & CEO, consider payment of Profit Linked Commission to Non - Executive Directors etc.</p>
(b)	<p>Information relating to the design and structure of remuneration processes and the key features and objectives of Remuneration Policy.</p> <p>Key Features :</p> <ul style="list-style-type: none"> i) Board oversees the design of the compensation package and operations. ii) The proportion of cash, equity and other forms of compensation are consistent with risk alignment. <p>Objective :</p> <ul style="list-style-type: none"> i) Alignment of compensation with prudent risk taking.
(c)	<p>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.</p> <p>The Compensation is adjusted for all types of risks and the compensation outcome are symmetric with risk outcomes.</p>
(d)	<p>Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration.</p> <p>Qualitative features such as skills, knowledge, abilities etc. are factored in besides performance in financial parameters.</p>
(e)	<p>A discussion of the Bank's policy on deferral and vesting of variable remuneration and a discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.</p> <p>The deferral part in Cash Component (if any) and Non-Cash Component under variable remuneration shall be for a period for 3 years as provided under the Compensation Policy of the Bank. The criteria for adjusting the deferred remuneration shall be as per the Compensation Policy, applicable ESOP Scheme of the Bank and also, the RBI guideline dt. 04.11.2019 on Compensation to Whole-time Directors/ Chief Executive Officers / Material Risk Takers and Control Function Staffs, Clarification issued by RBI on 30.08.2021 w.r.t. above guideline dt. 04.11.2019, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other relevant Regulatory / Statutory stipulations.</p>
(f)	<p>Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the Bank utilizes and the rationale for using these different forms.</p> <p>The Bank pays variable remuneration as approved by RBI for each FY comprising of Cash Component and Non-Cash Component (in the form of ESOP at present). The grant of above forms of variable compensation is subject to relevant Regulatory / Statutory stipulations.</p>

Quantitative Disclosures

The Quantitative Disclosures pertaining to the MD & CEO as on 31st March, 2024 and 31st March, 2023 is given

	Particulars	Current Year	Previous Year
(g)	Number of Meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	9 Meetings of the Compensation & Remuneration Committee ("CRC") was held during the financial year and the total remuneration & commission paid to the Committee members during the year is ₹1,03,46,575/- (including profit linked commission of ₹38,46,575/- paid to the members pertaining to FY 2023).	7 Meetings of the Compensation & Remuneration Committee ("CRC") was held during the financial year and the total remuneration & commission paid to the Committee members during the year is ₹31,00,000/- (including profit linked commission of ₹24,00,000/- paid to the members pertaining to FY 2022).
(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.	<p>Variable Pay FY 2023</p> <p>The Outstanding Deferred remuneration is as under:</p> <ul style="list-style-type: none"> Cash Component: ₹49,00,000/- deferred over a period of 3 years Non Cash Component: ₹98,00,000/- <p>74,428 Stock Options had been granted by the CRC for the aforesaid amount, at its meeting held on 26.03.2024 and the same is deferred over a period of 3 years.</p>	<p>Deferred Variable Pay FY 2022: NIL</p> <p>Outstanding Deferred Variable Pay FY 2021:</p> <p>i. Cash Component: ₹21,19,109/-</p> <p>ii. Non-Cash Component: 26,950 Stock Options approved by the CRC at its meeting held on 08.08.2022 amounting to ₹42,38,217/- (overall approved limit of RBI) which is deferred over a period of 3 years.</p>

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Particulars	Current Year	Previous Year
	<p>Variable Pay FY 2022</p> <p>The outstanding deferred remuneration is as under:</p> <ul style="list-style-type: none"> ● Cash Component : Nil ● Non Cash Component : Nil <p>Variable Pay FY 2021</p> <p>The outstanding deferred remuneration is as under:</p> <ul style="list-style-type: none"> ● Cash Component : Deferral 3 - ₹7,06,370/- ● Non Cash Component : Deferral 2 - 8,085 Stock Options due for vesting in August 2024 Deferral 3 - 10,780 Stock Options due for vesting in August 2025 	
(i) Total amount of deferred remuneration paid out in the financial year.	<p>Variable Pay FY 2021</p> <p>Deferred remuneration paid in FY 2024 is as under:</p> <ul style="list-style-type: none"> ● Cash Component : Deferral 1 - ₹7,06,370/- Deferral 2 - ₹7,06,370/- ● Non Cash Component : Deferral 1 - 8,085 Stock Options exercised in FY 2024 	NIL

Particulars	Current Year	Previous Year
(j) Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	<p>Fixed Pay: Revision for MD & CEO approved by RBI vide its letter dt.31.01.2024</p> <ul style="list-style-type: none"> ₹1,96,00,000/- per annum (including perquisites) for FY 2023 ₹2,15,00,000/- per annum (including perquisites) for FY 2024 <p>Variable Pay: Variable pay to MD & CEO for FY 2023 was approved by RBI vide its letter dt.31.01.2024 - ₹1,96,00,000/-</p> <ul style="list-style-type: none"> Cash Component: ₹98,00,000/- <p>Upfront portion: ₹49,00,000/-</p> <p>Deferred portion: ₹49,00,000/- due for payment as per below:</p> <p>Deferral 1 ₹16,33,333/- in FY 2025</p> <p>Deferral 2 ₹16,33,333/- in FY 2026</p> <p>Deferral 3 ₹16,33,334/- in FY 2027</p> <ul style="list-style-type: none"> Non Cash Component: ₹98,00,000/- (100% Deferral) <p>74,428 Stock Options had been granted by the CRC for the aforesaid amount, at its meeting held on</p>	<p>Fixed Pay: ₹1,78,13,112/- per annum (including perquisites) w.e.f. 01.05.2021 approved by RBI vide its letter dt.17.02.2023</p> <p>Variable Pay: Variable pay to MD & CEO for FY 2022 was approved by RBI vide its letter dt.17.02.2023 - ₹84,76,435/-. However as per such approval, he is eligible for only upfront portion under Cash Component for ₹21,19,109/- pursuant to para 2.1.3(c) of RBI guidelines on Compensation to Whole time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff dt.04.11.2019.</p>

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Particulars		Current Year	Previous Year
		<p>26.03.2024 and the same is deferred over a period of 3 years. The vesting schedule is given below :</p> <p>Deferral 1 - 22,328 Stock Options - March 2025</p> <p>Deferral 2 - 22,328 Stock Options - March 2026</p> <p>Deferral 3 - 29,772 Stock Options - March 2027</p>	
(k)	<p>(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>	NIL	NIL
(l)	Number of MRTs identified	NIL	NIL
(m)	<ul style="list-style-type: none"> ● Number of cases where Malus has been exercised. ● Number of cases where Clawback has been exercised. ● Number of cases where both Malus and Clawback have been exercised. 	NIL	NIL
(n)	<p>General Quantitative Disclosure :</p> <p>The mean pay for the Bank as a whole (excluding sub-staff) and deviation of the pay of each of its WTDs from the mean pay.</p>	₹ 2,14,23,028.00	₹ 1,16,02,686.00

14. Disclosure on remuneration to Non Executive Directors:

All the Non-Executive Directors are paid remuneration by way of sitting fees for attending meeting of the Board and its committees. Further they are eligible for Profit Linked Commission (PLC) pursuant to the extant RBI guidelines on "Compensation of Non-Executive

Directors of Private Sector Banks", the Companies Act, 2013 and the Compensation Policy of the Bank. An amount of ₹ 1.42 crore & ₹ 0.78 crore (Previous year FY 2022-23, ₹1.38 crore & ₹0.56 crore) was paid as Sitting fees & PLC for FY 2023 (on pro-rata basis) respectively to the Non-Executive Directors of the Bank during the year.

Disclosure of facilities granted to Directors and their Relatives - NIL

15. Other Disclosures :

I) Business Ratios

Particulars	31 st March 2024	31 st March 2023
Interest Income as a percentage to Working Funds	7.87 %	7.34%
Non-Interest Income as a percentage to Working Funds	1.11 %	1.26%
Cost of Deposits	5.59 %	4.66%
Net Interest Margin	3.65 %	3.89%
Operating Profit as a percentage to Working Funds	2.27 %	2.83%
Return on Assets	1.52 %	1.46%
Business per employee (₹ in cr)	14.21	15.98
Profit per employee (₹ in cr)	0.14	0.16

II) Bancassurance Business

(₹ in crore)

Particulars	31 st March 2024	31 st March 2023
Income from Life Insurance	44.82	20.58
Income from Non-Life Insurance	9.82	6.14
Total	54.64	26.72

III) Marketing and Distribution :

The Bank has received fees of ₹ 5.21 crore for the FY 2023-24 (Previous year-FY 2022-23 : ₹ 1.25 crore) with respect to marketing and distribution function (excluding Bancassurance Business).

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

During the year, there was purchase of PSLC on various days totalling to ₹ 850.00 crore (Agriculture). No PSLC has been sold.

V) Provisions and Contingencies :

(₹ in crore)

Provision debited to Profit and Loss Account	31st March 2024	31st March 2023
Provision for		
- Non Performing Investments	0.00	0.00
- Non Performing Assets	327.00	690.00
- Covid - 19	(65.00)	(13.00)
- Standard Assets	(17.00)	(20.00)
- Income Tax (including Def Tax)	215.00	240.00
- Restructured Accounts	(7.00)	(12.00)
- FITL Standard	33.00	0.00
- Contingencies	17.00	0.00
- Country Exposure	(2.00)	(3.00)
- Others	0.00	(1.50)
Total	501.00	880.50

VI) Implementation of IFRS converged Indian Accounting Standards (Ind AS)

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

VII) Payment of DICGC Premium :

(₹ in crore)

Sl. No.	Particulars	31st March 2024	31st March 2023
i)	Payment of DICGC Insurance Premium	63.30	58.75
ii)	Arrears in payment of DICGC Premium	0.00	0.00

VIII) Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of Banks (Unamortized Pension & Gratuity liabilities) :

The Bank is not having any liability on account of family pension scheme since it is covered under defined contribution managed by LIC of India.

IX) Letters of Comfort :

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

X) Port-folio level of information on the use of funds raised from Green Deposits :

The Bank has not raised any Green Deposits in the Financial Year 2023-24.

XI) Disclosures as per Accounting Standards

The Bank has complied with the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India and the following disclosures are made in accordance with RBI's guidelines.

a) Prior Period Items - AS 5

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

b) Revenue Recognition - AS 9

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

c) Effects of changes in Foreign Exchange Rates - AS 11

The Bank is revaluing foreign currency transactions consistently at the weekly average rate of the last week, prescribed by FEDAI, instead of the rate at the date of the transaction as per AS 11. The management is of the view that there is no material impact on the accounts for the year.

i) Changes in the present value of the obligations :

(₹ in crore)

Particulars	31 st March 2024	31 st March 2023
Present Value of Obligation as at the beginning of the year	116.87	109.94
Interest cost	7.78	8.01
Current service cost	Nil	Nil
Past service cost - (non vested benefits)	Nil	Nil
Past service cost - (vested benefits)	Nil	Nil
Benefits paid	(27.54)	(20.09)
Actuarial gain / (loss) on obligation	14.85	19.01
Present value of Obligation at the year end	111.96	116.87

d) Employee Benefits - AS 15

The liability towards Gratuity is met through annual premium payments determined on actuarial valuation by Life Insurance Corporation of India under their Group Gratuity Life Assurance Scheme.

The Bank and its employees contribute a defined sum every month to City Union Bank Employees Pension Fund Superannuation Scheme of Life Insurance Corporation of India to meet the post retirement annuity payments of its employees.

Leave Encashment benefits of employees are provided on an actuarial basis and is not funded.

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:

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ii) Amount recognized in Balance Sheet :

(₹ in crore)

Particulars	31 st March 2024	31 st March 2023
Closing Present value Obligation	111.96	116.87
Fair value of Plan Assets	Nil	Nil
Difference	111.96	116.87
Unrecognised transitional liability	Nil	Nil
Unrecognised past service cost - non vested benefits	Nil	Nil
Liability recognized in the Balance sheet	111.96	116.87

iii) Expenses recognized in Profit & Loss Account :

(₹ in crore)

Particulars	31 st March 2024	31 st March 2023
Current Service cost	Nil	Nil
Interest cost	7.78	8.01
Expected return on Plan Assets	Nil	Nil
Net Actuarial (gain) / loss recognised in the year	14.85	19.01
Total expenses recognized in the Profit & Loss Account	22.63	27.02

iv) Principal actuarial assumption at the Balance Sheet Date :

Particulars	31 st March 2024	31 st March 2023
Discount factor	6.97%	7.19%
Salary escalation rate	6.00%	6.00%
Attrition Rate	6.00%	6.00%
Expected Rate of Return on Plan Assets	Nil	Nil

e) Segment Reporting - AS 17

Summary of the Operating Segments of the Bank are as follows :

(₹ in crore)

BUSINESS SEGMENTS	TREASURY		CORPORATE / WHOLESALE BANKING		RETAIL * BANKING		OTHER BANKING OPERATIONS		TOTAL	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Revenue	1236.55	1033.87	1141.10	964.06	3558.38	3470.48	76.19	56.29	6012.22	5524.70
Result	632.38	574.61	213.93	298.97	602.39	895.07	68.03	49.33	1516.73	1817.98
Unallocated Expenses									0.00	0.00
Operating Profit									1516.73	1817.98
Other Prov & Contingencies									286.00	640.50
Income Taxes									215.00	240.00
Extra ordinary Profit / Loss									0.00	0.00
Net Profit									1015.73	937.48
Other Information :										
Segment Assets	19450.86	18750.85	12693.47	10299.41	36342.59	35325.00	Nil	Nil	68486.92	64375.26
Unallocated Assets									2338.95	2219.30
Total Assets									70825.87	66594.56
Segment Liabilities	17148.64	16627.66	11353.87	9281.09	32507.15	31832.35	Nil	Nil	61009.66	57741.10
Unallocated Liabilities									1414.78	1396.25
Total Liabilities									62424.44	59137.35
Segment Capital	2302.22	2123.19	1339.60	1018.32	3835.44	3492.65	Nil	Nil	7477.26	6634.16
Unallocated Capital									924.17	823.05
Capital Employed									8401.43	7457.21

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* Retail Banking includes

(₹ in crore)

Particulars	Digital Banking Unit		Other Retail Banking		Retail Banking Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Revenue	0.23	0.11	3558.15	3470.37	3558.38	3470.48
Segment Results	0.02	-0.01	602.37	895.08	602.39	895.07
Segmental Assets	0.32	0.37	36342.27	35324.63	36342.59	35325.00
Segmental Liabilities	0.29	0.38	32506.86	31831.97	32507.15	31832.35
Capital Employed	0.03	-0.01	3835.41	3492.66	3835.44	3492.65

Notes: 1) The Bank has only one Geographical segment (i.e) Domestic Segment.

2) Previous period figures have been regrouped/reclassified wherever necessary to make them comparable

*3) In compliance of RBI circular dated 07.04.2022, during the year ended March 2023, the bank has commenced operations at one DBU and the segment information disclosed above is related to the said DBU.

f) Related Party Disclosures - AS 18

(i) Related Parties :

Parent / Subsidiaries / Associates / JV - Nil

Key Management Personnel - Dr. N. Kamakodi, MD & CEO

(ii) Related Party Transactions :

(₹ in crore)

Particulars	Key Management Personnel	Relatives of Key Management Personnel
Remuneration : 31.03.2024*	2.19	Nil
31.03.2023	1.16	Nil
Deposits	Refer Note Below	4.66
Interest	Refer Note Below	0.30

* The amount includes actual amount of remuneration (This does not include the amounts for which provision has been made during FY 2023-24 but not paid), arrear salary of earlier year, leave encashment paid and taxable perquisites pertaining to FY 2024.

Note : In terms of Regulation 23(9) of the SEBI (LODR) Regulations, 2015 read with "Para 5(iv) Accounting Standard 18 - Related Party Disclosures" of the RBI Master Direction on Financial Statements - Presentation and Disclosures dated August 30, 2021(updated as on 1st April 2024), "where the Disclosures under the Accounting Standards are not aggregated Disclosures in respect of any category of related party i.e., where there is only one entity in any category of Related Party, Banks need not disclose any details pertaining to that Related Party other than the relationship with that Related Party."

g) Leases - AS 19

i) Lease rent paid for operating leases are recognized as an expense in the Profit & Loss Account in the year to which it relates.

ii) Future lease rents and escalation in the rent are determined on the basis of agreed terms.

iii) At the expiry of initial lease term, generally the Bank has an option to extend the lease for a further pre-determined period.

iv) The Bank does not have any financial lease.

h) Earning Per Share - AS 20

The details of EPS computation is set out below :

Particulars	31 st March 2024	31 st March 2023
Earnings for the year (₹ in crore)	1015.73	937.48
Basic weighted average number of shares (Nos.)	74,04,95,006	73,98,22,488
Basic EPS (₹)	13.72	12.67
Dilutive effect of stock options (Nos.)	54,61,553	61,98,480
Diluted weighted average number of shares (Nos.)	74,59,56,559	74,60,20,968
Diluted EPS (₹)	13.62	12.57
Nominal value of shares (₹)	1	1

i) Consolidated Financial Statements (CFS) - AS 21

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

j) Accounting for Taxes on Income - AS 22

The major components of the Deferred Tax Asset and Liabilities as at 31st March, 2024 are as follows: (₹ in crore)

Components	31 st March 2024	31 st March 2023
Deferred Tax Liability :		
Special Reserve under IT Act	181.48	160.08
Total Deferred Tax Liability (A)	181.48	160.08
Deferred Tax Asset:		
Provision for Advances (NPA)	123.30	123.30
Leave Encashment	28.18	29.42
Provision for FITL	20.09	-
Provision for Standard Assets	67.61	71.89
Provision for COVID-19 - General Provision	3.16	19.84
Depreciation on Fixed Assets	7.83	6.86
Provision for Others	4.29	0.00
Total Deferred Tax Asset (B)	254.46	251.31
Net Deferred Tax Liability / (Asset) : (A - B)	(72.98)	(91.23)

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

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

l) Discontinuing Operations - AS 24

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

m) Interim Financial Reporting - AS 25

Quarterly review have been carried out as per extant RBI and SEBI guidelines and prescribed formats.

n) Intangible Assets - AS 26

The Bank has followed AS 26 - "Intangible Asset" issued by ICAI and the guidelines issued by RBI.

o) Financial Reporting of Interests in Joint Ventures - AS 27 - NIL

p) Impairment of Assets - AS 28

In the opinion of the management there is no impairment to the assets to which AS 28 - "Impairment of Assets" applies.

q) Provisions & Contingencies - AS 29

The details of the provisions and contingencies, contingent liabilities, the movement of provisions on NPA's and depreciation on investments which are considered material are disclosed elsewhere under the appropriate headings as per RBI guidelines.

XII) DISCLOSURE OF MATERIAL ITEMS AS PER RBI NOTIFICATION REFERENCE RBI/ 2022- 23/15 DOR.ACC.REC.No.91/21.04.018/2022-23 dated December 13, 2022

a) Miscellaneous income under Schedule -14 exceeding one percent of total income :

(₹ in crore)

Particulars	FY 2023 - 24	FY 2022 - 23
Loan Processing Charge	93.08	91.53
Service Charges	99.02	97.01
Recovery in Technical Write Off accounts	215.14	294.27

b) Other expenditure under Schedule - 16 exceeding one percent of total expenses

(₹ in crore)

Particulars	FY 2023 - 24	FY 2022 - 23
Nil		

c) Other Liabilities and Provisions - "Others" under Schedule 5 exceeding one percent of the total assets

(₹ in crore)

Particulars	FY 2023 - 24	FY 2022 - 23
Nil		

d) Other Assets - "Others" under Schedule 11 exceeding one percent of the total assets (₹ in crore)

Particulars	FY 2023 - 24	FY 2022 - 23
Nil		

e) Other Income - "Commission, Exchange and Brokerage" under the Schedule 14 (I) exceeding one percent of the total income (₹ in crore)

Particulars	FY 2023 - 24	FY 2022 - 23
Nil		

XIII) ADDITIONAL DISCLOSURES

1) Investment Fluctuation Reserve :

RBI Circular RBI/2017-18/147 DBR.No.BP.BC.102/21.04.048 2017-18 dated April 2, 2018, the Bank has appropriated Investment Fluctuation Reserve during the FY 2023-24 which is arrived as below:

Transfer to Investment Fluctuation Reserve	(₹ in crore)
a) Net Profit on Sale of Investments during the year	32.64
b) Net Profit for the year less Mandatory Provisions	1,015.73
c) (a) or (b) lower of the above	32.64
d) Total of HFT & AFS Portfolio as on 31.03.2024	3,412.12
e) 2% on the (d)	68.24

The Bank holds IFR of ₹ 85.68 crore as on 31.03.2024

2) Disclosure on Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances (RBI/DBR.BP.BC.No.18/21.04.048/2018-19 dated 01.01.2019) and RBI/DBR.BP.BC.No.34/21.04.048/2019-20 dated 11.02.2020 and (RBI/DOR. No.BP.BC/4/21.04.048/2020-21 dated 06.08.2020) and (RBI/DOR.STR. REC.12/21.04.048/2021-22 dated 05.05.2021) Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances as on 31.03.2024. (₹ in crore)

Number of Accounts Restructured (during the FY 2023-24) - MSME	Exposure as on 31.03.2024	Total No. of Standard Restructured Accounts (MSME) as on 31.03.2024	Total Exposure-Standard Restructured Advances (MSME) as on 31.03.2024
Nil	Nil	216	760.36

3) Disclosure in respect of borrower account where modification were sanctioned and implemented under Resolution Framework 2.0 for Covid-19 related stress :

i) Details of Sales :

(₹ in crore)

Sl.No.	Particulars	
a)	No of accounts in respect of which modification were sanctioned and implemented (A)	
b)	Aggregate Exposure to such borrowers accounts as on 31.03.2024	Nil
c)	Exposure to accounts mentioned at (A) before implementation of Resolution plan	

4) Details of loan in default sold to Securitisation / Reconstruction company for Asset Reconstruction :

i) Details of Sales :

(₹ in crore)

Sl.No.	Particulars	31 st March 2024	31 st March 2023
a)	Number of Accounts	Nil	*133
b)	Aggregate value (Net of provisions) of accounts sold to SC / RC *{Book balance of ₹ 214.15 crore less Provision of ₹ 144.04 crore}	Nil	70.11
c)	Aggregate consideration	Nil	86.12
d)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
e)	Aggregate gain/(loss) over net book value	Nil	16.01

ii) Details of Book - Value of Investments in Security Receipts

(₹ in crore)

Particulars	Backed by NPAs sold by the Bank as underlying		Backed by NPAs sold by other Banks / Financial Institutions / Non-Banking Financial Companies as underlying		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Book value of Investments in Security Receipts	31.89	1.08	0.00	0.00	31.89	1.08

(iii) Sale of Financial Assets to Securitization Company / Reconstruction Company

(₹ in crore)

Particulars	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years
i) Book value of SRs backed by NPAs sold by the Bank as underlying	31.89	-	-
Provision held against (i)	1.00	-	-
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)	31.89	-	-

Apart from the above, there are 12 SRs with book value of ₹ 1/- each

(iv) Details of Non - Performing Financial Assets purchased / sold :

a) Details of Non - Performing Financial Assets purchased from Other Banks :

(₹ in crore)

Sl. No.	Particulars	31 st March 2024	31 st March 2023
1.	a) Number of accounts purchased during the year	Nil	Nil
	b) Aggregate outstanding	Nil	Nil
2.	a) Of these, No. of a/cs restructured during the year	Nil	Nil
	b) Aggregate outstanding	Nil	Nil

b) Details of non performing financial assets sold to other Banks :

(₹ in crore)

Sl. No.	Particulars	31 st March 2024	31 st March 2023
1.	Number of accounts sold during the year	Nil	Nil
2.	Aggregate outstanding	Nil	Nil
3.	Aggregate consideration received	Nil	Nil

5) Provisions on Standard Assets (₹ in crore)

Particulars	31 st March 2024	31 st March 2023
Provision towards Standard Assets	268.63	285.63

6) Movement in Countercyclical Provisioning Buffer for NPA (₹ in crore)

Sl.No.	Particulars	31 st March 2024	31 st March 2023
a)	Opening Balance	Nil	Nil
b)	Additions during the year	Nil	Nil
c)	Deductions during the year	Nil	Nil
d)	Closing Balance	Nil	Nil

7) Movement in Floating Provisions (₹ in crore)

Sl.No.	Particulars	31 st March 2024	31 st March 2023
a)	Opening Balance	Nil	Nil
b)	Additions during the year	Nil	Nil
c)	Deductions during the year	Nil	Nil
d)	Closing Balance	Nil	Nil

8) Amount of Provision for Income Tax for the year (₹ in crore)

Particulars	31 st March 2024	31 st March 2023
Provision for Income Tax (Current Tax)	196.75	206.05
Deferred Tax Assets	(3.15)	13.81
Deferred Tax Liabilities	21.40	20.14
Provision for Income Tax - Net	215.00	240.00

9) 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.

10) Guarantees for Trade Credits.

The Bank has issued guarantees on behalf of its customers for availing Trade Credits for import of goods into India and outstanding as of 31st March 2024 was ₹ 141.13 crore.

11) Income Tax

Provision for income tax in the current year is made as per Income Computation Disclosures Standards (ICDS) after considering various judicial decisions on certain disputed issues.

In the opinion of the management, based on the opinion / Appellate orders decided in its favour on similar issues, no provision is considered necessary for earlier years towards disputed tax liability for Income Tax amounting to ₹ 1085.88 cr (under Appeal) (previous year ₹ 904.65 cr) and for Service Tax / GST amounting to ₹ 13.49 cr (previous year ₹ 13.31 cr).

12) Inter Branch Reconciliation

Reconciliation of Central Office accounts maintained by branches has been completed upto 31.03.2024.

13) Employees Stock Option

The Bank has allotted 2,55,519 (P.Y. 8,31,472) equity shares during the year to its eligible employees who have exercised their options granted under ESOP of the Bank.

14) CSR activities (accounted under Schedule 16 – Operating expenses – XII Other Expenditure)

(₹ in crore)

Particulars	FY 2023 - 24	FY 2022 - 23
Amount earmarked for CSR activities#	19.13	15.10
Amount carried forward from previous year*	3.03	4.87
Amount spent during FY 2023-24	16.44	-
Amount spent during FY 2022-23	-	12.74
Unspent amount of previous year(s) spent during FY 2023-24 (FY 2021-22 : ₹ 0.57 crore and FY 2022-23 : ₹ 2.46 crore)	3.03	-
Unspent amount of previous year(s) spent in FY 2022-23 (FY 2020-21: ₹ 1.92 crore and FY 2021-22 : ₹ 2.38 crore)	-	4.30
Amount Un-spent as at 31 st March, 2023* (₹2.36 crore for FY 2022-23 and ₹ 0.57 crore for FY 2021-22)	-	2.93
Amount Un-spent as at 31 st March, 2024	2.69	-

Notes:

An amount of ₹ 0.09 crore (i.e. ₹ 9,44,503/-) has been budgeted more than the actual CSR obligation for FY 2023-24.

* Includes amount unspent of ₹ 0.10 crore in addition to actual unspent of ₹ 2.93 crore which has been budgeted in excess of CSR obligation.

15) Disclosure under Rule 11(e) of the Companies (Audit & Auditors) Rules, 2014

The Bank, as part of its normal business, grants loans and advances to Non-Banking Finance Company / ies, Real Estate Promoters/ Developers, makes investment, provides guarantees (including against margin / guarantees received from Third parties / Banks) and accepts deposits and borrowings from its customers, other entities and persons. Also, the Bank, as part of its normal business, avails refinance from Financial Institutions and other entities wherein the proceeds are applied to a category of customers with specific profile parameters. These transactions are part of Bank's authorised normal business, which is conducted in adherence to extant regulatory requirements.

Other than the transactions described above -

(i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend to or invest in other persons or entities identified by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.

(ii) The Bank has not received any funds from any person(s) or entity(ies) ("Funding Party") with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend to or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- 16) In accordance with RBI instruction, the Bank has made a provision of 5% amounting to ₹ 2.76 cr against exposure in the long term food credit advance to Punjab State Government.
- 17) In accordance with the RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated 1st July 2015, read together with RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31.03.2015, on prudential guidelines on Capital adequacy and Liquidity Standards - Amendments and RBI Circular DBR. BP. BC. No. 106/21.04.098/2017-18 dated May 17-2018 - Basel III Framework on Liquidity Standards - Net Stable Funding Ratio (NSFR) - Final Guidelines, Banks are required to make certain Pillar 3, Leverage Ratio, Liquidity Coverage Ratio and NSFR Disclosures along with publication of financial results. Accordingly Pillar III Disclosures under Basel III Capital Regulation is being made available on the Bank's website (www.cityunionbank.com). These disclosures have not been subjected to review by the Joint Statutory Central Auditors.
- 18) Other Income relates to income from non-fund based banking activities including commission, fees, gains from securities transactions including ATM sharing fees, recoveries from accounts written off, income from PSLC and other miscellaneous income.
- 19) The Board of Directors have recommended a Dividend @ 150% - ₹1.50 per equity share (100% plus 50% as a Special Dividend in commemoration of 120th Year of the Bank) for the year 2023-24 (Previous Year 100%) subject to approval of members in the ensuing Annual General Meeting.
- In accordance with Accounting Standards 4 - Contingencies and Events Occurring after the Balance Sheet date, the proposed dividend has not been shown as an appropriation from the Profit and Loss account for the year ended March 31, 2024 and correspondingly not reported under Other Liabilities and Provisions as at March 31, 2024. However, Capital Adequacy Ratio has been computed by reducing the proposed dividend.
- 20) Previous year's figures have been regrouped wherever necessary to conform to the current year classification.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2024

(₹ in thousands)

	31.03.2024	31.03.2023
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit as per P&L Account	1,01,57,309	93,74,795
Adjustments for :		
Depreciation	7,53,902	7,28,522
Provisions & Contingencies - Tax	21,50,000	24,00,000
Provisions & Contingencies - Others	28,60,000	64,05,000
Profit on sale of Investments (Net of Depreciation)	-5,16,390	-4,31,321
Profit on sale of Assets	-256	-1,265
Foreign exchange fluctuations	-7,17,955	-15,16,016
Operating Profit before working capital changes	1,46,86,610	1,69,59,715
Adjustments for :		
Funds advanced to Customers	-2,79,93,736	-3,37,28,775
Other Operating Assets	13,62,704	6,01,186
Deposits from Customers	3,25,87,831	4,70,81,882
Other Operating Liabilities	-18,48,219	-808,139
Purchase and sale of Investments (Net)	-1,27,98,437	-2,09,37,832
Cash Generated from Operations	59,96,753	91,68,037
Taxation - Income Tax	-16,34,763	-19,26,782
Net Cash flow from Operating Activities - A	43,61,990	72,41,255
Cash flow from Investing Activities		
Purchase of Fixed Assets	-16,82,966	-9,89,817
Sale of Fixed Assets	6,18,839	2,70,972
Net Cash used in Investing Activities - B	-10,64,127	-7,18,845
Cash flow from Financing Activities		
Proceeds from issue of Share Capital	256	831
Proceeds from Share Premium	25,064	79,007
Dividend Paid	-7,41,290	-7,41,511
Tax on distributed profits	-	-
Borrowing from Banks	3,60,628	-62,37,287
Net Cash flow from Financing Activities - C	-3,55,342	-68,98,960
Net increase in Cash and Cash equivalents (A+B+C)	29,42,521	-3,76,550
Cash and Cash equivalents at 31 st March 2023	6,64,92,749	6,68,69,299
Cash and Cash equivalents as at 31st March 2024	6,94,35,270	6,64,92,749

For and on behalf of the Board

Chennai
20th May, 2024

Dr. N. KAMAKODI
MD & CEO

R. VIJAY ANANDH
Executive President

Dr. N. KAMAKODI
MD & CEO

G. MAHALINGAM
Chairman

V. RAMESH
Senior General Manager

NARAYANAN SUBRAMANIAM
Dr. T.S. SRIDHAR

V.N. SHIVASHANKAR
K. VAIDYANATHAN

J. SADAGOPAN
Chief Financial Officer

T.K. RAMKUMAR

LALITHA RAMESWARAN
Directors

Prof. V. KAMAKOTI

S.VENKATARAMANAN
Company Secretary

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

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

Chennai
20th May, 2024

CA. G.R. Ravi
Partner
M.No. : 025669
UDIN : 24025669BKEDDW3163

CA. Madan Gopal Narayanan
Partner
M.No. : 211784
UDIN : 24211784BKFJ002806

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.	Commerz Bank	Frankfurt	EUR
5.	Standard Chartered Bank	Frankfurt	EUR
6.	Standard Chartered Bank	London	GBP
7.	State Bank of India	Tokyo	JPY
8.	Standard Chartered Bank	Singapore	SGD
9.	Standard Chartered Bank	NewYork	USD
10.	Wells Fargo Bank	NewYork	USD

LIST OF BRANCHES

ANDHRA PRADESH (54 Nos.)

ADONI
AMALAPURAM
ANAKAPALLI
ANANTAPUR
BAPATLA
BHIMAVARAM
CHILAKALURIPET
CHIRALA
CHITTOOR
DHARMAVARAM
ELURU
GAJUWAKA
GUDIVADA
GUDUR
GUNTAKAL
GUNTUR - ARUNDELPET
GUNTUR - PATNAM BAZAAR
HINDUPUR
JAMMALAMADUGU
KADAPA
KADIRI
KAKINADA
KAVALI
KURNOOL
MACHILIPATNAM
MADANAPALLI
MANDAPETA
MANGALAGIRI
MARKAPUR
MYLAVARAM
NANDYAL
NARASARAOPET
NELLORE
NELLORE - VEDAYAPALEM
ONGOLE
PALAKOLLU
PRODATTUR
RAJAMUNDRY
SRIKAKULAM
TADA
TADEPALLIGUDEM
TADIPATRI
TANUKU
TENALI
THULLURU
TIRUPATHI
TUNI
VIJAYAWADA - AUTO NAGAR
VIJAYAWADA - BHAVANARAYANA STREET
VIJAYAWADA - BHAVANIPURAM
VIJAYAWADA - GOVERNORPET
VISAKHAPATNAM
VISAKHAPATNAM - NAD JUNCTION
VIZIANAGARAM

CHANDIGARH UNION TERRITORY (1 No.)

CHANDIGARH

CHATTISHGARH (3 Nos.)

BHILAI
BILASPUR
RAIPUR

GUJARAT (26 Nos.)

AHMEDABAD - NAVARANGPURA
AHMEDABAD - ODHAV - NIKOL
AHMEDABAD - RAIPUR
ANAND
ANKLESHWAR
BHAVNAGAR
CHANGODAR
GANDHIDHAM
JAMNAGAR
JUNAGADH
MEHSANA
MORBI
NADIAD
NAVSARI
PALANPUR
RAJKOT
SURAT - KATARGAM
SURAT - PARLE POINT
SURAT - RING ROAD
SURAT - SAROLI
SURENDRANAGAR
UNJHA
VADODARA
VALSAD
VAPI
VERAVAL

HARYANA (5 Nos.)

BAHADURGARH
BALLABGARH
FARIDABAD
GURUGRAM
ROHTAK

JHARKHAND (2 Nos.)

BISTUPUR - JAMSHEDPUR
RANCHI

KARNATAKA (50 Nos.)

BAGALKOT
BALLARI
BELGAUM
BENGALURU - BANASHANKARI
BENGALURU - BANASWADI
BENGALURU - BASAVANGUDI
BENGALURU - BOMMASANDRA
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 - JIGANI
BENGALURU - K.R. PURAM
BENGALURU - KENGERI
BENGALURU - KORAMANGALA
BENGALURU - MALLESWARAM
BENGALURU - MARTHAHALLI
BENGALURU - MATHIKERE
BENGALURU - MVJ COLLEGE-DBU

BENGALURU - PEENYA
BENGALURU - R.T. NAGAR
BENGALURU - RAJAJINAGAR
BENGALURU - SHIVAJI NAGAR
BENGALURU - SULTANPET
BENGALURU - VIDYARANYAPURA
BENGALURU - VIJAYANAGAR
BENGALURU - WHITE FIELD
BENGALURU - YELAHANKA
CHIKKAMAGALURU
DAVENGERE
DODDABALLAPUR
HASSAN
HOSAPETE
HOSKOTE
HUBLI
KALABURAGI
KOLAR
MANGALURU
MYSURU
NELAMANGALA
RAICHUR
RAMANAGARA
SHIVAMOGGA
TIPTUR
TUMAKURU
VIJAYAPURA

KERALA (18 Nos.)

ALAPPUZHA
ALUWA
ANGAMALY
CALICUT
CHAVAKKAD
EDAPALLI
ERNAKULAM
GURUVAYUR
KANNUR
KOLLAM
KOTTAYAM
PALAKKAD
THIRUVALLA
THIRUVANANTHAPURAM
THRIPPUNITHURA
THRISSUR
THRISSUR - EAST FORT
VALLIKAVU

MADHYA PRADESH (7 Nos.)

BHOPAL
DEWAS
GWALIOR
INDORE
INDORE - ITWARIYA BAZAAR, RAJWADA
JABALPUR
UJJAIN

MAHARASHTRA (26 Nos.)

AKOLA
AMRAVATI
BHIWANDI
CHHATRAPATI SAMBHAJINAGAR
DHULE

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Basel III

LIST OF BRANCHES (Contd.)

ICHALKARANJI
JALGAON
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
NAGPUR - GOKULPETH
NANDED
NASHIK
PIMPRI
PUNE
SANGLI

NEW DELHI (8 Nos.)

NEW DELHI - CHANDINI CHOWK
NEW DELHI - JANAKPURI
NEW DELHI - KAROL BAGH
NEW DELHI - LAJPAT NAGAR
NEW DELHI - LAXMI NAGAR
NEW DELHI - MAYUR VIHAR
NEW DELHI - OKHLA
NEW DELHI - ROHINI

ODISHA (1 No.)

BHUBANESWAR

PUDUCHERRY UNION TERRITORY (6 Nos.)

ARIYANKUPPAM
KARAIKAL
LAWSPET
PUDUCHERRY
REDDIARPALAYAM
VILLIANUR

PUNJAB (5 Nos.)

AMRITSAR
HOSHIARPUR
JALANDHAR
LUDHIANA
PATIALA

RAJASTHAN (16 Nos.)

AJMER
ALWAR
BALOTRA
BEAWAR
BHILWARA
BHIWADI
BIKANER
JAIPUR
JODHPUR
KISHANGARH
KOTA
NAGPUR
PALI
SIKAR
SRI GANGANAGAR
UDAIPUR

TAMIL NADU (524 Nos.)

15 VELAMPALAYAM
ACHALPURAM
ADUTHURAI
AGARAM
AGARAMTHEN
AGARATHIRUMALAM
AGRAHARA MANAPPALLI
ALANGANALLUR
ALANGUDI
ALANGULAM
AMBASAMUDRAM
AMBUR
ANAIMALAI
ANAKAPUTHUR
ANNALAGRAHARAM
ANTHIYUR
ARAKKONAM
ARANI
ARANTHANGI
ARASANKALANI
ARCOT
ARIYALUR
ARPAKKAM
ARUPUKOTTAI
ASANALLIKUPPAM
ASUR
ATHANAKOTTAI
ATTUR
ANDIPATTI
AVADI
AVINASHI
AYAPPAKKAM
AYOTHIYAPATTINAM
AYYAMPETTAI
AZHINJIVAKKAM
BALAKRISHNAPURAM
BARGUR
BATLAGUNDU
BEGEPALLI
BHAVANI
BODINAYAKANUR
C. MEYYUR
CHENGALPATTU
CHENNAI - ABHIRAMAPURAM
CHENNAI - ADAMBAKKAM
CHENNAI - ADYAR
CHENNAI - AMBATTUR
CHENNAI - AMINJIKARAI
CHENNAI - ANNA NAGAR EAST
CHENNAI - ANNA NAGAR WEST
CHENNAI - ARUMBAKKAM
CHENNAI - ASHOK NAGAR
CHENNAI - AYYAPPANTHANGAL
CHENNAI - CHINMAYA NAGAR
CHENNAI - CHOOLAI
CHENNAI - CHROMEPET
CHENNAI - CHROMEPET NEW COLONY
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 - TEYNAMPET
CHENNAI - THIRUMULLAIVOYAL
CHENNAI - THIRUVOTTIYUR
CHENNAI - THORAIPAKKAM
CHENNAI - TIRUVANMIYUR
CHENNAI - TRIPLICANE
CHENNAI - VADAPALANI
CHENNAI - VALASARAVAKKAM
CHENNAI - VANAGARAM
CHENNAI - VELACHERY
CHENNAI - VILLIVAKKAM
CHENNAI - VINAYAGAPURAM
CHENNAI - ZAMIN PALLAVARAM
CHENNIMALAI
CHEYYARU
CHIDAMBARAM
CHINNA KANCHEEPURAM
CHINNAKALRAYANHILLS THERKKUNADU
CHINNALAPATTI
CHINNAMANUR
CHINNAPOOLAMPATTI
CHINNASALEM
CHINNIAMPALAYAM
CHINTHAMANI
CHITLAPAKKAM
COIMBATORE - GANAPATHY
COIMBATORE - KOVAIPUDUR
COIMBATORE - MANIAKARANPALAYAM
COIMBATORE - OPPANAKARA STREET
COIMBATORE - P N PALAYAM
COIMBATORE - R.S. PURAM
COIMBATORE - RAM NAGAR
COIMBATORE - RAMANATHAPURAM

LIST OF BRANCHES (Contd.)

COIMBATORE - SAIBABA COLONY	KAVERIPATTINAM	MANJANAYACKANPATTI
COIMBATORE - SINGANALLUR	KEELAKARAI	MANNARGUDI
COIMBATORE - SIVANANDA COLONY	KEELAKORUKKAI	MANNIVAKKAM
COIMBATORE - SUNDARAPURAM	KEELAPALUVUR	MARAIMALAI NAGAR
COIMBATORE - TVS NAGAR	KELAMBAKKAM	MARTHANDAM
COIMBATORE - VILANKURICHI	KETTAVARAMPALAYAM	MARUNGULAM
COLACHEL	KIDARANKONDAN	MAYILADUTHURAI
CUDDALORE	KINATHUKADAVU	MECHERI
CUMBUM	KODANGIPALAYAM	MEDAVAKKAM
DARAPURAM	KODAVASAL	MELAIYUR
DEVAKOTTAI	KOILAMBAKKAM	MELAKABISTHALAM
DEVANANCHERY	KOMARAPALAYAM	MELAKOTTAIYUR
DHALAVOIPURAM	KOOTHANALLUR	MELAVALAMPETTAI
DHARASURAM	KORADACHERY	MELERIPAKKAM
DHARMAPURI	KORANATTU KARUPPUR	MELUR
DINDIGUL	KOTHANGUDI	MELVISHRAM
EACHANKUDI	KOTTUR	METTUPALAYAM
EDAIYIRUPPU	KOVILPATTI	MINJUR
ELLAMPILLAI	KRISHNAGIRI	MODAKURICHI
ERANAPURAM	KULASEKARAM	MUDICHUR
ERAVANCHERY	KULASEKARAPPERI	MUDIKONDAN
ERODE	KULATHUR	MUSIRI
ERODE - MOOLAPALAYAM	KUMBAKONAM GANDHINAGAR	MUTHUPET
GANGASOODAMANI	KUMBAKONAM MAIN	MUTTAVAKKAM
GERUGAMBAKKAM	KUMBAKONAM TOWN	NACHAR KOIL
GINGEE	KUNDRATHUR	NADUKKADAI
GOBICHETTIPALAYAM	KUNIAMUTHUR	NADUPATTY
GUDIYATHAM	KUNNATHUR	NAGALUR
GUDUVANCHERY	KUPPAMBATTU	NAGAPATTINAM
GUMMIDIPOONDI	KURICHI	NAGERKOIL
HARUR	KUTTALAM	NAGORE
HOSUR	MADAGUDI	NALLAMANGUDI
HOSUR - AVALAPALLI	MADAPATTU	NALLUR
IDAPPADI	MADAPURAM	NAMAKKAL
IKKARAIPOUVAMPATTI	MADATHUKULAM	NAMBIYUR
ILAYANGUDI	MADIPAKKAM	NANJIKOTTAI
ILLALUR	MADUKKUR	NANNILAM
ILUPPANATHAM	MADURAI - ANNA NAGAR	NARANAMANGALAM
IRUNGALUR	MADURAI - CHOCKIKULAM	NARASAMPATTI
JALAKANDAPURAM	MADURAI - K K NAGAR	NATHAM
JALLADIAMPET	MADURAI - K. PUDUR	NAVALUR
JAYANKONDAM	MADURAI - KODAL NAGAR	NEDUNKUNDRAM
KADAGAMBADI	MADURAI - MAIN	NEIKUPPI
KADAPERI	MADURAI - OTHAKADAI	NEO (DIGI BRANCH)
KADAYANALLUR	MADURAI - S.S. COLONY	NEYVELI
KADUGUR	MADURAI - T V S NAGAR	NILAKKOTTAI
KALAHASTINATHAPURAM	MADURAI - VILAKKUTHOON	NORTH POIGAINALLUR
KALAPATTI	MADURAI - VILLAPURAM	ODDANCHATRAM
KALAYARKOIL	MADURANTHAKAM	ODDERPALAYAM
KALLAKURICHI	MADURAPAKKAM	OMALUR
KANCHEEPURAM	MADURAPURI	ORAGADAM
KANGEYAM	MADURAVOYAL	OTTAKOIL
KANKODUTHAVANITHAM	MALUMICHAMPATTI	PADAPPAI
KANNANDERI	MANALI	PADIRAPULIYUR
KAPPANAMANGALAM	MANAMADURAI	PADUR
KARADIPATTI	MANAPAKKAM	PAKKAM
KARAIKUDI	MANAPPARAI	PALANI
KARAMADAI	MANGADU	PALAVATHANKATTALAI
KARUR	MANGAIMADAM	PALAYAMKOTTAI
KATHIRINATHAM	MANGALAKKURICHI	PALAYANUR
KATPADI	MANGALAM	PALLADAM
KATTUMANNARKOIL	MANJAKOLLAI	PALLIKARANAI
KATTUPAKKAM	MANJAKUDI	PALLIPALAYAM

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PANDARAVADAIMAPPADUGAI	SENGURICHI	THUDIYALUR
PANNIMADAI	SHOLINGANALLUR	THUTTIPATTU
PANRUTI	SHOLINGHUR	THUVAKUDI
PARAMAKUDI	SILLATUR	TINDIVANAM
PARUTHIKOTTAI	SINGAPERUMAL KOIL	TIRUCHENDUR
PATTEESWARAM	SIRKALI	TIRUCHERAI
PATTUKOTTAI	SITHALAPAKKAM	TIRUCHULI
PERAMBALUR	SITHARKADU	TIRUKALUKUNDRAM
PERIYAKULAM	SIVAGANGA	TIRUKKATTUPALLI
PERIYAKURICHI	SIVAGIRI	TIRUKOILUR
PERIYANAIKENPALAYAM	SIVAKASI	TIRUMAKOTTAI
PERUMALPATTU	SOMANUR	TIRUMARUGAL
PERUMANALLUR	SRIKANTAPURAM	TIRUNELLIKAVAL
PERUMATHUNALLUR	SRIPERAMBUDUR	TIRUNELVELI
PERUMBAKKAM	SRIVILLIPUTHUR	TIRUNELVELI JUNCTION
PERUNDURAI	SULTANPET	TIRUPATHUR
PERUNGALATHUR	SULUR	TIRUPOONDI
PERUR	SURAMPATTI	TIRUPPUR
PICHANDAR KOIL	SURANDAI	TIRUPPUR - DHARAPURAM ROAD
PODANUR	TAMBARAM	TIRUPPUR - PN ROAD
POLICHALUR	TAMBARAM - EAST	TIRUPPUR - VEERAPANDY
POLLACHI	TENKASI	TIRUVANNAMALAI
PONMAR	THALAIVASAL	TIRUVARUR TOWN
PONNAMARAVATHI	THALAIYUTHU	TIRUVARUR VIJAYAPURAM
PONNERI	THAMARANGKOTTAI	TIRUVIDAIMARUTHUR
POOLANKULAM	THAMMAMPATTI	TRICHY - CANTONMENT
POONAMALLEE	THANJAVUR MAIN	TRICHY - K.K. NAGAR
POONTHANDALAM	THANJAVUR - MEDICAL COLLEGE ROAD	TRICHY - KARUMANDAPAM
PORAYAR	THARAMANGALAM	TRICHY - KATTUR
PUDUKKOTTAI	THENI	TRICHY - MAIN
PULIYAMPATTI	THENNAMPALAYAM	TRICHY - SRINIVASA NAGAR
PULIYANKUDI	THEPPERUMANALLUR	TRICHY - SRIRANGAM
PUNJAI PULIYAMPATTI	THILLAINAYAGAPURAM	TRICHY - THILLAINAGAR
RAJAPALAYAM	THIMMACHIPURAM	TUTICORIN
RAMANATHAM - THOLUDUR	THIMMAKUDI	UDUMALPET
RAMANATHAPURAM	THIMMAVARAM	ULLIKOTTAI
RAMESWARAM	THINDAL	UNAIYUR
RANIPET	THINDIYUR	URAPAKKAM
RASIPURAM	THIRUCHENGODE	USILAMPATTI
REDDIKUPPAM	THIRUINDALUR	UTHAMAPALAYAM
REDHILLS	THIRUMALAISAMUDRAM	UTHIRAMERUR
RISHIVANDIYAM	THIRUMANGALAM	UTHUKOTTAI
S. PUDUR	THIRUMAZHISAI	UTHUKULI
SAHUPURAM	THIRUMUDIVAKKAM	VADAKKUTHU
SAKKOTTAI	THIRUNAGAR	VADALUR
SALEM - AMMAPETTAI	THIRUNAGESWARAM	VADAMADURAI
SALEM - FAIR LANDS	THIRUNEERMALAI	VADAVALLI
SALEM - MAIN	THIRUNINDRAVUR	VALAJANAGARAM
SALEM - SHEVAPET	THIRUPANANDAL	VALANGAIMAN
SALEM - SURAMANGALAM	THIRUPAPULIYUR	VALLAM
SANKAGIRI	THIRUPPALAI	VALLIOOR
SANKARANKOIL	THIRUTHANGAL	VANDHAVASI
SANNANALLUR	THIRUTTANI	VANIYAMBADI
SANOORAPATTI	THIRUTHURAIPONDI	VANNICONENDAL
SARAVANAMPATTI	THIRUVALANJULI	VARADARAJAPURAM
SATHYAMANGALAM	THIRUVALLUR	VAZHAPADI
SATTUR	THIRUVENCHERY	VEDARANYAM
SELLANKUPPAM	THIRUVERKADU	VEDASANDUR
SEMBANARKOIL	THISAYANVILAI	VEERAPANDI
SEMMANJERI	THOGUR	VEERAPANDI PUDUR
SENDAMANGALAM	THONDAMUTHUR	VEERAPERUMANALLUR

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VEERAPPANCHATIRAM
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VELAPPANCHAVADI
VELLAKOVIL
VELLALAR AGARAM
VELLANOOR
VELLORE
VELLORE - SATHUVACHARI
VELUR
VENGAIVASAL
VENGATHUR
VENMANI
VEPPAMPATTU
VEPPANGANERI
VILANDAI
VILANDAKANDAM
VILATHIKULAM
VILLUPURAM
VIRALPAKKAM
VIRASINGANKUPPAM
VIRUDHACHALAM
VIRUDHUNAGAR
WALAJABAD
WALAJAPET

TELANGANA (40 Nos.)

ADILABAD
HANAMKONDA
HYDERABAD - A.S. RAO NAGAR
HYDERABAD - AMEERPET
HYDERABAD - BALANAGAR
HYDERABAD - BANJARA HILLS
HYDERABAD - BODUPPAL
HYDERABAD - DILSUKHNAGAR
HYDERABAD - HABSIGUDA
HYDERABAD - HIMAYAT NAGAR
HYDERABAD - KONDAPUR
HYDERABAD - KUKATPALLY
HYDERABAD - MALKAJGIRI
HYDERABAD - MANIKONDA
HYDERABAD - MEHDIPATNAM
HYDERABAD - MIYAPUR
HYDERABAD - SIDAMBAR BAZAAR
HYDERABAD - VANASTHALIPURAM
JAGTIAL
KAMAREDDY
KARIMNAGAR
KHAMMAM
KHAMMAM- DIGITAL BANKING UNIT
KODAD
KOTHAGUDEM

MAHABUBNAGAR
MANCHERIAL
MEDCHAL
MEERPET
MIRYALAGUDA
NALGONDA
NIRMAL
NIZAMABAD
PALWANCHA
RAMACHANDRAPURAM
SECUNDERABAD RANIGUNJ
SHAMSHABAD
SIDDIPET
SURYAPET
WARRANGAL

UTTAR PRADESH (6 Nos.)

AYODHYA
KANPUR
LUCKNOW
NOIDA
PRAYAGRAJ
VARANASI

WEST BENGAL (2 Nos.)

KOLKATA - B B D BAG
KOLKATA - RASH BEHARI AVENUE

EXTENSION COUNTERS (7 Nos.)

SRM UNIVERSITY - KATTANKULATHUR, CHENNAI
SRM UNIVERSITY - RAMAPURAM, CHENNAI
PUBLIC HEALTH CENTRE, WEST MAMBALAM, CHENNAI
SHRIRAM COLLEGE, PERUMALPATTU
THIYAGARAJA COLLEGE OF ENGINEERING, TIRUPARANKUNDRAM
ST ANGELOES COLLEGE, LUCKNOW
SRM SONIPET- HARYANA

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OTHER OFFICES

INTERNATIONAL BANKING DIVISION & DP DIVISION

CUB BHAVAN, A-5 & A-6,
SIDCO Industrial Estate, Guindy,
Chennai - 600 032.

SERVICE BRANCH

706, 2nd Floor, Anna Salai,
Thousand Lights, Chennai - 600 006.

COMPUTER SYSTEM DEPARTMENT

CUB BHAVAN, A-5 & A-6,
SIDCO Industrial Estate, Guindy,
Chennai - 600 032.

BUSINESS DEVELOPMENT CENTRE

MCM Tower, 4th Floor, Super B3,
Thiru Vi Ka Industrial Estate, Guindy,
Chennai - 600 032.

CUSTOMER DATA PROCESSING CELL (CDPC)

Premier Trade Center,
1st Floor, No.1/55, Mayiladuthurai Main Road,
Ullur, Kumbakonam - 612 001.

CENTRALISED LOAN OPENING CELL (CLOC)

Premier Trade Center,
No.1/55, Mayiladuthurai Main Road, Ullur,
Kumbakonam - 612 001.

CURRENCY CHEST

No.24B, Gandhi Nagar,
Kumbakonam - 612 001.

DIGITAL BANKING DIVISION

1st & 2nd Floor, 706, Anna Salai,
Thousand Lights, Chennai - 600 006.

CALL CENTRE

Premier Trade Center, 2nd Floor,
No.1/55, Mayiladuthurai Main Road, Ullur,
Kumbakonam - 612 001.

DATA CENTRE, CHENNAI

STT Global Centres, Thiruvalluvar Earth
Station, No.226, Redhills Road,
Kallikuppam, Ambatur - 600 053.

DATA RECOVERY, BENGALURU

STT Global Data Centres,
Plot No. 18,19 & 20, KIADB, EPIP Layout,
Whitefield, Bengaluru - 560 066.

CENTRAL PROCESSING CENTRES (CPCs)

Chennai - Tambaram

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

Coimbatore

1st Floor,
27-30, Sarojini Street,
Ram Nagar, Coimbatore - 641 009.

Hyderabad

Sama Towers, 1st Floor,
3-6-365/A/1, Liberty X Road,
Himayat Nagar, Hyderabad - 500 029.

Madurai

Badhusha Pavilion, 1st Floor,
9 KK Nagar Main Road,
(Opp WAKF Board College),
Madurai - 625 020.

Trichy

Smt. Indira Gandhi College Campus,
Kaliammal Koil Street,
Tiruchirapalli - 620 002.

Chennai - Adayar

2nd Floor, New No 15,
Old No 15, 3rd Cross Street,
Kasthuribai Nagar, Adyar,
Chennai - 600 020.

Erode

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

Kumbakonam

Premier Trade Center,
2nd Floor, No.1/55,
Mayiladuthurai Main Road, Ullur,
Kumbakonam - 612 001.

Puducherry

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

Bengaluru

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

Vijayawada

Door No.29-36-18, 1st Floor,
Malladhi Vari Street,
Museum Road, Governorpet,
Vijayawada - 520 002.

Mumbai

1st Floor, Jains Arcade, 402,
14th Road Junction,
Khar West,
Mumbai - 400 052.

New Delhi

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

STAFF COLLEGE

KUMBAKONAM

35/14, 1st Floor, Kamatchi Josier Street,
Kumbakonam - 612 001.

CHENNAI

LA Residence Service Apartments,
No. 7, 3rd Cross Street, R A Puram,
Chennai - 600 028

BASEL III - PILLAR 3 DISCLOSURE AS ON MARCH 31, 2024

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 October 31, 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 March 22, 1945. The Bank does not have any Subsidiary / Associate companies under its Management.

Qualitative Disclosures :

Type of Capital	Features
Common Equity Tier I Capital	<ul style="list-style-type: none"> During the FY 23-24, the Bank has allotted 2,55,519 equity Shares of face value of ₹1/- each, pursuant to exercise of stock options by the employees. The Equity Share Capital of the Bank as on March 31, 2024 stood at ₹74.07 crore. The Share Premium collected during this year was ₹2.51 crore. The Share Premium account as on March 31, 2024 stood at ₹904.29 crore.
Tier II Capital	<ul style="list-style-type: none"> The Bank has not raised Tier II capital instruments such as Debt Capital instruments / Preference share capital instruments during the year ended March 31, 2024. The Tier II capital arrived at ₹371.85 crore as on March 31, 2024.

Quantitative Disclosures :

(₹ in crore)

Sl. No.	Description	Amount
1.	Tier - I Capital	8,204.65
	a) Paid-up Capital	74.07
	b) Reserves & Surplus	8,130.58
	Amount deducted from Tier I Capital (if any)	100.85
	a) Intangible Assets (includes net of DTA)	100.18
	b) Cross Holdings	0.67
	Total Eligible Tier I Capital	8,103.80
2.	Tier - II Capital	371.85
	a) Revenue Reserves (Investment Reserve)	85.68
	b) Provision for Impact of COVID - 19	12.57
	c) Provision for Country Risk exposure	2.25
	d) Provision for Unhedged exposure	2.72
	e) Provision for Standard Assets	268.63
	Less : Cross Holdings	0.00
	Total Tier II Capital (A)	371.85
	1.25% of Credit RWA (B) [1.25% x 30110.18]	376.38
	Total Eligible Tier II Capital (min of {A,B})	371.85
	Total Eligible Capital (Tier I and Tier II)	8,475.65

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Table DF - 2

CAPITAL ADEQUACY

Qualitative Disclosures :

A. A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.

In order to strengthen the capital base of Banks in India, the Reserve Bank of India in April 1992 introduced capital adequacy measures in Banks, based on the Capital Adequacy Framework (Basel I) issued by Basel Committee on Banking Supervision (BCBS). Initially, the framework addressed capital for credit risk, which was subsequently amended to include capital for market risk as well and the Bank was compliant with regard to maintenance of minimum capital for credit and market risks.

Subsequently, the BCBS released the "International Convergence of Capital Measurement and Capital Standards: A Revised Framework" (popularly known as Basel II document) on June 26, 2004. Reserve Bank of India issued final guidelines on April 27, 2007 for implementation of the New Capital Adequacy (Basel II) Framework, which includes capital for Operational Risk. In line with the RBI guidelines, the Bank successfully migrated to the revised framework (Basel-II) from March 31, 2009.

Reserve Bank of India issued guidelines based on the Basel III reforms on capital regulation during May 2012, to the extent applicable to banks operating in India. The Basel III Capital Regulation has been implemented from April 01, 2013 in India in phases and it was decided originally to implement 'Capital Conservation Buffer Framework' fully from March 31, 2018. RBI issued detailed Guidelines on Composition of Capital Disclosure Requirements on May 28, 2013.

RBI had issued circulars on various dates extending the transitional period for full implementation of Basel III Capital Regulations due to the unfavourable economic situation and also due to the continuing stress on account of COVID - 19 crisis. Now the minimum regulatory requirement under Basel III with Capital Conservation Buffer (CCB) is 11.50% (9.00%+2.50%) with effect from October 1, 2021.

RBI has issued circular on "Prudential Guidelines on Capital Adequacy and Liquidity Standards - Amendments" on March 31, 2015. The Basel III Capital Regulations have been consolidated in Master Circular - Basel III Capital Regulations vide circular No. DOR.CAP.REC.3/21.06.201/2022-23 dated April 1, 2022, which includes the introduction of capital buffers.

Under the Basel II framework, the total regulatory capital comprises Tier I (Core Capital) and Tier 2 Capital (Supplementary Capital). In order to improve the quality of regulatory capital, the capital will predominantly consist of Common Equity Tier 1 (CET1) under Basel III. Non-Equity Tier 1 and Tier 2 Capital would continue to form part of regulatory capital subject to eligibility criteria as laid down in Basel III. The Basel III capital regulations continue to be based on three-mutually reinforcing Pillars, viz. Minimum Capital Requirements (Pillar 1), Supervisory Review of Capital Adequacy (Pillar 2) and Market Discipline (Pillar 3) of the Basel II Capital Adequacy framework.

The Basel III norms mainly seek to :

- Raise the quality of capital to ensure that the Banks are capable of absorbing losses, both as going concern and as gone concern basis.
- Increase the risk coverage of the capital framework.
- Introduce leverage ratio to serve as a backstop to the risk-based capital measure.
- Raise the standards for the supervisory review process and public disclosures.

The macro prudential aspects of Basel III are largely enshrined in the capital buffers. Both the buffers i.e. the Capital Conservation Buffer and the Counter Cyclical 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 Counter Cyclical Capital Buffer (CCCB).

As per the RBI guidelines mentioned, Capital Ratios with full implementation of Capital Conservation Buffer (CCB) of 2.50% is summarized below :

(% to RWA's)

Capital Ratios	March 31, 2016 onwards	March 31, 2017 onwards	March 31, 2018 onwards	October 1, 2021 onwards
Minimum Common Equity Tier I (CET 1)	5.500	5.500	5.500	5.500
Capital Conservation Buffer (CCB)	0.625	1.250	1.875	2.500
Minimum CET 1 + CCB	6.125	6.750	7.375	8.000
Additional Tier 1	1.500	1.500	1.500	1.500
Minimum Tier 1 Capital (excluding CCB)	7.000	7.000	7.000	7.000
Tier 2 Maximum allowed	2.000	2.000	2.000	2.000
Minimum Total Capital	9.000	9.000	9.000	9.000
Minimum Total Capital + CCB	9.625	10.250	10.875	11.500

B. The Bank's approach in assessment of Capital Adequacy

The Bank is following Standardised Approach, Standardised Duration Approach and Basic Indicator Approach for measurement of capital charge in respect of credit risk, market risk and operational risk respectively. Further, RBI has informed the Banks to get ready to migrate to the New Standardised Approach for calculation of Operational Risk vide 'Master Direction on Minimum Capital Requirements for Operational Risk' dated June 26, 2023. We have computed the operational

risk as per the new guidelines for March 31, 2023 and reported the same to RBI on July 27, 2023. 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 (30,110.18 * 9.00%) Securitisation exposures 		2,709.92 Nil
b)	Capital requirements for Market Risk : Standardised Duration Approach		53.68
	<ul style="list-style-type: none"> Interest Rate Risk Equity Risk Foreign Exchange Risk 	36.93 7.75 9.00	
c)	Capital requirements for Operational Risk : Basic Indicator Approach (4,930.87 * 8.00%)		394.47
	Minimum Capital required (a+b+c)		3,158.07

d)	Capital Conservation Buffer (CCB) at 2.50% (35,712.00 * 2.50%)	892.80
	Minimum Total Capital + CCB	4,050.87
	Total Capital Funds available	8,475.65
	Total Risk Weighted Assets	35,712.00
e)	Common Equity Tier I CRAR % (excluding CCB)	20.19%
	Capital Conservation Buffer	2.50%
	Tier I CRAR	22.69%
	Tier II CRAR	1.04%
	Total CRAR %	23.73%

D. Risk Exposure and Assessment:

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

The Bank has a comprehensive Risk Management System to address various risks and has set up an Integrated Risk Management Department (RMD), which is an independent operational department. Bank has a Risk Management Committee of Board

functioning at apex level for formulating, implementing and reviewing Bank's risk management measures pertaining to credit, market and operational risks. Apart from the Risk Management Committee of the Board at apex level, the Bank has a strong Bank-wide risk management structure comprising of Risk Management Committee of Executives (RMCE) assisted by Asset Liability Management Committee (ALCO), Credit Risk Management Committee (CRMC) and Operational Risk Management Committee (ORMC) at Senior Management Level. Credit Risk Management Committee deals with credit policies and procedures, Asset Liability Management Committee deals with Asset Liability Management (ALM), Integrated Treasury Policy of the Bank to explore better investment avenue to earn a reasonable spread and Operational Risk Management Committee formulates policies and procedures for managing operational risks.

The Bank has formulated the following policies for mitigating the risk in various areas and monitoring the same :

- Integrated Risk Management Policy
- Loan Policy
- Credit Risk Management Policy
- Operational Risk Management Policy
- ALM Policy
- Integrated Treasury Policy
- KYC Policy
- Risk Based Internal Audit Policy
- Stress Testing Policy
- Disclosure Policy
- ICAAP Policy

- Credit Risk Mitigation & Collateral Management Policy
- Risk Rating Framework
- Pricing Policy
- New Product Assessment Policy
- Risk & Control Self-Assessment Standards (RCSA)
- Policy on Unhedged Foreign Currency Exposures of Corporates including SMEs
- Market Risk Management Policy
- Business Continuity Plan Policy
- Climate Risk Policy

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

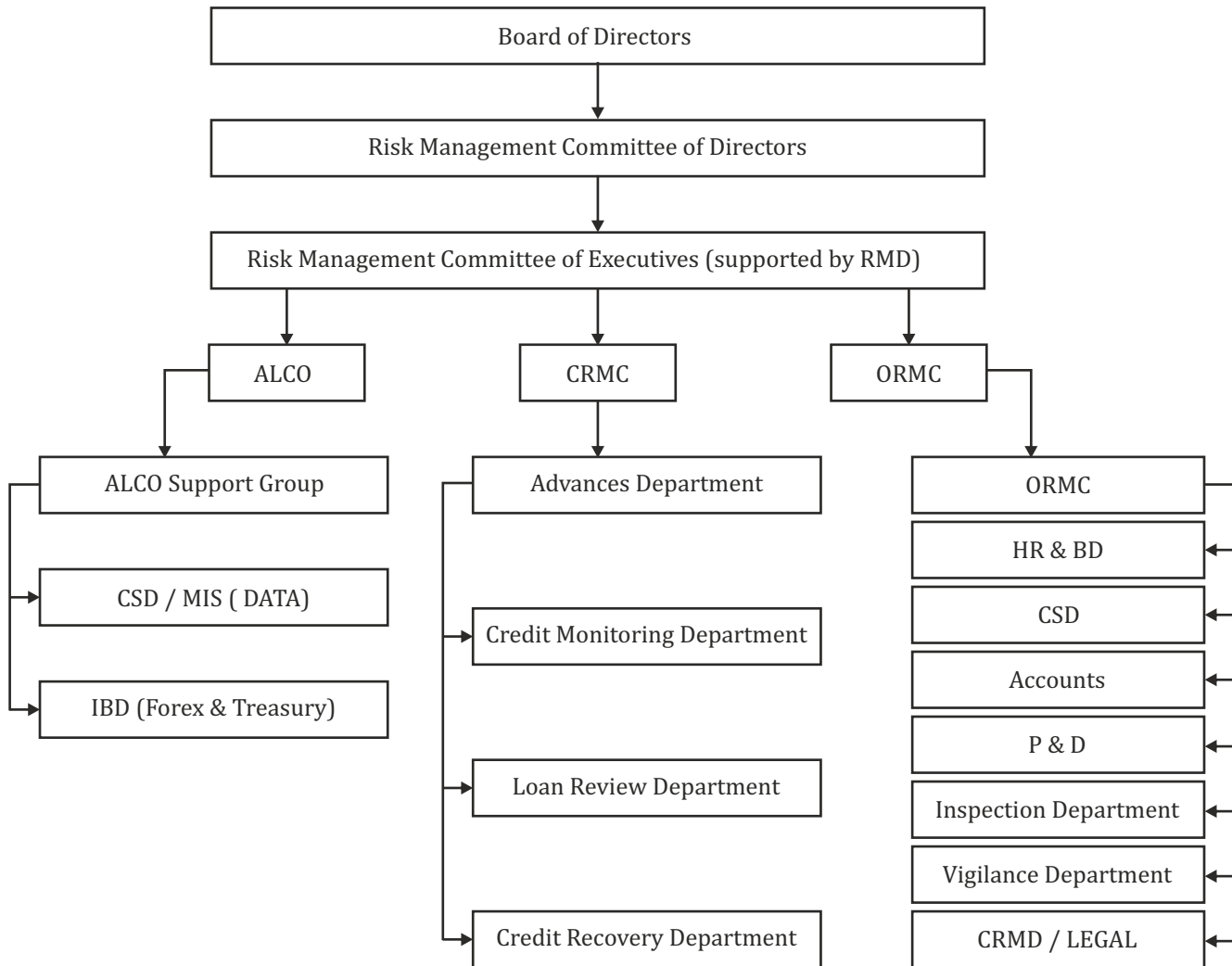


Table DF - 3

CREDIT RISK: GENERAL DISCLOSURES

Credit Risk

Credit Risk is a possibility of losses associated with diminution in the credit quality of borrowers or counterparties. In a Bank's portfolio, Credit Risk arises mostly from lending activities of the Bank, when a borrower is unable to meet their 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.

During the period, the Bank had undertaken the digital lending process. We have implemented Digitalization of Retail and Corporate loan (MSME & Non-MSME) with Newgen Software Technologies Limited. We have appointed Boston Consulting Group for development of risk scorecard on Digital lending and also few fintechs like Scoreme, Perfois (Credit Assessment Report), Hunter / Experian (Fraud Assessment of Borrower), Legality (Digital Signing and Documentation).

Credit Risk Management Policy

The Bank has put in place a well-structured Credit Risk Management Policy duly approved by the Board. The Policy document defines organization structure, roles & responsibilities and the processes whereby the Credit Risk can be identified, quantified and managed. Credit Risk is monitored on a Bank wide basis and the compliance with regard to the risk limits approved by the Credit Risk Management Committee (CRMC) / Board is ensured.

The Bank adopts the definition of 'past due' and 'impaired credits' (for reporting purposes) as defined by Reserve Bank of India under Income Recognition, Asset Classification and provisioning (IRAC) norms (vide RBI Master Circular dated October 01, 2021).

Quantitative Disclosures :

Total Gross Credit Risk Exposures including Geographic Distribution of Exposure :

(₹ in crore)

Exposure as on March 31, 2024	Domestic	Overseas	Total
Fund based	50,348.11	--	50,348.11
Non-Fund based (including derivative exposure)	2,345.36	--	2,345.36
Investment (Non SLR)	152.34	--	152.34
Total	52,845.81	--	52,845.81

Industry type distribution of exposures as on March 31, 2024

(₹ in crore)

INDUSTRY / ACTIVITY	Funded Exposure	Non-Funded Exposure	Investment Exposure (Non-SLR)	Total Exposure
Mining and Quarrying	164.61	32.28	0.00	196.89
Iron and Steel	1,232.50	83.43	0.33	1,316.26
Other Metal and Metal Products	993.37	124.88	0.00	1,118.25
Engineering of which Electronics	208.76	19.48	0.00	228.24
Others (incl Electrical & Home Appliances)	564.00	113.31	0.00	677.31
Cotton Textiles	1,994.27	83.52	0.00	2,077.79
Other Textiles	2,583.46	61.84	1.55	2,646.85
Food Processing	646.89	5.06	0.00	651.95
Beverages and Tobacco	17.07	0.00	0.00	17.07
Leather and Leather products	20.37	0.00	0.00	20.37
Wood and Wood Products	112.47	16.07	0.00	128.54
Paper and Paper Products	606.14	21.02	0.00	627.16
Petroleum, Coal Products and Nuclear Fuels	169.38	0.04	0.00	169.42
Drugs and Pharmaceuticals	170.88	33.15	0.00	204.03
Other Chemicals and Chemical Products	381.93	63.64	0.00	445.57
Rubber, Plastic and their Products	425.46	13.46	0.00	438.92
Glass & Glassware	15.74	0.00	0.00	15.74
Cement and Cement Products	41.45	0.90	0.00	42.35
Vehicles, Vehicle Parts and Transport Equipments & Auto parts	232.93	1.77	0.01	234.71
Gems and Jewellery	368.29	17.30	0.00	385.59
Construction	852.31	341.75	0.00	1,194.06
Infrastructure	52.94	0.00	0.00	52.94
Other Industries	1,143.08	152.92	0.00	1,296.00
All Industries / Activities Total	12,998.30	1,185.82	1.89	14,186.01
Residuary (other exposures)	37,349.81	1,159.54	150.45	38,659.80
Total Gross Exposure	50,348.11	2,345.36	152.34	52,845.81

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The details of the industries wherein the Bank's exposure in the related industry has exceeded the 5% of the total gross credit exposure as on March 31, 2024 is furnished below :

Industry	Total Exposure (₹ in crore)	% to Gross Credit Exposure
Other Textiles	2,646.85	5.01%

Residual contractual maturity breakdown of Assets as on March 31, 2024
(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	Total
1 day	2,228.08	474.99	6,687.78	52.32	9,443.17
2 to 7 days	282.7	2,863.88	1,168.50	107.39	4,422.51
8 to 14 days	124.76	2,075.04	514.82	135.35	2,849.97
15 to 30 days	94.72	742.54	390.87	57.26	1,285.39
31 days & upto 2 months	117.92	1,131.90	486.58	13.06	1,749.46
Over 2 months & upto 3 months	528.93	1,295.09	289.69	13.06	2,126.77
Over 3 months & upto 6 months	1,606.53	4,592.39	778.40	332.20	7,309.52
Over 6 months & upto 1 Year	662.88	8,179.68	1,014.44	54.81	9,911.81
Over 1 year & upto 3 years	1,292.00	17,425.47	4,178.53	392.14	23,288.14
Over 3 years & upto 5 years	4.33	2,352.43	27.84	68.41	2,453.01
Over 5 years	0.64	4,392.31	126.66	1,466.51	5,986.12
Total	6,943.53	45,525.72	15,664.11	2,692.51	70,825.87

Gross NPA		(₹ in crore)	Net NPA		(₹ in crore)
Sub-Standard		427.40	Sub-Standard		355.24
Doubtful 1		298.61	Doubtful 1		180.90
Doubtful 2		729.36	Doubtful 2		363.17
Doubtful 3		238.91	Doubtful 3		2.51
Loss		160.15	Loss		(3.14)
Gross NPA - Total		1,854.43	Net NPA - Total		898.68

Geographical wise NPA (₹ in crore)

Particulars	Domestic	Overseas	Total
Gross NPA	1,854.43	Nil	1,854.43
Provision for NPA	933.50	Nil	933.50
Provision for Standard asset	268.63	Nil	268.63

Particulars	%
Gross NPA to Gross Advances	3.99%
Net NPA to Net Advances	1.97%

(₹ in crore)

Major Industry	O/s Bal	Gross NPA	Provision held
Other Textiles	2,235.23	150.38	73.03

The movement of NPA are as under :

(₹ in crore)

Sl.No.	Position	NPA
1.	Opening Balance at the beginning of the year (April 1, 2023)	1,920.16
2.	Additions made during the year	1,013.51
3.	Reductions during the year	1,079.24
4.	Closing Balance at the end of the year (March 31, 2024) [1+ 2 -3]	1,854.43

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The movements of provisions for NPAs are as under :

(₹ in crore)

Sl.No.	Position	Total Provision
1.	Opening Balance at the beginning of the year (April 1, 2023)	902.53
2.	Provisions made during the year	327.00
3.	Write-off / Write-back of excess provisions during the year	296.03
4.	Closing Balance at the end of the year (March 31, 2024) [1+2 -3]	933.50

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(₹ in crore)

	Recovery made during the year March 31, 2024 which is directly taken to Income Account	215.14
--	--	--------

(₹ in crore)

1.	Non-Performing Investment	3.54
2.	Provision held for Non-Performing Investment	3.54

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The movement of provisions for depreciation on Investments :

(₹ in crore)

Sl.No.	Position	Total Provision
1.	Opening balance at the beginning of the year April 1, 2023	24.01
2.	Provisions made during the year	-
3.	Write-off during the year	-
4.	Write-back of excess provisions during the year	19.00
5.	Closing Balance at the end of the year (March 31, 2024) [1 + 2 - 3 - 4]	5.01

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Table DF - 4

CREDIT RISK : DISCLOSURES FOR PORTFOLIO SUBJECT TO THE STANDARDISED APPROACH

Qualitative Disclosures :

The Bank is accepting the ratings of the External Credit Rating Agencies approved by Reserve Bank of India, namely a) CRISIL, b) ICRA, c) CARE, d) India Ratings & Research Pvt Ltd, e) Acuite Ratings & Research Ltd and f) Infomeric Valuation and Rating Pvt. Ltd. to facilitate the corporate borrowers who enjoy credit facilities to get themselves rated. The corporates which are yet to get the approved ratings from these rating agencies are treated as 'Unrated'. RBI has mandated to include the Bank name in the credit rating to treat it as valid rating.

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 %	1,215.24	38,788.86	40,004.10
At 100 %	165.16	14,087.79	14,252.95
More than 100 %	434.85	1,845.35	2,280.20
Total outstanding after Mitigation	1,815.25	54,722.00	56,537.25
Deducted (as per Risk Mitigation)	23.10	14,048.63	14,071.73

Table DF - 5

CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

Qualitative Disclosures :

The Bank has put in place Credit Risk Mitigation and Collateral Management Policy with the primary objective of:

- Mitigation of Credit Risks and enhancing awareness on identification of appropriate collateral taking into account the spirit of Basel III / RBI guidelines
- Optimizing the benefit of Credit Risk Mitigation in computation of capital charge as per the approaches laid down in Basel III / RBI guidelines.

Valuation and methodologies are detailed in Credit Risk Management Policy, Valuation Policy and Loan Policy of the Bank.

The Bank recognizes the following Financial Collateral (FC) for Credit Risk Mitigation.

- Cash or Cash equivalent (Bank Deposits / Certificate of Deposits issued by the Bank, etc.)
- Gold Jewels (Including SGB)
- Indira Vikas Patras
- Kisan Vikas Patras
- National Savings Certificates
- Life Insurance Policies with a declared surrender value
- Securities issued by the 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.

j) Mutual Funds

The Bank accepts guarantees from individuals with considerable net worth and the Corporates, besides guarantee issued by Government, other Commercial Banks, ECGC and CGTSI.

Concentration Risk in Credit Risk Mitigation : All types of securities eligible for mitigation are easily realizable financial securities. As such, presently no limit / ceiling has been prescribed to address the concentration risk in credit risk mitigants recognized by the Bank. The portion of advances subjected to CRM including non-funded advances amounted to 29.00% 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 :

a. For each separately disclosed credit risk portfolio, the total exposure (after, where applicable, on-or off balance sheet netting) that is covered by eligible financial collateral (FCs) after the application of haircuts is given below :

(₹ in crore)

Portfolio category	Financial collateral	Quantum of exposure covered
Funded - Credit	Bank's own deposits	1,652.12
	Gold Jewels	11,032.04
	LIC / KVP / NSC	8.17
Non - Funded	Bank's own deposits	337.05

b. For each separately disclosed portfolio, the total exposure (after, On Balance Sheet netting) that is covered by Guarantees :

(₹ in crore)

Portfolio category	Guaranteed by	Quantum of exposure covered
Funded - Credit	Food Credit	65.32
	ECGC	350.00
	CGTSI	43.44
	ECLGS	1,115.25

Table DF - 6

SECURITIZATION EXPOSURES : DISCLOSURE FOR STANDARDISED APPROACH

Qualitative Disclosures : The Bank has not undertaken any securitization activity.

Quantitative Disclosures : NIL

Table DF - 7
MARKET RISK IN TRADING BOOK

Qualitative Disclosures :

Market Risk in trading book is assessed as per the Standardised Duration Approach. The capital charge for both investments and foreign exchange exposure is computed as per Reserve Bank of India prudential guidelines.

a. Definition of Market Risk :

Market Risk refers to the potential losses arising from volatility in interest rates, foreign exchange rates, equity prices and commodity prices. Market Risk arises with respect to all Market Risk Sensitive Financial Instruments, including Securities, Foreign Exchange Contracts, Equity and Derivative Instruments as well as from Balance Sheet or Structural Positions.

b. Portfolios covered under Standardised Approach :

The Bank's portfolio comprises of Government Securities, Equity Shares and Forex Portfolio.

c. Strategies and processes :

1. The Bank has put in place a Comprehensive Market Risk Management Framework to address the Market Risks (Bank Wide) including that of the Trading Book.
2. Within the above framework, various policies of the Bank prescribes Limits like Value at Risk

(VaR), Duration, Minimum holding level for Liquid Assets, Exposure limits, Forex Open Position Limits (day light / overnight), Stop-Loss Limits etc.

3. Risk profiles are analyzed and the effectiveness of risk mitigants is regularly monitored through Mid Office.
4. Adherence to limits are being monitored by dedicated Mid Office, reporting exceptions to the head of Risk Management Department, independent of Treasury / IBD operational units.

d. Risk Measurement :

1. Value at Risk (VaR) numbers is arrived for Equity Portfolio and Foreign Exchange Position.
2. The positions are marked to market at stipulated intervals. The Duration / Modified Duration for Trading Book is computed and its adherence to the prescribed duration limits is ensured.
3. The Bank is computing capital charge for both investments and foreign exchange exposure categories using Standardised Duration Approach as required under RBI guidelines.
4. Stress Testing Analysis is done by applying rate shocks on investment portfolio and also on foreign exchange open position.

Quantitative Disclosures :

(₹ in crore)

Capital charge for Market Risk as on March 31, 2024

Interest Rate Risk	36.93
Equity Position Risk	7.75
Foreign Exchange Risk	9.00
Total	53.68

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. Bank has made tie up arrangements with HDFC ERGO General Insurance Company Ltd for insurance coverage for Cyber Security, Crime & Signature Management plus Liability Insurance (3 policies) for ₹ 325.00 crore

Quantitative Disclosures :

Capital charge for Operational Risk is computed as per the Basic Indicator Approach and based on 15% of the average of the gross income for the previous three years i.e. 2020-21, 2021-22 & 2022-23 as defined in the Master Circular on Basel III Capital Regulations of RBI dated April 1, 2022. The Capital charge for Operational Risk is arrived at ₹ 394.47 crore.

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INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

Qualitative Disclosures :

Interest Rate Risk is the risk where changes in the market interest rates might affect a Bank's Financial condition. Changes in interest rates affect both the current earnings (earnings perspective) as also the net-worth of the Bank (economic value perspective). The risk from earnings perspective can be measured as impact in the Net Interest Income (NII) or Net Interest Margin (NIM). Similarly, the risk from economic value perspective can be measured as drop in the Economic Value of Equity (EVE).

The impact on income (earning perspective) is measured through use of Gap Analysis by applying notional rate shock up to 200 bps as prescribed.

For the calculation of impact on earnings, the Traditional Gap is taken from the Rate Sensitivity statement and based on the remaining period from the mid-point of a

particular bucket, the impact for change in interest rates up to 200 bps is arrived at for one year time horizon.

The Bank has adopted Duration Gap Analysis for assessing the impact (as a percentage) on the Economic Value of Equity (Economic Value Perspective) by applying a notional interest rate shock of 200 bps. RBI has issued draft guidelines vide DBOD.No. BP.7/21.04.098/2005-06 dated April 17, 2006 on improvements to Banks' Asset Liability Management Framework, covering Interest Rate Risk and Liquidity Risk measurement / reporting frameworks and prudential limits. Subsequently, on November 04, 2010, RBI issued a circular on Interest Rate Risk using Duration Gap Analysis and these guidelines have been taken into account while calculating IRRBB. As per the RBI guideline circular DOR.MRG.REC.102/00-00-009/2022-23 dated February 17, 2023 on "Governance, Measurement and Management of Interest Rate Risk in

Banking Book (IRRBB)", the Bank has computed the Interest Rate Risk in Banking Book (IRRBB) as per the guidelines for the position as on June 30, 2023 and reported the same to RBI during August 2023. 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 :

- a. The impact of change in Interest Rate i.e. Earnings at Risk for 200 bps interest rate shock as on March 31, 2024, is ₹ 253.32 crore.
- b. The impact of change in market value of Equity for an interest rate shock of 200 bps as on March 31, 2024, is 7.53%.

Table DF - 10

GENERAL DISCLOSURES FOR EXPOSURES RELATED TO COUNTERPARTY CREDIT RISK

Counterparty Credit Risk (CCR) is the risk that a counter party to a transaction could default before the final settlement of the transaction cash flows. Unlike a firm's exposure to credit risk through a loan, where the exposure to credit risk is unilateral and only the lending Bank faces the risk of loss, CCR creates a bilateral risk of loss to either party.

Counterparty Credit Risk in case of derivative contracts arises from the forward contracts. The subsequent credit risk exposures depend on the value of underlying market factors (e.g., interest rates and foreign exchange rates),

which can be volatile and uncertain in nature. The Bank does not enter into derivative transactions other than forward contracts.

Credit exposures on forward contracts

The Bank enters into the forward contracts in the normal course of business for proprietary trading and arbitrage purposes, as well as for our own risk management needs, including mitigation of interest rate and foreign currency risk. Derivative exposures are calculated according to the current exposures method.

Counterparty Credit exposure as on March 31, 2024

(₹ in crore)

Nature	Notional Amount	Potential Exposure @2%/10%	Current Exposure	Total credit Exposure
Forward contracts	5,697.67	198.77	38.81	237.58

The capital requirement for Bank's exposure to Qualified Central Counter Party (QCCP) has been computed for the exposure to Clearing Corporation of India (CCIL) as on March 31, 2024 amounting to ₹ 2,579.90 crore with risk weighted assets of ₹ 515.98 crore, which is forming part of

credit risk total. In terms of RBI circular dated March 28, 2013, the Credit Valuation Adjustment (CVA) risk capital charge has been computed, which amounted to ₹ 2.98 crore (the corresponding risk weighted value of ₹ 37.26 crore has also been added to credit risk weighted assets).

Table DF - 11

COMPOSITION OF CAPITAL

(₹ in million)

Basel III Common Disclosure - March 31, 2024		Amount	Ref No.
Common Equity Tier 1 Capital : Instruments and Reserves			
1.	Directly issued qualifying common Share Capital plus related stock surplus (Share Premium)	9,783.59	-
2.	Retained Earnings	72,262.92	-
3.	Accumulated other Comprehensive Income (and Other Reserves)	-	-
4.	Directly issued capital subject to phase out from CET 1 (only applicable to Non-Joint Stock Companies) Public Sector Capital injections grandfathered until January 1, 2018	-	-
5.	Common Share Capital issued by subsidiaries and held by third parties (amount allowed in group CET 1)	-	-
6.	Common Equity Tier 1 Capital before Regulatory Adjustments	82,046.51	-
Common Equity Tier 1 Capital : Regulatory Adjustments			
7.	Prudential valuation adjustments	-	-
8.	Goodwill (net of related tax liability)	-	-
9.	Intangibles (net of related tax liability)	271.98	-
10.	Deferred Tax Assets (Net)	729.85	-
11.	Cash-flow hedge reserve	-	-
12.	Shortfall of provisions to expected losses	-	-
13.	Securitization 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	6.70	-
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 - March 31, 2024		Amount	Ref No.
20.	Mortgage Servicing Rights (amount above 10% threshold)	-	-
21.	Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-
22.	Amount exceeding the 15% threshold	-	-
23.	of which : Significant Investments in the common stock of Financial Entities	-	-
24.	of which : Mortgage Servicing Rights	-	-
25.	of which : Deferred Tax Assets arising from temporary differences	-	-
26.	National specific regulatory adjustments (26a+26b+26c+26d)	-	-
26(a).	of which : Investments in the equity capital of Unconsolidated Insurance Subsidiaries	-	-
26(b).	of which : Investments in the equity capital of Unconsolidated Non-Financial Subsidiaries	-	-
26(c).	of which : Shortfall in the equity capital of majority owned Financial Entities which have not been consolidated with the Bank	-	-
26(d).	of which : Unamortised pension funds expenditures	-	-
27.	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	-
28.	Total Regulatory Adjustments to Common Equity Tier 1	1,008.53	-
29.	Common Equity Tier 1 Capital (CET1)	81,037.98	-
	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 - March 31, 2024		Amount	Ref No.
39.	Investments in the capital of Banking, Financial and Insurance Entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the Bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
40.	Significant investments in the capital of Banking, Financial and Insurance Entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-
41.	National Specific Regulatory Adjustments (41a+41b)	-	-
41(a).	of which, Investments in the Additional Tier 1 Capital of Unconsolidated Insurance Subsidiaries	-	-
41(b).	of which, 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 = CET 1 + Admissible AT1) (29 + 44a)	81,037.98	-
	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	3,718.49	-
51.	Tier 2 Capital before Regulatory Adjustments	3,718.49	-
	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 of 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 - March 31, 2024		Amount	Ref No.
56.	National Specific Regulatory Adjustments (56a+56b)	-	-
56(a).	of which : Investments in the Tier 2 Capital of Unconsolidated Insurance Subsidiaries	-	-
56(b).	of which : Shortfall in the Tier 2 Capital of majority owned Financial Entities which have not been consolidated with the Bank	-	-
57.	Total Regulatory Adjustments to Tier 2 Capital	Nil	-
58.	Tier 2 Capital (T2)	3,718.49	-
58(a).	Tier 2 Capital reckoned for Capital Adequacy (1.25% of credit RWA)	3,763.78	-
58(b).	Excess Additional Tier 1 Capital reckoned as Tier 2 Capital	-	-
58(c).	Total Tier 2 Capital admissible for Capital Adequacy	3,718.49	-
59.	Total Capital (TC = T1 + Admissible T2) (45 + 58c)	84,756.47	-
60.	Total Risk Weighted Assets (60a + 60b + 60c)	3,57,119.98	-
60(a).	of which : total credit risk weighted assets	3,01,101.84	-
60(b).	of which : total market risk weighted assets	6,709.44	-
60(c).	of which : total operational risk weighted assets	49,308.70	-
Capital Ratios			
61.	Common Equity Tier 1 (as a percentage of risk weighted assets)	22.69%	-
62.	Tier 1 (as a percentage of risk weighted assets)	22.69%	-
63.	Total Capital (as a percentage of risk weighted assets)	23.73%	-
64.	Institution specific buffer requirement (minimum CET1 requirement plus Capital Conservation and Countercyclical Buffer requirements plus higher of G-SIB buffer requirement and D-SIB buffer requirement, expressed as a percentage of risk weighted assets)	9.50%	-
65.	of which : Capital conservation buffer requirement	2.50%	-
66.	of which : Bank specific countercyclical buffer requirement	-	-
67.	of which : higher of G-SIB and D-SIB buffer requirement	-	-
68.	Common Equity Tier 1 available to meet buffers (as a percentage of RWA)	22.69%	-
National Minima (if different from Basel III)			
69.	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	-
70.	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	-
71.	National total Capital minimum ratio (if different from Basel III minimum)	11.50%	-
Amounts below the thresholds for deduction (before risk weighting)			
72.	Non-significant Investments in the capital of other Financial Entities	-	-
73.	Significant Investments in the common stock of Financial Entities	-	-
74.	Mortgage Servicing Rights (net of related tax liability)	-	-
75.	Deferred tax assets arising from temporary differences (net of related tax liability)	-	-

(₹ in million)

Basel III Common Disclosure - March 31, 2024		Amount	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)	3,718.49	-
77.	Cap on inclusion of provisions in Tier 2 under Standardised Approach	3,718.49	-
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 March 31, 2023 and March 31, 2024)			
80.	Current cap on CET 1 instruments subject to phase out arrangements	-	-
81.	Amount excluded from CET 1 due to cap (excess over cap after redemptions and maturities)	-	-
82.	Current cap on AT 1 instruments subject to phase out arrangements	-	-
83.	Amount excluded from AT 1 due to cap (excess over cap after redemptions and maturities)	-	-
84.	Current cap on T 2 instruments subject to phase out arrangements	-	-
85.	Amount excluded from T 2 due to cap (excess over cap after redemptions and maturities)	-	-

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Notes to the template

(₹ in million)

Row No. of the template	Particulars	Amount
10.	Deferred Tax Assets associated with accumulated losses Deferred Tax Assets (excluding those associated with accumulated losses) net of Deferred Tax Liability Total as indicated in row 10	- 729.85 729.85
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	-
50.	Eligible Provisions included in Tier 2 Capital	3,718.49
	Eligible Revaluation Reserves included in Tier 2 Capital	-
	Total of row 50	3,718.49

Basel III

Table DF - 12

COMPOSITION OF CAPITAL - RECONCILIATION REQUIREMENTS

Step 1

(₹ in million)

Particulars as on March 31, 2024	Balance Sheet as in financial statements	Balance Sheet under regulatory scope of consolidation
A Capital & Liabilities		
I Total Capital	84,014.31	↑ NOT APPLICABLE ↓
Paid-Up Capital	740.67	
Reserves & Surplus	83,273.64	
Minority Interest	-	
II Deposits	5,56,566.41	
of which : Deposits from Banks	53.32	
of which : Customer Deposits	5,56,513.09	
of which : Other Deposits (pl. specify)	-	
III Borrowings	47,241.58	
of which : From RBI (REPO)	13,520.00	
of which : From Banks	18.56	
of which : From other Institutions & Agencies	33,703.02	
of which : Others (pl. specify) Outside India	-	
of which : Capital Instruments	-	
IV Other Liabilities & Provisions	20,436.38	
Total Liabilities	7,08,258.68	
B Assets		
I Cash and Balances with Reserve Bank of India	46,154.03	
Balance with Banks and Money at Call and Short Notice	23,281.24	
II Investments	1,56,641.11	
of which : Government Securities	1,55,163.13	
of which : Other Approved Securities	-	
of which : Shares	50.28	
of which : Debentures & Bonds	1,118.74	
of which : Subsidiaries / Joint Ventures / Associates	-	
of which : Others (Commercial Papers, Mutual Funds etc.)	308.96	
III Loans and Advances	4,55,257.19	
of which : Loans and Advances to Banks	5,250.11	
of which : Loans and Advances to Customers	4,50,007.08	
IV Fixed Assets	2,703.73	
V Other Assets	24,221.38	
of which : Goodwill and Intangible Assets	-	
of which : Deferred Tax Assets	2,544.61	
VI Goodwill on Consolidation	-	
VII Debit Balance in Profit & Loss Account	-	
Total Assets	7,08,258.68	

Step 2

- 1) As the Bank is not having any subsidiary, no disclosure relating to any legal entity for regulatory consolidation is made.
- 2) Break up for DF-11 items is given below as shown in the Bank's Financial Statements :

Common Equity Tier 1 Capital : Instruments and Reserves

Ref. No.	As per Balance Sheet	₹ in million	As shown in DF-11 Composition of Capital	As shown in DF-12 (Step1) Balance Sheet
a)	Paid-up Capital	740.67	Sl.No.1	Paid-up Capital
b)	Share Premium	9,042.92		Reserves & Surplus
c)	Statutory Reserves	23,060.00	Sl.No.2	Reserves & Surplus
d)	Capital Reserves	3,263.20		Reserves & Surplus
e)	General Reserves	38,715.00		Reserves & Surplus
f)	Special Reserve under IT	7,210.00		Reserves & Surplus
g)	Balance in P&L (less dividend payable)	14.72		Reserves & Surplus
Total		82,046.51		

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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)	271.98	Sl.No. 9	Included in Fixed Assets
i)	Deferred Tax Assets (net)	729.85	Sl.No. 10	Other Assets / Liabilities
Total		1,001.83		

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	856.80	Sl.No. 50	Reserves & Surplus
k)	Provision for Standard Assets	2,686.30		Other Liabilities & Provisions
l)	Provision for Country Risk Exposure	22.50		
m)	Provision for Unhedged Foreign Currency Exposure (UFCE)	27.24		
n)	Provision for impact of COVID - 19	125.65		
Total		3,718.49		

Step 3

(₹ in million)

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

Common Equity Tier 1 Capital : Instruments and Reserves

Sl. No.	Particulars	Component of Regulatory Capital reported by Bank	Source based on reference numbers / letters of the Balance Sheet under the Regulatory scope of consolidation from step 2
1.	Directly issued qualifying common share (and equivalent for Non-Joint Stock Companies) Capital plus related stock surplus	9,783.59	2(a) & 2 (b)
2.	Retained Earnings	72,262.92	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	82,046.51	(Sum of 1 & 2 above)
7.	Prudential valuation adjustments	-	
8.	Goodwill (net of related tax liability)	-	

Table DF - 13

MAIN FEATURES OF REGULATORY CAPITAL INSTRUMENTS

Main Features of Regulatory Capital Instruments (Equity Shares & Bond Series I, II)				
Sl.No.	Description	Equity Shares	Bond Series II	
1.	Issuer	City Union Bank Ltd	↑ NIL ↓	
2.	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for Private Placement)	INE491A01021		
3.	Governing law(s) of the instrument	Applicable Indian Statutes and Regulatory Requirements		
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)	740.67 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.	The Compensation & Remuneration Committee comprised of four members. The mandate includes administration of Employee Stock Options, review of Compensation Policy of the Bank, review of compensation to MD & CEO, consider payment of Profit Linked Commission to Non Executive Directors etc.
(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) The proportion of cash equity and other forms of compensation are consistent with risk alignment <p>Objectives :</p> <ul style="list-style-type: none"> i) Alignment of compensation with prudent risk taking.
(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.	The Compensation is adjusted for all types of risks and compensation outcomes are symmetric with risk outcomes.
(d)	Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration.	Qualitative features such as skills, knowledge and abilities are factored in, besides performance in financial parameters
(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.	The deferral part in Cash Component (if any) and Non-Cash Component under variable remuneration shall be for a period for 3 years as provided under the Compensation Policy of the Bank. The criteria for adjusting the deferred remuneration shall be as per the Compensation Policy, applicable ESOP Scheme of the Bank and also, the RBI guideline dt. November 4, 2019 on Compensation to Whole-time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staffs, Clarification issued by RBI on August 30, 2021 w.r.t. above guideline dt. November 4, 2019, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other relevant Regulatory / Statutory stipulations.
(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.	The Bank pays variable remuneration as approved by RBI for each FY comprising of Cash Component and Non - Cash Component (in the form of ESOP at present). The grant of above forms of variable compensation is subject to relevant Regulatory / Statutory stipulations.

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Quantitative Disclosures: The quantitative disclosures pertaining to the MD & CEO as on March 31, 2024 and March 31, 2023 is given below :

	Particulars	Current Year March 31, 2024	Previous Year March 31, 2023
(a)	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	9 meetings of the Compensation & Remuneration Committee ("CRC") was held during the financial year and the total remuneration & commission paid to the Committee members during the year is ₹1,03,46,575/- (including profit linked commission of ₹38,46,575/- paid to the members pertaining to FY 2023).	7 meetings of the Compensation & Remuneration Committee ("CRC") was held during the financial year and the total remuneration & commission paid to the Committee members during the year is ₹31,00,000/- (including profit linked commission of ₹24,00,000/- paid to the members pertaining to FY 2022).
(b)	1. Number of employees having received a variable remuneration award during the financial year.	1	1
	2. Number and total amount of sign – on awards made during the financial year.	NIL	NIL
	3. Details of guaranteed bonus, if any, paid as joining / sign on bonus.	NIL	NIL
	4. Details of severance pay, in addition to accrued benefits, if any.	NIL	NIL
(c)	1. Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	<p>Variable Pay FY 2023</p> <p>The outstanding deferred remuneration is as under :</p> <p>i. Cash Component : ₹ 49,00,000/- deferred over a period of 3 years</p> <p>ii. Non Cash Component : ₹ 98,00,000/-</p> <p>74,428 Stock Options had been granted by the CRC for the aforesaid amount, at its meeting held on March 26, 2024 and the same is deferred over a period of 3 years.</p>	<p>Deferred Variable Pay FY 2022 : NIL</p> <p>Outstanding Deferred Variable Pay FY 2021 :</p> <p>i. Cash Component : ₹21,19,109/-</p> <p>ii. Non Cash Component :</p> <p>26,950 Stock Options approved by the CRC at its meeting held on August 8, 2022 amounting to ₹42,38,217/- (overall approved limit of RBI) which is deferred over a period of 3 years.</p>

Quantitative Disclosures: The quantitative disclosures pertaining to the MD & CEO as on March 31, 2024 and March 31, 2023 is given below :

	Particulars	Current Year March 31, 2024	Previous Year March 31, 2023
		<p>Variable Pay FY 2022</p> <p>The outstanding deferred remuneration is as under :</p> <ul style="list-style-type: none"> • Cash Component : Nil • Non Cash Component : Nil <p>Variable Pay FY 2021</p> <p>The outstanding deferred remuneration is as under :</p> <ul style="list-style-type: none"> • Cash Component : Deferral 3 - ₹7,06,370/- • Non Cash Component : Deferral 2 - 8,085 Stock Options due for vesting in August 2024 Deferral 3 - 10,780 Stock Options due for vesting in August 2025 	NIL
	2. Total amount of deferred remuneration paid out in the financial year.	<p>Variable Pay FY 2021</p> <p>Deferred remuneration paid in FY 2024 is as under :</p> <ul style="list-style-type: none"> • Cash Component : Deferral 1 - ₹7,06,370/- Deferral 2 - ₹7,06,370/- • Non Cash Component : Deferral 1 - 8,085 Stock Options exercised in FY 2024 	NIL
(d)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred	<p>Fixed Pay :</p> <p>Revision for MD & CEO approved by RBI vide its letter dt. January 31, 2024 :</p> <ul style="list-style-type: none"> • ₹1,96,00,000/- per annum (including perquisites) for FY 2023 • ₹2,15,00,000/- per annum (including perquisites) for FY 2024 	<p>Fixed Pay :</p> <p>₹ 1,78,13,112/- per annum (including perquisites) w.e.f. May 1, 2021 approved by RBI vide its letter dt. February 17, 2023</p>

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Quantitative Disclosures: The quantitative disclosures pertaining to the MD & CEO as on March 31, 2024 and March 31, 2023 is given below :

	Particulars	Current Year March 31, 2024	Previous Year March 31, 2023
		<p>Variable Pay:</p> <p>Variable pay to MD & CEO for FY 2023 was approved by RBI vide its letter dt. January 31, 2024 - ₹1,96,00,000/-</p> <ul style="list-style-type: none"> ● Cash Component: <ul style="list-style-type: none"> ₹ 98,00,000/- Upfront portion: ₹ 49,00,000/- Deferred portion: ₹ 49,00,000/- due for payment as per below: <ul style="list-style-type: none"> Deferral 1 ₹ 16,33,333/- in FY 2025 Deferral 2 ₹ 16,33,333/- in FY 2026 Deferral 3 ₹ 16,33,334/- in FY 2027 ● Non Cash Component: <ul style="list-style-type: none"> ₹ 98,00,000/- (100% Deferral) 74,428 Stock Options had been granted by the CRC for the aforesaid amount, at its meeting held on March 26, 2024 and the same is deferred over a period of 3 years. The vesting schedule is given below: <ul style="list-style-type: none"> Deferral 1 - 22,328 Stock Options - March 2025 Deferral 2 - 22,328 Stock Options - March 2026 Deferral 3 - 29,772 Stock Options - March 2027 	<p>Variable Pay:</p> <p>Variable pay to MD & CEO for FY 2022 was approved by RBI vide its letter dt. February 17, 2023 - ₹ 84,76,435/-. However as per such approval, he is eligible for only upfront portion under cash component for ₹ 21,19,109/- pursuant to para 2.1.3(c) of RBI guidelines on Compensation to Whole time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff dt. November 4, 2019.</p>

Quantitative Disclosures: The quantitative disclosures pertaining to the MD & CEO as on March 31, 2024 and March 31, 2023 is given below :

	Particulars	Current Year March 31, 2024	Previous Year March 31, 2023	
(e)	1. Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustments.	NIL	NIL	Digital Banking
	2. Total amount of reductions during the financial year due to ex-post explicit adjustments.	NIL	NIL	Statutory Reports
	3. Total amount of reductions during the financial year due to ex-post implicit adjustments.	NIL	NIL	Financial Statements
(f)	Number of MRTs identified	NIL	NIL	Financial Statements
(g)	1. Number of cases where malus has been exercised.	NIL	NIL	List of Branches
	2. Number of cases where clawback has been exercised.	NIL	NIL	
	3. Number of cases where both malus and clawback have been exercised.	NIL	NIL	
(h)	General Quantitative Disclosure : The mean pay for the Bank as a whole (excluding sub-staff) and deviation of the pay of each of its WTDs from the mean pay.	₹ 2,14,23,028.00	₹ 1,16,02,686.00	Basel III

1. Disclosure on remuneration to Non-Executive Directors :

All the Non-Executive Directors are paid remuneration by way of sitting fees for attending meeting of the Board and its Committees. Further they are eligible for Profit Linked Commission (PLC) pursuant to the extant RBI guidelines on "Compensation of Non-Executive Directors of Private Sector Banks", the Companies Act, 2013 and the Compensation Policy of the Bank. An amount of ₹ 1.42 crore & ₹ 0.78 crore (Previous year FY 2022-23, ₹1.38 crore & ₹ 0.56 crore) was

paid as Sitting fees & PLC for FY 2023 (on pro-rata basis) respectively to the Non-Executive Directors of the Bank during the year.

Disclosure of facilities granted to directors and their relatives - NIL

2. Employees Stock Option

The Bank has allotted 2,55,519 (P.Y. 8,31,472) equity shares during the year to its eligible employees who have exercised their options granted under ESOP of the Bank.

Table DF - 16

EQUITIES - DISCLOSURE FOR BANKING BOOK POSITIONS

There are no equity investments as on March 31, 2024 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 June 28, 2019.

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

SUMMARY COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO EXPOSURE MEASURE- March 31, 2024

(₹ in million)

Sl. No.	Item	Amount
1.	Total consolidated assets as per published Financial Statements	7,08,258.69
2.	Adjustment for Investments in Banking, Financial, Insurance or Commercial Entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(6.70)
3.	Adjustment for fiduciary assets recognized on the Balance Sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4.	Adjustments for Derivative Financial Instruments	2,375.80
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)	25,682.06
7.	Other Adjustments (intangible)	(1,001.83)
	Leverage Ratio exposure	7,35,308.02

Table DF - 18

LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE - March 31, 2024

(₹ in million)

Sl. No.	Item	Amount
On - Balance Sheet Exposures		
1.	On-Balance Sheet items (excluding Derivatives and SFTs, but including Collateral)	7,08,258.69
2.	(Asset amounts deducted in determining Basel III Tier 1 Capital)	(1,008.53)
3.	Total On-Balance Sheet exposures (excluding Derivatives and SFTs) (sum of lines 1 and 2)	7,07,250.16
Derivative Exposures		
4.	Replacement cost associated with all Derivative transactions (i.e. net of eligible cash variation margin)	2,375.80
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)	2,375.80
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	76,624.73
18.	(Adjustments for conversion to credit equivalent amounts)	(50,942.67)
19.	Off-Balance Sheet Items (sum of lines 17 and 18)	25,682.06
Capital and Total Exposures		
20.	Tier 1 Capital	81,037.98
21.	Total exposures (sum of lines 3, 11, 16 and 19)	7,35,308.02
Leverage Ratio		
22.	Basel III Leverage Ratio (20/21)	11.02%

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DECADE OF PROGRESS

(₹ in crore)

Year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Paid up capital	59.66	59.82	60.11	66.47	73.45	73.73	73.88	73.96	74.04	74.07
Reserve fund and Other Reserves	2635.87	2992.18	3510.09	4096.76	4767.31	5222.34	5768.59	6511.75	7383.17	8327.36
Deposits	24074.96	27158.13	30115.74	32852.62	38447.95	40832.49	44537.36	47689.67	52397.86	55656.64
Advances	17965.50	21056.92	23832.70	27852.79	32673.34	33927.45	36157.83	40358.47	43053.35	45525.72
Investments	5870.67	6826.45	7031.45	7879.11	7712.20	9116.79	9435.94	12221.22	14332.63	15664.11
Net Profit	395.02	444.69	502.77	592.00	682.85	476.32	592.82	760.16	937.48	1015.73
Dividend	110%	120%	30%	30%	50%	50%	50%	100%	100%	*150%
No. of Branches	475	525	550	600	650	700	702	727	752	800
Total No. of Staff	4364	4517	4688	5319	5518	5741	5843	5367	6019	7188
Intrinsic value of Shares (₹)	45.18	51.02	59.40	62.63	65.91	71.83	79.08	89.04	100.72	113.43
Earning Rate (%)	662.12	743.38	836.42	890.63	929.68	646.03	802.41	1027.80	1266.18	1371.31

* 100% Dividend plus 50% as a Special Dividend in commemoration of 120th year of the Bank.

Form ISR - 1

(see SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

REQUEST FOR REGISTERING PAN, KYC DETAILS OR CHANGES / UPDATION THEREOF

[For Securities (Shares / Debentures / Bonds, etc.) of listed companies held in physical form]

Date: __ / __ / ____

A. I / We request you to Register / Change / Update the following (Tick relevant box)

<input type="checkbox"/> PAN	<input type="checkbox"/> Postal Address
<input type="checkbox"/> Bank Details	<input type="checkbox"/> e-mail ID
<input type="checkbox"/> Signature	<input type="checkbox"/> Mobile Number

B. Security Details :

Name of the Issuer Company		Folio No. :
Name(s) of the Security holder(s) as per the Certificate(s)	1. 2. 3.	
Number & Face value of Securities		
Distinctive number of Securities (Optional)	From	To

C. I / We are submitting documents as per Table below (tick as relevant, refer to the instructions) :

<input checked="" type="checkbox"/>	Document / Information / Details	Instruction / Remark
1	PAN of (all) the (joint) holder(s)	
	PAN Whether it is Valid (linked to Aadhaar) : <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> PAN shall be valid only if it is linked to Aadhaar by March 31, 2022* For Exemptions / Clarifications on PAN, please refer to Objection Memo in page 4

2	Demat Account Number	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Also provide Client Master List (CML) of your Demat Account, provided by the Depository Participant.
3	Proof of Address of the first holder	<p>Any one of the documents, only if there is change in the address ;</p> <ul style="list-style-type: none"> ● Client Master List (CML) of your Demat Account, provided by DP. Valid Passport / Registered Lease or Sale Agreement of Residence / Driving License / Flat Maintenance bill. ● Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old. ● Identity card / document with address, issued by any of the following : Central / State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions. ● For FII / Sub Account, Power of Attorney given by FII / Sub-Account to the Custodians (which are duly notarized and / or apostilled or consularised) that gives the registered address should be taken. ● The proof of address in the name of the spouse 	
4	Bank Details	<p>Account Number :</p> <p>Bank Name :</p> <p>Branch Name :</p> <p>IFS Code :</p> <p>Provide the following :</p> <p>Original Cancelled Cheque with name of Security holder printed on it or Bank Passbook or Bank Statement attested by the Bank #</p>	
5	e-mail Address	_____ #	
6	Mobile	_____ #	

* or any date as may be specified by the CBDT (DP : Depository Participant)

In case it is not provided, the details available in the CML will be updated in the Folio

Authorization: I / We authorise you (RTA) to update the above PAN and KYC details in my / our folio (s)

.....,(use Separate Annexure if extra space is required) in which I / We are the holder(s) (strike off what is not applicable).

Declaration: All the above facts stated are true and correct.

	Holder 1	Holder 2	Holder 3
Signature			
Name			
Full Postal Address			
PIN	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		

Mode of submission of documents to the RTA

Please use any one of the following mode;

1. In Person Verification (IPV) : by producing the originals to the authorized person of the RTA, who will retain copy(ies) of the document(s)
2. In hard copy : by furnishing self-attested photocopy(ies) of the relevant document, with date
3. Through e-mail address already registered with the RTA, with e-sign of scanned copies of documents
4. Service portal of the RTA with e-sign with scanned copies of documents, if the RTA is providing such facility

Note

<ul style="list-style-type: none"> ● It is mandatory for Holders of Physical Securities in Listed Company to furnish PAN, full KYC details (Address Proof, Bank details, e-mail Address, Mobile Number) and Nomination (for all the eligible Folios). 		
<ul style="list-style-type: none"> ● Upon receipt or up-dation of Bank details, the RTA automatically, pay electronically, all the moneys of / payments to the Holder that were previous unclaimed / unsuccessful. 		
<ul style="list-style-type: none"> ● RTA shall update the Folio with PAN, KYC details and Nominee, within seven working days of its receipt. However, cancellation of Nomination, shall take effect from the date on which this intimation is received by the Company / RTA. 		
<ul style="list-style-type: none"> ● RTA shall not insist on Affidavits or Attestation / Notarization or indemnity for registering / up-dating / changing PAN, KYC details and Nomination. 		
<table border="1"> <tr> <td>Specimen Signature</td> <td> <ul style="list-style-type: none"> ● Provide Banker's attestation of the signature of the Holder(s) as per Form ISR - 2 in SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021) and ● Original Cancelled Cheque with name of security holder printed on it or Bank Passbook or Bank Statement attested by the Bank </td> </tr> </table>	Specimen Signature	<ul style="list-style-type: none"> ● Provide Banker's attestation of the signature of the Holder(s) as per Form ISR - 2 in SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021) and ● Original Cancelled Cheque with name of security holder printed on it or Bank Passbook or Bank Statement attested by the Bank
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<table border="1"> <tr> <td>Nomination **</td> <td> <ul style="list-style-type: none"> ● Providing Nomination: Please submit the duly filled up Nomination Form (SH-13) or 'Declaration to Opt out of Nomination' as per Form ISR-3, in SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 03, 2021 ● Change in Existing Nomination: Please use Form SH-14 in SEBI Circular SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2021/655 ● Cancellation of Existing Nomination : use Form SH-14 & Form ISR - 3 </td> </tr> </table>	Nomination **	<ul style="list-style-type: none"> ● Providing Nomination: Please submit the duly filled up Nomination Form (SH-13) or 'Declaration to Opt out of Nomination' as per Form ISR-3, in SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 03, 2021 ● Change in Existing Nomination: Please use Form SH-14 in SEBI Circular SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2021/655 ● Cancellation of Existing Nomination : use Form SH-14 & Form ISR - 3
Nomination **	<ul style="list-style-type: none"> ● Providing Nomination: Please submit the duly filled up Nomination Form (SH-13) or 'Declaration to Opt out of Nomination' as per Form ISR-3, in SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 03, 2021 ● Change in Existing Nomination: Please use Form SH-14 in SEBI Circular SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2021/655 ● Cancellation of Existing Nomination : use Form SH-14 & Form ISR - 3 	

** Nomination (Form SH-13 or SH-14) / 'Declaration to Opt-Out of Nomination' (Form ISR - 3), has to be furnished by the Holder(s) separately for each Listed Company.



Objection Memo that can be raised by the RTA
(only if the relevant document / details is / are not available in the Folio or if there is a mismatch / discrepancy in the same or change thereof)

Note

RTAs shall raise all objections, if any / at all, in one instance only; the RTA shall not raise further objections on the same issue again and again, after the Holder / Claimant furnishes all the prescribed documents and details, unless there is any deficiency / discrepancy in the same.

No.	Item	Documents / Details to be provided to the RTA by the holder(s) / claimant(s)
1.	PAN – Exceptions and Clarification	'Exemptions/clarifications to PAN', as provided in Clause D to 'Instructions/Check List for Filing KYC Forms' in Annexure - 1 to SEBI Circular No. MIRSD/SE/Cir-21/2011 dated October 05, 2011 on uniform Know Your Client (KYC) requirements for the Securities Market, shall also be applicable for Holder(s) / Claimant(s) of Securities held in Physical Mode.
2.	Minor mismatch in Signature - minor	The RTA shall intimate the holder at the existing address, seeking objection, if any, within 15 days
3.	Major mismatch in Signature or its non-availability with the RTA	<ul style="list-style-type: none"> ● Banker's attestation of the signature of the Holder(s) as per Form ISR - 2 ● Original cancelled cheque with name of security holder printed on it or Bank Passbook or Statement attested by the Bank
4.	Mismatch in Name	<p>Furnish any one of the following documents, explaining the difference in names;</p> <ul style="list-style-type: none"> ● Unique Identification Number (UID) (Aadhaar) ● Valid Passport ● Driving License ● PAN card with photograph ● Identity card / document with applicant's Photo, issued by any of the following: Central / State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions ● Marriage Certificate ● Divorce decree
5.	Present address of the holder is not matching with the address available in the folio	<p>RTA shall issue intimation to both the old and new addresses.</p> <ul style="list-style-type: none"> ● In case where the letter is undelivered at the old address, RTA shall not insist for any proof of the old address provided the current address proof is in the form of an address proof issued by a Government Authority. <p>The above procedure will be applicable for request for change in address of the Holder also</p>

Form ISR - 2

(see circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

Confirmation of Signature of Securities Holder by the Banker

Bank Name :

Folio No. :

1. Bank Name and Branch			
2. Bank contact details Postal Address Phone number e-mail Address			
3. Bank Account Number			
4. Account opening date			
5. Account Holder(s) Name(s)	1)	2)	3)
6. Latest photograph of the Account Holder(s)	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center;">1st Holder</div> <div style="border: 1px solid black; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center;">2nd Holder</div> <div style="border: 1px solid black; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center;">3rd Holder</div> </div>		
7. Account Holder(s) details as per Bank Records			
a) Address			
b) Phone Number			
c) e-mail Address			
d) Signature(s)	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">1) <div style="border: 1px solid black; width: 80px; height: 40px; display: inline-block;"></div></div> <div style="text-align: center;">2) <div style="border: 1px solid black; width: 80px; height: 40px; display: inline-block;"></div></div> <div style="text-align: center;">3) <div style="border: 1px solid black; width: 80px; height: 40px; display: inline-block;"></div></div> </div>		
Seal of the Bank	Signature verified as recorded with the Bank		
	(Signature)		
Place :	Name of the Bank Manager		
	Employee Code		
Date :	e-mail Address		

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Form No. SH-13

Nomination Form

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

To

Name of the Company :

Address of the Company :

I / We the holder(s) of the Securities particulars of which are given hereunder wish to make Nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such Securities in the event of my / our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which Nomination is being made)

Nature of Securities	Folio No.	No. of Securities	Certificate No.	Distinctive Nos.

(2) PARTICULARS OF NOMINEE

- (a) Name :
- (b) Date of Birth :
- (c) Father's / Mother's / Spouse name :
- (d) Occupation :
- (e) Nationality :
- (f) Address :
- (g) e-mail ID :
- (h) Relationship with the Security Holder :

(3) IN CASE NOMINEE IS A MINOR

- (a) Date of Birth :
- (b) Date of attaining Majority :
- (c) Name of Guardian :
- (d) Address of Guardian :

(4) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY

- (a) Name :
- (b) Date of Birth :
- (c) Father's / Mother's / Spouse name :
- (d) Occupation :
- (e) Nationality :
- (f) Address :
- (g) e-mail ID :
- (h) Relationship with the Security Holder :
- (I) Relationship with Minor Nominee :



Name

Address

Name of the Security Holder(s)

Signature of the Security Holder (s)

Witness with Name and Address

Signature of the Witness

Instructions :

- 1) Nomination can be made by individuals only, holding share on their own behalf
- 2) Transfer of shares in favour of a Nominee shall be valid discharge by the Company against the legal heir
- 3) Nomination stand rescinded upon transfer of shares
- 4) Nomination forms shall be submitted in duplicate. Duplicate copy of the same will be returned to you for your records after Nomination is registered by the Company



Form No. ISR-4

(see Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 on Issuance of Securities in dematerialized form in case of Investor Service Requests)

Request for issue of Duplicate Certificate and other Service Requests

(for Securities - Shares / Debentures / Bonds, etc., held in Physical Form)

Date :

A. Mandatory Documents / details required for processing all service request:

I / We are submitting the following documents / details and undertake to request the Depository Participant to dematerialize my / our securities within 120 days from the date of issuance of Letter of Confirmation, received from the RTA/Issuer Company

(tick ✓ as relevant, refer to the instructions) :

- Demat Account No. (If available) :

Provide Client Master List (CML) of your Demat Account from the Depository Participant*

- Provide the following details, if they are not already available with the RTA (see SEBI circular dated November 03, 2021 in this regard)

PAN	<input type="checkbox"/>	Specimen Signature	<input type="checkbox"/>
Nomination / Declaration to Opt-out	<input type="checkbox"/>		

* (Your Address, e-mail Address, Mobile Number and Bank details shall be updated in your Folio from the information available in your CML). You can authorize the RTA to update the above details for all your Folios. In this regard, please refer to and use Form ISR-1 in SEBI circular dated November 03, 2021.

B. I / We request you for the following (tick ✓ relevant box)

<input type="checkbox"/> Issue of Duplicate Certificate	<input type="checkbox"/> Claim from Unclaimed Suspense Account
<input type="checkbox"/> Replacement / Renewal / Exchange of Securities Certificate	<input type="checkbox"/> Endorsement
<input type="checkbox"/> Sub-division / Splitting of Securities Certificate	<input type="checkbox"/> Consolidation of Folios
<input type="checkbox"/> Consolidation of Securities Certificate	<input type="checkbox"/> Transmission

<input type="checkbox"/>	Transposition (Mention the new order of Holders here)
	1)
	2)
	3)

C. I / We enclosing Certificate(s) as detailed below:**

Name of the Issue Company	
Folio Number	
Name(s) of the Security holder(s) as per the Certificate(s)	1. 2. 3.
Certificate Numbers	
Distinctive Numbers	
Number & Face value of Securities	

** Wherever applicable / whichever details are available

D. Document / details required for specific service request :

- I. Duplicate Securities Certificate
- II. Claim from Unclaimed Suspense Account

Securities Claimed	(in numbers) (in words)
--------------------	--------------------------------



- III. Replacement / Renewal / Exchange of Securities Certificate (that is defaced, mutilated, torn, decrepit, worn out or where the page on the reverse is fully utilized)
- IV. Endorsement
- V. Sub-division / Splitting of Securities Certificate
- VI. Consolidation of Securities Certificate / Folios
- VII. Transmission
- VIII. Transposition

Provide / attach Original Securities Certificate(s) for request for item numbers III to VIII above.

Declaration : All the above facts stated are true and correct to best of my / our knowledge and belief.

	Securities Holder 1 / Claimant	Securities Holder 2	Securities Holder 3
Signature			
Name			
Full address			
Pin	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

After processing the service request, the RTA shall issue a 'Letter of Confirmation' to the Securities Holder/Claimant, which is valid only for 120 days. Using this 'Letter of Confirmation', the Securities Holder / Claimant shall request the DP to dematerialize the Securities, failing which the Securities shall be credited to the Suspense Escrow Demat Account of the Company.

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Beware of Vishing & Phishing Attacks

Do not click on unsolicited links or share personal or financial information with unverified callers.

Cyber Jaagrookta Diwas

Report social media pages, Mobile Apps, Websites, Emails, etc., impersonating the CUB to customerscare@cityunionbank.in

Dial 1800 or register your complaint at <https://cybercrime.gov.in> to report cyber fraud incidents.

www.cityunionbank.com

AADHAAR BIOMETRIC SCAM

Scammers can steal your money with just your fingerprint, Aadhaar number and bank name, you will not even receive any OTP or SMS notification.

Top locations for Aadhaar theft, followed by scammers stalking victims for bank name: Cyber cafes, Hotels, Spas/sauna shops.

HERE ARE IMMEDIATE STEPS FOR VICTIMS OF AADHAAR-ENABLED PAYMENT SYSTEM (AEPS) FRAUD WHO HAVE NOT LOCKED THEIR BIOMETRIC DATA:

- CALL THE BANK'S CUSTOMER CARE**
Call the bank's customer care 091-7225000 to report the fraud.
- ACCOUNT BLOCK**
Ask the bank to block your account temporarily to stop unauthorized transactions.
- NOTIFY THE AUTHORITIES**
Notify the National Cyber Crime Reporting Portal (<https://cybercrime.gov.in/>) and file a police complaint.

Cyber Jaagrookta Diwas

Report social media pages, Mobile Apps, Websites, Emails etc., impersonating the CUB to customerscare@cityunionbank.in

Dial 1800 or register your complaint at <https://cybercrime.gov.in> to report cyber fraud incidents.

www.cityunionbank.com

Don't Trust on clumsy offers in WhatsApp, Instagram, X, Facebook and other social media for sharing your bank account and other credentials

Cyber Jaagrookta Diwas

Report social media pages, Mobile Apps, Websites, Emails, etc., impersonating the CUB to reportphishing@cityunionbank.in

Dial 1800 or register your complaint at <https://cybercrime.gov.in> to report cyber fraud incidents.

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Be careful while allowing remote access application on your devices to safeguard you from fraudsters!

Protect your hard earned money!! stay safe online!!!

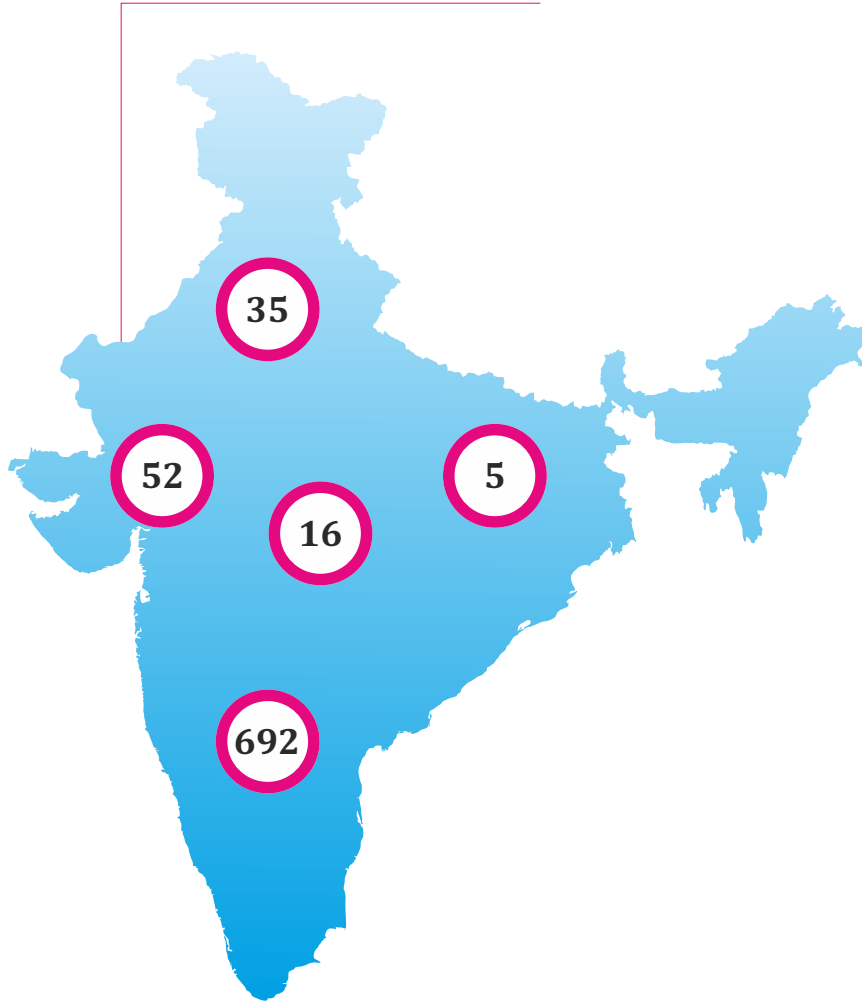
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REGIONWISE BRANCHES



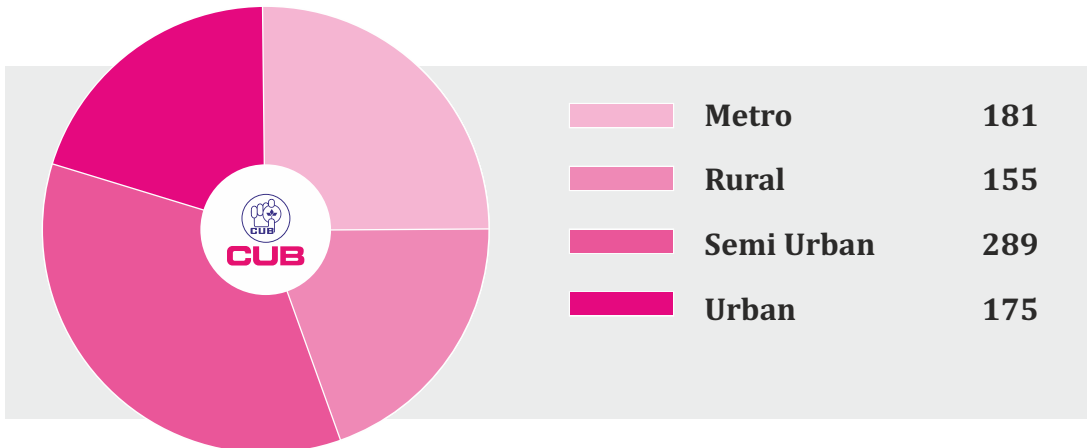
BANK NETWORK

1677
ATMs
OF WHICH

860 (BRM)
BULK NOTE
RECYCLER
MACHINE

817
CASH
WITHDRAWAL
MACHINE

800
BRANCHES



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CITY UNION BANK LIMITED

CIN: L65110TN1904PLC001287

Registered Office

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

Administrative Office

"Narayana", No. 24-B, Gandhi Nagar,
Kumbakonam - 612 001.
Phone: 0435 - 2402322, 2401622, 2402412
Fax: 0435 - 2431746
e-mail: shares@cityunionbank.in
Website: www.cityunionbank.com

Customer Call Center

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