Minutes of the 14th (Fourteenth) Annual General Meeting of shareholders of CENTRAL BANK OF INDIA held on Tuesday, 10th August, 2021 at 11.00 A.M. at head office of the Bank situated at Chandermukhi, Nariman Point, Mumbai- 400 021 (deemed venue of the meeting) through Video Conference(VC) / Other Audio Visual Means (OAVM)

Directors present:

1) Shri M V Rao, Managing Director & CEO

2) Shri Alok Srivastava, Executive Director

3) Shri Vivek Wahi, Executive Director

4) Shri Rajeev Puri, Executive Director

5) Smt. Dinesh Pangtey, Shareholder Director
(Attended through VC from Mumbai)

Number of shareholders attended through VC - 52

Shri M V Rao, Managing Director & CEO of the Bank chaired the meeting pursuant to Regulation 59(i) of the Central Bank of India (Shares and Meetings) Regulations, 1998. The Chairman welcomed all shareholders present through VC in the 14th (Fourteenth) Annual General Meeting (AGM) of the Bank. Chairman further informed that the AGM was held through video conference and other audio visual means. This is in compliance of various circulars issued by Ministry of Corporate Affairs, Government of India and Securities and Exchange Board of India. Bank took all feasible steps to ensure that the shareholders are provided an opportunity to participate in the Annual General Meeting through video conference/other audio visual means facility.

The necessary quorum pursuant to Regulation 58 of the Central Bank of India (Shares and Meetings) Regulations, 1998 was present, Chairman called the meeting to order.

Chairman further informed that Bank has not received any Authorised Representation from shareholders under the public category till Thursday, 5th August, 2021 being the last day for receipt of the same.

Chairman also informed that the Bank received a communication from the Government of India nominating Shri. Arun Kumar, Under Secretary, to attend and represent Government of India in this Annual General Meeting. Central Government, the major shareholder, holds 808,03,91,687 (Eight Hundred Eight Crore Three Lakh Ninety One Thousand Six Hundred and Eighty Seven) equity shares, being 93.08 % of the paid up share capital of the Bank.

Chairman then introduced the Directors present in the meeting through video conference (VC) to the shareholders and informed that Dr. Bhushan Kumar Sinha, Government of India Nominee Director and Shri P. J. Thomas, RBI Nominee Director could not attend the meeting due to pre-occupation/official exigencies. Shri Anand Kumar Das, Company Secretary was also present in this meeting through video conference.

The Chairman further said that the Notice of AGM was published in 'Business Standard' in 'English' and 'Hindi' & in 'Tarun Bharat' in 'Marathi' on 17th July, 2021. The Notice convening the meeting together with the Annual Report for the financial year 2020-21 was circulated to all shareholders of the Bank electronically. With the consent of shareholders present through video conference/Other Audio Visual Means (OAVM), the Notice of AGM dated 15th July, 2021 convening the Annual General Meeting of the Bank on 10th August, 2021 was taken as read.

The Chairman further informed that Auditors Report on Standalone and Consolidated Financial Statements and Secretarial Audit Report of the Bank for the financial year ended 31st March, 2021, do not contain any qualification.

The Chairman then addressed the Shareholders present at the Meeting

Chairman's Address – Annexure A

Chairman further said that in compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Bank offered remote e-voting facility as an alternative mode of voting which enabled the Members to cast their votes electronically on the resolutions taken up during this AGM. He also informed that the shareholders present in this meeting will also be given the opportunity to cast their votes through e-voting, provided they have not already exercised their rights to vote through remote e-voting facility. Notice of AGM and the Annual Report for FY 2020-21 as electronically sent to shareholders and posted on website of the Bank and submitted to the Stock Exchanges, contained the detailed procedure and instruction for e-voting. Notice of AGM containing *inter alia* arrangement of remote e-voting facility was also given by publication in 'Business Standard' in 'English' and 'Hindi' & in 'Tarun Bharat' in 'Marathi' on 17th July, 2021. Besides this, an intimation of the arrangement of remote e-voting facility was also given by publication in same newspapers on 27th July, 2021.

Chairman thereafter introduced Shri S. N. Viswanathan, Partner of M/s. S. N. Ananthasubramanian & Co, Company Secretaries, appointed by the Bank as Scrutinizer for remote e-voting process. He said that Shri S. N. Viswanathan would submit his report on the votes cast during the remote e-voting period which commenced on 07th August, 2021 (10.00 AM) and ended on 09th August, 2021 (5.00 PM).

1. Approval and Adoption of Accounts

Chairman then moved the Resolution for discussion, approval and adoption of Accounts for the year ended 31st March 2021 together with the Report of the Board of Directors on the working and activities of the Bank for the period covered by the Accounts and the Auditors' Report on the Balance Sheet and Accounts.

Shri Gautam Kedarprasad Tiwari proposed and Shri Anil Champaklal Parekh seconded the Resolution.

For conducting e-voting during the AGM, Chairman appointed Shri S. N. Viswanathan, Partner of M/s. S. N. Ananthasubramanian & Co, Company Secretaries as Scrutinizer for conducting the e-voting on the agendas/resolutions during the meeting.

Chairman informed that scrutinizers activated the electronic voting during the meeting. Shareholders who did not exercise their votes through the remote e-voting can cast their vote during the meeting. Instructions for casting the vote during the AGM were given in the AGM Notice, and for the convenience of shareholders, procedure for casting votes during the meeting, was again explained.

Chairman further informed that in the AGM Notice, it was requested that shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at e-mail: smmbd@centralbank.co.in from 05.08.2021 at 10.00 am to 07.08.2021 at 5.00 pm. Bank received emails from 11 shareholders who wanted to speak during the meeting.

Chairman then invited the shareholders to make their observations on the Annual Accounts and also set the ground rules for discussion. He requested speakers to be brief and confine to the agenda of the Meeting.

Chairman then invited speakers one by one.

1) Smt. Lekha Satish Shah (Demat A/c No. IN30063640102157)

Smt Lekha Satish Shah extended greetings to the Chairman and other Board of directors. She appreciated the Bank for having received well in advance the Annual Report and for taking robust measures to curtail further slippages and improve cash recovery & upgradation of stressed accounts. She showed her satisfaction in arrangement of Annual General Meeting of shareholders. She also appreciated Bank's uninterrupted operations during the difficult time of COVID-19 pandemic and winning various awards and accolades during the year. She raised query regarding measures taken by the Bank for its employees for their safety and to which extent work from home was allowed to them. She supported all resolutions and extended best wishes for bright future of the Bank.

2) Shri Yusuf Yunus Rangwala (Demat A/c No. 1601010000232396)

Shri Yusuf Yunus Rangwala appreciated the Bank for positive approach being taken in turning around the Bank. He quoted that the Bank is more than a century old and has a great legacy. He raised his concern regarding non declaration of dividend and downfall in share prices in last few years. He extended his support to the Bank's performance.

3) Shri Gautam Kedarprasad Tiwari (Demat A/c No. IN30107180070888)

Shri Gautam Kedarprasad Tiwari extended his greetings to the Chairman and other board members. He also thanked the Secretarial Department on receiving Annual Report 2020-21 well in time. He observed that operating Profit increased to Rs. 4630 crore in the financial year 2020-21. He also observed that Bank has also been able to achieve total business of Rs. 506886 crore as on 31st March 2021. He congratulated and appreciated the leadership of Shri M. V. Rao, MD & CEO and all other Board members for this improvement. He showed his faith and trust in the Bank's management and expected that the Bank will report profits in current financial year. He once again thanked Secretarial Department for their good services to all the investors. He also enquired on non-declaration of dividend and 2 years roadmap of the Bank.

4) Smt. Garima Jain (Demat A/c No. 1205090000027678)

Smt. Garima Jain suggested that the Bank should amend its Direct Selling Agent (DSA) policy and make it more flexible. She observed that it will help the Bank to accumulate good business.

5) Shri Saurabh Oswal (Demat A/c No. 1208160003600247)

Shri Saurabh Oswal appreciated efforts of all employees and Board Members for their hard work in the pandemic. He however raised issues relating to low lending powers of the Branch Managers and staff shortage at various branches.

6) Shri Rajendra Jamnadas Sheth (Demat A/c No. IN30018310015364)

Shri Rajendra Jamnadas Sheth informed that he is very old shareholder of the Bank and is also maintaining current and saving account with the Bank. He thanked secretarial team for the providing annual report and AGM notice well in time. He said that performance of the Bank is satisfactory and reposed confidence in the management. He extended his support to all resolutions. However, he wanted to know the steps being taken by the management for bright future of the Bank.

7) Shri Santosh Kumar Saraf (Demat A/c No. 1206780000018019)

Shri Santosh Kumar Saraf expressed gratitude for connecting him through virtual mode. He conveyed his wishes for all employees and stakeholders of the Bank for continuous operation during COVID pandemic. He sympathized with all the employees of the Bank who have lost their lives due to COVID-19. He also raised queries on precautions being taken by the Bank during COVID-19 period, cost cutting, details of infrastructure provided to employees working from home in Covid-19, details of expenses reimbursed by the Bank for COVID hospitalization of the employees, new branches proposed to be opened in current financial year and new staff recruitment proposed in current financial year. He suggested that Bank should move to renewable energy for betterment of environment. He emphasized over virtual meeting for convenience of shareholders.

8) Shri K Bharat Raj (Demat A/c No. 1204880000141972)

Shri K Bharat Raj greeted the Board of Directors and hoped that Bank will come out of this difficult phase.

9) Shri Bharat Mulchand Shah (Demat A/c No. 1302820000002153)

Shri Bharat Mulchand Shah appreciated the management for good performance during last financial year. He thanked secretarial department for their continuous support.

10) Smt. Smita Bharat Shah (Demat A/c No. 1302820000002514)

Smt. Smita Bharat Shah greeted Board of Directors. She appreciated the Bank for sending Annual Report well in advance and appraised Bank management for hard work and perseverance. She expected that legacy of success of the Bank will be carried forward by the present management. She informed that she is also having account with Bank since last 45 years and always enjoyed best service. She appreciated secretarial team of the Bank for their promptness & Link Intime India Private Limited for their support, RTA. She supported all resolutions proposed in the meeting.

One Shareholder namely Anil Champaklal Parekh (Demat A/c No. 1203320013497611) registered as the speaker did not speak/get disconnected.

Response by the Chairman

Chairman thanked the Shareholders who made their observations on performance of the Bank during the financial year 2020-21, well wishes, and of reposing confidence in the Bank, Board of Directors and the entire management. He also noted concerns of shareholders which were mainly related to non-declaration of Dividend and safety of employees in Covid-19 pandemic. He informed that due to Covid-19 pandemic, 123 Staff members have lost their lives and 5501 staff members were infected. He further informed that in order to mitigate the hardships faced by the family members or legal heirs of deceased members, Bank is allocating Rs. 20 Lakhs in addition to the terminal benefits.

He also informed that following benefits have been provided by the Bank to the serving employees in this Covid-19 pandemic:-

1) Reimbursement of cost of Covid vaccine to staff members & their dependents without ceiling limit.
2) Special Leave without loss of pay to Staff members who are home quarantined or under isolation or hospitalized in case staff member is detected positive or comes in contact with positive family member.
3) Work from Home facility was extended to Persons with Disabilities, Pregnant Women & Staff suffering from Cancer or terminal illness.

4) Launch of "Cent Covid Help" online portal & Mobile app for providing assistance related to Hospitalization, Medicine, Oxygen, Quarantine Facility, Transport, Food etc. 2 4 x 7 Helplines at Zonal Offices/ Regional Offices/ Central Office have been formed to assist staff members to get required medical advice during this period.
5) Vaccination camps have been organized by the Zones/ Regions for vaccination of our staff members on priority.

Our Bank has also organized vaccination camps in Madhya Pradesh as convener of SLBC for vaccination of staff of all Banks including co-operative Banks.

Chairman informed that work from home facility was extended to staff members during Covid-1st wave as well as 2nd Wave as per the guidelines issued by Government of India and respective State Governments. Specific consideration was given to Staff members who are Persons with Disabilities, Pregnant Women staff members & staff members suffering from Cancer. Work from home facility was also extended to employees who were not directly related to core banking applications. Chairman elaborated that on performance front, our operating profit increased and we are maintaining grip on slippages. Bank has established a war room at Head Office Level with 15 staff members, who are coordinating with field officers and customers. This team is providing assistance to field officers. He informed that Bank has prepared 2 years road map for business and income of the Bank and provided the same to all field officers. It is ensured that suitable infrastructure is available to field officers alongwith proper guidance. General Manager of Head Office Departments are also moving to all zones to interact with customers and sharing necessary feedback with concerned department to make suitable changes in the Bank's schemes. On DSA applications, flexibility will be looked into as per the feedback. With regard to powers of branch managers, Chairman informed that recently, lending powers of branch managers have been enhanced and lending mechanism has been designed in such a way that sanctions of branch will be reviewed by subsequent authority to ensure correctness. This mechanism will keep Branch Managers indemnified from accountability in NPA accounts. Thus, we are confident that Branch Managers will start using enhanced powers. For shortage of staff, Chairman concurred with shareholder that shortage has been observed in some branches, however management is trying to fulfill the requirements of branches. He added that the Bank is also pursuing with customers to move to digital channels

for banking related operations. With regard to future steps, Chairman informed that Bank is on right track and business plans are reviewed on periodical basis. With regard to reduction in NPA, Chairman informed that through war room effort, our officers are directly engaging with customers and assisting field officers wherever required.

On account of reduction in loss making branches, Chairman informed that we are pursuing with branches to maintain 60% CD ratio which would turn them into profit making branches. On woman empowerment, Chairman informed that all public sector Banks are mandatorily required to make recruitment through IBPS with equal opportunity to all including women. It may be observed from the data that the percentage number of women employees is on rise on continuous basis. As on 31st March 2021, share of women employees in officer, award staff and branch manager categories was 23.61%, 24.33% and 13.34%, respectively. On COVID-19 assistance to the borrowers, Chairman informed that the Bank has extended its support to MSMEs/Small Businesses/Corporates through several schemes such as COVID 19 Sahayata, RBI Regulatory Package, Liberalised Working Capital Assessment (LWCA), Credit Guarantee Scheme for Sub Ordinate Debt (CGSSD), PMSVANidhi, CGECL 1.0, 2.0, 3.0, 4.0 and Resolution Framework 1.0 & 2.0 to protect them from hardships caused due to the Covid-19 pandemic.

Chairman once again thanked all the shareholders present in the Annual General Meeting through VC/OAVM and also those spoke at the Meeting.

Chairman then put following resolution to vote by e-voting:

"**RESOLVED THAT** the Bank's Balance Sheet as at 31st March 2021 and Profit & Loss Account for the financial year ended on that date including Cash Flow Statement, Report of Corporate Governance and Consolidated accounts, together with the Reports of the Auditors and Directors thereon as circulated among the Members, be and are hereby discussed, approved and adopted."

2. Appropriation of accumulated losses as on 31.03.2021 from Share Premium account

Chairman then took up the second item of the agenda i.e. appropriation of accumulated losses as on 31.03.2021 from Share Premium account.

The Bank proposes to set off the accumulated losses of Rs. 1,87,24,21,73,828.20/- (Eighteen Thousand Seven Hundred Twenty Four Crore Twenty One Lakh Seventy Three Thousand Eight Hundred Twenty Eight and Paise Twenty only) as at 31.03.2021 by utilizing the balance standing to the credit of Share Premium Account of Bank as on the date of set off and the share premium account will accordingly stand reduced during the current financial year 2021-22.

The Bank is of the view that this is the most practical and economically efficient option available to the Bank in the present scenario so as to present a true and fair view of the financial position of the Bank. The Bank will be able to represent its true financial position which would benefit shareholders as their holding will yield better value and also enable the Bank to explore opportunities to the benefit of the shareholders of the Bank including in the form of dividend payment as per the applicable provisions within a reasonable timeframe. The proposal will also put the Bank in a better position to achieve its Turnaround Plans in a time-bound manner.

The reduction of Share Premium account which involves set off of debit balance in P&L account by reducing the amount standing to the credit of the Share Premium account does not entail discharge of any consideration by the Bank to its shareholders. Accordingly, the Bank's equity capital structure and shareholding pattern post reduction of Share Premium account will remain unchanged. The Book Value of the shares will also remain unchanged. With this appropriation there will not be any changes in net worth of the Bank.

Chairman thereafter moved the following special resolution which was proposed by Smt. Smita Bharat Shah and seconded by Smt. Lekha Satish Shah to vote by e-voting:

"**RESOLVED THAT** pursuant to Section 3(2BBA) of The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (Act), Section 17(2) of The Banking Regulation Act, 1949 (BR Act), Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970 as amended vide the Department of Financial Services Gazette notification no. CG-DL-E-23032020-218862 (S.O. 1200 E) dated 23.03.2020 referred to as Nationalized Banks (Management and Miscellaneous Provisions) Amendment Scheme, 2020, including any statutory amendments or re-

enactments thereof and subject to the approvals of Reserve Bank of India, Government of India and such other authorities as may be necessary in this regard, consent of the shareholders of the Bank be and is hereby accorded to set off the Bank's accumulated losses of Rs. 1,87,24,21,73,828.20 (Eighteen Thousand Seven Hundred Twenty Four Crore Twenty One Lakh Seventy Three Thousand Eight Hundred Twenty Eight and Paise Twenty only) as at 31.03.2021 by utilizing the balance standing to the credit of Share Premium Account of Bank as on the date of set off and take the same into account during current Financial Year 2021-22."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may at its absolute discretion deem necessary or desirable for effectively implementing the resolution and to settle any questions, difficulties or doubts that may arise in this regard as it may in its absolute discretion deem fit."

After the conclusion of the e-voting, Scrutinizer submitted his report to the Chairman. Chairman, after the consolidation of Scrutinizer's Report on the remote e-voting and the e-voting, declared that all resolutions were passed with the requisite majority and authorised Company Secretary to announce the result. Chairman also directed that the Result declared along with the Scrutinizer Report to be placed on the Bank's website www.centralbankofindia.co.in and on the website of Link Intime India Pvt. Ltd. within two (2) days of passing of the resolution and to be communicated to the BSE Limited and National Stock Exchange of India Limited.

Chairman thanked all shareholders present for their active participation in the conduct of the meeting. After declaration and announcement of result on all the agendas/resolutions, 14th (Thirteenth) Annual General Meeting was declared as concluded.

Date: 10 AUG 2021

CHAIRMAN

ANNEXURE- A

CHAIRMAN's MESSAGE

Dear Shareholders,

It is my privilege to address you on the 14th AGM of your Bank. I hope you are well. I pray for your safety and wellbeing during these difficult times precipitated by the pandemic.

The year 2020 will go down in history as one of the most calamitous years as the novel Covid-19 virus caused widespread devastation by taking lives and livelihoods of millions across the world. The global economy was brought to a standstill by the necessary measures of lockdowns and physical distancing restrictions.

The April 2021 Report of the International Monetary Fund (IMF) projects the growth of the global economy by 6.0% in 2021 from an estimated contraction of (-) 3.3% in 2020 and further projects a growth of 4.4% in 2022. However, the global growth in 2021 is likely to be uneven. The countries that can open up earlier due to ebbing infections and faster inoculation are expected to grow faster. The April 2021 Report of the IMF estimates advanced economies to grow by 5.1% in 2021 from a contraction of (-) 4.7% in 2020. Among the advanced economies, the USA is projected to have an impressive growth in 2021 due to several measures taken by the government. The emerging markets and developing economies are projected to grow by 6.7% in 2021 after an estimated contraction of (-) 2.2% in 2020. In 2022, the emerging markets and developing economies are projected to grow by 5.0%.

On the domestic front, as per the provisional figures, real GDP contracted by (-) 7.3% in 2020-21 despite agriculture showing resilience and registering positive growth. Sectors like mining, manufacturing, construction, and some other service sectors have witnessed negative growth in 2020-21. The quarterly data shows that the domestic economy slowly started to recover from the pandemic. The Q4 2020-21 real GDP grew by (+) 1.6% vis-à-vis (+) 0.5% in Q3 2020-21. However, private final consumption expenditure as percentage of real GDP softened to 55.4% in Q4 2020-21 as compared to 58.3% in Q3 2020-21. On the other hand,

gross fixed capital formation as percentage of real GDP inched up to 34.3% in Q4 2020-21 vis-à-vis 33.0% in Q3 2020-21.

The second wave of Covid-19 infections in India thwarted the recovery process as several states had to impose different restrictions to curb the spread of the virus. Due to which we expect growth to remain muted in Q1 2021-22. Nonetheless, with the rapid vaccination drive and scaling up of healthcare facilities we expect the economic activities to gain traction.

The Government of India has proactively undertaken various policy measures to boost the economy and the "Atmanirbhar Bharat" is one such step towards that. Through the "Atmanirbhar Bharat", the Government of India announced different stimulus measures to boost various sectors of Indian economy and provided several relief measures. There were a host of measures for the MSMEs, street vendors, agriculture infrastructure, etc. in the "Atmanirbhar Bharat". Recently in June 2021, the Hon'ble Finance Minister further announced a slew of measures to provide economic relief from pandemic, strengthening public health and impetus for growth and employment. Towards this end, the Hon'ble Finance Minister announced Rs.1.10 lakh crore loan guarantee scheme for Covid affected sectors, credit guarantee scheme for micro finance institutions, free one month tourist visa to 5 lakh tourists, extension of Atmanirbhar Bharat Rozgar Yojana, extension of tenure of PLI scheme for large scale electronic manufacturing, etc.

Your Bank has undertaken many measures to fight the battle against Covid-19 induced slowdown. The Bank has been actively participating in the Government schemes and will continue to do so in the future with enthusiasm. The objective of your Bank is to ensure that it emerges as one of the top performers in the industry and provide the best customer services. Your Bank's score and performance in EASE 3.0 has improved significantly in Q4 2020-21 vis-à-vis baseline score in Q4 2019-20. Your Bank has linked some of its portfolios with external benchmarks i.e. repo which has improved transmission. The Bank has been taking various initiatives for digitization. We have been harnessing our human resources to enable them to meet the contemporary challenges in the era of technologies. Customer centricity would always remain the core value of your Bank. The current time has been testing for all of us but I am sure that together we can overcome it and take your Bank to new heights and achieve many more milestones going forward. I strongly believe that the Bank will uphold stakeholders' interest at every point and will further strengthen its core values to stand tall in the industry.

I now put forth some of the highlights of your Bank's performance.

Business

During the Financial Year 2020-21, Business of the Bank stood at Rs. 5,06,886 crore as compared to Rs. 4,86,007 crore in the Financial Year 2019-20 with 4.30% growth on YoY basis. Bank's business growth has remained robust in FY 2020-21, with deposit growth of 5.17% and advances growth of 2.71%. The Deposit of the Bank stood at Rs. 3,29,973 crore as against Rs. 3,13,763 crore on March 31, 2020 with a growth of Rs. 16210 crore. The CASA share as a percentage of Total Deposits stood at 49.24% as against 46.83% in the Financial Year ended March 31, 2020. Total Advances stood at Rs. 1,76,913 crore in March 31, 2021 as against Rs. 1,72,244 crore in March 31, 2020 registering growth of 2.71% on YoY basis.

The Bank is always keen to maintain a well-balanced assets mix, encompassing sectors such as Agriculture and Micro, Small & Medium Enterprises (MSMEs) as well as keeping a focus on other retail assets, including Housing, Education and Vehicle finance. Notable, Bank's MSME portfolio has shown double digit growth of 10.62% with vehicle loan portfolio growth by 12.22% on YoY basis. Also, the Bank has improved RAM (Retail, Agriculture and MSME) and corporate advances mix to 66.72% as on March 31, 2021 from 63.73% as on March 31, 2020. Advances to MSMEs stood at Rs. 32356 crore and Agriculture at Rs. 36207 crore with a growth of 10.62% and 5.19%, respectively.

Financial Performance

The Operating Profit of the Bank stood at Rs. 4,630 crore in financial year 2020-21 as against Rs. 4,344 crore in financial year 2019-20. With improved performance, the net loss reduced from Rs. 1121 crore to Rs. 888 crore for financial year 2020-21 over financial year 2019-20 and from Rs. 1,529 crore to Rs. 1,349 crore during fourth quarter on YoY basis.

Net Interest Income of the Bank increased to Rs. 8,245 crore from Rs. 7,629 crore during 2020-21 whereas Non Interest Income decreased to Rs. 3,167 crore from Rs. 3,637 crore during 2019-20. Net Interest Margin (NIM) remained at 2.78% during financial year 2020-21 in comparison to previous financial year. The Cost to Income ratio also improved significantly from 61.44% for financial year 2019-20 to 59.43% for financial year 2020-21. The Bank's Cost of Deposits reduced to 4.35% during the financial year 2020-21 as against 5.11% during the financial year 2019-20.

Asset Quality

The consistent effort of the Bank on NPA management and garnering high quality assets improved the asset quality. Thus, gross NPA reduced to 16.55% as of March 31, 2021 compared to 18.92% as of March 31, 2020 and also Net NPA percentage was brought down to 5.77% as on March 31, 2021 from 7.63% as of March 31, 2020. The Bank's Provision Coverage Ratio improved to 82.54% as on 31.03.2021 from 77.29% as on 31.03.2020 which has strengthened the Balance Sheet. We are expecting resolution of certain big NPA accounts through NCLT under IBC and outside during 2021-22. We shall continue to have focused efforts to maximize NPA recovery, improve asset quality and earn net profit during the year 2021-22.

Capital

The Capital to Risk Asset Ratio CRAR (Basel-III) improved from 11.72 % as on March 31, 2020 to 14.81% as on March 31, 2021. This was on account of fresh equity raise of Rs. 255 crore through qualified institutions placement in Sept. 2020 and further President of India (Government of India) capital infusion of Rs. 4800 crore in March 2021. After allotment of 280,53,76,972 equity shares at issue price of Rs. 17.11 (including premium of Rs. 7.11) on 29.05.2021, shareholding of the President of India (Government of India) stands at 93.08%.

Priority Sector and Financial Inclusion

Bank is continuously emphasizing on meeting various goals under national priorities. Under various national priorities, Bank has credibly achieved the mandated targets as follows :-

- Total Priority - 51.96% of adjusted net bank credit against norm of 40%
- Agriculture - 21.32 % of adjusted net bank credit against norm of 18%
- Small and Marginal Farmers - 12.72% of adjusted net bank credit against norm of 8%
- Weaker Section - 18.86 % of adjusted net bank credit against norm of 10%

The Bank has sold PSLC to the tune of Rs. 22050 crore in FY 2020-21. These achievements indeed speak of the Bank's commitment to inclusive nation building.

Bank has been actively pursuing the agenda of Financial Inclusion with key interventions in offering appropriate financial products, making use of technology and enhancing financial literacy.

Bank also performed well under social security schemes launched by the Government of India. 17.49 Lakhs, 51.53 Lakhs and 12.32 Lakhs enrolments have been done under Pradhan Mantri Jeevan Jyoti Bima Yojana, Pradhan Mantri Suraksha Bima Yojana and Atal Pension Yojana, respectively.

Pan India Presence

As on 31st March, 2021, Bank has a network of 4,608 branches, 3,644 ATMs, 6532 BC Points, 10 satellite offices and 1 Extension Counter. The pan India presence covering all 28 States, 7 out of 8 Union Territories and NCT Delhi, 574 District Head Quarters and 638 Districts out of 718 districts in the country, is the source of strength to the Bank.

Digital Banking & Alternate Delivery Channels

In the age of information and technology, the Bank recognizes the changing needs of the customers and caters to the needs of the young demographic base of the country. Accordingly, the Bank gives thrust on digital footprints and alternate delivery channels. As a result of this, the share of digital transactions through alternate delivery channels increased from 66.54% for FY 2019-20 to 77.63% for FY 2020-21.

Covid-19 Relief for employees

We are fighting the Covid-19 pandemic with the strength of our customers, employees and other stakeholders. Our Bank employees are working hard in this extreme situation to deliver their services to the satisfaction of the customers. Bank appreciates all employees who are working hard and rendering their best services and assures that the Bank will take care of the employees befitting of their sacrifices. Management had extended the various facilities to staff members to face the challenges of the COVID-19 Pandemic such as - One month Gross Salary as interest free loan, One day Special Leave (PL) to staff members for every six days that they have attended office/ branch during the Lockdown period in 1st Wave, Work from home facility to pregnant women, staff members suffering from cancer, visually impaired and staff members with disabilities, Financial Assistance in the form of compensation to the tune of Rs. 20.00 lakhs to

the legal heir of the staff member who expired due to Corona Virus and facility to purchase oxygen concentrator under furniture scheme.

Covid-19 Relief for MSMEs/Small Businesses/Corporates

Bank has extended its support to MSMEs/Small Businesses/Corporates through several schemes such as COVID 19 Sahayata, RBI Regulatory Package, Liberalised Working Capital Assessment (LWCA), Credit Guarantee Scheme for Sub Ordinate Debt (CGSSD), PMSVANidhi, CGECL 1.0, 2.0, 3.0, 4.0 and Resolution Framework 1.0 & 2.0 to protect them from hardships caused due to the Covid-19 pandemic.

SUBSIDIARIES, JOINT VENTURES AND RRB'S

CENT BANK HOME FINANCE LIMITED:

Total advances of the company stood at Rs. 1129.93 crore as on March 31, 2021 as against Rs. 1228.19 crore as on March 31, 2020. The retail deposits and institutional deposits stood at Rs. 412.25 crore as on March 31, 2021 as against Rs. 475.53 crore as on March 31, 2020. Net Profit of the Company stood at Rs. 14.67 crore for the financial year ended March 31, 2021 as against Rs. 10.23 crore for financial year ended March 31, 2020.

CENTBANK FINANCIAL SERVICES LIMITED

CentBank Financial Services Limited is essentially providing Trusteeship Services including Debenture/Security Trustee, Executor Trustee and Managing Charitable Trusts etc. The company earned Net Profit of Rs. 0.91 crore for the year ended March 31, 2021 as against Net Profit of Rs.1.45 crore for the previous year ended March 31, 2020.

INDO-ZAMBIA BANK LTD

The Bank's Joint Venture in Zambia is promoted jointly by Government of Zambia and three Indian Banks viz. Central Bank of India, Bank of Baroda and Bank of India. While each of the 3 Indian Banks hold 20% equity, Industrial Development Corporation (IDC) (Investment Company wholly owned by Government of Republic of Zambia) is holding balance 40% equity on behalf of Government of Republic of Zambia. The Bank has been performing well in all parameters and is presently the sixth largest bank in Zambia. As at the end of December 2020, our Bank is holding total 8,32,00,000 shares of Kwacha 1 each value. In the calendar year 2020, Deposits of the Bank increased by 48.70% and advances increased by

26.03% over the previous year. Bank had made net profit of Kwacha 209.72 million (Rs. 71.65 crore) for the calendar year 2020.

REGIONAL RURAL BANKS

As on March 31, 2021, we had 2 RRBs in 2 states covering 23 districts with a network of 1,174 branches. The total Business of 2 RRBs stood at Rs 31679.46 crore with total deposits of Rs 19827.01 crore and total advances of Rs 11852.45 crore.

Corporate Governance

As regards corporate governance, your Bank has adhered to the highest degree of transparency. The thrust of corporate governance has always been to maximize stakeholder value by pursuing ethical practices in the conduct of business and maintaining high standards of disclosure and transparency. The Bank has adopted best practices and standards of governance are monitored by various committees of the Board.

New Initiatives

A business is the result of immense hard work, dedication and perseverance, however, it is not enough to simplify these and then let complacency move in. The key to successful business is the ability to come up with fresh ideas to keep the operation running and the product and services fresh. Considering the thoughts in mind, we started some new initiatives such as, Management approach in the form of Inverted Pyramid, Reward programs by way of forming of Top Management Clubs, BRAND CENTRAL campaign, CENTRAL CONNECT campaign, revamped Bank website, etc.

Way Forward

The impact of the transformation initiatives taken by the management are visible with the Bank's better asset quality and profitability in comparison to previous financial years. We are hopeful of recovery by the second half of the current fiscal with easing restrictions and commercial restriction resuming to full swing.

I would like to acknowledge and thank all the members of the Board for their valuable support, guidance and inputs to the management in our endeavors. I also thank the Department of Financial Services, Ministry of Finance and the Reserve Bank of India for their support and guidance from time to time. I would also like to thank our customers for allowing us to serve them diligently. I also thank our shareholders for their constant support in all our endeavors.

With best wishes,

Yours sincerely,

M V Rao

Place: Mumbai
Date: August 10, 2021