



# INVESTOR PRESENTATION

JUNE 2019

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June 2019



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**CUB**  
Trust and Excellence  
SINCE 1904

# OVERVIEW

## ΟΛΕΚΛΙΕΜ

## ► OVERVIEW

City Union Bank Ltd., the oldest Private Sector Bank in India, was founded on October 31, 1904 and is headquartered at Kumbakonam, Tamil Nadu, India.

The main focus of the Bank – lending to MSME, Retail / Wholesale Trade with granular asset profile including providing short term and long term loans to agricultural sector.

## ► FACTS & FIGURES

Position as on 30.06.2019



Deposits  
**INR 39,077 CR**



Advances  
**INR 32,229 CR**



Net Interest Margin  
**4.11%**



Net NPA  
**1.89%**



Employees  
**5,527**



Branches  
**650**

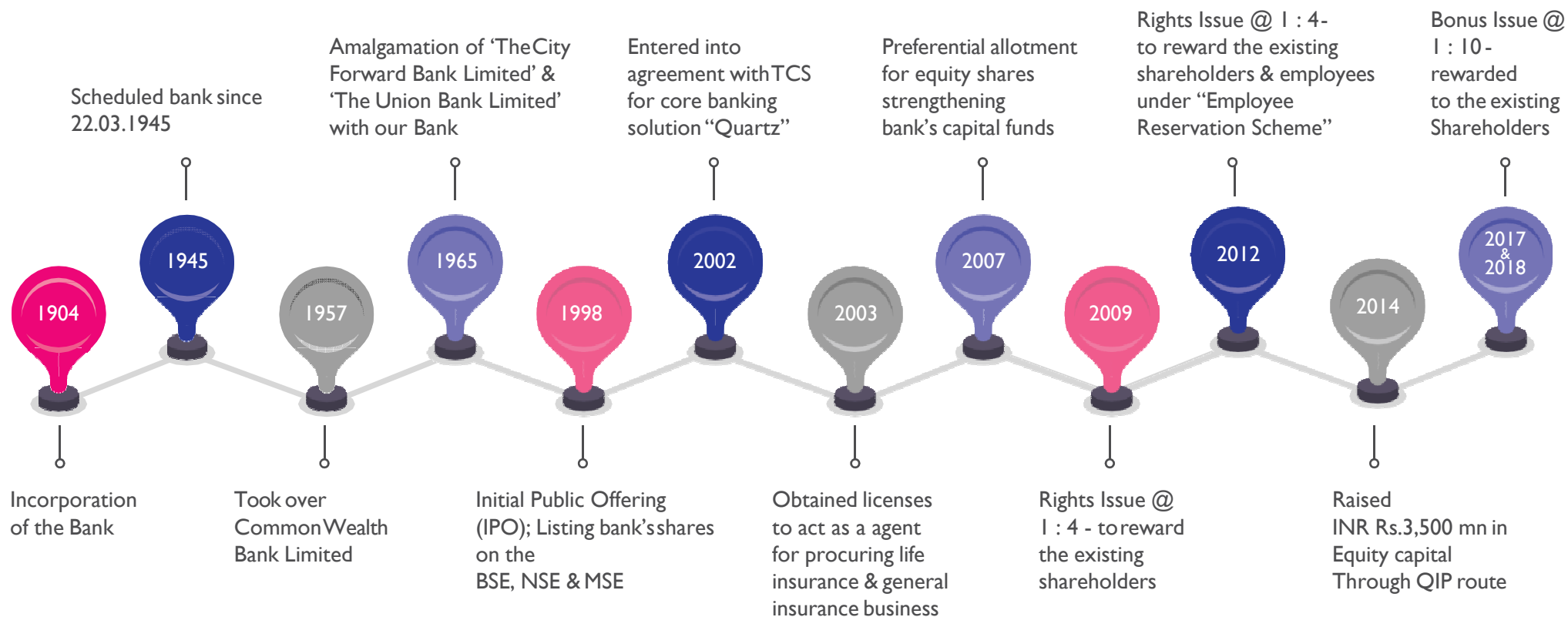


ATM's  
**1,711**



Efficiency Ratio  
**39.43%**

## ▶ KEY MILESTONES



## ▶ CITY UNION BANK - A SPECIALIZED BANKING MODEL ALIGNED TO TARGET SEGMENT – SME / MSME

### SME / MSME focus

- ▶ SME/MSME specialized business model focusing on large untapped segment
- ▶ Segment consistently delivering higher yields
- ▶ Superior client servicing leading to client retention and low business acquisition costs

**10 year CAGR of 20%+**

### Prudent Risk Management

- ▶ SME exposures' result in granular asset profile
- ▶ Granular deposit base with high retention rates result in stable liability profile
- ▶ SME / MSME Loans result in lower NPA as they are:
  - Additionally collateralised by residential property and personal guarantees etc.
  - Predominantly single banker relationships with minimal exposure to consortium / multiple banking arrangements / infrastructure lendings.

### Invested in Robust Infrastructure

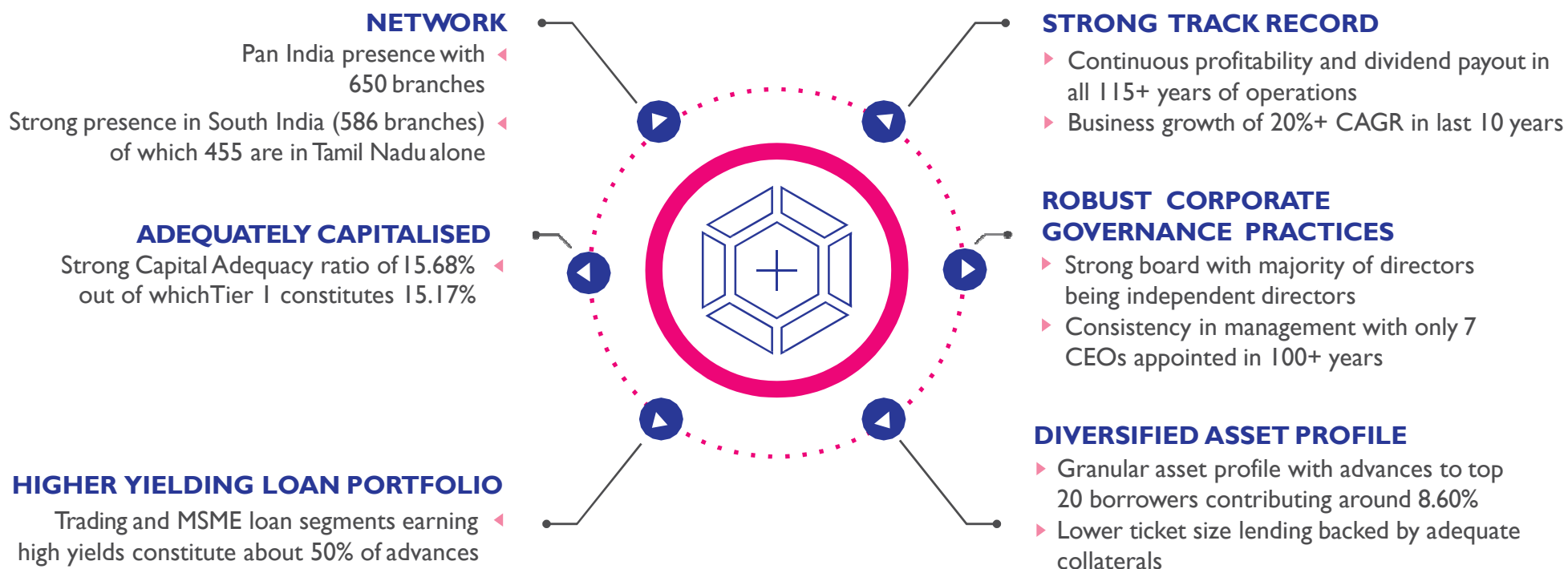
- ▶ Comprehensive employee training and recruitment infrastructure through staff training college
- ▶ All branches and 100% business under CBS from TCS

**Consistent Return with Superior ROA, ROE**

### Purely retail Liability Franchise

- ▶ No Certificate of Deposit
- ▶ No reliance on Corporate bulk deposits

## ▶ COMPETITIVE ADVANTAGES





## ▶ CREDIT RATING

**ICRA** has assigned

- ▶ **“AA-”** for Long Term - issuers with this rating are considered to have **“High Degree of Safety”** regarding timely servicing of financial obligations.
- ▶ **“A1+”** for **Certificate of Deposits (CD)** - issuers with this rating are considered to have **“Strong Degree of Safety”** regarding timely payment of financial obligations.

**CRISIL** has assigned

- ▶ **“A1+”** for **Certificate of Deposits (CD)** - issuers with this rating are considered to have **“Very Strong Degree of Safety”** regarding timely payment of financial obligations.

# PERFORMANCE HIGHLIGHTS – JUNE 2019

## ▶ QI FY 2020 PERFORMANCE – A SNAPSHOT

- ▶ Deposits increased by 16% from Rs.336 Bn to Rs.391 Bn Y-o-Y
- ▶ Advances registered a growth of 14% from Rs.282 Bn to Rs.322 Bn Y-o-Y
- ▶ Total business grown by 15% to Rs.713 Bn from Rs.618 Bn Y-o-Y
- ▶ Gross Profit increased by 17% from Rs.2,994 Mn to Rs.3,514 Mn
- ▶ Net Profit registered a growth of 15% from Rs.1,616 Mn to Rs.1,856 Mn
- ▶ Profitability and efficiency ratios – at par with the best in industry:

| PARTICULARS         | QI FY 2020 | QI FY 2019 | Q4 FY 2019 | FY 2018-19 |
|---------------------|------------|------------|------------|------------|
| Return on Assets    | 1.63%      | 1.64%      | 1.63%      | 1.64%      |
| Net Interest Margin | 4.11%      | 4.24%      | 4.40%      | 4.32%      |
| Return on Equity    | 15.22%     | 15.32%     | 15.06%     | 15.25%     |
| Earning per share   | Rs.2.53    | Rs.2.43    | Rs.2.39    | Rs.9.57    |

- ▶ Gross NPA – 3.34% and Net NPA – 1.89%
- ▶ Provision Coverage Ratio – 65%
- ▶ CRAR – 15.68% (Basel III) of which core CRAR – 15.17%

## ▶ QI FY 2020 VS QI FY 2019 PERFORMANCE – A SNAPSHOT

(All figures in INR Mn)

**390,768**



**335,974**

Deposits

**322,295**



**282,151**

Advances

**713,063**



**618,125**

Total Business

**91,613**



**80,384**

CASA

**3,514**



**2,994**

Gross Profit

**1,856**



**1,616**

Net Profit

**4,169**



**3,748**

Net Interest  
Income

**39.43%**



**40.58%**

Cost to Income

**1.63%**

ROA

**15.22%**

ROE

**4.11%**

NIM

**3.34%**

Gross NPA

**1.89%**

Net NPA

■ QI FY 20 ■ QI FY 19

## ▶ FY 2019 VS FY 2018 PERFORMANCE – A SNAPSHOT

(All figures in INR Mn)

**384,480**



**328,526**

Deposits

**330,652**



**282,386**

Advances

**715,132**



**610,912**

Total Business

**96,982**



**79,567**

CASA

**12,400**



**12,077**

Gross Profit

**6,829**



**5,920**

Net Profit

**16,115**



**14,303**

Net Interest  
Income

**41.67%**



**38.46%**

Cost to Income

**1.64%**

ROA

**15.25%**

ROE

**4.32%**

NIM

**2.95%**

Gross NPA

**1.81%**

Net NPA

■ FY19

■ FY18







# FINANCIAL PERFORMANCE & BUSINESS PROFILE

FINANCIAL PERFORMANCE & BUSINESS PROFILE

## ▶ QI FY 20 VS QI FY 19 PERFORMANCE - A SNAPSHOT

(in INR Mn)

### FINANCIAL PERFORMANCE

| PARTICULARS           | QI FY 2020 | QI FY 2019 | INC / (DEC)   | Growth | Growth % |
|-----------------------|------------|------------|---|--------|----------|
| Deposits              | 390,768    | 335,974    |  | 54,794 | 16%      |
| Advances              | 322,295    | 282,151    |  | 40,144 | 14%      |
| Total Business        | 713,063    | 618,125    |  | 94,938 | 15%      |
| Demand Deposits       | 28,532     | 27,579     |  | 953    | 3%       |
| Saving Deposits       | 63,081     | 52,805     |  | 10,276 | 19%      |
| CASA                  | 91,613     | 80,384     |  | 11,229 | 14%      |
| Gross NPA             | 10,762     | 8,511      |   |        |          |
| Net NPA               | 6,000      | 4,735      |   |        |          |
| Gross NPA (%)         | 3.34%      | 3.02%      |   |        |          |
| Net NPA (%)           | 1.89%      | 1.70%      |   |        |          |
| C R A R (BASEL – III) | 15.68%     | 16.06%     |   |        |          |
| - Of which Tier I     | 15.17%     | 15.64%     |   |        |          |
| CD Ratio              | 82%        | 84%        |   |        |          |
| PCR                   | 65%        | 65%        |   |        |          |

## ▶ QI FY 20 VS QI FY 19 PERFORMANCE - A SNAPSHOT

(in INR Mn)

### FINANCIAL PERFORMANCE







| PARTICULARS                | QI FY 2020 | QI FY 2019 | INC / (DEC) | Growth % | Q4 FY 2019 |
|----------------------------|------------|------------|-------------|----------|------------|
| Net Interest Income        | 4,169      | 3,748      | 421         | 11%      | 4,206      |
| Other Income               | 1,633      | 1,291      | 342         | 26%      | 1,469      |
| Operating Expenses         | 2,288      | 2,045      | 243         | 12%      | 2,297      |
| Gross Profit               | 3,514      | 2,994      | 520         | 17%      | 3,378      |
| Provisions & Contingencies | 1,658      | 1,378      | 280         | 20%      | 1,627      |
| Net Profit                 | 1,856      | 1,616      | 240         | 15%      | 1,751      |
| Return on Assets           | 1.63%      | 1.64%      |             |          | 1.63%      |
| Return on Equity           | 15.22%     | 15.32%     |             |          | 15.06%     |
| Net Interest Margin        | 4.11%      | 4.24%      |             |          | 4.40%      |



## ► FY 19 VS FY 18 PERFORMANCE - A SNAPSHOT

(in INR Mn)

### FINANCIAL PERFORMANCE

| PARTICULARS           | FY 2019 | FY 2018 | INC / (DEC)   | Growth  | Growth % |
|-----------------------|---------|---------|---|---------|----------|
| Deposits              | 384,480 | 328,526 |  | 55,954  | 17%      |
| Advances              | 330,652 | 282,386 |  | 48,266  | 17%      |
| Total Business        | 715,132 | 610,912 |  | 104,220 | 17%      |
| Demand Deposits       | 32,145  | 27,863  |  | 4,282   | 15%      |
| Saving Deposits       | 64,837  | 51,705  |  | 13,132  | 25%      |
| CASA                  | 96,982  | 79,568  |  | 17,414  | 22%      |
| Gross NPA             | 9,771   | 8,566   |   |         |          |
| Net NPA               | 5,915   | 4,748   |   |         |          |
| Gross NPA (%)         | 2.95%   | 3.03%   |   |         |          |
| Net NPA (%)           | 1.81%   | 1.70%   |   |         |          |
| C R A R (BASEL – III) | 15.55%  | 16.22%  |   |         |          |
| - Of which Tier I     | 15.03%  | 15.79%  |   |         |          |
| CD Ratio              | 86%     | 86%     |   |         |          |
| PCR                   | 63%     | 64%     |   |         |          |

## ▶ FY 19 VS FY 18 PERFORMANCE - A SNAPSHOT

(in INR Mn)

### FINANCIAL PERFORMANCE

| PARTICULARS                | FY 2019 | FY 2018 | INC / (DEC) | Growth % |
|----------------------------|---------|---------|-------------|----------|
| Net Interest Income        | 16,115  | 14,303  | 1,812       | 13%      |
| Other Income               | 5,144   | 5,321   | -177        | -ve      |
| Operating Expenses         | 8,859   | 7,547   | 1,312       | 17%      |
| Gross Profit               | 12,400  | 12,077  | 323         | 3%       |
| Provisions & Contingencies | 5,571   | 6,157   | -586        | -ve      |
| Net Profit                 | 6,829   | 5,920   | 909         | 15%      |
| Return on Assets           | 1.64%   | 1.60%   |             |          |
| Return on Equity           | 15.25%  | 15.37%  |             |          |
| Net Interest Margin        | 4.32%   | 4.42%   |             |          |

## ► PROVISIONS & CONTINGENCIES – BREAKUP

(in INR Mn)

| PARTICULARS            | Q1 FY 20     | Q1 FY 19     | Q4 FY 19     | FY 18-19     | FY 17-18     |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| Provision for:         |              |              |              |              |              |
| - Tax                  | 500          | 600          | 720          | 2,420        | 1,980        |
| - Bad Debts            | 1,440        | 650          | 810          | 2,700        | 3,030        |
| - Standard Assets      | -37          | 5            | 153          | 215          | 15           |
| - Depn on Investments  | -240         | 80           | -            | 160          | 855          |
| - Depn on Shifting     | -            | 65           | -            | 65           | 102          |
| - Restructuring / FITL | -            | -            | -56          | -96          | -72          |
| - Others               | -5           | -22          | -            | 107          | 247          |
| <b>Total</b>           | <b>1,658</b> | <b>1,378</b> | <b>1,627</b> | <b>5,571</b> | <b>6,157</b> |

## ▶ QI FY 20 VS QI FY 19 – INCOME AND EXPENSES BREAKUP

(in INR Mn)

### INTEREST INCOME BREAKUP

| PARTICULARS                  | QI FY 2020    | QI FY 2019   | Growth %   |
|------------------------------|---------------|--------------|------------|
| Interest on Loans            | 8,686         | 7,425        | 17%        |
| Interest on Investments      | 1,411         | 1,389        | 2%         |
| Other Interest Income        | 195           | 81           | 142%       |
| <b>Total Interest Income</b> | <b>10,292</b> | <b>8,895</b> | <b>16%</b> |

### INTEREST EXPENSES BREAKUP

| PARTICULARS                    | QI FY 2020   | QI FY 2019   | Growth %   |
|--------------------------------|--------------|--------------|------------|
| Int Exp on Deposits            | 5,945        | 5,011        | 19%        |
| Other Int Expenses             | 179          | 136          | 32%        |
| <b>Total Interest Expenses</b> | <b>6,124</b> | <b>5,147</b> | <b>19%</b> |

### OTHER INCOME BREAKUP

| PARTICULARS                                   | QI FY 2020   | QI FY 2019   | Growth %   |
|---|--------------|--------------|------------|
| CEB & Charges                                 | 796          | 759          | 5%         |
| Treasury Income                               | 446          | 193          | 131%       |
| Other Inc incl recoveries in written off a/cs | 391          | 339          | 15%        |
| <b>Total Other Income</b>                     | <b>1,633</b> | <b>1,291</b> | <b>26%</b> |

### OPERATING EXPENSES BREAKUP

| PARTICULARS              | QI FY 2020   | QI FY 2019   | Growth %   |
|--------------------------|--------------|--------------|------------|
| Employee Cost            | 1,004        | 873          | 15%        |
| Other Operating Expenses | 1,284        | 1,172        | 10%        |
| <b>Total Expenses</b>    | <b>2,288</b> | <b>2,045</b> | <b>12%</b> |

## ► FY 19 VS FY 18 – INCOME AND EXPENSES BREAKUP

(in INR Mn)

### INTEREST INCOME BREAKUP

| PARTICULARS                  | FY 2019       | FY 2018       | Growth %   |
|------------------------------|---------------|---------------|------------|
| Interest on Loans            | 31,777        | 28,404        | 12%        |
| Interest on Investments      | 5,536         | 5,228         | 6%         |
| Other Interest Income        | 359           | 392           | -ve        |
| <b>Total Interest Income</b> | <b>37,672</b> | <b>34,024</b> | <b>11%</b> |

### INTEREST EXPENSES BREAKUP

| PARTICULARS                    | FY 2019       | FY 2018       | Growth %  |
|--------------------------------|---------------|---------------|-----------|
| Int Exp on Deposits            | 21,080        | 19,271        | 9%        |
| Other Int Expenses             | 477           | 450           | 6%        |
| <b>Total Interest Expenses</b> | <b>21,557</b> | <b>19,721</b> | <b>9%</b> |

### OTHER INCOME BREAKUP

| PARTICULARS                                   | FY 2019      | FY 2018      | Growth %   |
|---|--------------|--------------|------------|
| CEB & Charges                                 | 2,936        | 2,561        | 15%        |
| Treasury Income                               | 870          | 1,682        | -ve        |
| Other Inc incl recoveries in written off a/cs | 1,338        | 1,078        | 24%        |
| <b>Total Other Income</b>                     | <b>5,144</b> | <b>5,321</b> | <b>-ve</b> |

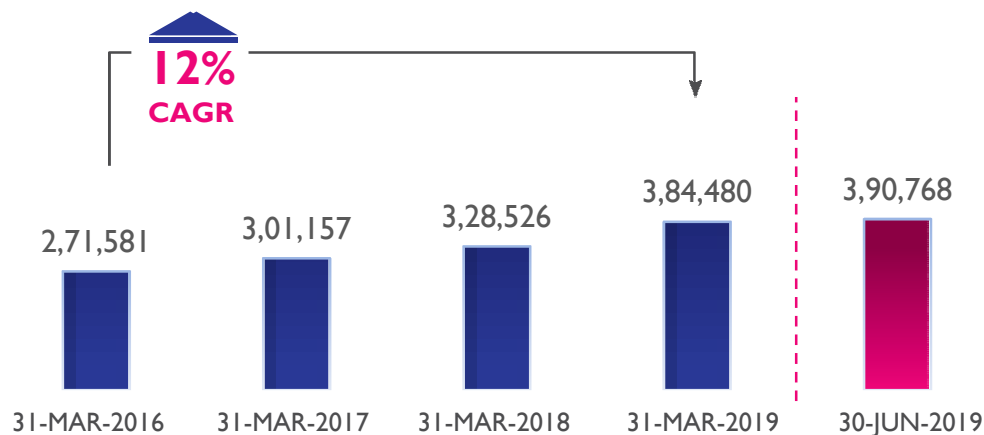
### OPERATING EXPENSES BREAKUP

| PARTICULARS              | FY 2019      | FY 2018      | Growth %   |
|--------------------------|--------------|--------------|------------|
| Employee Cost            | 3,644        | 3,159        | 15%        |
| Other Operating Expenses | 5,215        | 4,388        | 19%        |
| <b>Total Expenses</b>    | <b>8,859</b> | <b>7,547</b> | <b>17%</b> |

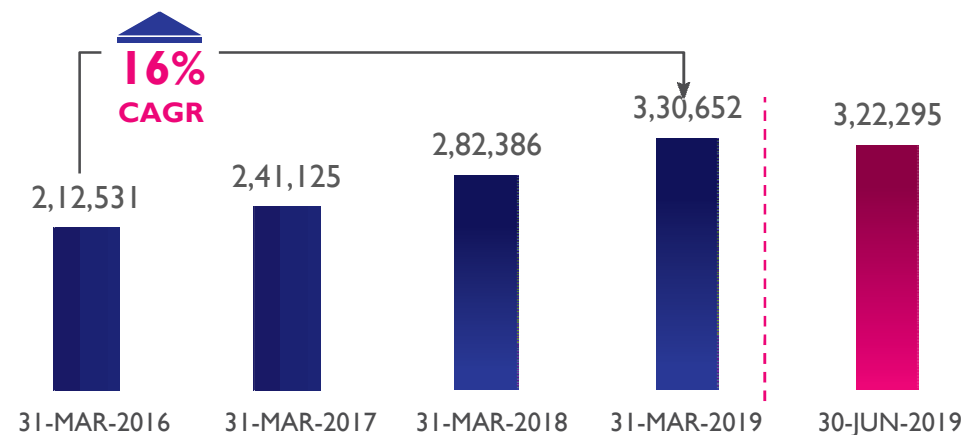
# ▶ STRONG DEPOSITS AND ADVANCES GROWTH

(in INR Mn)

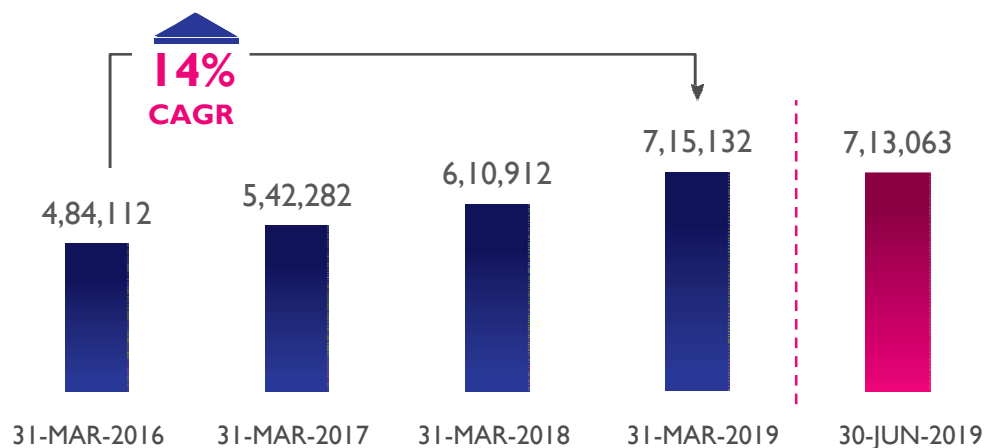
## DEPOSITS



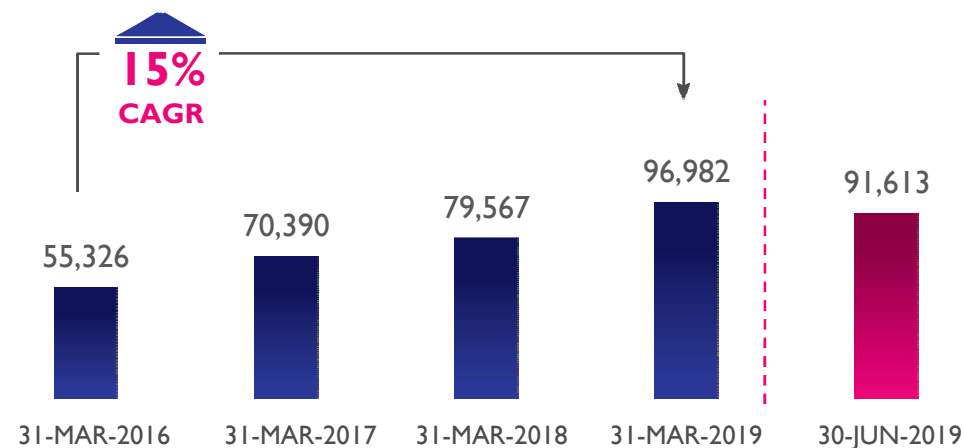
## ADVANCES



## BUSINESS



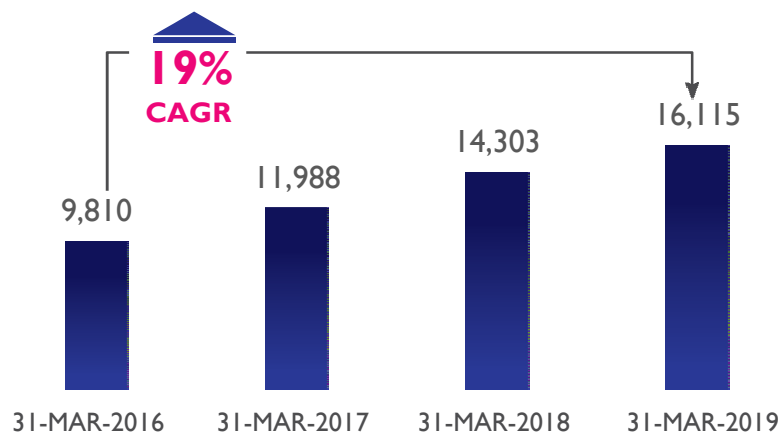
## CASA



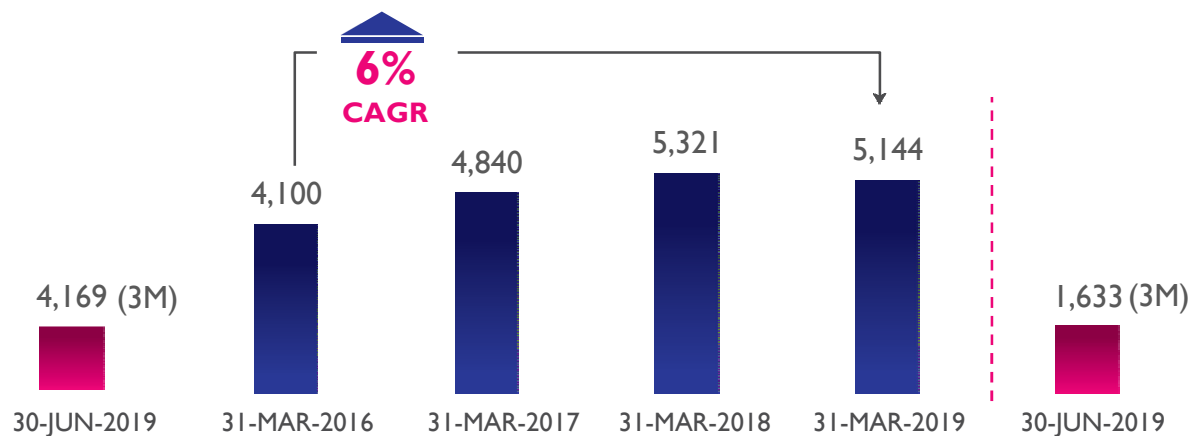
## ▶ INCOME GROWTH OVER THE YEARS...

(in INR Mn)

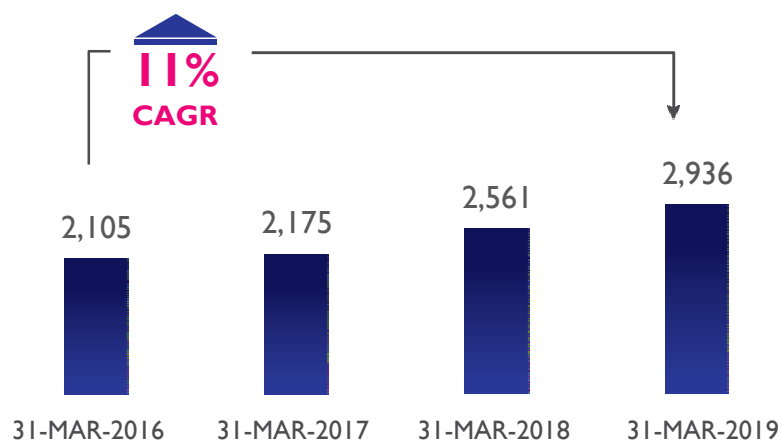
### NET INTEREST INCOME GROWTH



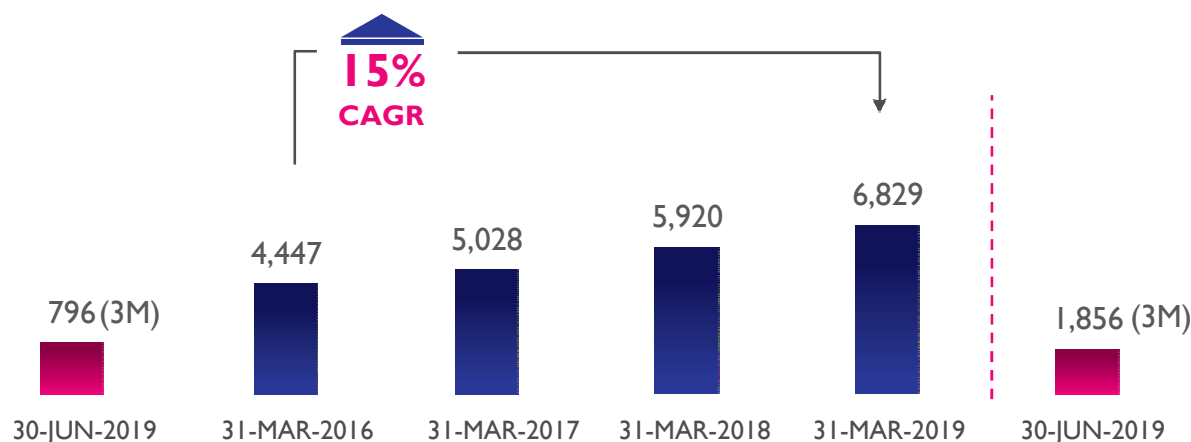
### OTHER INCOME GROWTH



### CEB GROWTH



### NET PROFIT GROWTH



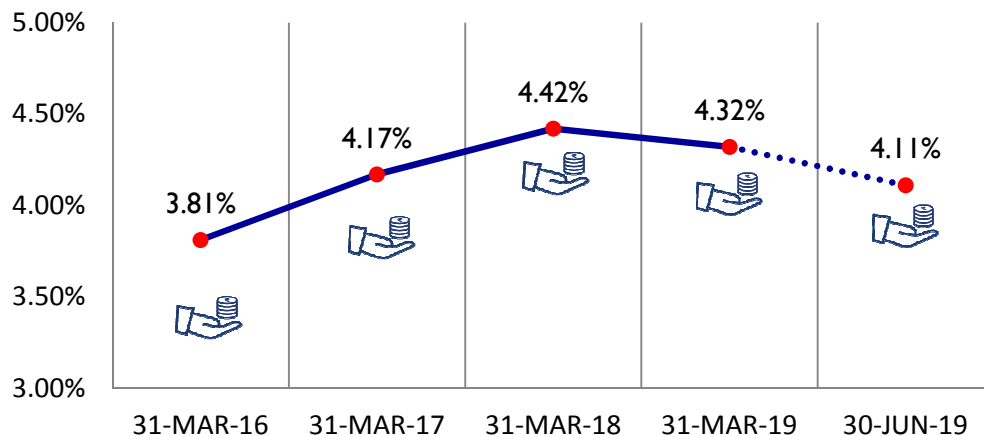
## ▶ KEY BUSINESS INDICATORS

| PARTICULARS                                | Q1 FY 20 | Q1 FY 19 | Q4 FY 19 | FY 18-19 | FY 17-18 |
|--|----------|----------|----------|----------|----------|
| Cost of Deposits                           | 6.27%    | 6.15%    | 6.27%    | 6.17%    | 6.29%    |
| Yield on Advances                          | 10.97%   | 10.86%   | 11.07%   | 10.95%   | 11.46%   |
| Yield on Investments                       | 6.93%    | 6.91%    | 6.96%    | 6.95%    | 6.95%    |
| Net Interest Margin                        | 4.11%    | 4.24%    | 4.40%    | 4.32%    | 4.42%    |
| Cost to Income                             | 39.43%   | 40.58%   | 40.48%   | 41.67%   | 38.46%   |
| Cost of Funds                              | 5.37%    | 5.21%    | 5.24%    | 5.18%    | 5.34%    |
| Yield of Funds                             | 9.02%    | 9.00%    | 9.15%    | 9.06%    | 9.21%    |
| Per Employee Business (in INR Mn)          | 128.99   | 117.60   | 129.60   | 129.60   | 114.77   |
| Per Employee Profit (in INR Mn) (Ann)      | 1.34     | 1.23     | 1.27     | 1.24     | 1.11     |
| EPS in INR - FV INR Re.1/- share (Not Ann) | 2.53     | 2.43     | 2.39     | 9.57     | 9.18     |

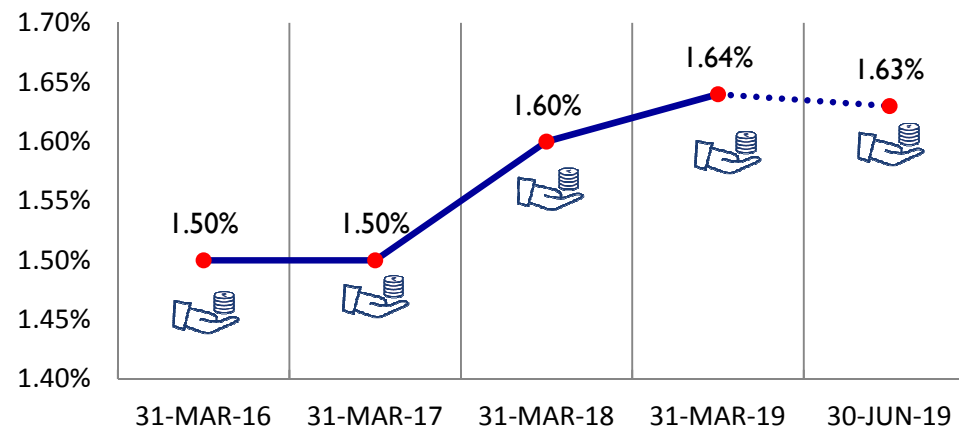


## ▶ KEY BUSINESS RATIOS – YEARLY TRENDS

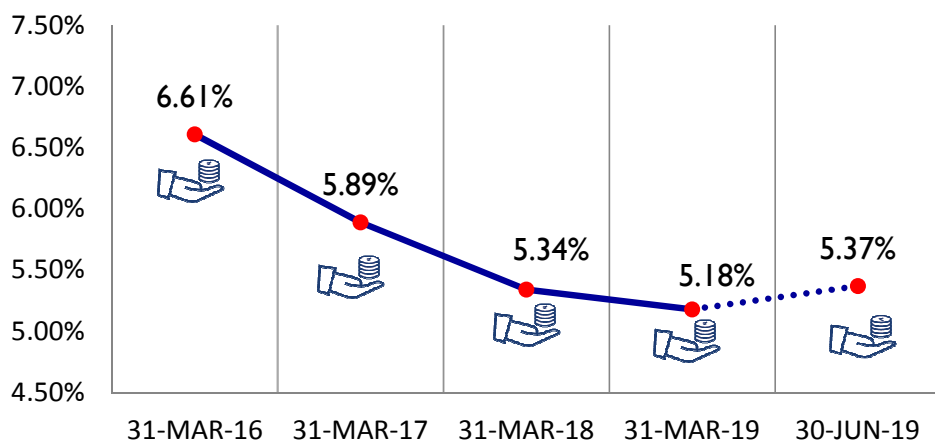
### NET INTEREST MARGIN



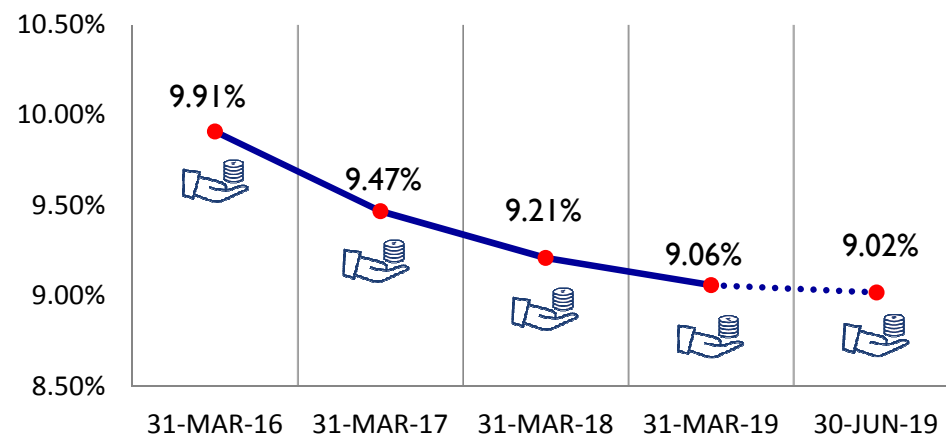
### RETURN ON ASSETS



### COST OF FUNDS

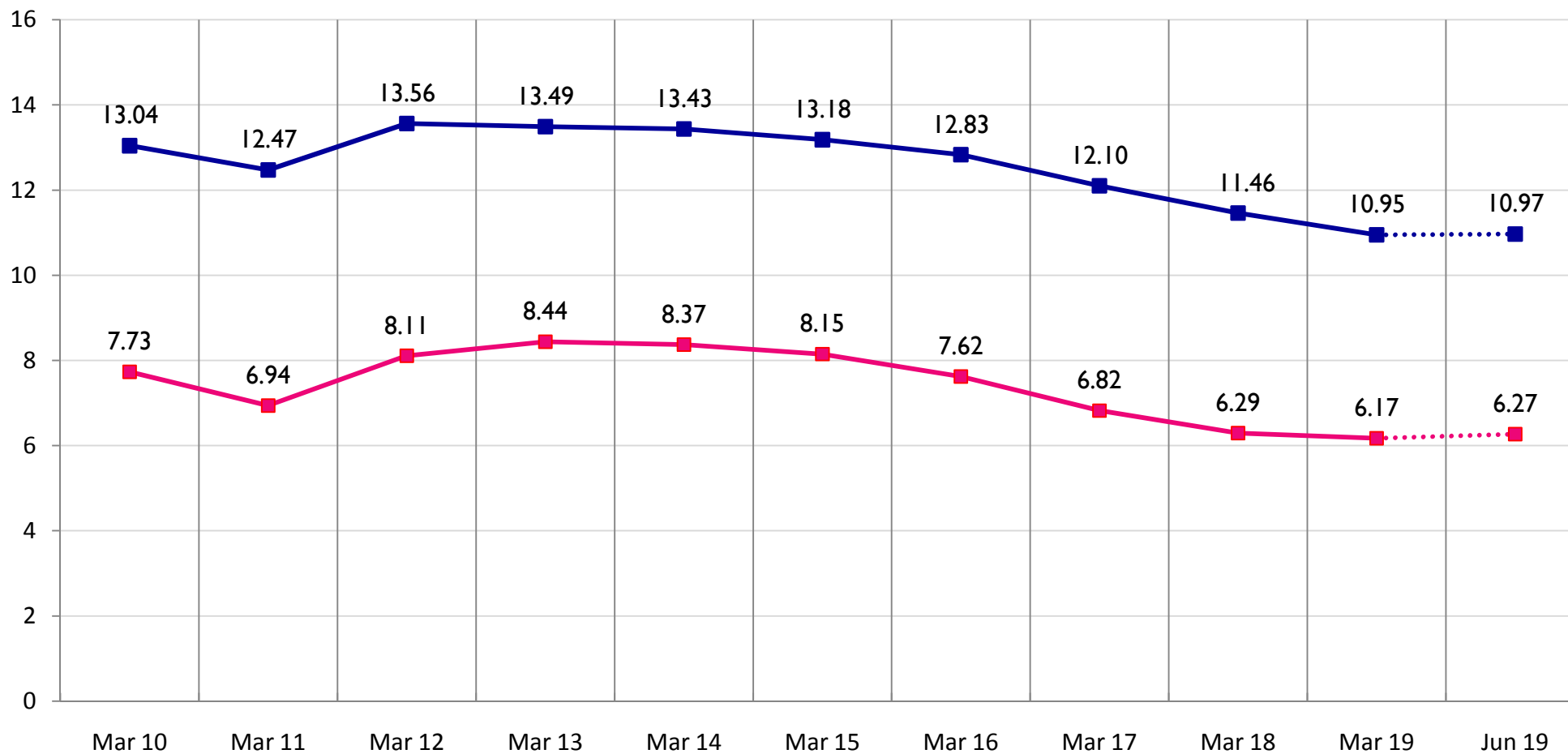


### YIELD ON FUNDS



## ▶ COST OF DEPOSITS & YIELD ON ADVANCES

(in %)

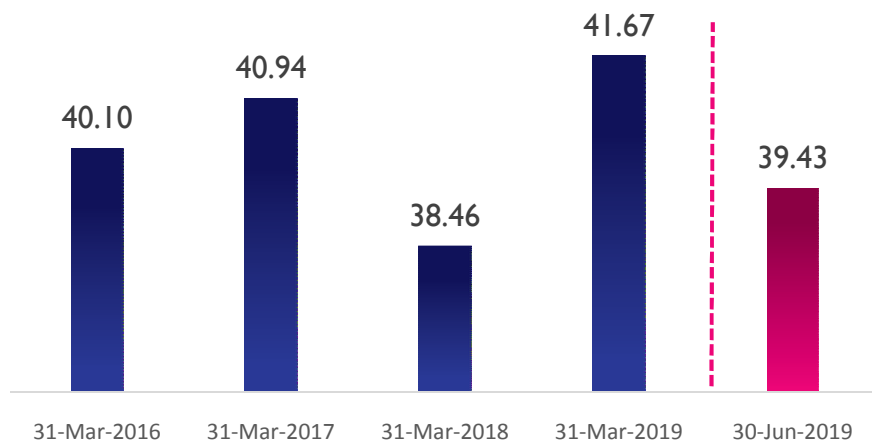


Spread between cost of deposits and yield on advances of our bank maintained in the last 10 years

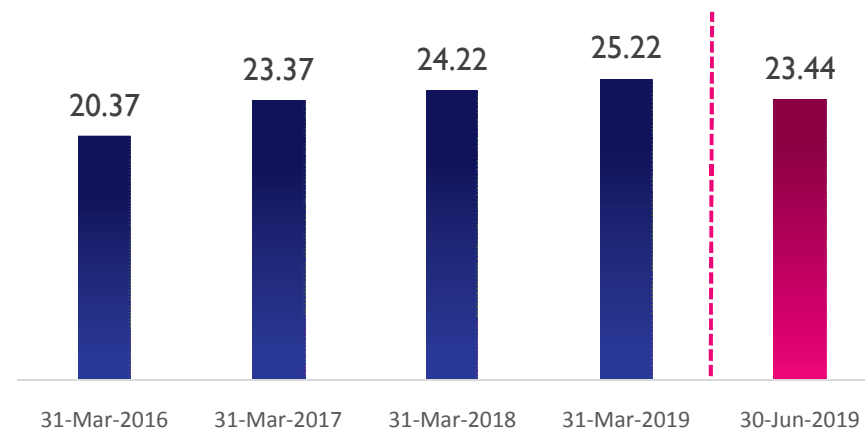
— Yield on Advances — Cost of Deposits

## EFFICIENCY

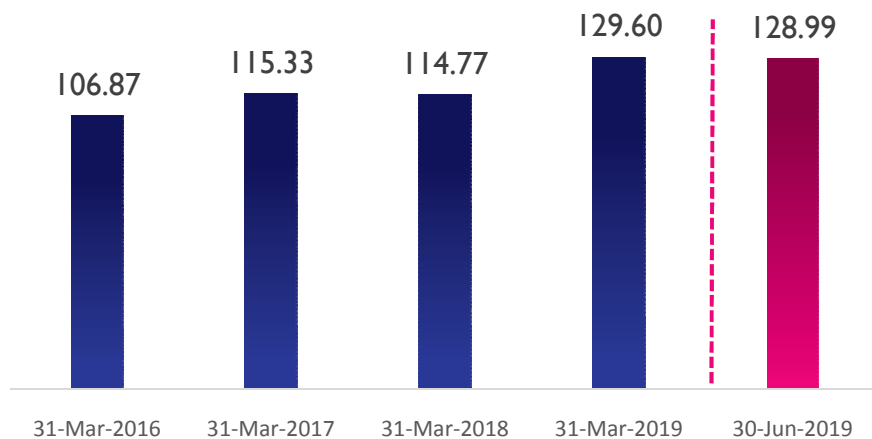
### COST INCOME RATIO (%)



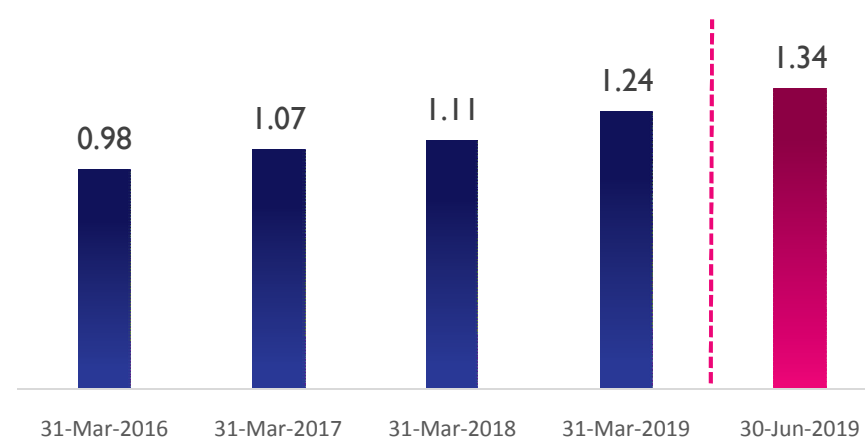
### CASA RATIO (%)



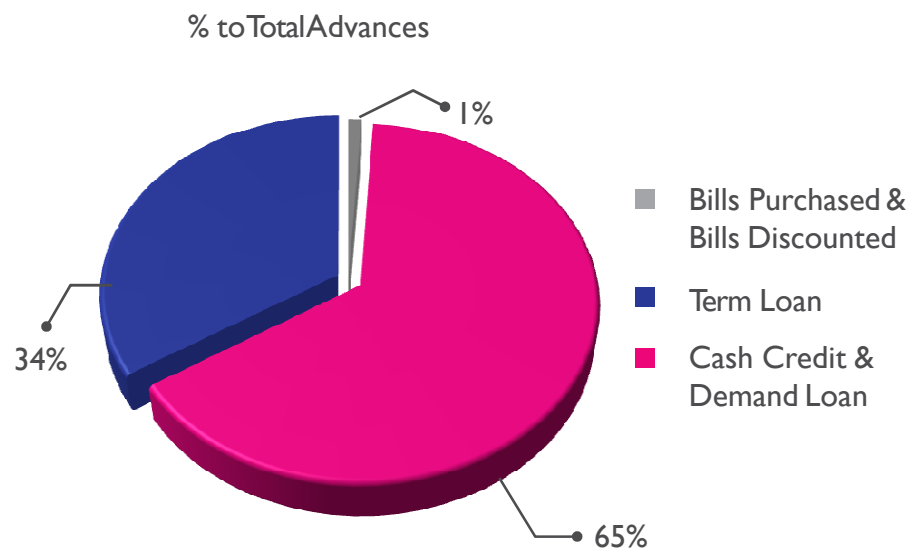
### BUSINESS PER EMPLOYEE (in INR Mn)



### PROFIT PER EMPLOYEE (in INR Mn)



## ▶ LOAN BOOK – PRODUCTS COMPOSITION



Working capital loans yielding higher interest constitute 65% of advances



Re-pricing possible at short intervals thus reducing interest rate risk

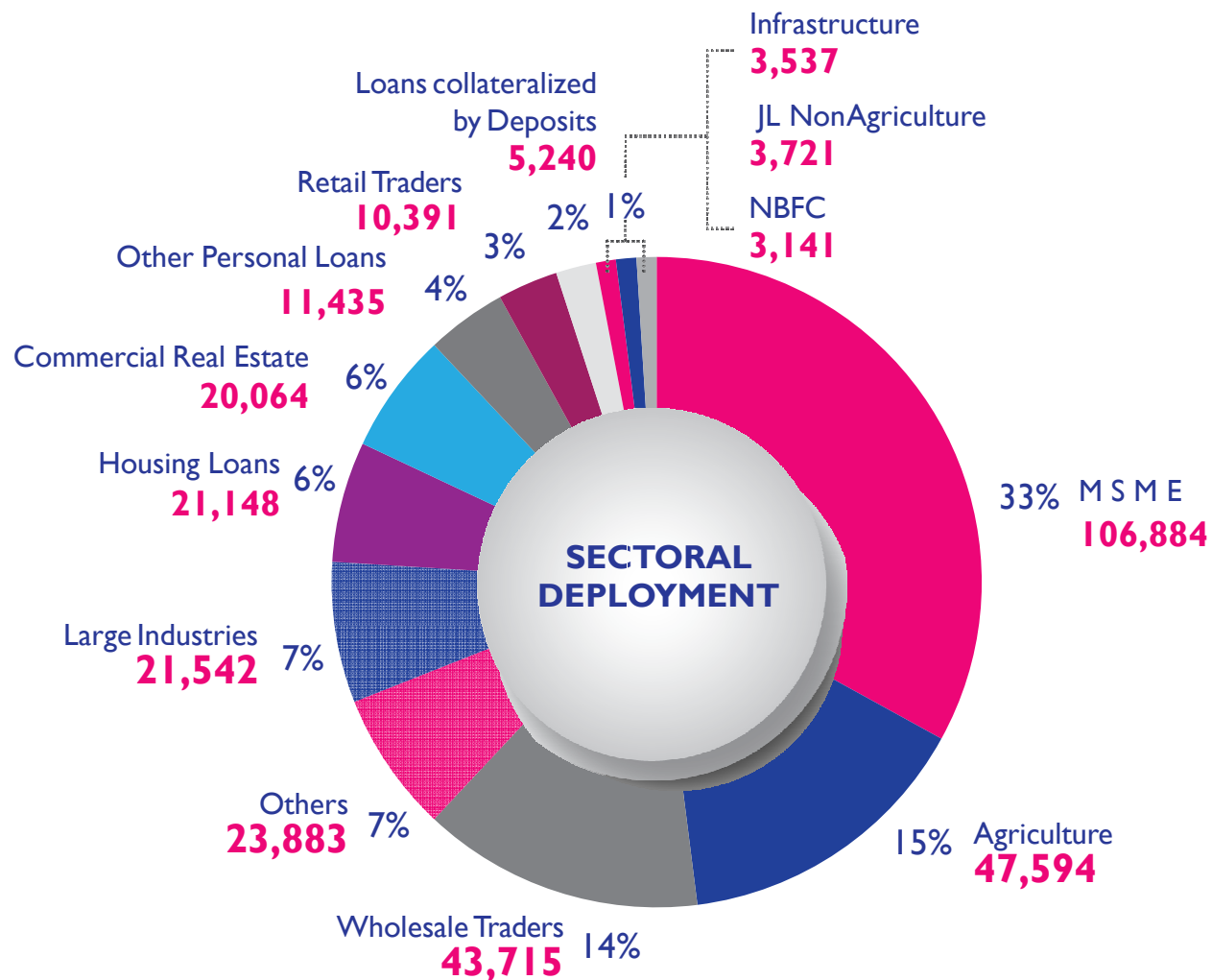


~95% of our loan book is on floating rate basis which reduces interest rate risk

| Loan Book Products Composition     | Amount (INR Mn) | % to Total Advances |
|------------------------------------|-----------------|---------------------|
| Cash Credit & Demand Loan          | 208,664         | 65%                 |
| Term Loan                          | 111,371         | 34%                 |
| Bills Purchased & Bills Discounted | 2,260           | 1%                  |
| <b>Gross Loan Total</b>            | <b>322,295</b>  | <b>100%</b>         |

# ▶ LOAN BOOK SECTORAL DEPLOYMENT – POSITION AS ON 30.06.2019

(in INR Mn)



## ▶ LOAN BOOK SECTORAL DEPLOYMENT – POSITION AS ON 30.06.2019

(in INR Mn)

### SECURED & UNSECURED ADVANCES

| Particulars     | Amount (INR Mn) | (%)         |
|-----------------|-----------------|-------------|
| Secured Loans   | 319,882         | 99%         |
| Unsecured Loans | 2,413           | 1%          |
| <b>Total</b>    | <b>322,295</b>  | <b>100%</b> |



Trading & MSME loans earning higher yield constitute about 50%



Diversified credit portfolio reduces credit risk and Lower ticket size backed by adequate collaterals



Unsecured Advances aggregate to 1%

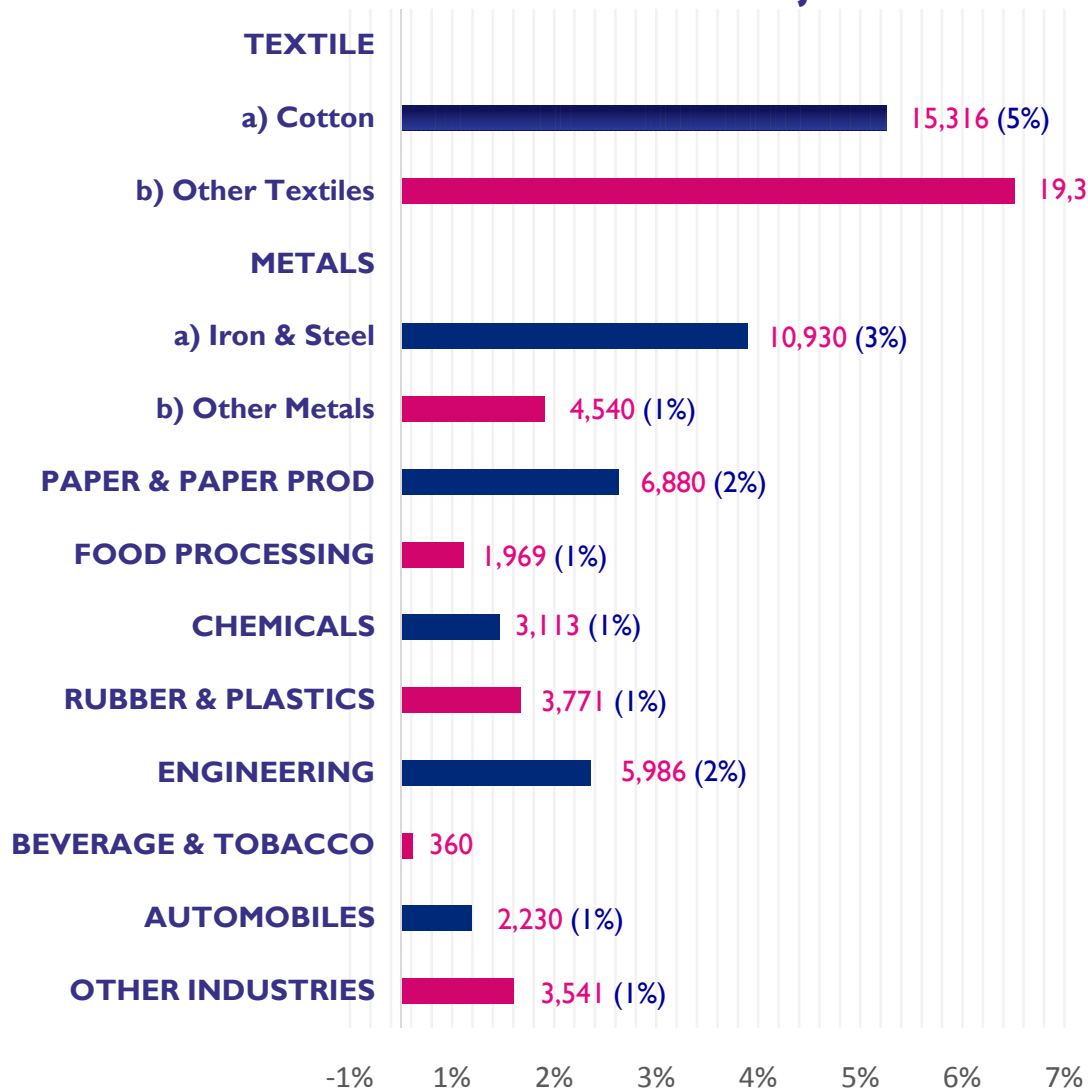


Total Jewel Loan outstanding as on 30.06.2019 – Rs.28,758 Mn

# Loan Book – Advances to Major Industries

(in INR Mn)

## Advances to Major Industries 30<sup>th</sup> June 2019

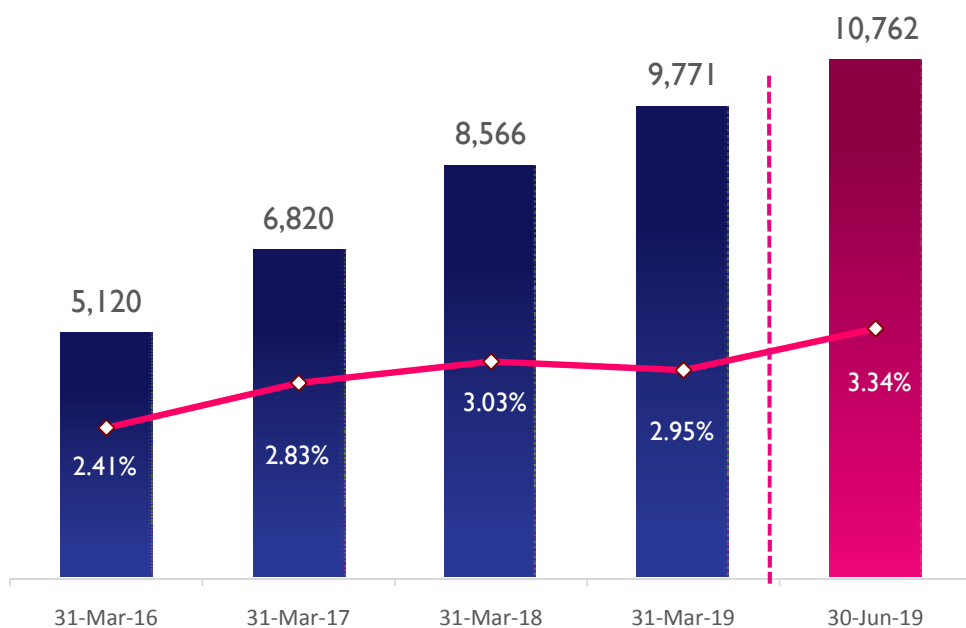


| Industry Name  | Amount (in INR Mn) | % to Total Advances |
|--|--------------------|---------------------|
| Advances to Major Industries                               | 78,015             | 24%                 |
| All other advances (Agri, Trade, Service, Gold Loan, etc.) | 244,280            | 76%                 |
| <b>Total Gross Advances</b>                                | <b>322,295</b>     | <b>100%</b>         |

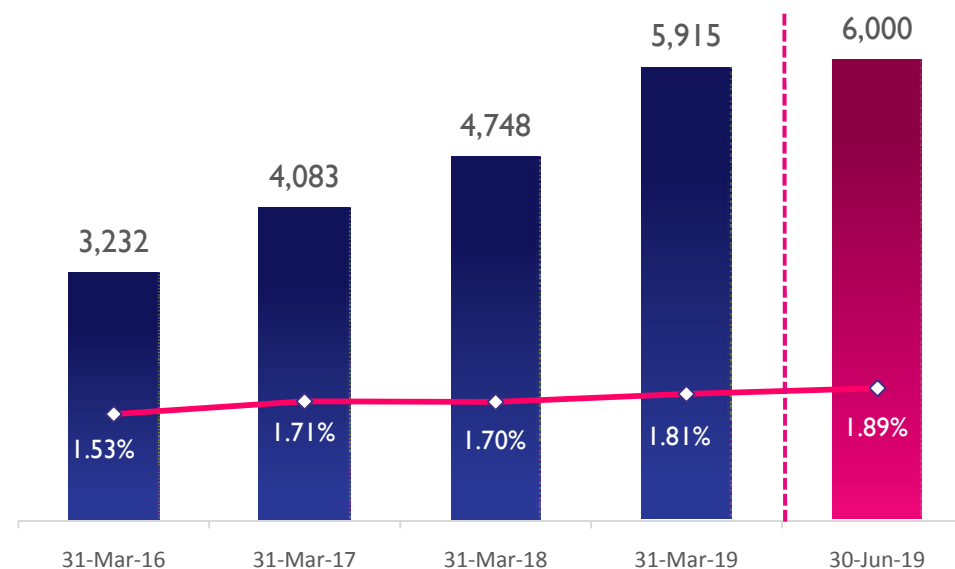
## ▶ ASSET QUALITY

(in INR Mn)

### GROSS NPA QTM & GROSS NPA %



### NET NPA QTM & NET NPA %



- ✓ Sequential Net NPA increased by Rs.85 mn only
- ✓ No exposure to troubled Corporates which are recently in news



## ▶ ASSET QUALITY POSITION – MOVEMENT OVER THE YEARS

| (RS IN MN)                                 |       | FY MAR-15    | FY MAR-16    | FY MAR-17    | FY MAR-18    | FY MAR-19    | Q1 FY 2020    |
|--|-------|--------------|--------------|--------------|--------------|--------------|---------------|
| <b>NPA Opening balance</b>                 |       | <b>2,931</b> | <b>3,358</b> | <b>5,120</b> | <b>6,820</b> | <b>8,565</b> | <b>9,771</b>  |
| Additions                                  | A     | 4,250        | 4,290        | 4,796        | 5,749        | 6,322        | 1,999         |
| Recovery / SR *                            |       | 2,118        | 734          | 905          | 1,623        | 1,980        | 368           |
| Upgradations                               |       | 227          | 546          | 556          | 433          | 496          | 112           |
| NetAddition                                | B     | 1,905        | 3,010        | 3,335        | 3,693        | 3,846        | 1,519         |
| Write-off                                  |       | 1,478        | 1,248        | 1,635        | 1,948        | 2,640        | 528           |
| <b>NPA Closing balance</b>                 |       | <b>3,358</b> | <b>5,120</b> | <b>6,820</b> | <b>8,565</b> | <b>9,771</b> | <b>10,762</b> |
| Technical Write-off (TW) during the period |       | 618          | 1,189        | 1,564        | 1,836        | 2,565        | 514           |
| <b>Provision made during the period</b>    | C     | <b>1,650</b> | <b>2,050</b> | <b>2,515</b> | <b>3,030</b> | <b>2,700</b> | <b>1,440</b>  |
| TW recovery                                | D     | 750          | 370          | 470          | 704          | 898          | 315           |
| Provision made net of TW Recovery          | E=C-D | <b>900</b>   | <b>1,680</b> | <b>2,045</b> | <b>2,326</b> | <b>1,802</b> | <b>1,125</b>  |
| GrossAdvance                               | F     | 1,80,885     | 2,12,531     | 2,41,125     | 2,82,386     | 3,30,652     | 3,22,295      |
| <b>Additions % of GrossAdvance</b>         | A / F | <b>2.35</b>  | <b>2.02</b>  | <b>1.99</b>  | <b>2.04</b>  | <b>1.91</b>  | <b>0.62</b>   |
| <b>NetAddition % of Gross Advance</b>      | B / F | <b>1.05</b>  | <b>1.42</b>  | <b>1.38</b>  | <b>1.31</b>  | <b>1.16</b>  | <b>0.47</b>   |
| <b>Credit cost</b>                         | E / F | <b>0.50</b>  | <b>0.79</b>  | <b>0.85</b>  | <b>0.82</b>  | <b>0.54</b>  | <b>0.35</b>   |
| Gross NPA %                                |       | 1.86         | 2.41         | 2.83         | 3.03         | 2.95         | 3.34          |
| Net NPA %                                  |       | 1.30         | 1.53         | 1.71         | 1.70         | 1.81         | 1.89          |

✓ There is no sale to ARC under SR Basis since FY 15-16

## ▶ RESTRUCTURED ACCOUNTS

### Balance outstanding as on 30.06.2019 in respect of Restructured Standard borrowers

| Type of Restructuring | No. of Borrowers | Amount (in INR Mn) |
|-----------------------|------------------|--------------------|
| S M E                 | 48               | 482                |
| N S M E               | 50               | 156                |
| <b>Total</b>          | <b>98</b>        | <b>638</b>         |

- ▶ The above disclosure is in respect of Restructured Standard Accounts excluding NPA
- ▶ Restructured Standard Advances to Gross Advances – 0.20% as on Jun-19
- ▶ In terms of RBI Circular DBR No.BPBC.18/21.04.048/2018-19 dt 01.01.2019 on MSME Sector - Restructuring of Advances, the bank has restructured 5 Standard accounts to the tune of Rs.71.92 mn in Q1 FY 2019. Earlier, in Q4 FY 19, the bank had restructured 97 Standard accounts amounting to Rs.561.12 mn. Out of this 97 accounts, 3 accounts got closed and an account slipped to NPA in Q1 FY 20. Thus, as on Jun 2019, there were 98 Standard restructured accounts with an outstanding balance of Rs.638.33 mn. The Bank hold a provision of Rs.22.12 mn against the requirement of Rs.21.50 mn towards Restructured Standard accounts.
- ▶ No fresh sale to ARC during Q1 FY 20 and amount outstanding in Security Receipts – Rs.3,134 mn. Out of this, 4 accounts which constitutes 90% of total SRs, the resolution has been finalized and payments has started in all the 4 accounts. The Cash flow of Rs. 105 mn received during Q1 FY 20. Since the repayment term goes upto 2022, we expect there will be continuous cash flows. Based on the above and valuation done by rating agencies, we have withdrawn a provision of Rs.240 mn during Q1 FY 20.

## ▶ INVESTMENTS – AT A GLANCE

### Investments Breakup and Categorywise

(in INR Mn)

| Particulars                 | JUN 2019      | JUN 2018      |
|-----------------------------|---------------|---------------|
| SLR Securities              | 82,611        | 78,431        |
| Non-SLR Securities          | 3,652         | 3,667         |
| <b>Total Investments</b>    | <b>86,263</b> | <b>82,098</b> |
| Yield on Investments        | <b>6.93%</b>  | <b>6.91%</b>  |
| <b>Investments Breakup:</b> |               |               |
| - A FS                      | 20,988 (24%)  | 20,894 (25%)  |
| - HTM                       | 65,275 (76%)  | 61,111 (75%)  |
| - H FT                      | -             | 93            |
| <b>Total Investments</b>    | <b>86,263</b> | <b>82,098</b> |
| <b>Modified Duration:</b>   |               |               |
| - A FS                      | 0.85          | 1.50          |
| - HTM                       | 4.39          | 5.08          |
| - H FT                      | -             | 7.31          |
| - Overall Portfolio         | 3.63          | 4.29          |

✓ The Bank has no Direct / Indirect exposures to ILFS and other troubled corporates recently in news.

## ▶ Cross Selling - Tie-up / Arrangements

- ✓ We are in the process of making necessary tie - ups / agreements with Insurance and Mutual Funds distribution with companies like Star Health, Integrated Enterprises, BSE Star MF etc.
- ✓ We don't expect any spectacular increase in third party distribution immediately but we feel these are in needed in the long run.



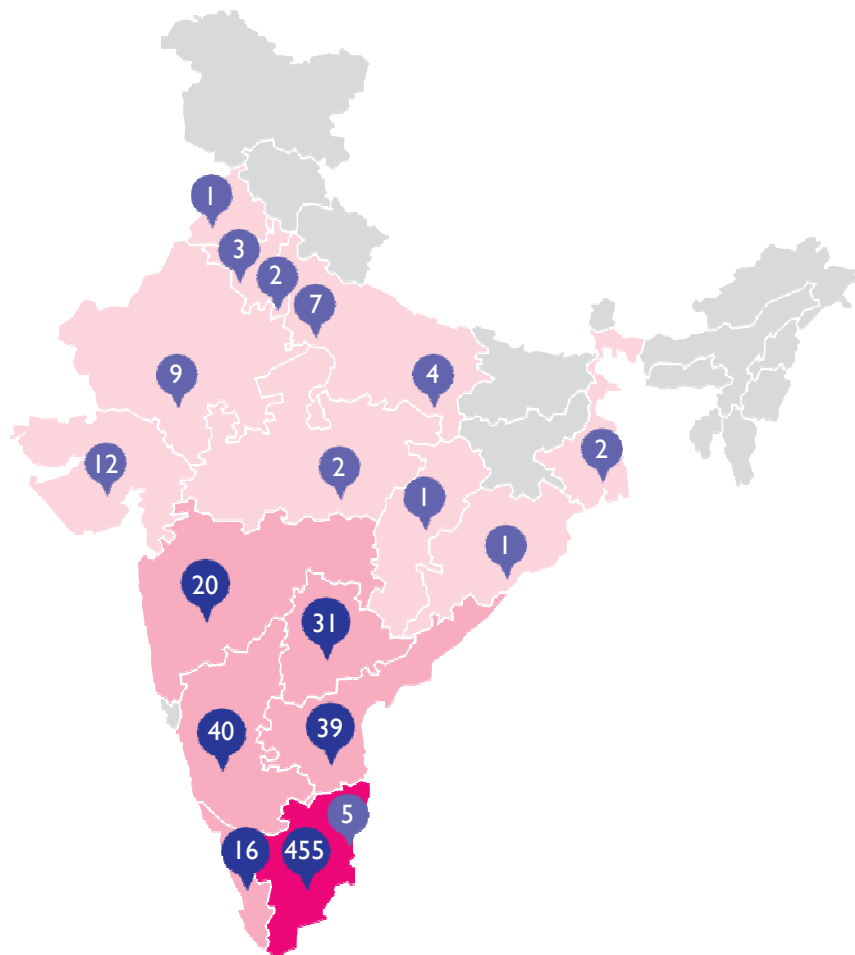
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# BRANCH NETWORK

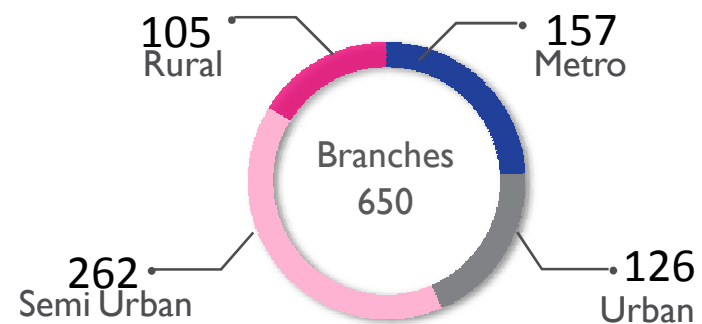
BRANCH NETWORK

## ▶ STRONG PRESENCE IN THE SOUTH

As of Jun 2019 - 650 branches. 586 branches are located in South India out of which 455 in Tamil Nadu



| State         | No. of Branches | % of Deposits | % of Advances | % of Business |
|---------------|-----------------|---------------|---------------|---------------|
| Tamilnadu     | 455             | 79            | 63            | 72            |
| Karnataka     | 40              | 6             | 5             | 6             |
| Andhrapradesh | 39              | 2             | 9             | 5             |
| Telengana     | 31              | 3             | 6             | 4             |
| Maharashtra   | 20              | 3             | 4             | 3             |
| Kerala        | 16              | 2             | 2             | 2             |
| Gujarat       | 12              | 1             | 4             | 2             |
| Others        | 37              | 4             | 7             | 6             |
| <b>Total</b>  | <b>650</b>      |               |               |               |





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# SHAREHOLDING PATTERN

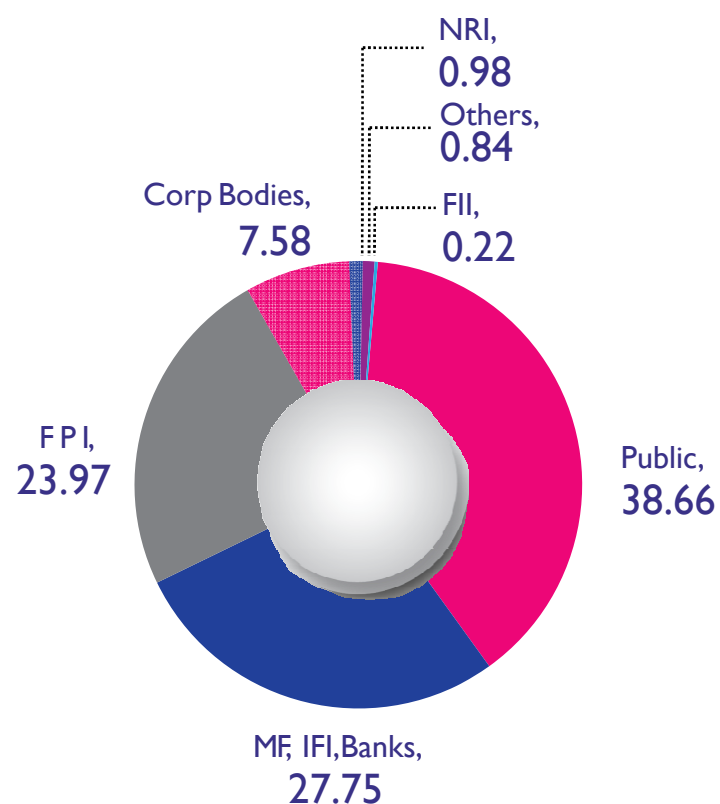
SHAKEHOLDING PATTERN

## ▶ A WELL DIVERSIFIED INVESTOR BASE

Position as on 30-Jun-2019

### Major Institutional Shareholders

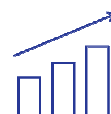
| SHAREHOLDERS                            | HOLDING % |
|---|-----------|
| HDFC Midcap Opportunities Fund          | 4.44      |
| Life Insurance Corporation of India     | 3.66      |
| Axis Emerging Opportunities Fund        | 2.82      |
| GKFF Ventures (Argonaut Ventures)       | 2.71      |
| Smallcap World Fund INC (Capital Group) | 2.70      |
| L & T Mutual Fund – Midcap Fund         | 2.38      |
| HDFC Life Insurance Co. Ltd.            | 2.05      |
| DSP Blackrock Midcap Fund               | 2.02      |
| Franklin Templeton Mutual Fund          | 1.96      |
| Sundaram Mutual Fund                    | 1.28      |
| Wasatch Core Growth Fund                | 1.28      |
| Bank Muscat India Fund                  | 1.23      |
| UTI – Equity Fund                       | 1.14      |
| Faering Capital India Evolving Fund     | 1.10      |
| Reliance Growth Fund                    | 1.09      |
| Motilal Oswal Mutual Fund               | 1.09      |
| TVF Fund Limited                        | 1.06      |
| IDFC Multi Cap Fund                     | 1.06      |



Well diversified ownership of shareholders around 1,02,000 Approx



Long term investors ensuring stability and support to management



Limit on FII / FPI ownership increased to 40%



Higher Participation from FPI's



Head room available for FII / FPI ... 15.78%





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# CORPORATE GOVERNANCE

СОКЪОКАТЕ ГОЛЕКИАИСЕ

## ▶ A WELL EXPERIENCED AND STRONG BOARD



**Shri. R. Mohan | B.Sc., MBA, CAIIB**  
**Non-Executive Chairman**

Shri. R. Mohan is a bachelor of Science, Master of Business Administration and a CAIIB. Prior to joining the Board, he served as Chief General Manager of our Bank.



**Smt. Abarna Bhaskar | BA., FCA**  
**Director**

Smt. Abarna Bhaskar is a qualified Chartered Accountant by profession and the first woman director of the Bank. She has served in senior positions with Foreign Banks abroad and a large private sector bank in India. She also holds expertise in Risk Management.



**Shri. S. Bernard | B.Com. FCA**  
**Director**

Shri. S. Bernard is a graduate in Commerce and Fellow member of the Institute of Chartered Accountants of India. Having worked as an accountant / divisional accountant in Eastern Coal Fields (subsidiary of Coal India Ltd.) and Best & Crompton Engineering for a period of 6 years. He is a practicing Chartered Accountant since 1984.



**Shri. V.N. Shiva Shankar | B.Com, ACS, ACMA, BL**  
**Director**

Shri. V.N. Shiva Shankar is a qualified Lawyer, Company Secretary and Cost Management Accountant with 25 years of rich experience in Indian Corporate Law. He is also the founder of M/s VNS Legal Corporate Law firm based in Chennai which focuses on legal advisory services on Capital Market Regulation, Takeover Offers, Corporate Litigation, etc. He is a member of the Executive Committee in Southern India Chamber of Commerce. He has expertise in SEBI Regulations & Risk Management.



**Shri. K. Vaidyanathan | B.Sc., FCMA, FCS**  
**Director**

Shri K. Vaidyanathan is a Fellow member of the Institute of Cost Management Accountants of India and also the Institute of Company Secretaries of India. He has over 40 years of rich domain experience in Financial and Management Accounting, Corporate Finance, Auditing and Regulatory Compliance. He is a Practicing Company Secretary. He also holds expertise in Compliance and Business management.



**Dr. N. Kamakodi | B.Tech., MBA., PhD., CAIIB**  
**M.D. & C.E.O.**

Dr. N. Kamakodi is serving as MD & CEO of the Bank from May 2011. He joined the Bank as DGM in the year 2003 and was elevated as GM in 2005 and later as Executive Director in 2006.



**Shri. M. Narayanan | B.Sc. FCA, Grad CMA, DISA**  
**Director**

Shri. M. Narayanan is a practicing Chartered Accountant by profession and has handled Finance, Accounts and Taxation at various levels upto CFO while in service for over 20 years in companies of repute viz. BHEL, Dalmia Cements, Fenner, Ramco Cements and Dishnet etc. He is also an agriculturist and a qualified system Auditor.



**Shri. Subramaniam Narayanan | PGDM-IIM(A), FCA, FCS, Grad CMA**  
**Director**

Shri. Subramaniam Narayanan possesses rich experience in the area of Finance, Accountancy and Portfolio Managerial Operations in Security Market. He has held the position of CEO of First India Asset Management Co. Ltd. and handled Treasury services for Bank of America and Abu Dhabi Commercial Bank, UAE. He is also the founder Chairman of the Venture Capital Association of India (VCAI). He also has expertise in Business Management, IT Industry, Treasury Management & Risk Management.



**Dr. T.S. Sridhar IAS (Retd.) | M.A., Phd.,**  
**Director**

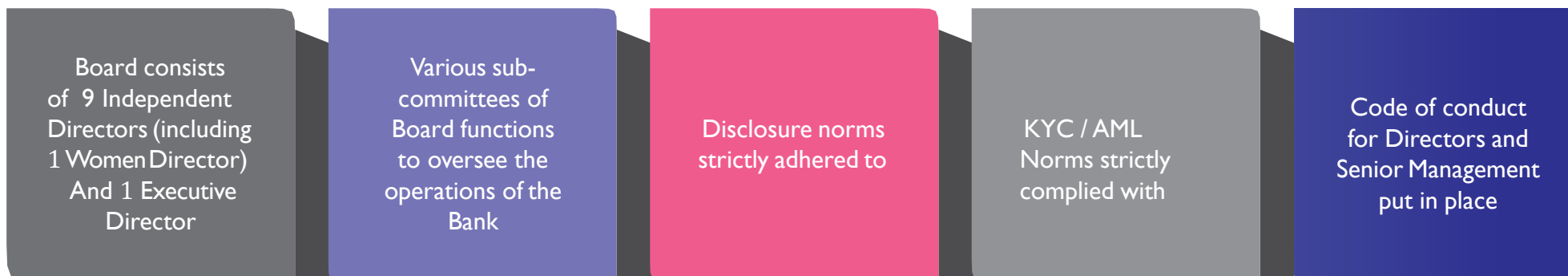
Dr. T.S. Sridhar is a Retd. IAS officer having 35 years of vast experience in all levels of administration and as Principal Secretary, he has expertise and knowledge on Rural economy, farm sector and Industries especially MSME. He was a Director on the Board of NABARD. He holds expertise in Human Resource and Economics as well.



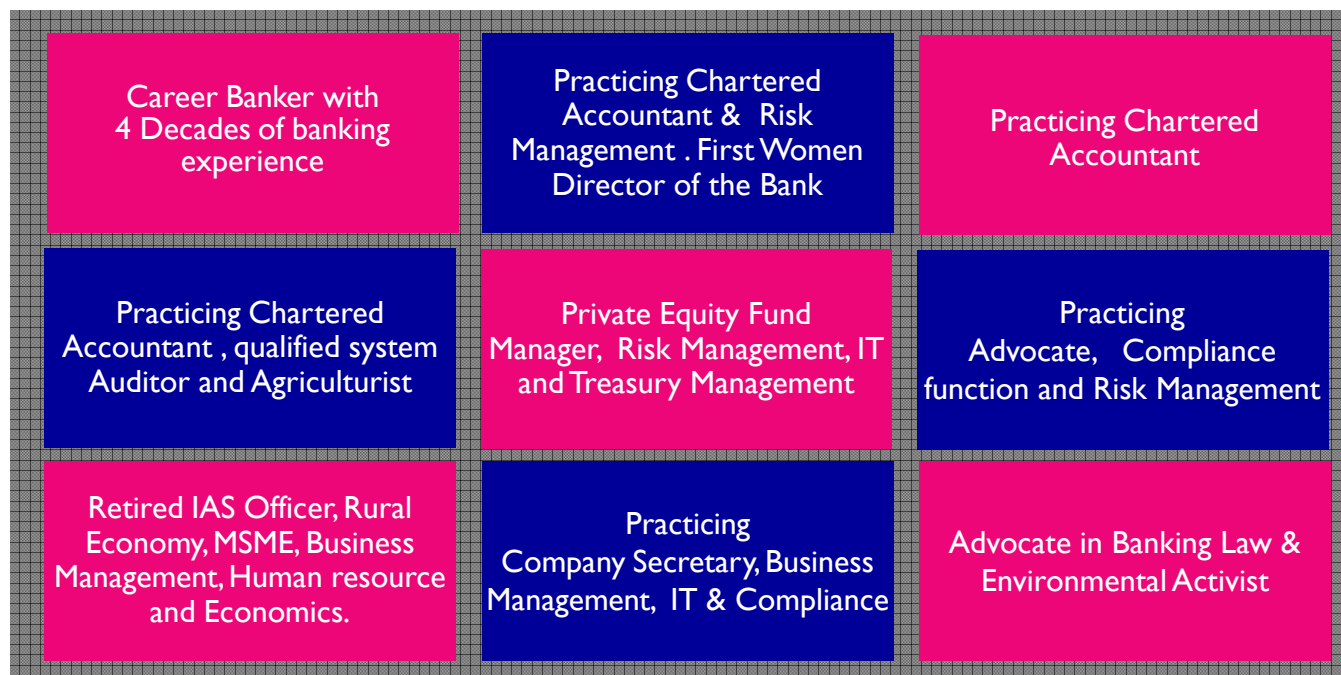
**Shri. T.K. Ramkumar | B.Com., B.L.**  
**Director**

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

## ▶ TRANSPARENT ‘CORPORATE GOVERNANCE’ PRACTICES



## WE HAVE EMINENT PERSONALITIES ON OUR BOARD WITH DIVERSE PROFESSIONAL EXPERTISE



## CITY UNION BANK LTD.

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Admin Office : "Narayana" No.24 B, Gandhi Nagar, Kumbakonam - 612001, Tamil Nadu.

Tel : 0435-2402322, 2401622, | FAX: 0435-2431746 | [www.cityunionbank.com](http://www.cityunionbank.com)



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