



INVESTOR PRESENTATION

SEPTEMBER 2021

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September 2021

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OVERVIEW

ΟΛΕΚΛΙΕΜΑ

► 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 30.09.2021



Deposits
INR 46,316 CR



Advances
INR 38,012 CR



Net Interest Margin
3.95% (6 M)



Net NPA
3.48%



Employees
5,663



Branches
702

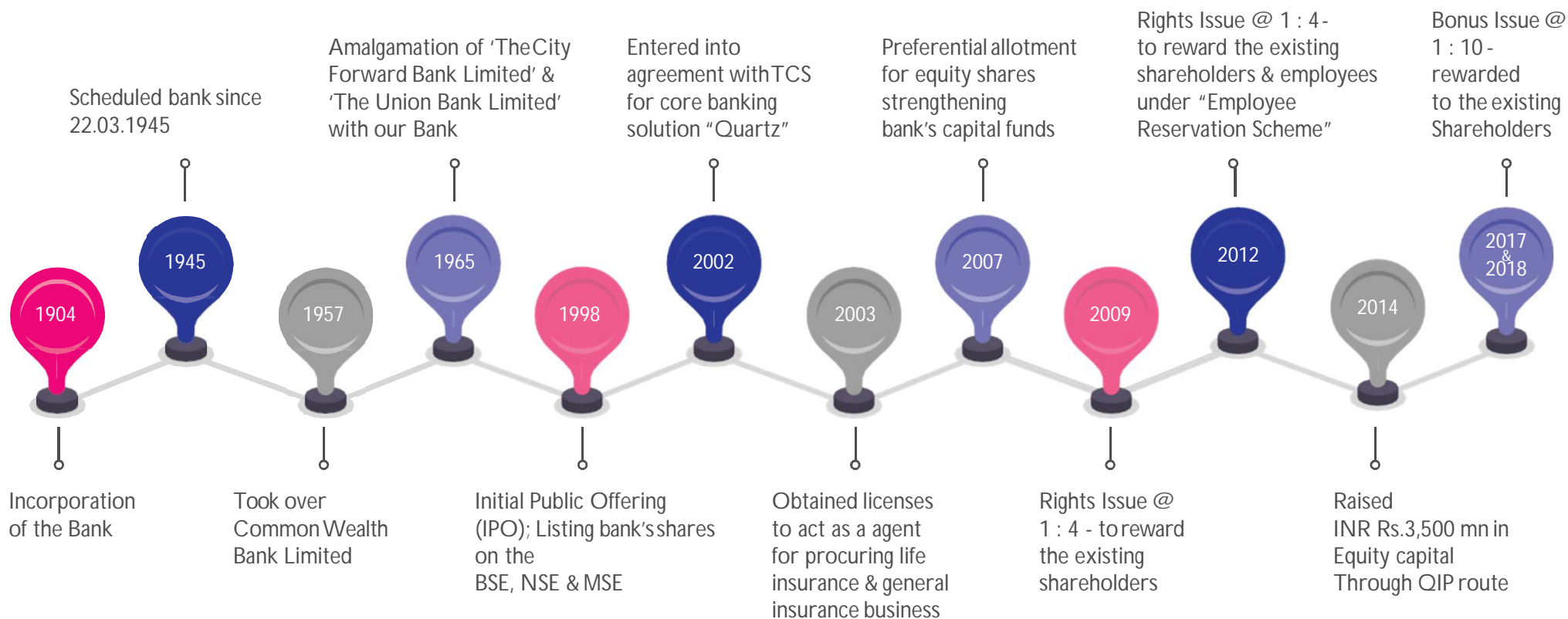


ATM's
1,720



Efficiency Ratio
40.49%

▶ 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

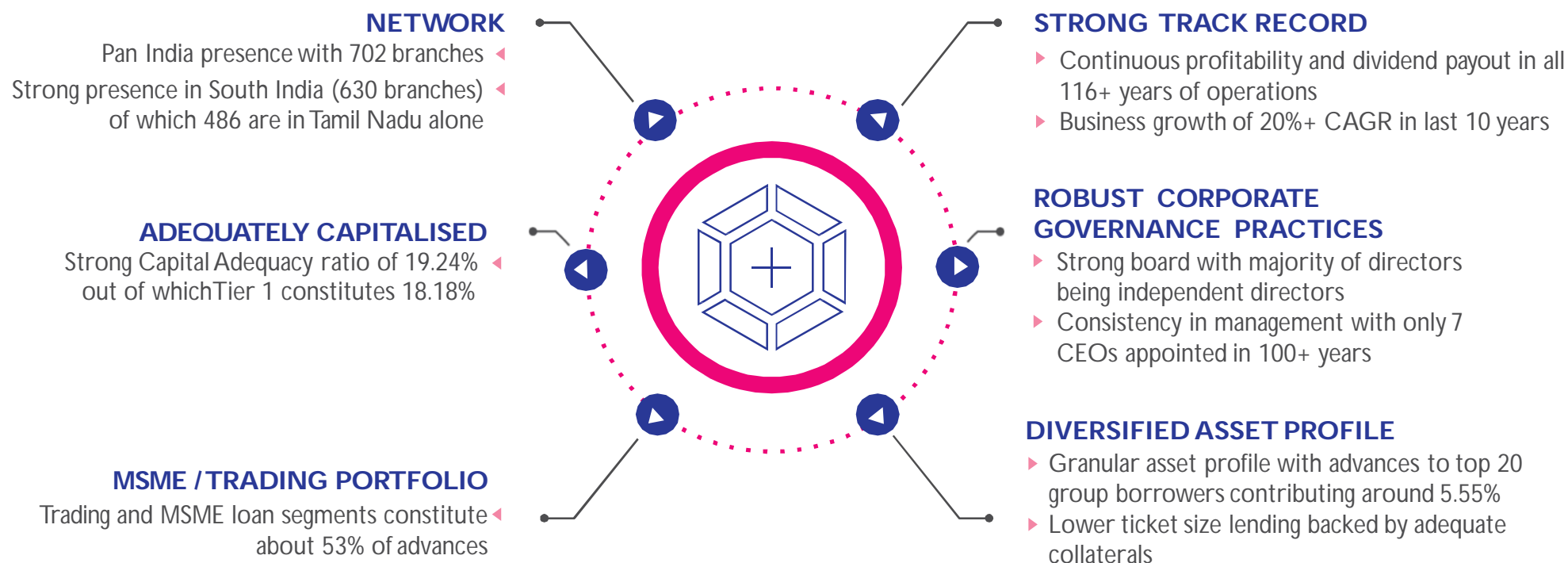
- ▶ Comprehensive employee training and recruitment infrastructure through staff training college
- ▶ All branches and 100% business under CBS from TCS

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 – SEPTEMBER 2021

▶ Q2 FY 22 / H1 FY 22 PERFORMANCE – A SNAPSHOT

- ▶ Deposits increased by 12% from Rs.414 Bn to Rs.463 Bn Y-o-Y
- ▶ Advances registered a growth of 7% from Rs.354 Bn to Rs.380 Bn Y-o-Y
- ▶ Total business grown by 10% from Rs.769 Bn to Rs.843 Bn Y-o-Y
- ▶ Gross Profit increased by 5% to Rs.4,051 Mn from Rs.3,847 Mn (Q2-Vs-Q2) and 6% from Rs.7,407 Mn to Rs.7,881 Mn (H1-Vs-H1)
- ▶ Net Profit increased by 15% from Rs.1,577 Mn to Rs.1,821 Mn (Q2-Vs-Q2) and 14% to Rs.3,551 Mn from Rs. 3,117 Mn (H1-Vs-H1)
- ▶ Profitability and efficiency ratios :

PARTICULARS	Q2 FY 22	Q2 FY 21	H1 FY 22	H1 FY 21	FY 2020-21
Return on Assets	1.32%	1.23%	1.30%	1.23%	1.15%
Net Interest Margin	4.03%	4.12%	3.95%	4.05%	4.00%
Return on Equity	11.96%	11.50%	11.88%	11.54%	10.73%
Earning per share	Rs.2.46	Rs.2.14	Rs.4.81	Rs.4.23	Rs.8.03

- ▶ Gross NPA – 5.58% and Net NPA – 3.48%
- ▶ Provision Coverage Ratio – 61.86%
- ▶ CRAR – 19.24% (Basel III) of which core CRAR – 18.18%

▶ Q2 FY 22 VS Q2 FY 21 PERFORMANCE – A SNAPSHOT

(in INRMn)

463,161



414,206

Deposits

380,122



354,368

Advances

843,283



768,574

Total Business

134,113



106,446

CASA

4,051



3,847

Gross Profit

1,821



1,577

Net Profit

4,783



4,752

Net Interest
Income

40.51%



40.31%

Cost to Income

1.32%

ROA

11.96%

ROE

4.03%

NIM

5.58%

Gross NPA

3.48%

Net NPA

■ Q2 FY 22 ■ Q2 FY 21

▶ H1 FY 22 VS H1 FY 21 PERFORMANCE – A SNAPSHOT

(in INRMn)

463,161



414,206

Deposits

380,122



354,368

Advances

843,283



768,574

Total Business

134,113



106,446

CASA

7,881



7,407

Gross Profit

3,551



3,117

Net Profit

9,259



9,121

Net Interest
Income

40.49%



40.36%

Cost to Income

1.30%

ROA

11.88%

ROE

3.95%

NIM

5.58%

Gross NPA

3.48%

Net NPA

■ H1 FY 22 ■ H1 FY 21

► FY 21 VS FY 20 PERFORMANCE – A SNAPSHOT

(in INRMn)

445,370



9%

408,325

Deposits

370,206



7%

345,762

Advances

815,576



8%

754,087

Total Business

129,814



27%

101,970

CASA

14,838



11%

13,414

Gross Profit

5,928



24%

4,763

Net Profit

18,297



9%

16,752

Net Interest
Income

41.45%



43.04%

Cost to Income

1.15%

ROA

10.73%

ROE

4.00%

NIM

5.11%

Gross NPA

2.97%

Net NPA

■ FY 21

■ FY 20







FINANCIAL PERFORMANCE & BUSINESS PROFILE

ФИНАНСИЯТЪ СЪСТОЯНИЕТО & БИЗНЕСЪТЪ СЪСТОЯНИЕТО

▶ Q2 FY 22 VS Q2 FY 21 PERFORMANCE - A SNAPSHOT

(in INR Mn)

FINANCIAL PERFORMANCE

PARTICULARS	Q2 FY 22	Q2 FY 21	INC / (DEC)	Growth	Growth %	Q1 FY 22
Deposits	463,161	414,206		48,955	12%	446,059
Advances	380,122	354,368		25,754	7%	363,955
Total Business	843,283	768,574		74,709	10%	810,014
Demand Deposits	39,210	31,841		7,369	23%	33,370
Saving Deposits	94,903	74,605		20,298	27%	89,621
CASA	134,113	106,446		27,667	26%	122,991
Gross NPA	21,193	12,206				20,354
Net NPA	12,941	6,314				12,422
Gross NPA (%)	5.58%	3.44%				5.59%
Net NPA (%)	3.48%	1.81%				3.49%
C R A R (BASEL – III)	19.24%	17.36%				19.58%
- Of which Tier I	18.18%	16.29%				18.51%
CD Ratio	82%	86%				82%
PCR	62%	70%				63%

▶ Q2 FY 22 VS Q2 FY 21 PERFORMANCE - A SNAPSHOT

(in INR Mn)

FINANCIAL PERFORMANCE

PARTICULARS	Q2 FY 22	Q2 FY 21	INC / (DEC)	Growth %	Q1 FY 22
Net Interest Income	4,783	4,752	31	1%	4,476
Other Income	2,027	1,693	334	20%	1,956
Operating Expenses	2,759	2,598	161	6%	2,602
Gross Profit	4,051	3,847	204	5%	3,830
Provisions & Contingencies	2,230	2,270	-40	-	2,100
Net Profit	1,821	1,577	244	15%	1,730
Return on Assets	1.32%	1.23%			1.29%
Return on Equity	11.96%	11.50%			11.81%
Net Interest Margin	4.03%	4.12%			3.86%

▶ H1 FY 22 VS H1 FY 21 PERFORMANCE - A SNAPSHOT

(in INRMn)







FINANCIAL PERFORMANCE

PARTICULARS	H1 FY 22	H1 FY 21	INC / (DEC)	Growth %
Net Interest Income	9,259	9,121	138	2%
Other Income	3,984	3,299	685	21%
Operating Expenses	5,362	5,013	349	7%
Gross Profit	7,881	7,407	474	6%
Provisions & Contingencies	4,330	4,290	40	1%
Net Profit	3,551	3,117	434	14%
Return on Assets	1.30%	1.23%		
Return on Equity	11.88%	11.54%		
Net Interest Margin	3.95%	4.05%		

► FY 21 VS FY 20 PERFORMANCE - A SNAPSHOT

(in INRMn)

FINANCIAL PERFORMANCE

PARTICULARS	FY 2021	FY 2020	INC / (DEC)	Growth	Growth %
Deposits	445,370	408,325		37,045	9%
Advances	370,206	345,762		24,444	7%
Total Business	815,576	754,087		61,489	8%
Demand Deposits	37,537	29,244		8,293	28%
Saving Deposits	92,277	72,726		19,551	27%
CASA	129,814	101,970		27,844	27%
Gross NPA	18,932	14,134			
Net NPA	10,752	7,785			
Gross NPA (%)	5.11%	4.09%			
Net NPA (%)	2.97%	2.29%			
C R A R (BASEL – III)	19.52%	16.76%			
- Of which Tier I	18.45%	15.80%			
CD Ratio	83%	85%			
PCR	64%	65%			

► FY 21 VS FY 20 PERFORMANCE - A SNAPSHOT

(in INRMn)

FINANCIAL PERFORMANCE

PARTICULARS	FY 20-21	FY 19-20	INC / (DEC)	Growth %
Net Interest Income	18,296	16,752	1,544	9%
Other Income	7,048	6,799	249	4%
Operating Expenses	10,506	10,137	369	4%
Gross Profit	14,838	13,414	1,424	11%
Provisions & Contingencies	8,910	8,651	259	3%
Net Profit	5,928	4,763	1,165	24%
Return on Assets	1.15%	1.00%		
Return on Equity	10.73%	9.47%		
Net Interest Margin	4.00%	3.98%		

▶ PROVISIONS & CONTINGENCIES – BREAKUP

(in INRMn)

PARTICULARS	Q2 FY 22	Q2 FY 21	H1 FY 22	H1 FY 21	FY 20-21
Provision for:					
- Tax	750	500	1,150	950	1,000
- Bad Debts	1,180	320	3,510	820	5,990
- Covid 19	-	1,150	(830)	2,150	310
- Standard Assets	310	80	440	120	1,045
- Depn on Investments	-	200	-	200	178
- Depn on Shifting	-	-	23	-	-
- Restructuring / FITL	105	20	107	50	265
- Others	(115)	-	(70)	-	122
Total	2,230	2,270	4,330	4,290	8,910

▶ Q2 FY 22 VS Q2 FY 21 – INCOME AND EXPENSES BREAKUP

(in INRMn)

INTEREST INCOME BREAKUP

PARTICULARS	Q2 FY 22	Q2 FY 21	Growth %
Interest on Loans	8,632	8,988	-
Interest on Investments	1,542	1,521	1%
Other Interest Income	48	100	-
Total Interest Income	10,222	10,609	-

INTEREST EXPENSES BREAKUP

PARTICULARS	Q2 FY 22	Q2 FY 21	Growth %
Int Exp on Deposits	5,367	5,604	-
Other Int Expenses	72	254	-
Total Interest Expenses	5,439	5,858	-

OTHER INCOME BREAKUP

PARTICULARS	Q2 FY 22	Q2 FY 21	Growth %
CEB & Charges	731	651	12%
Treasury Income	519	686	-
Other Inc incl recoveries in written off a/cs	777	356	118%
Total Other Income	2,027	1,693	20%

OPERATING EXPENSES BREAKUP

PARTICULARS	Q2 FY 22	Q2 FY 21	Growth %
Employee Cost	1,270	1,199	6%
Other Operating Expenses	1,489	1,399	7%
Total Expenses	2,759	2,598	6%

▶ H1 FY 22 VS H1 FY 21 – INCOME AND EXPENSES BREAKUP

(in INRMn)

INTEREST INCOME BREAKUP

PARTICULARS	H1 FY 22	H1 FY 21	Growth %
Interest on Loans	17,192	17,910	-
Interest on Investments	2,905	2,922	-
Other Interest Income	100	271	-
Total Interest Income	20,197	21,103	-

INTEREST EXPENSES BREAKUP

PARTICULARS	H1 FY 22	H1 FY 21	Growth %
Int Exp on Deposits	10,772	11,502	-
Other Int Expenses	166	480	-
Total Interest Expenses	10,938	11,982	-

OTHER INCOME BREAKUP

PARTICULARS	H1 FY 22	H1 FY 21	Growth %
CEB & Charges	1,411	1,108	27%
Treasury Income	1,571	1,770	-
Other Inc incl recoveries in written off a/cs	1,002	421	138%
Total Other Income	3,984	3,299	21%

OPERATING EXPENSES BREAKUP

PARTICULARS	H1 FY 22	H1 FY 21	Growth %
Employee Cost	2,563	2,363	8%
Other Operating Expenses	2,799	2,650	6%
Total Expenses	5,362	5,013	7%

► FY 21 VS FY 20 – INCOME AND EXPENSES BREAKUP

(in INRMn)

INTEREST INCOME BREAKUP

PARTICULARS	FY 2021	FY 2020	Growth %
Interest on Loans	35,078	34,946	1%
Interest on Investments	5,828	6,099	-ve
Other Interest Income	441	641	-ve
Total Interest Income	41,347	41,686	-ve

INTEREST EXPENSES BREAKUP

PARTICULARS	FY 2021	FY 2020	Growth %
Int Exp on Deposits	22,348	24,369	-ve
Other Int Expenses	703	565	24%
Total Interest Expenses	23,051	24,934	-ve

OTHER INCOME BREAKUP

PARTICULARS	FY 2021	FY 2020	Growth %
CEB & Charges	2,616	3,076	-ve
Treasury Income	3,253	2,442	33%
Other Inc incl recoveries in written off a/cs	1,179	1,281	-ve
Total Other Income	7,048	6,799	4%

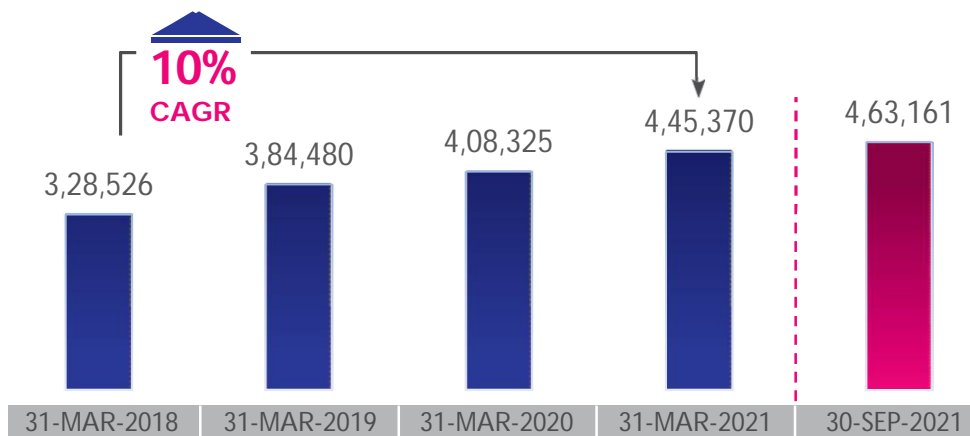
OPERATING EXPENSES BREAKUP

PARTICULARS	FY 2021	FY 2020	Growth %
Employee Cost	4,637	4,207	10%
Other Operating Expenses	5,869	5,930	-ve
Total Expenses	10,506	10,137	4%

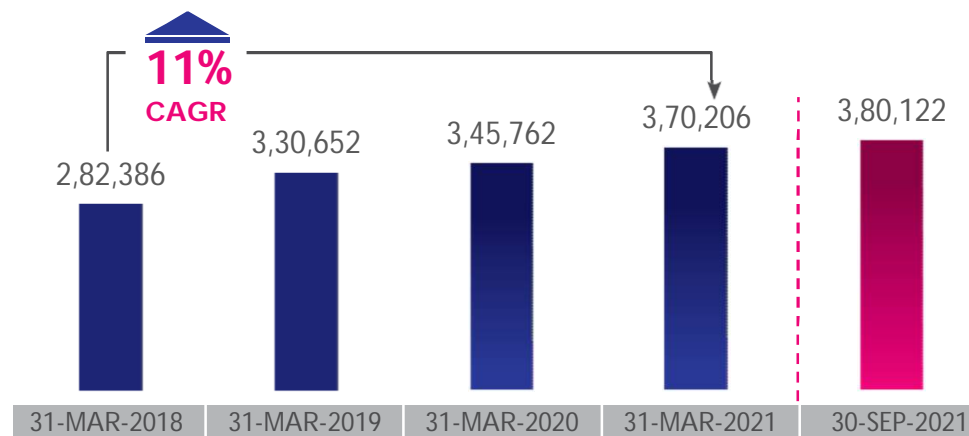
▶ STRONG DEPOSITS AND ADVANCES GROWTH

(in INRMn)

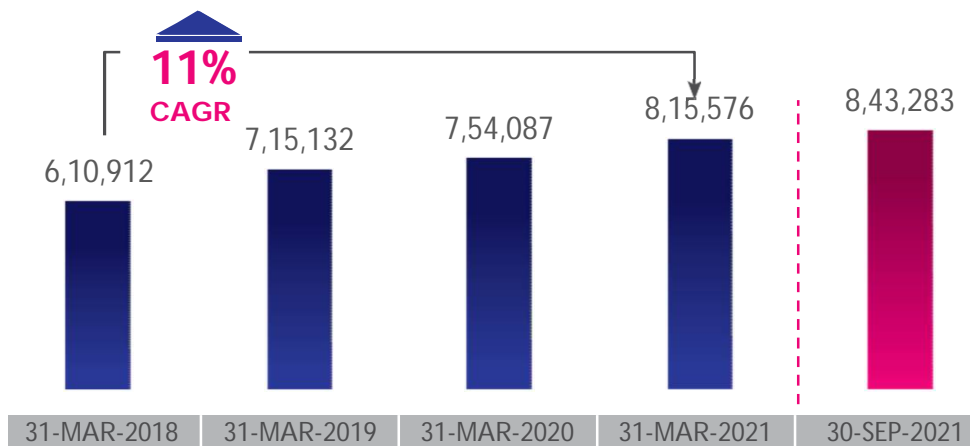
DEPOSITS



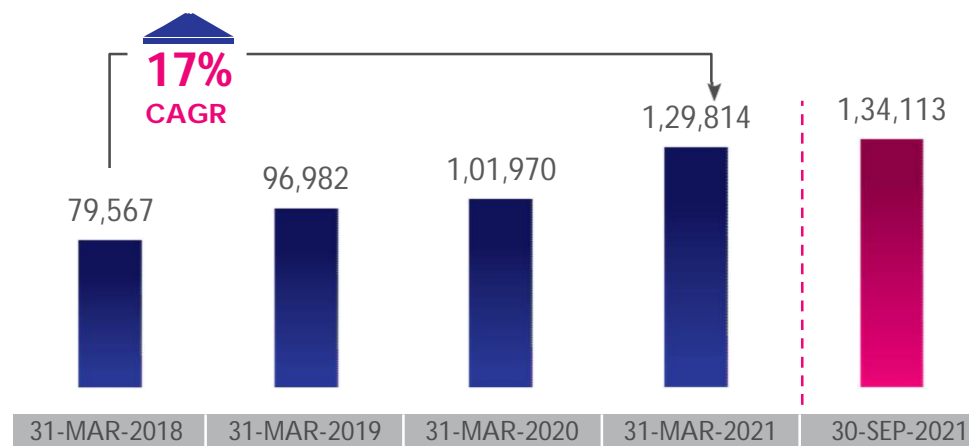
ADVANCES



BUSINESS



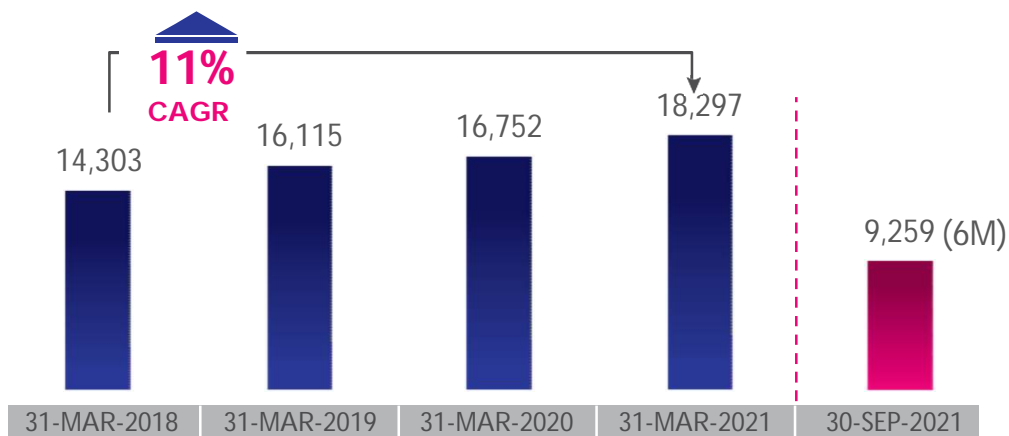
CASA



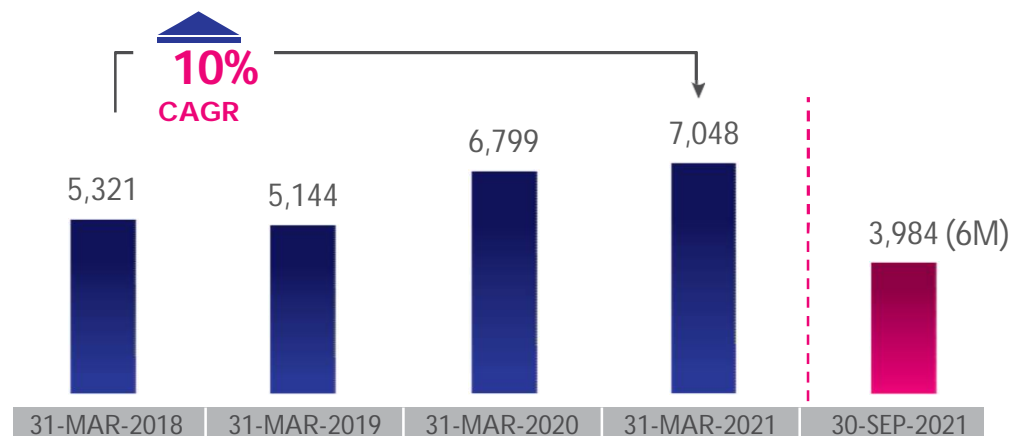
▶ INCOME GROWTH OVER THE YEARS...

(in INRMn)

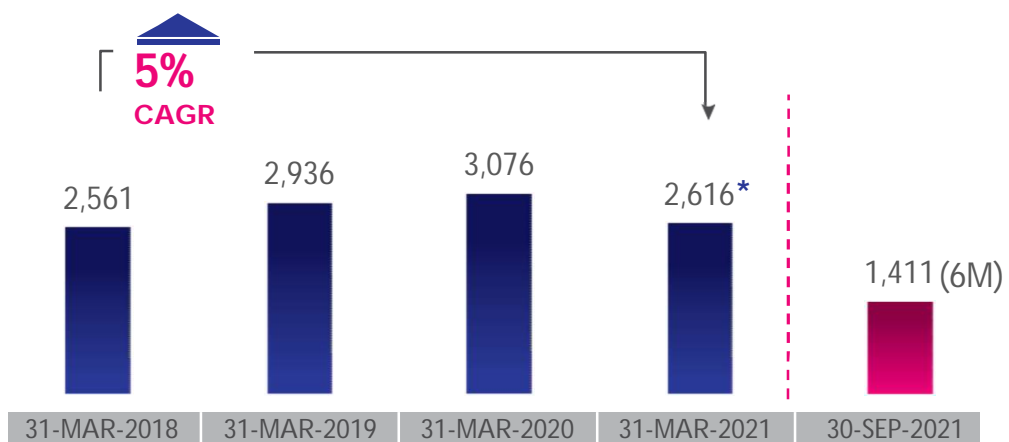
NET INTEREST INCOME GROWTH



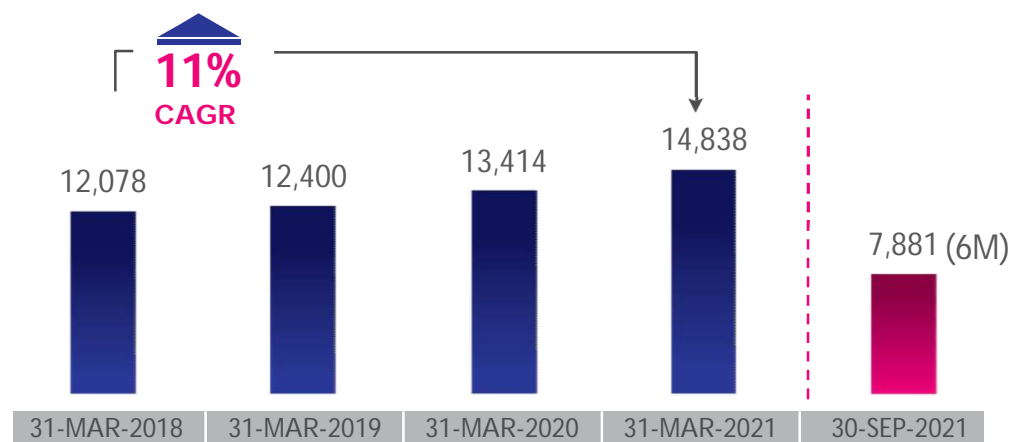
OTHER INCOME GROWTH



CEB GROWTH



OPERATING PROFIT GROWTH



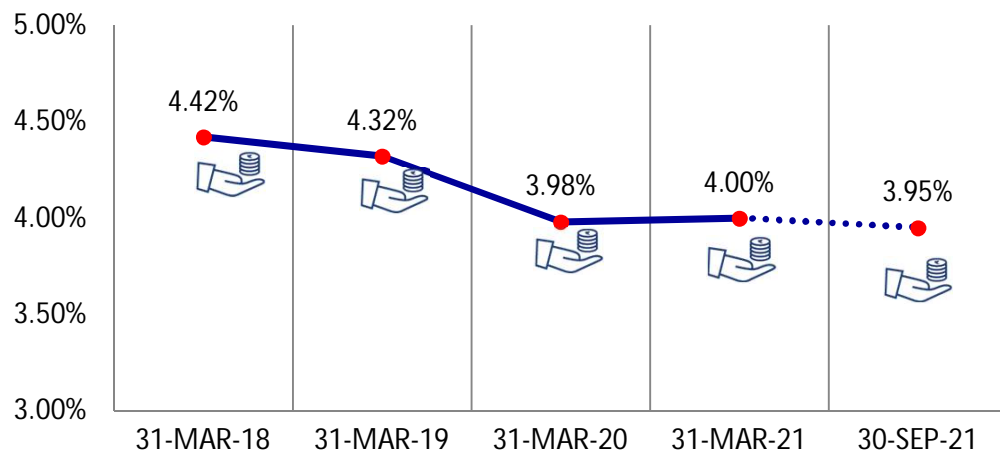
* Decline in CEB income during FY 20-21 mainly due to restriction by Finance Ministry for waiver of service charges at the time of COVID first wave

▶ KEY BUSINESS INDICATORS

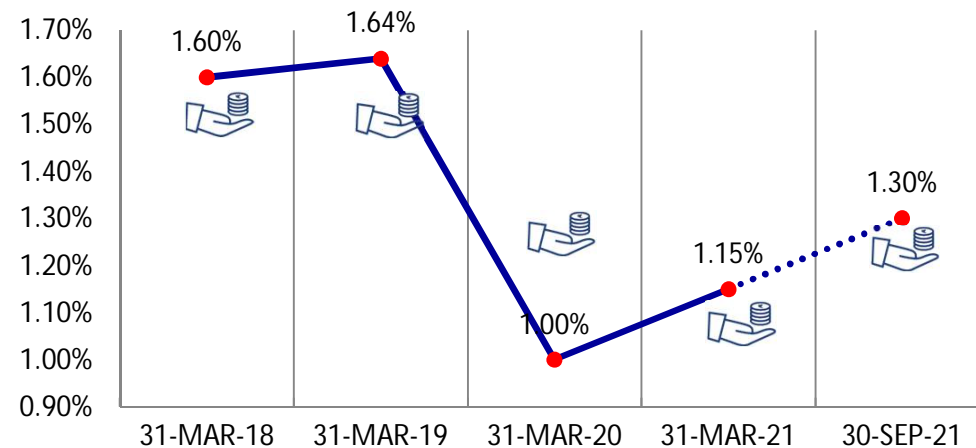
PARTICULARS	Q2 FY 22	Q2 FY 21	H1 FY 22	H1 FY 21	FY 20-21
Cost of Deposits	4.82%	5.54%	4.80%	5.62%	5.36%
Yield on Advances	9.49%	10.21%	9.45%	10.31%	9.91%
Yield on Investments	5.75%	5.79%	5.68%	5.94%	5.86%
Net Interest Margin	4.03%	4.12%	3.95%	4.05%	4.00%
Cost to Income	40.51%	40.31%	40.49%	40.36%	41.45%
Cost of Funds	3.93%	4.56%	4.01%	4.73%	4.46%
Yield of Funds	7.39%	8.26%	7.40%	8.33%	7.99%
Per Employee Business (in INR Mn)	148.72	133.20	148.72	133.20	139.38
Per Employee Profit (in INR Mn) (Ann)	1.29	1.09	1.25	1.08	1.01
EPS in INR - FV INR Re.1/- share (Not Ann)	2.46	2.14	4.81	4.23	8.03

▶ KEY BUSINESS RATIOS – YEARLY TRENDS

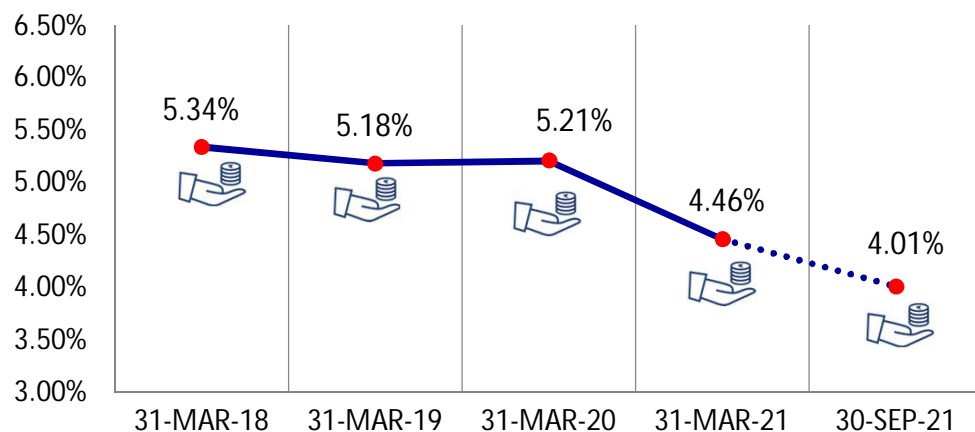
NET INTEREST MARGIN



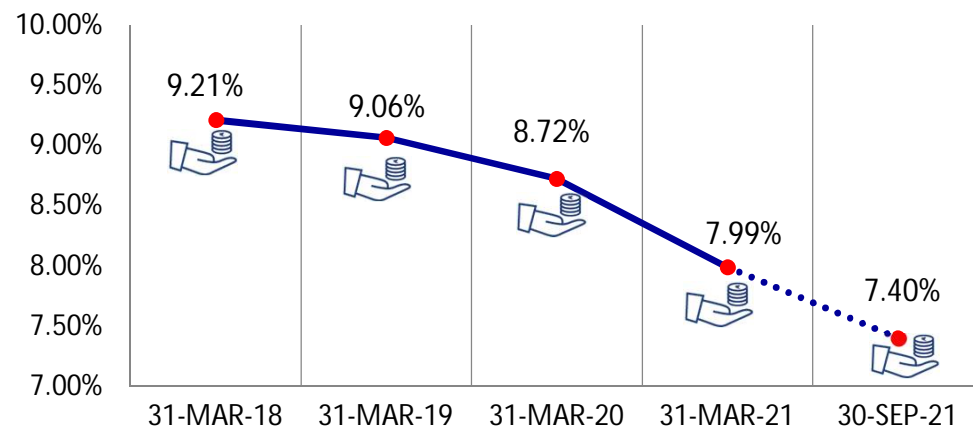
RETURN ON ASSETS



COST OF FUNDS

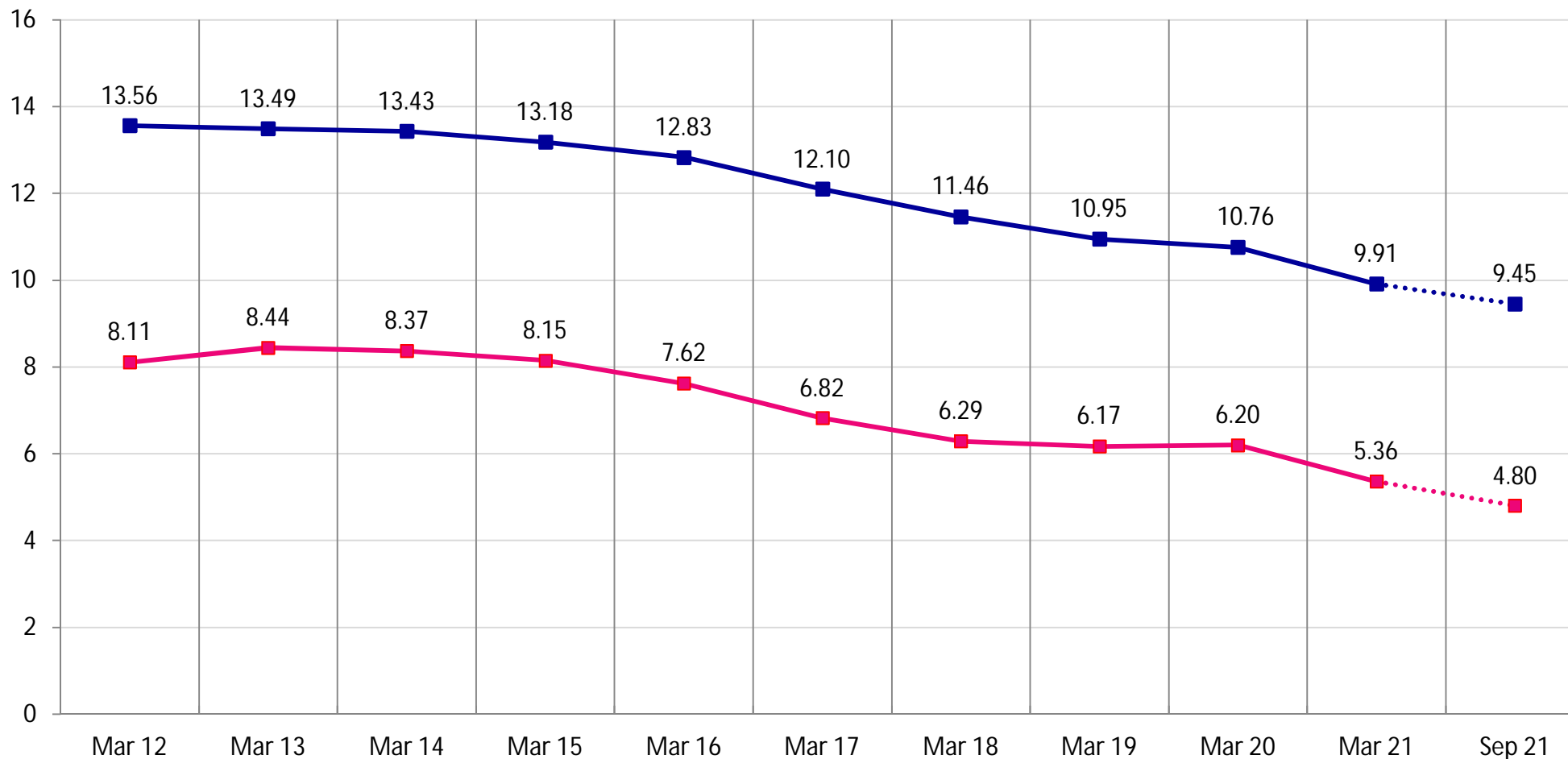


YIELD ON FUNDS



▶ COST OF DEPOSITS & YIELD ON ADVANCES

(in %)

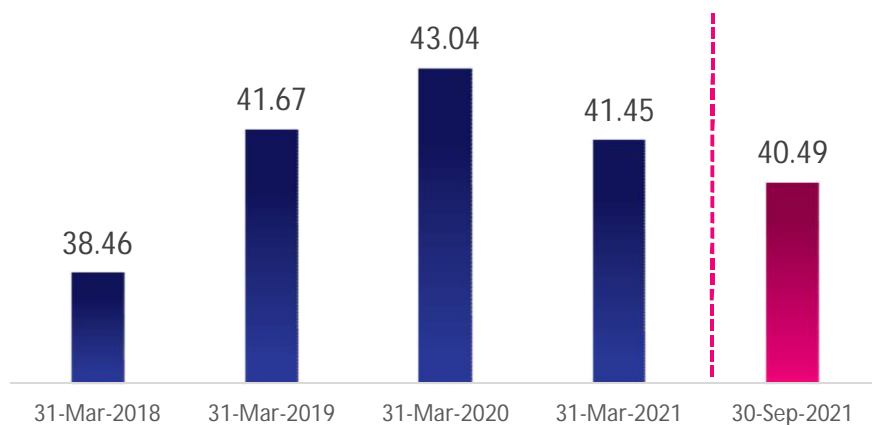


Spread between cost of deposits and yield on advances of our bank maintained in the last 10 years

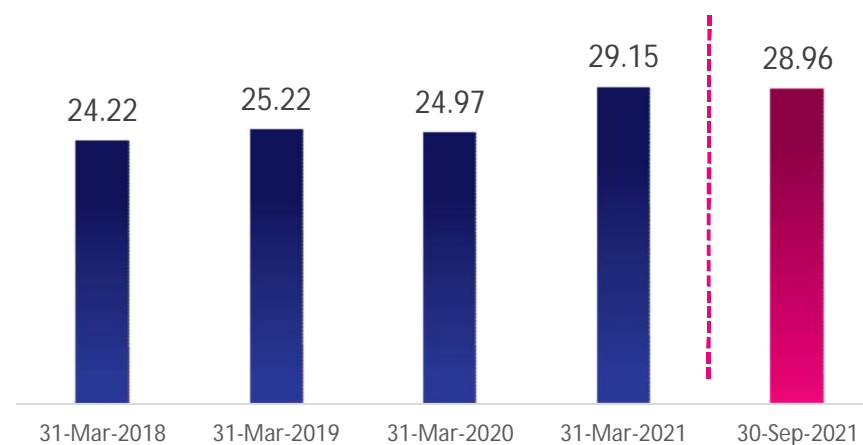
— Yield on Advances — Cost of Deposits

▶ EFFICIENCY

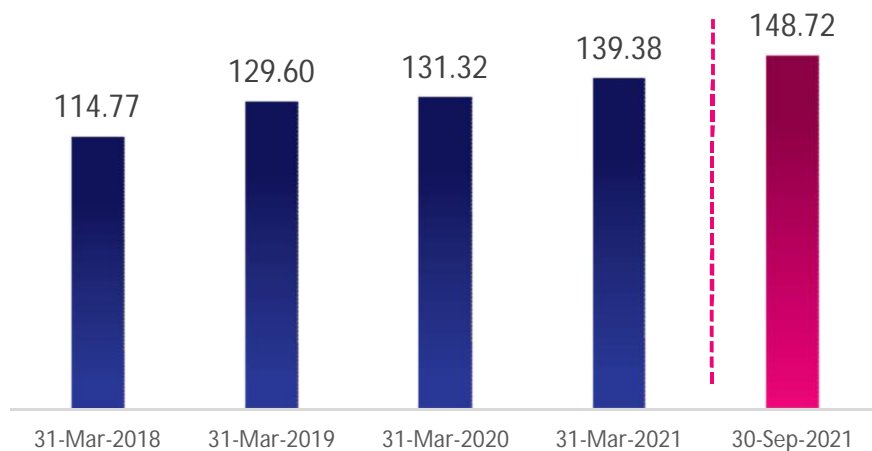
COST INCOME RATIO (%)



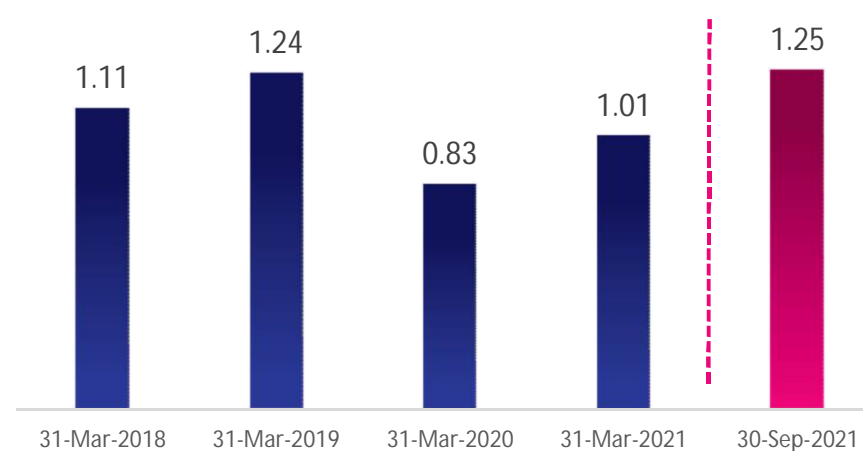
CASA RATIO (%)



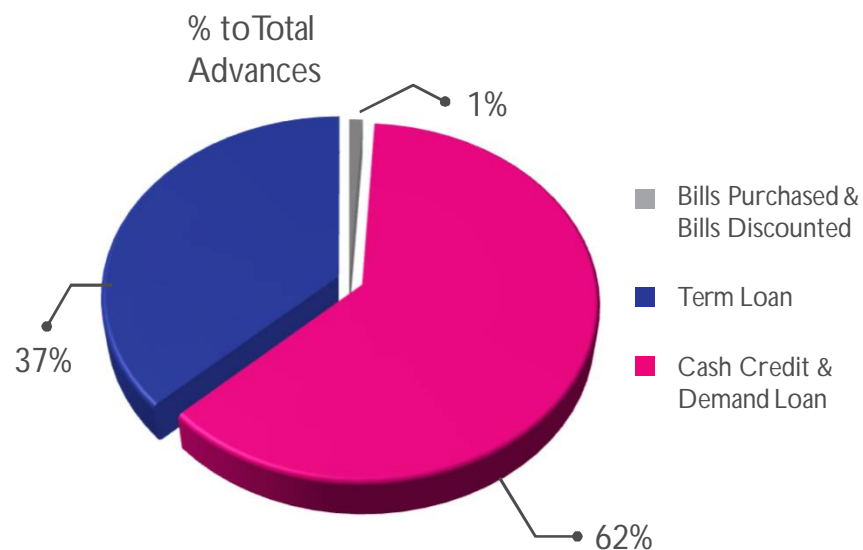
BUSINESS PER EMPLOYEE (in INR Mn)



PROFIT PER EMPLOYEE (in INR Mn)



▶ LOAN BOOK – PRODUCTS COMPOSITION



Working capital loans yielding higher interest constitute 62% of advances

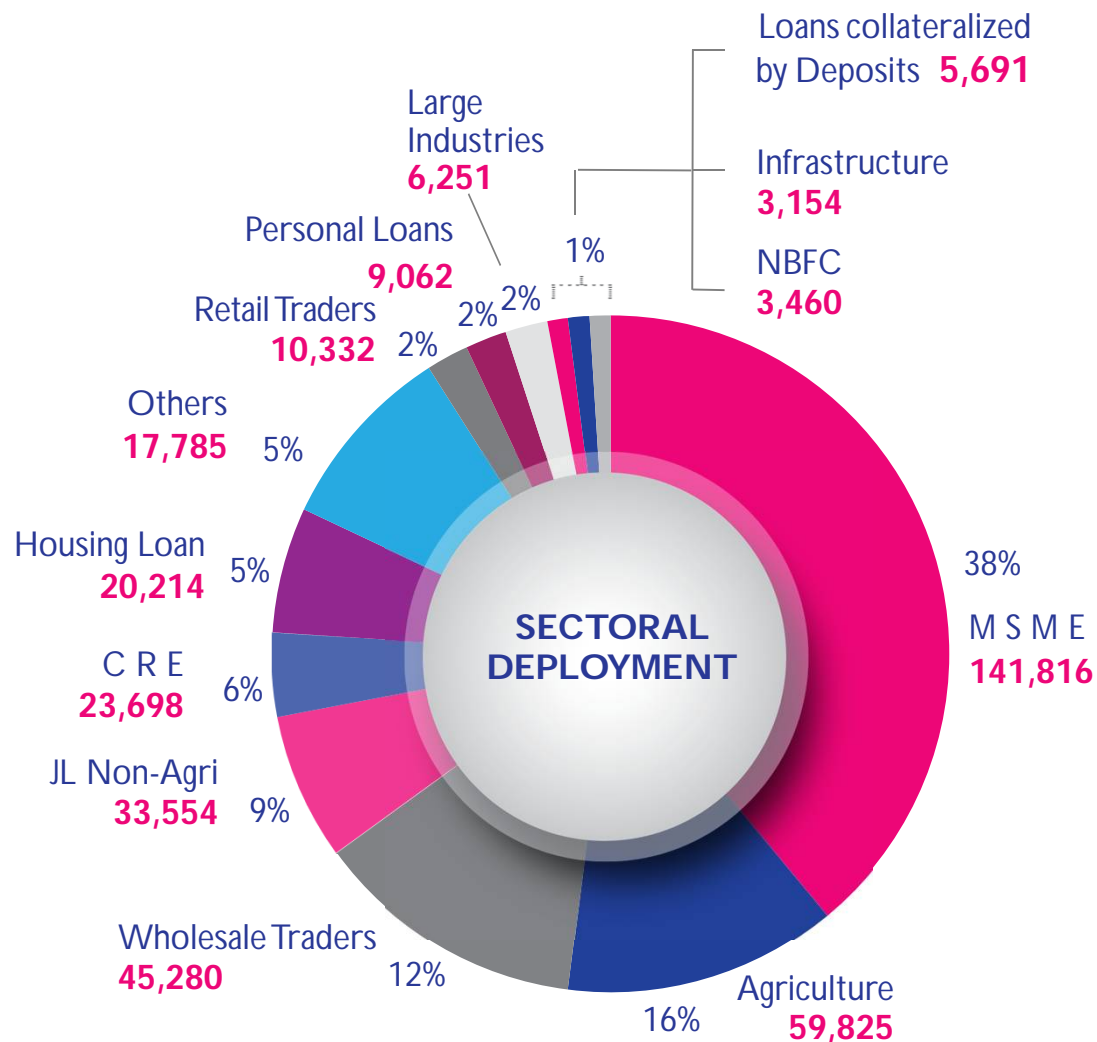


Re-pricing possible at short intervals thus reducing interest rate risk

Loan Book Products Composition	Amount (INR Mn)	% to Total Advances
Cash Credit & Demand Loan	236,198	62%
Term Loan	142,183	37%
Bills Purchased & Bills Discounted	1,741	1%
Gross Loan Total	380,122	100%

▶ LOAN BOOK SECTORAL DEPLOYMENT – POSITION AS ON 30.09.2021

(in INRMn)



Further to the new criteria for classifying MSMEs vide RBI circular dated 02nd July 2020, we have re-classified the borrowal accounts based on the composite criteria of Investment & Turnover. Due to that roughly about 4% got shifted to Medium Enterprises from Large Industries.

▶ LOAN BOOK SECTORAL DEPLOYMENT – POSITION AS ON 30.09.2021

(in INR Mn)

SECURED & UNSECURED ADVANCES

Particulars	Amount (INR Mn)	(%)
Secured Loans	377,590	99%
Unsecured Loans	2,532	1%
Total	380,122	100%



Trading & MSME loans constitute about 53%



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



Unsecured Advances aggregate to 1%

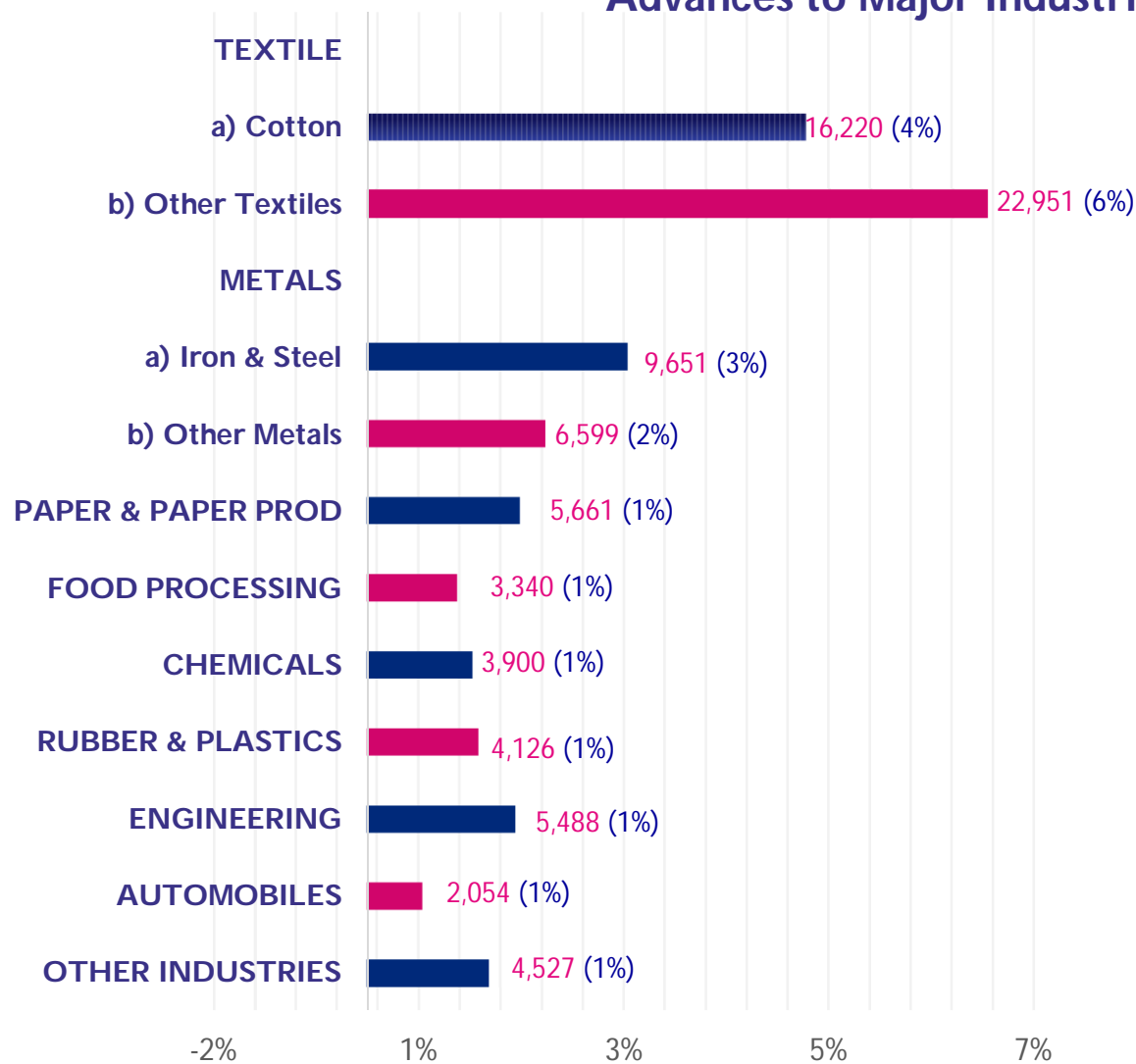


Total Jewel Loan outstanding as on 30.09.2021 – Rs.78,493 Mn

Loan Book – Advances to Major Industries

(in INR Mn)

Advances to Major Industries 30th September 2021



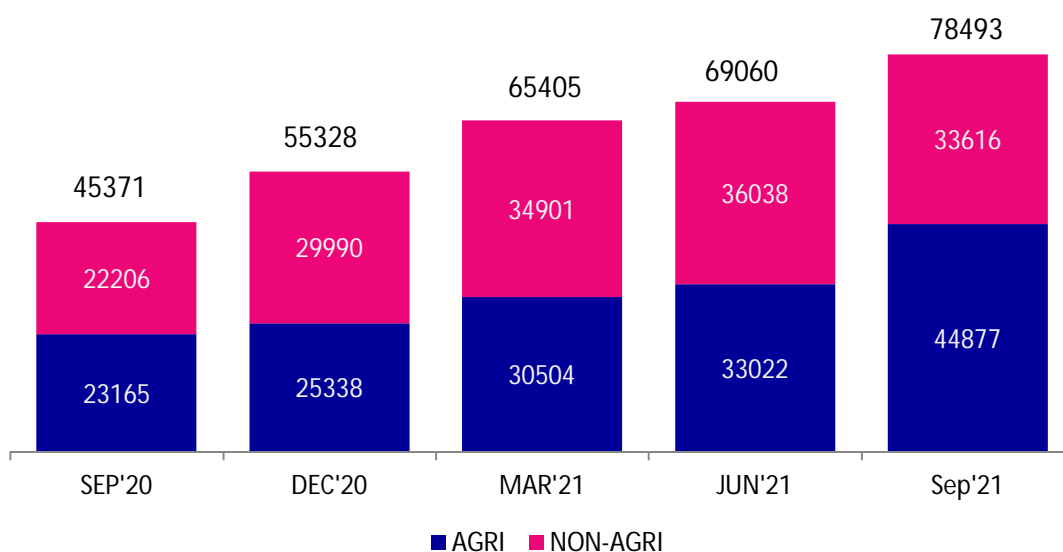
Industry Name	Amount (in INR Mn)	% to Total Advances
Advances to Major Industries	84,517	22%
All other advances (Agri, Trade, Service, Gold Loan, etc.)	295,605	78%
Total Gross Advances	380,122	100%

▶ LOAN BOOK - DRIVER TO GROWTH – Q2 FY 22

- ✓ During the last few quarters due to COVID pandemic and in the absence of other avenue for growth, the thrust given to improve Gold Loan which is increased by 73% from Rs.45,371 Mn in Q2 FY 21 to Rs. 78,493 Mn in Q2 FY 22.

(in INR Mn)

GOLD LOAN PORTFOLIO	Sep-20	Mar-21	Sep-21
Gold Loan – Agriculture	23,165	30,504	44,877
Gold Loan – Non-Agriculture	22,206	34,901	33,616
Total Gold Loans	45,371	65,405	78,493
Gross Advances	354,368	370,206	380,122
% of Gold Loans to Gross Advances	13%	18%	21%



Average LTV for Gold Loan at – 69%

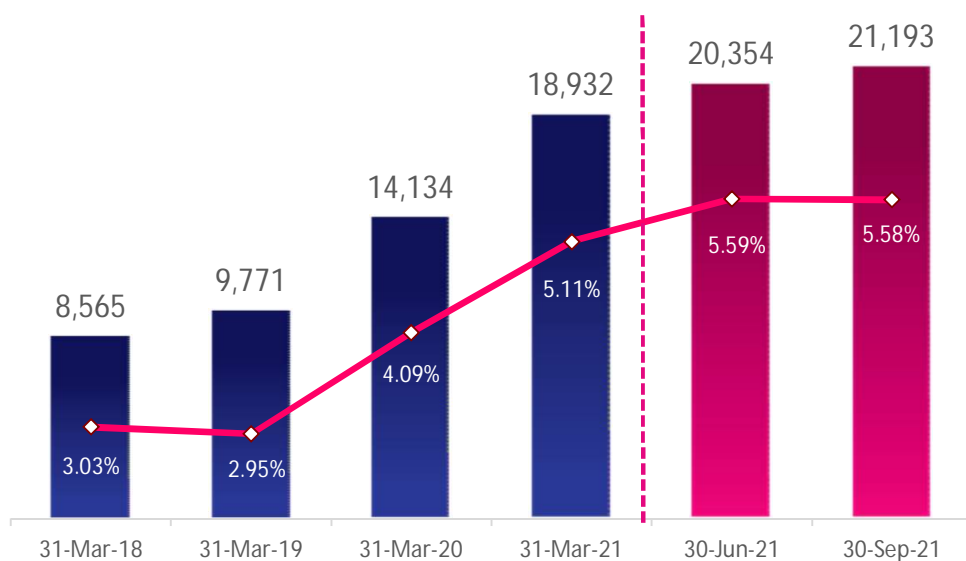


Growth in Gold Loan – 73%
(Sep-20 to Sep-21)

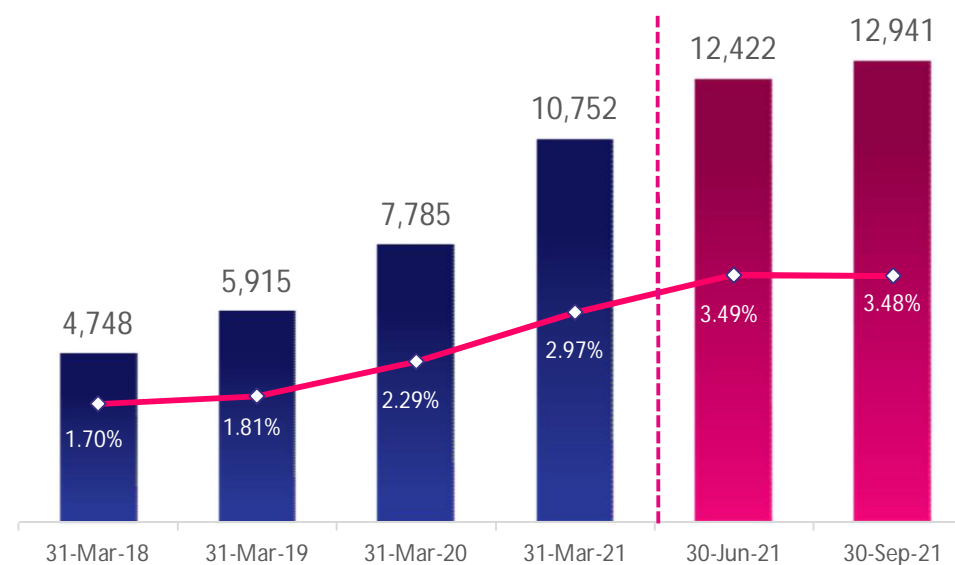
▶ ASSET QUALITY

(in INR Mn)

GROSS NPA QTM & GROSS NPA %



NET NPA QTM & NET NPA %



▶ ASSET QUALITY POSITION – MOVEMENT OVER THE YEARS

(In INR MN)		FY MAR-17	FY MAR-18	FY MAR-19	FY MAR-20	FY MAR-21	Q1 FY 22	Q2 FY 22
NPA Opening balance		5,120	6,820	8,565	9,771	14,134	18,932	20,354
Additions	A	4,796	5,749	6,322	11,104	11,131	4,822	2,974
Recovery made		905	1,623	1,980	1,644	1,950	701	959
Upgradations		556	433	496	1,358	264	121	316
Net Addition	B	3,335	3,693	3,846	8,102	8,917	4,000	1,699
Write-off		1,635	1,948	2,640	3,739	4,119	2,578	860
NPA Closing balance		6,820	8,565	9,771	14,134	18,932	20,354	21,193
Technical Write-off (TW) during the period		1,564	1,836	2,565	3,670	3,961	2,519	648
Provision made during the period	C	2,515	3,030	2,700	6,310	5,990	2,330	1,180
T W recovery	D	470	704	898	1,090	1,033	186	612
Provision made net of TW Recovery	E=C-D	2,045	2,326	1,802	5,220	4,957	2,144	568
Gross Advance	F	2,41,125	2,82,386	3,30,652	3,45,762	3,70,205	3,63,955	3,80,122
Additions % of Gross Advance	A / F	1.99	2.04	1.91	3.21	3.01	1.32	0.78
Net Addition % of Gross Advance	B / F	1.38	1.31	1.16	2.34	2.41	1.10	0.45
Credit cost	E / F	0.85	0.82	0.54	1.51	1.34	0.59	0.15
Gross NPA %		2.83	3.03	2.95	4.09	5.11	5.59	5.58
Net NPA %		1.71	1.70	1.81	2.29	2.97	3.49	3.48

▶ ASSET QUALITY – GOLD LOAN PORTFOLIO

(In INR MN)	No. of A/cs	Balance
Gold Loan – Total	697,264	78,493
Of which,		
- Standard Accounts	696,452	78,336
- N P A	812	157
Gross NPA		21,193
% of Gold Loan NPA to Gold Loan Portfolio		0.20%
% of Gold Loan NPA to Gross NPA		0.74%

▶ STATUS OF ECLGS ACCOUNTS OVER THE PERIOD

(In INR MN)

Quarter - ECLGS Availed	No. of borrowers	ECLGS Jun-20	No. of borrowers	ECLGS Sep-20	No. of borrowers	ECLGS Dec-20	No. of borrowers	ECLGS Mar-21	No. of borrowers	ECLGS Jun-21	No. of borrowers	ECLGS Sep-21	No. of borrowers closed ECLGS
Jun-20	3780	6747	3640	6822	3567	6730	3552	6692	3514	6533	3404	6147	376
Sep-20			3927	8379	3853	8292	3775	8007	3713	7859	3583	7582	344
Dec-20					979	2991	965	2985	943	2968	916	2905	63
Mar-21							244	1918	242	1973	232	2101	12
Jun-21									43	171	38	84	5
Sep-21											90	556	
Total	3780	6747	7567	15201	8399	18014	8536	19601	8455	19505	8263	19375	800

From the above table it is evident that around 800 borrowers who have closed their ECLGS accounts over a period of time. Out of the closed 800 borrowers, around 720 borrowers closed with in a period of 1 year though they have 5 years to close the account including holiday period.

The above figures are the ECLGS availed amount. However, the figures disclosed in our previous investor presentation / concall represents ECLGS amount sanctioned.

▶ MOVEMENT OF ECLGS LOAN AVAILED & ITS FUNDED EXPOSURE

(In INR MN)

Quarter - ECLGS Availed	ECLGS - Op Bal	Funded Exposure of accounts those availed ECLGS						Reduction in Exposure
		Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	
Jun-20	6747	47572	47249	46768	45956	45045	43671	3900
Sep-20	8379		57070	55971	54960	53947	52630	4440
Dec-20	2991			21678	21723	21400	20351	1327
Mar-21	1918				15827	15806	15453	374
Jun-21	171					1442	1422	20
Sep-21	556						5359	

The above table shows that there is a reduction in exposure of ECLGS in the succeeding quarters.

RESTRUCTURED ACCOUNTS

During Q2 FY 22, we have restructured 45 standard borrower accounts to the tune of Rs.3223 Mn under MSME and 295 borrowers to the tune of Rs.927 Mn under Non-MSME.

Quarterwise balance outstanding in respect of Restructured Standard borrowers

(In INR MN)

Type of Restructuring	Sep-20		Dec-20		Mar-21		Jun-21		Sep-21	
	No. of Borrowers	Amt	No. of Borrowers	Amt	No. of Borrowers	Amt	No. of Borrowers	Amt	No. of Borrowers	Amt
M S M E	131	4550	191	7851	305	12319	299	12629	333	15398
Non – M S M E	44	230	42	219	35	224	33	218	31	220
Covid-19 Resolution Framework					949	5950	1356	6996	1612	6860
Total	175	4780	233	8070	1289	18493	1688	19843	1976	22478

▶ The above disclosure is in respect of Restructured Standard Accounts excluding NPA

▶ Restructured Standard Advances to Gross Advances – 5.90% as on Sep-21

▶ As of H1 FY 22, the total outstanding restructured Standard borrower accounts was 1976 in numbers and amounting to Rs.22,478 mn. The Bank hold a standard accounts provision wrt Restructured accounts to the tune of Rs.1,670 mn and Rs.464 mn towards erosion on fair value of accounts.

▶ SECURITY RECEIPTS

During Q2 FY 22, we have sold 66 no. of accounts amounting to Rs.136 Mn to ARC on Cash cum SR basis in the ratio of 70 : 30 . Apart from that, one account amounting to Rs.180 Mn sold to ARC on cash basis.

Balance outstanding of Security Receipts wrt NPA sold to ARC

Period ended	Amount (in INR Mn)
Mar-19	3250
Mar-20	2474
Dec-20	1444
Mar-21	1429
Jun-21	1308
Sep-21	1177

- ▶ *In the FY 13-14 & 14-15, we had sold some of the NPA accounts to ARC on SR basis to the tune of Rs.3,747 Mn.*
- ▶ *Out of this, 4 a/cs which constitutes 90% of total SRs, the resolution has been finalized and payments has started in all the 4 accounts. Their repayment term goes upto FY 2022 and we can expect there will be continuous cashflows.*
- ▶ *During H1 FY 22, an amount of Rs.252 Mn has been collected from Security Receipts and the outstanding SR was at Rs.1177 Mn. The total o/s provision in SR stands at Rs.851 Mn.*

▶ INVESTMENTS – AT A GLANCE

Investments Breakup and Categorywise

(in INR Mn)

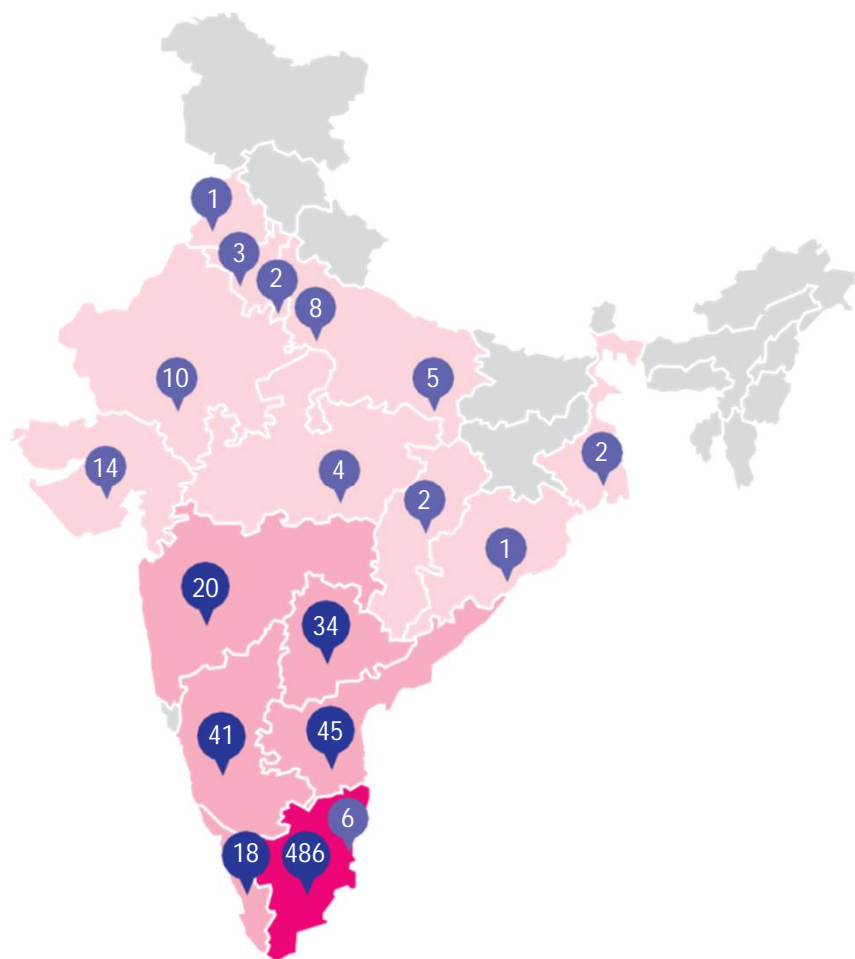
Particulars	SEP 2021	SEP 2020
SLR Securities	107,089	105,298
Non-SLR Securities	1,902	3,121
Total Investments	108,991	108,419
Yield on Investments	5.68%	5.94%
Investments Breakup:		
- AFS	10,966 (10%)	23,175 (21%)
- HTM	98,025 (90%)	85,244 (79%)
- HFT	-	-
Total Investments	108,991	108,419
Modified Duration:		
- AFS	3.06	1.33
- HTM	4.37	5.06
- HFT	-	-
- Overall Portfolio	4.25	4.33



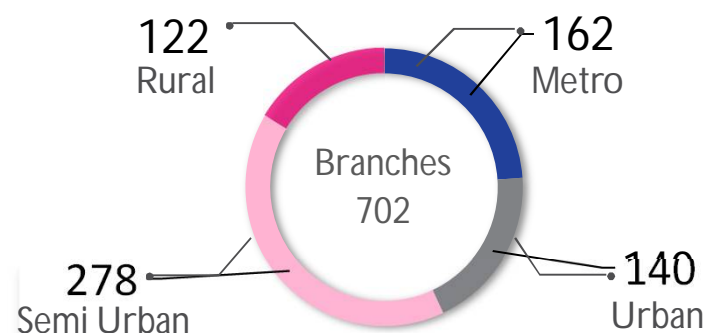
BRANCH NETWORK

▶ STRONG PRESENCE IN THE SOUTH

As of Sep 2021 - 702 branches. 630 branches are located in South India out of which 486 in Tamil Nadu.



State	No. of Branches	% of Deposits	% of Advances	% of Business
Tamilnadu	486	81	66	74
Karnataka	41	5	5	5
Andhrapradesh	45	2	8	5
Telengana	34	3	5	4
Maharashtra	20	2	3	3
Kerala	18	2	2	2
Gujarat	14	1	4	2
Others	44	4	7	5
Total	702			



DIGITAL BANKING INITIATIVES

Digital Journey of our Customers (Retail & Corporate)

1 Starting Relationship with our Bank



- Instant Savings Bank and Salary savings account through
 - ❖ Missed Call, Website and 'All in one' Mobile App

2 Transact Digitally



- Mobile Banking using Green PIN
- Funds Transfer, IMPS, NEFT, RTGS, UPI, Scan & PAY, Bill Payments
- Debit Card, Card less Withdrawal and 24/7 Cash Deposit at our ATMs.

3 Availing our Digital Products



- Whatsapp Banking
- E-Wallet
- Fastag through Missed Call
- Social Media Banking

4 Investments/TAX Planning



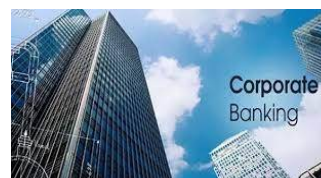
- Fixed Deposits
- Demat 3 in 1 Account
- Mutual Funds and Bonds
- ASBA - IPO/NFO/FPO/NCD's
- Advance Tax Payment
- Gold ETF Funds

5 Retirement Planning



- NPS
- SIP
- Life Insurance
- Health Insurance

6 Corporate Banking



- Internet & Mobile Banking
- GST / Tax Payments/ CMS facility
- Online Deposits & Bulk Payments
- Connected Banking Service
- Soft Token/DSC / QR Code – Mer App
- Online Stock Statements

Seemless Customer Digital Journey

Internet Banking



- Online FD for Corporates
- Online FD for non customers through UPI
- Scheduling Payments to future dates
- Bill Payments for various billers
- Quick Pay - Instant Payments
- Green Pin -Self generation of password
- Set Transaction Limit (ATM/Debit Card/Online) and set preferred time to login

Mobile Banking



- Conversational Bot
- Utility Payments
- Wealth Management
- UPI Scan & Pay
- Payments by non customer through UPI
- Green Pin to set password / Self generation of password
- Device binding for secured banking

Conversational Bot



First time in India
Voice based Multilingual
Conversational Chat Bot in Mobile App

ગુજરાતી | English | हिन्दी | తెలుగు

- Multilingual Conversational Bot
- Financial & Non Financial Transactions
- Customer Queries

Whatsapp Banking



Mobile Banking financial transactions increased by ~ 45%

Insta Products

Video KYC



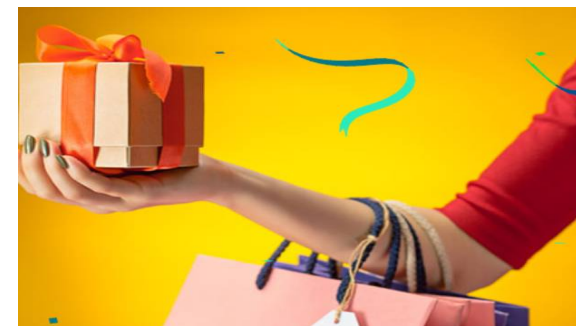
- One of the early adopter to launch VKYC
- 95% of accounts are opened through VKYC / EKYC
- Centralized Operations
- Same day operations in the account

Loans



- AI Based Digital Lending – Two Wheeler, Four Wheeler, Loan Against Property, Home Loan
- Buy Now Pay Later

Offers & E-Shopping

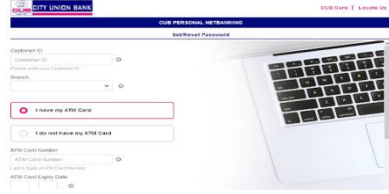


- Customized offer
- Easy Buy - Instant connectivity to all Merchants through CUB Mobile app

Technology Products



ATM



Net Banking



Mobile Banking



POS



Digital Lending



Insta Jewel Loan

CUB eWallet



Wallet



Whatsapp Banking



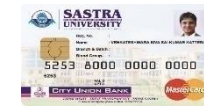
Social Media Banking



Prepaid Cards



Credit Cards



College Fee Payment



Inter-operable Cash Withdrawal Using UPI (ICCW)



Multilingual Voice BOT



Chennai Corporation Tax



COMMISSIONERATE OF MUNICIPAL ADMINISTRATION
நகராட்சி நிர்வாக ஆணையரகம்



Goods & Services Tax



Payment of Advance Tax
Section 207, 211, 218 & 219

Other Products/Facilities

- Business Debit/Credit Card for Corporates
- Prepaid Card for Corporates
- Temple Offering through Kiosk
- IT solution for Hospitals



Life Insurance



General Insurance



- Shares
- Mutual Funds
- Bonds
- Sovereign Gold Bond
- ASBA - IPO / FPO / NFO / NCD's

Strategic Fintech Partnerships – New Initiatives



AI Based Credit Underwriting



Document E Signing and E Stamping



Connected Banking



Digi Mall (Shopping @ All in One App)



Account Aggregator Framework



Buy now Pay Later (Debit Card EMI)



Pay as You Go (Pay thru Wearables)



Credit Card Partnership



Process Automation



Digital Marketing Automation

Data Analytics & Digital Acquisition

1 Digitization and Automation



Document Digitization

- Paperless onboarding for new clients
- Document scanning and storage
- Digital Document execution



Automation

- Credit Underwriting
- Back office operations – Trade finance, Cheque clearing etc.
- Straight Through Processing

2 Data Analytics



Data visualization for Decision making



Data driven underwriting



BIG DATA platform



Process Efficiency Metrics

3 Digital Acquisition



- Omni Channel Marketing
- Marketing Automation



- Digital Onboarding – Deposits and Advance products
- Digital Marketing – Brand and performance

Video KYC – Instant account opening via Website and app

- Customers can open new Savings Accounts, Salary Accounts and Student Accounts instantly from their **Mobile Banking app** using “**Open New CUB Account**” option which is a part of Paperless on-boarding initiatives for new clients.
- Customers can also visit <https://onlineaccount.cityunionbank.in:8085/> to open their accounts

New customers can fill in their information like:

- a) PAN Number, Aadhaar Number and basic details like income and occupation
- b) Submit document proofs (ID cards/Employment letter) for Salary or student’s account
- c) Complete a Video call with our Customer Care Executive and their account is active instantly
- d) They can start using their Mobile Banking app as well for their digital banking operations



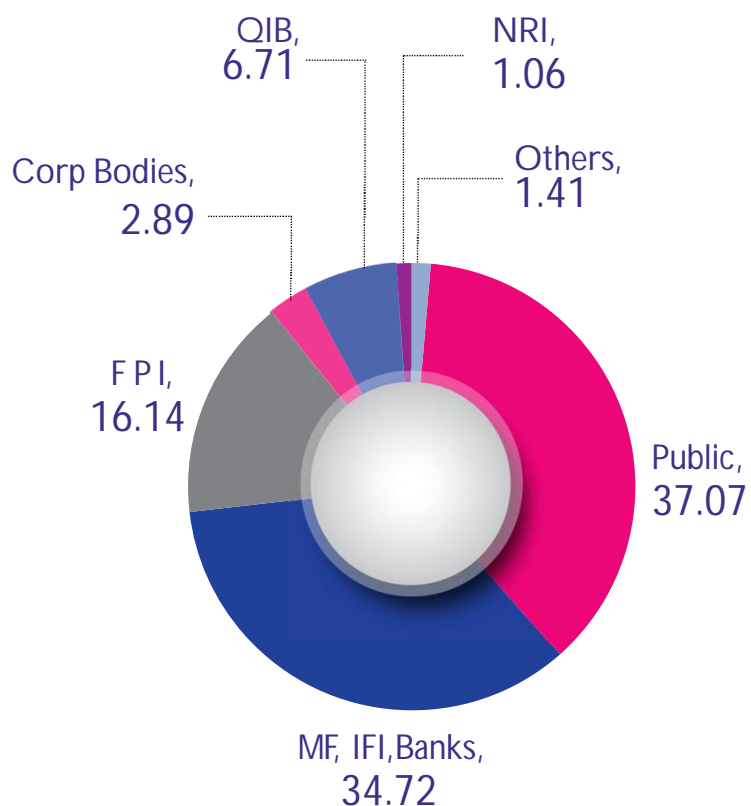
CUB was **one of the early adopters** of the facility and launched the service in June 2020 and was among **the first 5 banks**

-90% of the NTB acquisition is digitally sourced via e-KYC and biometric or via the Video KYC application

SHAREHOLDING PATTERN

▶ A WELL DIVERSIFIED INVESTOR BASE

Position as on 30-Sep-2021

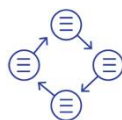


Major Institutional Shareholders

SHAREHOLDERS	HOLDING %
Franklin India Tax Shield	4.68
HDFC Midcap Opportunities Fund	4.47
SBI Long Term Advantage Fund	3.67
DSP Arbitrage Fund	3.64
Axis Mutual Fund	3.48
Life Insurance Corporation of India	3.33
HDFC Life Insurance Co. Ltd.	3.24
ICICI Pru Midcap 150 ETF	2.88
Smallcap World Fund	2.64
Kotak India Midcap Fund	1.46
Kotak Equity Arbitrage Fund	1.44
UTI Small Cap Fund	1.42
L & T MF – L & T Emerging Business Fund	1.40
Bank Muscat India Fund	1.22
Taiyo Greater India Fund Ltd	1.21
Sundaram Smallcap Fund	1.19
TATA AIA Life Insurance	1.04



Well diversified ownership of shareholders around 1,40,000 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 ... 23.86%



CORPORATE GOVERNANCE

СОКЪОКАЛЕ ГОАЕКИАНСЕ

▶ A WELL EXPERIENCED AND STRONG BOARD



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

Shri. R. Mohan is qualified as 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 practicing 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. Subramaniam Narayanan |
PGDM-IIM(A), Chartered Accountant, FCS, CMA
Director

Shri. Subramaniam Narayanan possesses rich experience in the areas of Business Management, Private Equity, Finance, Accountancy, Treasury & Risk Management, Information Technology and Payment & Settlements. He has held the position of CEO in First India Asset Management Company Ltd., and handled treasury services for Bank of America and Abu Dhabi Commercial Bank, UAE. Besides, he has been associated as Director in IT / Fintech Companies of repute for a long time.



Dr. T.S. Sridhar IAS (Retd.) | M.A., Ph.D.
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 and expertise in Banking law, Company law and Intellectual Property Rights. He is also an active environmentalist.



Dr. N. Kamakodi | B.Tech., MBA., Ph.D., 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. V.N. Shiva Shankar | B.Com, ACS, ACMA, BL
Director

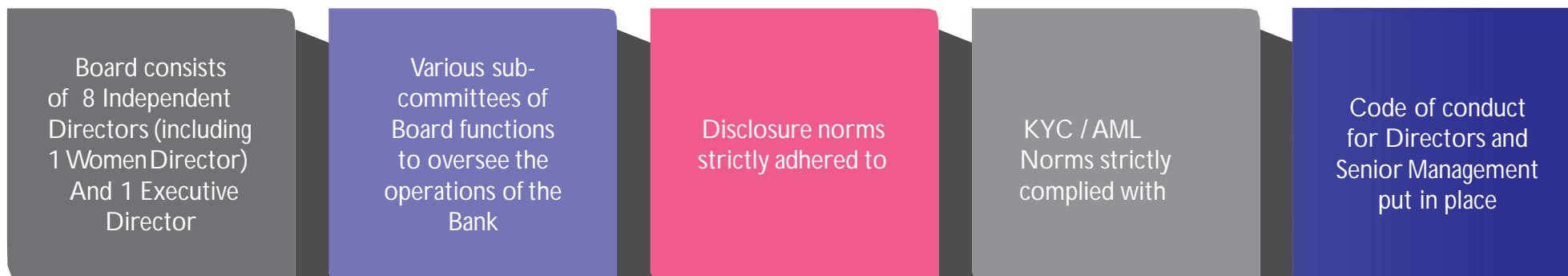
Shri. V.N. Shiva Shankar is a qualified Lawyer, Company Secretary and Cost Management Accountant with over 25 years of rich experience in Indian Corporate Law. He is also the founder of M/s VNS Legal Corporate Law firm based in Chennai which focuses on legal advisory services on Capital Market Regulation,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

▶ TRANSPARENT 'CORPORATE GOVERNANCE' PRACTICES



WE HAVE EMINENT PERSONALITIES ON OUR BOARD WITH DIVERSE PROFESSIONAL EXPERTISE



CITY UNION BANK LTD

Regd. Office : 149, TSR Big Street, Kumbakonam – 612001, Tamilandu.

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

Tel : 0435-2402322, 2401622, | FAX: 0435-2431746 | www.cityunionbank.com



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