



# INVESTOR PRESENTATION

DECEMBER 2020

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## Technology Initiatives - 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.

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 in **the first 5 banks** such as ICICI Bank, Kotak Mahindra Bank, IDFC First Bank, IndusInd Bank



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December 2020



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**CUB**  
Trust and Excellence  
SINCE 1964

# 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 31.12.2020



Deposits  
**INR 43,288 CR**



Advances  
**INR 36,504 CR**



Net Interest Margin  
**4.09%**



Net NPA  
**1.47%**



Employees  
**5,886**



Branches  
**700**

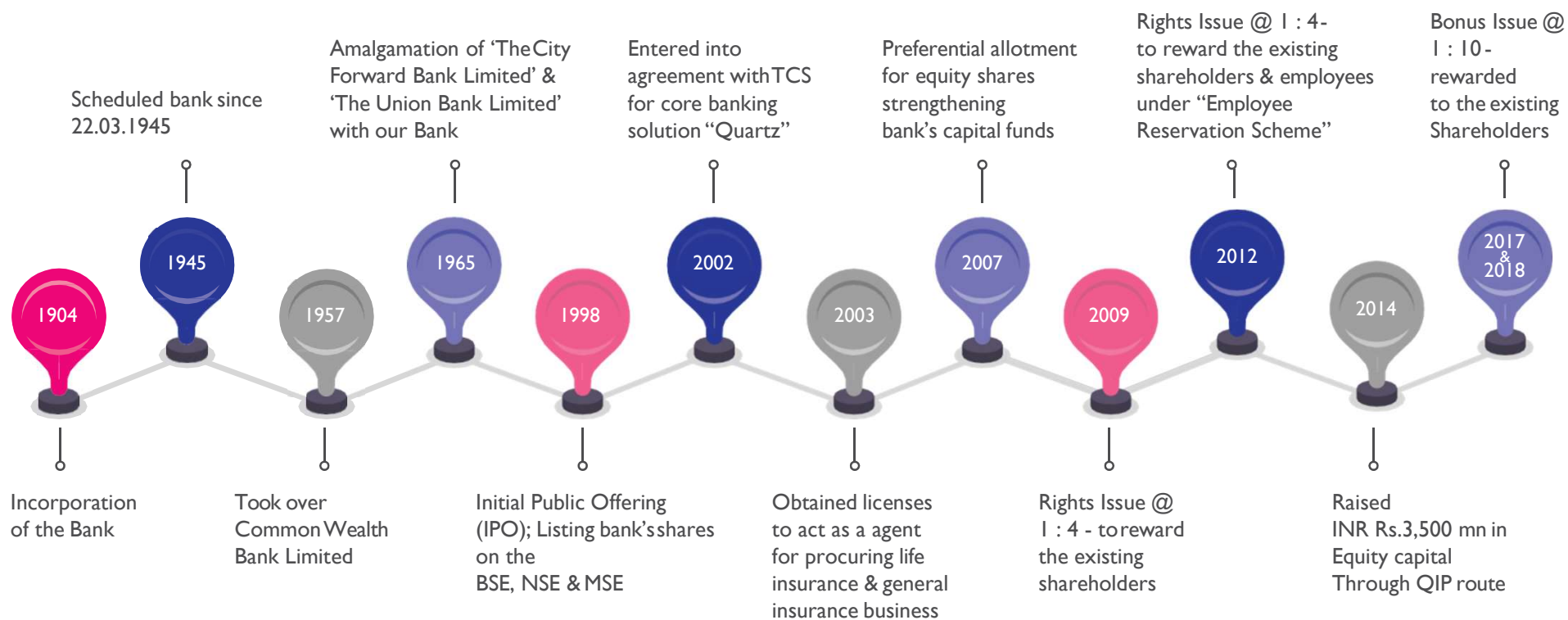


ATM's  
**1,749**



Efficiency Ratio  
**38.85%**

## ▶ 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

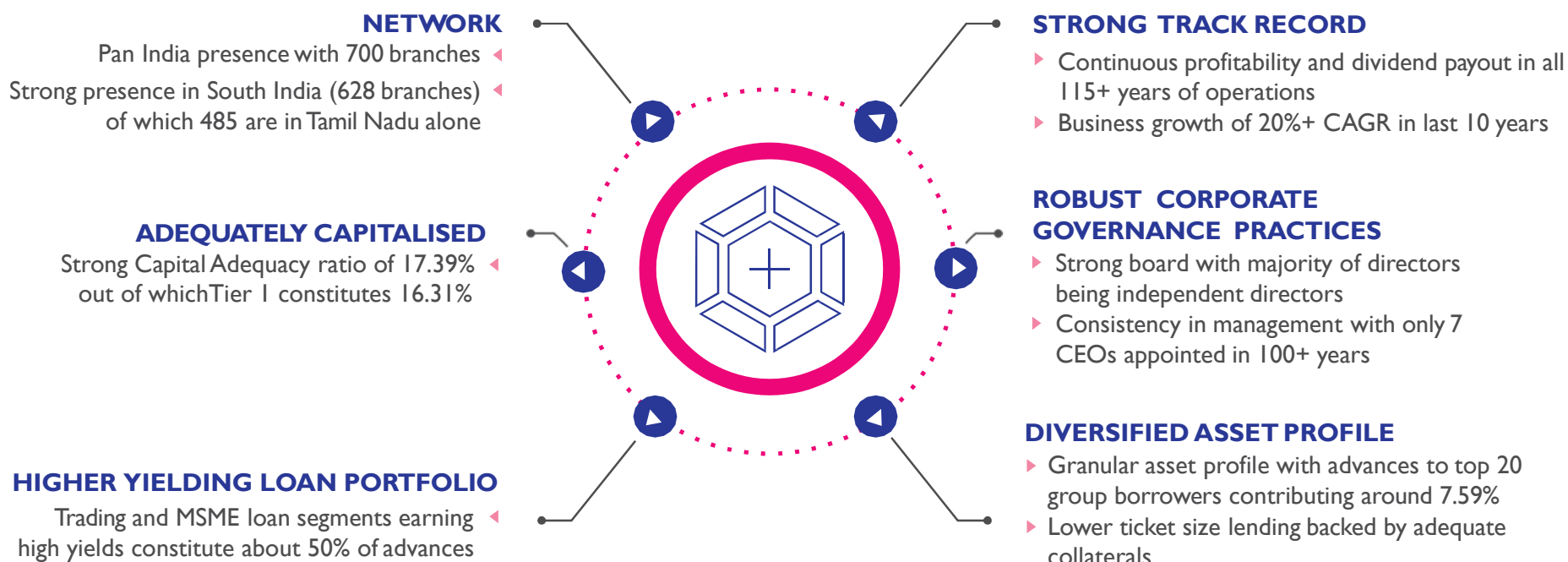
**Consistent Return with Superior ROA, ROE**

### 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.



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# PERFORMANCE HIGHLIGHTS – DECEMBER 2020

ΠΕΡΙΛΗΨΗ ΠΡΟΚΑΤΑΡΑΧΗΣ ΠΡΟΒΛΕΨΕΩΝ – ΔΕΚΕΜΒΡΙΟΣ 2020



## ▶ Q3 FY 2021 PERFORMANCE – A SNAPSHOT

- ▶ Deposits increased by 9% from Rs.398 Bn to Rs.433 Bn Y-o-Y
- ▶ Advances registered a growth of 8% from Rs.338 Bn to Rs.365 Bn Y-o-Y
- ▶ Total business grown by 8% from Rs.736 Bn to Rs.798 Bn Y-o-Y
- ▶ Gross Profit increased by 49% to Rs.4,584 Mn from Rs.3,084 Mn (Q3-Vs-Q3) and 19% from Rs.10,063 Mn to Rs.11,991 Mn (9M-Vs-9M)
- ▶ Net Profit decreased from Rs.1,924 Mn to Rs.1,699 Mn (Q3-Vs-Q3) and from Rs.5,716 Mn to Rs.4,816 Mn (9M-Vs-9M)
- ▶ Profitability and efficiency ratios :

PARTICULARS	Q3 FY 21	Q3 FY 20	9M FY 21	9M FY 20	FY 2019-20
Return on Assets	1.29%	1.57%	1.25%	1.61%	1.00%
Net Interest Margin	4.16%	3.96%	4.09%	3.99%	3.98%
Return on Equity	12.03%	14.58%	11.69%	14.96%	9.47%
Earning per share	Rs.2.30	Rs.2.62	Rs.6.53	Rs.7.78	Rs.6.48

- ▶ Gross NPA – 2.94% and Net NPA – 1.47%
- ▶ Provision Coverage Ratio – 73%
- ▶ CRAR – 17.39% (Basel III) of which core CRAR – 16.31%

## ▶ Q3 FY 2021 VS Q3 FY 2020 PERFORMANCE – A SNAPSHOT

(in INR Mn)

**432,883**



**398,120**

Deposits

**365,037**



**338,276**

Advances

**797,920**



**736,396**

Total Business

**118,984**



**92,943**

CASA

**4,584**



**3,084**

Gross Profit

**1,699**



**1,924**

Net Profit

**4,891**



**4,273**

Net Interest  
Income

**36.22%**



**45.85%**

Cost to Income

**1.29%**

ROA

**12.03%**

ROE

**4.16%**

NIM

**2.94%**

Gross NPA

**1.47%**

Net NPA

■ Q3 FY 21 ■ Q3 FY 20

## ▶ 9M FY 2021 VS 9M FY 2020 PERFORMANCE – A SNAPSHOT

(in INR Mn)

**432,883**



**398,120**

Deposits

**365,037**



**338,276**

Advances

**797,921**



**736,396**

Total Business

**118,985**



**92,943**

CASA

**11,991**



**10,063**

Gross Profit

**4,816**



**5,716**

Net Profit

**14,012**



**12,557**

Net Interest  
Income

**38.85%**



**42.70%**

Cost to Income

**1.25%**

ROA

**11.69%**

ROE

**4.09%**

NIM

**2.94%**

Gross NPA

**1.47%**

Net NPA

■ 9M FY 21

■ 9M FY 20

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

(in INR Mn)

**408,325**



**384,480**

Deposits

**345,762**



**330,652**

Advances

**754,087**



**715,132**

Total Business

**101,970**



**96,982**

CASA

**13,414**



**12,400**

Gross Profit

**4,763**



**6,829**

Net Profit

**16,752**



**16,115**

Net Interest  
Income

**43.04%**



**41.67%**

Cost to Income

**1.00%**

ROA

**9.47%**

ROE

**3.98%**

NIM

**4.09%**

Gross NPA

**2.29%**

Net NPA

■ FY 20

■ FY 19











## ▶ Q3 FY 21 VS Q3 FY 20 PERFORMANCE - A SNAPSHOT

(in INR Mn)

### FINANCIAL PERFORMANCE

PARTICULARS	Q3 FY 2021	Q3 FY 2020	INC / (DEC)	Growth	Growth %
Deposits	432,883	398,120		34,763	9%
Advances	365,037	338,276		26,761	8%
Total Business	797,920	736,396		61,524	8%
Demand Deposits	32,083	28,216		3,867	14%
Saving Deposits	86,902	64,727		22,175	34%
CASA	118,985	92,943		26,042	28%
Gross NPA	10,717	11,854			
Net NPA	5,272	6,494			
Gross NPA (%)	2.94%	3.50%			
Net NPA (%)	1.47%	1.95%			
C R A R (BASEL – III)	17.39%	15.41%			
- Of which Tier I	16.31%	14.86%			
CD Ratio	84%	85%			
PCR	73%	65%			

## ▶ Q3 FY 21 VS Q3 FY 20 PERFORMANCE - A SNAPSHOT

(in INR Mn)

### FINANCIAL PERFORMANCE

PARTICULARS	Q3 FY 2021	Q3 FY 2020	INC / (DEC)	Growth %	Q2 FY 2021
Net Interest Income	4,890	4,273	617	14%	4,752
Other Income	2,298	1,423	875	61%	1,693
Operating Expenses	2,604	2,612	-8	-ve	2,598
Gross Profit	4,584	3,084	1,500	49%	3,847
Provisions & Contingencies	2,885	1,160	1,725	149%	2,270
Net Profit	1,699	1,924	-225	-ve	1,577
Return on Assets	1.29%	1.57%			1.23%
Return on Equity	12.03%	14.58%			11.50%
Net Interest Margin	4.16%	3.96%			4.12%

## ▶ 9M FY 21 VS 9M FY 20 PERFORMANCE - A SNAPSHOT

(in INR Mn)







### FINANCIAL PERFORMANCE

PARTICULARS	9M FY 2021	9M FY 2020	INC / (DEC)	Growth %
Net Interest Income	14,012	12,557	1,455	12%
Other Income	5,596	5,006	590	12%
Operating Expenses	7,617	7,500	117	2%
Gross Profit	11,991	10,063	1,928	19%
Provisions & Contingencies	7,175	4,347	2,828	65%
Net Profit	4,816	5,716	-900	-ve
Return on Assets	1.25%	1.61%		
Return on Equity	11.69%	14.96%		
Net Interest Margin	4.09%	3.99%		

## ► FY 20 VS FY 19 PERFORMANCE - A SNAPSHOT

(in INR Mn)

### FINANCIAL PERFORMANCE

PARTICULARS	FY 2020	FY 2019	INC / (DEC)	Growth	Growth %
Deposits	408,325	384,480		23,845	6%
Advances	345,762	330,652		15,110	5%
Total Business	754,087	715,132		38,955	5%
Demand Deposits	29,244	32,145		-2,901	-ve
Saving Deposits	72,726	64,837		7,889	12%
CASA	101,970	96,982		4,988	5%
Gross NPA	14,134	9,771			
Net NPA	7,785	5,915			
Gross NPA (%)	4.09%	2.95%			
Net NPA (%)	2.29%	1.81%			
C R A R (BASEL – III)	16.76%	15.55%			
- Of which Tier I	15.80%	15.03%			
CD Ratio	85%	86%			
PCR	65%	63%			

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

(in INR Mn)

### FINANCIAL PERFORMANCE

PARTICULARS	FY 2020	FY 2019	INC / (DEC)	Growth %
Net Interest Income	16,752	16,115	637	4%
Other Income	6,799	5,144	1,655	32%
Operating Expenses	10,137	8,859	1,278	14%
Gross Profit	13,414	12,400	1,014	8%
Provisions & Contingencies	8,651	5,571	3,080	55%
Net Profit	4,763	6,829	-2066	-ve
Return on Assets	1.00%	1.64%		
Return on Equity	9.47%	15.25%		
Net Interest Margin	3.98%	4.32%		

## ▶ PROVISIONS & CONTINGENCIES – BREAKUP

(in INR Mn)

PARTICULARS	Q3 FY 21	Q3 FY 20	9M FY 21	9M FY 20	Q2 FY 21	FY 19-20
Provision for:						
- Tax	700	350	1,650	1,300	500	1,100
- Bad Debts	310	785	1,130	3,205	320	6,310
- Covid 19	1,250	-	3,400	-	1,150	1,250
- Standard Assets	500	60	620	113	80	193
- Depn on Investments	100	- 80	300	-320	200	-317
- Depn on Shifting	-	-	-	-	-	-
- Restructuring / FITL	175	37	225	44	20	69
- Others	-150	8	-150	5	-	46
<b>Total</b>	<b>2,885</b>	<b>1,160</b>	<b>7,175</b>	<b>4,347</b>	<b>2,270</b>	<b>8,651</b>

## ▶ Q3 FY 21 VS Q3 FY 20 – INCOME AND EXPENSES BREAKUP

(in INR Mn)

### INTEREST INCOME BREAKUP

PARTICULARS	Q3 FY 2021	Q3 FY 2020	Growth %
Interest on Loans	8,906	8,836	1%
Interest on Investments	1,470	1,631	-ve
Other Interest Income	104	142	-ve
<b>Total Interest Income</b>	<b>10,480</b>	<b>10,609</b>	<b>-ve</b>

### INTEREST EXPENSES BREAKUP

PARTICULARS	Q3 FY 2021	Q3 FY 2020	Growth %
Int Exp on Deposits	5,463	6,183	-ve
Other Int Expenses	127	153	-ve
<b>Total Interest Expenses</b>	<b>5,590</b>	<b>6,336</b>	<b>-ve</b>

### OTHER INCOME BREAKUP

PARTICULARS	Q3 FY 2021	Q3 FY 2020	Growth %
CEB & Charges	741	745	-ve
Treasury Income	1,187	418	184%
Other Inc incl recoveries in written off a/cs	370	260	42%
<b>Total Other Income</b>	<b>2,298</b>	<b>1,423</b>	<b>61%</b>

### OPERATING EXPENSES BREAKUP

PARTICULARS	Q3 FY 2021	Q3 FY 2020	Growth %
Employee Cost	1,202	1,134	6%
Other Operating Expenses	1,402	1,478	-ve
<b>Total Expenses</b>	<b>2,604</b>	<b>2,612</b>	<b>-ve</b>

## ▶ 9M FY 21 VS 9M FY 20 – INCOME AND EXPENSES BREAKUP

(in INR Mn)

### INTEREST INCOME BREAKUP

PARTICULARS	9M FY 2021	9M FY 2020	Growth %
Interest on Loans	26,817	26,140	3%
Interest on Investments	4,392	4,644	-ve
Other Interest Income	374	485	-ve
<b>Total Interest Income</b>	<b>31,583</b>	<b>31,269</b>	<b>1%</b>

### INTEREST EXPENSES BREAKUP

PARTICULARS	9M FY 2021	9M FY 2020	Growth %
Int Exp on Deposits	16,965	18,311	-ve
Other Int Expenses	607	401	51%
<b>Total Interest Expenses</b>	<b>17,572</b>	<b>18,712</b>	<b>-ve</b>

### OTHER INCOME BREAKUP

PARTICULARS	9M FY 2021	9M FY 2020	Growth %
CEB & Charges	1,848	2,300	-ve
Treasury Income	2,957	1,653	79%
Other Inc incl recoveries in written off a/cs	791	1,053	-ve
<b>Total Other Income</b>	<b>5,596</b>	<b>5,006</b>	<b>12%</b>

### OPERATING EXPENSES BREAKUP

PARTICULARS	9M FY 2021	9M FY 2020	Growth %
Employee Cost	3,565	3,268	9%
Other Operating Expenses	4,052	4,232	-ve
<b>Total Expenses</b>	<b>7,617</b>	<b>7,500</b>	<b>2%</b>



## ► FY 20 VS FY 19 – INCOME AND EXPENSES BREAKUP

(in INR Mn)

### INTEREST INCOME BREAKUP

PARTICULARS	FY 2020	FY 2019	Growth %
Interest on Loans	34,946	31,777	10%
Interest on Investments	6,099	5,536	10%
Other Interest Income	641	359	79%
<b>Total Interest Income</b>	<b>41,686</b>	<b>37,672</b>	<b>11%</b>

### INTEREST EXPENSES BREAKUP

PARTICULARS	FY 2020	FY 2019	Growth %
Int Exp on Deposits	24,369	21,080	16%
Other Int Expenses	565	477	18%
<b>Total Interest Expenses</b>	<b>24,934</b>	<b>21,557</b>	<b>16%</b>

### OTHER INCOME BREAKUP

PARTICULARS	FY 2020	FY 2019	Growth %
CEB & Charges	3,076	2,936	5%
Treasury Income	2,442	870	181%
Other Inc incl recoveries in written off a/cs	1,281	1,338	-ve
<b>Total Other Income</b>	<b>6,799</b>	<b>5,144</b>	<b>32%</b>

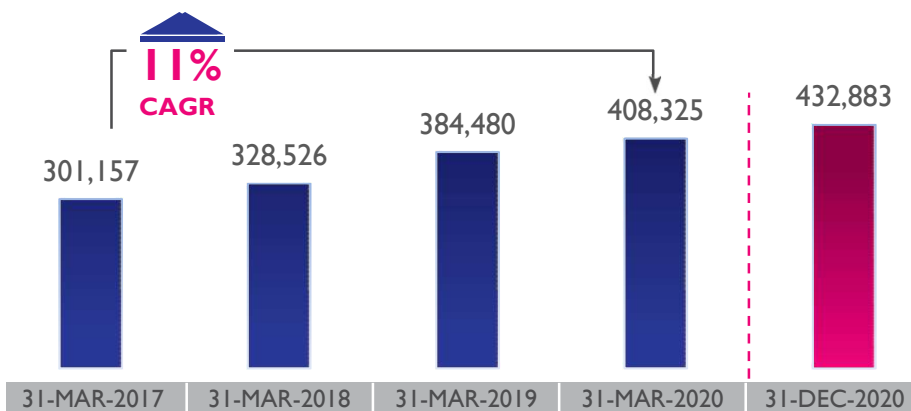
### OPERATING EXPENSES BREAKUP

PARTICULARS	FY 2020	FY 2019	Growth %
Employee Cost	4,207	3,644	15%
Other Operating Expenses	5,930	5,215	14%
<b>Total Expenses</b>	<b>10,137</b>	<b>8,859</b>	<b>14%</b>

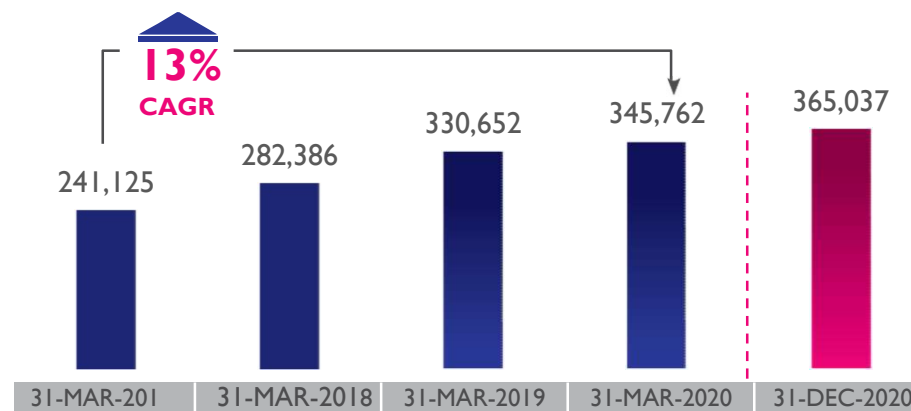
## ▶ STRONG DEPOSITS AND ADVANCES GROWTH

(in INR Mn)

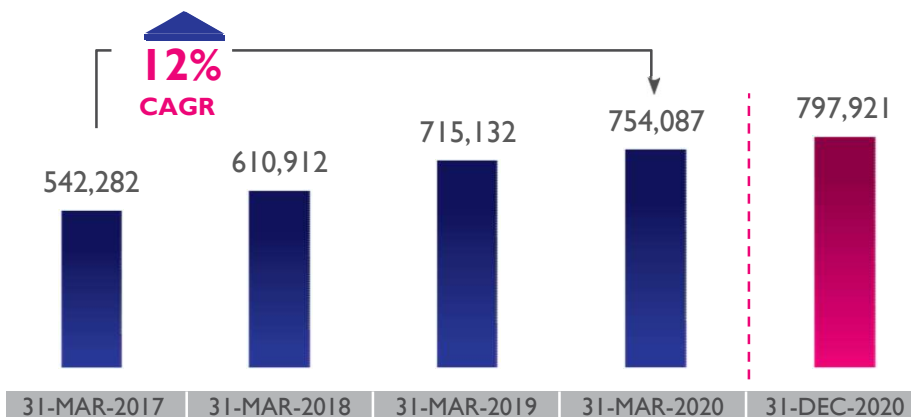
### DEPOSITS



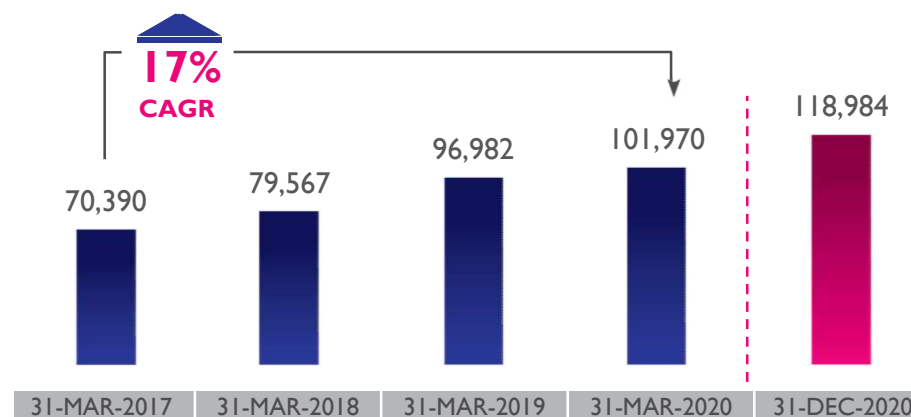
### ADVANCES



### BUSINESS



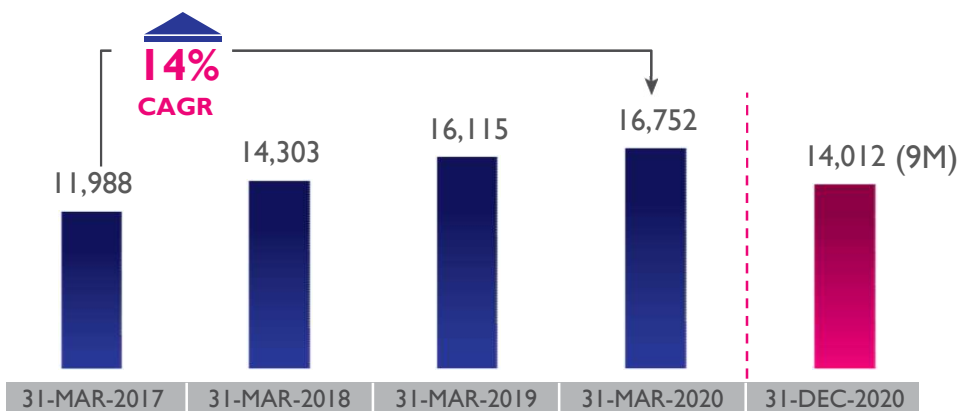
### CASA



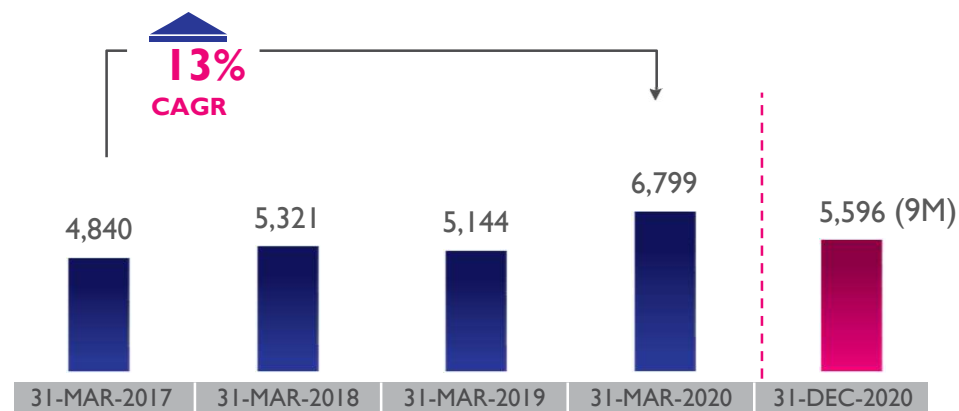
## ▶ INCOME GROWTH OVER THE YEARS...

(in INR Mn)

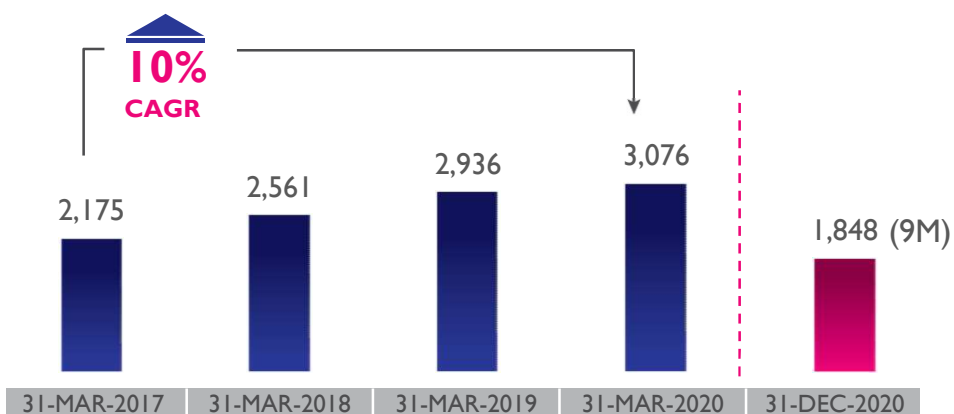
### NET INTEREST INCOME GROWTH



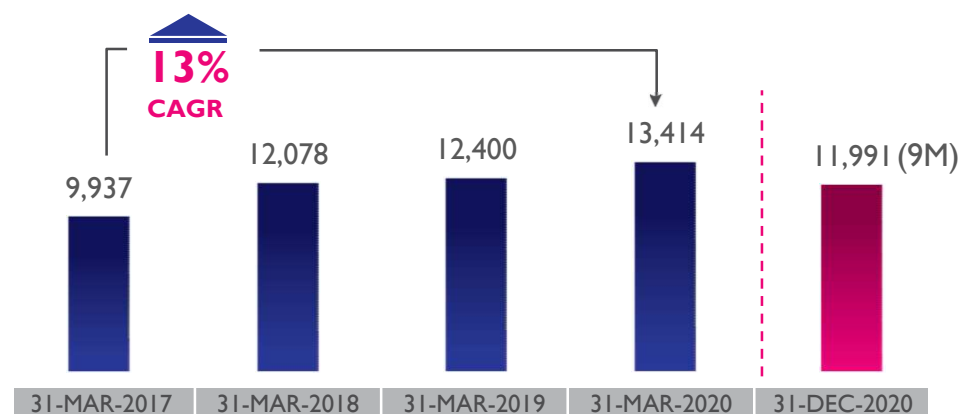
### OTHER INCOME GROWTH



### CEB GROWTH



### OPERATING PROFIT GROWTH

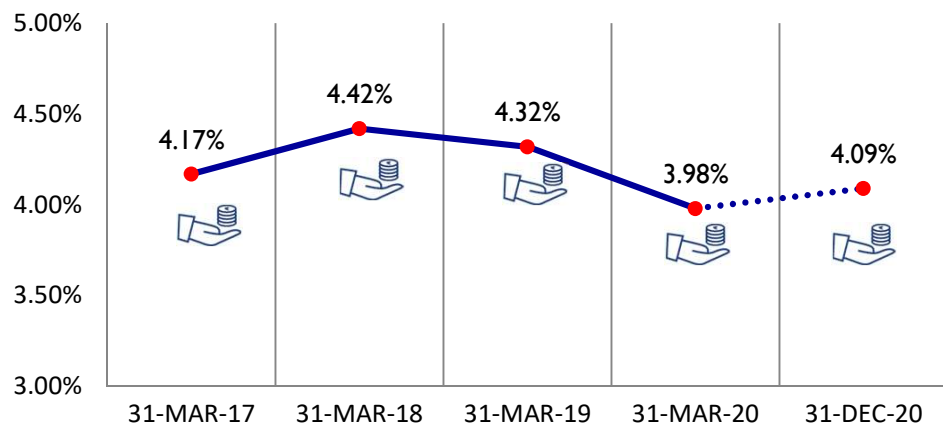


## ▶ KEY BUSINESS INDICATORS

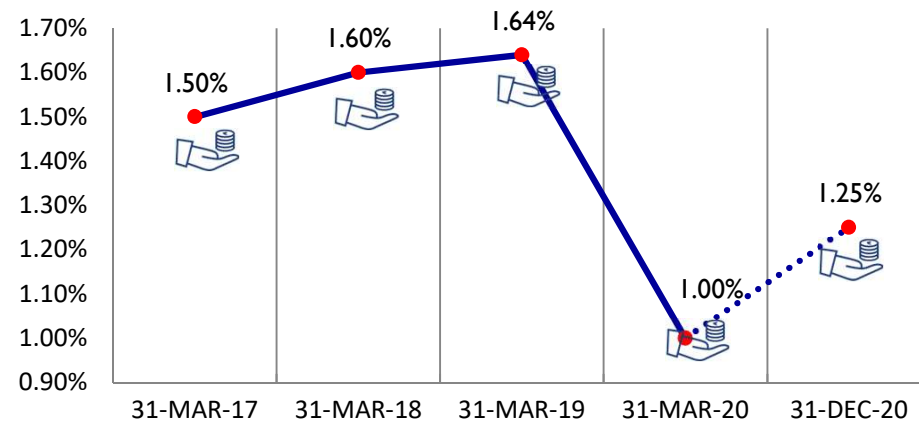
PARTICULARS	Q3 FY 21	Q3 FY 20	9M FY 21	9M FY 20	Q2 FY 21	FY 19-20
Cost of Deposits	5.16%	6.17%	5.46%	6.22%	5.54%	6.20%
Yield on Advances	9.87%	10.73%	10.16%	10.82%	10.21%	10.76%
Yield on Investments	5.79%	6.62%	5.89%	6.74%	5.79%	6.69%
Net Interest Margin	4.16%	3.96%	4.09%	3.99%	4.12%	3.98%
Cost to Income	36.22%	45.85%	38.85%	42.70%	40.31%	43.04%
Cost of Funds	4.23%	5.18%	4.56%	5.26%	4.56%	5.21%
Yield of Funds	7.94%	8.67%	8.20%	8.79%	8.26%	8.72%
Per Employee Business (in INR Mn)	135.38	127.88	135.38	127.88	133.20	131.32
Per Employee Profit (in INR Mn) (Ann)	1.15	1.34	1.09	1.32	1.09	0.83
EPS in INR - FV INR Re.1/- share (Not Ann)	2.30	2.62	6.53	7.78	2.14	6.48

## ▶ KEY BUSINESS RATIOS – YEARLY TRENDS

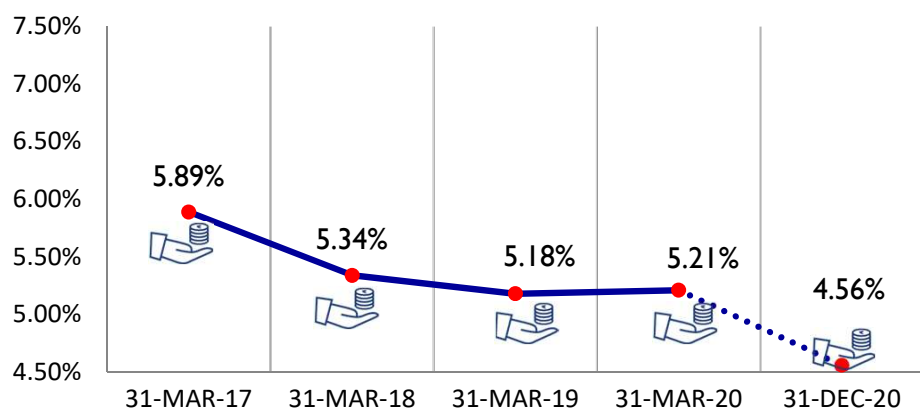
### NET INTEREST MARGIN



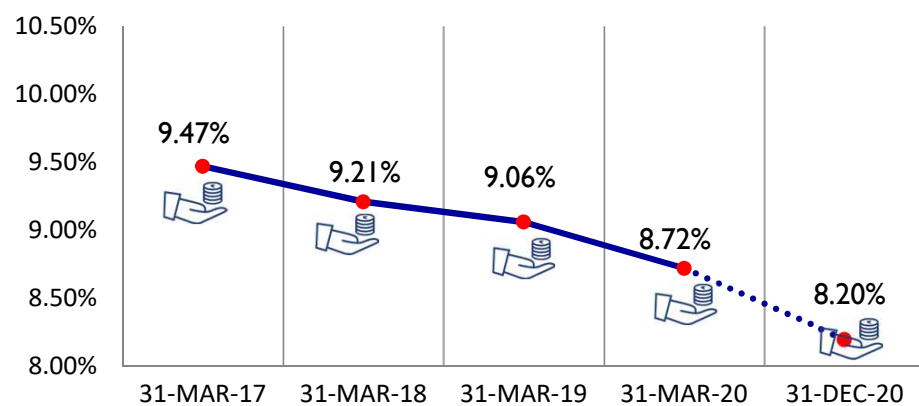
### RETURN ON ASSETS



### COST OF FUNDS

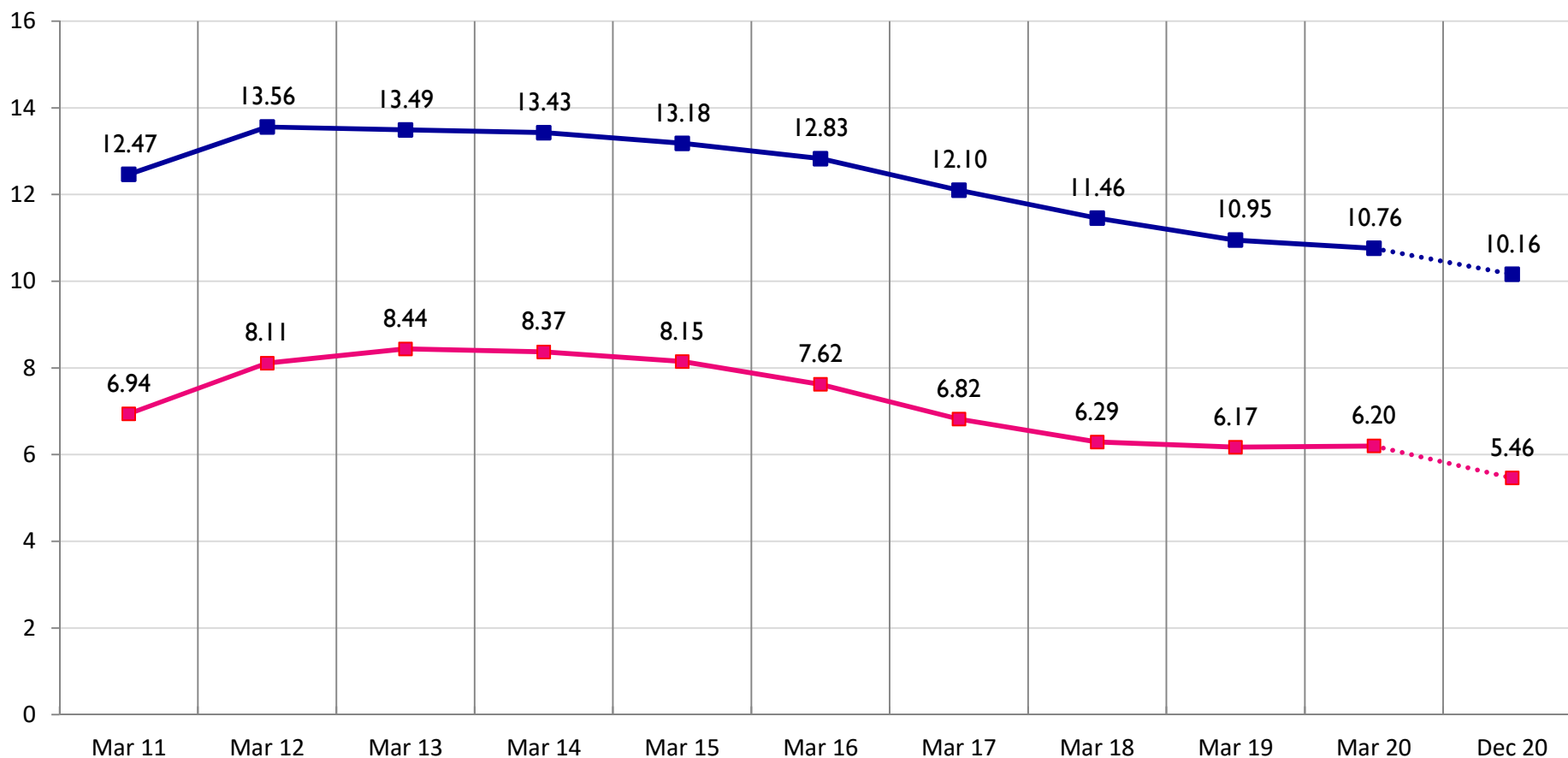


### YIELD ON FUNDS



## ▶ COST OF DEPOSITS & YIELD ON ADVANCES

(in %)

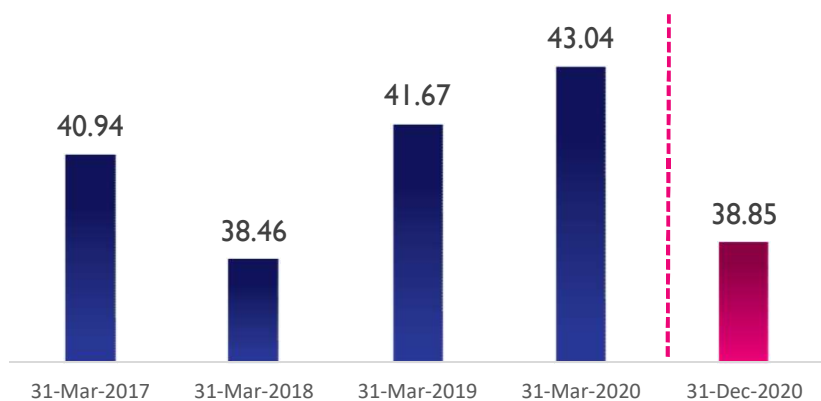


Spread between cost of deposits and yield on advances of our bank maintained in the last 10 years

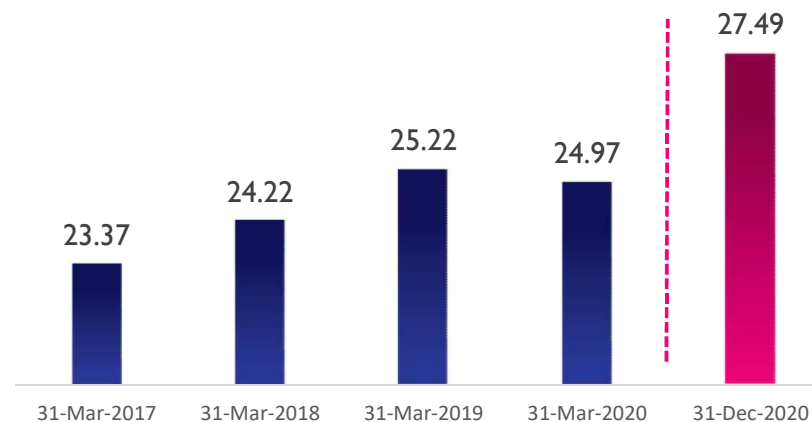
— Yield on Advances — Cost of Deposits

## ▶ EFFICIENCY

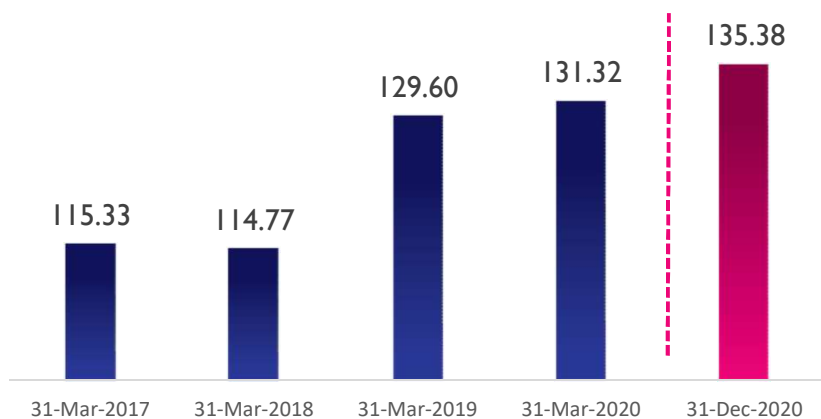
### COST INCOME RATIO (%)



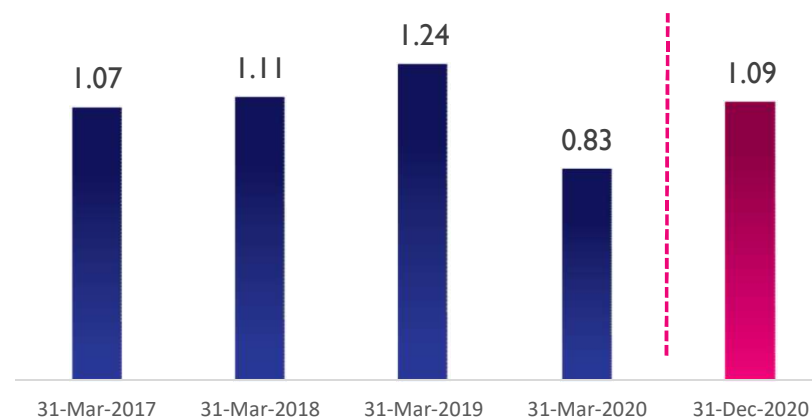
### CASA RATIO (%)



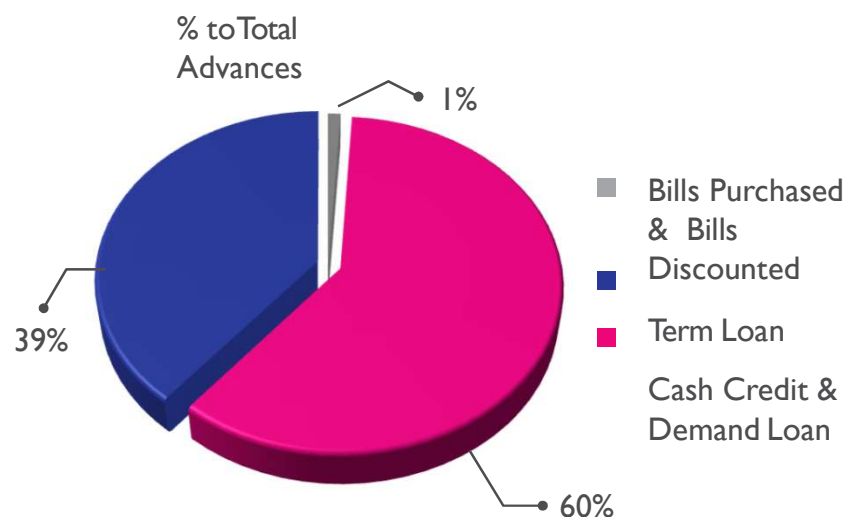
### BUSINESS PER EMPLOYEE (in INR Mn)



### PROFIT PER EMPLOYEE (in INR Mn)



## ▶ LOAN BOOK – PRODUCTS COMPOSITION



Working capital loans yielding higher interest constitute 60% 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

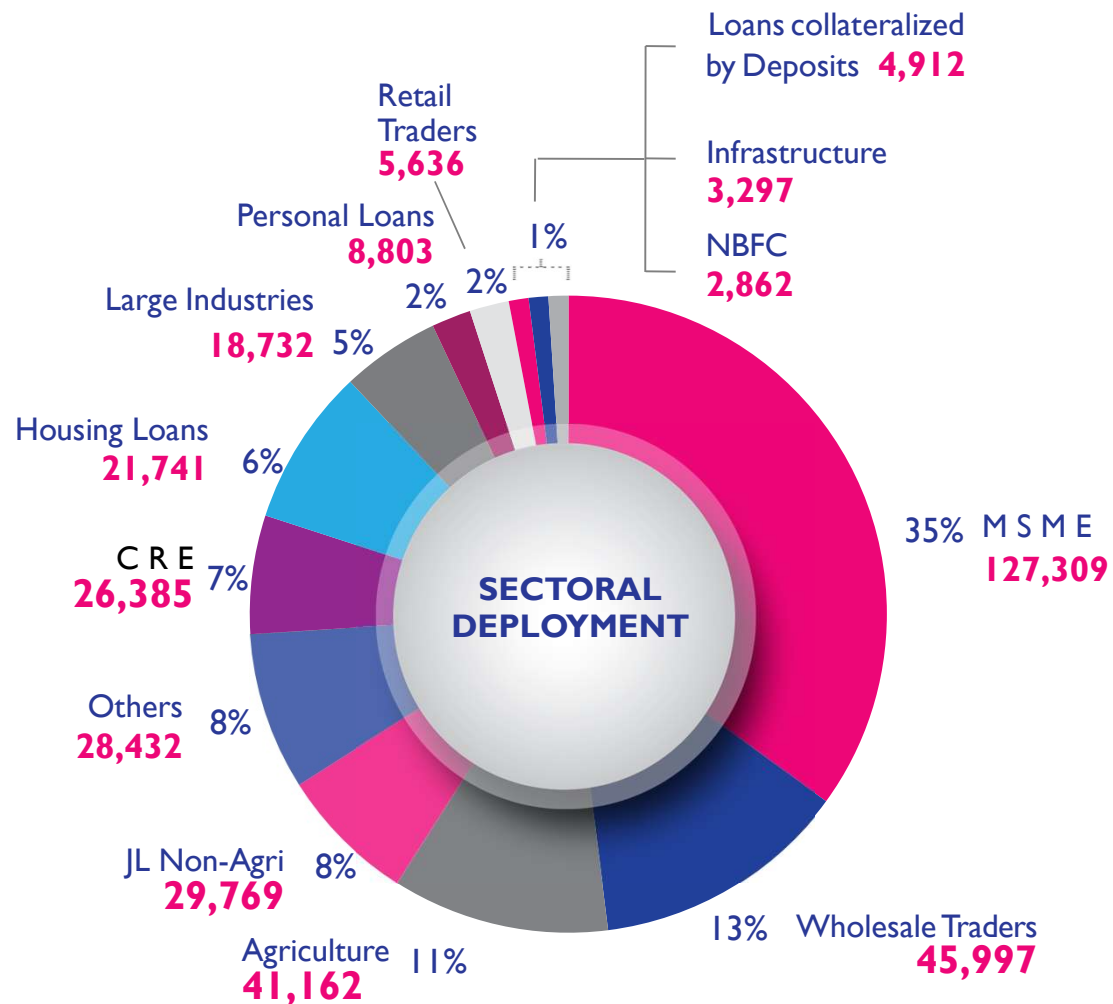
Loan Book Products Composition	Amount (INR Mn)	% to Total Advances
Cash Credit & Demand Loan	221,623	60%
Term Loan	141,684	39%
Bills Purchased & Bills Discounted	1,730	1%
<b>Gross Loan Total</b>	<b>365,037</b>	<b>100%</b>

Term Loan composition increased from 36% in Mar-20 to 39% in Dec-20 mainly because of the o/s balance of ECLGS at Rs.18,230 Mn.



## ▶ LOAN BOOK SECTORAL DEPLOYMENT – POSITION AS ON 31.12.2020

(in INR Mn)



## ▶ LOAN BOOK SECTORAL DEPLOYMENT – POSITION AS ON 31.12.2020

(in INR Mn)

### SECURED & UNSECURED ADVANCES

Particulars	Amount (INR Mn)	(%)
Secured Loans	361,154	99%
Unsecured Loans	3,883	1%
<b>Total</b>	<b>365,037</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%

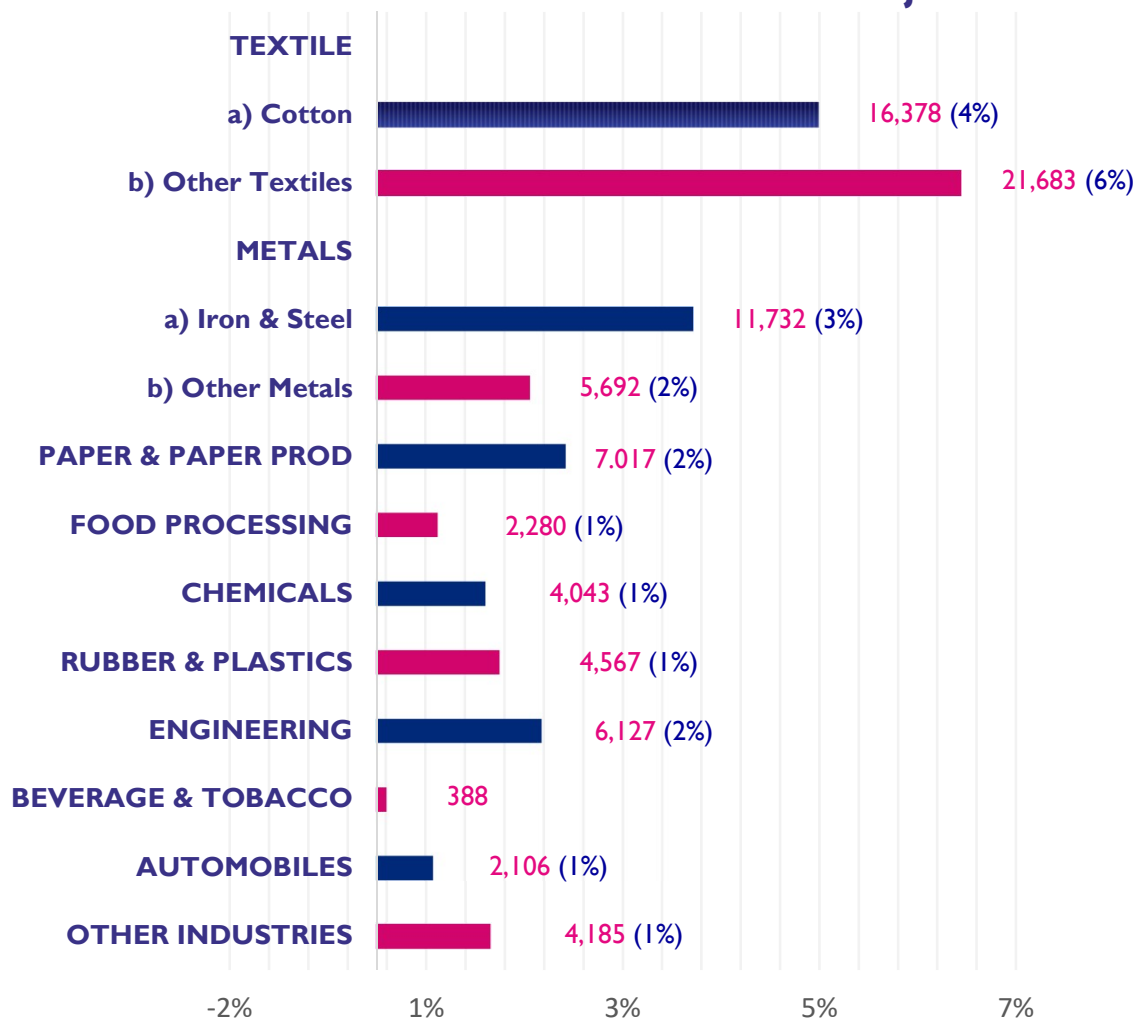


Total Jewel Loan outstanding as on 31.12.2020 – Rs.55,330 Mn

# Loan Book – Advances to Major Industries

(in INR Mn)

## Advances to Major Industries 31<sup>st</sup> December 2020

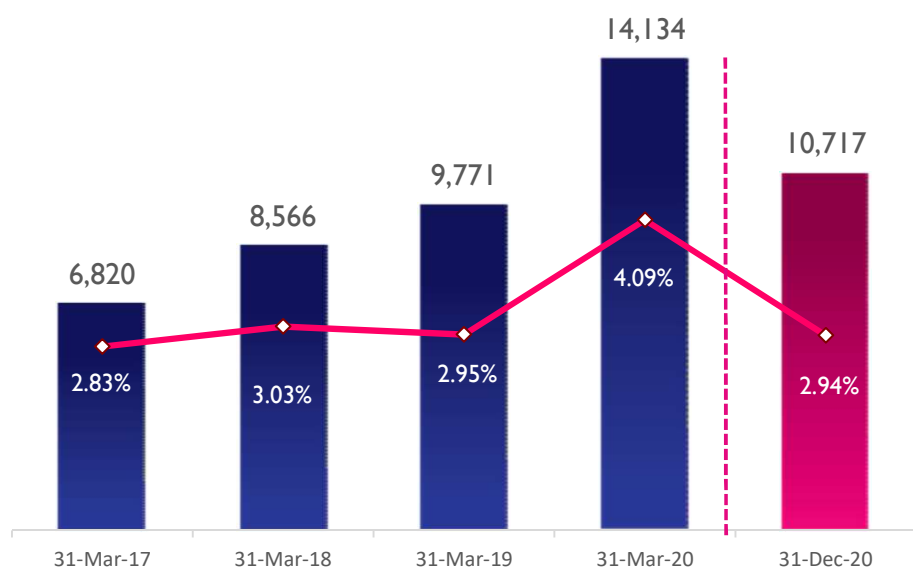


Industry Name	Amount (in INR Mn)	% to Total Advances
Advances to Major Industries	86,198	24%
All other advances (Agri, Trade, Service, Gold Loan, etc.)	278,839	76%
<b>Total Gross Advances</b>	<b>365,037</b>	<b>100%</b>

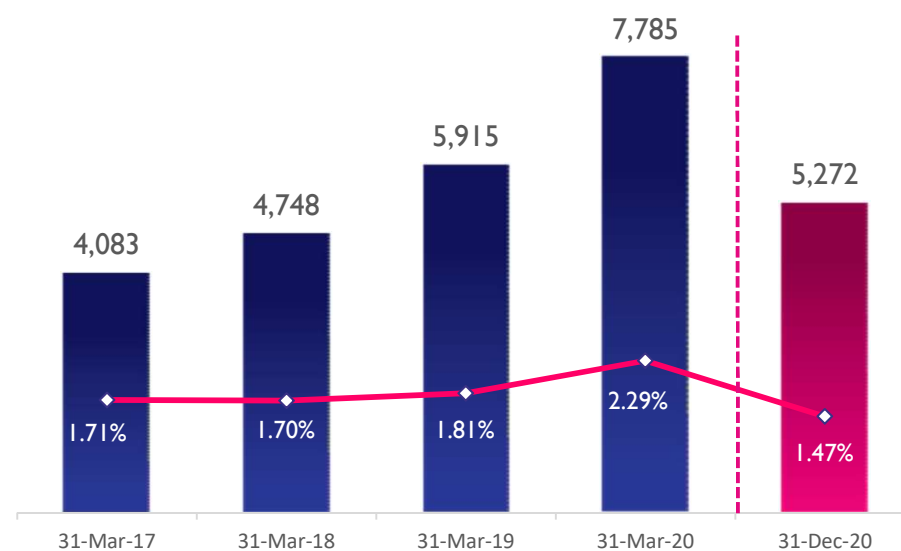
## ▶ ASSET QUALITY

(in INR Mn)

### GROSS NPA QTM & GROSS NPA %



### NET NPA QTM & NET NPA %



✓ No addition to NPA during Q3 FY 21 because of standstill clause as per the direction of Supreme Court.

✓ Due to that Net NPA reduced to 1.47% in Dec-20 from 2.29% in Mar-20

## ▶ ASSET QUALITY POSITION – MOVEMENT OVER THE YEARS

(RS IN MN)		FY MAR-16	FY MAR-17	FY MAR-18	FY MAR-19	FY MAR-20	Q3 FY 21	9M FY 21
<b>NPA Opening balance</b>		<b>3,358</b>	<b>5,120</b>	<b>6,820</b>	<b>8,565</b>	<b>9,771</b>	<b>12,206</b>	<b>14,134</b>
Additions	A	4,290	4,796	5,749	6,322	11,104	0	34
Recovery / Sale to ARC		734	905	1,623	1,980	1,644	662	1,252
Upgradations		546	556	433	496	1,358	71	206
NetAddition	B	3,010	3,335	3,693	3,846	8,102	-733	-1,424
Write-off		1,248	1,635	1,948	2,640	3,739	756	1,993
<b>NPA Closing balance</b>		<b>5,120</b>	<b>6,820</b>	<b>8,565</b>	<b>9,771</b>	<b>14,134</b>	<b>10,717</b>	<b>10,717</b>
Technical Write-off (TW) during the period		1,189	1,564	1,836	2,565	3,670	703	1,906
<b>Provision made during the period</b>	C	<b>2,050</b>	<b>2,515</b>	<b>3,030</b>	<b>2,700</b>	<b>6,310</b>	<b>310</b>	<b>1,130</b>
TW recovery	D	370	470	704	898	1,090	331	693
Provision made net of TW Recovery	E=C-D	<b>1,680</b>	<b>2,045</b>	<b>2,326</b>	<b>1,802</b>	<b>5,220</b>	<b>-21</b>	<b>437</b>
Gross Advance	F	2,12,531	2,41,125	2,82,386	3,30,652	3,45,762	3,65,037	3,65,037
<b>Additions % of Gross Advance</b>	A / F	<b>2.02</b>	<b>1.99</b>	<b>2.04</b>	<b>1.91</b>	<b>3.21</b>	<b>-</b>	<b>0.01</b>
<b>NetAddition % of Gross Advance</b>	B / F	<b>1.42</b>	<b>1.38</b>	<b>1.31</b>	<b>1.16</b>	<b>2.34</b>	<b>-ve</b>	<b>-ve</b>
<b>Credit cost</b>	E / F	<b>0.79</b>	<b>0.85</b>	<b>0.82</b>	<b>0.54</b>	<b>1.51</b>	<b>-</b>	<b>0.12</b>
Gross NPA %		2.41	2.83	3.03	2.95	4.09	2.94	2.94
Net NPA %		1.53	1.71	1.70	1.81	2.29	1.47	1.47

## ▶ RESTRUCTURED ACCOUNTS

### Quaterwise balance outstanding in respect of Restructured Standard borrowers

Type of Restructuring	Mar-20		Jun-20		Sep-20		Dec-20	
	No. of Borrowers	Amt	No. of Borrowers	Amt	No. of Borrowers	Amt	No. of Borrowers	Amt
M S M E	104	2813	120	3664	131	4550	191	7851
Non – M S M E	47	158	46	216	44	230	42	219
<b>Total</b>	<b>151</b>	<b>2971</b>	<b>166</b>	<b>3880</b>	<b>175</b>	<b>4780</b>	<b>233</b>	<b>8070</b>

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

▶ Restructured Standard Advances to Gross Advances – 2.21% as on Dec-20

▶ In terms of RBI Circular DOR No.BP.BC.34/21.04.048/2019-20 dt 11.02.2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated 06.08.2020 - Restructuring of Advances, the bank has restructured 60 Standard accounts to the tune of Rs.3211 mn in Q3 FY 2021. As of 9M FY 21, the total outstanding restructured Standard accounts was 233 in numbers and amounting to Rs.8,070 mn. The Bank hold a provision of Rs.316 mn against the requirement of Rs.263 mn towards Restructured Standard accounts.

## ▶ SECURITY RECEIPTS

### 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

- ▶ No fresh sale to ARC on SR basis from FY 17-18.
- ▶ 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 Q3 FY 21 out of the above 4 accounts, 1 account got closed to the tune of Rs.920 Mn from the outstanding of Rs.2,474 Mn in FY 2020.
- ▶ During 9M FY 21, we have provided a sum of Rs.300 Mn towards provision to meet out the future haircuts if any. Thus, the total o/s provision in SR stands at Rs.991 Mn.

## ▶ INVESTMENTS – AT A GLANCE

### Investments Breakup and Categorywise

(in INR Mn)

Particulars	DEC 2020	DEC 2019
SLR Securities	93,850	87,612
Non-SLR Securities	1,989	3,363
<b>Total Investments</b>	<b>95,839</b>	<b>90,975</b>
Yield on Investments	<b>5.89%</b>	<b>6.74%</b>
<b>Investments Breakup:</b>		
- A FS	6,172 (6%)	17,754 (20%)
- HTM	89,667 (94%)	73,221 (80%)
- H FT	-	-
<b>Total Investments</b>	<b>95,839</b>	<b>90,975</b>
<b>Modified Duration:</b>		
- A FS	2.98	1.19
- HTM	4.54	4.11
- H FT	-	-
- Overall Portfolio	4.46	3.62





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# COVID 19 OUTBREAK

## COVID-19 : Update on current situation

- ✓ The growth rate of Covid-19 cases is decreasing in our country. The total registered cases in our country is about 10.73 million out of about 80+ million cases worldwide. But the recovery rate in India is the highest in the world – over 96% and as a result, the active cases are below 1.70 lacs.
- ✓ Vaccination is started which is expected to give the much needed boost to the economic activity. In India, so far 3.5 million vaccinations given.
- ✓ Almost all the mobility restrictions are eased now but the Tourism & Hotel industries are yet to pick-up.
- ✓ The GDP is approaching the positive growth territory and the FDI inflow is back on track. The economic activities are expected to grow even better in the next few quarters.
- ✓ We are strictly adhering to all the safety measures prescribed by government authorities and continuously working towards the safety and security of our employees.
- ✓ As of now, 361 employees were infected with COVID-19 virus – 350 of them recovered and joined in duty while 11 are under treatment / home quarantine.

## COVID-19 : Measures taken by the Bank

### Business continuity:

- ✓ Our Business continuity plans worked well during this tough situation. We were successfully relocated some of our key functional departments on temporary basis and restored back on a smooth basis with uninterrupted service to our customers.
- ✓ Our branches and ATMs functioned without interruption during this tough times and though our branch staffs get infected we were quick to restore our services to our customers.

### Supporting the MSMEs / Entrepreneurs :

- ✓ Through our branch network, our staffs were continuously communicating with our customers to understand their needs and help them out with their cash flow needs.
- ✓ So far we have sanctioned Rs.2079 Cr & disbursed Rs.1911 Cr under ECLGS schemes to eligible MSME business segments.

## COVID-19 : Status of Loan Accounts as of 29<sup>th</sup> Feb 2020

- ✓ Present outstanding balance of the accounts which are in default as of 29<sup>th</sup> Feb 2020 is as below:

(Rs in Cr)	Position as on 15.06.2020		Position as on 31.10.2020		Position as on 31.01.2021	
	No. of A/cs	O/s Amount	No. of A/cs	O/s Amount	No. of A/cs	O/s Amount
SMA 0	571	175	318	63	282	131
SMA 1	1102	348	534	225	156	71
SMA 2	327	122 *	170	109	266	109
<b>Total</b>	<b>2000</b>	<b>645</b>	<b>1022</b>	<b>397</b>	<b>704</b>	<b>311</b>

- In accordance with RBI guidelines, the Bank is required to make provision @ 10% of outstanding advances over two quarters beginning with quarter ended March 31, 2020 in respect of borrower accounts which are at default and asset classification benefit has been taken. The outstanding amount of those accounts for the bank stood at Rs.125.61 cr as on 29<sup>th</sup> Feb 2020 (O/s balance as on 31.01.2020 – Rs.109 cr as indicated above). During Q4 FY 20, the Bank has made an adhoc provision of Rs.125 Cr towards COVID in addition to the required RBI mandatory provision. During 9M FY 21, the bank has made an additional adhoc provision of Rs.340 cr to meet any future contingency arising out of Covid pandemic. Thus, the total provision in this regard held by the bank as on 31<sup>st</sup> December 2020 is Rs.465 crs.
- ✓ Total Covid provision held as at 31<sup>st</sup> Dec 2020 stood at 1.21% of total advances.
- ✓ Total SMA accounts constitutes 0.85% of total advances as at 30<sup>th</sup> January 2021.

## COVID-19 : Repayment Status of Accounts – Position as of 31<sup>st</sup> Dec 2020:

We have given below status of repayment made by our borrowers instalment-wise from Sep-20 to Dec-20:

	<b>Sept-2020</b>	<b>Oct-2020</b>	<b>Nov-2020</b>	<b>Dec-2020</b>
Loan A/cs	94%	91%	89%	87%
CCOD A/cs	97%	94%	93%	92%
<b>Total</b>	<b>95%</b>	<b>93%</b>	<b>91%</b>	<b>89%</b>

The above workings is based on total performing advances book of around Rs.27,470 cr excluding JL, ODAD/LAD, Staff loan, etc. to the tune of Rs.8282 cr

## ► COVID-19 : Bank's position

### Liquidity

- Maintaining LCR above 200% (296% as of 31.12.2020).
- We funding measures have liquidity to the tune of Rs.4,500 cr presently of which short term deposits in overseas branches of Nationalized banks amounting to Rs.2,100 cr.
- Contingency are in place to take care of exigencies.

### Business segments

- Strong Retail Franchise
- No Certificate of Deposit
- No reliance on Corporate bulk deposits. Deposits over Rs.2 Cr is less than 10% of the total deposits.
- Low concentration of deposits – Top 20 deposits constitutes less than 10% of the total deposits

### Business growth

- Deposits grown by over Rs.1,800 cr during Q3 FY 21
- CASA increased by over Rs.1,250 Cr during Q3 FY 21
- Lesser quantum of Government deposits
- Advances increased by Rs.1,000 Cr during Q3 FY 21.

### Capital adequacy

- CRAR stood at 17.39% (without taking 9M Net profit). If we consider the same, CRAR would be 18.89%.
- Bank got the permission from the stakeholders at the Annual General Meeting held on 14.08.2020 to go for QIP for Rs.600 crs as an enabling resolution.
- RWA reduced from Rs.32462 Cr in Mar-20 to Rs.30652 cr in Dec-20 mainly due to sanction of ECLGS & increase in Gold loans during 9M FY 21.

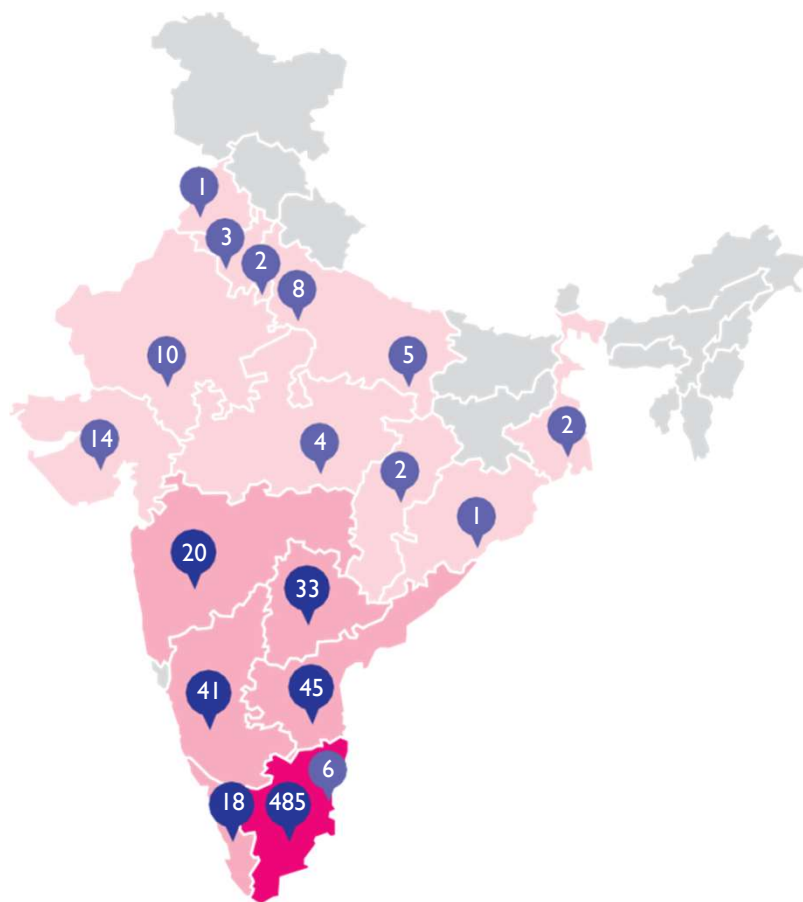


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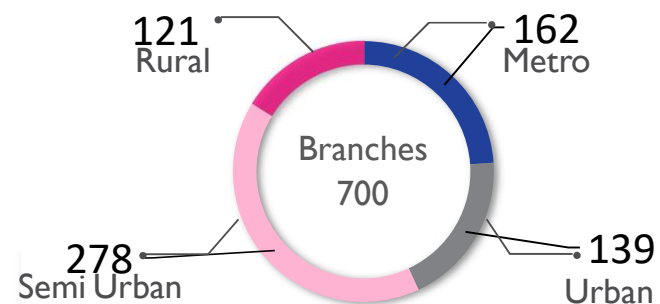
# BRANCH NETWORK

## ▶ STRONG PRESENCE IN THE SOUTH

As of Dec 2020 - 700 branches. 628 branches are located in South India out of which 485 in Tamil Nadu



State	No. of Branches	% of Deposits	% of Advances	% of Business
Tamilnadu	485	79	64	72
Karnataka	41	7	5	7
Andhrapradesh	45	2	8	5
Telengana	33	3	6	4
Maharashtra	20	2	4	3
Kerala	18	2	2	2
Gujarat	14	1	4	2
Others	44	4	7	5
<b>Total</b>	<b>700</b>			



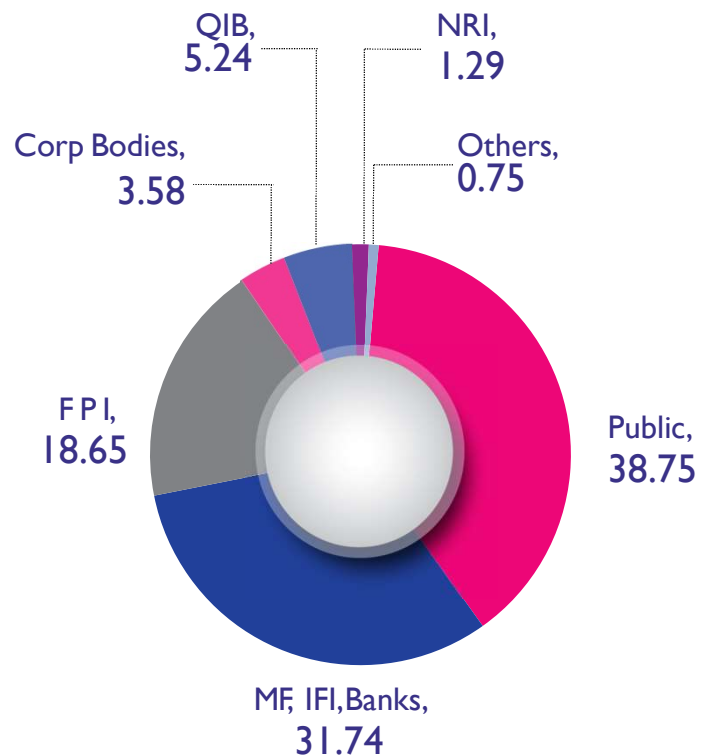


# SHAREHOLDING PATTERN

SHAKEHOLDING PATTERN

## ▶ A WELL DIVERSIFIED INVESTOR BASE

Position as on 31-Dec-2020

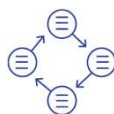


### Major Institutional Shareholders

SHAREHOLDERS	HOLDING %
HDFC Midcap Opportunities Fund	4.48
Life Insurance Corporation of India	4.13
Axis Mutual Fund	3.63
Franklin India Prima Fund	2.96
SBI Magnum Midcap Fund	2.90
HDFC Life Insurance Co. Ltd.	2.90
DSP Midcap Fund	2.59
Smallcap World Fund	2.29
ICICI Pru Equity Savings Fund	2.19
Sundaram MF A/c Sundaram Mid Cap Fund	1.50
L & T MF – L & T Emerging Business Fund	1.49
Wasatch Core Growth Fund	1.26
Bank Muscat India Fund	1.23
KOTAK FUND – INDIA MIDCAP	1.03



Well diversified ownership of shareholders around 1,33,000 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 ... 21.35%

# CORPORATE GOVERNANCE

КОРПОРАТИВНОЕ УПРАВЛЕНИЕ

## ▶ 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, Grad 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., 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 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**

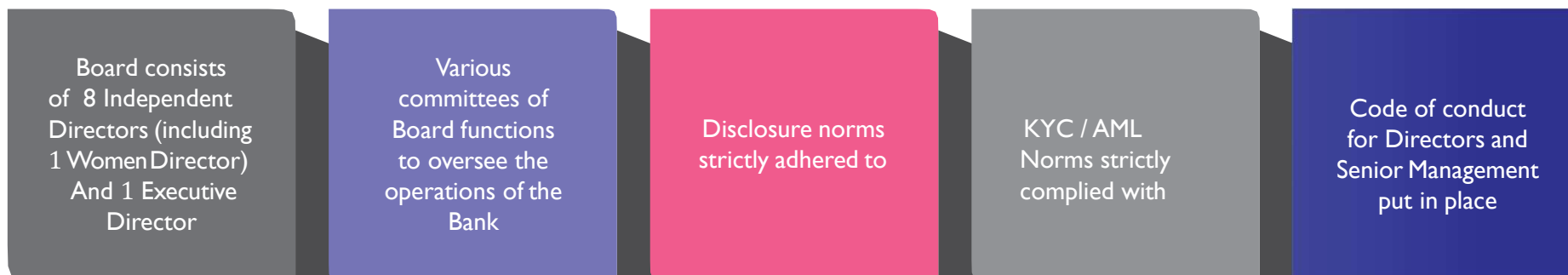
Shri. V.N. Shiva Shankar is a qualified Lawyer, Company Secretary and Cost Management Accountant with 25 years of rich experience in Indian Corporate Law. He is also the founder of M/s VNS Legal Corporate Law firm based in Chennai which focuses on legal advisory services on Capital Market Regulation, 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

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For any queries regarding presentation, please write to

[Investor.relations@cityunionbank.com](mailto:Investor.relations@cityunionbank.com)