



# INVESTOR PRESENTATION

JUNE 2021

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# TABLE OF CONTENTS



Overview



Performance Highlights –  
June 2021



Financial Performance &  
Business Profile



Branch Network



Technology Initiatives



Shareholding Pattern



Corporate Governance



**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 30.06.2021



Deposits  
**INR 44,606 CR**



Advances  
**INR 36,395 CR**



Net Interest Margin  
**3.86%**



Net NPA  
**3.49%**



Employees  
**5,822**



Branches  
**702**

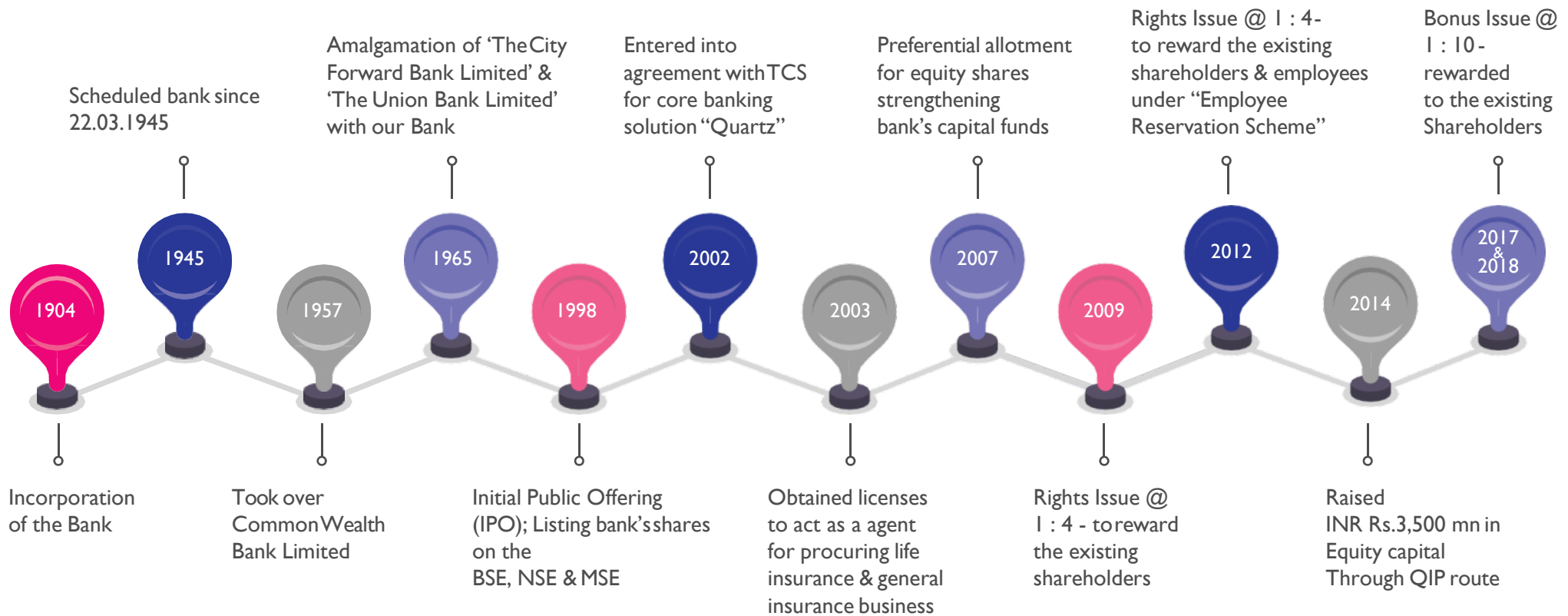


ATM's  
**1,727**



Efficiency Ratio  
**40.46%**

## ▶ 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

### 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

### Purely retail Liability Franchise

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

10 year CAGR of 20%+

Consistent Return with Superior ROA, ROE

## ▶ COMPETITIVE ADVANTAGES

### NETWORK

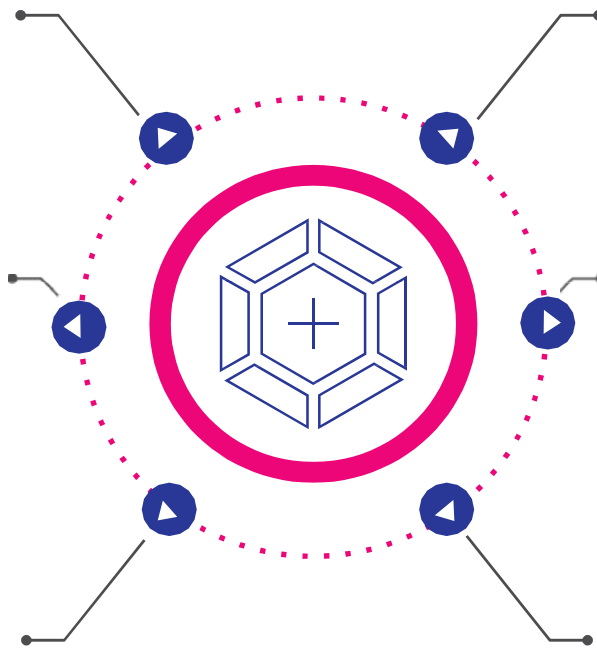
Pan India presence with 702 branches ◀  
 Strong presence in South India (630 branches) ◀  
 of which 486 are in Tamil Nadu alone

### ADEQUATELY CAPITALISED

Strong Capital Adequacy ratio of 19.58% ◀  
 out of which Tier I constitutes 18.51%

### MSME / TRADING PORTFOLIO

Trading and MSME loan segments constitute ◀  
 about 52% of advances



### STRONG TRACK RECORD

- ▶ Continuous profitability and dividend payout in all 115+ years of operations
- ▶ Business growth of 20%+ CAGR in last 10 years

### ROBUST CORPORATE GOVERNANCE PRACTICES

- ▶ Strong board with majority of directors being independent directors
- ▶ Consistency in management with only 7 CEOs appointed in 100+ years

### DIVERSIFIED ASSET PROFILE

- ▶ Granular asset profile with advances to top 20 group borrowers contributing around 5.72%
- ▶ Lower ticket size lending backed by adequate collaterals



## ▶ 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 2021

## ▶ QI FY 2022 PERFORMANCE – A SNAPSHOT

- ▶ Deposits increased by 8.73% from Rs.410 Bn to Rs.446 Bn Y-o-Y
- ▶ Advances registered a growth of 5.39% from Rs.345 Bn to Rs.364 Bn Y-o-Y
- ▶ Total business grown by 7.20% from Rs.756 Bn to Rs.810 Bn Y-o-Y
- ▶ Gross Profit increased by 8% to Rs.3,830 Mn from Rs.3,560 Mn (QI-Vs-QI)
- ▶ Net Profit increased by 12% from Rs.1,540 Mn to Rs.1,730 Mn (QI-Vs-QI)
- ▶ Profitability and efficiency ratios :

PARTICULARS	QI FY 22	QI FY 21	Q4 FY 21	FY 2020-21
Return on Assets	1.29%	1.23%	0.84%	1.15%
Net Interest Margin	3.86%	3.98%	3.72%	4.00%
Return on Equity	11.81%	11.65%	7.85%	10.73%
Earning per share	Rs.2.34	Rs.2.09	Rs.1.51	Rs.8.03

- ▶ Gross NPA – 5.59% and Net NPA – 3.49%
- ▶ Provision Coverage Ratio – 63%
- ▶ CRAR – 19.58% (Basel III) of which core CRAR – 18.51%

## ▶ QI FY 2022 VS QI FY 2021 PERFORMANCE – A SNAPSHOT

(in INR Mn)

446,059



9%

410,259

Deposits

363,955



5%

345,356

Advances

810,014



7%

755,615

Total Business

122,991



22%

100,976

CASA

3,830



8%

3,560

Gross Profit

1,730



12%

1,540

Net Profit

4,476



2%

4,369

Net Interest  
Income

40.46%



40.42%

Cost to Income

1.29%

ROA

11.81%

ROE

3.86%

NIM

5.59%

Gross NPA

3.49%

Net NPA

■ QI FY 22 ■ QI FY 21

## ► FY 2021 VS FY 2020 PERFORMANCE – A SNAPSHOT

(in INR Mn)

**445,370**



**408,325**

**Deposits**

**370,206**



**345,762**

**Advances**

**815,576**



**754,087**

**Total Business**

**129,814**



**101,970**

**CASA**

**14,838**



**13,414**

**Gross Profit**

**5,928**



**4,763**

**Net Profit**

**18,297**



**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

FINANCIAL PERFORMANCE & BUSINESS PROFILE

## ▶ QI FY 22 VS QI FY 21 PERFORMANCE - A SNAPSHOT

(in INR Mn)

### FINANCIAL PERFORMANCE

PARTICULARS	QI FY 2022	QI FY 2021	INC / (DEC)	Growth	Growth %
Deposits	446,059	410,259		35,800	9%
Advances	363,955	345,356		18,599	5%
Total Business	810,014	755,615		54,399	7%
Demand Deposits	33,370	28,946		4,424	15%
Saving Deposits	89,621	72,030		17,591	24%
CASA	122,991	100,976		22,015	22%
Gross NPA	20,354	13,461			
Net NPA	12,422	7,164			
Gross NPA (%)	5.59%	3.90%			
Net NPA (%)	3.49%	2.11%			
C R A R (BASEL – III)	19.58%	16.77%			
- Of which Tier I	18.51%	15.69%			
CD Ratio	82%	84%			
PCR	63%	68%			

## ▶ QI FY 22 VS QI FY 21 PERFORMANCE - A SNAPSHOT

(in INR Mn)

### FINANCIAL PERFORMANCE







PARTICULARS	QI FY 2022	QI FY 2021	INC / (DEC)	Growth %	Q4 FY 2021
Net Interest Income	4,476	4,369	107	2%	4,285
Other Income	1,956	1,606	350	22%	1,451
Operating Expenses	2,602	2,415	187	8%	2,889
Gross Profit	3,830	3,560	270	8%	2,847
Provisions & Contingencies	2,100	2,020	80	4%	1,735
Net Profit	1,730	1,540	190	12%	1,112
Return on Assets	1.29%	1.23%			0.84%
Return on Equity	11.81%	11.65%			7.85%
Net Interest Margin	3.86%	3.98%			3.72%



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

(in INR Mn)

### 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 INR Mn)

### 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 INR Mn)

PARTICULARS	Q1 FY 21	Q1 FY 20	FY 20-21	FY 19-20
Provision for:				
- Tax	400	450	1,000	1,100
- Bad Debts	2,330	500	5,990	6,310
- Covid 19	-830	1,000	310	1,250
- Standard Assets	130	40	1,045	193
- Depn on Investments	-	-	178	-317
- Depn on Shifting	23	-	-	-
- Restructuring / FITL	2	30	265	69
- Others	45	-	122	46
<b>Total</b>	<b>2,100</b>	<b>2,020</b>	<b>8,910</b>	<b>8,651</b>

## ▶ QI FY 22 VS QI FY 21 – INCOME AND EXPENSES BREAKUP

(in INR Mn)

### INTEREST INCOME BREAKUP

PARTICULARS	QI FY 2022	QI FY 2021	Growth %
Interest on Loans	8,560	8,922	-ve
Interest on Investments	1,363	1,400	-ve
Other Interest Income	51	171	-ve
<b>Total Interest Income</b>	<b>9,974</b>	<b>10,493</b>	<b>-ve</b>

### INTEREST EXPENSES BREAKUP

PARTICULARS	QI FY 2022	QI FY 2021	Growth %
Int Exp on Deposits	5,405	5,899	-ve
Other Int Expenses	93	225	-ve
<b>Total Interest Expenses</b>	<b>5,498</b>	<b>6,124</b>	<b>-ve</b>

### OTHER INCOME BREAKUP

PARTICULARS	QI FY 2022	QI FY 2021	Growth %
CEB & Charges	680	456	49%
Treasury Income	1,052	1,085	-ve
Other Inc incl recoveries in written off a/cs	224	65	245%
<b>Total Other Income</b>	<b>1,956</b>	<b>1,606</b>	<b>22%</b>

### OPERATING EXPENSES BREAKUP

PARTICULARS	QI FY 2022	QI FY 2021	Growth %
Employee Cost	1,292	1,164	11%
Other Operating Expenses	1,310	1,251	5%
<b>Total Expenses</b>	<b>2,602</b>	<b>2,415</b>	<b>8%</b>

## ► FY 21 VS FY 20 – INCOME AND EXPENSES BREAKUP

(in INR Mn)

### 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
<b>Total Interest Income</b>	<b>41,347</b>	<b>41,686</b>	<b>-ve</b>

### INTEREST EXPENSES BREAKUP

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

### 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
<b>Total Other Income</b>	<b>7,048</b>	<b>6,799</b>	<b>4%</b>

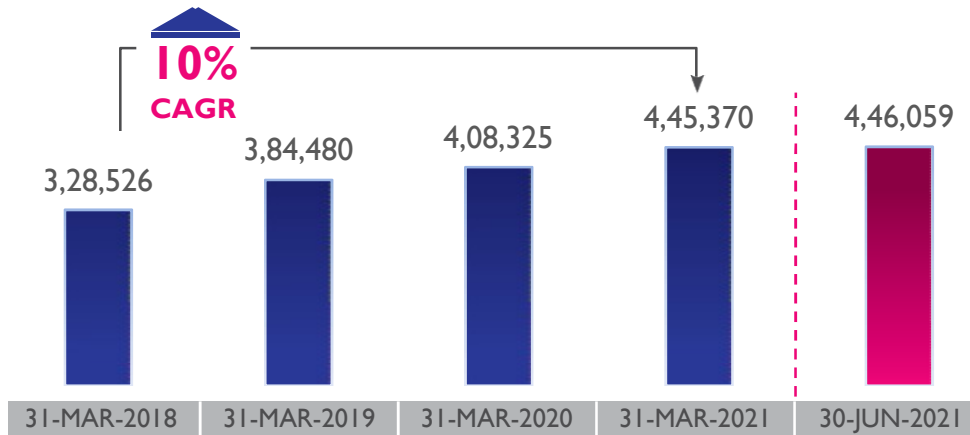
### OPERATING EXPENSES BREAKUP

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

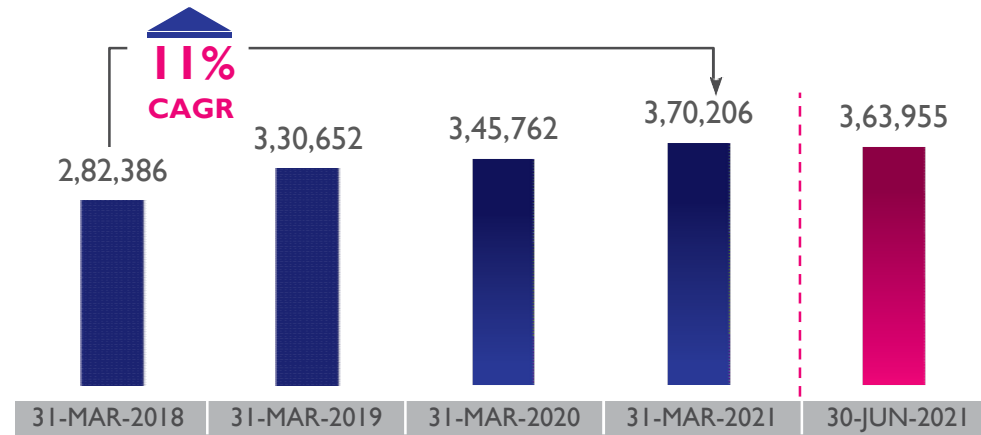
## ▶ STRONG DEPOSITS AND ADVANCES GROWTH

(in INR Mn)

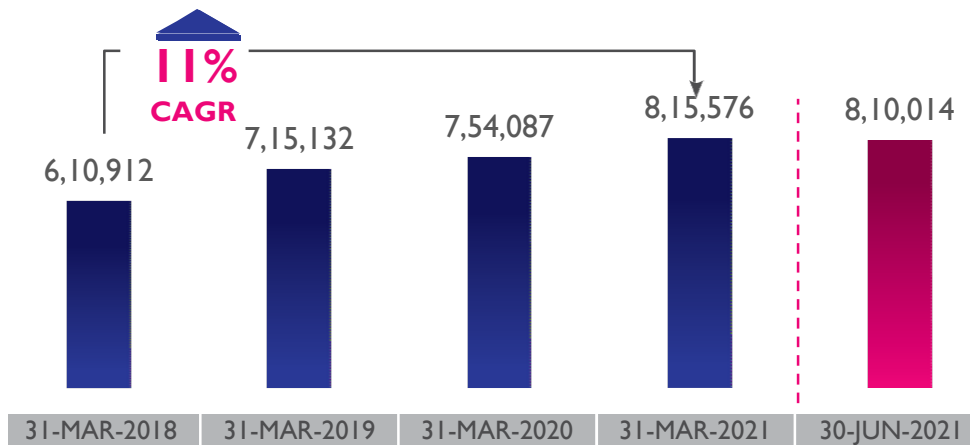
### DEPOSITS



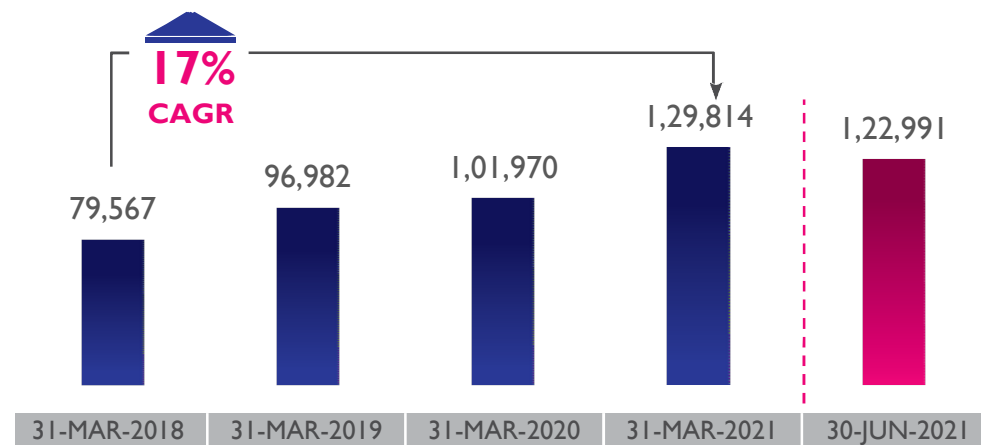
### ADVANCES



### BUSINESS



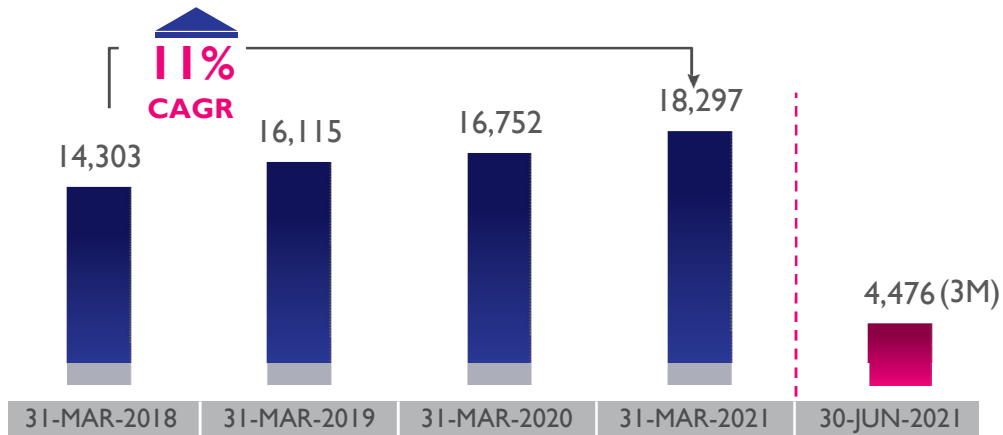
### CASA



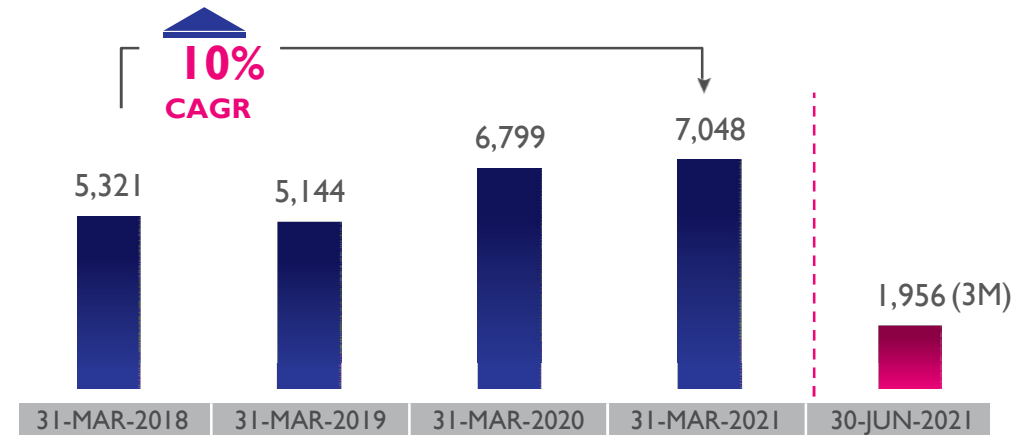
## ▶ INCOME GROWTH OVER THE YEARS...

(in INR Mn)

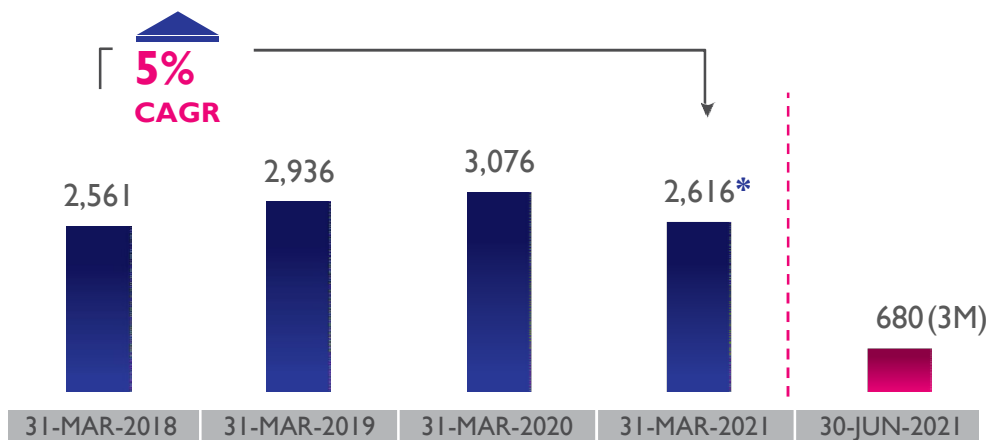
### NET INTEREST INCOME GROWTH



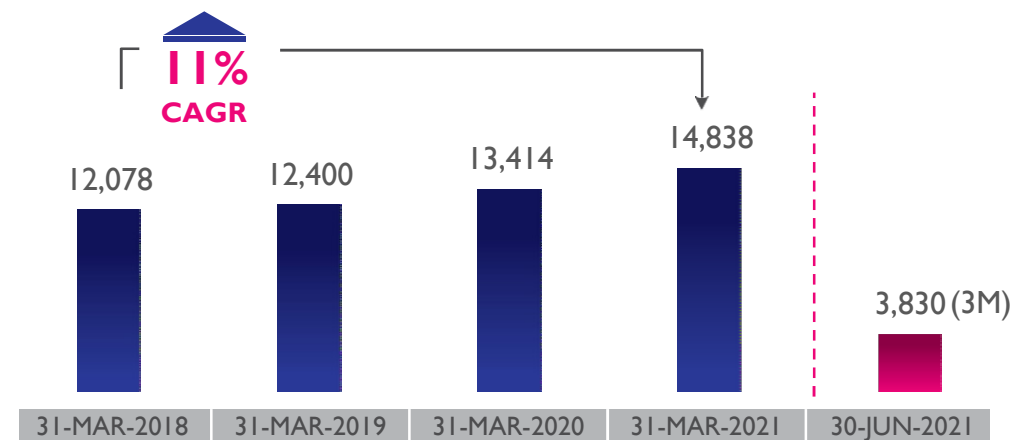
### OTHER INCOME GROWTH



### CEB GROWTH



### OPERATING PROFIT GROWTH



\* 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

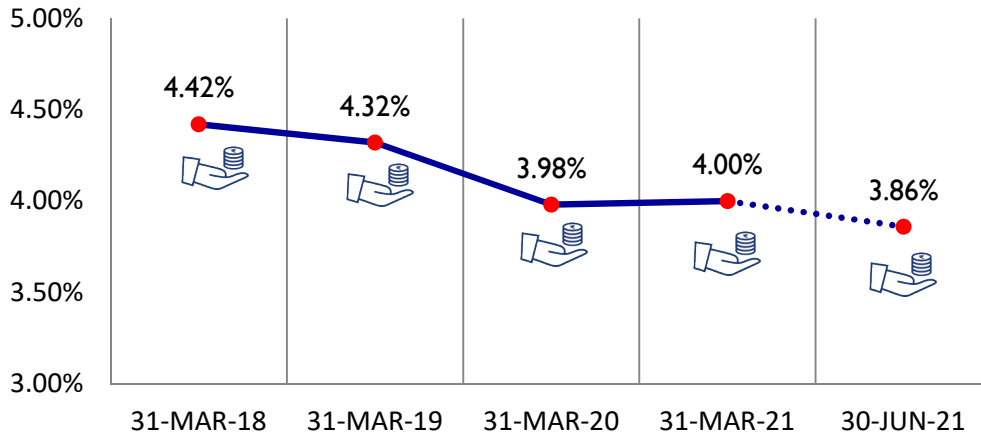
PARTICULARS	Q1 FY 22	Q1 FY 21	FY 20-21	FY 19-20	Q4 FY 21
Cost of Deposits	4.95%	5.89%	5.36%	6.20%	5.05%
Yield on Advances	9.40%	10.41%	9.91%	10.76%	* 9.19%
Yield on Investments	5.61%	6.12%	5.86%	6.69%	5.76%
Net Interest Margin	3.86%	3.98%	4.00%	3.98%	* 3.72%
Cost to Income	40.46%	40.42%	41.45%	43.04%	* 50.37%
Cost of Funds	4.09%	4.90%	4.46%	5.21%	4.15%
Yield of Funds	7.42%	8.40%	7.99%	8.72%	7.40%
Per Employee Business (in INR Mn)	138.94	131.55	139.38	131.32	139.38
Per Employee Profit (in INR Mn) (Ann)	1.19	1.07	1.01	0.83	0.76
EPS in INR - FV INR Re./- share (Not Ann)	2.34	2.09	8.03	6.48	1.51

\* → Net Interest Margin for Q4 FY 21 stands reduced to 3.72% because of reversal of interest on NPA accounts to the tune of Rs.1250 Mn for the period of 13 months from Feb 20 to March 21 subsequent to the SC verdict for the slippage of Rs.1110 0 Mn. Considering the provision made towards interest reversal during Q2 & Q3 FY 21 to tune of Rs.550 Mn, the net reversal in Q4 stands at Rs.700 Mn.

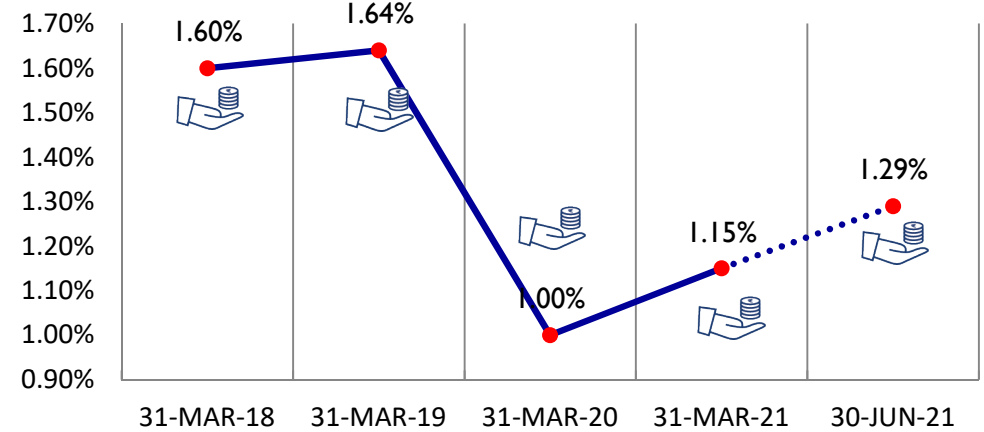


## ▶ KEY BUSINESS RATIOS – YEARLY TRENDS

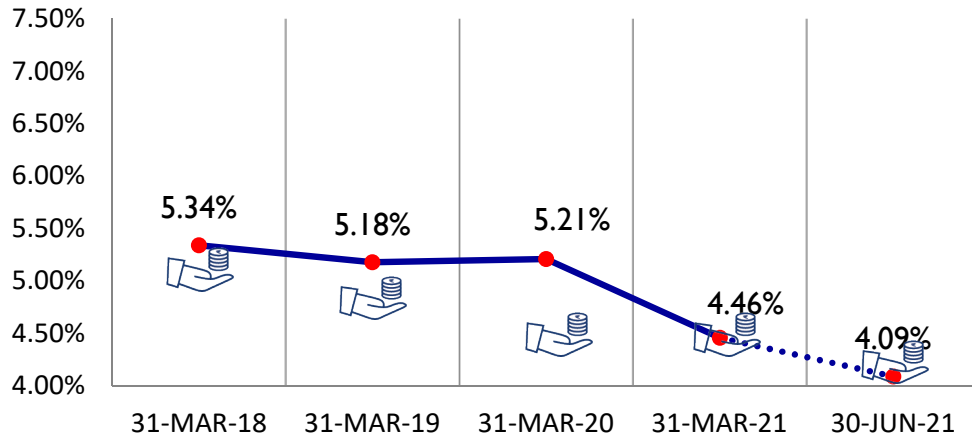
### NET INTEREST MARGIN



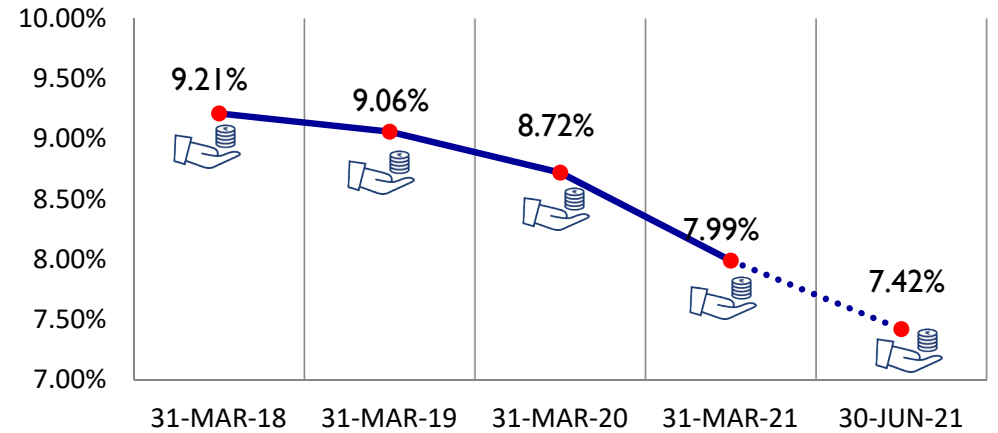
### RETURN ON ASSETS



### COST OF FUNDS

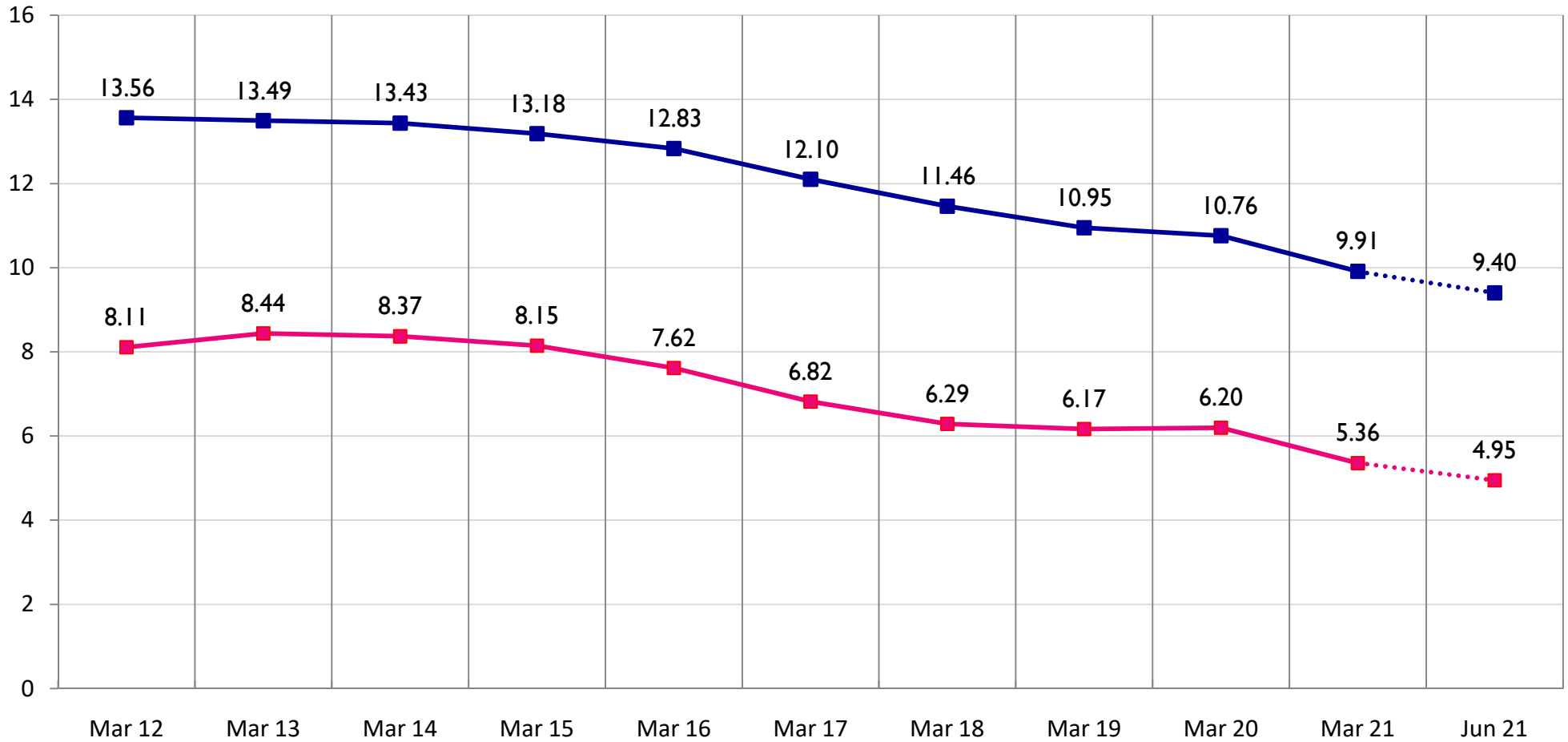


### YIELD ON FUNDS



## ▶ COST OF DEPOSITS & YIELD ON ADVANCES

(in %)

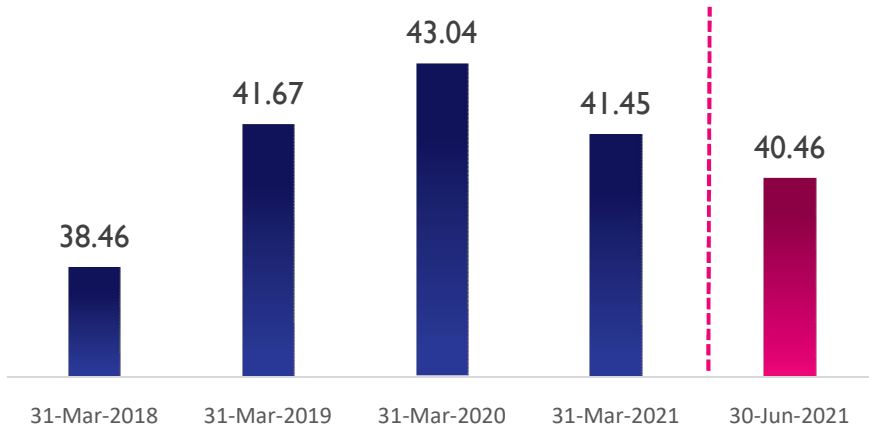


Spread between cost of deposits and yield on advances of our bank maintained in the last 10 years

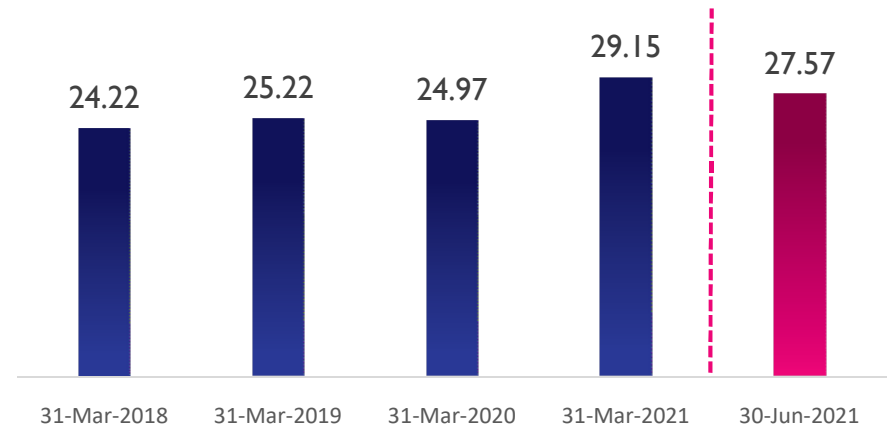
— Yield on Advances  
— Cost of Deposits

## ▶ EFFICIENCY

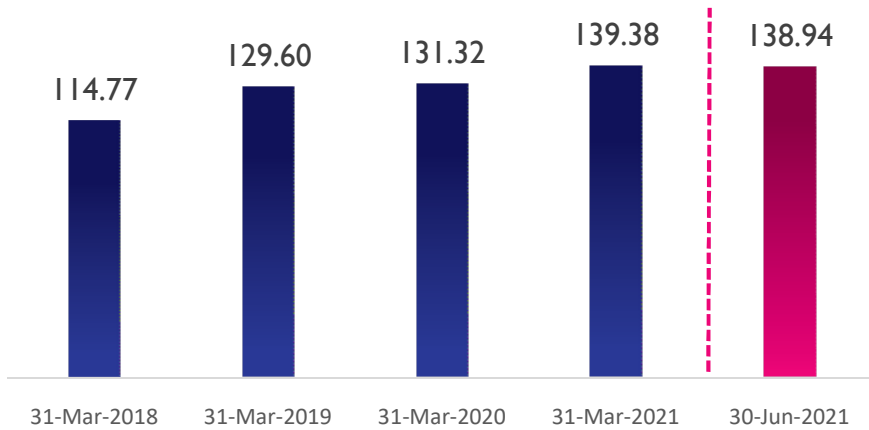
### COST INCOME RATIO (%)



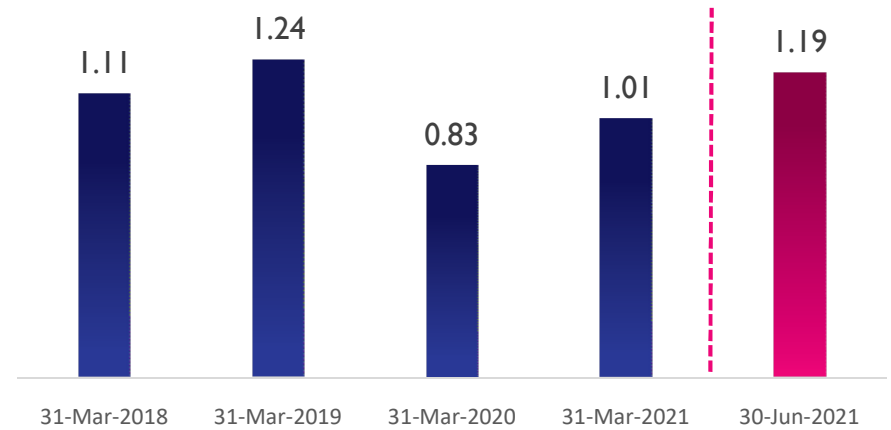
### CASA RATIO (%)



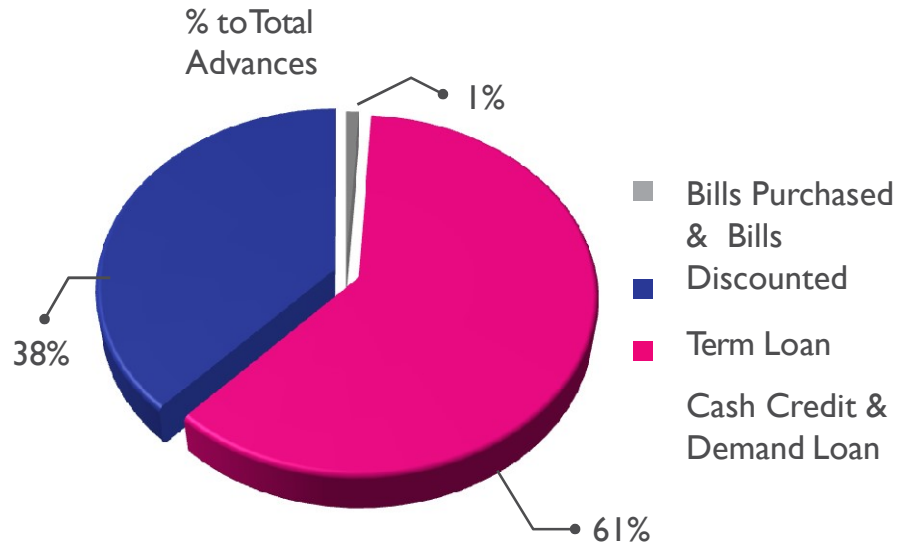
### BUSINESS PER EMPLOYEE (in INR Mn)



### PROFIT PER EMPLOYEE (in INR Mn)



## ▶ LOAN BOOK – PRODUCTS COMPOSITION



Working capital loans yielding higher interest constitute 61% of advances



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

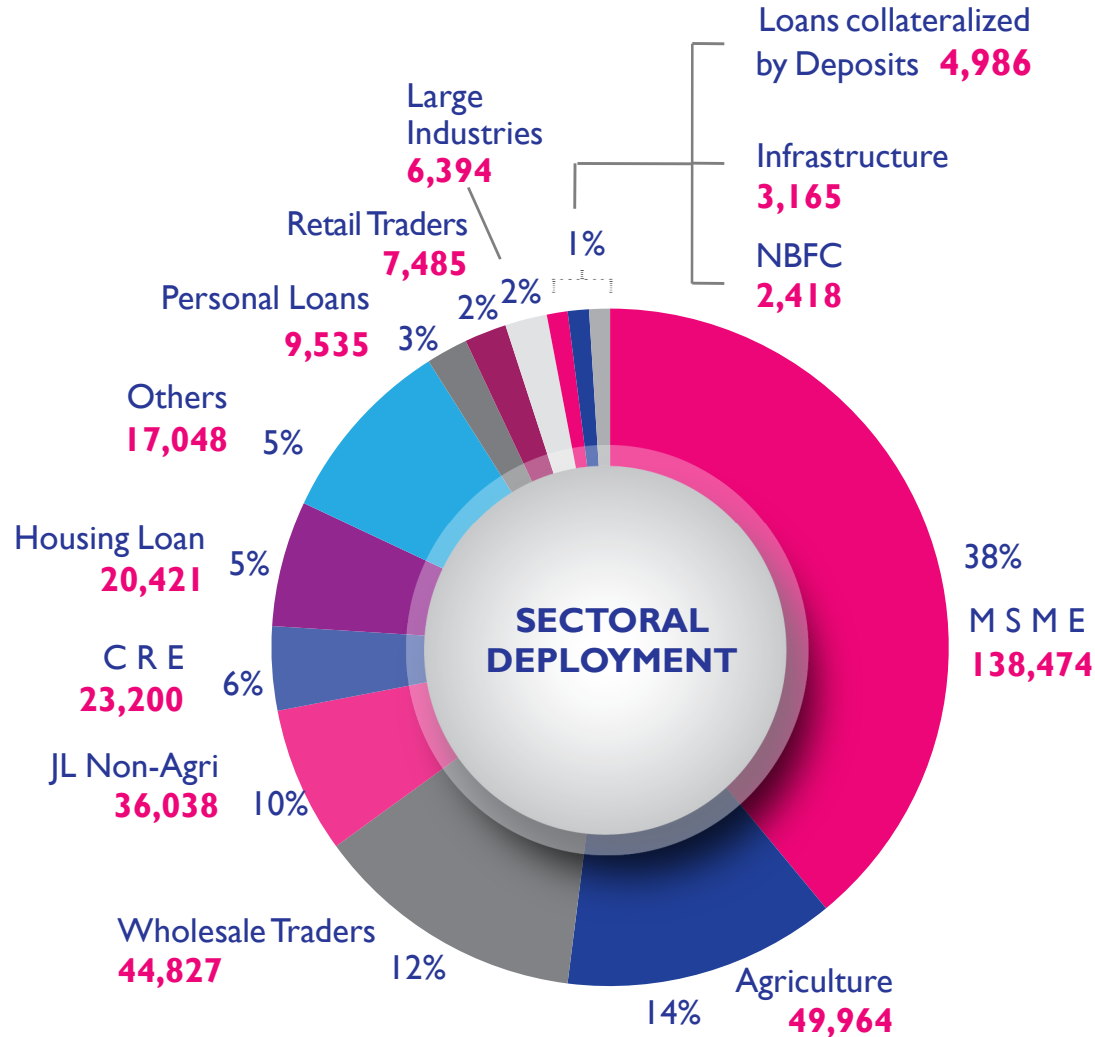


~90% of our loan book is on floating rate basis which reduces interest rate risk

Loan Book Products Composition	Amount (INR Mn)	% to Total Advances
Cash Credit & Demand Loan	223,715	61%
Term Loan	138,533	38%
Bills Purchased & Bills Discounted	1,707	1%
<b>Gross Loan Total</b>	<b>363,955</b>	<b>100%</b>

# ▶ LOAN BOOK SECTORAL DEPLOYMENT – POSITION AS ON 30.06.2021

(in INR Mn)



Further to the new criteria for classifying MSMEs vide RBI circular dated 02<sup>nd</sup> 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 30.06.2021

(in INR Mn)

### SECURED & UNSECURED ADVANCES

Particulars	Amount (INR Mn)	(%)
Secured Loans	361,626	99%
Unsecured Loans	2,329	1%
<b>Total</b>	<b>363,955</b>	<b>100%</b>



Trading & MSME loans constitute about 52%



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



Unsecured Advances aggregate to 1%

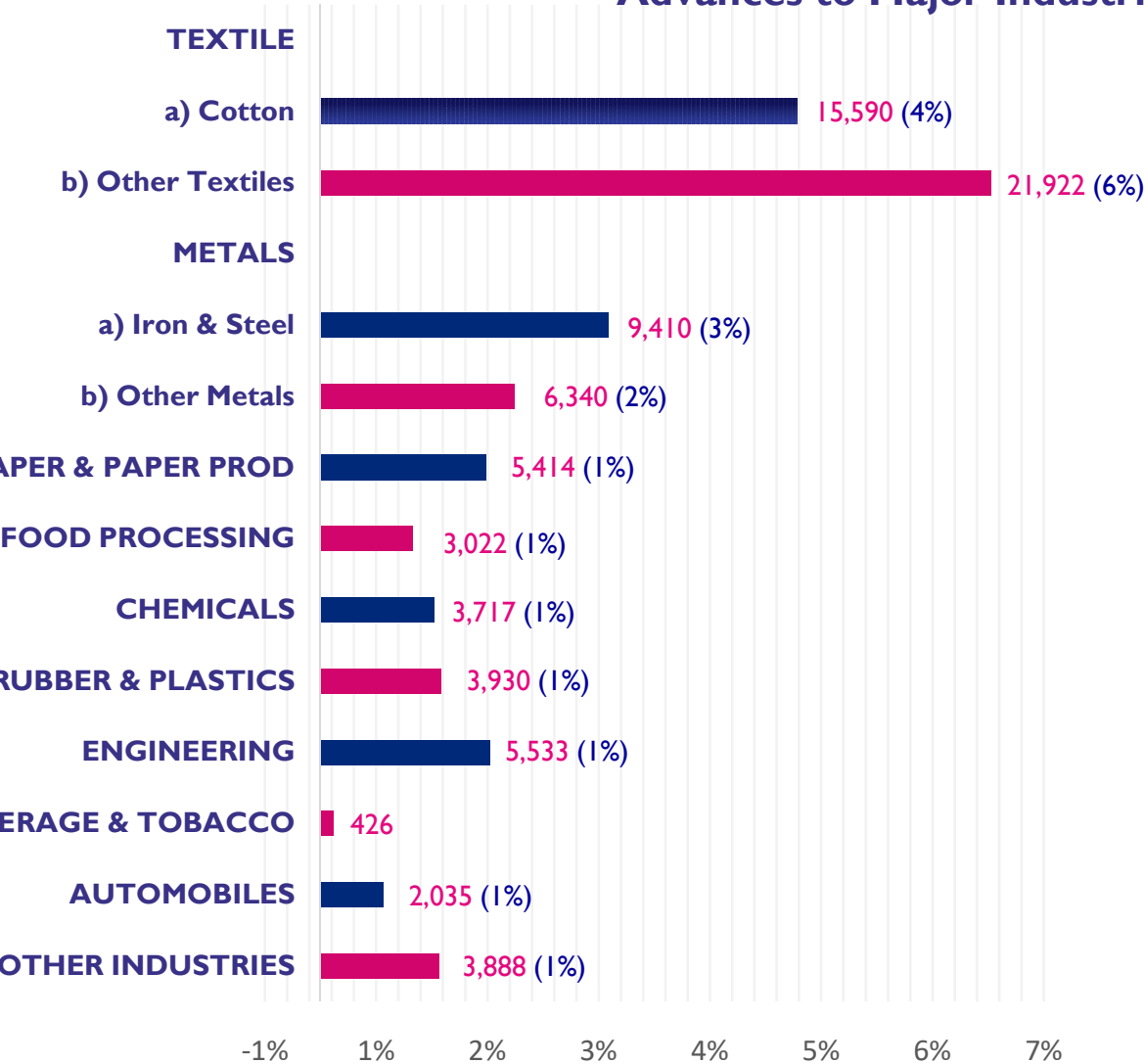


Total Jewel Loan outstanding as on 30.06.2021 – Rs.69,060 Mn

# Loan Book – Advances to Major Industries

(in INR Mn)

## Advances to Major Industries 30<sup>th</sup> June 2021



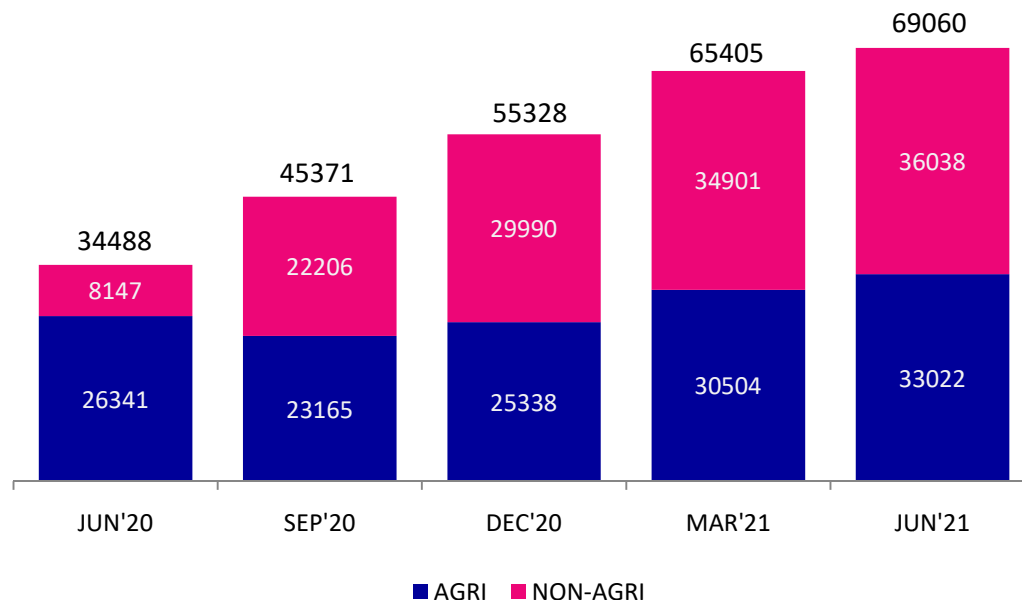
Industry Name	Amount (in INR Mn)	% to Total Advances
Advances to Major Industries	81,227	22%
All other advances (Agri, Trade, Service, Gold Loan, etc.)	282,728	78%
<b>Total Gross Advances</b>	<b>363,955</b>	<b>100%</b>

## ▶ LOAN BOOK - DRIVERTO GROWTH – QI 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 100% from Rs.34,488 Mn in QI FY 21 to Rs. 69,060 Mn in QI FY 22.

(in INR Mn)

GOLD LOAN PORTFOLIO	Jun-20	Mar-21	Jun-21
Gold Loan – Agriculture	26,341	30,504	33,022
Gold Loan – Non-Agriculture	8,147	34,901	36,038
Total Gold Loans	34,488	65,405	69,060
Gross Advances	345,356	370,206	363,955
% of Gold Loans to Gross Advances	10%	18%	19%



Average LTV for Gold Loan at 69%



Y-o-Y growth in Gold Loan – 100%

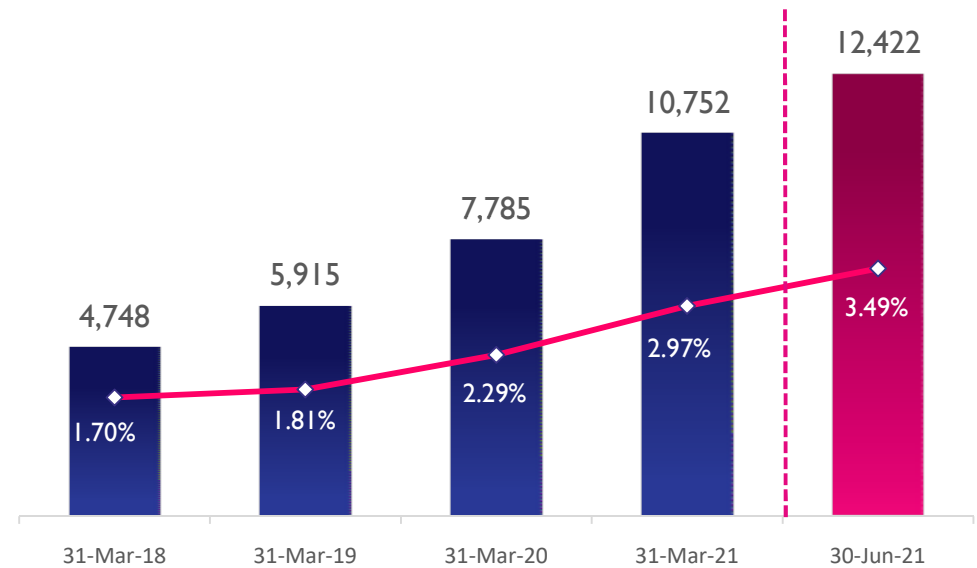
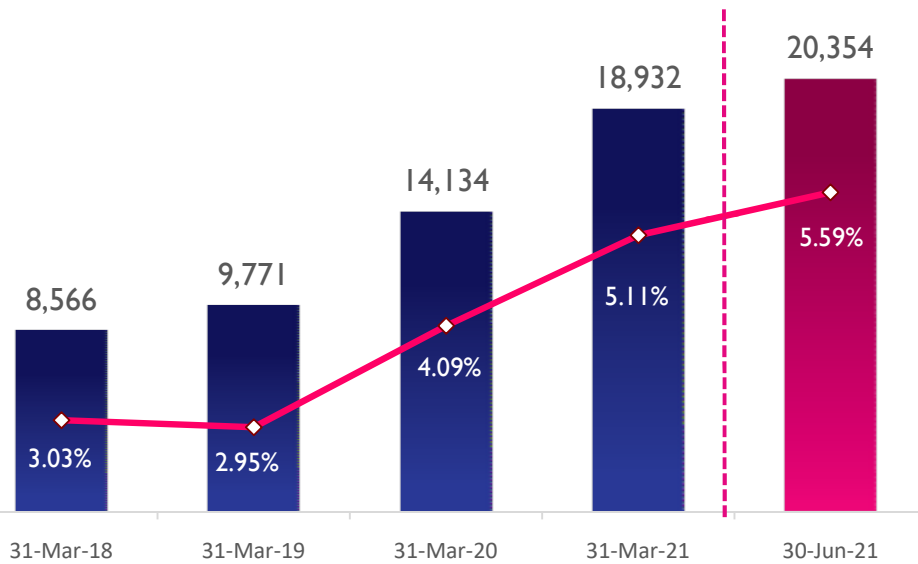


## ▶ ASSET QUALITY

(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-16	FY MAR-17	FY MAR-18	FY MAR-19	FY MAR-20	FY MAR-21	FY JUN-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>14,134</b>	<b>18,932</b>
Additions	A	4,290	4,796	5,749	6,322	11,104	11,131	4,822
Recovery made		734	905	1,623	1,980	1,644	1,950	701
Upgradations		546	556	433	496	1,358	264	121
NetAddition	B	3,010	3,335	3,693	3,846	8,102	8,917	4,000
Write-off		1,248	1,635	1,948	2,640	3,739	4,119	2,578
<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>18,932</b>	<b>20,354</b>
Technical Write-off (TW) during the period		1,189	1,564	1,836	2,565	3,670	3,961	2,519
<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>5,990</b>	<b>2,330</b>
TW recovery	D	370	470	704	898	1,090	1,033	186
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>4,957</b>	<b>2,144</b>
GrossAdvance	F	2,12,531	2,41,125	2,82,386	3,30,652	3,45,762	3,70,205	3,63,955
<b>Additions % of GrossAdvance</b>	A / F	<b>2.02</b>	<b>1.99</b>	<b>2.04</b>	<b>1.91</b>	<b>3.21</b>	<b>3.01</b>	<b>1.32</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>2.41</b>	<b>1.10</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>1.34</b>	<b>0.59</b>
Gross NPA %		2.41	2.83	3.03	2.95	4.09	5.11	5.59
Net NPA %		1.53	1.71	1.70	1.81	2.29	2.97	3.49

## ▶ ASSET QUALITY – GOLD LOAN PORTFOLIO

(In INR MN)	No. of A/cs	Balance
<b>Gold Loan – Total</b>	<b>646,514</b>	<b>69,060</b>
Of which,		
- Standard Accounts	645,795	68,964
- N P A	719	96
Gross NPA		20,354
<b>% of Gold Loan NPA to Gold Loan Portfolio</b>		<b>0.14%</b>
<b>% of Gold Loan NPA to Gross NPA</b>		<b>0.47%</b>

## ▶ RESTRUCTURED ACCOUNTS

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

(In INR MN)

Type of Restructuring	Jun-20		Sep-20		Dec-20		Mar-21		Jun-21	
	No. of Borrowers	Amt	No. of Borrowers	Amt	No. of Borrowers	Amt	No. of Borrowers	Amt	No. of Borrowers	Amt
MSME	120	3664	131	4550	191	7851	305	12319	299	12629
Non – MSME	46	216	44	230	42	219	35	224	33	218
Covid-19 Resolution Framework							949	5950	1356	6996
<b>Total</b>	<b>166</b>	<b>3880</b>	<b>175</b>	<b>4780</b>	<b>233</b>	<b>8070</b>	<b>1289</b>	<b>18493</b>	<b>1688</b>	<b>19843</b>

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

▶ Restructured Standard Advances to Gross Advances – 5.45% as on Jun-21

▶ During Q1 FY 22, the bank has restructured 17 Standard borrower accounts to the tune of Rs.831 mn under MSME and 418 standard borrower accounts to the tune of Rs.1027 Mn under Covid-19 Resolution Framework (Non MSME). As of Q1 FY 22, the total outstanding restructured Standard borrower accounts was 1688 in numbers and amounting to Rs.19,843 mn. The Bank hold a standard accounts provision wrt Restructured accounts to the tune of Rs.1,384 mn.

## ▶ 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
Mar-21	1429
Jun-21	1308

▶ No fresh sale to ARC on SR basis from FY 15-16.

▶ 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 Q1 FY 22, an amount of Rs.121 Mn has been collected from Security Receipts and the outstanding SR was at Rs.1308 Mn. The total o/s provision in SR stands at Rs.832 Mn.

## ▶ INVESTMENTS – AT A GLANCE

### Investments Breakup and Categorywise

(in INR Mn)

Particulars	JUN 2021	JUN 2020
SLR Securities	99,516	94,220
Non-SLR Securities	1,784	3,065
<b>Total Investments</b>	<b>101,300</b>	<b>97,285</b>
Yield on Investments	<b>5.61%</b>	<b>6.12%</b>
<b>Investments Breakup:</b>		
- A FS	7,334 (7%)	18,868 (19%)
- HTM	93,966 (93%)	78,417 (81%)
- H FT	-	-
<b>Total Investments</b>	<b>101,300</b>	<b>97,285</b>
<b>Modified Duration:</b>		
- A FS	2.50	1.12
- HTM	4.39	4.89
- H FT	-	-
- Overall Portfolio	4.28	4.24

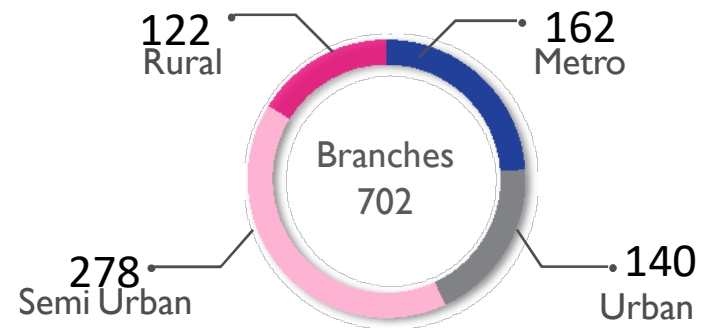
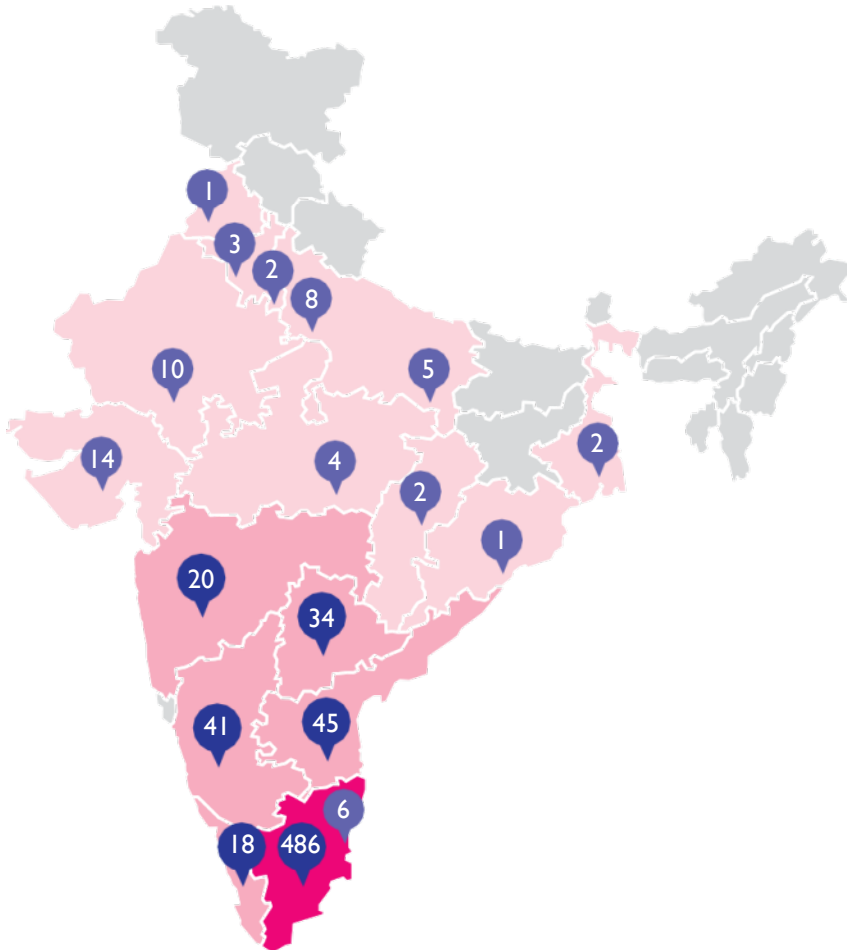
# BRANCH NETWORK

BRANCH NETWORK

## ▶ STRONG PRESENCE IN THE SOUTH

As of Mar 2021 - 702 branches. 630 branches are located in South India out of which 486 in Tamil Nadu. Only 2 branches opened during FY 20-21

State	No. of Branches	% of Deposits	% of Advances	% of Business
Tamilnadu	486	81	65	74
Karnataka	41	5	5	5
Andhrapradesh	45	2	8	5
Telengana	34	3	5	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>702</b>			





# DIGITAL BANKING INITIATIVES

DIGITAL BANKING INITIATIVES

# D: Digitization, Data Analytics, Digital Acquisition & Digital Payments

## 1 Digitization and Automation

Video KYC



Online Savings, Salary, Student & FD Account opening for New to Bank customers

Document Digitization



Document Scanning and storage for record retention and remote inspection

Automation

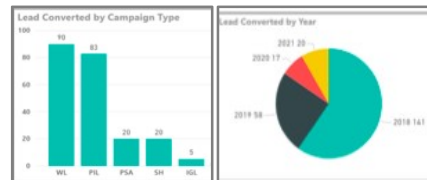


Digital Auto-Renewals for Cash Credit / Overdraft customers

Digital and paperless underwriting for Retail and MSME Loans

## 2 Data Analytics

Data visualization for Decision making



Automated Business Dashboards leveraging leading reporting tool

Big Data driven underwriting



Pre-approved Jewel Loans

Limit Enhancements and Risk monitoring on SME loans

Process Efficiency Metrics



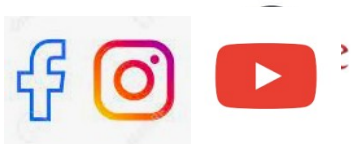
Time and Motion studies for Branch Operations and Mid/Back office functions

# D: Digitization, Data Analytics, Digital Acquisition & Digital Payments

## 3 Digital Acquisition



Digital and Straight Through Onboarding of clients for Deposit and Advance products



Digital Marketing for driving Brand Awareness and acquisition



Omni Channel Marketing via Marketing Automation solution for engagement and retention

## 4 Digital Payments



Customized payment and collection solutions for Religious, Academic institutions



Smart PoS and QR solutions with facility to apply online

### Government clients



Tax Collection portals  
Counter Collection

## One App for all your payment needs



~95% of transactions are on Alternate Channels

3X growth in UPI transactions and payments

1.5X growth in financial transactions on mobile



## Innovation in ATMs - ICCW



First Bank to launch Interbank Cardless cash withdrawals via UPI

## Wealth Management at your fingertips

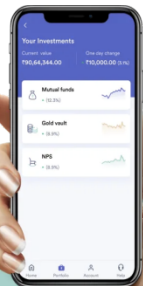
Sovereign Gold Bonds



Insta Demat



Online Trading Account

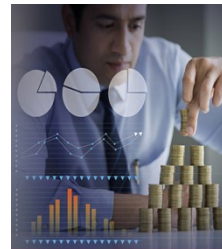


Health Insurance



BUY POLICY ONLINE

Mutual Funds



## Payment solution for merchants & Institutions

E-Hundi / Seva booking



Smart Pos – Apply online



30% new terminals sourced digitally

Bharat QR / UPI QR



5X growth in active merchant base



Bharat Bill Payment System (BBPS) for seamless Customer Payments

# 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

# Open Banking and Fintech partnerships

The Bank is actively collaborating with startups and fintechs to deliver the best-in-class experience for our customers

AI based Credit Origination and Underwriting



Marketing Automation



Digital Document Execution



Connected Banking with ERPs



Cloud Telephony and Analytics



Open Banking middleware



Video KYC calling platform



Document Management platform



Big Data Analytics & underwriting



Conversational Banking



Data Bank and Analytics



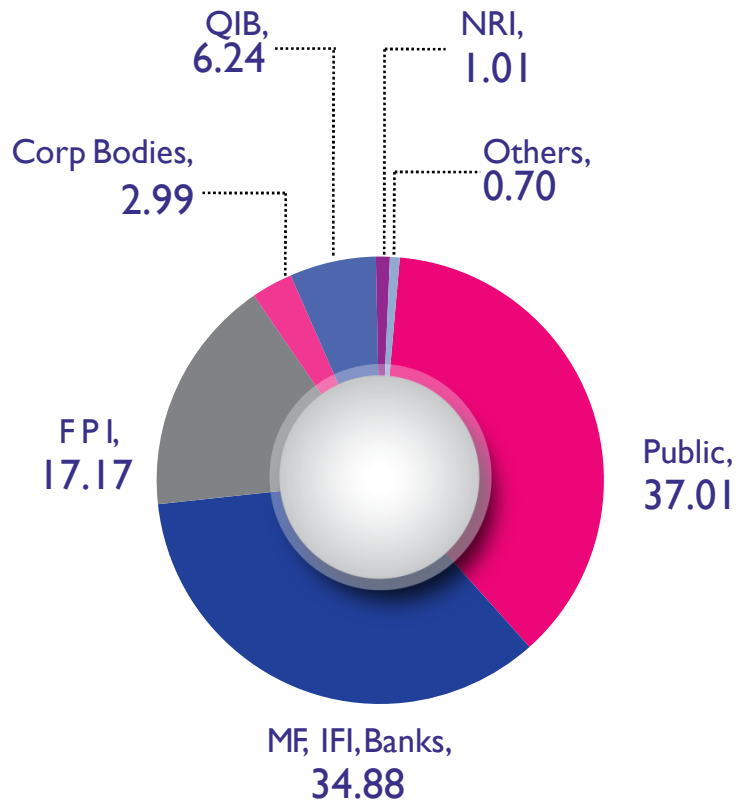
Corporate Payment Solutions



# SHAREHOLDING PATTERN

## A WELL DIVERSIFIED INVESTOR BASE

Position as on 30-Jun-2021

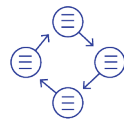


### Major Institutional Shareholders

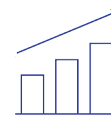
SHAREHOLDERS	HOLDING %
HDFC Midcap Opportunities Fund	4.47
Life Insurance Corporation of India	3.90
Franklin India Prima Fund	3.90
SBI Magnum Midcap Fund	3.67
Axis Mutual Fund	3.65
DSP Equity Opportunities Fund	3.52
HDFC Life Insurance Co. Ltd.	3.11
ICICI Pru Equity Savings Fund	2.66
Smallcap World Fund	2.64
L & T MF – L & T Emerging Business Fund	1.66
KOTAK FUND – INDIA MIDCAP	1.46
UTI Small Cap Fund	1.26
Bank Muscat India Fund	1.22
Taiyo Greater India Fund Ltd	1.21
Kotak Emerging Equity Scheme	1.21
Sundaram Smallcap Fund	1.12



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 ... 22.83%



# CORPORATE GOVERNANCE

СОКЪОКАТЕ ГОВЕКИВИКЕ

## ▶ 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

Board consists of 8 Independent Directors (including 1 Women Director) And 1 Executive Director

Various sub-committees of Board functions to oversee the operations of the Bank

Disclosure norms strictly adhered to

KYC / AML Norms strictly complied with

Code of conduct for Directors and Senior Management put in place

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

Career Banker with 4 Decades of banking experience

Practicing Chartered Accountant & Risk Management . First Women Director of the Bank

Practicing Chartered Accountant , qualified system Auditor and Agriculturist

Private Equity Fund Manager, Risk Management, IT and Treasury Management

Practicing Advocate, Compliance function and Risk Management

Retired IAS Officer, Rural Economy, MSME, Business Management, Human resource and Economics.

Practicing Company Secretary, Business Management, IT & Compliance

Advocate in Banking Law & Environmental Activist

## 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)



### INVESTOR CONTACT

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Email :

[jayaraman@cityunionbank.com](mailto:jayaraman@cityunionbank.com)



For any queries regarding presentation, please write to  
[Investor.relations@cityunionbank.com](mailto:Investor.relations@cityunionbank.com)