



# INVESTOR PRESENTATION

MARCH 2021

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March 2021



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**CUB**  
Trust And Excellence  
SINCE 1904

# OVERVIEW

## ΟΛΕΚΛΙΕΜ

## ▶ OVERVIEW

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

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

## ▶ FACTS & FIGURES

Position as on 31.03.2021



Deposits  
**INR 44,537 CR**



Advances  
**INR 37,021 CR**



Net Interest Margin  
**4.00%**



Net NPA  
**2.97%**



Employees  
**5,843**



Branches  
**702**



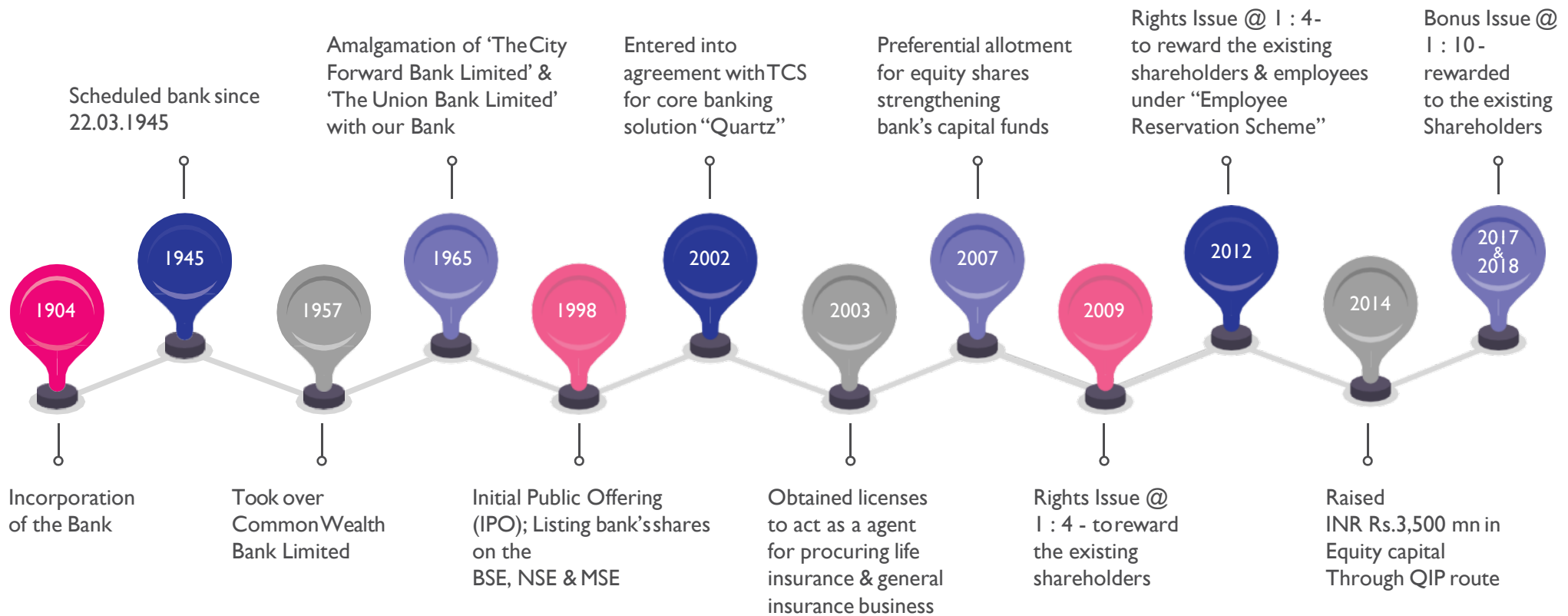
ATM's  
**1,724**



Efficiency Ratio  
**41.45%**



## ▶ 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

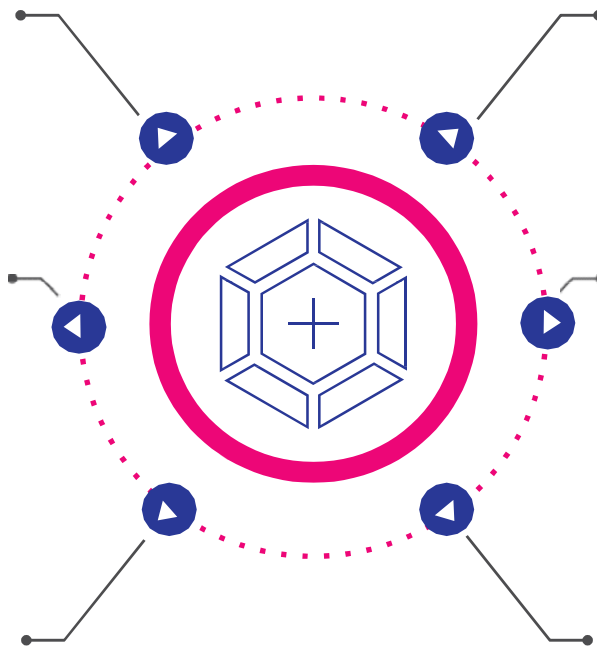
- ▶ Pan India presence with 702 branches
- ▶ Strong presence in South India (630 branches) of which 486 are in Tamil Nadu alone

### ADEQUATELY CAPITALISED

- ▶ Strong Capital Adequacy ratio of 19.52% out of which Tier I constitutes 18.45%

### HIGHER YIELDING LOAN PORTFOLIO

- ▶ Trading and MSME loan segments earning high yields constitute about 54% 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 7.64%
- ▶ 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 – MARCH 2021

PERFORMANCE HIGHLIGHTS – MARCH 2021

## ▶ Q4 FY 2021 PERFORMANCE – A SNAPSHOT

- ▶ Deposits increased by 9% from Rs.408 Bn to Rs.445 Bn Y-o-Y
- ▶ Advances registered a growth of 7% from Rs.346 Bn to Rs.370 Bn Y-o-Y
- ▶ Total business grown by 8% from Rs.754 Bn to Rs.816 Bn Y-o-Y
- ▶ Gross Profit decreased to Rs.2,847 Mn from Rs.3,351 Mn (Q4-Vs-Q4) and increased 11% from Rs.13,414 Mn to Rs.14,838 Mn (Y-o-Y)
- ▶ Net Profit at Rs.1,112 Mn for Q4 FY 21 from Net Loss of Rs.953 Mn in Q4 FY 20 and for Y-o-Y the Net Profit increased by 24% from Rs.4,763 Mn to Rs.5,928 Mn
- ▶ Profitability and efficiency ratios :

PARTICULARS	Q4 FY 21	Q4 FY 20	FY 2020-21	FY 2019-20
Return on Assets	0.84%	-ve	1.15%	1.00%
Net Interest Margin	3.72%	3.91%	4.00%	3.98%
Return on Equity	7.85%	-ve	10.73%	9.47%
Earning per share	Rs.1.51	-ve	Rs.8.03	Rs.6.48

- ▶ Gross NPA – 5.11% and Net NPA – 2.97%
- ▶ Provision Coverage Ratio – 64%
- ▶ CRAR – 19.52% (Basel III) of which core CRAR – 18.45%

## ▶ Q4 FY 2021 VS Q4 FY 2020 PERFORMANCE – A SNAPSHOT

(in INR Mn)

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

2,847



-ve

3,351

Gross Profit

1,112



(-)953

Net Profit

4,285



2%

4,195

Net Interest  
Income

50.37%



44.04%

Cost to Income

0.84%

ROA

7.85%

ROE

3.72%

NIM

5.11%

Gross NPA

2.97%

Net NPA

■ Q4 FY 21 ■ Q4 FY 20

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

(in INR Mn)

**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







FINANCIAL PERFORMANCE & BUSINESS PROFILE



## ▶ 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%			

## ▶ Q4 FY 21 VS Q4 FY 20 PERFORMANCE - A SNAPSHOT

(in INR Mn)

### FINANCIAL PERFORMANCE

PARTICULARS	Q4 FY 2021	Q4 FY 2020	INC / (DEC)	Growth %	Q3 FY 2021
Net Interest Income	4,285	4,195	90	2%	4,890
Other Income	1,451	1,793	-342	-ve	2,298
Operating Expenses	2,889	2,637	252	10%	2,604
Gross Profit	2,847	3,351	-504		4,584
Provisions & Contingencies	1,735	4,304	-2569		2,885
Net Profit	1,112	-953	2065		1,699
Return on Assets	0.84%	-ve			1.29%
Return on Equity	7.85%	-ve			12.03%
Net Interest Margin	3.72%	3.91%			4.16%

## ▶ 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	Q4 FY 21	Q4 FY 20	FY 20-21	FY 19-20	Q3 FY 21	Q2 FY 21	Q1 FY 21
Provision for:							
- Tax	-650	-200	1,000	1,100	700	500	450
- Bad Debts	** 4,860	3,105	5,990	6,310	310	320	500
- Covid 19	* -3,090	1250	310	1,250	1,250	1,150	1,000
- Standard Assets	425	80	# 1,045	193	500	80	40
- Depn on Investments	-122	3	178	-317	100	200	-
- Depn on Shifting	-	-	-	-	-	-	-
- Restructuring / FITL	40	25	265	69	175	20	30
- Others	## 272	41	122	46	-150	-	-
<b>Total</b>	<b>1,735</b>	<b>4,304</b>	<b>8,910</b>	<b>8,651</b>	<b>2,885</b>	<b>2,270</b>	<b>2,020</b>

\* → During the Current Year, we have made a adhoc COVID provision of Rs.3400 Mn upto 9M FY 21 (Rs.1000 Mn in Q1FY 21, Rs.1150 Mn in Q2 FY 21 & Rs.1250 Mn in Q3 FY 21) in addition to Rs.1250 Mn made in Q4 FY 20. Thus, the total adhoc provision stood at Rs.4650 Mn in Dec 2020. During Q4 FY 21, we have written back Rs.3090 Mn from the said provision and the same was utilized for NPA provision.

\*\* → During Q4 FY 21, we have made a provision of Rs.1770 Mn towards NPA provision in addition to utilizing the adhoc covid provision of Rs.3090 Mn.

# → The total Standard Assets for 31.03.2021 stood at Rs.2506 Mn which includes the provision for Restructured accounts to the tune of Rs.1222Mn along with specific requirement as per extent RBI guidelines.

## → Provision for Others Includes a sum of Rs.215 Mn towards ex-gratia payment for Interest on Interest for credit facilities above Rs.20 Mn awaiting final guidelines from RBI.



## ▶ Q4 FY 21 VS Q4 FY 20 – INCOME AND EXPENSES BREAKUP

(in INR Mn)

### INTEREST INCOME BREAKUP

PARTICULARS	Q4 FY 2021	Q4 FY 2020	Growth %
Interest on Loans	8,261	8,806	-ve
Interest on Investments	1,436	1,455	-ve
Other Interest Income	66	156	-ve
<b>Total Interest Income</b>	<b>9,763</b>	<b>10,417</b>	<b>-ve</b>

### INTEREST EXPENSES BREAKUP

PARTICULARS	Q4 FY 2021	Q4 FY 2020	Growth %
Int Exp on Deposits	5,383	6,058	-ve
Other Int Expenses	95	164	-ve
<b>Total Interest Expenses</b>	<b>5,478</b>	<b>6,222</b>	<b>-ve</b>

### OTHER INCOME BREAKUP

PARTICULARS	Q4 FY 2021	Q4 FY 2020	Growth %
CEB & Charges	768	775	-ve
Treasury Income	296	790	-ve
Other Inc incl recoveries in written off a/cs	387	228	70%
<b>Total Other Income</b>	<b>1,451</b>	<b>1,793</b>	<b>-ve</b>

### OPERATING EXPENSES BREAKUP

PARTICULARS	Q4 FY 2021	Q4 FY 2020	Growth %
Employee Cost	1,072	938	14%
Other Operating Expenses	1,817	1,699	7%
<b>Total Expenses</b>	<b>2,889</b>	<b>2,637</b>	<b>10%</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

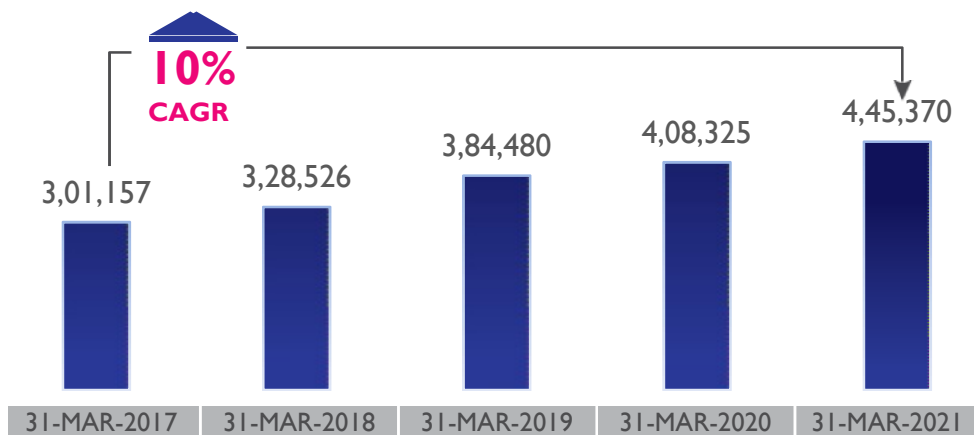
PARTICULARS	FY 2021	FY 2020	Growth %
Employee Cost	4,637	4,207	10%
Other Operating Expenses	5,869	5,930	-ve
<b>Total Expenses</b>	<b>10,506</b>	<b>10,137</b>	<b>4%</b>



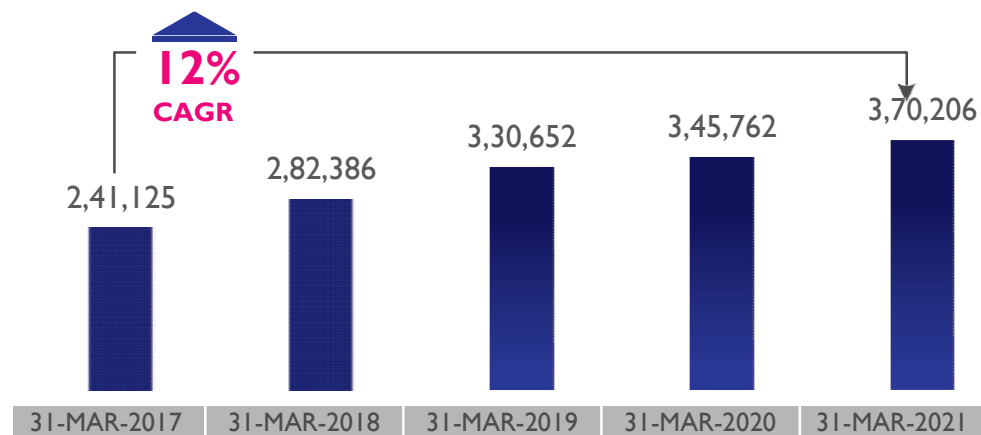
## ▶ DEPOSITS AND ADVANCES GROWTH – OVER THE YEARS

(in INR Mn)

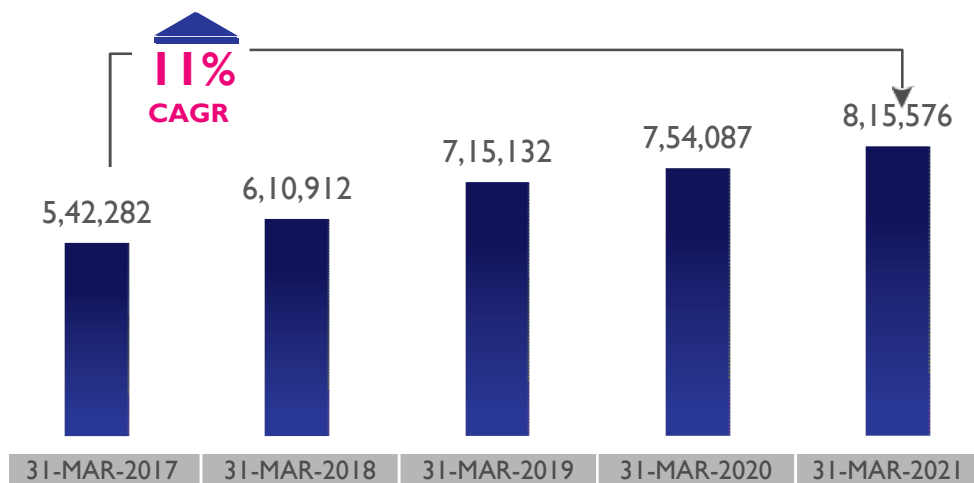
### DEPOSITS



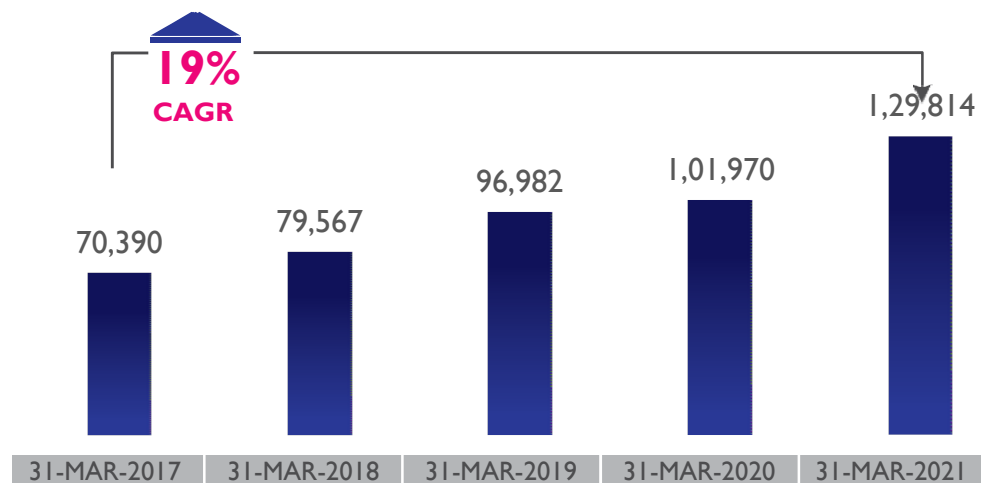
### ADVANCES



### BUSINESS



### CASA



## ▶ STRONG LIABILITY FRANCHISE – DRIVER TO GROWTH IN FY 2020-21

(in INR Mn)

PARTICULARS	2016-17	2017-18	2018-19	2019-20	2020-21	CAGR
Current Account	24092	27862	32145	29244	37537	14%
Savings Account	46298	51704	64837	72726	92277	21%
CASA	70390	79566	96982	101970	129814	19%
Term Deposits	230767	248960	287498	306355	315556	8%
Total Deposits	301157	328526	384480	408325	445370	10%
% of CASA to Total Deposits	23%	24%	25%	25%	29%	
Bulk Deposits (> 20 Mn)	53374	48369	45171	40542	42778	
% to Total Deposits	17.72%	14.72%	11.75%	9.93%	9.60%	
Certificate of Deposits	-	-	-	-	-	

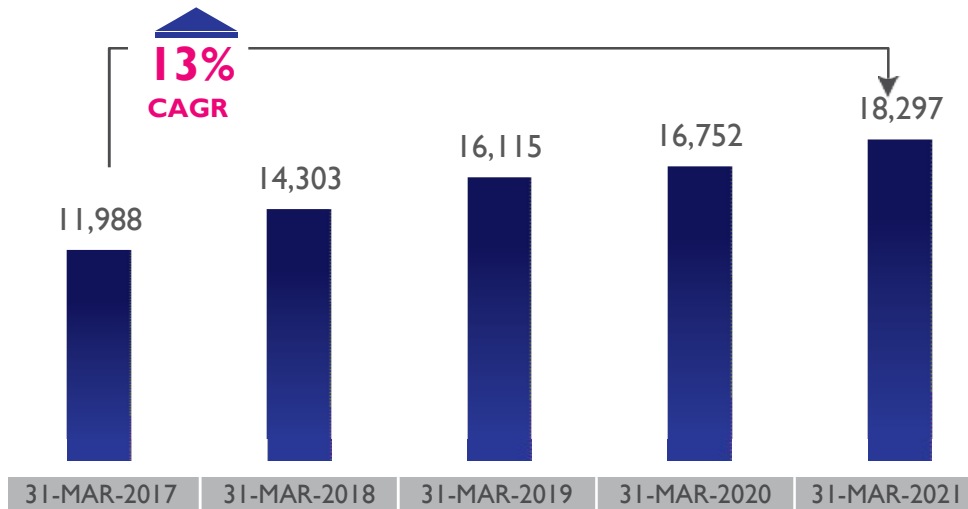
✓ Deposits purely by way of retail franchise

✓ Insignificant reliance on the bulk deposits / corporate deposits

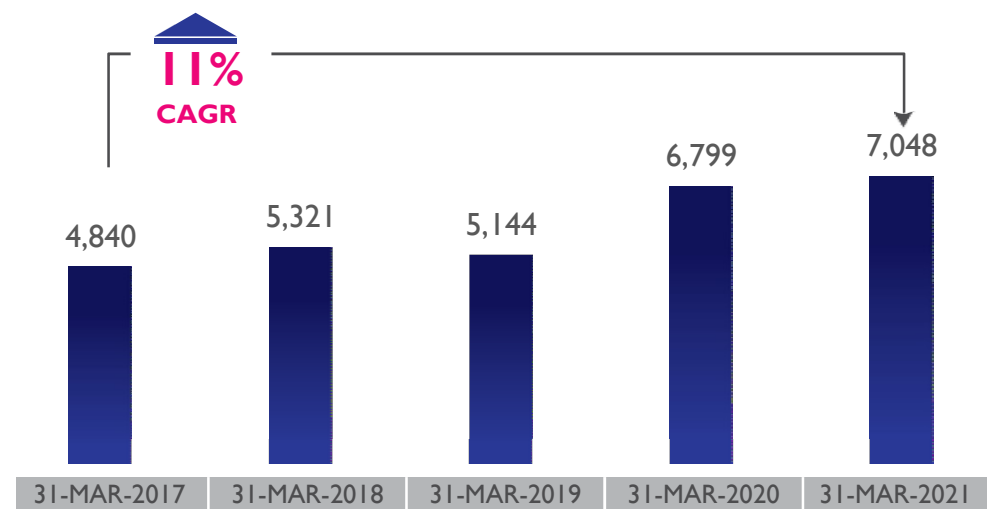
# INCOME GROWTH OVER THE YEARS...

(in INR Mn)

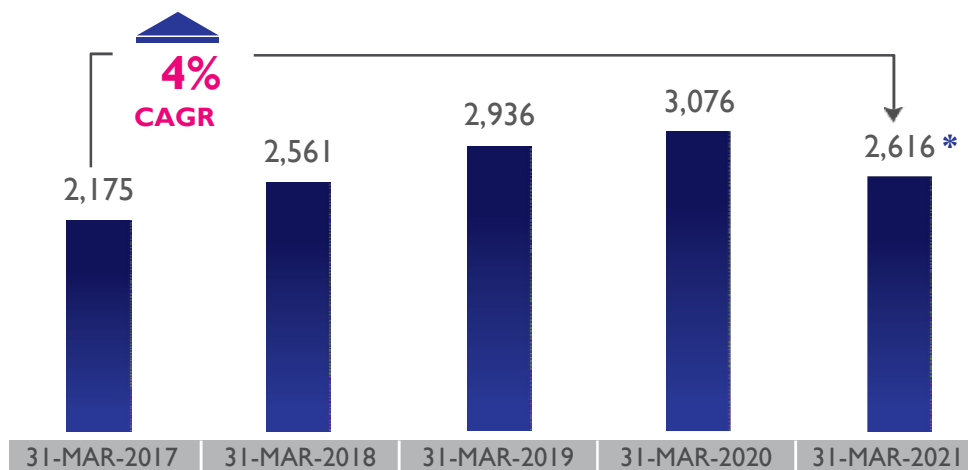
## NET INTEREST INCOME GROWTH



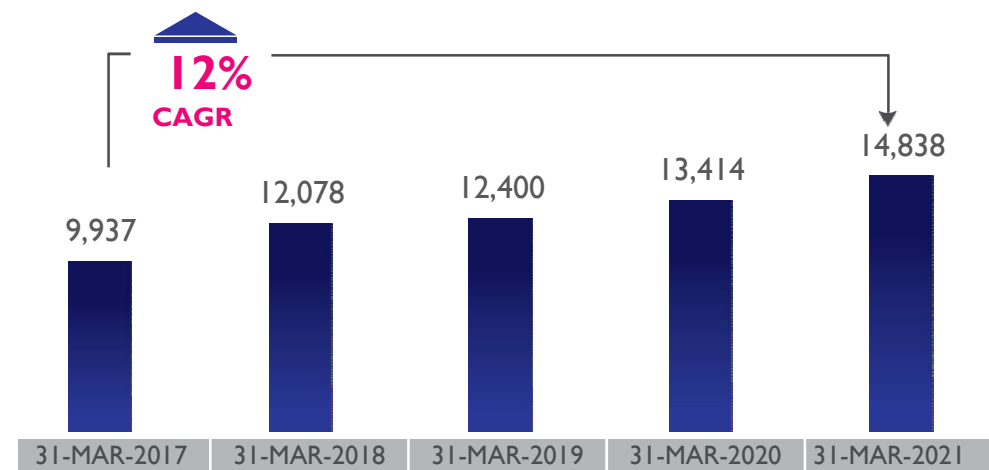
## OTHER INCOME GROWTH



## 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 COVID first wave

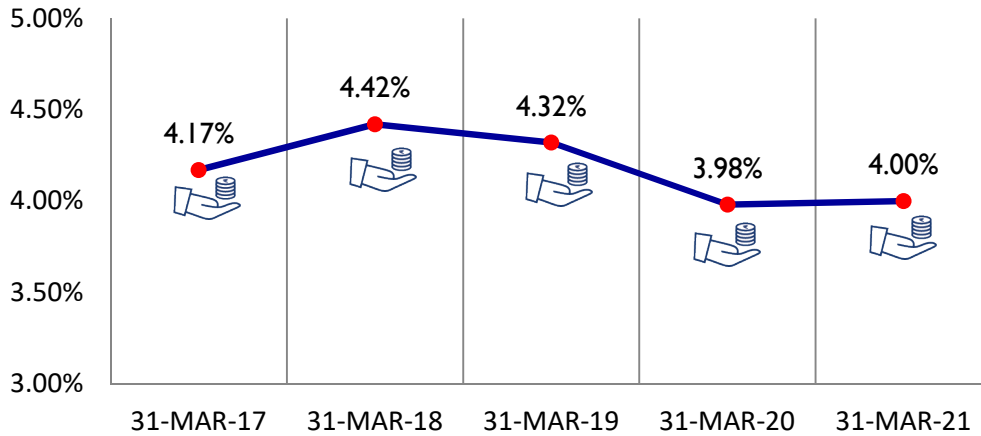
## ▶ KEY BUSINESS INDICATORS

PARTICULARS	Q4 FY 21	Q4 FY 20	FY 20-21	FY 19-20	Q3 FY 21	Q2 FY 21	Q1 FY 21
Cost of Deposits	5.05%	6.07%	5.36%	6.20%	5.16%	5.54%	5.89%
Yield on Advances	* 9.19%	10.46%	9.91%	10.76%	9.87%	10.21%	10.41%
Yield on Investments	5.76%	6.54%	5.86%	6.69%	5.79%	5.79%	6.12%
Net Interest Margin	* 3.72%	3.91%	4.00%	3.98%	4.16%	4.12%	3.98%
Cost to Income	* 50.37%	44.04%	41.45%	43.04%	36.22%	40.31%	40.42%
Cost of Funds	4.15%	5.03%	4.46%	5.21%	4.23%	4.56%	4.90%
Yield of Funds	7.40%	8.43%	7.99%	8.72%	7.94%	8.26%	8.40%
Per Employee Business (in INR Mn)	139.38	131.32	139.38	131.32	135.38	133.20	131.55
Per Employee Profit (in INR Mn) (Ann)	0.76	-0.66	1.01	0.83	1.15	1.09	1.07
EPS in INR - FV INR Re./- share (Not Ann)	1.51	(-)1.29	8.03	6.48	2.30	2.14	2.09

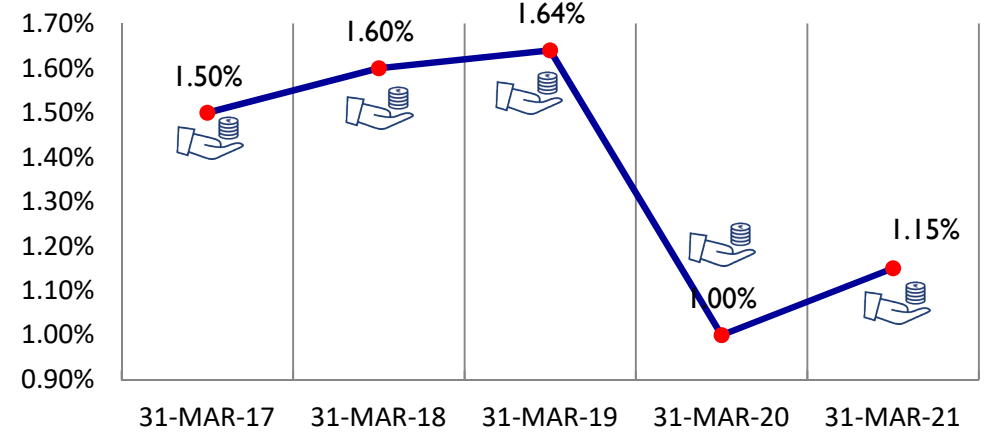
\* → Net Interest Margin for Q4 FY 21 stands reduced to 3.72% because of reversal of interest on NPA accounts to the tune of Rs.1250 Mn for the period of 13 months from Feb 20 to March 21 subsequent to the SC verdict for the slippage of Rs.11100 Mn. Considering the provision made towards interest reversal during Q2 & Q3 FY 21 to tune of Rs.550 Mn, the net reversal in Q4 stands at Rs.700 Mn. If this impact is nullified the NIM for Q4 FY 2021 would have been at normal level of 4% plus. Same is the reason for decline in Yield on Advances and elevated Cost to Income Ratio.

## ▶ KEY BUSINESS RATIOS – YEARLY TRENDS

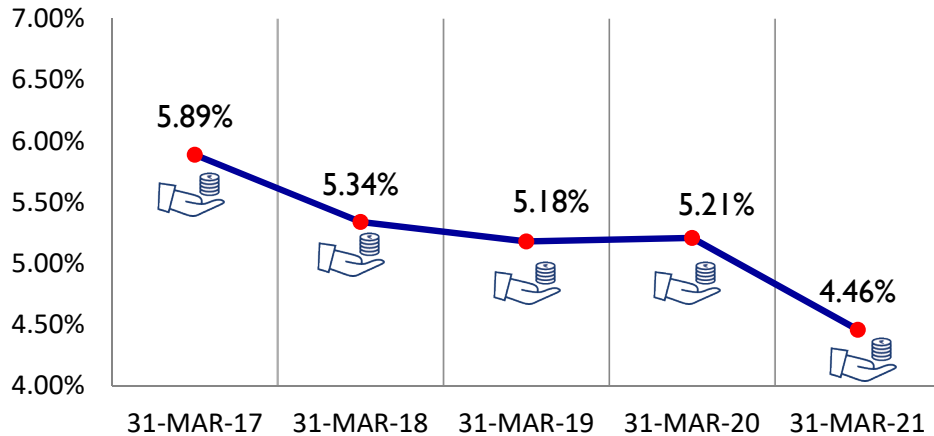
### NET INTEREST MARGIN



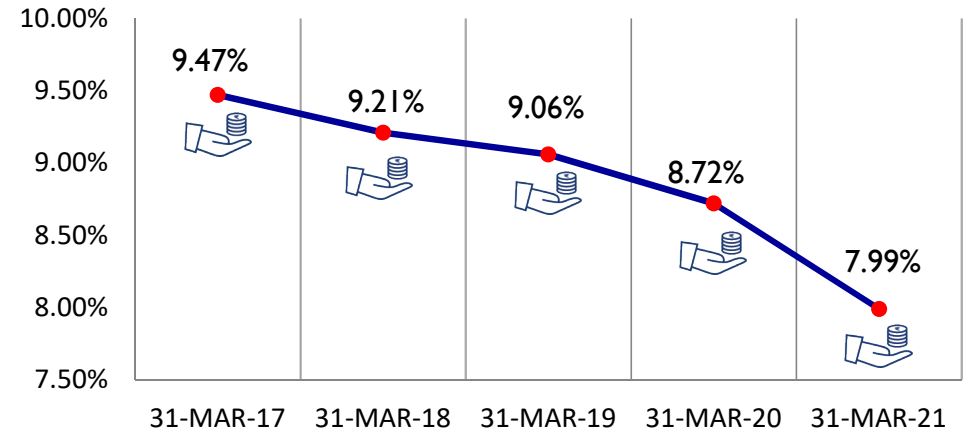
### RETURN ON ASSETS



### COST OF FUNDS

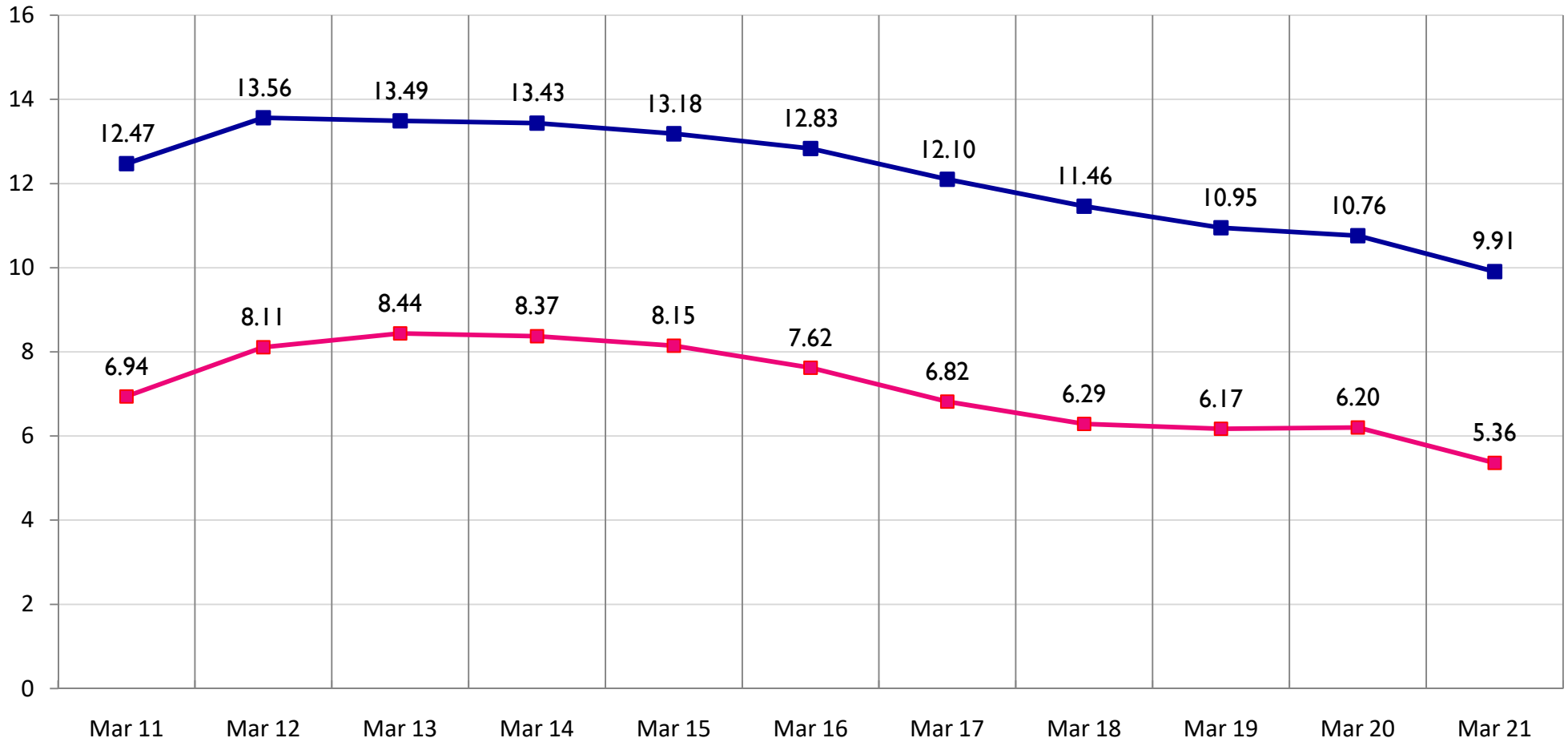


### YIELD ON FUNDS



## ▶ COST OF DEPOSITS & YIELD ON ADVANCES

(in %)



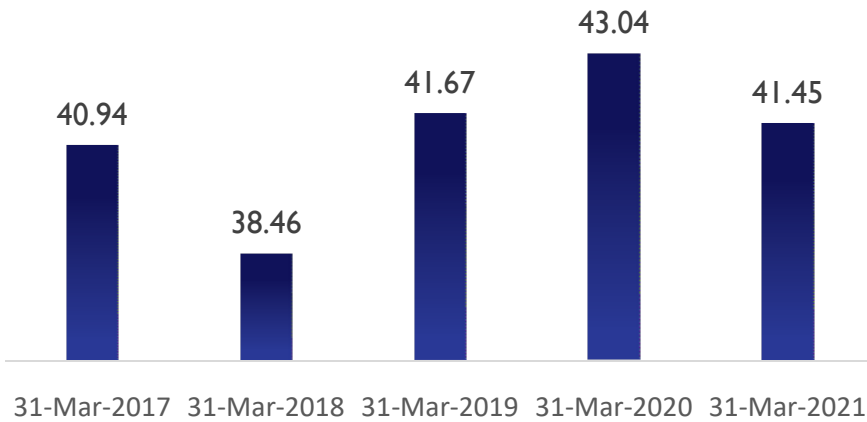
Spread between cost of deposits and yield on advances of our bank maintained in the last 10 years

— Yield on Advances  
— Cost of Deposits

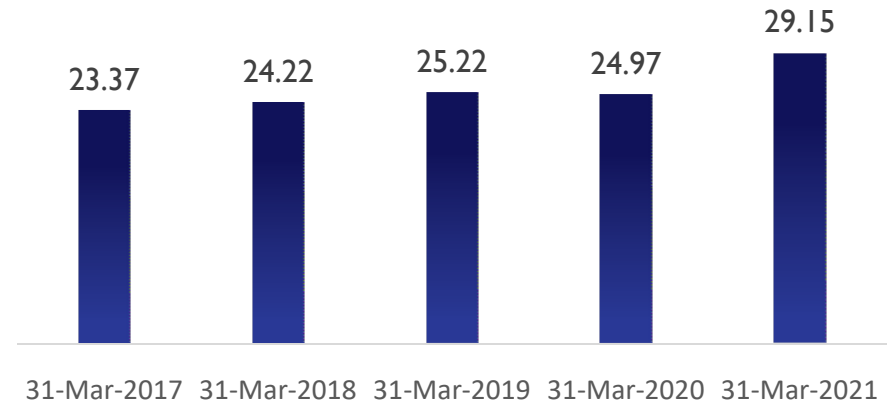


## ▶ EFFICIENCY

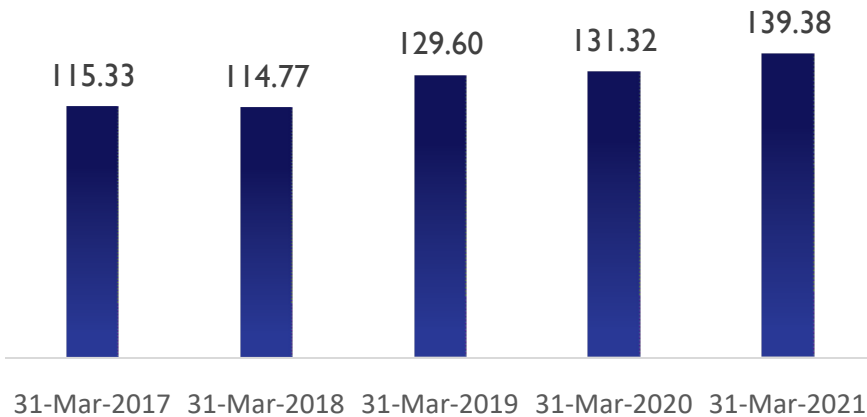
### COST INCOME RATIO (%)



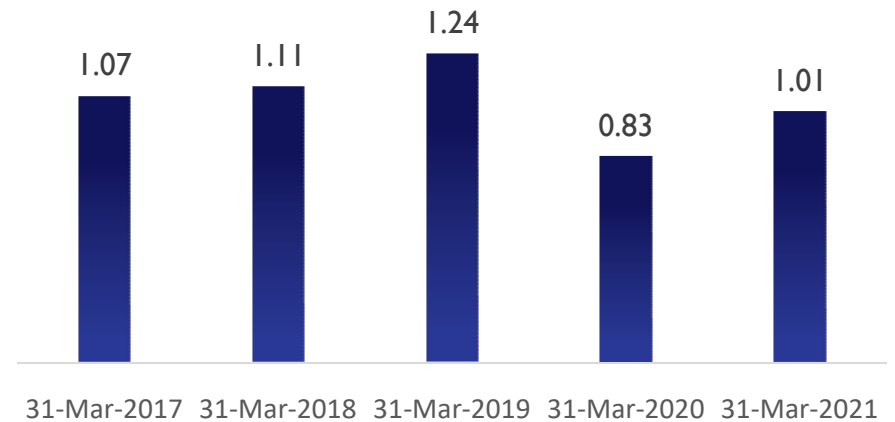
### CASA RATIO (%)



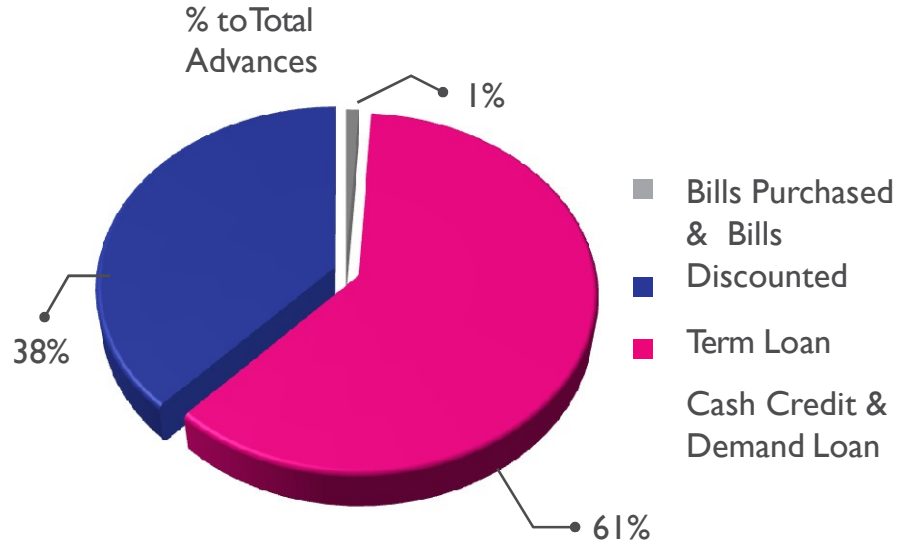
### BUSINESS PER EMPLOYEE (in INR Mn)



### 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

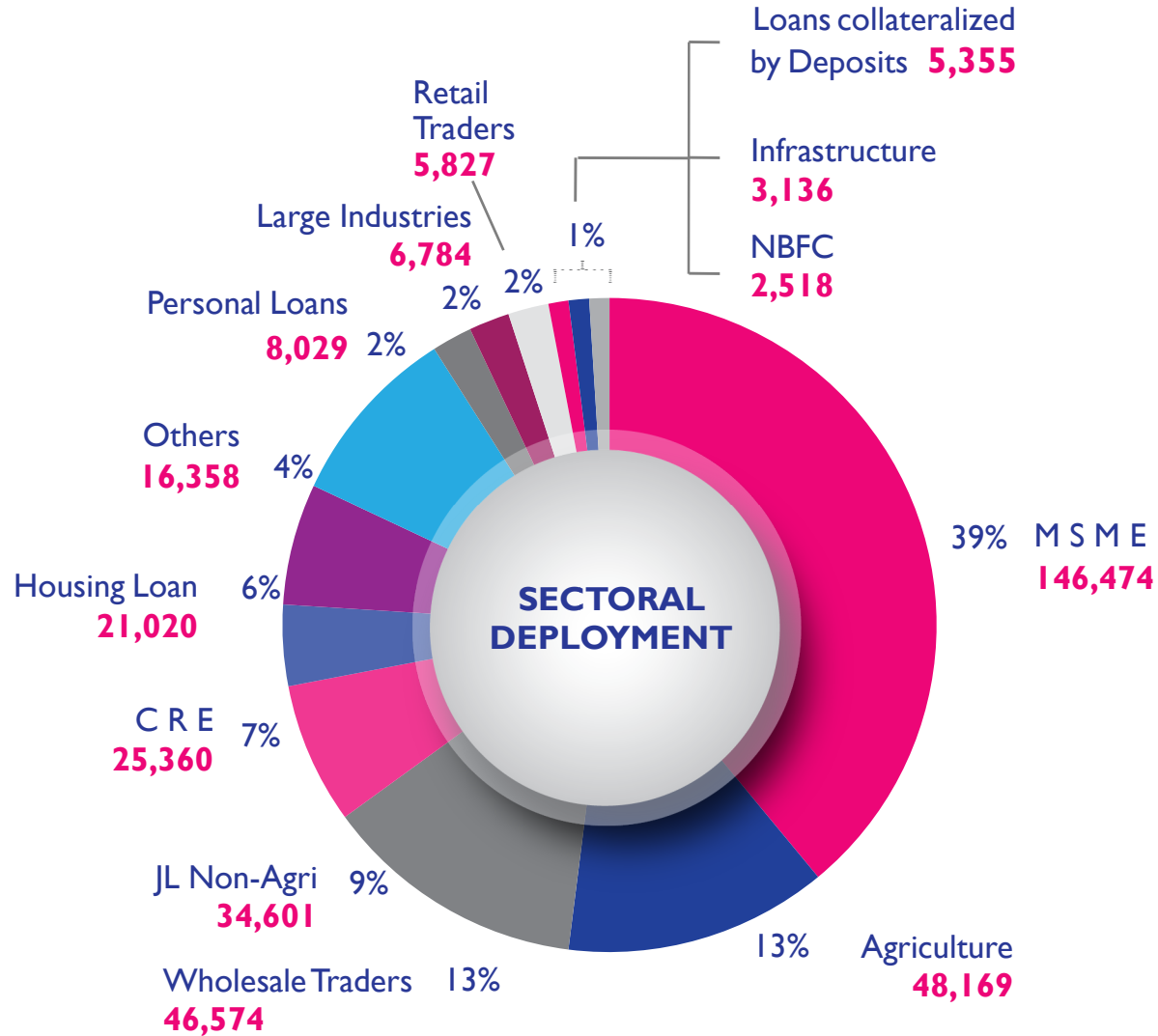


~90% of our loan book is on floating rate basis which reduces interest rate risk

Loan Book Products Composition	Amount (INR Mn)	% to Total Advances
Cash Credit & Demand Loan	228,131	61%
Term Loan	139,927	38%
Bills Purchased & Bills Discounted	2,147	1%
<b>Gross Loan Total</b>	<b>370,205</b>	<b>100%</b>

# ▶ LOAN BOOK SECTORAL DEPLOYMENT – POSITION AS ON 31.03.2021

(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 an amount of Rs. 12000 Mn roughly about 4% got shifted to Medium Enterprises from Large Industries.

## ▶ LOAN BOOK SECTORAL DEPLOYMENT – POSITION AS ON 31.03.2021

(in INR Mn)

### SECURED & UNSECURED ADVANCES

Particulars	Amount (INR Mn)	(%)
Secured Loans	367,124	99%
Unsecured Loans	3,081	1%
<b>Total</b>	<b>370,205</b>	<b>100%</b>



Trading & MSME loans earning higher yield constitute about 54%



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



Unsecured Advances aggregate to 1%

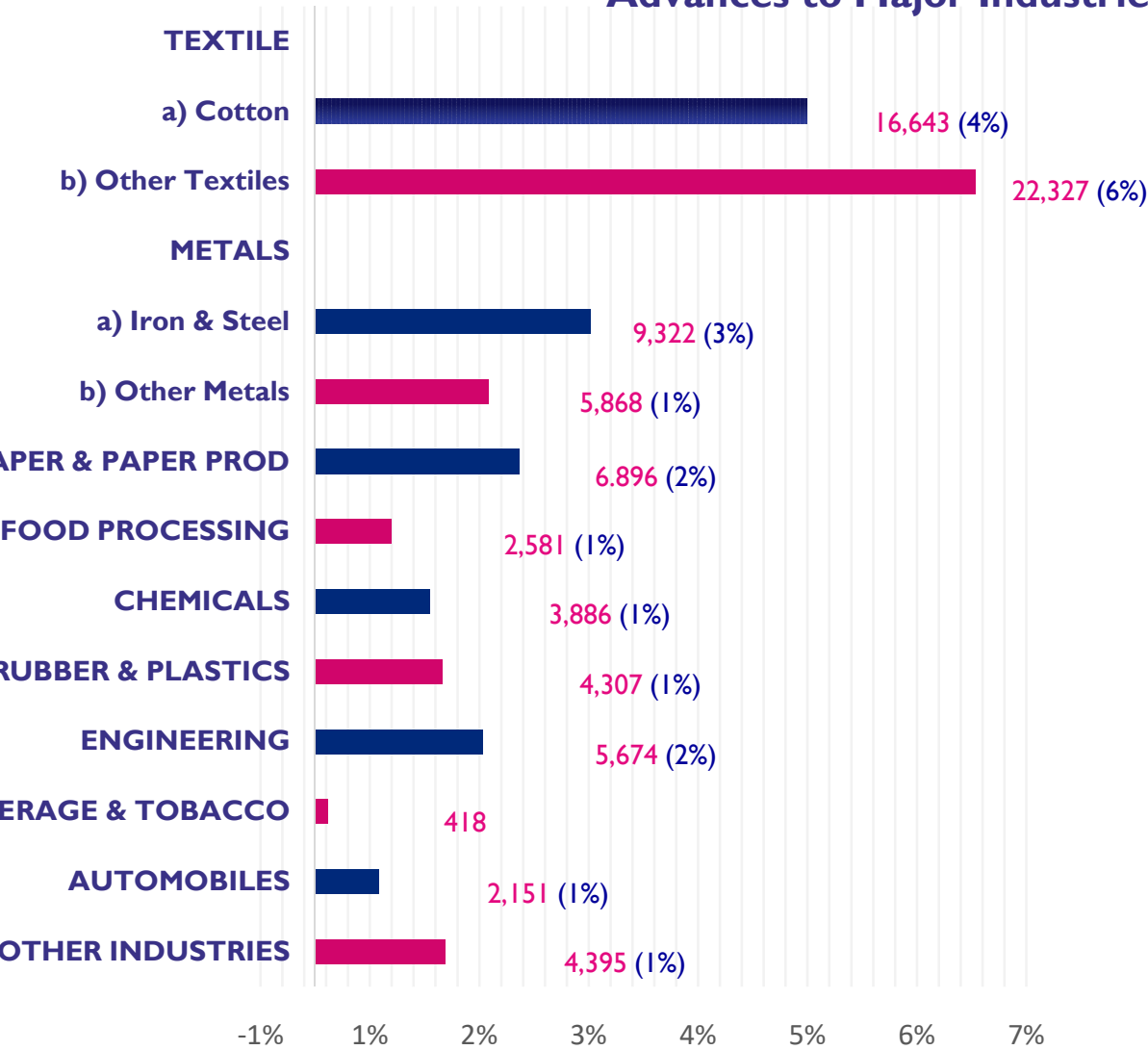


Total Jewel Loan outstanding as on 31.03.2021 – Rs.65,402 Mn

# Loan Book – Advances to Major Industries

(in INR Mn)

## Advances to Major Industries 31<sup>st</sup> March 2021



Industry Name	Amount (in INR Mn)	% to Total Advances
Advances to Major Industries	84,468	23%
All other advances (Agri, Trade, Service, Gold Loan, etc.)	285,737	77%
<b>Total Gross Advances</b>	<b>370,205</b>	<b>100%</b>

## ▶ LOAN BOOK - DRIVER TO GROWTH – FY 2020-21

- ✓ During the last year due to COVID pandemic and in the absence of other avenue for growth, the thrust given to improve Gold Loan which is increased by 97% from Rs.33268 Mn in FY 2020 to Rs. 65402 Mn FY 2021.

(in INR Mn)

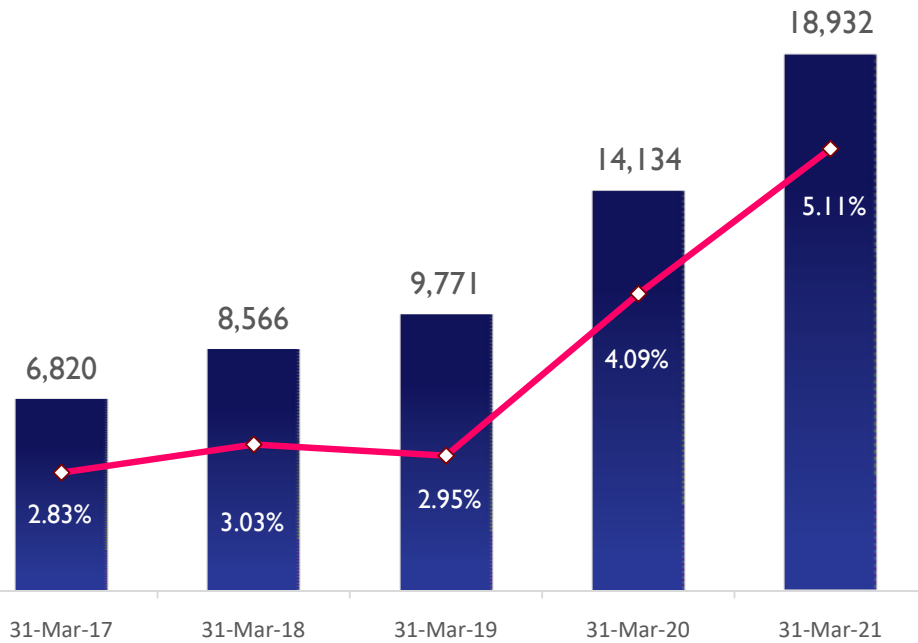
GOLD LOAN PORTFOLIO	2018-19	2019-20	2020-21
Gold Loan – Agriculture	26,170	26,322	24,251
Gold Loan – Non-Agriculture	3,003	6,946	41,151
<b>Total</b>	<b>29,173</b>	<b>33,268</b>	<b>65,402</b>

- ✓ As per the relief measures announced by Finance Ministry under “Athmanirbhar” programme coupled with RBI regulatory measures to improve the economic activity and to tied over the pandemic crisis situation, we have sanctioned Rs.22130 Mn under ECLGS scheme. The outstanding as on 31<sup>st</sup> March 2021 was Rs.19600 Mn.
- ✓ The incremental credit growth on account of Gold Loan & ECLGS resulted in improvement of Capital Adequacy Ratio which attracts lower risk weights. Due to that the CRAR increased from 16.76% in FY 20 to 19.52% in FY 21.
- ✓ We do not foresee any capital requirement for the current year as we are adequately capitalized.

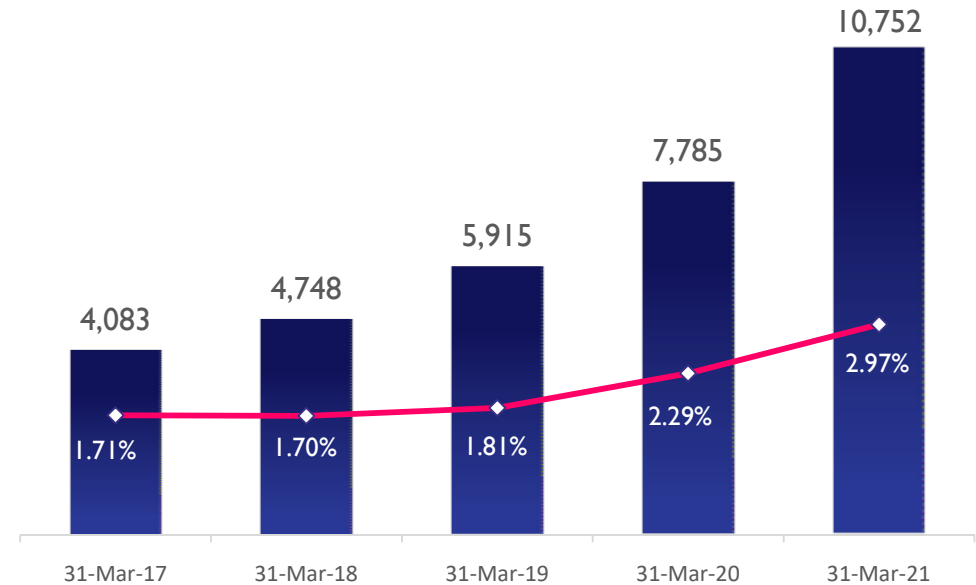
## ▶ ASSET QUALITY

(in INR Mn)

### GROSS NPA QTM & GROSS NPA %



### NET NPA QTM & NET NPA %



We had disclosed a slippage of Rs. 11340 Mn in Q3 FY 21 as proforma NPA against which the actual slippage for 31.03.2021 stands reduced at Rs. 11096 Mn. Our net NPA to net advances stands reduced to 2.97% as on 31.03.2021 which is 40 bps less than our proforma NPA level of 3.37% on 31.12.2020.

## ▶ 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	Q4 FY 21	FY MAR-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>10,717</b>	<b>14,134</b>
Additions	A	4,290	4,796	5,749	6,322	11,104	11,097	11,131
Recovery made		734	905	1,623	1,980	1,644	698	1,950
Upgradations		546	556	433	496	1,358	58	264
NetAddition	B	3,010	3,335	3,693	3,846	8,102	10341	8,917
Write-off		1,248	1,635	1,948	2,640	3,739	2126	4,119
<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>18,932</b>
Technical Write-off (TW) during the period		1,189	1,564	1,836	2,565	3,670	2,055	3,961
<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>4,860</b>	<b>5,990</b>
TW recovery	D	370	470	704	898	1,090	340	1,033
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>4,520</b>	<b>4,957</b>
GrossAdvance	F	2,12,531	2,41,125	2,82,386	3,30,652	3,45,762	3,70,205	3,70,205
<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>3.00</b>	<b>3.01</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>2.79</b>	<b>2.41</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>1.22</b>	<b>1.34</b>
Gross NPA %		2.41	2.83	3.03	2.95	4.09	5.11	5.11
Net NPA %		1.53	1.71	1.70	1.81	2.29	2.97	2.97



## ▶ RESTRUCTURED ACCOUNTS

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

Type of Restructuring	Mar-20		Jun-20		Sep-20		Dec-20		Mar-21	
	No. of Borrowers	Amt	No. of Borrowers	Amt	No. of Borrowers	Amt	No. of Borrowers	Amt	No. of Borrowers	Amt
MSME	104	2813	120	3664	131	4550	191	7851	305	12319
Non – MSME	47	158	46	216	44	230	42	219	35	224
Covid-19 Resolution Framework									949	5950
<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>	<b>1289</b>	<b>18493</b>

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

▶ Restructured Standard Advances to Gross Advances – 4.99% as on Mar-21

▶ 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 137 Standard borrower accounts to the tune of Rs.5213 mn under MSME and 949 standard borrower accounts to the tune of Rs.5950 Mn under Covid-19 Resolution Framework (Non MSME) in Q4 FY 2021. As of FY 21, the total outstanding restructured Standard borrower accounts was 1289 in numbers and amounting to Rs.18,493 mn. The Bank hold a standard accounts provision wrt Restructured accounts to the tune of Rs.1,222 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

- ▶ 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 alcs 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.
- ▶ From the beginning, we have made a total recovery of Rs.2318 Mn from those accounts of which Rs.1818 Mn received as cash recovery and written off the balance of Rs.500 Mn. The total SR as at 31<sup>st</sup> March 2021 was Rs.1429 Mn
- ▶ During FY 21, we have provided a sum of Rs.160 Mn towards provision to meet out the future haircuts if any. Thus, the total o/s provision in SR stands at Rs.832 Mn.

## ▶ INVESTMENTS – AT A GLANCE

### Investments Breakup and Categorywise

(in INR Mn)

Particulars	MAR 2021	MAR 2020
SLR Securities	93,328	89,395
Non-SLR Securities	1,904	2,967
<b>Total Investments</b>	<b>95,232</b>	<b>92,362</b>
Yield on Investments	<b>5.86%</b>	<b>6.69%</b>
<b>Investments Breakup:</b>		
- A FS	10,899 (11%)	15,518 (17%)
- HTM	84,333 (89%)	76,844 (83%)
- H FT	-	-
<b>Total Investments</b>	<b>95,232</b>	<b>92,362</b>
<b>Modified Duration:</b>		
- A FS	2.39	0.82
- HTM	3.99	4.28
- H FT	-	-
- Overall Portfolio	3.83	3.78

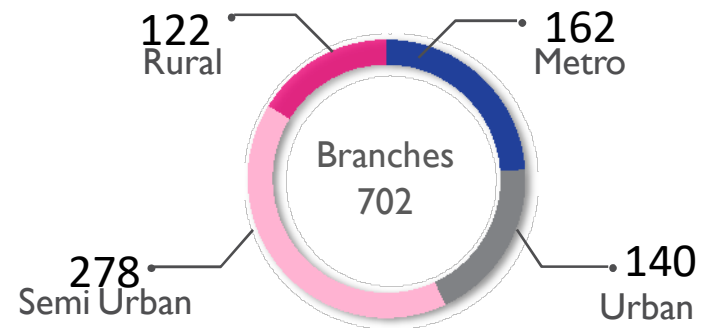
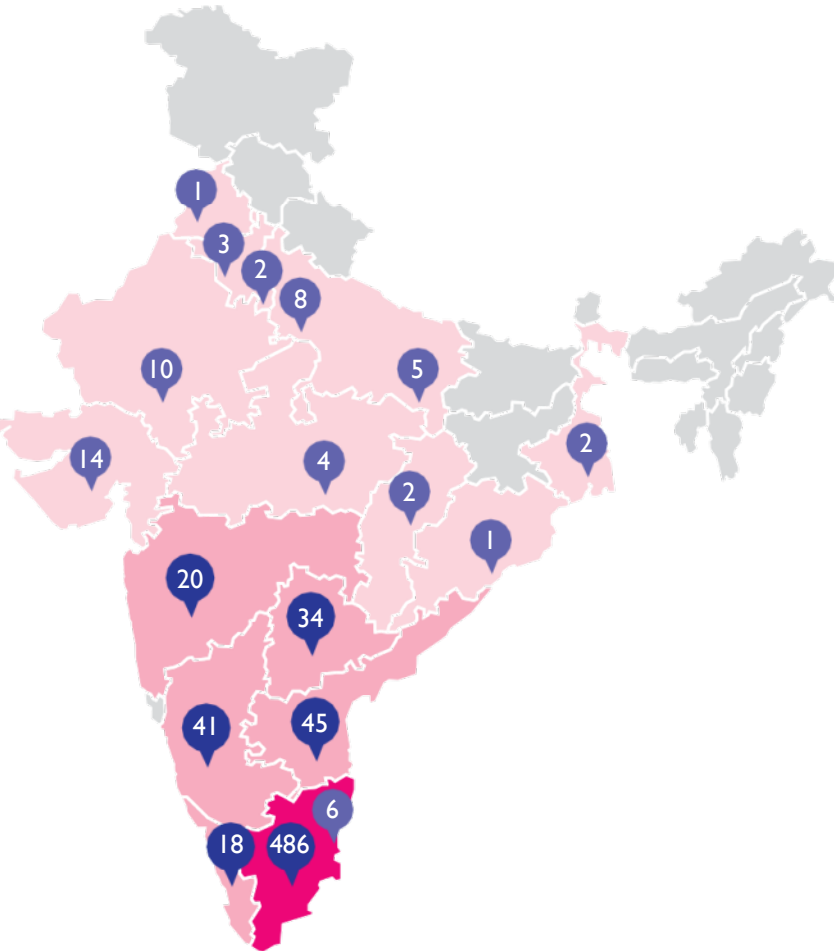
# BRANCH NETWORK

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	80	65	73
Karnataka	41	6	5	6
Andhrapradesh	45	2	8	5
Telengana	34	3	6	4
Maharashtra	20	2	3	3
Kerala	18	2	2	2
Gujarat	14	1	4	2
Others	44	4	7	5
<b>Total</b>	<b>702</b>			



# TECHNOLOGY INITIATIVES

# 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.
- Customers can also visit <https://onlineaccount.cityunionbank.in:8085/> on the website 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 in **the first 5 banks** such as ICICI Bank, Kotak Mahindra Bank, IDFC First Bank, IndusInd Bank

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

## 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

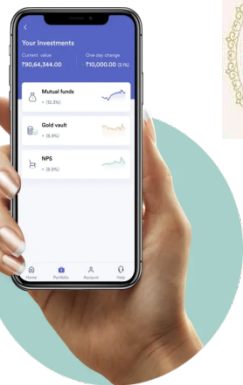
Sovereign Gold Bonds



Insta Demat



Online Trading Account

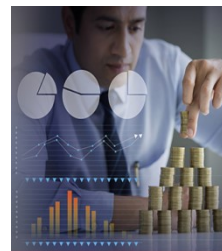


Health Insurance



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



Tax Collection portals | Counter Collection | Fee Collection



## Open Banking 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



# 3D: Digitization, Data Analytics and 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

## 3 Digital Acquisition



- Omni Channel Marketing
- Marketing Automation

## 2

## Data Analytics



Data visualization for Decision making



Data driven underwriting



BIG DATA platform



Process Efficiency Metrics

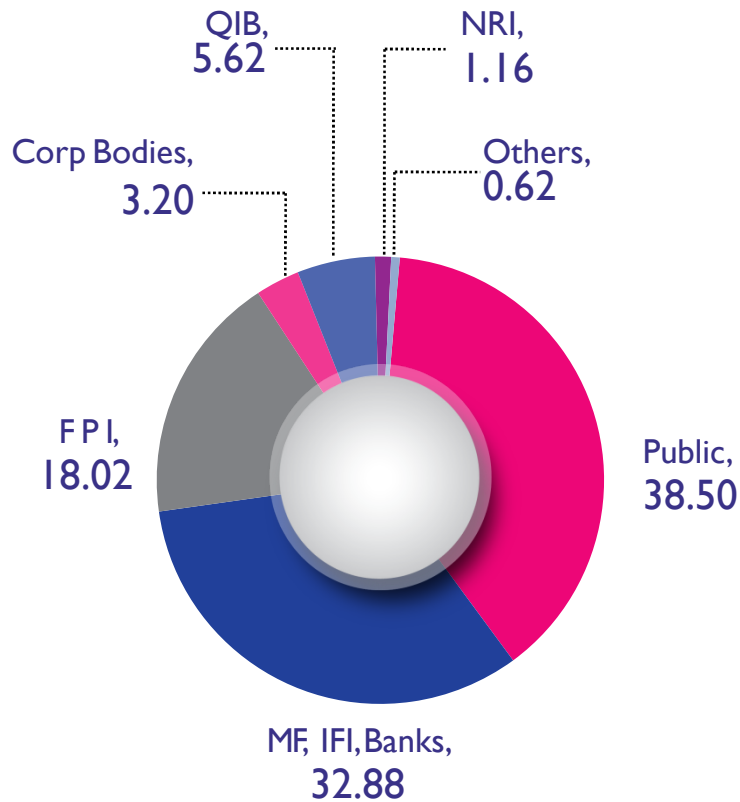


- Digital Onboarding – Deposits and Advance products
- Digital Marketing – Brand and performance

# SHAREHOLDING PATTERN

## ▶ A WELL DIVERSIFIED INVESTOR BASE

Position as on 31-Mar-2021

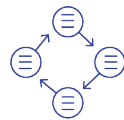


### Major Institutional Shareholders

SHAREHOLDERS	HOLDING %
HDFC Midcap Opportunities Fund	4.48
Life Insurance Corporation of India	3.90
Franklin India Prima Fund	3.90
Axis Mutual Fund	3.66
HDFC Life Insurance Co. Ltd.	3.10
ICICI Pru Equity Savings Fund	2.96
DSP Midcap Fund	2.94
SBI Magnum Midcap Fund	2.16
Smallcap World Fund	2.10
L & T MF – L & T Emerging Business Fund	1.60
KOTAK FUND – INDIA MIDCAP	1.46
Sundaram MF A/c Sundaram Mid Cap Fund	1.30
UTI Small Cap Fund	1.30
Bank Muscat India Fund	1.22
Taiyo Greater India Fund Ltd	1.02



Well diversified ownership of shareholders around 1,45,000 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 ... 21.98%

# 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 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)



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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)