



# INVESTOR PRESENTATION

DECEMBER 2018

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December 2018



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# OVERVIEW

## ΟΛΕΚΛΙΕΜΑ

## ► OVERVIEW

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

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

## ► FACTS & FIGURES

Position as on 31.12.2018



Deposits  
**INR 35,504 CR**



Advances  
**INR 30,637 CR**



Net Interest Margin  
**4.32%**



Net NPA  
**1.74%**



Employees  
**5,443**



Branches  
**616**

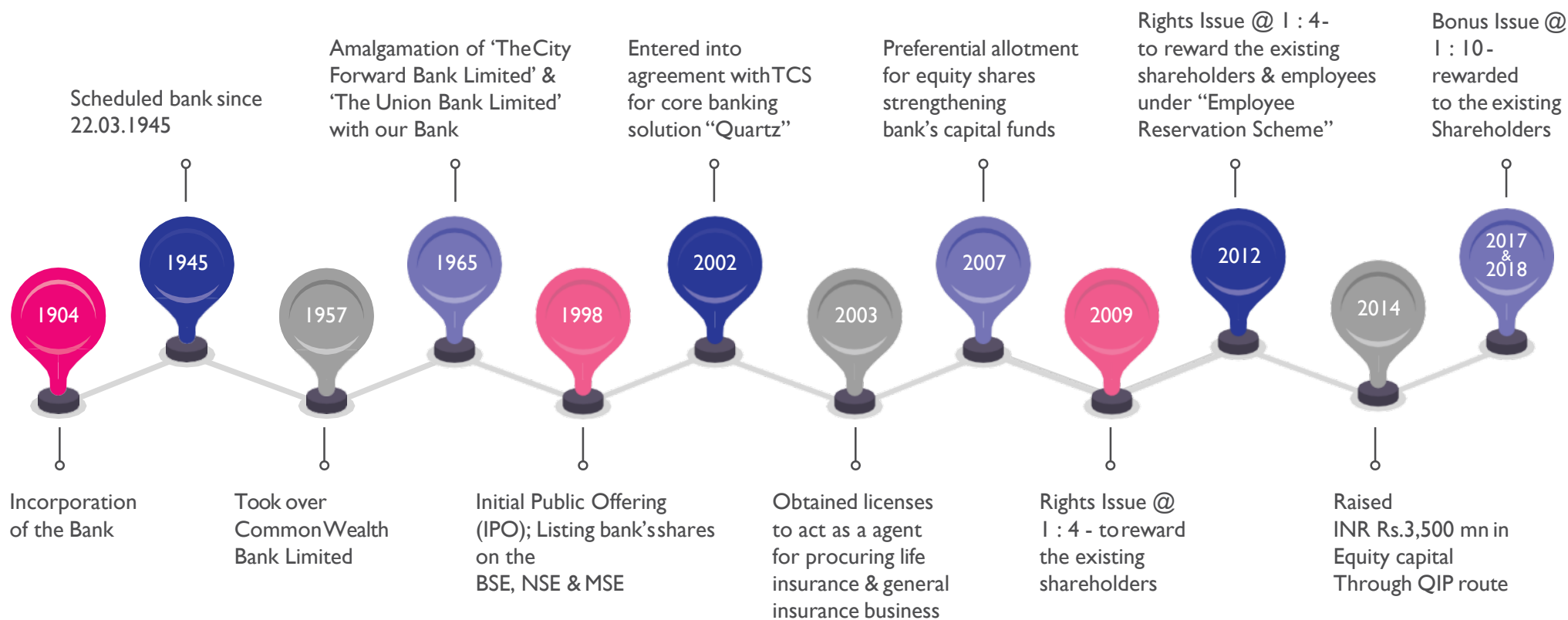


ATM's  
**1,656**



Efficiency Ratio  
**42.11%**

## ▶ KEY MILESTONES



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

### SME / MSME focus

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

**10 year CAGR of 20%+**

### Prudent Risk Management

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

### Invested in Robust Infrastructure

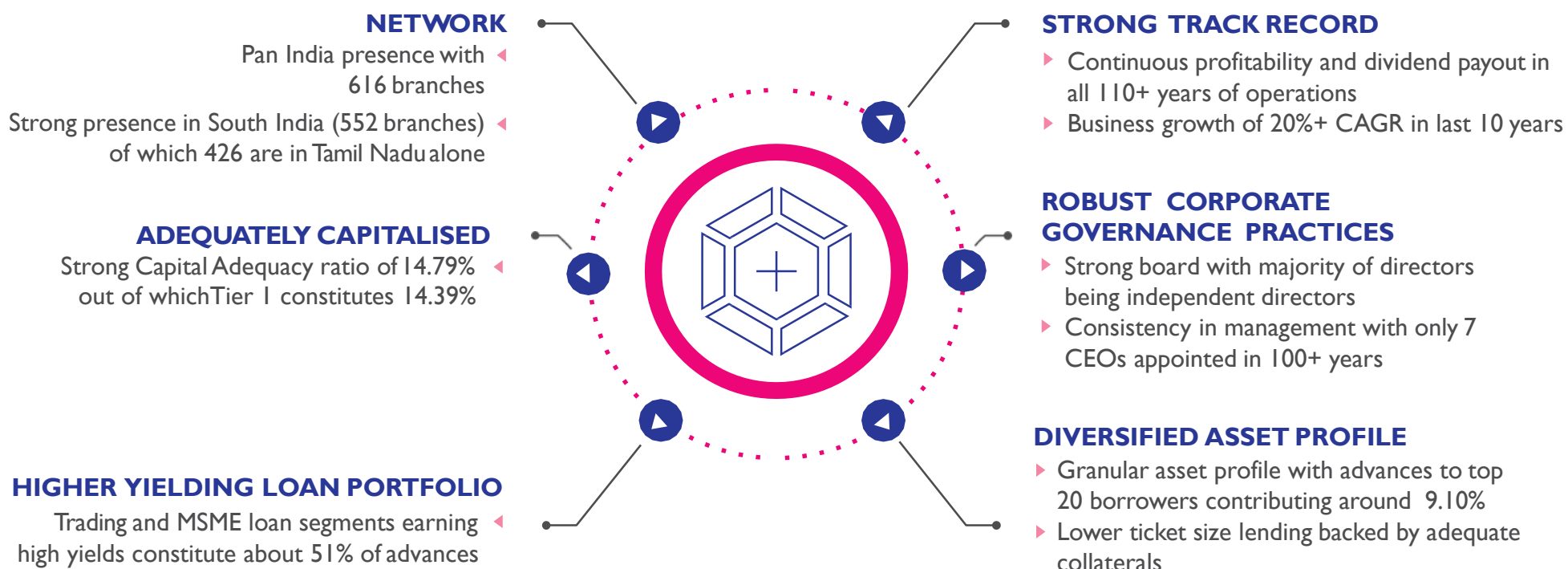
- ▶ Comprehensive employee training and recruitment infrastructure through staff training college
- ▶ All branches and 100% business under CBS from TCS

**Consistent Return with Superior ROA, ROE**

### Purely retail Liability Franchise

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

## ▶ COMPETITIVE ADVANTAGES





## ▶ CREDIT RATING

**ICRA** has assigned

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

**CRISIL** has assigned

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

# PERFORMANCE HIGHLIGHTS – DECEMBER 2018

## ▶ Q3 & 9M FY 2019 PERFORMANCE – A SNAPSHOT

- ▶ Deposits increased by 13% from Rs.313 Bn to Rs.355 BnY-o-Y
- ▶ Advances registered a growth of 17% from Rs.261 Bn to Rs.306 BnY-o-Y
- ▶ Total business grown by 15% to Rs.661 Bn from Rs.574 BnY-o-Y
- ▶ Gross Profit increased by 4% from Rs.2,965 Mn to Rs.3,068 Mn (Q3-Vs-Q3) and decreased from Rs.9,135 Mn to Rs.9,022 Mn (9M-Vs-9M)
- ▶ Net Profit registered a growth of 15% from Rs.1,548 Mn to Rs.1,781 Mn (Q3-Vs-Q3) and 15% from Rs.4,399 Mn to Rs.5,077 Mn (9M-Vs-9M)
- ▶ Profitability and efficiency ratios – at par with the best in industry:

PARTICULARS	Q3 FY 2019	9M FY 2019	FY 2017-18
Return on Assets	1.68%	1.65%	1.60%
Net Interest Margin	4.41%	4.32%	4.42%
Return on Equity	15.61%	15.35%	15.37%
Earning per share	Rs.2.43	Rs.7.18	Rs.9.18

- ▶ Gross NPA – 2.91% and Net NPA – 1.74%
- ▶ Provision Coverage Ratio – 65%
- ▶ CRAR – 14.79% (Basel III) of which core CRAR – 14.39%

## ▶ Q3 FY 2019 VS Q3 FY 2018 PERFORMANCE – A SNAPSHOT

(All figures in INR Mn)

**355,040**



**313,387**

Deposits

**306,369**



**260,891**

Advances

**661,409**



**574,278**

Total Business

**84,697**



**69,891**

CASA

**3,068**



**2,965**

Gross Profit

**1,781**



**1,548**

Net Profit

**4,181**



**3,651**

Net Interest  
Income

**42.96%**



**39.10%**

Cost to Income

**1.68%**

ROA

**15.61%**

ROE

**4.41%**

NIM

**2.91%**

Gross NPA

**1.74%**

Net NPA

■ Q3 FY19 ■ Q3 FY18

## ▶ 9M FY 2019 VS 9M FY 2018 PERFORMANCE – A SNAPSHOT

(All figures in INR Mn)

**355,040**



**313,387**

Deposits

**306,369**



**260,891**

Advances

**661,409**



**574,278**

Total Business

**84,697**



**69,891**

CASA

**9,022**



**9,135**

Gross Profit

**5,077**



**4,399**

Net Profit

**11,909**



**10,624**

Net Interest  
Income

**42.11%**



**38.05%**

Cost to Income

**1.65%**

ROA

**15.35%**

ROE

**4.32%**

NIM

**2.91%**

Gross NPA

**1.74%**

Net NPA

■ 9MFY19

■ 9MFY18

## FY 2018 VS FY 2017 PERFORMANCE – A SNAPSHOT

(All figures in INR Mn)

**328,526**



9%

**301,157**

Deposits

**282,386**



17%

**241,125**

Advances

**610,912**



13%

**542,282**

Total Business

**79,567**



13%

**70,390**

CASA

**12,077**



22%

**9,937**

Gross Profit

**5,920**



18%

**5,028**

Net Profit

**14,303**



19%

**11,988**

Net Interest  
Income

**38.46%**



**40.94%**

Cost to Income

**1.60%**

ROA

**15.37%**

ROE

**4.42%**

NIM

**3.03%**

Gross NPA

**1.70%**

Net NPA

■ FY18

■ FY17









# FINANCIAL PERFORMANCE & BUSINESS PROFILE

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## ▶ Q3 FY 19 VS Q3 FY 18 PERFORMANCE - A SNAPSHOT

(in INR Mn)

### FINANCIAL PERFORMANCE

PARTICULARS	Q3 FY 2019	Q3 FY 2018	INC / (DEC)	Growth	Growth %	Q2 FY 2019
Deposits	355,040	313,387		41,653	13%	345,340
Advances	306,369	260,891		45,478	17%	297,850
Total Business	661,409	574,278		87,131	15%	643,190
Demand Deposits	25,709	22,861		2,848	12%	27,150
Saving Deposits	58,988	47,030		11,958	25%	54,489
CASA	84,697	69,891		14,806	21%	81,639
Gross NPA	8,919	8,598		321	4%	8,479
Net NPA	5,276	4,478		798	18%	4,978
Gross NPA (%)	2.91%	3.30%				2.85%
Net NPA (%)	1.74%	1.74%				1.69%
C R A R (BASEL – III)	14.79%	14.93%				15.11%
- Of which Tier I	14.39%	14.47%				14.71%
CD Ratio	86%	83%				86%
PCR	65%	65%				65%



## ▶ Q3 FY 19 VS Q3 FY 18 PERFORMANCE - A SNAPSHOT

(in INR Mn)

### FINANCIAL PERFORMANCE

PARTICULARS	Q3 FY 2019	Q3 FY 2018	INC / (DEC)	Growth %	Q2 FY 2019
Net Interest Income	4,181	3,651	530	15%	3,980
Other Income	1,198	1,217	-19	-ve	1,185
Operating Expenses	2,311	1,903	408	21%	2,206
Gross Profit	3,068	2,965	103	4%	2,959
Provisions & Contingencies	1,287	1,417	-130	-ve	1,279
Net Profit	1,781	1,548	233	15%	1,680
Return on Assets	1.68%	1.64%			1.62%
Return on Equity	15.61%	15.70%			15.20%
Net Interest Margin	4.41%	4.41%			4.32%

## ▶ 9M FY 19 VS 9M FY 18 PERFORMANCE - A SNAPSHOT

(in INR Mn)

### FINANCIAL PERFORMANCE

PARTICULARS	9M FY 2019	9M FY 2018	INC / (DEC)	Growth %
Net Interest Income	11,909	10,624	1,285	12%
Other Income	3,675	4,123	-448	-ve
Operating Expenses	6,562	5,612	950	17%
Gross Profit	9,022	9,135	-113	-ve
Provisions & Contingencies	3,945	4,736	-791	-ve
Net Profit	5,077	4,399	678	15%
Return on Assets	1.65%	1.61%		
Return on Equity	15.35%	15.47%		
Net Interest Margin	4.32%	4.45%		

## ► PROVISIONS & CONTINGENCIES – BREAKUP

(in INR Mn)









PARTICULARS	Q3 FY 19	Q3 FY 18	9M FY 19	9M FY 18	FY 17-18
Provision for:					
- Tax	500	560	1,700	1,420	1,980
- Bad Debts	770	750	1,890	2,480	3,030
- Standard Assets	30	20	62	11	15
- Depn on Investments	-	60	160	708	855
- Depn on Shifting	-	-	65	102	102
- Restructuring	-40	-55	-40	-72	-72
- Others	27	82	108	87	247
<b>Total</b>	<b>1,287</b>	<b>1,417</b>	<b>3,945</b>	<b>4,736</b>	<b>6,157</b>

As informed to the Stock Exchanges on 17.02.2018, during Q4 FY 18, three fraudulent remittances amounting to Rs.121 mn had gone through our SWIFT system which were not initiated by us. Out of this, the bank received back Rs.33 mn. In Q4 FY 18, the Bank has made a provision of Rs.66 mn against the balance of Rs. 88 mn of which the amount of Rs. 22 mn which was initially blocked had also gone out during this quarter and the Bank has made full provision for the same in Q3 FY 19.

## ► FY 18 VS FY 17 PERFORMANCE - A SNAPSHOT

(in INR Mn)

### FINANCIAL PERFORMANCE

PARTICULARS	FY 2018	FY 2017	INC / (DEC)	Growth	Growth %
Deposits	328,526	301,157		27,369	9%
Advances	282,386	241,125		41,261	17%
Total Business	610,912	542,282		68,630	13%
Demand Deposits	27,863	24,092		3,771	16%
Saving Deposits	51,705	46,298		5,407	12%
CASA	79,567	70,390		9,177	13%
Gross NPA	8,566	6,820		1,746	26%
Net NPA	4,748	4,083		665	16%
Gross NPA (%)	3.03%	2.83%			
Net NPA (%)	1.70%	1.71%			
C R A R (BASEL – III)	16.22%	15.83%			
- Of which Tier I	15.79%	15.36%			
CD Ratio	86%	80%			
PCR	64%	61%			

## ▶ FY 18 VS FY 17 PERFORMANCE - A SNAPSHOT

(in INR Mn)

### FINANCIAL PERFORMANCE

PARTICULARS	FY 2018	FY 2017	INC / (DEC)	Growth %
Net Interest Income	14,303	11,988	2,315	19%
Other Income	5,321	4,839	482	10%
Operating Expenses	7,547	6,890	657	10%
Gross Profit	12,077	9,937	2,140	22%
Provisions & Contingencies	6,157	4,909	1,248	25%
Net Profit	5,920	5,028	892	18%
Return on Assets	1.60%	1.50%		
Return on Equity	15.37%	15.26%		
Net Interest Margin	4.42%	4.17%		

## ▶ Q3 FY 19 VS Q3 FY 18 – INCOME AND EXPENSES BREAKUP

(in INR Mn)

### INTEREST INCOME BREAKUP

PARTICULARS	Q3 FY 2019	Q3 FY 2018	Growth %
Interest on Loans	8,197	7,246	13%
Interest on Investments	1,383	1,315	5%
Other Interest Income	87	93	-ve
<b>Total Interest Income</b>	<b>9,667</b>	<b>8,654</b>	<b>12%</b>

### INTEREST EXPENSES BREAKUP

PARTICULARS	Q3 FY 2019	Q3 FY 2018	Growth %
Int Exp on Deposits	5,361	4,872	10%
Other Int Expenses	124	131	-ve
<b>Total Interest Expenses</b>	<b>5,485</b>	<b>5,003</b>	<b>10%</b>

### OTHER INCOME BREAKUP

PARTICULARS	Q3 FY 2019	Q3 FY 2018	Growth %
CEB & Charges	712	612	16%
Treasury Income	208	344	-ve
Other Inc incl recoveries in written off a/cs	278	261	-ve
<b>Total Other Income</b>	<b>1,198</b>	<b>1,217</b>	<b>-ve</b>

### OPERATING EXPENSES BREAKUP

PARTICULARS	Q3 FY 2019	Q3 FY 2018	Growth %
Employee Cost	927	799	16%
Other Operating Expenses	1,383	1,105	25%
<b>Total Expenses</b>	<b>2,311</b>	<b>1,904</b>	<b>21%</b>

## ► 9M FY 19 VS 9M FY 18 – INCOME AND EXPENSES BREAKUP

(in INR Mn)

### INTEREST INCOME BREAKUP

PARTICULARS	9M FY 2019	9M FY 2018	Growth %
Interest on Loans	23,393	21,168	11%
Interest on Investments	4,187	3,852	9%
Other Interest Income	246	297	-ve
<b>Total Interest Income</b>	<b>27,826</b>	<b>25,317</b>	<b>10%</b>

### INTEREST EXPENSES BREAKUP

PARTICULARS	9M FY 2019	9M FY 2018	Growth %
Int Exp on Deposits	15,515	14,450	7%
Other Int Expenses	402	243	65%
<b>Total Interest Expenses</b>	<b>15,917</b>	<b>14,693</b>	<b>8%</b>

### OTHER INCOME BREAKUP

PARTICULARS	9M FY 2019	9M FY 2018	Growth %
CEB & Charges	2,159	1,881	15%
Treasury Income	614	1,381	-ve
Other Inc incl recoveries in written off a/cs	902	861	5%
<b>Total Other Income</b>	<b>3,675</b>	<b>4,123</b>	<b>-ve</b>

### OPERATING EXPENSES BREAKUP

PARTICULARS	9M FY 2019	9M FY 2018	Growth %
Employee Cost	2,731	2,391	14%
Other Operating Expenses	3,831	3,221	19%
<b>Total Expenses</b>	<b>6,562</b>	<b>5,612</b>	<b>17%</b>

## ► FY 18 VS FY 17 – INCOME AND EXPENSES BREAKUP

(in INR Mn)

### INTEREST INCOME BREAKUP

PARTICULARS	FY 2018	FY 2017	Growth %
Interest on Loans	28,404	25,902	10%
Interest on Investments	5,228	5,385	-ve
Other Interest Income	392	451	-ve
<b>Total Interest Income</b>	<b>34,024</b>	<b>31,738</b>	<b>7%</b>

### INTEREST EXPENSES BREAKUP

PARTICULARS	FY 2018	FY 2017	Growth %
Int Exp on Deposits	19,271	19,418	-ve
Other Int Expenses	450	332	36%
<b>Total Interest Expenses</b>	<b>19,721</b>	<b>19,750</b>	<b>-ve</b>

### OTHER INCOME BREAKUP

PARTICULARS	FY 2018	FY 2017	Growth %
CEB & Charges	2,561	2,176	18%
Treasury Income	1,682	2,056	-ve
Other Inc incl recoveries in written off a/cs	1,078	608	77%
<b>Total Other Income</b>	<b>5,321</b>	<b>4,840</b>	<b>10%</b>

### OPERATING EXPENSES BREAKUP

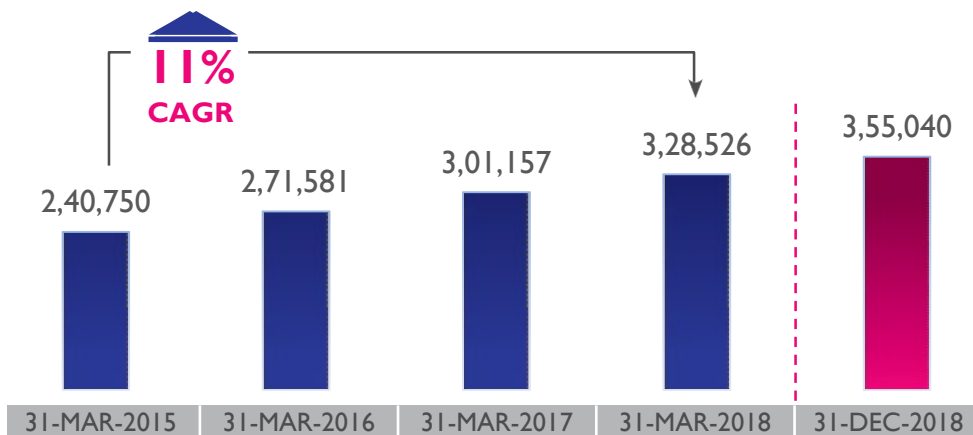
PARTICULARS	FY 2018	FY 2017	Growth %
Employee Cost	3,159	2,982	6%
Other Operating Expenses	4,388	3,908	12%
<b>Total Expenses</b>	<b>7,547</b>	<b>6,890</b>	<b>10%</b>



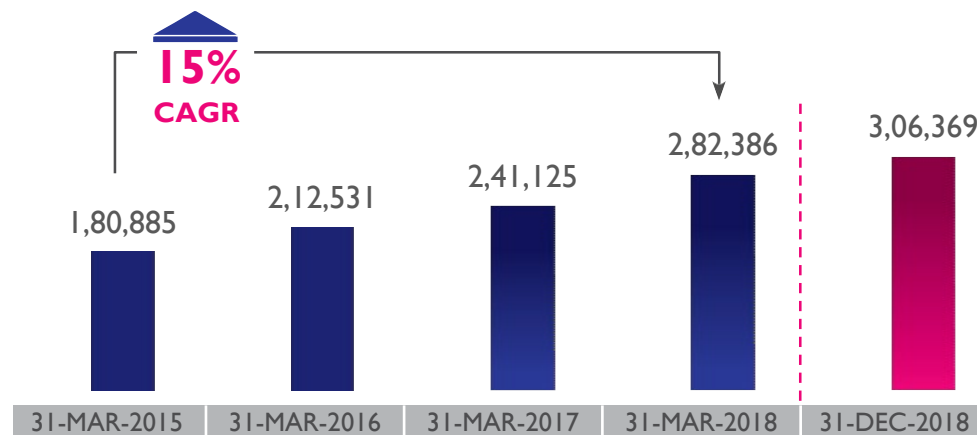
## ▶ STRONG DEPOSITS AND ADVANCES GROWTH

(in INR Mn)

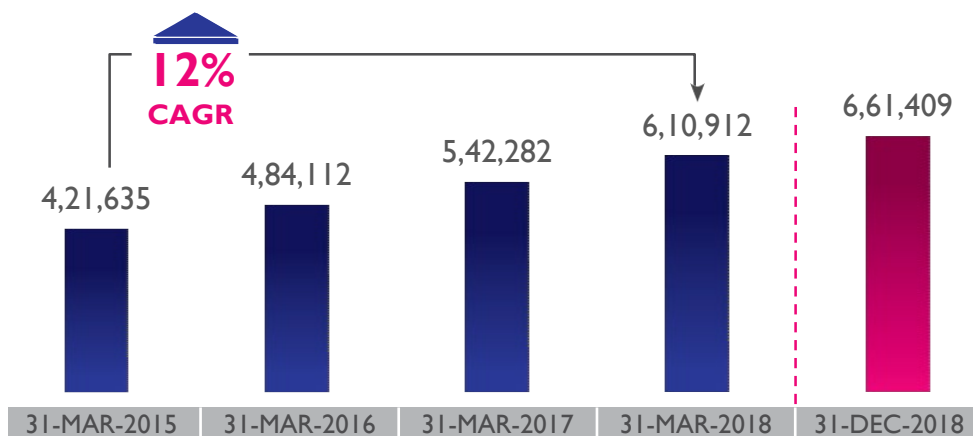
### DEPOSITS



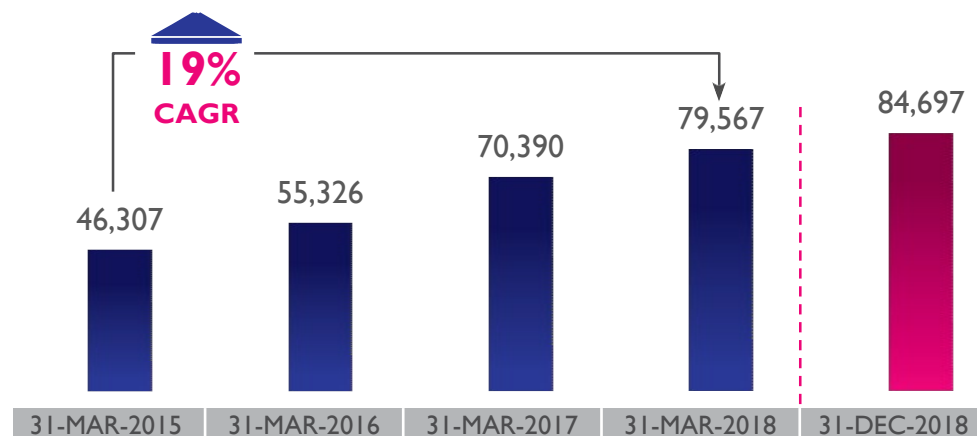
### ADVANCES



### BUSINESS



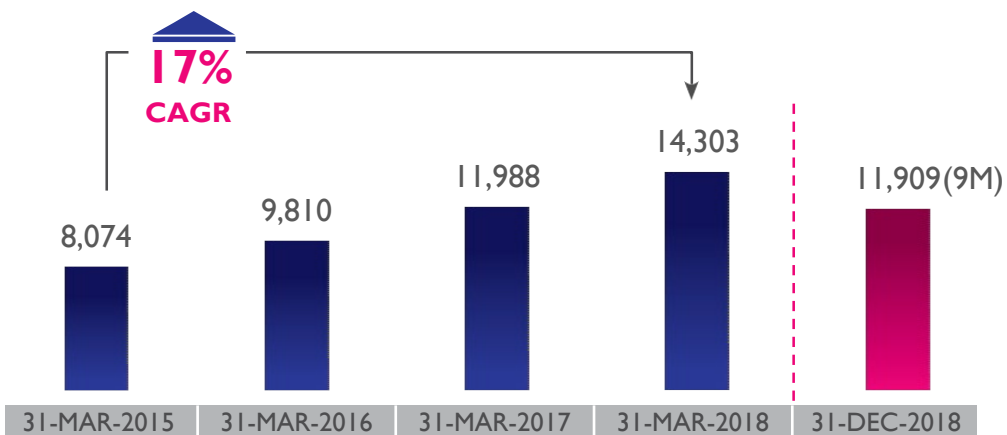
### CASA



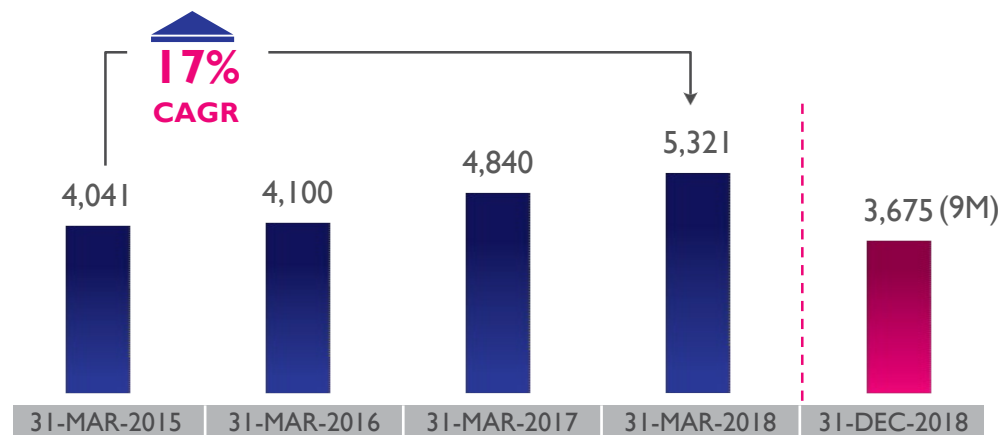
## ▶ INCOME GROWTH OVER THE YEARS...

(in INR Mn)

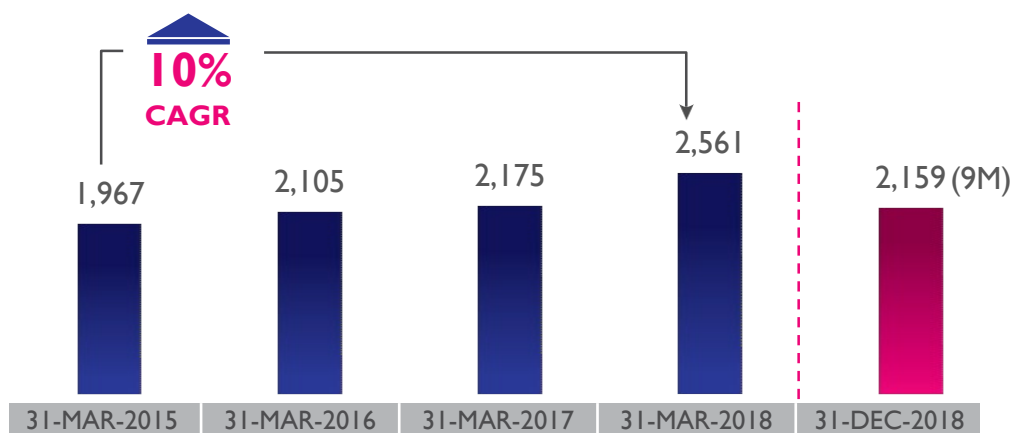
### NET INTEREST INCOME GROWTH



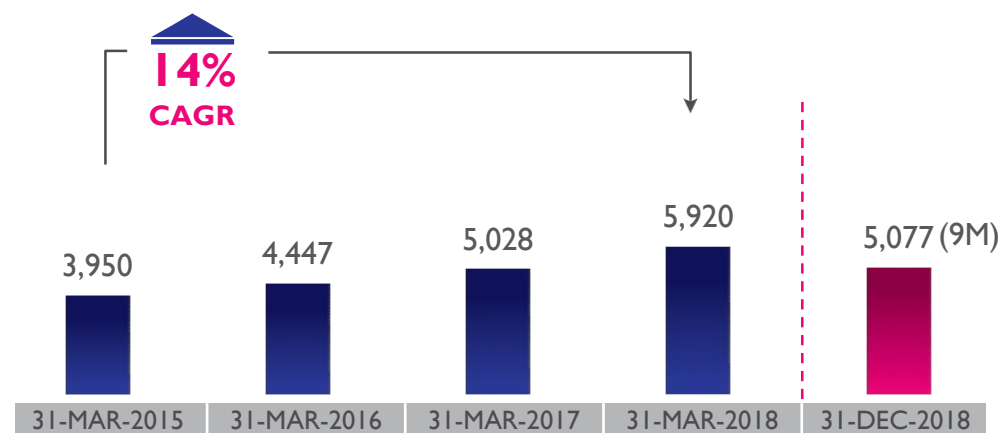
### OTHER INCOME GROWTH



### CEB GROWTH



### NET PROFIT GROWTH

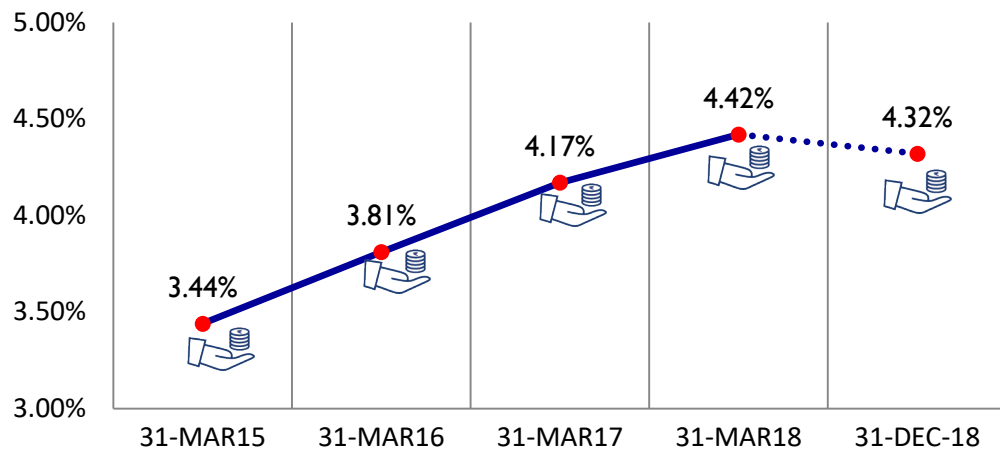


## ▶ KEY BUSINESS INDICATORS

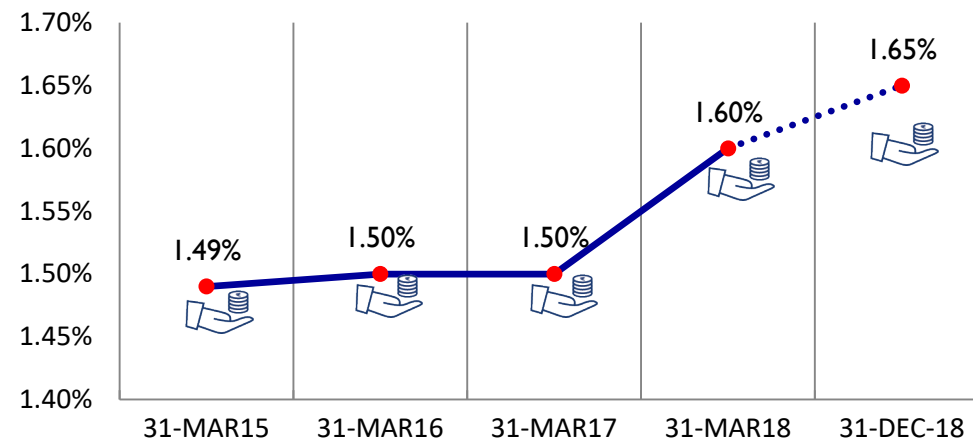
PARTICULARS	Q3 FY 19	Q3 FY 18	9M FY 19	9M FY 18	FY 17-18
Cost of Deposits	6.17%	6.24%	6.13%	6.32%	6.29%
Yield on Advances	10.96%	11.37%	10.89%	11.55%	11.46%
Yield on Investments	6.97%	6.94%	6.94%	6.96%	6.95%
Net Interest Margin	4.41%	4.41%	4.32%	4.45%	4.42%
Cost to Income	42.96%	39.10%	42.11%	38.05%	38.46%
Cost of Funds	5.18%	5.31%	5.17%	5.38%	5.34%
Yield of Funds	9.13%	9.19%	9.03%	9.26%	9.21%
Per Employee Business (in INR Mn)	121.46	113.58	121.46	113.58	114.77
Per Employee Profit (in INR Mn) (Ann)	1.31	1.23	1.24	1.16	1.11
EPS in INR - FV INR Re.1/- share (Not Ann)	2.43	2.33	7.18	6.89	9.18

## ▶ KEY BUSINESS RATIOS – YEARLY TRENDS

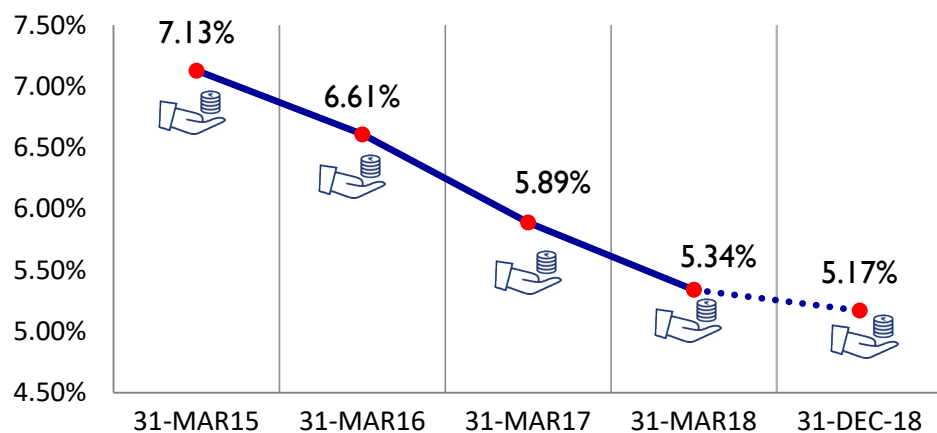
### NET INTEREST MARGIN



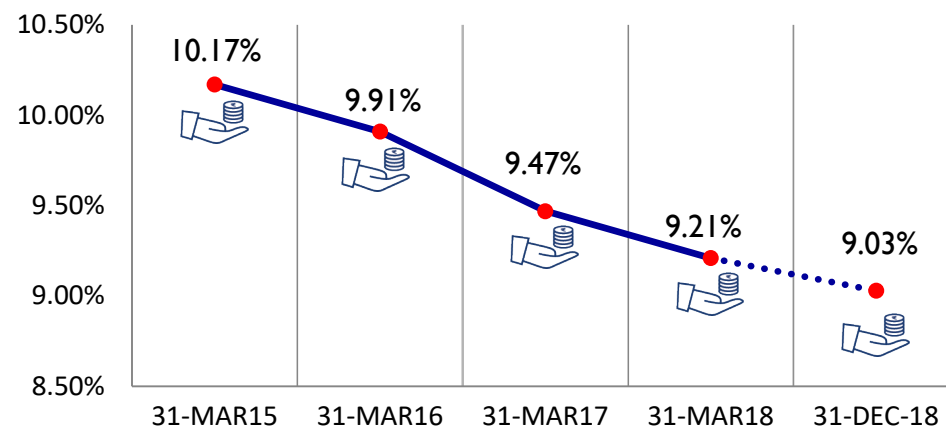
### RETURN ON ASSETS



### COST OF FUNDS

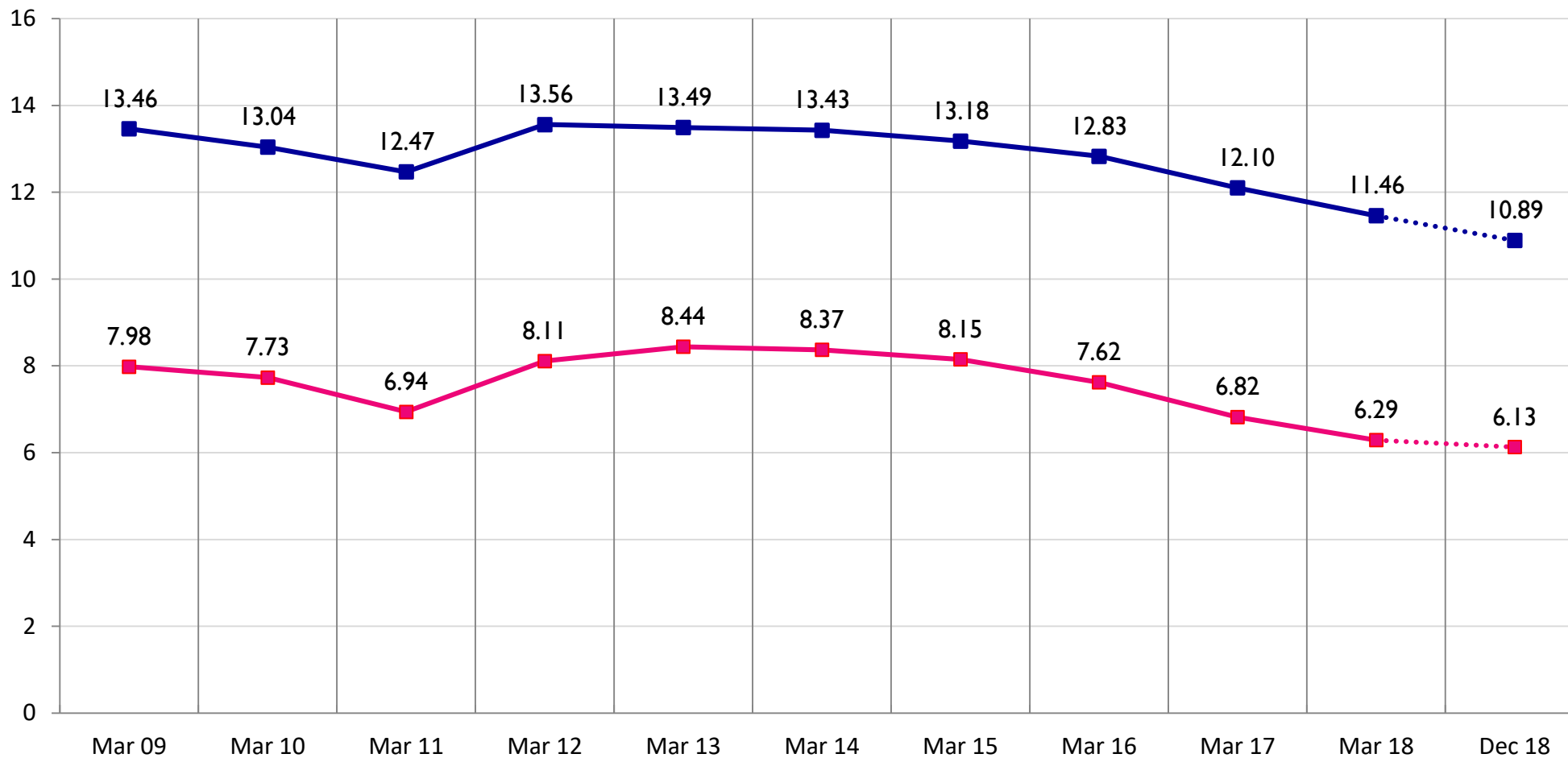


### YIELD ON FUNDS



## ▶ COST OF DEPOSITS & YIELD ON ADVANCES

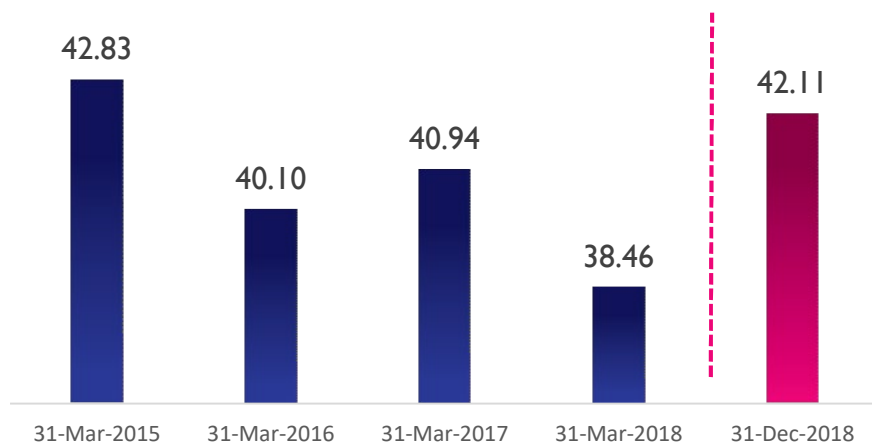
(in %)



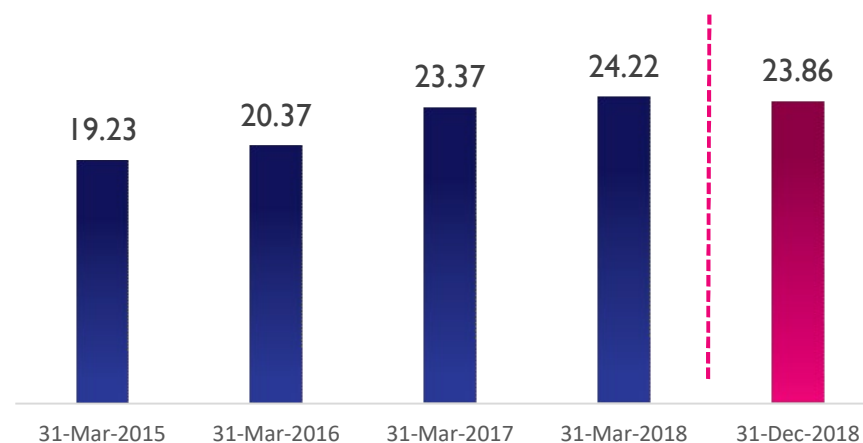
Spread between cost of deposits and yield on advances of our bank maintained in the last 10 years

## ▶ EFFICIENCY

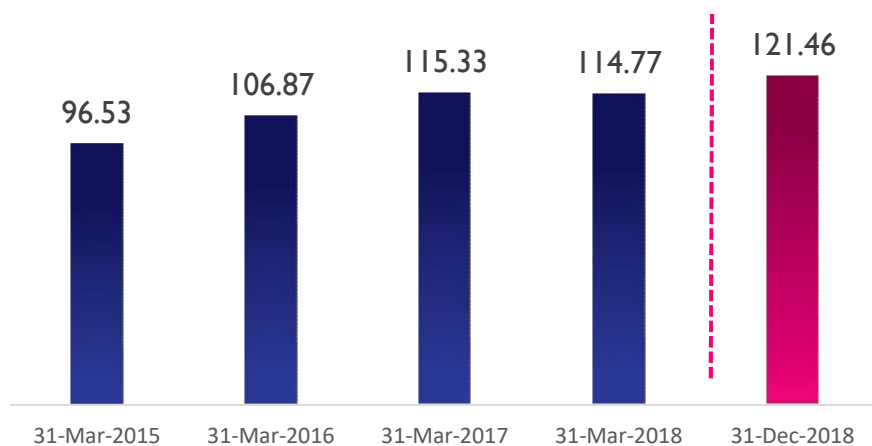
### COST INCOME RATIO (%)



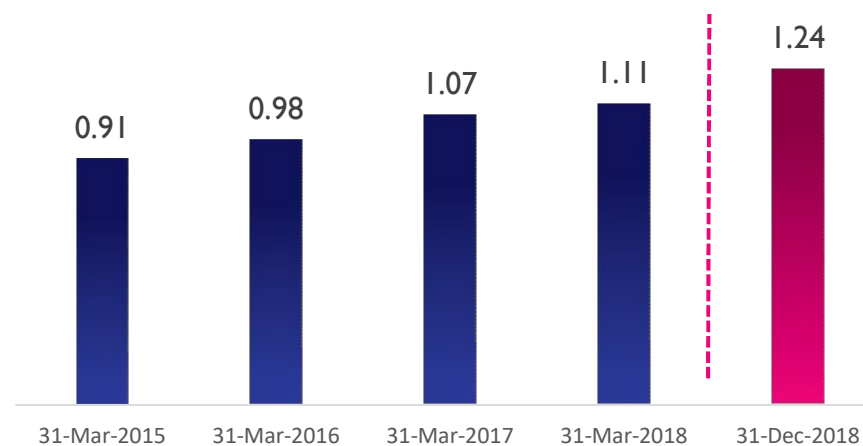
### CASA RATIO (%)



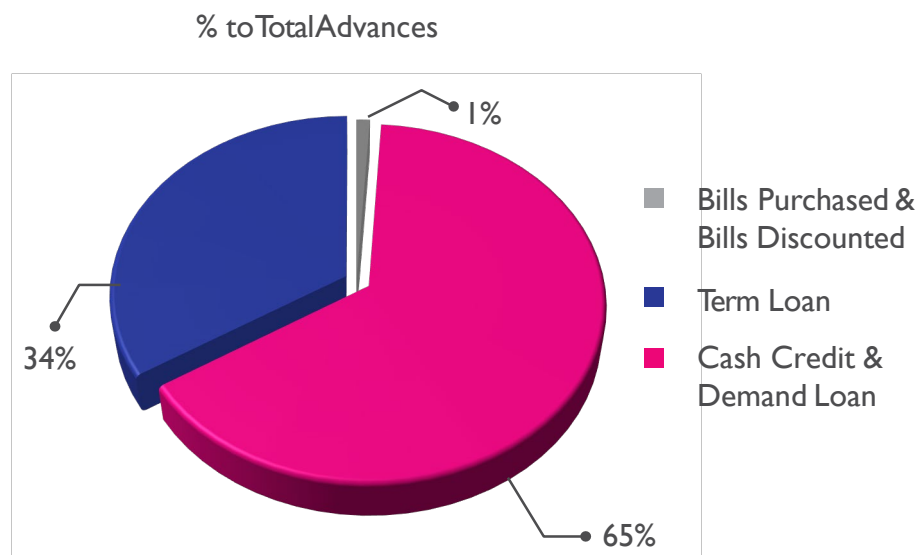
### BUSINESS PER EMPLOYEE (in INR Mn)



### PROFIT PER EMPLOYEE (in INR Mn)



## ▶ LOAN BOOK – PRODUCTS COMPOSITION



Working capital loans yielding higher interest constitute 65% of advances



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

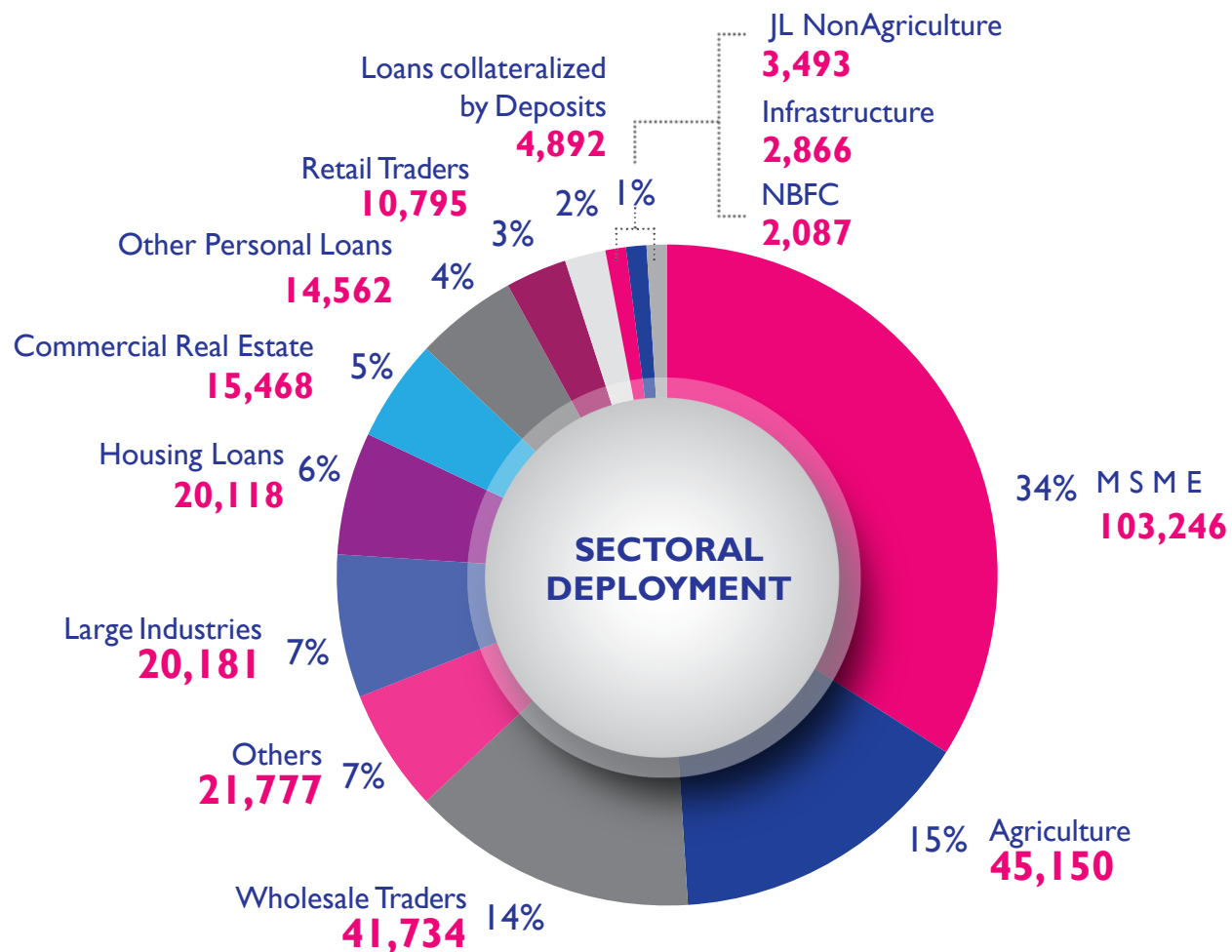


~95% of our loan book is on floating rate basis which reduces interest rate risk

Loan Book Products Composition	Amount (INR Mn)	% to Total Advances
Cash Credit & Demand Loan	198,713	65%
Term Loan	105,435	34%
Bills Purchased & Bills Discounted	2,221	1%
<b>Gross Loan Total</b>	<b>306,369</b>	<b>100%</b>

# ▶ LOAN BOOK SECTORAL DEPLOYMENT – POSITION AS ON 31.12.2018

(in INR Mn)





## ▶ LOAN BOOK SECTORAL DEPLOYMENT – POSITION AS ON 31.12.2018

(in INR Mn)

### SECURED & UNSECURED ADVANCES

Particulars	Amount (INR Mn)	Q3 FY 2019
Secured Loans	304,051	99%
Unsecured Loans	2,318	1%
<b>Total</b>	<b>306,369</b>	<b>100%</b>



Trading & MSME loans earning higher yield constitute about 51%



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



Unsecured Advances aggregate to 1%

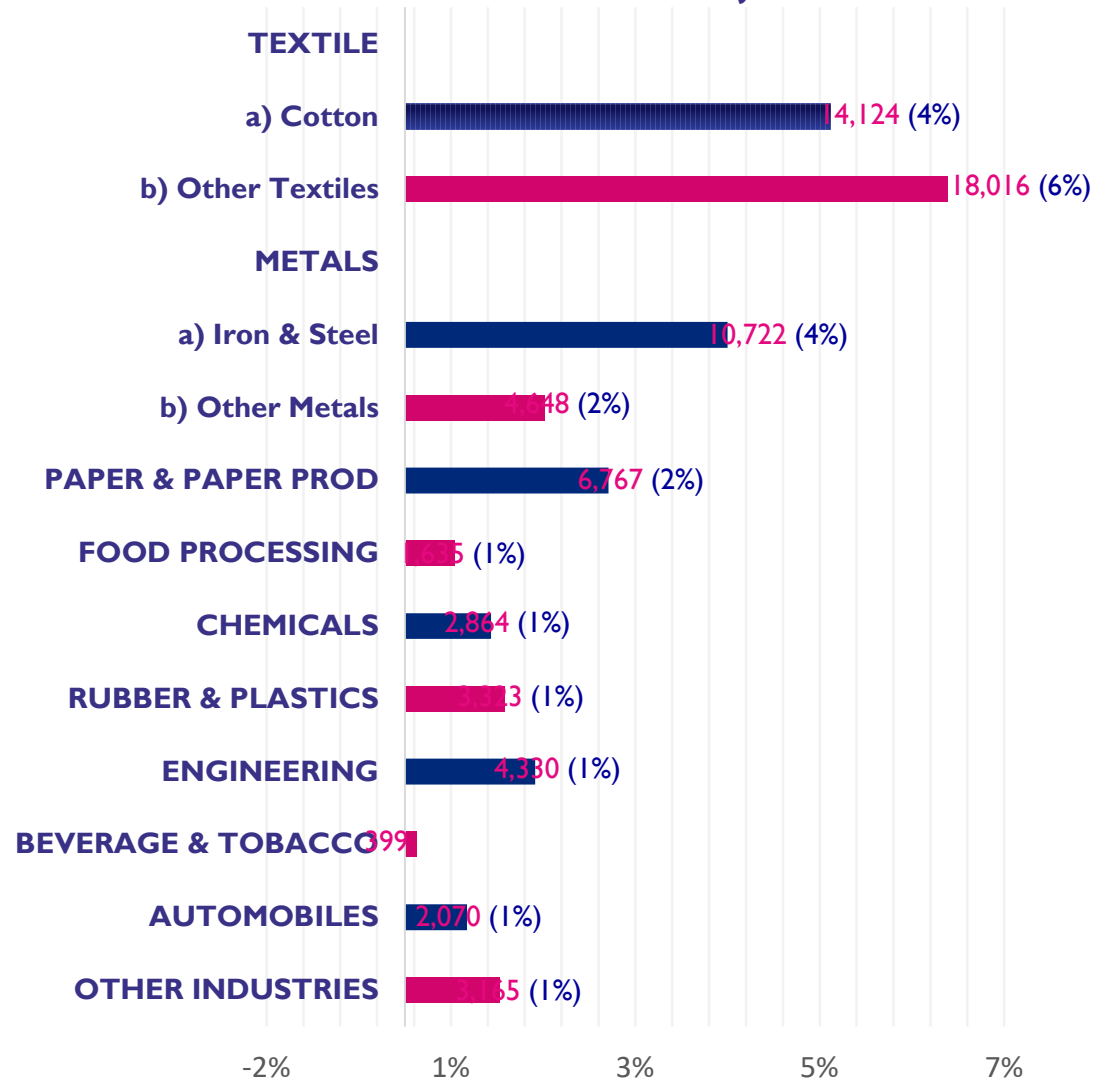


Total Jewel Loan outstanding as on 31.12.2018 – Rs.27,763 Mn

# Loan Book – Advances to Major Industries

(in INR Mn)

## Advances to Major Industries 31<sup>st</sup> December 2018

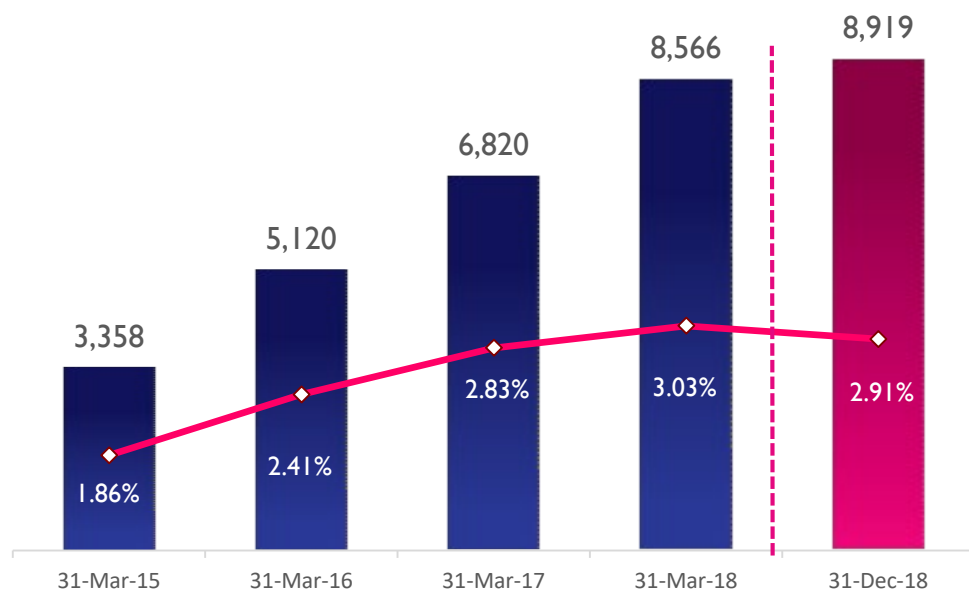


Industry Name	Amount (in INR Mn)	% to Total Advances
Advances to Major Industries	72,063	24%
All other advances (Agri, Trade, Service, Gold Loan, etc.)	234,306	76%
<b>Total Gross Advances</b>	<b>306,369</b>	<b>100%</b>

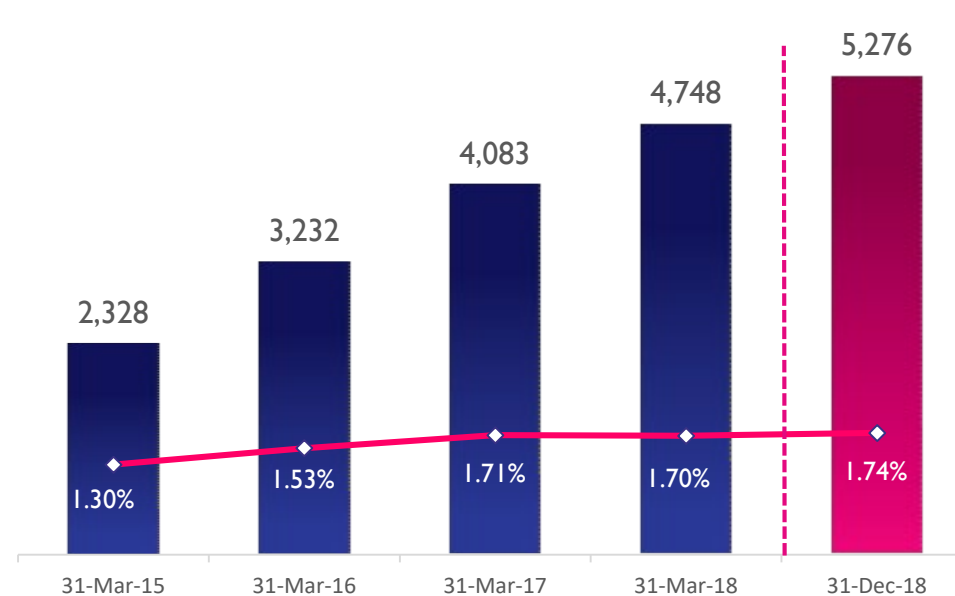
## ▶ ASSET QUALITY

(in INR Mn)

### GROSS NPA QTM & GROSS NPA %



### NET NPA QTM & NET NPA %



## ▶ ASSET QUALITY POSITION – MOVEMENT OVER THE YEARS

(RS IN MN)		FY MAR - 15	FY MAR - 16	FY MAR - 17	FY MAR - 18	Q3 FY 2019	9M FY 2019
<b>NPA Opening balance</b>		<b>2,931</b>	<b>3,358</b>	<b>5,120</b>	<b>6,820</b>	<b>8,479</b>	<b>8,565</b>
Additions	A	4,250	4,290	4,796	5,749	1,657	4,278
Recovery / SR *		2,118	734	905	1,623	461	1,513
Upgradations		227	546	556	433	136	360
NetAddition	B	1,905	3,010	3,335	3,693	1,060	2,405
Write-off		1,478	1,248	1,635	1,948	620	2,051
<b>NPA Closing balance</b>		<b>3,358</b>	<b>5,120</b>	<b>6,820</b>	<b>8,565</b>	<b>8,919</b>	<b>8,919</b>
Technical Write-off (TW) during the period		618	1,189	1,564	1,836	601	1,997
<b>Provision made during the period</b>	C	<b>1,650</b>	<b>2,050</b>	<b>2,515</b>	<b>3,030</b>	<b>770</b>	<b>1,890</b>
TW recovery	D	750	370	470	704	191	523
Provision made net of TW Recovery	E=C-D	<b>900</b>	<b>1,680</b>	<b>2,045</b>	<b>2,326</b>	<b>579</b>	<b>1,367</b>
GrossAdvance	F	1,80,885	2,12,531	2,41,125	2,82,386	3,06,369	3,06,369
<b>Additions % of GrossAdvance</b>	A / F	<b>2.35</b>	<b>2.02</b>	<b>1.99</b>	<b>2.04</b>	<b>0.54</b>	<b>1.40</b>
<b>NetAddition % of Gross Advance</b>	B / F	<b>1.05</b>	<b>1.42</b>	<b>1.38</b>	<b>1.31</b>	<b>0.35</b>	<b>0.79</b>
<b>Credit cost</b>	E / F	<b>0.50</b>	<b>0.79</b>	<b>0.85</b>	<b>0.82</b>	<b>0.19</b>	<b>0.45</b>
Gross NPA %		1.86	2.41	2.83	3.03	2.91	2.91
Net NPA %		1.30	1.53	1.71	1.70	1.74	1.74

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

## ▶ DISCLOSURE ON DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING FOR NPAs

In terms of RBI circular DBR.BP.BC.No.63/21.04.018/2016-17 dated 18th April 2017, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts wherever either

- a) the additional provisioning requirements assessed by RBI exceeds 15% of the published net profit after tax for the reference period (or)
- b) the additional Gross NPAs identified by RBI exceeds 15% of the published incremental Gross NPAs for the reference period, or both.

RBI inspection has been concluded with position relating to **31.03.2017** and **“we do not have requirement of reporting divergence as per RBI / SEBI guidelines for the said period”** and the same was informed to stock exchanges through our filing dated 30.01.2018.

For FY 2017-18, RBI inspection is under progress.

## ▶ RBI DISPENSATION

**MSME Borrowers:** In terms of RBI circular DBR.BP.BC.No.100/21.04.048/2017-18 dated 7th February, 2018 and DBR No.BP.BC.108/21.04.048/2017-18 dated 6th June 2018 permitted banks to continue the exposures to MSME borrowers to be classified as Standard Assets where the dues between September 1, 2017 and December 31, 2018 are paid not later than 180 days from their respective original due dates. During June 2018 quarter, the Bank had reported 4 borrowal accounts totalling to Rs.19.06 cr availed this scheme. During Q2 FY 19, out of the above referred 4 borrowal accounts, two borrowal accounts amounting to Rs.16.09 cr has been classified as NPA and remaining 2 accounts has been regularized and moved out of the said dispensation. The Bank has not availed this dispensation during the current quarter.

**MTM Losses on Investments:** In terms of RBI Circular DBR. No. BP.BC.113/21.04.048/2017-18 dated June 15, 2018 grants banks an option to spread provisioning for mark to market (MTM) losses on investments held in AFS and HFT categories for the quarter ended June 30, 2018. The circular states that the provisioning for this quarter may be spread equally over up to four quarters, commencing with the current quarter ended June 30, 2018. The Bank has not availed of the said option and has recognised the entire Mark to Market (MTM) loss on investments in the June quarter itself.

## ▶ RESTRUCTURED ACCOUNTS

**Balance outstanding as on 31.12.2018 in respect of Restructured Standard borrowers**

- ▶ **No account has been restructured during 9M FY 2019**
- ▶ **There were no sale to ARC on SR basis in the previous two years**

Type of Restructuring	No. of Borrowers	Amount (in INR Mn)
Under CDR Mechanism		
Under SME Debt Restructuring Mechanism	NIL	NIL
Under Other Debt Restructuring Mechanism		
<b>Total</b>	<b>-</b>	<b>-</b>

- ▶ The above disclosure is in respect of Restructured Standard Accounts excluding NPA.
- ▶ **Restructured Standard Advances to Gross Advances – Nil as on Dec-18 Vs 0.04% in Dec-17**
- ▶ No fresh sale to ARC during 9M FY 19 and amount outstanding in Security Receipts – Rs.3,269 Mn. The bank has provided Rs.160 Mn during 9M FY 19 and as at 31<sup>st</sup> Dec 2018 the total outstanding provision towards SR is Rs.1,510 Mn in connection with probable shortfall in the future realisation of Security Receipts.

## ▶ INVESTMENTS – AT A GLANCE

### Investments Breakup and Categorywise

(in INR Mn)

Particulars	DEC 2018	DEC 2017
SLR Securities	74,508	72,443
Non-SLR Securities	3,590	3,869
<b>Total Investments</b>	<b>78,098</b>	<b>76,312</b>
Yield on Investments	<b>6.94%</b>	<b>6.96%</b>
<b>Investments Breakup:</b>		
- A FS	18,394 (24%)	15,263 (20%)
- HTM	59,704 (76%)	61,049 (80%)
- H FT	-	-
<b>Total Investments</b>	<b>78,098</b>	<b>76,312</b>
<b>Modified Duration:</b>		
- A FS	0.55	2.03
- HTM	4.85	5.01
- H FT	-	-
- Overall Portfolio	3.98	4.53

The Bank has no Direct / Indirect exposures to ILFS.

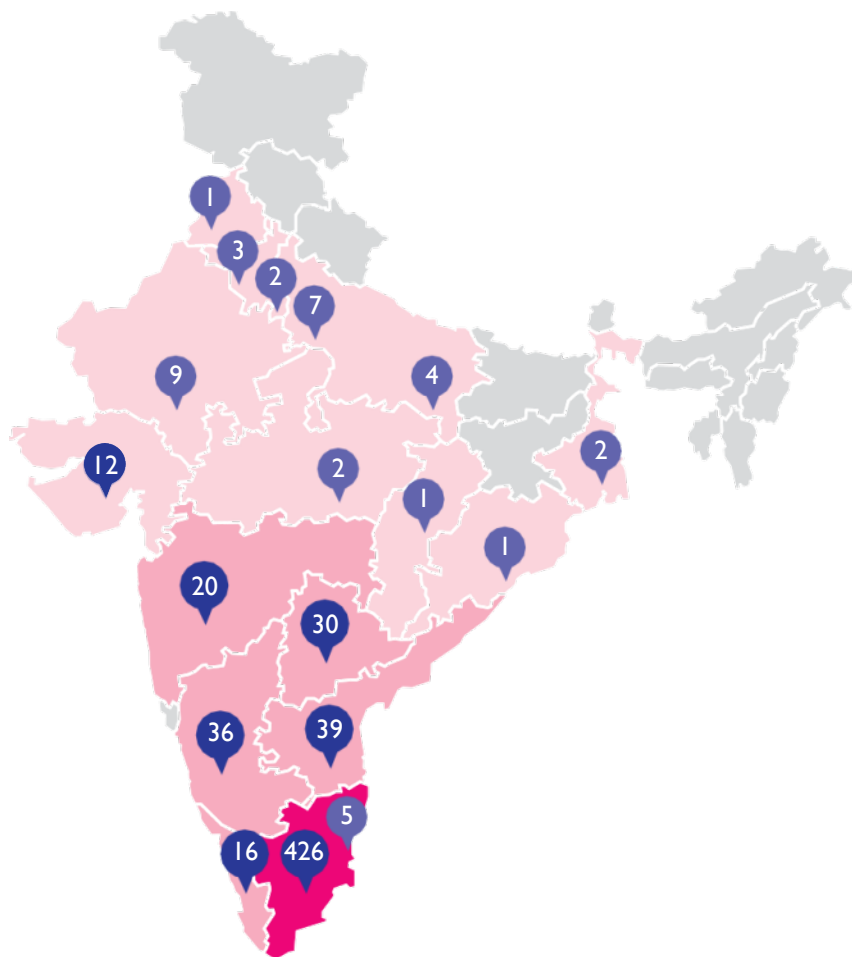


# BRANCH NETWORK

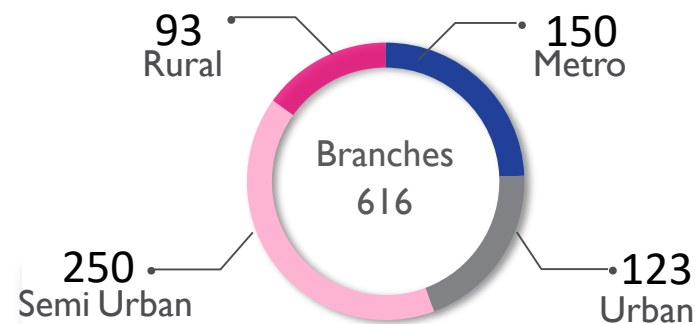
BRANCH NETWORK

## ▶ STRONG PRESENCE IN THE SOUTH

As of Dec 2018 - 616 branches. 552 branches are located in South India out of which 426 in Tamil Nadu



State	No. of Branches	% of Deposits	% of Advances	% of Business
Tamilnadu	426	77	64	71
Andhrapradesh	39	3	8	5
Telangana	30	3	6	5
Karnataka	36	7	5	6
Maharashtra	20	3	3	3
Kerala	16	2	3	2
Gujarat	12	1	4	2
Others	37	4	7	6
<b>Total</b>	<b>616</b>			

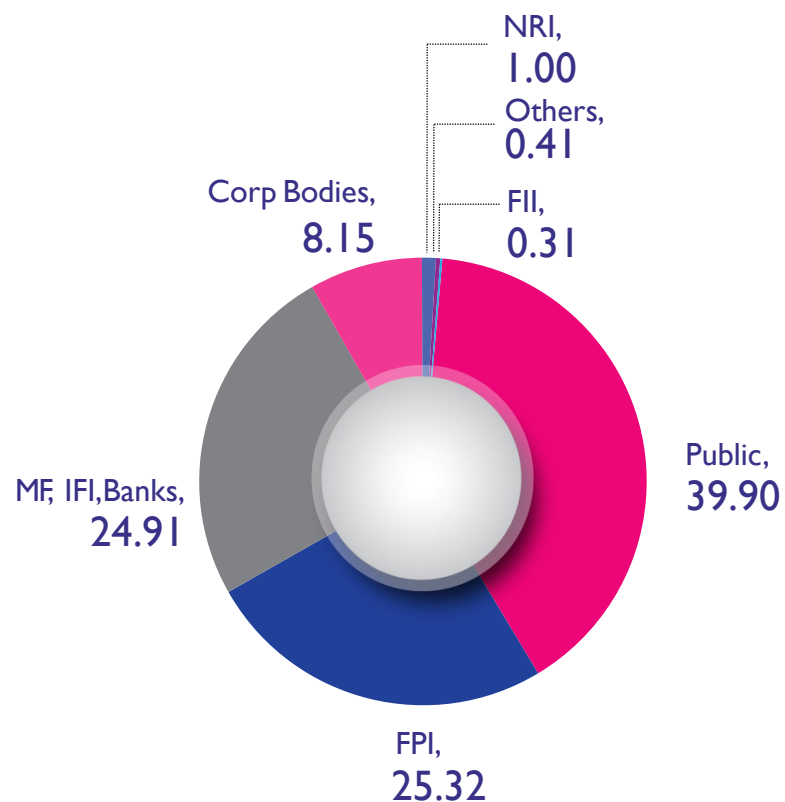


# SHAREHOLDING PATTERN

SHAKEHOLDING PATTERN

# A WELL DIVERSIFIED INVESTOR BASE

Position as on 31-Dec-2018

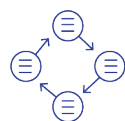


## Major Institutional Shareholders

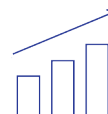
SHAREHOLDERS	HOLDING %
HDFC Midcap Opportunities Fund	4.40
Life Insurance Corporation of India	3.68
Smallcap World Fund INC (Capital Group)	3.41
GKFF Ventures (Argonaut Ventures)	2.78
HDFC Standard Life Insurance Co. Ltd.	2.18
Franklin Templeton Mutual Fund	1.32
DSP Blackrock Midcap Fund	1.29
Aberdeen Global – Asian Smaller Comp Fund	1.28
Wasatch Core Growth Fund	1.28
TVF Fund Ltd	1.26
Bank Muscat India Fund	1.24
Faering Capital India Evolving Fund	1.10



Well diversified ownership of shareholders around 97,000 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 ... 14.37%

# CORPORATE GOVERNANCE

СОРКОРПОРАТИВНО ГОСЛАВЛЕНИЕ

## ▶ A WELL EXPERIENCED AND STRONG BOARD



**Shri. S. Mahalingam | B.Com (Honours), FCA  
Independent Part-time Chairman**

Mr. S. Mahalingam retired as CFO and ED of Tata Consultancy Services and was involved in myriad aspects of the company's operation and growth. He is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India. He is serving as Non Executive Part Time Independent Chairman w.e.f. 04.05.2016



**Prof. V. Kamakoti | BE., M.S. Phd.  
Director**

Dr. Veezhinathan Kamakoti holds a Bachelor of Engineering and Ph.D. in Computer Science. His forte is Information Technology related Secured Systems Engineering and Security related Software Engineering.



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

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



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

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



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

Mr. 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.



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

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



**Shri. R. Mohan | B.Sc., MBA, CAIIB  
Director**

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



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

Mr. M. Narayanan is a practising 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.



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

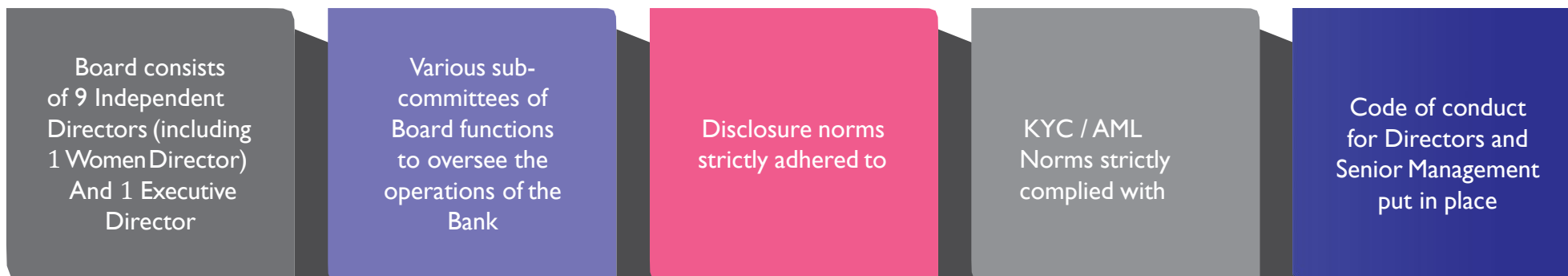
Mr. Subramaniam Narayanan possesses rich experience in the area of Finance, Accountancy and Portfolio Managerial Operations in Security Market. He has held the position of CEO of First India Asset Management Co. Ltd. and handled Treasury services for Bank of America and Abu Dhabi Commercial Bank, UAE.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



**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.

## ▶ TRANSPARENT ‘CORPORATE GOVERNANCE’ PRACTICES



## WE HAVE EMINENT PERSONALITIES ON OUR BOARD

Chairman – Chartered Accountant - Retd. CFO & ED from Tata Consultancy Services	Professor of IIT, Chennai	Career Banker with 4 Decades of banking experience
Chartered Accountant & First Women Director of the Bank	Practising Chartered Accountant	Practising Chartered Accountant
Private Equity Fund Manager	Practising Advocate	Retired IAS Officer

## CITY UNION BANK LTD.

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

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