



# INVESTOR PRESENTATION

DECEMBER 2022

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December 2022



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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 31.12.2022



Deposits  
**INR 49,997 CR**



Advances  
**INR 43,009 CR**



Net Interest Margin  
**3.97%**



Net NPA  
**2.67%**



Employees  
**5,655**



Branches  
**752**

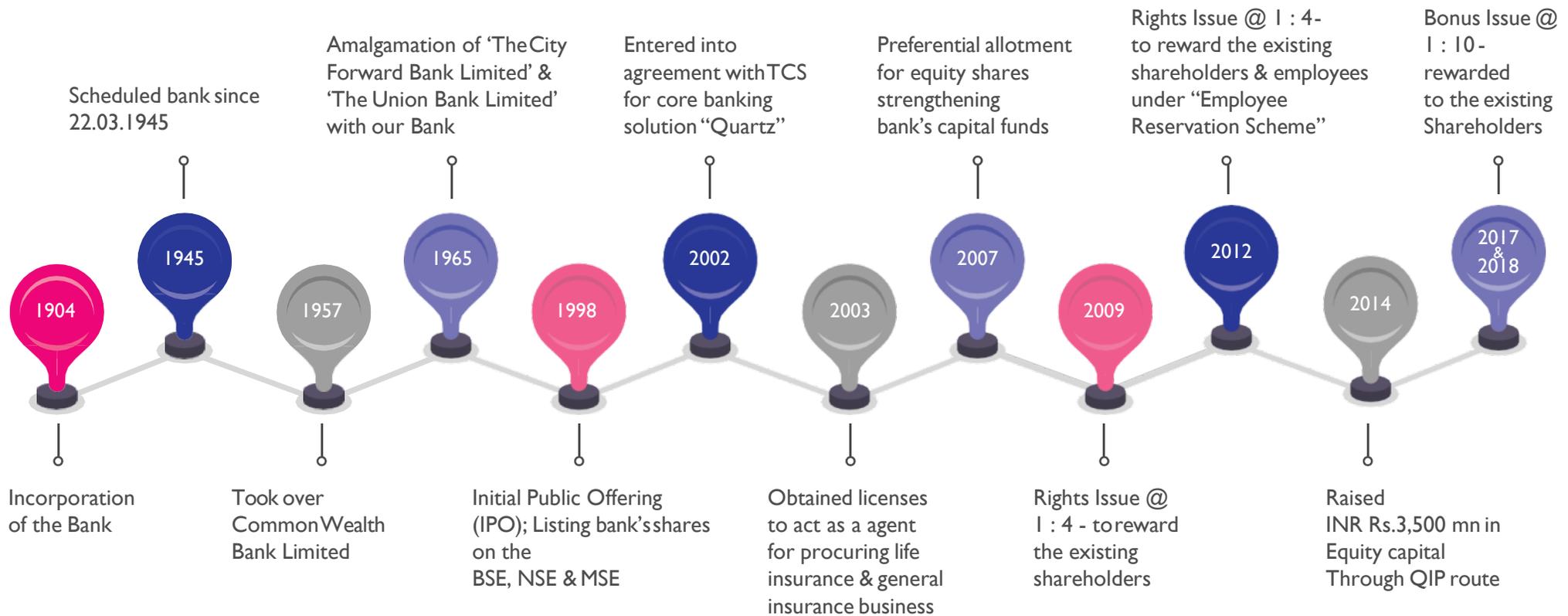


ATM's  
**1,681**



Efficiency Ratio  
**38.12%**

## ▶ 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 15%

Consistent Return with Superior ROA, ROE

## ▶ COMPETITIVE ADVANTAGES

### NETWORK

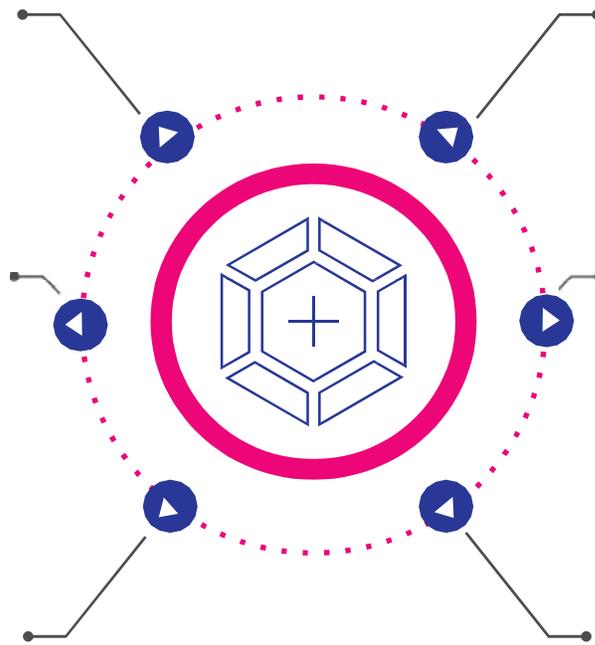
Pan India presence with 752 branches ◀  
Strong presence in South India (669 branches) ◀  
of which 519 are in Tamil Nadu alone

### ADEQUATELY CAPITALISED

Strong Capital Adequacy ratio of 20.47% ◀  
out of which Tier I constitutes 19.41%

### MSME / TRADING PORTFOLIO

Trading and MSME loan segments constitute ◀  
about 50% of advances



### STRONG TRACK RECORD

- ▶ Continuous profitability and dividend payout in all 115+ years of operations
- ▶ Business growth of 15% 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 115+ years

### DIVERSIFIED ASSET PROFILE

- ▶ Granular asset profile with advances to top 20 group borrowers contributing around 7%
- ▶ 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 – DECEMBER 2022

PERFORMANCE HIGHLIGHTS – DECEMBER 2022

## ▶ Q3 FY 23 / 9M FY 23 PERFORMANCE – A SNAPSHOT

- ▶ Deposits increased by 7% from Rs.467 Bn to Rs.500 Bn Y-o-Y
- ▶ Advances registered a growth of 12% from Rs.384 Bn to Rs.430 Bn Y-o-Y
- ▶ Total business grown by 9% from Rs.851 Bn to Rs.930 Bn Y-o-Y
- ▶ Gross Profit increased by 35% to Rs.4,973 Mn from Rs.3,696 Mn (Q3-Vs-Q3) & by 21% to Rs.14,009 Mn from Rs.11,555 Mn (9M FY 23 vs 9M FY 22)
- ▶ Net Profit increased by 11% from Rs.1,961 Mn to Rs.2,178 Mn (Q3-Vs-Q3) & by 31% from Rs.5,512 Mn to Rs.7,194 Mn (9M FY 23 vs 9M FY 22)

PARTICULARS	Q3 FY 23	Q3 FY 22	9M FY 23	9M FY 22	FY 2021-22
Return on Assets	1.34%	1.36%	1.51%	1.32%	1.35%
Net Interest Margin	3.88%	4.00%	3.97%	3.97%	3.98%
Return on Equity	12.21%	12.49%	13.90%	12.06%	12.31%
Earning per share	Rs.2.94	Rs.2.65	Rs.9.73	Rs.7.46	Rs.10.29

- ▶ Gross NPA – 4.62% and Net NPA – 2.67%
- ▶ Provision Coverage Ratio – 67 %
- ▶ CRAR – 20.47% (Basel III) of which core CRAR – 19.41%

## ▶ Q3 FY 23 VS Q3 FY 22 PERFORMANCE – A SNAPSHOT

(in INR Mn)

499,974



7%

467,217

Deposits

430,087



12%

383,871

Advances

930,061



9%

851,088

Total Business

146,055



5%

139,184

CASA

4,973



35%

3,696

Gross Profit

2,178



11%

1,961

Net Profit

5,557



13%

4,900

Net Interest  
Income

36.24%



43.13%

Cost to Income

1.34%

ROA

12.21%

ROE

3.88%

NIM

4.62%

Gross NPA

2.67%

Net NPA

■ Q3 FY 23 ■ Q3 FY 22

## ▶ 9M FY 23 VS 9M FY 22 PERFORMANCE – A SNAPSHOT

(in INR Mn)

499,974



7%

467,217

Deposits

430,087



12%

383,871

Advances

930,061



9%

851,088

Total Business

146,055



5%

139,184

CASA

14,009



21%

11,555

Gross Profit

7,194



31%

5,512

Net Profit

16,485



16%

14,158

Net Interest  
Income

38.12%



41.41%

Cost to Income

1.51%

ROA

13.90%

ROE

3.97%

NIM

4.62%

Gross NPA

2.67%

Net NPA

■ 9M FY 23

■ 9M FY 22

## ► FY 2022 VS FY 2021 PERFORMANCE – A SNAPSHOT

(in INR Mn)

**476,897**



7%

**445,373**

**Deposits**

**411,560**



11%

**370,206**

**Advances**

**888,457**



9%

**815,579**

**Total Business**

**155,294**



20%

**129,814**

**CASA**

**15,953**



9%

**14,678**

**Gross Profit**

**7,602**



28%

**5,928**

**Net Profit**

**19,165**



5%

**18,297**

**Net Interest  
Income**

**40.37%**



**41.72%**

**Cost to Income**

**1.35%**

**ROA**

**12.31%**

**ROE**

**3.98%**

**NIM**

**4.70%**

**Gross NPA**

**2.95%**

**Net NPA**

■ FY 22

■ FY 21

# FINANCIAL PERFORMANCE & BUSINESS PROFILE

FINANCIAL PERFORMANCE & BUSINESS PROFILE

## ▶ Q3 FY 23 VS Q3 FY 22 PERFORMANCE - A SNAPSHOT

(in INR Mn)

### FINANCIAL PERFORMANCE

PARTICULARS	Q3 FY 23	Q3 FY 22	INC / (DEC)	Growth	Growth %	Q2 FY 23
Deposits	499,974	467,217		32,757	7%	498,776
Advances	430,087	383,871		46,216	12%	427,016
Total Business	930,061	851,088		78,973	9%	925,792
Term Deposits	353,919	328,033		25,886	8%	342,683
Demand Deposits	40,128	41,261		-1,133	--	43,536
Saving Deposits	105,927	97,923		8,004	8%	112,558
CASA	146,055	139,184		6,871	5%	156,094
Gross NPA	19,887	19,986				18,618
Net NPA	11,245	12,959				11,287
Gross NPA (%)	4.62%	5.21%				4.36%
Net NPA (%)	2.67%	3.44%				2.69%
C R A R (BASEL – III)	20.47%	19.39%				20.08%
- Of which Tier I	19.41%	18.34%				19.02%
CD Ratio	86%	82%				86%
PCR	67%	62%				66%

## ▶ Q3 FY 23 VS Q3 FY 22 PERFORMANCE - A SNAPSHOT

(in INR Mn)

### FINANCIAL PERFORMANCE

PARTICULARS	Q3 FY 23	Q3 FY 22	INC / (DEC)	Growth %	Q2 FY 23
Net Interest Income	5,557	4,900	657	13%	5,679
Other Income	2,243	1,600	643	40%	1,735
Operating Expenses	2,827	2,804	23	1%	2,849
Gross Profit	4,973	3,696	1,277	35%	4,565
Provisions & Contingencies	2,795	1,735	1,060	61%	1,800
Net Profit	2,178	1,961	217	11%	2,765
Return on Assets	1.34%	1.36%			1.72%
Return on Equity	12.21%	12.49%			15.98%
Net Interest Margin	3.88%	4.00%			4.09%

## ▶ 9M FY 23 VS 9M FY 22 PERFORMANCE - A SNAPSHOT

(in INR Mn)

### FINANCIAL PERFORMANCE

PARTICULARS	9M FY 23	9M FY 22	INC / (DEC)	Growth %
Net Interest Income	16,485	14,158	2,327	16%
Other Income	6,153	5,562	591	11%
Operating Expenses	8,629	8,165	464	6%
Gross Profit	14,009	11,555	2,454	21%
Provisions & Contingencies	6,815	6,043	772	13%
Net Profit	7,194	5,512	1,682	31%
Return on Assets	1.51%	1.32%		
Return on Equity	13.90%	12.06%		
Net Interest Margin	3.97%	3.97%		

## ► FY 22 VS FY 21 PERFORMANCE - A SNAPSHOT

(in INR Mn)

### FINANCIAL PERFORMANCE

PARTICULARS	FY 2022	FY 2021	INC / (DEC)	Growth	Growth %
Deposits	476,897	445,373		31,524	7%
Advances	411,560	370,206		41,354	11%
Total Business	888,457	815,579		72,878	9%
Demand Deposits	46,193	37,537		8,656	23%
Saving Deposits	109,101	92,277		16,824	18%
CASA	155,294	129,814		25,480	20%
Gross NPA	19,332	18,932			
Net NPA	11,911	10,752			
Gross NPA (%)	4.70%	5.11%			
Net NPA (%)	2.95%	2.97%			
C R A R (BASEL – III)	20.85%	19.52%			
- Of which Tier I	19.78%	18.45%			
CD Ratio	86%	83%			
PCR	64%	64%			

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

(in INR Mn)

### FINANCIAL PERFORMANCE

PARTICULARS	FY 21-22	FY 20-21	INC / (DEC)	Growth %
Net Interest Income	19,165	18,297	868	5%
Other Income	7,591	6,887	704	10%
Operating Expenses	10,803	10,506	297	3%
Gross Profit	15,953	14,678	1,275	9%
Provisions & Contingencies	8,351	8,750	-399	-4%
Net Profit	7,602	5,928	1,674	28%
Return on Assets	1.35%	1.15%		
Return on Equity	12.31%	10.73%		
Net Interest Margin	3.98%	4.00%		

## ► PROVISIONS & CONTINGENCIES – BREAKUP

(in INR Mn)

PARTICULARS	Q3 FY 23	Q3 FY 22	9M FY 23	9M FY 22	FY 21-22
Provision for:					
- Tax	550	500	2,000	1,650	2,250
- Bad Debts	2,700	875	5,150	4,385	5,535
- Covid 19	(250)	300	(130)	(530)	- 80
- Standard Assets	(150)	10	(150)	450	550
- Restructuring / FITL	-	-	-	108	107
- Others	(55)	50	(55)	(20)	- 11
<b>Total</b>	<b>2,795</b>	<b>1,735</b>	<b>6,815</b>	<b>6,043</b>	<b>8,351</b>

## ▶ Q3 FY 23 VS Q3 FY 22 – INCOME AND EXPENSES BREAKUP

(in INR Mn)

### INTEREST INCOME BREAKUP

PARTICULARS	Q3 FY 23	Q3 FY 22	Growth %
Interest on Loans	9,695	8,646	12%
Interest on Investments	2,168	1,656	31%
Other Interest Income	193	51	283%
<b>Total Interest Income</b>	<b>12,056</b>	<b>10,353</b>	<b>16%</b>

### INTEREST EXPENSES BREAKUP

PARTICULARS	Q3 FY 23	Q3 FY 22	Growth %
Int Exp on Deposits	5,732	5,272	9%
Other Int Expenses	767	181	324%
<b>Total Interest Expenses</b>	<b>6,499</b>	<b>5,453</b>	<b>19%</b>

### OTHER INCOME BREAKUP

PARTICULARS	Q3 FY 23	Q3 FY 22	Growth %
CEB & Charges	803	721	11%
Treasury Income	353	410	-14%
Other Inc incl recoveries in written off a/cs	1,087	469	132%
<b>Total Other Income</b>	<b>2,243</b>	<b>1,600</b>	<b>40%</b>

### OPERATING EXPENSES BREAKUP

PARTICULARS	Q3 FY 23	Q3 FY 22	Growth %
Employee Cost	1,268	1,338	-5%
Other Operating Expenses	1,559	1,466	6%
<b>Total Expenses</b>	<b>2,827</b>	<b>2,804</b>	<b>1%</b>

## ▶ 9M FY 23 VS 9M FY 22 – INCOME AND EXPENSES BREAKUP

(in INR Mn)

### INTEREST INCOME BREAKUP

PARTICULARS	9M FY 23	9M FY 22	Growth %
Interest on Loans	28,266	25,838	9%
Interest on Investments	6,197	4,560	36%
Other Interest Income	400	150	166%
<b>Total Interest Income</b>	<b>34,863</b>	<b>30,548</b>	<b>14%</b>

### INTEREST EXPENSES BREAKUP

PARTICULARS	9M FY 23	9M FY 22	Growth %
Int Exp on Deposits	16,453	16,044	3%
Other Int Expenses	1,924	346	456%
<b>Total Interest Expenses</b>	<b>18,377</b>	<b>16,390</b>	<b>12%</b>

### OTHER INCOME BREAKUP

PARTICULARS	9M FY 23	9M FY 22	Growth %
CEB & Charges	2,452	2,133	15%
Treasury Income	1,017	1,958	-48%
Other Inc incl recoveries in written off a/cs	2,684	1,471	82%
<b>Total Other Income</b>	<b>6,153</b>	<b>5,562</b>	<b>11%</b>

### OPERATING EXPENSES BREAKUP

PARTICULARS	9M FY 23	9M FY 22	Growth %
Employee Cost	4,007	3,900	3%
Other Operating Expenses	4,622	4,265	8%
<b>Total Expenses</b>	<b>8,629</b>	<b>8,165</b>	<b>6%</b>

## ► FY 22 VS FY 21 – INCOME AND EXPENSES BREAKUP

(in INR Mn)

### INTEREST INCOME BREAKUP

PARTICULARS	FY 2022	FY 2021	Growth %
Interest on Loans	34,540	35,078	-2%
Interest on Investments	6,305	5,828	8%
Other Interest Income	203	441	-54%
<b>Total Interest Income</b>	<b>41,048</b>	<b>41,347</b>	<b>-1%</b>

### INTEREST EXPENSES BREAKUP

PARTICULARS	FY 2022	FY 2021	Growth %
Int Exp on Deposits	21,197	22,348	-5%
Other Int Expenses	686	703	-2%
<b>Total Interest Expenses</b>	<b>21,883</b>	<b>23,051</b>	<b>-5%</b>

### OTHER INCOME BREAKUP

PARTICULARS	FY 2022	FY 2021	Growth %
CEB & Charges	2,920	2,616	12%
Treasury Income	2,461	3,093	-20%
Other Inc incl recoveries in written off a/cs	2,210	1,178	88%
<b>Total Other Income</b>	<b>7,591</b>	<b>6,887</b>	<b>10%</b>

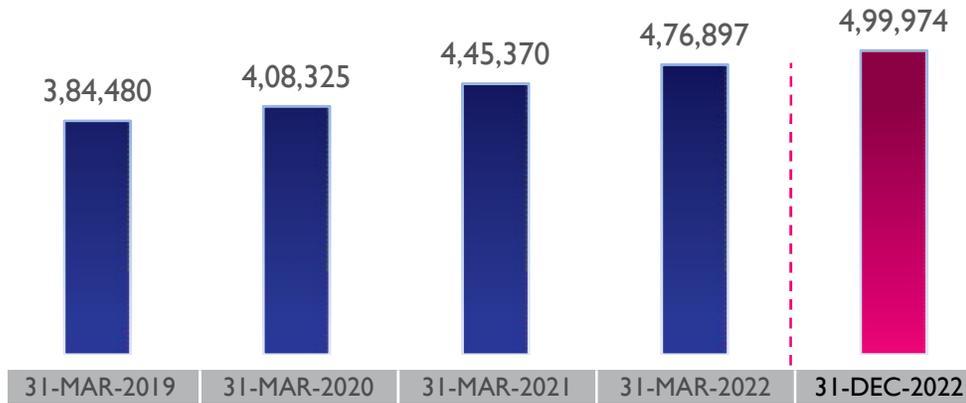
### OPERATING EXPENSES BREAKUP

PARTICULARS	FY 2022	FY 2021	Growth %
Employee Cost	5,036	4,637	9%
Other Operating Expenses	5,767	5,869	-2%
<b>Total Operating Expenses</b>	<b>10,803</b>	<b>10,506</b>	<b>3%</b>

## ▶ STRONG DEPOSITS AND ADVANCES GROWTH

(in INR Mn)

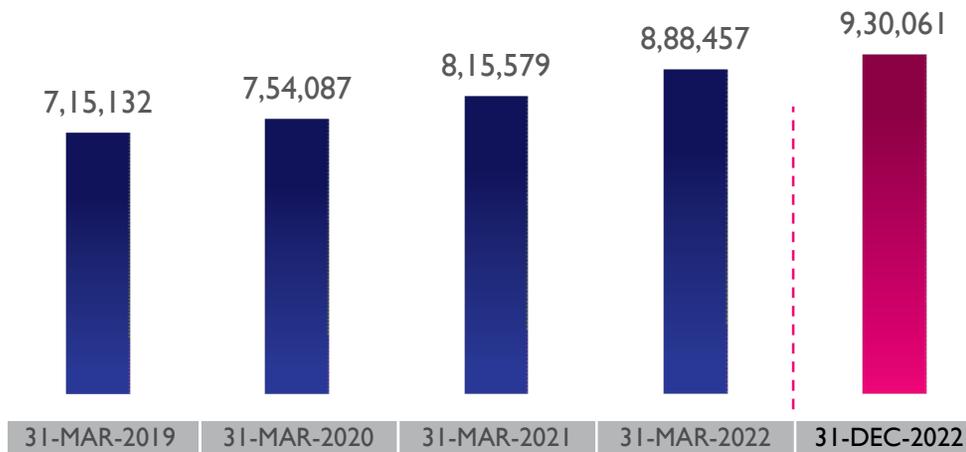
### DEPOSITS



### ADVANCES



### BUSINESS



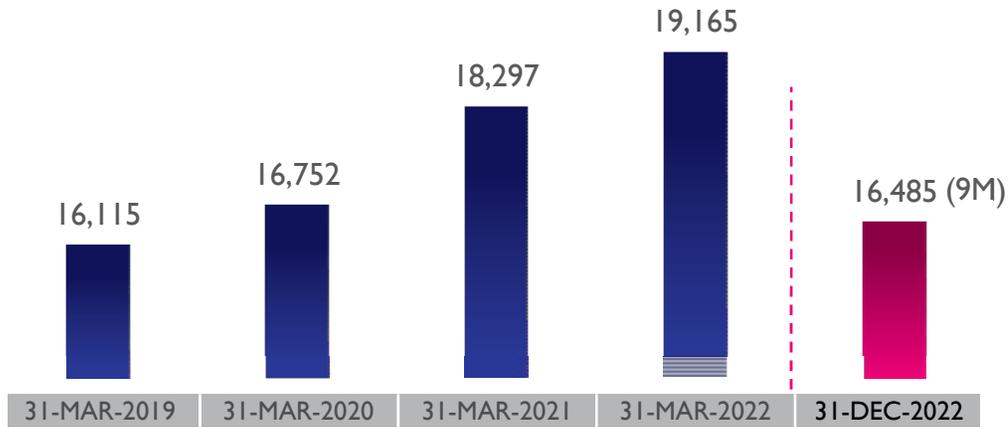
### CASA



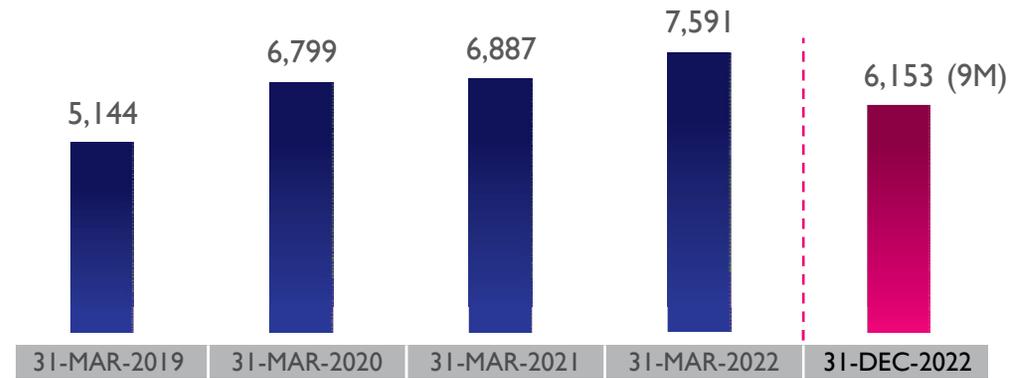
## ▶ INCOME GROWTH OVER THE YEARS...

(in INR Mn)

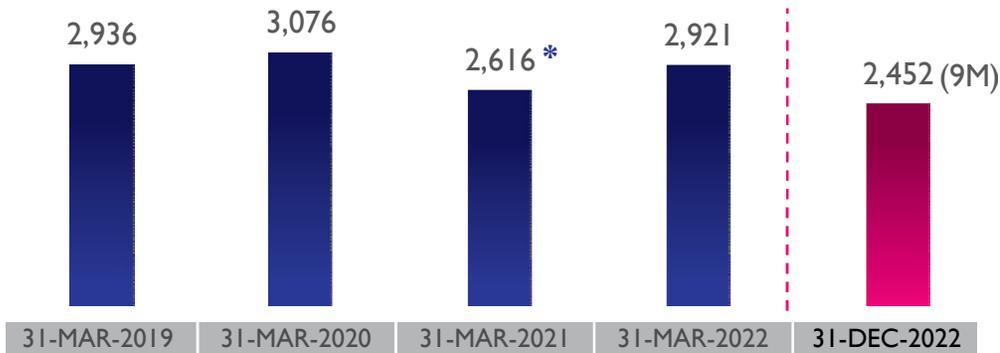
### NET INTEREST INCOME GROWTH



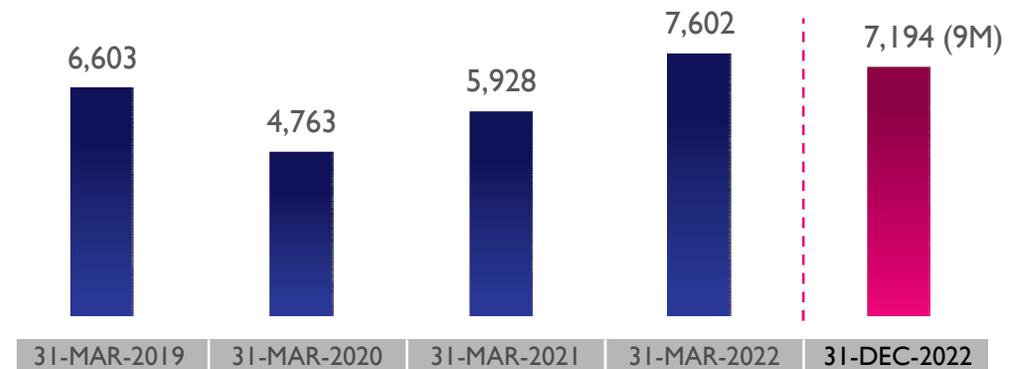
### OTHER INCOME GROWTH



### CEB GROWTH



### NET PROFIT GROWTH



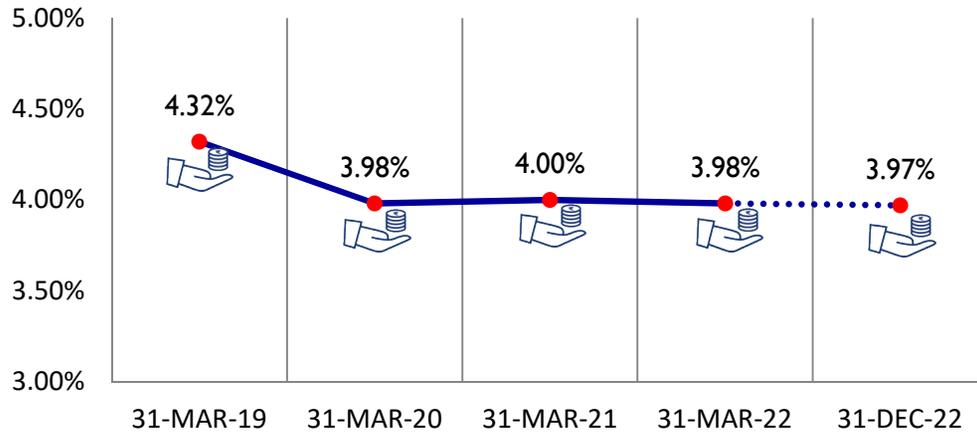
\* Decline in CEB income during FY 20-21 mainly due to restriction by Finance Ministry for waiver of service charges at the time of COVID first wave

## ▶ KEY BUSINESS INDICATORS

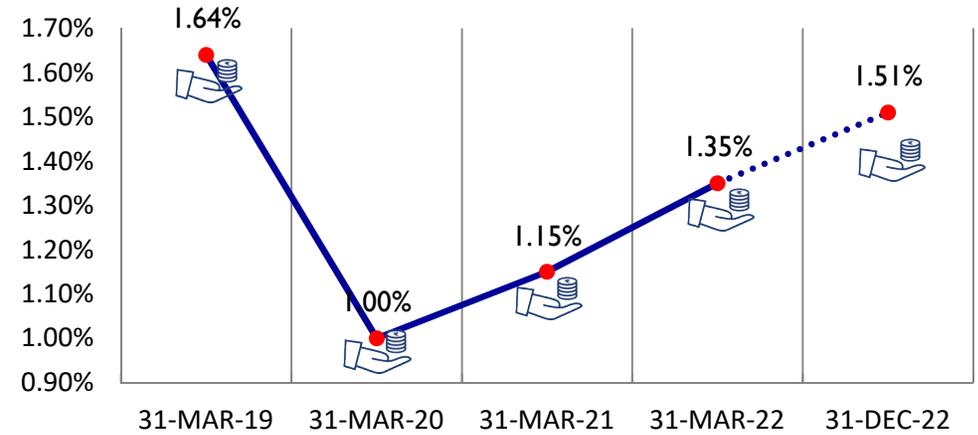
PARTICULARS	Q3 FY 23	Q3 FY 22	9M FY 23	9M FY 22	FY 21-22
Cost of Deposits	4.62%	4.58%	4.52%	4.72%	4.68%
Yield on Advances	9.16%	9.29%	9.20%	9.39%	9.36%
Yield on Investments	5.91%	5.76%	5.86%	5.71%	5.71%
Net Interest Margin	3.88%	4.00%	3.97%	3.97%	3.98%
Cost to Income	36.24%	43.13%	38.12%	41.41%	40.37%
Cost of Funds	3.99%	3.78%	3.85%	3.93%	3.88%
Yield of Funds	7.41%	7.18%	7.30%	7.33%	7.28%
Per Employee Business (in INR Mn)	164.47	155.50	164.47	155.50	165.45
Per Employee Profit (in INR Mn) (Ann)	1.54	1.44	1.70	1.34	1.42
EPS in INR - FV INR Re./- share (Not Ann)	2.94	2.65	9.73	7.46	10.29

## ▶ KEY BUSINESS RATIOS – YEARLY TRENDS

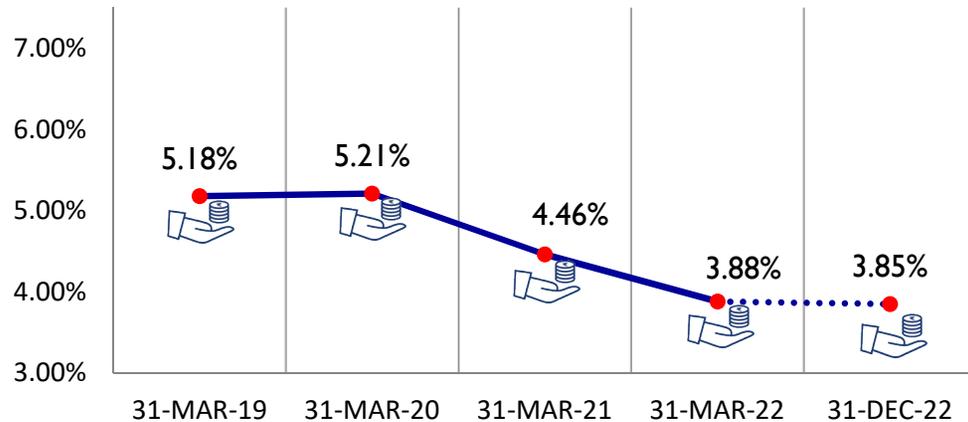
### NET INTEREST MARGIN



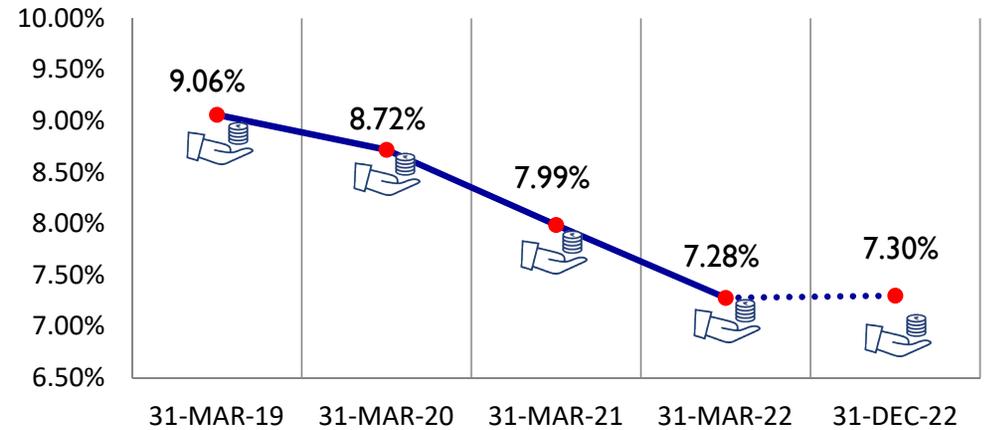
### RETURN ON ASSETS



### COST OF FUNDS

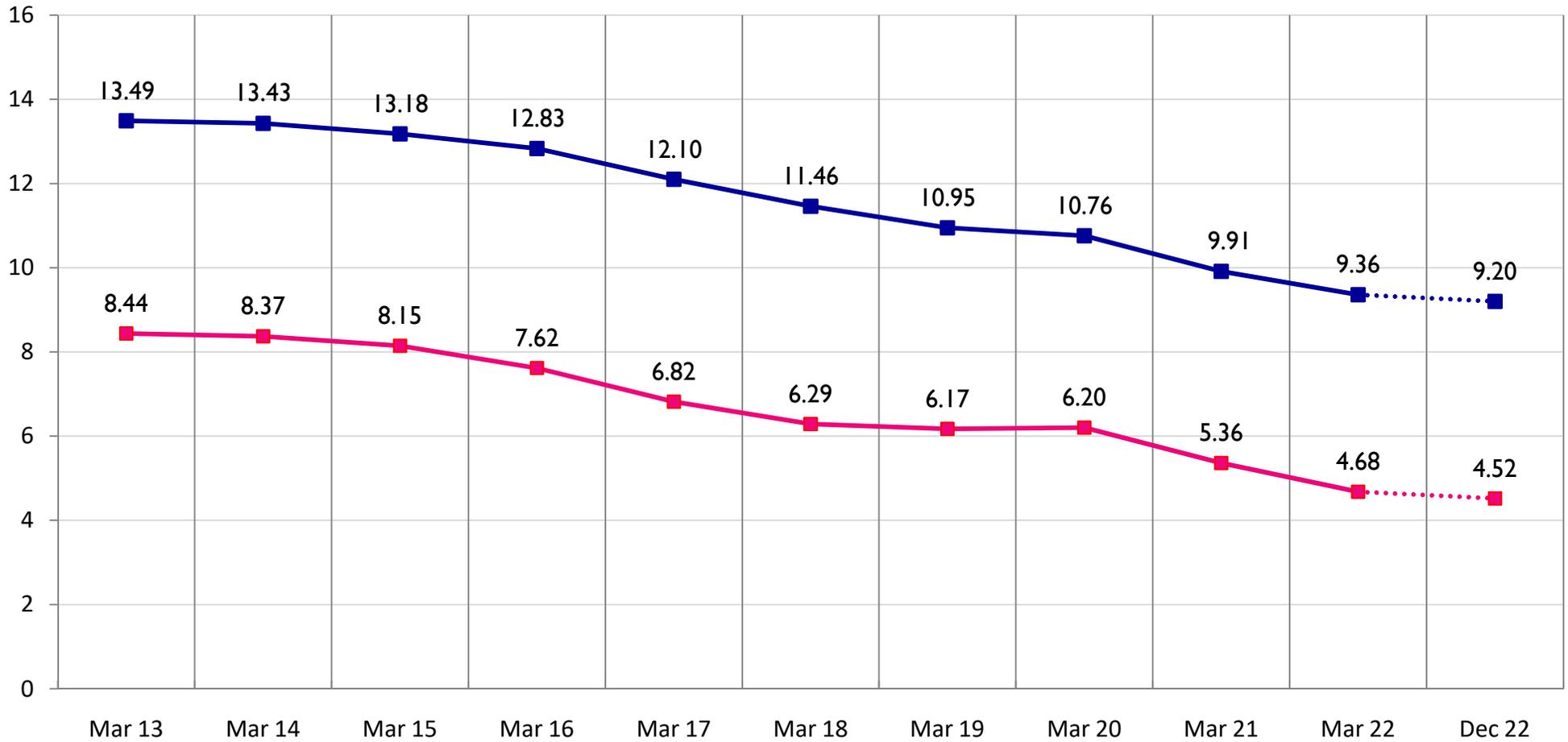


### YIELD ON FUNDS



## ▶ COST OF DEPOSITS & YIELD ON ADVANCES

(in %)

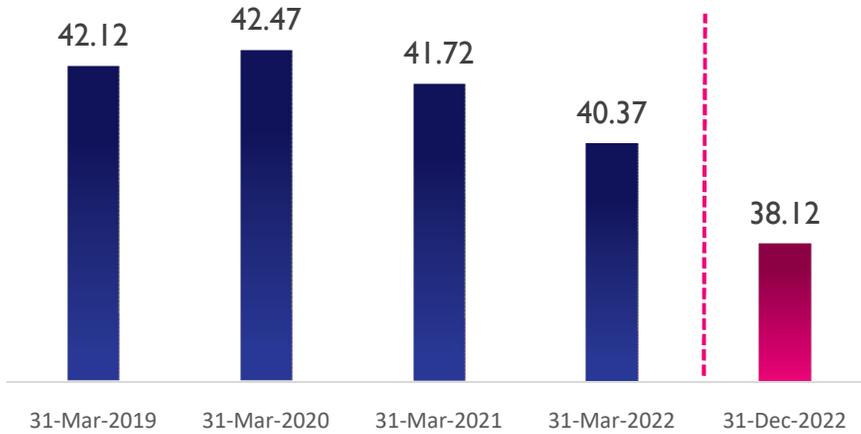


Spread between cost of deposits and yield on advances of our bank maintained in the last 10 years

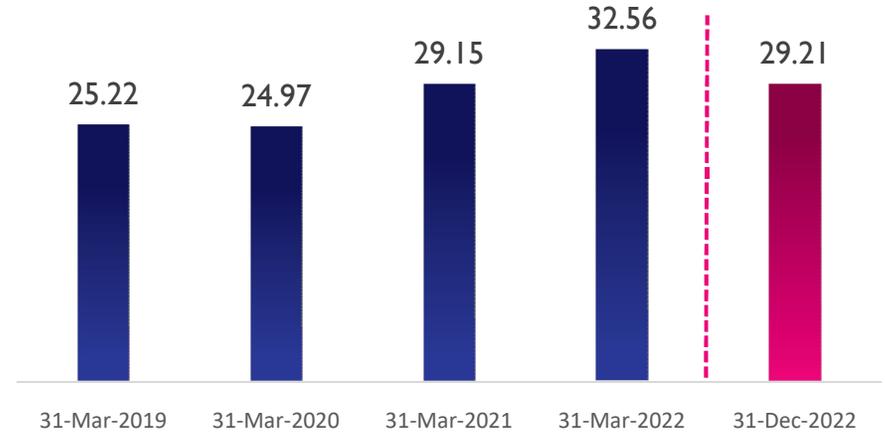
— Yield on Advances  
— Cost of Deposits

## ▶ EFFICIENCY

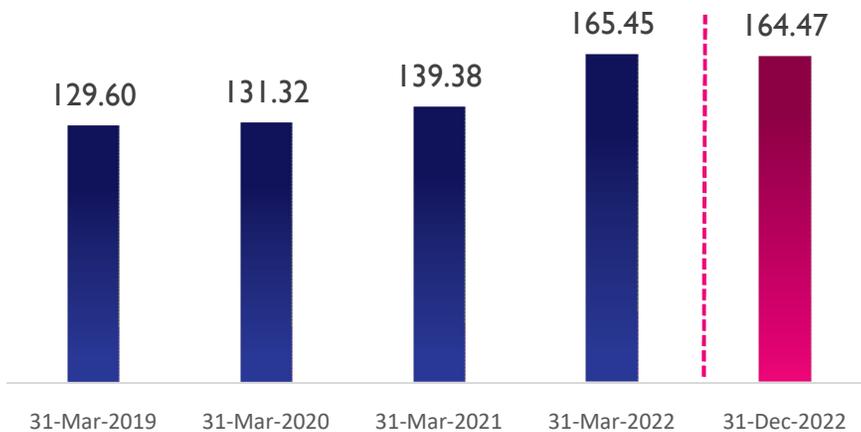
### COST INCOME RATIO (%)



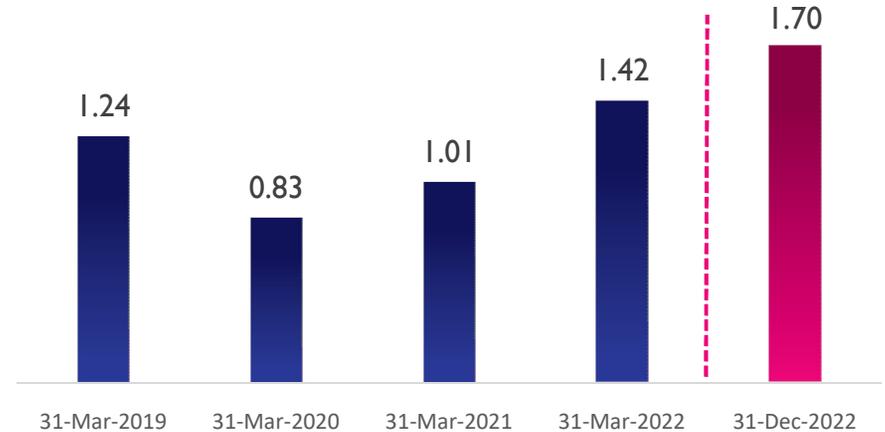
### CASA RATIO (%)



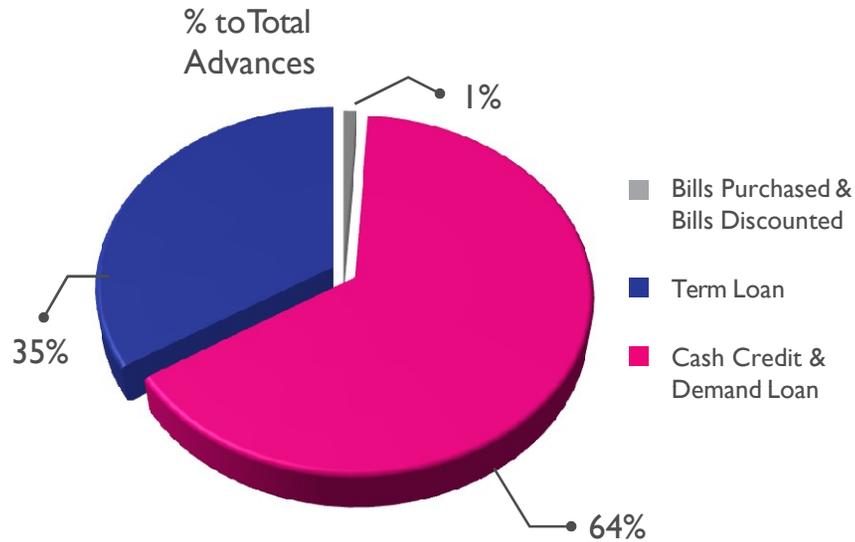
### BUSINESS PER EMPLOYEE (in INR Mn)



### PROFIT PER EMPLOYEE (in INR Mn)



## ▶ LOAN BOOK – PRODUCTS COMPOSITION



Working capital loans yielding higher interest constitute 64% of advances

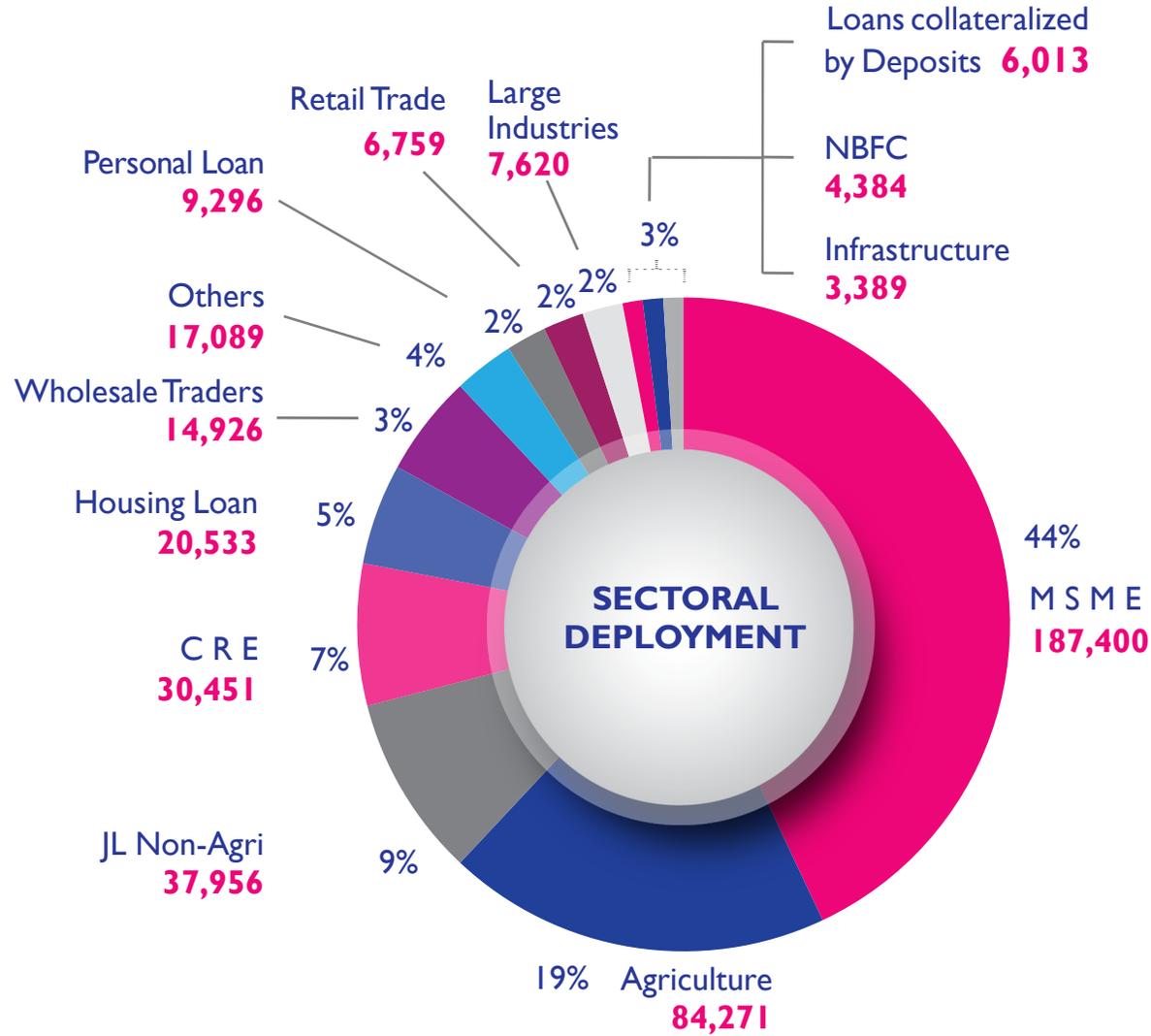


Re-pricing possible at short intervals thus reducing interest rate risk

Loan Book Products Composition	Amount (INR Mn)	% to Total Advances
Cash Credit & Demand Loan	275,113	64%
Term Loan	153,361	35%
Bills Purchased & Bills Discounted	1,613	1%
<b>Gross Loan Total</b>	<b>430,087</b>	<b>100%</b>

# ▶ LOAN BOOK SECTORAL DEPLOYMENT – POSITION AS ON 31.12.2022

(in INR Mn)



## ▶ LOAN BOOK SECTORAL DEPLOYMENT – POSITION AS ON 31.12.2022

(in INR Mn)

### SECURED & UNSECURED ADVANCES

Particulars	Amount (INR Mn)	(%)
Secured Loans	427,660	99%
Unsecured Loans	2,427	1%
<b>Total</b>	<b>430,087</b>	<b>100%</b>



Trading & MSME loans constitute 50% of loan portfolio



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



Unsecured Advances aggregate to 1%

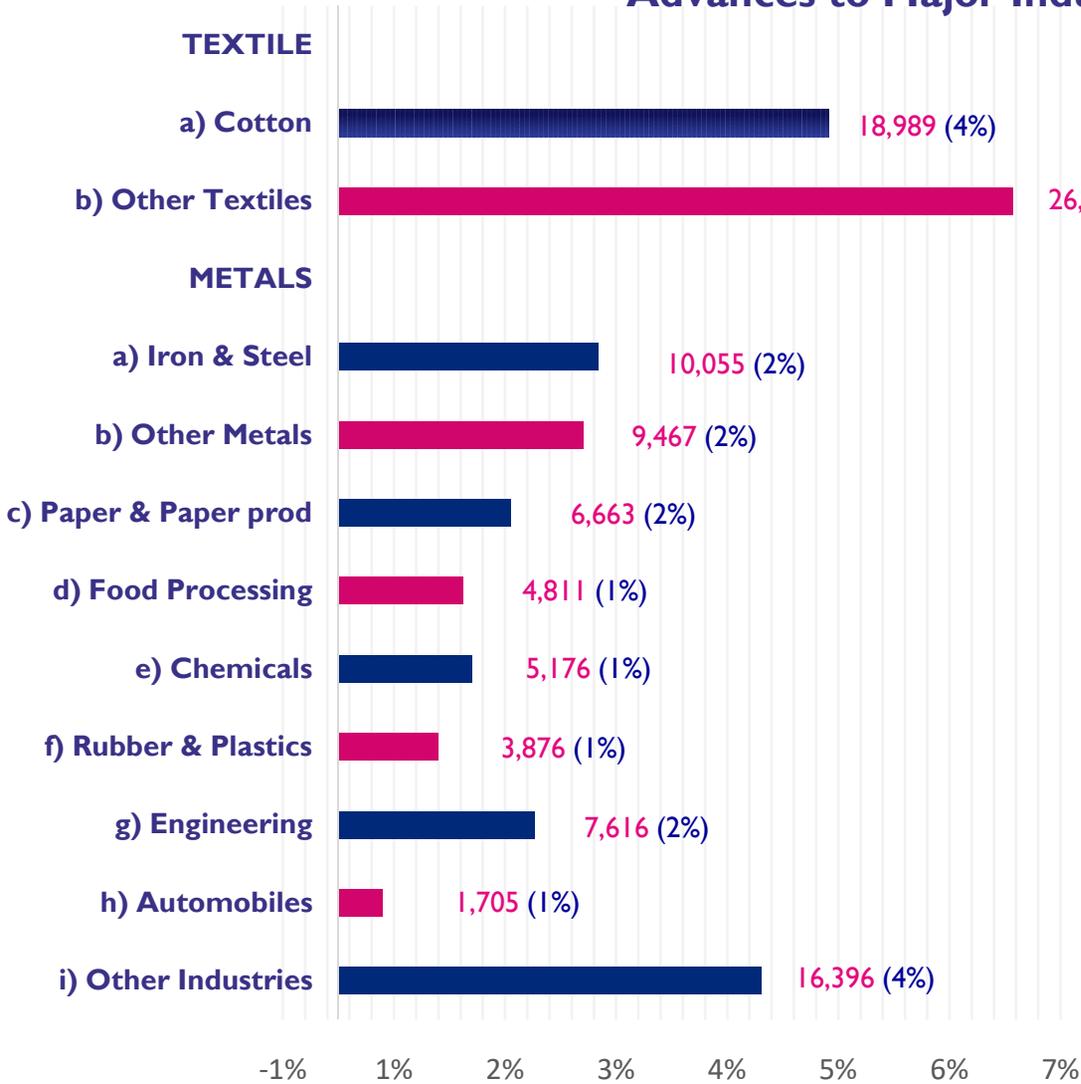


Total Jewel Loan outstanding as on 31.12.2022 – Rs.107,239 Mn

# Loan Book – Advances to Major Industries

(in INR Mn)

## Advances to Major Industries 31<sup>st</sup> December 2022



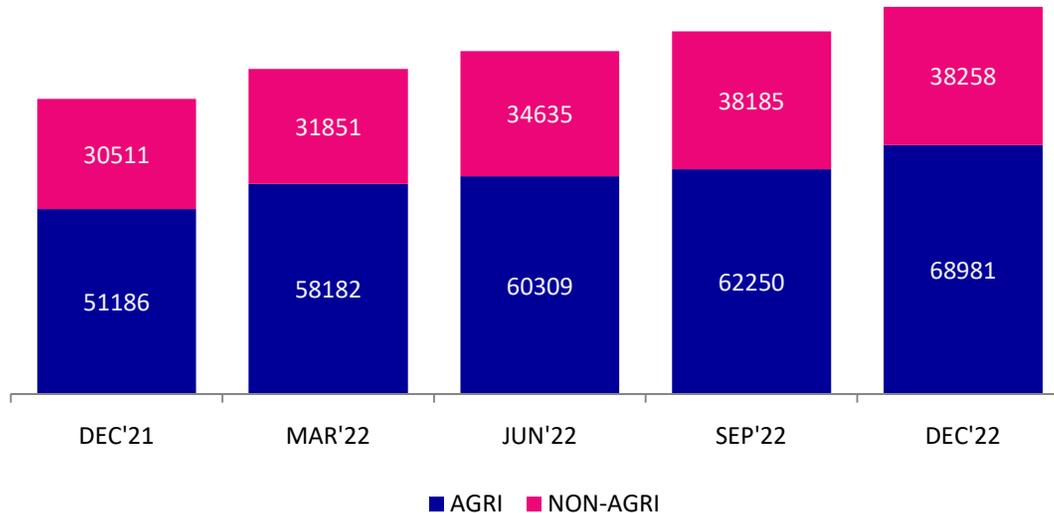
Industry Name	Amount (in INR Mn)	% to Total Advances
Advances to Major Industries	110,864	26%
All other advances (Agri, Trade, Service, Gold Loan, etc.)	319,223	74%
<b>Total Gross Advances</b>	<b>430,087</b>	<b>100%</b>

## ▶ LOAN BOOK - DRIVER TO GROWTH – Q3 FY 23

- ✓ During the last few quarters, we have given more thrust to Gold Loans which is increased by 31% from Rs.81,697 Mn in Q3 FY 22 to Rs.107,239 Mn in Q3 FY 23. Also, the % of Gold Loans portfolio to Gross Advances improved to 25%

(in INR Mn)

GOLD LOAN PORTFOLIO	Dec-22	Mar-22	Dec-21
Gold Loan – Agriculture	68,981	58,182	51,186
Gold Loan – Non-Agriculture	38,258	31,851	30,511
Total Gold Loans	107,239	90,033	81,697
Gross Advances	430,087	411,560	383,871
<b>% of Gold Loans to Gross Advances</b>	<b>25%</b>	<b>22%</b>	<b>21%</b>



Average LTV for Gold Loan at 68%

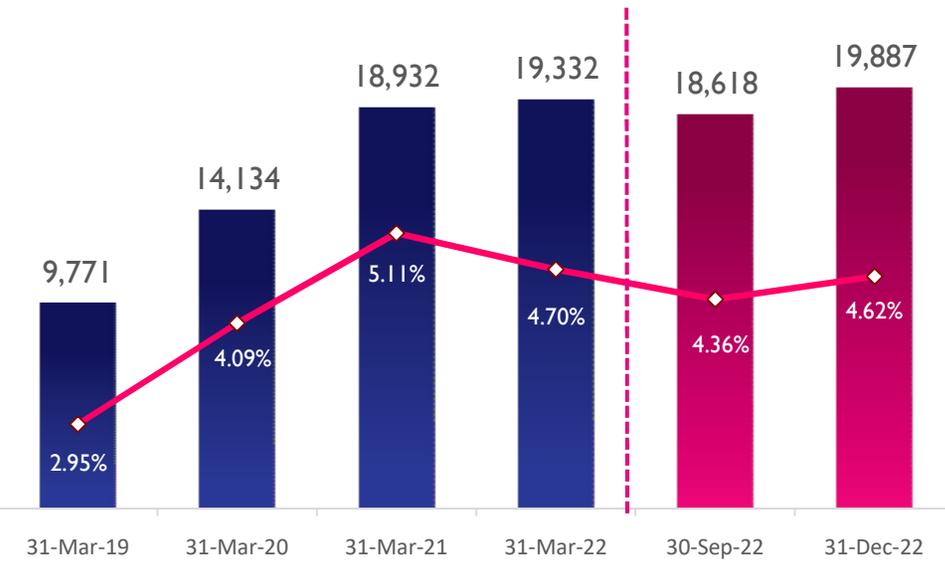


Y-o-Y growth in Gold Loan – 31%  
(Dec-22 Vs Dec-21)

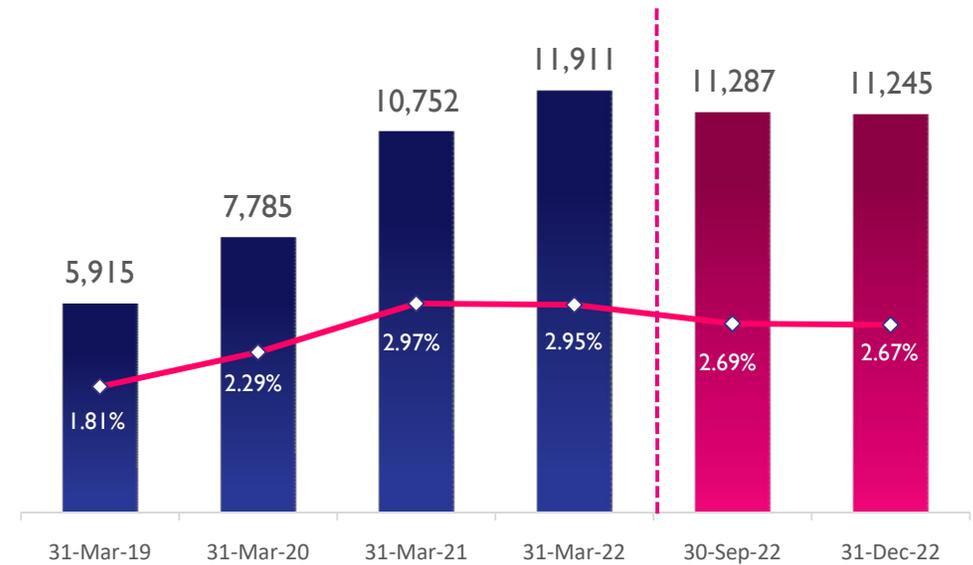
## ▶ ASSET QUALITY

(in INR Mn)

### GROSS NPA QTM & GROSS NPA %



### NET NPA QTM & NET NPA %



## ▶ ASSET QUALITY POSITION – MOVEMENT OVER THE YEARS

(In INR MN)		FY MAR-18	FY MAR-19	FY MAR-20	FY MAR-21	FY MAR-22	Q3 FY 23	9M FY 23
<b>NPA Opening balance</b>		<b>6,820</b>	<b>8,565</b>	<b>9,771</b>	<b>14,134</b>	<b>18,932</b>	<b>18,618</b>	<b>19,332</b>
Additions	A	5,749	6,322	11,104	11,131	12,757	4,391	9,708
Recovery made		1,623	1,980	1,644	1,950	4,424	1,339	3,665
Upgradations		433	496	1,358	264	1,638	394	1,560
NetAddition	B	3,693	3,846	8,102	8,917	6,695	2,658	4,483
Write-off		1,948	2,640	3,739	4,119	6,295	1,389	3,928
<b>NPA Closing balance</b>		<b>8,565</b>	<b>9,771</b>	<b>14,134</b>	<b>18,932</b>	<b>19,332</b>	<b>19,887</b>	<b>19,887</b>
Technical Write-off (TW) during the period		1,836	2,565	3,670	3,961	5,734	1,187	3,219
<b>Provision made during the period</b>	C	<b>3,030</b>	<b>2,700</b>	<b>6,310</b>	<b>5,990</b>	<b>5,535</b>	<b>2,700</b>	<b>5,150</b>
TW recovery	D	704	898	1,090	1,033	1,883	835	2,146
Provision made net of TW Recovery	E=C-D	<b>2,326</b>	<b>1,802</b>	<b>5,220</b>	<b>4,957</b>	<b>3,652</b>	<b>1,865</b>	<b>3,004</b>
GrossAdvance	F	2,82,386	3,30,652	3,45,762	3,70,205	411,560	430,087	430,087
<b>Additions % of GrossAdvance</b>	A / F	<b>2.04</b>	<b>1.91</b>	<b>3.21</b>	<b>3.01</b>	<b>3.10</b>	<b>1.02</b>	<b>2.26</b>
<b>NetAddition % of Gross Advance</b>	B / F	<b>1.31</b>	<b>1.16</b>	<b>2.34</b>	<b>2.41</b>	<b>1.63</b>	<b>0.62</b>	<b>1.04</b>
<b>Credit cost</b>	E / F	<b>0.82</b>	<b>0.54</b>	<b>1.51</b>	<b>1.34</b>	<b>0.89</b>	<b>0.43</b>	<b>0.70</b>
Gross NPA %		3.03	2.95	4.09	5.11	4.70	4.62	4.62
Net NPA %		1.70	1.81	2.29	2.97	2.95	2.67	2.67

## ▶ ASSET QUALITY – GOLD LOAN PORTFOLIO

(In INR MN)	No. of A/cs	Balance
<b>Gold Loan – Total</b>	<b>617,943</b>	<b>107,239</b>
Of which,		
- Standard Accounts	617,391	107,191
- N P A	552	48
<b>Gross NPA</b>		<b>19,887</b>
<b>% of Gold Loan NPA to Gold Loan Portfolio</b>		<b>0.04%</b>
<b>% of Gold Loan NPA to Gross NPA</b>		<b>0.24%</b>

## ▶ RESTRUCTURED ACCOUNTS

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

(In INR Mn)

Type of Restructuring	Dec-21		Mar-22		Jun-22		Sep-22		Dec-22	
	No. of Borrowers	Amt	No. of Borrowers	Amt	No. of Borrowers	Amt	No. of Borrowers	Amt	No. of Borrowers	Amt
MSME	314	15226	395	15032	356	13,595	319	12,940	280	11,024
Non – MSME	-	-	-	-	-	-	--	--	--	--
Covid-19 Resolution Framework	1563	6795	1518	6812	1474	6,742	1453	6,706	1378	6,278
<b>Total</b>	<b>1877</b>	<b>22021</b>	<b>1913</b>	<b>21844</b>	<b>1830</b>	<b>20,337</b>	<b>1772</b>	<b>19,646</b>	<b>1658</b>	<b>17,302</b>

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

▶ Restructured Standard Advances to Gross Advances – 4% as on Dec-22

▶ As of 31.12.2022, the total outstanding restructured Standard borrower accounts was 1658 in numbers and amounting to Rs.17,302 mn. The Bank hold a standard accounts provision wrt Restructured accounts to the tune of Rs.1,359 mn and Rs.464 mn towards erosion on fair value of accounts.

## ▶ SECURITY RECEIPTS

*During Q3 FY 23, we have not sold any accounts to ARC on SR basis*

### **Balance outstanding of Security Receipts wrt NPA sold to ARC**

Period ended	Amount (in INR Mn)
Mar-20	2474
Mar-21	1429
Mar-22	917
Jun-22	819
Sep-22	804
Dec-22	12

➤ *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.*

➤ *We had made significant recoveries from SR. Also, we we had written off SRs which had crossed the 8 year time limit to the tune of Rs.762 Mn and as a result, the total SRs outstanding as of 31.12.2022 is only Rs. 12 Mn*

## ▶ INVESTMENTS – AT A GLANCE

### Investments Breakup and Category wise

(in INR Mn)

Particulars	Dec 2022	Dec 2021
SLR Securities	143,633	118,657
Non-SLR Securities	919	2,143
<b>Total Investments</b>	<b>144,552</b>	<b>120,800</b>
Yield on Investments	<b>5.86%</b>	<b>5.72%</b>
<b>Investments Breakup:</b>		
- A FS	30,085 (21%)	18,150 (15%)
- HTM	114,467 (79%)	102,650 (85%)
- H FT	-	-
<b>Total Investments</b>	<b>144,552</b>	<b>120,800</b>
<b>Modified Duration:</b>		
- A FS	0.84	2.24
- HTM	4.20	4.26
- H FT	-	-
- Overall Portfolio	3.51	3.98

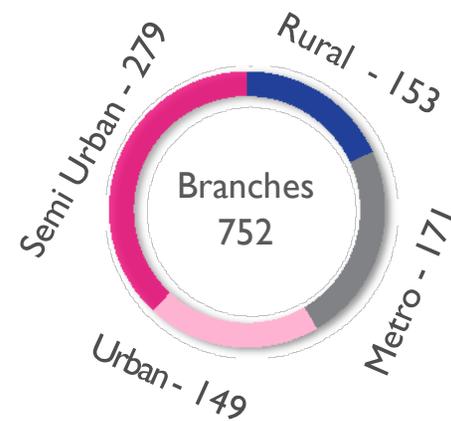
# BRANCH NETWORK

BRANCH NETWORK

## ▶ STRONG PRESENCE IN THE SOUTH

As of Dec 2022 - 752 branches. 669 branches are located in South India out of which 519 in Tamil Nadu. We have opened our 500<sup>th</sup> branch in Tamil Nadu.

State	No. of Branches	% of Deposits	% of Advances	% of Business
Tamilnadu	519	81	67	74
Karnataka	41	6	5	5
Andhrapradesh	49	2	7	5
Telengana	36	3	6	4
Maharashtra	20	3	3	3
Kerala	18	1	2	2
Gujarat	20	1	3	2
Others	49	3	7	5
<b>Total</b>	<b>752</b>			



# DIGITAL INITIATIVES

DIGITAL INITIATIVES



# New Digital Product Offerings

## Product Offerings

01

02

03

04

05



New Initiatives



Products



Technology/  
Automation

UPI  
123Pay

DHI  
Credit Card

Tap & Go

Connected  
Banking

Voice  
Biometric

Whatsapp  
Banking

Pay to  
Contact

Scan & Pay/  
QR

Interoperable  
Card-less Cash  
Withdrawal

BBPS

API

AI/ Conversational  
BOT

Robotic  
Process  
Automation

Digital  
Lending

Video KYC



**CUB**  
Trust and Excellence  
SINCE 1984

# Pay Tax Online

## GST & Income Tax

**CUB customers can now pay their Direct and Indirect Taxes (GST and Income Tax) online using CUB account.**

**This will enable customers to make Tax Payments through Net/Mobile Banking and through Branch Counters**



# New Digital Initiatives

## CUB Dhi Credit Card

- CUB launched its own credit card - CUB Dhi Credit Card
- Tied up with VISA for Credit card issuance & technology partnership with 42CS
- Both secured and unsecured cards will be offered to customers
- Attractive cashback offer for select purchase
- Variety of offers on food, shopping, travel, entertainment etc



## Introduction of Soft Token as Multi Factor Authentication



### Soft Token for Retail customers

1 For the ease of delivery for OTP alternatively **introduced Soft token** as additional factor authentication for Retail customers.

2 Customers choose "**Soft Token**" as second factor authentication (similar to OTP) and complete the transaction.

3 One time registration is required in the Netbanking / Mobile banking application



**CUB**  
Trust and Excellence  
SINCE 1984

# Account Aggregator Framework

on Sahamati Platform



- Account Aggregator framework allows sharing of financial information from various institutions in a secure and convenient manner.
- Gone live as FIP (Financial Information Provider) / FIU (Financial Information User) to allow consent requests raised for various accounts held by a single person.
- CUB will leverage this data access for various internal consumption for taking informed decisions..
- Customers will be benefitted in quick process of their various banking needs / products.





**CUB**  
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SINCE 1984

# Strategic Partnerships





**CUB**  
Trust and Excellence  
SINCE 1984

# Recent Awards

## Indian Banks' Association

3 Winner awards in categories



**Best Digital  
Engagement**



**Best Fintech  
Collaboration**



**Best Financial  
Inclusion**

1 Special award for



**Best Technology  
Talent**

## SFBC (Kerala)



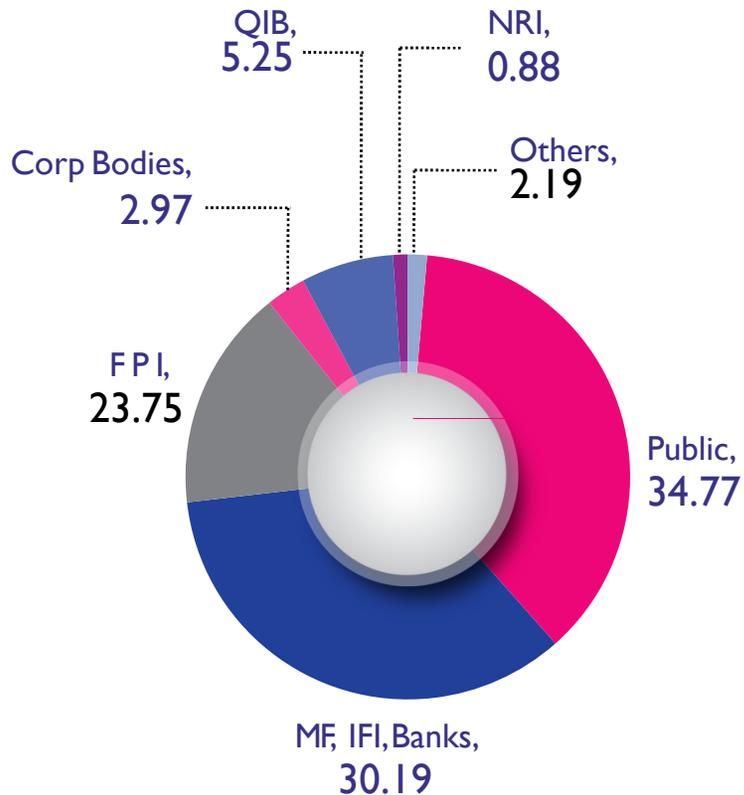
**Second Best Bank all over India among other  
than Large Private Sector Banks.**

# SHAREHOLDING PATTERN

SHAKEHOLDING PATTERN

## ▶ A WELL DIVERSIFIED INVESTOR BASE

Position as on 31-Dec-2022

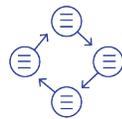


### Major Institutional Shareholders

SHAREHOLDERS	HOLDING %
SMALLCAP WORLD FUND, INC	4.95
AXIS MUTUAL FUND	4.92
HDFC MUTUAL FUND	4.47
CANARA ROBECO MUTUAL FUND	2.69
TEMPLETON INDIA VALUE FUND	2.47
SBI ARBITRAGE OPPORTUNITIES FUND	2.19
HSBC MIDCAP FUND	2.18
HDFC LIFE INSURANCE COMPANY LIMITED	2.07
KOTAK MAHINDRA TRUSTEE CO LTD	1.73
ICICI PRUDENTIAL S&P BSE 500 ETF	1.68
PIONEER INVESTMENT FUND	1.53
KOTAK FUNDS - INDIA MIDCAP FUND	1.44
UTI SMALL CAP FUND	1.41
L I C	1.36
DSP ARBITRAGE FUND	1.33
BANK MUSCAT INDIA FUND	1.22



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 ... 16.25%

# CORPORATE GOVERNANCE

СОКЪОКАТЕ ГОВЕКИНАИСЕ

## ▶ A WELL EXPERIENCED AND STRONG BOARD



**Shri. M. Narayanan | B.Sc. FCA, Grad CMA, DISA  
Non-Executive Chairman**

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. 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.



**Shri. G. Mahalingam | M.Sc., MBA., CAIIB  
Additional Director**

Shri. Gurumoorthy Mahalingam was co-opted as an Additional Director on the Board of the Bank w.e.f 06th July, 2022 to hold office till the ensuing Annual General Meeting. He is a career Regulator in the Financial Sector having worked for 34 years in RBI holding the position of Executive Director at the time of retirement and 5 years in Securities and Exchange Board of India ("SEBI") as Whole Time Board Member. He holds a Masters degree in Statistics and Operations Research from IIT Kanpur and MBA in International Banking from the UK. He has extensive experience in Banking Regulation and Supervision as well as in market regulation and operations.



**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. 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.



**Prof. V. Kamakoti | B.E, M.S, Ph.D  
Additional Director**

Prof. V Kamakoti holds a Master of Science degree in Bachelor of Engineering from the Indian Institute of Technology – Madras and a doctorate of Philosophy in Computer Science and one of the youngest to adorn the post of Professorship in one of the prestigious Institutions of India namely IIT, Madras and presently he is the Director. His forte is Information Technology related Secured Systems Engineering and Security related Software Engineering.



**Smt. Lalitha Rameswaran | BCom., FCA, DISA  
Director**

Smt. Lalitha Rameswaran is a practicing Chartered Accountant by profession and also a qualified systems auditor. She has rich experience in both Direct & Indirect taxation and appeared before various Tribunals representing public sector and private sector banks on tax related matters.

## ▶ TRANSPARENT ‘CORPORATE GOVERNANCE’ PRACTICES

Board consists of 9 Independent Directors (including 1 Women Director) And MD & CEO

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

Practicing Chartered Accountant , qualified system Auditor and Agriculturist	Practicing Chartered Accountant , qualified system Auditor and Tax expertise	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	Director – IIT Madras and expertise in IT related security systems	Career Regulator in Financial Sector – Retired ED of RBI and Whole Time Board Member of SEBI

## 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 :

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