



# CITY UNION BANK LTD.,

"NARAYANA" Administrative Office,

No. 24-B, Gandhi Nagar, Kumbakonam - 612 001.

Phone : 0435 - 2402322 - Fax : 0435 - 2431746

E-mail : [shares@cityunionbank.com](mailto:shares@cityunionbank.com) Website: [www.cityunionbank.com](http://www.cityunionbank.com)

CIN - L65110TN1904PLC001287

C.O/Shares/LR-5/2020-21

18<sup>th</sup> June, 2020

National Stock Exchange of India Ltd.,  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1,  
G Block, Bandra-Kurla Complex,  
Bandra (E),  
**Mumbai 400 051**

BSE Ltd.,  
DCS – CRD,  
Phiroze Jeejeebhoy Towers,  
25<sup>th</sup> Floor, Dalal Street,  
**Mumbai 400 001**

**Scrip Code: CUB**

**Scrip Code: 532210**

Dear Madam / Sir,

Sub: Investor presentation – FY 2020

Ref : Intimation u/r 30 of SEBI Listing Regulations 2015

Pursuant to Regulation 30 R/w Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we submit herewith the Investor Presentation on the Audited Financial Results of the Bank for the quarter and year ended 31<sup>st</sup> March, 2020 for your information and records please.

Thanking you

Yours faithfully

for **CITY UNION BANK LIMITED**

  
(V Ramesh)

General Manager – CFO & CS



Encl.: a/a



# INVESTOR PRESENTATION

MARCH 2020

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March 2020



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Branch Network



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# 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 31.03.2020



Deposits  
**INR 40,832 CR**



Advances  
**INR 34,576 CR**



Net Interest Margin  
**3.98%**



Net NPA  
**2.29%**



Employees  
**5,741**



Branches  
**700**

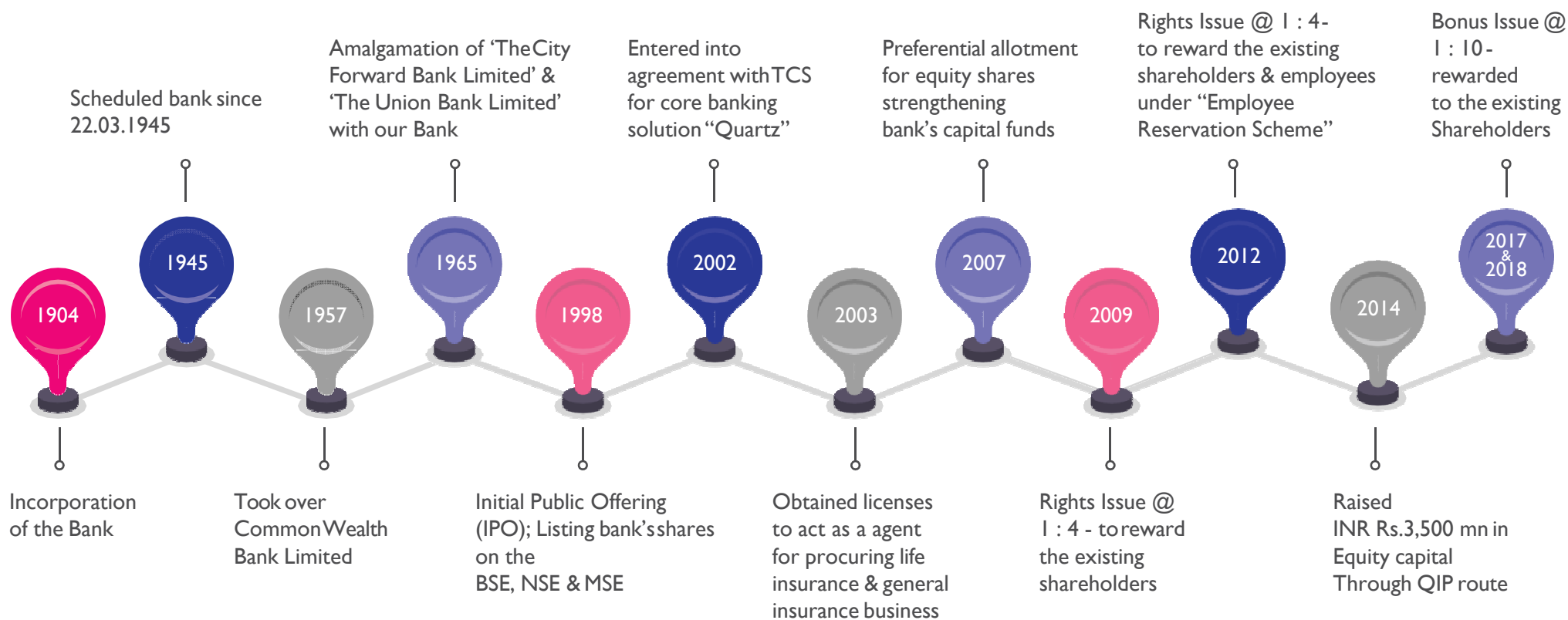


ATM's  
**1,793**

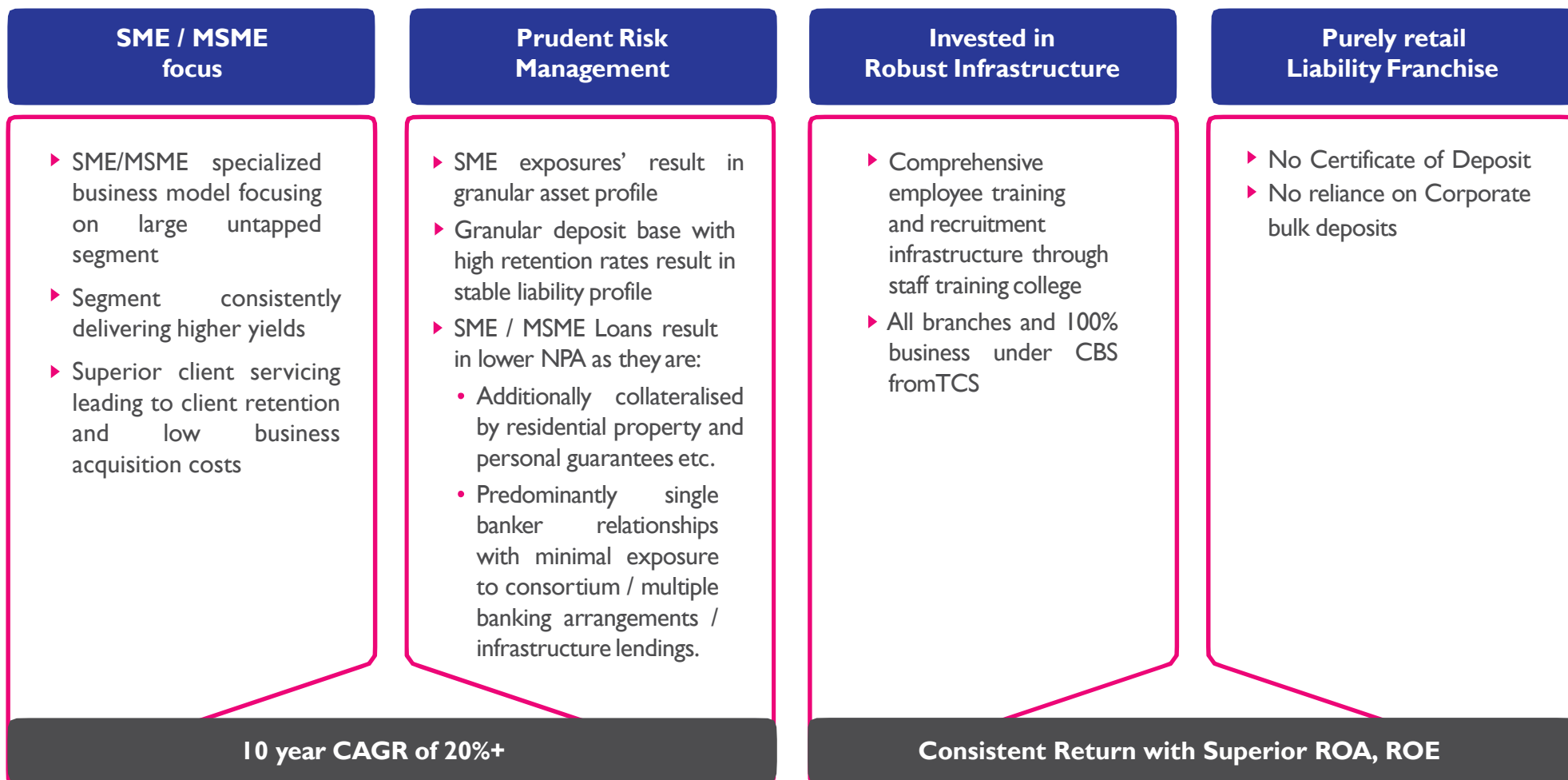


Efficiency Ratio  
**43.04%**

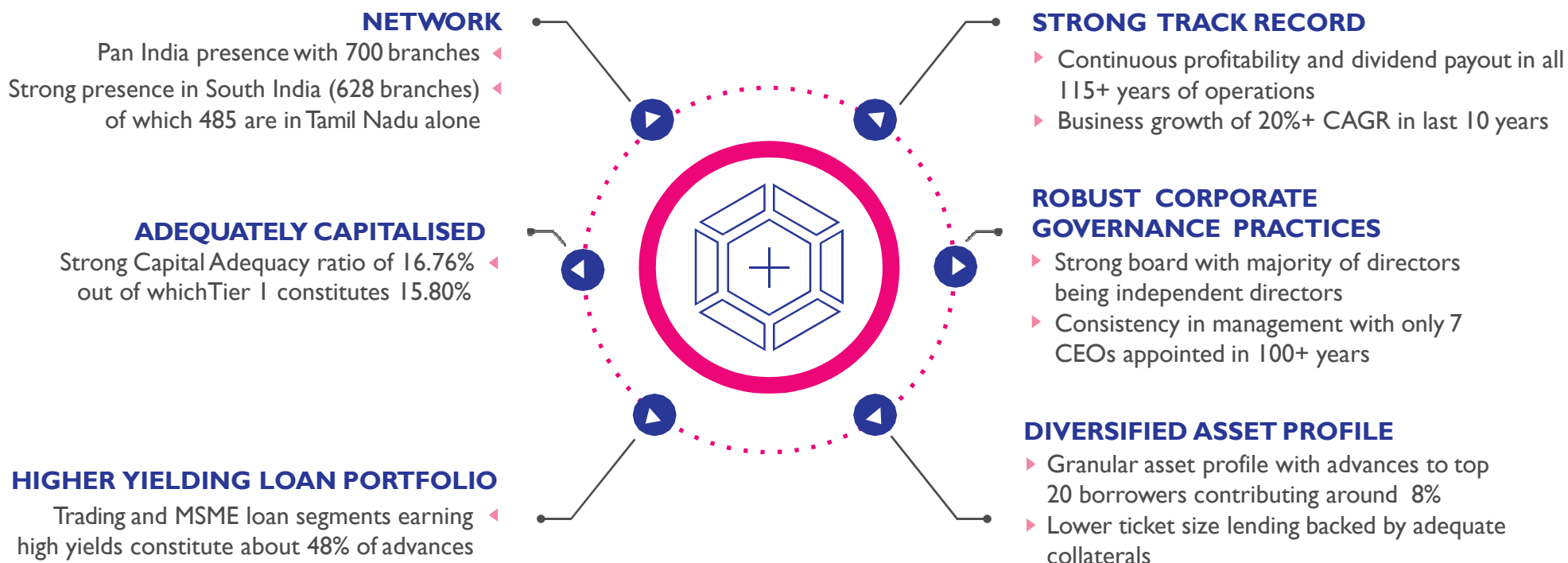
## ▶ KEY MILESTONES



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



## ► 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 – MARCH 2020

## ► Q4 / FY 2020 PERFORMANCE – A SNAPSHOT

- Deposits increased by 6% from Rs.384 Bn to Rs.408 Bn Y-o-Y
- Advances registered a growth of 5% from Rs.331 Bn to Rs.346 Bn Y-o-Y
- Total business grown by 5% from Rs.715 Bn to Rs.754 Bn Y-o-Y
- Gross Profit increased by 8% to Rs.13,414 Mn from Rs.12,400 Mn (Y-o-Y)
- Net Profit decreased from Rs.6829 Mn to Rs.4763 Mn (Y-o-Y)
- Profitability and efficiency ratios :

| PARTICULARS         | FY 2019-20 | FY 2018-19 |
|---------------------|------------|------------|
| Return on Assets    | 1.00%      | 1.64%      |
| Net Interest Margin | 3.98%      | 4.32%      |
| Return on Equity    | 9.47%      | 15.25%     |
| Earning per share   | Rs.6.48    | Rs.9.57    |

- Gross NPA – 4.09% and Net NPA – 2.29%
- Provision Coverage Ratio – 65%
- CRAR – 16.76% (Basel III) of which core CRAR – 15.80%

## ► Q4 FY 2020 VS Q4 FY 2019 PERFORMANCE – A SNAPSHOT

(in INR Mn)

408,325



384,480

Deposits

345,762



330,652

Advances

754,087



715,132

Total Business

101,970



96,982

CASA

3,351



3,378

Gross Profit

(-)953



1,751

Net Profit

4,195



4,206

Net Interest  
Income

44.04%



40.48%

Cost to Income

-0.77%

ROA

-7.22%

ROE

3.91%

NIM

4.09%

Gross NPA

2.29%

Net NPA

■ Q4 FY 20 ■ Q4 FY 19

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

(in INR Mn)

408,325



6%

384,480

Deposits

345,762



5%

330,652

Advances

754,087



5%

715,132

Total Business

101,970



5%

96,982

CASA

13,414



8%

12,400

Gross Profit

4,763



-ve

6,829

Net Profit

16,752



4%

16,115

Net Interest  
Income

43.04%



41.67%

Cost to Income

1.00%

ROA

9.47%

ROE

3.98%

NIM

4.09%

Gross NPA

2.29%

Net NPA

■ FY 20

■ FY 19

# FINANCIAL PERFORMANCE & BUSINESS PROFILE

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

(in INR Mn)

### FINANCIAL PERFORMANCE

| PARTICULARS           | FY 2020 | FY 2019 | INC / (DEC)                                                                         | Growth | Growth % | 9M FY 2020 |
|-----------------------|---------|---------|-------------------------------------------------------------------------------------|--------|----------|------------|
| Deposits              | 408,325 | 384,480 |  | 23,845 | 6%       | 398,120    |
| Advances              | 345,762 | 330,652 |  | 15,110 | 5%       | 338,276    |
| Total Business        | 754,087 | 715,132 |  | 38,955 | 5%       | 736,396    |
| Demand Deposits       | 29,244  | 32,145  |  | -2,901 | -ve      | 28,216     |
| Saving Deposits       | 72,726  | 64,837  |  | 7,889  | 12%      | 64,727     |
| CASA                  | 101,970 | 96,982  |  | 4,988  | 5%       | 92,943     |
| Gross NPA             | 14,134  | 9,771   |                                                                                     |        |          | 11,854     |
| Net NPA               | 7,785   | 5,915   |                                                                                     |        |          | 6,494      |
| Gross NPA (%)         | 4.09%   | 2.95%   |                                                                                     |        |          | 3.50%      |
| Net NPA (%)           | 2.29%   | 1.81%   |                                                                                     |        |          | 1.95%      |
| C R A R (BASEL – III) | 16.76%  | 15.55%  |                                                                                     |        |          | 15.41%     |
| - Of which Tier I     | 15.80%  | 15.03%  |                                                                                     |        |          | 14.86%     |
| CD Ratio              | 85%     | 86%     |                                                                                     |        |          | 85%        |
| PCR                   | 65%     | 63%     |                                                                                     |        |          | 65%        |

## ► Q4 FY 20 VS Q4 FY 19 PERFORMANCE - A SNAPSHOT

(in INR Mn)

### FINANCIAL PERFORMANCE

| PARTICULARS                | Q4 FY 2020 | Q4 FY 2019 | INC / (DEC) | Growth % | Q3 FY 2020 |
|----------------------------|------------|------------|-------------|----------|------------|
| Net Interest Income        | 4,195      | 4,206      | -ve         | -ve      | 4,273      |
| Other Income               | 1,793      | 1,469      | 324         | 22%      | 1,423      |
| Operating Expenses         | 2,637      | 2,297      | 340         | 15%      | 2,612      |
| Gross Profit               | 3,351      | 3,378      | -ve         | -ve      | 3,084      |
| Provisions & Contingencies | 4,304      | 1,627      | 2,677       | 165%     | 1,160      |
| Net Profit                 | -953       | 1,751      | -ve         | -ve      | 1,924      |
| Return on Assets           | -0.77%     | 1.63%      |             |          | 1.57%      |
| Return on Equity           | -7.22%     | 15.06%     |             |          | 14.58%     |
| Net Interest Margin        | 3.91%      | 4.40%      |             |          | 3.96%      |

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

(in INR Mn)

### FINANCIAL PERFORMANCE

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

## ► PROVISIONS & CONTINGENCIES – BREAKUP

(in INR Mn)

| PARTICULARS            | Q4 FY 20     | Q4 FY 19     | FY 19-20     | FY 18-19     | Q3 FY 20     |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| Provision for:         |              |              |              |              |              |
| - Tax                  | -200         | 720          | 1,100        | 2,420        | 350          |
| - Bad Debts            | 3105         | 810          | 6,310        | 2,700        | 785          |
| - Covid 19             | 1250         | -            | 1250         | -            | -            |
| - Standard Assets      | 80           | 153          | 193          | 215          | 60           |
| - Depn on Investments  | 3            | -            | -317         | 160          | -80          |
| - Depn on Shifting     | -            | -            | -            | 65           | -            |
| - Restructuring / FITL | 25           | -56          | 69           | -96          | 37           |
| - Others               | 41           | -            | 46           | 107          | 8            |
| <b>Total</b>           | <b>4,304</b> | <b>1,627</b> | <b>8,651</b> | <b>5,571</b> | <b>1,160</b> |

## ► Q4 FY 20 VS Q4 FY 19 – INCOME AND EXPENSES BREAKUP

(in INR Mn)

### INTEREST INCOME BREAKUP

| PARTICULARS                  | Q4 FY 2020    | Q4 FY 2019   | Growth %  |
|------------------------------|---------------|--------------|-----------|
| Interest on Loans            | 8,806         | 8,384        | 5%        |
| Interest on Investments      | 1,455         | 1,349        | 8%        |
| Other Interest Income        | 156           | 113          | 38%       |
| <b>Total Interest Income</b> | <b>10,417</b> | <b>9,846</b> | <b>6%</b> |

### INTEREST EXPENSES BREAKUP

| PARTICULARS                    | Q4 FY 2020   | Q4 FY 2019   | Growth %   |
|--------------------------------|--------------|--------------|------------|
| Int Exp on Deposits            | 6,058        | 5,564        | 9%         |
| Other Int Expenses             | 164          | 76           | 116%       |
| <b>Total Interest Expenses</b> | <b>6,222</b> | <b>5,640</b> | <b>10%</b> |

### OTHER INCOME BREAKUP

| PARTICULARS                                   | Q4 FY 2020   | Q4 FY 2019   | Growth %   |
|-----------------------------------------------|--------------|--------------|------------|
| CEB & Charges                                 | 775          | 777          | -ve        |
| Treasury Income                               | 790          | 256          | 208%       |
| Other Inc incl recoveries in written off a/cs | 228          | 436          | -ve        |
| <b>Total Other Income</b>                     | <b>1,793</b> | <b>1,469</b> | <b>22%</b> |

### OPERATING EXPENSES BREAKUP

| PARTICULARS              | Q4 FY 2020   | Q4 FY 2019   | Growth %   |
|--------------------------|--------------|--------------|------------|
| Employee Cost            | 938          | 914          | 3%         |
| Other Operating Expenses | 1,699        | 1,383        | 23%        |
| <b>Total Expenses</b>    | <b>2,637</b> | <b>2,297</b> | <b>15%</b> |

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

(in INR Mn)

### INTEREST INCOME BREAKUP

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

### INTEREST EXPENSES BREAKUP

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

### OTHER INCOME BREAKUP

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

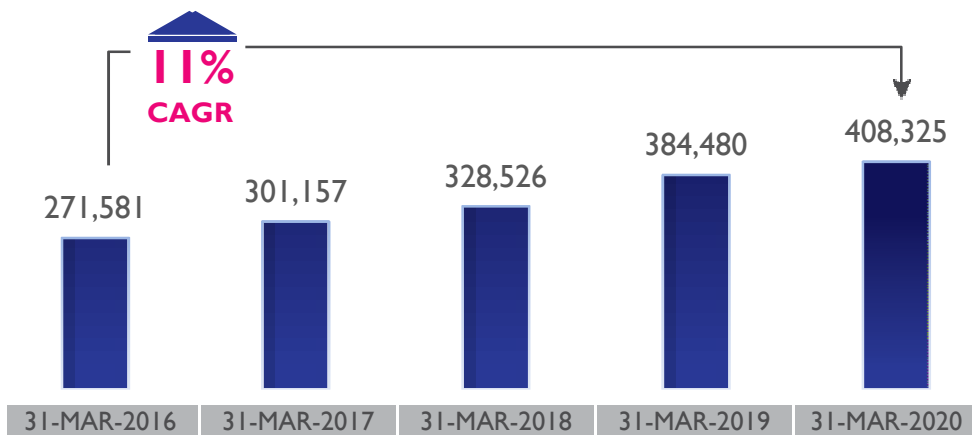
### OPERATING EXPENSES BREAKUP

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

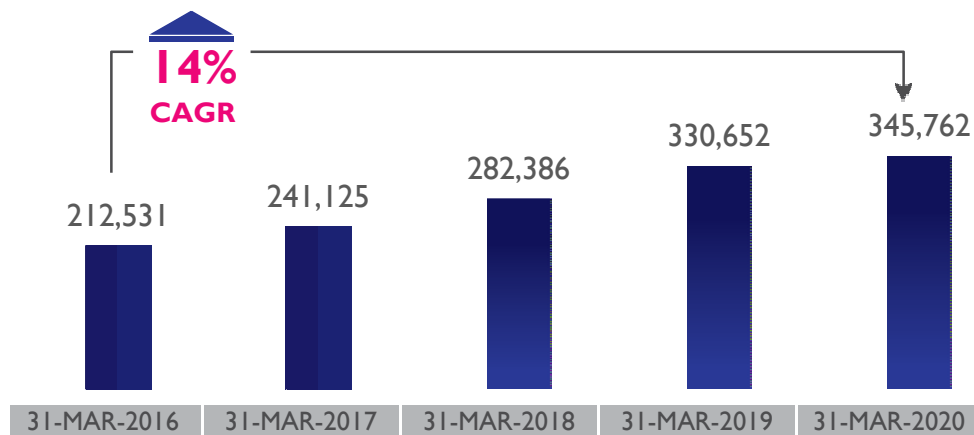
## ► STRONG DEPOSITS AND ADVANCES GROWTH

(in INR Mn)

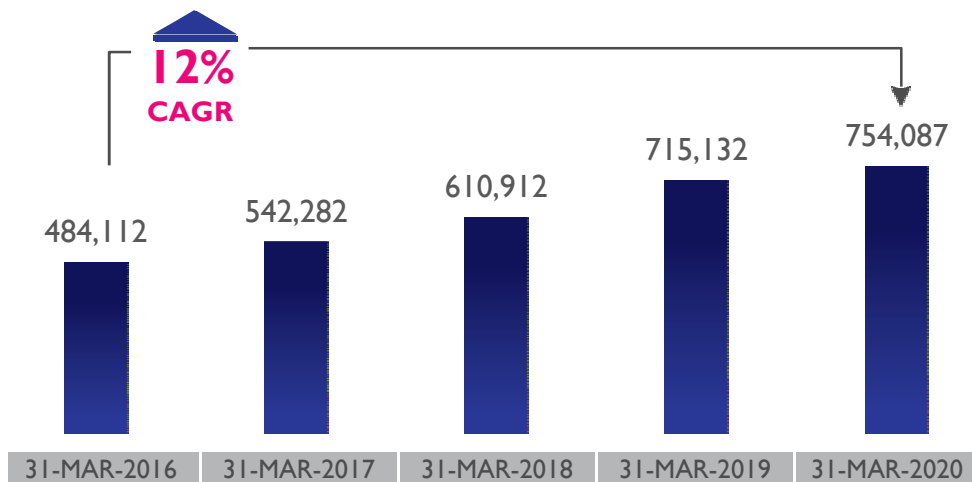
### DEPOSITS



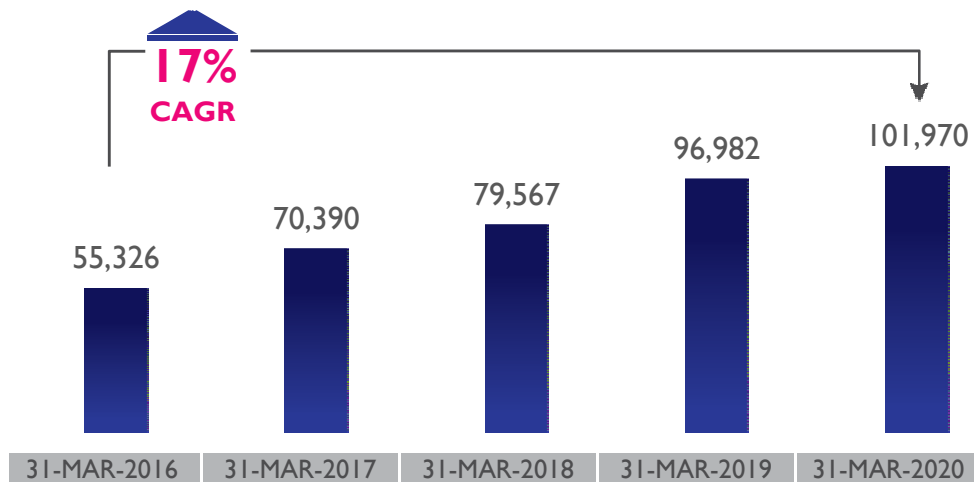
### ADVANCES



### BUSINESS



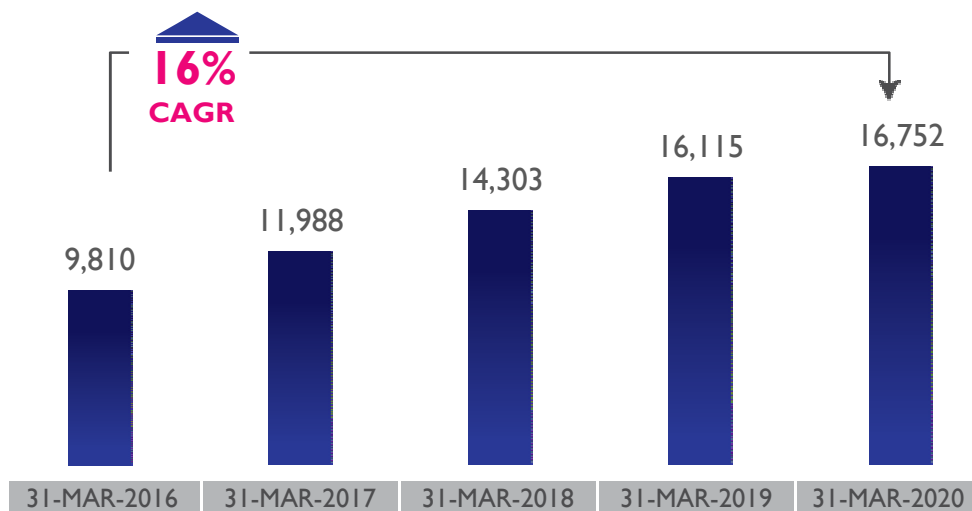
### CASA



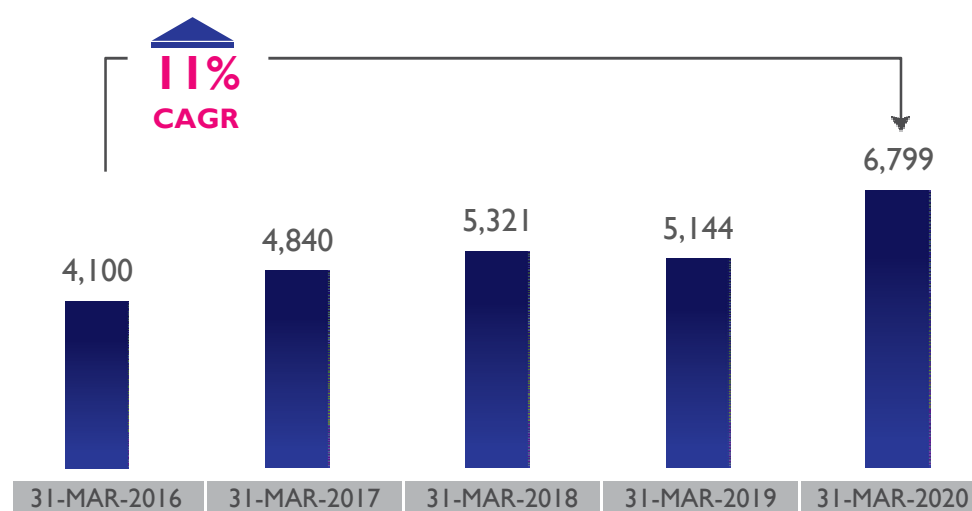
## ► INCOME GROWTH OVER THE YEARS...

(in INR Mn)

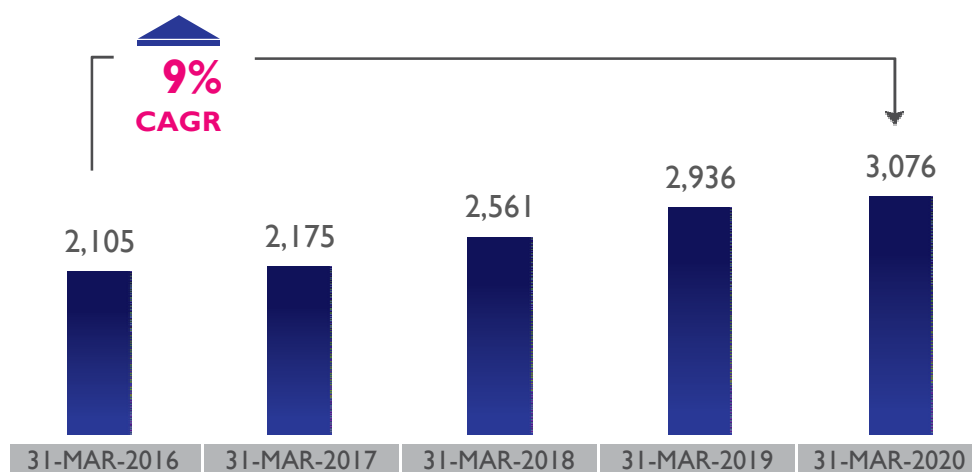
### NET INTEREST INCOME GROWTH



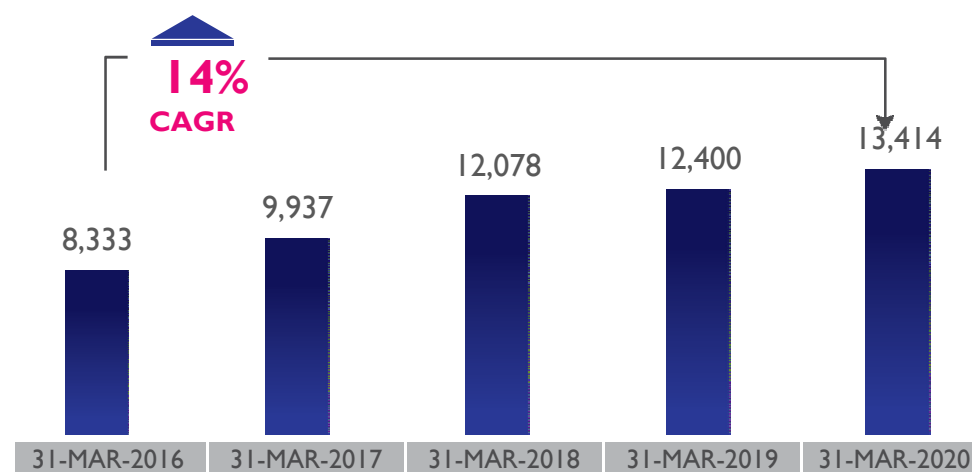
### OTHER INCOME GROWTH



### CEB GROWTH



### OPERATING PROFIT GROWTH

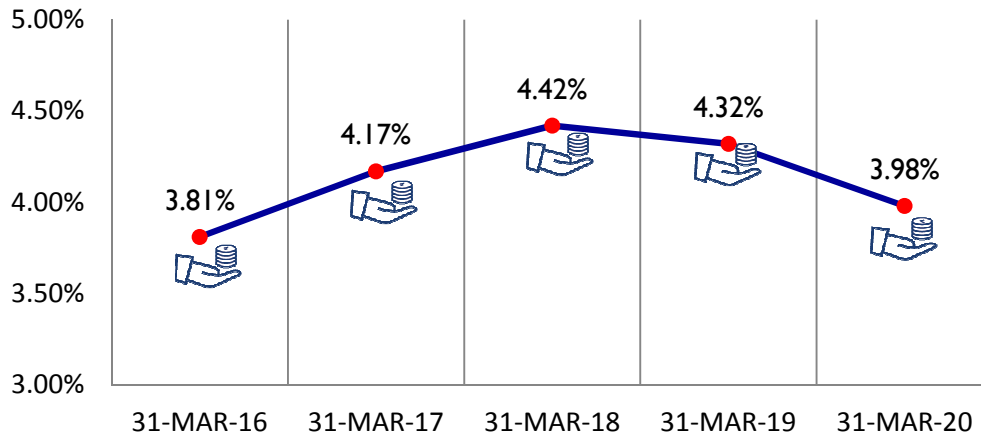


## ► KEY BUSINESS INDICATORS

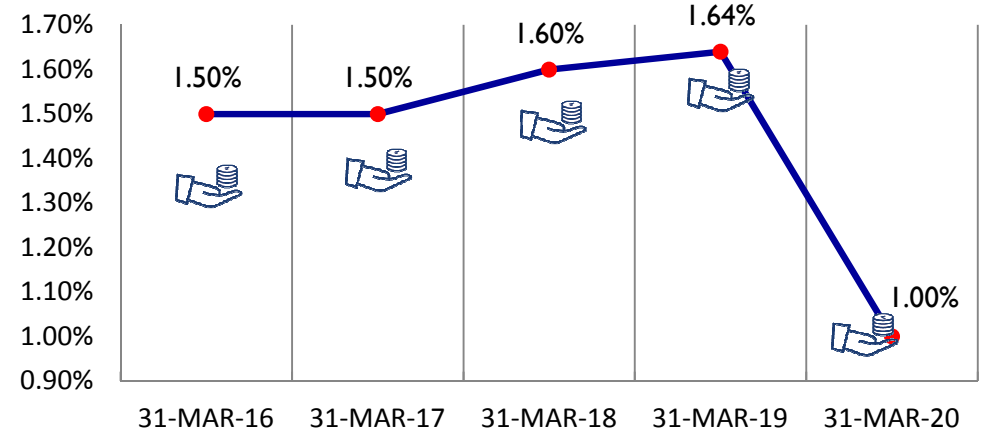
| PARTICULARS                                | Q4 FY 20   | Q4 FY 19 | FY 19-20 | FY 18-19 | Q3 FY 20 |
|--------------------------------------------|------------|----------|----------|----------|----------|
| Cost of Deposits                           | 6.07%      | 6.27%    | 6.20%    | 6.17%    | 6.17%    |
| Yield on Advances                          | 10.46%     | 11.07%   | 10.76%   | 10.95%   | 10.73%   |
| Yield on Investments                       | 6.54%      | 6.96%    | 6.69%    | 6.95%    | 6.62%    |
| Net Interest Margin                        | 3.91%      | 4.40%    | 3.98%    | 4.32%    | 3.96%    |
| Cost to Income                             | 44.04%     | 40.48%   | 43.04%   | 41.67%   | 45.85%   |
| Cost of Funds                              | 5.03%      | 5.24%    | 5.21%    | 5.18%    | 5.18%    |
| Yield of Funds                             | 8.43%      | 9.15%    | 8.72%    | 9.06%    | 8.67%    |
| Per Employee Business (in INR Mn)          | 131.32     | 129.60   | 131.32   | 129.60   | 127.88   |
| Per Employee Profit (in INR Mn) (Ann)      | -0.66      | 1.27     | 0.83     | 1.24     | 1.34     |
| EPS in INR - FV INR Re.1/- share (Not Ann) | (-)Rs.1.29 | 2.39     | 6.48     | 9.57     | 2.62     |

## ► KEY BUSINESS RATIOS – YEARLY TRENDS

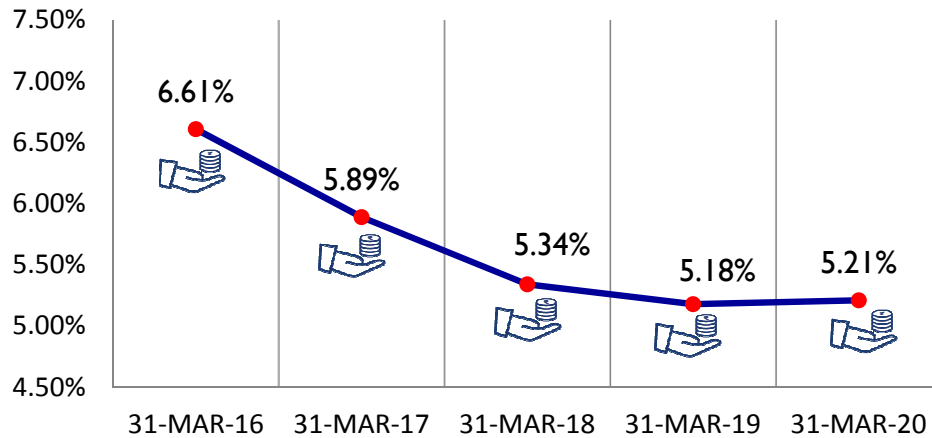
### NET INTEREST MARGIN



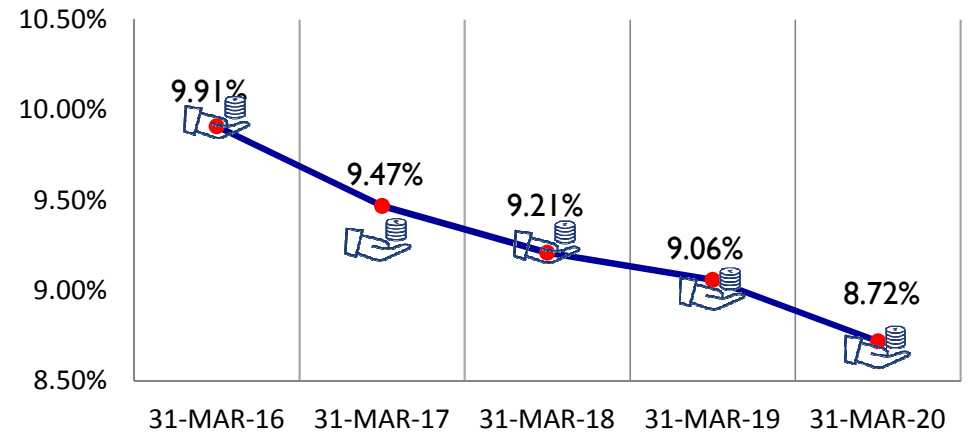
### RETURN ON ASSETS



### COST OF FUNDS

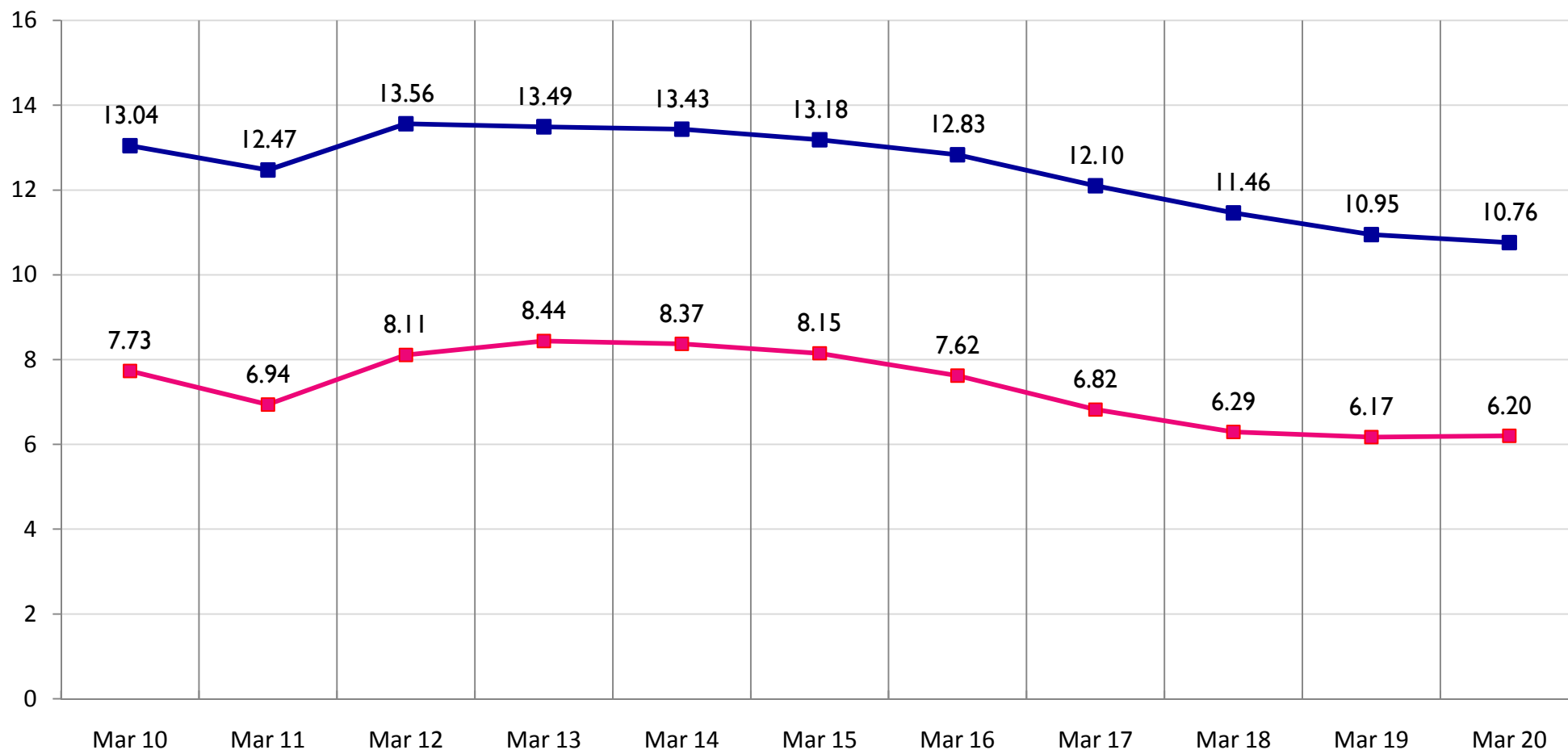


### YIELD ON FUNDS



## ► COST OF DEPOSITS & YIELD ON ADVANCES

(in %)

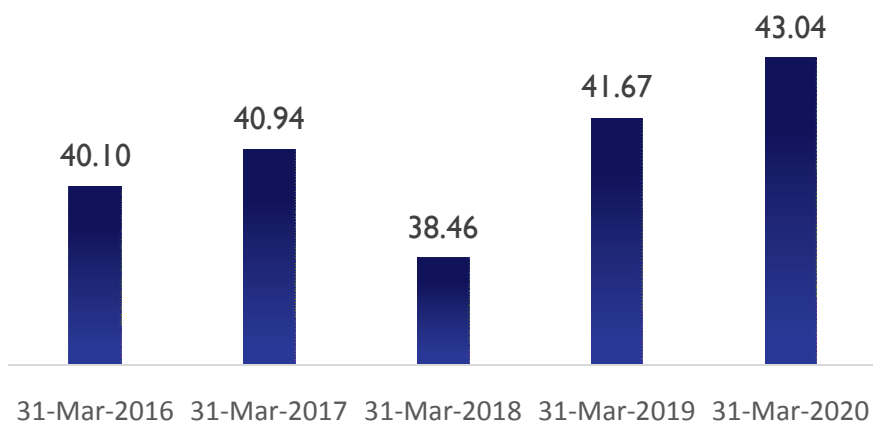


Spread between cost of deposits and yield on advances of our bank maintained in the last 10 years

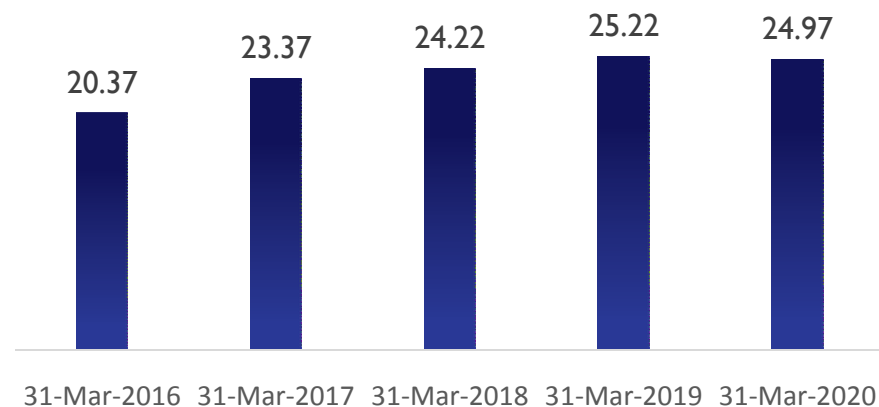
— Yield on Advances  
— Cost of Deposits

## ► EFFICIENCY

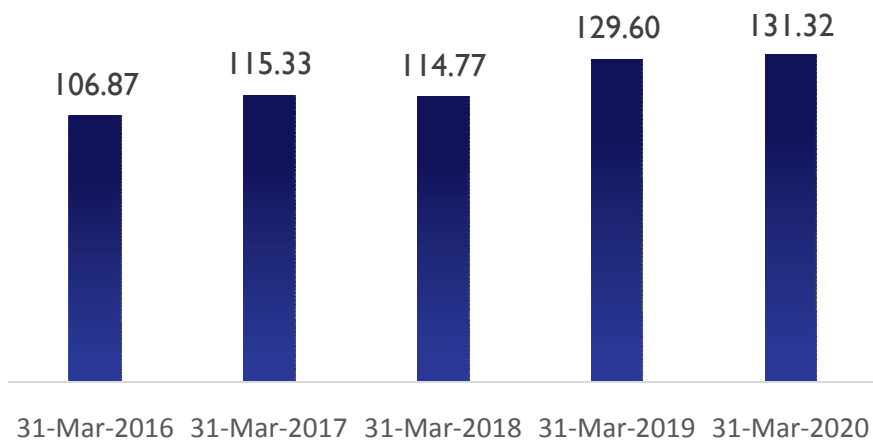
### COST INCOME RATIO (%)



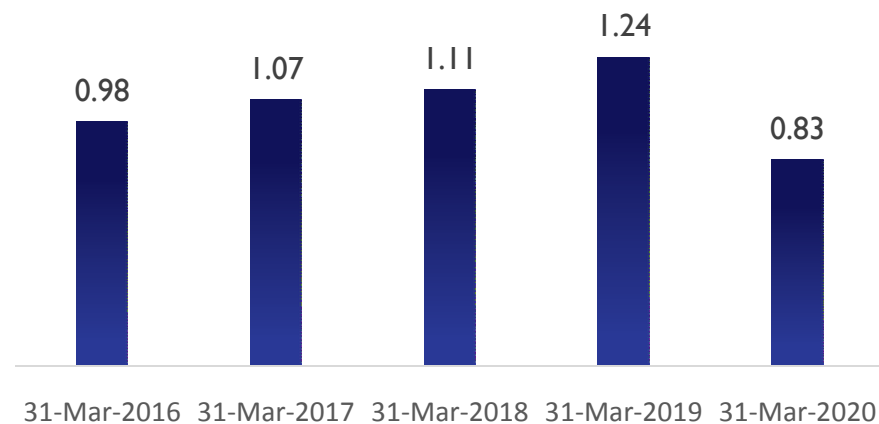
### CASA RATIO (%)



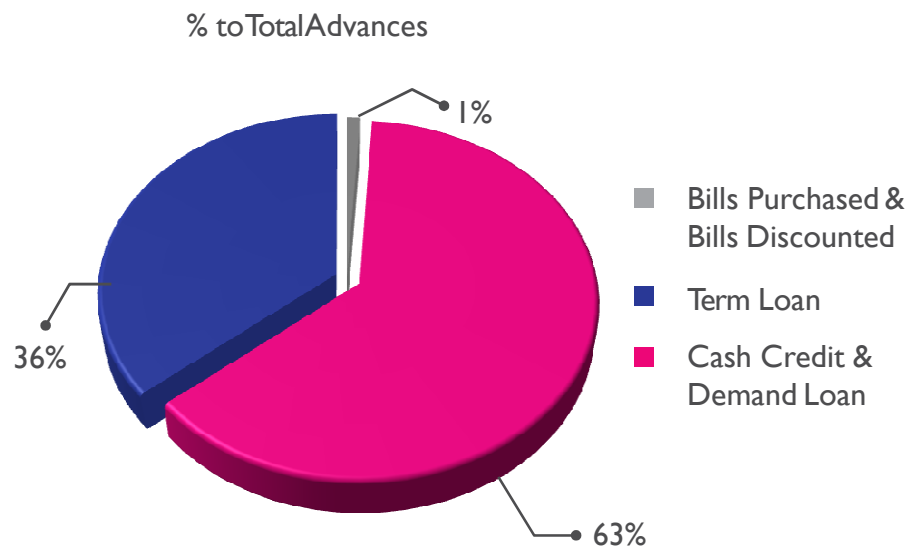
### BUSINESS PER EMPLOYEE (in INR Mn)



### PROFIT PER EMPLOYEE (in INR Mn)



## ▶ LOAN BOOK – PRODUCTS COMPOSITION



Working capital loans yielding higher interest constitute 48% of advances



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

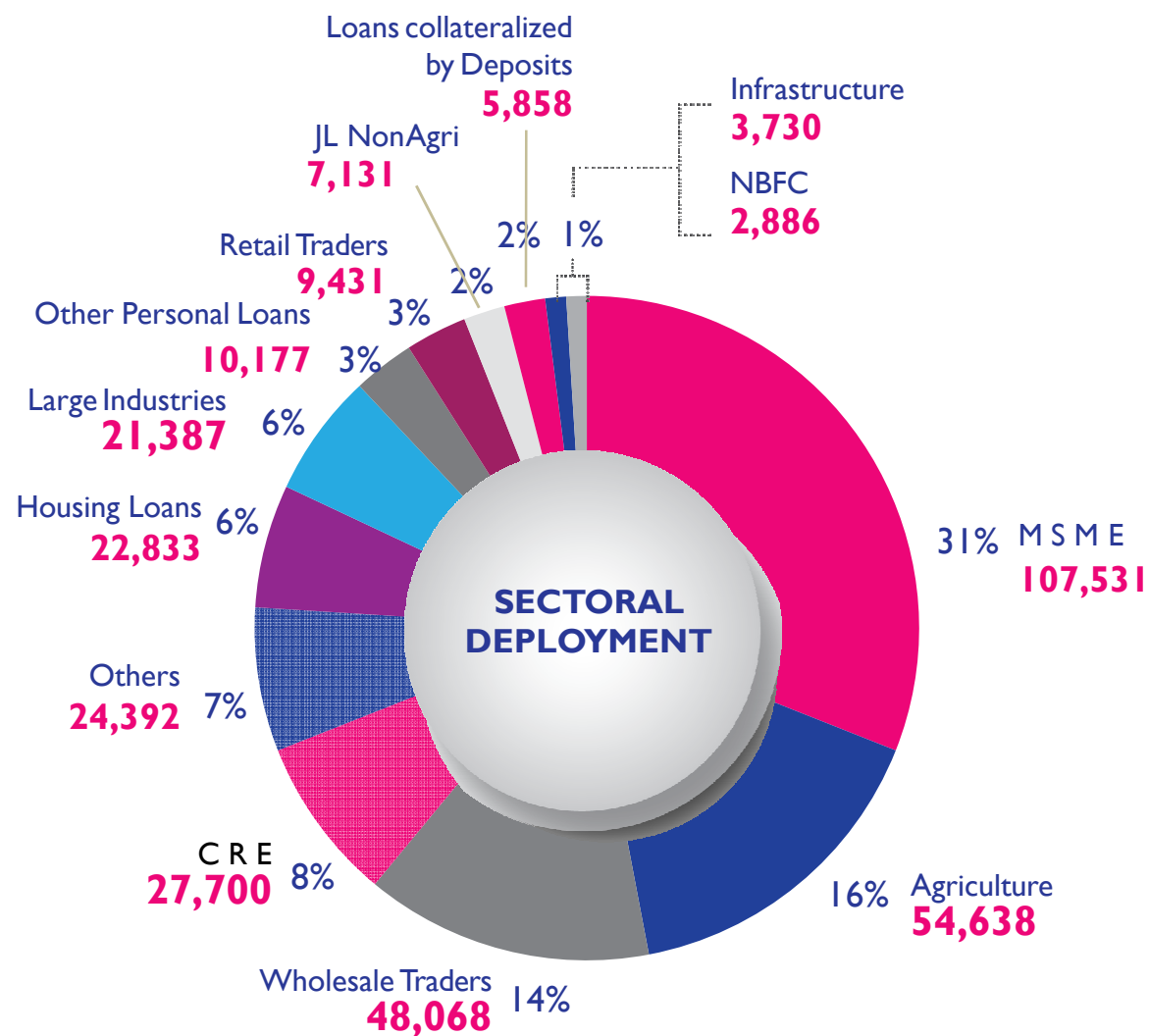


~95% of our loan book is on floating rate basis which reduces interest rate risk

| Loan Book Products Composition     | Amount (INR Mn) | % to Total Advances |
|------------------------------------|-----------------|---------------------|
| Cash Credit & Demand Loan          | 216,902         | 63%                 |
| Term Loan                          | 127,002         | 36%                 |
| Bills Purchased & Bills Discounted | 1,858           | 1%                  |
| <b>Gross Loan Total</b>            | <b>345,762</b>  | <b>100%</b>         |

## ▶ LOAN BOOK SECTORAL DEPLOYMENT – POSITION AS ON 31.03.2020

(in INR Mn)



## ▶ LOAN BOOK SECTORAL DEPLOYMENT – POSITION AS ON 31.03.2020

(in INR Mn)

### SECURED & UNSECURED ADVANCES

| Particulars     | Amount (INR Mn) | (%)         |
|-----------------|-----------------|-------------|
| Secured Loans   | 343,152         | 99%         |
| Unsecured Loans | 2,610           | 1%          |
| <b>Total</b>    | <b>345,762</b>  | <b>100%</b> |



Trading & MSME loans earning higher yield constitute about 48%



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



Unsecured Advances aggregate to 1%

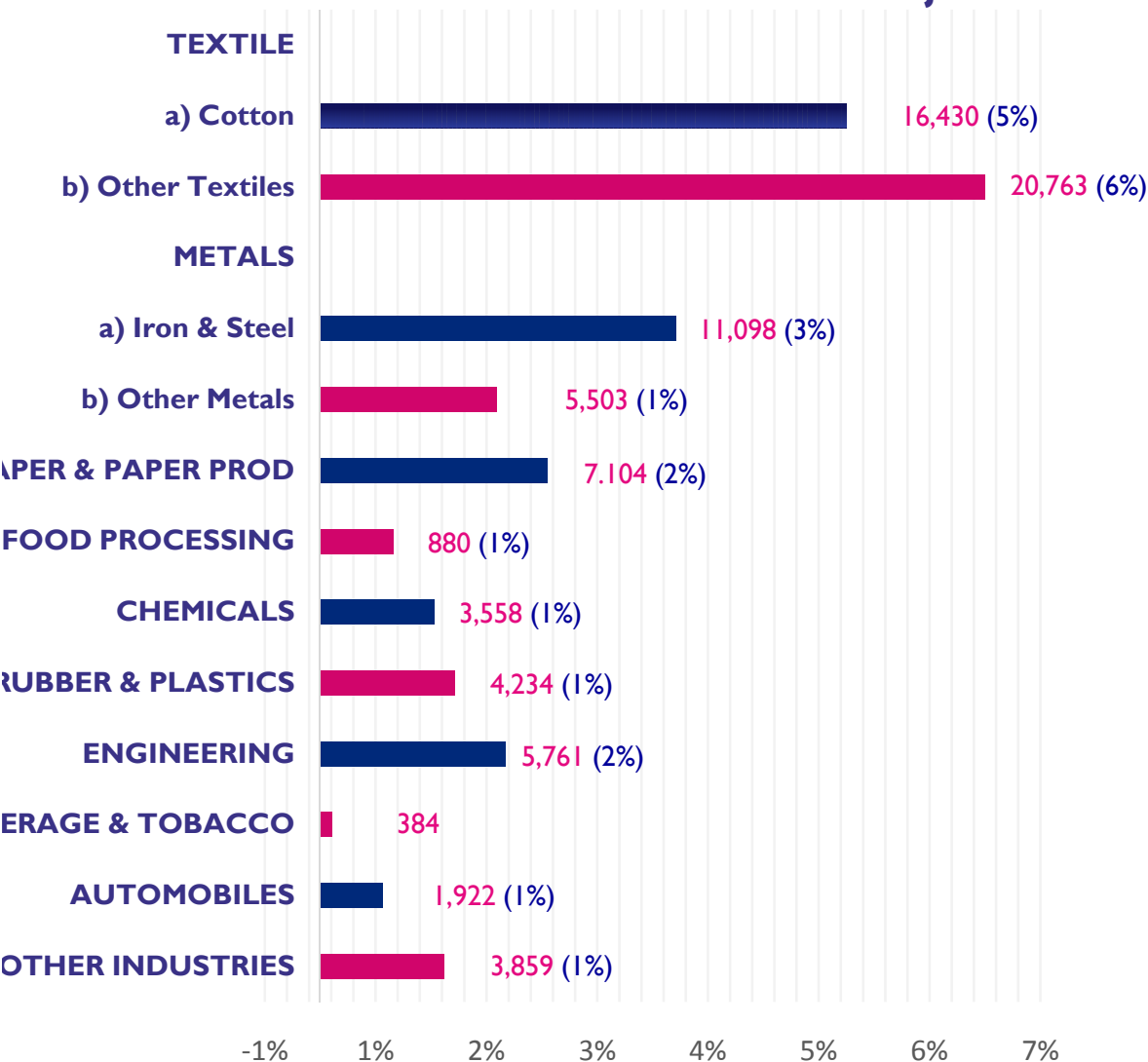


Total Jewel Loan outstanding as on 31.03.2020 – Rs.33,268 Mn

## Loan Book – Advances to Major Industries

(in INR Mn)

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

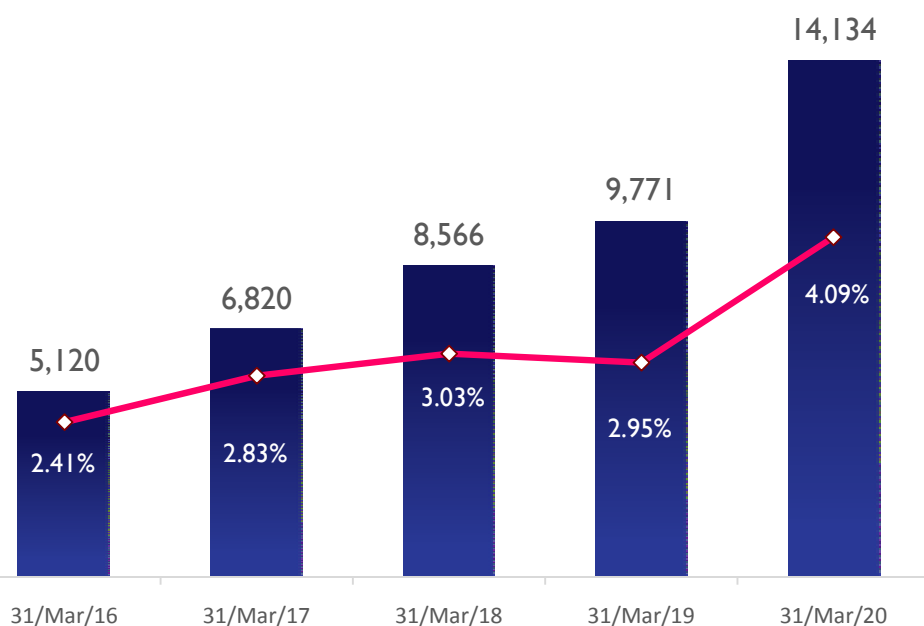


| Industry Name                                                 | Amount<br>(in INR Mn) | % to Total<br>Advances |
|---------------------------------------------------------------|-----------------------|------------------------|
| Advances to Major Industries                                  | 81,496                | 24%                    |
| All other advances<br>(Agri, Trade, Service, Gold Loan, etc.) | 264,266               | 76%                    |
| <b>Total Gross Advances</b>                                   | <b>345,762</b>        | <b>100%</b>            |

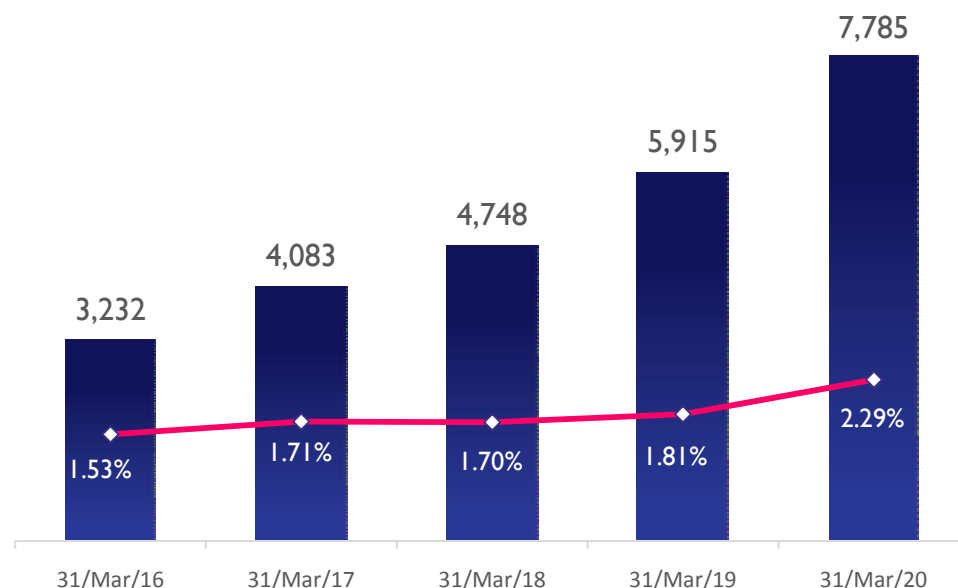
## ▶ ASSET QUALITY

(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-16    | FY MAR-17    | FY MAR-18    | FY MAR-19    | Q4 FY 2020    | FY MAR-20     |
|--------------------------------------------|-------|--------------|--------------|--------------|--------------|---------------|---------------|
| <b>NPA Opening balance</b>                 |       | <b>3,358</b> | <b>5,120</b> | <b>6,820</b> | <b>8,565</b> | <b>11,854</b> | <b>9,771</b>  |
| Additions                                  | A     | 4,290        | 4,796        | 5,749        | 6,322        | 4,807         | 11,104        |
| Recovery / SR *                            |       | 734          | 905          | 1,623        | 1,980        | 318           | 1,644         |
| Upgradations                               |       | 546          | 556          | 433          | 496          | 140           | 1,358         |
| Net Addition                               | B     | 3,010        | 3,335        | 3,693        | 3,846        | 4,349         | 8,102         |
| Write-off                                  |       | 1,248        | 1,635        | 1,948        | 2,640        | 2,069         | 3,739         |
| <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>14,134</b> |
| Technical Write-off (TW) during the period |       | 1,189        | 1,564        | 1,836        | 2,565        | 2,051         | 3,670         |
| <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>3,105</b>  | <b>6,310</b>  |
| TW recovery                                | D     | 370          | 470          | 704          | 898          | 217           | 1,090         |
| 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>2,888</b>  | <b>5,220</b>  |
| Gross Advance                              | F     | 2,12,531     | 2,41,125     | 2,82,386     | 3,30,652     | 3,45,762      | 3,45,762      |
| <b>Additions % of Gross Advance</b>        | A / F | <b>2.02</b>  | <b>1.99</b>  | <b>2.04</b>  | <b>1.91</b>  | <b>1.39</b>   | <b>3.21</b>   |
| <b>Net Addition % of Gross Advance</b>     | B / F | <b>1.42</b>  | <b>1.38</b>  | <b>1.31</b>  | <b>1.16</b>  | <b>1.26</b>   | <b>2.34</b>   |
| <b>Credit cost</b>                         | E / F | <b>0.79</b>  | <b>0.85</b>  | <b>0.82</b>  | <b>0.54</b>  | <b>0.84</b>   | <b>1.51</b>   |
| Gross NPA %                                |       | 2.41         | 2.83         | 3.03         | 2.95         | 4.09          | 4.09          |
| Net NPA %                                  |       | 1.53         | 1.71         | 1.70         | 1.81         | 2.29          | 2.29          |

## ► RESTRUCTURED ACCOUNTS

**Balance outstanding as on 31.03.2020 in respect of Restructured Standard borrowers**

| Type of Restructuring | No. of Borrowers | Amount (in INR Mn) |
|-----------------------|------------------|--------------------|
| S M E                 | 104              | 2813               |
| N S M E               | 47               | 158                |
| <b>Total</b>          | <b>151</b>       | <b>2971</b>        |

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

► Restructured Standard Advances to Gross Advances – 0.86% as on Mar -20

► In terms of RBI Circular DBR No.BP.BC.18/21.04.048/2018-19 dt 01.01.2019 on MSME Sector - Restructuring of Advances, the bank has restructured 25 Standard accounts to the tune of Rs.1181 mn in Q4 FY 2020. As of Q4 FY 20, the total outstanding restructured Standard accounts was 151 in numbers and amounting to Rs.2,971 mn. The Bank hold a provision of Rs.91 mn against the requirement of Rs.87 mn towards Restructured Standard accounts.

► No fresh sale to ARC on SR basis from FY 17-18 and amount outstanding in Security Receipts – Rs.2,474 mn. Out of this, 4 a/cs which constitutes 90% of total SRs, the resolution has been finalized and payments has started in all the 4 accounts. The Cash flow of Rs.776 mn received during the year and Rs.376 Mn received during Q4FY20. Since the repayment term goes upto 2022, we expect there will be continuous cash flows.

## ► INVESTMENTS – AT A GLANCE

### Investments Breakup and Categorywise

(in INR Mn)

| Particulars                 | MAR 2020      | MAR 2019      |
|-----------------------------|---------------|---------------|
| SLR Securities              | 89,395        | 74,764        |
| Non-SLR Securities          | 2,967         | 3,869         |
| <b>Total Investments</b>    | <b>92,362</b> | <b>78,633</b> |
| Yield on Investments        | <b>6.69%</b>  | <b>6.95%</b>  |
| <b>Investments Breakup:</b> |               |               |
| - A FS                      | 15,518 (17%)  | 15,396 (20%)  |
| - HTM                       | 76,844 (83%)  | 63,237 (80%)  |
| - H FT                      | -             | -             |
| <b>Total Investments</b>    | <b>92,362</b> | <b>78,633</b> |
| <b>Modified Duration:</b>   |               |               |
| - A FS                      | 0.82          | 0.98          |
| - HTM                       | 4.28          | 4.62          |
| - H FT                      | -             | -             |
| - Overall Portfolio         | 3.78          | 4.04          |

# COVID 19 OUTBREAK

## COVID-19 : An overview from Banking Perspective

- ✓ The Novel Corona Virus COVID-19 that was first discovered in Wuhan, China, represents a significant risk to public health globally, and a jolt to the world economy. The disruption in China has created a simultaneous shock to supply chains and demand (both of which are a far larger in proportion than during the 2003 SARS outbreak).
- ✓ The World Health Organization (WHO) declared the outbreak of the Novel Corona Virus Disease (COVID-19) a pandemic indicating significant and ongoing person-to-person spread in multiple countries. As of now our country is in the 4<sup>th</sup> position in the world among COVID-19 infection.
- ✓ Economic activity has stalled across the country due to lockdown, mobility restrictions and special measures initiated by the Government. The lockdown is lifted in a staggered manner and the economy is picking up slowly. There may be further disruptions in the coming months as COVID-19 is going to attain its peak in India.
- ✓ We have carried out detailed internal studies to assess the potential impact which may be affecting people, process, system, profitability of our Bank, liquidity position and business continuity.
- ✓ We expect that the COVID-19 pandemic is here to stay for a longer period and we are continuously working hard to safeguard the employees, business and our stakeholders.

## COVID-19 : Precautionary measures taken by the Bank

### Health & Safety of employees:

- ✓ Robust and proactive safety measures to safeguard employees, customers and community.
- ✓ Sanitization, masks and protective gears provided at all branches & ATMs
- ✓ About 65% of total employees were allowed to work from home / alternate days
- ✓ About 15% employees were allowed to work from their nearby branches to avoid commuting.
- ✓ Thermal screening is being done at all the branches as a safety measure.
- ✓ 11 employees were infected with COVID-19 virus – 8 of them recovered and 3 are under treatment.

### Business continuity:

- ✓ Key personnel were designated at different locations to avoid possible infection.
- ✓ Teams involved in key banking functions were kept at different locations to avoid disruption.
- ✓ Committed to serve as an essential service provider – All branches except those in containment zones (60 out of 700 branches) and about 91% ATMs were in operation by providing uninterrupted service
- ✓ IT Servers have been kept ready at different locations and proper cyber security measures were ensured.

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

### Moratorium:

- ✓ The Bank has extended the option to all the borrowers to avail moratorium as per the RBI instructions.
- ✓ Despite moratorium given to all, borrowers who have paid for two or more months comprised 48% of the exposure.
- ✓ Present outstanding balance of the accounts which are in default as of 29<sup>th</sup> Feb 2020 is as below:

| (Rs in Cr)   | No. of A/cs | O/s Amount |
|--------------|-------------|------------|
| SMA 0        | 571         | 175        |
| SMA 1        | 1102        | 348        |
| SMA 2        | 327         | 122 *      |
| <b>Total</b> | <b>2000</b> | <b>645</b> |

- In accordance with RBI guidelines, the Bank is required to make provision @ 10% of outstanding advances over two quarters beginning with quarter ended March 31, 2020 in respect of borrower accounts which are at default and asset classification benefit has been taken. The outstanding amount of those accounts for the bank stood at Rs.125.61 cr as on 29<sup>th</sup> Feb 2020 (present balance – Rs.122 cr as indicated above). The Bank has made an adhoc COVID provision of Rs.102 Cr in addition to the required RBI mandatory provision.
- ✓ The outstanding amount of Rs.645 cr comprises 1.86% of the total loan portfolio.

## ► COVID-19 : Resilience during the turbulence

### Liquidity

- Maintaining LCR above 200% (260% as of 31.05.2020).
- We have excess SLR to the tune of around Rs.1,500 Cr
- Our excess funds were deposited in Indian Nationalized banks overseas as short-term deposits to the tune of Rs. 2,000 cr
- Borrowed Rs.412 Cr by way of LTRO from RBI and invested in G-sec .

### Stability

- Strong Retail Franchise
- No Certificate of Deposit
- No reliance on Corporate bulk deposits. Only 11% of the total deposits are above 2 Cr
- Low concentration of deposits – Top 20 deposits constitutes less than 7% of the total deposits

### Business growth

- Deposits grown by Rs. 1,030 cr during Q4 FY 20
- Lesser quantum of Government deposits
- CASA grown by Rs.903 cr during Q4 FY 20.
- Advances grown by Rs.750 cr during Q4 FY 20.

### Capital adequacy

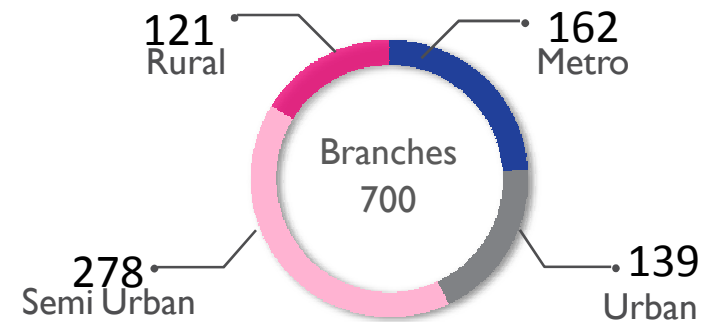
- CRAR stood at 16.76%
- Tier I capital is 15.80%
- Maintaining higher capital than required.
- Lending to segments with low risk weight provides ample headroom for further lending.

# BRANCH NETWORK

## ► STRONG PRESENCE IN THE SOUTH

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

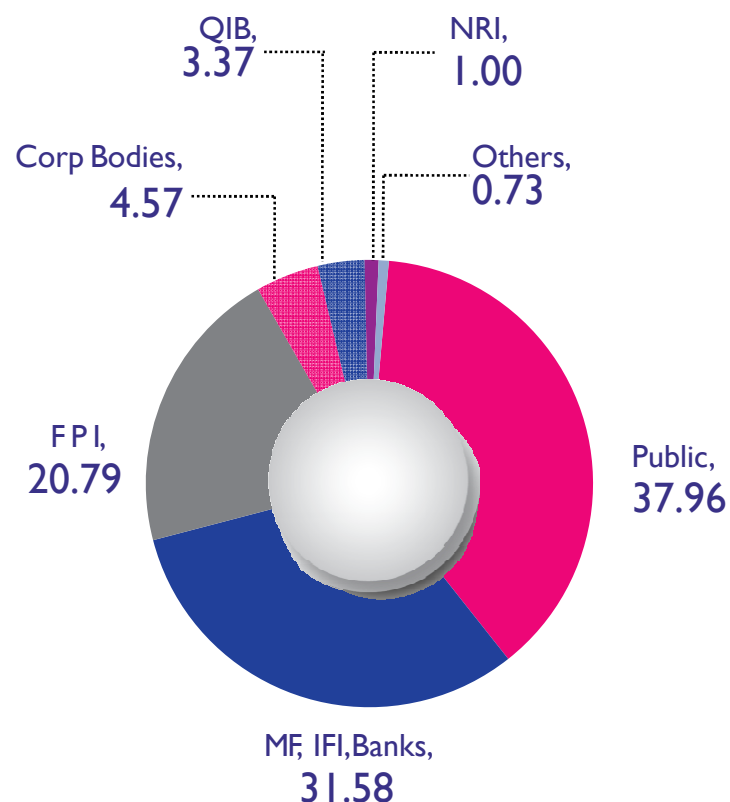
|  | State         | No. of Branches | % of Deposits | % of Advances | % of Business |
|--|---------------|-----------------|---------------|---------------|---------------|
|  | Tamilnadu     | 485             | 80            | 62            | 72            |
|  | Karnataka     | 41              | 6             | 6             | 6             |
|  | Andhrapradesh | 45              | 2             | 8             | 5             |
|  | Telengana     | 33              | 3             | 6             | 4             |
|  | Maharashtra   | 20              | 2             | 4             | 3             |
|  | Kerala        | 18              | 2             | 2             | 2             |
|  | Gujarat       | 14              | 1             | 4             | 2             |
|  | Others        | 44              | 4             | 8             | 6             |
|  | <b>Total</b>  | <b>700</b>      |               |               |               |



# SHAREHOLDING PATTERN

## ▶ A WELL DIVERSIFIED INVESTOR BASE

Position as on 31-Mar-2020

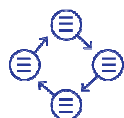


### Major Institutional Shareholders

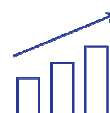
| SHAREHOLDERS                            | HOLDING % |
|-----------------------------------------|-----------|
| HDFC Midcap Opportunities Fund          | 4.48      |
| Life Insurance Corporation of India     | 4.13      |
| Axis Mutual Fund                        | 4.07      |
| Smallcap World Fund INC (Capital Group) | 3.12      |
| HDFC Life Insurance Co. Ltd.            | 2.54      |
| L & T Mutual Fund – Midcap Fund         | 2.32      |
| DSP Equity Opportunities Fund           | 2.27      |
| Franklin Templeton Mutual Fund          | 1.93      |
| UTI – Equity Fund                       | 1.85      |
| GKFF Ventures (Argonaut Ventures)       | 1.53      |
| Wasatch Core Growth Fund                | 1.27      |
| Bank Muscat India Fund                  | 1.23      |
| Sundaram Mutual Fund                    | 1.22      |
| Motilal Oswal Midcap                    | 1.16      |
| IDFC Hybrid Equity Fund                 | 1.09      |
| TVF Fund Limited                        | 1.06      |



Well diversified ownership of shareholders around 1,07,000 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 ... 19.21%

# CORPORATE GOVERNANCE

## КОРПОРАТЕ ГОВЕРНАНС

## ▶ A WELL EXPERIENCED AND STRONG BOARD



**Shri. R. Mohan | B.Sc., MBA, CAIIB**  
**Non-Executive Chairman**

Shri. 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.



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

Smt. 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. She also holds expertise in Risk Management.



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

Shri. 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 practicing Chartered Accountant since 1984.



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

Shri. V.N. Shiva Shankar is a qualified Lawyer, Company Secretary and Cost Management Accountant with 25 years of rich experience in Indian Corporate Law. He is also the founder of M/s VNS Legal Corporate Law firm based in Chennai which focuses on legal advisory services on Capital Market Regulation, Takeover Offers, Corporate Litigation, etc. He is a member of the Executive Committee in Southern India Chamber of Commerce. He has expertise in SEBI Regulations & 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.



**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. 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. Subramaniam Narayanan |**  
**PGDM-IIM(A), Chartered Accountant, FCS, Grad CMA**  
**Director**

Shri. Subramaniam Narayanan possesses rich experience in the areas of Business Management, Private Equity, Finance, Accountancy, Treasury & Risk Management, Information Technology and Payment & Settlements. He has held the position of CEO in First India Asset Management Company Ltd., and handled treasury services for Bank of America and Abu Dhabi Commercial Bank, UAE. Besides, he has been associated as Director in IT / Fintech Companies of repute for a long time.



**Dr. T.S. Sridhar IAS (Retd.) | M.A., Phd.,**  
**Director**

Dr. T.S. Sridhar is a Retd. IAS officer having 35 years of vast experience in all levels of administration and as Principal Secretary, he has expertise and knowledge on Rural economy, farm sector and Industries especially MSME. He was a Director on the Board of NABARD. He holds expertise in Human Resource and Economics as well.



**Shri. T.K. Ramkumar | B.Com., B.L.**  
**Director**

Shri. T.K. Ramkumar is one of the leading Lawyers in Chennai possessing special knowledge in Banking law, Company law and Intellectual Property Rights. He is also an active environmentalist.

## ▶ TRANSPARENT 'CORPORATE GOVERNANCE' PRACTICES

Board consists of 9 Independent Directors (including 1 Women Director) And 1 Executive Director

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

Disclosure norms strictly adhered to

KYC / AML Norms strictly complied with

Code of conduct for Directors and Senior Management put in place

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

Career Banker with 4 Decades of banking experience

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

Practicing Chartered Accountant

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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Tel : 0435-2402322, 2401622, | FAX: 0435-2431746 | [www.cityunionbank.com](http://www.cityunionbank.com)



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