



# 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 Website: 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**

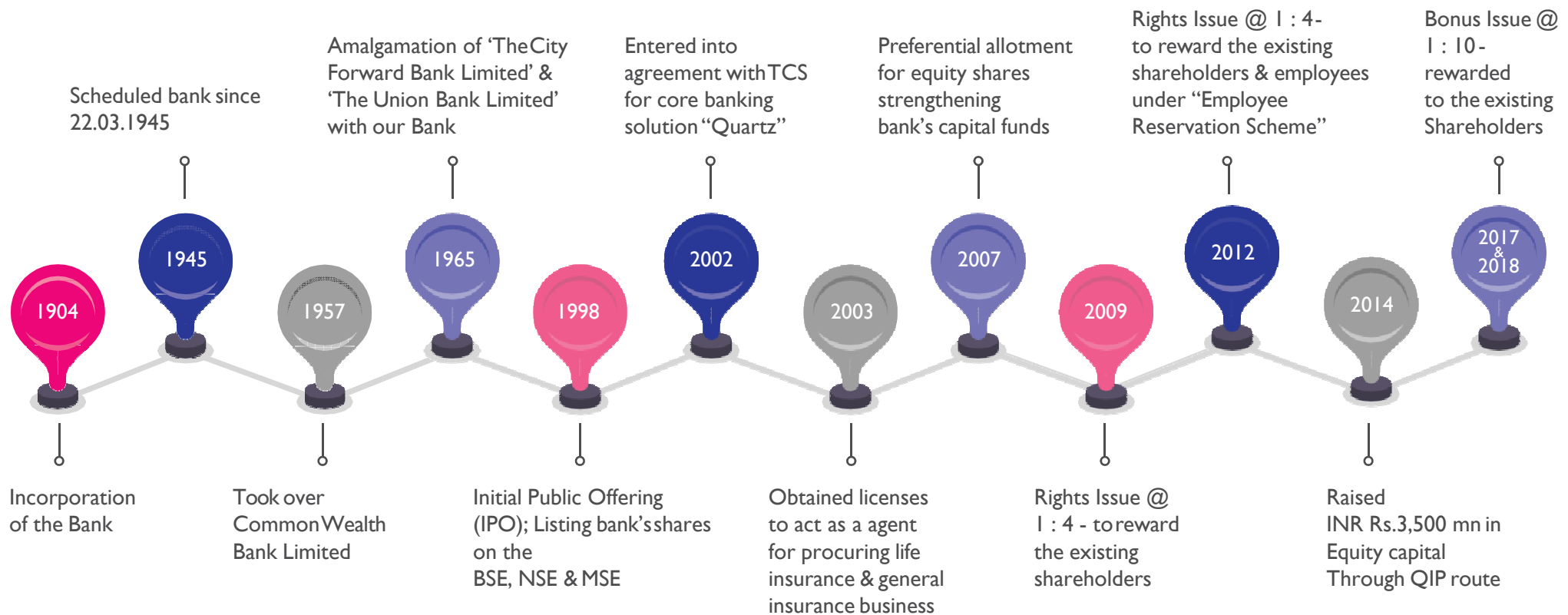


ATM's  
**1,793**



Efficiency Ratio  
**43.04%**

## ▶ KEY MILESTONES



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

### 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

### NETWORK

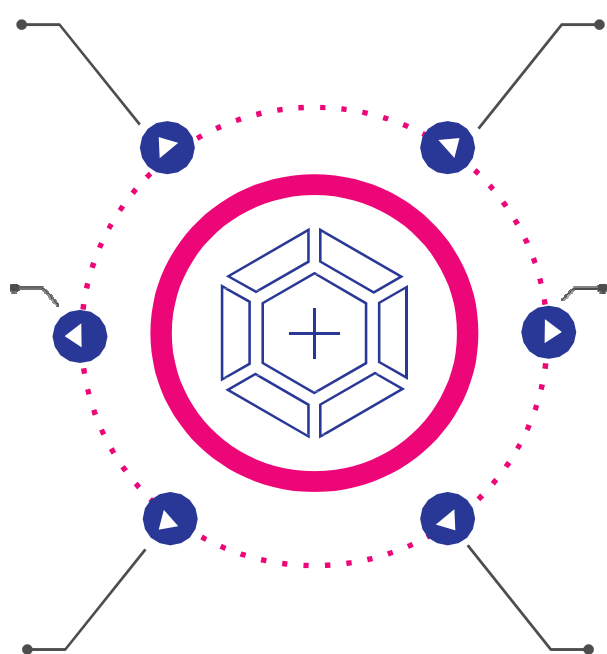
Pan India presence with 700 branches ◀  
Strong presence in South India (628 branches) ◀  
of which 485 are in Tamil Nadu alone

### ADEQUATELY CAPITALISED

Strong Capital Adequacy ratio of 16.76% ◀  
out of which Tier I constitutes 15.80%

### HIGHER YIELDING LOAN PORTFOLIO

Trading and MSME loan segments earning ◀  
high yields constitute about 48% of advances



### STRONG TRACK RECORD

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

### ROBUST CORPORATE GOVERNANCE PRACTICES

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

### DIVERSIFIED ASSET PROFILE

- ▶ Granular asset profile with advances to top 20 borrowers contributing around 8%
- ▶ Lower ticket size lending backed by adequate collaterals

## ▶ CREDIT RATING

**ICRA** has assigned

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

**CRISIL** has assigned

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

# PERFORMANCE HIGHLIGHTS – MARCH 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**



**384,480**

Deposits

**345,762**



**330,652**

Advances

**754,087**



**715,132**

Total Business

**101,970**



**96,982**

CASA

**13,414**



**12,400**

Gross Profit

**4,763**



**6,829**

Net Profit

**16,752**



**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>

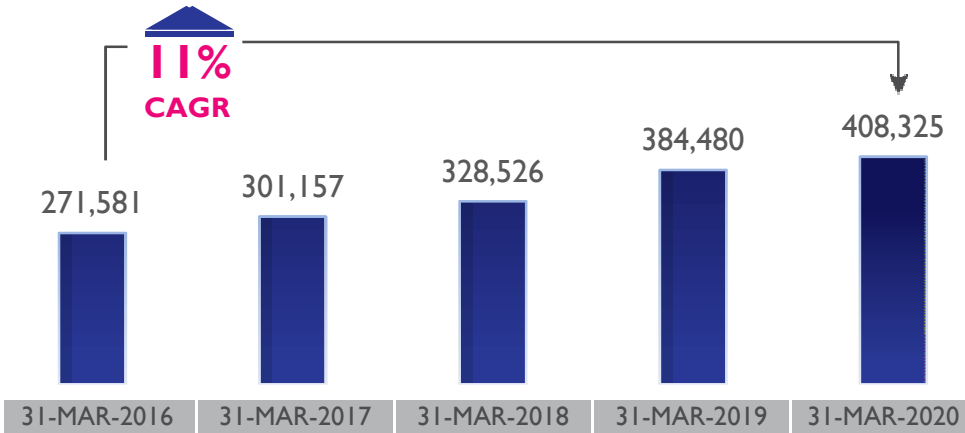
### OPERATING EXPENSES BREAKUP

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>

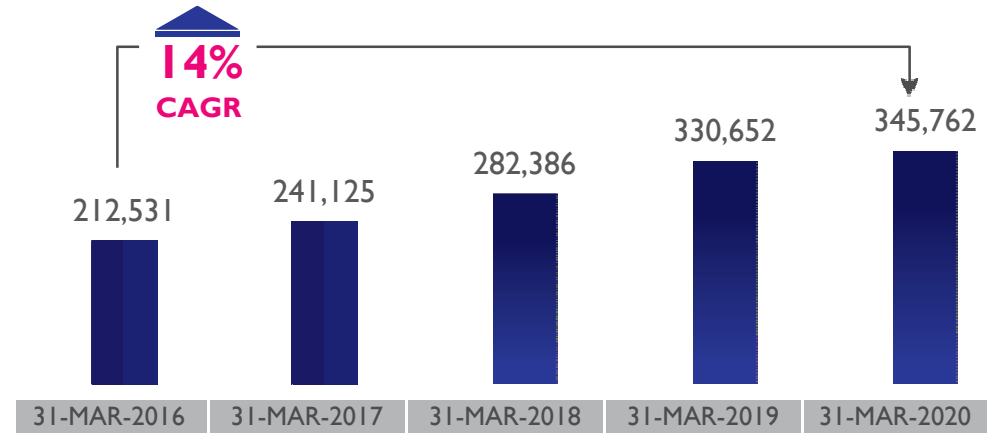
## ▶ STRONG DEPOSITS AND ADVANCES GROWTH

(in INR Mn)

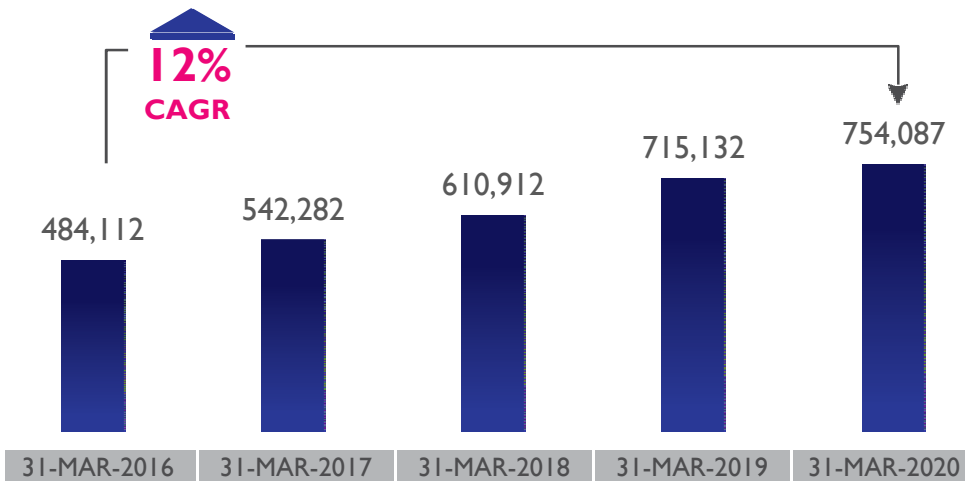
### DEPOSITS



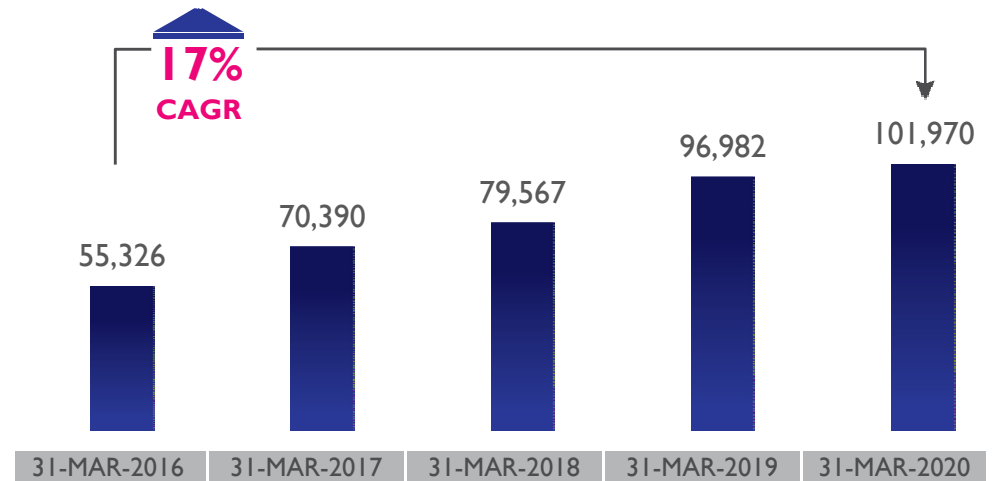
### ADVANCES



### BUSINESS



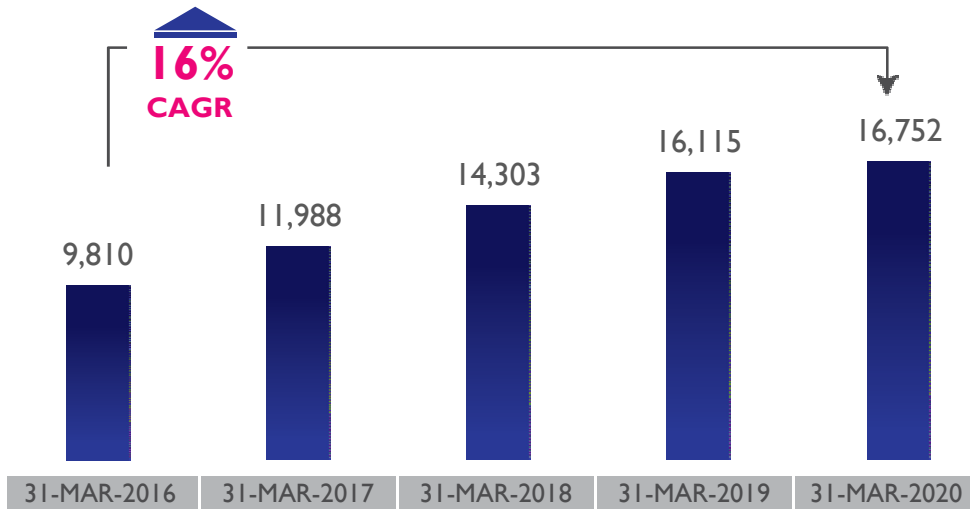
### CASA



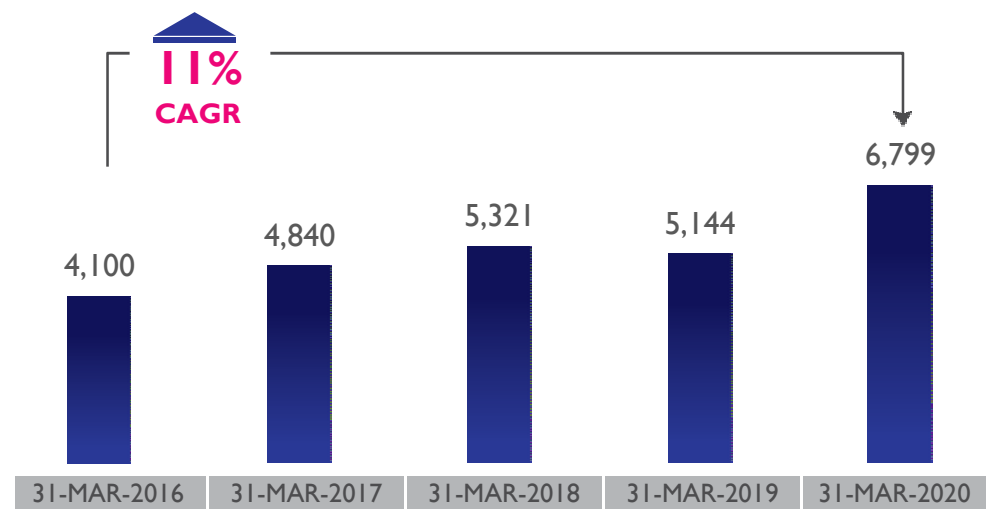
# INCOME GROWTH OVER THE YEARS...

(in INR Mn)

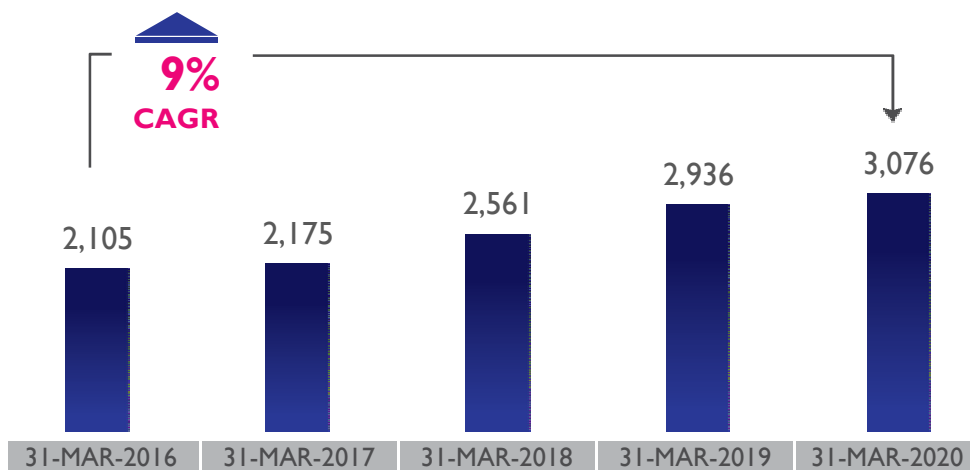
## NET INTEREST INCOME GROWTH



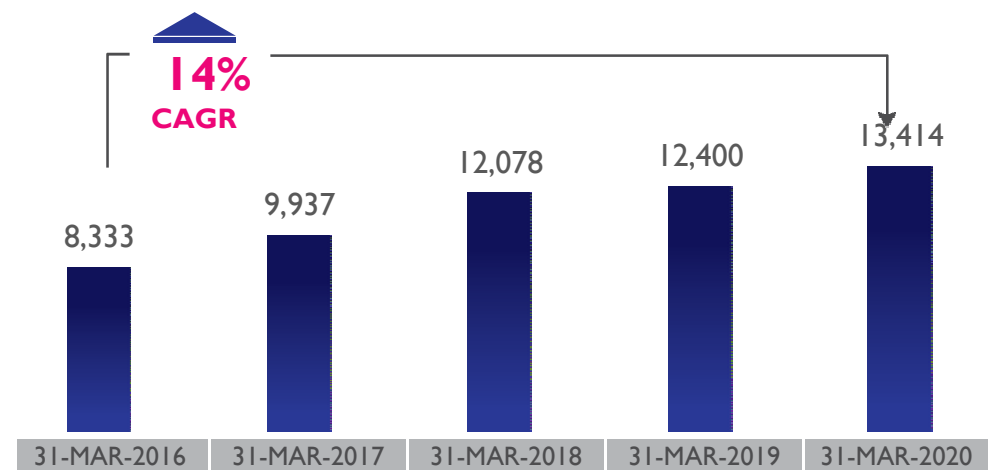
## OTHER INCOME GROWTH



## CEB GROWTH



## OPERATING PROFIT GROWTH

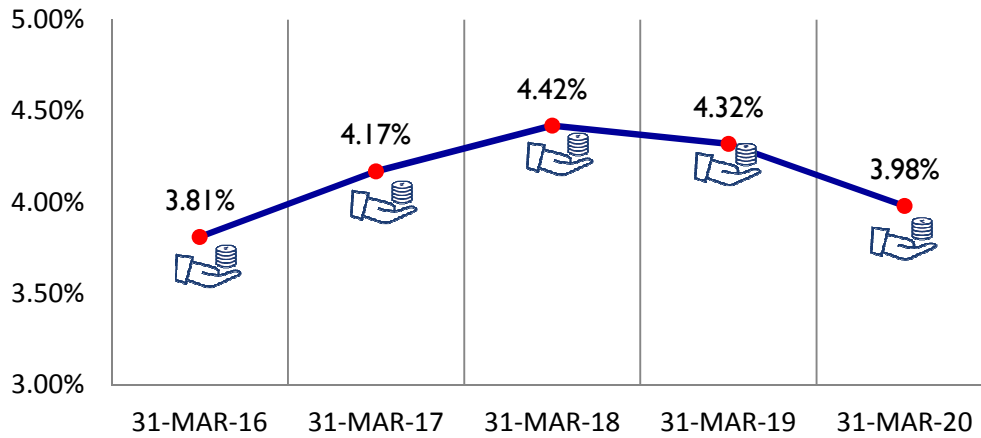


## ▶ KEY BUSINESS INDICATORS

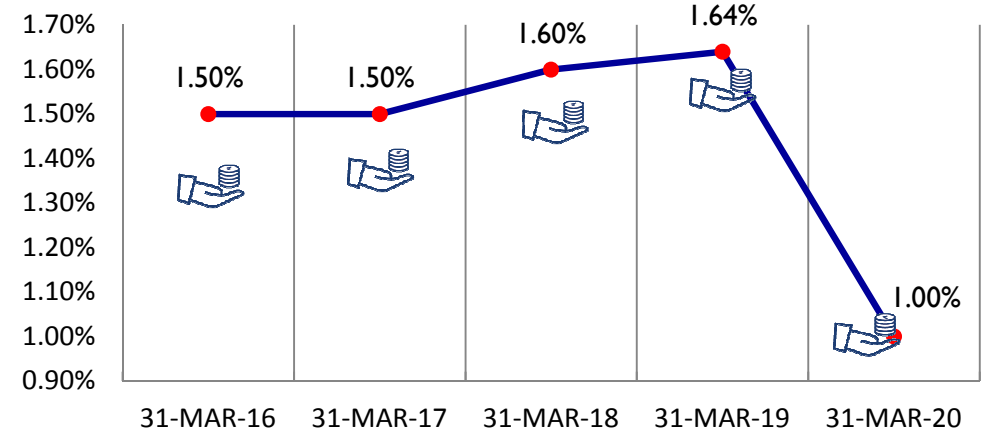
PARTICULARS	Q4 FY 20	Q4 FY 19	FY 19-20	FY 18-19	Q3 FY 20
Cost of Deposits	6.07%	6.27%	6.20%	6.17%	6.17%
Yield on Advances	10.46%	11.07%	10.76%	10.95%	10.73%
Yield on Investments	6.54%	6.96%	6.69%	6.95%	6.62%
Net Interest Margin	3.91%	4.40%	3.98%	4.32%	3.96%
Cost to Income	44.04%	40.48%	43.04%	41.67%	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

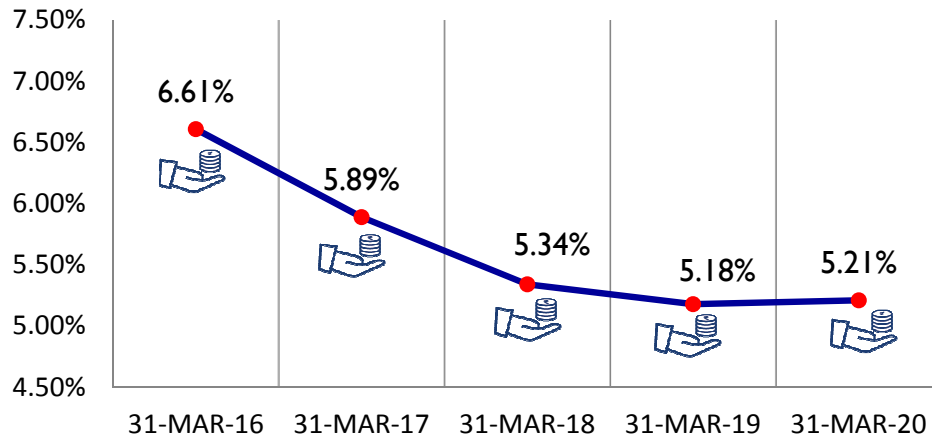
### NET INTEREST MARGIN



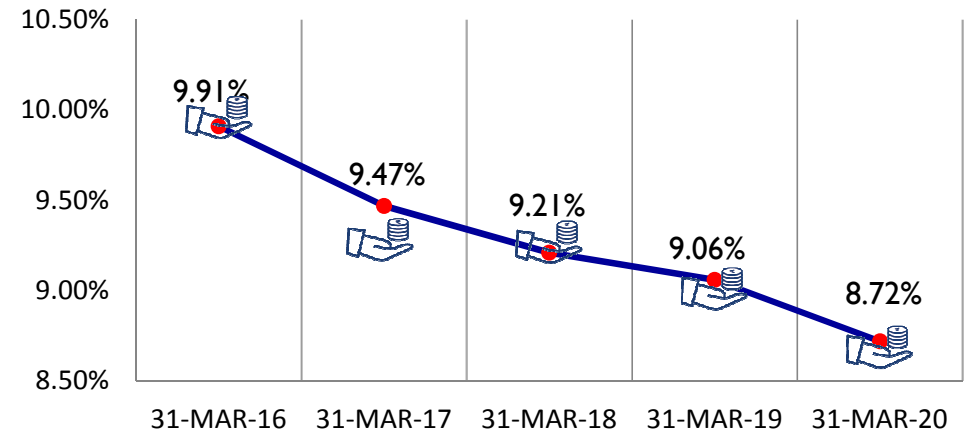
### RETURN ON ASSETS



### COST OF FUNDS

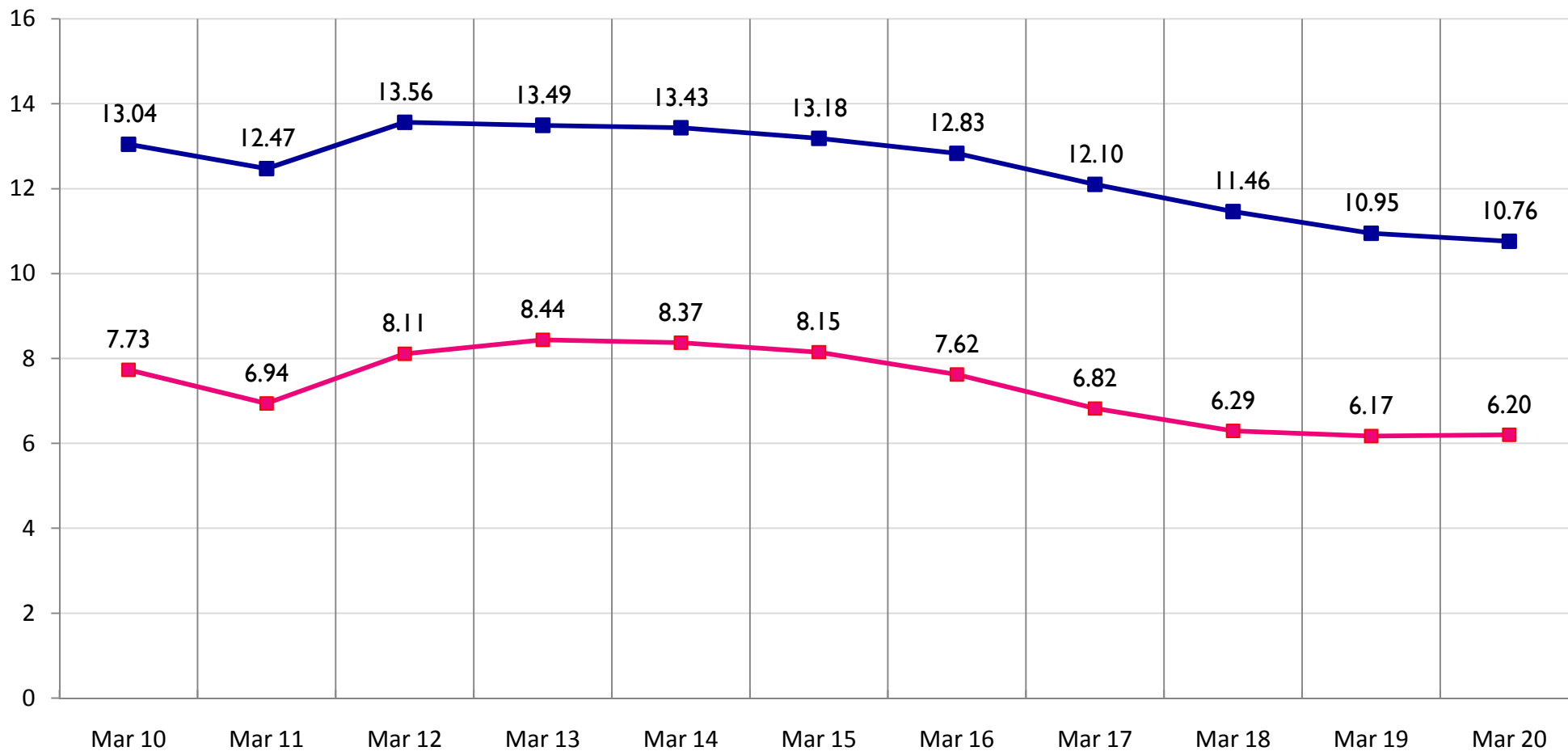


### YIELD ON FUNDS



## ▶ COST OF DEPOSITS & YIELD ON ADVANCES

(in %)



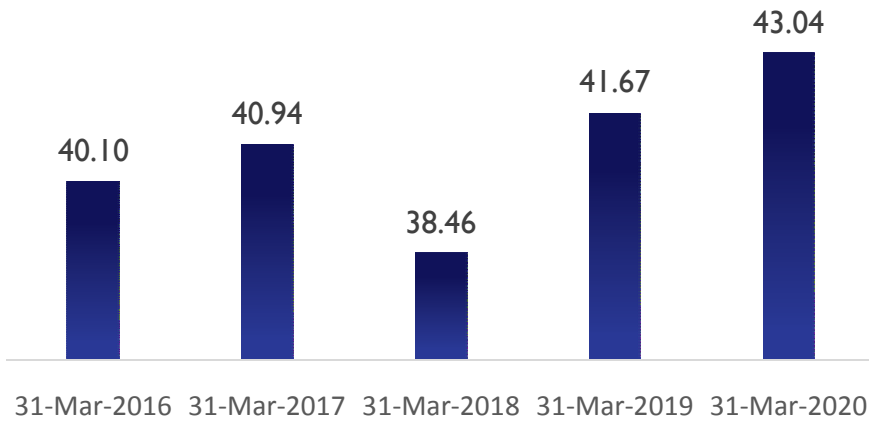
Spread between cost of deposits and yield on advances of our bank maintained in the last 10 years

— Yield on Advances  
— Cost of Deposits

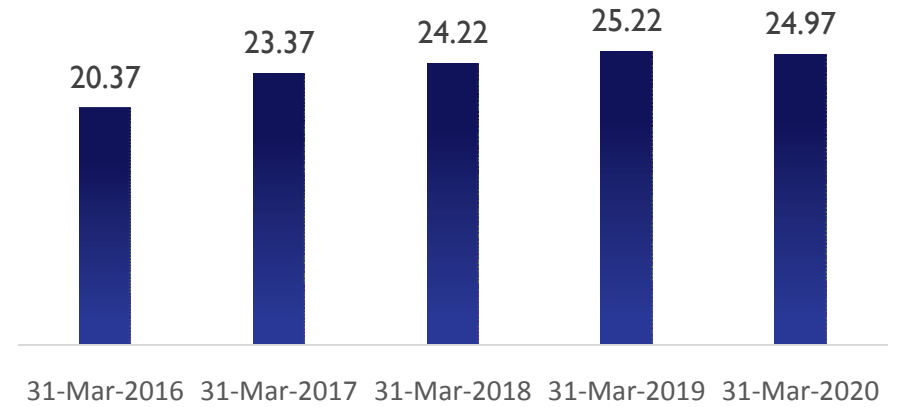


## EFFICIENCY

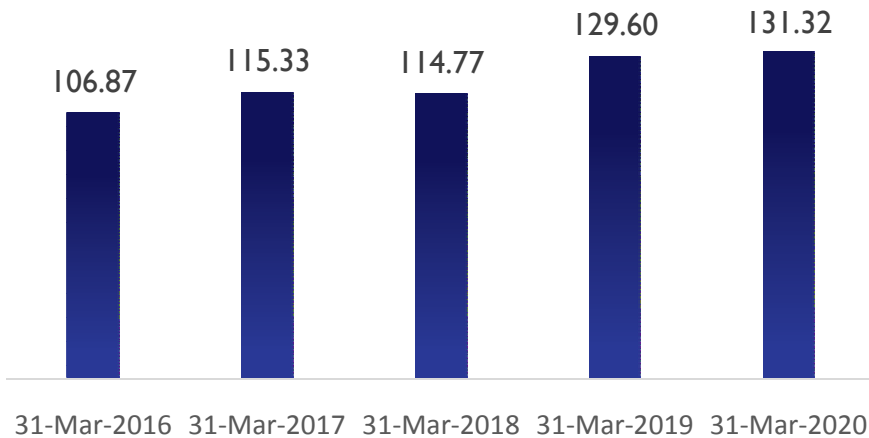
### COST INCOME RATIO (%)



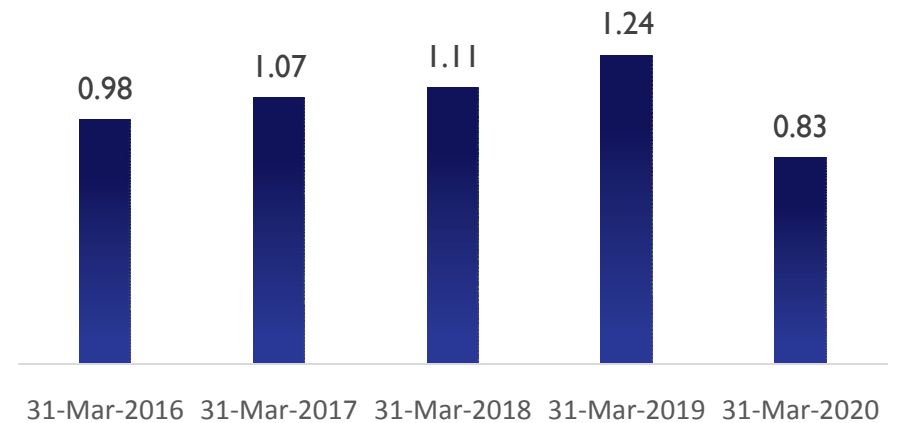
### CASA RATIO (%)



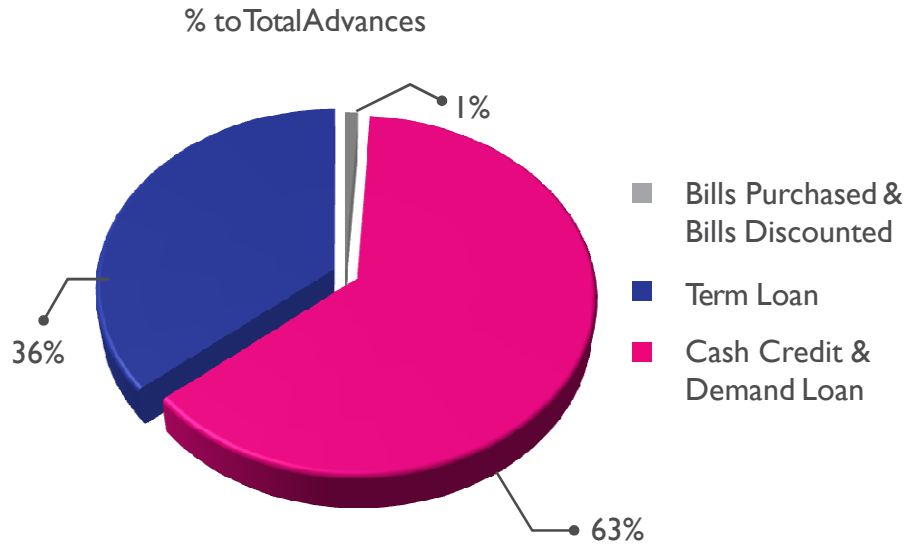
### BUSINESS PER EMPLOYEE (in INR Mn)



### 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

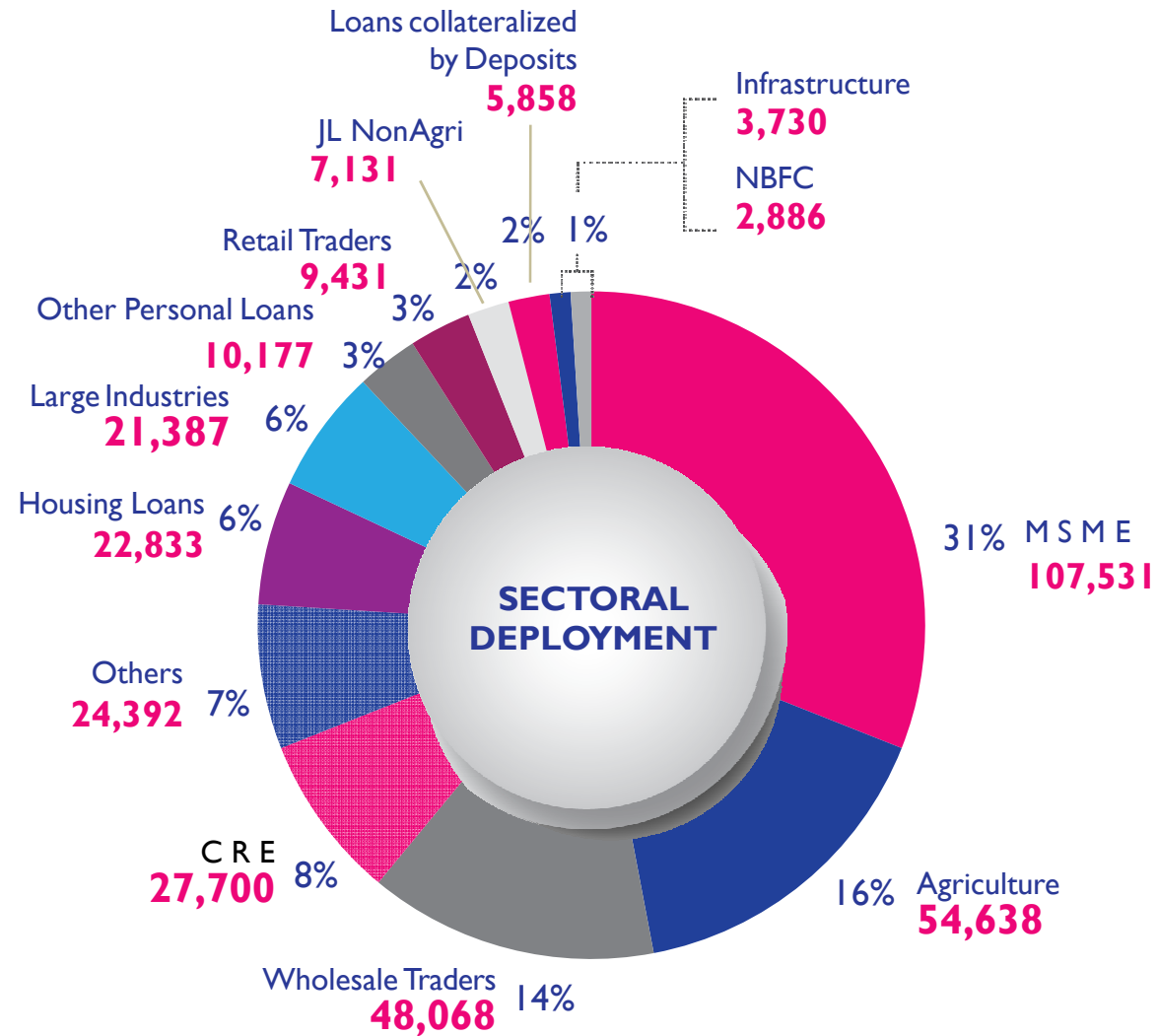


~95% of our loan book is on floating rate basis which reduces interest rate risk

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%

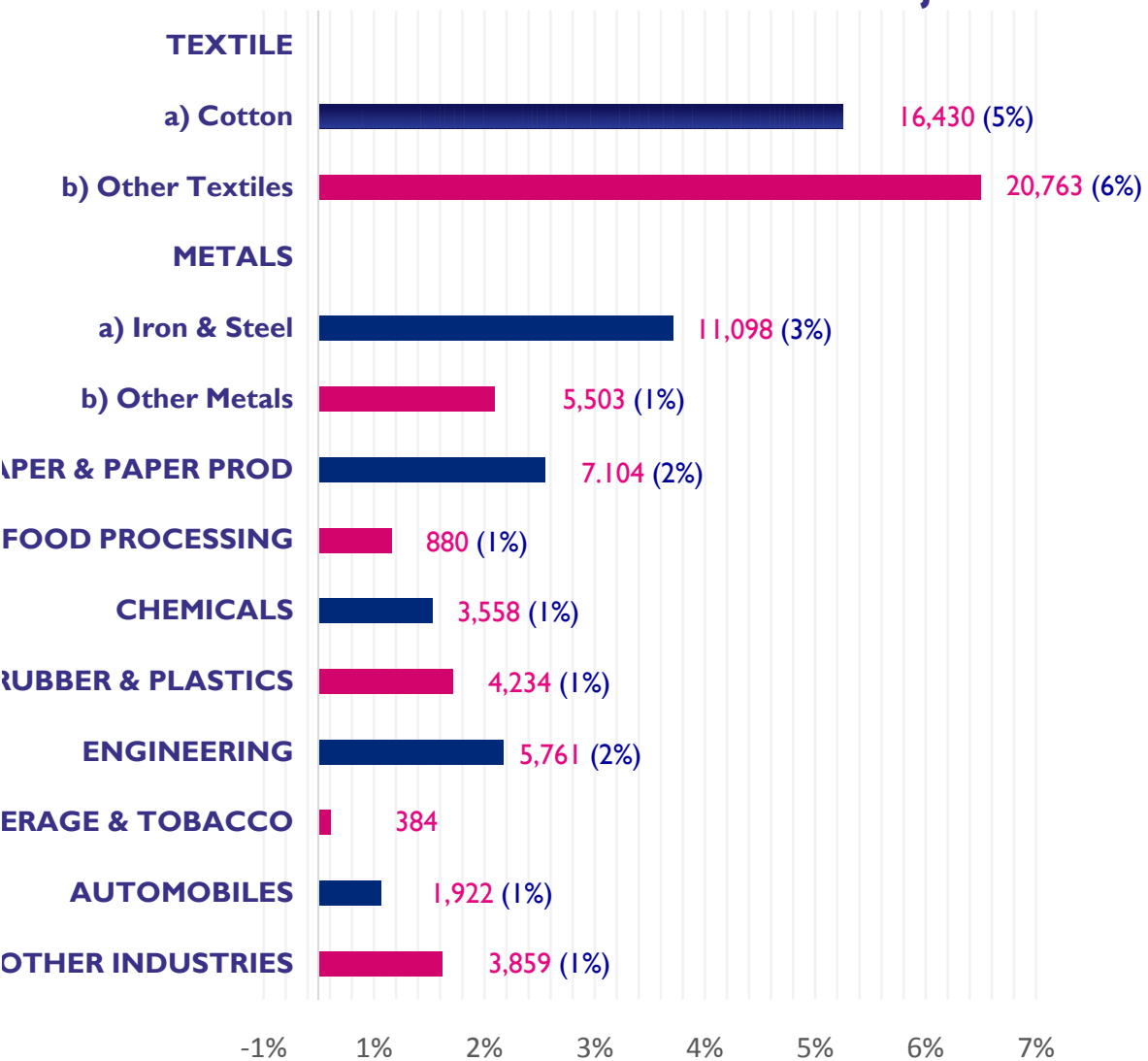


Total Jewel Loan outstanding as on 31.03.2020 – Rs.33,268 Mn

# Loan Book – Advances to Major Industries

(in INR Mn)

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

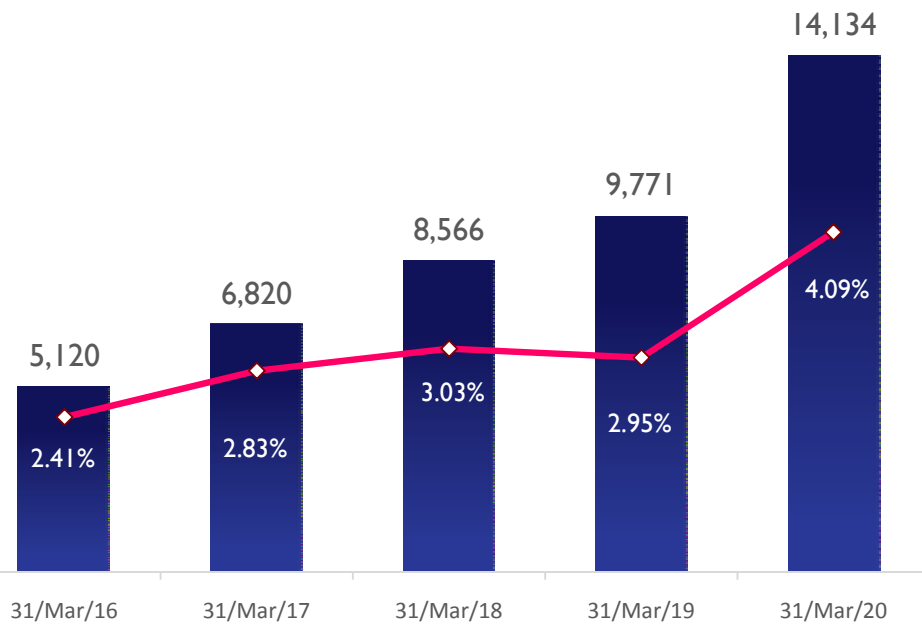


Industry Name	Amount (in INR Mn)	% to Total Advances
Advances to Major Industries	81,496	24%
All other advances (Agri, Trade, Service, Gold Loan, etc.)	264,266	76%
<b>Total Gross Advances</b>	<b>345,762</b>	<b>100%</b>

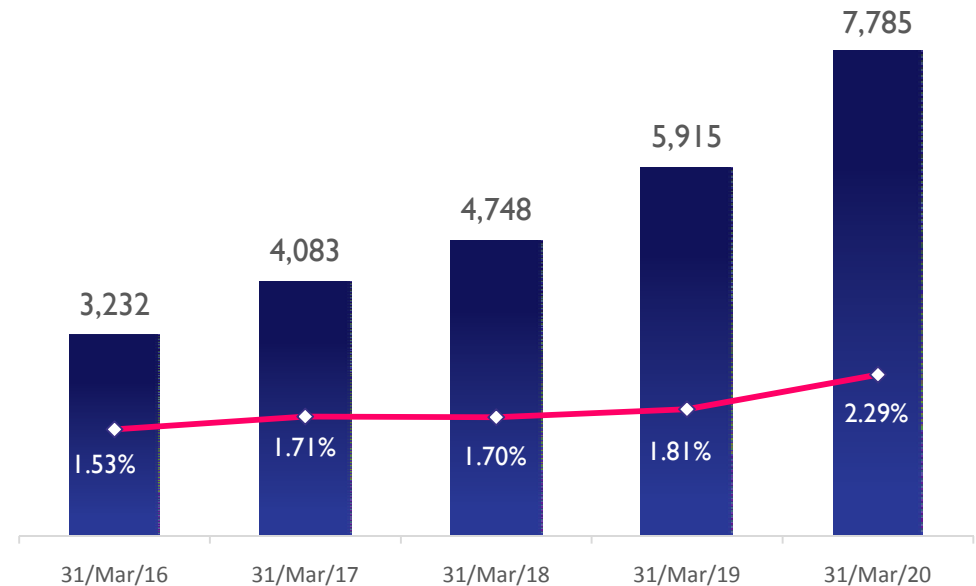
## ▶ ASSET QUALITY

(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
NetAddition	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>
GrossAdvance	F	2,12,531	2,41,125	2,82,386	3,30,652	3,45,762	3,45,762
<b>Additions % of GrossAdvance</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>NetAddition % 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 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.

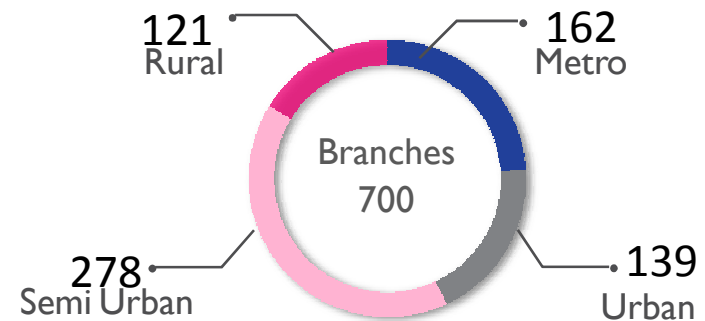
# BRANCH NETWORK

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>			



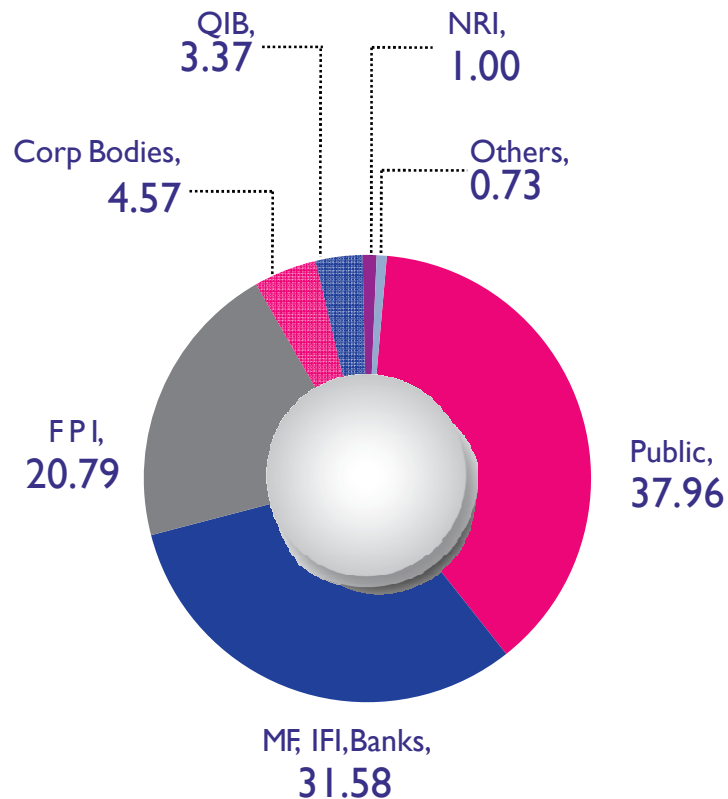


# SHAREHOLDING PATTERN

SHAKEHOLDING PATTERN

## ▶ A WELL DIVERSIFIED INVESTOR BASE

Position as on 31-Mar-2020



### Major Institutional Shareholders

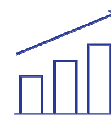
SHAREHOLDERS	HOLDING %
HDFC Midcap Opportunities Fund	4.48
Life Insurance Corporation of India	4.13
Axis Mutual Fund	4.07
Smallcap World Fund INC (Capital Group)	3.12
HDFC Life Insurance Co. Ltd.	2.54
L & T Mutual Fund – Midcap Fund	2.32
DSP Equity Opportunities Fund	2.27
Franklin Templeton Mutual Fund	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

СОКЪОКАТЕ ГОЛЕКНАНСЕ

## ▶ 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., Ph.D., CAIIB**  
**M.D. & C.E.O.**

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



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

Shri. M. Narayanan is a practicing Chartered Accountant by profession and has handled Finance, Accounts and Taxation at various levels upto CFO while in service for over 20 years in companies of repute viz. BHEL, Dalmia Cements, Fenner, Ramco Cements and Dishnet etc. He is also an agriculturist and a qualified system Auditor.



**Shri. 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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