



CITY UNION BANK LIMITED

CIN : L65110TN1904PLC001287

Regd. Office : 149, T.S.R. (Big) Street, Kumbakonam - 612 001, Thanjavur District, Tamil Nadu.

Telephone No : 0435 - 2402322 Fax : 0435 - 2431746

E-mail : shares@cityunionbank.com Website : www.cityunionbank.com

C.O/Shares/LR-5/2021-22

04th February, 2022

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

BSE Ltd.,
DCS – CRD,
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai 400 001

Scrip Code: CUB

Scrip Code: 532210

Dear Madam / Sir,

Sub: Investor presentation – Q3 FY 2022

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

Pursuant to Regulation 30 R/w Schedule III Part A para A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we submit herewith the Investor Presentation on the Un-audited Financial Results of the Bank for the quarter ended 31st December, 2021 for your information and records please.

Thanking you

Yours faithfully

for **CITY UNION BANK LIMITED**

V. Ramesh

(Sr. General Manager – CFO & CS)



Encl.: a.a



INVESTOR PRESENTATION

DECEMBER 2021

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December 2021



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Corporate Governance



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 31.12.2021



Deposits
INR 46,722 CR



Advances
INR 38,387 CR



Net Interest Margin
3.97% (9 M)



Net NPA
3.44%



Employees
5,466



Branches
702

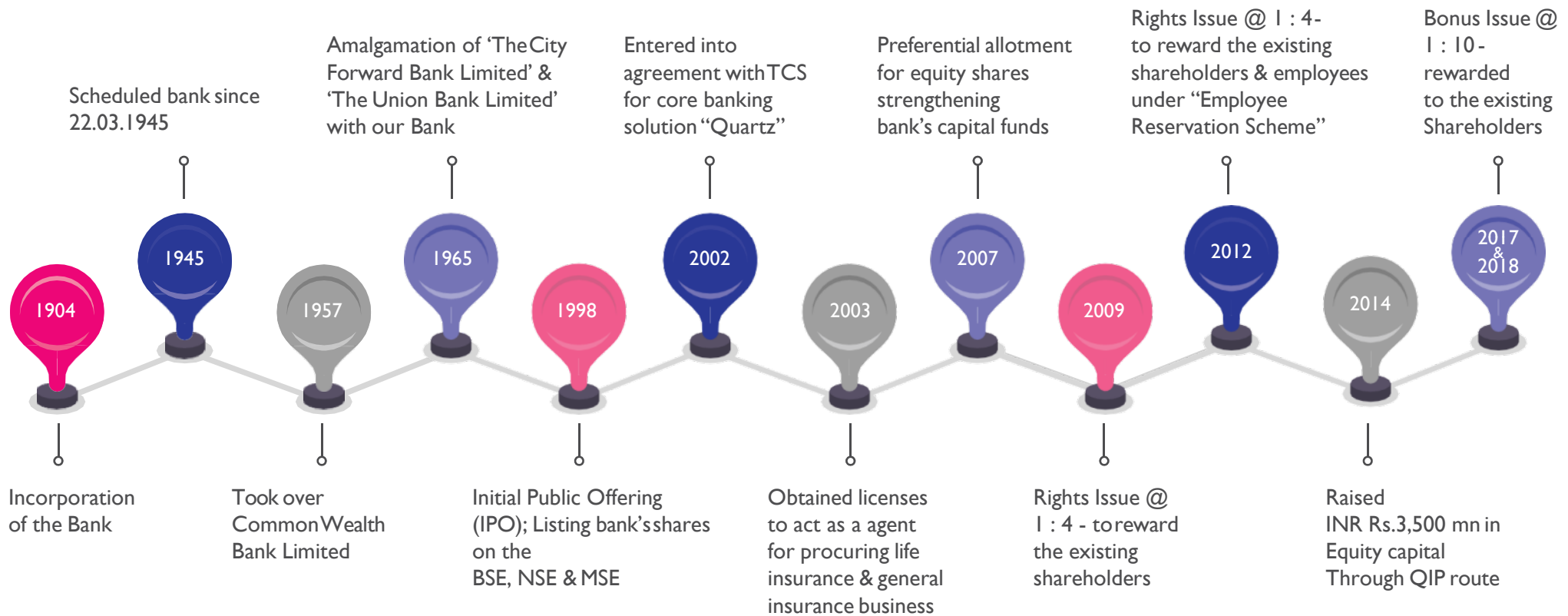


ATM's
1,733



Efficiency Ratio
41.41% (9 M)

▶ KEY MILESTONES



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

SME / MSME focus

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

Prudent Risk Management

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

Invested in Robust Infrastructure

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

Purely retail Liability Franchise

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

10 year CAGR of 20%+

Consistent Return with Superior ROA, ROE

▶ COMPETITIVE ADVANTAGES

NETWORK

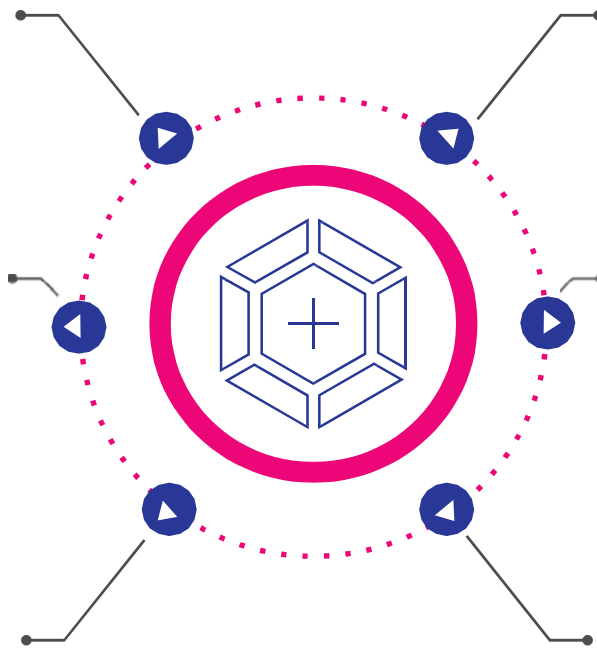
Pan India presence with 702 branches ◀
 Strong presence in South India (630 branches) ◀
 of which 486 are in Tamil Nadu alone

ADEQUATELY CAPITALISED

Strong Capital Adequacy ratio of 19.39% ◀
 out of which Tier I constitutes 18.34%

MSME / TRADING PORTFOLIO

Trading and MSME loan segments constitute ◀
 about 52% of advances



STRONG TRACK RECORD

- ▶ Continuous profitability and dividend payout in all 116+ years of operations
- ▶ Business growth of 20%+ CAGR in last 10 years

ROBUST CORPORATE GOVERNANCE PRACTICES

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

DIVERSIFIED ASSET PROFILE

- ▶ Granular asset profile with advances to top 20 group borrowers contributing around 5.79%
- ▶ 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 2021

ΠΕΡΦΟΡΜΑΝΣΕ ΗΙΧΤΗΙΤΣ – ΔΕΚΕΜΒΡΕΚ 2021

▶ Q3 FY 22 / 9M FY 22 PERFORMANCE – A SNAPSHOT

- ▶ Deposits increased by 8% from Rs.433 Bn to Rs.467 Bn Y-o-Y
- ▶ Advances registered a growth of 5% from Rs.365 Bn to Rs.384 Bn Y-o-Y
- ▶ Total business grown by 7% from Rs.798 Bn to Rs.851 Bn Y-o-Y
- ▶ Gross Profit decreased to Rs.3,696 Mn from Rs.4,484 Mn (Q3-Vs-Q3) and from Rs.11,691 Mn to Rs.11,555 Mn (9M-Vs-9M)
- ▶ Net Profit increased by 15% from Rs.1,699 Mn to Rs.1,961 Mn (Q3-Vs-Q3) and 14% to Rs.4,816 Mn from Rs.5,512 Mn (9M-Vs-9M)
- ▶ Profitability and efficiency ratios :

| PARTICULARS | Q3 FY 22 | Q3 FY 21 | 9M FY 22 | 9M FY 21 | FY 2020-21 |
|---------------------|----------|----------|----------|----------|------------|
| Return on Assets | 1.36% | 1.29% | 1.32% | 1.25% | 1.15% |
| Net Interest Margin | 4.00% | 4.16% | 3.97% | 4.09% | 4.00% |
| Return on Equity | 12.49% | 12.02% | 12.06% | 11.68% | 10.73% |
| Earning per share | Rs.2.65 | Rs.2.30 | Rs.7.46 | Rs.6.53 | Rs.8.03 |

- ▶ Gross NPA – 5.21% and Net NPA – 3.44%
- ▶ Provision Coverage Ratio – 62%
- ▶ CRAR – 19.39% (Basel III) of which core CRAR – 18.34%

▶ Q3 FY 22 VS Q3 FY 21 PERFORMANCE – A SNAPSHOT

(in INR Mn)

467,217



8%

432,883

Deposits

383,871



5%

365,037

Advances

851,088



7%

797,920

Total Business

139,184



17%

118,984

CASA

3,696



4,484

Gross Profit

1,961



15%

1,699

Net Profit

4,900



1%

4,891

Net Interest
Income

43.13%



36.73%

Cost to Income

1.36%

ROA

12.49%

ROE

4.00%

NIM

5.21%

Gross NPA

3.44%

Net NPA

■ Q3 FY 22 ■ Q3 FY 21

▶ 9M FY 22 VS 9M FY 21 PERFORMANCE – A SNAPSHOT

(in INR Mn)

467,217



8%

432,883

Deposits

383,871



5%

365,037

Advances

851,088



7%

797,920

Total Business

139,184



17%

118,984

CASA

11,555



11,691

Gross Profit

5,512



14%

4,816

Net Profit

14,158



1%

14,012

Net Interest
Income

41.41%



39.45%

Cost to Income

1.32%

ROA

12.06%

ROE

3.97%

NIM

5.21%

Gross NPA

3.44%

Net NPA

■ 9M FY 22

■ 9M FY 21

► FY 21 VS FY 20 PERFORMANCE – A SNAPSHOT

(in INR Mn)

445,370



9%

408,325

Deposits

370,206



7%

345,762

Advances

815,576



8%

754,087

Total Business

129,814



27%

101,970

CASA

14,678



7%

13,734

Gross Profit

5,928



24%

4,763

Net Profit

18,297



9%

16,752

Net Interest
Income

41.72%



42.47%

Cost to Income

1.15%

ROA

10.73%

ROE

4.00%

NIM

5.11%

Gross NPA

2.97%

Net NPA

■ FY 21

■ FY 20







FINANCIAL PERFORMANCE & BUSINESS PROFILE

FINANCIAL PERFORMANCE & BUSINESS PROFILE

▶ Q3 FY 22 VS Q3 FY 21 PERFORMANCE - A SNAPSHOT

(in INR Mn)

FINANCIAL PERFORMANCE

| PARTICULARS | Q3 FY 22 | Q3 FY 21 | INC / (DEC) | Growth | Growth % | Q2 FY 22 |
|-----------------------|----------|----------|---|--------|----------|----------|
| Deposits | 467,217 | 432,883 |  | 34,334 | 8% | 463,161 |
| Advances | 383,871 | 365,037 |  | 18,834 | 5% | 380,122 |
| Total Business | 851,088 | 797,920 |  | 53,168 | 7% | 843,283 |
| Demand Deposits | 41,261 | 32,083 |  | 9,178 | 29% | 39,210 |
| Saving Deposits | 97,923 | 86,902 |  | 11,021 | 13% | 94,903 |
| CASA | 139,184 | 118,985 |  | 20,199 | 17% | 134,113 |
| Gross NPA | 19,986 | 10,717 | | | | 21,193 |
| Net NPA | 12,959 | 5,272 | | | | 12,941 |
| Gross NPA (%) | 5.21% | 2.94% | | | | 5.58% |
| Net NPA (%) | 3.44% | 1.47% | | | | 3.48% |
| C R A R (BASEL – III) | 19.39% | 17.39% | | | | 19.24% |
| - Of which Tier I | 18.34% | 16.31% | | | | 18.18% |
| CD Ratio | 82% | 84% | | | | 82% |
| PCR | 62% | 73% | | | | 62% |

If we consider the 9M Profit into account, the CRAR would be 21.16%

▶ Q3 FY 22 VS Q3 FY 21 PERFORMANCE - A SNAPSHOT

(in INR Mn)

FINANCIAL PERFORMANCE

| PARTICULARS | Q3 FY 22 | Q3 FY 21 | INC / (DEC) | Growth % | Q2 FY 22 |
|----------------------------|----------|----------|-------------|----------|----------|
| Net Interest Income | 4,900 | 4,890 | 10 | 1% | 4,783 |
| Other Income | 1,600 | 2,198 | -598 | - | 2,027 |
| Operating Expenses | 2,804 | 2,604 | 200 | 8% | 2,759 |
| Gross Profit | 3,696 | 4,484 | -788 | - | 4,051 |
| Provisions & Contingencies | 1,735 | 2,785 | -1050 | - | 2,230 |
| Net Profit | 1,961 | 1,699 | 262 | 15% | 1,821 |
| Return on Assets | 1.36% | 1.29% | | | 1.32% |
| Return on Equity | 12.49% | 12.02% | | | 11.96% |
| Net Interest Margin | 4.00% | 4.16% | | | 4.03% |

▶ 9M FY 22 VS 9M FY 21 PERFORMANCE - A SNAPSHOT

(in INR Mn)







FINANCIAL PERFORMANCE

| PARTICULARS | 9M FY 22 | 9M FY 21 | INC / (DEC) | Growth % |
|----------------------------|----------|----------|-------------|----------|
| Net Interest Income | 14,158 | 14,012 | 146 | 1% |
| Other Income | 5,562 | 5,296 | 266 | 5% |
| Operating Expenses | 8,165 | 7,617 | 548 | 7% |
| Gross Profit | 11,555 | 11,691 | -136 | - |
| Provisions & Contingencies | 6,043 | 6,875 | -832 | - |
| Net Profit | 5,512 | 4,816 | 696 | 14% |
| Return on Assets | 1.32% | 1.25% | | |
| Return on Equity | 12.06% | 11.68% | | |
| Net Interest Margin | 3.97% | 4.09% | | |

▶ FY 21 VS FY 20 PERFORMANCE - A SNAPSHOT

(in INR Mn)

FINANCIAL PERFORMANCE

| PARTICULARS | FY 2021 | FY 2020 | INC / (DEC) | Growth | Growth % |
|-----------------------|---------|---------|---|--------|----------|
| Deposits | 445,370 | 408,325 |  | 37,045 | 9% |
| Advances | 370,206 | 345,762 |  | 24,444 | 7% |
| Total Business | 815,576 | 754,087 |  | 61,489 | 8% |
| Demand Deposits | 37,537 | 29,244 |  | 8,293 | 28% |
| Saving Deposits | 92,277 | 72,726 |  | 19,551 | 27% |
| CASA | 129,814 | 101,970 |  | 27,844 | 27% |
| Gross NPA | 18,932 | 14,134 | | | |
| Net NPA | 10,752 | 7,785 | | | |
| Gross NPA (%) | 5.11% | 4.09% | | | |
| Net NPA (%) | 2.97% | 2.29% | | | |
| C R A R (BASEL – III) | 19.52% | 16.76% | | | |
| - Of which Tier I | 18.45% | 15.80% | | | |
| CD Ratio | 83% | 85% | | | |
| PCR | 64% | 65% | | | |

▶ FY 21 VS FY 20 PERFORMANCE - A SNAPSHOT

(in INR Mn)

FINANCIAL PERFORMANCE

| PARTICULARS | FY 20-21 | FY 19-20 | INC / (DEC) | Growth % |
|----------------------------|----------|----------|-------------|----------|
| Net Interest Income | 18,296 | 16,752 | 1,544 | 9% |
| Other Income | 6,888 | 7,119 | -231 | - |
| Operating Expenses | 10,506 | 10,137 | 369 | 4% |
| Gross Profit | 14,678 | 13,734 | 944 | 7% |
| Provisions & Contingencies | 8,750 | 8,971 | -221 | - |
| Net Profit | 5,928 | 4,763 | 1,165 | 24% |
| Return on Assets | 1.15% | 1.00% | | |
| Return on Equity | 10.73% | 9.47% | | |
| Net Interest Margin | 4.00% | 3.98% | | |

► PROVISIONS & CONTINGENCIES – BREAKUP

(in INR Mn)

| PARTICULARS | Q3 FY 22 | Q3 FY 21 | 9M FY 22 | 9M FY 21 | FY 20-21 |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| Provision for: | | | | | |
| - Tax | 500 | 700 | 1,650 | 1,650 | 1,000 |
| - Bad Debts | 875 | 310 | 4,385 | 1,130 | 5,990 |
| - Covid 19 | 300 | 1,250 | (530) | 3,400 | 310 |
| - Standard Assets | 10 | 500 | 450 | 620 | 1,045 |
| - Restructuring / FITL | - | 175 | 108 | 225 | 265 |
| - Others | 50 | -150 | (20) | -150 | 140 |
| Total | 1,735 | 2,785 | 6,043 | 6,875 | 8,750 |

▶ Q3 FY 22 VS Q3 FY 21 – INCOME AND EXPENSES BREAKUP

(in INR Mn)

INTEREST INCOME BREAKUP

| PARTICULARS | Q3 FY 22 | Q3 FY 21 | Growth % |
|------------------------------|---------------|---------------|----------|
| Interest on Loans | 8,646 | 8,906 | - |
| Interest on Investments | 1,656 | 1,470 | 13% |
| Other Interest Income | 51 | 104 | - |
| Total Interest Income | 10,353 | 10,480 | - |

INTEREST EXPENSES BREAKUP

| PARTICULARS | Q3 FY 22 | Q3 FY 21 | Growth % |
|--------------------------------|--------------|--------------|----------|
| Int Exp on Deposits | 5,272 | 5,463 | - |
| Other Int Expenses | 181 | 127 | 42% |
| Total Interest Expenses | 5,453 | 5,590 | - |

OTHER INCOME BREAKUP

| PARTICULARS | Q3 FY 22 | Q3 FY 21 | Growth % |
|---|--------------|--------------|----------|
| CEB & Charges | 721 | 741 | - |
| Treasury Income | 410 | 1,087 | - |
| Other Inc incl recoveries in written off a/cs | 469 | 370 | 27% |
| Total Other Income | 1,600 | 2,198 | - |

OPERATING EXPENSES BREAKUP

| PARTICULARS | Q3 FY 22 | Q3 FY 21 | Growth % |
|--------------------------|--------------|--------------|-----------|
| Employee Cost | 1,338 | 1,202 | 11% |
| Other Operating Expenses | 1,466 | 1,402 | 5% |
| Total Expenses | 2,804 | 2,604 | 8% |

▶ 9M FY 22 VS 9M FY 21 – INCOME AND EXPENSES BREAKUP

(in INR Mn)

INTEREST INCOME BREAKUP

| PARTICULARS | 9M FY 22 | 9M FY 21 | Growth % |
|------------------------------|---------------|---------------|----------|
| Interest on Loans | 25,838 | 26,817 | - |
| Interest on Investments | 4,560 | 4,392 | 4% |
| Other Interest Income | 150 | 375 | - |
| Total Interest Income | 30,548 | 31,584 | - |

INTEREST EXPENSES BREAKUP

| PARTICULARS | 9M FY 22 | 9M FY 21 | Growth % |
|--------------------------------|---------------|---------------|----------|
| Int Exp on Deposits | 16,044 | 16,965 | - |
| Other Int Expenses | 346 | 607 | - |
| Total Interest Expenses | 16,390 | 17,572 | - |

OTHER INCOME BREAKUP

| PARTICULARS | 9M FY 22 | 9M FY 21 | Growth % |
|---|--------------|--------------|-----------|
| CEB & Charges | 2,133 | 1,848 | 15% |
| Treasury Income | 1,958 | 2,657 | - |
| Other Inc incl recoveries in written off a/cs | 1,471 | 791 | 86% |
| Total Other Income | 5,562 | 5,296 | 5% |

OPERATING EXPENSES BREAKUP

| PARTICULARS | 9M FY 22 | 9M FY 21 | Growth % |
|--------------------------|--------------|--------------|-----------|
| Employee Cost | 3,900 | 3,565 | 9% |
| Other Operating Expenses | 4,265 | 4,052 | 5% |
| Total Expenses | 8,165 | 7,617 | 7% |

► FY 21 VS FY 20 – INCOME AND EXPENSES BREAKUP

(in INR Mn)

INTEREST INCOME BREAKUP

| PARTICULARS | FY 2021 | FY 2020 | Growth % |
|------------------------------|---------------|---------------|------------|
| Interest on Loans | 35,078 | 34,946 | 1% |
| Interest on Investments | 5,828 | 6,099 | -ve |
| Other Interest Income | 441 | 641 | -ve |
| Total Interest Income | 41,347 | 41,686 | -ve |

INTEREST EXPENSES BREAKUP

| PARTICULARS | FY 2021 | FY 2020 | Growth % |
|--------------------------------|---------------|---------------|------------|
| Int Exp on Deposits | 22,348 | 24,369 | -ve |
| Other Int Expenses | 703 | 565 | 24% |
| Total Interest Expenses | 23,051 | 24,934 | -ve |

OTHER INCOME BREAKUP

| PARTICULARS | FY 2021 | FY 2020 | Growth % |
|---|--------------|--------------|----------|
| CEB & Charges | 2,616 | 3,076 | -ve |
| Treasury Income | 3,093 | 2,762 | 12% |
| Other Inc incl recoveries in written off a/cs | 1,179 | 1,281 | -ve |
| Total Other Income | 6,888 | 7,119 | - |

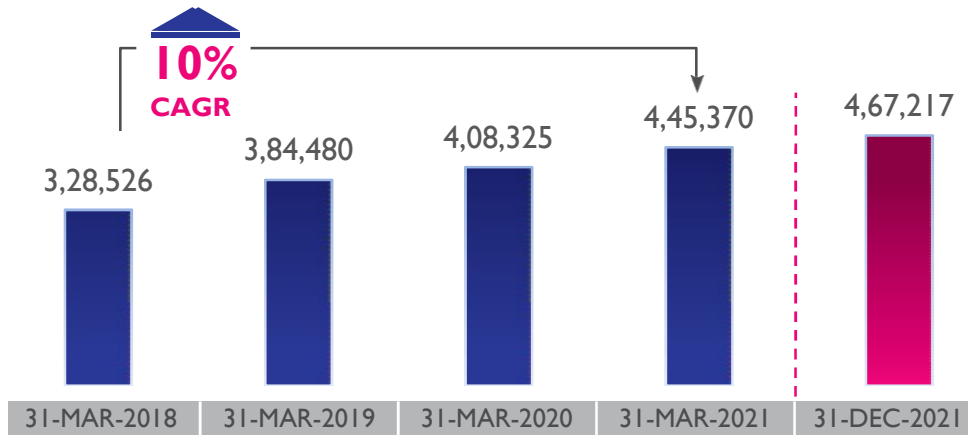
OPERATING EXPENSES BREAKUP

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

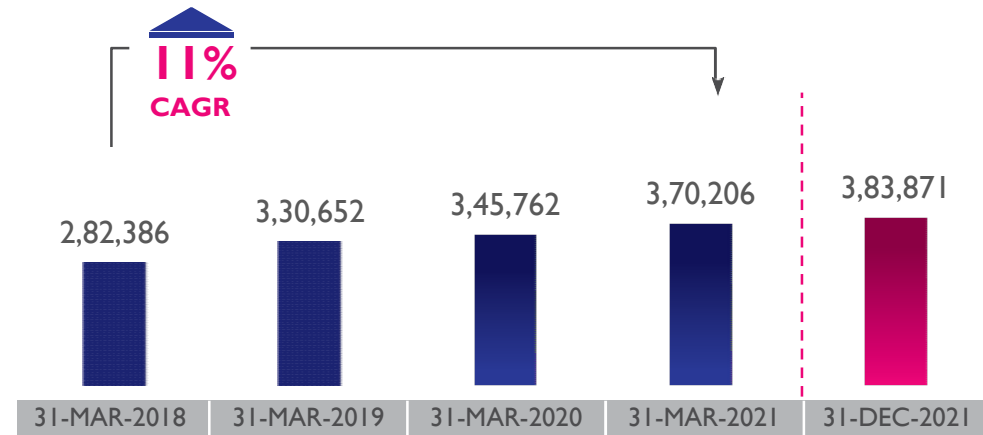
▶ STRONG DEPOSITS AND ADVANCES GROWTH

(in INR Mn)

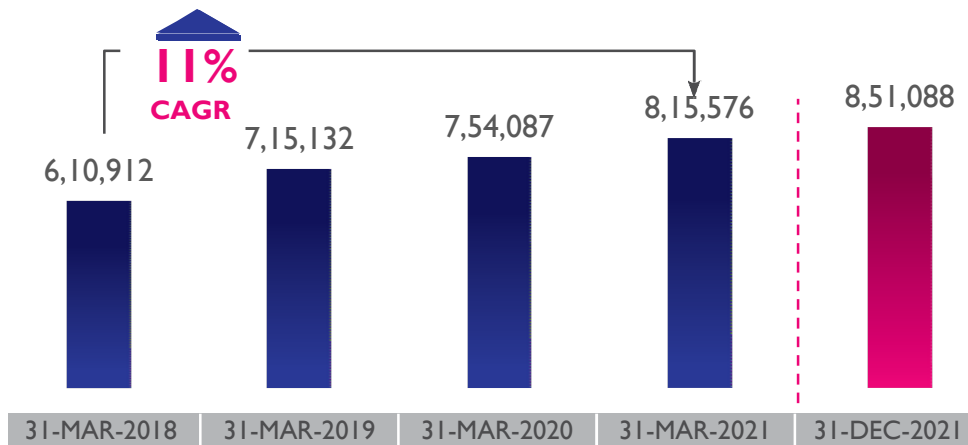
DEPOSITS



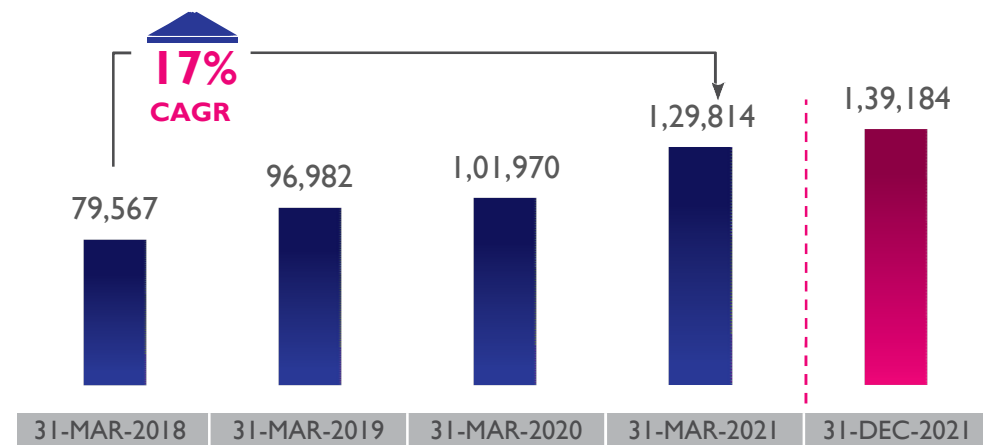
ADVANCES



BUSINESS



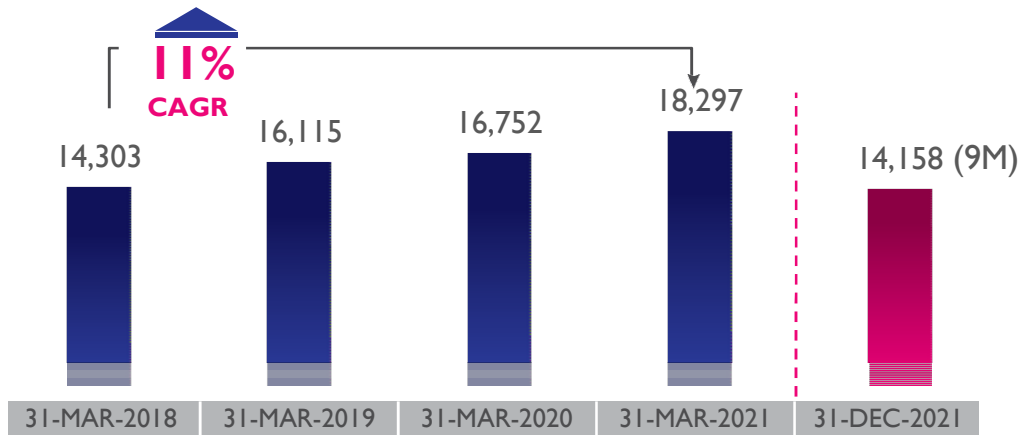
CASA



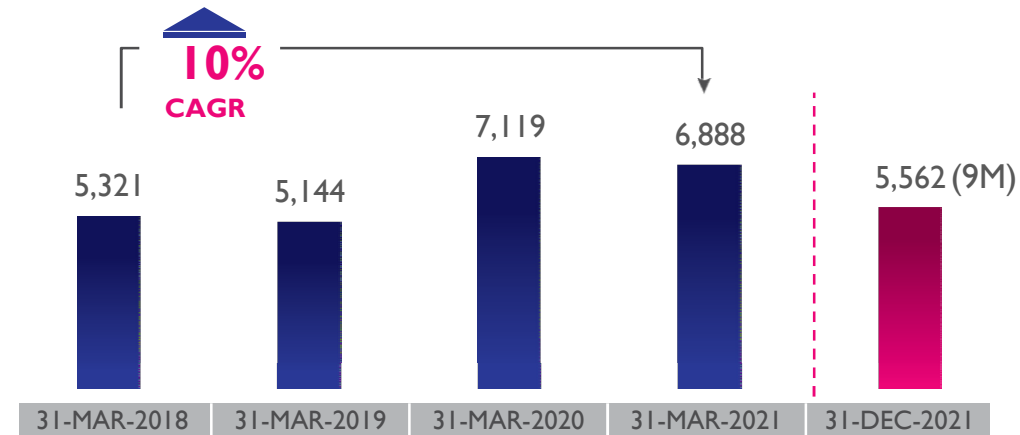
▶ INCOME GROWTH OVER THE YEARS...

(in INR Mn)

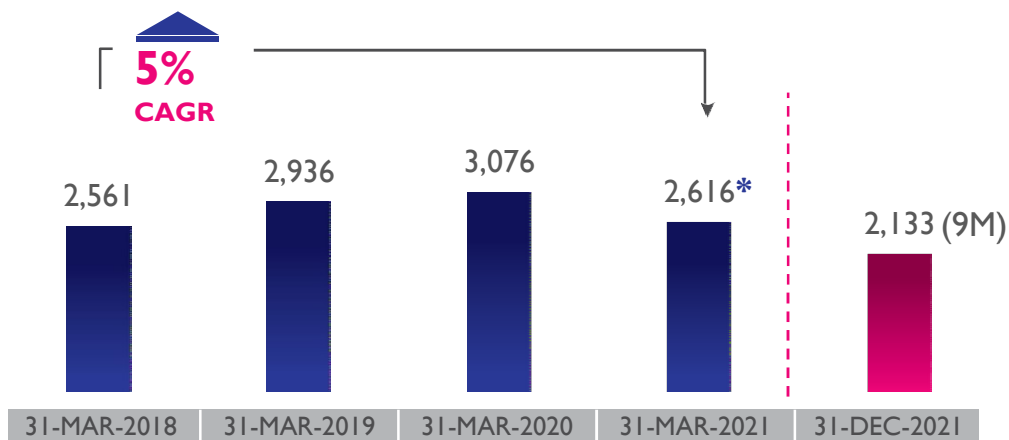
NET INTEREST INCOME GROWTH



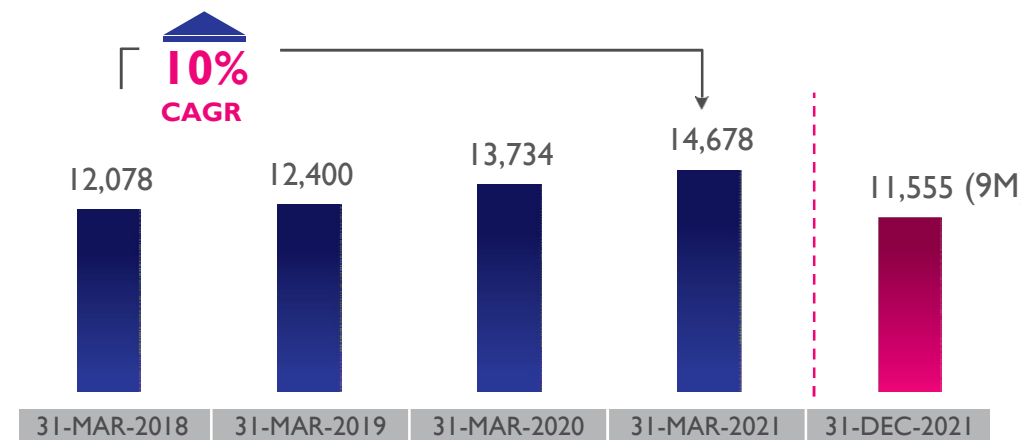
OTHER INCOME GROWTH



CEB GROWTH



OPERATING PROFIT GROWTH



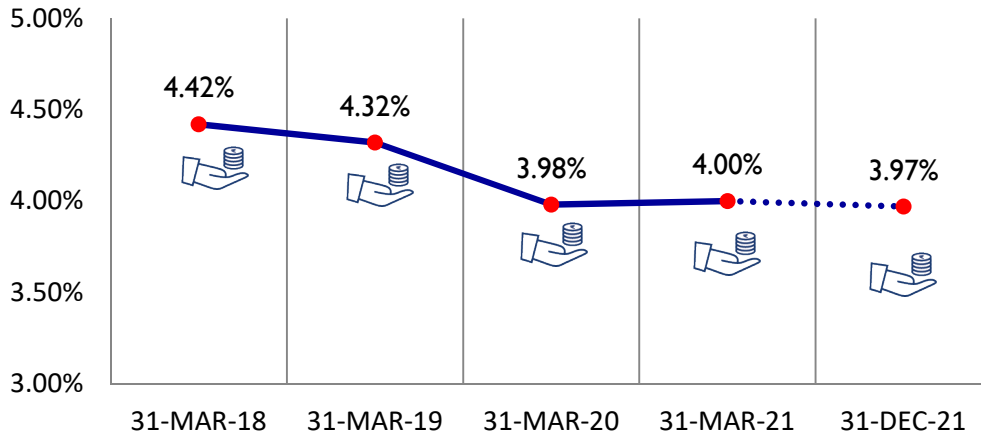
* Decline in CEB income during FY 20-21 mainly due to restriction by Finance Ministry for waiver of service charges at the time of COVID first wave

▶ KEY BUSINESS INDICATORS

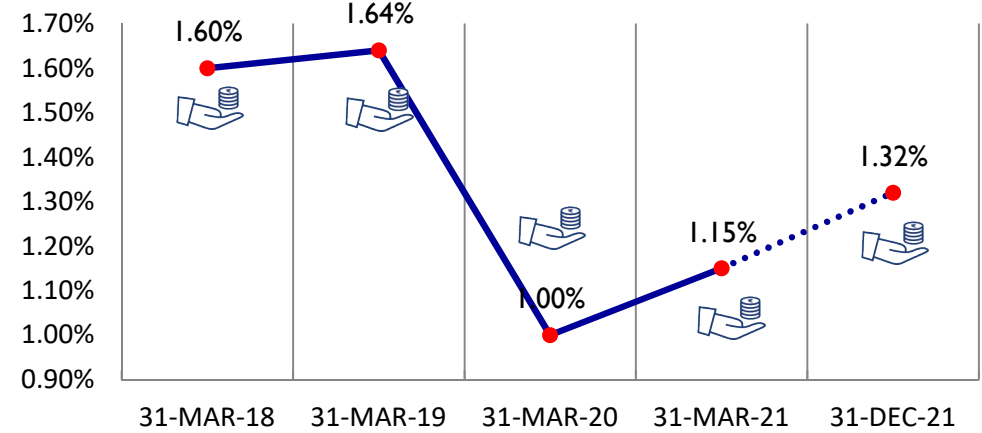
| PARTICULARS | Q3 FY 22 | Q3 FY 21 | 9M FY 22 | 9M FY 21 | FY 20-21 |
|--|----------|----------|----------|----------|----------|
| Cost of Deposits | 4.58% | 5.16% | 4.72% | 5.46% | 5.36% |
| Yield on Advances | 9.29% | 9.87% | 9.39% | 10.16% | 9.91% |
| Yield on Investments | 5.76% | 5.79% | 5.71% | 5.89% | 5.86% |
| Net Interest Margin | 4.00% | 4.16% | 3.97% | 4.09% | 4.00% |
| Cost to Income | 43.13% | 36.73% | 41.41% | 39.45% | 41.72% |
| Cost of Funds | 3.78% | 4.23% | 3.93% | 4.56% | 4.46% |
| Yield of Funds | 7.18% | 7.94% | 7.33% | 8.20% | 7.99% |
| Per Employee Business (in INR Mn) | 155.50 | 135.38 | 155.50 | 135.38 | 139.38 |
| Per Employee Profit (in INR Mn) (Ann) | 1.44 | 1.15 | 1.34 | 1.09 | 1.01 |
| EPS in INR - FV INR Re.1/- share (Not Ann) | 2.65 | 2.30 | 7.46 | 6.53 | 8.03 |

▶ KEY BUSINESS RATIOS – YEARLY TRENDS

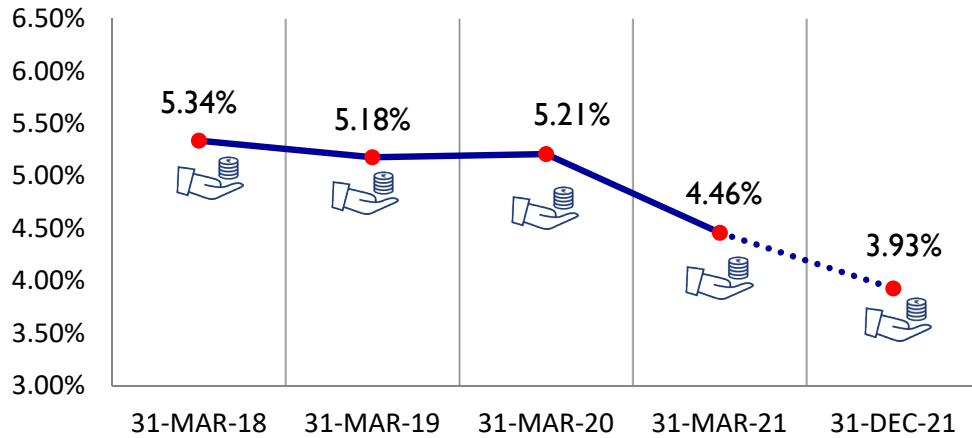
NET INTEREST MARGIN



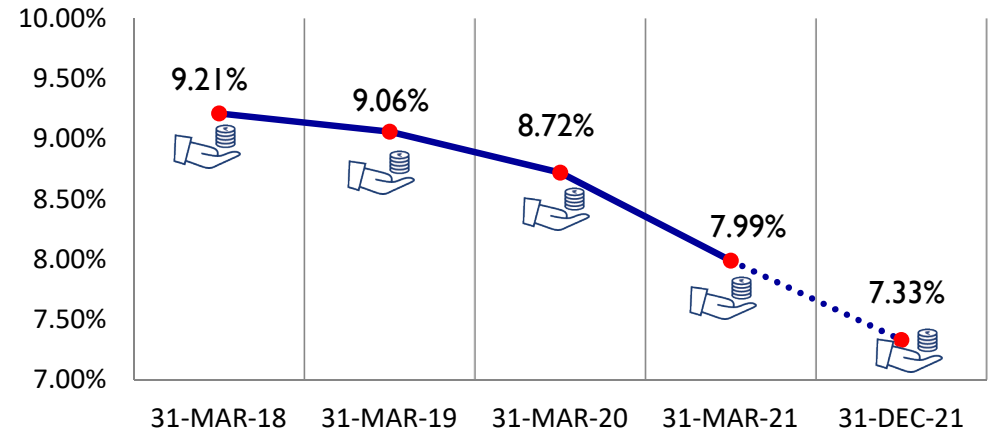
RETURN ON ASSETS



COST OF FUNDS

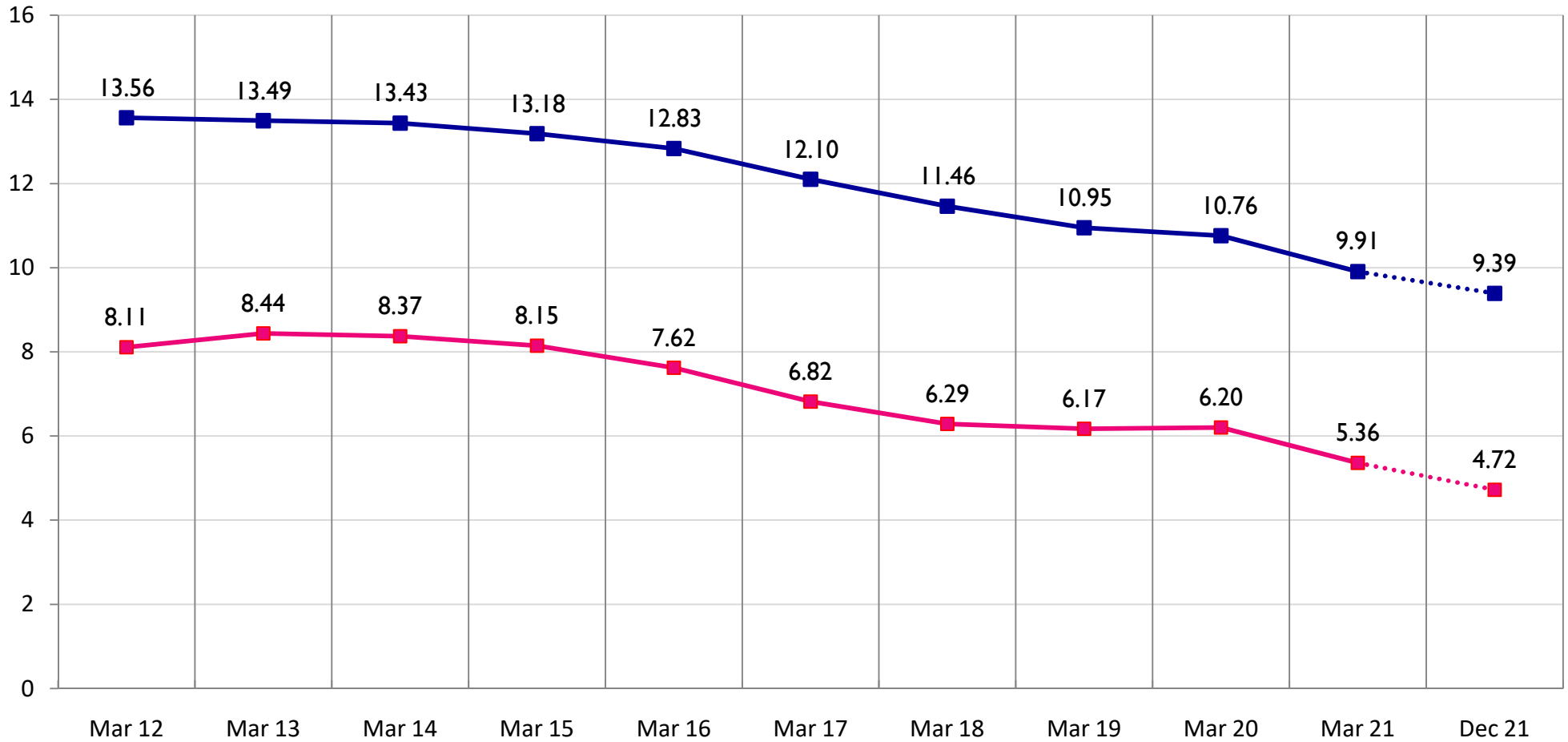


YIELD ON FUNDS



▶ COST OF DEPOSITS & YIELD ON ADVANCES

(in %)

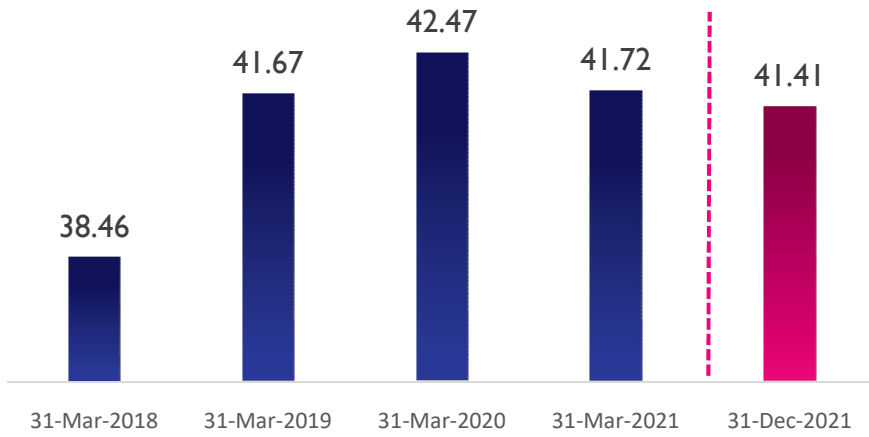


Spread between cost of deposits and yield on advances of our bank maintained in the last 10 years

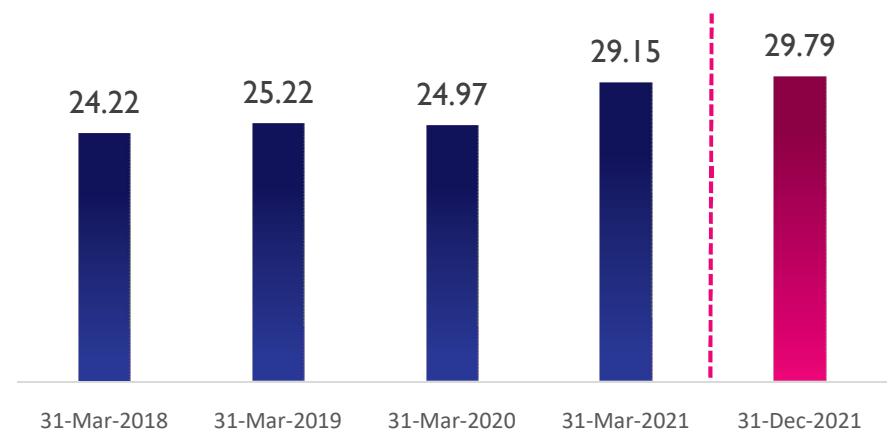
— Yield on Advances
— Cost of Deposits

▶ EFFICIENCY

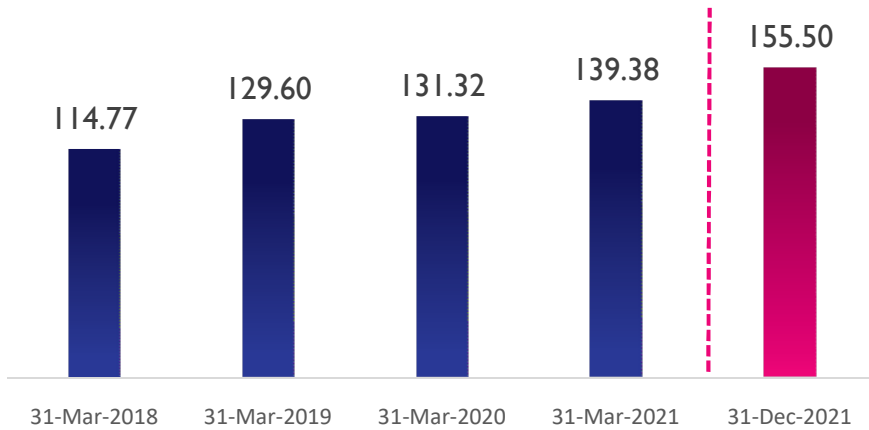
COST INCOME RATIO (%)



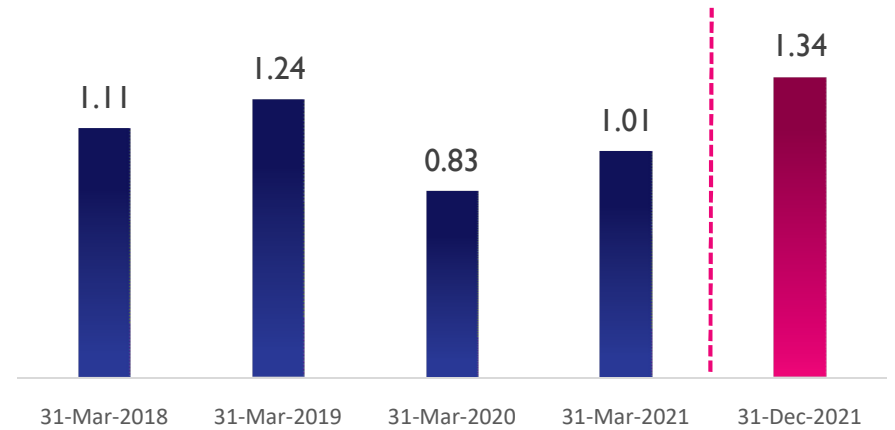
CASA RATIO (%)



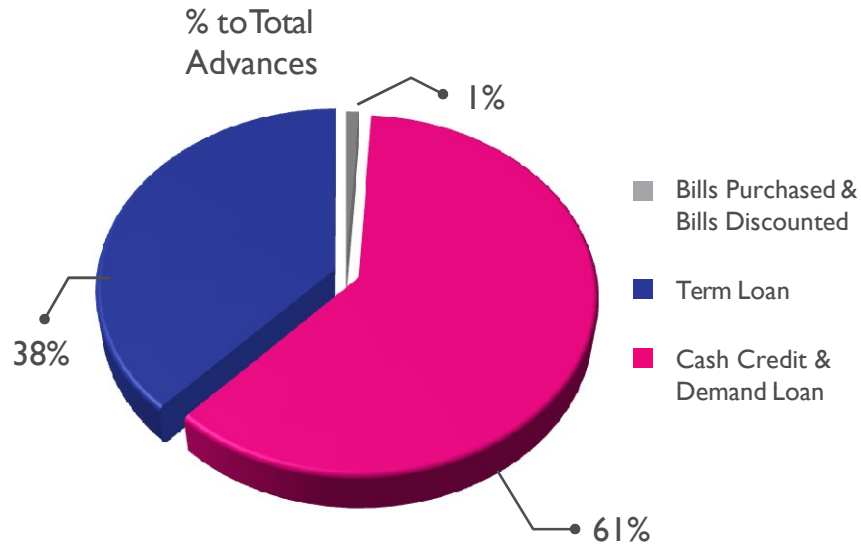
BUSINESS PER EMPLOYEE (in INR Mn)



PROFIT PER EMPLOYEE (in INR Mn)



▶ LOAN BOOK – PRODUCTS COMPOSITION



Working capital loans yielding higher interest constitute 61% of advances

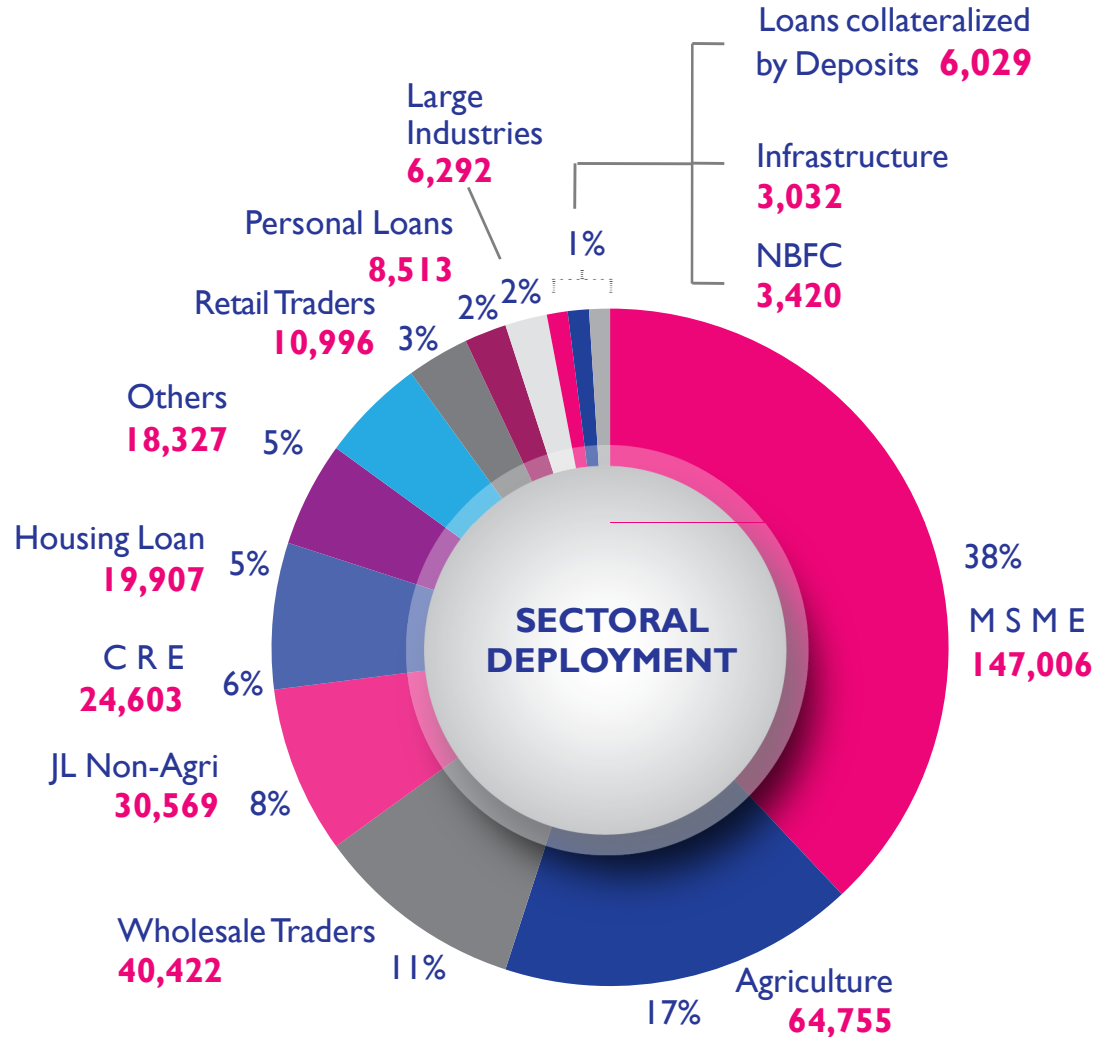


Re-pricing possible at short intervals thus reducing interest rate risk

| Loan Book Products Composition | Amount (INR Mn) | % to Total Advances |
|------------------------------------|-----------------|---------------------|
| Cash Credit & Demand Loan | 233,248 | 61% |
| Term Loan | 148,487 | 38% |
| Bills Purchased & Bills Discounted | 2,136 | 1% |
| Gross Loan Total | 383,871 | 100% |

▶ LOAN BOOK SECTORAL DEPLOYMENT – POSITION AS ON 31.12.2021

(in INR Mn)



Further to the new criteria for classifying MSMEs vide RBI circular dated 02nd July 2020, we have re-classified the borrowal accounts based on the composite criteria of Investment & Turnover. Due to that roughly about 4% got shifted to Medium Enterprises from Large Industries.

▶ LOAN BOOK SECTORAL DEPLOYMENT – POSITION AS ON 31.12.2021

(in INR Mn)

SECURED & UNSECURED ADVANCES

| Particulars | Amount (INR Mn) | (%) |
|-----------------|-----------------|-------------|
| Secured Loans | 381,371 | 99% |
| Unsecured Loans | 2,500 | 1% |
| Total | 383,871 | 100% |



Trading & MSME loans constitute about 52%



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



Unsecured Advances aggregate to 1%

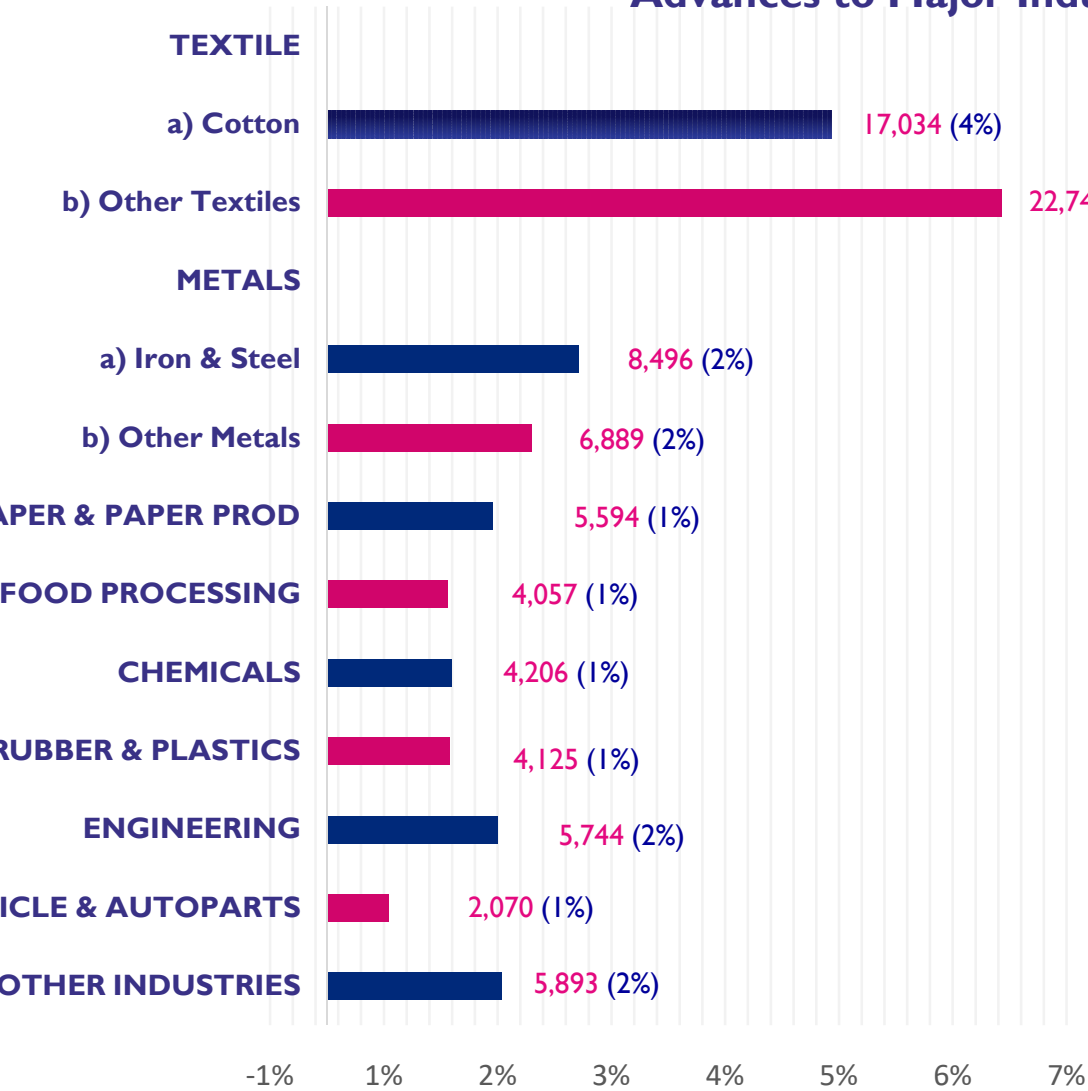


Total Jewel Loan outstanding as on 31.12.2021 – Rs.81,697 Mn

Loan Book – Advances to Major Industries

(in INR Mn)

Advances to Major Industries 31st December 2021



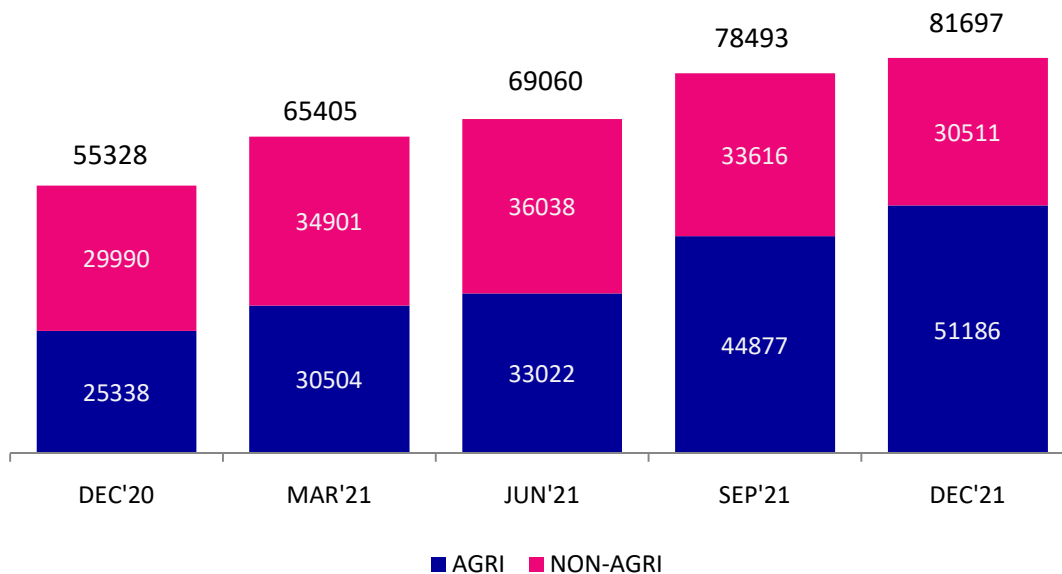
| Industry Name | Amount (in INR Mn) | % to Total Advances |
|--|--------------------|---------------------|
| Advances to Major Industries | 86,849 | 23% |
| All other advances (Agri, Trade, Service, Gold Loan, etc.) | 297,022 | 77% |
| Total Gross Advances | 383,871 | 100% |

▶ LOAN BOOK - DRIVERTO GROWTH – Q3 FY 22

- ✓ During the last few quarters due to COVID pandemic and in the absence of other avenue for growth, the thrust given to improve Gold Loan which is increased by 48% from Rs.55,328 Mn in Q3 FY 21 to Rs. 81,697 Mn in Q3 FY 22.

(in INR Mn)

| GOLD LOAN PORTFOLIO | Dec-20 | Mar-21 | Dec-21 |
|-----------------------------------|---------|---------|---------|
| Gold Loan – Agriculture | 25,338 | 30,504 | 51,186 |
| Gold Loan – Non-Agriculture | 29,990 | 34,901 | 30,511 |
| Total Gold Loans | 55,328 | 65,405 | 81,697 |
| Gross Advances | 365,037 | 370,206 | 383,871 |
| % of Gold Loans to Gross Advances | 15% | 18% | 21% |



Average LTV for Gold Loan at – 69%

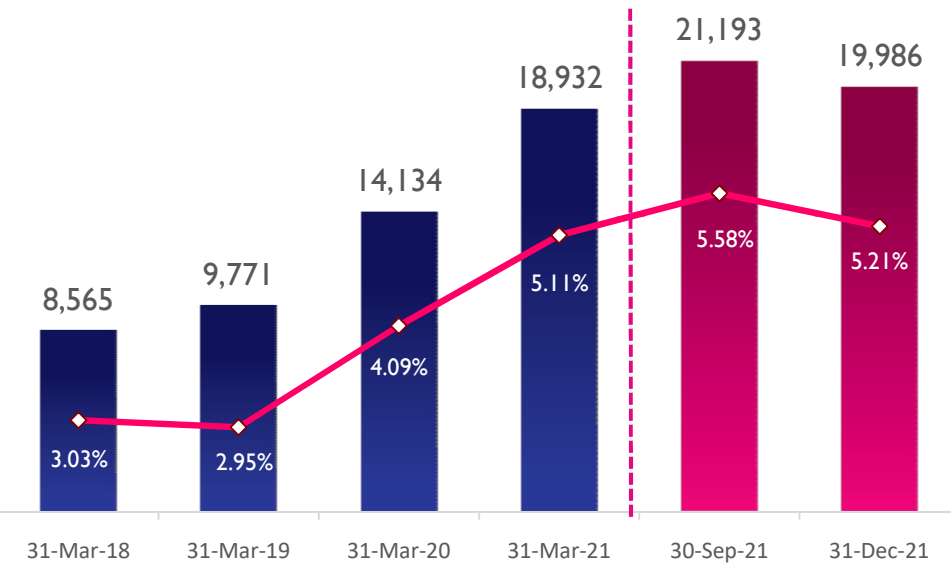


Growth in Gold Loan – 48%
(Dec-20 to Dec-21)

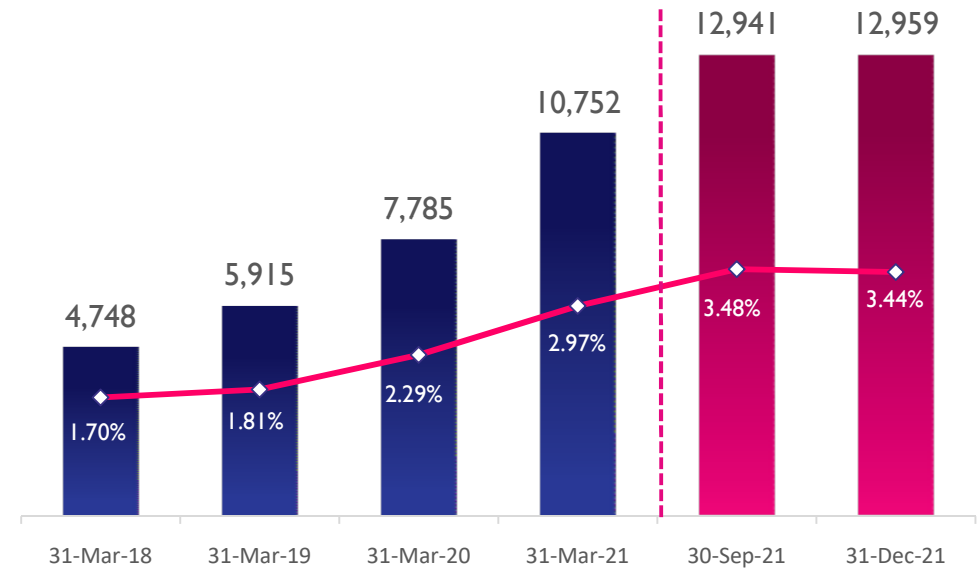
▶ ASSET QUALITY

(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-17 | FY MAR-18 | FY MAR-19 | FY MAR-20 | FY MAR-21 | Q3 FY 22 | 9M FY 22 |
|--|-------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|
| NPA Opening balance | | 5,120 | 6,820 | 8,565 | 9,771 | 14,134 | 21,193 | 18,932 |
| Additions | A | 4,796 | 5,749 | 6,322 | 11,104 | 11,131 | 2,753 | 10,549 |
| Recovery made | | 905 | 1,623 | 1,980 | 1,644 | 1,950 | 1,340 | 3,000 |
| Upgradations | | 556 | 433 | 496 | 1,358 | 264 | 519 | 956 |
| NetAddition | B | 3,335 | 3,693 | 3,846 | 8,102 | 8,917 | 894 | 6,593 |
| Write-off | | 1,635 | 1,948 | 2,640 | 3,739 | 4,119 | 2,101 | 5,539 |
| NPA Closing balance | | 6,820 | 8,565 | 9,771 | 14,134 | 18,932 | 19,986 | 19,986 |
| Technical Write-off (TW) during the period | | 1,564 | 1,836 | 2,565 | 3,670 | 3,961 | 2,007 | 5,174 |
| Provision made during the period | C | 2,515 | 3,030 | 2,700 | 6,310 | 5,990 | 875 | 4,385 |
| TW recovery | D | 470 | 704 | 898 | 1,090 | 1,033 | 424 | 1,222 |
| Provision made net of TW Recovery | E=C-D | 2,045 | 2,326 | 1,802 | 5,220 | 4,957 | 451 | 3,163 |
| GrossAdvance | F | 2,41,125 | 2,82,386 | 3,30,652 | 3,45,762 | 3,70,205 | 3,83,871 | 3,83,871 |
| Additions % of GrossAdvance | A / F | 1.99 | 2.04 | 1.91 | 3.21 | 3.01 | 0.72 | 2.75 |
| NetAddition % of Gross Advance | B / F | 1.38 | 1.31 | 1.16 | 2.34 | 2.41 | 0.23 | 1.72 |
| Credit cost | E / F | 0.85 | 0.82 | 0.54 | 1.51 | 1.34 | 0.12 | 0.82 |
| Gross NPA % | | 2.83 | 3.03 | 2.95 | 4.09 | 5.11 | 5.21 | 5.21 |
| Net NPA % | | 1.71 | 1.70 | 1.81 | 2.29 | 2.97 | 3.44 | 3.44 |

Total recovery touched 3000 Mn in 9M FY 22, which is much better than historical highest level of Rs.1,980 Mn collected for full FY 18-19

▶ ASSET QUALITY – GOLD LOAN PORTFOLIO

| (In INR MN) | No. of A/cs | Balance |
|--|----------------|---------------|
| Gold Loan – Total | 737,707 | 81,697 |
| Of which, | | |
| - Standard Accounts | 736,849 | 81,577 |
| - N P A | 858 | 120 |
| Gross NPA | | 19,986 |
| % of Gold Loan NPA to Gold Loan Portfolio | | 0.15% |
| % of Gold Loan NPA to Gross NPA | | 0.60% |

▶ RESTRUCTURED ACCOUNTS

During Q3 FY 22, we have restructured 9 standard borrower accounts to the tune of Rs.137 Mn under MSME.

Quarterwise balance outstanding in respect of Restructured Standard borrowers

(In INR MN)

| Type of Restructuring | Dec-20 | | Mar-21 | | Jun-21 | | Sep-21 | | Dec-21 | |
|-------------------------------|------------------|-------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
| | No. of Borrowers | Amt | No. of Borrowers | Amt | No. of Borrowers | Amt | No. of Borrowers | Amt | No. of Borrowers | Amt |
| MSME | 191 | 7851 | 305 | 12319 | 299 | 12629 | 333 | 15398 | 314 | 15226 |
| Non – MSME | 42 | 219 | 35 | 224 | 33 | 218 | 31 | 220 | - | - |
| Covid-19 Resolution Framework | | | 949 | 5950 | 1356 | 6996 | 1612 | 6860 | 1563 | 6795 |
| Total | 233 | 8070 | 1289 | 18493 | 1688 | 19843 | 1976 | 22478 | 1877 | 22021 |

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

▶ Restructured Standard Advances to Gross Advances – 5.74% as on Dec-21

▶ As of 9M FY 22, the total outstanding restructured Standard borrower accounts was 1877 in numbers and amounting to Rs.22,021 mn. The Bank hold a standard accounts provision wrt Restructured accounts to the tune of Rs.1,651 mn and Rs.464 mn towards erosion on fair value of accounts.

▶ SECURITY RECEIPTS

During Q3 FY 22, we have not sold any accounts to ARC.

Balance outstanding of Security Receipts wrt NPA sold to ARC

| Period ended | Amount (in INR Mn) |
|--------------|--------------------|
| Mar-19 | 3250 |
| Mar-20 | 2474 |
| Dec-20 | 1444 |
| Mar-21 | 1429 |
| Jun-21 | 1308 |
| Sep-21 | 1177 |
| Dec-21 | 1118 |

- ▶ *In the FY 13-14 & 14-15, we had sold some of the NPA accounts to ARC on SR basis to the tune of Rs.3,747 Mn.*
- ▶ *Out of this, 4 a/cs which constitutes 90% of total SRs, the resolution has been finalized and payments has started in all the 4 accounts. Their repayment term goes upto FY 2022 and we can expect there will be continuous cashflows.*
- ▶ *During 9M FY 22, an amount of Rs.311 Mn has been collected from Security Receipts and the outstanding SR was at Rs.1118 Mn. The total o/s provision in SR stands at Rs.814 Mn.*

▶ INVESTMENTS – AT A GLANCE

Investments Breakup and Categorywise

(in INR Mn)

| Particulars | DEC 2021 | DEC 2020 |
|-----------------------------|----------------|---------------|
| SLR Securities | 118,657 | 93,850 |
| Non-SLR Securities | 2,143 | 1,989 |
| Total Investments | 120,800 | 95,839 |
| Yield on Investments | 5.72% | 5.89% |
| Investments Breakup: | | |
| - A FS | 18,150 (15%) | 6,172 (6%) |
| - HTM | 102,650 (85%) | 89,667 (94%) |
| - H FT | - | - |
| Total Investments | 120,800 | 95,839 |
| Modified Duration: | | |
| - A FS | 2.24 | 2.98 |
| - HTM | 4.26 | 4.54 |
| - H FT | - | - |
| - Overall Portfolio | 3.98 | 4.46 |

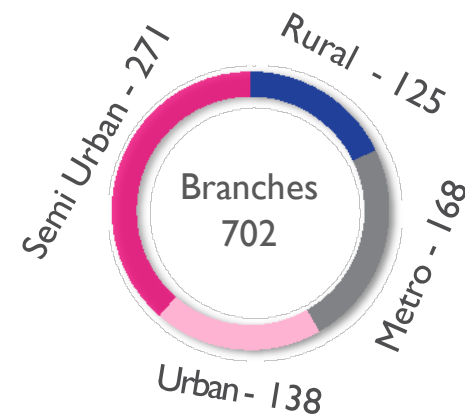
BRANCH NETWORK

BRANCH NETWORK

▶ STRONG PRESENCE IN THE SOUTH

As of Dec 2021 - 702 branches. 630 branches are located in South India out of which 486 in Tamil Nadu.

| State | No. of Branches | % of Deposits | % of Advances | % of Business |
|---------------|-----------------|---------------|---------------|---------------|
| Tamilnadu | 486 | 81 | 66 | 74 |
| Karnataka | 41 | 6 | 5 | 5 |
| Andhrapradesh | 45 | 2 | 7 | 5 |
| Telengana | 34 | 3 | 6 | 4 |
| Maharashtra | 20 | 2 | 3 | 3 |
| Kerala | 18 | 2 | 2 | 2 |
| Gujarat | 14 | 1 | 4 | 2 |
| Others | 44 | 3 | 7 | 5 |
| Total | 702 | | | |



DIGITAL BANKING INITIATIVES



CUB

Mapping Digital Landscapes

Staying Ahead of Times



▶ Customer Onboarding DIY

Onboarding Customers to **City Union Bank**



Retail Customers | Corporate Customers | Merchants
Educational Institutions | Hospitals



Savings Account &
Current Account



AI Based Insta
Loan



Insta Jewel Loan



Wealth Mgmt /
ASBA / 3 in1 A/c /
MFs



Insurance - LIC
Star Health



IT Solutions for
Hospitals



Merchant
Onboarding POS
/ QR



Online
Fee Payment



Payments / Collections
for Corporate /
Government Sectors

▶ New Gen Digital Products



**Key Digital Products to cater
Retail / Corporate / New
Customers**

1 **Multilingual Voice BOT**

2 **AI Based Digital lending**

3 **Video KYC
(Current & Savings A/c)**

4 **CUB Keychain /
CUBFit Debit Card**

5 **Connected Banking
Services**

6 **Merchant QR / UPI
Scan & Pay**

7 **CUB easy buy – one stop
online shopping**

8 **MOU Signed for Direct /
Indirect Tax Collection**

9 **Whatsapp Banking**

▶ Go Digital: Engage and Transact Digitally



▶ Retail Internet & Mobile Banking

01 Accounts Services

- Corporate Deposit through Internet Banking
- Summary View operative / Deposit / Loan Account
- Mini Statement / M-Passbook
- Transaction history – Request period view / download

02 Fund Services

- Cardless Withdrawal
- CUB Credit card Payment
- Beneficiary Management
- Fund Transfer Limits Management
- Connected Banking

03 Deposit Services

- RD / FD Opening / Receipt Download
- Pre-Closure / Partial withdrawal of deposit
- LAD Open / LAD Closure
- Form 15GH
- TDS/Interest Certificate

04 Investments

- ASBA / SGB / DEMAT / 3-in-1 Account / Wealth Management

06 Other Services

- Fee Payment
- Bill payment and Recharge / TNEB
- Cheque book, Stop / Revoke
- Tax Payment
- SI Transfers – Within Own Account / other banks

05 Card Management

- Debit / ATM Card Block
- Debit Card PIN Set/Reset
- Mange Cards - Limits, International Enable / Disable

07 Security Services

- MPIN / Netbanking Passwords Set / Reset
- Enable / Disable Biometrics
- Login Time Restrictions
- Green PIN

► Corporate Internet & Mobile Banking

01 Accounts Services

- SummaryView operativeAccounts
- Transaction history – Request period view/download
- Email account statement

02 Fund Services

- 24*7 Transfers – OWN / CUB / NEFT / RTGS / NEFT / IMPS
- Bulk Transfers CUB/NEFT
- Beneficiary Management

03 Other Services

- Positive Pay
- Cheque book
- Tax Payment
- Digital Signature [Hard/Soft]
- DSC Form Upload

04 Digital Services

- Net banking Passwords Set / Reset
- Instant Password for DSC registered users

05 Security Services

- Profile Matrix Configuration – Maker / Checker
- Financial and Non- Financial Authorizations
- View / Transaction Restrictions to Maker
- Enable / Disable Soft token of Maker
- Login Time Restrictions

▶ CUB Offers CUBFit Watch & Keychain Debit Card

Contactless Smart Payments

No need to carry your **Debit Card / Cash**

Apply through

CUBAll in one Mobile App



Key Features

- ▶ Customers can Manage Transactions on their own by
 - a) Enable & Disable the wearable to make payment as and when needed using CUB's Net Banking or Mobile Banking
 - b) Setting per day limit, per transaction limit from CUB's Net Banking or Mobile Banking
- ▶ SMS will be sent for each transaction to the registered mobile number
- ▶ Keychain can be blocked immediately by calling our Customer Care/ by sending SMS/ Net / Mobile Banking, if needed.

New Customers can avail this by downloading CUB All in one App or by giving missed call to +91 8886610800

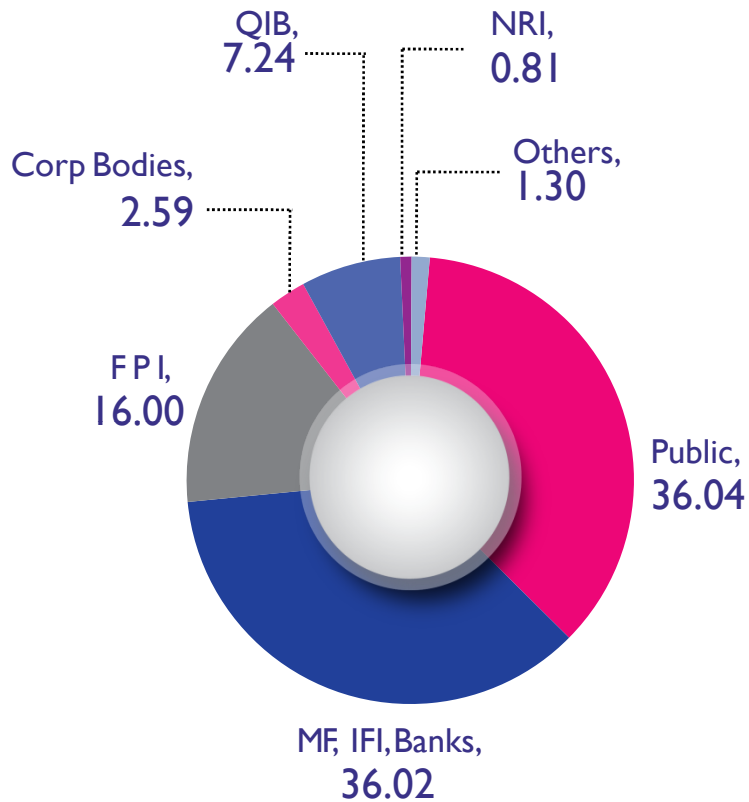


SHAREHOLDING PATTERN

SHAREHOLDING PATTERN

▶ A WELL DIVERSIFIED INVESTOR BASE

Position as on 31-Dec-2021

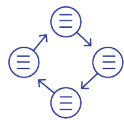


Major Institutional Shareholders

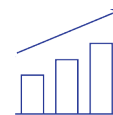
| SHAREHOLDERS | HOLDING % |
|---|-----------|
| Franklin India Equity Savings Fund | 4.68 |
| HDFC Midcap Opportunities Fund | 4.47 |
| SBI ETF | 3.93 |
| Axis Mutual Fund | 3.42 |
| HDFC Life Insurance Co. Ltd. | 3.24 |
| ICICI Pru Midcap 150 ETF | 3.24 |
| Life Insurance Corporation of India | 3.20 |
| DSP Arbitrage Fund | 3.15 |
| Smallcap World Fund | 2.64 |
| Kotak Multicap Fund | 2.11 |
| UTI Small Cap Fund | 1.71 |
| Kotak India Midcap Fund | 1.43 |
| L & T MF – L & T Arbitrage Opportunities Fund | 1.40 |
| Bank Muscat India Fund | 1.22 |
| TATA AIA Life Insurance | 1.04 |
| Canara Robeco MF | 1.00 |



Well diversified ownership of shareholders around 1,48,000 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 ... 24.01%

CORPORATE GOVERNANCE

СОКЪОКАТЕ ГОВЕКИНАНСЕ

▶ A WELL EXPERIENCED AND STRONG BOARD



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

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



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

Smt. Abarna Bhaskar is a practicing Chartered Accountant by profession and the first woman director of the Bank. She has served in senior positions with Foreign Banks abroad and a large private sector bank in India. She also holds expertise in Risk Management.



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

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



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

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



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

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



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

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



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

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



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

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



**Shri. K. Vaidyanathan | B.Sc., FCMA, FCS
Director**

Shri. K. Vaidyanathan is a Fellow member of the Institute of Cost Management Accountants of India and also the Institute of Company Secretaries of India. He has over 40 years of rich domain experience in Financial and Management Accounting, Corporate Finance, Auditing and Regulatory Compliance. He is a Practicing Company Secretary. He also holds expertise in Compliance and Business management.

▶ TRANSPARENT ‘CORPORATE GOVERNANCE’ PRACTICES

Board consists of 8 Independent Directors (including 1 Women Director) And 1 Executive Director

Various 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 , 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

Regd. Office : 149, TSR Big Street, Kumbakonam – 612001, Tamilnadu.

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

Tel : 0435-2402322, 2401622, | FAX: 0435-2431746 | www.cityunionbank.com



INVESTOR CONTACT

Name : K. Jayaraman, GM

Mob : +91 9344303740

Email :

jayaraman@cityunionbank.com



For any queries regarding presentation, please write to
Investor.relations@cityunionbank.com