



**CITY UNION BANK LTD**

**INVESTOR  
PRESENTATION  
SEPTEMBER 2018**





## Disclaimer

---

No representation or warranty, express or implied is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of such information or opinions contained herein. The information contained in this presentation is only current as of its date. Certain statements made in this presentation may not be based on historical information or facts and may be “forward looking statements”, including those relating to the bank’s general business plan’s and strategy, its future financial condition and growth prospects and future developments in the industry and regulatory environment. Actual results may differ materially from these forward-looking statements due to a number of factors, including future changes or developments in the bank’s business, its competitive environment and political, economic, legal and social conditions in India. This communication is for general information purpose only, without regard to specific objectives, financial situations and needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any shares in the bank and neither any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. The bank may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such revisions or changes. This presentation should not be copied and/or disseminated in any manner.

## Table of contents

---



### 1. Overview

Page : 04

### 2. Performance Highlights – September 2018

Page : 09

### 3. Financial Performance & Business Profile

Page : 13

### 4. Branch Network

Page : 36

### 5. Shareholding Pattern

Page : 37

### 6. Corporate Governance

Page : 38

## 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 30.09.2018

Deposits



**INR 34,534 Cr**

Advances



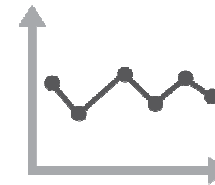
**INR 29,785 Cr**

Net Interest Margin



**4.28%**

Net NPA



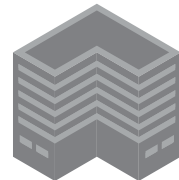
**1.69%**

Employees



**5,406**

Branches



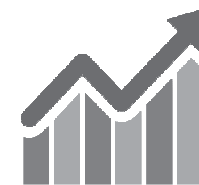
**607**

ATM's



**1,635**

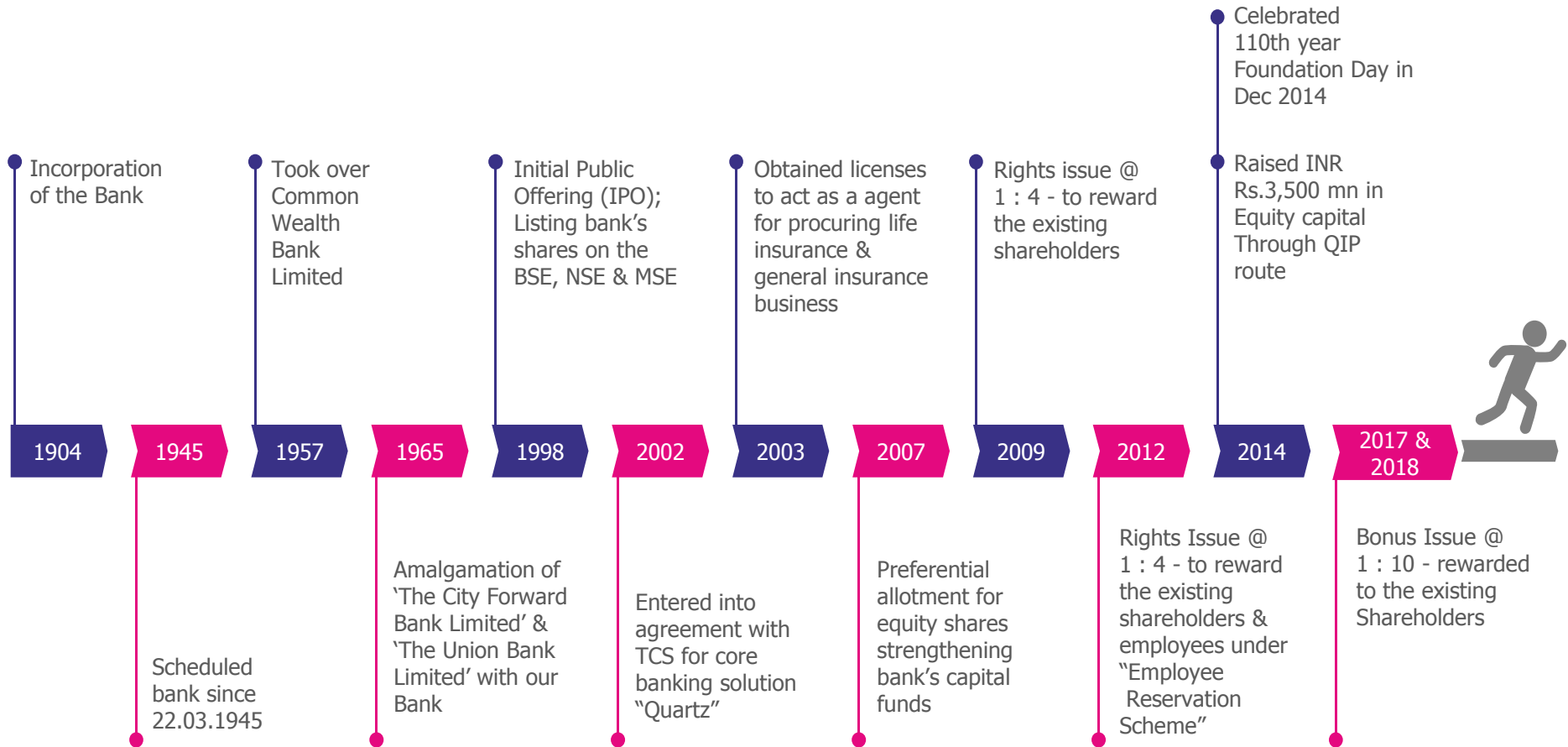
Efficiency Ratio



**41.66%**



# Key milestones





# City Union Bank – A specialized banking model aligned to Target Segment – SME/MSME





## Competitive Advantages

<b>Strong track record</b>	<ul style="list-style-type: none"><li>• Continuous profitability and dividend payout in all 110+ years of operations</li><li>• Business growth of 20% CAGR in last 10 years</li></ul>
<b>Robust corporate governance practices</b>	<ul style="list-style-type: none"><li>• Strong board with majority of directors being independent directors</li><li>• Consistency in management with only 7 CEOs appointed in 100+ years</li></ul>
<b>Diversified asset profile</b>	<ul style="list-style-type: none"><li>• Granular asset profile with advances to top 20 borrowers contributing around 9%</li><li>• Lower ticket size lending backed by adequate collaterals</li></ul>
<b>Higher yielding loan portfolio</b>	<ul style="list-style-type: none"><li>• Trading and MSME loan segments earning high yields constitute about 51% of advances</li></ul>
<b>Adequately capitalised</b>	<ul style="list-style-type: none"><li>• Strong Capital Adequacy ratio of 15.11% out of which Tier 1 constitutes 14.71%</li></ul>
<b>Network</b>	<ul style="list-style-type: none"><li>• Pan India presence with 607 branches</li><li>• Strong presence in South India (544 branches) of which 418 are in Tamil Nadu alone</li></ul>



1

Overview

2

Performance  
Highlights

3

Financial Performance  
& Business Profile

4

Branch Network

5

Shareholding  
Pattern

6

Corporate Governance

## 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.





1

Overview

2

Performance  
Highlights

3

Financial Performance  
& Business Profile

4

Branch Network

5

Shareholding  
Pattern

6

Corporate Governance

## Q2 & H1 FY 2019 Performance – A snapshot

- ✓ Deposits increased by 12% from Rs.309 Bn to Rs.345 Bn Y-o-Y
- ✓ Advances registered a growth of 17% from Rs.254 Bn to Rs.298 Bn Y-o-Y
- ✓ Total business grown by 14% to Rs.643 Bn from Rs.563 Bn Y-o-Y
- ✓ Gross Profit decreased by 8% from Rs.3,200 Mn to Rs.2,959 Mn (Q2-V2-Q2) and 4% from 6,170 Mn to Rs.5,954 Mn (H1-Vs-H1)
- ✓ Net Profit registered a growth of 16% from Rs.1,447 Mn to Rs.1,680 Mn (Q2-Vs-Q2) and 16% from Rs.2,851 Mn to Rs.3,296 Mn (H1-Vs-H1)

- ✓ Profitability and efficiency ratios – at par with the best in industry:

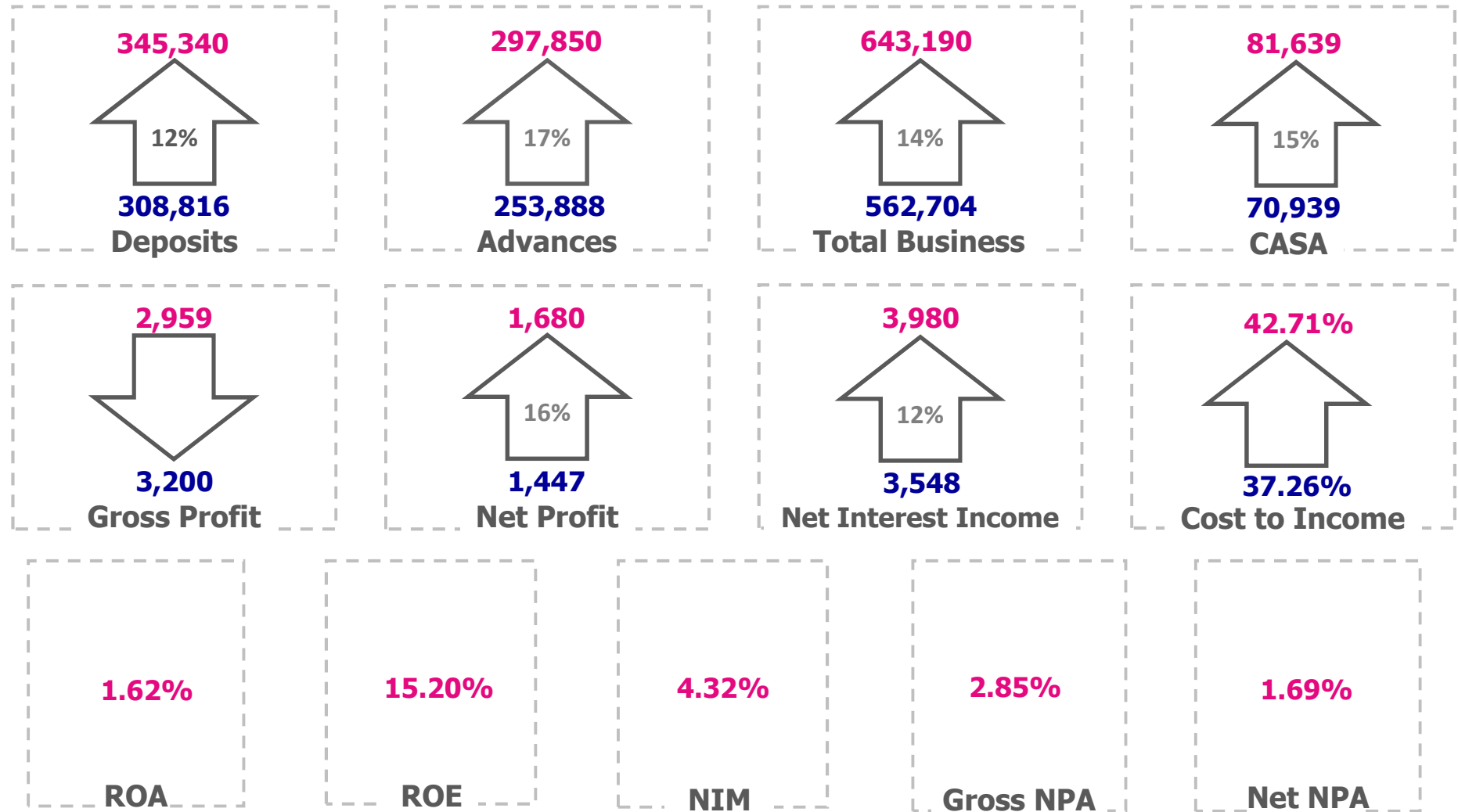
		Q2 FY 2019	H1 FY 2019	FY 2017-18
➤ Return on Assets	-	1.62%	1.63%	1.60%
➤ Net Interest Margin	-	4.32%	4.28%	4.42%
➤ Return on Equity	-	15.20%	15.29%	15.37%
➤ Earnings per share	-	Rs.2.30	Rs.4.75	Rs.9.18

- ✓ Gross NPA – 2.85% and Net NPA – 1.69%
- ✓ Provision Coverage Ratio – 65%
- ✓ CRAR – 15.11% (Basel III) of which core CRAR – 14.71%



# Q2 FY 2019 Vs Q2 FY 2018 Performance – A snapshot

(All figures in INR Mn)



■ Q2 FY19 ■ Q2 FY18



1

Overview

2

Performance  
Highlights

3

Financial Performance  
& Business Profile

4

Branch Network

5

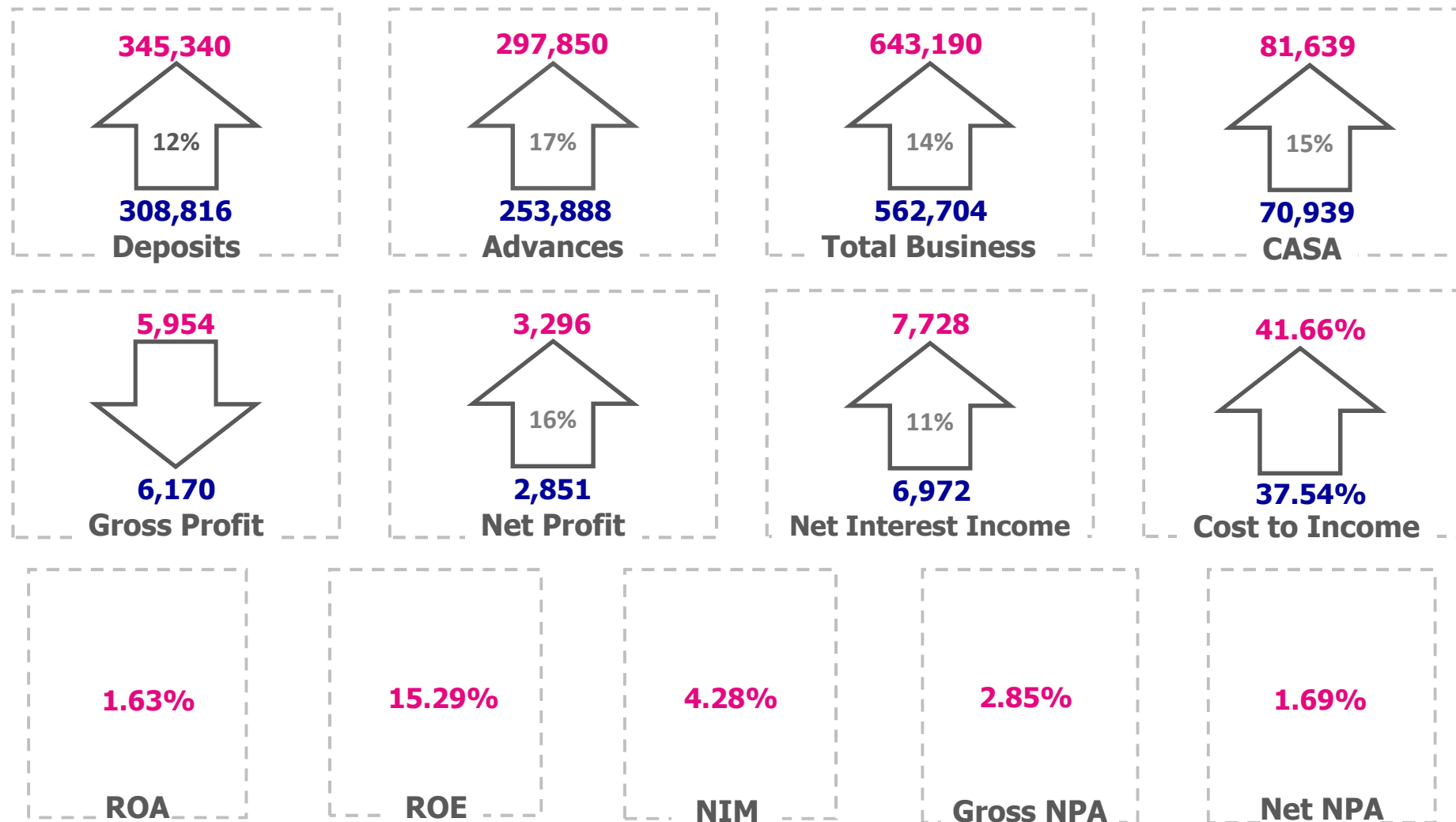
Shareholding  
Pattern

6

Corporate Governance

# H1 FY 2019 Vs H1 FY 2018 Performance – A snapshot

(All figures in INR Mn)



■ H1 FY19 ■ H1 FY18



1

Overview

2

Performance  
Highlights

3

Financial Performance  
& Business Profile

4

Branch Network

5

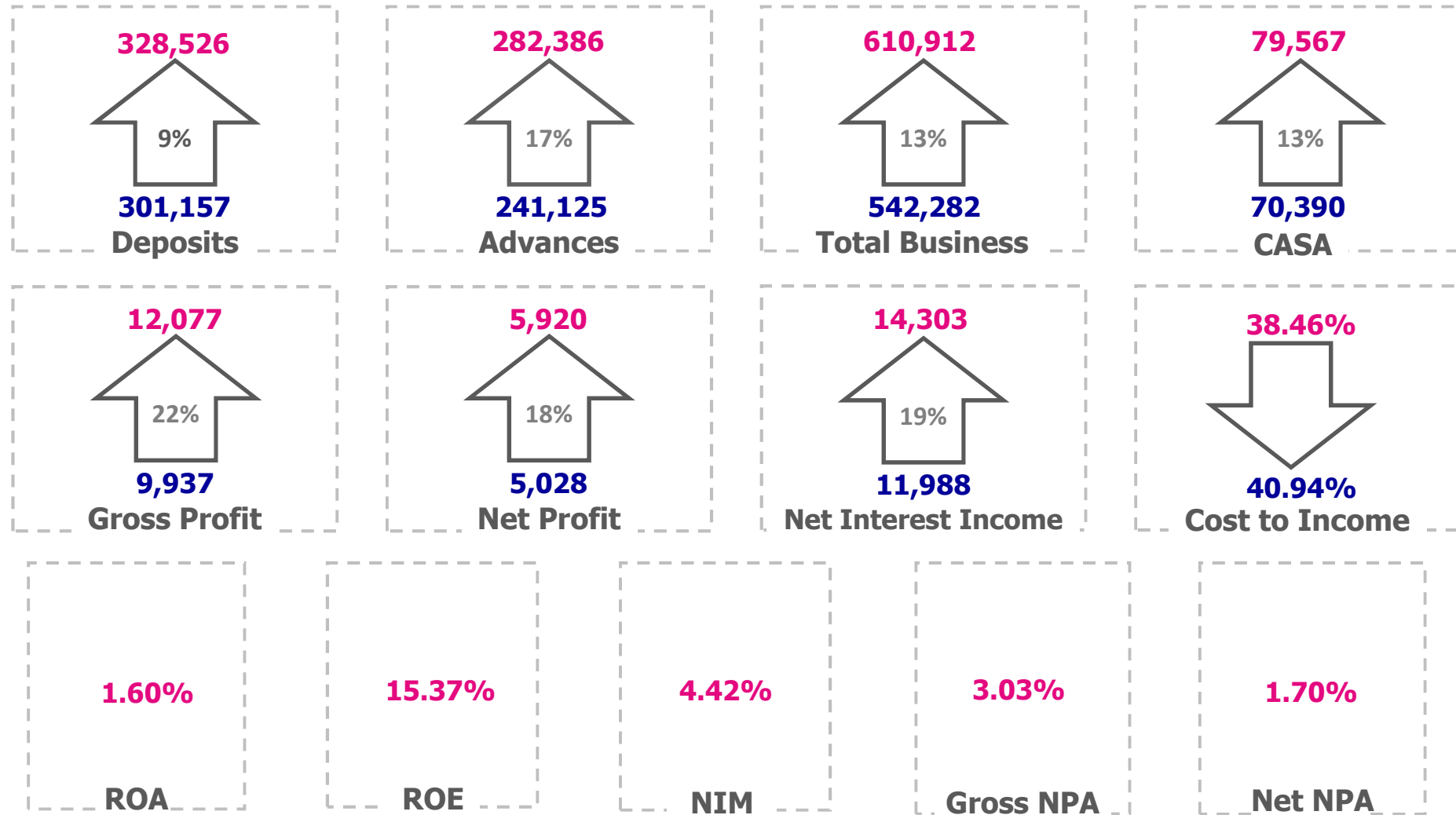
Shareholding  
Pattern

6

Corporate Governance

## FY 2018 Vs FY 2017 Performance – A snapshot

(All figures in INR Mn)



FY18

FY17



## Q2 FY 19 Vs Q2 FY 18 – Performance – A snapshot

(in INR Mn)

### Financial Performance

Particulars	Q2 FY 2019	Q2 FY 2018	Inc / (Dec)	Growth	Growth %	Q1 FY 2019
Deposits	345,340	308,816	↑	36,524	12%	335,974
Advances	297,850	253,888	↑	43,962	17%	282,151
Total Business	643,190	562,704	↑	80,486	14%	618,125
Demand Deposits	27,150	25,006	↑	2,144	9%	27,579
Saving Deposits	54,489	45,933	↑	8,556	19%	52,805
CASA	81,639	70,939	↑	10,700	15%	80,384
Gross NPA	8,479	7,804	↑	675	9%	8,511
Net NPA	4,978	4,410	↑	568	13%	4,735
Gross NPA (%)	2.85%	3.07%				3.02%
Net NPA (%)	1.69%	1.76%				1.70%
C R A R (BASEL – III)	15.11%	15.31%				16.06%
- Of which Tier I	14.71%	14.86%				15.64%
CD Ratio	86%	82%				84%
PCR	65%	63%				65%



## Q2 FY 19 Vs Q2 FY 18 – Performance – A snapshot

(in INR Mn)

### Financial Performance

Particulars	Q2 FY 2019	Q2 FY 2018	INC / (DEC)	Growth %	Q1 FY 2019
Net Interest Income	3,980	3,548	432	12%	3,748
Other Income	1,185	1,552	-367	-ve	1,291
Operating Expenses	2,206	1,900	306	16%	2,045
Gross Profit	2,959	3,200	-241	-ve	2,994
Provisions & Contingencies	1,279	1,753	-474	-ve	1,378
Net Profit	1,680	1,447	233	16%	1,616
Return on Assets	1.62%	1.58%			1.64%
Return on Equity	15.20%	15.24%			15.32%
Net Interest Margin	4.32%	4.46%			4.24%



1

Overview

2

Performance  
Highlights

3

Financial Performance  
& Business Profile

4

Branch Network

5

Shareholding  
Pattern

6

Corporate Governance

## H1 FY 19 Vs H1 FY 18 – Performance – A snapshot

(in INR Mn)

### Financial Performance

Particulars	H1 FY 2019	H1 FY 2018	INC / (DEC)	Growth %
Net Interest Income	7,728	6,972	756	11%
Other Income	2,476	2,906	-430	-ve
Operating Expenses	4,251	3,708	543	15%
Gross Profit	5,953	6,170	-217	-ve
Provisions & Contingencies	2,657	3,319	-662	-ve
Net Profit	3,296	2,851	445	16%
Return on Assets	1.63%	1.59%		
Return on Equity	15.29%	15.39%		
Net Interest Margin	4.28%	4.47%		



1

Overview

2

Performance  
Highlights

3

Financial Performance  
& Business Profile

4

Branch Network

5

Shareholding  
Pattern

6

Corporate Governance

## FY 18 Vs FY 17 – Performance – A snapshot

(in INR Mn)

### Financial Performance

Particulars	FY 2018	FY 2017	Inc / (Dec)	Growth	Growth %
Deposits	328,526	301,157	↑	27,369	9%
Advances	282,386	241,125	↑	41,261	17%
Total Business	610,912	542,282	↑	68,630	13%
Demand Deposits	27,863	24,092	↑	3,771	16%
Saving Deposits	51,705	46,298	↑	54,07	12%
CASA	79,567	70,390	↑	91,77	13%
Gross NPA	8,566	6,820	↑	1,746	26%
Net NPA	4,748	4,083	↑	665	16%
Gross NPA (%)	3.03%	2.83%			
Net NPA (%)	1.70%	1.71%			
C R A R (BASEL – III)	16.22%	15.83%			
- Of which Tier I	15.79%	15.36%			
CD Ratio	86%	80%			
PCR	64%	61%			





## FY 18 Vs FY 17 – Performance – A snapshot

(in INR Mn)

### Financial Performance

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

## Q2 FY 19 Vs Q2 FY 18 – Income and Expenses – Breakup

(in INR Mn)

### Interest Income Breakup

Particulars	Q2 FY 2019	Q2 FY 2018	Growth (%)
Interest on Loans	7,771	7,010	11%
Interest on Investments	1,416	1,300	9%
Other Interest Income	78	99	-ve
<b>Total Interest Income</b>	<b>9,265</b>	<b>8,409</b>	<b>10%</b>

### Interest Expenses Breakup

Particulars	Q2 FY 2019	Q2 FY 2018	Growth (%)
Int Exp on Deposits	5,143	4,804	7%
Other Int Expenses	142	57	148%
<b>Total Interest Expenses</b>	<b>5,285</b>	<b>4,861</b>	<b>9%</b>

### Other Income Breakup

Particulars	Q2 FY 2019	Q2 FY 2018	Growth (%)
CEB & Charges	688	572	20%
Treasury Income	213	646	-ve
Other Inc incl recoveries in written off a/cs	284	334	-ve
<b>Total Other Income</b>	<b>1,185</b>	<b>1,552</b>	<b>-ve</b>

### Operating Expenses Breakup

Particulars	Q2 FY 2019	Q2 FY 2018	Growth (%)
Employee Cost	930	827	12%
Other Operating Expenses	1,276	1,073	19%
<b>Total Expenses</b>	<b>2,206</b>	<b>1,900</b>	<b>16%</b>

## H1 FY 19 Vs H1 FY 18 – Income and Expenses – Breakup

(in INR Mn)

### Interest Income Breakup

Particulars	H1 FY 2019	H1 FY 2018	Growth (%)
Interest on Loans	15,197	13,922	9%
Interest on Investments	2,804	2,538	11%
Other Interest Income	159	204	-ve
<b>Total Interest Income</b>	<b>18,160</b>	<b>16,664</b>	<b>9%</b>

### Interest Expenses Breakup

Particulars	H1 FY 2019	H1 FY 2018	Growth (%)
Int Exp on Deposits	10,155	9,578	6%
Other Int Expenses	277	114	145%
<b>Total Interest Expenses</b>	<b>10,432</b>	<b>9,692</b>	<b>8%</b>

### Other Income Breakup

Particulars	H1 FY 2019	H1 FY 2018	Growth (%)
CEB & Charges	1,447	1,269	14%
Treasury Income	406	1,037	-ve
Other Inc incl recoveries in written off a/cs	623	600	4%
<b>Total Other Income</b>	<b>2,476</b>	<b>2,906</b>	<b>-ve</b>

### Operating Expenses Breakup

Particulars	H1 FY 2019	H1 FY 2018	Growth (%)
Employee Cost	1,803	1,592	13%
Other Operating Expenses	2,448	2,116	16%
<b>Total Expenses</b>	<b>4,251</b>	<b>3,708</b>	<b>15%</b>

## FY 18 Vs FY 17 – Income and Expenses – Breakup

(in INR Mn)

### Interest Income Breakup

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

### Interest Expenses Breakup

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

### Other Income Breakup

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

### Operating Expenses Breakup

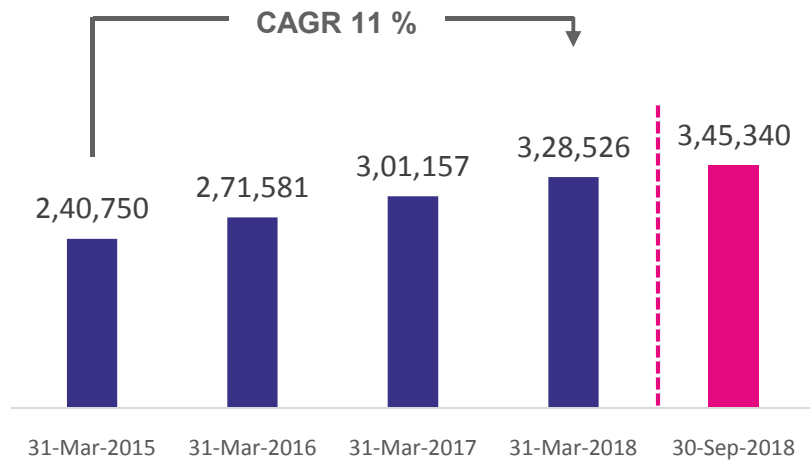
Particulars	FY 2018	FY 2017	Growth (%)
Employee Cost	3,159	2,982	6%
Other Operating Expenses	4,388	3,908	12%
<b>Total Expenses</b>	<b>7,547</b>	<b>6,890</b>	<b>10%</b>



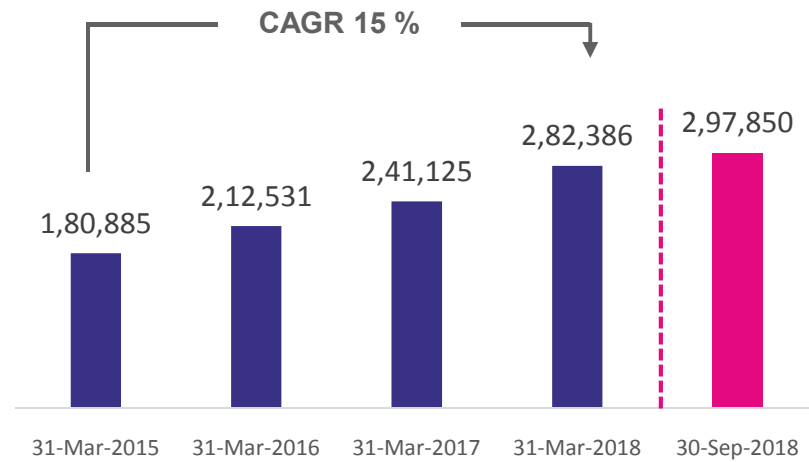
# Strong Deposits and Advances growth

(in INR Mn)

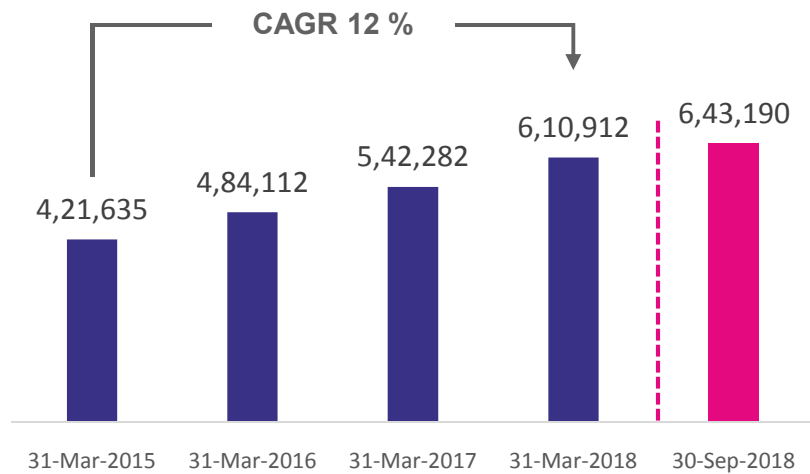
## Deposits



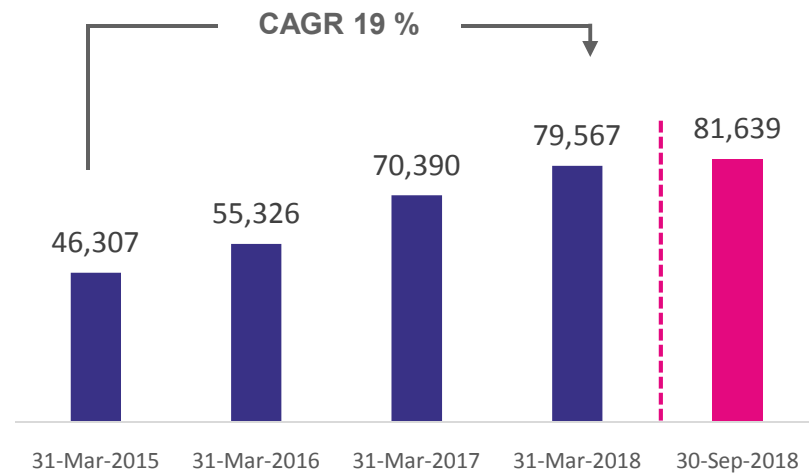
## Advances



## Business



## CASA

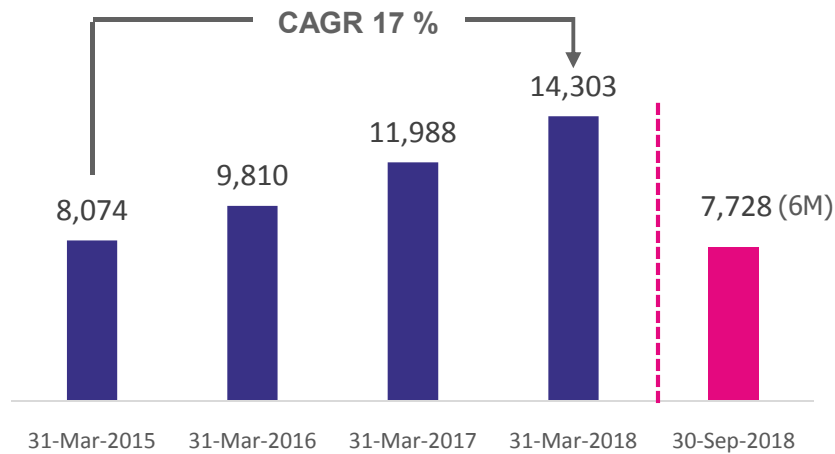




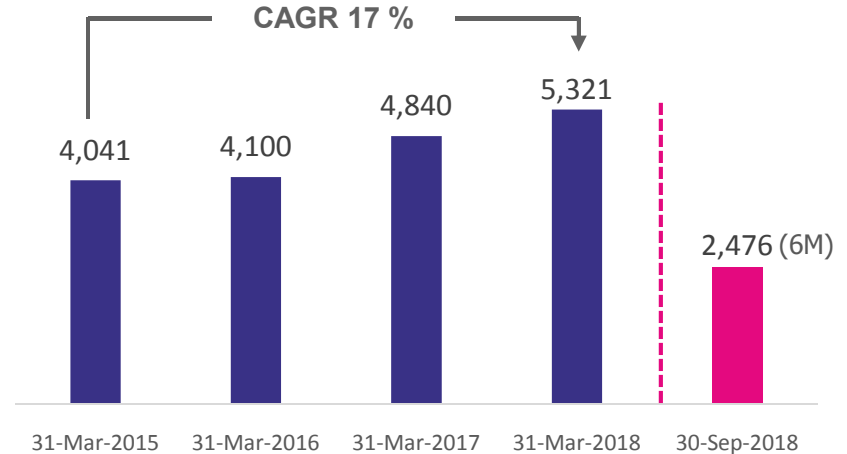
# Income Growth over the years...

(in INR Mn)

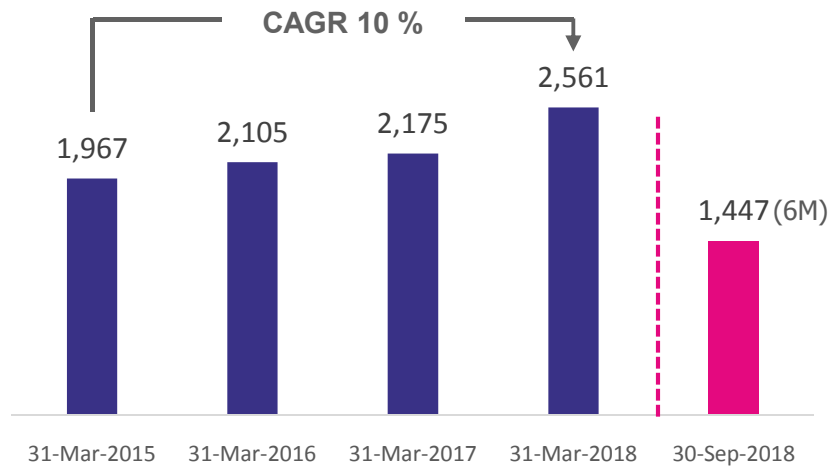
## Net Interest Income Growth



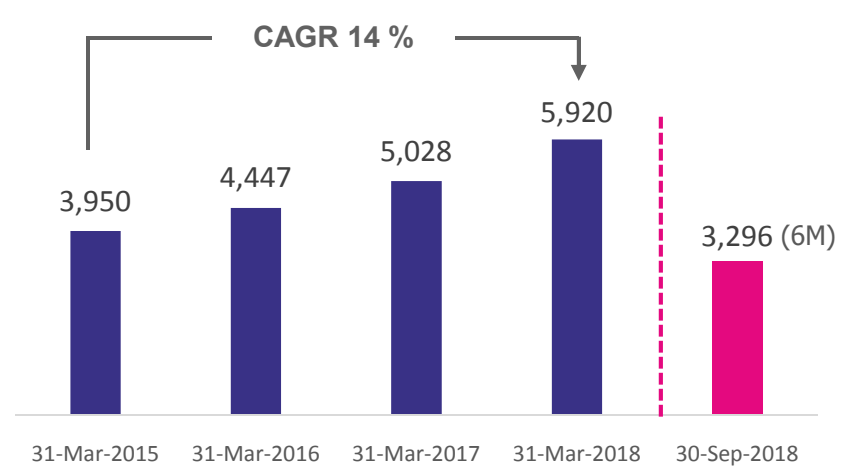
## Other Income Growth



## CEB Growth



## Net Profit Growth





1

Overview

2

Performance  
Highlights

3

Financial Performance  
& Business Profile

4

Branch Network

5

Shareholding  
Pattern

6

Corporate Governance

## Key Business Indicators

Particulars	Q2 FY 2019	Q2 FY 2018	H1 FY 2019	H1 FY 2018	FY 2017-18
Cost of Deposits	6.07%	6.26%	6.11%	6.35%	6.29%
Yield on Advances	10.86%	11.53%	10.86%	11.65%	11.46%
Yield on Investments	6.95%	7.01%	6.93%	6.97%	6.95%
Net Interest Margin	4.32%	4.46%	4.28%	4.47%	4.42%
Cost to Income	42.71%	37.26%	41.66%	37.54%	38.46%
Cost of Funds	5.10%	5.31%	5.16%	5.41%	5.34%
Yield on Funds	8.94%	9.19%	8.97%	9.31%	9.21%
Per Employee Business (in INR Mn)	118.92	111.43	118.92	111.43	114.77
Per Employee Profit (in INR Mn) (Ann)	1.24	1.18	1.22	1.16	1.11
EPS (in INR) – FV INR 1/- share (Not Ann)	2.30	2.22	4.75	4.55	9.18



1

Overview

2

Performance Highlights

3

Financial Performance & Business Profile

4

Branch Network

5

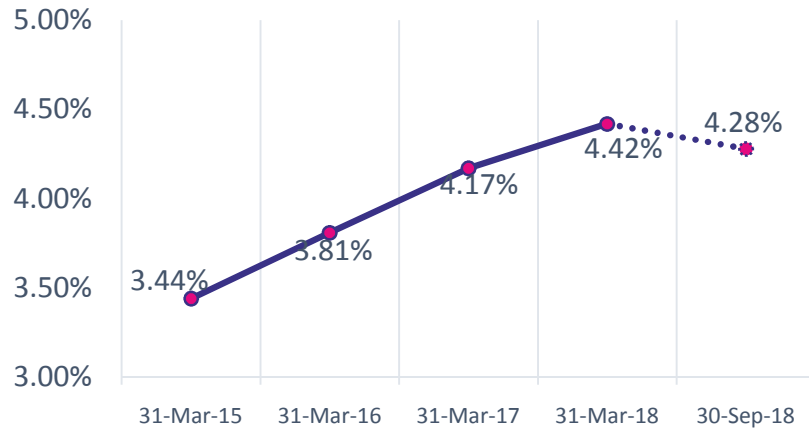
Shareholding Pattern

6

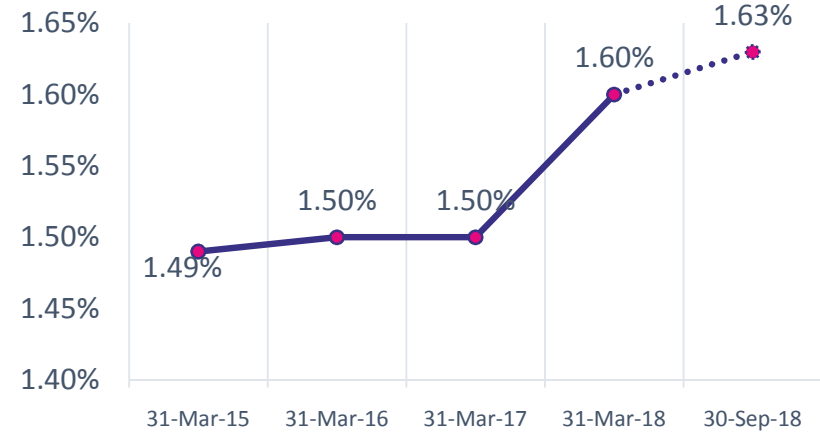
Corporate Governance

## Key Business Ratios – Yearly trends

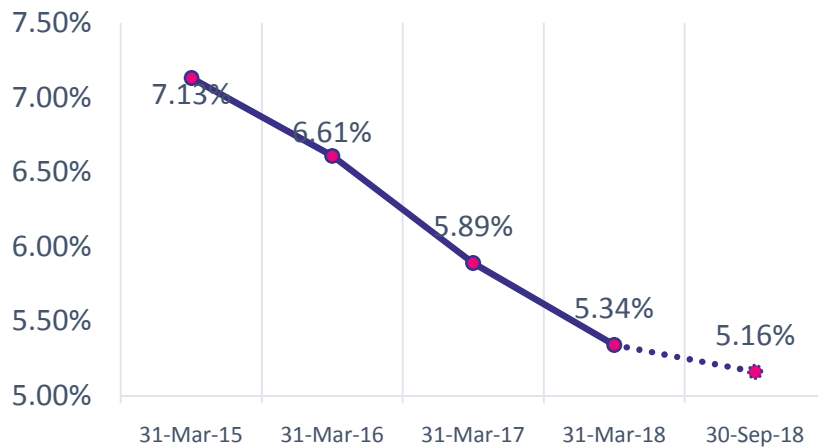
### Net Interest Margin



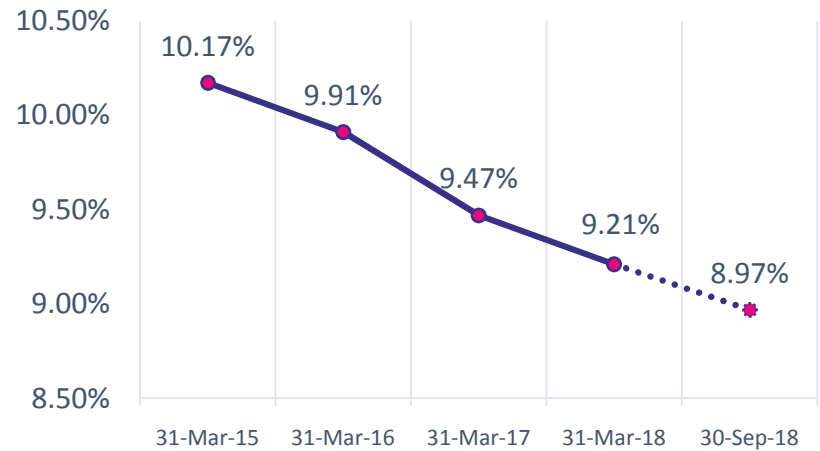
### Return on Assets



### Cost of Funds



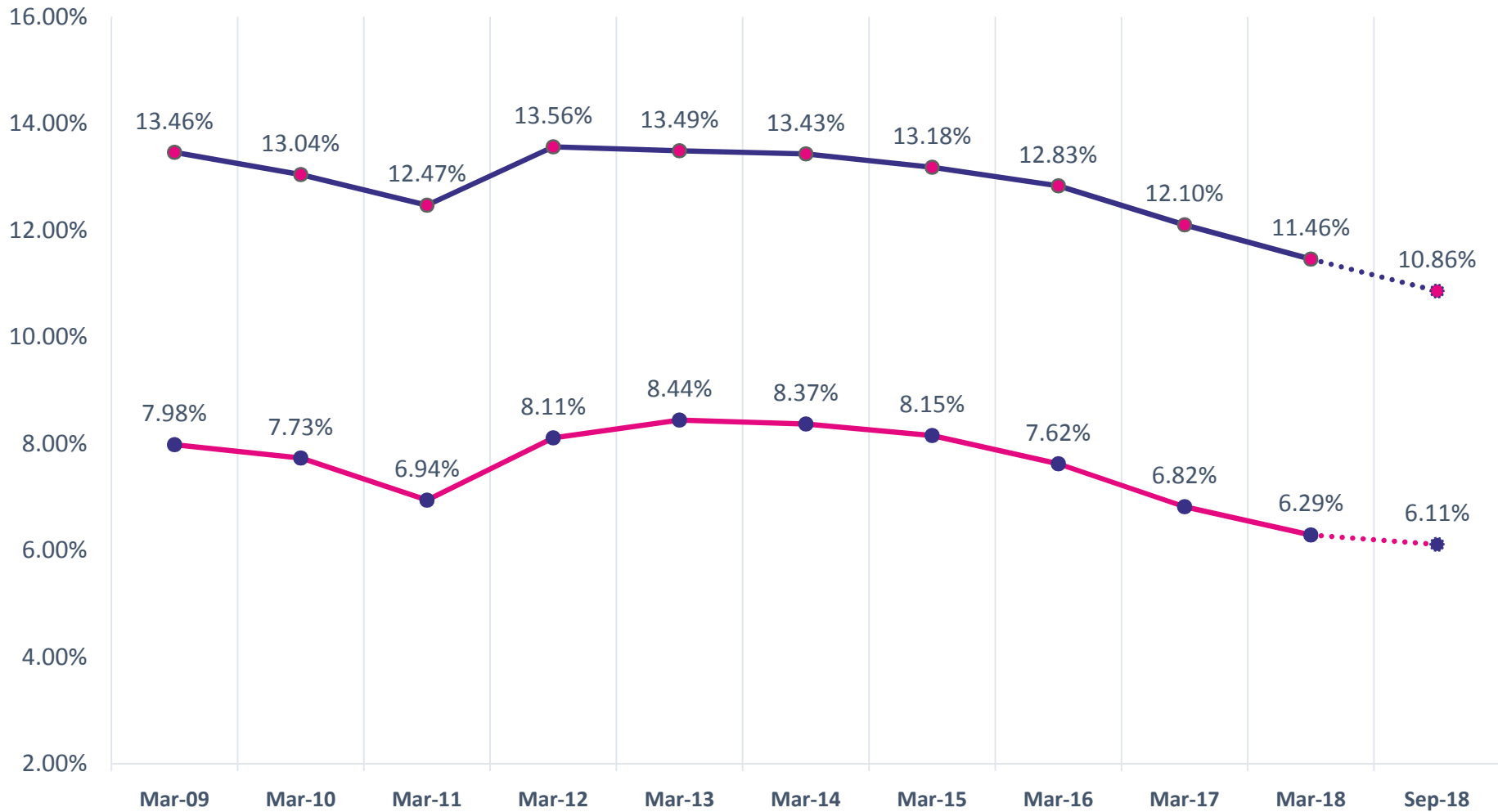
### Yield on Funds







## Cost of deposits & Yield on advances



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



1

Overview

2

Performance Highlights

3

Financial Performance & Business Profile

4

Branch Network

5

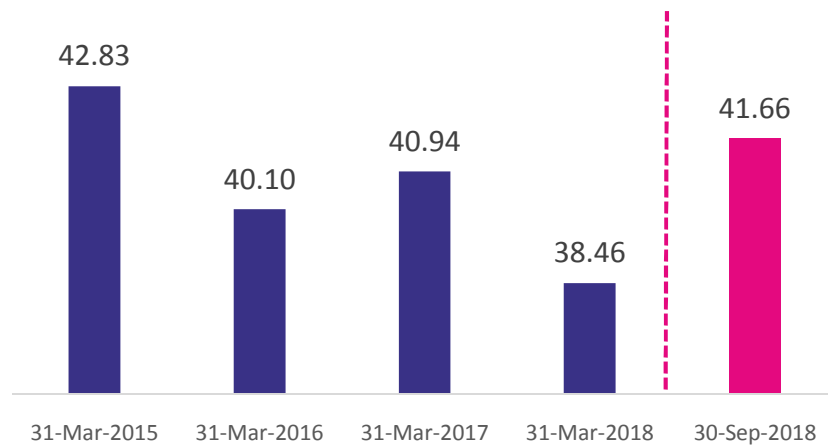
Shareholding Pattern

6

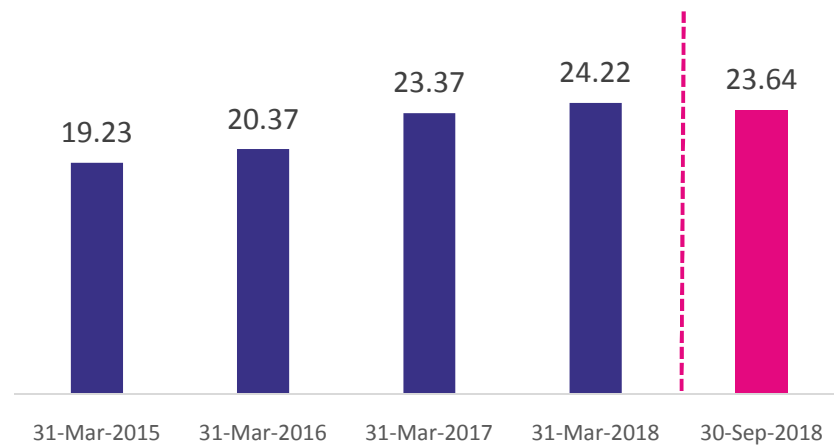
Corporate Governance

## Efficiency

### Cost income ratio

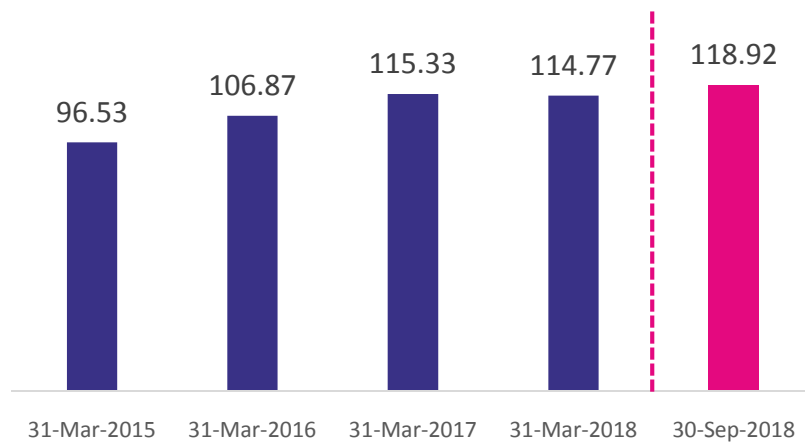


### CASA Ratio



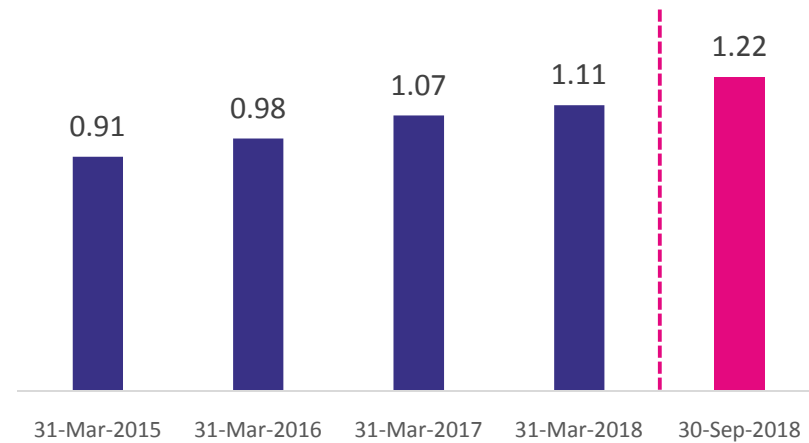
### Business per Employee

(in INR Mn)

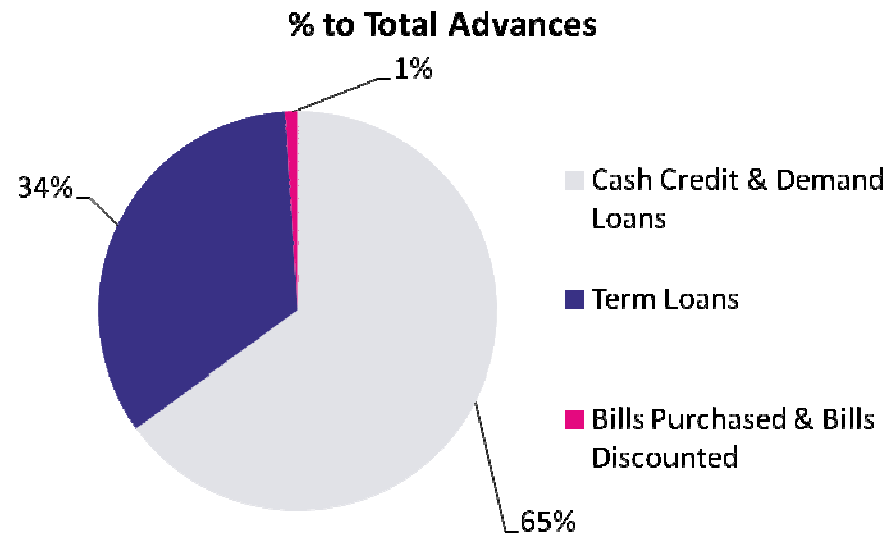


### Profit per Employee

(in INR Mn)



## Loan Book – Products Composition



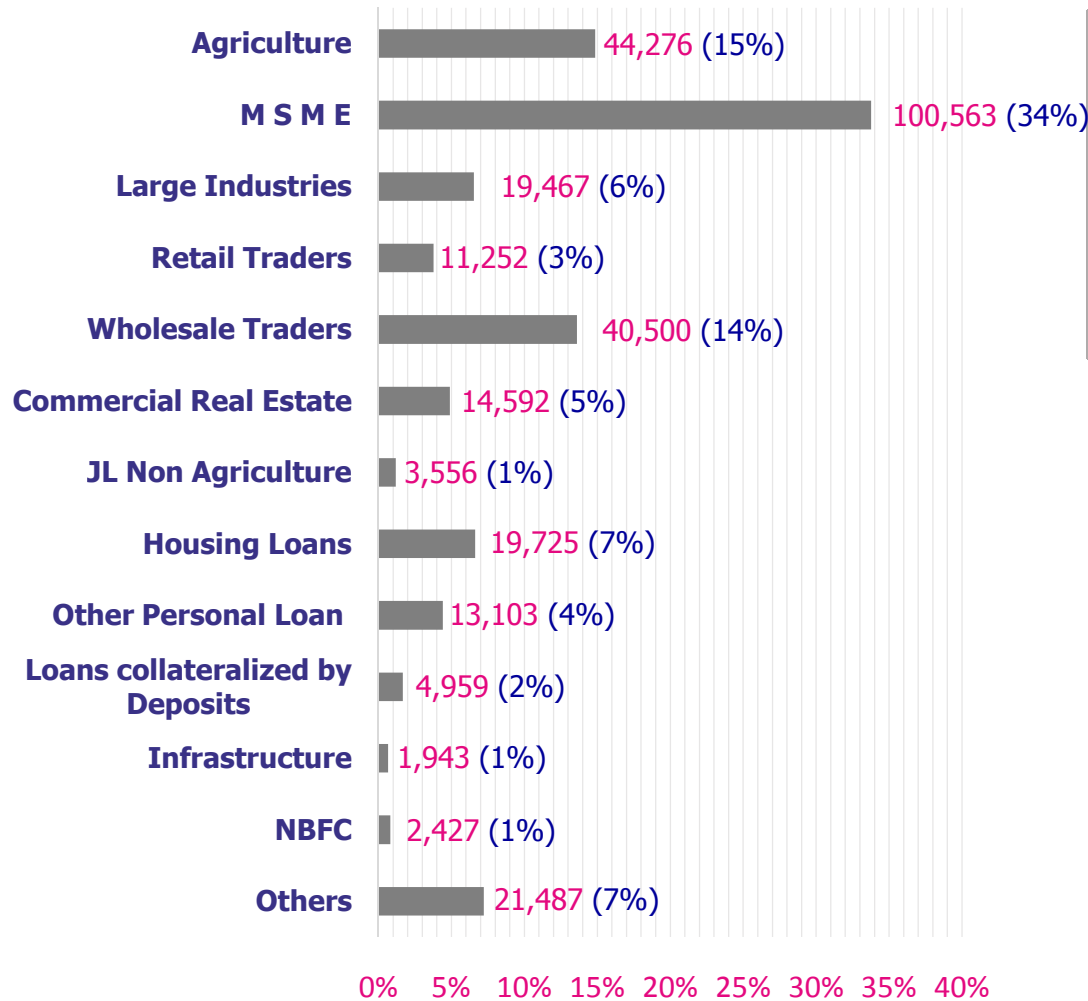
- Working capital loans yielding higher interest constitute 65% of advances
- Re-pricing possible at short intervals thus reducing interest rate risk
- ~95% of our loan book is on floating rate basis which reduces interest rate risk

Loan Book Products Composition	Amount (INR Mn)	% to Total Advances
Cash Credit & Demand Loans	194,737	65%
Term Loans	100,914	34%
Bills Purchased & Bills Discounted	2,199	1%
<b>Gross Loans Total</b>	<b>297,850</b>	<b>100%</b>

# Loan Book – Sectoral Deployment – Position as on 30.09.2018

(in INR Mn)

## Sectoral Deployment



## Secured & Unsecured Advances

Particulars	Amount (INR Mn)	% to Total Advances
Secured Loans	294,603	99%
Unsecured Loans	3,247	1%
<b>Total</b>	<b>297,850</b>	<b>100%</b>

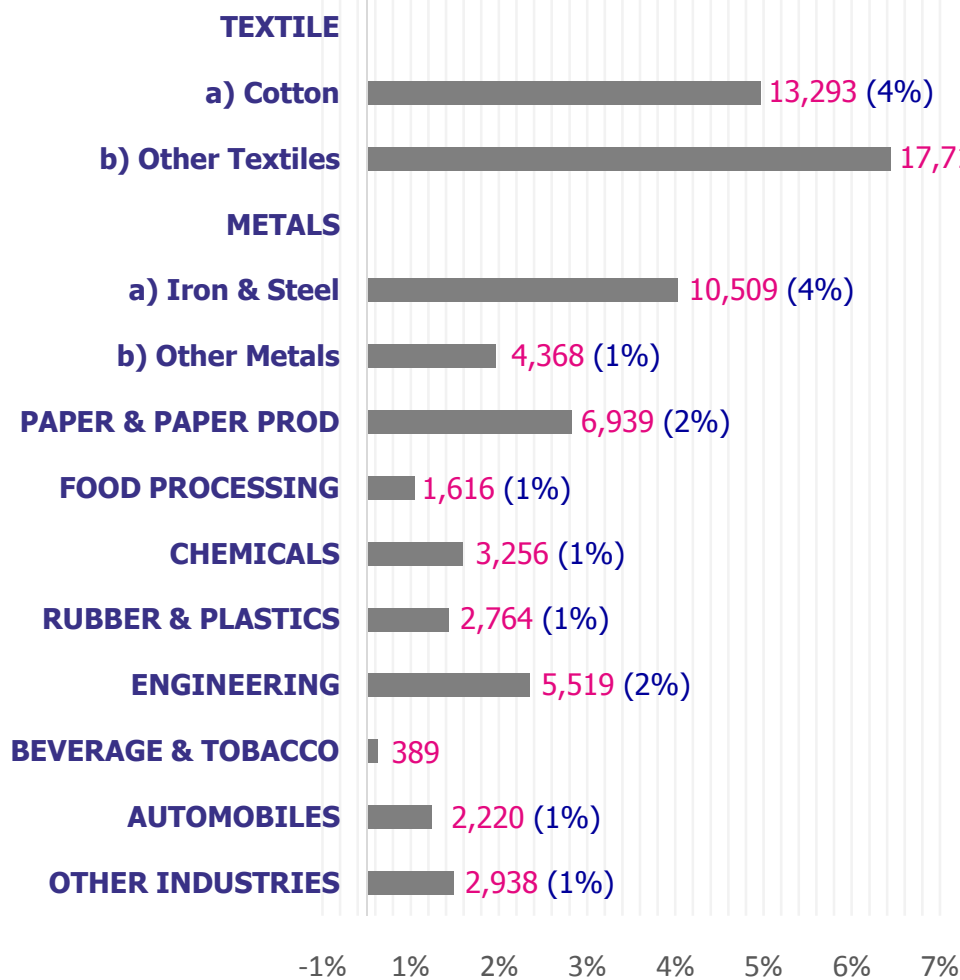
- ✓ Trading & MSME loans earning higher yield constitute about 51%.
- ✓ Diversified credit portfolio reduces credit risk and Lower ticket size backed by adequate collaterals
- ✓ Unsecured Advances aggregate to 1%
- ✓ Total Jewel Loan outstanding as on 30.06.2018 – Rs.26,724 Mn



# Loan Book – Advances to Major Industries

(in INR Mn)

## Advances to Major Industries 30<sup>th</sup> September 2018



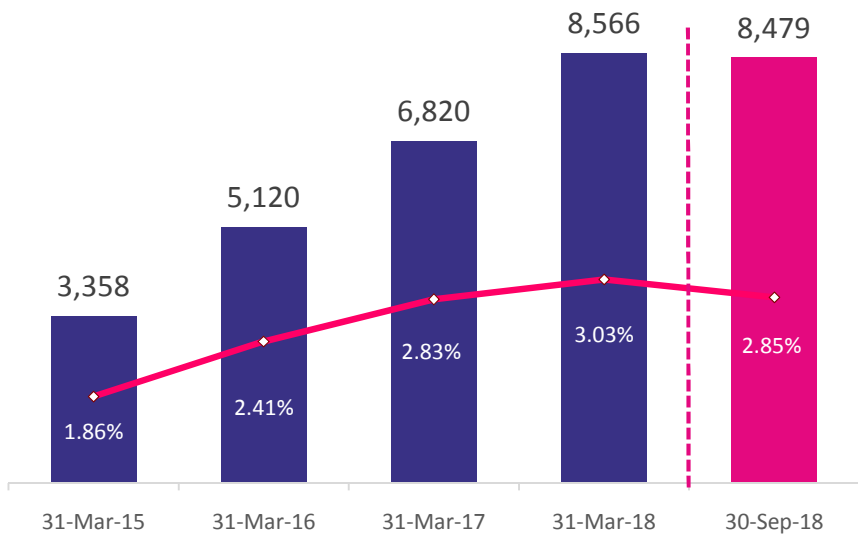
Industry Name	Amount (in INR Mn)	% to Total Advances
Advances to Major Industries	71527	24%
All other advances (Agri, Trade, Service, Gold Loan, etc.)	226,323	76%
<b>Total Gross Advances</b>	<b>297,850</b>	<b>100%</b>



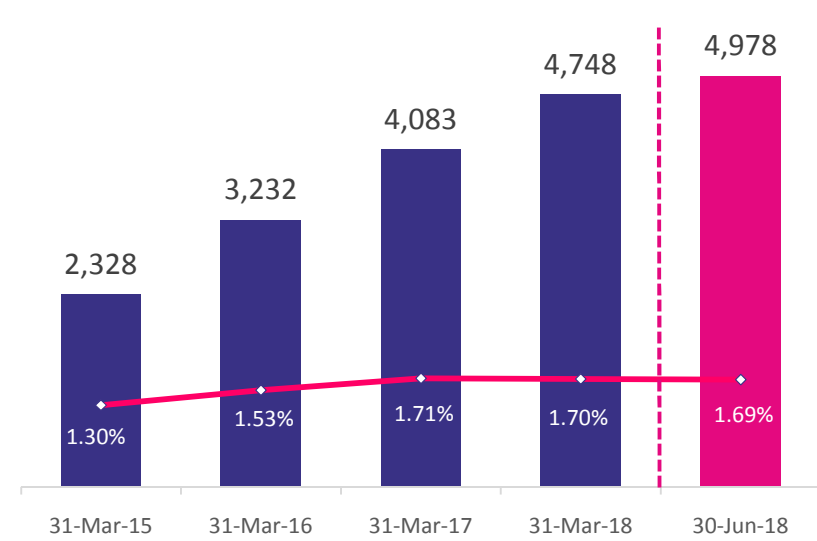
# Asset Quality

(in INR Mn)

## Gross NPA Qtm & Gross NPA %



## Net NPA Qtm & Net NPA %



## Asset Quality Position – Movement over the years

(Rs in Mn)		FY Mar - 15	FY Mar - 16	FY Mar - 17	FY Mar - 18	Q2 FY 2019	H1 FY 2019
<b>NPA Opening balance</b>		<b>2,931</b>	<b>3,358</b>	<b>5,120</b>	<b>6,820</b>	<b>8,511</b>	<b>8,565</b>
Additions	<b>A</b>	4,250	4,290	4,796	5,749	1,362	2,621
Recovery / SR		2,118	734	905	1,623	554	1052
Upgradations		227	546	556	433	104	224
Net Addition	<b>B</b>	1,905	3,010	3,335	3,693	704	1345
Write-off		1,478	1,248	1,635	1,948	736	1431
<b>NPA Closing balance</b>		<b>3,358</b>	<b>5,120</b>	<b>6,820</b>	<b>8,565</b>	<b>8,479</b>	<b>8,479</b>
Technical Write-off (TW) during the period		618	1,189	1,564	1,836	720	1,396
<b>Provision made during the period</b>	<b>C</b>	<b>1,650</b>	<b>2,050</b>	<b>2,515</b>	<b>3,030</b>	<b>470</b>	<b>1,120</b>
T W recovery	<b>D</b>	750	370	470	704	176	332
Provision made net of TW Recovery	<b>E = C-D</b>	<b>900</b>	<b>1,680</b>	<b>2,045</b>	<b>2,326</b>	<b>294</b>	<b>788</b>
Gross Advance	<b>F</b>	1,80,885	2,12,531	2,41,125	2,82,386	2,97,850	2,97,850
<b>Additions % of Gross Advance</b>	<b>A / F</b>	<b>2.35</b>	<b>2.02</b>	<b>1.99</b>	<b>2.04</b>	<b>0.46</b>	<b>0.88</b>
<b>Net Addition % of Gross Advance</b>	<b>B / F</b>	<b>1.05</b>	<b>1.42</b>	<b>1.38</b>	<b>1.31</b>	<b>0.24</b>	<b>0.45</b>
<b>Credit cost</b>	<b>E / F</b>	<b>0.50</b>	<b>0.79</b>	<b>0.85</b>	<b>0.82</b>	<b>0.10</b>	<b>0.26</b>
Gross NPA %		1.86	2.41	2.83	3.03	2.85	2.85
Net NPA %		1.30	1.53	1.71	1.70	1.69	1.69



1

Overview

2

Performance  
Highlights

3

Financial Performance  
& Business Profile

4

Branch Network

5

Shareholding  
Pattern

6

Corporate Governance

## Disclosure on Divergence in Asset Classification and Provisioning for NPAs

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

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

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





1

Overview

2

Performance  
Highlights

3

Financial Performance  
& Business Profile

4

Branch Network

5

Shareholding  
Pattern

6

Corporate Governance

## RBI DISPENSATION

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

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



1

Overview

2

Performance  
Highlights

3

Financial Performance  
& Business Profile

4

Branch Network

5

Shareholding  
Pattern

6

Corporate Governance

## Restructured Accounts

### Balance outstanding as on 30.09.2018 in respect of Restructured Standard borrowers

- ✓ No account has been restructured during H1 FY 2019
- ✓ There were no sale to ARC on SR basis in the previous two years

Type Restructuring	No. of Borrowers	Amount (in INR Mn)
Under CDR Mechanism	0	0
Under SME Debt Restructuring Mechanism	5	1
Under Other Debt Restructuring Mechanism	2	56
<b>Total</b>	<b>7</b>	<b>57</b>

- ✓ The above disclosure is in respect of Restructured Standard Accounts excluding NPA.
- ✓ Restructured Standard Advances to Gross Advances - 0.02% as on Sep-18 Vs 0.06% in Sep-17
- ✓ No fresh sale to ARC during H1 FY 19 and amount outstanding in Security Receipts - 3310 Mn. The bank has provided Rs.160 Mn during H1 FY 19 and as at 30<sup>th</sup> Sep 2018 the total outstanding provision towards SR is Rs.1510 Mn in connection with probable shortfall in the future realisation of Security Receipts.
- ✓ Amount serviced during H1 FY 2019 in restructured standard accounts is Rs.3.03 Mn.
- ✓ During H1 FY 2019, 3 accounts slipped to NPA to the tune of Rs.4.23 Mn. During Q2 FY 2019, 1 account with total outstanding of Rs.8.05 Mn upgraded to Standard Restructure.



## Investments – At a Glance

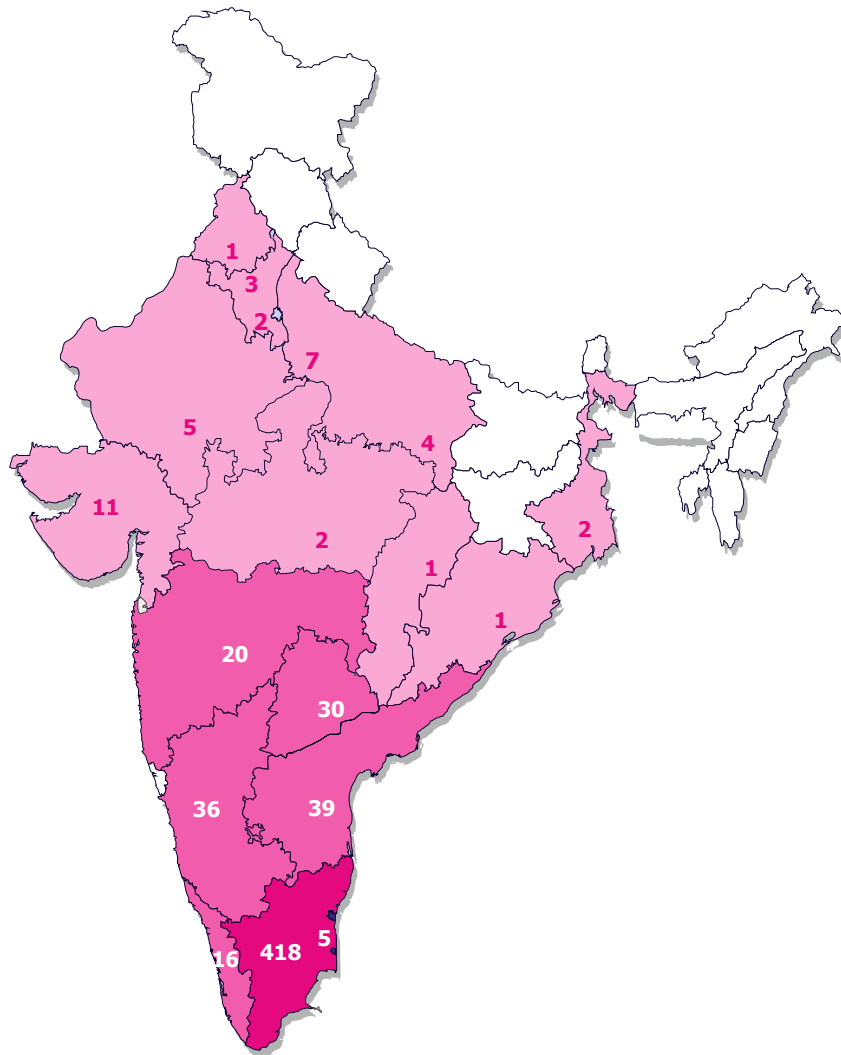
### Investments Breakup and Categorywise

(in INR Mn)

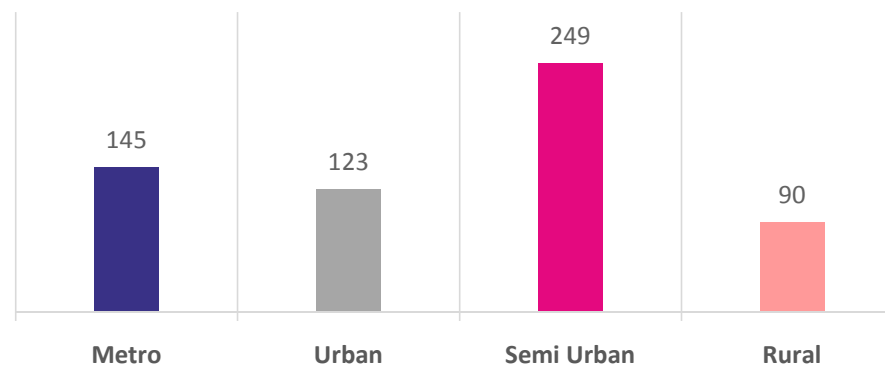
Particulars	SEP 2018	SEP 2017
SLR Securities	78,193	71,238
Non-SLR Securities	3,547	3,909
<b>Total Investments</b>	<b>81,740</b>	<b>75,147</b>
Yield on Investments	6.93%	6.97%
Investments Breakup:		
- A F S	19,646 (24%)	13,688 (18%)
- H T M	62,094 (76%)	61,459 (82%)
- H F T	-	-
<b>Total Investments</b>	<b>81,740</b>	<b>75,147</b>
Modified Duration:		
- A F S	1.19	1.72
- H T M	4.96	4.92
- H F T	-	-
- Overall Portfolio	4.18	4.47

## Strong presence in the South

As of Sep -2018 - 607 branches. 544 branches are located in South India out of which 418 in Tamil Nadu



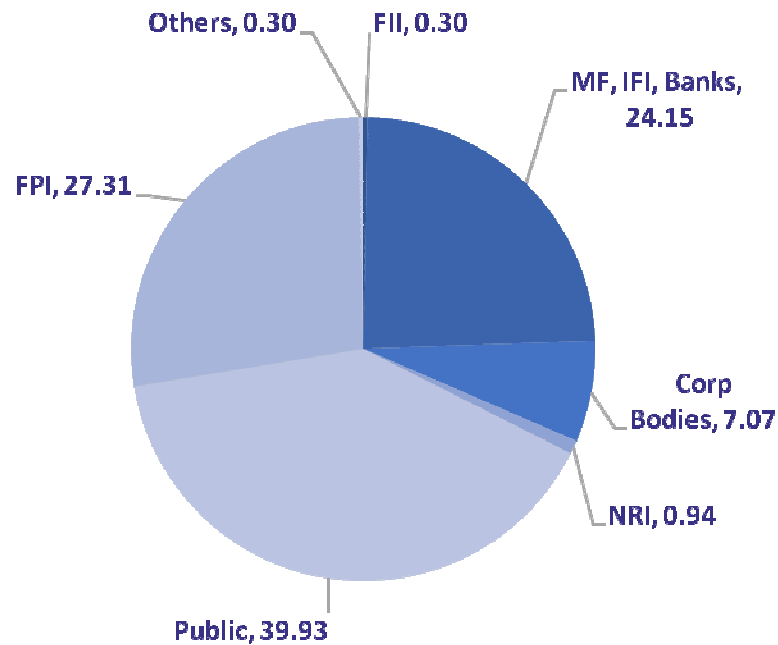
State	No. of Branches	% of Deposits	% of Advances	% of Business
Tamilnadu	418	79	64	72
Andhrapradesh	39	2	9	5
Telengana	30	3	6	4
Karnataka	36	6	5	6
Maharashtra	20	3	3	3
Kerala	16	2	2	2
Gujarat	11	1	4	2
Others	37	4	7	6
<b>Total</b>	<b>607</b>			



## A well diversified investor base

as of 30<sup>th</sup> Sep 2018

### Ownership profile



### Major Institutional Shareholders

Shareholders	% of Holding
HDFC Midcap Opportunities Fund	4.40
Life Insurance Corporation of India	3.68
Smallcap World Fund INC (Capital Group)	3.30
NT Asian Discovery Master Fund	2.40
GKFF Ventures (Argonaut Ventures)	2.78
HDFC Standard Life Insurance Co. Ltd.	1.75
Franklin Templeton Mutual Fund	1.32
Aberdeen Global – Asian Smaller Companies Fund	1.31
DSP Blackrock Midcap Fund	1.29
TVF Fund Ltd	1.26
Bank Muscat India Fund	1.24
Faering Capital India Evolving Fund	1.10
Wasatch Core Growth Fund	1.10

Well diversified ownership of shareholders around 95,000 Approx

Long term investors ensuring stability and support to management

Higher Participation from FPI's

Limit on FII / FPI ownership increased to 40%

Head room available for FII / FPI ... 12.39%



1

Overview

2

Performance Highlights

3

Financial Performance & Business Profile

4

Branch Network

5

Shareholding Pattern

6

Corporate Governance

## 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

Chairman – Chartered Accountant - Retd. CFO & ED from Tata Consultancy Services

Professor of IIT, Chennai

Career Banker with 4 Decades of banking experience

Chartered Accountant & First woman director of the Bank

Practicing Chartered Accountant

Practicing Chartered Accountant

Private Equity Fund Manager

Practicing Advocate

Retired IAS Officer

## A well experienced and strong Board



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

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



**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.



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

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



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

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



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

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



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

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



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

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



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

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



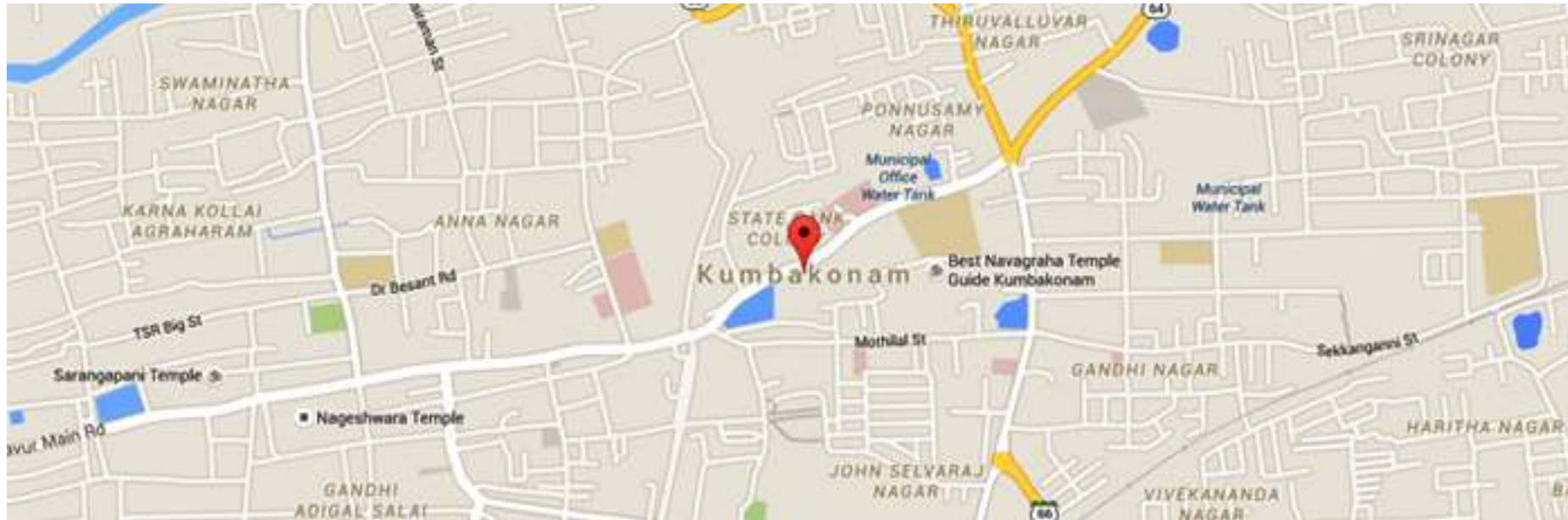
**Sri. V.N. Shiva Shankar | B.Com, ACS, AICWA, BL  
Director**

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



**Dr. 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.



### **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](http://www.cityunionbank.com)

### **INVESTOR CONTACT**

Name : K. Jayaraman, DGM  
Mob : +91 9344303740  
Email : [jayaraman@cityunionbank.com](mailto:jayaraman@cityunionbank.com)

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

