

CITY UNION BANK LTD.,

CIN NO.L65110TN1904PLC001287

Regd.Office: 149 T.S.R. (Big) Street, Kumbakonam 612001

AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31st MARCH, 2021

Particulars	(Rs in Lakhs)				
	Quarter ended			Year ended	
	31.03.2021 (Audited)	31.12.2020 (Reviewed)	31.03.2020 (Audited)	31.03.2021 (Audited)	31.03.2020 (Audited)
1. Interest earned (a+b+c+d)	97634.65	104802.58	104167.82	413468.49	416860.28
a) Interest/Discount on Advances/Bills	82613.93	89067.16	88059.81	350781.08	349457.62
b) Income on Investments	14360.92	14695.96	14546.84	58280.85	60991.77
c) Interest on balances with RBI and other Inter Bank funds	523.88	879.37	1358.06	3747.77	5481.34
d) Others	135.92	160.09	203.11	658.79	929.55
2. Other Income	14508.43	22977.12	17930.53	70476.66	67994.62
3. Total Income (1 + 2)	112143.08	127779.70	122098.35	483945.15	484854.90
4. Interest Expended	54782.70	55897.67	62218.10	230501.82	249341.19
5. Operating Expenses (i) + (ii)	28889.93	26038.65	26371.44	105059.27	101373.97
(i) Employees Cost	10723.20	12019.00	9383.40	46371.85	42065.36
(ii) Other Operating expenses	18166.73	14019.65	16988.04	58687.42	59308.61
6. Total Expenditure (4) + (5) excluding provisions and contingencies	83672.63	81936.32	88589.54	335561.09	350715.16
7. Operating Profit before provisions and contingencies (3) - (6)	28470.45	45843.38	33508.81	148384.06	134139.74
8. Provisions (other than tax) and contingencies	23851.78	21850.00	45038.00	79101.78	75508.19
9. Exceptional Items	0.00	0.00	0.00	0.00	0.00
10. Profit / (Loss) from Ordinary Activities before tax (7)-(8)-(9)	4618.67	23993.38	-11529.19	69282.28	58631.55
11. Tax Expenses	-6500.00	7000.00	-2000.00	10000.00	11000.00
12. Net Profit / (Loss) from Ordinary Activities after tax (10) - (11)	11118.67	16993.38	-9529.19	59282.28	47631.55
13. Extra ordinary items (Net of Tax Expense)	0.00	0.00	0.00	0.00	0.00
14. Net Profit / (Loss) for the period (12) - (13)	11118.67	16993.38	-9529.19	59282.28	47631.55
15. Paid up equity share Capital (Face value of Re.1/- each)	7388.22	7384.01	7373.19	7388.22	7373.19
16. Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)				576859.40	522233.54
17. Analytical ratios					
i) % of shares held by Government of India	Nil	Nil	Nil	Nil	Nil
ii) Capital Adequacy Ratio (%) - Basel III	19.52%	17.39%	16.76%	19.52%	16.76%
iii) Earning Per Share (EPS)					
Basic EPS - before/after extra ordinary items (Not annualised) (Rs.)	1.51	2.30	-1.29	8.03	6.48
Diluted EPS - before/after extra ordinary items (Not annualised) (Rs.)	1.49	2.28	-1.28	7.97	6.41
iv) NPA Ratios					
(a) Gross NPA	189319.47	107168.54	141339.56	189319.47	141339.56
(b) Net NPA	107519.39	52715.48	77848.55	107519.39	77848.55
(c) % of Gross NPA	5.11	2.94	4.09	5.11	4.09
(d) % of Net NPA	2.97	1.47	2.29	2.97	2.29
v) Return on Assets - Annualised	0.84%	1.29%	-0.77%	1.15%	1.00%

Statement of Assets & Liabilities		(Rs in Lakhs)	
		31.03.2021	31.03.2020
Capital and Liabilities		(Audited)	
Capital		7388.22	7373.19
Reserves & Surplus		576859.40	522233.54
Deposits		4453736.37	4083249.36
Borrowings		134569.57	203240.31
Other Liabilities & Provisions		158614.75	157256.91
Total		5331168.31	4973353.31
Assets			
Cash & Balance with RBI		279271.05	203036.77
Balances with Banks and Money at Call		282234.99	269128.00
Investments		943594.42	911678.61
Advances		3615782.88	3392744.61
Fixed Assets		23269.01	24516.20
Other Assets		187015.96	172249.12
Total		5331168.31	4973353.31

Notes :

- The above financial results for the quarter/ year ended 31st March 2021 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on 28th May 2021. The same have been audited by the Statutory Central Auditors of the Bank in line with the guidelines issued by Reserve Bank of India and as per the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 who have expressed an unmodified opinion.
- There has been no change in the accounting policies followed during the quarter / year ended 31st March 2021 as compared to those followed in the preceeding financial year ended 31st March 2020.
- The figure for the quarter ended 31st March 2021 and 31st March 2020 are the balancing figures between audited figures in respect of the full financial year and the unaudited published year to date figures upto the end of the third quarter of the respective financial years, which was subject to Limited Review by the Statutory Central Auditors of the Bank.
- The above working results for the quarter / year ended 31st March 2021 have been arrived at after considering various provisions as per RBI Guidelines for Standard Assets, adhoc Covid 19 provision, Non Performing Assets, Restructured accounts, Depreciation on Investments, Non-performing Investments, Employee benefits, taxes and other usual & necessary provisions.

- 5 Other Income relates to income from non-fund based banking activities including commission, fees, gains from securities transactions, ATM sharing fees, recoveries from accounts written off and other miscellaneous income.
- 6 In terms of RBI Circular DOR.No.BP.BC.34/21.04.048/2019-20 dt 11.02.2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020 - Restructuring of Standard Advances, during Q4 FY 21 the bank had restructured 1086 accounts amounting to Rs.1116 crs. As of 31st Mar 2021, 1289 accounts amounting to Rs.1849 crs was restructured ; the bank holds Rs.122 Crores towards provision for such accounts.
- 7 The outbreak of Covid 19 pandemic continues to spread across the globe and india resulting in significant volatility in the global and indian economy. The extent to which the Covid 19 pandemic will impact the bank's result will depend on the future development which are highly uncertain including any new strains of the pandemic and action to contain its spread by way of statewide lockdown or to mitigate the impact including further stimulus and regulatory packages, if any. Also, if the pandemic continues there will be a slowdown in the economic activity resulting in increased defaults and resultant increase in provision requirements.
- 8 In accordance with the 'COVID-19 Regulatory Packages' announced by the RBI on March 27, 2020, April 17, 2020 and May 22, 2020 to provide relief to borrowers on account of COVID-19 pandemic whose accounts were standard as on February 29, 2020, the Bank, in accordance with the Board approved policy had offered moratorium to all eligible borrowers for repayment of loan instalments and / or deferment of interest due between March 1, 2020 to August 31, 2020 including relaxation in certain parameters, without considering the same as restructuring.
- 9 The Honourable Supreme Court in a writ petition bearing No.825 of 2020 by Gajendra Sharma Vs Union of India & Anr had vide its interim order dated September 3, 2020 has directed the Banks that the accounts which were not declared as Non-Performing Assets (NPA) till August 31, 2020 shall not be declared as NPA till further orders, pending disposal of the case by the Hon'ble Supreme Court. Pursuant to Supreme Court's final order vacating the stay dated 23.03.2021, and the related RBI notification issued on 07.04.2021, the bank has classified these borrowal accounts as per extant RBI instruction / IRAC norms and utilised the the adhoc provision so created to the extant applicable.
- 10 In terms of Department of Financial services vide its letter dated 23.10.2020, the bank had paid Rs. 14.84 crs towards ex-gratia interest to all eligible retail loans, MSME loans and credit card dues which was standard as at 29.02.2020 and the claim for which has already been received. Now, in accordance with RBI Notification dated April 7th, 2021, the bank is required to refund 'interest on interest' charged to borrowers during the moratorium period as per methodology for calculation of such interest on interest calculated by IBA. The bank is in the process of implementing the said methodology and calculation of interest relief due to eligible customers. The bank has provided Rs. 21.02 crs on an estimated basis for providing such interest relief to eligible borrowers.
- 11 During FY 2020-21 the bank had received Rs. 15 crores towards an insurance claim lodged in the FY 2017-18 by the bank; this loss was fully provided in the earlier years.
- 12 During the year ended 31st March 2021, the Bank has sold securities from HTM category exceeding 5% of the book value of investments held in HTM category at the beginning of the year, with due approval. The book value of HTM investment sold during the year ended 31st March 2021 was Rs.3665.16 cr (excluding one time transfer from/to HTM category with approval of the Board at the beginning of the accounting year, sale under preannounced OMO to RBI and Repurchase of securities by Government of India). The book value of investment under HTM category (SLR & Non SLR) as at the close of 31 st Mar 2021 stood at Rs.8433.27 Cr as against the market value of Rs.8432.08 Cr. The excess of book value over market value of investment under HTM category is Rs.1.19 Cr for which no provision is needed as per extant guidelines.
- 13 RBI circular BR.No.BP.BC.83/2104.048/2014-15 dated 01.04.2015 and DBR No.BP.BC.92/21.04.048/2015-16 dated 18.04.2016 granted an option to spread provision in respect of frauds for a period not exceeding 4 quarters from the quarter in which such fraud has been detected /declared. Based on the classification of fraud by the leader bank, an account is classified as fraud amounting to Rs. 17.62 crs, provision amounting to Rs.4.40 crs was provided in Q4 FY2021 the remaining provision of Rs.13.22 crs is created by transfer from general reserves under reserves & surplus.
- 14 In terms of RBI circular DOR.STR.rec.10/21.04.048/2021-22 dated 05.05.2021, the bank had utilised the amount held in floating provision and counter cyclical provision buffer amounting to Rs. 18.65 crs and transferred the same to specific provisions for NPA.
- 15 In accordance with the RBI circular DBOD. No.BP.BC.1/21.06.201/2015-16 dated 1st July 2015, read together with RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31.03.2015, Banks are required to make Pillar III disclosures under Basel III capital regulations. Accordingly, Pillar 3 disclosures under Basel III capital regulations is available on the Bank's website (www.cityunionbank.com). These disclosures have not been subjected to audit by the Statutory Central Auditors.
- 16 Provision Coverage Ratio calculated as per Reserve Bank of India guidelines is 64% as on 31st March 2021
- 17 Based on the SCN issued and subsequent representation made by the bank in addition to the personal hearing and submission of additional documents, RBI vide its order ref. CO.EDFD.DECB.No.S15/02.02.002/2021-2022 dated 20.05.2021 had levied a penalty of Rs.1 crore (Rupees one crore only). Being an event occurring after the balance sheet date as specified in AS-4, the bank had provided for the said amount as on 31.03.2021.
- 18 The bank has allotted 4,21,032 equity shares during the current quarter & 15,02,890 equity shares during the FY 20-21 of face value of Re.1/- each to employees pursuant to the exercise of stock options by the employees.
- 19 Number of Investor complaints pending at the beginning of the quarter - Nil. Received during the quarter - Nil : Disposed of during the quarter - Nil. Pending complaints as on 31st March 2021 : Nil
- 20 In computing the Segment information, certain estimates and assumptions have been made by the Management, which have been relied upon by the Statutory Central Auditor.
- 21 Figures of the corresponding period's/year's have been reclassified/regrouped, wherever considered necessary.
- 22 The Disclosure as required under RBI circular DOR. No. BP.BC. 63/21.04.048/2019-20 dated April 17,2020 is given below:

Amounts in SMA/overdue categories, where the moratorium/deferment was extended (As of March 31, 2020) *	2744.51
Amount where asset classification benefits is extended (As of March 31, 2021)	125.61
Provisions made during the quarter ended March 31, 2020 and June 30, 2020 (Mandatory 10% Provision)	13.00
Additional Adhoc Provision made during the year 2019-20 & 2020-21 *	452.00
Provisions adjusted during the year FY 2020-21 against slippages	301.45
The residual provision under the head "Covid Provision" as on Mar 31, 2021	150.55
* During Q4 FY 2020 - Rs.112 cr + Q1 FY 21 - Rs.100 cr + Q2 FY 21 - 115 cr & Q3 FY 2021 - Rs.125 cr	

23 Details of resolution plan implemented under the resolution Framework for COVID - 19- Related Stress as per RBI circular dated August 6, 2020 are given below

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal loans	790	198.37	-	-	19.84
Corporate persons*	50	282.18	-	-	28.22
Of which MSMEs	4	33.84	-	-	3.38
Others	322	114.46	-	-	11.44
Total	1162	595.01	-	-	59.50

24 The disclosure as required under RBI circular DOR. No. BP.BC.62/21.04.048/2020-21 dated April 7, 2020 with respect to the number of accounts and the amount involved in those accounts where the Resolution period was extended is given below for the year ended as on 31.03.2021

Particulars	As on 31.3.2021
No of accounts in which Resolution Period was extended	Nil
Amount involved (Rs. in Lakhs)	Nil

25 In terms of RBI circular DOR.ACC.REC.7/21.02.067/2021-22 dated 22.04.2021 banks may pay dividend on equity shares from the profits for the financial year ended 31.03.21 subject to the quantum of dividend being not more than 50% of the amount determined as per the dividend payout ratio prescribed in para 4 of the said circular. Based on the said circular the Board of Directors have declared an interim dividend of 30 paise (30%) per equity shares for the year ended 31.03.2021 (previous year 50%).

By the Order of Board

Place : Kumbakonam
Dated : 28th May 2021

Dr N. KAMAKODI
MD & CEO

SEGMENT REPORTING FOR THE QUARTER/YEAR ENDED 31.03.2021

Particulars	Quarter ended			Year ended	
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
	(Audited)	(Reviewed)	(Audited)	(Audited)	
Segment Revenue					
a) Treasury	17845	27448	23801	94560	90895
b) Corporate / wholesale banking	19780	28826	32766	113726	132797
c) Retail Banking	73252	70789	64866	272950	258882
d) Other Banking Operations	1266	717	666	2709	2281
Total	112143	127780	122099	483945	484855
Less : Inter segment revenue	-	-	-	-	-
Total	112143	127780	122099	483945	484855
Segment Results					
a) Treasury	7793	20147	11473	57159	47258
b) Corporate / wholesale banking	6305	8407	10857	34450	35906
c) Retail Banking	13283	16723	10656	54685	49268
d) Other Banking Operations	1089	566	523	2090	1708
Total	28470	45843	33509	148384	134140
Operating Profit	28470	45843	33509	148384	134140
Other Provisions & Contingencies	23852	21850	45038	79102	75508
Profit Before Tax	4618	23993	-11529	69282	58632
Taxes including Deferred Tax	-6500	7000	-2000	10000	11000
Net Profit	11118	16993	-9529	59282	47632
Segmental Assets:					
a) Treasury	1303250	1200043	1242213	1303250	1242213
b) Corporate / wholesale banking	1107150	1200895	1214371	1107150	1214371
c) Retail Banking	2741710	2607824	2354535	2741710	2354535
d) Unallocated	179058	196758	162234	179058	162234
Total Assets	5331168	5205520	4973353	5331168	4973353
Segmental Liabilities:					
a) Treasury	1160632	1055844	1106755	1160632	1106755
b) Corporate / wholesale banking	997949	1072036	1097874	997949	1097874
c) Retail Banking	2471291	2327927	2128659	2471291	2128659
d) Unallocated	117048	175584	110458	117048	110458
Total	4746920	4631391	4443746	4746920	4443746
Capital Employed:					
Segment Assets - Segment Liabilities					
a) Treasury	142618	144199	135458	142618	135458
b) Corporate / wholesale banking	109201	128859	116497	109201	116497
c) Retail Banking	270419	279897	225876	270419	225876
d) Unallocated	62010	21174	51776	62010	51776
Total	584248	574129	529607	584248	529607

There are no significant residual operations carried on by the bank.

PART B : GEOGRAPHIC SEGMENTS:

The bank operates only in India