



CITY UNION BANK LIMITED

CIN - L65110TN1904PLC001287

Regd. Office, No. 149, TSR (Big) Street, Kumbakonam - 612 001.

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C.O/Shares/LR-5/2017 - 18

29th May, 2017

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: Press Release (Q4 Audited Results – FY 2016-17)

The Board at its meeting held today, the 29th May 2017 has considered and approved the audited financial results together with auditor's report for the FY ended 31st March 2017. A copy of press release in this regard is enclosed herewith for your information and records please.

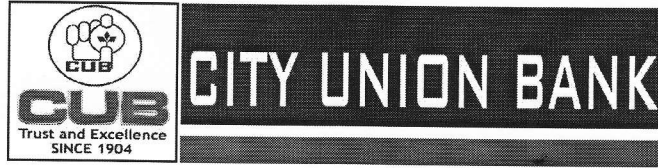
Thanking you

Yours faithfully

for **CITY UNION BANK LTD.**

V Ramesh
General Manager – CFO & CS





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4th Quarter, Financial year 2016-17

Net profit up 15% ▲ Net Interest income up by 17%

Chennai, 29th May 2017 – City Union Bank Limited announced its performance results for the 4th Quarter and for the Financial Year 2016-17 today at Chennai. Earlier, during the day, the Board of Directors of City Union Bank approved the working results for Q4 FY 2017.

Outlining the performance of the Bank Dr. N.Kamakodi, MD & CEO said, “CUB’s business for the year exceeds Rs. 54200 Crores posting a consistent growth in advances throughout the year. The Current Account and Savings Account deposits have shown traction during the year growing by 27% with an impressive ratio at 23% to total deposits”.

Highlights of performance in Q4 - FY 2016 - 17:

- Net Interest Income increased by 17% to Rs. 311 Crore from Rs. 264 Crore
- Net Interest Margin increased to 4.20% from 3.96%
- Operating Profit increased by 11% to Rs. 248 Crore from Rs. 224 Crore
- Net profit increased by 15% to Rs. 129 Crore from Rs. 112 Crore

CUB has registered consistent performance during the year 2016-2017 despite the stressful conditions that prevailed over normal banking operations post the announcement of demonetization. CUB had also risen up to the situation introducing a slew of services to promote Digital Banking. The Bank continues to build granularity and longevity in deposits demonstrated by CASA deposits growth which contributes to 27% as on March 31, 2017 on the back of strong Current Account deposits growth of 26% Y-o-Y. The Bank is committed to build a strong Retail franchise through continued investments in People, Technology & Digital Infrastructure. The Bank has a network of 550 branches and 1486 ATMs as on 31.03.2017.

Highlights of Annual Performance during FY 2016-17:

- Deposits increased by 11% to Rs. 30,116 Crore from Rs. 27,158 Crore
- Advances increased by 13% to Rs. 24,112 Crore from Rs. 21,253 Crore
- Total Business increased by 12% to Rs. 54,228 Crore from Rs. 48,411 Crore
- Net Interest Income of the bank increased by 22% to Rs. 1199 Crore from Rs. 981 Crore
- Gross Profit increased by 19% to Rs. 994 Crore from Rs. 833 Crore
- Net Profit increased by 13% to Rs. 503 Crore from Rs. 445 Crore.
- CASA increased by 27% to Rs. 7,039 Crore from Rs. 5,533 Crore and the CASA ratio stood at 23% to total deposits.
- Net Interest Margin of the bank increased to 4.17% from 3.81%

Asset Quality for the year ended 31st March 2017:

- Gross NPA of the Bank stood at Rs. 682 Crore at 2.83 % to Gross Advances.
- Net NPA of the Bank stood at Rs. 408 Crore at 1.71% to Net Advances.
- Provision Coverage Ratio stood at 61%

Key Performance Indicators:

- ROA of the bank stood at 1.50%.
- ROE of the bank stood at 15.40%
- Cost to income ratio increased to 40.94% from 40.10%

Capital Adequacy: The Bank's capital adequacy as on March 31, 2017 as per Reserve Bank of India (RBI) guidelines on Basel III norms is 15.83% and Tier-1 capital adequacy was 15.35%, well above regulatory requirements.

Digital banking initiatives launched:

CUB Easy: City Union Bank introduced 'CUB Easy' – a selfie banking facility. Opening a savings bank account is now made easier and faster. It takes just a few minutes and the customer need not visit any of our branches to open an account. They need to download the CUB Easy -selfie banking app, 'FREE' from the App store. They can take a new selfie and register themselves by providing their Name, e-mail ID, Mobile Number,

Aadhar number and their choice of CUB branch as their base branch. CUB will be sending an OTP (One Time Password) on their Aadhaar Registered Mobile Number. Once they enter the OTP, the system will ask for customer profile and PAN number. On completion, the system will validate the requisite details. The customer then needs to accept the Terms and Conditions. They will receive a confirmation SMS 'Welcome to City Union Bank'. They can download our Mobile app (CUB Mbank Plus) and commence banking spot on. This facility is currently available only on Android smart phones. As per RBI stipulations, the aggregate balance of all the deposit account of the customers shall not exceed Rs. 1 Lakh and the aggregate of all credits in a financial year shall not exceed Rs 2 lakhs.

Ask Lakshmi: City Union Bank introduces 'Ask Lakshmi' – a CHAT BOT facility, as a feature on their website www.cityunionbank.com. 'Ask Lakshmi' is an easy and smart way of getting information on CUB products and services. 'Ask Lakshmi' is a 24x7 facility available for all information seekers on CUB's Website. Ask Lakshmi operates on the artificial intelligence platform.

CUB Tracker is a new value added service which is available on CUB Net platform open to all Net banking customers. CUB Tracker provides information to our customers on the way money is being spent from their Accounts. All they need to do is click on CUB Money Tracker to see the pattern of their expenditure. CUB Money Tracker analyses and provides highlights using the entries made from their transactions. CUB Money Tracker allows the customer to alter or change fields to create their own – ex. Debit shown against a RD withdrawal can be changed to 'Monthly Savings'. This facility will soon be extended to CUB Mobile and CUB Wallet users too.

Financial Performance FY 2017 & Q4 FY 2017:

(Rs in Cr)

	FY 17	FY 16	GRW	(%)		Q4 FY 17	Q4 FY 16	GRW	(%)
Net Interest Income	1198.77	981.03	217.74	22		310.56	264.44	46.12	17
Other Operating Income	483.95	409.98	73.97	18		125.85	107.26	18.59	17
Operating Expenses	688.98	557.73	131.25	24		188.77	147.66	41.11	28
Operating Profit	993.74	833.28	160.46	19		247.64	224.04	23.60	11
Provisions	490.97	388.59	102.38	26		118.76	111.81	6.95	6
Net Profit	502.77	444.69	58.08	13		128.88	112.23	16.65	15

Business Performance for the year ended March 2017:

(Rs in Cr)

	March-17	March-16	Inc/(Dec)	Growth (%)
Deposits	30116	27158	2958	11
Advances	24112	21253	2859	13
Total Business	54228	48411	5817	12
CASA	7039	5533	1506	27
Balance Sheet size	35271	31804	3467	11
Gross NPA	682	512		
Gross NPA (%)	2.83	2.41		
Net NPA	408	323		
Net NPA (%)	1.71	1.53		
CRAR – Basel III	15.83	15.58		

Safe Harbor: The information contained in this earnings release 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. City Union Bank Limited undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

For further information please contact:

Mr. V. Ramesh, Chief Financial Officer

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www.cityunionbank.com