



## Press Release

### **Total Business Crosses Rs. 50,000 Crores, PAT up 15%** **~ Introduces ROBOT assisted customer service in Banks ~**

**Chennai, 10 November 2016 – City Union Bank Limited**, South India's fastest growing private bank, announced its performance results for Q2 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 Q2 FY 2017. City Union Bank posted a consistent performance with steady increase in Deposits, Advances, NII, PAT and NIM. The bank announced introduction of ROBOT, CUB Lakshmi, towards enhancing banking experience for its customers.

Outlining the performance of the Bank in Q2 FY 2017, MD & CEO Dr. N.Kamakodi said, "The total business of the bank crossed the milestone of Rs. 50,000 Crore during the second quarter posting a net profit of Rs.123.76 Crore. In a challenging business environment, CUB was able to maintain its asset quality and has achieved excellent results across all performance metrics. CUB had always been offering personalized services to its customers. We are happy to introduce CUB Lakshmi, the ROBOT. This is an appropriate step in the right direction. The ROBOT is capable of multitasking and will soon be integrated to our automation process."

### **Management Statement**

#### **FINANCIAL PERFORMANCE Q2 FY 2017:**

1. Gross profit for Q2 FY 2017 went up by 15% to Rs. 236.76 cr. and PAT grew by 15% to Rs.123.76 cr. The Net interest income rose by 25% to Rs. 301.21 cr. Net Interest Margin for the quarter stood at 4.20% and Return on Assets at 1.50%.
2. Total Deposits of the bank increased by 11% to Rs. 28,393 cr as on September, 2016 from Rs. 25,616 cr as on September 30, 2015. Gross Advances went up by 17% to Rs.22,215 cr as on September, 2016 from Rs.18,935 cr as on September, 2015.
3. The Savings bank deposits recorded growth of 25% and growth in CASA was 18% as on September, 2016. The Bank's Balance Sheet size increased by 10% to Rs.32,861 cr as on September 30, 2016 from Rs.29,770 cr as on September, 2015. Percentage of CASA on Total Deposits is 21%.



4. Gross & Net NPA level stood at 2.69% & 1.63% respectively as on 30 September 2016. The Provision Coverage Ratio as at June 30, 2016 stood at 60%.

### **Technology & Customer Service:**

**CUB** has been in the forefront of introduction of technological services to its customers. Many of the bank's technology services are aimed at creating memorable customer experience. In this order, CUB now introduces CUB-Lakshmi, the ROBOT. Deploying artificial intelligence, the Bank has initiated installation of ROBOT on pilot basis to explain the various products apart from technology services. ROBOT will answer generic banking related questions of our customers. Going forward, it would be integrated with our CBS system, enabling transactions too. It can keep the customer engaged with its other maneuvers too offering unique experience to our customers. **CUB-Lakshmi**, the new ROBOT is being introduced on pilot basis in their branch at T. Nagar, Chennai.

In addition to its net banking services, CUB's self service centers offer a range of automated services like, transfer of money from ATM / Internet / Mobile banking to CUB ATM in a different or remote location enabling the receiver collect the money at the ATM itself. The Self service centres are equipped to handle other requests of customers like pass book printing, cheque book request and other payment services including booking of tickets through IRCTC.

CUB has always been protecting their customer's identity in several ways. To prevent misuse of ATM cards, CUB has launched a new feature in their mobile banking application through which customers can manage their transactions and limits on their own. Through CUB's Mobile banking App Mbankplus, customers can block and unblock their ATM / PoS / e-Com transactions. In addition, all e-Com transactions are having second level authentication through OTP, so that misuse of customer's e-Com transactions are prevented.

CUB has 525 Branches across the country with 1395 ATMs. 395 machines of these are Bulk Note Acceptors (BNAs) where recycling of deposited cash (BRM) has been enabled. The Bank has more than 50 Self Service Bank Branches (e-lounges) meeting the needs of customers.

**Results for the Quarter ended 30<sup>th</sup> September 2016 (Q2 FY 2017):**

(Rs. in Cr)

<b>Particulars</b>	<b>Q2 FY 2017</b>	<b>Q2 FY 2016</b>	<b>Growth (%)</b>
Interest Income	790.68	734.93	7.59
Non Interest Income	104.19	94.52	10.23
Total Income	894.87	829.45	7.89
Interest Expense	489.47	494.83	(1.08)
Operating Expense	168.64	129.43	30.29
Total Expense	658.11	624.26	5.42
Net Interest Income	301.21	240.10	25.45
Operating Profit	236.76	205.19	15.39
Profit After Tax	123.76	107.84	14.76

**Results for the Half Year ended 30<sup>th</sup> September 2016 (H1 FY 2017):**

(Rs. in Cr)

<b>Particulars</b>	<b>H1 FY 2017</b>	<b>H1 FY 2016</b>	<b>Growth (%)</b>
Interest Income	1562.88	1440.97	8.46
Non Interest Income	215.29	199.41	7.96
Total Income	1778.17	1640.38	8.40
Interest Expense	981.65	977.24	0.45
Operating Expense	324.00	260.79	24.24
Total Expense	1305.65	1238.03	5.46
Net Interest Income	581.23	463.73	25.34
Operating Profit	472.52	402.35	17.44
Profit After Tax	247.27	219.40	12.70

### Key Balance Sheet Items:

Particulars	Q2 FY 2017	Q2 FY 2016	Growth (%)
Deposits	28393	25616	10.84
Advances	22215	18935	17.32
Investments	6725	7240	(7.11)
Net Worth	3266	2896	12.78
Balance Sheet Size	32861	29770	10.38

### Other Performance Highlights and Ratios (Q2 FY 2017):

- ✓ Advances (Gross) at Rs.22,215 cr – Growth of 17%
- ✓ Deposits at Rs.28,393 cr – Growth of 11%
- ✓ Annualized Return on Assets of 1.50% and Return on Equity 15.28%
- ✓ Net Interest Margin at 4.20%
- ✓ Capital Adequacy Ratio – Basel III- 14.83%
- ✓ Basic EPS (not annualized) – Rs.2.07
- ✓ Diluted EPS (not annualized) – Rs.2.02
- ✓ Provision Coverage Ratio at 60%

### Conference call details:

City Union Bank will hold an earnings conference call on 10th November 2016 at 5:00 p.m. IST to discuss our performance for the quarter / half year ended 30<sup>th</sup> September 2016. The transcript of the management discussions and the question and answer session will be available online and will be accessible in the Investor Relations section of our website at [www.cityunionbank.com](http://www.cityunionbank.com)

### 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.*

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