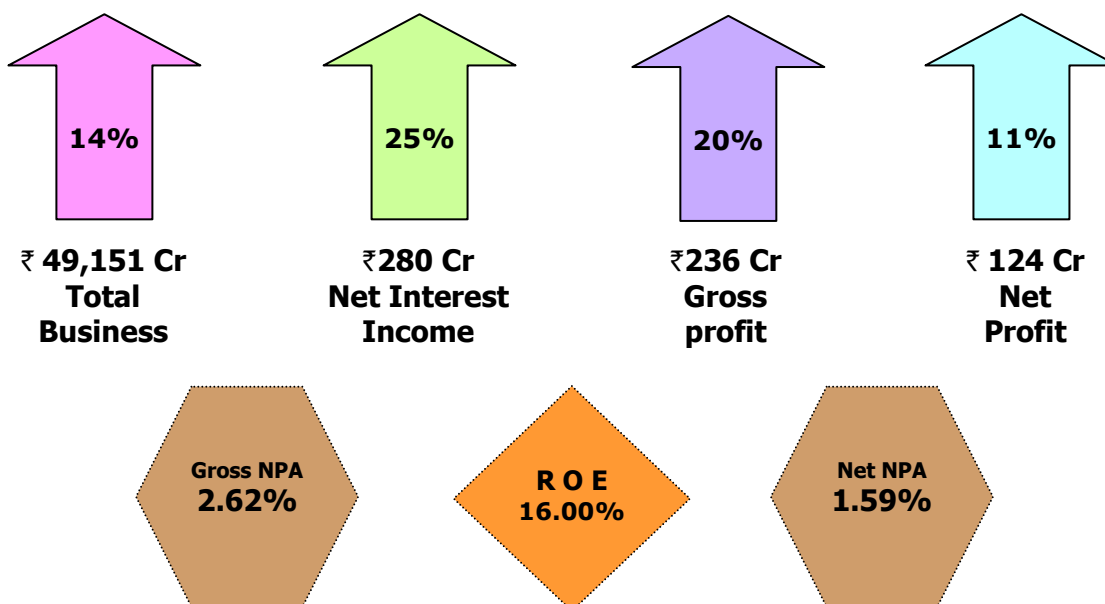


City Union Bank Limited

Central Office, Kumbakonam

FIRST QUARTER FINANCIAL PERFORMANCE – JUNE 2016



Press Release

Chennai, 10 August 2016 – The Board of Directors of CITY UNION BANK LIMITED at its meeting held in Chennai, today has approved the working results for the first quarter of FY 2016-17.

Management Statement

Outlining the performance of the Bank in Q1 FY 2017, MD & CEO Dr. N.Kamakodi said that it was reasonably a good show given the economic scenario prevailing in the country.

The Bank was able to put up a consistent performance with steady increase in Deposits, Advances, NII, PAT and NIM. The Bank was able to maintain its asset quality without any big issues though the atmosphere was not so conducive.

FINANCIAL PERFORMANCE:-

1. Gross profit for Q1 FY 2017 went up by 20% to ₹ 235.77 Cr. and PAT grew by 11% to ₹123.52 Cr. The Net interest income rose by 25% to ₹ 280.02 Cr. Net Interest Margin for the quarter increased to 4.07% and Return on Assets at 1.55%.
2. Total Deposits of the bank increased by 11% to ₹27936 cr as on June 30, 2016 from ₹25,111 cr as on June 30, 2015. Gross Advances went up by 19% to ₹21,216cr as on June 30, 2016 from ₹17,901 cr as on June 30, 2015.
3. The Savings bank deposits recorded growth of 26% and growth in CASA was 21% as on June 30, 2016. The Bank's Balance Sheet size increased by 14% to ₹32267 cr as on June 30, 2016 from ₹29115 cr as on June 30, 2015. Percentage of CASA on Total Deposits is 21%.
4. Gross & Net NPA level stood at 2.62% & 1.59% respectively as on 30 June 2016. The Provision Coverage Ratio as at June 30, 2016 stood at 60%.

5. Results for the Quarter ended 30th June 2016 (Q1 FY 2017):

(₹ in Crs)

Particulars	Q1 FY 2017	Q1 FY 2016	Growth (%)
Interest Income	772.20	706.04	9%
Non Interest Income	111.11	104.89	6%
Total Income	883.31	810.93	9%
Interest Expense	492.18	482.41	2%
Operating Expense	155.36	131.36	18%
Total Expense	647.54	613.77	6%
Net Interest Income	280.02	223.63	25%
Operating Profit	235.77	197.16	20%
Profit After Tax	123.52	111.56	11%

6. Key Balance Sheet items:-

Particulars	Q1 FY 2017	Q1 FY 2016	Growth (%)
Deposits	27936	25111	11%
Advances	21216	17901	19%
Investments	7261	7404	-ve
Net Worth	3158	2781	14%
Balance Sheet Size	32267	29115	11%

Other Performance Highlights and Ratios (Q1 FY 2017):

- ✓ Advances (Gross) at ₹21216 cr – Growth of 19%
- ✓ Deposits at ₹27936 cr – Growth of 11%
- ✓ Annualized Return on Assets of 1.55% and Return on Equity 16.00%
- ✓ Net Interest Margin at 4.07%
- ✓ Capital Adequacy Ratio – Basel III- 15.25%
- ✓ Basic EPS (not annualized) – ₹2.07
- ✓ Diluted EPS (not annualized) – ₹2.01
- ✓ Provision Coverage Ratio at 60%

Functional Performance of the Bank:

- ✓ Operates 525 branches and 1334 ATMs (onsite & offsite).
- ✓ 3662 Point of sale (POS) machines installed.
- ✓ TNEB Payment through mobile banking.
- ✓ Service through KIOSK
- ✓ Express Desk Service.
- ✓ Chennai Corporation property tax payment.



Technology & Customer Service:

Bank has launched a new mobile banking application called "CUB m-Bank Plus" to all customers of the bank thus enabling e-banking services vide Mobile/DTH Recharges, Bill payments, online fixed deposit opening, loan against deposit, Pre-closure of deposit, Fund Transfers, TNEB payment , ATM PIN Reset , Card Block, etc. The application is available in Google PlayStore and in AppStore for iPhone.

The bank installed Bulk Note Acceptor with recycler facility across 328 locations.

Bank has implemented Card less Withdrawal at 500 centers through ATMs.

Bank has launched a new android wallet application called CUB e-Wallet. Anyone can download wallet from Google Play store and start using it. Wallet services are Mobile/DTH Recharges, Bill payments, Load money from Other bank, Send money, Viewing account summary, etc.

Bank has started issuing Business Debit cards for Corporate Customers.

Customers can register Mobile Banking Service through ATM.

Bank has installed Self service banking outlets (e-lounge) at 20 centers, Passbook printing Kiosk at 150 centers and Cheque scanning kiosk at 50 centers.

Customer can reset their ATM PIN in net banking & mobile banking.

Fetching network operates automatically while entering the mobile number for recharge / top-up.

CUB launches Green Pin to the customers to get ATM pin

OTP has been enabled for all Rupay and Visa Transactions for customer security.

Customer can register for Mobile Banking through CUB ATM



Conference call details:

City Union Bank will hold an earnings conference call on 10th August 2016 at 5:00 p.m. IST to discuss our performance for the quarter ended 30th June 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

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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