



CIN NO. L65110TN1904PLC001287
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CUB - PRESS RELEASE

3rd Quarter & 9 months Performance Results, Financial year 2020-21

Chennai, on 3rd February 2021 – City Union Bank Limited announced today its performance results for the 3rd Quarter of Financial Year 2020-21. Earlier, during the day, the Board of Directors of City Union Bank approved the working results.

Financial Performance Q3 FY 2021 vs Q3 FY 2020:

(Rs in Cr)

Particulars	Q3 FY 2021	Q3 FY 2020	Growth (%)
Interest Income	1048.03	1060.86	-ve
Non Interest Income	229.77	142.38	61
Total Income	1277.80	1203.24	6
Interest Expense	558.98	633.60	-ve
Operating Expense	260.38	261.20	-ve
Total Expense	819.36	894.80	-ve
Net Interest Income	489.05	427.26	14
Operating Profit	458.44	308.44	49
Profit After Tax	169.94	192.44	-ve

Financial Performance 9M FY 2021 vs 9M FY 2020:

(Rs in Cr)

Particulars	9M FY 2021	9M FY 2020	Growth (%)
Interest Income	3158.34	3126.92	1
Non Interest Income	559.68	500.64	12
Total Income	3718.02	3627.56	2
Interest Expense	1757.19	1871.23	-ve
Operating Expense	761.69	750.02	2
Total Expense	2518.88	2621.25	-ve
Net Interest Income	1401.15	1255.69	12
Operating Profit	1199.14	1006.31	19
Profit After Tax	481.64	571.61	-ve

Key Balance sheet Items:

(Rs in Cr)

	9M FY 2021	9M FY 2020	Inc/(Dec)	Growth (%)
Deposits	43288	39812	3476	9
Advances	36504	33828	2676	8
Total Business	79792	73640	6152	8
CASA	11898	9294	2604	28
Balance Sheet size	52055	48483	3572	7

Asset Quality:

(Rs in Cr)

	Q3 FY 2021	Q3 FY 2020
Gross NPA	1072	1185
Net NPA	527	649
Gross NPA (%)	2.94	3.50
Net NPA (%)	1.47	1.95

Key Financial Ratios:

	Q3 FY 2021	Q3 FY 2020	FY 19-20	FY 18-19
Cost of Deposits	5.16%	6.17%	6.20%	6.17%
Yield on Advances	9.87%	10.73%	10.76%	10.95%
Net Interest Margin	4.16%	3.96%	3.98%	4.32%
Return on Assets	1.29%	1.57%	1.00%	1.64%
Return on Investments	9.87%	7.49%	8.44%	7.36%
Cost to Income Ratio	36.22%	45.85%	43.04%	41.67%
Capital Adequacy Ratio	17.39%	15.41%	16.76%	15.55%

Financial Performance Q3 FY 2021/9M:**1. Net Interest Income**

Income for Q3 FY 21 has improved by Rs.62 cr from Rs. 427 cr in Q3 FY20 to Rs. 489 cr in Q3 FY21. The Net Interest registering a growth of 14%. NII for 9M FY 2021 improved by Rs. 145 cr from Rs. 1256 cr in 9M FY20 to Rs. 1401 cr in 9M FY21.

2. Non Interest Income

Non Interest Income of the Bank is at Rs.230 cr in Q3 FY 2021 as against Rs. 142 cr for Q3 FY 20. The treasury income increased by Rs 77 cr to Rs.119 cr in Q3 FY 21 Vs Rs.42 cr in Q3 FY 20. Further, The non interest income for the 9M FY 21 has increased by 12% to Rs. 560 crs from Rs.501 cr in 9M FY 20. Income from domestic and forex treasury increased to Rs. 296 crs in 9M FY 21 from Rs.165 crs in 9M FY 20.

3. Operating Expenses

The operating expense for Q3 FY 21 is at Rs.260 cr as against Rs 261 crs in the same period during the previous year. Establishment expenses increased from Rs.113 cr in Q3 FY 20 to Rs.120 cr in Q3 FY 21 and all other operating expenses marginally decreased from Rs.148 cr to Rs.140 cr in Q3 FY 21. Operating Expenses marginally increased to Rs. 762 cr in 9M FY 21 from Rs.750 cr in 9M FY 20.

4. Operating Profit

The Operating profit has increased by 49% in Q3 FY 21 and 19% in 9M FY 21. In absolute terms, the operating profit is at Rs.458 crs and Rs.1199 crs for Q3 FY 21 / 9M FY 2021 as against Rs.308 crs and Rs.1006 crs in corresponding nine months period of FY 2020.

5. Provisions

For the quarter ended December 2020, the bank made the following provisions:

(Rs in Cr)

Provision for	Q3 FY 21	Q3 FY 20	9 M FY 21	9 M FY 20	FY 19-20
- Income Tax	70.00	35.00	165.00	130.00	110.00
- Bad Debts	31.00	78.50	113.00	320.50	631.00
- Covid provision	125.00	--	340.00	--	125.00
- Standard Assets	50.00	6.00	62.00	11.25	19.25
- Investments	10.00	-8.00	30.00	-32.00	(31.67)
- Restructure	17.50	3.65	22.50	4.40	6.90
- Others	-15.00	0.85	-15.00	0.55	4.60
Total	288.50	116.00	717.50	434.70	865.08

The Bank already holds a provision of Rs.340 cr for Covid-19 as on September 30, 2020 and during the current quarter the Bank has made an additional provision of Rs.125 cr to meet any future contingency arising out of Covid pandemic. Thus, the total provision in this regard held by the bank as on 31st December 2020 is Rs.465 cr.

6. Net Profit

The Bank's Profit after Tax was at Rs.170 cr in Q3 FY 2021 as against Rs.192 cr in Q3 FY 2020. Profit Before Tax for the quarter was impacted on account of additional provision made to the tune of Rs.125 cr towards Covid to meet any future contingency and for the nine months period the same was Rs. 482 cr as against Rs. 572 cr in 9M FY 2020.

7. Deposits

Total Deposits of the bank increased by 9% for Q3 FY 2021 to Rs.43,288 cr from Rs.39,812 cr for the same period as compared to last year. CASA increased by 28% from Rs.9,294 cr to Rs.11,898 cr (Y-o-Y). CASA portion stood at 27% to total deposits. Cost of Deposits decreased to 5.16% from 6.17% in Q3 FY 20.

8. Advances

Total Advances increased by 8% for 9M FY 2021 to Rs.36,504 Cr from Rs.33,828 Cr in 9M FY 2020. Credit Deposit ratio stood at 84%. The yield on Advances decreased to 10.16% for the nine months period ended 31.12.2020 from 10.82% for the corresponding period last year.

9. Asset Quality

The Gross NPA as on December 31, 2020 was at 2.94% and Net NPA was at 1.47% (Gross NPA as on September 30, 2020 was at 3.44% and Net NPA was at 1.81%). The Provision Coverage Ratio as on December, 2020 was at 73%. No addition to NPA during Q3 FY 21 because of standstill clause as per the direction of Supreme Court. Due to that Net NPA stands reduced to 1.47% in Dec-20 from 2.29% in Mar-20.

10. Net Interest Margin

Net Interest Margin stood at 4.16% in Q3 FY 21 Vs 3.96% in Q3 FY 20. NIM has increased sequentially from 3.98% in Q1 FY 21, 4.12% in Q2 FY 21 & 4.16% in Q3 FY 21. NIM for 9M FY 21 was at 4.09% vs 3.99% in the corresponding period last year.

11. Capital Adequacy

As on December 31, 2020 the Capital Adequacy Ratio increased to 17.39% (With Tier I 16.31% and Tier II 1.08% as per Basel III norms). RWA reduced from Rs.32462 Cr in Mar-20 to Rs.30652 cr in Dec-20 mainly due to sanction of ECLGS & increase in Gold loans during 9M ended December 2020. If the profit is taken into account, the CRAR would be 18.89%

12. Return on Assets

Return on Assets (RoA) which was at 1% as at 31.03.2020, had improved to 1.29% in Q3 FY 21 and 9M FY 21, it was 1.25%.

13. Return on Equity

The Return on Equity stood increased sequentially to 12.03% for Q3 FY21 from 11.50% Q2 FY21.

14. Cost Income Ratio

Cost to income ratio decreased to 36.22% for Q3 FY21 from 45.85% in Q3 FY20. For the half year ended 9M FY21 the ratio had declined to 38.85% as against 42.70% for 9M FY20 on account of improved treasury income.

15. Moratorium

Earlier, we had provided moratorium to all eligible customers during the period from 01st March, 2020 to 31st August, 2020. For the demand as at 30.09.2020, only 2% of CC accounts and 6% of loan account have not paid their demand taking the total unpaid at 5%. Presently, 92% of CC exposure & 87% of Term loan exposure and 89% of total exposure, have paid their demands as at 31.12.2020.

The details are given below.

	Sept- 2020	Oct-2020	Nov-2020	Dec-2020
Loa A/cs	94%	91%	89%	87%
CCOD A/cs	97%	94%	93%	92%
Total	95%	93%	91%	89%

16. ECLGS

Across business lines, up to December 2020, the Bank has sanctioned Rs.2079 cr and disbursed Rs.1911 cr under the ECLGS.

17. Restructure

During Q3, we have restructured 60 MSME borrowal accounts to the tune of Rs.321 Cr. The total restructured MSME accounts as on 31st December 2020 stands Rs.807 crs consisting of 233 borrowers. The present % of restructured accounts constitutes 2.21% of advances.

18. Technology:

- **CUB All-in-One Mobile banking App – Instant account Opening**

Customers can open new Savings Accounts, Salary Accounts and Student Accounts instantly from CUB's Mobile Banking app using "Open New CUB Account" option. They can also complete their KYC on Video call instantly in few minutes. New customers can fill in the basic details, submit document proofs, complete their instant Video KYC process and the account gets opened instantaneously and they can start [doing](#) their banking operations. The application can be directly downloaded from Play Store: <https://bit.ly/3cyYRMW>

The account opening and Video KYC can also be initiated directly from link on the website from <https://onlineaccount.cityunionbank.in:8085/>

- **Launch of Corporate Mobile Banking Service in Android & iOS**

We have introduced Corporate Mobile banking service for Android & iOS customers. Corporate customers can perform all the transactions on the go handily from their mobile device.

Customers can view balances, statements, make payments like NEFT/RTGS/IMPS, Make Tax Payments, approve [transactions](#) and place service requests. The app is also secured by Digital Signature for High Value Transactions and have multi-level user authorizations that are customizable as per the needs of the corporate. This new application can be directly downloaded from Play Store: <https://bit.ly/3cyYRMW> and from Apple store: <https://apple.co/3ohZoot>.

- **Launch of WhatsApp Banking**

Now City Union Bank's customers can do banking through WhatsApp on the go. Customers can get Account & Deposit related information, View mini statement, Open deposits, update form 15 G/H, and get answers for their queries on various banking products.

Customers can register to WhatsApp banking by sending 'Hi' to bank's customer care number '044-71225000' through WhatsApp. Customers can chat with bank bot or use options available in the menu. Customers who are not having account with City Union Bank also can interact to know the products and services available and apply for an account.

19. About the Bank:

City Union Bank is a old sector private sector bank with 701 branches across 15 states and three Union territories. It is a scheduled commercial Bank regulated by the Reserve Bank of India. It is professionally managed and governed. City Union Bank has contemporary technology and infrastructure including ATMs, Net Banking, Mobile Banking, E-Wallet, social Media Banking for personal as well as business banking customers.

The Bank's business segments are SMEs, Traders, Agri, Housing, Retail, mid-corporate, Microfinance, Government, Public Sector, Indian Banks, Co-Operative Banks and Non Banking Companies (NBFC),

Conference call details: City Union Bank will hold an earnings conference call on 3rd February 2021 at 5.00 p.m. IST to discuss our performance for the third quarter ended December 2020. 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

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