

CITY UNION BANK LTD.,
Admin Office, Kumbakonam

PRESS RELEASE – SEPTEMBER 2014

FIRST HALF/ SECOND QUARTER - SEPTEMBER-2014- FINANCIAL PERFORMANCE

The Board of Directors of City Union Bank Limited at its meeting held in Chennai, today has approved the working results for Q2 FY 2015.

City Union Bank has completed 110 years of service to be society on 31st October 2014. To celebrate this milestone, the bank is conducting a function - "110th Foundation day" on 23rd November 2014 at Chennai.

Sri R.Gandhi, Deputy Governor, Reserve Bank of India will be the Guest of Honour and delivering the Foundation day address. Dr. C.Rangarajan, Former Chairman, Economic Advisory Council to the Prime Minister and Former Governor, Reserve Bank of India will be our Chief Guest.

Dr. C.Rangarajan, will also be launching our special programmes under Corporate Social Responsibility to mark this glorious occasion. As you all know, our bank has always remained conscious of its obligation to the society in their socio-economic up-liftment.

Many useful proposals have been executed by us over the years towards this cause particularly in and around Kumbakonam where we are head quartered.

During this function Dr. C.Rangarajan will be launching the programmes we have planned for the next one year which includes

- ✓ Provisioning of 110 toilets in and around Kumbakonam including 10 Municipal schools for an amount of Rs.250 lakhs
- ✓ Purification of tanks in Kumbakonam at an estimated cost of Rs.120 lakhs in view of ensuing Mahamaham festival
- ✓ Renovation and fabrication of 3 cars for the famous Sri Adi Kumbeswarar temple, Kumbakonam at an estimated cost of Rs.30 lakhs

Let us get into the details of the last quarter results:

Balance Sheet Items:

Particulars (₹ in Crs)	Q2 FY 2015	Q2 FY 2014	Growth (%)
Deposits	23152	21056	10%
Advances	16908	15849	7%
Business	40060	36905	9%
C R A R (Basel III)	16.00	14.28	
Gross NPA (%)	2.00	1.66	
Net NPA (%)	1.30	0.83	

Unaudited Results for Q2 FY 2015:

Particulars (₹ in Crs)	Q2 FY 2015	Q2 FY 2014	Growth (%)
Net Interest Income	206.21	189.84	9%
Other Income	90.15	56.76	59%
Other Expenses	123.52	105.82	17%
Operating Profit	172.85	140.78	23%
Total Provisions & contingencies	79.10	56.43	40%
Net Profit	93.75	84.35	11%

Unaudited Results for H1 FY 2015:

Particulars (₹ in Crs)	H1 FY 2015	H1 FY 2014	Growth (%)
Net Interest Income	392.94	377.19	4%
Other Income	200.85	135.66	48%
Other Expenses	248.25	210.50	18%
Operating Profit	345.54	302.35	14%
Total Provisions & contingencies	152.30	127.71	19%
Net Profit	193.24	174.64	11%

The total Deposits as on 30th September 2014, increased by ₹ 2096 crs over the corresponding period from ₹ 21056 cr to ₹ 23152 cr, thereby registering a growth of 10% y-o-y basis. In the one year period, the Advances portfolio increased by ₹ 1060 crores from ₹15849 crores to ₹16,908 crores thereby registering a growth of 7% y-o-y basis. The business of the bank crossed 40,000 crs for Q2 FY 2015.

CASA has increased by ₹ 750 cr from ₹ 3531 cr to ₹ 4281 cr, thereby registering a growth of 21% y-o-y basis. The growth in savings bank deposits was 21%. The share of CASA in total deposits increased from 16.77% in September 2013 to 18.49% in September 2014.

The Gross NPA at the end of Q2 stood at ₹ 337.89 crs which is 2.00% of Gross Advances. The Net NPA stood at ₹218.66 crs which is 1.30% of Net Advances. The Provision Coverage Ratio stood at 62% as on 30.09.2014. Capital Adequacy Ratio under Basel III for the quarter increased to 16.00%.

The Net Interest Income increased by 9% from 189.84 crs in the last Q2 to 206.21 crs in Q2 FY 2015. The other income increased by 59% from ₹ 57 crs in the last Q2 to ₹ 90 in Q2 FY 2015. The operating expenditure has grown by 17% from 106 ₹crs in Q2 FY 2014 to ₹ 124 crs in Q2 FY 2015. The Gross profit has increased by 23% from 140.78 crs in the last Q2 to 172.85 in Q2FY 2015. Total provision for Q2 FY 2014 and Q2 FY 2015 is ₹ 56.43 crs and ₹79.10 crs respectively. The net profit has increased by 11% from 84.35 crs in the last Q2 to 93.75 in Q2FY 2015.

Net Interest Margin increased to 3.54 %. We have consistently maintained the average NIM around 3.30% for the last 11 quarters.

Return of Assets for Q2 FY 2015 stood at 1.42 %. The Return on equity was at 16.19 % for Q2 FY 2015. Cost to income ratio for the second quarter stands at 41.68%.

Highlights and Ratios of Q2 FY 2015 in a nutshell:

- ✓ Advances at ₹16908 cr – Growth of 7%
- ✓ Deposits at ₹23152 cr – Growth of 10%
- ✓ Annualized Return on Assets of 1.42% and Return on Equity 16.19%
- ✓ Net Interest Margin at 3.54%
- ✓ Capital Adequacy Ratio under Basel III – 16.00%
- ✓ Basic EPS (not annualized) – ₹ 1.61
- ✓ Diluted EPS (not annualized) – ₹ 1.60
- ✓ Provision Coverage Ratio at 62%

The Net Interest Income for H1 FY 2015 has increased by 4% from 377.19 crs in the last HI 2014 to 392.94 crs in HI2015. The other income increased by 48% from ₹ 135.66 crs in the last HI to ₹ 200.85 in HI FY 2015. The operating expenditure has grown by 18% from 210.50 ₹crs in HI FY 2014 to ₹ 248.25 crs in HI2015. The Gross profit has increased by 14% from 302.35 crs in the FY 2014 to 345.54 in HI 2015. The Total provision for the I Half 2014 and I Half 2015 is ₹ 127.71 crs and ₹ 152.30 crs respectively. The net profit has increased by 11% from 174.64 crs in the last HI to 193.24 in HI 2015.

We have opened five branches this quarter and are planning to open 70 branches in the remaining part of the current financial year so as to achieve 500 branches by the year end.

As part of our Prime Minister's initiative to bring each and every individual of the country in banking fold under the scheme "**PRADHAN MANTRI JAN- DHAN YOJANA**", our bank has also taken necessary steps by giving advertisements and putting banners in our branch premises. We have opened around 40,000 Savings Bank accounts under the scheme. We are giving more thrust to PMJDY to make the Prime Minister's vision a grand success.

Functional Performance of the Bank:

- ✓ Operates through 433 branches as on date and 1000 ATMs (onsite & offsite).
- ✓ TNEB Payment through Mobile banking.
- ✓ Bulk Note Acceptor facility in 107 locations
- ✓ Service through KIOSK in 50 branches
- ✓ Express Desk Service in 417 Branches
- ✓ Cash deposit in Bulk Note Acceptor without ATM Card facility in 87 locations.

For further information please contact:

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