

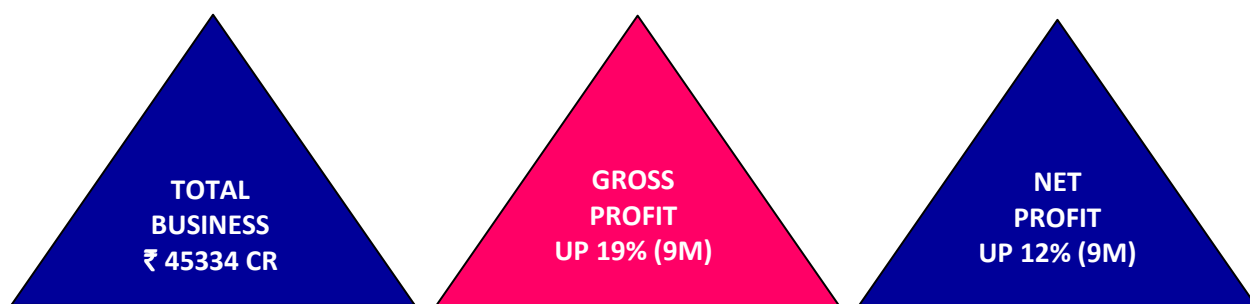


CITY UNION BANK LTD

CIN NO. L65110TN1904PLC001287

Regd. Office : 149, T.S.R. (Big) Street,
Kumbakonam - 612001.

THIRD QUARTER FINANCIAL PERFORMANCE DECEMBER 2015



Press Release - Chennai, 11 February 2016

The Board of Directors of CITY UNION BANK LIMITED (BSE:532210, NSE: CUB) at its meeting held on 11.02.2016 at Chennai, has approved the Reviewed Financial Results for the Quarter ended 31st December 2015.

Management Statement

Outlining the performance, Dr. N. Kamakodi - MD &CEO of City Union Bank Ltd. said, the Bank had performed well in all parameters with significant increase in CASA deposit, safe guarding the asset quality in the current economic scenario prevailing in the country with the available recourses. The Bank had delivered a consistent quarter of sustained financial performance driven by steady increase in NII on the back of improvement in overall business segments especially in SME / Traders, increase in NIM and overall preservation of asset quality.

Deposits of the bank increased by 12% to ₹ 25959 Cr from ₹ 23203 Cr, Advances of the bank increased by 14% to ₹ 19374 Cr from ₹ 16968 Cr, Total Business of the bank increased by 13% to ₹ 45334 Cr from ₹ 40171 Cr, Gross Profit of the bank for Q3 FY 2016 increased by 23% to ₹ 207 Cr from ₹ 168 Cr and Net Profit of the bank for Q3 FY 2016 increased by 10% to ₹ 113 Cr from ₹ 103 Cr.

The Bank continues to build granularity and longevity in deposits demonstrated by CASA deposits growth which contributes to 24% as on December 31, 2015 on the back of strong CA 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.

Financial Performance - Operating Profit and Net Profit:

Third quarter FY 2016 performance:

- ✓ Operating Profit of the bank increased by 23% from ₹ 168 cr to ₹ 207 cr
- ✓ Net Profit of the bank increased by 10% to ₹ 113 cr from ₹ 103 cr

9 Months performance:

- ✓ Operating Profit of the bank increased by 19% from ₹ 514 cr to ₹ 609 cr
- ✓ Net Profit of the bank increased by 12% to ₹ 332 cr from ₹ 296 cr

Net Interest Income and Net Interest Margin:

Third quarter FY 2016 performance:

- ✓ Net Interest Income of the bank increased by 21% from ₹ 210 cr to ₹ 253 cr
- ✓ Net Interest Margin of the bank increased to 3.82% from ₹ 3.48%

9 Months performance:

- ✓ Net Interest Income of the bank increased by 19% from ₹ 603 cr to ₹ 717 cr
- ✓ Net Interest Margin of the bank increased to 3.74% from ₹ 3.45%

Operating Performance as on 31st December 2015:

- ✓ Deposits increased by 12% from ₹ 23203 cr as on 31.12.2014 to ₹ 25959 cr as on 31.12.2015.
- ✓ Advances increased by 14% to ₹ 19374 cr as on 31.12.2015 from ₹ 16968 cr as on 31.12.2014.
- ✓ Total business increased by 13% from ₹ 40171 cr as on 31.12.2014 to ₹ 45334 cr in 31.12.2015.

- ✓ CASA increased by 24% to ₹ 4872 cr as on 31.12.2015 from ₹ 3930 cr in 31.12.2014 and the CASA ratio stood at 19% to total deposits.

Asset Quality for the period ended 31st December 2015:

- ✓ Gross NPA of the Bank stood at ₹ 460 cr and % to Gross Advances – 2.37%
- ✓ Net NPA of the Bank stands at ₹ 287 cr and % to Net Advances – 1.49%
- ✓ Provision Coverage Ratio at 61%

Key Performance Indicators:

9M - FY 2016 Vs 2015:

- ✓ ROA of the bank remains the same at 1.51% for both the periods
- ✓ ROE of the bank stands at 15.55% Vs 17.59%
- ✓ Cost to income ratio reduced to 40.23% from 42.99%

Q3 - FY 2016 Vs 2015:

- ✓ ROA of the bank stands at 1.50% Vs 1.54%
- ✓ ROE of the bank stood at 15.19% Vs 15.72%
- ✓ Cost to income ratio reduced to 41.91% from 45.28%

Branch Performance:

- ✓ The Bank had a network of 491 branches and 1302 ATMs as on 31.12.2015
- ✓ The Bank plans to open its 500th branch in the month of February 2016

Capital adequacy:

The Bank's capital adequacy as on December 31, 2015 as per Reserve Bank of India (RBI) guidelines on Basel III norms was 14.63% and Tier-1 capital adequacy was 14.17%, well above regulatory requirements.

CSR Activities:

As part of Corporate Social Responsibility, the bank had participated in many important social activities in around Kumbakonam and also in major Cities in which the bank

operates. So for, the bank has expensed with an amount of ₹ 7.82 crs which includes ₹ 4.89 crs towards Mahamaham event (occasion which happens once in 12 years) proposed to be held at Kumbakonam in Feb 2016.

Technology & Customer Service:

Bank has launched a new android application called "CUB m-Bank Plus" to all customers of the bank thus enabling e-banking services vide biller payments, online fixed deposit opening, loan against deposit, renewal of deposit, cheque book request, TNEB payment through mobile, etc. The bank installed Bulk Note Acceptor facility across 328 locations.

Awards & Accolades:

- ✓ Awarded as Best Small sized Bank for 2014-15 by Business World – PWC Best Banks' Survey 2015.
- ✓ Won "Productivity and Efficiency" award for Small Banks conducted by Business Today – KPMG study on Indian Best Banks' survey 2015.

Business Performance for the period ended December 2015:

(Rs in Cr)

	Dec-15	Dec-14	Inc/(Dec)	Growth (%)
Deposits	25959.18	23203.37	2755.81	12%
Advances	19374.41	16967.65	2406.76	14%
Total Business	45333.59	40171.02	5162.57	13%
CASA	4872.38	3929.81	942.57	24%
Balance Sheet size	30300.68	26902.22	3398.46	13%
Gross NPA	459.86	360.70		
Gross NPA (%)	2.37%	2.12%		
Net NPA	286.82	220.40		
Net NPA (%)	1.49%	1.31%		
CRAR – Basel III	14.63%	15.73%		

Financial Performance for 9M & Q3 FY 2016:

(Rs in Cr)

	Q3 FY 16	Q3 FY 15	GRW	(%)		9M FY 16	9M FY 15	GRW	(%)
Net Interest Income	252.86	209.77	43.09	21%		716.59	602.71	113.88	19%
Other Operating Income	103.31	97.78	5.53	6%		302.72	298.63	4.09	1%
Operating Expenses	149.28	139.26	10.02	7%		410.07	387.51	22.56	6%
Operating Profit	206.89	168.29	38.60	23%		609.24	513.83	95.41	19%
Provisions	93.83	65.59	28.24	43%		276.78	217.89	58.89	27%
Net Profit	113.06	102.70	10.36	10%		332.46	295.94	36.52	12%

Conference call details:

City Union Bank will hold an earnings conference call on 11th February 2016 at 4:30 p.m. IST to discuss our performance for the quarter ended 31st December 2015. 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.

For further information please contact:

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