



CIN NO. L65110TN1904PLC001287  
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## CUB - PRESS RELEASE

### 1<sup>st</sup> Quarter Performance Results, Financial year 2020-21

At **Kumbakonam, on 13<sup>th</sup> August 2020** – **City Union Bank Limited** announced today its performance results for the 1<sup>st</sup> Quarter of Financial Year 2020-21. Earlier, during the day, the Board of Directors of City Union Bank approved the working results.

#### **Financial Performance Q1 FY 2021 vs Q1 FY 2020:**

(Rs in Cr)

Particulars	Q1 FY 2021	Q1 FY 2020	Growth (%)
Interest Income	1049.36	1029.24	2%
Non Interest Income	160.59	163.29	-ve
Total Income	1209.95	1192.53	1%
Interest Expense	612.40	612.36	-
Operating Expense	241.51	228.78	6%
Total Expense	853.91	841.14	2%
Net Interest Income	436.96	416.88	5%
Operating Profit	356.04	351.39	1%
Profit After Tax	154.04	185.64	-ve

#### **Key Balance sheet Items:**

(Rs in Cr)

	Q1 FY 2021	Q1 FY 2020	Inc/(Dec)	Growth (%)
Deposits	41026	39077	1949	5%
Advances	34536	32229	2307	7%
Total Business	75562	71306	4256	6%
CASA	10098	9161	937	10%
Balance Sheet size	49265	46123	3142	7%

### Asset Quality:

	Q1 FY 2021	Q1 FY 2020
Gross NPA (Rs in cr)	1346	1076
Gross NPA (%)	3.90	3.34
Net NPA (Rs in cr)	716	600
Net NPA (%)	2.11	1.89

### Key Financial Ratios:

	Q1 FY 2021	Q1 FY 2020	FY 19-20	FY 18-19
Cost of Deposits	5.89%	6.27%	6.20%	6.17%
Yield on Advances	10.41%	10.97%	10.76%	10.95%
Net Interest Margin	3.98%	4.11%	3.98%	4.32%
Return on Assets	1.23%	1.63%	1.00%	1.64%
Return on Investments	9.55%	8.42%	8.44%	7.36%
Cost to Income Ratio	40.42%	39.43%	43.04%	41.67%
Capital Adequacy Ratio	16.77%	15.68%	16.76%	15.55%

#### 1. Net Interest Income

The Bank earned a Net Interest Income of Rs.437 cr as against Rs.417 cr for the same period as compared to last year.

#### 2. Non-Interest Income

Non- Interest Income of the bank is at Rs.161 cr as against Rs. 163 cr for Q1 FY 20. The income earned on CEB & Charges decreased by Rs.34 crs from Rs.80 cr in Q1 FY 20 to Rs.46 cr in Q1 FY 21 based on the instructions from Finance Ministry wrt waiver of charges due to COVID impact. The profit booked on Domestic Treasury is Rs.78 crs in Q1 FY 21 Vs Rs.30 crs in Q1 FY 20.

#### 3. Operating Expenses

The operating expenses for Q1 FY 21 increased by 6% to Rs.242 cr from Rs.229 cr in Q1 FY 20. Establishment expenses increased from Rs.100 cr in Q1 FY 20 to Rs.116 cr in Q1 FY 21 and all other operating expenses marginally decreased from Rs.128 cr to Rs.125 cr in Q1 FY 21.

#### 4. Operating Profit

Thus, the Operating Profit for Q1 FY 2021 was Rs.356 Cr as against Rs.351 Cr for the same period as compared to the last year.

#### 5. Provisions

For the quarter ended June 2020, the bank made the following provisions: (Rs in Cr)

Provision for	Q1 FY 2021	Q1 FY 2020	FY 19-20
- Income Tax	45.00	50.00	110.00
- Bad Debts	50.00	144.00	631.00
- Covid provision	100.00	-	125.00
- Standard Assets	4.00	(3.75)	19.25
- Investments	-	(24.00)	(31.67)
- Others	3.00	(0.50)	11.50
<b>Total</b>	<b>202.00</b>	<b>165.75</b>	<b>865.08</b>

The Bank already holds a provision of Rs.125 cr for Covid-19 as on March 31, 2020 and during the current quarter the bank has made an additional provision of Rs.100 cr to meet any future contingency arising out of Covid pandemic. Thus, the total provision in this regard held by the bank as on 30<sup>th</sup> June 2020 is Rs.225 crs.

#### 6. Net Profit

The Bank's Profit after Tax was at Rs.154 Cr in Q1 FY 2021 as against Rs.186 Cr in Q1 FY 2020. Profit Before Tax for the quarter was impacted on account of additional provision made to the tune of Rs.100 cr towards Covid to meet any future contingency.

#### 7. Deposits

Total Deposits increased by 5% for Q1 FY 2021 to Rs.41,026 Cr from Rs.39,077 Cr for the same period as compared to last year. CASA increased by 10% from Rs.9,161 cr to Rs.10,098 cr (Y-o-Y). CASA portion stood at 24.61% to total deposits. Cost of Deposits decreased to 5.89% from 6.27% in Q1 FY 20.

#### 8. Advances

Total Advances increased by 7% for Q1 FY 2021 to Rs.34,536 Cr from Rs.32,229 Cr in Q1 FY 2020. Credit Deposit ratio stood at 84%. The yield on Advances decreased to 10.41% in Q1 FY 21 from 10.97% in Q1 FY 20.

## **9. Asset Quality**

The Gross NPA as on June 30, 2020 was at 3.90% and Net NPA was at 2.11% ( the Gross NPA as on March 31, 2020 was at 4.09% and Net NPA was at 2.29%). The Provision Coverage Ratio as on June 30, 2020 was at 68%.

## **10. Net Interest Margin**

Net Interest Margin stood at 3.98% in Q1 FY 21 Vs 4.11% in Q1 FY 20.

## **11. Capital Adequacy**

As on June 30, 2020 the Capital Adequacy Ratio remained at 16.77% (With Tier I 15.69% and Tier II 1.08% as per Basel III norms).

## **12. Return on Assets**

Return on assets for the quarter is 1.23% as against 1.63% for the same period of last year.

## **13. Return on Equity**

Return on Equity was at 11.65% in Q1 FY 2021 as compared to 15.22% in Q1 FY 2020.

## **14. Cost Income Ratio**

Cost to Income Ratio marginally increased from 39.43% in Q1 FY 2020 to 40.42% in Q1 FY 2021.

## **15. Moratorium**

The Bank has extended the option to all the borrowers to avail moratorium as per the RBI instructions. Though the bank had given moratorium option to every customer, accounts with an exposure of 87.55% have paid atleast one monthly installment / interest to total performing advances book (excluding JL, ODAD/LAD, Staff loan, etc.) since grant of moratorium. Accounts with an exposure of 70.17% have paid in full or four months (till Jun-20) and only 12.45% have fully used the moratorium.

Repayment status of Accounts:

	<b>1 monthly installment / interest</b>	<b>2 monthly installments / interest</b>	<b>3 monthly installments / interest</b>	<b>4 monthly installments / interest</b>
Loan A/cs	73.46%	56.74%	51.04%	46.17%
CCOD A/cs	98.24%	91.90%	89.94%	88.20%
<b>Total</b>	<b>87.55%</b>	<b>76.74%</b>	<b>73.16%</b>	<b>70.17%</b>

The above workings is based on total performing advances book of around Rs.26,918 cr excluding JL, ODAD/LAD, Staff loan, etc. to the tune of Rs.7618 cr

## **16. ECLGS**

Across business lines, as on July 31, 2020, the Bank has sanctioned Rs.1583 cr and disbursed Rs.1218 crs under the ECLGS window for non-individuals. For the individuals and the relaxation in turnover and exposure (scheme announced on August 4, 2020) the Bank estimates that approximately eligible exposure shall be Rs.8163 cr and the disbursement could be approximately Rs.1632 cr.

## **17. Restructure**

In terms of RBI Circular DBR No.BP.BC.18/21.04.048/2018-19 dt 01.01.2019 on MSME Sector - Restructuring of Standard Advances, during Q1 FY 21 the bank restructured 17 Standard accounts amounting to Rs.68.00 crs. As of 30th June 2020, the total number of restructured accounts was 166 in numbers amounting to Rs.388.00 crs and required provision of Rs.11.76 crs has been fully provided.

## **18. Technology**

On Technology front, we have now made video KYC facilities available for customers named as CUB Easy which is a Video KYC based Account Opening app.

CUB has launched Video KYC account opening app for enabling customers to do their banking operations from their home, which is very much required at the present time of COVID impact. General public can open a Savings account instantly in few minutes. No more long forms or visiting branches. All they need is their Aadhaar No, a registered mobile number and their PAN to get started. There are only few steps to Open an Account. Customer has to provide Mobile number and E-mail ID for registration and has to enter the Aadhaar Number, OTP from UIDAI,

PAN, few personal information and declarations. The Minimal KYC account is created instantly . Customer can set the MPIN for CUB M-banking plus. For full KYC account, the customer has to set up a Video KYC slot as per his/her convenience through this app and he/she will receive an SMS to complete the process. Customer has to keep the ID documents handy and a plain sheet of paper and pen for putting the signature. During the Video call with bank's officials, customer's documents and signature will be captured. Then the account will be a full KYC account and customer can access all banking facilities including Net banking and ATM card.

### **19. About the Bank:**

City Union Bank is a old sector private sector bank with 700 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 13<sup>th</sup> August 2020 at 5.00 p.m. IST to discuss our performance for the first quarter ended June 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](http://www.cityunionbank.com)

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