

City Union Bank Ltd.,

CIN NO.L65110TN1904PLC001287

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

AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31st MARCH, 2018

Particulars	(Rs in Lakhs)				
	Quarter ended			Year ended	
	31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
	Audited	Reviewed	Audited	Audited	
1. Interest earned (a+b+c+d)	87066.19	86535.63	79990.46	340242.16	317378.73
a) Interest/Discount on Advances/Bills	72355.20	72461.41	65199.12	284039.52	259021.47
b) Income on Investments	13752.90	13145.96	13553.01	52276.07	53850.39
c) Interest on balances with RBI and other Inter Bank funds	581.70	533.15	763.68	2268.92	2725.68
d) Others	376.39	395.11	474.65	1657.65	1781.19
2. Other Income	11982.35	12169.24	12584.59	53210.04	48394.67
3. Total Income (1 + 2)	99048.54	98704.87	92575.05	393452.20	365773.40
4. Interest Expended	50271.91	50022.62	48934.56	197212.12	197502.06
5. Operating Expenses (i) + (ii)	19349.04	19037.08	18876.63	75464.87	68897.49
(i) Employees Cost	7676.27	7987.60	7777.87	31588.36	29813.68
(ii) Other Operating expenses	11672.77	11049.48	11098.76	43876.51	39083.81
6. Total Expenditure (4) + (5) excluding provisions and contingencies	69620.95	69059.70	67811.19	272676.99	266399.55
7. Operating Profit before provisions and contingencies (3) - (6)	29427.59	29645.17	24763.86	120775.21	99373.85
8. Provisions (other than tax) and contingencies	8615.01	8566.00	7126.00	41775.42	30096.97
9. Exceptional Items	0.00	0.00	0.00	0.00	0.00
10. Profit / (Loss) from Ordinary Activities before tax (7)-(8)-(9)	20812.58	21079.17	17637.86	78999.79	69276.88
11. Tax Expenses	5600.00	5600.00	4750.00	19800.00	19000.00
12. Net Profit / (Loss) from Ordinary Activities after tax (10) - (11)	15212.58	15479.17	12887.86	59199.79	50276.88
13. Extra ordinary items (Net of Tax Expense)	0.00	0.00	0.00	0.00	0.00
14. Net Profit / (Loss) for the period (12) - (13)	15212.58	15479.17	12887.86	59199.79	50276.88
15. Paid up equity share Capital (Face value of Re.1/- each)	6647.29	6634.74	6010.65	6647.29	6010.65
16. Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)				409676.24	351009.10
17. Analytical ratios					
i) % of shares held by Government of India	Nil	Nil	Nil	Nil	Nil
ii) Capital Adequacy Ratio (%) - Basel III	16.22%	14.93%	15.83%	16.22%	15.83%
iii) Earning Per Share (EPS)					
Basic EPS - before/after extra ordinary items (Not annualised) (Rs.)	2.29	2.33	2.14	9.18	8.39
Diluted EPS - before/after extra ordinary items (Not annualised) (Rs.)	2.28	2.30	2.10	9.15	8.24
iv) NPA Ratios					
(a) Gross NPA	85655.16	85979.32	68198.27	85655.16	68198.27
(b) Net NPA	47478.05	44782.35	40834.36	47478.05	40834.36
(c) % of Gross NPA	3.03	3.30	2.83	3.03	2.83
(d) % of Net NPA	1.70	1.74	1.71	1.70	1.71
v) Return on Assets - Annualised	1.58%	1.64%	1.50%	1.60%	1.50%

Statement of Assets & Liabilities		(Rs in Lakhs)	
	31.03.2018	31.03.2017	
Capital and Liabilities			
(Audited)			
Capital	6647.29	6010.65	
Reserves & Surplus	409676.24	351009.10	
Deposits	3285262.18	3011573.84	
Borrowings	173588.05	53099.73	
Other Liabilities & Provisions	118550.77	105384.28	
Total	3993724.53	3527077.60	
Assets			
Cash & Balance with RBI	186179.77	148418.52	
Balances with Banks and Money at Call	77464.60	139478.99	
Investments	787910.61	703145.04	
Advances	2785278.58	2383269.94	
Fixed Assets	22312.66	21508.00	
Other Assets	134578.31	131257.11	
Total	3993724.53	3527077.60	

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FOR CITY UNION BANK LTD.

V. Ramani
Company Secretary



Notes :

- 1 The above financial results for the quarter / year ended 31st March 2018 have been reviewed by the Audit Committee of the Board at its meeting held on 23rd May 2018 and approved by the Board of Directors at their meeting held on 24th May 2018. The same have been audited by the Statutory Central Auditors of the Bank in line with the guidelines issued by Reserve Bank of India and as per the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.
- 2 There has been no change in the accounting policies followed during the year ended 31st March 2018 as compared to those followed in the preceding financial year ended 31st March 2017.
- 3 The above working results for the quarter / year ended 31st March 2018 have been arrived at after considering various provisions as per RBI guidelines for Standard Assets, Non Performing Assets and Depreciation on Investments, Employee benefits, taxes & other usual and necessary provisions.
- 4 RBI Circular DBR.No.BP.BC.100/21.04.048/2017-18 dated February 07, 2018 permitted banks to continue the exposures to MSME borrowers registered under Goods & Service Tax (GST) to be classified as Standard Assets where the dues between September 1, 2017 and January 31, 2018 are paid not later than 180 days from their respective original due dates. In accordance with the provisions of the circular, the bank had not recognised interest income of Rs.17 lakhs and created a standard assets provision of Rs.81 lakhs in respect of such accounts.
- 5 In terms of RBI circular DBR.BP.BC.No.63/21.04.018/2016-17 dated 18th April 2017, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts wherever either a) the additional provisioning requirements assessed by RBI exceed 15% of the published net profit after tax for the reference period or, b) the additional Gross NPAs identified by RBI exceed 15% of the published incremental Gross NPAs for the reference period, or both. Accordingly, RBI inspection has been concluded with position relating to 31.03.2017 and we do not have requirement of reporting divergence as per RBI / SEBI guidelines for the said period and the same was informed to stock exchanges through our filing dated 30.01.2018.
- 6 In accordance with the RBI guidelines, the bank has shifted securities amounting to Rs.318.73 cr from HTM to AFS category and Rs.434.53 cr from AFS to HTM category during the first quarter of FY 2017-18. The resulting depreciation of Rs.10.24 cr has been charged to Profit & Loss account in the June quarter. Further, as per Reserve Bank of India Cir No.RBI/2017-18/70 DBR.No.Ret.BC.90/12.02.001/2017-18 dated October 04, 2017, during the quarter ended 31st December 2017, the bank has shifted securities amounting to Rs. 290.97 cr from HTM to AFS category and there was no impact on the Profit & Loss account.
- 7 During the year, the Bank has sold SLR securities with a book value of Rs.1580.82 cr from Held to Maturity category which has exceeded 5% of the book value of the investments of Rs.5819.34 cr held in HTM category at the beginning of the year. As on 31st March 2018, the book value of SLR securities held under HTM was Rs.6000.50 cr with a market value of Rs.5967.18 cr resulting in depreciation of Rs.33.32 cr. The book value of the Non SLR securities in the HTM category as on 31st March 2018 was Rs.1.56 cr and the Market value of such securities was Rs.1.84 cr resulting in an appreciation of Rs.0.28 cr.
- 8 The Reserve Bank of India vide its circular RBI/2017-18/147 DBR.No.BP.BC.102/21.04.048/2017-18 dated 02nd April 2018, permitted banks to spread provisioning for Mark to Market (MTM) losses on investments held in AFS and HFT category for the quarters ended 31st December 2017 and 31st March 2018 equally over four quarters respectively (commencing with the quarter in which the loss is incurred). The Bank has not availed the said dispensation and has recognised the entire Mark to Market loss on investments in the respective quarters.
- 9 The figure for the last quarter of the current year and for the previous year are the balancing figures between the audited figures in respect of the full financial year and the unaudited published year to date figures up to the third quarter.
- 10 Other Income relates to income from non-fund based banking activities including commission, fees, gains from securities transactions, ATM sharing fees, income from PSLC certificates (Net), recoveries from accounts written off and other miscellaneous income.
- 11 As informed to the Stock Exchanges on 08.12.2017, during the third quarter, there were certain improper transactions amounting to Rs.31.55 cr through VISA, MASTER & NPCI networks through ATM switch which were approved outside the Bank's network. The bank has a cyber insurance cover for Rs.25 cr and insurance claim has been lodged. The bank has provided a sum of Rs.7 cr during the third quarter.
- 12 As informed to the Stock Exchanges on 17.02.2018, during Q4 FY 18, three fraudulent remittances amounting to Rs.12.13 cr had gone through our SWIFT system which were not initiated by us. Out of this, the bank received back Rs.3.25 cr. An amount of Rs.2.22 cr have been blocked and for getting back the remaining amount the bank is taking efforts. During the quarter, the bank has made a provision of Rs.6.66 cr.
- 13 In accordance with the RBI circular DBOD. No.BP.BC.1/21.06.201/2015-16 dated 1st July 2015, read together with RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31.03.2015, Banks are required to make Pillar III disclosures under Basel III capital regulations. Accordingly, Pillar 3 disclosures under Basel III capital regulations have been made available on the Bank's website (www.cityunionbank.com). These disclosures have not been subjected to audit by the Statutory Central Auditors.
- 14 Pursuant to RBI circular FMRD.DIRD.10/14.03.002/2015-16 dated May 19, 2016, as amended, the Bank has with effect from November 26, 2016 considered its repo/reverse repo transactions under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) of RBI as Borrowings/Lendings, as the case may be. Hitherto, the repo/reverse repo transactions were included under investments. Figures for the previous periods/year have been regrouped/reclassified to conform to current periods/year classification. The above regrouping/reclassification has no impact on the profit of the Bank for the quarter / year ended 31st March 2018 or the previous periods/year.
- 15 The Board of Directors recommend a dividend of 30% (30 paise) per equity share of Re.1/- each for the year 2017-18, subject to the approval of the members at the ensuing Annual General Meeting. In accordance with AS 4, Contingencies and Events occurring after the Balance Sheet date notified by the MCA on March 30, 2016, the proposed dividend has not been shown as appropriation from the Profit and Loss appropriation account as of March 31, 2018 and correspondingly not reported under Other Liabilities and Provisions as at March 31, 2018. For computation of capital adequacy ratio as at 31.03.2018, Bank has adjusted the proposed dividend and tax thereon for determining capital funds.

- 16 The Board of Directors at its meeting held on 24th May 2018 approved issue of Bonus shares, in the proportion of 1 : 10, i.e. 1 (one) bonus equity share of Re.1/- each for every 10 (ten) fully paid-up equity shares held as on the record date, subject to approval by the members of the Bank.
- 17 During the quarter / year, the bank has allotted 12,55,087 / 35,57,840 shares of face value of Re.1/- each to employees pursuant to the exercise of stock options by the employees.
- 18 RBI has advised banks to make higher provisions for those accounts referred under the provisions of Insolvency and Bankruptcy Code, 2016 (IBC). The bank had exposure to two such accounts which were declared as NPA and fully provided in earlier years.
- 19 Number of Investor complaints pending at the beginning of the quarter - Nil. Received during the quarter - Nil : Disposed of during the quarter - Nil : Pending complaints as on 31st March 2018 : Nil
- 20 Figures of the corresponding period's/year's have been reclassified/regrouped, wherever considered necessary.


By order of the Board


Dr. N. KAMAKODI
MD & CEO

Place : Chennai
Dated : 24th May 2018

This is the statement referred to in our report of even date.

for Sundaram & Srinivasan,
Chartered Accountants,
Firm No. 0042075


P. Menakshi Sundaram
Partner,
M.No.217914

Place : Chennai
Dated : 24th May 2018



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For CITY UNION BANK LTD.,




Company Secretary

CITY UNION BANK LTD., CENTRAL OFFICE, KUMBAKONAM

SEGMENT REPORTING FOR THE PERIOD ENDED 31.03.2018

Segmentwise Results

(Rs in Lakhs)

Particulars	Quarter ended			Year ended	
	31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
	Audited	Reviewed	Audited	Audited	
Segment Revenue					
a) Treasury	17346	17116	16576	71363	77138
b) Corporate / wholesale banking	24596	24805	30541	101289	99444
c) Retail Banking	56559	56430	44898	219398	188089
d) Other Banking Operations	548	354	560	1402	1102
Total	99049	98705	92575	393452	365773
Less : Inter segment revenue	-	-	-	-	-
Total	99049	98705	92575	393452	365773
Segment Results					
a) Treasury	10921	8774	9403	39920	36736
b) Corporate / wholesale banking	4369	6156	7026	26331	26182
c) Retail Banking	13691	14468	7879	53539	35739
d) Other Banking Operations	446	247	456	985	717
Total	29427	29645	24764	120775	99374
Operating Profit	29427	29645	24764	120775	99374
Other Provisions & Contingencies	8615	8566	7126	41775	30097
Exceptional Items	0	0	0	0	0
Profit Before Tax	20812	21079	17638	79000	69277
Taxes including Deferred Tax	5600	5600	4750	19800	19000
Net Profit	15212	15479	12888	59200	50277
Segmental Assets:					
a) Treasury	926149	922302	901236	926149	901236
b) Corporate / wholesale banking	987961	903204	869256	987961	869256
c) Retail Banking	1971073	1821808	1663921	1971073	1663921
d) Unallocated	108542	114326	92665	108542	92665
Total Assets	3993725	3761640	3527078	3993725	3527078
Segmental Liabilities:					
a) Treasury	824519	819073	804210	824519	804210
b) Corporate / wholesale banking	896766	817114	790963	896766	790963
c) Retail Banking	1789123	1648075	1514048	1789123	1514048
d) Unallocated	66993	77246	60837	66993	60837
Total	3577401	3361508	3170058	3577401	3170058
Capital Employed:					
Segment Assets - Segment Liabilities					
a) Treasury	101630	103229	97026	101630	97026
b) Corporate / wholesale banking	91195	86090	78293	91195	78293
c) Retail Banking	181950	173733	149873	181950	149873
d) Unallocated	41549	37080	31828	41549	31828
Total	416324	400132	357020	416324	357020

There are no significant residual operations carried on by the bank.

PART B : GEOGRAPHIC SEGMENTS:

The bank operates only in India



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BY CITY UNION BANK LTD.,

V. Ramani
Company Secretary