

## **Gross profit grows by an impressive 32% for Q3 FY 2017**

### **City Union Bank introduces Selfie Banking**

**Chennai, 8 February 2017 – City Union Bank Limited** announced its performance results for the 3<sup>rd</sup> Quarter of the Financial Year 2016-17 today at Chennai. Earlier, during the day, the Board of Directors of City Union Bank approved the working results for Q3 FY 2017. CUB announced introduction of selfie banking enabling quick opening of an account.

Outlining the performance of the Bank for the third quarter of FY 2017, Dr. N. Kamakodi, MD & CEO said, "CUB has achieved an impressive growth in Gross profit by 32% from ₹207 cr to ₹274 cr. This is driven by consistent growth in Net Interest Income over the last 3 to 5 quarters."

Further to our continued focus on providing new products and services towards enhancing customer engagement and experience, we now have introduced an exciting new app which enables opening an account with CUB just at the touch of a few tabs. This facility enables quick account opening with CUB.

### **Management Statement**

#### **FINANCIAL PERFORMANCE Q3 - FY 2017:**

- Net Interest Income increased by 21.40% from ₹ 252.86 Crore in the third quarter of the previous year to ₹ 306.98 Crore in FY 2017.
- Other income increased by 38.23% from ₹ 103.31 Crore to ₹142.81 Crore in the third quarter of FY 2017.
- Gross profit has increased by 32.23% from ₹206.89 Crore in the third quarter of previous year to ₹273.58 cr in Q3 FY 2017.
- Total provisions for the third quarter of FY 2016 and FY 2017 are ₹ 93.83 Crore and ₹146.96 Crore respectively.

- The net profit has increased by 12% from ₹ 113.06 Crore to ₹ 126.62 Crore in the third quarter of FY 2017.
- The business of the bank registered a growth of 14.24% from ₹45333 Crore to ₹ 51787 Crore for during the third quarter of FY 2017.

### **Update on Digital banking initiatives taken during the quarter:**

- **CUB – Selfie Banking:** CUB's Selfie App can be downloaded from google playstore. To open an account using selfie banking, customer could register choosing the Branch of their choice by taking their selfie. Scan the QR in the AADHAR card and submit. Bank will contact you and complete the account opening as per your convenience.
- CUB extends Unified Payment Interface (**UPI**): UPI Apps can be downloaded from Google play store. Customers can register using their mobile number. Account in CUB can be linked to UPI apps. Customers can choose a nick name to their account; share the same for sending or receiving money into the account.
- Has expanded network through 539 branches and 1412 ATMs of which 400 equipped with Bulk Note Acceptors (**BNA**).
- CUB now has over 100 Self Service Banking Branches pan India.

### **Nine Monthly performance results:-**

- ❖ The Net Interest Income over the nine monthly period increased by 23.95% from ₹ 716.59 Crore of FY 2016 to ₹ 888.21 Crore. in FY 2017.
- ❖ Operating expenditure has grown by 21.98% from ₹ 410.07 Crores in FY 2016 to ₹ 500.21 Crore in nine months of FY 2017.
- ❖ Gross profit has increased by 22.46% from ₹ 609.24 cr in the months of FY 2016 to ₹ 746.10 Crore during the same period in 2017.
- ❖ Total provisions at the end of nine months of FY 2016 and FY 2017 are at ₹ 276.78 Crore and ₹372.21 Crore respectively.
- ❖ Net profit grew by 12.46% from ₹ 332.46 Crore to ₹373.89 Crore during the nine monthly period of 2017.

## **Y-o-Y performance results and key ratios:-**

- ❖ Total Deposits as on 31<sup>st</sup> December 2016, increased by ₹ 4027 Crore over the corresponding period from ₹ 25959 Crore to ₹29986 Crore, thereby registering a growth of 15.51 % y-o-y basis.
- ❖ In the one year period, the Advances portfolio increased by ₹ 2427 Crore growing by 12.52% from ₹19374 Crore to ₹21801 Crore y-o-y basis.
- ❖ CASA has increased by ₹ 2302 Crore from ₹ 4872 Crore to ₹ 7174 Crore, thereby registering a growth of 47% y-o-y basis.
- ❖ The growth in Savings Bank deposits was 48%. The share of CASA in total deposits increased from 19% in December 2015 to 24% in December 2016.
- ❖ The Gross NPA at the end of the third quarter stood at ₹ 649.93 Crore which is 2.98% of Gross Advances.
- ❖ The Net NPA at the end of the third quarter stood at ₹370.66 Crore which is 1.72% of Net Advances.
- ❖ The Provision Coverage Ratio stood at 62% as on 31<sup>st</sup> December 2016.
- ❖ Capital Adequacy Ratio under Basel III for the quarter is 14.88 %.
- ❖ Net Interest Margin increased to 4.18% for the third quarter of FY 2017.
- ❖ Return on Assets for the third quarter of FY 2017 stood at 1.45%.
- ❖ Return on equity was at 15.01% for Q3 FY 2017.
- ❖ Cost to income ratio for the third quarter stood at 39.18%.

### Nine months ended 31<sup>st</sup> December – 2016

Particulars (₹ in Cr)	9M FY 2017	9M FY 2016	Growth (%)
Net Interest Income	888.21	716.59	23.95
Other Income	358.10	302.72	18.29
Other Expenses	500.21	410.07	21.98
Operating Profit	746.10	609.24	22.46
Total Provisions & contingencies	372.21	276.78	34.48
Net Profit	373.89	332.46	12.46

### Financial performance - Quarter ended 31<sup>st</sup> December – 2016

Particulars (₹ in Cr)	Q3 FY 2017	Q3 FY 2016	Growth (%)
Net Interest Income	306.98	252.86	21.40
Other Income	142.81	103.31	38.23
Other Expenses	176.21	149.28	18.04
Operating Profit	273.58	206.89	32.23
Total Provisions & contingencies	146.96	93.83	56.62
Net Profit	126.62	113.06	12.00

### Key Balance Sheet Items

Particulars (₹ in Cr)	DEC-2016	DEC-2015	Growth (%)
Deposits	29986	25959	15.51
Advances	21801	19374	12.52
Business	51787	45333	14.24
C R A R (Basel III)	14.88%	14.63%	-

### Movement of NPA position

Particulars (₹ in Cr)	Q3 FY 2017	9M FY 2017
Gross NPA - Opening Balance	597.97	511.98
Additions during the Qtr / 9M	118.39	340.84
Recovery / upgradations	20.21	89.98
Write off	46.22	112.91
Gross NPA - Closing Balance	649.93	649.93
Net NPA	370.66	370.66
Gross NPA (%)	2.98%	2.98%
Net NPA (%)	1.72%	1.72%
Provision Coverage Ratio	62%	62%

Conference call details: City Union Bank will hold an earnings conference call on 8<sup>th</sup> February 2017 at 3:30 p.m. IST to discuss our performance for the quarter / nine months period ended 31<sup>st</sup> December 2016. 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)

*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.*

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