

CITY UNION BANK LTD.,

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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	(Rs in Lakhs)				
	Quarter ended			Year ended	
	31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
	Audited	Reviewed	Audited	Audited	
1. Interest earned (a+b+c+d)	63542.63	64613.15	59742.59	254593.31	218875.00
a) Interest/Discount on Advances/Bills	51963.03	53269.40	49690.99	209211.89	181222.70
b) Income on Investments	11322.75	11128.58	9907.43	43803.43	37229.29
c) Interest on balances with RBI and other Inter Bank funds	256.85	215.17	144.17	1577.99	423.01
d) Others	0.00	0.00	0.00	0.00	0.00
2. Other Income	9084.34	6476.63	8055.60	30119.93	27363.68
3. Total Income (1 + 2)	72626.97	71089.78	67798.19	284713.24	246238.68
4. Interest Expended	45076.51	44859.49	42411.70	178654.35	156473.97
5. Operating Expenses (i) + (ii)	13153.58	12765.31	10419.02	47961.45	37419.97
(i) Employees Cost	4732.46	5274.80	3880.93	18562.13	15087.38
(ii) Other Operating expenses	8421.12	7490.51	6538.09	29399.32	22332.59
6. Total Expenditure (4) + (5) excluding provisions and contingencies	58230.09	57624.80	52830.72	226615.80	193893.94
7. Operating Profit before provisions and contingencies (3) - (6)	14396.88	13464.98	14967.47	58097.44	52344.74
8. Provisions (other than tax) and contingencies	2962.13	2906.67	4369.53	16740.01	12043.03
9. Exceptional Items	0.00	0.00	0.00	0.00	0.00
10. Profit / (Loss) from Ordinary Activities before tax (7)-(8)-(9)	11434.75	10558.31	10597.94	41357.43	40301.71
11. Tax Expenses	3100.00	1650.00	2350.00	6650.00	8100.00
12. Net Profit / (Loss) from Ordinary Activities after tax (10) - (11)	8334.75	8908.31	8247.94	34707.43	32201.71
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)	8334.75	8908.31	8247.94	34707.43	32201.71
15. Paid up equity share Capital (Face value of Re.1/- each)	5427.40	5388.28	4744.46	5427.40	4744.46
16. Reserves excluding revaluation reserves				197065.81	159322.39
17. Analytical ratios					
i) % of shares held by Government of India	Nil	Nil	Nil	Nil	Nil
ii) Capital Adequacy Ratio (%) - Basel II	15.11%	13.61%	13.98%	15.11%	13.98%
ii) Capital Adequacy Ratio (%) - Basel III	15.01%	13.55%	NA	15.01%	NA
iii) Earning Per Share (EPS)					
Basic EPS - before/after extra ordinary items (Not annualised) (Rs.)	2.04	1.65	1.73	6.69	6.65
Diluted EPS - before/after extra ordinary items (Not annualised) (Rs.)	2.02	1.64	1.72	6.64	6.59
iv) NPA Ratios					
(a) Gross NPA	29306.41	26890.88	17310.19	29306.41	17310.19
(b) Net NPA	19729.19	13925.81	9639.68	19729.19	9639.68
(c) % of Gross NPA	1.81	1.70	1.13	1.81	1.13
(d) % of Net NPA	1.23	0.89	0.63	1.23	0.63
v) Return on Assets - Annualised	1.34%	1.47%	1.47%	1.44%	1.58%
18. Public Shareholding					
- No. of shares	54,27,40,263	53,89,39,858	53,89,39,858	54,27,40,263	53,89,39,858
- % of shareholding	100%	100%	100%	100%	100%
19. Promoters and promoter group shareholding					
a) Pledged / Encumbered					
- Number of Shares	-	-	-	-	-
- % of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
- % of shares (as a % of the total share capital of the company)	-	-	-	-	-
b) Non-encumbered					
- Number of Shares	-	-	-	-	-
- % of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
- % of shares (as a % of the total share capital of the company)	-	-	-	-	-

CITY UNION BANK LTD.

MANAGING DIRECTOR

K. Ramani

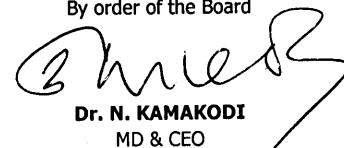
Summarized Balance Sheet	(Rs in Lakhs)	
	31.03.2014	31.03.2013
Capital and Liabilities	(Audited)	
Capital	5427.40	4744.46
Reserves & Surplus	197065.81	159322.39
Deposits	2201689.16	2030475.52
Borrowings	30498.39	47673.91
Other Liabilities & Provisions	64701.81	55491.94
Total	2499382.57	2297708.22
Assets		
Cash & Balance with RBI	104011.32	101633.64
Balances with Banks and Money at Call	113950.28	75414.95
Investments	595355.74	526680.33
Advances	1609683.72	1524605.73
Fixed Assets	18295.16	14127.93
Other Assets	58086.35	55245.64
Total	2499382.57	2297708.22

Notes :

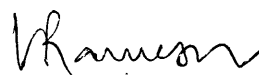
1. The above audited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 26.05.2014
2. The working results for the Quarter/year ended 31st March 2014 have been arrived at after making provisions for Standard Assets, Non Performing Assets Depreciation on Investments, Employee benefits, taxes and other usual necessary provisions.
3. The Board of Directors has recommended a dividend 100% on Paid up Capital which works out to Re.1/- per Equity Share, subject to the approval of the Shareholders in the ensuing Annual General Meeting.
4. During the year, the Bank, pursuant to RBI's circular No. DBOD.No.BP.BC.77/21.04.018/2013-14 dated 20th December 2013, has created DTL of Rs.30.25 cr on Special Reserve for the period up to March 31, 2013 and has adjusted the same directly from the Revenue Reserve. Further, the Bank has created a DTL of Rs.10.20 cr in respect of the amounts transferred to Special Reserve for the year ended 31 March, 2014 by charging of the same to the Profit and Loss Account for the year.
5. The Provision for current tax of Rs.66.50 crs has been arrived at after recognizing the provisions of the section 115 JB of the Income Tax Act, 1961 (MAT provisions). This has been arrived at after considering MAT credit entitlement of Rs.29.65 cr u/s 115 JAA of the Income Tax Act, 1961 treated as an assets and in accordance with the guidance note of ICAI.
6. There has been no change in the accounting policies followed by the bank during the Quarter/ year ended March 2014 as compared to those disclosed in the preceeding financial year ended 31st March 2013.
7. During the year ended 31st March 2014 the Bank allotted 38,00,405 shares pursuant to the exercise of stock options by employees.
8. In terms of RBI circular DBOD. No. BPBC.88/21.06.201/2012-13 dated 28.03.2013 banks have been advised to disclose the Capital Adequacy Ratio computed under Basel III regulations from the quarter ended June 2013. Accordingly, corresponding details for the previous year/periods are not furnished. In accordance with RBI circular DBOD.No.BP.BC.2/21.06.201/2013-14 dated 1st July 2013, Banks are required to make Pillar 3 disclosures under Basel III guidelines with effect from the quarter ended 30th September 2013. The Bank has made the disclosures available on the website.
9. Number of investor complaints pending at the beginning of the quarter- Nil. Received during the period - 1 :
Disposed of during the period - 1 : Pending complaints as on 31.03.2014 : Nil
10. The figures of previous year/ period have been regrouped, wherever necessary to conform to the classification in the current period.

Place : Chennai
Date : 26.05.2014

By order of the Board


Dr. N. KAMAKODI
MD & CEO

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CITY UNION BANK LTD., CENTRAL OFFICE, KUMBAKONAM

SEGMENT REPORTING FOR THE YEAR ENDED 31.03.2014

Segmentwise Results

(Rs in Lakhs)

Particulars	Quarter ended			Period ended	
	31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
	Audited	Reviewed	Audited	Audited	
Segment Revenue					
a) Treasury	13070	12678	11000	50931	41195
b) Corporate / wholesale banking	19244	16311	17631	70426	70376
c) Retail Banking	39935	41918	38763	162438	133549
d) Other Banking Operations	378	183	404	918	1119
Total	72627	71090	67798	284713	246239
Segment Results					
a) Treasury	2944	2314	1845	10548	9299
b) Corporate / wholesale banking	6406	1092	5820	16371	20714
c) Retail Banking	4736	9947	6954	30519	21424
d) Other Banking Operations	311	112	349	659	908
Total	14397	13465	14968	58097	52345
Operating Profit	14397	13465	14968	58097	52345
Other Provisions & Contingencies	2962	2907	4370	16740	12043
Profit Before Tax	11435	10558	10598	41357	40302
Taxes including Deferred Tax	3100	1650	2350	6650	8100
Net Profit	8335	8908	8248	34707	32202
Segmental Assets:					
a) Treasury	756262	728964	643327	756262	643327
b) Corporate / wholesale banking	534359	535459	535625	534359	535625
c) Retail Banking	1151810	1115371	1065817	1151810	1065817
d) Unallocated	56952	67117	52939	56952	52939
Total	2499383	2446911	2297708	2499383	2297708
Segmental Liabilities:					
a) Treasury	712219	699213	629587	712219	629587
b) Corporate / wholesale banking	490874	489838	491049	490874	491049
c) Retail Banking	1058074	1020157	977108	1058074	977108
d) Unallocated	35723	34387	35897	35723	35897
Total	2296890	2243595	2133641	2296890	2133641
Capital Employed:					
Segment Assets - Segment Liabilities					
a) Treasury	44043	29751	13740	44043	13740
b) Corporate / wholesale banking	43485	45621	44576	43485	44576
c) Retail Banking	93736	95214	88709	93736	88709
d) Unallocated	21229	32730	17042	21229	17042
Total	202493	203316	164067	202493	164067

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

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PART B : GEOGRAPHIC SEGMENTS:

The bank operates only in India

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Independent Auditor's Report

To

The Shareholders
City Union Bank Limited
Kumbakonam

Report on the Financial Statements

1. We have audited the accompanying financial statements of City Union Bank Limited, which comprise the Balance Sheet as at 31st March, 2014 and the Statements of Profit and Loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of 3 branches and Central Office audited by us and 424 branches/offices audited by branch auditors.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with the Banking Regulation Act, 1949 and Accounting Standards notified under the Companies Act, 1956 ("this Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting



estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the accounting policies and notes thereon give the information required by the Banking Regulation Act, 1949 as well as Companies Act, 1956, in the manner so required for the banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Banks as at 31st March, 2014;
- (ii) in the case of the Profit and Loss Account of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of cash flows for the year ended on that date.

Emphasis of Matter

7. Without qualifying our opinion, we draw attention to:
- (a) Note 9 of the financial statements, which describes the accounting treatments of the expenditure on creation of Deferred Tax Liability of Rs. 30.25 crore on Special Reserve under section 36(1) (vii) of the Income Tax Act, 1961 as at 31st March 2013, pursuant to RBI's Circular No. DBOD No.BO.BC.77/21.04.018/2013-14 dated 20th December 2013.

Report on Other Legal and Regulatory Matters

8. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 211 of the Companies Act, 1956.
9. Subject to the limitations and the audit indicated in paragraph 1 to 5 above, We report that:
- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory.



- (b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
- (c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

10. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Statement notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

11. We further report that:

- (i) the Balance Sheet and Profit and Loss Account dealt with by this report, are in agreement with the books of account and the returns;
- (ii) in our opinion, proper books of accounts as required by law have been kept by the Bank so far as appears from our examination of those books;
- (iii) the reports on the accounts of the branches audited by branch auditors have been dealt with in preparing our report in the manner considered necessary by us.
- (iv) As per information and explanation given to us the Central Government has, till date, not prescribed any cess payable under section 441A of the Companies Act, 1956,
- (v) On the basis of the written representation received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place : Chennai
Date : 26-05-2014



For M/s. P CHANDRASEKAR
CHARTERED ACCOUNTANTS
(Firm No. 000580 S)

Lakshmi C
LAKSHMI. C
Partner
M. No. 20508