



CITY UNION BANK

CIN NO. L65110TN1904PLC001287
 Regd. Office: 149, T.S.R. (Big) Street, Kumbakonam - 612001.

CUB - PRESS RELEASE

2nd Quarter / 1st Half year - Performance Results, Financial year 2022-23

Kumbakonam, on 4th November 2022 – City Union Bank Limited announced today its performance results for the 2nd Quarter / 1st Half year of Financial Year 2022-23. Earlier, during the day, the Board of Directors of City Union Bank approved the working results.

Financial Performance Q2 FY 23 vs Q2 FY 22:

(Rs in Cr)

Particulars	Q2 FY 23	Q2 FY 22	Growth (%)
Interest Income	1,181.19	1,022.19	16%
Non-Interest Income	173.46	202.75	-ve
Total Income	1,354.65	1,224.94	11%
Interest Expense	613.28	543.93	13%
Operating Expense	284.91	275.91	3%
Total Expense	898.19	819.84	10%
Net Interest Income	567.91	478.26	19%
Operating Profit	456.46	405.10	13%
Profit After Tax	276.46	182.10	52%

Financial Performance H1 FY 23 vs H1 FY 22:

Particulars	H1 FY 23	H1 FY 22	Growth (%)
Interest Income	2280.63	2,019.62	13%
Non-Interest Income	391.00	396.12	-ve
Total Income	2,671.63	2,415.74	11%
Interest Expense	1,187.81	1,093.76	9%
Operating Expense	580.22	536.14	8%
Total Expense	1,768.03	1,629.90	8%
Net Interest Income	1,092.82	925.86	18%
Operating Profit	903.60	785.84	15%
Profit After Tax	501.60	355.09	41%

Key Balance sheet Items:

(Rs in Cr)

	H1 FY 23	H1 FY 22	Inc/(Dec)	Growth (%)
Deposits	49,878	46,316	3,562	8%
Advances	42,701	38,012	4,689	12%
Total Business	92,579	84,328	8,251	10%
CASA	15,609	13,411	2,198	16%
Balance Sheet size	64,395	56,435	7,960	14%

Asset Quality:

(Rs in Cr)	H1 FY 23	H1 FY 22
Gross NPA	1,862	2,119
Gross NPA (%)	4.36	5.58
Net NPA	1,129	1,294
Net NPA (%)	2.69	3.48

Key Financial Ratios:

	H1 FY 23	H1 FY 22
Cost of Deposits	4.47%	4.80%
Yield on Advances	9.22%	9.45%
Net Interest Margin	4.02%	3.95%
Return on Assets	1.59%	1.30%
Return on Investments	6.86%	5.93%
Cost to Income Ratio	39.10%	40.56%
Capital Adequacy Ratio	20.08%	19.24%

Financial Performance Q2 FY 23 / H1 FY 23:**1. Net Interest Income**

The Bank earned a Net Interest Income of Rs.568 crs for Q2 FY23 as against Rs.478 crs in Q2 FY 22 with a growth rate of 19%. For half year ended FY 23, the NII stood at Rs. 1,093 crs as against Rs.926 crs for the corresponding period last year.

2. Non Interest Income

Non Interest Income of the Bank is at Rs.391 crs for H1 FY23 as against Rs.396 crs for the corresponding period last year. The absence of treasury income due to unfavorable yield movements is the key reason for muted growth of the non-interest income.

3. Operating Expenses

The operating expense is Rs.285 crs for Q2 FY23 as against Rs.276 crs in Q2 FY 22. For half year ended FY 23, the operating expenses was at Rs. 580 crs as against Rs.536 for the corresponding period last year.

4. Operating Profit

The Operating Profit for half year ended FY 23 had grown by 15% and stood at Rs.904 crs as against Rs.786 crs for the same period as compared to the last year.

5. Provisions

The Bank made a provision of Rs.402 crs as of 30.09.2022. The total provision towards bad and doubtful debts is Rs.245 crs in H1 FY 23 as against Rs.351 crs in the corresponding quarter last of year.

6. Net Profit

The Bank's Profit after Tax had grown by 52% in Q2 FY 23 and was at Rs.276 crs as against Rs. 182 crs in Q2 FY 22. For half year ended FY 23, PAT was Rs.502 crs as against Rs.355 crs in the corresponding period last year. For the first time, the half year profit of our bank had crossed Rs.500 crs.

7. Deposits

Total Deposits of the bank increased by 8% for H1 FY 23 to Rs.49,878 crs from Rs.46,316 crs for the same period as compared to last year. CASA increased by 16% from Rs.13,411 crs to Rs.15,609 cr (Y-o-Y). CASA portion stood at 31% to total deposits. Cost of Deposits decreased to 4.47% in H1 FY 23 from 4.80% in H1 FY 22.

8. Advances

Total Advances increased by 12% for H1 FY 23 to Rs.42,701 crs from Rs.38,012 crs in H1 FY 22. We are looking forward a growth rate of 15% - 18% for FY 23 and growth

will be more in second half. Credit Deposit ratio stood at 86%. The yield on Advances decreased to 9.22% in H1 FY 23 as against 9.45% in H1 FY 22. However, the yield on advance is improved from 9.04% in Q1 FY 23 to 9.39% in Q2 FY 23.

9. Asset Quality

The Gross NPA as on September 30, 2022 was reduced to 4.36% from 5.58% in H1 FY 22 and Net NPA was decreased to 2.69% from 3.48%. The Provision Coverage Ratio as on 30.09.2022 was at 66%.

10. Net Interest Margin

Net Interest Margin improved to 4.02% in H1 FY 23 Vs 3.95% in H1 FY 22. For Q2 FY 23, the NIM was 4.09% against 3.95% in the corresponding period last year.

11. Return on Assets

Return on assets for H1 FY 23 is 1.59% as against 1.30% for the same period of last year. The ROA for Q2 FY 23 is significantly increased to 1.72% from 1.32% in Q2 FY 22.

12. Return on Equity

Return on Equity was at 14.80% in H1 FY 23 as compared to 11.88% in H1 FY 22. ROE for Q2 FY 23 was 15.98% as against 11.96% in the corresponding period last year.

13. Cost Income Ratio

Cost to Income Ratio reduced to 39.10% in H1 FY 23 from 40.56% for the corresponding period last year. CIR for Q2 FY 23 stood at 38.43% against 40.51% in Q2 FY 22.

14. Capital Adequacy

The Bank's capital adequacy as on 30th September 2022 as per Reserve Bank of India (RBI) guidelines on Basel III norms is 20.08% and Tier-1 capital adequacy was 19.02%, well above regulatory requirements.

15. Technology:

Voice Biometric

The soft launch for the solution of logging into the Mobile Banking through Voice biometric has been initiated. It will be rolled out to customers shortly. Voice biometric is simple and secure.

Digital Banking Unit (DBU)

We had been allotted to open a DBU in Khammam District in the state of Telangana. The DBU was inaugurated by the Honourable Prime Minister on 16th of October. Through DBU, we are providing digital banking products & services in both self-service and assisted mode.

About the Bank:

City Union Bank is an old sector private sector bank with 727 branches across 16 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 4th November 2022 at 6.00 p.m. IST to discuss our performance for the first half year ended September 2022. 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

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