



CITY UNION BANK



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

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Performance Results – Quarter ended 31.12.2023

Chennai, 1st February 2024 – City Union Bank Limited announced today its performance results for the 3rd Quarter ended for Financial Year 2023-24. Earlier, during the day, the Board of Directors of City Union Bank approved the working results.

Financial Performance Q3 FY 24 vs Q3 FY 23:

(Rs in Cr)

Particulars	Q3 FY 24	Q3 FY 23	Growth (%)
Interest Income	1,326	1,206	10%
Non-Interest Income	193	224	-ve
Total Income	1,519	1,430	6%
Interest Expense	810	650	25%
Operating Expense	345	283	22%
Total Expense	1,155	933	24%
Net Interest Income	516	556	-ve
Operating Profit	364	497	-ve
Profit After Tax	253	218	16%

Financial Performance 9M FY 24 vs 9M FY 23:

(Rs in Cr)

Particulars	9M FY 24	9M FY 23	Growth (%)
Interest Income	3,897	3,487	12%
Non-Interest Income	566	615	-ve
Total Income	4,463	4,102	9%
Interest Expense	2,320	1,838	26%
Operating Expense	978	863	13%
Total Expense	3,298	2,701	22%
Net Interest Income	1,577	1,649	-ve
Operating Profit	1,165	1,401	-ve
Profit After Tax	761	719	6%

Key Balance sheet Items:

(Rs in Cr)

(Rs in Cr)	Q3 FY 24	Q3 FY 23	Q2 FY 24	FY 23
Deposits	52,726	49,997	52,714	52,398
Advances	44,017	43,009	43,688	43,971
Total Business	96,743	93,006	96,402	96,369
CASA	15,359	14,606	15,590	15,657

Asset Quality:

(Rs. in Cr)	Q3 FY 24	Q3 FY 23	Q2 FY 24	FY 23
Gross NPA	1,968	1,989	2,035	1,920
Gross NPA (%)	4.47	4.62	4.66	4.37
Net NPA	941	1,124	999	1,018
Net NPA (%)	2.19	2.67	2.34	2.36

Key Financial Ratios:

	Q3 FY 24	Q3 FY 23	9M FY 24	9M FY 23
Cost of Deposits	5.67%	4.62%	5.51%	4.52%
Yield on Advances	9.62%	9.16%	9.64%	9.20%
Net Interest Margin	3.50%	3.88%	3.63%	3.97%
Return on Assets	1.49%	1.34%	1.52%	1.51%
Return on Investments	6.54%	5.94%	6.47%	5.93%
Cost to Income Ratio	48.64%	36.24%	45.65%	38.12%
Capital Adequacy Ratio	21.87%	20.47%	21.87%	20.47%

Financial Performance Q3 FY 24 / 9M FY 24:**1. Net Interest Income**

The Bank earned Net Interest Income of Rs.516 cr for Q3 FY24 and Rs.1,577 Cr for 9M FY 24 as against Rs.556 cr and Rs.1,649 cr respectively in Q3 FY 23 and 9M FY23. During this quarter, there was one-off interest reversal of Rs.25 cr pertaining to non performing FITL accounts. If we factor this, our NII would have been better than the Q1 FY 24 & Q2 FY 24.

2. Non Interest Income

Non Interest Income of the Bank for Q3 FY 24 was at Rs.193 cr as against Rs.224 cr for Q3 FY 23. Comparing to Q2 FY 24, the non interest income had grown by 6% and improved from Rs.182 cr.

3. Operating Expenses

The operating expense is Rs.345 cr for Q3 FY24 as compared to Rs.283 crs in Q3 FY 23 and for 9M FY 24 the same was at Rs. 978 cr as against Rs.863 cr for the corresponding period last year.

4. Operating Profit

The Gross Profit was Rs.364 cr and Rs.1,165 cr respectively for Q3 FY 24 and 9M FY 24 as against Rs. 497 cr and Rs.1,401 cr in the corresponding period last year.

5. Provisions

The Bank made a provision of Rs.294 cr as of 31.12.2023 as against Rs.515 cr towards NPA in the corresponding period last year. The recovery is more than the slippages which had helped in reduced provision requirement.

6. Net Profit

The PAT was Rs.253 cr in Q3 FY 24 as against at Rs.218 cr in Q3 FY23 growing 16%. Improved recovery and reduced slippages had helped us to achieve the PAT growth despite the challenges faced. For 9M FY 24, the PAT stood at Rs. 761 cr compared to Rs. 719 cr in the same period last year.

7. Deposits

Total Deposits of the Bank had increased by 5% and increased to Rs.52,726 cr in Q3 FY 24 from Rs.49,997 cr in corresponding period last year. CASA portion stood at 29% to total deposits.

8. Advances

Total Advances increased by 2% for Q3 FY 24 to Rs.44,017 cr from Rs.43,009 cr in Q3 FY 23. Credit Deposit ratio stood at 83%. The yield on Advances is at 9.62% for Q3 FY 24 compared to 9.16% in Q3 FY 23.

9. Asset Quality

The Gross NPA as on 31.12.2023 was reduced to 4.47% from 4.66% in Q2 FY 24. Net NPA has come down to Rs.941 Cr and NNPA % was decreased to 2.19% from 2.34% for the same period. The provision coverage ratio (PCR) as of 31.12.2023 is at 71% (including T/W) and 51% (excluding T/W).

10. Net Interest Margin

Net Interest Margin is at 3.50% for Q3 FY 24 and 3.63% for 9M FY 24. If we factor in the one-off interest reversal on FITL accounts, NIM is stable in the current quarter.

11. Return on Assets

Return on assets for Q3 FY 24 is 1.49% and for 9M FY 24 it stands at 1.52% which is our long term average.

12. Return on Equity

Return on Equity was at 12.57% in Q3 FY 24 and for 9M FY 24 it stands at 13.00%.

13. Cost to Income Ratio (CIR)

Cost to Income Ratio increased to 48.64% in Q3 FY 24 from 46.34% in the last quarter. Additional manpower as well as IT infrastructure cost pertaining to implementation of digital lending process are keeping the CIR at elevated levels.

14. Capital Adequacy

The Bank's capital adequacy as on 31.12.2023 as per Reserve Bank of India (RBI) guidelines on Basel III norms is 21.87% and Tier-1 capital adequacy was 20.83%, well above regulatory requirements.

About the Bank:

City Union Bank is an old sector private sector bank with 772 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 positioned itself as a banker to SMEs, Agri and Traders apart from all other banking activities.

Conference call details: City Union Bank will hold an earnings conference call on 1st February 2024 at 6.00 p.m. IST to discuss our performance for the 3rd quarter ended December 2023. 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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