



CITY UNION BANK

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

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Performance Results – Quarter/Half year ended 30.09.2023

Chennai, 27th October 2023 – City Union Bank Limited announced today its performance results for the 2nd Quarter / half year ended for Financial Year 2023-24. Earlier, during the day, the Board of Directors of City Union Bank approved the working results.

Financial Performance Q2 FY 24 vs Q2 FY 23:

(Rs in Cr)

Particulars	Q2 FY 24	Q2 FY 23	Growth (%)
Interest Income	1,304	1,181	10%
Non-Interest Income	182	173	5%
Total Income	1,486	1,354	10%
Interest Expense	766	613	25%
Operating Expense	334	285	17%
Total Expense	1,100	898	22%
Net Interest Income	538	568	-ve
Operating Profit	387	456	-ve
Profit After Tax	281	276	1%

Financial Performance H1 FY 24 vs H1 FY 23:

(Rs in Cr)

Particulars	H1 FY 24	H1 FY 23	Growth (%)
Interest Income	2,570	2,281	13%
Non-Interest Income	374	391	-ve
Total Income	2,944	2,672	10%
Interest Expense	1,509	1,188	27%
Operating Expense	634	580	9%
Total Expense	2,143	1,768	21%
Net Interest Income	1,061	1,093	-ve
Operating Profit	801	904	-ve
Profit After Tax	508	502	1%

Financial Performance FY 23 vs FY 22:

(Rs in Cr)

Particulars	FY 23	FY 22	Growth (%)
Interest Income	4,714	4,105	15%
Non-Interest Income	810	759	7%
Total Income	5,524	4,864	14%
Interest Expense	2,551	2,188	17%
Operating Expense	1,155	1,080	7%
Total Expense	3,706	3,269	13%
Net Interest Income	2,163	1,917	13%
Operating Profit	1,818	1,595	14%
Profit After Tax	937	760	23%

Key Balance sheet Items:

(Rs in Cr)	Q2 FY 24	Q2 FY 23	Q1 FY 24	FY 23
Deposits	52,714	49,878	51,655	52,398
Advances	43,688	42,702	42,405	43,971
Total Business	96,402	92,580	94,060	96,369
CASA	15,590	15,609	15,893	15,657

Asset Quality:

(Rs. in Cr)	Q2 FY 24	Q2 FY 23	Q1 FY 24	FY 23
Gross NPA	2,035	1,862	2,081	1,920
Gross NPA (%)	4.66	4.36	4.91	4.37
Net NPA	999	1,129	1,039	1,018
Net NPA (%)	2.34	2.69	2.51	2.36

Key Financial Ratios:

	Q2 FY 24	Q2 FY 23	Q1 FY 24	FY 23
Cost of Deposits	5.51%	4.51%	5.36%	4.66%
Yield on Advances	9.77%	9.39%	9.53%	9.23%
Net Interest Margin	3.74%	4.09%	3.67%	3.89%
Return on Assets	1.69%	1.72%	1.40%	1.46%
Return on Investments	6.62%	6.02%	6.23%	5.94%
Cost to Income Ratio	46.34%	38.43%	41.98%	38.85%
Capital Adequacy Ratio	22.21%	20.08%	23.02%	22.34%

Financial Performance Q2 FY 24 / H1 FY 24:

1. Net Interest Income

The Bank earned Net Interest Income of Rs.538 cr for Q2 FY24 and Rs.1,061 Cr for H1 FY 24 as against Rs.568 cr and Rs.1,093 Cr respectively in Q2 FY 23 and H1 FY23. Compared to Q1 FY 23 the NII had sequentially increased by 3%.

2. Non Interest Income

Non Interest Income of the Bank for Q2 FY 24 was at Rs.182 cr as against Rs.173 cr for Q2 FY 23 with 5% growth. For H1 FY 24, it stood at Rs. 374 cr as against Rs.391 cr for the same period last financial year.

3. Operating Expenses

The operating expense is Rs.334 cr for Q2 FY24 as compared to Rs.285 crs in Q2 FY 23 and for H1 FY 24 the same was at Rs. 634 cr as against Rs.580 cr for the corresponding period last year.

4. Operating Profit

The Gross Profit was Rs.387 cr and Rs.801 cr respectively for Q2 FY 24 and H1 FY 24 as against Rs. 456 cr and Rs.904 cr in the corresponding period last year.

5. Provisions

The Bank made a provision of Rs.293 cr as of 30.09.2023 as against Rs.402 cr in the corresponding period last year.

6. Net Profit

The PAT was Rs.281 cr in Q2 FY 24 which is the highest for a single quarter as against at Rs.276 cr in Q2 FY23. Improved recovery and reduced slippages had helped us to achieve the PAT growth despite the challenges faced. For H1 FY 24, the PAT stood at Rs. 508 cr compared to Rs. 502 cr in the same period last year.

7. Deposits

Total Deposits of the Bank had increased by 6% and increased to Rs.52,714 cr in Q2 FY 24 from Rs.49,878 cr in corresponding period last year. CASA portion stood at 30% to total deposits. Cost of Deposits increased to 5.51% in Q2 FY 24 from 4.51% in Q2 FY 23 due to transmission of policy rate hikes.

8. Advances

Total Advances increased by 3% for Q2 FY 24 to Rs.43,688 cr from Rs.42,405 cr in Q1 FY 24. Credit Deposit ratio stood at 83%. The yield on Advances is at 9.77% for Q2 FY 24 compared to 9.39% in Q2 FY 23. Our Yield on advances is showing sequential increase for the last 4 quarters starting from Q3 FY 23.

9. Asset Quality

The Gross NPA as on 30.09.2023 was reduced to 4.66% from 4.91% in the previous quarter. Net NPA was decreased to 2.34% from 2.51% for the same period. The provision coverage ratio (PCR) as of 30.09.2023 is at 71% (including T/W) and 51% (excluding T/W) as against 66% (including T/W) & 39% (excluding T/W) in 30.09.2022

10. Net Interest Margin

Net Interest Margin is at 3.74% for Q2 FY 24 showing sequential increase from Q1 FY 24 where it stood at 3.67%.

11. Return on Assets

Return on assets for Q2 FY 24 is 1.69% and for half year ended FY 24 it stands at 1.54%.

12. Return on Equity

Return on Equity was at 14.36% in Q2 FY 24 and for H1 FY 24 it stands at 13.26%.

13. Cost to Income Ratio (CIR)

Cost to Income Ratio increased to 44.17% in H1 FY 24 from 39.10% in the same period last financial year. Additional manpower as well as IT infrastructure cost pertaining to implementation of digital lending process are the key drivers for the increased CIR

14. Capital Adequacy

The Bank's capital adequacy as on 30.09.2023 as per Reserve Bank of India (RBI) guidelines on Basel III norms is 22.21% and Tier-1 capital adequacy was 21.17%, well above regulatory requirements.

About the Bank:

City Union Bank is an old sector private sector bank with 752 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 27th October 2023 at 6.00 p.m. IST to discuss our performance for the 2nd quarter ended September 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

For further information please contact:

Mr. J. Sadagopan, Chief Financial Officer
Mobile No. 93671 31717
www.cityunionbank.com.