

CITY UNION BANK LIMITED
CENTRAL OFFICE
KUMBAKONAM



Press Release

CITY UNION BANK

POSTED YET ANOTHER

CONSISTENT UPWARD BUSINESS PERFORMANCE

FOR Q3 FY 2008

Total Income up by 60% to Rs.176.15 Crs

Gross Profit up by 60% to Rs.43.22 Crs

Net Interest Income up by 25% to Rs.49.34 Crs

Profit After Tax up by 83% to Rs.25.38Crs

Chennai January 30, 2008 : The Board of Directors of CITY UNION BANK LTD. took on record the unaudited results for Q3 FY2008 at its meeting held at Chennai, today.

City Union Bank Ltd posted an impressive performance for the quarter ended 31.12.2007 in terms of total business and net profit. The Chairman of the bank Sri.S.Balasubramanian said that the Bank achieved the coveted milestone of Rs.10,000 Crs of total business, as per the budget and is confident that the bank will achieve Rs.12000 crs of total business by March 2008. During the Quarter, the Bank allotted 68 Lacs shares on Preferential Basis, thereby increasing the Tier I Capital by Rs.125 Crs and the bank's net worth comfortably positioned at Rs.565 Crs.

Results for the Quarter ended December 31, 2007

(Rs. in Crs)

Particulars	31/12/2007	31/12/2006	% Growth
Interest Income	154.84	99.40	55.77%
Other Income	21.30	10.86	96.13%
Total Income	176.14	110.26	59.75%
Interest Expenses	105.50	59.80	76.42%
Operating Expense	27.42	23.46	16.88%
Operating Profit	43.22	27.00	60.07%
Provisions & Contingencies	9.60	5.82	
Provision for Tax	8.24	7.32	
Profit After Tax	25.38	13.86	83.12%
Net Interest Income	49.34	39.60	24.57%



The total income for Q3 FY08 was Rs.176.14 Crs, up by 60% as compared to Rs.110.26 Crs during Q3 FY07. Profit after tax for Q3 FY08 was up 83% at Rs.25.38 Crs as compared to Rs.13.86 Crs for Q3 FY07.

Summary Balance Sheet as at December 31, 2007 (Rs. in Crs)

	31-12-2007	31-12-2006	% Growth
Advances	3940	2803	40.56%
Total Assets	7168	4693	52.74%
Shareholder's Funds	565	332	70.18%
Deposits	6303	4077	54.60%

The total Advances as at December 31, 2007 was higher by 41% at Rs.3940 Crs as compared to Rs.2803 Crs as at December 31 2006. Deposits as at grew by 55% to Rs.6303 Crs as compared to Rs.4077 Crs. The Bank achieved a balance sheet growth of 53%, from Rs.4693 Crs to Rs.7168 Crs. The total Shareholders' funds as at December 31, 2007 was stood at Rs.565 Crs. The Bank's capital adequacy ratio was 14.04% as on 31.12.2007 as against the regulatory minimum of 9%.

Key Ratios:

- ❖ Gross NPAs at 2.32%. The Bank continues to concentrate on recovery of overdue advances and the Net NPA stood at 1.13% as on December 31, 2007;
- ❖ Capital Adequacy Ratio was 14.04% at 31st December, 2007:
- ❖ Return on Average Assets was 1.60%
- ❖ Coverage Ratio was 48.92%

Financial Indicators

(Rs. in Crs)

Financial Performance	Q1 FY2008	Q2 FY2008	Q3 FY2008	9M FY2008	9M FY2007	FY 2007
Interest Income	128.53	147.77	154.84	431.14	285.43	400.05
Other Income	13.20	22.19	21.30	56.70	31.60	54.08
Total Income	141.73	169.96	176.14	487.84	317.03	454.13
Interest Expenses	77.54	96.54	105.50	279.59	164.25	232.56
Operating Expense	26.79	26.24	27.42	80.45	63.25	90.09
Operating Profit	37.40	47.18	43.22	127.80	89.53	131.48
Provisions & Contingencies	8.72	6.49	9.60	24.81	23.52	32.55
Provision for Tax	7.32	13.89	8.24	29.45	20.18	27.12
Profit After Tax	21.36	26.80	25.38	73.54	45.83	71.81



Business Update for nine months ended December 31, 2007:

Summary Balance Sheet & Prior Period Comparison

(Rs. in Crs)

Particulars	FY2003	FY2004	FY2005	FY2006	FY2007	9M FY2008
ASSETS						
Advances	1214	1547	2013	2550	3329	3940
Investments	1099	1279	1102	1057	1307	1796
Other Assets	317	365	380	520	727	1432
Total Assets	2630	3191	3495	4127	5363	7168
LIABILITES						
Shareholder's Funds	165	203	241	286	366	565
Deposits	2317	2847	3095	3518	4699	6303
Borrowings	11	30	22	75	20	3
Other Liabilities	137	111	137	248	278	297
Total Liabilities	2630	3191	3495	4127	5363	7168

- Consistent growth in deposits; Increase of 54.60% over December 31, 2006.
- Cost of deposits was 7.12%
- CASA 20% of total deposits as on December 31, 2007.



Performance Highlights – (December) 2007-08 Y-o-Y 2006-07

a)	Operating Profit	Operating Profit improved from Rs.89.53 Crs to Rs.127.80 Crs registering a growth rate of 42.75%.
b)	Net Profit	Net Profit improved from Rs.45.83 Crs to Rs.73.54 Crs recording an increase of 60.46%.
c)	Deposits	Total Deposits rose by 54.60% from Rs.4077 Crs to Rs.6303 Crs and cost of Deposits increased to 7.13%
d)	Advances	Advances grew by 40.56% from Rs.2803 Crs to Rs.3940 Crs. Yield on Advances increased to 12.83%.
e)	Business	Total Business stood at Rs.10243 Crs. up by 48.88% from Rs.6880 Crs
f)	Earning per share	Earnings per share grew to Rs.27.27 for the nine months period from Rs.19.10
g)	Return on Average Assets	Return on Average Assets (ROA) rose to 1.60% (Annualised)
h)	Net Interest Margin	Net Interest Margin (NIM) - 3.30%(Annualised)
i)	Net Interest Income	Net Interest Income (NII) increased to Rs.151.55Crs up by 25% from Rs.121.18 Crs.
j)	Capital Adequacy Ratio	Capital Adequacy Ratio comfortably stands at 14.04%.
k)	Non - Performing Assets	The percentage of Gross NPA to Gross Advances stood at 2.32%. The Percentage of Net NPA to Net Advances declined from 1.46% to 1.13%.