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City Union Bank net up 15% in Q2

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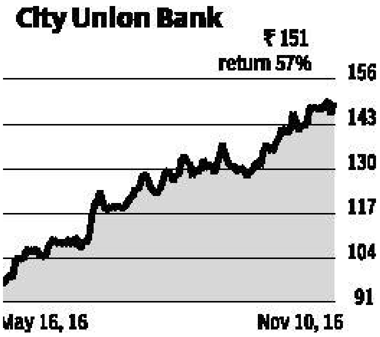
Could maintain asset quality despite the not-so-conducive environment, says MD



Chennai November 10:

City Union Bank reported a 15 per cent growth in net profit at ₹ 124 crore for the quarter ended September 30, as against ₹ 108 crore in a year-ago period, on the back of strong rise in gross profit.

The bank said it was able to maintain its performance with steady growth in advances and net interest income.

"We could maintain the asset quality though the atmosphere was not so conducive. Also, we clearly see a decreasing trend in slippages," said N Kamakodi, Managing Director and CEO.

CUB's gross profit grew 15 per cent to ₹ 237 crore (₹ 205 crore in Q2 FY16), aided by a rise in net interest income, which went up 25 per cent to ₹ 301 crore (₹ 240 crore). Net interest margin (NIM) stood at 4.20 per cent.

"The total business of the bank crossed ₹ 50,000 crore during the second quarter," said Kamakodi. Advances climbed 17 per cent to ₹ 22,215 (₹ 18,935 crore as of September 2015), and total deposits rose 11 per cent to ₹ 28,393 crore (₹ 25,616 crore).

The bank's net non-performing assets (NPA) went up to 1.63 per cent as of September, from 1.36 per cent in Q2 of the previous fiscal and 1.59 per cent in Q1 of this fiscal. The provision-coverage ratio stood at 60 per cent as on September 30.

The bank's return on assets stood at 1.50 per cent during the first quarter.

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