United Bank of India
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Board Sec/PR/UFR/125/2016

August 9, 2016

Corporate Relations Cell BSE Ltd. P. J. Tower, Dalal Street, Fort Mumbai – 400001	Listing Department National Stock Exchange of India Ltd. Exchange Plaza, Plot – C/1, Block – G Bandra Kurla Complex, Bandra (E) Mumbai – 400051
Scrip Code: UNITEDBNK (533171)	Scrip Code: UNITEDBNK

Dear Sir,

Sub: Press Release

We furnish herewith the Press Release issued by the Bank on the occasion of the announcement of the unaudited financial results of the Bank for the quarter ended June 30, 2016.

The same is filed under Regulation 30 of the SEBI Listing Regulations.

Thanking you,

Bikramjit Shom 9/8/16
Company Secretary & Compliance Officer

United Bank of India Financial Results
Q1 (FY 16-17) and Q4 (FY 15-16)
August 09,2016

- **Operating Profit at Rs 430.24 crore (up 75.37% Q-o-Q)**
- **Net Profit at Rs.38.32 crore in Q1FY17 (against loss of Rs.413.04 in Q4-16)**
- **Net Interest Income (NII) at Rs 545.50 crore (up 34.54% Q-o-Q)**
- **Gross NPA at Rs.10116.13 crore (up 6.81% Q-O-Q)**
- **CASA share** 43.03% as on 30th June 2016 vis-à-vis 41.92% as on 31st March 2016
- **NIM at 1.86% for Q1 of FY:17**
- **ROAA (annualized) at 0.12% for Q1 of FY:17**
- **ROE (annualized) at 3.20%**
- **CRAR (Basel III) at 9.89% with Tier 1 at 7.75% as on 30th June, 2016**

United Bank of India has announced its reviewed financial results for the first quarter (Q1) of FY 2016-17 following the approval of its Board of Directors on August 09, 2016.

Results at a Glance

(Rs./Crore)

Quarterly Results				Yearly
	Q1-FY 17	Q4-FY 16	Change (%)	FY 16
Total Income	2819.37	2752.35	2.44	11404.20
Interest Income	2429.33	2378.85	2.12	9936.67
Interest Expenses	1883.83	1973.4	-4.54	7656.11
Net Interest Income	545.50	405.45	34.54	2280.56
Other Income	390.04	373.50	4.43	1467.53
Operating Expenses	505.30	533.62	-5.31	1936.29
Staff Expenses	281.84	295.46	-4.61	1097.42
Total Expenses (Excluding Provisions, Contingency & Taxes)	2389.13	2507.02	-4.70	9592.40
Operating Profit	430.24	245.33	75.37	1811.80
Provisions, Contingencies & Taxes	391.92	658.37	-40.47	2093.75
Net Profit	38.32	-413.04	-	-281.95

Profits

The Bank's **Operating Profit** stood at **430.24 crore** in Q1, FY17 versus Rs 245.33 crore in Q4, FY16 **(up 75.37%** Q-o-Q). Bank's **Net Profit** stands at Rs.38.32 Crore **against loss of Rs.413.04 in Q4- 16.**

Income

Bank's **Net Interest Income (NII)** stood at Rs 545.50 crores in Q1 FY 17 against Rs.405.45 crore in the March quarter of the previous year showing a increase of 34.54%.

Expenses

During Q1 FY 17, the Bank's **Interest Expended** (at **Rs 1883.83 crore)** posted a decline of 4.54 % (Q-o-Q) due to the Bank's strict monitoring of funding costs coupled with declining interest rate scenario.

Provisions

"Provisions and Contingencies" of the Bank for the quarter was at Rs.391.92 crore during Q 1 FY17. Provision against non performing loans and advances has gone down from Rs.925.15 crore as on Mar'16 to Rs.287.02 crore as on June'16. The AS-15 "Provision for Retirement Benefits of Employees" decreased from Rs.366.30 cr to Rs.103.04 cr on Q-o-Q.

Business Expansion

The total business of the Bank decreased by Rs.212 crore registering a moderate decline of 0.11 %.The deposit grew up by Rs.419 crore (0.36%) . Similarly the advances saw a muted decline of Rs.631 crore (0.88%).CASA grew from Rs.48791 crore to Rs.50273 crore (3.04%) yoy.

Asset Quality

The Gross NPA has shown a increase of from Rs.9471.01 crore as on March'16 to Rs.10116.13 crore in June'16. The Net NPA of the Bank has gone up from Rs.6110.71 crore to Rs.6579.28 crore (up 7.67 % Q-o-Q).

In percentage terms also the Gross NPA has gone up from 13.26% as on March'16 to 14.29% as on June'16, and Net NPA has increased from 9.04% to 9.85%.However, the slippage increased sequentially due to economic slowdown and also during the quarter, as a part of Assets Quality Review (AQR), RBI has advised the Bank to revise asset classification/provision in respect of certain advances. The Bank has accordingly classified the advances and made the requisite provisions.

The fresh slippage in Q1 FY 17 stood at Rs.911.95 cr against Rs.3185.20 crore in Q4 FY 16. Slippage Ratio 1.47% in Q1 FY 17.

The **Cash Recovery** from **NPA** during the three months stood at the level of **Rs.96.78 crore** and **Reduction of NPA Assets** amounted to **Rs.266.83 crore .**

Provision Coverage Ratio reduced from 53.36% as on March'16 to 52.47% in June'16

Capital Adequacy

The Bank's **Capital Adequacy Ratio** was at **10.25% (as per Basel II)** as of June 30, 2016. Its **Tier 1** was maintained at the level of **7.07%.** Under **Basel III,** the Bank's Capital Adequacy Ratio stood at **9.89%** with the **Tier 1** capital at **7.75%** as on 30th June, 2016.

Key Financial Ratios

- The NIM of the Bank is 1.86 %
- The Cost to Income Ratio of the Bank is 54.01%
- In annualized terms, the Bank's **Return on Equity** (%) stood at **3.20%**.
- The **Return on Average Assets** 0.12% for Q1 of FY:2016-17
- The Bank's **Book Value per Share** stood at **Rs.44.53**

Key Strategic Initiatives

1. Bank has approved new Skill Loan Scheme. The Scheme will be implemented in the name and style "United Kaushal Rin Yojna" which will replace the existing Scheme for Vocational Education and training.
2. Bank has introduced two products Voice OTP & Mini Statement on missed call for customer convenience.
3. Tie-up between United Bank of India and TVS Motor Company for financing three wheelers and giving boost to MSE sector
4. Implementation of "Stand Up India" Scheme which is one of the flagship programmes of Government of India

Kolkata
August 09,2016

Sanjay Arya
Executive Director