UNITED BANK OF INDIA

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Board Sec/Cl41/NSE/PR/51/2015

May 7, 2015

Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Plot – C/1, Block - G
Bandra Kurla Complex, Bandra (E)
Mumbai – 4000051.

Scrip Code: UNITEDBNK

Dear Sir,

Sub: Press Release

We enclose herewith the Press Release issued by the Bank on date on the occasion of the announcement of the Audited Financial Results of the Bank for 2014-15.

Thanking you,

Bikramjit shom
Company Secretary & Compliance Officer

Encl. A/A

United Bank of India Financial Results
Q4 (FY 14-15) and FY 14-15
May 07,2015

- **Operating Profit** at **Rs 791.93 crore** in Q4, FY14-15 (up **45.86%,** y-o-y)
- **Net Profit** at **Rs 105 crore** in Q4 FY 14-15
- **Net Interest Income (NII)** at **Rs 711 crore** (up **1.81%,** y-o-y)
- **NIM** at **2.60%** in Q4, FY 14-15
- **Gross NPA** at **9.49%** (down from 12.03% in Q3 FY 14-15)
- **CASA share** increased to 42.05% in Q4 of FY14-15 versus 36.98% in Q4, FY 13-14
- **ROAA (annualized)** at **0.21%** in FY14-15
- **ROE (annualized)** at **5.16%** in FY14-15
- **CRAR (Basel III)** at **10.57%** with **Tier 1** at **7.52%** as on 31st Mar, 2015

United Bank of India has announced its Audited financial results for the fourth quarter(Q4) of FY 2014-15 and for the financial year ended March 31, 2015, following the approval of its Board of Directors on May 07, 2015.

Results at a Glance

	Quarterly Results				Yearly Results		
	Q4:FY15 (Rs cr)	Q4:FY14 (Rs cr)	% Change		FY 14-15 (Rs cr)	FY 13-14 (Rs cr)	% Change
Total Income	3153.12	3073.78	2.58		11927.39	11806.16	1.03
Interest Income	2571.86	2762.04	-6.89		10180.48	10599.29	-3.95
Interest Expenses	1860.85	2063.69	-9.83		7689.82	8036.47	-4.31
Net Interest Income	711.01	698.35	1.81		2490.66	2562.82	-2.82
Other Income	581.26	311.74	2.58		1746.91	1206.87	44.75
Operating Expenses	232.93	201.44	15.63		771.34	693.60	11.21
Staff Expenses	267.41	265.71	0.64		1038.29	1014.34	2.36
Total Expenses	2361.19	2530.84	-6.70		9499.45	9744.41	-2.51
Operating Profit	791.93	542.95	45.86		2427.94	2061.75	17.76
Provisions & contingencies	687.15	73.59			2171.70	3275.19	-33.69
Net Profit	104.78	469.36			256.24	(-) 1213.44 (Loss)	

Profits

The Bank's **Operating Profit** stood at **Rs 791.93 crore** in Q4, FY14-15 versus Rs 542.95 crore in Q4, FY13-14 **(up 45.86%,** y-o-y). Sequentially also, the operating profit of the Bank increased by 31% from Rs.602.77 crore. Bank's **Net Profit** shown a turnaround during FY 14-15 and ended with a positive Net Profit of Rs.256.24 crore against a loss of Rs.1213.44 crore during FY 13-14. The Net Profit for the current quarter stood at Rs.104.78 crore sequentially increasing from Rs.41.77 crore even though it declined from Rs.469.36 crore of Q4 FY13-14

Income

Bank could grow its **Net Interest Income (NII)** to **Rs 711.01 crore** in Q4, FY14-15 **(up 1.81%,** y-o-y), primarily due to an efficient management of liabilities. During the financial year 2014-15, the Bank shed its **high cost preferential rate deposits** in a significant manner to the tune of **Rs 1483 crore as on March 2015 from Rs.7975 crore as on March 2014.** Moreover, continued support from core fees plus strong trading gains boosted the Bank's **Total Income** to **Rs 3153.12 crore** in Q4, FY14-15 (up **2.58%,** y-o-y). Non Interest Income increased to Rs.581.26 crore in Q4 FY15 with a 86% growth over Q4 FY13-14 of Rs.311.74 crore majorly helped by treasury gains.

During the FY 14-15, the Bank's **NII, Other Income** and **Total Income** stood at **Rs 2490.66 crore (down 2.82%,** y-o-y), **Rs 1746.91 crore (up 44.75%,** y-o-y) and **Rs 11927.39 crore** (up 1.03**%,** y-o-y), respectively.

Expenses

During Q4, FY15, the Bank's **Interest Expended** (at **Rs 1860.85 crore)** posted a decline of 9.83**%** (y-o-y) due to the Bank's strict monitoring of funding costs. During the financial year, FY14-15, the Bank's **Interest Expended, Employee Cost** and **Total Expenses** stood at **Rs 7689.82 crore** (down **4.31%,** y-o-y), **Rs 1038.29 crore** (up **2.36%,** y-o-y) and **Rs 9499.45 crore** (**down 2.51**%, y-o-y), respectively.

Provisions

"Provisions and Contingencies" of the Bank stood at Rs.687.15 crore during Q4, FY15. During the financial year the expenses incurred on account of this head declined by 33.69% from Rs.3275.19 crore in FY 2013-14 to Rs.2171.70 crore in FY 2014-15 due to reduced provisions against non performing loans.

Business Expansion

Total Business of the Bank stood at **Rs 177888 crore** in FY14-15. While **Total Deposits** stood at **Rs 108818 crore**, **Total Advances** stood at **Rs 69070 crore** at the end of March 2015. The total deposit of Rs.108818 crore consists of Rs.45755 crore of CASA and Rs.57093 crore Retail Term Deposits and Rs.5970 crore Bulk Deposits. The deposits have shown a negative growth (-2.41%) YOY primarily due to shedding its high cost deposit and aggressively promoting its retail deposit.

The total advances of the Bank stood at Rs.69070 crore with a YOY growth of 1.60% in spite of sluggish credit growth in Banking sector and RBI restrictions.

The Bank's **Retail Credit** increased by **16.36%** (y-o-y) in FY14-15 to **Rs 12051 crore** and formed **17.45%** of the Bank's **Gross Credit.** Housing Loans have grown by 16% to Rs.5093 crore.

On year-on-year basis, while the Bank's **Credit to SMEs** expanded by **3.59%** (y-o-y) to **Rs 11641 crore,** its **Farm Credit** attained the level of **Rs 8600 crore** by end-Mar, 2015.

Asset Quality

The absolute Gross NPA of the Bank has come down from Rs.7118 crore in FY13-14 to 6553 crore in FY 14-15. The Gross NPA has shown a steep decline by 16% sequentially also from Rs.7810 crore as on Q3 FY14-15 in absolute terms. The absolute Net NPA of the Bank has come down to Rs.4082 crore in Mar 15 from Rs.4664 crore in Mar 14.

In percentage terms also the Gross NPA has come down to 9.49% in Q4 FY14-15 declining from 10.47% for FY14 and from 12.03% in Q3 FY15 sequentially. The Net NPA also has come down to 6.22% from 7.18% YOY

The slippages have shown a steep decline to Rs.485 crore in current quarter. The slippages stood at Rs.1164 crore, Rs.1194 crore, Rs.785 crore and Rs.1621 crore sequentially in last four quarters.

The **Cash Recovery** from **NPA** during the year stood at the level of **Rs 1,237 crore** (versus Rs 1084 crore in FY14), while the **Upgraded Assets** amounted to a better level of **Rs 2655 crore** (versus Rs 2288 crore in Apr-Mar, FY14).

Provision Coverage Ratio at **58.50%** as on 31st March, 2015 (versus **52.25%** as on March 2014 and 52.48% as on December 2014).

The standard restructured advances at year end stood at Rs.8476 crore (previous year Rs.6340 crore) and NPA restructured advances at Rs.1692 crore (previous year Rs.1484 crore)

Capital Adequacy

The Bank's **Capital Adequacy Ratio** was at **11.42% (as per Basel II)** as of March 31, 2015. Its **Tier 1** too was maintained at the level of **7.77%.**

Under **Basel III,** the Bank's Capital Adequacy Ratio stood at **10.57%** with the **Tier 1** capital at **7.52%** as on 31st March, 2015.

Key Financial Ratios

- The NIM of the Bank for Q4 FY14-15 improved to 2.60% compared to 2.48% in Q4 FY13-14. However the yearly NIM stood at 2.23 only as the Bank credit growth was restricted during the current year.
- The Cost to Income Ratio of the Bank for FY14-15 stood at **42.70%** only improving from 45.31% for the FY14. The said ratio for Q4 (FY14-15) stood at **38.72%** only.
- In annualized terms, the Bank's **Return on Equity** (%) stood at **5.16%** in FY14-15.

- The **Return on Average Assets** (%) improved to **0.21%** in FY14-15
- The Bank's **Book Value per Share** stood at **Rs 59.20** as on 31st Mar, 2015.

Key Strategic Initiatives during FY14-15

- During FY14-15, the Bank's **term deposits with preferential rate of interest have declined** from Rs 7975 cr at end-Mar, 2014 to **Rs 1483 cr** at end-Mar, 2015. Share of preferential rate deposits fell from 7.15% to 1.36%. The certificate of Deposits (CD) which were Rs.2720 crore as on March 2014 became nil as on March 2015.
- The Bank significantly strengthened its **Credit Monitoring process** and the system for "Early Detection of Stress Accounts" so as to undertake speedy follow-up actions.
- The Bank strengthened its existing **Retail Loan Hub** set up by opening a Centralised Retail Loan Hub at Kolkata. As on 31st March 2015, the Bank had **24** Retail Loan Hubs operational across India.
- In the process to centralize the loan processing activities, Bank opened one Centralised Credit Processing Centre (CCPC) and one MSME loan processing Hub at Kolkata.
- The Bank opened **5** new branches and 312 ATM during the year 2014-15.
- As on 31st March 2015, **13250** villages were covered under the Bank's **Financial Inclusion** drive. 4252 Bank Mitras are now operating under Sub Service Area (SSA) approach. Bank has set up **2,681 Ultra Small Branches** across the country to support this initiative.
- Under Prime Minister Jan Dhan Yojna (PMJDY), **51.47 lakh of unbanked households have been covered.** The Bank has opened **38.69** lakh accounts under PMJDY and issued **30.63** lakh RuPay cards.

Kolkata
May 07, 2015

P.Srinivas
Managing Director & CEO