UNITED BANK OF INDIA

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Board Sec/J30/PR/ /2015

August 3, 2015

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 enclose herewith, the Press Release issued by the Bank on the occasion of the announcement of the unaudited financial results for quarter ended June 30, 2015.

The filing is done under Clause 36 of the Listing Agreement.

Thanking you,

Bikramjit Bhom

Company Secretary & Compliance Officer

United Bank of India Financial Results

Q1FY16 : Aug 03, 2015

- **Operating Profit at Rs 578 crore (up 0.74% , Y-o-Y)**
- **Net Profit at Rs 52 crore in Q1FY16 (down from Rs.66 cr in Q1FY15) o**n account of Additional Mark to Market Provisions of Rs 40.00 crore
- Net Interest Income (NII) **at** Rs 628 crore **(up** 5.42%, **Y-o-Y)**
- **Gross NPA at 9.57% (down from 10.49% in Q1FY15)**
- **CASA share** 40.84**%** (CASA Deposit up 7.67% Y-O-Y))
- **NIM at 2.20%**
- **ROAA (annualized) at 0.17%**
- **ROE (annualized) at 4.13%**
- **CRAR (Basel III) at 10.02% with Tier 1 at 7.14% as on 30th June, 2015**

United Bank of India has announced its Audited financial results for the first quarter (Q1) of FY 2015-16, following the approval of its Board of Directors on Aug 03, 2015.

Results at a Glance

Quarterly Results				Yearly
	Q1:FY16 (Rs Cr)	Q1:FY15 (Rs cr)	Change%	FY15
Total Income	2896.74	3004.25	(3.58)	11927.39
Interest Income	2534.12	2602.4	(2.62)	10180.48
Interest Expenses	1905.81	2005.95	(4.99)	7689.82
Net Interest Income	628.31	596.45	5.34	2490.66
Other Income	362.62	401.85	(9.76)	1746.91
Operating Expenses	412.68	424.11	(2.69)	771.34
Staff Expenses	230.43	257.14	(10.39)	1038.29
Total Expenses	2318.49	2430.06	(4.59)	9499.45
Operating Profit	578.25	574.19	0.74	2427.94
Provisions (other than tax) & contingencies	526.03	508.3	3.49	2171.70
Net Profit	52.22	65.89	(20.75)	256.24

Profits

The Bank's **Operating Profit** stood at **Rs 578.25 crore** in Q1FY16 versus Rs 574.19 crore in Q1FY15 **(up 0.71%,** y-o-y). Bank's **Net Profit** in Q1FY16 stood at Rs 52.03 crore against Rs 65.89 crore during Q1FY15.

Income

Bank could grow its **Net Interest Income (NII)** to **Rs 628.31 crore** in Q1FY16 **(up 5.34%,** Y-o-Y), primarily due to an efficient management of liabilities inspite of reduction in Base Rate by 35 basis points. Bank brought down its **high cost preferential rate deposits** in a significant manner from Rs 4948 crore as at June 2014 to **Rs 1578 crore as on June 2015.** Non Interest Income of the Bank reached Rs 362.62 crore in Q1FY16.

Expenses

During Q1FY16, the Bank's **Interest Expended** (at **Rs 1905.81 crore)** registered a decline of 4.99% Y-o-Y due to the Bank's strict monitoring of funding costs. During the Q1FY16, the Bank's **Operating Expenses** stood at **Rs 412.68 crore** (down **2.69%,** Y-o-Y.

Provisions

"Provisions and Contingencies" of the Bank for the quarter was at Rs 526.03 crore during Q1FY16. Provision against non performing loans and advances has come down from Rs 224.79 crore as on June 2014 to Rs 175.85 crore as on June 2015. However, Bank had to provide Rs 40.71 crore against depreciation on its investments for Mark to Market loss.

Business Expansion

Total Business of the Bank increased by Rs.2231 crore Y-o-Y and stood at **Rs 176946 crore (up 1.28% Y-o-Y)** as on June 2015. While **Total Deposits grew by Rs 1572 crore to reach at Rs 108647 crore (up 1.47% Y-o-Y) Total Advances** increased by Rs 659 crore to reach at **Rs 68299 crore (up 0.97% Y-o-Y)**.

The total deposit of Rs 108647 crore consists of Rs 44374 crore of CASA, Rs 58199 crore Retail Term Deposits, and Rs 6075 crore Bulk Deposits. CASA deposits increased by Rs 3160 crore (up 7.67% Y-o-Y) and constituted 40.84% of total deposit as on June 2015 as against 38.49% as on June 2014. Bulk Deposits came down by Rs 5437 crore (down 47.23% Y-o-Y)

The total advances of Rs 68299 consist of Rs 8186 crore on account of Agricultural Advance, Rs 12353 crore of MSME Advances, and Rs 11484 crore of Retail Credit. **The Bank's Retail Credit increased by Rs 1069 crore up 10.26% Y-o-Y and formed 16.81% of the Bank's Gross Credit. Housing Loans have grown by Rs.827 crore (up 18.50% Y-o-Y) to reach Rs.5298 crore.**

Asset Quality

The Gross NPA has shown a decline of 7.95% from Rs.7097 crore as on June 2014 to Rs 6533 crore in June 2015. The Net NPA of the Bank has come down from Rs 4667 crore to Rs 4091 crore (down 12.34% Y-o-Y) during the same period.

In percentage terms also the Gross NPA has come down from 10.49% as on June 2014 to 9.57% as on June'15, and Net NPA has come down from 7.23% to 6.30%.

The slippages have shown a steep decline. Against Rs 1194 crore in Q1FY15, the fresh slippages have come down to Rs 526 crore (Slippage Ratio 0.84%) in Q1FY16.

The **Cash Recovery** from **NPA** during the quarter stood at the level of **Rs 108 crore** and **Upgraded Assets** amounted to **Rs 265 crore during current quarter.**

Provision Coverage Ratio improved from 53.18% as on June 2014 to 58.92% in June 2015

Capital Adequacy

The Bank's **Capital Adequacy Ratio** was at **11.07% (as per Basel II)** as of June 30, 2015. Its **Tier 1** was maintained at the level of 7.56 **%.**

Under **Basel III,** the Bank's Capital Adequacy Ratio stood at **10.02%** with the **Tier 1** capital at **7.14%** as on 30th June, 2015.

Financial Inclusion

- BC outlets have been opened in all allotted 3070 Sub Service Area (SSAs) consisting of 13250 villages.
- All the 4252 Bank Mitras (BC Agents) are functioning through a fixed point locations under 'Online' mode.
- Bank Mitras are now opening accounts through e-KYC mode using Aadhaar and catering Aadhaar based transactions under AEPS.
- Under PMJDY, **47.68 lakh** accounts have been opened as at the end of June'15. Out of the above, **23.11 lakh** accounts have been opened through Bank Mitras (BC Agents).
- **Rs 2034.45 crore** deposit has been mobilized in PMJDY Accounts till June'15.
- **10.98 lakh** accounts (23.02%) are under 'Zero' balance category.
- **35.51 lakh** RuPay Debit Cards have been issued.
- **18.97 Lakh** PMJDY Accounts have been Aadhaar linked.
- **17.34 Lakh** customers have been enrolled under Pradhan Mantri Jan Suraksha Yojana(**PMSBY**).
- **3.01 Lakh** customers have subscribed for insurance cover under Pradhan Mantri Jeevan Bima Yojana(**PMJJBY**).



Key Financial Ratios

- The NIM of the Bank for Q1FY16 improved to 2.20% compared to 2.09 % in Q1 FY15.
- The Cost to Income Ratio of the Bank for Q1FY16 stood at 41.65% only improving from 42.48% for Q1FY15.
- In annualized terms, the Bank's **Return on Equity** (%) stood at 4.13**%** in FY15.
- The **Return on Average Assets** (%) stood at 0.17**%**
- The Bank's **Book Value per Share** stood at **Rs** 60.26 as on 30th June, 2015.

Key Strategic Initiatives during Q1FY16

- The Bank significantly strengthened its **Credit Monitoring process** and the system for "Early Detection of Stressed Accounts" so as to undertake speedy follow-up actions.
- The Bank opened **3** (three) new branches and 65 ATMs during Q1FY16.
- Bank has introduced "Online Savings Bank Account opening application" for prospective customers through which customers can fill-in online form and visit Branch only for KYC verification and putting signature on application form / signature card.
- Banks all branches have started functioning as Jeevan Pramaan Centers to enable the pensioners submit their life certificates digitally.
- Bank has now introduced bill payment service through mobile banking. The service will enable customers to register a merchant and make payment.

Kolkata
Aug 03, 2015

P. Srinivas
Managing Director & CEO