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UCO BANK

Head Office : 10 BTM Sarani, Kolkata 700 001

Phone **033 4455- 7300/ 7500 /7700** Fax No. **033 2225 3986, 033 4455 7318**e-Mail: [hocc.calcutta@ucobank.co.in](mailto:hocc.calcutta@ucobank.co.in) web: [www.ucobank.com](http://www.ucobank.com)

### MOVING FORWARD EVERY QUARTER

In an uncertain economic times and difficult operating environment, UCO Bank has shown consistent growth quarter after quarter. An analysis of the Qtr-on-Qtr Sequential Performance reveals that –

- Global Deposits of the Bank at **Rs.143108** crore at the end of Dec'11 was **18.51 %** higher from **Rs. 120759** crore at the end of Dec'10. It was **Rs.131,312 crore** as at Sep'11 (QoQ growth of 9%) & **Rs. 127,534 cr** as at June'11.
- Global Advances of the Bank at **Rs. 105919** crore at the end of Dec'11 grew by **18.36 %** (YoY) from **Rs. 89,486** crore at the end of Dec'10. It was **Rs. 97,278** crore as at Sep'11 (QoQ growth of 9%) & **Rs. 96,092 cr** as at June'11.
- Credit Deposit Ratio is maintained @ **74 %** as at Dec'11.
- Total business as at the end of Dec'11 amounted to **Rs.249,027** crore as compared to **Rs 210,244** crore in Dec'10, exhibiting a growth of **18.45 %** on Y-o-Y basis. Total business stood at **Rs. 228,590 crore** as at 30.9.11 & **Rs.223,626** crore as on June'11.
- Average Cost of deposit stood at **7.37%** on 31.12.11, **7.16%** on 30.9.11, **7.24%** on 30.6.11 and **6.34%** on 31.3.11.
- Average Yield on Advances reached **11.54 %** on 31.12.11 from **11.43%** on 30.9.11, **10.87%** on 30.6.11 & **9.86%** on 31.3.11.
- Average Yield on Investment reached **7.53%** on 31.12.11 from **7.43%** on 30.9.11, **7.36%** on 30.6.11.
- GNPA ratio stood at **3.49%** at end of Q3 with Gross Adv of **Rs. 105935** crore & GNPA **Rs. 3696** crore , **3.64%** on 30.9.11 with Gross Adv of **Rs. 97279** crore & GNPA **Rs. 3543** crore, **3.50%** on 30.6.11 with Gross Adv of **Rs. 96092** crore & GNPA **Rs. 3361** crore.

- NNPA ratio stood at 2.04% at on 31.12.11 with NNPA amount of Rs.2131 cr, 2.11% on 30.9.11 with NNPA amount 2023 cr and 2.15% on 30.6.11 with NNPA amount of Rs. 2040 cr.

<b>NPA Particulars (Rs. Crore)</b>	<b>Q3 FY'12</b>	<b>9-Mths FY'12</b>
Additions/ slippages	537	1560
Amount Recovered	210	498
Amount Upgraded	83	369
Amount w. off	91	148
Total reduction of NPA	384	1015

**The NPA would have been much less but for slippage of one large pvt airline account amounting to Rs.291 crore.**

- **Net Profit** of the Bank recorded a YoY growth of 10% to reach Rs. 333 crore for the third quarter of 2011-12 aided by 28% rise in Total Income during the quarter. On a qtr on qtr basis Net Profit of Rs. 333 crore in Q3 FY11-12 has surged 44% over previous qtr.'s figure of Rs.231 crore & Rs. 292 cr. in Q1.
- *Profit would have been more but for investment depreciation being higher by Rs.80 crore due to rise in Bond yields in Dec' qtr and one private airline being declared NPA this qtr that led to provision of Rs.42 crore and interest reversal of Rs.15 crore i.e. total impact of Rs.57 crore in Profit.*
- During Q3FY'12, 3169 a/cs involving Rs. 310 crore have been restructured taking the total restructured a/cs during the FY2012 to 13643 a/cs involving Rs. 775 crore.
- Net Interest Margin(NIM) for the qtr was **2.89 %** against **2.84 %** Q2, 2.46% in Q1 & 2.35% as of Mar'2011. **The domestic NIM stood at 3.08% as on 31.12.2011.**  
NIM would otherwise have been much more but for a 10% rise in interest on deposit, from Rs. 2296 crore in previous qtr to Rs. 2526 crore in current qtr. and large NPA.
- Return on Asset surged 36% QoQ to reach 0.82% as against 0.60% as on 30.9.11. It was 0.75% on 30.6.11 , 0.62% on 31.3.11.
- Cost to income ratio at **39.99 %** decreased by 3.5% from **41.42%** in last qtr. It was 43.57% on 30.6.11 & 48.97% on 31.3.11. It was 40.03% a year ago i.e at the same level.
- Book value of share has reached Rs. 97.47 from Rs. 91.20 as on 30.9.11, Rs. 86.82 on 30.6.11 & Rs.82.00 on 31.3.11. It was Rs. 78.54 a year ago (rise of 24% YoY).
- Net Interest Income (NII) at Rs.1033 crore has improved by 2% over Q2 FY 11-12 figure of Rs.1010 crore NII in 1<sup>st</sup> qtr was Rs.809 crore.

- Earning per share improved by 44% to reach Rs. 5.30 from Rs. 3.68 as on 30.9.11. EPS was Rs. 4.66 on 30.6.11, Rs. 3.48 on 31.3.11
- CAR of the bank was comfortable at **12.33** % under BASEL-II (Tier-I Capital: **7.79** %; Tier-II Capital: **4.54** %).
- CASA deposits stood at Rs.**31,931** crore as on Dec'11 against Rs. **27,845** crore a year ago registering a Y-o-Y growth of **15** % (Quantum-wise) aided by **46** % rise in Current Deposits and **9** % rise in Saving Deposits
- Other income rose by 13% rise to reach Rs.714 crore for the 9-mth period Apr-Dec 11 against Rs.633 crore in Apr-Dec 10. Profit on sale of investments during 9-mth in FY'12 at Rs.163 crore improved by 99% over corresponding period last year which was Rs.63 crore.

## NEW INITIATIVES

The Bank is going all out to resolve the legacy issue of bad loans. A Committee of General Managers has been formed at H.O. level to regularly review all large borrowal accounts and formulate/suggest strategies to avoid slippages of these accounts. At the field level the Bank is vigorously pursuing various recovery channels like holding frequent recovery camps at all branches, organizing Lok Adalats, arriving at compromise settlements, sale of assets, taking recourse to SARFAESI Act. Besides, necessary steps are being taken to publish the names of the borrowers who are found to be 'Wilful Defaulters', in the RBI Defaulters' List to expedite settlement.

While tackling the legacy issue of Non Performing Assets in its portfolio, the Bank is keen to contain fresh generation of NPAs. Several steps have been taken to ensure this. Specialized branches have been created, manned by credit-groomed officers to appraise credit proposals at these branches and ensure proper selection of loan assets. Side by side the Bank has strengthened/ is strengthening its Risk Management practices by adopting latest Risk Management techniques. There is also a proactive Credit Monitoring department to control and monitor the health of the loan accounts and put out early warning signals wherever appropriate.

The bank sees immense scope for improvement in its CASA deposits and is concentrating on boosting its customer base by: (a) penetrating into new geographies, (b) offering different delivery channels to suit varying needs of different types of customers, and (c) rolling out technology based products/offers in line with the changing needs of the new generation customers. Towards this end Bank has taken the following steps:

	<b>Q3FY'12</b>	<b>9-Mths FY'12</b>	<b>Upto date till 31.1.12</b>	<b>Cumulative</b>
Branches opened	29	58	127	2331
CASA Customers acquired	4.21 lacs	13.06 lacs	14.50 lacs	133.98 lacs
ATMs installed	29	142	225	833
e-banking customers	0.12 lacs	0.38 lacs	0.42 lacs	1.16 lacs
VISA Cards issued	1.48 lacs	4.06 lacs	4.60 lacs	17.92 lacs
Retail Proc Hubs opened	-	12	13	39
SME Hubs opened	-	12	12	12
City back Offices opened	-	74	74	74

Manpower Additions	<b>Q3</b>	<b>9-Mths</b>
Officers	10	595
Clerical	190	867

- Core Deposit as on Dec'11 stood at 72,829 crore as against Rs. 71,953 crore on Sep'11 and Rs. 65,517 crore on Dec'10.
- CD on Dec'11 was Rs. 10,331 crore, Rs. 14,192 crore on Sep'11 and 15,872 crore on Dec'10.

### **Technology**

- Bank has launched Interbank Mobile Payment Services (IMPS)
- RTGS/ NEFT facility extended to 5 RRBs sponsored by Bank
- Bank is in the process of (a) introducing two factor authentication using Biometric technology for accessing CBS , (b) starting Data Warehousing

### **SOCIAL BANKING**

- As against 1797 unbanked villages having 2000+ population allotted to Bank by respective SLBCs for Financial Inclusion, 1402 villages have already been covered by December 2011 and rest 395 villages will be covered by March, 2012.
- For the 5 sponsored RRBs, as against 1476 unbanked villages having 2000+ population allotted for Financial Inclusion by the respective SLBCs, the RRBs have covered 549 villages by December,2011 and rest 927 villages will be covered by March,2012.
- On the occasion of opening of a new branch at Gingla (Distt. Udaipur) ,Rajasthan on 26.12.2011, UCO bank adopted 217 families of Gingla village under its “**UCO Utthan**” Scheme. Through the scheme, it will be ensured that within 3 years, all the BPL households are raised above the Poverty

line. The Bank also disbursed loans to the BPL households under differential rate of interest at 4%.

- Bank's loan outstanding to Micro and Small Enterprises (MSE) as on 31.12.2011 registered an impressive YoY growth of 30.50% to reach Rs. 11945.31 crore (Rs. 9153.56 crore).
- In terms of guidelines received from Ministry, Bank has initiated Weaver Credit Card for Artisans.

Kolkata

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