

UTI Bank Ltd.

 131, Maker Towers 'F',  
 Cuffe Parade, Colaba,  
 Mumbai - 400005  
 Tel. 22186944

**PRESS RELEASE**

**UTI BANK ANNOUNCES Q1 FY 08 NET PROFIT OF Rs. 174.98 CRORES , UP BY 45.15% YOY**

UTI Bank has announced its unaudited results for the first quarter of FY 2007-08, following the approval of its Board of Directors in a meeting held in Mumbai on 12<sup>th</sup> July 2007. The Net Profit of the Bank for the first quarter was Rs 174.98 crores, a growth of 45.15% over the Net Profit of Rs. 120.55 crores during the first quarter of the previous year. The Bank has ended the first quarter of the current financial year with Net NPAs at 0.59% of Net Customer Assets and with a capital adequacy ratio of 11.50%. The Bank intends to augment its Tier-I capital in this financial year. The quarterly EPS (diluted) at Rs. 6.00 was 42% higher than the EPS of Rs. 4.22 in the first quarter of the previous year.

**RESULTS AT A GLANCE:**

		<b>Q1 FY 2007-08</b>
Net Profit	:	Rs. 174.98 crores ↑ 45.15 % YOY
Net Interest Income	:	Rs. 446.83 crores ↑ 38.84% YOY
Fee and Other Income	:	Rs. 271.53 crores ↑ 47.13% YOY
Net Interest Margin	:	2.72% ↑ from 2.68%
Cost of Funds	:	6.43% ↑ from 5.45%
Demand Deposits	:	Rs. 23,062 crores ↑ 54% YOY
Capital Adequacy Ratio	:	11.50% ↑ from 10.28%

**RESULTS FOR Q1 FY 07-08:**

The core businesses of the Bank have grown strongly in Q1, leading to an Operating Profit of Rs. 367.94 crores, a growth of 30% over the Operating Profit of Rs. 283.16 crores in the first quarter of the financial year 2006-07. The Net Interest Income (NII) for Q1 was Rs. 446.83 crores, a growth of 39% yoy over the NII of Rs. 321.84 crores during Q1 of the preceding year. Similarly, fee and other

income during Q1 was Rs. 271.53 crores, a growth of 47% over the fee and other income of Rs. 184.55 crores during Q1 of the preceding year. This growth in earnings has been possible because of the rapid expansion in Advances. Net Advances have grown by 60% yoy. Further, the Bank's balance sheet size has grown by 49% yoy to Rs. 79,109.04 crores as at end June'07 from Rs. 53,002.23 crores as at end June'06.

### **Financial Indicators**

**Rs. in crores**

<b>Financial Performance</b>	<b>Q1 FY 07-08</b>	<b>Q1 FY 06-07</b>	<b>% Growth</b>
Net Profit	174.98	120.55	45%
Quarterly EPS (Diluted) Rs.	6.00	4.22	42%
<b>Income &amp; Expenses</b>			
Net Interest Income	446.83	321.84	39%
Other Income	342.32	200.48	71%
Fee and Other Income	271.53	184.55	47%
Trading Income	70.79	15.93	344%
Operating Revenue	789.15	522.32	51%
Core Operating Revenue*	718.36	506.39	42%
Operating Expenses	421.21	239.16	76%
Operating Profit	367.94	283.16	30%
Core Operating Profit@	297.15	267.23	11%

\* Core Operating Revenue = Operating Revenue less Trading Income

@ Core Operating Profit = Operating Profit less Trading Income

**Rs. in crores**

	<b>As on 30<sup>th</sup> June '07</b>	<b>As on 30<sup>th</sup> June '06</b>	<b>Growth</b>
Deposits	61,091	42,094	45%
Demand Deposits	23,062	14,938	54%
Savings Bank	12,312	8,225	50%
Current Account	10,750	6,713	60%
Term Deposits	38,029	27,156	40%
Net Advances	41,285	25,836	60%
Investments	26,656	21,087	26%
Balance Sheet Size	79,109	53,002	49%
Net NPAs (as % of net customer assets)	0.59%	0.73%	
Gross NPAs (as % of gross customer assets)	1.01%	1.25%	

Capital	As on 30 <sup>th</sup> June '07	As on 30 <sup>th</sup> June '06	
Equity Capital	282.65	280.13	
Net Worth	3,406	2,907	17%
Capital Adequacy Ratio	11.50%	10.28%	
Tier - I	6.33%	6.70%	
Tier - II	5.17%	3.58%	

### **Q1 Performance Highlights**

- **Rising Net Interest Income (NII)**

The Bank registered a buoyant 39% yoy growth in Q1 in its Net Interest Income of Rs. 446.83 crores as against Rs. 321.84 crores in Q1 of the previous year. A strong growth in the levels of advances and investments, together with a higher share of demand deposits, contributed to the rise in Net Interest Income. The advances of the Bank grew to Rs. 41,285 crores as at end June'07 from Rs. 25,836 crores as at end June'06, a growth of 60% yoy.

- **Strong Balance Sheet Growth leading to Lower Margins**

The Net Interest Margin (NIM) for Q1 increased marginally to 2.72%, from the NIM of 2.68% in Q1 of the previous year, but was down from 3.06% in Q4 of the previous year. The downward pressure on spreads has arisen partly on account of the acquisition of short term priority sector assets towards the end of the final quarter of the previous year, for purposes of regulatory compliance. As these assets go off the Bank's books, the NIMs can be expected to again rise.

The daily average cost of funds increased to 6.43% in Q1 as compared to 5.45% in Q1 of the preceding year, FY 2006-07. The share of low cost deposits - Savings Bank and Current Account - rose to 38% as at end June'07 as compared to 35% as at end June'06. Savings Bank deposits registered a growth of 50% yoy, from Rs. 8,225 crores as at end June'06 to Rs. 12,312 crores as at end June'07. Current Account deposits grew 60% yoy, from Rs. 6,713 crores as at end June'06 to Rs. 10,750 crores as at end June'07.

- **Trading Profits**

The Bank generated Rs. 70.79 crores of trading profits in Q1, as compared to Rs. 15.93 crores in Q1 of the preceding year, a growth of 344% yoy. The share of trading profits to operating revenue increased from 3% in Q1 of the preceding year to 9% in Q1 of FY 07-08.

- **Prudent NPA Management**

The Net NPAs as a proportion of Net Customer Assets were at 0.59% as at end June'07, significantly down from 0.73% at end June'06 and marginally down from 0.61% as at end March'07. The Gross NPAs as a proportion of Gross Customer Assets were at 1.01% as at end June'07, significantly down from 1.25% at end June'06 and marginally up from 0.95% as at end March'07.

- **Fee and Other Income**

Fee Income registered a robust growth of 47% yoy, rising to Rs. 271.53 crores in Q1 as compared to Rs. 184.55 crores in Q1 of the preceding year.

**Cash Management Services**

Under Cash Management Services, the Bank handled a cash remittance throughput of Rs. 140,105 crores in Q1 as compared to a throughput of Rs 55,434 crores during Q1 of the preceding year, a growth of 153% yoy. The number of CMS clients has grown to 2,322 as at end June'07. The Bank handles collection and payments business on behalf of governments. It collects commercial taxes on behalf of the governments of Andhra Pradesh, Gujarat, Uttaranchal, Chattisgarh, Punjab, Delhi and Chandigarh UT, and also handles collections/payments on behalf of CBDT and CBEC.

**Placement / Syndication and Project Advisory**

The Bank continued to maintain its leadership position in the placement and syndication of corporate bonds. The Bank placed debt to the tune of Rs. 10,482 crore in Q1 of the current year as compared to Rs. 7,496 crores in Q1 of the preceding year. In the league table of arrangers for the first six months of the calendar year 2007, the Bank has been ranked No. 4 by Bloomberg for the Indian Domestic Bonds (Underwriter League table). The Bank also continues to strengthen its focus on project advisory services.

- **Growing Retail Business**

The Bank's retail business continued to show strong growth. The number of Savings Bank accounts grew from 38.26 lakhs as at end June'06 to 50.49 lakhs as at end June'07, thereby creating a buoyancy in Savings Bank deposit balances.

The Bank has an installed base of over 46,000 Electronic Data Capture (EDC) machines as at end June'07. The Bank's International Debit Card issuance has risen to 61 lakh debit cards as at end June'07 as compared to 47 lakh cards as at end June'06.

- **Network Expansion:** The Bank's ATM network of 2,428 ATMs is the third largest in the country, up from 1,959 ATMs a year earlier. The Bank has a wide presence through its 574 Branches & Extension Counters across 341 cities, towns and villages. The Bank has added 111 Branches and Extension Counters across an additional 111 cities and towns in the last one year.

- **Launch of International Business**

The Bank opened its overseas branch at Dubai in April 2007. This is in addition to its existing overseas branches at Singapore, Hong Kong and a Representative Office in Shanghai with a focus on offshore corporate and capital markets businesses.

▪ **Capital & Net Worth:**

The Net Worth of the Bank stood at Rs. 3,406 crores as at end June'07 as compared to Rs. 2,907 crores a year earlier, a growth of 17% yoy. The Capital Adequacy Ratio for the Bank was at 11.50%, as at end June'07, as compared to 10.28% as at end June'06. The Tier - I capital amounted to 6.33%. The Bank intends to raise fresh Tier-I capital in the current financial year.

Date: 12th July, 2007

Mumbai

# UTI Bank

Regd. Office : 'Trishul', 3<sup>rd</sup> floor, Opp. Samarsheshwar Temple, Law Garden,  
Ellisbridge,  
Ahmedabad - 380 006.

## UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30<sup>TH</sup> JUNE, 2007

(Rs. in crores)

PARTICULARS	FOR THE QUARTER ENDED 30.06.2007	FOR THE QUARTER ENDED 30.06.2006	FOR THE YEAR ENDED 31.03.2007
	(Unaudited)	(Unaudited)	(Audited)
1. Interest earned (a)+(b)+(c)+(d)	1,536.97	953.92	4,560.40
(a) Interest/discount on advances/bills	1,012.41	550.34	2,702.85
(b) Income on Investments	491.92	375.54	1,731.47
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	19.36	16.44	77.30
(d) Others	13.28	11.60	48.78
2. Other Income	342.32	200.48	911.36
A. TOTAL INCOME (1+2)	1,879.29	1,154.40	5,471.76
3. Interest Expended	1,090.14	632.08	2,993.32
4. Operating expenses (e)+(f)	421.21	239.16	1,214.59
(e) Payments to and provisions for employees	147.90	79.69	381.35
(f) Other operating expenses	273.31	159.47	833.24
B. TOTAL EXPENDITURE (3)+(4) (Excluding Provisions and Contingencies)	1,511.35	871.24	4,207.91
C. OPERATING PROFIT (A-B) (Profit before Provisions and Contingencies)	367.94	283.16	1,263.85
D. Other Provisions and Contingencies (Net) - of which provisions for Non-performing assets	100.91 49.61	100.79 13.78	267.61 73.73
E. Provision for Taxes	92.05	61.82	337.21
F. Net Profit (C-D-E)	174.98	120.55	659.03
5. Paid-up equity share capital	282.65	280.13	281.63
6. Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)			3,111.60
7. Analytical Ratios			
(i) Percentage of Shares held by Government of India	NIL	NIL	NIL
(ii) Capital Adequacy Ratio	11.50%	10.28%	11.57%
(iii) Earnings per Share for the period / year			
- Basic	6.20	4.31	23.50
- Diluted	6.00	4.22	22.79
(iv) (a) Amount of Gross Non-performing assets	483.13	404.38	418.67
(b) Amount of Net Non-performing assets	281.21	232.79	266.33
(c) % of Gross NPAs	1.01	1.25	0.95
(d) % of Net NPAs	0.59	0.73	0.61
(e) Return on Assets (annualized)	0.94	0.93	1.10
8. Aggregate public shareholding			
- Number of shares	151,152,504	143,792,939	148,241,566
- Percentage of shareholding	53.48%	51.33%	52.64%

### Notes :

- The results above have been taken on record by the Board of Directors of the Bank at its meeting held at Mumbai today.
- 'Other income' includes gains from securities' transactions (net of premium amortised on HTM securities), commission earned from guarantees/letters of credit, fees earned from providing services to customers, selling of third party products and ATM sharing fees.
- Pursuant to the approval of the shareholders at the Extra-Ordinary General Meeting on 25<sup>th</sup> June 2007, the Bank has increased its authorized share capital from Rs. 300 crores to Rs. 500 crores.
- Disclosure about investor complaints:

Complaints at the beginning of the quarter	Received during the quarter	Disposed off during the quarter	Unresolved as on 30.06.2007
-	98	98	-

5. These results for the quarter ended 30<sup>th</sup> June 2007, have been subjected to a "Limited Review" by the Statutory Auditors of the Bank.
6. Previous period figures have been regrouped and reclassified, where necessary, to make them comparable with current quarter figures.

Place : Mumbai  
Date : 12.07.2007

[www.utibank.com](http://www.utibank.com)

**P.J. NAYAK**  
**CHAIRMAN & MANAGING DIRECTOR**

<b>UTI BANK</b>				
<b>Segmental Results</b>				
				(Rs in crores)
		<b>For the quarter ended 30-6-2007</b>	<b>For the quarter ended 30-6-2006</b>	<b>For the year ended 31-3-2007</b>
<b>1</b>	<b>Segment Revenue</b>			
a	Treasury	2,943.18	1,833.13	8,780.50
b	Corporate/Wholesale Banking	1,109.94	1,074.31	5,308.26
c	Retail Banking	797.89		
d	Other Banking Business	0.16		
	<b>Total</b>	<b>4,851.17</b>	<b>2,907.44</b>	<b>14,088.76</b>
	Less Inter segment revenue	2,971.88	1,753.04	8,617.00
	<b>Income from Operations</b>	<b>1,879.29</b>	<b>1,154.40</b>	<b>5,471.76</b>
<b>2</b>	<b>Segment Results After Provisions &amp; Before Tax</b>			
a	Treasury	(20.90)	9.46	226.46
b	Corporate/Wholesale Banking	271.10	172.91	769.78
c	Retail Banking	16.67		
d	Other Banking Business	0.16		
	<b>Total Profit Before Tax</b>	<b>267.03</b>	<b>182.37</b>	<b>996.24</b>
<b>3</b>	<b>Capital Employed</b>			
a	Treasury	(5,804.88)	1,493.27	(2,734.81)
b	Corporate/Wholesale Banking	15,581.83	1,504.58	6,128.04
c	Retail Banking	(7,153.95)		
d	Other Banking Business	966.45		
	<b>Total</b>	<b>3,589.45</b>	<b>2,997.85</b>	<b>3,393.23</b>
<b>Notes:</b>				
1. Effective 1st April 2007, the Bank has adopted RBI's revised guidelines issued in April 2007 on segment reporting in terms of which the reportable segments have been changed to Treasury, Corporate / Wholesale Banking, Retail Banking and Other Banking Business.				
2. Segmental disclosures relating to the corresponding previous-year period and for the year ended 31st March, 2007, have been disclosed based on reportable segments then in force and are hence not comparable with the figures for the current quarter.				