



Presentation 03-12

Financial Results
31st Dec., 2011



ON THE GROWTH PATH

GROWTH OF UNION BANK AND SCBs (QoQ) (DEC 2011)

Domestic Aggregate Deposits (Rs. in crore)						
	23 Sept., 2011	30 Dec.,2011*	Gr	owth		
			Amt.	% age		
SCBs	5530267	5827909	297642	5.38		
Union Bank	179636	193592	13956	7.77		
Market Share (%)	3.25	3.32	7 bps			
		Credit				
SCBs	4093155	4365645	272490	6.66		
Union Bank	126736	140827	140 <mark>91</mark>	11.12		
Market Share (%)	3.10	3.23	13	3 bps		

^{*}based on RBI fortnightly data on SCBs



ON THE GROWTH PATH (Sequential QoQ i.e from Sept to Dec'11)

Net Interest Income has increased from `1661 crore to `1781 crore, an increase of 7.22%

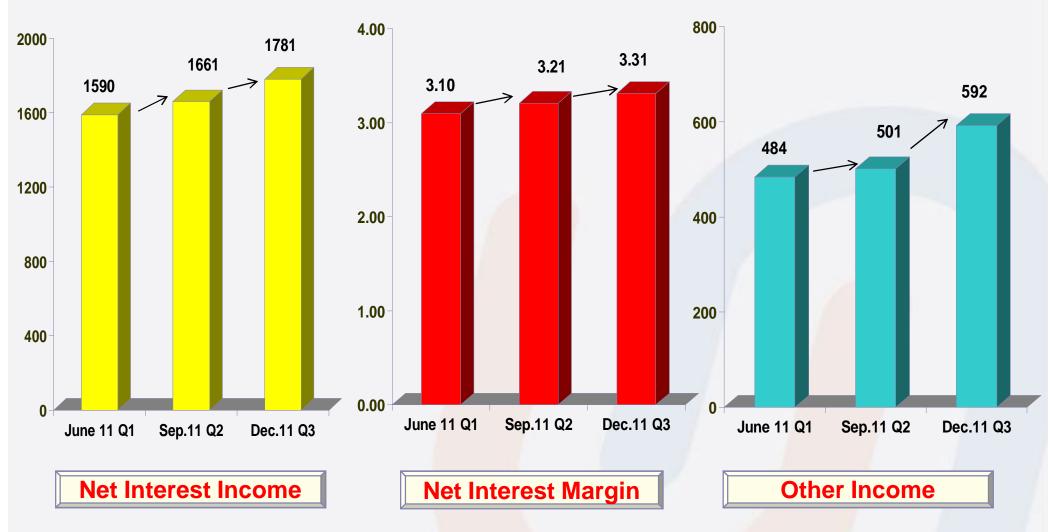
Net Interest Margin has improved from 3.21% to 3.31%.

Non Interest Income has increased from `.501 crore to `.592 crore, an increase of 18.16%

CASA Deposits as a % of total deposits has improved by 45 bps from 32.09% to 32.54%

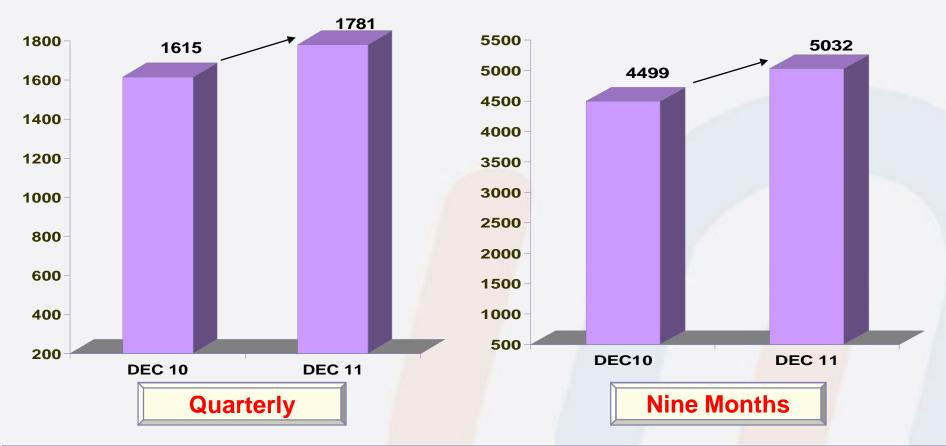


Improving Performance QoQ (Sequentially)





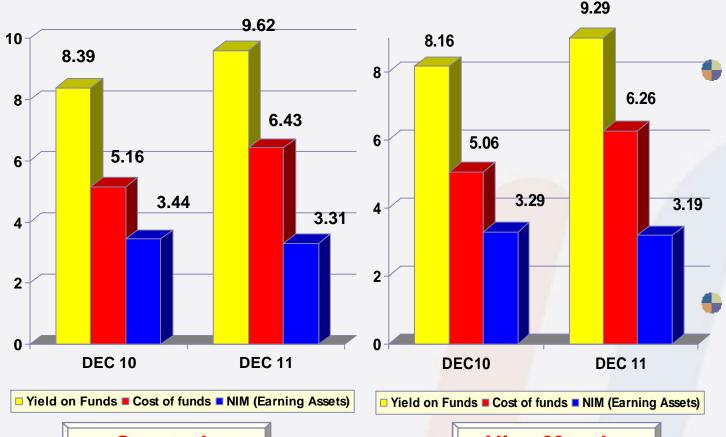
Net Interest Income(NII) (Qty / Nine Monthly)



	DEC 08	DEC 09	DEC 10	DEC 11	CAGR %
Net Interest Income	2887	2796	4499	5032	20.35



Net Interest Margin (Qty / Nine Monthly)



Net Interest
 Margin (on Earning Assets)
 is 3.31% for the quarter.

NIM For Nine Months is at 3.19%.

Quarterly

Nine Months

Sequential	Jun <mark>11</mark>	Sep 11	Dec.11
	(Q1)	(Q2)	(Q3)
NIM (Earning Assets)	3.10	3.21	3.31



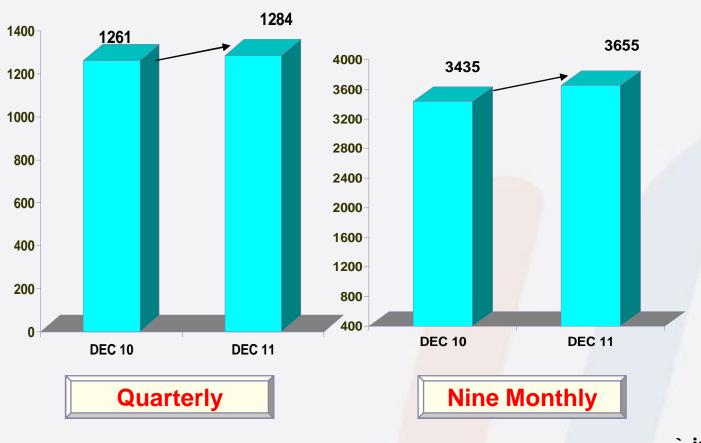
Non-Interest Income- (Qty / Nine Months)

(`in crore)

	DEC 10	DEC 11	Growth	DEC 10	DEC 11	Growth
	(Q3)	(Q3)	%	(9M)	(9M)	%
Core Non Interest Income	278	323	16.19	806	873	8.31
Treasury Income	185	179	-3.24	518	513	-0.97
W/w Profit on Sale of Investments	108	101	-6.48	352	314	-10.80
Exchange on Foreign Currencies	77	78	1.30	166	199	19.88
Recovery in Written off Accounts	31	90	190.32	114	191	67.54
Total	494	592	19.84	1438	1577	9.67



Operating Profits (Quarterly/ Nine Monthly)



- Operating Profit for the quarter is at 1284 crore as against 1261 crore during the corresponding quarter of last year.
- On Nine Monthly basis Operating Profits increased from 3435 Crore to 3655 crore.

in crs

Sequential	Jun 11	Sep 11	Dec11
	(Q1)	(Q2)	(Q3)
Operating Profits	1166	1205	1284



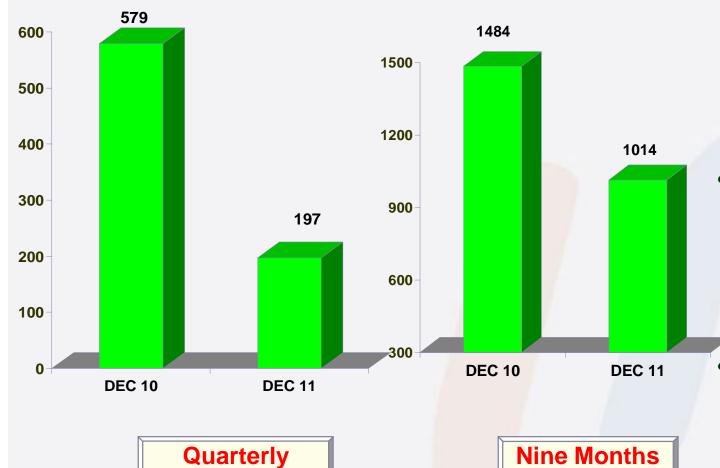
Provisions (Quarterly / Nine Monthly)

(`in crore)

	DEC 10	DEC 11	DEC 10	DEC 11
	(Q3)	(Q3)	(9M)	(9M)
Taxation	282	114	755	617
NPA	361	425	1090	1285
Standard Assets	35	100	57	91
Depreciation on Investment	6	73	-7	163
Others	-3	375	56	485
Total	681	1087	1951	2641

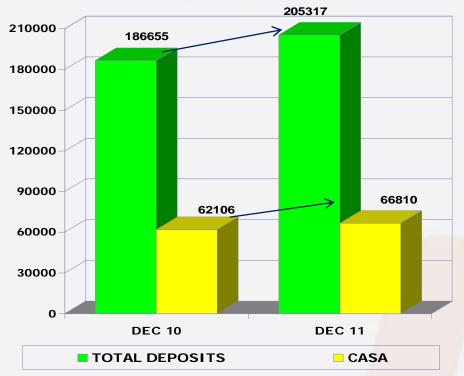


Net Profits (Quarterly / Nine Monthly)



- The Net Profit for Q3-12 is at `.197 crore as against `. 579 crore during the corresponding quarter of last year.
- The Net Profit for Nine Months is at `1014 crore as against `. 1484 crore during the corresponding period of last year.
 - Net profit is affected due to higher provisions for Restructured Accounts and Depreciation on Investments amounting to 442 Crore in Q3.





Deposits

- Total Deposits grew at 10.00% YoY.
- Certificate of Deposits from 9890 crore in Mar'11 to 4201 crore in Dec'11 which enabled the bank to contain costs.

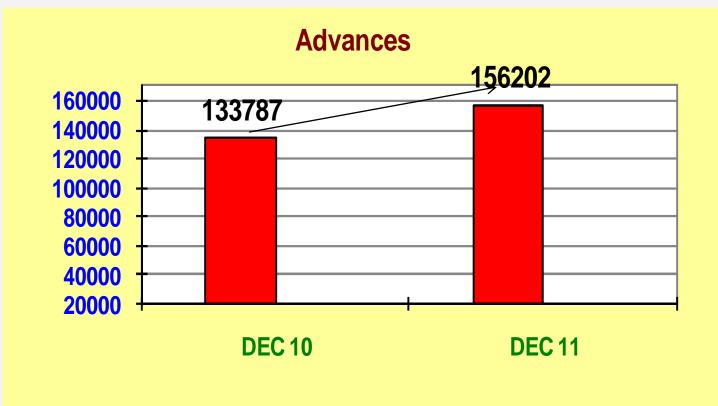
(`in Crore)

Deposits	June 11	September 11	December 11
CASA	62768	62754	66810
CASA % to Total Deposits	31.51	32.09	32.54

Number of CASA Accounts Opened in Nine Months= 2.13 million.



Advances

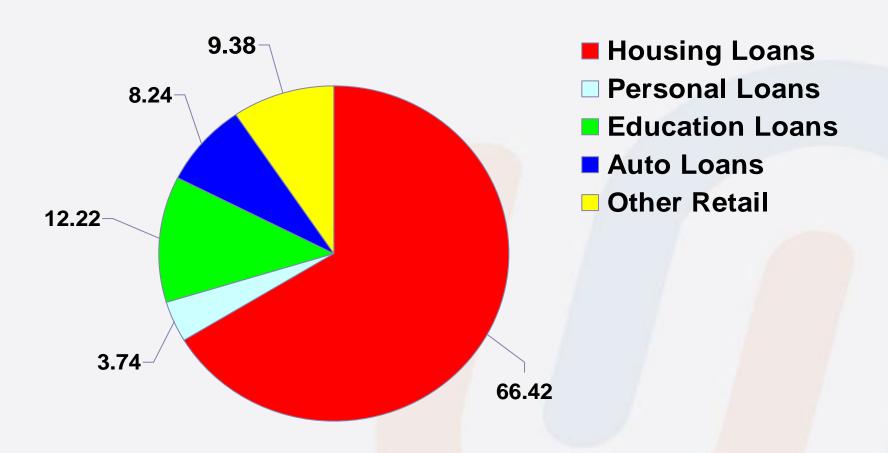


Bank registered a YoY growth of 16.75% in Advances.



COMPOSITION OF RETAIL ASSETS

Product-wise composition of Retail assets Portfolio DEC 11





TOP SECTOR EXPOSURES

Across Large & Mid Corporates, SME and Corporate Agri Business

Rank	Sectors	Exposures (As on 31 st Decemb	
		Amount (`. in Crore)	%
1	Infrastructure	23740	15.20
2	Retail Advances	15005	9.61
3	Agriculture	14856	9.51
4	NBFCs and HFCs	12266	7.85
5	Trade	8225	5.27
6	Iron & Steel	6577	4.21
7	Textile	3896	2.49
8	Construction	2861	1.83
9	Petroleum	2586	1.66
10	Commercial Real Estate	2570	1.65
11	Chemical & Chemical Products	2520	1.61
12	Other Food Processing	2289	1.47
13	Gems & Jwellery	2177	1.39
14	Basic Metal Product	2090	1.34



Assets Restructured

`in Crs∎

	Upto Sept	. 2011	During De	c 2011	Tot	al
	Accounts	Amt.	Accounts	Amt.	Accounts	Amt.
Assets Restructured	120379	6601	133	2042	120512	8643
				4		
	Upto Sept	. 2011	During De	ec 2011	Tot	al
	Accounts	Amt.	Accounts	Amt.	Accounts	Amt.
Amount Recovered	112076	1930	14471	228	126547	2158
W/w						
Adjusted / Closed	36050	1014	2194	48	38244	1062





Investments

- Investments has increased from `59030 cr to `66355 cr. i.e. increase of 12.41%.
- Yield on Investments has shown improvement from 6.50% to 6.86%
- Out of Total AFS portfolio of ` 15211 cr., portfolio of ` 7170 cr (47.14%) is interest sensitive.

	Dec 10	%	Duration	Dec 11	%	Duration
	(`in crs)			(`in crs)		
Held to Maturity	43716	74.05	5.32	51065	76.96	4.71
Held for Trading	188	0.32	4.99	79	0.12	6.41
Available for Sale	15126	25.63	2.02	15211	22.92	1.60
Total	59030	100.00	4.45	66355	100.00	4.06



NPA Management

(`.in crore)

	DEC 10	DEC 11
Gross NPAs – Opening on 1 st April	2671	3623
Add : Additions	2518	3153
Less : Deductions	1608	1567
1. Due to Write Off	866	827
2. Due to upgradation / Recovery	742	740
Gross NPAs	3581	5209
Gross Credit	133787	156202
Gross NPA as a % age of GBC	2.68	3.33
Net NPA	1597	2879
Net Advances	131606	153251
Net NPA as a % age of Net Advances	1.21	1.88
Loan Loss Coverage Ratio	70.20	63.14



Cost of Credit

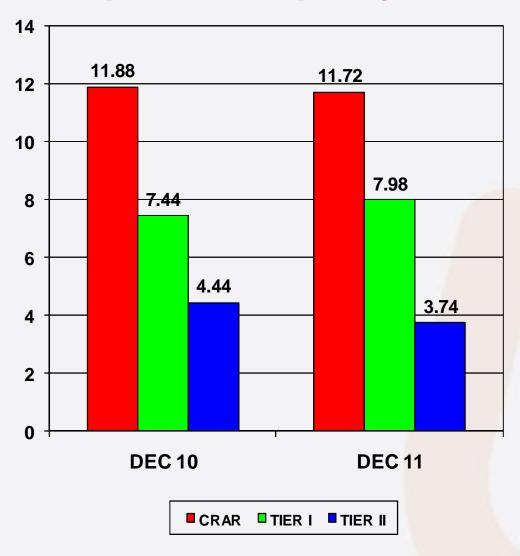
(`in Crs)

Particulars	DEC 10 (9 M)	DEC 11 (9 M)
Gross Advances	133787	156202
Average Advances (Opening + Closing / 2)	127518	154612
NPA Provision	1090	1285
Credit Cost %	1.14	1.11

Note: Credit Cost % Annualised.



Capital Adequacy Ratio (Basel II)

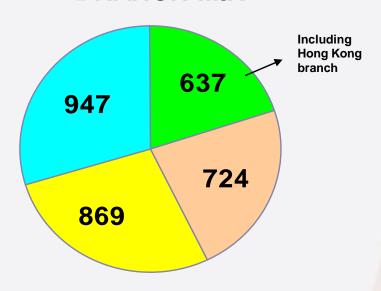


- □ Capital Adequacy Ratio is at 11.72 % as on Dec. 2011 against 11.88% as on Dec. 2010 due to increase in volume of business.
- ☐ Tier-I capital funds have increased from `.9877 crore in Dec, 2010 to `.12171 in Dec.11 due to Equity Capital of `. 682 crore received from Government.
- ☐ Tier-I CAR is at 7.98% as on Dec. 11 as against 7.44% as on Dec'10



DISTRIBUTION CHANNELS

BRANCH MIX



South	North	West	East
743	1310	449	674

ATMs opened during the Year - 509 Branches opened during the year -184

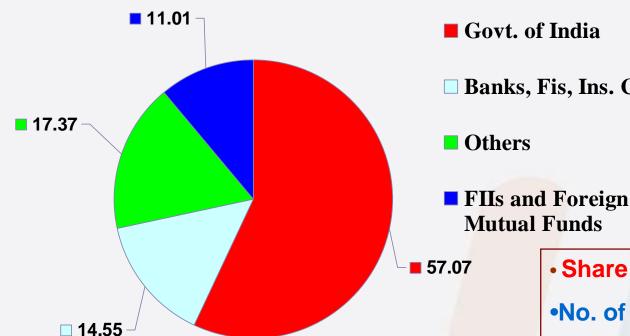
SERVICE OUTLETS

	DEC 08	DEC 09	DEC 10	DEC 11
Branches	2477	2768	2993	3177
Ext. Counters Service branches	117 35	66 43	49 46	42 45
Total	2629	2877	3088	3264
ATMs	1573	2249	2516	3025

Transactions through Electronic mode have increased from 50.49% as of March 11 to 55.72% as of Dec. 2011.



Shareholding Pattern (31st DEC., 2011)



■ Banks, Fis, Ins. Cos.

Share Capital

`635 crore

No. of Equity Shares

524.33 million

Net worth

12185 crore

• B. V. per share

` 233.38

•Return on Equity:

11.10%

•Market Cap (31.12.2011): . 8890 cr



Major highlights of last quarter

Inion Bank Customer service excellence program - Multiple initiatives

1 Branches

Alternate

Description

- Established a new UnionXperience branch model by recalibrating traffic flows, branch format, choreography and roles
- Launched 52 branches under the new model
 - Average CASA accounts opened (per day per branch) has increased to 2.5x of the baseline
 - Quality of CASA accounts acquired has appreciably enhanced
- Improved operations at the call centre to provide an effective alternate touch point to our customers
 - Augmented call centre capacity by ~50%
 - Achieved significant reduction in customer abandon rates
- Streamlined ATM management processes to increase uptime and developed integrated 24*7 'Service Lobby' model as ATM of future

Customer Care Unit

- Established the customer care unit to resolve customer complaints and systematically eliminate the root causes of complaints across channels
 - Transitioned ownership of all online grievances and top 5 complaints from call centre completely to CCU
 - Operating at resolution of ~200 cases per day

Union Bank of India

HR Transformation

The Bank has identified HR Transformation as one of the key pillars of Nav Nirman Phase II. This initiative aims to align HR Strategy with the Business Strategy by benchmarking and adopting industry best practices in order to suit Bank's requirement

The following are the Key Resultants of the HR Transformation Exercise:-

- □ Streamlined various Policies ,Processes & Systems
- Implemented a Transparent & Objective PMS and Competency
 Model/Mapping
- Building Leadership Pipeline
- Developing a Stronger Employer Brand



Guidance 2011-12



Guidance 2011-12

The Bank aims for Advances growth of 16-18% for 2011-12. Deposits growth will be calibrated accordingly.

NIM is expected to be at 3.20% by March 2012.

Gross NPAs to show declining trend.

Union Bank of India Disclaimer

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