





# Financial Results Q1 - 2012

# Analyst Presentation

22<sup>nd</sup> July, 2011



#### **Performance Highlights (YoY)**

Global Business up from ₹. 296227 cr. to ₹. 344745 cr. an increase of 16.38%

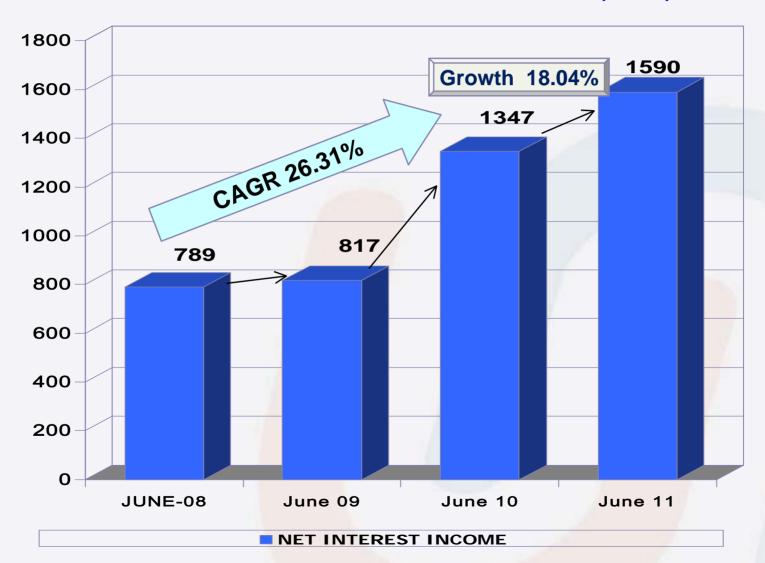
Net Interest Income increased from ₹. 1347 cr. to ₹. 1590 cr. a growth of 18.04 %

Operating Profit has improved from ₹. 1044 cr. to ₹. 1166 cr. an increase of 11.79%

**Net Interest Margin on Earning Assets has improved from 3.03% to 3.10%** 

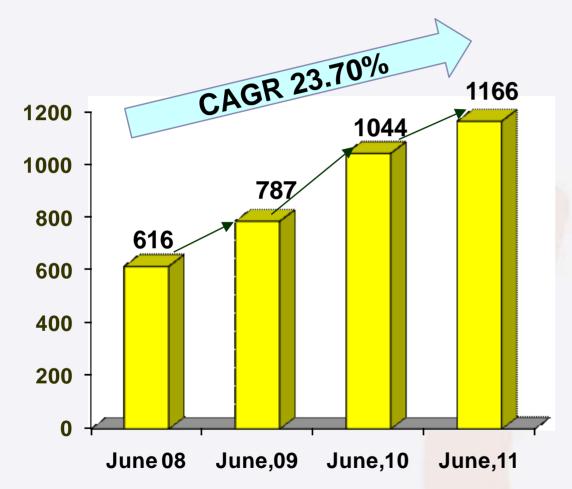


### NET INTEREST INCOME (Q1)





# **Operating Profits (Q1)**



**Operating Profits for** the quarter ended Jun'11 improved by 11.79% to 1166 crs from 1044 crs in the previous year. **Operating** profits grew at CAGR 23.70% over the past 3 years.



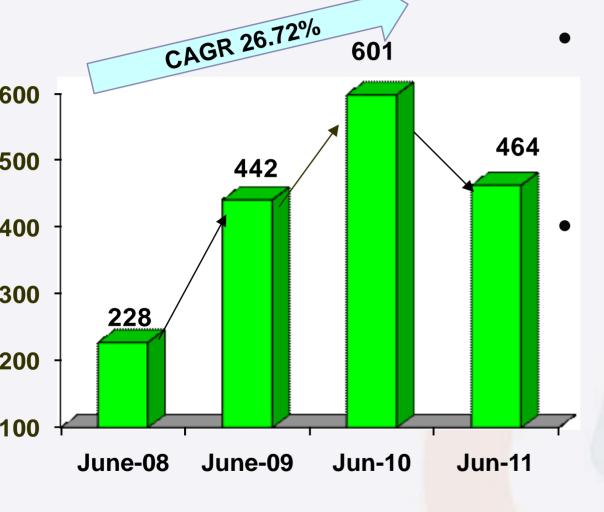
#### **PROVISIONS**

(₹.in crore)

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		June'10	June'11
		(Q1)	(Q1)
Taxation		245	273
NPAs		100	365
Standard Assets	7	9	-12
Depreciation on Investme	ent	21	8
Shifting Loss		83	62
Others (Frauds / Suspense Etc.)		-11	1
Restructured Advances		-05	5
	Total	442	<b>702</b> 5



# **Net Profits (Q1)**



Net Profit for Q1-11 has declined by 22.80% on YoY basis from ₹ 601 crore to ₹. 464 crore.

Net profit declined mainly due to increase of ₹ 214 crs in provisions on NPAs due to revised norms of RBI (₹ 185 cr) and Restructured Accounts (₹ 29 crs)



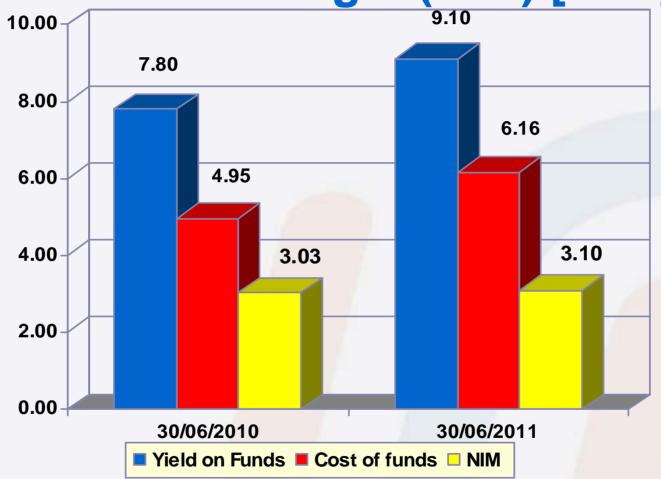
# Non-Interest Income- Q1 Comparison,

(₹in crore)

	Jun'10	Jun'11	% Growth
Core Fee based Income	200	210	5.00
Treasury Income	155	173	11.61
W/w Profit on Sale of Investment	113	113	0
Exchange on Foreign Currencies	42	60	42.86
Income from Forex Tran.	42	42	0
Recovery in Written-Off accounts	38	59	55.26
TOTAL	435	484	11.26

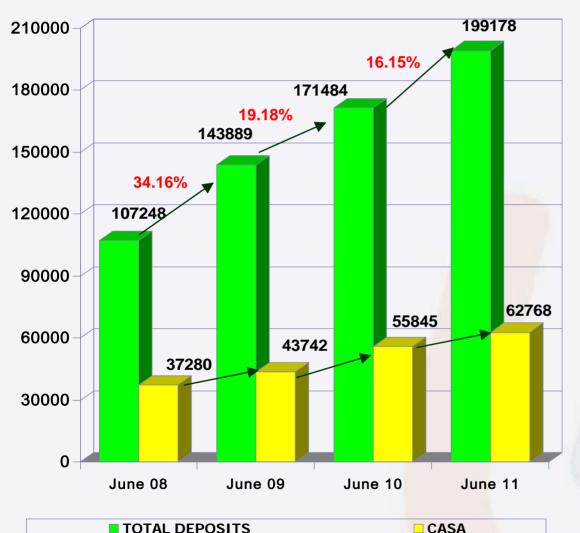


**Net Interest Margin (NIM) [YoY]** 



Net Interest Margin on Earning Assets has increased from 3.03% to 3.10% due to improvement in Net Interest Income.

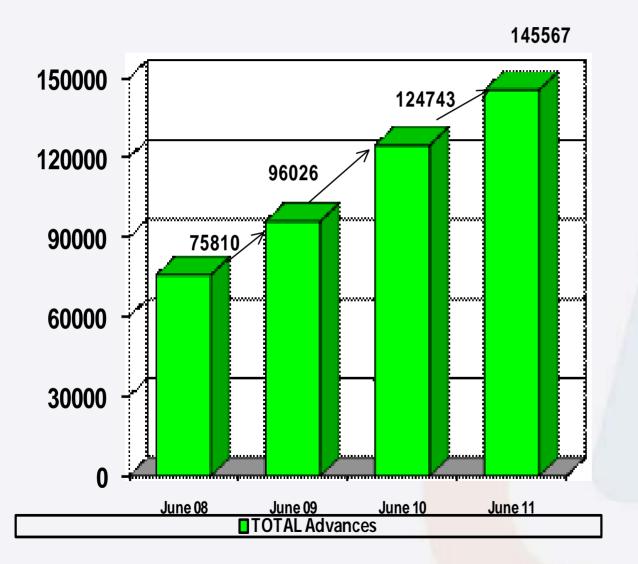




#### **Deposits**

- □ Total Deposits increased from ₹.171484 cr. to ₹.199178 cr. a growth of 16.15%
- CASA deposits grew
  by 12.40% YoY
  CASA deposits
  account for 31.51%
  of total deposits.





#### **Advances**

- Global advances of the Bank registered YoY growth of 16.69% from ₹ 124743 cr. to ₹ 145567 crs.
- Yield on advances has improved to 10.86% from 9.37% in the previous year.



#### **SECTOR-WISE ADVANCES**

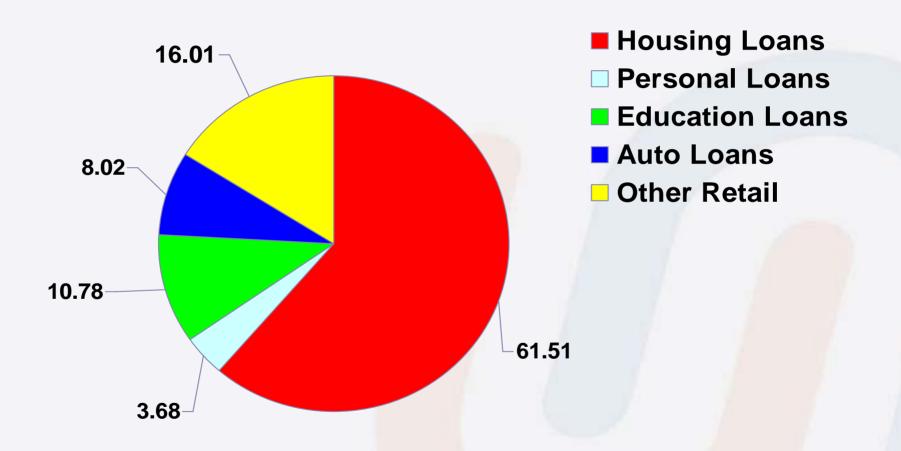
**Across Large & Mid Corporates, SME and Corporate Agri Business** 

Rank	Sectors	Outstanding (As on 30 <sup>TH</sup> JUNE 2011)		
		%	Amount (₹. in Crore)	
1	Infrastructure	14.00	20375	
2	Retail Advances	10.52	15319	
3	Trade	5.60	8148	
4	NBFC	5.03	7325	
5	HFCs	3.64	5276	
6	Chemical and chemical products	1.96	2857	
7	Commercial Real Estate	1.61	2344	
8	Textiles	1.24	1806	
9	Gems & Jewellery	1.23	1787	
10	Petroleum	1.21	1764	



#### **COMPOSITION OF RETAIL ASSETS**

**Product-wise composition of Retail assets Portfolio JUNE 11** 



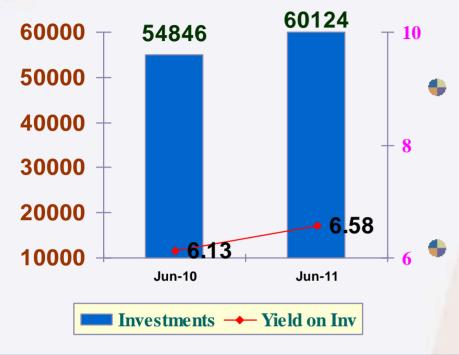


### **Assets Restructured**

₹ in Crs.

	Upto Mar	ch 2011	During Ju	ne 2011	Total	
	_	Amt.		Amt.	Accounts	Amt.
Assets Restructured	120114	5616.18	90	228.60	120204	5844.78
	Upto Mar	ch 2011	During Ju	ne 2011	Total	
	_	Amt.		Amt.	Accounts	Amt.
Adjusted / Closed	31530	788.64	2336	143.78	33866	932.42
	Upto Mar	ch 2011	During Ju	ne 2011	Total	
		Amt.		Amt.	Accounts	Amt.
Amount Recovered	74873	1194.25	19638	226.22	94511	1420.47





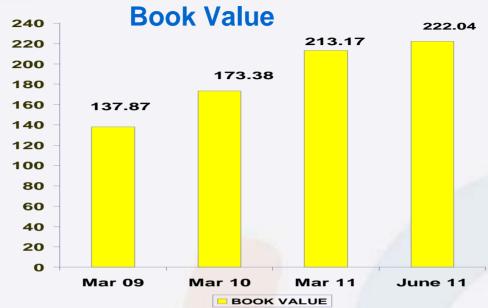
#### **Investments**

• Investments have shown a growth of 9.62% and Yield on Investments have increased by 45 bps from 6.13% to 6.58%.

Out of Total AFS portfolio of ₹. 10264 Cr. ₹. 4357 Cr (42.44 %) is interest sensitive.

	<b>JUN 09</b>	%	Duration	June,10	%	Duration	JUN 11	%	Duration
Held to Maturity	36169	69.16	5.53	40980	74.71	5.53	49348	82.06	4.97
Held for Trading	13	0.02	4.00	355	0.65	5.27	512	0.85	1.39
Available for Sale	16120	30.82	2.70	13511	24.64	1.79	10264	17.09	1.59
Total	52302	100.00	4.86	54846	100.00	4.60	60124	100.00	4.37











#### RATIOS WITHOUT EXCEPTIONAL ITEMS

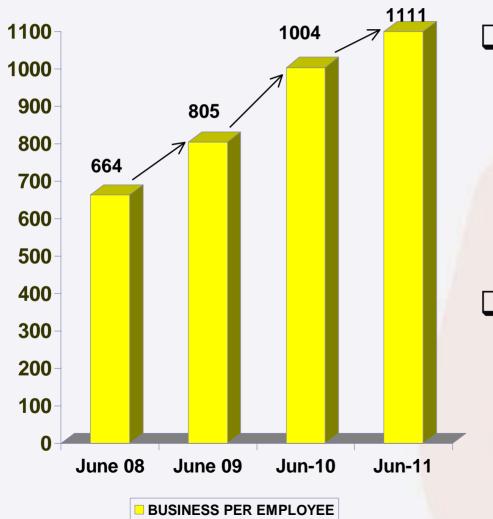
₹ in Crs

RATIO	ACTUAL (June,2011)	WITHOUT EXCEPTIONAL ITEM (June,2011)	Actual (June,2010)
Net Profit (Growth % YoY)	464 (-22.80%)	678 (12.81%)	601
EPS	35.43	51.77	47.63
Return on Equity	15.96	22.87	25.71
Return on Average Assets	0.86	1.26	1.27

Exceptional items include increase in provision of Rs 214 crs due to revised norms of RBI for provisions on NPAs (₹ 185 crs) and Restructured Assets (₹ 29 crs).



#### **IMPROVED EFFICIENCY**



- □ Productivity measured by Business per employee increased from ₹. 1004 lacs to ₹. 1111 lacs.
- □ Gross Profit per employee has increased from ₹. 15.13 lacs to ₹.16.00 lacs.

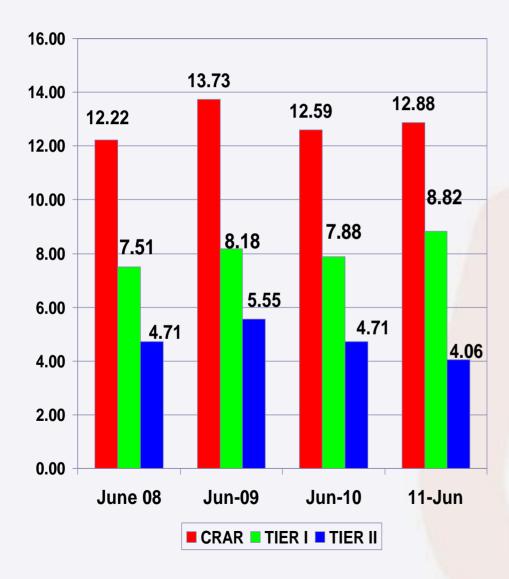


(₹.in crore)

	June 10	Mar 11	June 11
Gross NPAs – Opening	2671	2671	3623
Add : Additions	623	2924	766
Less : Deductions	558	1972	644
1. Due to Write Off	261	1126	340
2. Due to upgradation/ Recoveries	297	846	304
Gross NPAs	2736	3623	3745
Gross Credit	124743	153022	145567
Gross NPA as a % age of GBC	2.19	2.37	2.57
Net NPA	1150	1803	1893
Net Advances	122933	1 <mark>50986</mark>	143494
Net NPA as a % age of Net Advances	0.94	1.19	1.32
Coverage %	71.12	67.58	68.22



## Capital Adequacy

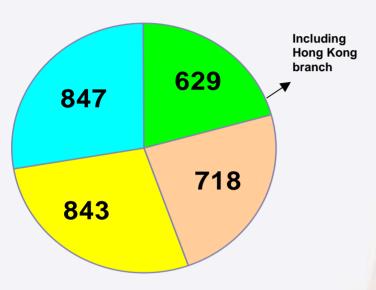


- As per Basel II Capital Adequacy Ratio is at 12.88% as of 30<sup>th</sup> June, 2011 as against 12.59% as of June 2010.
- Tier-I Core Capital Ratio is at 8.82% as of June 2011
- The Bank has received an amount of ₹ 111 crs from Govt. in July'10 to shore up its Tier-I capital above 8%.
- Government has also infused the capital funds of ₹. 682 crore during March,2011.



#### **DISTRIBUTION CHANNELS**

#### **BRANCH MIX**



#### **SERVICE OUTLETS**

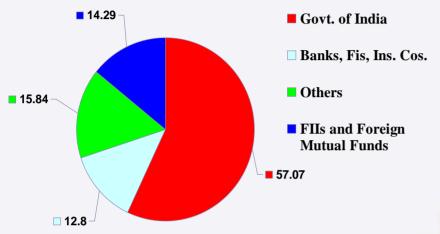
	Jun'08	Jun'09	Jun'10	Jun'11
Branches	2373	2638	2831	3038
<b>Ext. Counters</b>	118	110	56	44
Service branches	35	43	46	45
Total	2526	2791	2933	3127
ATMs	831	1273	1995	2673

MetroUrbanSemi-UrbanRural

South	North	West	East
717	1227	659	434



# Shareholding Pattern (30th June, 2011)



Share Capital ₹635 crore

•No. of Shares 524.33 million

• Net worth ₹ 11642 crore

• B. V. per share ₹ 222.04

•Return on Equity: 15.96

•Market Cap (30.06.2011) : ₹ 15748 crs

	JUNE 08	JUNE 09	JUNE 10	JUNE 11
GOVT.	55.43 <mark>%</mark>	55.43%	55.43%	57.07%
FIIs & FMFs	18.6 <mark>9%</mark>	17.33%	18.4 <mark>5%</mark>	14.29%
BANKS, INST./ MUTUAL FUNDS	11.35%	13.10%	12.22%	12.80%
OTHERS	14.53%	14.14%	13.90%	15.84%



Major highlights of last quarter



#### Awards /

for their project "Customer Empowerment using ACI solution BASE 24" in the Payment Transformation catagory.

ACI Worldwide is a US based company offering various Payment System Solutions. Their ATM switch software BASE24 is used by over 800 Banks and Financial institutions across the Globe. 19 out of the Top 20 global banks and 9 out of the 10 top banks in India use BASE24 solutions for ATM switch. ACI Worldwide started ACI Excellence Award in 2010 in recognition of Banks and financial institutions doing most innovative use of their payment system solutions.

Shri Lalit Sinha, General Manager (Alternate Channels), Union Bank of India received the award from Shri Paul Savage, Head America Operation-ACI at San Diego CA, USA on 16th June, 2011.



# Union Bank of India

### Financial Inclusion Initiatives

Kashi Gomti Samyut Gramin Bank (KGSG Bank) sponsored by Union Bank of India launched its first ATM today at Varanasi on 23<sup>rd</sup> May, 2011. The ATM was inaugurated by Shri M V Nair, Chairman and Managing Director in the presence of senior officials of KGSG Bank, Union Bank, NPCI and valued customers of the KGSG Bank. The event was also marked by the release of country's first RuPay ATM card by Shri S K Gupta from NPCI.





The Bank was awarded Prizes under Reserve Bank Rajbhasha Shield Competition 2009-10, introduced by RBI for promotional use of Hindi in Public Sector Banks/Financial Institutions at a function held in RBI on 1st June, 2011.

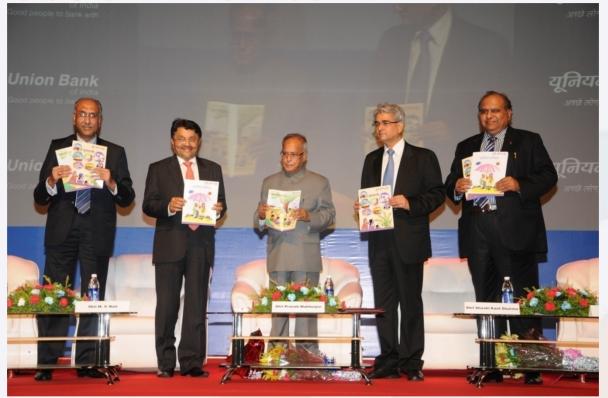
The Bank also bagged First Prize for linguistic region 'B', and Consolation Prize for linguistic regions 'A' and 'C'. These awards were given by Dr. D. Subbarao, Governor, Reserve Bank of India and received by Shri. S.C. Kalia, Executive Director of the Bank.

#### **Awards / Accolades**



# Union Bank of India:

Financial Inclusion Initiatives



The bank on 23<sup>rd</sup> May, 2011 announced the launch of *unioninclusions*, an initiative to deepen the financial inclusion. This was announced in Mumbai by Shri Pranab Mukherjee, Hon'ble Union Finance Minister, in the presence of Shri Shashi Kant Sharma, Secretary, Department of Financial Services and Bank's Chairman & Managing Director, Shri M.V. Nair. The Executive Directors of the Bank, Shri S C Kalia and Shri S S Mundra were also present on the occasion. *unioninclusions* is an initiative by Union Bank of India as part of the nationwide *Swabhimaan* programme.







#### **Guidance 2011-12**

The Bank aims for a deposits growth of approx. 17% and advances growth of 19% for 2011-12.

Return on Average Assets to be 1.25% by March 2012

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

Gross NPAs of the Bank are expected to be around 2% by March 2012.



Except for the historical information contained herein, statements in this presentation which contain words or phrases such as "is", "aims", 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion in business, the impact of any acquisitions, the adequacy of our allowance for credit losses, technological implementation and changes, the actual growth in demand for banking products and services, investment income, cash flow projections, our exposure to market risks as well as other risks. Union Bank undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date the reof.





### Thank You

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