

यूनियन बैंक
ऑफ इंडिया
अच्छे लोग, अच्छा बैंक



Union Bank
of India
Good people to bank with

Financial Results

Q1
FY 2015-16

July 28, 2015

DIGITAL HAI INDIA DIGITAL HAIN HUM

Keeping pace with
India's Digital Transformation.



Mobile Banking

Download the U-Mobile App and bank from anywhere, anytime

Online

Access your bank account from any desktop using only user name and password

UNION 24X7 COMFORT

State-of-the-art Lobby to do branch banking transactions



SMS Based Facility

Block ATM Debit Card, Balance Enquiry, nearest Branch/ATM and more...

IRCTC Union Bank Prepaid Card

Quick payment on IRCTC website with rewards points for every transaction



Call an executive home to open your account using a Tablet



M-PASSBOOK

View bank statement for a particular period through mobile



Missed Call Facility

Missed call from regd. mobile number to instantly receive SMS about A/c balance

Talking ATM

ATMs for visually impaired and other customers for cash/other transactions



Instant transfer of funds from branch/mobile/internet/ATM

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Union Bank of India

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भारतीय बैंकिंग कोड एवं मानक बोर्ड के सदस्य Member of Banking Codes & Standards Board of India

Customer Care Services:

Toll Free Nos: 1800 208 2244 & 1800 222 244 | 080-25300175 (Chargeable)

+918025302510 (For NRIs) | www.unionbankofindia.co.in

Your dreams are not yours alone

Business

- Global Business increased by 8.6% to ₹ 582817 crore
- Savings Deposits grew by 10.6%; Share of High cost deposits declined to 5.4%.

Opex

- Opex growth contracted on both annual and sequential (0.8% y/y and 11.7% q/q respectively);
- Non-employee expenses declined over Mar-15.

Profitability

- Net Profit for Q1/FY16 at ₹ 519 crore, up by 17.2% over Q4/FY15.

Efficiency

- Cost-to-Income ratio down by 46 bps to 48.92% (Q1/FY16) from 49.38% (Q4/FY15).
- RoA improved to 0.55% (Q1/FY16) from 0.47% (Q4/FY15)
- ROE improved to 11.02% (Q1/FY16) from 9.70% (Q4/FY15)

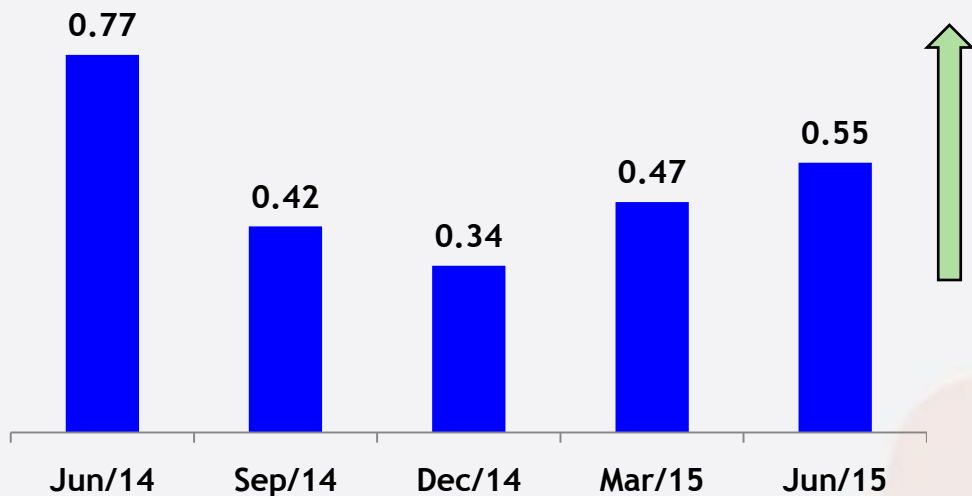
Asset Quality

- Gross NPA (%) and Net NPA (%) stood at 5.53% and 3.08% respectively
- Slippages declined for 3rd consecutive quarter

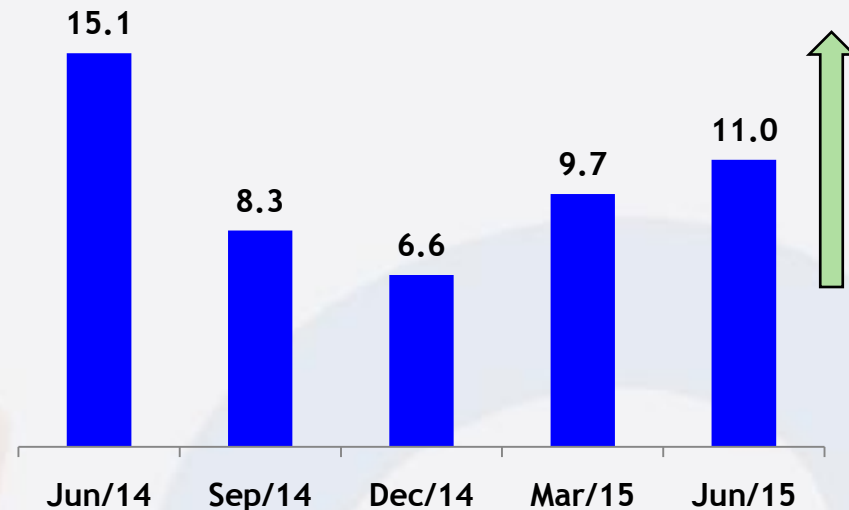
Capital

- Capital Adequacy Ratio at 10.14% (excluding Q1/FY16 profit) ; CET 1 at 7.20%

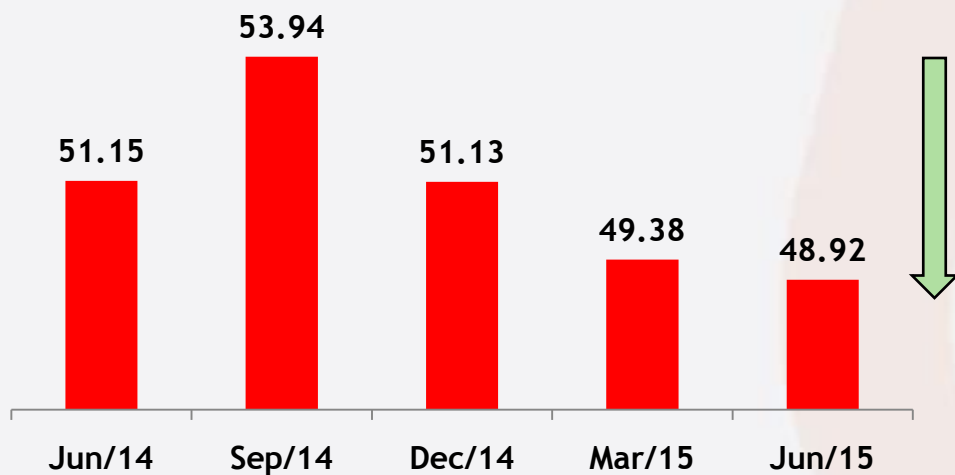
ROA (%)



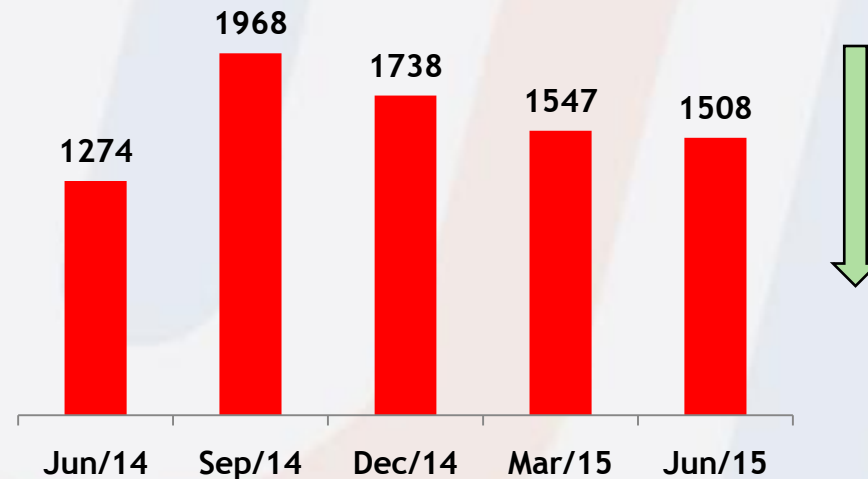
ROE (%; Annualized)



Cost to Income Ratio (%)



Slippages (₹ crore)



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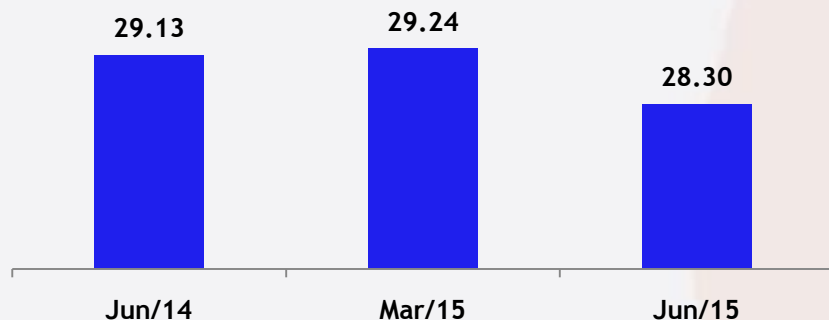
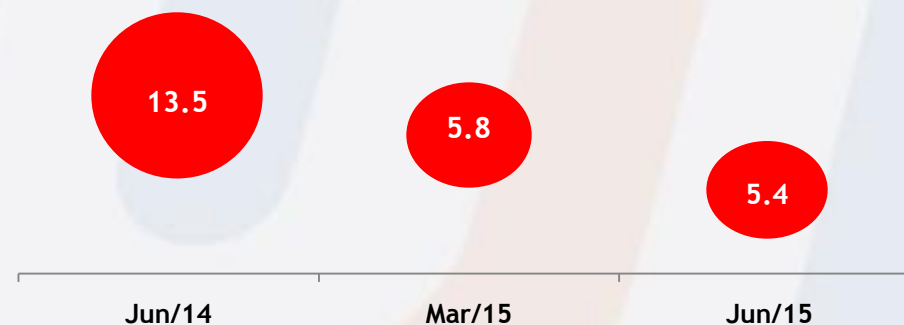


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Business Performance

Parameters (₹ crore)	Jun 2014	Mar 2015	Jun 2015	Growth (%)	
				Y-o-Y	Q-o-Q
Total Deposits	297420	316870	327264	10.0	3.3
Current Deposits	22205	21092	21358	-3.8	1.3
Savings Deposits	64432	71558	71254	10.6	-0.4
CASA	86637	92650	92612	6.9	0.0

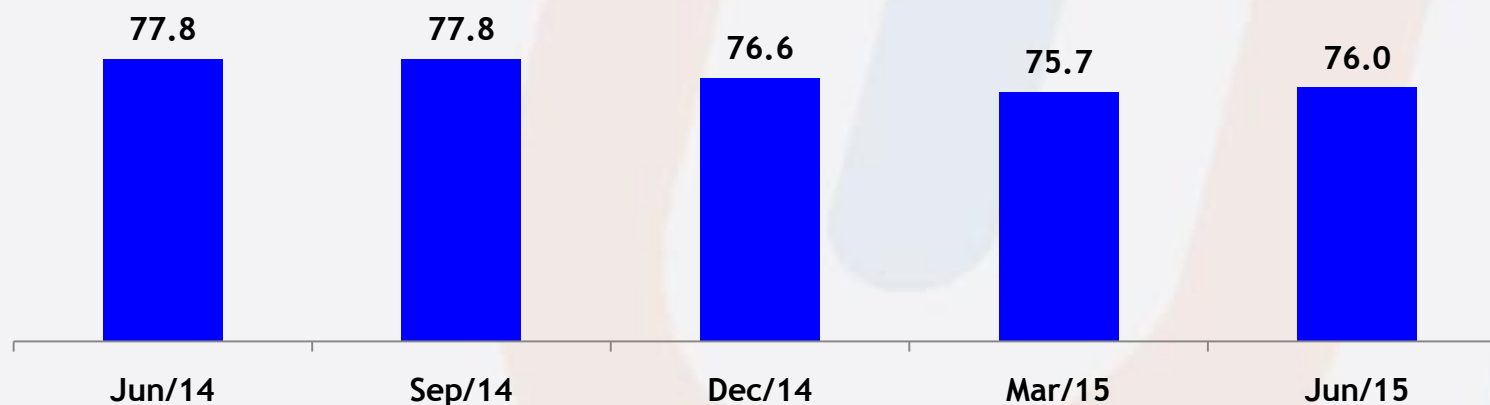
- The Bank activated 3.9 lakh Dormant accounts during Q1 of FY 2015-16. In addition, the Bank added 19.3 lakh CASA accounts during June Quarter.

CASA Share (%)

**Shedding High Cost Deposits
(% share in Total Deposits)**


Parameters (₹ crore)	Jun 2014	Mar 2015	Jun 2015	Growth (%)	
				Y-o-Y	Q-o-Q
Gross Advances	239404	262757	255553	6.7	-2.7
- Domestic	221867	241323	232072	4.6	-3.8
- Overseas	17537	21434	23481	33.9	9.6
Retail Advances	26772	31658	32712	22.2	3.3
Agriculture	26553	31574	36209	36.4	14.7
MSME	45581	54755	46372*	1.7	-15.3

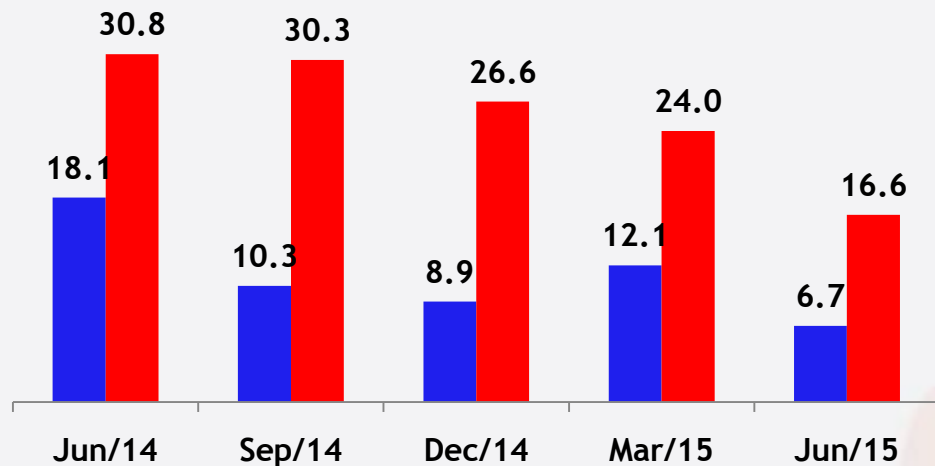
* Reclassification as per RBI guidelines

Advances RWA to Gross Advances (%)

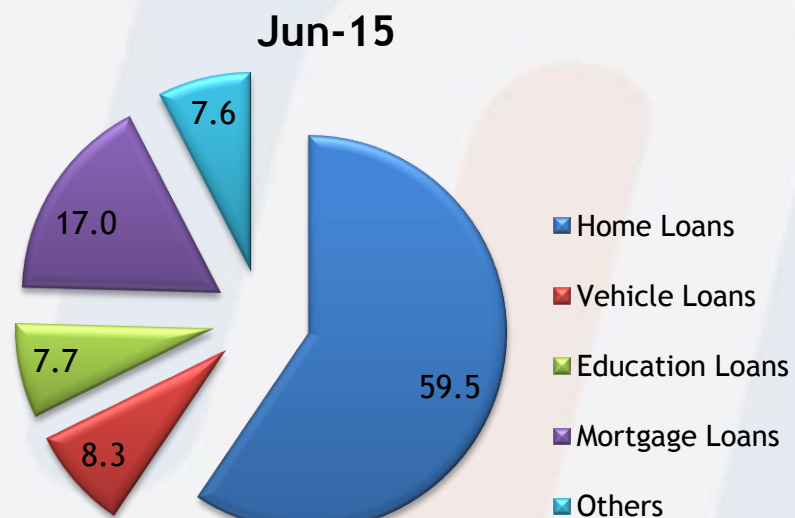
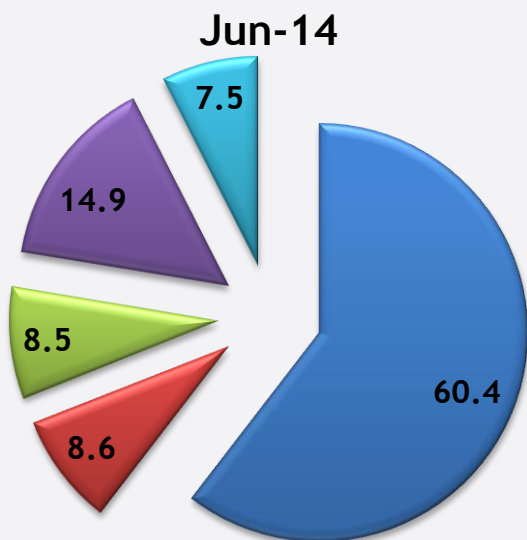
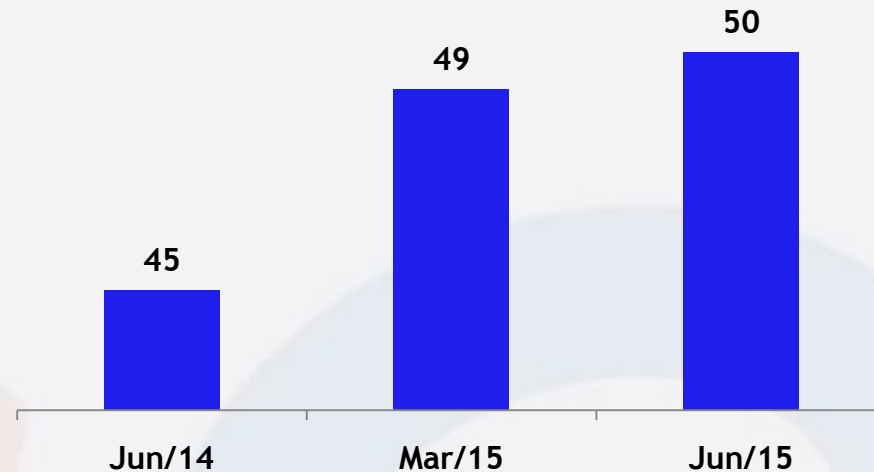


Annual Growth (%)

■ Advances ■ RAM Segment

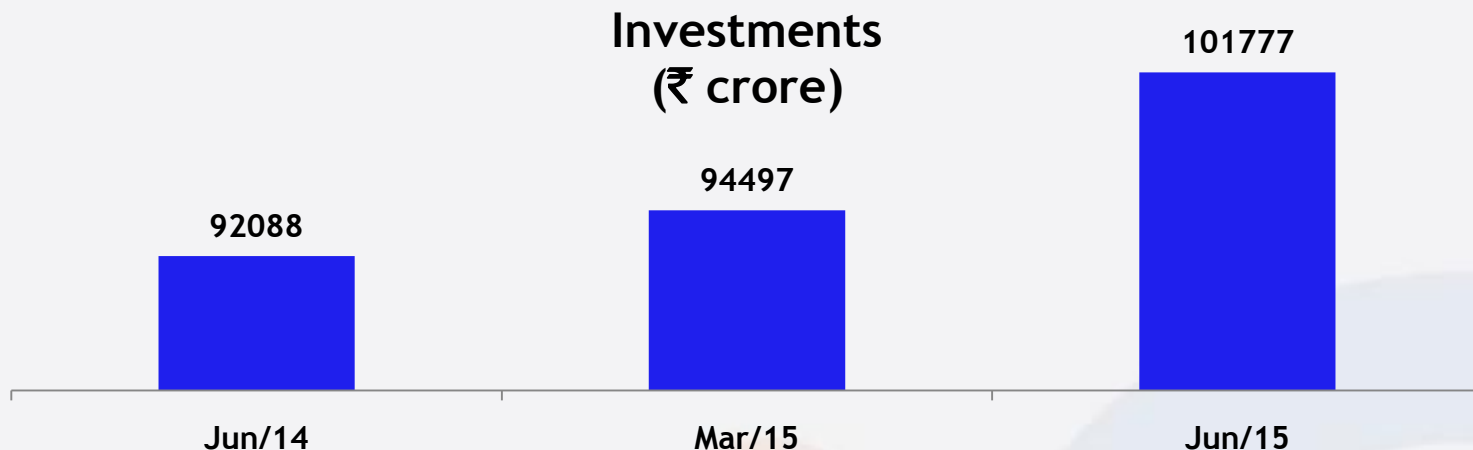


RAM Share (%) in Domestic Advances



Composition of Retail Portfolio

Sl.	Sectors	Top 10 Sectors (Domestic) % Share in Advances		Top 10 Sectors (Domestic) (30 th Jun 2015)	
		Jun 2014	Mar 2015	% Share	Amount (₹ crore)
1	Infrastructure	16.4	15.9	16.7	38838
2	Agriculture	12.0	13.1	15.6	36209
3	Retail Advances	12.1	13.1	14.1	32712
4	Trade	12.2	11.6	12.0	27746
5	NBFCs and HFCs	10.0	10.1	8.9	20633
6	Basic Metal Products	5.9	4.8	5.0	11641
7	Food Processing	3.1	3.2	3.3	7771
8	Textiles	3.0	2.9	2.9	6689
9	Gems & Jewellery	2.1	2.1	2.2	4994
10	Construction	0.8	2.6	2.0	4675



	Jun 2015	% to Total	Duration (Yrs)
			Jun 2015
Held to Maturity	73600	72.3	4.2
Held for Trading	319	0.3	6.4
Available for Sale	27858	27.4	4.9
Total Investment*	101777*	100	4.4

* Excludes RIDF amount of ₹ 9711 crore

- 83% of AFS & HFT portfolio is interest sensitive

Overseas branches at
Hong Kong, DIFC (Dubai) &
Antwerp (Belgium)

Representative offices at
Shanghai, Beijing,
Abu Dhabi and Sydney

Union Bank of India (UK)
Limited
(a wholly-owned subsidiary
of the Bank in London)

Business from Overseas Branches

US \$ (₹ crore)	Jun-14	Mar-15	Jun-15*	Growth (%) YoY- US\$
Business	3.4 billion (21820)	4.1 billion (26074)	4.5 billion (28719)	31.6
Total Deposits	0.7 billion (4283)	0.7 billion (4640)	0.8 billion (5238)	22.3
Total Advances	2.8 billion (17537)	3.4 billion (21434)	3.7 billion (23481)	33.9

*1 US\$= ₹ 63.6450 as on June 30, 2015

(₹ crore)

LIABILITIES	As at 30.06.14	As at 31.03.15	As at 30.06.15	Growth (%)	
				Y-o-Y	Q-o-Q
Capital	741	636	636	-14.2	0.0
Reserves and surplus	18390	19125	19636	6.8	2.7
Deposits	297420	316870	327264	10.0	3.3
Borrowings	31570	35360	33022	4.6	-6.6
Other Liabilities and Provisions	8393	9625	9232	10.0	-4.1
Total	356514	381616	389790	9.3	2.1
ASSETS					
Cash and Balances with Reserve Bank of India	12235	15063	14591	19.3	-3.1
Balances with Banks and Money at call and Short Notice	11452	7315	8633	-24.6	18.0
Investments	82701	84462	101174	22.3	19.8
Advances	233932	255655	248080	6.0	-3.0
Fixed Assets	2616	2682	2661	1.7	-0.8
Other Assets	13578	16439	14651	7.9	-10.9
Total	356514	381616	389790	9.3	2.1

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Financial Highlights

Parameters	Jun-14 (Q1)		Mar-15 (Q4)		Jun-15 (Q1)	
	Domestic	Global	Domestic	Global	Domestic	Global
Cost of Deposit	7.33	7.24	7.38	7.28	7.30	7.20
Cost of Funds	6.86	6.65	6.74	6.44	6.71	6.46
Yield on Advances	11.06	10.47	10.83	10.18	10.57	9.95
Yield on Investment	8.37	7.83	8.39	7.83	7.82	7.78
Yield on Funds	9.38	9.11	9.06	8.68	9.02	8.70
NIM	2.68	2.60	2.46	2.37	2.46	2.39

(₹ crore)

Parameters	Jun-14 (Q1)	Mar-15 (Q4)	Jun-15 (Q1)	Growth (%) - Y/Y	Growth (%) - Q/Q
a. Core Non Interest Income	339	630	422	24.4	-33.0
b. Treasury Income	250	433	321	28.4	-25.9
<u>W/w</u>					
• Profit on Sale of Investments	99	283	195	97.0	-31.1
• Exchange Profit	151	150	126	-16.6	-16.0
c. Recovery in Written off Accounts	102	80	40	-60.8	-50.0
Total	691	1143	783	13.3	-31.5

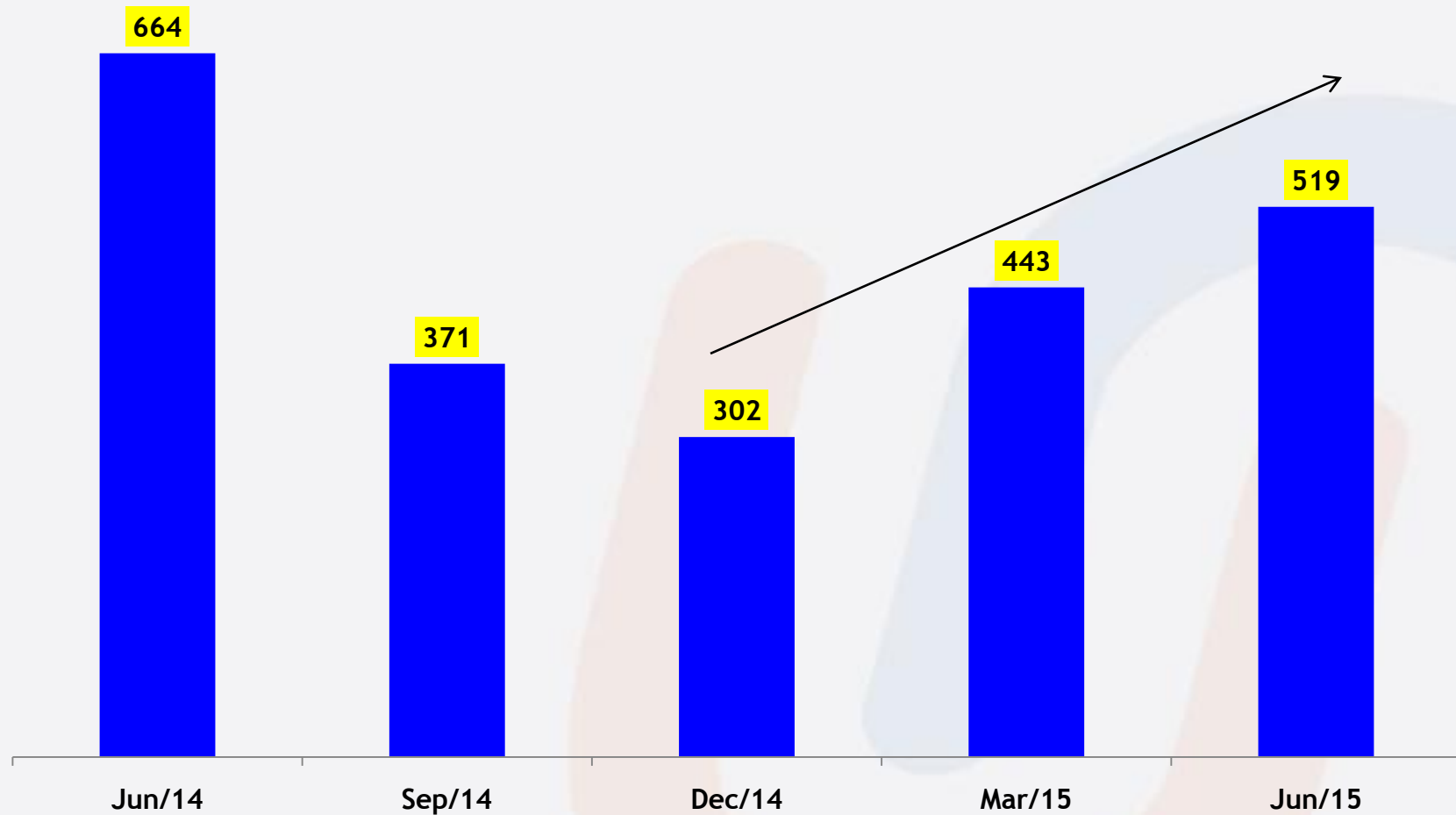
(₹ crore)

Parameters	Jun-14 (Q1)	Mar-15 (Q4)	Jun-15 (Q1)	Growth (%) - Y/Y	Growth (%)-Q/Q
Interest Income	7856	8241	8260	5.1	0.2
Interest Expenditure	5739	6119	6130	6.8	0.2
Net Interest Income	2117	2122	2130	0.6	0.4
Non Interest Income	691	1143	783	13.3	-31.5
Operating Expenses	1436	1613	1425	-0.8	-11.7
Establishment Expenses	919	957	853	-7.2	-10.9
Other Expenses	517	656	572	10.6	-12.8
Operating Profit	1372	1652	1488	8.5	-9.9

(₹ crore)

Parameters	Jun-14 (Q1)	Mar-15 (Q4)	Jun-15 (Q1)
NPAs	426	833	480
Standard Assets	27	146	-22
Depreciation on Investment	-138	47	199
Shifting Loss	39	0	6
Restructured Advances	7	-83	7
Others (FITL etc)	32	67	-28
Taxation	315	199	327
Total	708	1209	969

₹ crore

Net Profit

Sl.	Efficiency Parameters	Jun-14 (Q1)	Mar-15 (Q4)	Jun-15 (Q1)
1	Return on Assets (%)	0.77	0.47	0.55
2	Return on Equity (%)	15.05	9.70	11.02
3	Cost to Income Ratio (%)	51.15	49.38	48.92
4	Book Value Per Share (Rs)	279.94	288.01	296.26
5	Earnings per share (Rs)	42.15	27.92	32.64

Sl.	Profitability Parameters		Jun-14 (Q1)	Mar-15 (Q4)	Jun-15 (Q1)
1	Business per Branch	₹ crore	138.1	142.0	142.7
2	Business per Employee	₹ crore	15.5	16.3	16.0
3	Gross Profit per Branch	₹ crore	1.41	1.62	1.46
4	Gross Profit per Employee	₹ lakh	15.81	18.61	16.36
5	Net Profit per Branch	₹ lakh	68.32	43.50	50.80
6	Net Profit per Employee	₹ lakh	7.66	5.00	5.70

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Asset Quality

(₹ crore)

Parameters	Jun-14 (Q1)	Mar-15 (Q4)	Jun-15 (Q1)
Gross NPAs - Opening	9564	12596	13031
Add : Additions	1274	1547	1508
Less : Reductions	606	1112	395
1. Recoveries	217	550	160
2. Upgradation	101	317	78
3. Write Off	288	245	157
Gross NPAs- Closing	10232	13031	14144
Gross NPA (%)	4.27	4.96	5.53
Net NPA	5763	6919	7634
Net NPA (%)	2.46	2.71	3.08
Provision Coverage Ratio (%)	58.92	59.23	58.05
Credit Cost (%)	0.72	1.31	0.74

(₹ crore)

Sectors	Slippages During Q1 FY 16	NPAs Jun 2015	% to Total NPAs	% to Sector Loan			
				Jun 2014	Sept 2014	Mar 2015	Jun 2015
Agriculture	171	1672	11.82	6.13	5.73	5.08	4.62
Micro & Small (MSE)	217	2616	18.50	5.09	5.26	6.09	6.67
Retail Loans	159	824	5.83	2.15	2.10	1.96	2.52
Others	961	9032	63.85	4.15	4.80	5.23	5.92
Total	1508	14144	100.00	4.27	4.69	4.96	5.53

(₹ crore)

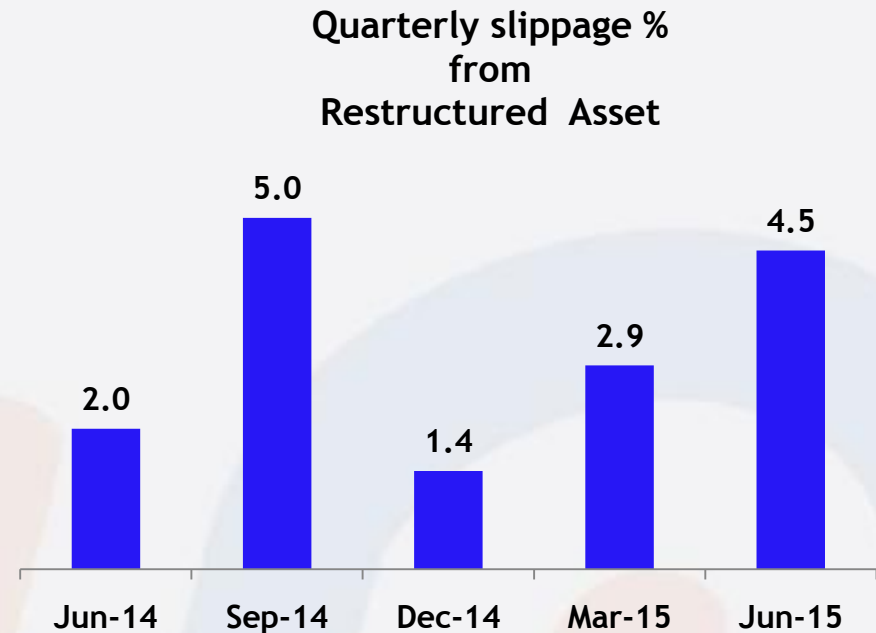
Particulars	Jun-15 (Q1)		
	Standard	NPA	Total
Restructured Assets as on Mar 31, 2015	13658	4470	18128
Fresh Restructuring during the Quarter	751	1	752
Upgradation to Restructured Accounts during the Quarter	10	-10	0
Restructured Standard Advances which cease to attract higher provisioning and need not be shown as Restructured Assets	-37	0	-37
Down gradation of restructured accounts during the Quarter	-619	619	0
Change in Outstanding/Write-off/ Recovery/Closures Quarter	362	-78	284
Restructured Accounts as on June 30, 2015	14125	5002*	19128

Outstanding Standard Restructured Assets excluding SEBs as % to Gross Advances: 3.2%

***Rs 5002 crore included in Gross NPAs of Rs 14144 crore**

(₹ crore)

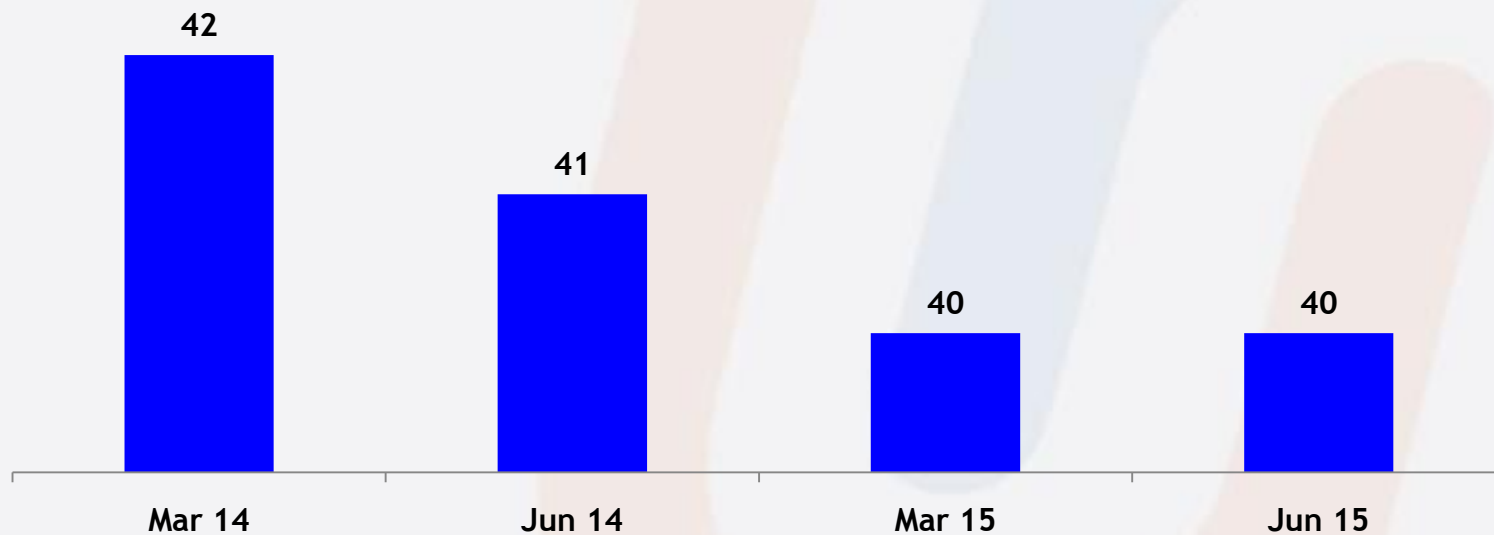
	Sector	Amt.	% to Standard Restructured
1	Infrastructure	8754	62.0
a.	Power	7225	51.2
	w/w SEBs	6012	42.6
2	Iron & Steel	1283	9.1
3	Hotel	661	4.7
4	Engineering	336	2.4



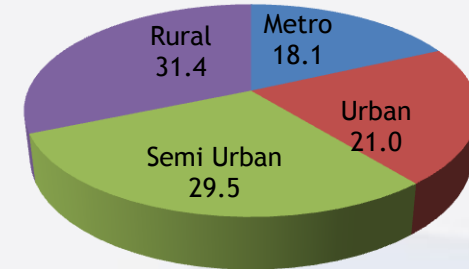
	Amt	% to Standard Restructured Advances	% to Gross Loans
Outstanding Standard Restructured Assets	14125	100	5.5
W/w			
-SEBs	6012	42.6	2.4
-Stalled Projects	3680	26.1	1.4

	Mar 2014	Jun 2014	Mar 2015	Jun 2015
Officers	18158	18961	18290	19252
Clerks	9323	9732	11731	11713
Sub-Staff	6325	6007	5493	5412
Total	33806	34700	35514	36377

Average age of Employee (year)

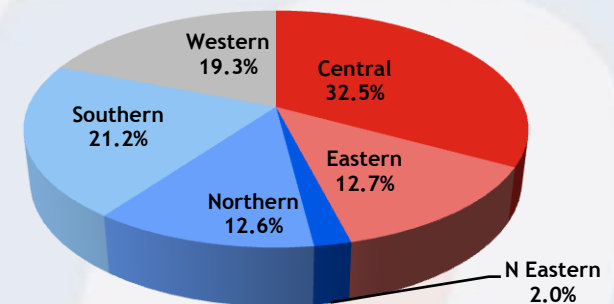


Branch Distribution by Urbanization

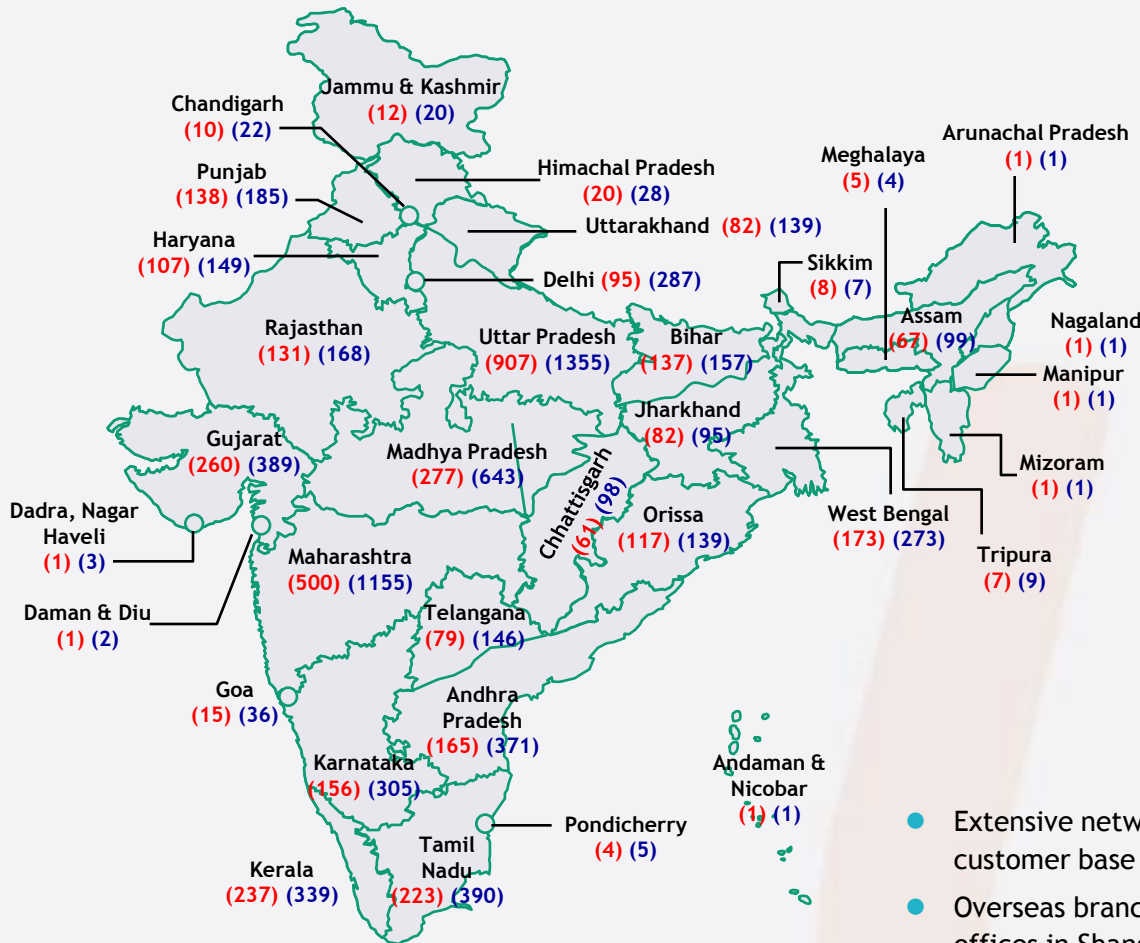


61% branches in rural/semi-urban markets

Branch Distribution by Geography



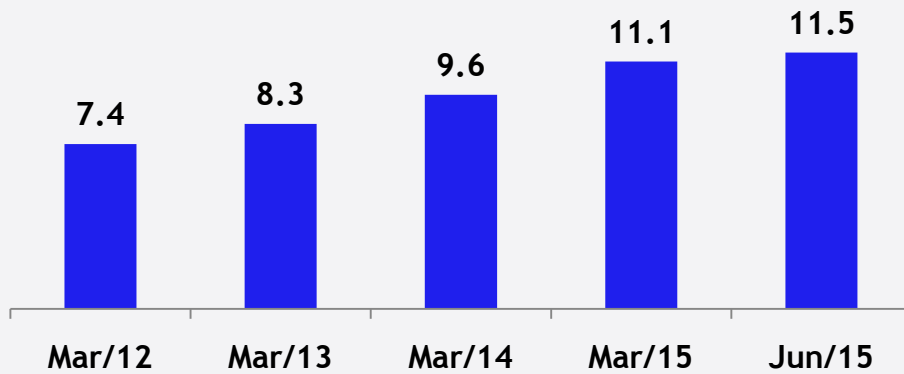
Geographical diversification minimizes regional risks



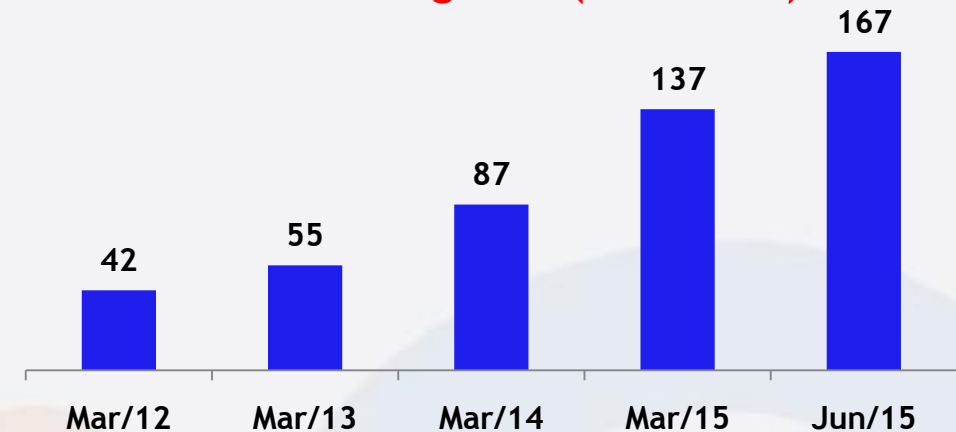
Domestic Branches (4,082) # ATMS (6877)

- Extensive network across India, which enables the Bank to cater to its large customer base of over 50 mn as of June 30, 2015
- Overseas branches in Hong Kong, Dubai and Antwerp, in addition to representative offices in Shanghai, Beijing, Abu Dhabi and Sydney
- Operates in the UK through its wholly owned subsidiary, Union Bank of India (UK) Ltd.
- The Bank has 31 extension counters and 47 service branches in addition to its regular bank branches as of June 30, 2015.

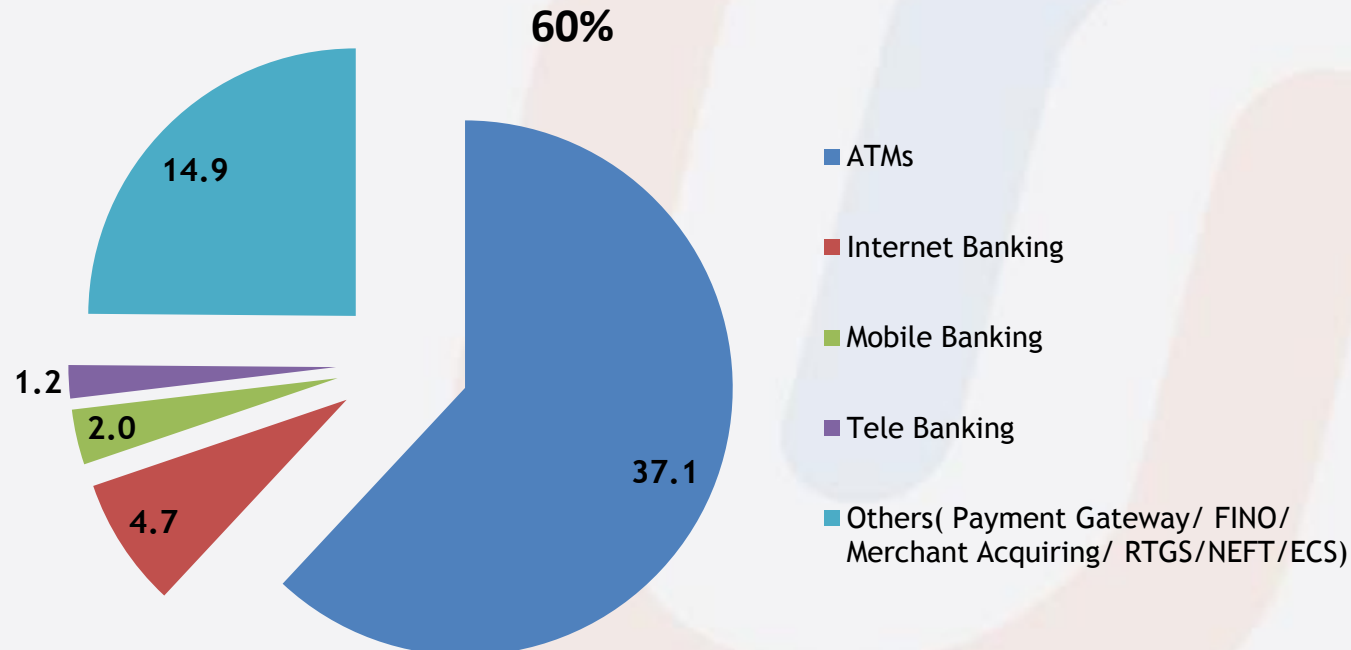
Internet Banking User (lakh)

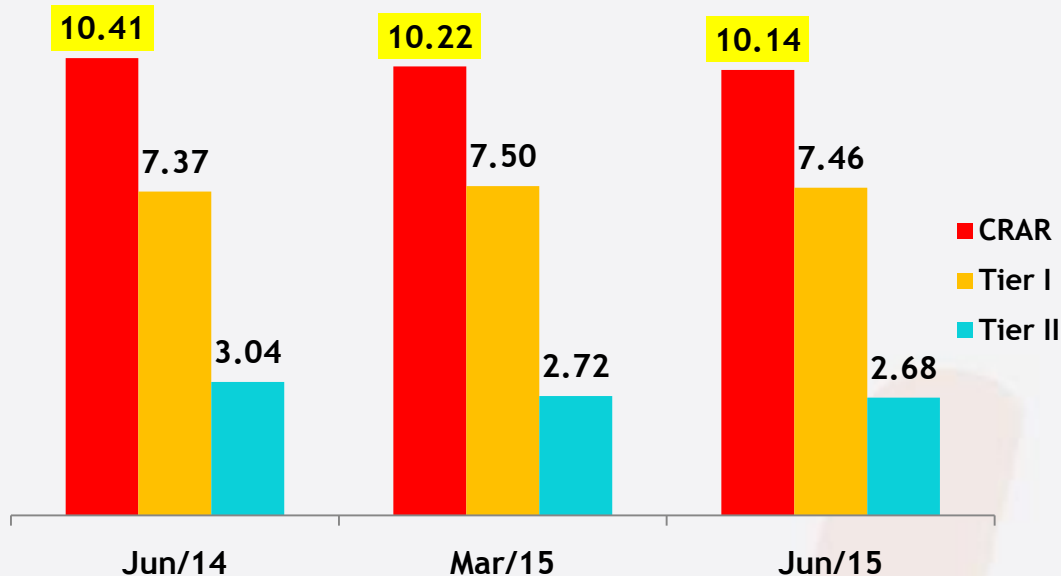


Mobile Banking User (thousands)



Transactions through Alternative Channels (%)





Liquidity Coverage Ratio (LCR)

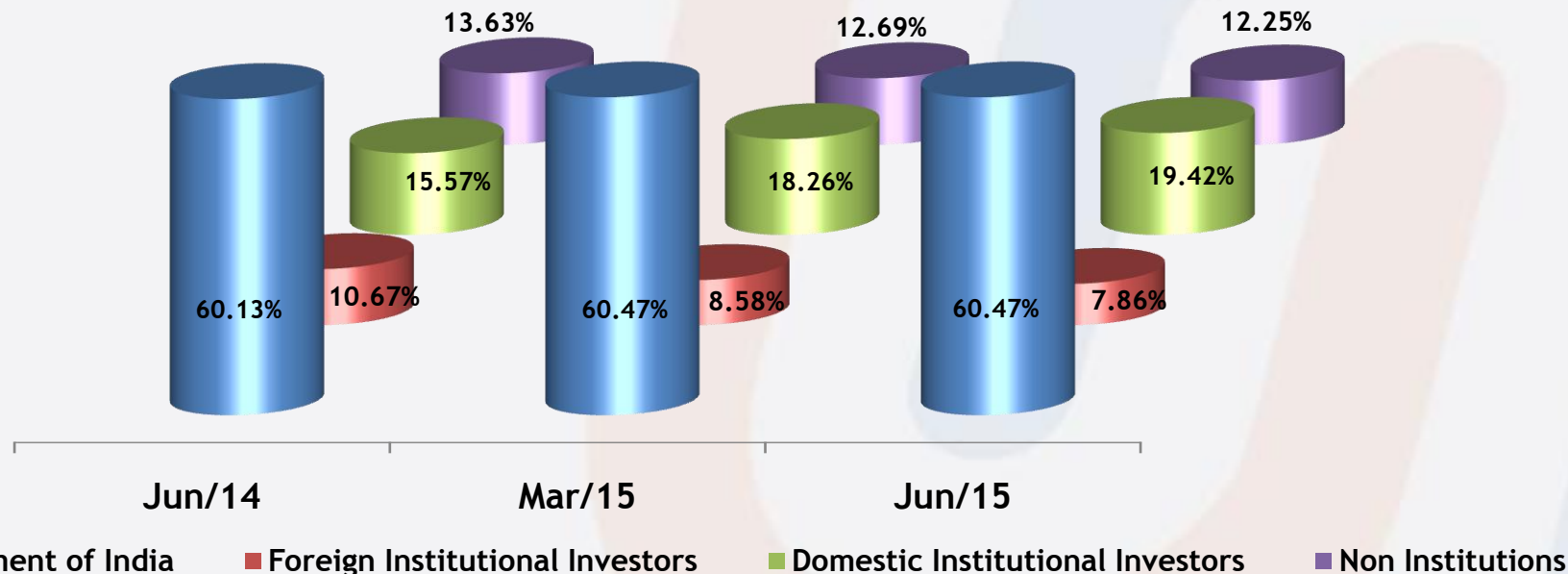
- LCR for quarter ended June 2015 at 116.1% compared to regulatory minimum requirement of 60%

(₹ crore)

	Jun 2014	Sep 2014	Dec 2014	Mar 2015	Jun 2015
Risk Weighted Assets	235875	239682	240924	253162	254537
Capital Funds	24557	24684	24807	25885	25805
CRAR-BASEL III (%)	10.41	10.30	10.30	10.22	10.14
CET Ratio (%)	7.03	7.01	7.02	7.24	7.20

• Share Capital	₹ 635.8 crore
• No. of Equity Shares:	63.58 crore
• Net worth:	₹ 18836 crore
• Book Value per share	₹ 296.26
• Return on Equity	11.02%
• Market Cap	₹ 9387 crore

Shareholding Pattern (%)





Progress under Pradhan Mantri Jan Dhan Yojana (PMJDY)	
Parameters	Achievements of the Bank
Villages covered	18396
Sub Service Areas	5407
Urban Wards	2581
Accounts opened till June 30, 2015	51.4 Lakh
Deposits	₹ 471.7 Crore
RuPay Cards issued	49.5 Lakh
Aadhar Seeding	13.4 Lakh



Progress under PMSBY, PMJJBY and APJ Schemes	
Scheme Name	Total Enrolments
Pradhan Mantri Suraksha Bima Yojana (PMSBY)	24.03 Lakh
Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)	10.29 Lakh
Atal Pension Yojana (APJ)	0.11 Lakh

SKOCH FINANCIAL INCLUSION AND DEEPENING AWARD 2015

**IRCTC UNION BANK
PREPAID CARD**

**FINANCIAL
INCLUSION**

**FINANCIAL
INCLUSION
TECHNOLOGY**

**CNBC TV 18
Financial Advisors Awards 2014 -15
in Best PSU Banks**



Customer convenience through following digital initiatives:

1. IMPS through branches for Retail and Corporate customers;
2. Mobile Passbook (M Passbook);
3. Missed call facility for Mobile Banking & Account balance;
4. SMS based value added services.

Disclaimer

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 thereof.



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