

**यूनियन बैंक**  
ऑफ इंडिया  
अच्छे लोग, अच्छा बैंक



**Union Bank**  
of India  
Good people to bank with

# Financial Results

**Q2 & H1**  
**FY 2016-17**

November 4, 2016

**#1** Business Performance

**#2** Financials

**#3** Structural Transformation

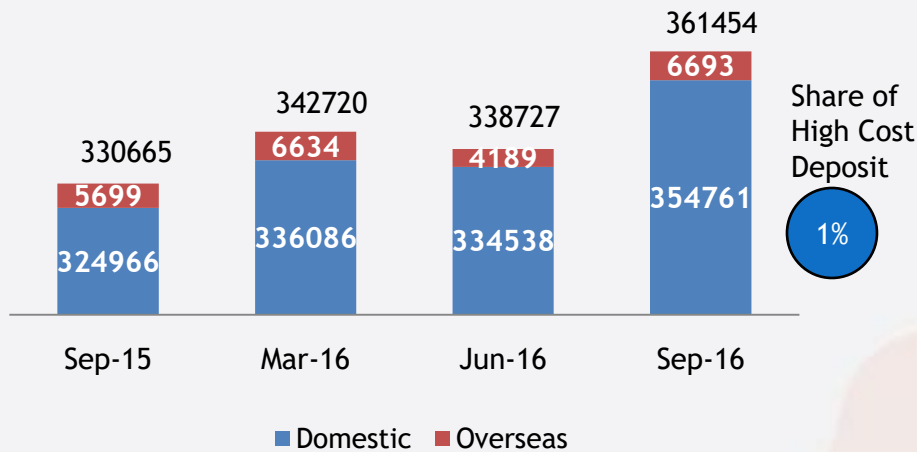
**#4** Awards & Accolades



<b>Total Business</b>	₹ 639822 crore
<b>Gross Advances</b>	₹ 278368 crore
<b>Total Deposits</b>	₹ 361454 crore
<b>Net Profit (Q2FY17)</b>	₹ 177 crore
<b>Net Profit (H1FY17)</b>	₹ 343 crore
<b>Earning Per Share (H1FY17)</b>	₹ 10
<b>ROA (%) (H1FY17)</b>	0.17
<b>ROE (%) (H1FY17)</b>	3.46
<b>Net NPA Ratio</b>	6.39
<b>Basel III Tier I CAR</b>	8.56
<b>Basel III Total CAR</b>	11.19
<b>Branches</b>	4210
<b>ATMs</b>	7151

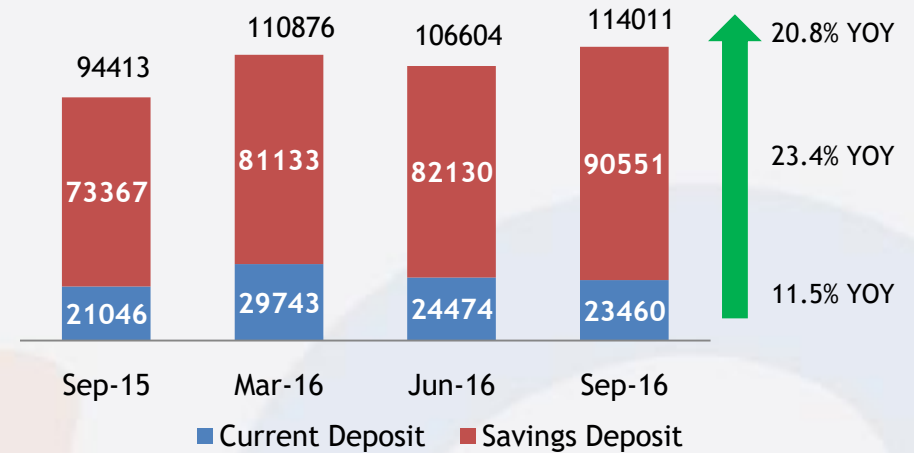
## Total Deposits

₹ crore

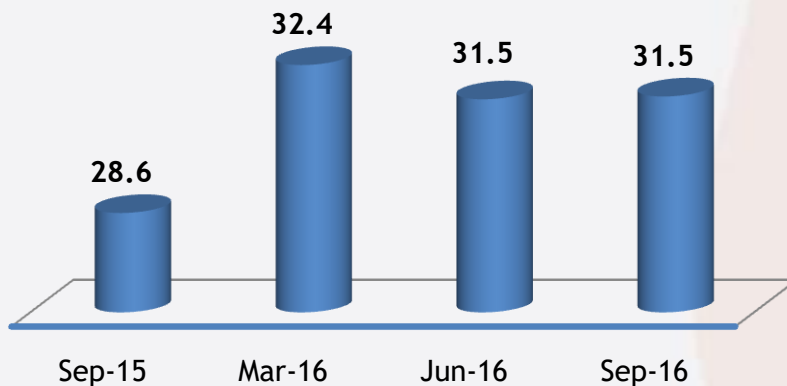


## CASA Portfolio

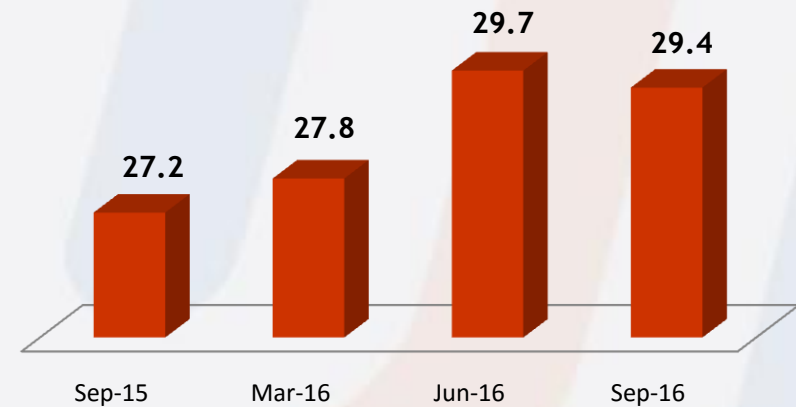
₹ crore



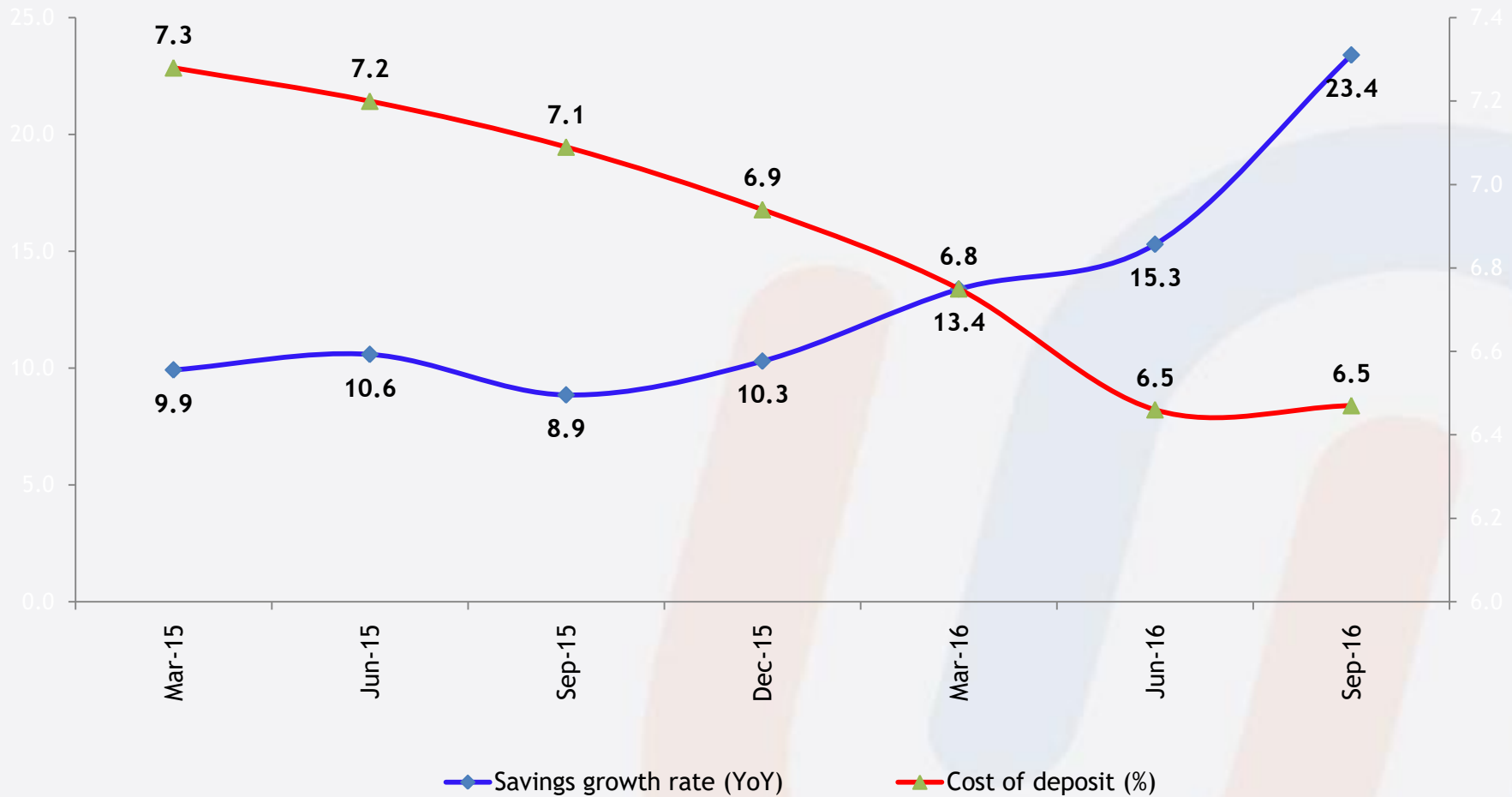
## CASA Share (%)

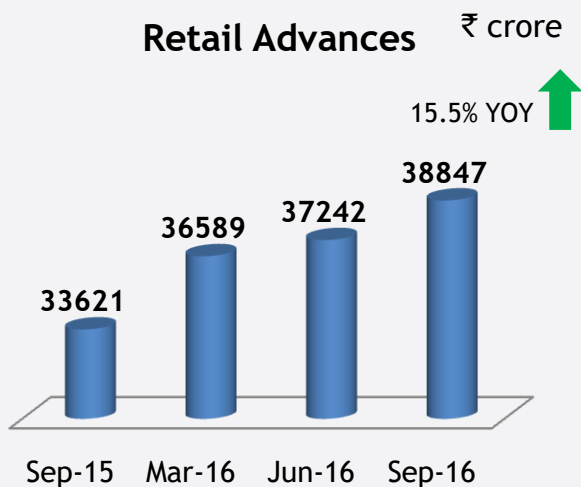
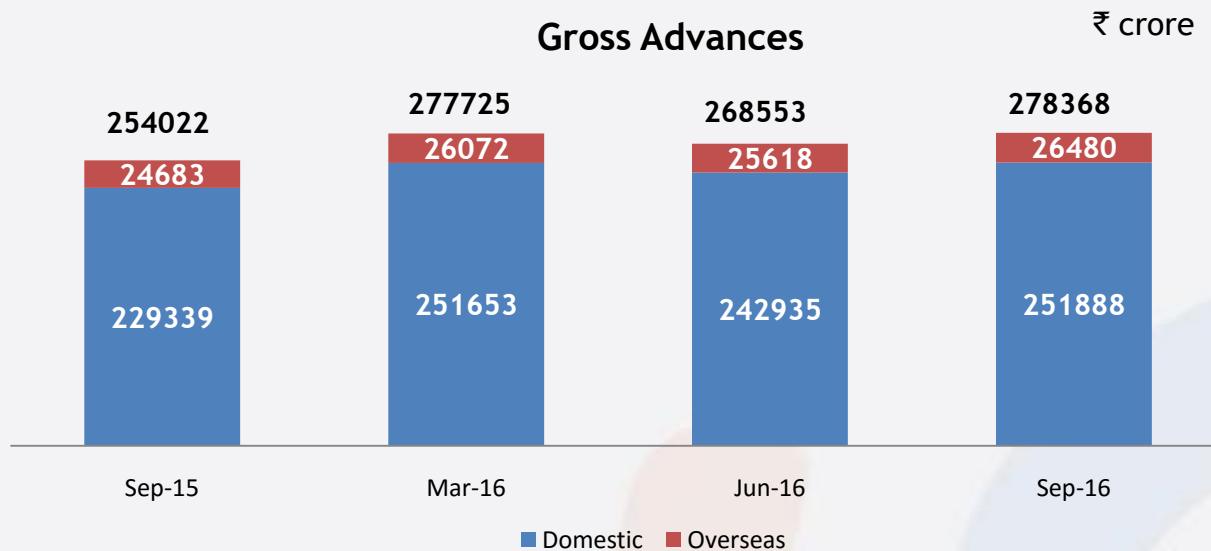


## Average CASA (%)

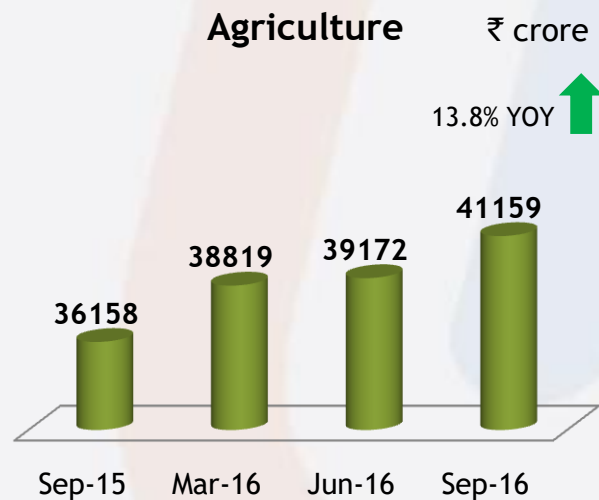


## Movement in savings deposit growth and Cost of Deposit





■ Retail Advances

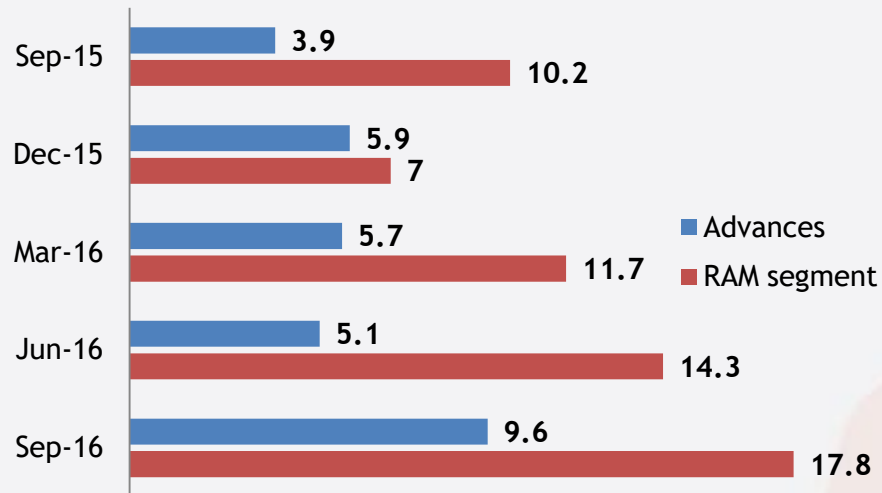


■ Agriculture

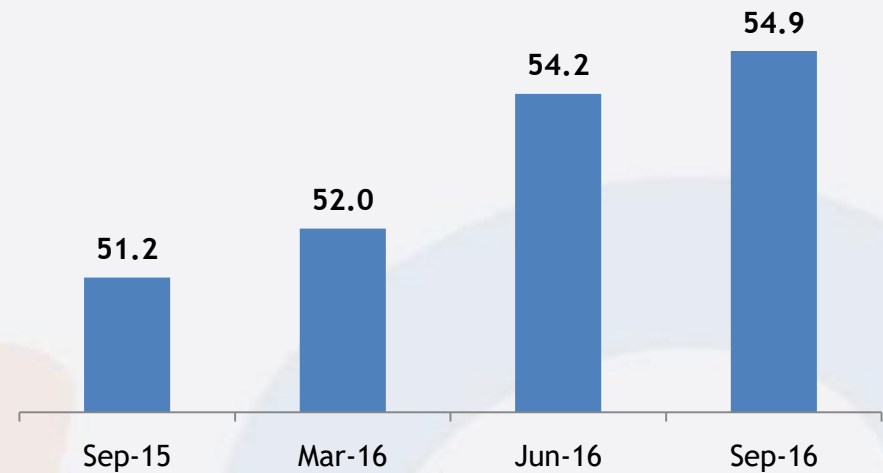


■ MSME

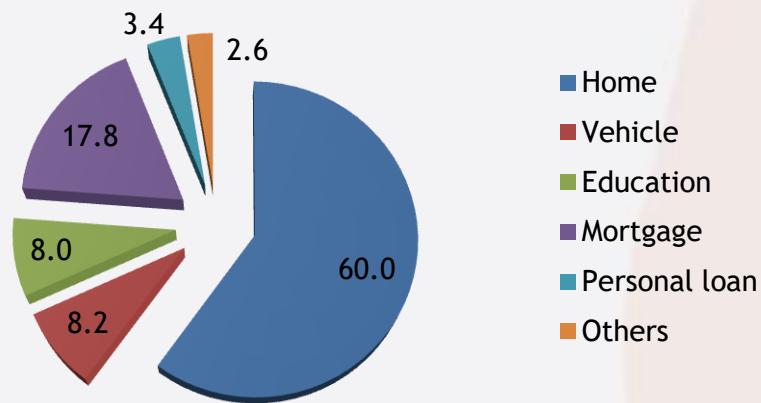
## Annual Growth (%)



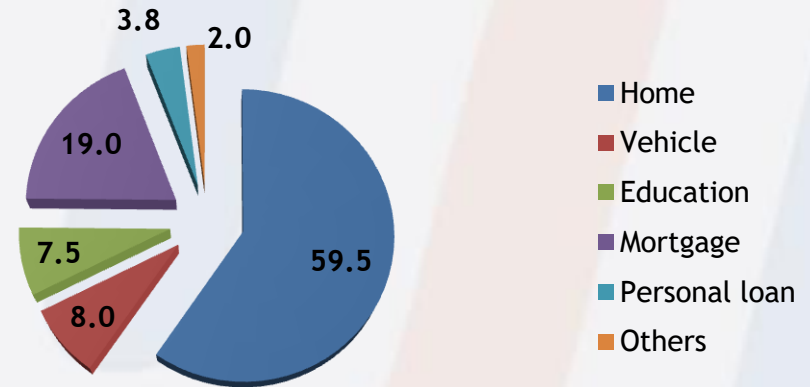
## RAM\* share (%) in Domestic advances



### Sep-15



### Sep-16

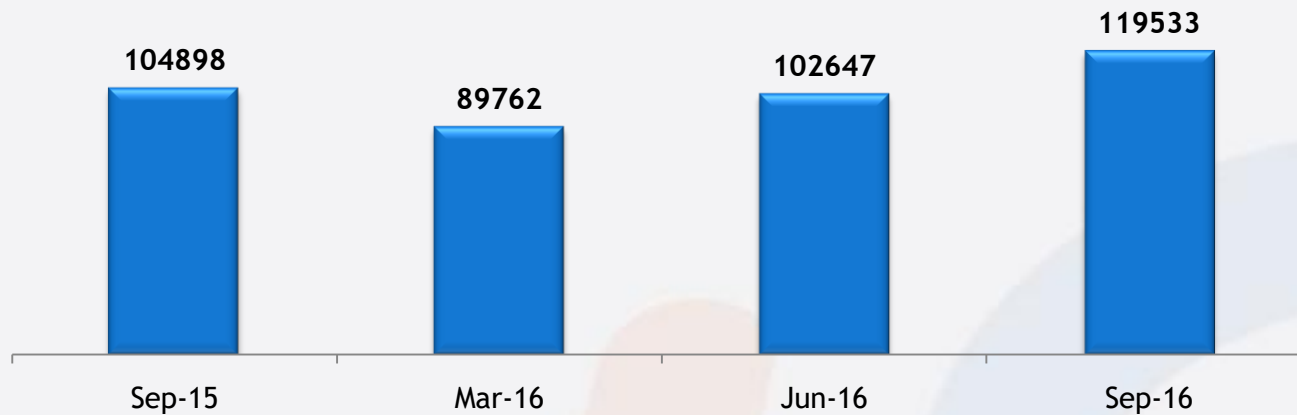


\*Retail, Agriculture and MSME collectively called as "RAM sector"

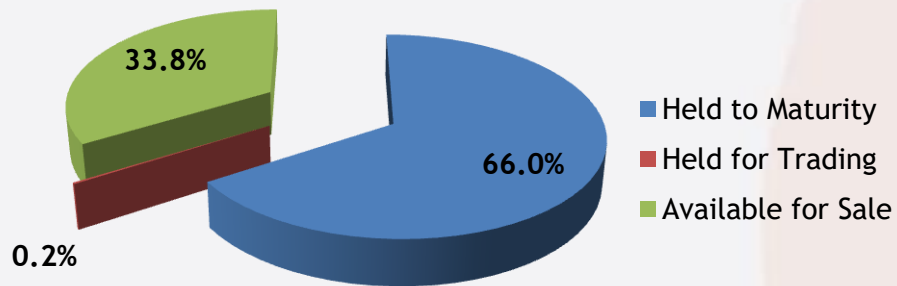
S No.	Sectors	Top 10 Sectors (% Share in Domestic Advances)			Amount (₹ crore)	
		Sep 2015	Mar 2016	Jun 2016	Sep 2016	Sep 2016
1	Agriculture	15.8	15.5	16.1	16.3	41159
2	Retail Advances	14.6	14.5	15.3	15.4	38847
3	Infrastructure	16.5	13.6	14.3	14.5	36514
4	Trade	10.6	11.5	11.4	12.1	30348
5	NBFCs and HFCs	9.1	11.0	10.1	10.6	26711
6	Basic Metal Products	4.9	5.2	5.5	5.5	13809
7	Food Processing	2.8	2.8	3.5	3.3	8217
8	Textiles	2.2	2.9	2.8	2.7	6876
9	Construction	2.0	2.0	2.1	2.2	5503
10	All Engineering	2.0	1.8	2.0	2.0	5087
Total		80.5	80.8	83.1	84.5	213071



## Investment in (₹) Crore



## Investment Composition (%)



	Sep 2016	% to Total Investment	Duration (Years)
			Sep-16
Held to Maturity	78833	66.0	3.9
Held for Trading	270	0.2	7.3
Available for Sale	40430	33.8	3.9
<b>Total Investment</b>	<b>119533</b>	<b>100.0</b>	<b>3.9</b>

Branches at Hong Kong, DIFC (Dubai), Antwerp (Belgium) and Sydney (Australia)

Representative Offices at Shanghai, Beijing and Abu Dhabi

Union Bank of India (UK) Limited, a wholly owned subsidiary of the Bank

Total Overseas Business of the Bank stood at ₹ 33173 crore as on Sep-2016

(₹ crore)

	As at 30.09.15	As at 31.03.16	As at 30.06.16	As at 30.09.16	Growth (%)	
					Y-o-Y	Q-o-Q
<b>LIABILITIES</b>						
Capital	687	687	687	687	0.0	0.0
Reserves and surplus	21316	22204	22502	22755	6.8	1.1
Deposits	330665	342720	338727	361454	9.3	6.7
Borrowings	32493	30958	33549	37541	15.5	11.9
Other Liabilities and Provisions	8480	8127	8575	9549	12.6	11.4
<b>Total</b>	<b>393641</b>	<b>404696</b>	<b>404040</b>	<b>431986</b>	<b>9.7</b>	<b>6.9</b>
<b>ASSETS</b>						
Cash and Balances with Reserve Bank of India	14489	15605	16060	15466	6.7	-3.7
Balances with Banks and Money at call and Short Notice	10343	13672	11229	12855	24.3	14.5
Investments	104517	89208	102135	119031	13.9	16.5
Advances	246217	267354	256861	265205	7.7	3.2
Fixed Assets	2689	3940	3895	3839	42.8	-1.4
Other Assets	15386	14917	13860	15590	1.3	12.5
<b>Total</b>	<b>393641</b>	<b>404696</b>	<b>404040</b>	<b>431986</b>	<b>9.7</b>	<b>6.9</b>

**#1** Business Performance

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**#4** Awards & Accolades

Parameters	Sep-15 (Q2)		Jun-16 (Q4)		Sep-16 (Q2)		H1 FY 2016		H1 FY 2017	
	Domestic	Global	Domestic	Global	Domestic	Global	Domestic	Global	Domestic	Global
<b>Cost of Deposit</b>	7.19	7.09	6.54	6.46	6.55	6.47	7.25	7.15	6.54	6.47
<b>Cost of Funds</b>	6.53	6.25	6.07	5.82	5.78	5.58	6.62	6.36	5.92	5.69
<b>Yield on Advances</b>	10.69	9.81	9.57	8.93	9.65	8.95	10.56	9.86	9.62	8.95
<b>Yield on Investment</b>	7.37	7.33	7.60	7.55	7.30	7.26	7.62	7.58	7.44	7.40
<b>Yield on Funds</b>	8.77	8.43	8.26	7.94	8.04	7.72	8.89	8.57	8.14	7.82

2.34      2.32      2.28      2.30

2.42      2.46      2.36      2.43

Sep-15      Mar-16      Jun-16      Sep-16

— NIM Domestic    — NIM Global

2.44

2.36

2.40

2.29

H1 FY 2016

H1 FY 2017

■ NIM Domestic    ■ NIM Global

(₹ crore)

2102

2085

2103

2277

Sep-15

Mar-16

Jun-16

Sep-16

— Net Interest Income

(₹ crore)

4380

4232

H1 FY 16

H1 FY 17

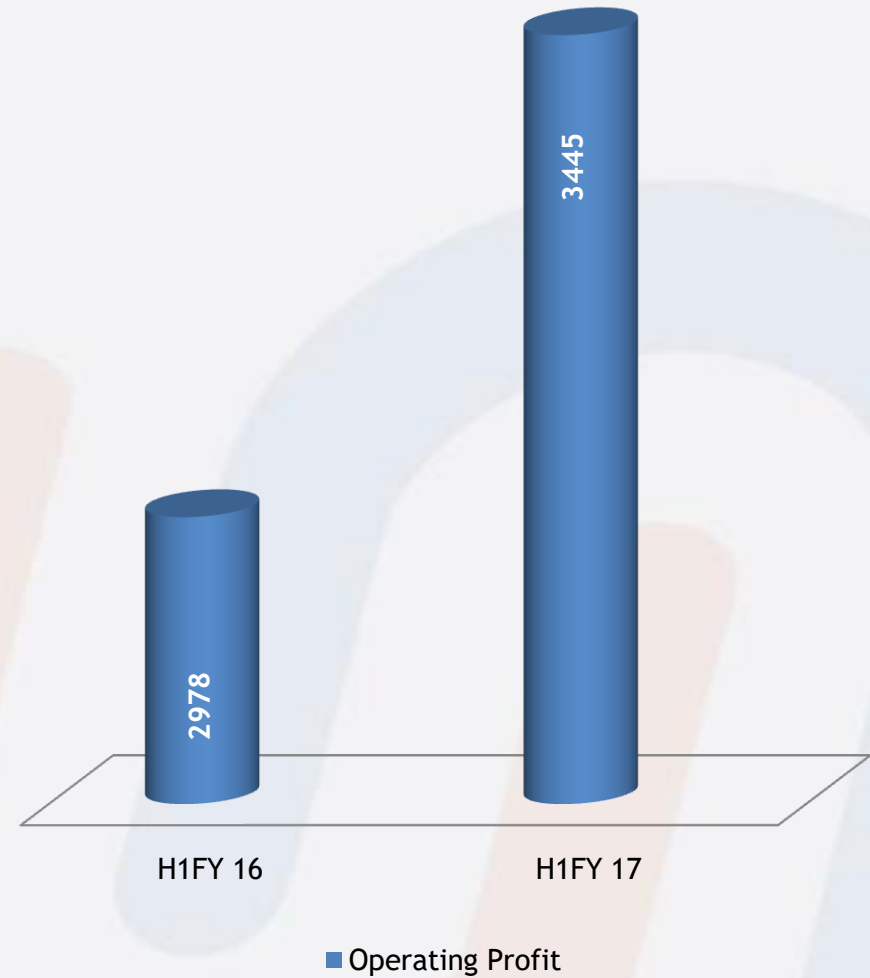
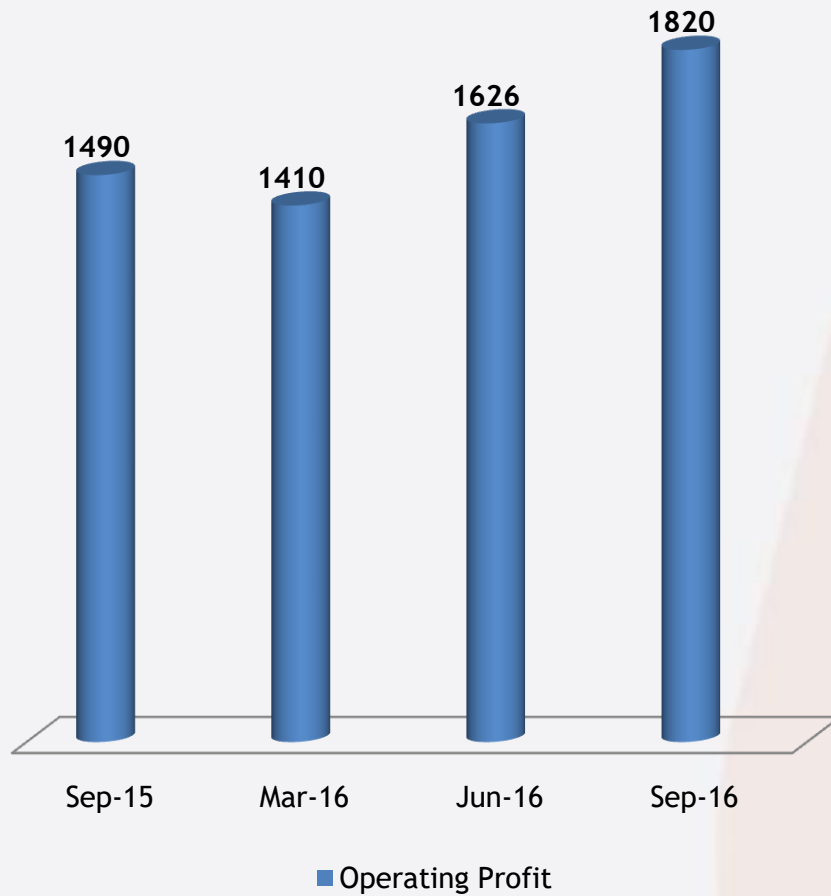
■ Net Interest Income

(₹ crore)

Parameters	Sep-15 (Q1)	Mar-16 (Q4)	Jun-16 (Q1)	Sep-16 (Q2)	Growth (%) Y/Y	Growth (%) Q/Q	H1 FY 2016	H1 FY 2017	Growth (%)
a. Core Non Interest Income	469	551	457	498	6.0	9.0	891	955	7.2
b. Treasury Income	435	390	547	598	37.6	9.3	756	1145	51.5
W/w									
• Profit on Sale of Investments	259	206	316	466	80.0	47.5	454	783	72.5
• Exchange Profit	176	184	231	132	-24.9	-42.9	302	363	20.0
c. Recovery in Written - off Accounts	55	56	36	43	-21.1	19.4	95	79	-17.1
<b>Total</b>	<b>959</b>	<b>997</b>	<b>1040</b>	<b>1139</b>	<b>18.8</b>	<b>9.6</b>	<b>1743</b>	<b>2179</b>	<b>25.0</b>

(₹ crore)

(₹ crore)

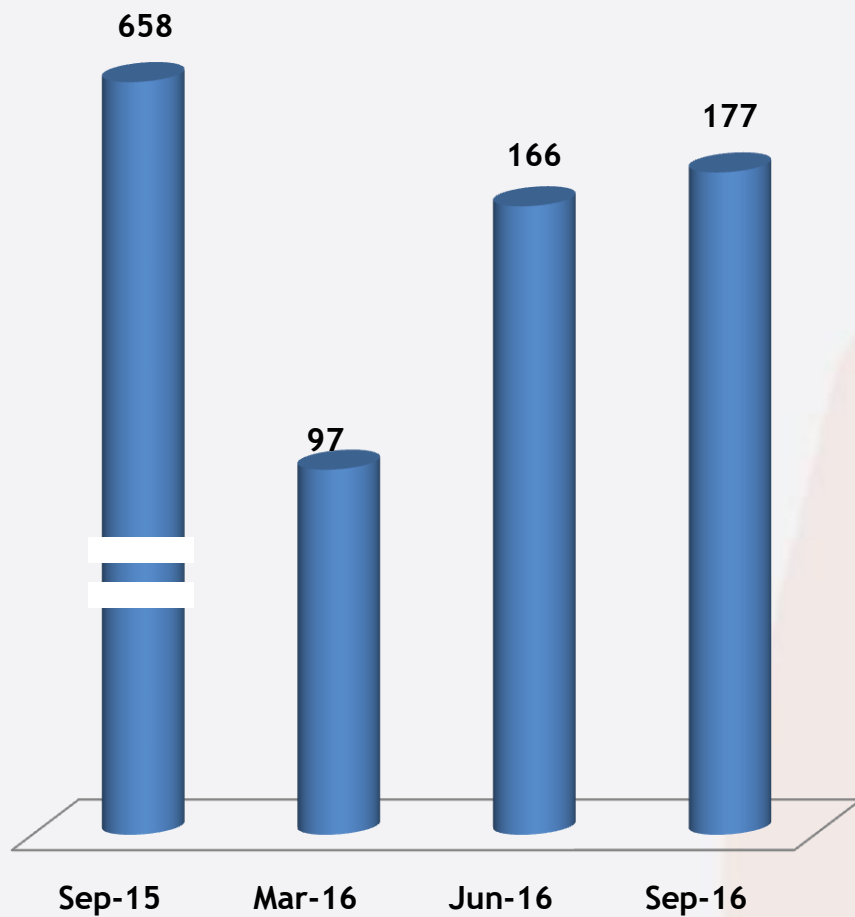




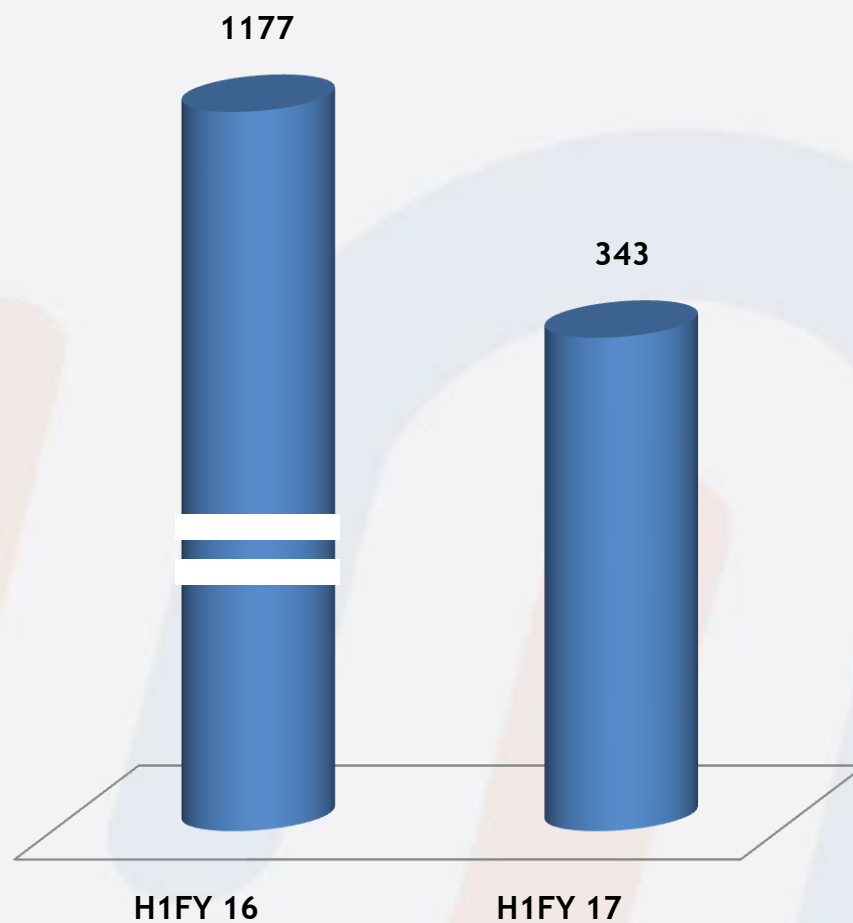
(₹ crore)

Parameters	Sep-15 (Q1)	Mar-16 (Q4)	Jun-16 (Q1)	Sep-16 (Q2)	H1 FY 2016	H1 FY 2017
<b>NPAs</b>	924	2008	1347	1598	1404	2945
<b>Standard Assets</b>	2	-63	54	124	-20	179
<b>Depreciation on Investment</b>	-113	42	-42	-12	86	-54
<b>Shifting Loss</b>	0	0	2	0	6	2
<b>Restructured Advances</b>	-320	-305	-11	-1	-312	-13
<b>Others (FITL etc)</b>	-61	-118	3	-89	-88	-85
<b>Taxation</b>	320	-252	106	23	647	129
<b>Total</b>	<b>752</b>	<b>1312</b>	<b>1459</b>	<b>1643</b>	<b>1723</b>	<b>3102</b>

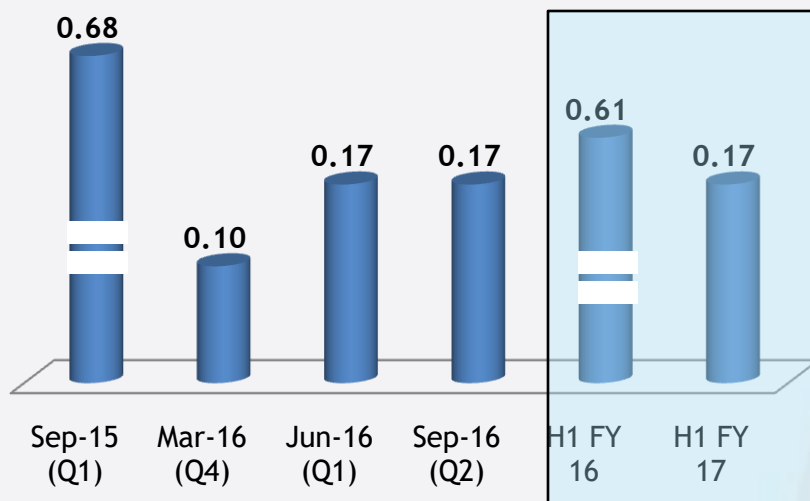
(₹ crore)



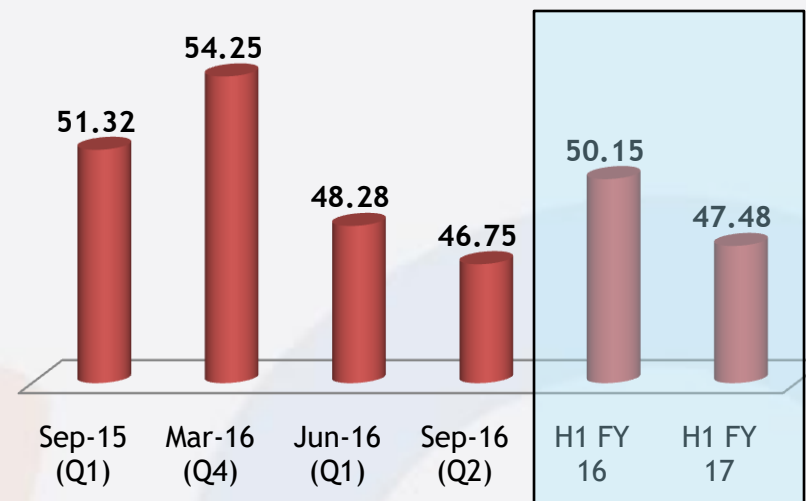
(₹ crore)



## Return on Avg. Assets (%)



## Cost to Income(%)

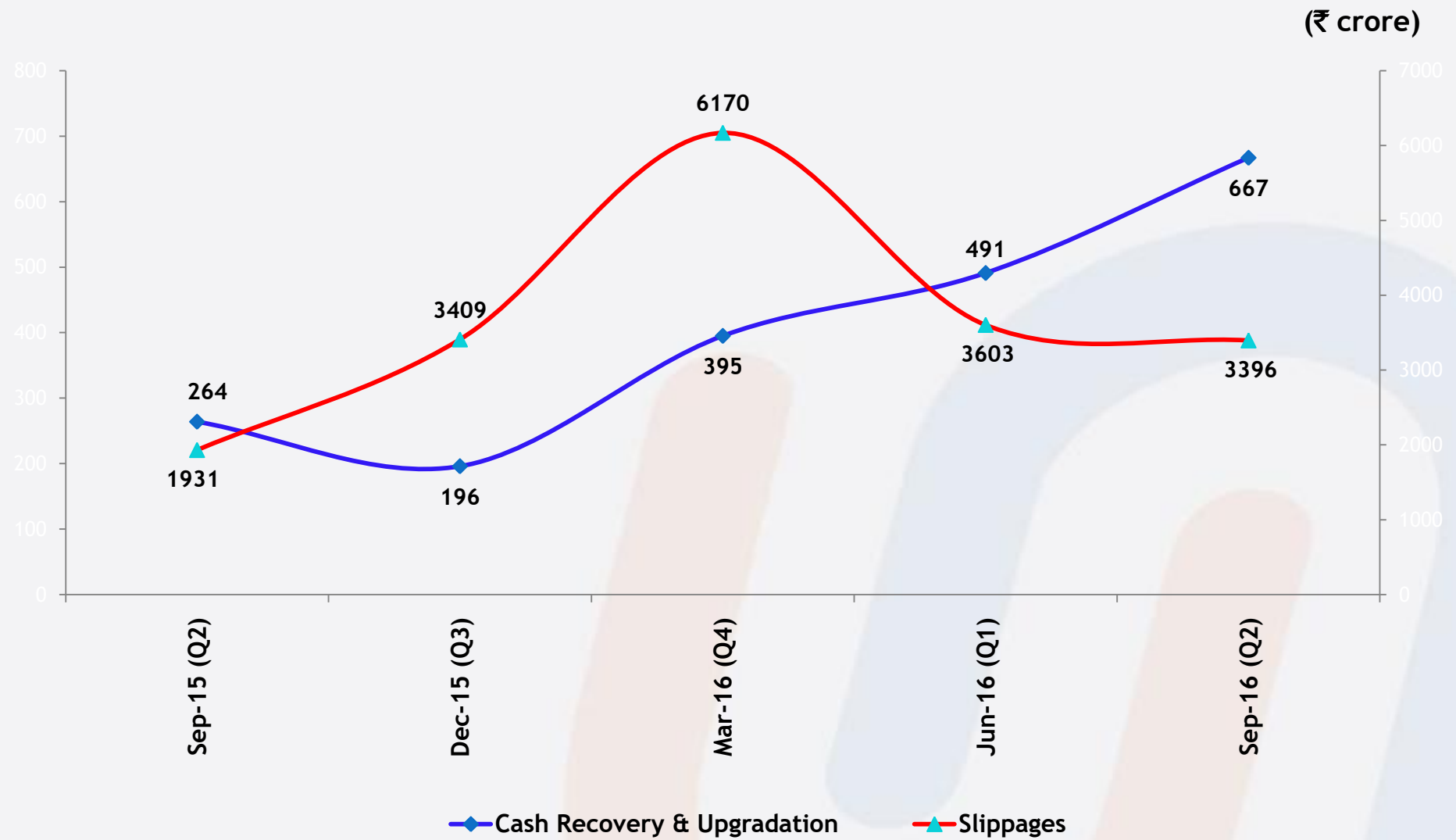


S. No.	Efficiency Parameters	Sep-15 (Q2)	Mar-16 (Q4)	Jun-16 (Q1)	Sep-16 (Q2)	H1 FY 16	H1 FY 17
1	Return on Equity (%)	12.8	1.95	3.36	3.56	11.44	3.46
2	Book Value Per Share	299.3	287.51	288.52	288.55	299.3	288.55
3	Earnings per share	41.37	5.62	9.69	10.27	37	9.98

Sn.	Profitability Parameters		Sep-15 (Q1)	Mar-16 (Q4)	Jun-16 (Q1)	Sep-16 (Q2)	H1 FY 16	H1 FY 17
1	Business per Branch	₹ crore	142.7	147.7	144.5	145.7	142.7	145.7
2	Business per employee	₹ crore	16.2	17.5	16.3	17.0	16.2	17.0
3	Gross Profit per Branch	₹ crore	1.45	1.34	1.5	1.7	1.5	1.6
4	Gross Profit per Employee	₹ lacs	16.49	15.89	17.5	19.4	16.5	18.3
5	Net Profit per Branch	₹ lacs	64.24	9.2	15.9	16.1	57.4	15.6
6	Net Profit per Employee	₹ lacs	7.28	1.09	1.8	1.9	6.5	1.8

(₹ crore)

Parameters	Sep-15 (Q1)	Mar-16 (Q4)	Jun-16 (Q1)	Sep-16 (Q2)	H1 FY 16	H1 FY 17
Gross NPAs - Opening	14144	18495	24171	27281	13031	24171
Add : Additions	1931	6170	3603	3396	3439	6999
Less : Reductions	534	494	493	815	929	1308
1. Recoveries	205	204	350	251	365	601
2. Upgradation	59	191	141	416	137	557
3. Write Off	270	99	2	148	427	150
Gross NPAs- Closing	15541	24171	27281	29862	15541	29862
Gross NPA (%)	6.12	8.7	10.16	10.73	6.12	10.73
Net NPA	8335	14026	15825	16947	8335	16947
Net NPA (%)	3.39	5.25	6.16	6.39	3.39	6.39
Provision Coverage Ratio (%)	57.85	51.00	50.00	50.45	57.85	50.45
Credit Cost (%)	1.45	2.97	1.97	2.34	1.09	2.12



(₹ crore)

Sectors	Slippages During Q2 FY 17	NPAs Sep 2016	% to Total NPAs	% to Sector Loan			
				Sep 2015	Mar 2016	Jun 2016	Sep 2016
Retail Loans	211	1203	4.0	2.76	2.54	2.93	3.10
Agriculture	157	2104	7.1	4.75	5.21	5.31	5.11
Micro & Small (MSE)	530	3953	13.2	6.9	7.79	8.15	8.50
Medium & Large	2498	22602	75.7	6.85	11.06	13.64	14.66
Total	3396	29862	100.0	6.12	8.7	10.16	10.73

(₹ crore)

	Sep-16 (Q2)		
Particulars	Standard	NPA	Total
Restructured Assets as on July 01, 2016	7247	9531	16778
Fresh Restructuring during the Quarter	0	0	0
Upgradation to Standard Restructured Accounts during the Quarter	23	-23	0
Restructured Standard Advances which cease to attract higher provisioning and need not be shown as Restructured Assets Quarter	-118	0	-118
Down gradation of restructured accounts during the Quarter	-1196	1196	0
Change in Outstanding/Write-off/ Recovery/Closures Quarter	-320	-123	-443
Restructured Accounts as on Sep 30, 2016	5636	10581	16217

Particulars	Sep-15	Mar-16	Jun-16	Sep-16
Standard Restructured as % to Gross Advances	5.47	3.09	2.70	2.02
Impaired Assets Ratio (GNPA + Standard Res) (%)	11.60	11.79	12.86	12.75
Net Impaired Assets Ratio (NNPA + Standard Res) (%)	8.76	8.45	8.98	8.11



(₹ crore)

S.N.	Sector	Amt.	% to Standard Restructured
1	Infrastructure	1949	34.6
a.	Power	1153	20.5
b.	Roads	750	13.3
2	Engineering	998	17.7
3	Textiles	494	8.8
4	Hotel	441	7.8
5	Iron & Steel	292	5.2

Sectors	5/25		SDR		S4A
	During Q2	Total Outstanding	During Q2	Total Outstanding	Total Outstanding
Power	334	2685	690	810	0
Road	0	0	200	200	0
Telecom	0	0	1015	1015	0
Port	0	300	0	0	0
Cement	0	300	0	0	0
Refinery	0	210	0	0	0
Steel	0	433	161	1229	0
Construction	0	0	302	1163	130
Food & Beverages	0	0	187	187	0
Real Estate	0	0	0	75	0
Chemicals	0	0	0	0	145
Total	334	3928	2555	4679	275

(₹ crore)

	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16
Risk Weighted Assets	260508	258677	273791	267176	281316
Capital Funds	26740	26632	28932	28717	31469
CRAR-BASEL III ( % )	10.26	10.3	10.56	10.75	11.19
TIER 1	7.67	7.70	8.14	8.39	8.56
CET Ratio (%)	7.42	7.45	7.95	8.24	8.06

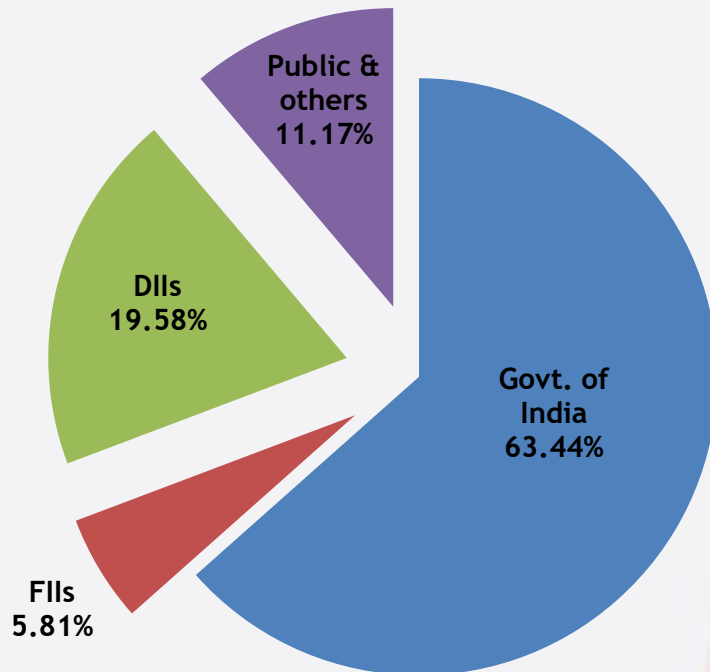
Capital Raised during  
Q2FY17

- ₹ 1000 crore under AT1
- ₹ 1000 crore under Tier2

Call Option Exercised

- IPDI : ₹ 300 crore
- Upper Tier2 : ₹ 750 crore

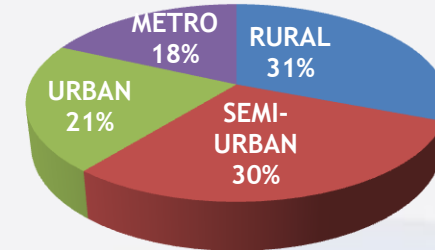
Shareholding Pattern (%)



Share Capital	₹ 687.4 crore
No. of Equity Shares	68.74 crore
Net Worth	₹ 19836 crore
Market Cap	₹ 9441 crore

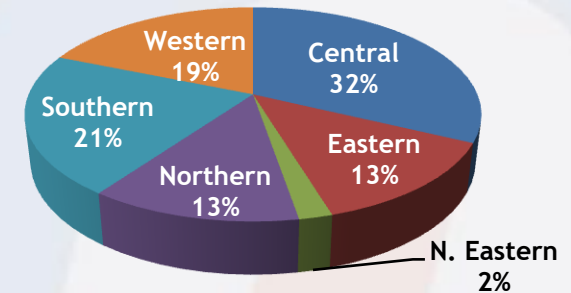
The GOI has decided to infuse Capital of ₹ 721 crore in the Bank During the current Financial Year

### Branch Distribution by Urbanization

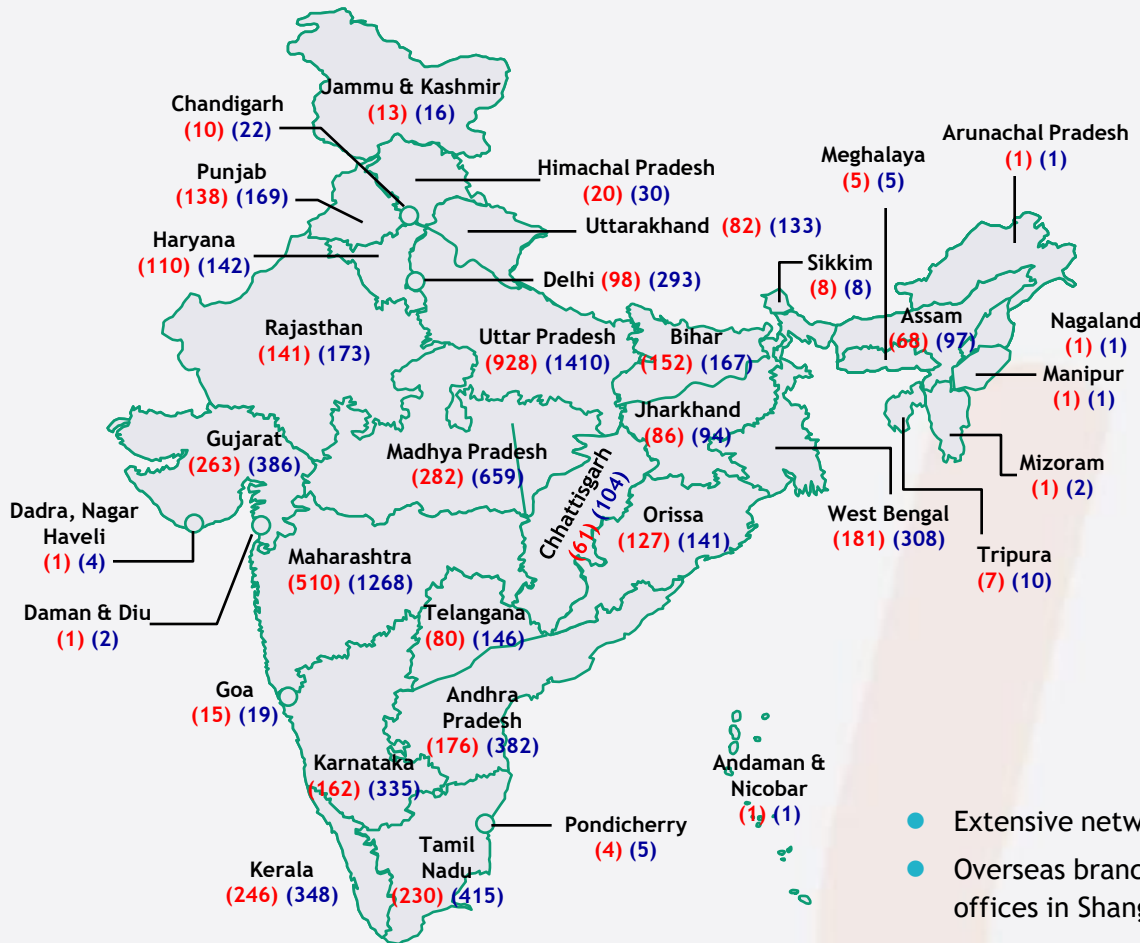


61% branches in rural/semi-urban markets

### Branch Distribution by Geography



Geographical diversification minimizes regional risks



# Domestic Branches (4,210) # ATMS (7151)

- Extensive network across India
- 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 28 extension counters, 60 satellite offices and 48 service branches in addition to its regular bank branches as of September 30, 2016.



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 September 30, 2016	60.35 Lakh
Deposits	₹ 974.98 Crore
RuPay Cards issued	53.96 Lakh
Aadhar Seeding	28.09 Lakh



Progress under PMSBY, PMJJBY and APJ Schemes	
Scheme Name	Total Enrolments
Pradhan Mantri Suraksha Bima Yojana (PMSBY)	29.2 Lakh
Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)	12.3 Lakh
Atal Pension Yojana (APJ)	0.69 Lakh



Progress under Mudra Yojana			
Category	No. of Accounts	Sanctioned Amount (₹ crore)	Outstanding Amount (₹ crore)
Shishu (< ₹ 50k)	28831	91	83
Kishor (Above ₹ 50k-5 Lakh)	39726	757	702
Tarun (Above ₹ 5 Lakh-10 Lakh)	3789	286	256
<b>Total</b>	<b>72346</b>	<b>1134</b>	<b>1041</b>

**#1** Business Performance

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**#4** Awards & Accolades

## Building Capabilities for Tomorrow

### Key objectives

- Provide better customer experience
- Increase cross-sell
- Achieve higher sales productivity
- Improve performance of alternate/digital channels
- Strengthen HR proposition

### 6 prioritized initiatives



**Union<sup>1</sup>  
Experience**

- Frontline lead/ referral generation through service 2 sales
- **Single window** each for cash and non cash process
- Improved sales efficiency through **catchment planning**
- **Migration to alternate channels**

**ULP<sup>2</sup>**

- Ensured efficient interaction between ULP and branches through:
  - Clear scope definition
  - **Digitization** of the workflow
- Process redesigned to **reduce TAT**
- **Clear role definition** for Marketing Officers

**SARAL<sup>3</sup>**

- Process redesigned to reduce TAT through:
  - **Simplified formats**
  - **Centralized processing** at SARAL
  - **Digitization** of the workflow

1. Metro & Urban branches with greater focus on digitization & sales
2. Union Loan Point (ULP): Centralized retail loan processing hub (71 ULPs)
3. Centralized business loan processing centre (20 SARAL)



**Digitization**

- **Customer engagement** through **user friendly digital channels**
- Continue to invest in **Digital product and platforms** along with evaluating innovative partnerships and models




**Human Resource**

- Induct **specialized talent** in senior and mid-senior level across departments & verticals
- **Succession planning**
- Centralized Services for staff related activities (shared services centre) & Grievance redressal Portal
- Development of **knowledge leadership** through training & developing research capability

**Business Analytics**

- Understand **customer behavior** to create **sales opportunities** across the branches
- **Generate business leads** through predictive analytics, text-mining etc.

## Impact<sup>1</sup>: Regional execution

Metric	Baseline <sup>2</sup>	Latest <sup>3</sup>	Growth
 <b>CASA Productivity</b> (CASA account acquisition/branch/day)	2.25	3.47	54%
 <b>Retail Loans sanctioned</b> per month (₹crore/region/month)	23.1	30.0	30%
 <b>Loans processed by SARAL per month</b> , (₹crore/region/month)	176.3	252.5	43%

## Impact: Central initiatives



**90%**

Reduction in **TAT** for sanctioning **employee claims**,






Increase in **productivity**

Processing of bills/day increased from 86 to 498

1. Relates to branches where Project Utkarsh is implemented for 6 months or more
2. Data prior to initiation of Project Utkarsh
3. Data as of September 30, 2016

## Impact<sup>1</sup>: Automation

Metric	Baseline <sup>2</sup>	Latest <sup>3</sup>	Growth
 <b>ATM cash withdrawals &lt;25K (number) as % to total cash withdrawals</b>	78.6	92.0	17%
 <b>Cash deposits in CDM &lt;50K (number) as % to total cash deposits</b>	50.6	63.6	26%
 <b>Improvement in SSPB<sup>4</sup> hits/machine/day</b>	53.6	61.6	15%

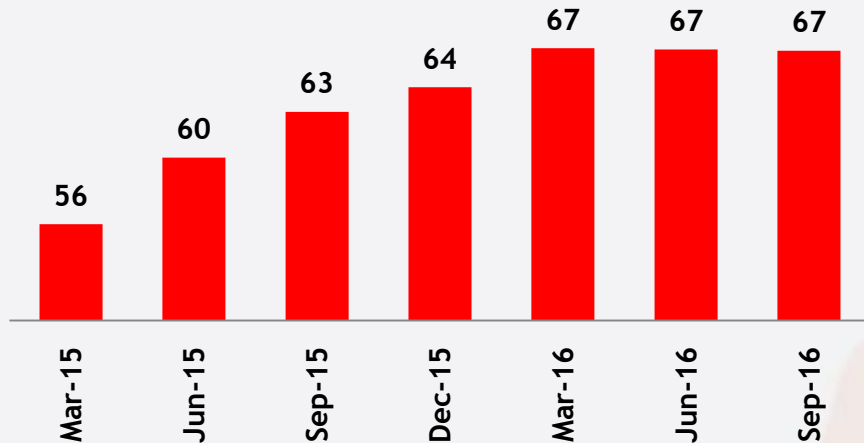
1. Relates to branches where Project Utkarsh is implemented for 6 months or more
2. Data prior to initiation of Project Utkarsh
3. Data as of September 30, 2016
4. Self Service Passbook



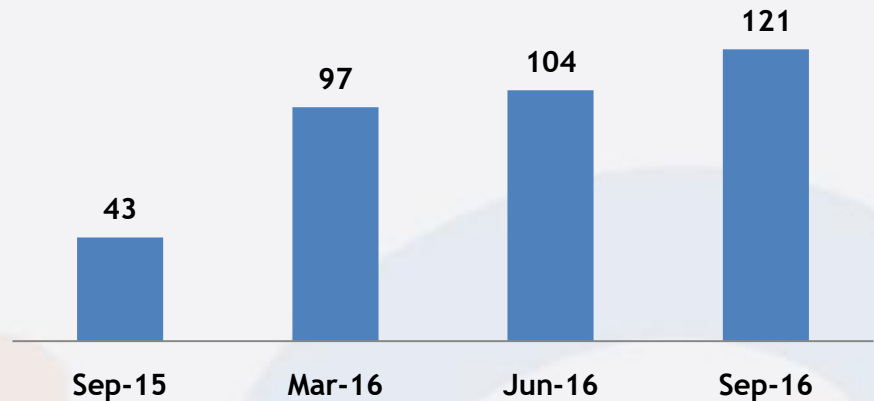
*Advance*  
***DIGITALLY***  
*Innovate*  
***SEAMLESSLY***



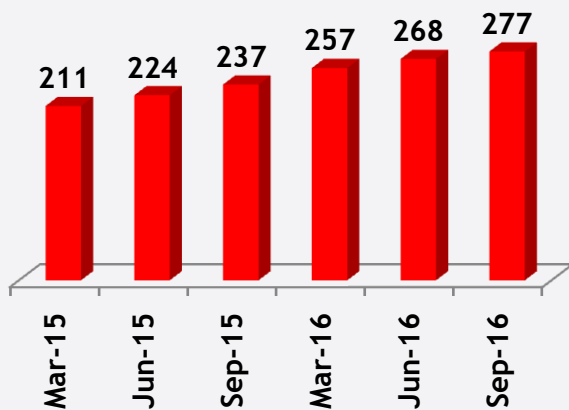
Transaction through Alternate Channels (%)



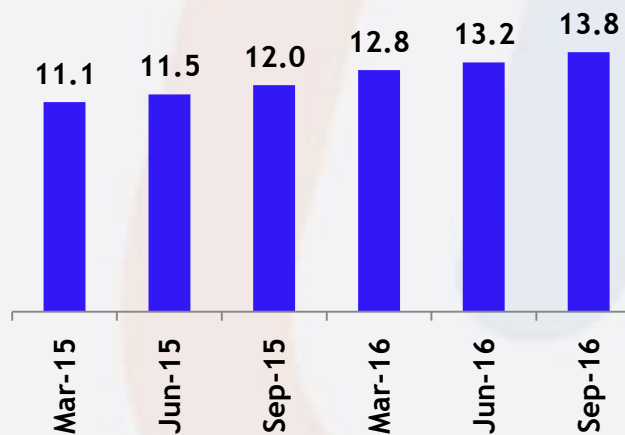
Mobile Banking Transactions (In Lacs)



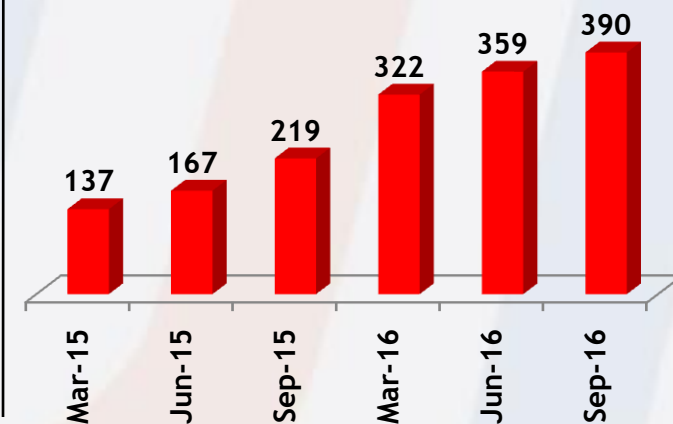
Debit Card (lacs)



Internet Banking (lacs)



Mobile Banking Users (thousands)



**#1** Business Performance

**#2** Financials

**#3** Structural Transformation

**#4** Awards & Accolades



### Innovative HR practices recognition by Times ascent

The Bank was recognized under Top 50 PSU Organization with Innovative HR Practices

### Technology award by Institute for Development & Research in Banking

Best Bank Award for the Use of technology for Financial Inclusion among large banks by Institute for Development & Research in Banking Technology

### Awards in the area of Digital Banking

VISA award for credit card

VISA award for E-wallet "Digipurse"





Union Bank was ranked 36<sup>th</sup> with a Brand value of ₹20.72 bn in the current year edition of Best Indian Brands published by Brand Equity (The Economic Times)



## 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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ऑफ़ इंडिया  
अच्छे लोग, अच्छा बैंक



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Good people to bank with



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