

यूनियन बैंक
ऑफ इंडिया



Union Bank
of India

Financial Results

Q4 FY15

&

FY 2014-15

May 12, 2015

Business

- Global Business increased by 9.0% to ₹ 579627 crore
- Savings Deposits grew by 9.9%; Share of High cost deposits declined to 5.8% from 12.6%

Core Fee

- Core fee income increased by 38.2% over Q3
- Exchange profit & recovery in written-off accounts also increased by 35.3% & 31.4% respectively in Q4/FY15

Opex

- Opex growth in Q4/FY15 contained at 7.0%; non-employee expenses grew by 6.0%

Profitability

- Operating Profit in Q4/FY15 increased by 25.2% (y-o-y)
- Net Profit for Q4/FY15 at Rs.443 crore, up by 46.7% over sequential quarter

Efficiency

- Cost-to-Income ratio down by about 200 bps from 51.1% (Dec-14) to 49.4% (Mar-15)
- RoA improved to 0.47% (Q4/FY15) from 0.34% (Q3/FY15)

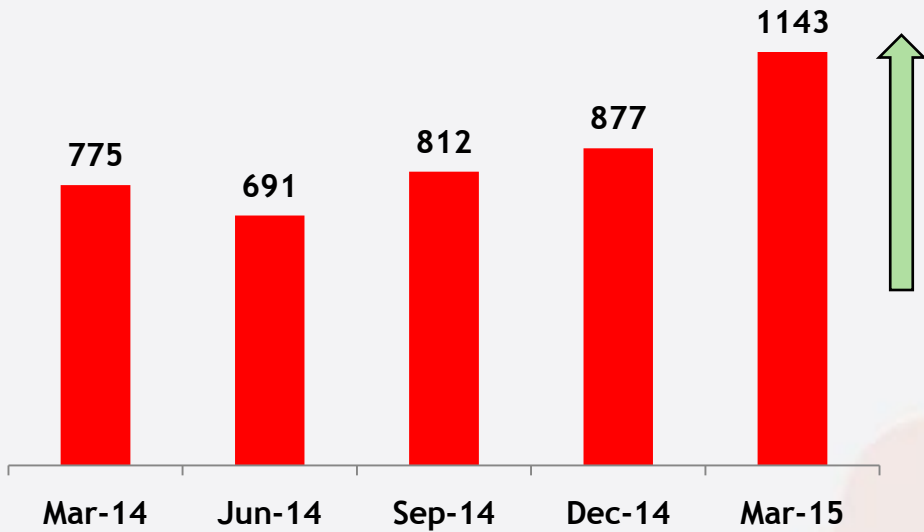
Asset Quality

- Gross NPA% reduced to 4.96% from 5.08% (Dec 2014) and Net NPA (%) reduced to 2.71% from 2.95% (Dec 2014)
- Slippages declined for 2nd consecutive quarter

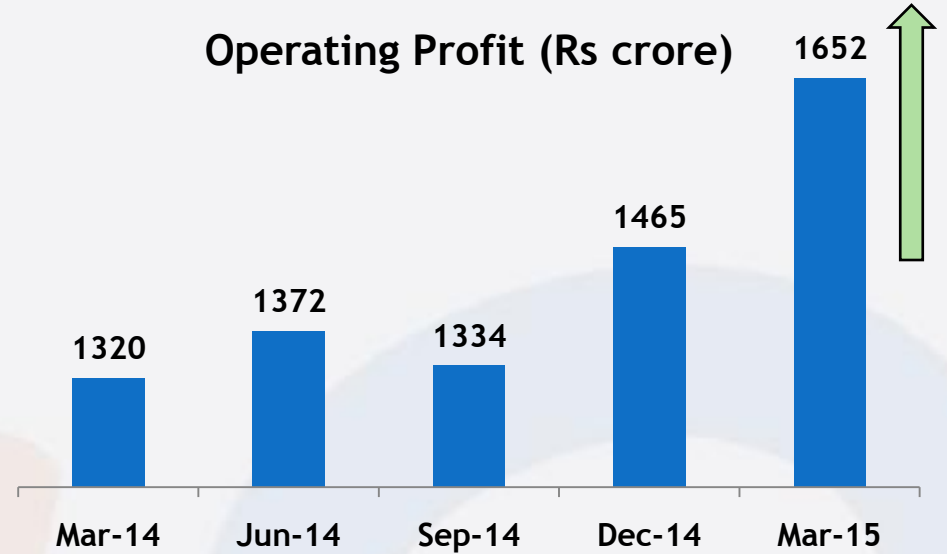
Capital

- Capital Adequacy Ratio at 10.22%; CET 1 at 7.24%
- Capital optimization led to lower growth in RWAs than in advances

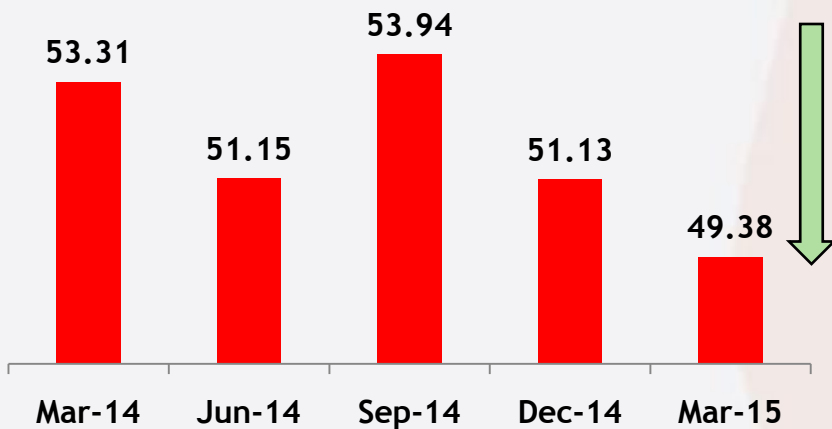
Non Interest Income



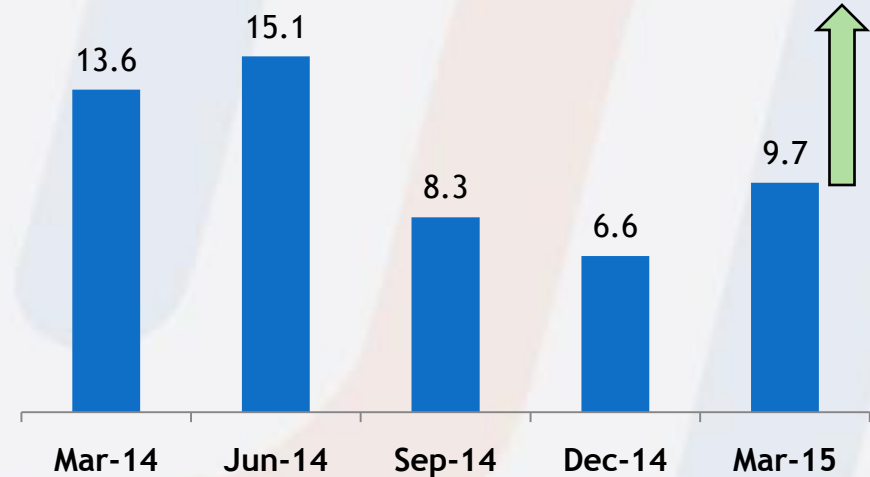
Operating Profit (Rs crore)



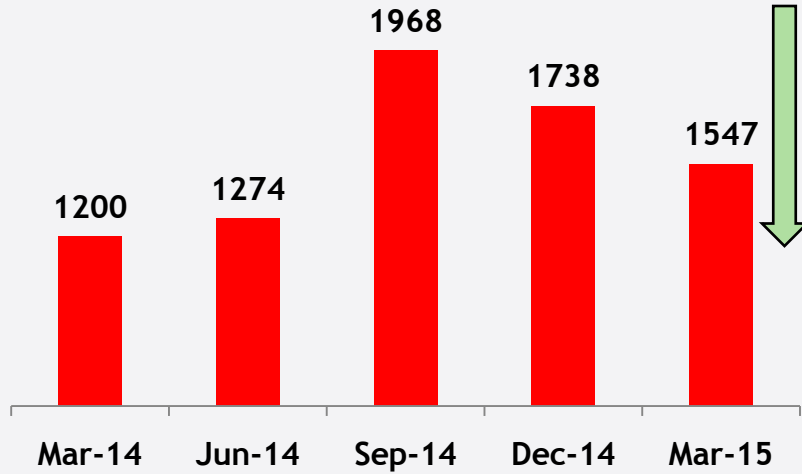
Cost to Income Ratio (%)



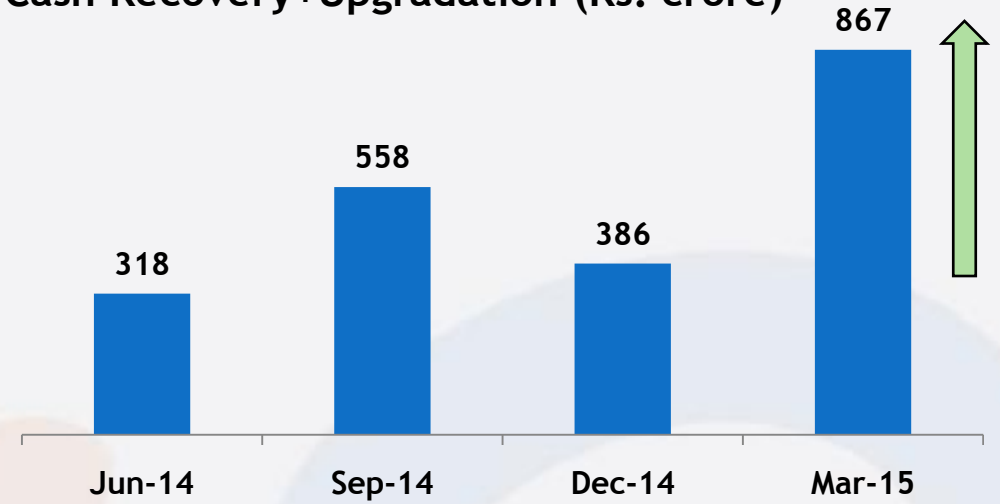
ROE (%; anualised)



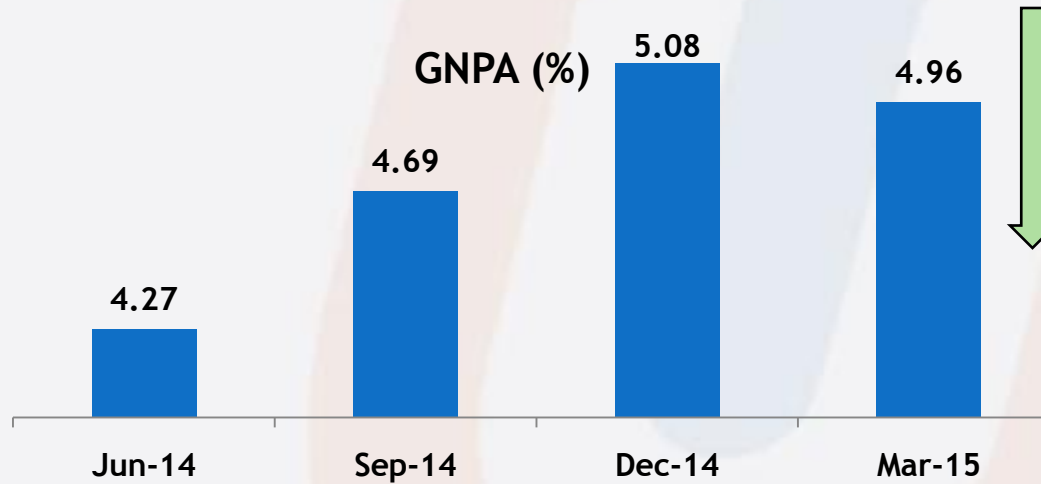
Slippages (Rs crore)



Cash Recovery+Upgradation (Rs. crore)



GNPA (%)



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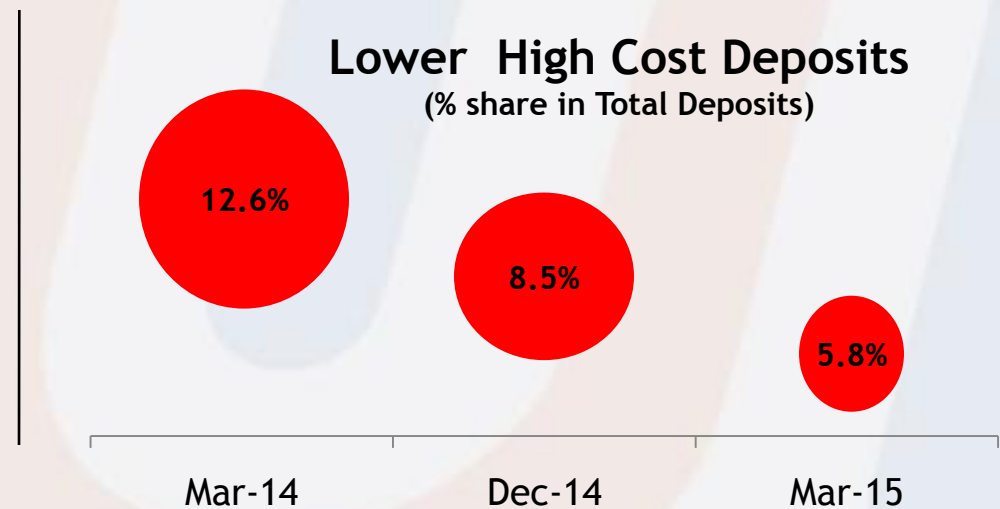
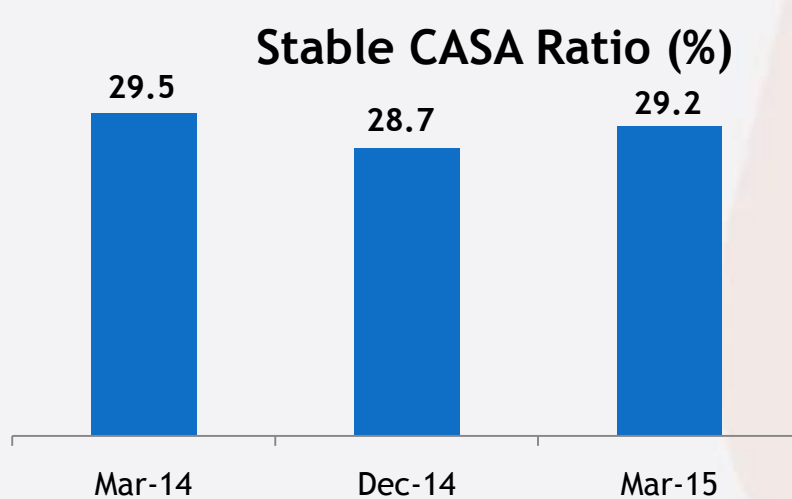


Union Bank
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Business Performance

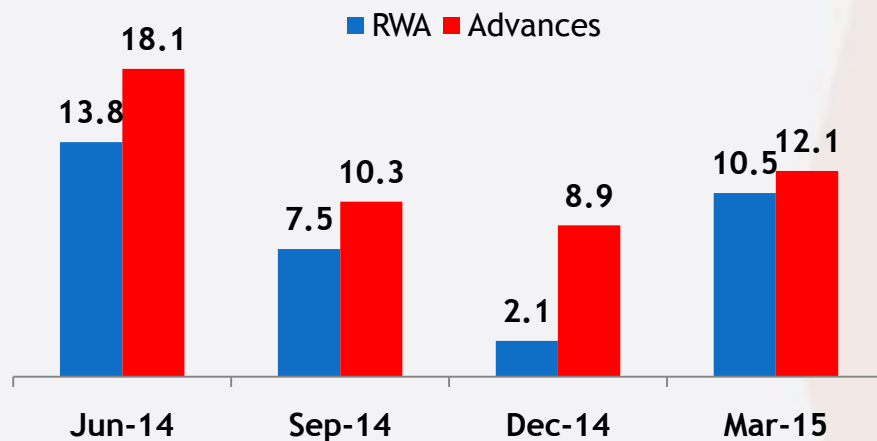
Parameters (Rs crore)	Mar 2014	Dec 2014	Mar 2015	Growth (%)	
				Y-o-Y	Q-o-Q
Total Deposits	297675	312912	316870	6.5	1.3
Current Deposits	22703	21891	21092	-7.1	-3.7
Savings Deposits	65098	68019	71558	9.9	5.2
CASA	87801	89910	92650	5.5	3.1

- The Bank opened 35000 accounts through *Tabulous* Banking currently active in cities
- The Bank activated 13 lakh Dormant accounts during FY 2014-15. In addition, the Bank added 113 lakhs CASA accounts during the year.

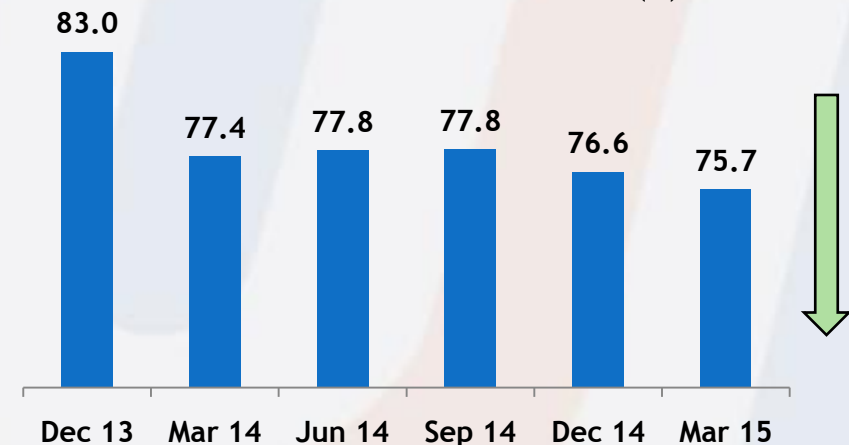


Parameters (Rs crore)	Mar 2014	Dec 2014	Mar 2015	Growth (%)	
				Y-o-Y	Q-o-Q
Gross Advances	234332	248099	262757	12.1	5.9
- Domestic	216751	227339	241323	11.3	6.2
- Overseas	17581	20760	21434	21.9	3.3
Retail Advances	24931	30155	31664	27.0	5.0
Agriculture	25614	29707	31584	23.3	6.3
MSME	45372	52840	55656	22.7	5.3

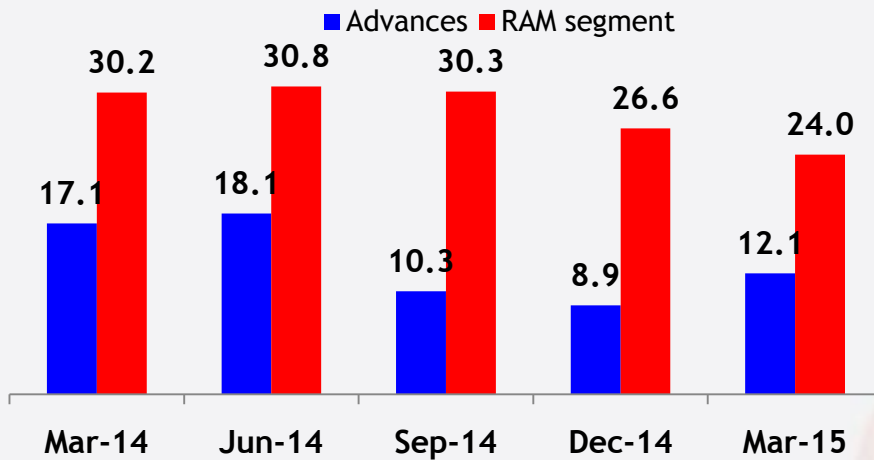
RWA v/s Advances-Annual Growth (%)



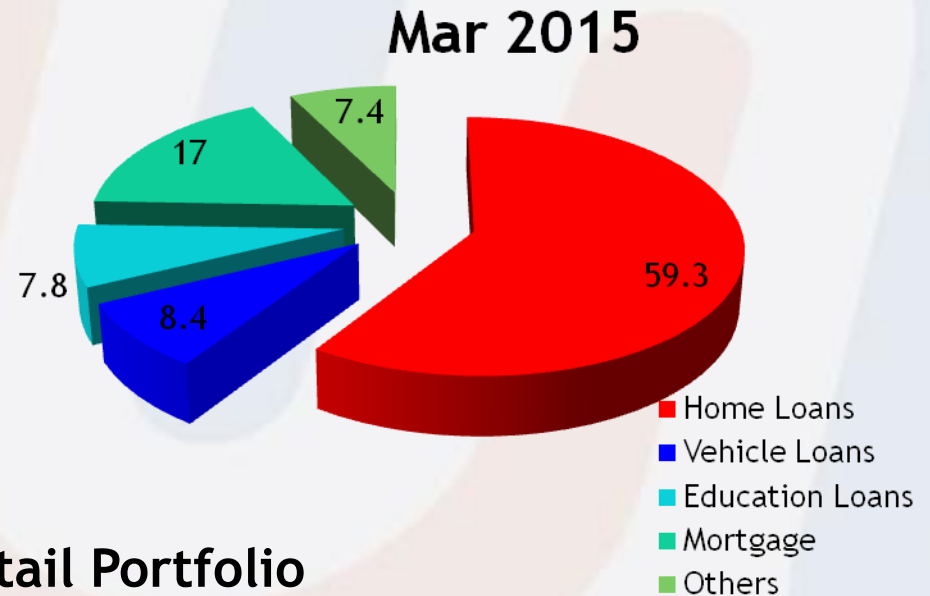
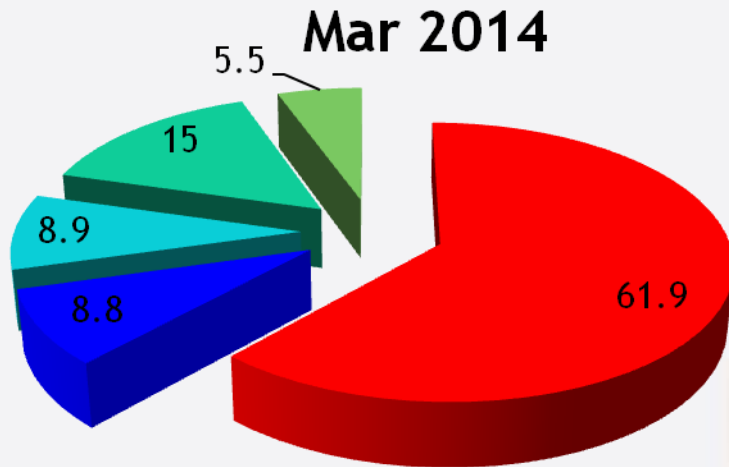
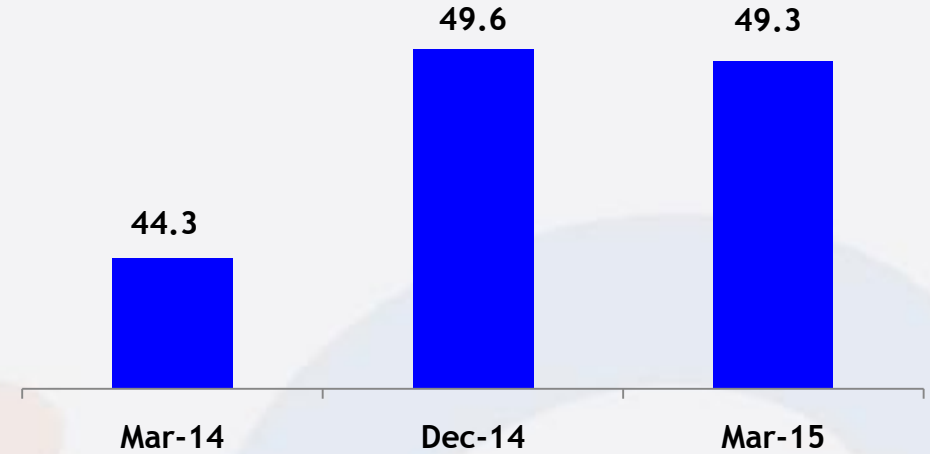
Advances RWA to Gross Advances (%)



Annual Growth (%)



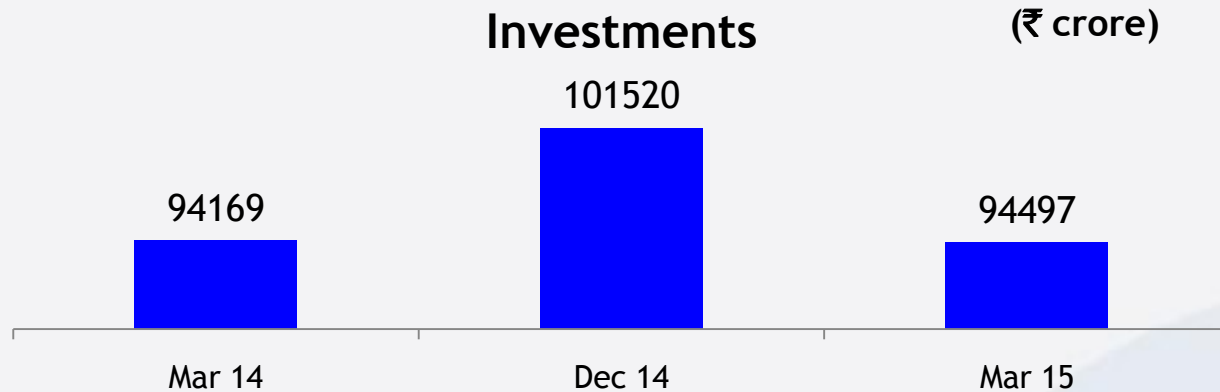
RAM Share (%) (Domestic)



Composition of Retail Portfolio

- Home Loans
- Vehicle Loans
- Education Loans
- Mortgage
- Others

Sl.	Sectors	Top 10 Sectors (Domestic) % Share in Advances			Top 10 Sectors (Domestic) (31 st Mar 2015)	
		Mar 2014	Sep 2014	Dec 2014	% Share	Amount (₹ crore)
1	Infrastructure	16.3	17.1	15.7	15.9	38350
2	Retail Advances	11.5	12.6	13.3	13.1	31664
3	Agriculture	11.8	12.7	13.1	13.1	31584
4	Trade	11.5	12.4	12.5	11.6	27887
5	NBFCs and HFCs	10.2	10.7	10.1	10.1	24292
6	Basic Metal Products	6.6	5.1	5.9	4.8	11611
7	Food Processing	3.3	2.9	3.1	3.2	7743
8	Textiles	3.1	2.8	3.0	2.9	6946
9	Construction	2.3	2.5	2.5	2.6	6201
10	Gems & Jewellery	2.1	1.8	2.1	2.1	5076



	Mar 2015	% to Total	Duration (Yrs)
			Mar 2015
Held to Maturity	70886	75.0	4.24
Held for Trading	20	0.02	3.94
Available for Sale	22909	24.96	4.44
Total Investment	94497	100	4.29

- 22.30% of AFS 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 \$ (Rs crore)	Mar-14	Mar-15*	Growth (%) YoY-US\$
Business	3.7 billion (22445)	4.2 billion (26074)	13.2
Total Deposits	0.8 billion (4864)	0.7 billion (4640)	-7.2
Total Advances	2.9 billion (17581)	3.4 billion (21434)	18.9

*1 US\$= ₹ 62.5000 as on March 31, 2015

Statement of Assets & Liabilities

(₹ crore)

LIABILITIES	As at 31.03.14	As at 31.12.14	As at 31.03.15	Growth (%)	
				Y-o-Y	Q-o-Q
Capital	741	636	636	-14.2	0.0
Reserves and surplus	17734	19156	19126	7.8	-0.2
Deposits	297676	312912	316870	6.4	1.3
Borrowings	29317	30658	35360	20.6	15.3
Other Liabilities and Provisions	8313	8418	9625	11.5	10.1
Total	353781	371780	381616	7.9	2.6
ASSETS					
Cash and Balances with Reserve Bank of India	18420	12613	15063	-18.2	19.4
Balances with Banks and Money at call and Short Notice	4653	8950	7315	57.2	-18.3
Investments	93723	101159	94093	0.4	-7.0
Advances	229104	241512	255655	11.6	5.9
Fixed Assets	2608	2666	2682	2.8	0.6
Other Assets	5272	4880	6808	29.1	39.5
Total	353781	371780	381616	7.9	2.6

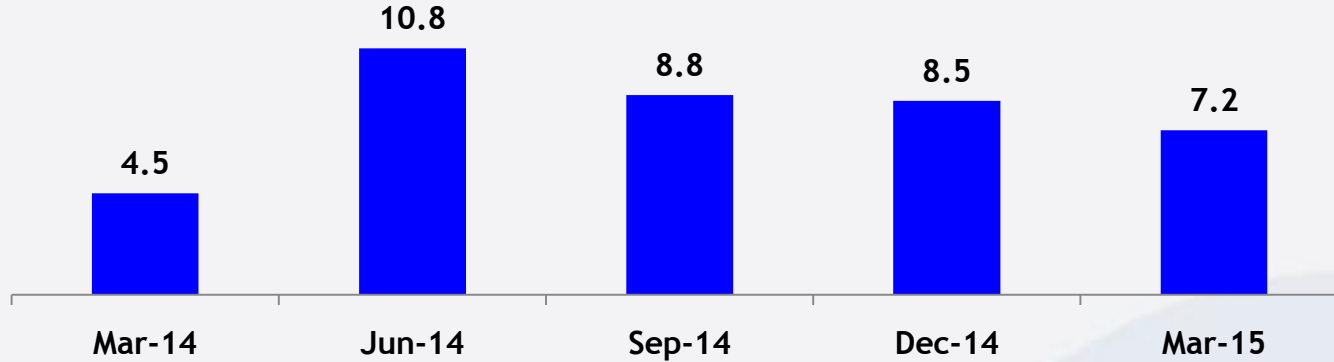
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Union Bank
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Financial Highlights

YoY Growth (%) in Net Interest Income (Cumulative)



Parameters	Mar-14 (Q4)		Dec-14 (Q3)		Mar-15 (Q4)		FY 2014		FY 2015	
	Domestic	Global	Domestic	Global	Domestic	Global	Domestic	Global	Domestic	Global
Cost of Deposit	7.37	7.29	7.43	7.33	7.38	7.28	7.44	7.37	7.40	7.31
Cost of Funds	6.83	6.58	6.80	6.58	6.74	6.44	6.79	6.55	6.82	6.54
Yield on Advances	11.05	10.46	11.01	10.43	10.83	10.18	11.11	10.53	11.02	10.42
Yield on Investment	7.70	7.69	7.53	7.51	7.63	7.63	7.55	7.54	7.57	7.56
Yield on Funds	9.29	8.98	9.21	8.93	9.06	8.68	9.27	8.95	9.24	8.88
NIM	2.62	2.55	2.57	2.50	2.46	2.37	2.64	2.56	2.58	2.48

(₹ crore)

Parameters	Mar-14 (Q4)	Dec-14 (Q3)	Mar-15 (Q4)	Growth (%)-Y/Y	Growth (%)-Q/Q	FY 2014	FY 2015	Growth (%)
a. Core Non Interest Income	519	455	630	21.3	38.4	1635	1872	14.5
b. Treasury Income	194	379	433	123.4	14.0	922	1334	44.7
<u>W/w</u>								
Profit on Sale of Investments	83	252	283	241.2	12.5	486	709	45.8
Exchange Profit	111	128	150	35.3	17.3	436	625	43.4
c. Recovery in Written off Accounts	61	42	80	31.4	89.3	265	317	19.7
Total	774	877	1143	47.7	30.3	2822	3523	24.8

(₹ crore)

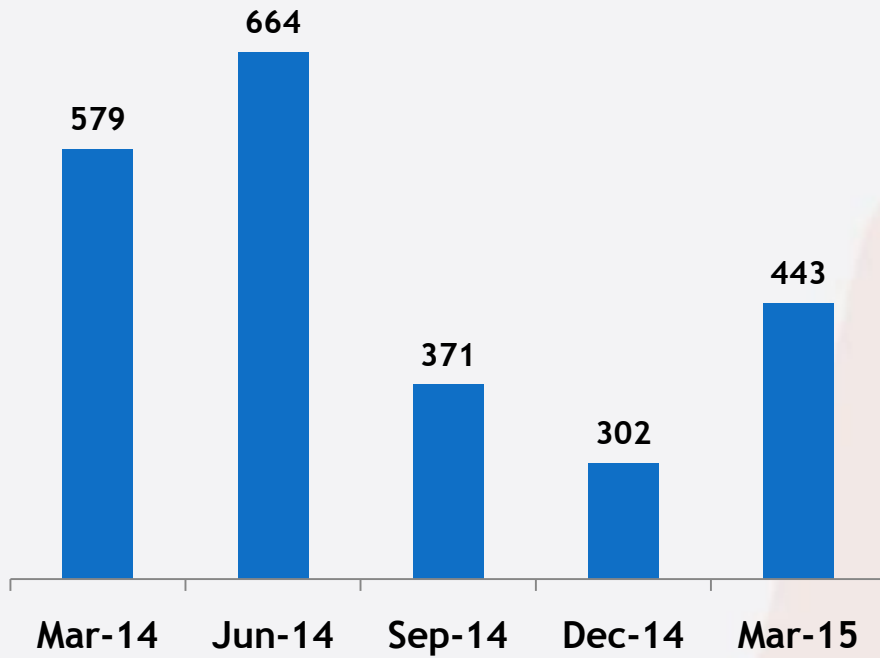
Parameters	Mar-14 (Q4)	Dec-14 (Q3)	Mar-15 (Q4)	Growth (%)-Y/Y		FY 2014	FY 2015	Growth (%)
Interest Income	7670	8044	8241	7.4		29349	32084	9.3
Interest Expenditure	5618	5924	6119	8.9		21470	23640	10.1
Net Interest Income	2052	2120	2122	3.4		7879	8444	7.2
Non Interest Income	775	877	1143	47.5		2822	3523	24.8
Operating Expenses	1507	1532	1613	7.0		5483	6144	12.1
Establishment Expenses	888	965	957	7.8		3308	3786	14.5
Other Expenses	619	567	656	6.0		2175	2358	8.4
Operating Profit	1320	1465	1652	25.2		5218	5823	11.6

(₹ crore)

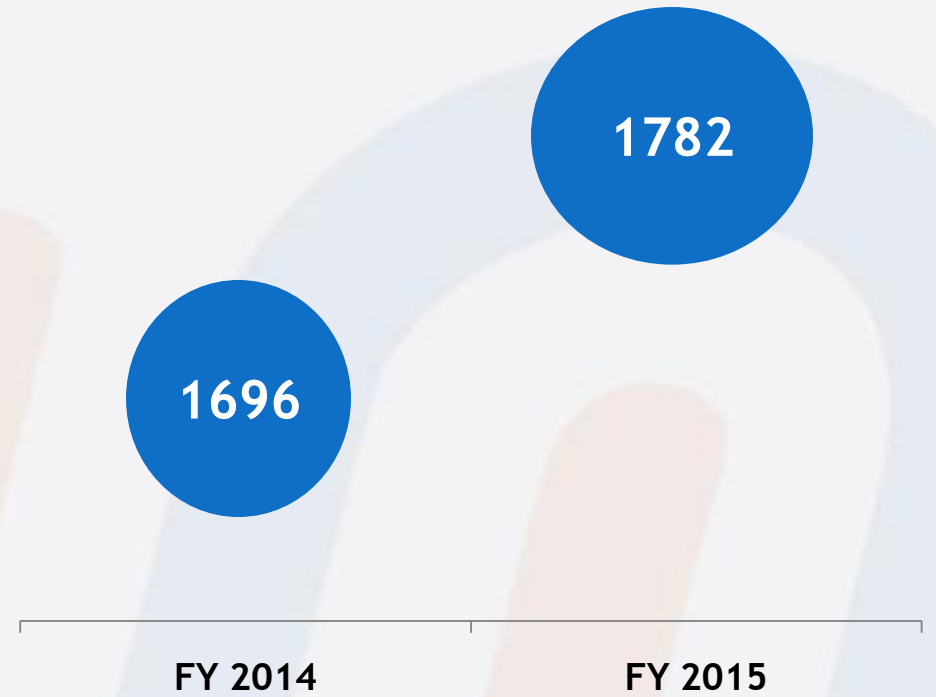
Parameters	Mar-14 (Q4)	Dec-14 (Q3)	Mar-15 (Q4)		FY 2014	FY 2015
NPAs	670	674	833		2106	2537
Standard Assets	71	22	146		309	240
Depreciation on Investment	5	-26	47		88	-38
Shifting Loss	0	0	0		110	39
Restructured Advances	60	106	-83		255	127
Others (FITL etc)	115	76	67		281	135
Taxation	-180	311	199		373	1002
Total	741	1163	1209		3522	4042

₹ crore

Quarter



Annual



Sl.	Efficiency Parameters	Mar-14 (Q4)	Dec-14 (Q3)	Mar-15 (Q4)	FY 2014	FY 2015
1	Return on Assets (%)	0.68	0.34	0.47	0.52	0.49
2	Return on Net worth (%)	13.64	6.60	9.70	9.98	9.73
3	Cost to Income Ratio (%)	53.31	51.13	49.38	51.24	51.34
4	Book Value Per Share (Rs)	269.38	288.18	287.93	269.38	287.93
5	Earnings per share (Rs)	36.74	19.03	27.92	27.99	28.05

Sl.	Profitability Parameters	Mar-14 (Q4)	Dec-14 (Q3)	Mar-15 (Q4)	FY 2014	FY 2015
1	Business per Branch ₹ crore	137.4	139.0	142.0	137.4	142.0
2	Business per Employee ₹ crore	15.7	15.5	16.3	15.7	16.3
3	Gross Profit per Branch ₹ crore	1.36	1.45	1.62	1.35	1.43
4	Gross Profit per Employee ₹ lakh	15.62	16.28	18.61	15.44	16.40
5	Net Profit per Branch ₹ lakh	59.83	29.99	43.50	43.82	43.66
6	Net Profit per Employee ₹ lakh	6.85	3.36	5.00	5.02	5.02

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Asset Quality

(₹ crore)

Parameters	Mar 14 (Q4)	Dec 14 (Q3)	Mar 15 (Q4)		FY 2014	FY 2015
Gross NPAs - Opening	8776	11462	12596		6314	9564
Add : Additions	1199	1738	1547		5479	6527
Less : Reductions	411	604	1112		2229	3060
1. Recoveries	141	358	550		765	1537
2. Upgradation	48	28	317		551	592
3. Write Off	222	218	245		913	931
Gross NPAs- Closing	9564	12596	13031		9564	13031
Gross NPA (%)	4.08	5.08	4.96		4.08	4.96
Net NPA	5340	7118	6919		5340	6919
Net NPA (%)	2.33	2.95	2.71		2.33	2.71
Provision Coverage Ratio (%)	59.89	57.25	59.23		59.89	59.23
Credit Cost (%)	0.94	1.11	1.31		0.94	1.02

(₹ crore)

Sectors	Slippages During Q4 FY 15	NPAs Mar 2015	% to Total NPAs	% to Sector Loan			
				Mar 2014	Sept 2014	Dec 2014	Mar 2015
Agriculture	147	1577	12.1	6.22	5.73	5.42	5.08
Micro & Small (MSE)	558	2482	19.0	5.02	5.26	5.64	6.09
Retail Loans	95	615	4.7	2.03	2.10	2.03	1.96
Others	747	8357	64.1	3.88	4.80	5.48	5.23
Total	1547	13031	100	4.08	4.69	5.08	4.96

(₹ crore)

Parameters	FY 2013-14	FY 2014-15 Quarter				FY 2014-15
		Q1	Q2	Q3	Q4	
Outstanding of Accounts sold	421	400	29	0	339	768
<i>Of which,</i>						
<i>Prudential written off (PWO) Accounts sold</i>	308	73	29	0	261	363
Existing Gross NPAs sold	113	0	0	0	78	78
Others/SMA	0	327	0	0	0	327

(₹ crore)

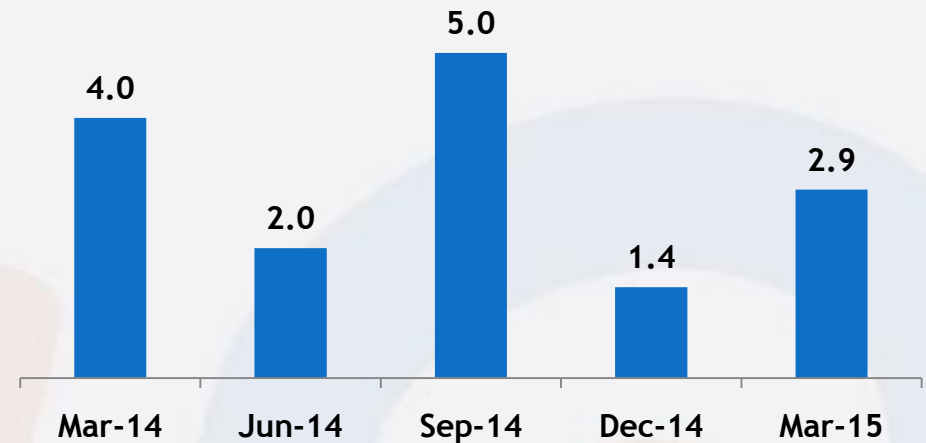
Particulars	Mar-15 (Q4)			FY 2014-15		
	Standard	NPA	Total	Standard	NPA	Total
Restructured Assets as on (January 1, 2015/April 1, 2014)	12347	4308	16655	12353	3080	15433
Fresh Restructuring during the (Quarter/ Year)	2367	1	2368	5002	1	5003
Upgradation to Restructured Accounts during the (Quarter/ Year)	78	-78	0	97	-97	0
Restructured Standard Advances which cease to attract higher provisioning and need not be shown as Restructured Assets (Quarter/ Year)	-1228	0	-1228	-2975	0	-2975
Down gradation of restructured accounts during the (Quarter/ Year)	-356	356	0	-1360	1360	0
Change in Outstanding/Write-off/ Recovery/Closures (Quarter/ Year)	450	-117	333	541	126	667
Restructured Accounts as on March 31, 2015	13658	4470	18128	13658	4470	18128

Outstanding Standard Restructured Assets excluding SEBs as % to Gross Advances: 3.04%

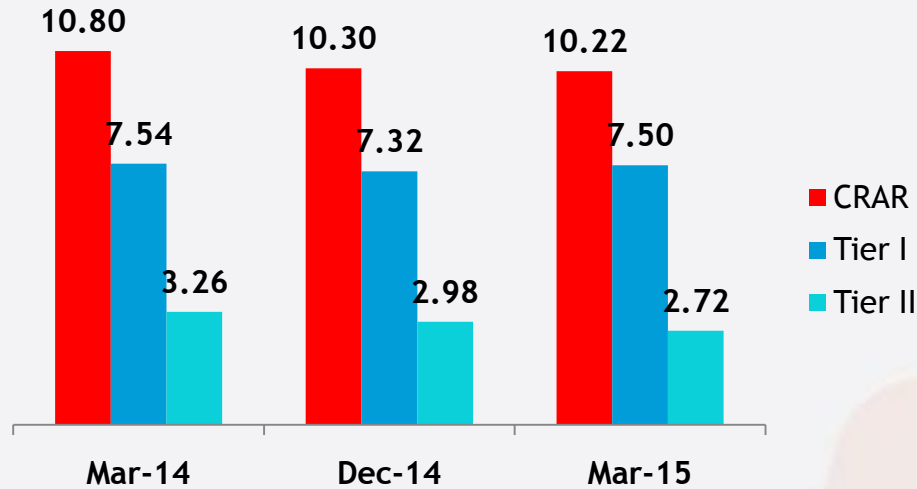
(₹ crore)

	Sector	Amt.	% to Standard Restructured
1	Infrastructure	8173	59.8
	of which		
a.	Power	6645	48.7
	w/w SEBs	5663	41.5
2	Iron & Steel	1355	9.9
3	Hotel	661	4.8
4	Textile	501	3.7

Quarterly Slippages (%) from Restructured Assets



	Amt	% to Standard Restructured Advances	% to Gross Loans
Outstanding Standard Restructured Assets	13658	100	5.2
W/w			
-SEBs	5663	41.5	2.2
-Stalled Projects	2082	15.2	0.8

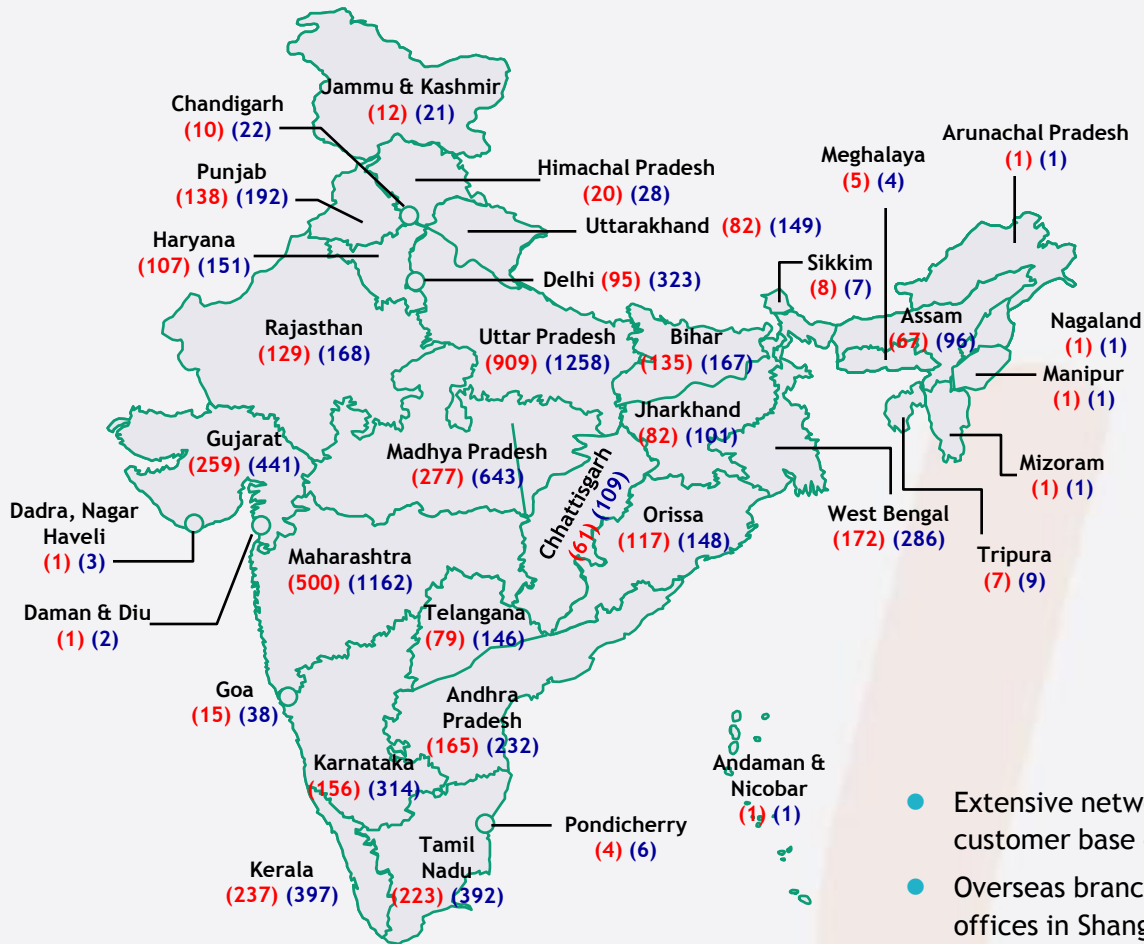


Liquidity Coverage Ratio (LCR)

- LCR for quarter ended March 2015 at 111.7% compared to regulatory minimum requirement of 60%

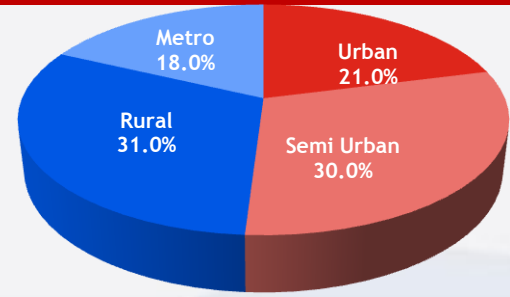
(₹ crore)

	Mar 2014	Jun 2014	Sep 2014	Dec 2014	Mar 2015
Risk Weighted Assets	229207	235875	239682	240924	253162
Capital Funds	24751	24557	24684	24807	25885
CRAR-BASEL III (%)	10.80	10.41	10.30	10.30	10.22
CET Ratio (%)	7.18	7.03	7.01	7.02	7.24



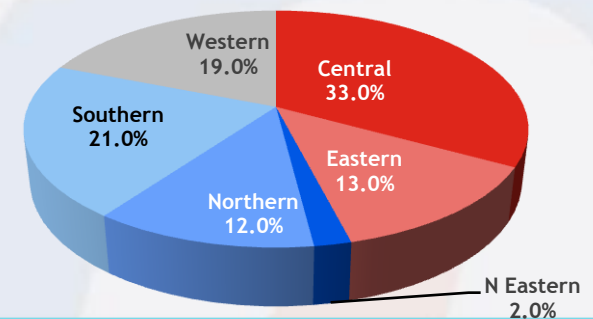
Domestic Branches (4,078) # ATMS (7,020)

Branch Distribution by Urbanization



61% branches in rural/semi-urban markets

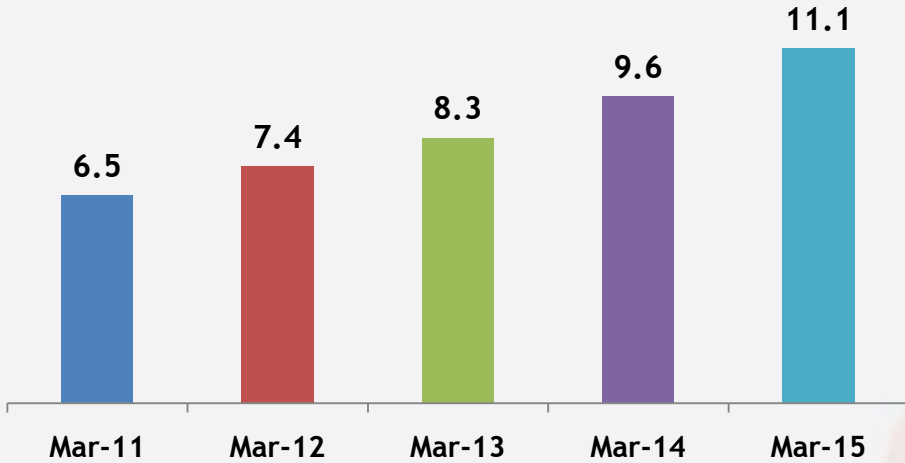
Branch Distribution by Geography



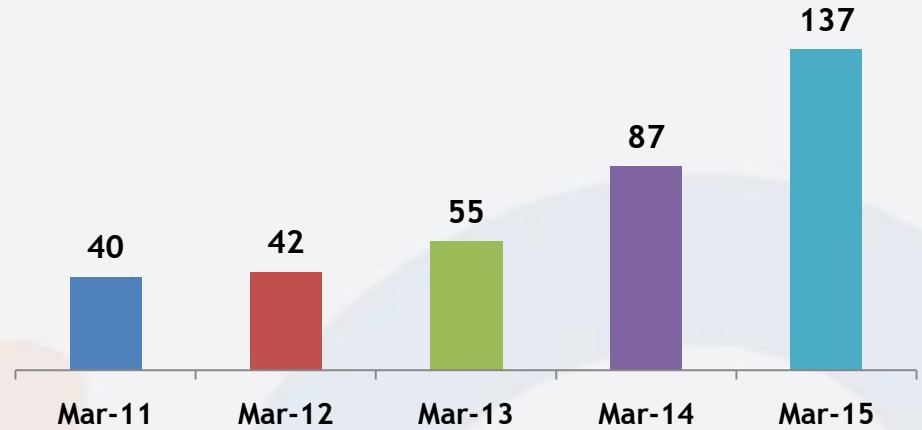
Geographical diversification minimizes regional risks

- Extensive network across India, which enables the Bank to cater to its large customer base of over 49 mn as of March 31, 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 March 31, 2015)

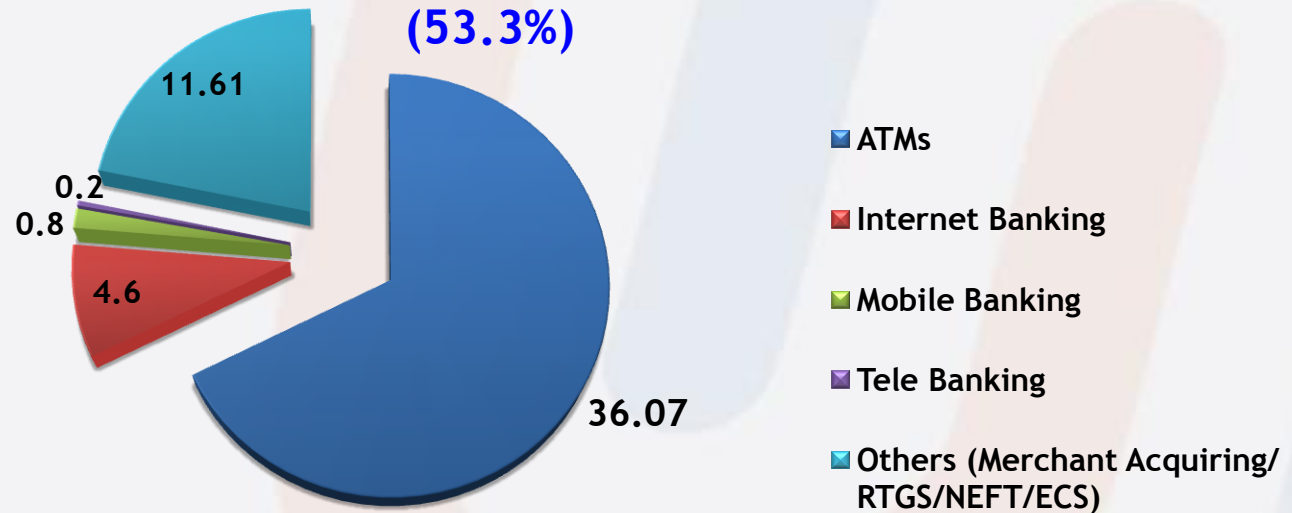
Internet Banking User (lakhs)



Mobile Banking User (thousands)



Transactions through Alternative Delivery Channels (53.3%)

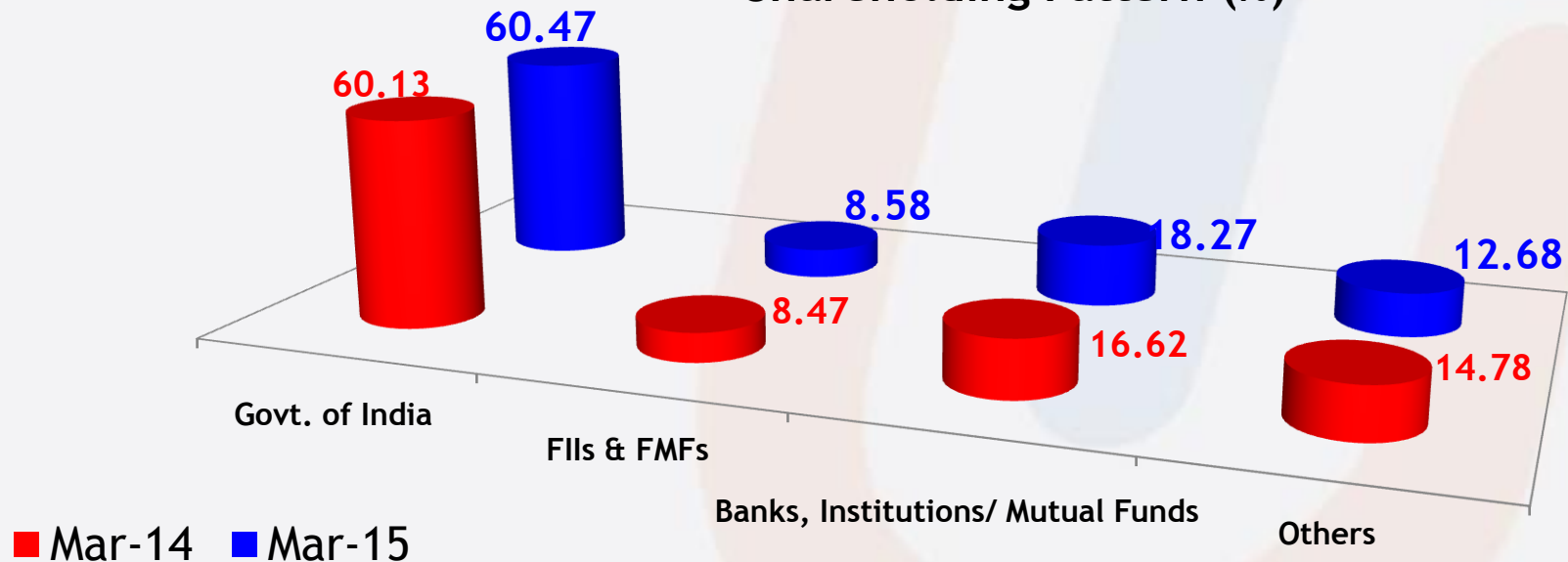


Progress under Pradhan Mantri Jan Dhan Yojana (PMJDY)	
Parameters	Achievements of the Bank
Villages covered	18396
Sub Service Areas	5407
Urban Wards	2581
Accounts opened till March 31, 2015	46 Lakh
Deposits	₹ 348 Crore
RuPay Cards issued	45 Lakh
Aadhar Seeding	12 Lakh



• Share Capital	₹ 635.8 crore
• No. of Equity Shares:	63.58 crore
• Net worth:	₹ 18306 crore
• Book Value per share	₹ 287.93
• Return on Equity	9.73%
• Market Cap	₹ 9950 crore

Shareholding Pattern (%)





IBA Technology Awards, 2014-15

- Winner : Best Payment Initiatives
- Joint Winner: Best Initiative to Enhance Customer Experience
- 1st Runner Up: Technology Bank of the Year

NPCI Excellence Award 2014

Financial Inclusion & Payment Systems (FIPS)

- Financial Inclusion Technology Initiative
- Kendriya Vidyalaya Fee Payment

Express Technology Senate 2014 award

Golden Peacock Award for HR Excellence



- **Tabulous Banking** a tablet based Savings Bank account opening process under its customer service excellence

- **Biometric Authentication at ATMs through UIDAI**

- **Card to card fund transfer through ATM**

- **e-KYC for opening of account based on Aadhaar Number & Fingerprint**

- **MTNL Bill Payment using IMPS**

- **PKI Authentication for Internet Banking User**

- **Online PPF for Internet Banking customers**



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MTNL Landline users in Mumbai can now pay their bill using any bank mobile banking.

Steps :

1. Go to Mobile Banking application
2. Under "IMPS" go to "IMPS Merchant Payment"
3. Enter "9969009700" in Merchant Mobile no.
4. Enter "9026263" in Merchant MMID no.
5. Enter your bill amount
6. Enter your "8 digit Landline number" in payment reference
7. Confirm for payment

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- In association with IRCTC, the Bank launched **IRCTC Union Bank RuPay Prepaid Card**. The Prepaid card is the first of its kind in the industry where both virtual as well as physical cards are being issued to the customer.

- The Bank launched **RuPay Platinum Debit Card** for its High Net Worth customers . The card will allow the customers a higher cash withdrawal and shopping limits.



SMART WAY TO SAVE!



- Easy Overdraft Facility
- Instant Liquidity
- Lower Interest Burden

Introducing **Union Home SMART SAVE**

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अच्छे लोग, अच्छा बैंक Good people to bank with

Your dreams are not yours alone

HURRY! HOME LOAN AT LOW EMI OF JUST ₹878* per lac LOW INTEREST RATE @ 10%* p.a.

Higher quantum of loan with no maximum limit
Specialized branches for fast approval

Maximum tenure of 30 years
Loan sanction in just 5 days
Easy Takeover*



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Nurture innovation. Reap great success.

Introducing **Union BIO-TECH**

Start Tissue Culture unit along with polyhouses.

For more details contact nearest bank branch.

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BIG NEWS FOR MEDIUM ENTERPRISES!

INTEREST RATE ON LOAN REDUCED TO 12% p.a.*

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Adding wings to the dream of women entrepreneurs

Low interest MSE loans:

- No collateral up to ₹1 crore
- No Processing fee
- Low Margin

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Category	Potential outcomes
A Process redesign	<ol style="list-style-type: none"><li data-bbox="497 242 2034 392">1 Redefine Bank's organization structure for superior performance and synergies (eg., enable faster decision making & process centralizations / decentralisations)<li data-bbox="497 406 2034 556">2 Revamp Union Xperience branches and extreme makeover of existing centralized processes across liabilities and assets (SARAL, ULP, NPC, mid corporate) through sustained process and technology interventions<li data-bbox="497 571 2034 649">3 Set up Lean branches by leveraging digital capabilities
B Business analytics	<ol style="list-style-type: none"><li data-bbox="497 685 2034 835">4 Build a strong analytics and campaign management engine to drive business performance (e.g. Creating 360⁰ customer view, "Next product to Buy Model" etc.)<li data-bbox="497 849 2034 985">5 Build an in-house Customer Intelligence Unit to define and run future analytics driven campaigns
C Marketing and sales revamp	<ol style="list-style-type: none"><li data-bbox="497 1028 2034 1135">6 Uplift sales performance<li data-bbox="497 1149 2034 1270">7 Build an integrated multi-channel lead management system to enhance sales productivity through transparency and systematic tracking across channels

Category

Potential outcomes

D Multi-channel enablement

- 8** Improve **availability, customer experience and usage/migration** across alternate channels - ATM, Mobile, Call Centre and Website
- 9** Launch **service to sales** initiatives to ensure significant business generation and fee income from alternate channels

E Performance driven organisation

- 10** Define a robust HR framework and employee value proposition with the objective 'A Good Bank to Bank with'
- 11** A **talent management and leadership development program** covering talent identification, succession planning, mentoring/ coaching and leadership development for key roles
- 12** Design and build **manpower redeployment and transfer policy** recommendations
- 13** Revamp **training approach** to make learning more experiential (e.g., model branches), relevant and real-time (on-the-job and feedback oriented)
- 14** Launch a **comprehensive employee engagement and communication plan** to enable sustainability through a "buy-in" across the bank

All initiatives will be supported by investment in capability building and knowledge transfer

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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