

## Quarterly Results June 2010

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## **WORKING RESULTS – QUARTER ENDED JUNE 2010**

### **Major Highlights**

- ✓ Operating profit for the quarter Q1-11 grew by 32.53 % to Rs.1043 crs as against Rs 787 crs in the corresponding quarter of the previous year. Operating profits for Q1 have grown at CAGR of 25.75% in the last 3 years
- ✓ The Bank registered Net Profit of Rs.601 crs for Q1-11 as against Rs 442 crs in the previous year, a growth of 35.97%. Net Profits for Q1 have grown at CAGR of 38.75% in the past 3 years.
- ✓ **NIM of the Bank was at 3.03% for Q1-11 as against 2.32% in the previous year.**
- ✓ The Bank's Return on Equity (RoE) was at an impressive 25.71% as of June'10 as against 23.87% in the previous year. Return on Avg. Assets(RoAA) also improved to 1.27 from 1.12 in the previous year.
- ✓ CASA deposits grew by 27.67% to Rs 55845 crs as of June'10 as against Rs 43742 crs in the previous year.

## Working Results Overview - Quarter ended June, 2010

		Q1 to Q1 change		
		June'09	June'10	% change
<b>1.0</b>	<b>Total Income</b>	3704	4120	11.23
<b>1.1</b>	<b>Interest Income</b>	3191	3685	15.48
<b>1.1.1</b>	-on advances	2353	2733	16.15
<b>1.1.2</b>	-on investments	815	910	11.66
<b>1.1.3</b>	-on others	23	42	82.61
<b>1.2</b>	<b>Non-Interest Income</b>	513	435	-15.20
<b>2.0</b>	<b>Total Expenses</b>	2917	3077	5.49
<b>2.1</b>	<b>Interest Expenses</b>	2374	2338	-1.52
<b>2.1.1.</b>	-Deposits	2216	2194	-0.99
<b>2.1.2</b>	-Others	158	144	-8.86
<b>2.2</b>	<b>Other Expenses</b>	543	739	36.10
<b>2.2.1</b>	-Establishment	301	435	44.52
<b>2.2.2</b>	-Others	242	304	25.62
<b>3.0</b>	<b>Interest Spread</b>	817	1347	64.87
<b>4.0</b>	<b>Operating Profit</b>	787	1043	32.53
<b>5.0</b>	<b>Provisions</b>	345	442	28.12
<b>6.0</b>	<b>Net Profit</b>	442	601	35.97

### Performance in Brief

#### Business:

- o The Bank achieved a domestic business–mix of Rs. 291938 cr. as on 30<sup>th</sup> June'10, a growth of 22.92%, as against Rs 237506 crs in the previous year.
- o Global business-mix reached a level of Rs. 296227 cr. as on 30<sup>th</sup> June'10.
- o The Bank's domestic deposits as on 30<sup>th</sup> June'10 reached a level of Rs. 171080 crs from Rs. 143498 crs as on 30<sup>th</sup> June'09, an increase of 19.22%. The Bank's CASA deposits grew by 27.67% to 55845 crs as on 30<sup>th</sup> June'10 from Rs. 43742 crs in the previous year.

- o **Gross domestic advances** of the Bank reached a level of **Rs. 120858 crs** as on **30<sup>th</sup> June'10**, registering an increase of **28.57%** over **30<sup>th</sup> June'09**.
- o **MSME advances** grew by **42.94%** to **Rs. 22203 crs** as on **30<sup>th</sup> June'10** from **Rs 15533 crs** in the previous year. **Bank's Retail advances** grew by **36.05% YoY** to **Rs.14359 crs** from **Rs.10554 crs** in the previous year. **Home Loans** grew by **22.93%** to **Rs 8463 crs** from **Rs 6884 crs** in the previous year. **Educational loans portfolio** of the Bank grew by **30.97% YoY** to **Rs.1366 crs** as on **30<sup>th</sup> June'10** from **Rs 1043 crs** in the previous year.

### **Capital & Net Worth:**

- o The Bank's **Capital Adequacy Ratio (CRAR)** is at **12.59%** as on **30<sup>th</sup> June 2010** as per **Basel II**.
- o The Bank's **Net Worth** increased by **26.30%** and stood at **Rs. 9358 crore** as on **30<sup>th</sup> June'10** as compared to **Rs. 7409 crore** in the previous year.

### **Financial Performance (Quarterly):**

- o The **Net Interest Margin** of the Bank stood at **3.03%** for the quarter ended **30<sup>th</sup> June'10** as against **2.32%** in the corresponding period of the previous year.
- o The Bank's **Net Interest Income** increased from **Rs. 817 crs** for the quarter ended **June'09** to **Rs. 1347 crs** as of **June'10**, a growth of **64.87% YoY**.
- o **Operating expenses** were at **Rs. 739 crs** for the quarter ended **June'10** as against **Rs. 543 crs** in the corresponding period of the previous year.
- o **Cost to Income Ratio** is at **41.45%** as of **30<sup>th</sup> June'10** from **40.81%** in the corresponding period of the previous year.
- o The **Cost of Funds** decreased to **4.95%** from **6.02%** in the previous year. **Cost of deposits** also decreased to **5.31%** from

6.47% in the previous year. While the yield on advances decreased to 9.37% from 10.30% in the previous year, yield on funds decreased to 7.80% from 8.09%.

- o Return on Average Assets (ROA) was at 1.27% as on 30<sup>th</sup> June'10 as against 1.12% in the previous year.
- o Return on Equity is at 25.71% as on 30<sup>th</sup> June'10 as against 23.87% in the previous year.
- o EPS and Book value showed improvement to Rs. 47.63 and Rs. 185.25 as on 30<sup>th</sup> June'10 from Rs. 35.02 and Rs. 146.68 respectively in the previous year.

#### Asset Quality:

- Gross NPAs increased to Rs. 2736 crore as on 30<sup>th</sup> June, 2010 from Rs. 1874 crore as on 30<sup>th</sup> June, 2009.
- The ratio of the Bank's Gross NPAs to Gross Advances is at 2.19% as on 30<sup>th</sup> June 2010 in comparison to 1.95% as on 30<sup>th</sup> June 2009.
- Net NPAs increased to Rs. 1150 crore as on June'10 from Rs. 677 crore as on June'09.
- The ratio of Net NPAs to Net Advances is at 0.94% as on 30<sup>th</sup> June 2010 as against 0.72% as on 30<sup>th</sup> June 2009.
- The provision cover for NPAs as on 30<sup>th</sup> June 2010 was at 71.12% as compared to 92.67% as on 30<sup>th</sup> June 2009.

#### EMPLOYEE PRODUCTIVITY

- o Business per Employee increased to Rs. 1004 lacs as of 30<sup>th</sup> June'10 from Rs. 805 lacs in the previous year.
- o Gross Profit per Employee increased to Rs. 15.12 lacs as of 30<sup>th</sup> June'10 from Rs 11.31 lacs in the previous year.

## **FUTURE PLANS**

- The Bank aims for a deposits growth of approx. 22% and advances growth of 25% for 2010-11.
- Bank targets CASA Ratio of 35% by 31<sup>st</sup> March 2012.
- Return on Equity to be 25.00% and Return on Average Assets to be 1.25% by 31<sup>st</sup> March 2011.
- Transaction through electronic mode to reach 50% of total transactions by 31<sup>st</sup> March 2011.
- Bank will endeavour to reign in Gross NPAs below 2.20% by 31<sup>st</sup> March 2011.

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