

FINANCIAL RESULTS – MARCH '10

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WORKING RESULTS – YEAR ENDED 31st MARCH, 2010

Major Highlights

Q4 FY10	Q3 FY10	Q4 FY09	Growth YoY%	(Rs in Crores)	12M FY10	12M FY09	Growth YoY%
1148	914	912	25.88	Operating Profit	3659	3082	18.72
594	534	466	27.47	Net Profit	2075	1727	20.15
1.34	1.29	1.25		Return on Avg Assets	1.25	1.27	
0.81	0.58	0.34		Net NPA%	0.81	0.34	
39.24	40.23	38.64		Cost to Income Ratio	40.66	41.81	
493	440	560	-11.96	Non Interest Income	1975	1483	33.18
3.39	2.77	2.69		NIM	2.71	3.24	

Union Bank of India today reported its financial performance for the year ended 31st March 2010. Highlights of the audited results as compared to the previous period are as under:-

- The Bank's Net profit grew by 20.15% YoY to Rs.2075crs in FY 2010. Operating profit grew by 18.72% YoY to Rs3659crs in FY 2010. On a quarterly basis, the Bank's net profit for Q4 10 increased by 27.47% to Rs 594 crs from Rs 466 crs in the previous year.
- The Bank's CASA deposit portfolio showed an impressive growth of 29.36% to Rs 53957 Crs. as on 31st March'10 as against Rs.41711 Crs.in the previous year.
- Non-Interest income grew by 33.18% YoY to Rs 1975 crs as against Rs 1483 crs in the previous year. Core fee based income grew by 32.74% to Rs 896 crs as against Rs 675 crs in the previous year.
- The Bank has been consistently showing Return on Average Assets(RoAA) at 1.25 or greater in the past 3 years. RoAA for the year ended 31st March'10 was 1.25 as against 1.27 in the previous year. RoAA for Q410 was at 1.34 as against 1.25 in the corresponding period of the previous year.

Financial Highlights

Business Growth

- ✓ Domestic Business mix of the Bank has registered growth of 22.33% (y-o-y) to Rs.287942 Crore as on 31st March'10 from Rs 235376 crore as on 31st March'09.
- ✓ Global Business mix of the Bank registered growth of 22.92% YoY to Rs 291289 Crore as of 31st March'10.

Key Financials

- ✓ The Bank recorded a quarterly Operating profit of Rs.1148 crs for Q410 as against Rs.912 crs for Q409 registering increase of 25.88%.
- ✓ Net Profit increased from Rs. 466 crore to Rs 594 crore registering a growth of 27.47% QoQ.
- ✓ Net Interest Margin (NIM) for quarter ended 31st March'10 is at 3.39% as against 2.69% in the corresponding period of the previous year.
- ✓ Capital Adequacy as per Basel II stood at 12.51% as of 31st March'10 as against 13.27% in the previous year.
- ✓ Net Worth of the Bank posted a rise to Rs. 8758 crs as on 31st March'10 from Rs. 6964 crs as of March 09 due to plough back of profits.
- ✓ Return on Average Assets (RoAA) was at 1.25% as on 31st March'10 as against 1.27%. On a quarterly basis, Return on Average Assets has improved to 1.34% for quarter ended 31st March'10 as against 1.25% in the corresponding period of the previous year.

Asset Quality:

- ✓ The Net NPAs of the Bank marginally increased from 0.34% as on 31st March'09 to 0.81% as on 31st March'10. Gross NPAs has also increased to 2.20% from 1.96% in the previous year.
- ✓ Gross NPA level increased to Rs.2671 crore as on 31st March'10 from Rs.1923 crore as on 31st March'09. Net NPAs increased in absolute terms from Rs.326 crore as on 31st March'09 to Rs. 965 crore as on 31st March'10.

- ✓ NPA provision coverage was at 74.02% as on 31st March'10 as against 87.48% in the previous year.

Other Highlights for Q4-10

- The Bank was awarded the Gold Trophy and a certificate in the Elite Class for Excellence in Marketing & Brand Communication by Association of Business Communicators of India (ABCI) in March 2010. The award was given away by the Hon'ble Governor of Maharashtra, Shri K.Sankaranarayan.
- The Bank was awarded the prestigious “Skoch Challenger Award” 2009 for excellence in capacity building through innovative concept of “Village Knowledge Centre” as part of financial inclusion initiatives. The award was given away by Dr. C Rangarajan, Economic advisor to the Prime Minister
- As part of its global expansion initiatives, the Bank opened its 5th overseas representative office in London, U.K. in April 2010. The Bank already has 4 representative Offices in Shanghai, Beijing in PRC, Abu Dhabi in UAE and Sydney, Australia. Besides the Bank has a full fledged overseas branch in Hong Kong. The Bank is the process of setting up a Rep Office in Toronto, Canada.

Working Results Overview – Q4 ended 31st March, 2010

		Q4 to Q4 change		
		March 09	March 10	% change
1.0	Total Income	3849	4054	5.33
1.1	Interest Income	3289	3561	8.27
1.1.1	-on advances	2446	2550	4.25
1.1.2	-on investments	775	965	24.52
1.1.3	-on others	68	46	-32.35
1.2	Non-Interest Income	560	493	-11.96
2.0	Total Expenses	2937	2906	-1.06
2.1	Interest Expenses	2363	2165	-8.38
2.1.1.	-Deposits	2217	2030	-8.43
2.1.2	-Others	146	135	-7.53
2.2	Other Expenses	574	741	29.09
2.2.1	-Establishment	313	424	35.46
2.2.2	-Others	261	317	21.46
3.0	Interest Spread	926	1396	50.76
4.0	Operating Profit	912	1148	25.88
5.0	Provisions	446	554	24.22
6.0	Net Profit	466	594	27.47

Working Results Overview

Business:

- o The Bank achieved a domestic business–mix of Rs. 287942 cr. as on 31st March'10, a growth of 22.33%, as against Rs 235376 crs in the previous year.
- o Global business-mix reached a level of Rs. 291289 Cr. as on 31st March'10.
- o The Bank's domestic deposits as on 31st March'10 reached a level of Rs. 169670 crs from Rs. 138416 crs as on 31st March'09, an increase of 22.58%. In sync with its strategic focus, the Bank's CASA deposits grew by an impressive 29.36% to 53957 crs as on 31st March'10 from Rs. 41711 crs in the previous year.
- o Gross domestic advances of the Bank reached a level of Rs. 118272crs as on 31st March'10, registering an increase of 21.98% over 31st March'09.
- o MSME advances grew by 40.47% to Rs.22685 crs as on 31st March'10 from Rs 16149 crs in the previous year. Bank's Retail advances (Personal Segment) grew by 33.83% YoY to Rs.13506 crs from Rs.10092 crs in the previous year. Home Loans grew by 22.56% to Rs 8115 crs from Rs 6621 crs in the previous year. Educational loans portfolio of the Bank grew by 32.48% YoY to Rs.1301 crs as on 31st March'10.

Capital & Net Worth:

- o The Bank's Capital Adequacy Ratio (CRAR) is at 12.51% as on 31st March 2010 as per Basel II.
- o The Bank's Net Worth increased by 25.76% and stood at Rs. 8758 crore as on 31st March 10 as compared to Rs.6964 crore in the previous year.

Financial Performance (12 Months):

- o The Net Interest Margin (on interest earning assets) of the Bank stood at 2.71% for the year ended 31st March'10 as against 3.24% in the previous year.
- o The Bank's Net Interest Income increased from Rs.3813 crs to Rs.4192 crs, a growth of 9.94% YoY.

- o The bank's non-interest fee based income grew by 33.18% to Rs 1975 crs in FY 10 as against Rs 1483 crs in the previous year. Core fee based income grew by 32.74% to Rs 896 crs from Rs 675 crs in the previous year.
- o Operating expenses are at Rs.2508 crs in 31st March'10 as against Rs.2214 crs in the previous year. The ratio of Operating expenses to Average working funds reduced to 1.52% as of 31st March'10 as against 1.63% in the previous year.

Ratio Analysis (Yearly):

- o Net Interest Margin (NIM) was at 2.71% for 31st March'10 as against 3.24% in the previous year.
- o Return on Average Assets (ROA) was at 1.25% as on 31st March'10 as against 1.27% in the previous year.
- o Return on Equity is at 23.69% as on 31st March'10 as against 24.79% in the previous year.
- o EPS and Book value showed improvement to Rs. 41.08 and Rs. 173.38 as on 31st March'10 from Rs.34.18 and Rs. 137.87 respectively in the previous year.
- o Cost to Income Ratio has improved to 40.66% as of 31st March'10 from 41.81 % in the previous year.

EMPLOYEE PRODUCTIVITY

- o Business per Employee increased to Rs.853 lacs as of 31st March'10 from Rs. 694 lacs as on 31st March'09.
- o Net Profit per Employee increased to Rs.7.47 lacs as of 31st March'10 from Rs 6.28 lacs as on 31st March'09.

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 31st March 2012.
- Return on Equity to be 25.00% and Return on Average Assets to be 1.25% by 31st March 2011.
- Transaction through electronic mode to reach 50% of total transactions by 31st March 2011.
- Bank will endeavour to reign in Gross NPAs below 2.10% by 31st March 2011.

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