

Press Release

Financial Results for the Quarter and Nine Months Ended December 31, 2017.

The Board of Directors of Union Bank of India, today, approved the accounts of the Bank for the quarter and nine months ended December 31, 2017.

Key Highlights

Total Business Crossed ` 7.00 lac crores

PCR 57.12% (up 650 bps YoY)

Gross Advances 13.5% YoY

CRAR 11.37%

Cost to Income Ratio 46.78%

Operating Profit ` 5650 crore
(up 6.7% YoY)

Net Interest Income ` 2548 crore
(up 19.3% YoY)

Additional upfront provision of entire amount of ` 991 crore for 18 accounts referred to National Company Law Tribunal (NCLT), as per RBI list -II.

Business:

- Global Business grew by 8.6 per cent to ` 712993 crore as on December 31, 2017 from ` 656819 crore as on December 31, 2016. Domestic business grew by 7.5 per cent to ` 672091 crore as on December 31, 2017 from ` 625163 crore as on December 31, 2016.
- Total deposit of the bank grew from ` 379807 crore as on December 31, 2016 to ` 398518 crore as on December 31, 2017 showing growth of 4.9 per cent.
- CASA deposits increased by 4.6 per cent to ` 135537 crore as on December 31, 2017 from ` 129588 crore as on September 30, 2017.
- CASA share in total deposits increased to 34.0 per cent as on December 31, 2017 compared to 33.6 per cent as on September 30, 2017.
- A total of 37 lakh CASA accounts were opened during the current Financial Year so far. Out of these 35 lakh were Savings Bank Accounts (excl. BSBDA/BSBDS accounts).
- Share of high cost deposits in total deposits declined to 0.5 per cent in December 31, 2017 from 0.9 per cent in December 31, 2016.



- Bank's Global Advances grew by 13.5 per cent YoY to ₹314474 crore as on December 31, 2017 from ₹277012 crore as on December 31, 2016.
- Domestic Advances increased by 12.5 per cent from ₹249741 crore as on December 31, 2016 to ₹281028 crore as on December 31, 2017.

Financial Performance for the quarter ended December 2017:

- Global NIM for October-December 2017 improved to 2.23 per cent as against 2.08 per cent for July-September 2017 quarter. It was 2.01 per cent a year ago. Domestic Net Interest Margin (NIM) improved to 2.34 per cent for October-December 2017 as against 2.19 per cent for July-September 2017. It was 2.04 per cent a year ago.
- Yield on funds stood at 6.67 per cent for October-December 2017 as against 6.81 per cent for July-September 2017 and 7.20 per cent for October-December 2016.
- Cost of funds declined to 4.61 per cent for October-December 2017 as against 5.34 per cent for October-December 2016 and 4.89 per cent for July-September 2017.
- Net Interest Income for October-December 2017 was sequentially up by 9.8 per cent to ₹2548 crore from ₹2321 crore in July-September 2017. It was ₹2136 crore a year ago.
- Non Interest Income for October-December 2017 stood at ₹873 crore.
- Operating profit stood at ₹1654 crore during October-December 2017 over ₹1851 crore during October-December 2016 and was ₹1939 crore during July-September 2017.
- Earnings per share (annualised) improved to ₹-22.17 in October-December 2017 from ₹-87.50 in July-September 2017.
- Net loss for October-December 2017 stood at ₹1250 crore. This includes Investment Depreciation of Rs.700 crore & ₹991 crore of additional provision for 18 accounts referred to National Company Law Tribunal (NCLT), as per RBI list-II. The Bank has provided entire amount of additional provision for NCLT accounts upfront which was to be spread till March 2018.
- Return on average assets (annualised) stood at -1.01 per cent for October-December 2017.
- Return on equity (annualised) stood at -28.08 per cent in October-December 2017.

Financial Performance for Nine Months ended December 2017:

- Global NIM for 9M/2017-18 stood at 2.13 per cent as against 2.19 per cent for 9M/2016-17. Domestic Net Interest Margin (NIM) stood at 2.23 per cent in 9M/2017-18 compared to 2.27 per cent in 9M/2016-17.
- Yield on funds stood at 6.80 per cent for 9M/2017-18 as against 7.60 per cent for 9M/2016-17.





- Cost of funds declined to 4.84 per cent for 9M/2017-18 as against 5.57 per cent for 9M/2016-17.
- Net Interest Income for 9M/2017-18 up by 9.1 per cent on YoY basis to ₹7112 crore from ₹6516 crore in 9M/2016-17.
- Non Interest Income stood at ₹3505 crore for 9M/2017-18 as against ₹3519 crore in 9M/2016-17.
- Net loss for 9M/2017-18 stood at ₹2664 crore. This includes ₹440 crore of Investment Depreciation & ₹2557 crore of additional provision for 29 accounts referred to National Company Law Tribunal (NCLT), as per RBI list-I & II. The Bank has provided entire amount of additional provision for NCLT accounts upfront which was to be spread till March 2018.
- Cost to Income ratio improved to 46.78 per cent during 9M/2017-18 from 47.23 per cent during 9M/2016-17.
- Return on average assets (annualised) stood at -0.74 per cent for 9M/2017-18.
- Return on equity (annualised) stood at -19.95 per cent in 9M/2017-18.
- Earnings per share (annualised) stood at ₹-49.53 in 9M/2017-18.

Asset Quality:

- Slippages for Q3 2017-18 was ₹4187 crore.
- Gross NPAs stood at 13.03 per cent as on December 31, 2017 as against 12.35 per cent as on September 30, 2017 and 11.70 per cent as on December 31, 2016.
- Net NPA ratio stood at 6.96 per cent as on December 31, 2017 as against 6.70 per cent as on September 30, 2017 and 6.95 per cent as on December 31, 2016.
- Provision Coverage Ratio stood at 57.12 per cent as on December 31, 2017 as against 50.62 per cent as on December 31, 2016. It was 56.06 per cent as on September 30, 2017.

Capital Adequacy:









- Capital Adequacy ratio of the Bank under Basel III improved to 11.37 per cent as on December 31, 2017 as against 11.35 per cent as on December 31, 2016 compared to minimum regulatory requirement of 10.25 per cent.
- The Tier I ratio as of December 31, 2017 is 8.65 per cent, within which Common Equity Tier 1 ratio is 7.18 per cent compared to regulatory minimum of 6.75 per cent.
- Growth of Risk Weighted Assets (RWA) was contained at 2.98 per cent on YoY against Advance growth of 13.52 per cent on YoY basis.









Digital Initiatives:



The Bank has been pioneer in taking various digital initiatives and continuously launched various digital products for enhancing the customer services. Following are some of the key achievements during the quarter:

-  Introduced Biometric authentication of ATM transactions through Fingerprint.
-  Launched Union Virtual Assistant (UVA) FAQ Chatbot to cater questions asked by the customers on social media and bank's website.
-  Launched Visa payWave Debit card for all customers irrespective of their average quarterly balance.
-  87 per cent growth in mobile banking users on YoY basis.
-  94 per cent growth in number of PoS terminals on YoY basis.
-  20 per cent growth in Credit Cards on YoY basis.
-  61 per cent growth in Talking ATMs on YoY basis.
-  73 per cent share of "transactions through digital channels" in "overall transactions".

Financial Inclusion:

-  Under the Pradhan Mantri Jan Dhan Yojana (PMJDY), the Bank has more than 74.6 lakh accounts having a balance of ₹ 1359.8 crore.
-  48.12 lakh Rupay Card issued under PMJDY as on December 31, 2017.
-  Total enrollment under Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Atal Pension Yojana (APJ) increased to 30.7 lakh, 13.08 lakh and 2.8 lakh respectively.
-  The Bank financed ₹ 644 crore in 33074 accounts under Pradhan Mantri Mudra Yojana, including an amount of ₹ 257 crore to 10961 beneficiaries through a specific scheme for financing of light commercial vehicle during October-December 2017.



Network:

-  The Bank has 4302 branches as of December 31, 2017 including 4 overseas branches at Hong Kong, DIFC (Dubai), Antwerp (Belgium) and Sydney (Australia). In addition, the Bank has representative offices at Shanghai, Beijing and Abu Dhabi. The Bank also operates in United Kingdom through its wholly owned subsidiary, Union Bank of India (UK) Ltd.
-  Total number of ATMs stood at 13097 including 5407 micro ATMs & 2495 talking ATMs as of December 31, 2017.





Awards & Accolades during October-December 2017:

-  Our Bank has won "SKOCH Order of Merit Award" for Union Mobile NPA Recovery App.
-  Our Bank has received Best Customer Service Innovation Award for Union Customer Connect (OCRM) from Infosys.

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Date: 3rd February, 2018

Place: Mumbai

PRESS RELEASE

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