

Press Release

Financial Results for the Quarter ended June 30, 2018

The Board of Directors of Union Bank of India today approved the accounts of the Bank for the Quarter ended June 30, 2018.


Key Highlights

Net Profit  ₹130 crore

Global Business  8.0 per cent YoY






Cash Recovery  ₹1252 crore

Gross Advances  7.9 per cent YoY





Net Interest Income  ₹2626 crore

Saving Deposits  10.2 per cent YoY

Business:

-  Global Business grew by 8.0 per cent to ₹724475 crore as on June 30, 2018 from ₹670971 crore as on June 30, 2017. Domestic business grew by 10.4 per cent to ₹700948 crore as on June 30, 2018 from ₹635233 crore as on June 30, 2017.
-  Total deposit of the bank grew from ₹375796 crore as on June 30, 2017 to ₹405860 crore as on June 30, 2018 showing growth of 8.0 per cent.
-  Saving deposits grew by 10.2 per cent to ₹115476 crore as on June 30, 2018 from ₹104761 crore as on June 30, 2017.
-  The Bank's Global Advances grew by 7.9 per cent (YoY) to ₹318615 crore as on June 30, 2018 from ₹295175 crore as on June 30, 2017.
-  Domestic Advances increased by 12.5 per cent from ₹265683 crore as on June 30, 2017 to ₹298826 crore as on June 30, 2018.

Financial Performance for the quarter ended June 2018:

-  Net Profit for April-June 2018 improved to ₹130 crore from ₹117 crore in April-June 2017.
-  Operating profit increased by 10.5 per cent to ₹2089 crore during April-June 2018 over ₹1890 crore during January-March 2018.
-  Net Interest Income for April-June 2018 increased by 19.7 per cent to ₹2626 crore from ₹2193 crore for January-March 2018. It was ₹2243 crore during April-June 2017.
-  Domestic Net Interest Margin (NIM) increased to 2.34 per cent for April -June 2018 as against 1.99 per cent for January -March 2018. Global NIM for April -June 2018 increased



to 2.26 per cent as against 1.90 per cent for January-March 2018. It was 2.06 per cent a year ago.

- 🔗 Yield on funds increased to 6.90 per cent for April -June 2018 as against 6.43 per cent for January-March 2018.
- 🔗 Cost of funds stood at 4.81 per cent for April -June 2018 as against 5.03 per cent for April-June 2017 and 4.69 per cent for January-March 2018.
- 🔗 Cost to income ratio improved to 45.52 per cent for April -June 2018 from 48.63 per cent for January-March 2018.
- 🔗 Return on average assets (annualised) improved to 0.10 per cent for April-June 2018 as against -2.05 per cent for January-March 2018.
- 🔗 Return on equity (annualised) improved to 2.88 per cent in April -June 2018 as against -55.92 per cent for January-March 2018.
- 🔗 Earnings per share (annualised) improved to ₹4.43 in April -June 2018 as against ₹-29.59 for January-March 2018.

Asset Quality:

- 🔗 Cash Recovery during April - June 2018 increased by 281.7 % to ₹1252 crore as against ₹328 crore during April - June 2017.
- 🔗 Gross NPA stood at 16.00 per cent as on June 30, 2018 as against 15.73 per cent as on March 31, 2018.
- 🔗 Net NPA ratio stood at 8.70 per cent as on June 30, 2018 as against 8.42 per cent as on March 31, 2018.
- 🔗 Provision Coverage Ratio stood at 56.49 per cent as on June 30, 2018 as against 51.13 per cent as on June 30, 2017.

Capital Adequacy:

- 🔗 Capital Adequacy ratio of the Bank under Basel III is 11.45 per cent as on June 30, 2018 as against 11.50 per cent as on March 31, 2018 compared to minimum regulatory requirement of 10.875 per cent.
- 🔗 The Tier I ratio as of June 30, 2018 is 8.99 per cent, within which Common Equity Tier 1 ratio is 7.50 per cent compared to regulatory minimum of 7.375 per cent.

Structural Transformation Initiatives:

The Bank has undertaken several structural transformation initiatives to improve operational efficiency, customer experience and business quality. Key initiatives include:

🔗 Centralization of Credit risk underwriting:

The Bank has created about 160 centres for processing of loans to improve turnaround time as well as better quality of risk underwriting. At present, 50% of loans are



processed centrally, which the Bank aims taking to 80% by March, 2019. Accordingly, the Bank has opened/revamped-

- 25 Mid-Corporate Branches, which manage business in range of ₹50 crore to ₹150 crore.
 - 8 Industrial Financial Branches, for credit business above ₹150 crore.
 - 73 Union Loan Points (ULPs) for quick and quality appraisal of retail loans.
 - 35 SARALs & 10 SARAL Lite, the loan processing centres for quick and quality appraisal for MSMEs.
 - Union Samridhi Kendras (USKs) for Agriculture credit: These are built on hub-spoke model, wherein centralized hubs are mapped with nearby cluster of branches; loan proposals are sourced, processed, and serviced digitally, through tablet-equipped officers giving delightful experience to customers.
- 🔄 Sourcing of new business: Specialized teams of marketing personnel, namely customer acquisition group (CAG), constituted at 50 cities to give holistic approach to new customer acquisition. Accordingly, branches to focus on service and cross-sale to existing customers.
- 🔄 Specialization of monitoring & collections: An in-house developed 'Early Warning Signal' (EWS), which incorporates 28 parameters, both external and internal, to identify stress even before a loan instalment turns due. The EWS is mapped with specialized teams which act upon the stress signals, devising and implementing the remedial action.
- 🔄 Digitalization for overall efficiency: Developing new products to improve customer experience as well as enable staff productivity, by making processes simple and transparent. Following are some of the key achievements during the quarter:
- Mobile banking users grew by 77 per cent on YoY basis.
 - U-Mobile transaction volume has three folded from June 2017.
 - 76 per cent share of "transactions through digital channels" in "overall transactions".
 - 1241 old ATMs were replaced with new advanced ATMs.

Financial Inclusion:

- 🔄 Under the Pradhan Mantri Jan Dhan Yojana (PMJDY), the the Bank has more than 87 lakh accounts having a balance of ₹1899 crore.
- 🔄 48.51 lakh Rupay Card issued under PMJDY as on June 30, 2018.
- 🔄 Total enrollment under Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Atal Pension Yojana (APY) increased to 31.4 lakh, 13.4 lakh and 3.5 lakh respectively.



- The Bank financed ₹845 crore in 36913 accounts under Pradhan Mantri Mudra Yojana, including an amount of ₹208 crore to 8252 beneficiaries through a specific scheme for financing of light commercial vehicle during April -June 2018.

Network:

- The Bank has 4298 branches as of June 30, 2018 excluding 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 12963 including 5407 micro ATMs & 3115 talking ATMs as of June 30, 2018. ATM to branch ratio stood at 3.02.

Awards & Accolades during April-June 2018:

- Best Bank for Promotional Scheme Award- Runner up (CIMSME).
- Excellent Performance in RuPay - Runners up (NPCI).
- Overall award for Best Result Based Training (TIMES Ascent).
- Most Innovative use of Training & Development as an HR Initiative for OD (TIMES Ascent).

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Date: 10th August, 2018
Place: Mumbai

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