

Press Release

Financial Results for the Quarter and Nine Months Ended December 31, 2018

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, 2018.

Key Highlights

Net Profit ↑ ₹422 crore (9M)	Provision Coverage Ratio ↑ 58.84%
Cash Recovery & Upgradation ↑ 178.8% YoY	Domestic Gross Advances ↑ 7.9% YoY
Net Interest Margin ↑ 2.22%	Saving Deposits ↑ 9.7% YoY

Business:

- Domestic business grew by 4.6 per cent to ₹702957 crore as on December 31, 2018 from ₹672091 crore as on December 31, 2017.
- Domestic total deposit of the bank grew from ₹391062 crore as on December 31, 2017 to ₹399627 crore as on December 31, 2018 showing growth of 2.2 per cent.
- CASA deposits increased by 5.5 per cent to ₹143007 crore as on December 31, 2018 from ₹135537 crore as on December 31, 2017.
- CASA share in total deposits increased to 35.5 per cent as on December 31, 2018 compared to 34.0 per cent as on December 31, 2017.
- Domestic Advances increased by 7.9 per cent from ₹281028 crore as on December 31, 2017 to ₹303330 crore as on December 31, 2018.

Financial Performance for the quarter ended December 2018:

- Net Interest Income for October-December 2018 stood at ₹2493 crore.
- Non Interest Income for October-December 2018 up by 25.4 per cent YoY to ₹1095 crore from ₹873 crore in October-December 2017.
- Operating profit improved by 5.8 per cent to ₹1750 crore during October-December 2018 over ₹1654 crore during October-December 2017.
- Net Profit for October-December 2018 improved to ₹153 crore compared to net loss of ₹1250 crore in October-December 2017.
- Global NIM for October-December 2018 improved to 2.23 per cent as against 2.18 per cent for July-September 2018. Domestic Net Interest Margin (NIM) improved to 2.23 per cent for October-December 2018 as against 2.18 per cent for July-September 2018.



- Return on average assets (annualised) improved to 0.12 per cent for October-December 2018 as against -1.01 per cent for October-December 2017.
- Return on equity (annualised) improved to 3.48 per cent in October-December 2018 as against 3.11 per cent for July-September 2018.
- Yield on funds improved to 6.89 per cent for October-December 2018 as against 6.88 per cent for July-September 2018.
- Cost to income ratio stood at 51.23 per cent for October-December 2018 as against 51.64 per cent for October-December 2017.
- Earnings per share (annualised) improved to ₹5.24 in October-December 2018 from ₹4.76 in July-September 2018.

Financial Performance for Nine Months ended December 2018:

- Net Interest Income for 9M/2018-19 up by 7.0 per cent on YoY basis to ₹7613 crore from ₹7112 crore in 9M/2017-18.
- Non Interest Income stood at ₹3202 crore for 9M/2018-19.
- Net profit for 9M/2018-19 improved to ₹422 crore from net loss of ₹2664 crore for 9M/2017-18.
- Global NIM for 9M/2018-19 improved to 2.22 per cent as against 2.13 per cent for 9M/2017-18. Domestic Net Interest Margin (NIM) improved to 2.25 per cent in 9M/2018-19 compared to 2.23 per cent in 9M/2017-18.
- Return on average assets (annualised) improved to 0.11 per cent for 9M/2018-19 from -0.74 per cent for 9M/2017-18.
- Return on equity (annualised) improved to 3.20 per cent in 9M/2018-19 from -19.95 per cent for 9M/2017-18.
- Yield on funds improved to 6.89 per cent for 9M/2018-19 as against 6.80 per cent for 9M/2017-18.
- Earnings per share (annualised) stood at ₹4.81 for 9M/2018-19.

Asset Quality:

- Cash Recovery & Upgradation during 9M/2018-19 increased by 178.8 per cent to ₹5035 crore as against ₹1806 crore during 9M/2017-18.
- Gross NPAs stood at 15.66 per cent as on December 31, 2018 as against 15.74 per cent as on September 30, 2018.
- Net NPA ratio stood at 8.27 per cent as on December 31, 2018 as against 8.42 per cent as on September 30, 2018.
- Provision Coverage Ratio improved to 58.84 per cent as on December 31, 2018 as against 57.12 per cent as on December 31, 2017. It was 57.66 per cent as on September 30, 2018.



Capital Adequacy:

- Capital Adequacy ratio of the Bank, under Basel III, improved to 11.43 per cent as on December 31, 2018 as against 11.37 per cent as on December 31, 2017, compared to minimum regulatory requirement of 10.875 per cent.
- The Tier I ratio as of December 31, 2018 is 9.02 per cent, within which Common Equity Tier 1 ratio is 7.50 per cent compared to regulatory minimum of 7.375 per cent Common Equity Tier 1.

Digital Initiatives:

The Bank has launched a variety of new products on its 100th foundation day to enhance the customer convenience and comfort. Following are some of the key products launched during the quarter:

- Union Combo Card- A two-in-one card that has credit and debit card features in a single card.
- Rupay qSPARC- A contactless Rupay Debit card with debit plus prepaid card facilities.
- Union Mudra Portal- To increase the reach of our MUDRA offering, the Bank has launched a dedicated web portal for MUDRA applications. The same can also be applied through the Bank's mobile app.
- The Bank has launched revamped mobile banking app which will be a one-stop solution for all the major needs of the customer. The new app contains features where customers can check their account balances, take a mini- statement, transfer money to Union Bank accounts, other banks, make temple donation, KVS fee payments, stop cheques, know cheque status, know branch/ATM locations and even request bank for cheque books etc; all this on press of button on mobile.
- Debit cards grew at 23.4 per cent (Y-o-Y).
- Number of Mobile banking users grew at 64.7 per cent (Y-o-Y).



Financial Inclusion:

- Under the Pradhan Mantri Jan Dhan Yojana (PMJDY), the Bank has more than 94.1 lakh accounts having a balance of ₹2110.9 crore.
- 47.91 lakh Rupay Card issued under PMJDY as on December 31, 2018.
- Total enrollment under Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Atal Pension Yojana (APY) increased to 33.1 lakh, 14.0 lakh and 4.2 lakh respectively.
- The Bank financed ₹3145 crore to 128221 beneficiaries during April - December 2018 under Pradhan Mantri Mudra Yojana, including an amount of ₹664 crore to 26454 beneficiaries through a specific scheme for financing of light commercial vehicle during



April - December 2018. Outstanding amount under MUDRA Yojana stood at ₹6708 crore as on December 31, 2018.

Network:

-  The Bank has 4292 branches as of December 31, 2018 including 4 overseas branches at Hong Kong, DIFC (Dubai), Antwerp (Belgium) and Sydney (Australia). In addition, the Bank has representative office at 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 12028 including 5407 micro ATMs & 3971 talking ATMs as of December 31, 2018. ATM to branch ratio stood at 2.8.

Awards & Accolades during October-December 2018:

 **Vigilance Excellence Award**

- For outstanding performance in conduct of Vigilance Awareness activities

 **ASSOCHAM SMEs Excellence Award**

- “Best SME offering” - Innovative Financial Solution for MSMEs

 **SKOCH Gold Award**

- Banking & Finance Gold for Technology - Strategic Transformation (Union Samriddhi Kendra Model)
- Cyber Security Gold for Governance Risk Management and Compliance tool

 **SKOCH Order of Merit Award**

- Technology: Strategic Transformation & Financial Inclusion initiatives under Top Banking & Finance Project in India
- SIEM Tool, Governance Risk Management
- Compliance tool & Anti DDOS Solution under Top Cyber Security projects in India
- For Financial Inclusion Initiative

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Date: 21st January, 2019

Place: Mumbai