

Press Release

Financial Results for the quarter and nine months ended December 31, 2015

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, 2015.

**Key Highlights**

- ☞ Global Business up 5.2% (y-o-y) to Rs. 589889 crore as on December 31, 2015.
- ☞ CASA deposits have crossed the landmark figure of Rs. 1 lakh crore and stood at Rs. 100173 crore at the end of December 2015.
- ☞ CASA ratio improved to 30.6% from 28.7% in Dec-14 and 28.6% in Sep-15. Share of high cost deposits declined to 1.3% (Dec 2015) from 8.5% (Dec 2014).
- ☞ Advances to productive sectors of economy, i.e. retail, agriculture, and MSMEs, which we together call as 'RAM' sectors, grew by 7.0%, within which Retail grew by 15.5% and Agriculture grew by 24.3%. RAM sectors now contribute more than 51% of domestic loan book.
- ☞ Non Interest Income for 9M/FY16 up by 10.7% to Rs. 2635 crore from Rs. 2380 crore in 9M /FY 15.
- ☞ Increase in Operating expenses during Q3/FY16 and 9M/FY16 contained at 1.50% and 0.5% respectively.
- ☞ Cost to Income Ratio for the 9M/FY16 improved to 51.35% from 52.07% noted in 9M/FY15.
- ☞ Operating Profit for 9M/FY16 increased to Rs. 4312 crore from Rs. 4171 crore in 9M/FY15.
- ☞ Net Profit for Q3/FY16 and 9M/FY16 stood at Rs. 78 crore & Rs. 1255 crore respectively.
- ☞ Return on average assets for 9M/FY16 stood at 0.44% compared to 0.51% in 9M/FY15. Return on Equity for 9M/FY16 stood at 8.13% as against 9.74% in 9M/FY15.
- ☞ Capital Adequacy Ratio (Basel III) stood at 10.30% (excluding quarterly/9 Months profit). Tier I CRAR is 7.70%, within which CET1 is 7.45%. The ratios do not include net profit of 9M/FY16.
- ☞ The Bank launched Mobile Wallet "Digipurse" on November 18, 2015 with features of Bill Payment, DTH Recharge, Mobile Recharge, Online Shopping through virtual card and fund transfer facilities through IMPS, in addition to launch of Union Selfie and online account opening.



## Business Performance

- ✚ Global Business grew by 5.2% from Rs. 561011 crore as on December 31, 2014 to Rs. 589889 crore as on December 31, 2015.
- ✚ Global Deposits increased from Rs. 312912 crore as on December 31, 2014 to Rs. 327412 crore as December 31, 2015, registering a growth of 4.6%. Domestic Deposits increased by 4.5% from Rs. 307289 crore as on December 31, 2014 to Rs. 321015 crore as on December 31, 2015.
- ✚ CASA deposits grew by 11.4% to Rs. 100173 crore as on December 31, 2015 from Rs. 89910 crore in the previous year. CASA share in total deposits stands at 30.6% as compared to 28.6% in previous quarter and 28.7% a year ago. Domestic CASA ratio stood at 31.2% as against 29.0% noted previous quarter and 29.2% in Dec-14. Savings bank deposits increased by 10.3% over a year ago. A total of 9.6 lakh CASA accounts were opened during the year. During the quarter, 3.4 lakh dormant SB accounts were activated.
- ✚ Share of high cost deposits in total deposits declined from 8.5% in December 2014 to 5.8% in March 2015 and further to 1.3% in December 2015.
- ✚ Global Advances increased from Rs. 248099 crore as on December 31, 2014 to Rs. 262477 crore as on December 31, 2015 recording a growth rate of 5.8%. Domestic Advances increased by 3.9% from Rs. 227339 crore as on December 31, 2014 to Rs. 235948 crore as on December 31, 2015.
- ✚ Advances to productive sectors of economy, i.e. retail, agriculture, and MSMEs, which we together call as 'RAM' sectors, grew by 7.0%, from Rs. 112702 crore as on December 31, 2014 to Rs. 120623 crore as on December 31, 2015.
- ✚ Overseas Business grew by 24.8% from Rs. 26383 crore as on December 31, 2014 to Rs. 32927 crore as on December 31, 2015.

## Financial Performance for Nine Months ended FY 2015-16

- ✚ Domestic Net Interest Margin (NIM) stood at 2.40% in 9M/FY16 compared to 2.62% in 9M/FY15. Global NIM for 9M/FY16 was 2.32% as against 2.54% for 9M/FY15.
- ✚ Net Interest Income for 9M/FY16 stood at Rs. 6229 crore as compared to Rs. 6322 crore in 9M/FY15.



- ✚ Non Interest Income for 9M/FY16 up by 10.7% to Rs. 2635 crore from Rs. 2380 crore in 9M/FY15.
- ✚ Increase in Operating expenses contained at 0.5% in 9M/FY16.
- ✚ Operating Profit for 9M/FY16 stood at Rs. 4312 crore compared to Rs. 4171 crore in 9M/FY15.
- ✚ Net Profit for 9M/FY16 stood at Rs. 1255 crore compared to Rs. 1338 crore in 9M/FY15.
- ✚ Return on average assets (annualised) stood at 0.44% for 9M/FY16 as against 0.51% for 9M/FY15.
- ✚ Yield on funds stood at 8.45% for 9M/FY16 as against 9.04% for 9M/FY15.
- ✚ Yield on investments stood at 7.48% for 9M/FY16 as against 7.75% for 9M/FY15.
- ✚ Return on equity (annualised) stood at 8.13% in 9M/FY16 as against 9.74% for 9M/FY15.
- ✚ Earnings per share (annualised) stood at Rs. 25.63 in 9M/FY16 as against Rs. 28.20 in 9M/FY15.

#### **Financial Performance for the quarter ended December 2015**

- ✚ Domestic Net Interest Margin (NIM) stood at 2.31% for October-December 2015 as against 2.57% for October-December 2014. Global NIM for October-December 2015 noted at 2.22% as against 2.50% for October-December 2014.
- ✚ Net Interest Income for October-December 2015 stood at Rs. 1997 crore as compared to Rs. 2120 crore in October-December 2014.
- ✚ Non Interest Income for October-December 2015 stood at Rs. 892 crore, up 1.7% over a year ago.
- ✚ Increase in Operating expenses during October-December 2015 was contained at 1.5%.
- ✚ Net Profit for October-December 2015 stood at Rs. 78 crore as against Rs 302 crore in October-December 2014.
- ✚ Yield on funds stood at 8.21% for October-December 2015 as against 8.93% for October-December 2014 and 8.43% for July-September 2015.
- ✚ Yield on investments stood 7.29% for October-December 2015 as against 7.74% for October-December 2014 and 7.33% for July-September 2015.



- ✚ Earnings per share (annualised) stood at Rs. 4.57 in October-December 2015 as against Rs. 19.03 in October-December 2014 and Rs. 41.37 in July-September 2015.

### Asset Quality

- ✚ Gross NPAs stood at 7.05% as on December 31, 2015 as against 6.12% as on September 30, 2015 and 5.08% as on December 31, 2014.
- ✚ Net NPA ratio stood at 4.07% as on December 31, 2015 as against 3.39% as on September 30, 2015 and 2.95% as on December 31, 2014.
- ✚ Provision Coverage Ratio stood at 55% as on December 31, 2015 as against 57.85% as on September 30, 2015. It was 57.25% as on December 31, 2014.

### Capital Adequacy

- ✚ Capital Adequacy ratio of the Bank under Basel III is 10.30% as on December 31, 2015. It does not include net profit of 9M/FY16.
- ✚ The Tier I CRAR is 7.70% within which Common Equity Tier 1 is 7.45% compared to regulatory minimum of 5.50%.

### Network

- ✚ The Bank has 4134 branches including three overseas branches at the end of December 2015 with nearly 60% of branches are located in rural/semi-urban centres. In addition, the Bank has representative offices in Shanghai, Beijing, Abu Dhabi and Sydney. The Bank also operates in the UK through its wholly owned subsidiary, Union Bank of India (UK) Ltd.
- ✚ Total ATMs of the Bank stood at 6960. ATM to branch ratio is 1.7 which is considered one of the best among the industry.



## Financial Inclusion

- ✚ Under the Pradhan Mantri Jan Dhan Yojana (**PMJDY**), the Bank has opened more than 56 lakh accounts having a balance of Rs. 672 crore upto December 31, 2015.
- ✚ 54.2 lakh Rupay Card has been issued under PMJDY as at December 31, 2015.
- ✚ Under the DBTL scheme, over 54.6 lakh transactions with benefit amounting to Rs. 109 crore has been credited to beneficiaries' accounts during Q3/FY16.
- ✚ Total enrolment under Pradhan Mantri Suraksha Bima Yojana (**PMSBY**), Pradhan Mantri Jeevan Jyoti Bima Yojana (**PMJJBY**) and Atal Pension Yojana (**APJ**) increased to 26.6 lakh, 11.2 lakh and 0.46 lakh respectively.

## Digital Initiatives

The Bank has taken various initiatives to strengthen its digital platform and making banking more convenient to esteemed customers. Following are the some initiatives taken during Q3 of current financial year:

- ✚ **DigiPurse:** DigiPurse is a mobile wallet that enables the users to preload a certain amount in the wallet and spend the amount for various online services viz. Bill payment, Mobile recharge, DTH Recharge, Online shopping, Funds transfer etc. In a span of 2 months, 1.14 lakh users have downloaded DigiPurse mobile wallet.
- ✚ **Union Selfie:** "Union Selfie" is a mobile application based savings account opening process, which allows a prospective customer to open savings account just by scanning his AADHAAR card, PAN and by uploading a "Selfie Photo" through his smart phone.
- ✚ **Online Account Opening:** A web based application to facilitate customers to open Savings Bank Accounts through our corporate web site. The applicant can submit the application online by giving the necessary details and submitting physical documents to branch. The status of the application can be tracked by entering the reference no. / PAN and Date of Birth of the applicant.



## Awards/Accolades during the Quarter

The Bank has been pioneer in taking various digital initiatives which are recognized by banking industry. The Bank received various awards in respect to its commitment towards digitalization.

- ✚ As a recognition to Information Technology Initiative in the area of Green IT (Tabulous Banking, eKYC application & M Passbook application), the Bank has received “**ICT4 Development Awards 2015**” from Associated Chambers of Commerce and Industry of India (ASSOCHAM).
- ✚ The Bank has also received “**elets Awards 2015**” for “Multi Channel Payment Solution (IMPS)” in the Global Conference on Financial Inclusion & Payment Systems (FIPS) organized by elets Technomedia Pvt. Ltd.
- ✚ As recognition to Information Technology Initiative, the Bank has received following three awards from SKOCH:
  - a) SKOCH Order of Merit Awards 2015 for eKYC implementation;
  - b) SKOCH Order of Merit Awards 2015 for Financial Inclusion Technology;
  - c) SKOCH Order of Merit Awards 2015 for Kendriya Vidyalaya Fee Collection.
- ✚ The Bank has earned “**‘Excellence in Innovation’ award 2015** for implementation of Mpassbook from Financial Insights, International Data Corporation (IDC)”.
- ✚ The Bank has bagged NPCI award 2015 under Special category for implementation of IMPS through branches from National Payment Corporation of India (NPCI). The Bank has also received NPCI special recognition award 2015 in issuance of RuPay cards from National Payment Corporation of India (NPCI).
- ✚ The Bank received "National Award for Innovative Training Practices" (Second Prize for 2014-15) instituted by Indian Society for Training & Development (ISTD)
- ✚ The Bank bagged MSME Banking Excellence Awards-2015 from Chamber of Indian Micro Small & Medium Enterprises (CIMSME) in following categories:
  - a) Best Bank Award for Promotional Schemes - Winner
  - b) Best Bank Award for Mudra Yojna - Runner Up

-----X-----

Date: 11<sup>th</sup> February, 2016  
Place: Mumbai