

## Press Release

### Financial Results for the quarter and half year ended September 30, 2017

The Board of Directors of Union Bank of India, today, approved the accounts of the Bank for the quarter and half year ended September 30, 2017.

#### Key Highlights

Slippage ↓ ₹2686 crore  
(down 40% QoQ)

Gross NPA ↓ 12.35% (down 28 bps)

Net NPA ↓ 6.70% (down 77 bps)

PCR ↑ 56.06% (up 561 bps YoY)

CASA Deposits ↑ 13.7% YoY

Gross Advances ↑ 11.35% YoY

Operating Profit ↑ ₹3996 crore  
(up 16% YoY)

Non Interest Income ↑ ₹2632 crore  
(up 20.8% YoY)

- Additional upfront provision of entire amount of ₹1566 crore for 11 accounts referred to National Company Law Tribunal (NCLT), as per RBI list -1.
- The growth in Deposits was driven by Savings Deposits, which grew by 18.8 per cent on YoY basis.
- Cost to income ratio improved to 45.17 per cent against 46.75 per cent on YoY basis

#### Business:

- Global Business grew by 8.8 per cent to ₹695978 crore as on September 30, 2017 from ₹639822 crore as on September 30, 2016. Domestic business grew by 8.1 per cent to ₹656046 crore as on September 30, 2017 from ₹606649 crore as on September 30, 2016.
- Total deposit of the bank grew from ₹361454 crore as on September 30, 2016 to ₹386025 crore as on September 30, 2017 showing growth of 6.8 per cent.
- CASA deposits grew by 13.7 per cent to ₹129588 crore as on September 30, 2017 from ₹114011 crore as on September 30, 2016.

कॉर्पोरेट सम्प्रेषण प्रभाग, यूनियन बैंक भवन, 239, विधान भवन मार्ग, नरीमन पॉइंट, मुंबई -21

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- 🔗 CASA share in total deposits improved to 33.6 per cent as on September 30, 2017 compared to 31.5 per cent as on September 30, 2016. Average CASA ratio also increased by 470 basis points (bps) to 34.1 per cent on YoY basis.
- 🔗 Savings Deposit registered YoY growth of 18.8 per cent.
- 🔗 A total of 27 lakh CASA accounts were opened during the current Financial Year so far. Out of these 20 lakh were Savings Bank Accounts (excl. BSBDA/BSBDS accounts).
- 🔗 Share of high cost deposits in total deposits declined to 0.71 per cent in September 2017 from 0.97 per cent in September 2016.
- 🔗 Bank's Global Advances grew by 11.4 per cent YoY to ₹309953 crore as on September 30, 2017 from ₹278368 crore as on September 30, 2016.
- 🔗 Due to encouraging growth of 10.3 per cent in RAM (Retail, Agriculture & MSME) sector, Domestic Advances increased by 10 per cent from ₹251888 crore as on September 30, 2016 to ₹277015 crore as on September 30, 2017.

#### **Financial Performance for the quarter ended September 2017:**

- 🔗 Global NIM for July-September 2017 stood at 2.08 per cent as against 2.06 per cent for April-June 2017 quarter. It was 2.30 per cent a year ago. Domestic Net Interest Margin (NIM) stood at 2.19 per cent for July-September 2017 as against 2.20 per cent for April-June 2017.
- 🔗 Yield on funds stood at 6.81 per cent for July-September 2017 as against 7.72 per cent for July-September 2016 and 6.94 per cent for April -June 2017.
- 🔗 Cost of funds stood at 4.89 per cent for July-September 2017 as against 5.58 per cent for July-September 2016 and 5.03 per cent for April -June 2017.
- 🔗 Net Interest Income for July-September 2017 was sequentially up by 3.5 per cent to ₹2321 crore from ₹2243 crore in April-June 2017. It was ₹2277 crore a year ago.
- 🔗 Non Interest Income for July-September 2017 stood at ₹1218 crore, up 6.9 per cent over a year ago.
- 🔗 Operating profit increased by 6.6 per cent to ₹1939 crore during July-September 2017 over ₹1819 crore during July-September 2016 and was ₹2057 crore during April-June 2017.
- 🔗 Net loss for July-September 2017 stood at ₹1531 crore. This includes ₹1566 crore of additional provision for 11 accounts referred to National Company Law Tribunal (NCLT), as per RBI list-1. The Bank has provided entire amount of additional provision upfront which was to be spread in 3 quarters till March 2018.
- 🔗 Cost to income ratio improved to 45.17 per cent for July-September 2017 from 46.75 per cent for July-September 2016 and it was 43.79 per cent for April -June 2017.

- Return on average assets (annualised) stood at -1.27 per cent for July-September 2017.
- Return on equity (annualised) stood at -35.81 per cent in July-September 2017.
- Earnings per share (annualised) stood at ₹-87.50 in July-September 2017.

#### Financial Performance for half Year ended FY 2017-18:

- Domestic Net Interest Margin (NIM) stood at 2.17 per cent in H1 2017-18 compared to 2.40 per cent in H1 2016-17. Global NIM for H1 2017-18 stood at 2.07 per cent as against 2.29 per cent for H1 2016-17.
- Yield on funds stood at 6.88 per cent for H1 2017-18 as against 7.82 per cent for H1 2016-17.
- Cost of funds stood at 4.96 per cent for H1 2017-18 as against 5.69 per cent for H1 2016-17.
- Net Interest Income for H1 2017-18 up by 4.2 per cent on YoY basis to ₹4564 crore from ₹4380 crore in H1 2016-17.
- Non Interest Income for H1 2017-18 up by 20.8 per cent on YoY basis to ₹2632 crore from ₹2179 crore in H1 2016-17.
- Net loss for H1 2017-18 stood at ₹1414 crore. This includes ₹1566 crore of additional provision for 11 accounts referred to National Company Law Tribunal (NCLT), as per RBI list-1. The Bank has provided entire amount of additional provision upfront which was to be spread in 3 quarters till March 2018.
- Cost to Income ratio improved to 44.47 per cent during H1 2017-18 from 47.48 per cent during H1 2016-17.
- Return on average assets (annualised) stood at -0.59 per cent for H1 2017-18.
- Return on equity (annualised) stood at -16.54 per cent in H1 2017-18.
- Earnings per share (annualised) stood at ₹-40.42 in H1 2017-18.

#### Asset Quality:

- Slippages for Q2 2017-18 was ₹2686 crore, 40% lower than the slippages in Q1 2017-18.
- Gross NPAs stood at 12.35 per cent as on September 30, 2017 as against 12.63 per cent as on June 30, 2017 and 10.73 per cent as on September 30, 2016.
- Net NPA ratio stood at 6.70 per cent as on September 30, 2017 as against 7.47 per cent as on June 30, 2017 and 6.39 per cent as on September 30, 2016.
- Provision Coverage Ratio stood at 56.06 per cent as on September 30, 2017 as against 50.45 per cent as on September 30, 2016. It was 51.13 per cent as on June 30, 2017.

### Capital Adequacy:

- Capital Adequacy ratio of the Bank under Basel III improved to 11.22 per cent as on September 30, 2017 as against 11.19 per cent as on September 30, 2016 compared to minimum regulatory requirement of 10.25 per cent.
- The Tier I ratio as of September 30, 2017 is 8.50 per cent, within which Common Equity Tier 1 ratio is 7.00 per cent compared to regulatory minimum of 6.75 per cent.
- Growth of Risk Weighted Assets (RWA) was contained at 3.18 per cent on YoY against Advance growth of 11.35 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:

- Launch of Union Recovery mobile App - For effective monitoring of NPA accounts, a user friendly mobile based application namely “Union Recovery App” launched by the Bank. This app was designed for facilitating effective follow-up with NPA borrowers with aim of enhancing recovery.
- Launch of Union Sahyog mobile App - One app with multiple functionality features aiming to provide single interface across all mobile & web based payment channels, more customers friendly in providing information on various products offering of the Bank in both English & Hindi.
- 75 per cent growth in mobile banking users on YoY basis.
- 74 per cent growth in number of PoS terminals on YoY basis.
- 28 per cent growth in Credit Cards on YoY basis.
- 56 per cent growth in Talking ATMs on YoY basis.
- 71 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 73 lakh accounts having a balance of ₹1293 crore.
- 48.56 lakh Rupay Card issued under PMJDY as on September 30, 2017.
- Total enrollment under Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Atal Pension Yojana (APJ) increased to 30.5 lakh, 13.0 lakh and 2.6 lakh respectively.



- The Bank financed ₹1240 crore in 46543 accounts under Pradhan Mantri Mudra Yojana, including an amount of ₹363 crore to 14484 beneficiaries through a specific scheme for financing of light commercial vehicle during July-September 2017.

#### Network:

- The Bank has 4295 branches as of September 30, 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 7674 including 2495 talking ATMs as of September 30, 2017. ATM to branch ratio stood at 1.79.

#### Awards & Accolades during July- September 2017:

- SKOCH Order of Merit Award - Business Continuity Planning and IT Recovery
- SKOCH Order of Merit Award - Disaster Management & Disaster Recovery
- SKOCH Order of Merit Award - Data Centre Security
- SKOCH Order of Merit Award - Network Access Control (NAC)
- IDRBT Banking Technology Award - Best Emerging Bank
- PFRDA award for NPS performance in 2016-17 - 2<sup>nd</sup> rank Best PSU Bank for Branch Activation
- PFRDA award for NPS performance in 2016-17 - 3<sup>rd</sup> rank Best PSU Bank NPS Private Sector (All Citizen subscriber & Corporate subscriber)

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Date: 3<sup>rd</sup> November, 2017

Place: Mumbai

