

Quarterly Results June 2010

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WORKING RESULTS – QUARTER ENDED JUNE 2010

Major Highlights

- ✓ Operating profit for the quarter Q1-11 grew by 32.53 % to Rs.1043 crs as against Rs 787 crs in the corresponding quarter of the previous year. Operating profits for Q1 have grown at CAGR of 25.75% in the last 3 years
- ✓ The Bank registered Net Profit of Rs.601 crs for Q1-11 as against Rs 442 crs in the previous year, a growth of 35.97%. Net Profits for Q1 have grown at CAGR of 38.75% in the past 3 years.
- ✓ **NIM of the Bank was at 3.03% for Q1-11 as against 2.32% in the previous year.**
- ✓ The Bank's Return on Equity (RoE) was at an impressive 25.71% as of June'10 as against 23.87% in the previous year. Return on Avg. Assets(RoAA) also improved to 1.27 from 1.12 in the previous year.
- ✓ CASA deposits grew by 27.67% to Rs 55845 crs as of June'10 as against Rs 43742 crs in the previous year.

Working Results Overview - Quarter ended June, 2010

		Q1 to Q1 change		
		June'09	June'10	% change
1.0	Total Income	3704	4120	11.23
1.1	Interest Income	3191	3685	15.48
1.1.1	-on advances	2353	2733	16.15
1.1.2	-on investments	815	910	11.66
1.1.3	-on others	23	42	82.61
1.2	Non-Interest Income	513	435	-15.20
2.0	Total Expenses	2917	3077	5.49
2.1	Interest Expenses	2374	2338	-1.52
2.1.1.	-Deposits	2216	2194	-0.99
2.1.2	-Others	158	144	-8.86
2.2	Other Expenses	543	739	36.10
2.2.1	-Establishment	301	435	44.52
2.2.2	-Others	242	304	25.62
3.0	Interest Spread	817	1347	64.87
4.0	Operating Profit	787	1043	32.53
5.0	Provisions	345	442	28.12
6.0	Net Profit	442	601	35.97

Performance in Brief

Business:

- o The Bank achieved a domestic business-mix of Rs. 291938 cr. as on 30th June'10, a growth of 22.92%, as against Rs 237506 crs in the previous year.
- o Global business-mix reached a level of Rs. 296227 cr. as on 30th June'10.
- o The Bank's domestic deposits as on 30th June'10 reached a level of Rs. 171080 crs from Rs. 143498 crs as on 30th June'09, an increase of 19.22%. The Bank's CASA deposits grew by 27.67% to 55845 crs as on 30th June'10 from Rs. 43742 crs in the previous year.

- o **Gross domestic advances** of the Bank reached a level of **Rs. 120858 crs** as on **30th June'10**, registering an increase of **28.57%** over **30th June'09**.
- o **MSME advances** grew by **42.94%** to **Rs. 22203 crs** as on **30th June'10** from **Rs 15533 crs** in the previous year. **Bank's Retail advances** grew by **36.05% YoY** to **Rs.14359 crs** from **Rs.10554 crs** in the previous year. **Home Loans** grew by **22.93%** to **Rs 8463 crs** from **Rs 6884 crs** in the previous year. **Educational loans portfolio** of the Bank grew by **30.97% YoY** to **Rs.1366 crs** as on **30th June'10** from **Rs 1043 crs** in the previous year.

Capital & Net Worth:

- o The Bank's **Capital Adequacy Ratio (CRAR)** is at **12.59%** as on **30th June 2010** as per **Basel II**.
- o The Bank's **Net Worth** increased by **26.30%** and stood at **Rs. 9358 crore** as on **30th June'10** as compared to **Rs. 7409 crore** in the previous year.

Financial Performance (Quarterly):

- o The **Net Interest Margin** of the Bank stood at **3.03%** for the quarter ended **30th June'10** as against **2.32%** in the corresponding period of the previous year.
- o The Bank's **Net Interest Income** increased from **Rs. 817 crs** for the quarter ended **June'09** to **Rs. 1347 crs** as of **June'10**, a growth of **64.87% YoY**.
- o **Operating expenses** were at **Rs. 739 crs** for the quarter ended **June'10** as against **Rs. 543 crs** in the corresponding period of the previous year.
- o **Cost to Income Ratio** is at **41.45%** as of **30th June'10** from **40.81%** in the corresponding period of the previous year.
- o The **Cost of Funds** decreased to **4.95%** from **6.02%** in the previous year. **Cost of deposits** also decreased to **5.31%** from

6.47% in the previous year. While the yield on advances decreased to 9.37% from 10.30% in the previous year, yield on funds decreased to 7.80% from 8.09%.

- o **Return on Average Assets (ROA)** was at **1.27%** as on **30th June'10** as against **1.12%** in the previous year.
- o **Return on Equity** is at **25.71%** as on **30th June'10** as against **23.87%** in the previous year.
- o **EPS and Book value** showed improvement to **Rs. 47.63** and **Rs. 185.25** as on **30th June'10** from **Rs. 35.02** and **Rs. 146.68** respectively in the previous year.

Asset Quality:

- **Gross NPAs** increased to **Rs. 2736 crore** as on **30th June, 2010** from **Rs. 1874 crore** as on **30th June, 2009**.
- The ratio of the Bank's **Gross NPAs to Gross Advances** is at **2.19%** as on **30th June 2010** in comparison to **1.95%** as on **30th June 2009**.
- **Net NPAs** increased to **Rs. 1150 crore** as on **June'10** from **Rs. 677 crore** as on **June'09**.
- The ratio of **Net NPAs to Net Advances** is at **0.94%** as on **30th June 2010** as against **0.72%** as on **30th June 2009**.
- The **provision cover for NPAs** as on **30th June 2010** was at **71.12%** as compared to **92.67%** as on **30th June 2009**.

EMPLOYEE PRODUCTIVITY

- o **Business per Employee** increased to **Rs. 1004 lacs** as of **30th June'10** from **Rs. 805 lacs** in the previous year.
- o **Gross Profit per Employee** increased to **Rs. 15.12 lacs** as of **30th June'10** from **Rs 11.31 lacs** in the previous year.

FUTURE PLANS

- The Bank aims for a deposits growth of approx. 22% and advances growth of 25% for 2010-11.
- Bank targets CASA Ratio of 35% by 31st March 2012.
- Return on Equity to be 25.00% and Return on Average Assets to be 1.25% by 31st March 2011.
- Transaction through electronic mode to reach 50% of total transactions by 31st March 2011.
- Bank will endeavour to reign in Gross NPAs below 2.10% by 31st March 2011.

PRESS RELEASE

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