

91 वर्षों से कर रहे  
सपने साकार



यूनियन बैंक  
ऑफ इंडिया  
**Union Bank**  
of India

91 Years of  
fulfilling Dreams

# *Financial Results*

## *Q2 – 2012*

# *Analyst Presentation*

*24<sup>th</sup> October, 2011*

## Performance for the half year (YoY)

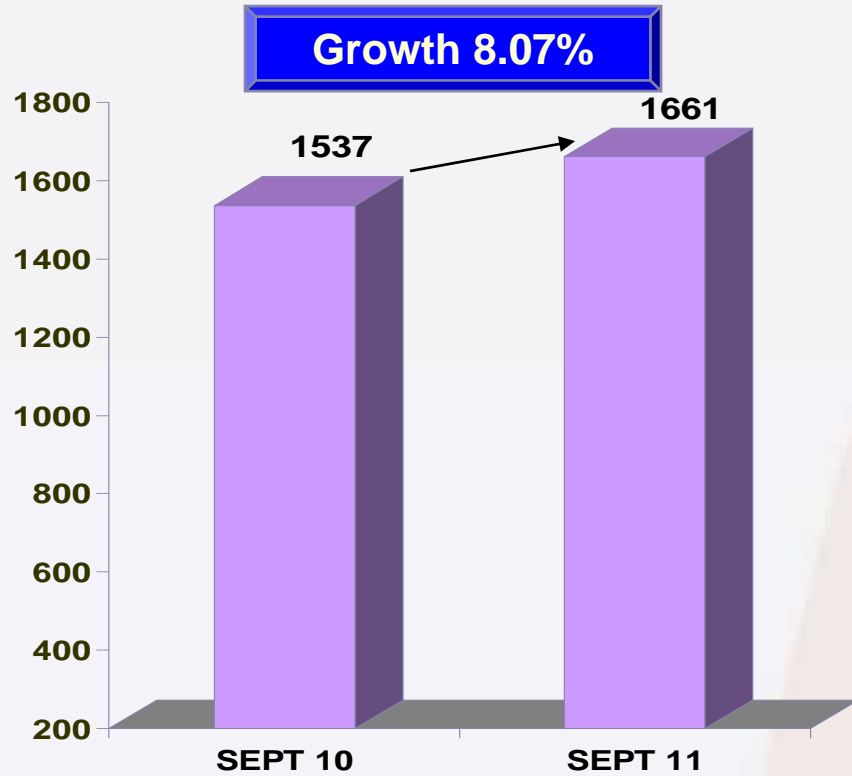
**Global Business up from ₹ 304203 cr. to ₹ 342856 cr., an increase of 12.71%**

**Net Interest Income increased from ₹ 2884 cr. to ₹ 3251 cr., a growth of 12.73%**

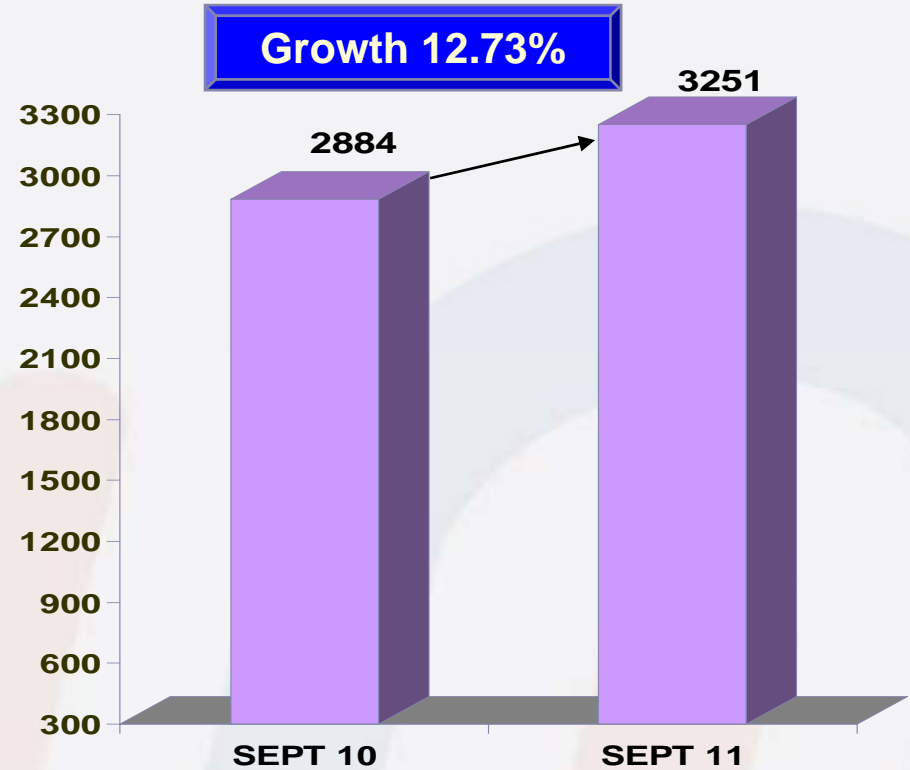
**Net Interest Margin on Earning Assets is at 3.14% as compared to 3.19% during the corresponding period of last year**

**Operating Profit has improved from ₹ 2174 cr. to ₹ 2371 cr., a growth of 9.06%.**

## Net Interest Income(NII) (Qty / Half Yearly)



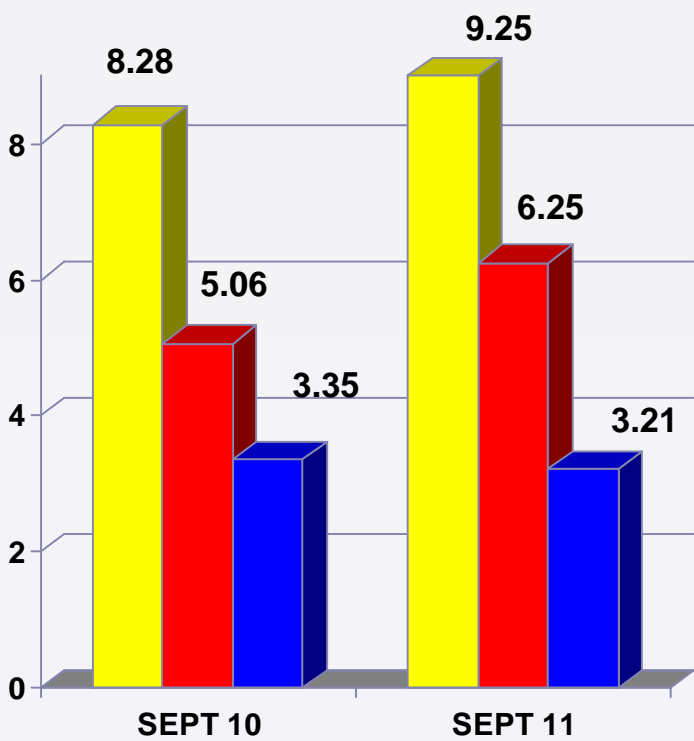
**Quarterly**



**Half Yearly**

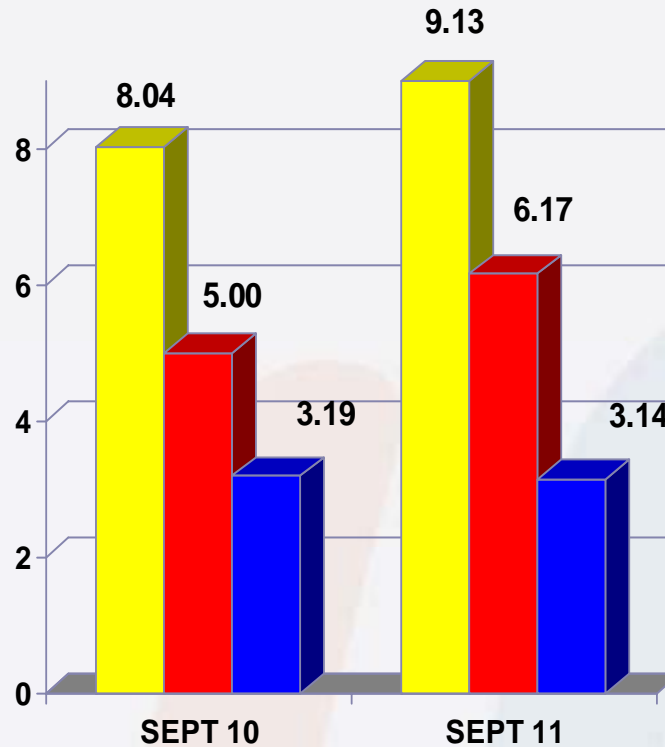
	SEP 08	SEP 09	SEP 10	SEP 11	CAGR %
<b>Net Interest Income</b>	1762	1707	2884	3251	22.65

## Net Interest Margin (Qty / Half Yearly)



Yield on Funds Cost of funds NIM (Earning Assets)

**Quarterly**



Yield on Funds Cost of funds NIM (Earning Assets)

**Half Yearly**

- Net Interest Margin (on earning assets) is 3.21% for the quarter.
- NIM For half year is at 3.14%.

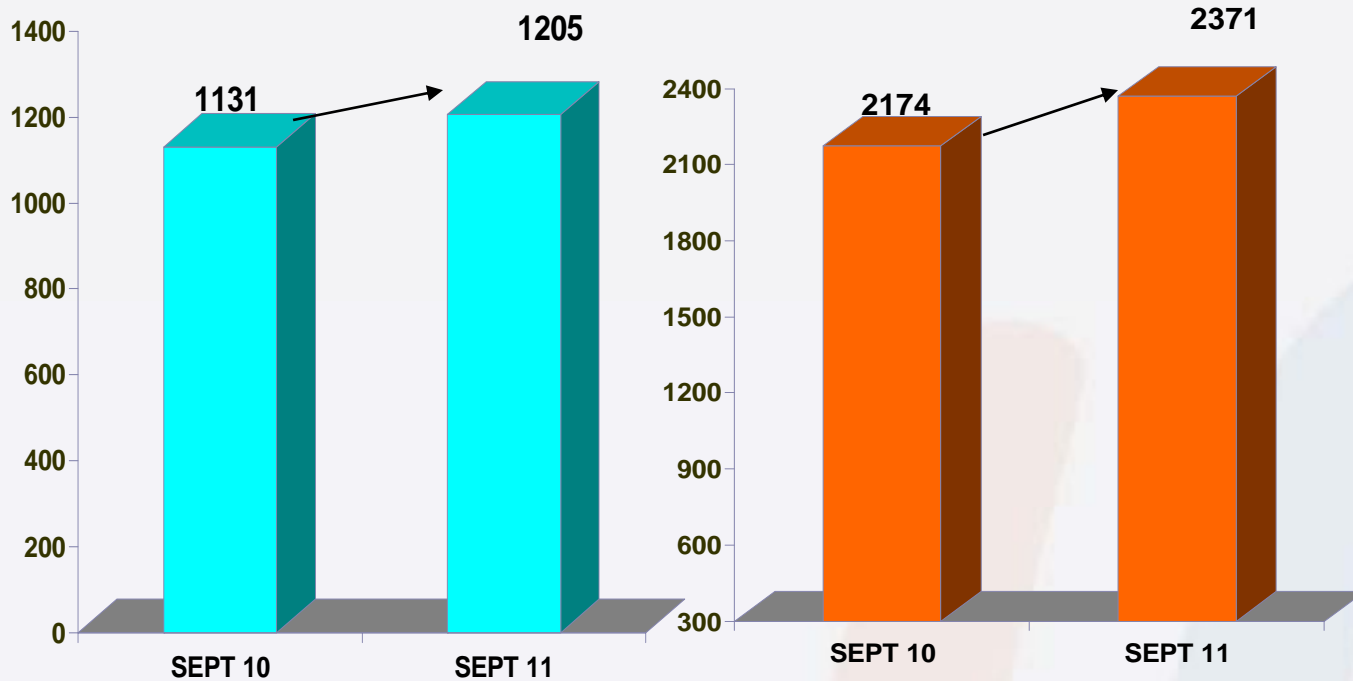
Sequential	Jun 11	Sep 11
NIM (Earning Assets)	3.10	3.21

## Non-Interest Income- (Qty / Half Yearly)

(₹ in crore)

	SEPT 10 (Q2)	SEPT 11 (Q2)	Growth %	SEPT 10 (H1)	SEPT 11 (H1)	Growth %
Core Fee Based Income	286	298	4.20	528	550	4.17
Treasury Income	179	161	-10.06	333	334	0.30
<u>W/w</u> Profit on Sale of Investments	131	100	-23.66	244	213	-12.70
Exchange on Foreign Currencies	48	61	27.08	89	121	35.96
Recovery in Written off Accounts	44	42	-4.55	83	101	21.69
<b>Total</b>	<b>509</b>	<b>501</b>	<b>-1.57</b>	<b>944</b>	<b>985</b>	<b>4.34</b>

## Operating Profits (Quarterly/ Half Yearly)



**Quarterly**

**Half Yearly**

₹ in crs

Sequential	Jun 11 (Q1)	Sep 11 (Q2)
Operating Profits	1166	1205

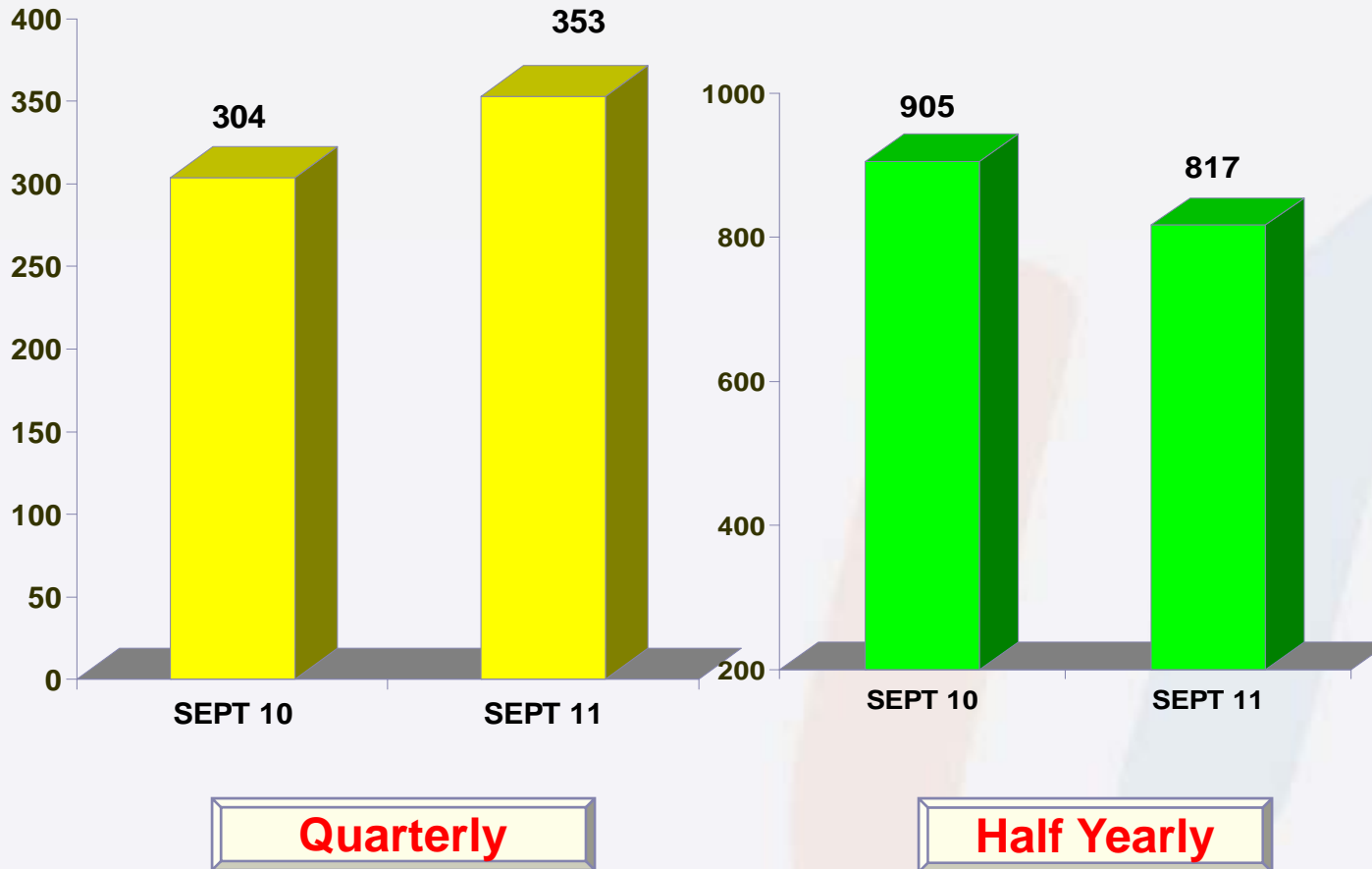
- Operating Profit for the quarter increased by 6.54% from ₹1131 crore to ₹1205 crore.
- On Half yearly basis Operating Profits registered growth of 9.06% from ₹2174 Crore to ₹2371 crore.

## Provisions (Quarterly / Half Yearly)

(₹ in crore)

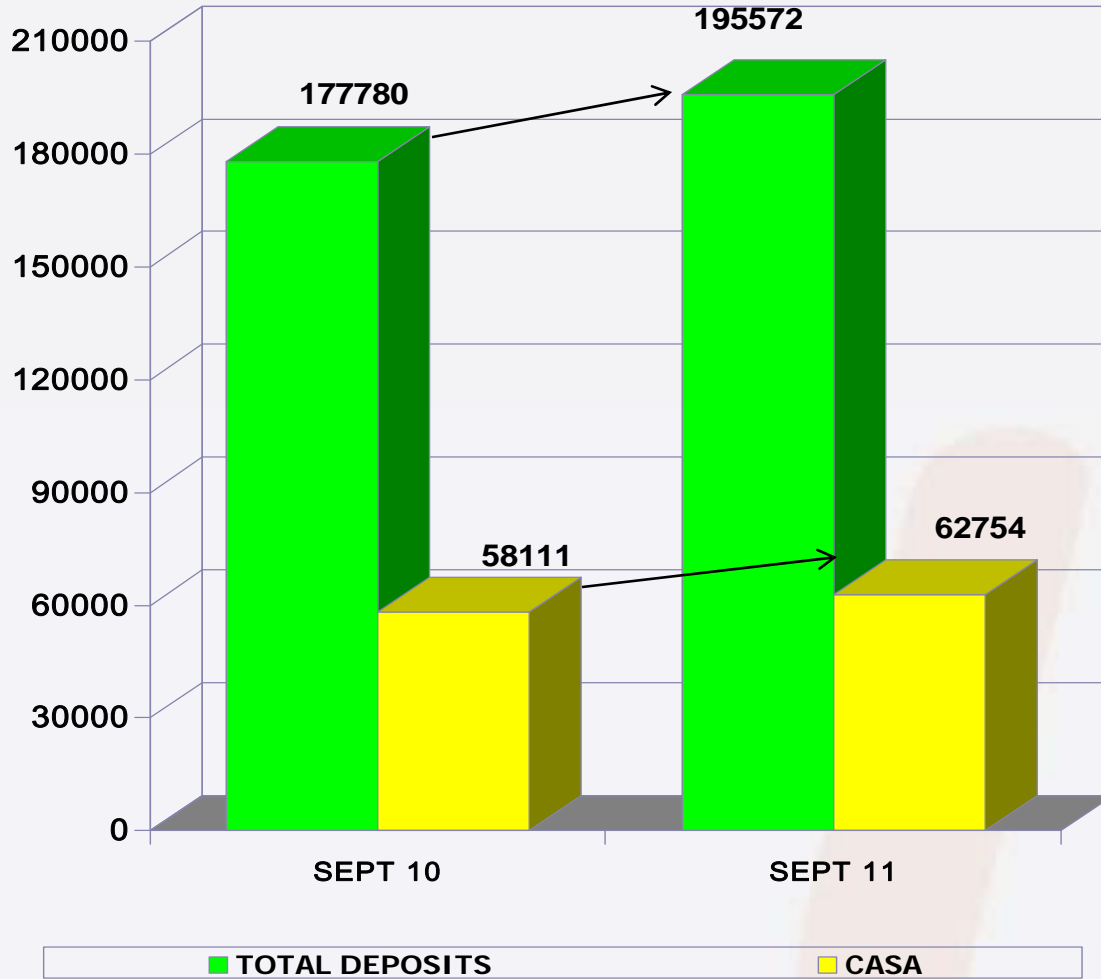
	SEPT 10 (Q2)	SEPT 11 (Q2)	SEPT 10 (H1)	SEPT 11 (H1)
<b>Taxation</b>	<b>228</b>	<b>230</b>	<b>473</b>	<b>503</b>
<b>NPA</b>	<b>629</b>	<b>495</b>	<b>729</b>	<b>860</b>
<b>Standard Assets</b>	<b>13</b>	<b>3</b>	<b>22</b>	<b>-9</b>
<b>Depreciation on Investment</b>	<b>-34</b>	<b>82</b>	<b>-13</b>	<b>90</b>
<b>Others</b>	<b>-9</b>	<b>42</b>	<b>58</b>	<b>110</b>
<b>Total</b>	<b>827</b>	<b>852</b>	<b>1269</b>	<b>1554</b>

## Net Profits (Quarterly / Half Yearly)



- The Net Profit for quarter has improved by 16.12% from ₹ 304 crore to ₹ 353 crore.
- However, Net profit for HY11 is ₹ 817 crore due to lesser net profit in the first quarter.



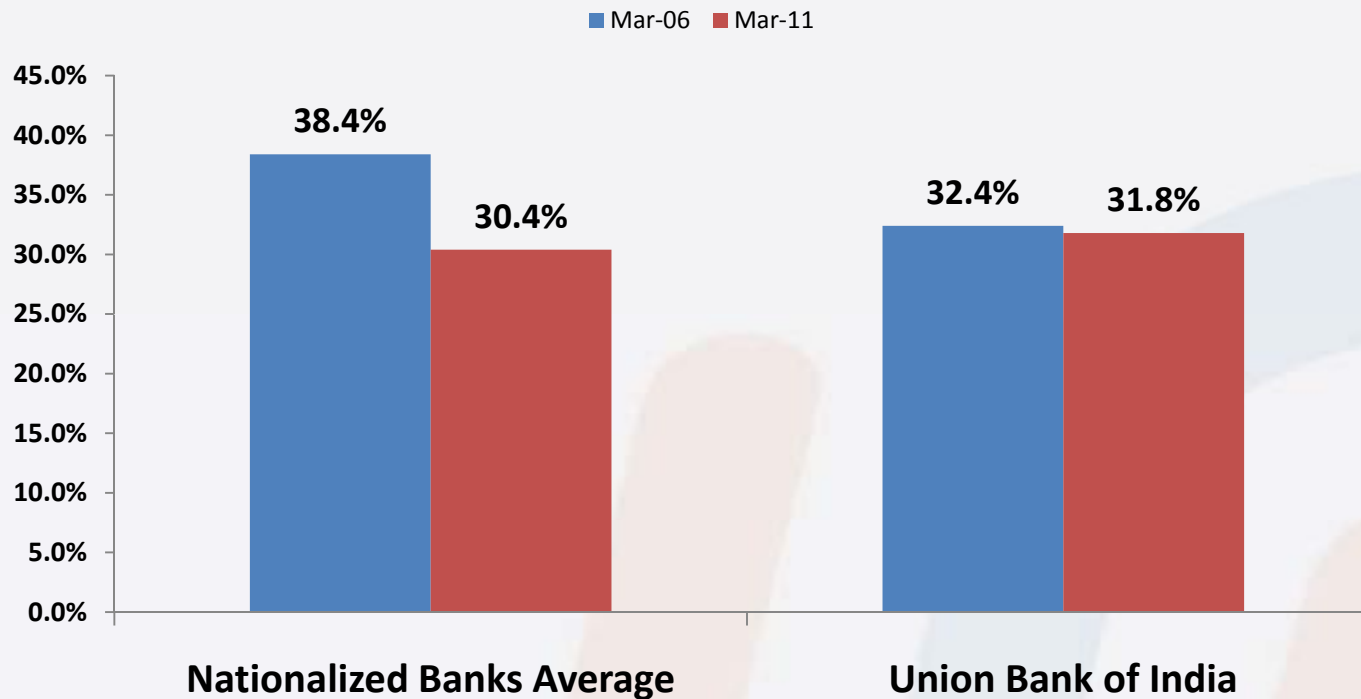


## Deposits

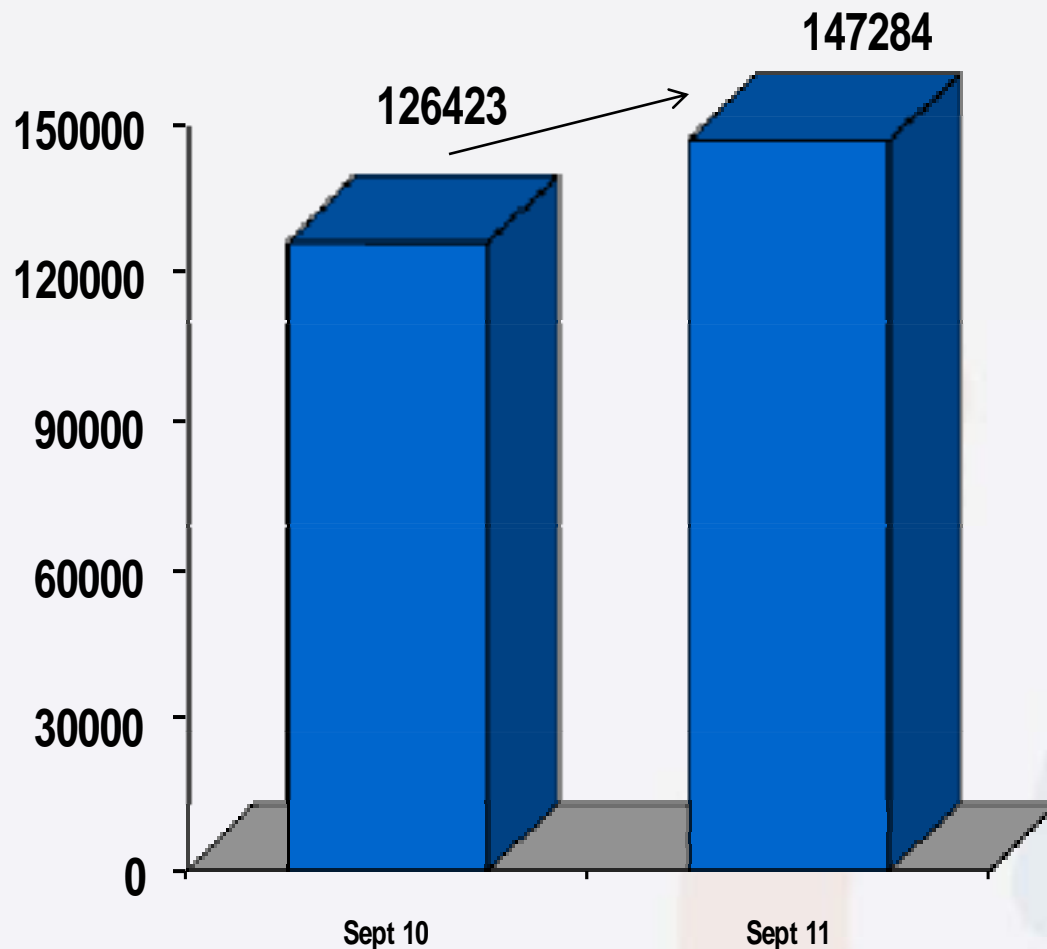
- Total Deposits increased by 10.01% from ₹177780 crore to ₹195572 crore.
- CASA deposits grew by 7.99% from ₹58111 crore to ₹62754 crore.
- CASA share in total deposit is 32.09%.

A/Cs opened		Nos
No of CASA Accounts opened during half year		12,54,717

## Stable CASA Ratio of Union Bank of India



- Average CASA Ratio of Nationalized Banks was close to 40% in 2006, which gradually declined to around 30% by end March 2011. Union Bank's CASA share was maintained near 32%.



## Advances

- Global advances of the Bank registered YoY growth of 16.50%. It increased from ₹126423 crore to ₹147284 crore.
- Yield on advances has improved to 11.02% from 9.49% in the previous year.

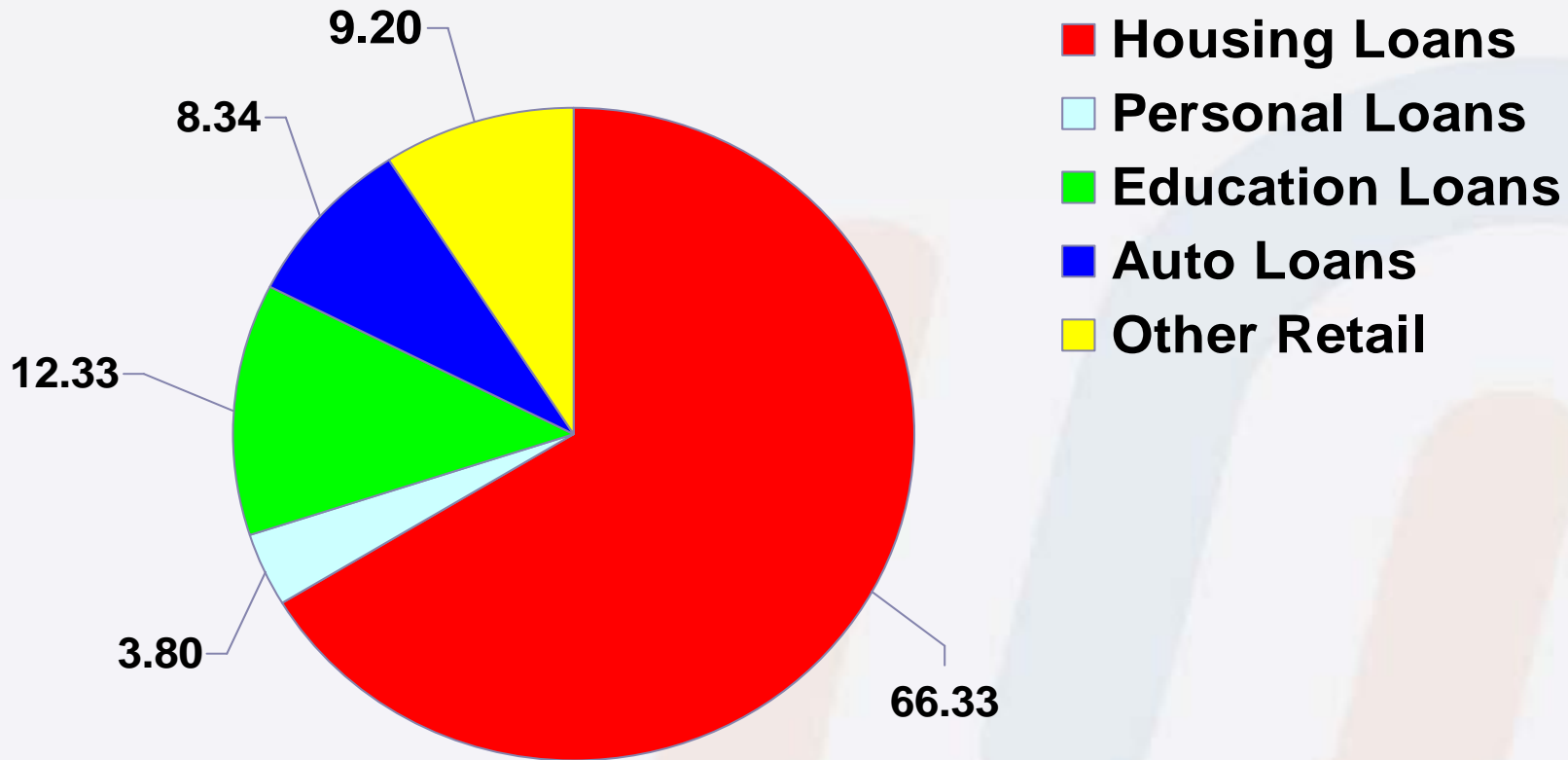
## SECTOR-WISE ADVANCES

Across Large & Mid Corporates, SME and Corporate Agri Business

Rank	Sectors	Outstanding (As on 30 <sup>TH</sup> SEPTEMBER 2011)	
		%	Amount (Rs. in Crore)
1	Infrastructure	13.26	19544.07
2	Retail Advances	9.84	14505.00
3	Trade	5.49	8094.00
4	NBFC	5.41	7976.76
5	HFCs	3.31	4885.94
6	Chemical and chemical products	1.78	2616.97
7	Commercial Real Estate	1.75	2582.17
8	Textiles	2.59	3820.99
9	Gems & Jewellery	1.39	2056.21
10	Petroleum	1.89	2786.08

## COMPOSITION OF RETAIL ASSETS

Product-wise composition of Retail assets Portfolio SEPT 11



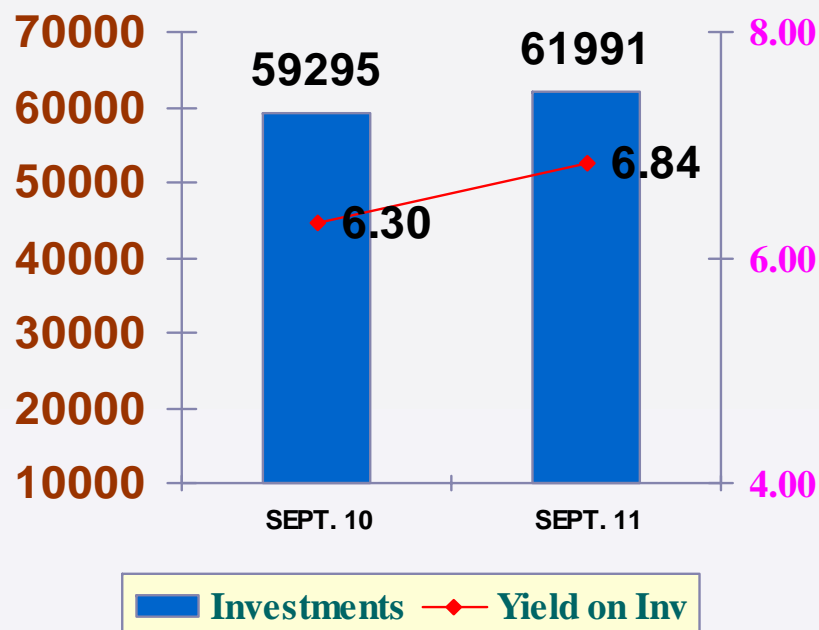
## Assets Restructured

₹ in Crs. ■

	Upto June 2011		During Sept 2011		Total	
	Accounts	Amt.	Accounts	Amt.	Accounts	Amt.
Assets Restructured	120204	5844.78	175	756.28	120379	6601.06

	Upto June 2011		During Sept 2011		Total	
	Accounts	Amt.	Accounts	Amt.	Accounts	Amt.
Adjusted / Closed	33866	932.42	2184	81.66	36050	1014.08

	Upto June 2011		During Sept. 2011		Total	
	Accounts	Amt.	Accounts	Amt.	Accounts	Amt.
Amount Recovered	94511	1420.47	17565	509.31	112076	1929.78

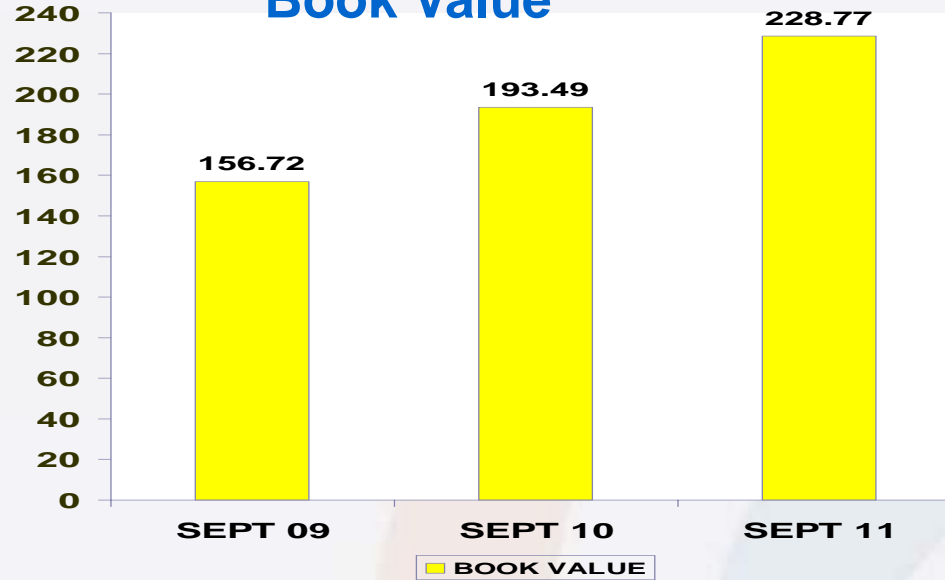


## Investments

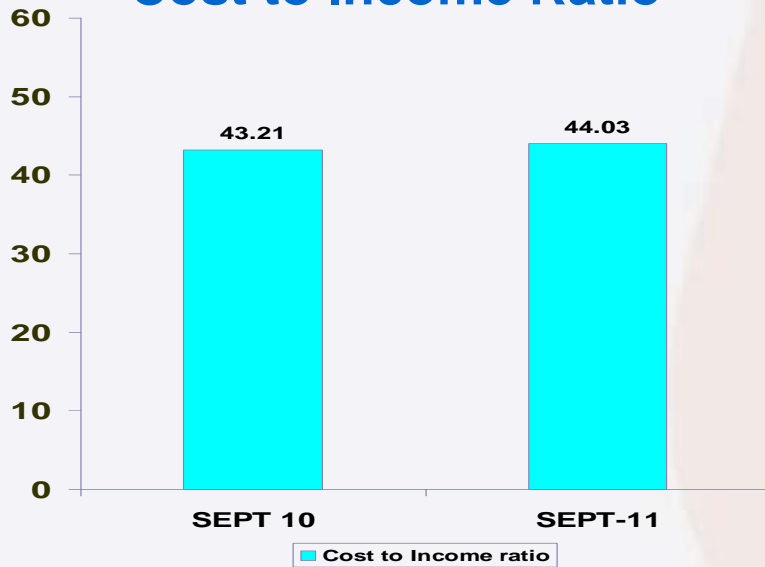
- Investments have shown a growth of 4.54% and Yield on Investments have increased by 54 bps from 6.30% to 6.84%.
- Out of Total AFS portfolio of ₹ 11860 Crore, ₹ 4204 Crore (35.44%) is interest sensitive.

	SEP10	%	Duration	SEP 11	%	Duration
Held to Maturity	43051	72.60	5.48	49793	80.32	4.84
Held for Trading	185	0.31	6.72	338	0.55	4.92
Available for Sale	16059	27.09	2.58	11860	19.13	1.86
<b>Total</b>	<b>59295</b>	<b>100.00</b>	<b>4.68</b>	<b>61991</b>	<b>100.00</b>	<b>4.39</b>

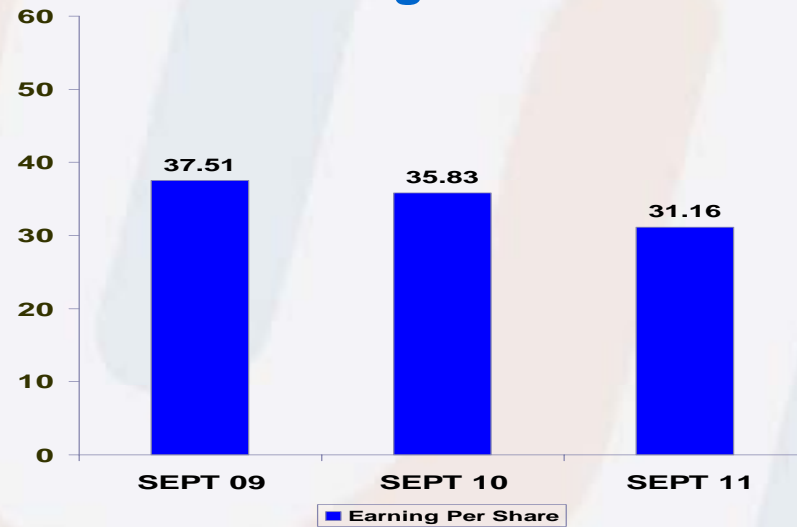
### Book Value



### Cost to Income Ratio

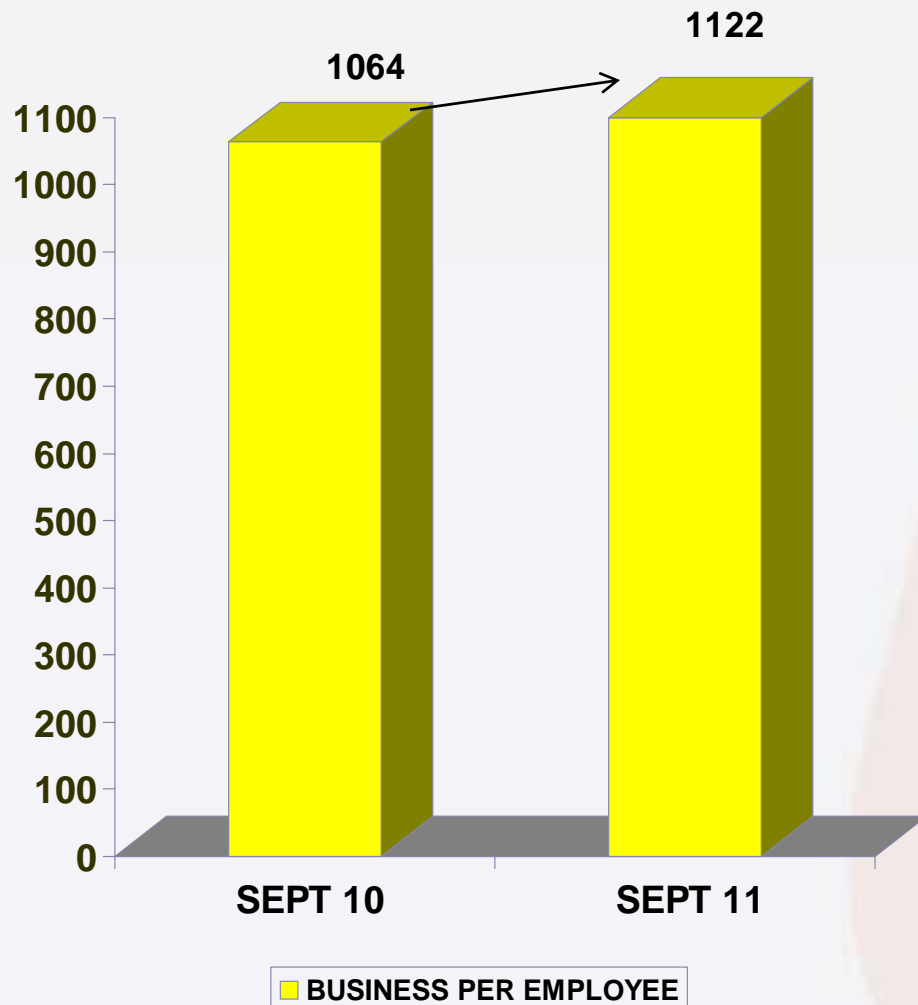


### Earning Per Share





## IMPROVED EFFICIENCY



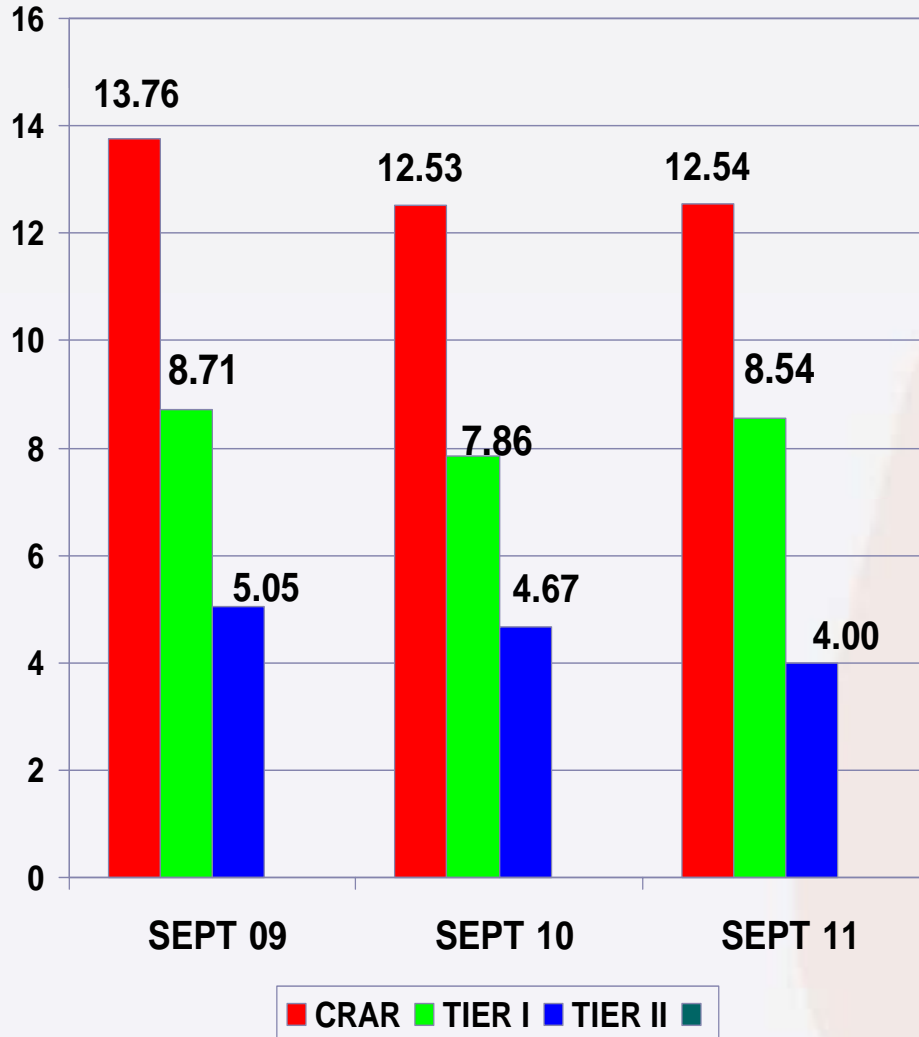
- Productivity measured by Business per employee increased from ₹ 1064 lacs to ₹ 1122 lacs.
- Gross Profit per employee has increased from ₹ 15.21 lacs to ₹ 15.52 lacs.

## Movement of NPAs

(₹ in crore)

	SEPT 10	MAR 11	SEPT 11
Gross NPAs – Opening	2671	2671	3623
Add : Additions	1753	2924	2587
Less : Deductions	900	1972	1074
1. Due to Write Off	414	1126	538
2. Due to upgradation/ Recoveries	486	846	536
Gross NPAs	3524	3623	5136
Gross Credit	126423	153022	147284
Gross NPA as a % age of GBC	2.79	2.37	3.49
Net NPA	1462	1803	2959
Net Advances	124142	150986	144854
Net NPA as a % age of Net Advances	1.18	1.19	2.04
Coverage %	70.00	67.58	60.52

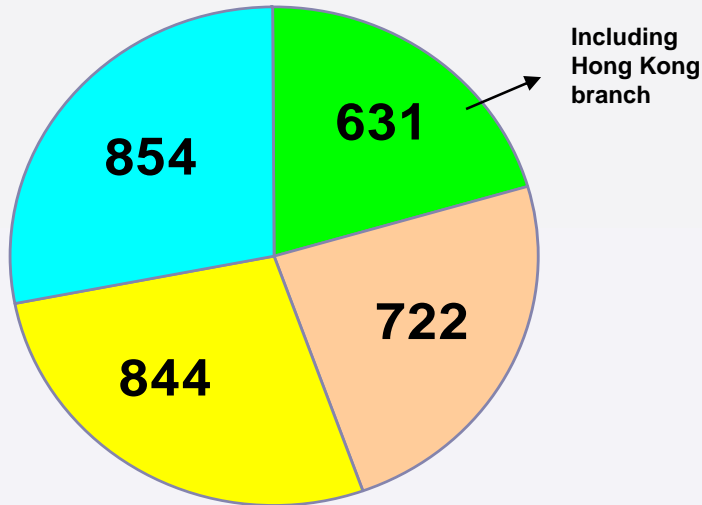
# Capital Adequacy



- As per Basel II Capital Adequacy Ratio is at 12.54% as of 30<sup>th</sup> Sept., 2011 as against 12.53% as of Sept. 2010.
- Tier-I Core Capital Ratio is at 8.54% as of Sept. 2011

# DISTRIBUTION CHANNELS

## BRANCH MIX



## SERVICE OUTLETS

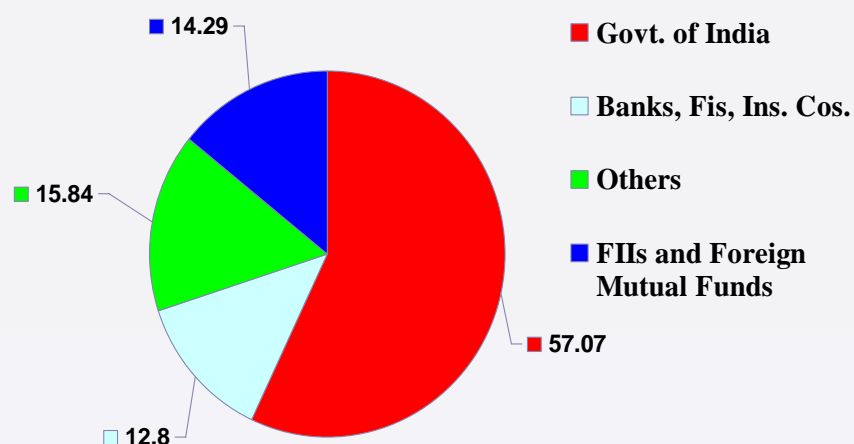
	SEPT 08	SEPT 09	SEPT 10	SEPT 11
Branches	2432	2713	2869	3051
Ext. Counters	117	66	49	42
Service branches	35	43	46	45
<b>Total</b>	<b>2584</b>	<b>2822</b>	<b>2964</b>	<b>3138</b>
ATMs	1402	2130	2419	2757

Metro	Urban	Semi-Urban	Rural
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South	North	West	East
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720	1234	660	436
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# Shareholding Pattern (30<sup>th</sup> SEPT., 2011)



- **Share Capital** Rs 635 crore
- **No. of Equity Shares** 524.33 million
- **Net worth** Rs 11995 crore
- **B. V. per share** Rs 228.77
- **Return on Equity:** 13.62%
- **Market Cap (30.09.2011) :** Rs. 12901 cr

	SEPT 08	SEPT 09	SEPT 10	SEPT 11
<b>GOVT.</b>	55.43	55.43	55.43	57.07
<b>FIIs &amp; FMFs</b>	19.31	17.03	18.57	11.91
<b>BANKS, INST./ MUTUAL FUNDS</b>	11.85	12.76	11.88	14.72
<b>OTHERS</b>	13.41	14.78	14.12	16.30

*Major highlights  
of last quarter*

## Launches / New Initiatives

- The Bank on 18<sup>th</sup> August, 2011 launched “**Union Chetna**”- an information window for the customers as well as employees. The Bank has been actively pursuing the goal of financial literacy and awareness as an important demand-side driver of financial deepening and inclusive growth. Union Chetna is an extension of such efforts. The initiative was launched by Shri Anand Sinha, Deputy Governor, RBI in Mumbai.
- In the Bank’s quest to becoming the No.1 Retail Bank in Customer Service Excellence, the Bank is building a new model, called ‘Branch of the Future’ that will enhance our customer service capabilities to leverage higher wallet share of customers. Aptly names “**Union Xperience**” this strategy will help in building our retail asset and liabilities profile. Presently, this model has presently been rolled out in 35 branches in Mumbai and New Delhi. We expect to roll-out this model to around 250 branches by March 2012; subsequently the model will be replicated in all the branches at metro and urban centres.



- The Bank is revamping its system of Human Resource Management with a view to giving primary focus on building specialized skills and developing leadership chain. These initiatives which are being advised by M/s Hewitt Associates, will not only start showing results in the current year but also prepare Union Bank for a higher trajectory of growth. We are focused on developing capabilities for becoming the preferred banker to the NextGen customers and new Bankable class.



*Guidance 2011-12*



## Guidance 2011-12

The Bank aims for a deposits growth of 16% and advances growth of 17-18% for 2011-12.

NIM is expected to be at 3.20% by March 2012.

Gross NPAs of the Bank is expected to be around 2.65% by March 2012.

## Disclaimer

Except for the historical information contained herein, statements in this presentation which contain words or phrases such as “is”, “aims”, ‘will’, ‘would’, ‘indicating’, ‘expected to’ etc., and similar expressions or variations of such expressions may constitute ‘forward-looking statements’. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion in business, the impact of any acquisitions, the adequacy of our allowance for credit losses, technological implementation and changes, the actual growth in demand for banking products and services, investment income, cash flow projections, our exposure to market risks as well as other risks. Union Bank undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.



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