

Press Release

Financial Results for the quarter and half year ended September 30, 2016

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, 2016.

**Key Highlights**

CASA ↑ 21% YoY

Savings Deposit ↑ 23% YoY

CASA Share (%) ↑ 32%

RAM Sector ↑ 18% YoY

RAM Share (%) ↑ 55%

Non Interest Income ↑ ₹ 1139 crore

Operating Profit ↑ ₹ 1820 crore

Net Profit ↑ ₹ 177 crore

CRAR ↑ 11.19%

Tier I ↑ 8.56%

- The growth in Deposits was driven by Savings Deposits, which grew by 23.4% against the total Deposits growth of 9.3% on YoY basis.
- The share of high cost Deposits declined to 1.0% (Sept 2016) from 2.2% (Sept 2015).
- Non-interest Income for the H1/FY17 increased by 25% on YoY basis.
- Operating profit grew by 15.7% (H1/FY17) on YoY basis.
- Cost to income ratio improved to 47.5% (H1/FY17) against 50.2% (H1/FY16).
- Gross NPAs stood at 10.73% as on September 30, 2016, while Net NPA stood at 6.39% as on September 30, 2016.
- The slippages during the quarter came down sequentially from previous quarter, whereas recovery & upgradation amount increased over the previous quarter.
- Capital Adequacy Ratio (Basel III) improved to 11.19% (excluding half-yearly profit).

**Business**

- ✚ Global Business grew by 9.4% to ₹639822 crore as on September 30, 2016 from ₹584687 crore as on September 30, 2015.
- ✚ The quarter witnessed healthy trend in CASA, which grew by 20.8% to ₹114011 crore as on September 30, 2016 from ₹94413 crore in the previous year.



- ✚ CASA share in total deposits improved to 31.5% as on September 30, 2016 compared to 28.6% as on September 30, 2015. Domestic CASA ratio stood at 32.1%. Average CASA ratio stood at 29.4%.
- ✚ Savings Deposit registered a robust growth of 23.4% YoY as on September 30, 2016.
- ✚ A total of 24.4 lakh CASA accounts were opened during the current Financial Year so far. Out of 24.4 lakh CASA accounts, 23.9 lakh were Savings Bank Accounts.
- ✚ Share of high cost deposits in total deposits declined to 1% in September 2016 from 2.2% in September 2015.
- ✚ The Bank's Global Advances grew by 9.6% YoY to ₹278368 crore as on September 30, 2016 from ₹254022 crore as on September 30, 2015.
- ✚ Due to strong growth of 17.8% in RAM sector, Domestic Advances increased by 9.8% from ₹229339 crore as on September 30, 2015 to ₹251888 crore as on September 30, 2016.
- ✚ Overseas Business grew by 9.2% from ₹30382 crore as on September 30, 2015 to ₹33173 crore as on September 30, 2016.

#### **Financial Performance for the quarter ended September 2016**

- ✚ Domestic Net Interest Margin (NIM) stood at 2.43% for July-September 2016 as against 2.42% for July-September 2015. Global NIM for July-September 2016 improved sequentially to 2.30% from 2.28% for April-June 2016 quarter. It was 2.34% a year ago.
- ✚ Net Interest Income for July-September 2016 was sequentially up by 8.3% to ₹2277 crore from ₹2103 crore in April-June 2016. It was ₹2102 crore a year ago.
- ✚ Non Interest Income for July-September 2016 stood at ₹1139 crore, up 18.7% over a year ago.
- ✚ Operating profit increased to ₹3445 crore during H1/FY17 over ₹2978 crore during H1/FY16.
- ✚ Net Profit for July-September 2016 sequentially increased to ₹177 crore from ₹166 crore in April-June 2016.
- ✚ Cost to income ratio improved to 46.75% for July-September 2016 from 51.32% for July-September 2015 and 48.28% for April-June 2016.
- ✚ Return on average assets (annualised) stood at 0.17% for July-September 2016 as against 0.68 % for July-September 2015 and 0.17% for April-June 2016.
- ✚ Yield on funds stood at 7.72% for July-September 2016 as against 8.43% for July-September 2015 and 7.94% for April-June 2016.
- ✚ Yield on investments stood 7.26% for July-September 2016 as against 7.33% for July-September 2015 and 7.55% for April-June 2016.
- ✚ Return on equity (annualised) stood at 3.56% in July-September 2016 as against 12.80% in July-September 2015 and 3.36% in April-June 2016.



- ✦ Earnings per share (annualised) stood at ₹10.27 in July-September 2016 as against ₹ 41.37 in July-September 2015 and ₹ 9.69 in April-June 2016.

### Financial Performance for half Year ended FY 2016-17

- ✦ Domestic Net Interest Margin (NIM) stood at 2.40% in H1/FY17 compared to 2.44% in H1/FY16. Global NIM for H1/FY17 was 2.29% as against 2.36% for H1/FY16.
- ✦ Net Interest Income for H1/FY17 up by 3.50% to ₹4380 crore from ₹4232 crore in H1/FY16.
- ✦ Non Interest Income for H1/FY17 increased to ₹2179 crore, up by 25% on YoY basis.
- ✦ Net Profit for H1/FY17 stood at ₹343 crore.
- ✦ Cost to Income ratio improved to 47.48% during H1/FY17 from 50.15% during H1/FY16.
- ✦ Return on average assets (annualised) stood at 0.17% for H1/FY17 as against 0.61% for H1/FY16.
- ✦ Yield on funds stood at 7.82% for H1/FY17 as against 8.57% for H1/FY16.
- ✦ Yield on investments stood at 7.40% for H1/FY17 as against 7.58% for H1/FY16.
- ✦ Return on equity (annualised) stood at 3.46% in H1/FY17 as against 11.44% H1/FY16.
- ✦ Earnings per share (annualised) stood at ₹9.98 in H1/FY17 as against ₹ 37.00 in H1/FY16.

### Asset Quality

- ✦ The slippages during the quarter came down sequentially from previous quarter, whereas recovery & upgradation amount increased over the previous quarter.
- ✦ Gross NPAs stood at 10.73% as on September 30, 2016 as against 10.16% as on June 30, 2016 and 6.12% as on September 30, 2015.
- ✦ Net NPA ratio stood at 6.39% as on September 30, 2016 as against 6.16% as on June 30, 2016 and 3.39% as on September 30, 2015.
- ✦ Provision Coverage Ratio stood at 50.45% as on September 30, 2016 as against 50% as on June 30, 2016. It was 57.85% as on September 30, 2015.

### Capital Adequacy

- ✦ Capital Adequacy ratio of the Bank under Basel III is 11.19% as on September 30, 2016. It does not include net profit of H1/FY17.
- ✦ The Tier I CRAR is 8.56%, within which Common Equity Tier 1 is 8.06% compared to regulatory minimum of 6.125%.
- ✦ The Bank has raised ₹1000 crore each under Tier 2 and Additional Tier 1 during the current Financial Year as a result of which the Bank's capital position has improved.



## 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 key initiatives during the year:

- ✚ “U-Control” - Mobile based application for credit card users to manage their credit card usage.
- ✚ Unstructured Supplementary Service Data (USSD) - Android based application that allows mobile banking facility to users having mobiles without GPRS facility.
- ✚ Interoperable cash deposit transaction in Bulk Note Acceptors/Cash Recyclers.
- ✚ Unified Payment Interface (UPI) - Mobile based application that enables interoperable payments through mobile phones.

The share of “transactions through digital channels” in “overall transactions” has increased to 66.5% as on September 30, 2016 from 62.8% as on September 30, 2015. There is also an increase of 2.8x in transactions through mobile banking.

## Financial Inclusion:

- ✚ Under the Pradhan Mantri Jan Dhan Yojana (PMJDY), the Bank has opened more than 60 lakh accounts having a balance of ₹974 crore upto September 30, 2016.
- ✚ 53.96 lakh Rupay Card has been issued under PMJDY as on September 30, 2016.
- ✚ Total enrollment under Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Atal Pension Yojana (APJ) increased to 29.2 lakh, 12.3 lakh and 0.69 lakh respectively.

## Network

- ✚ The Bank has 4214 branches as of September 30, 2016 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 7151 including 1600 talking ATMs as of September 30, 2016. ATM to branch ratio stood at 1.69.

## Brand Value

Union Bank was ranked 36<sup>th</sup> with a Brand value of ₹20.72 bn in the current year edition of Best Indian Brands published by Brand Equity (The Economic Times).

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Date: 4<sup>th</sup> November, 2016  
Place: Mumbai