

## Financial Results for the quarter ended June 30, 2015

The Board of Directors of Union Bank of India today approved the accounts of the Bank for the quarter ended June 30, 2015.

### Highlights

- ☞ Global Business up 8.6% (y-o-y) to Rs. 582817 crore as on June 30, 2015
- ☞ Savings deposit grew at 10.6% (y-o-y) while share of high cost deposits declined to 5.4% (Jun 2015) from 13.5% (Jun 2014)
- ☞ Advances to productive sectors of economy, i.e. Retail, Agriculture, and MSMEs, which we together call as 'RAM' sectors, grew by 16.6% (y-o-y), now contributing nearly half of domestic loan book
- ☞ Non-interest Income for the quarter (Q1/FY16) up 13.3% (y-o-y) to Rs. 783 crore driven by 24.4% (y-o-y) growth in core fee income.
- ☞ Operating expenses sequentially reduced by 12% from Q4/FY15.
- ☞ Net Profit for Q1/FY16 stood at Rs. 519 crore, up by 17.2% over Q4/ FY15.
- ☞ Return on average assets for Q1/FY16 increased to 0.55%, up by 8 bps over 0.47% in Q4/FY15. Return on Equity for Q1/FY16 also increased to 11.02% from 9.70% in Q4/FY15.
- ☞ Cost to income Ratio declined by 223 bps to 48.92% in Q1/FY16 from 51.15% in Q1/FY15.
- ☞ Capital Adequacy Ratio (Basel III) stood at 10.14% (excluding quarterly profit). Tier I CRAR is 7.46%, within which CET1 is 7.20%.
- ☞ Liquidity Coverage Ratio of the Bank for the quarter ended June 30, 2015 was 116.10% against regulatory minimum of 60% reflecting comfortable liquidity.

### Business

- ✚ Global Business grew by 8.6% from Rs. 536824 crore as on June 30, 2014 to Rs. 582817 crore as on June 30, 2015.
- ✚ Global Deposits increased from Rs. 297420 crore as on June 30, 2014 to Rs. 327264 crore as on June 30, 2015, registering a growth of 10.0%. Domestic Deposits increased by 9.8% from Rs. 293137 crore as on June 30, 2014 to Rs. 321963 crore as on June 30, 2015.
- ✚ CASA deposits grew by 6.9% to Rs. 92612 crore as on June 30, 2015 from Rs. 86637 crore in the previous year. CASA share in total deposits stands at 28.3%. Domestic CASA ratio stood at 28.7%. Savings bank deposits increased by 10.6%

over a year ago. A total of 19.3 lakh CASA accounts were opened during the quarter. During the quarter about 3.9 lakh dormant SB accounts were activated with special efforts.

- ✚ Share of high cost deposits in total deposits declined from 13.5% in June 2014 to 5.8% in March 2015 and further to 5.4% in Jun 2015.
- ✚ Global Advances increased from Rs. 239404 crore as on June 30, 2014 to Rs. 255553 crore as on June 30, 2015 recording a growth rate of 6.8%. Domestic Advances increased by 4.6% from Rs. 221867 crore as on June 30, 2014 to Rs. 232072 crore as on June 30, 2015.
- ✚ Advances to productive sectors of economy, i.e. retail, agriculture, and MSMEs, which we together call as 'RAM' sectors, grew by 16.6%, from Rs. 98906 crore as on June 30, 2014 to Rs. 115293 crore as on June 30, 2015.
- ✚ Overseas Business grew by 31.6% from Rs. 21820 crore as on June 30, 2014 to Rs. 28719 crore as on June 30, 2015.

### Financial Performance for the quarter ended June 2015

- ✚ Domestic Net Interest Margin (NIM) stood at 2.46% for April-June 2015 same as of January-March 2015. It was 2.68% a year ago. Global NIM for April-June 2015 was sequentially up at 2.39% as against 2.37% for January-March 2015 quarter. It was 2.60% a year ago.
- ✚ Net Interest Income for April-June 2015 was sequentially up by 0.4% to Rs. 2130 crore from Rs. 2122 crore in January-March 2015. It was Rs. 2117 crore in April-June 2014.
- ✚ Non Interest Income for April-June 2015 stood at Rs.783 crore, up 13% over a year ago.
- ✚ Operating expenses during Q1/FY16 reduced by 0.8% from Q1/FY15 to Rs.1425 crore. Within overall opex, non-employee expenses decreased by 7.2%.
- ✚ Net Profit for April-June 2015 stood at Rs. 519 crore, which is 17.2% higher over January-March 2015. It was Rs. 664 crore a year ago.
- ✚ Return on average assets (annualised) stood at 0.55% for April-June 2015 as against 0.47% for January-March 2015. It was 0.77% for April-June 2014.
- ✚ Yield on funds stood at 8.70% for April-June 2015 as against 8.68% for January-March 2015 and 9.11% for April-June 2014.
- ✚ Yield on investments stood 7.78% for April-June 2015 as against 7.83% for January-March 2015 and 7.83% for April-June 2014.
- ✚ Return on equity (annualised) stood at 11.02% in April-June 2015 as against 9.70% in January-March 2015 and 15.05% in April-June 2014.
- ✚ Earnings per share (annualised) stood at Rs. 32.64 in April-June 2015 as against Rs. 27.92 in January-March 2015 and Rs. 42.15 in April-June 2014.

## Asset Quality

- Amount of quarterly slippages has been declining for third consecutive quarter – from Rs.1968 crore in Q2/FY15 to Rs.1738 crore in Q3/FY15, Rs. 1547 crore in Q4/FY15 to Rs.1508 crore in Q1/FY16. Delinquency ratio (annualised) has come down from 2.6% in Q4/FY15 to 2.4% in Q1/FY16.
- Gross NPAs stood at 5.53% as on June 30, 2015 as against 4.96% as on March 31, 2015 and 4.08% as on June 30, 2014.
- Net NPA ratio is at 3.08% as on June 30, 2015 as against 2.71% as on March 31, 2015 and 2.46% as on June 30, 2014.
- Provision Coverage ratio stood at 58.05% as on June 30, 2015 as against 59.23% as on March 31, 2015. It was 58.92% as on June 30, 2014.

## Capital Adequacy

- Capital Adequacy ratio of the Bank under Basel III is 10.14% as on June 30, 2015. It does not include net profit of Q1/FY16.
- The Tier I CRAR is 7.46% within which Common Equity Tier 1 is 7.20% compared to regulatory minimum of 5.50%.

## IT Initiatives

Celebrating Digital India week, the Bank launched four digital initiatives on July 6<sup>th</sup>, 2015:

- IMPS through branches for Retail and Corporate customers
- Mobile Passbook (M Passbook)
- Missed call facility for Mobile Banking & Account balance
- SMS based value added services

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Date: 28<sup>th</sup> July, 2015  
Place: Mumbai