

यूनियन बैंक
ऑफ इंडिया
अच्छे लोग, अच्छा बैंक



Union Bank
of India
Good people to bank with

Financial Results

Q3/FY19 & 9M/FY19



January 21, 2019

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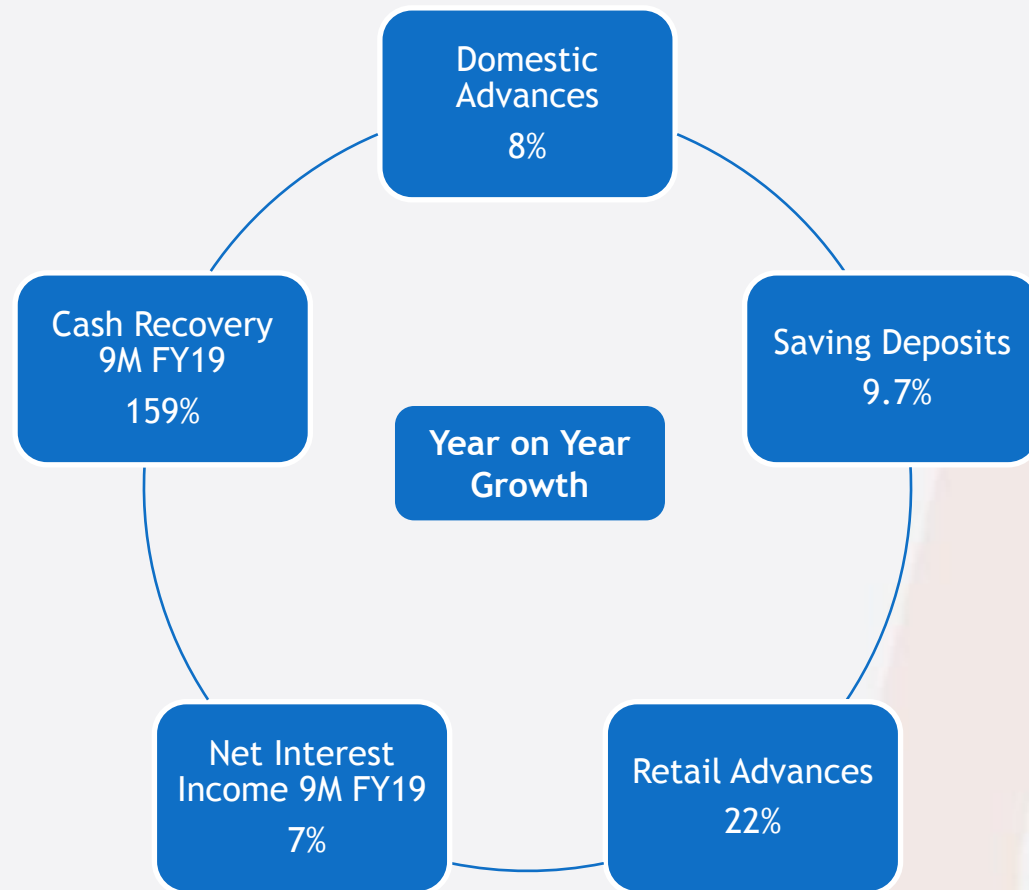
UnionBankofIndia

#1 Business Performance

#2 Financials

#3 New Initiatives & Outcomes

#4 Awards & Accolades

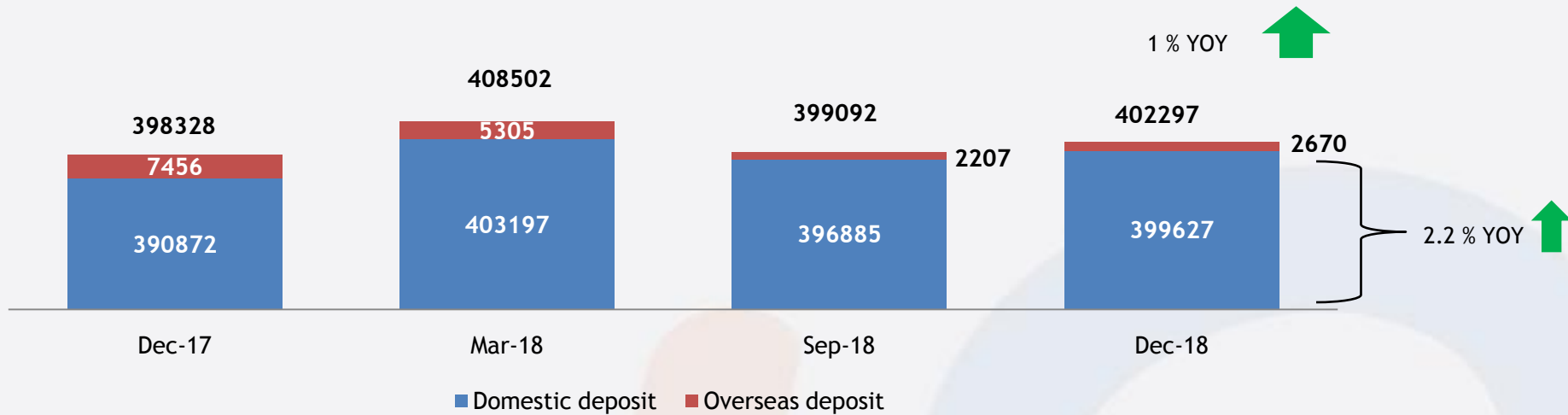


Total Business	₹ 719810 crore
Gross Advances	₹ 317513 crore
Total Deposits	₹ 402297 crore
Operating Profit(9M FY19)	₹ 5611 crore
Basel III Tier I CAR	9.02 %
Basel III Total CAR	11.43 %
Branches	4292
ATMs	12028*

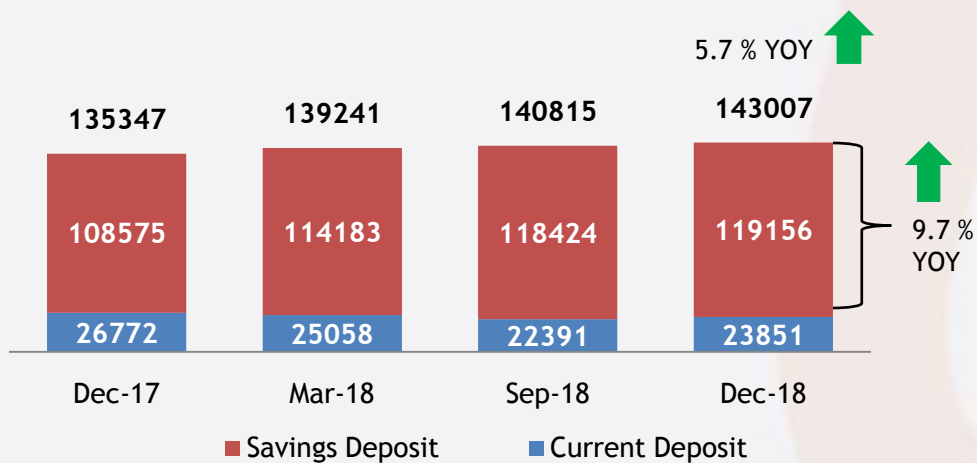
*Including 5407 Micro-ATM

Total Deposits

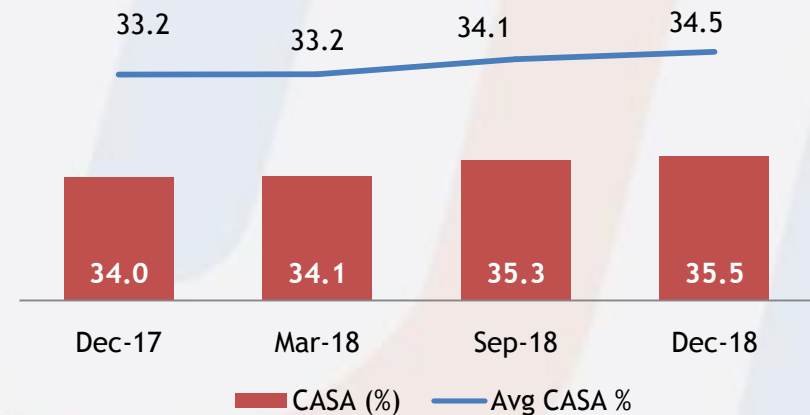
(₹ crore)



CASA Portfolio

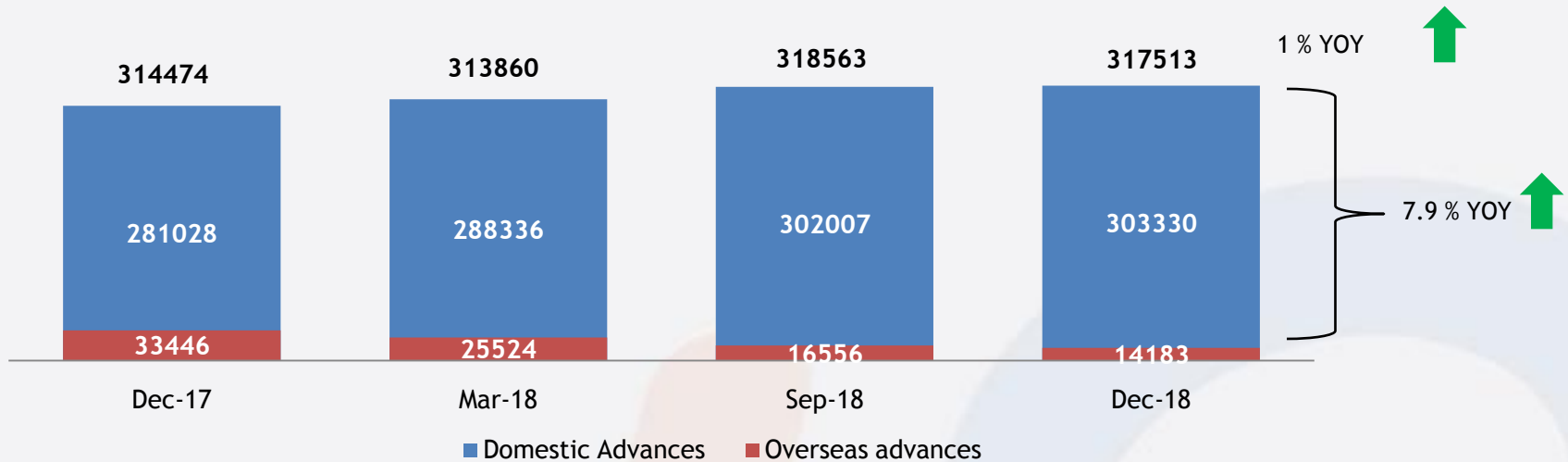


CASA & Avg CASA (%)



Gross Advances

(₹ crore)



Retail

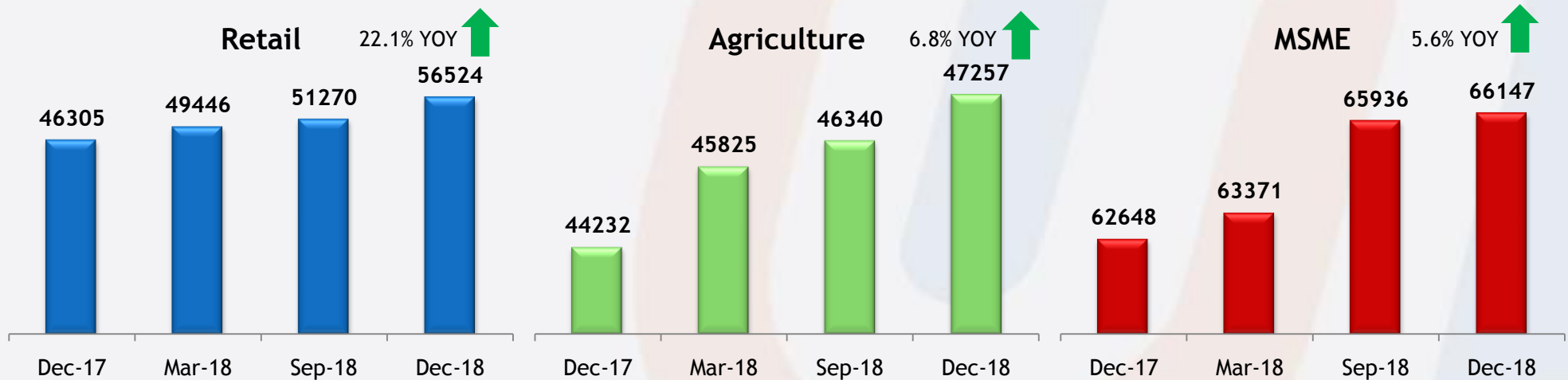
22.1% YOY ↑

Agriculture

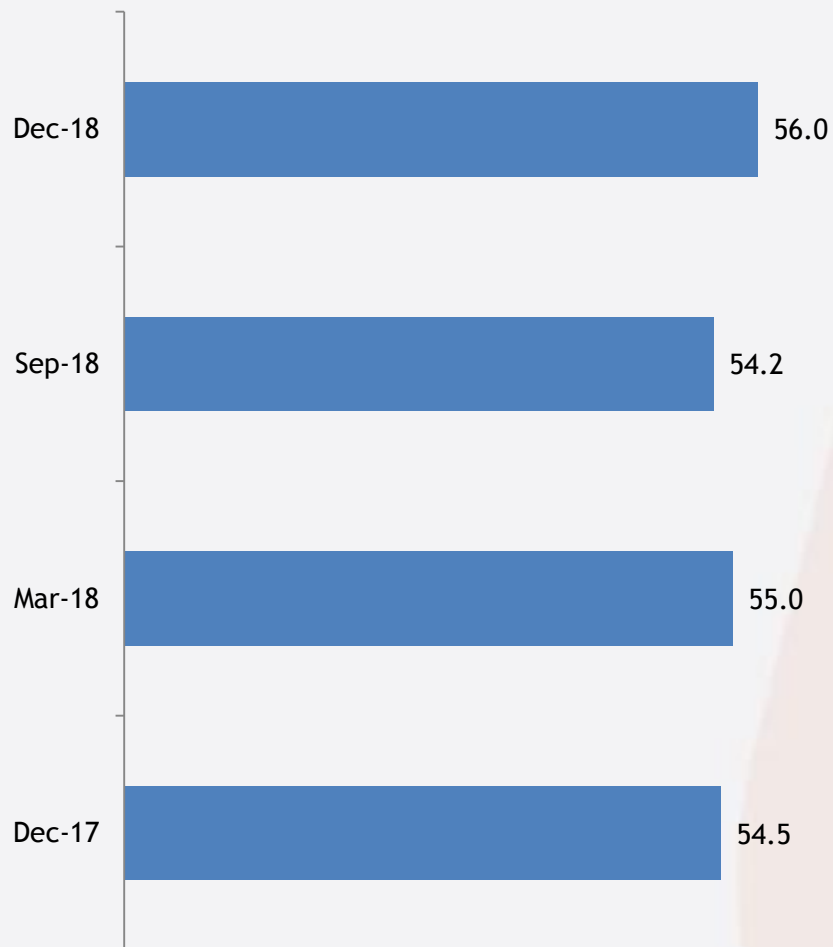
6.8% YOY ↑

MSME

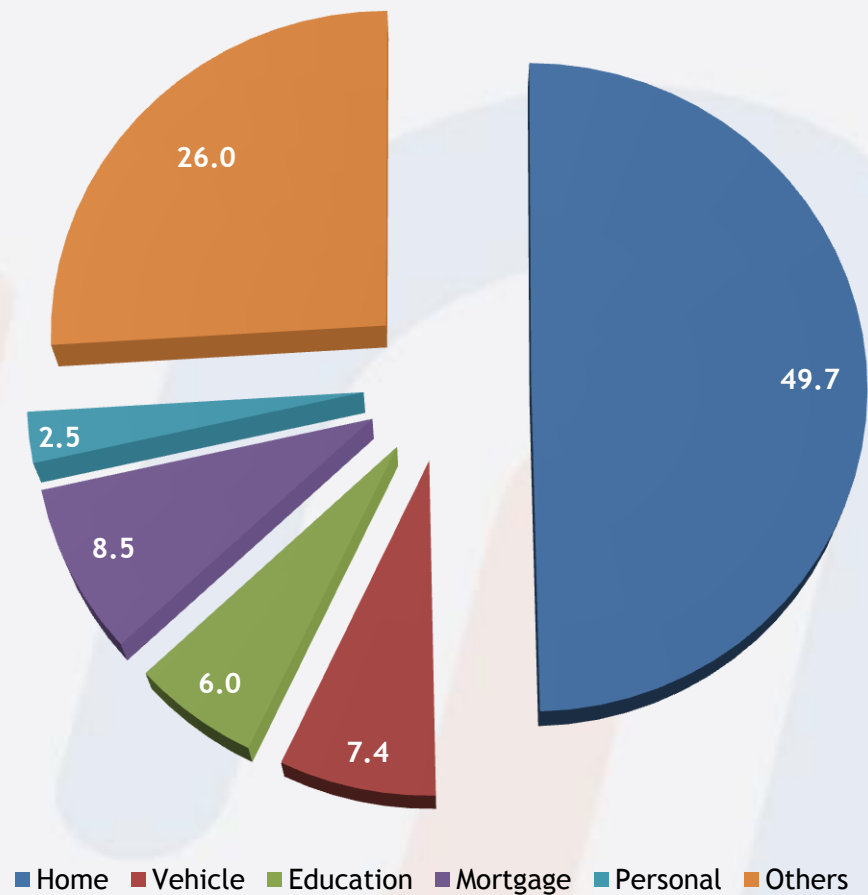
5.6% YOY ↑



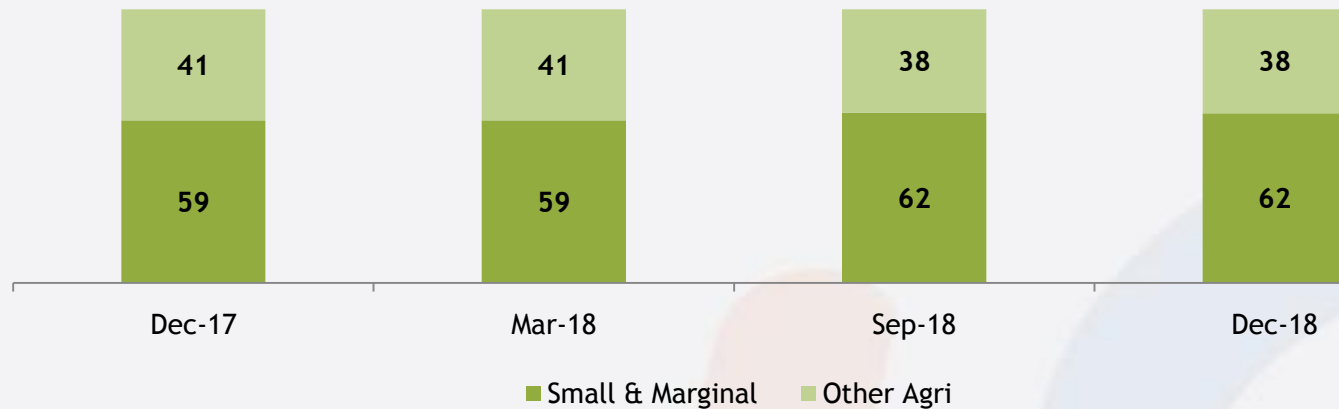
RAM* share (%) in Domestic advances



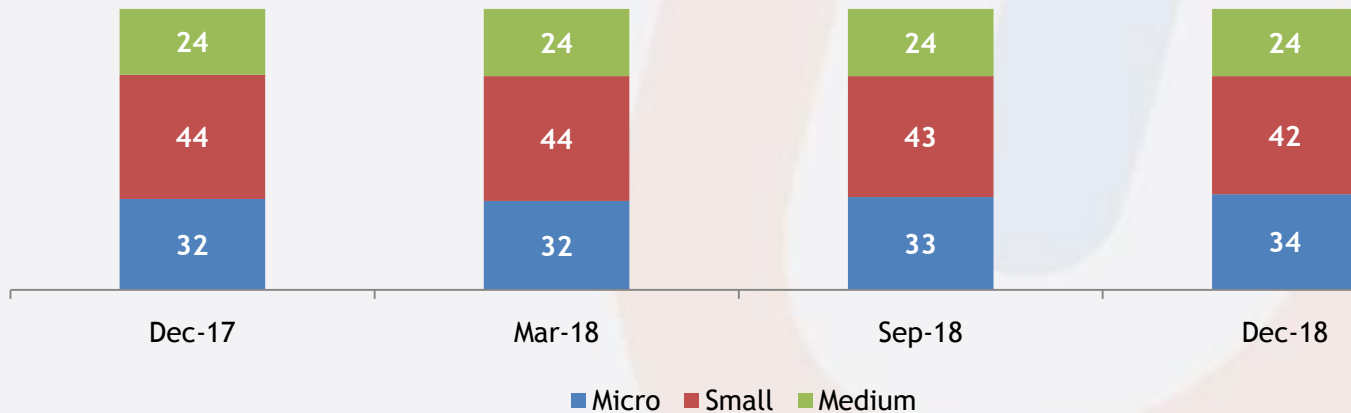
Retail



*Retail, Agriculture and MSME collectively called as "RAM sector"

Composition of Agri loan book(%)


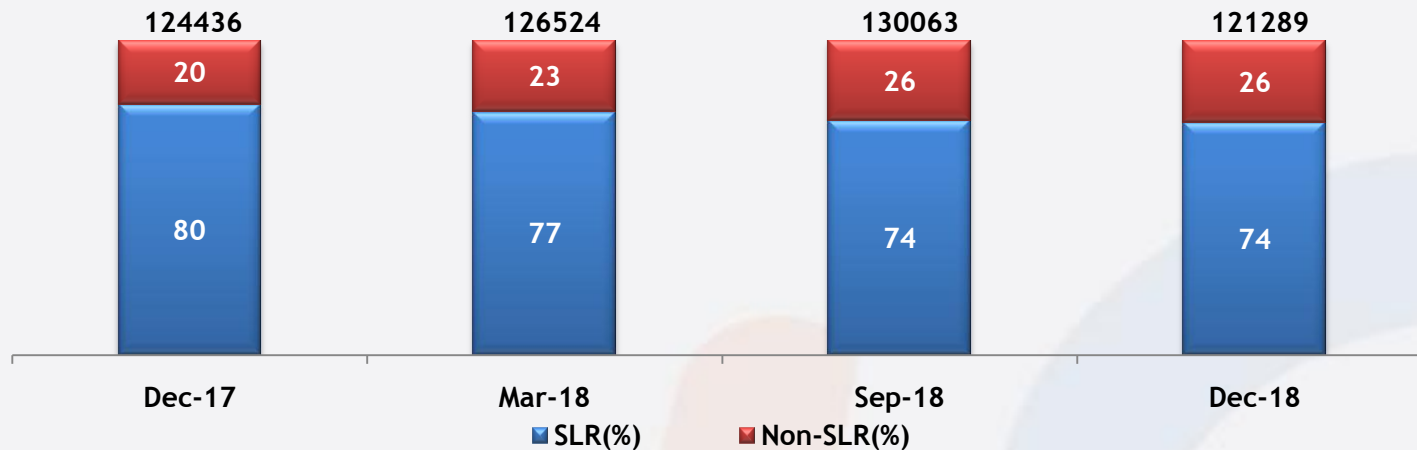
➤ More than 62% of Agri. portfolio is for Small & Marginal farmers

Composition of MSME loan book(%)


➤ 76% of MSME portfolio is for MSE

S No.	Sectors	Top Sector Exposure			
		(% Share in Domestic Advance)			
		Sep-18		Dec-18	
		₹ Crore	% Share	₹ Crore	% Share
1	Infrastructure	50478	16.7	51611	17.0
2	Trade	38082	12.6	39155	12.9
3	NBFCs and HFCs	35581	11.8	36297	12.0
	w/w HFCs	8920	3.0	12438	4.1
4	Basic Metal Products	13305	4.4	12492	4.1
5	Construction	11853	3.9	12274	4.0
6	Food Processing	9608	3.2	10486	3.5
7	Textiles	7621	2.5	7388	2.4
8	All Engineering	6332	2.1	6297	2.1
Total		172860	57.2	188438	62.1

Global Investment (₹ Crore)



Particulars (Domestic)	Sept 2018	Dec 2018	Duration (Years)	
	(₹ Crore)	(₹ Crore)	Sep-18	Dec-18
Available for Sale	41818	36053	3.10	2.96
W/w SLR	17392	12795	3.53	3.16
NON SLR	24426	23258	2.70	2.80

Business from Overseas Operations					
US \$ in billion (₹ crore)	Dec 2017	Sep 2018	Dec 2018	Growth (%)	
				Y-o-Y (US\$)	Y-o-Y (INR)
Total Business	6.4 (40902)	2.6 (18764)	2.4 (16853)	-62.5	-58.8
Total Deposits	1.2 (7456)	0.3 (2207)	0.4 (2670)	-66.7	-64.2
Total Advances	5.2 (33446)	2.3 (16556)	2.0 (14183)	-61.5	-57.6
*1US\$ = ₹ 69.775 as on Dec 31, 2018 #1US\$ = ₹ 63.875 as on Dec 31, 2017					



Progress under Pradhan Mantri Jan Dhan Yojana (PMJDY)	
Parameters	Achievements of the Bank
Villages covered	18396
No. of BCs	5407
Sub Service Areas	5407
Urban Wards	2581
Accounts opened till Dec 31, 2018	94 Lakh
Deposits	₹ 2110.9 Crore
RuPay Cards issued	47.91 Lakh
Aadhar Seeding	77.16 Lakh



Enrolments under social Security Scheme(as on December 31, 2018)...





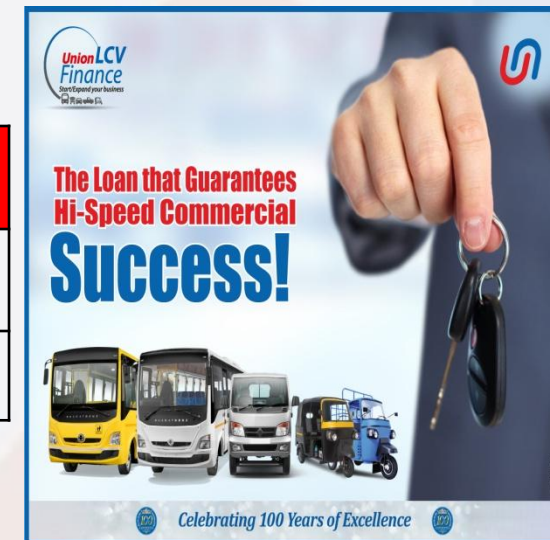
Total outstanding since inception under Mudra loan:
₹ 6708 crore


Progress under Mudra Yojana April to December 2018 (PMMY)

Category	No. of Accounts	Sanctioned Amount (₹ crore)	Outstanding Amount (₹ crore)
Shishu (< ₹ 50k)	23966	96	76
Kishor (Above ₹ 50k-5 Lakh)	89404	1914	1585
Tarun (Above ₹ 5 Lakh-10 Lakh)	14851	1135	932
Total	128221	3145	2593


**Finance to Light Commercial Vehicle under PMMY
April-December 2018**

No. of Accounts	Sanctioned Amount (₹ crore)
26454	664



(₹ crore)

	As at 31.12.17	As at 31.03.18	As at 30.09.18	As at 31.12.18	Growth (%)	
					Y-o-Y	Q-o-Q
LIABILITIES						
Capital	856	1169	1169	1169	36.6	0.0
Reserves and surplus	22331	23928	24243	24390	9.2	0.6
Deposits	398518	408501	399092	402297	0.9	0.8
Borrowings	44418	45681	44367	38528	-13.3	-13.2
Other Liabilities and Provisions	8296	8127	9349	8824	6.4	-5.6
Total	474419	487406	478220	475208	0.2	-0.6
ASSETS						
Cash and Balances with Reserve Bank of India	19324	21016	18275	18399	-4.8	0.7
Balances with Banks and Money at call and Short Notice	18913	28425	15872	19911	5.3	25.4
Investments	122388	123780	127143	118922	-2.8	-6.5
Advances	293669	288761	293011	291890	-0.6	-0.4
Fixed Assets	3838	3833	3744	3702	-3.5	-1.1
Other Assets	16287	21591	20175	22383	37.4	10.9
Total	474419	487406	478220	475208	0.2	-0.6

#1 Business Performance

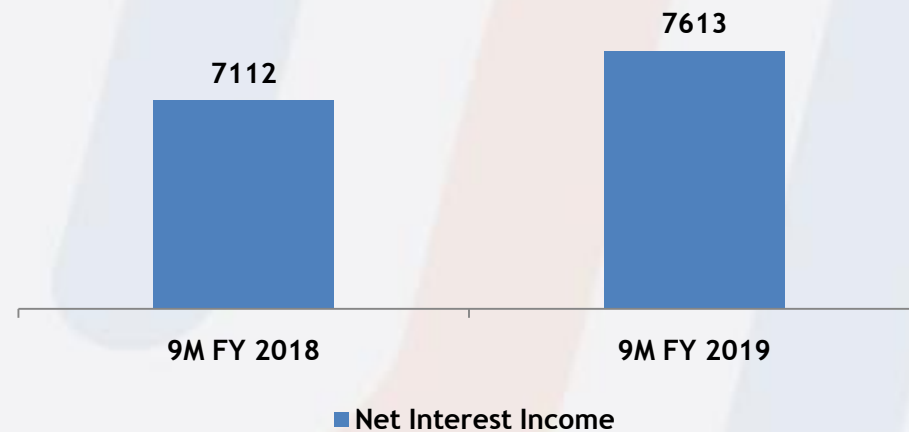
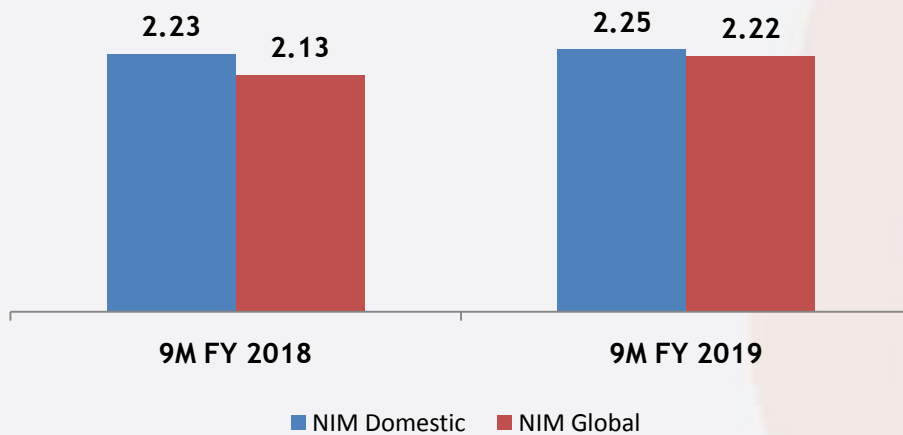
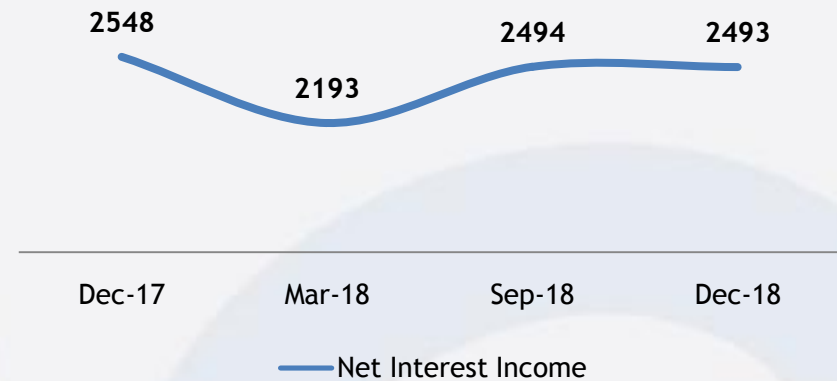
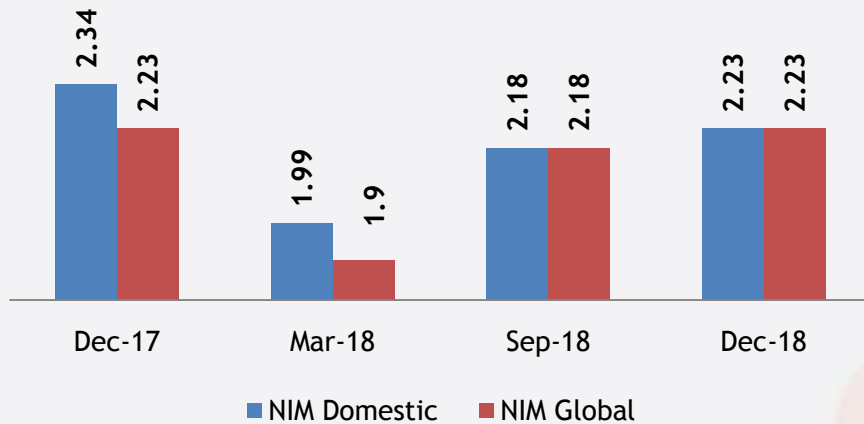
#2 Financials

#3 New Initiatives & Outcomes

#4 Awards & Accolades

Parameters	Dec-17 (Q3)		Sep-18 (Q2)		Dec-18 (Q3)		Dec-17 (9M)		Dec-18 (9M)	
	Domestic	Global	Domestic	Global	Domestic	Global	Domestic	Global	Domestic	Global
Cost of Deposit	5.68	5.61	5.54	5.52	5.61	5.59	5.80	5.72	5.56	5.54
Cost of Funds	4.91	4.61	4.98	4.87	4.95	4.87	5.14	4.84	4.94	4.85
Yield on Advances	8.09	7.53	7.96	7.71	7.93	7.75	8.36	7.81	8.02	7.79
Yield on Investment	7.03	6.95	7.17	7.09	7.23	7.13	6.95	6.89	7.09	7.01
Yield on Funds	7.06	6.67	6.99	6.88	6.98	6.89	7.19	6.80	7.01	6.89

(₹ crore)

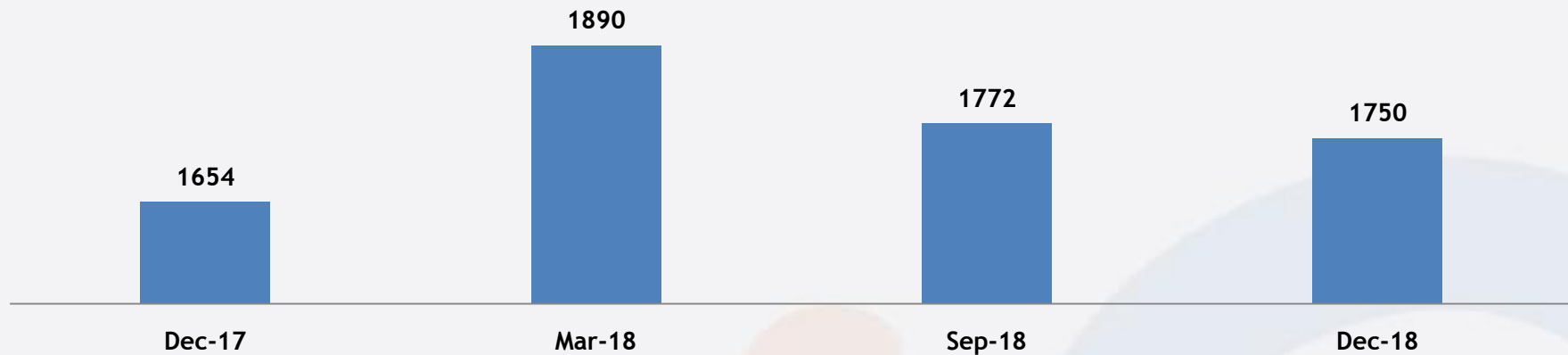


Parameters	Dec-17 (Q3)	Mar-18 (Q4)	Sep-18 (Q2)	Dec-18 (Q3)	Growth (%) YoY	Growth (%) QoQ	9M FY18	9M FY19	Growth (%)
Interest Income	8260	8112	8539	8477	2.6	-0.7	24636	25717	4.4
Interest Expense	5712	5919	6045	5984	4.8	-1.0	17524	18104	3.3
Net Interest Income	2548	2193	2494	2493	-2.2	0.0	7112	7613	7.0
Non-Interest Income	873	1485	899	1095	25.4	21.8	3505	3202	-8.6
Total Income	9133	9597	9438	9572	4.8	1.4	28141	28919	2.8
Operating Expenses	1767	1788	1621	1838	4.0	13.4	4967	5204	4.8
Total Expenses	7479	7707	7666	7822	4.6	2.0	22491	23308	3.6

Parameters	Dec-17 (Q3)	Mar-18 (Q4)	Sep-18 (Q2)	Dec-18 (Q3)	Growth (%) YOY	Growth (%) QOQ	9M FY18	9M FY19	Growth (%)
a. Core Non Interest Income	597	1127	641	660	10.6	3.0	1752	2009	14.7
b. Treasury Income	155	277	153	191	23.2	24.8	1557	632	-59.4
W/w									
• Profit on Sale of Investments	6	132	82	110	1733.3	34.1	1135	385	-66.1
• Exchange Profit	150	145	71	81	-46.0	14.1	423	247	-41.6
c. Recovery in Written off Accounts	121	81	105	244	101.7	132.4	195	561	187.7
Total	873	1485	899	1095	25.4	21.8	3505	3202	-8.6

Operating Profit(Quarterly)

(₹ crore)



Operating Profit (9 Months)

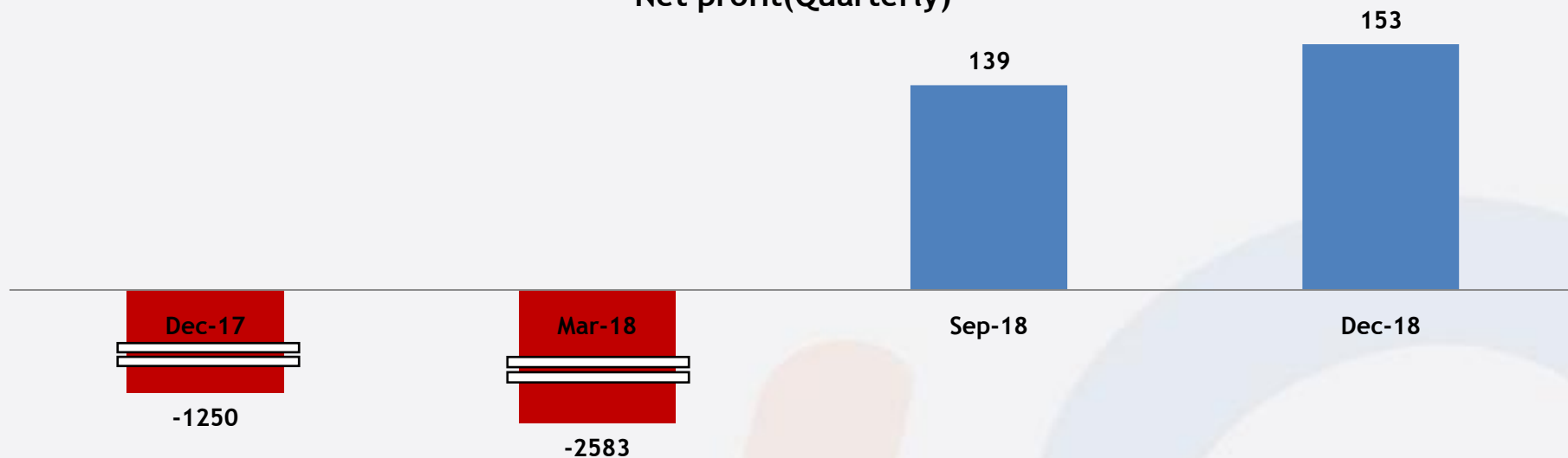
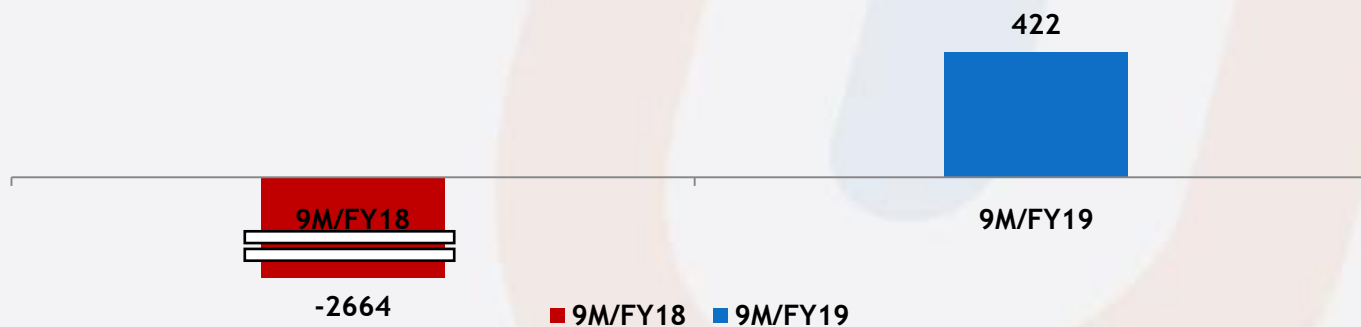


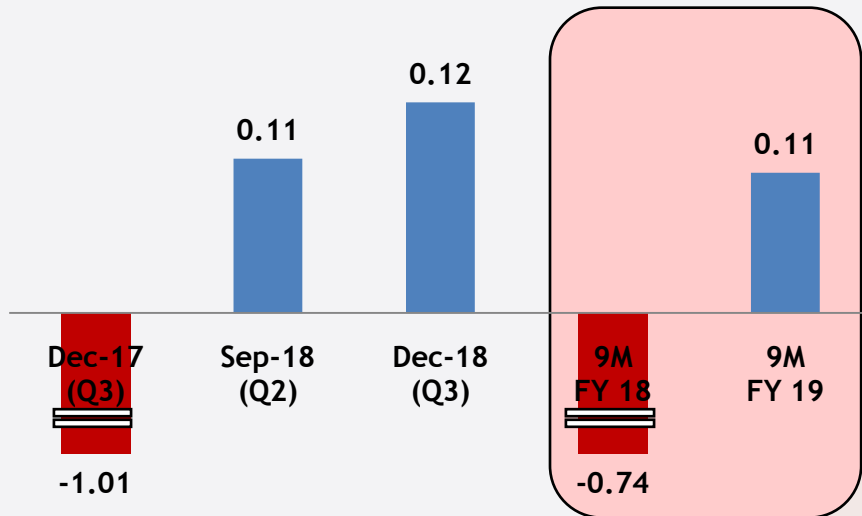
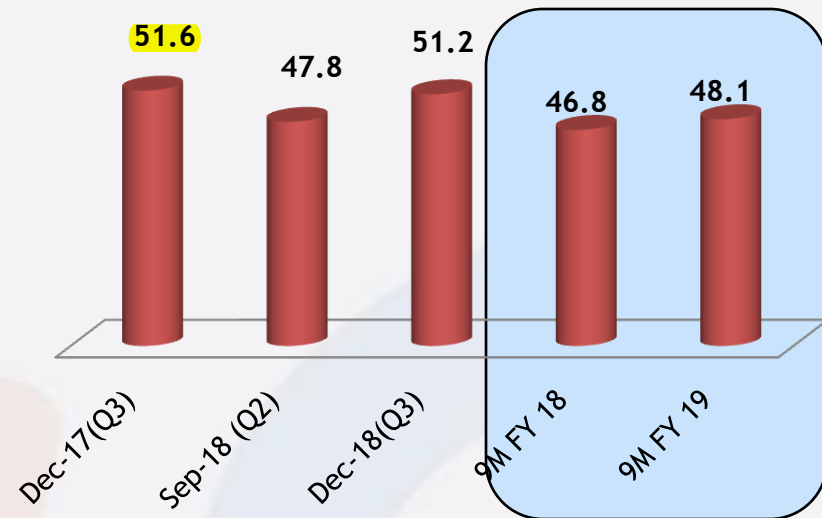
(₹ crore)

Parameters	Dec-17 (Q3)	Mar-18 (Q4)	Sep-18 (Q2)	Dec-18 (Q3)	9M FY18	9M FY19
NPAs	2521	5639	1710	2139	7861	5652
Standard Assets	110	-737	21	71	23	116
Depreciation on Investment	700	1120	146	-551	440	-378
Shifting Loss	0	0	0	0	367	411
Restructured Advances	-1	-183	-229	0	-52	-254
Others (FITL etc)	-76	-171	8	-42	-126	-44
Taxation	-350	-1195	-23	-20	-199	-312
Total	2904	4473	1633	1597	8314	5189

Net profit(Quarterly)

(₹ crore)


Net Profit(9 Months)


Return on Avg. Assets (%)

Cost to Income(%)


S. No.	Efficiency Parameters	Dec-17 (Q3)	Mar-18 (Q4)	Sep-18 (Q2)	Dec-18 (Q3)	9M FY 2018	9M FY 2019
1	Return on Equity (%)	-28.08	-55.92	3.11	3.48	-19.95	3.20
2	Book Value Per Share	236.89	211.66	153.09	150.52	248.29	150.52
3	Earnings per share	-22.17	-29.59	4.76	5.24	-49.53	4.81

Sn.	Profitability Parameters		Dec-17 (Q3)	Mar-18 (Q4)	Sep-18 (Q2)	Dec-18 (Q3)	9M FY 18	9M FY 19
1	Business per Branch	₹ crore	165.9	167.9	166.8	167.7	165.9	167.7
2	Business per employee	₹ crore	18.8	19.2	18.3	19.1	18.8	19.1
3	Gross Profit per Branch	₹ crore	1.5	1.8	1.6	1.6	1.8	1.7
4	Gross Profit per Employee	₹ lacs	17.4	20.1	18.7	18.6	19.8	19.8
5	Net Profit per Branch	₹ lacs	-116	-240.3	12.9	14.3	-82.6	13.1
6	Net Profit per Employee	₹ lacs	-13.1	-27.5	1.5	1.6	-9.3	1.5

(₹ crore)

Parameters	Dec-17 (Q3)	Mar-18 (Q4)	Sep-18 (Q2)	Dec-18 (Q3)	9M FY 18	9M FY 19
Gross NPAs - Opening	38286	40988	50973	50157	33712	49370
Add : Additions	4187	10043	2667	2983	11326	10302
Less : Reductions	1485	1661	3483	3427	4050	9959
1. Recoveries	636	387	1208	1287	1448	3747
2. Up-gradation	55	42	407	510	358	1288
3. Write Off	794	1233	1868	1630	2244	4924
Gross NPAs- Closing	40988	49370	50157	49713	40988	49713
Gross NPA (%)	13.03	15.73	15.74	15.66	13.03	15.66
Net NPA	20428	24326	24657	24142	20428	24142
Net NPA (%)	6.96	8.42	8.42	8.27	6.96	8.27
Provision Coverage Ratio(%)	57.12	57.16	57.66	58.84	57.12	58.84
Tangible PCR(%)	50.16	50.73	50.84	51.44	50.16	51.44
Credit Cost (%)	3.23	7.18	2.15	2.69	3.40	2.39

(₹ crore)

Sectors	Slippages During Q3 FY 19	NPAs Dec 2018	Sectoral NPA %		
			Dec-17	Sep-18	Dec-18
Retail Loans	268	1261	2.33	2.49	2.23
Agriculture	578	3642	6.06	7.62	7.71
Micro & Small (MSE)	557	6103	11.02	12.21	12.19
Medium & Large	1580	38707	18.15	22.82	26.22
Total	2983	49713	13.03	15.74	15.66

Scheme	Standard as on Sep 2018		Standard as on Dec 2018	
	Account	Amount (Rs. in crore)	Account	Amount (Rs. in crore)
5:25	12	3452	12	3452
SDR	1	0*	1	0*
S4A	3	122	2	68

*Account is Non-Fund Based

S.N.	Sector #	Outstanding	NPA	Std. Restructured	NPA + Std. Restructured (%)
1	Infrastructure	51611	10928	882	22.9
a.	Power	23837	5673	172	24.5
b.	Roads	7488	1956	688	35.3
2	Iron & Steel	9783	4816	25	49.5
3	Textiles	7388	1910	0	25.8

#Domestic

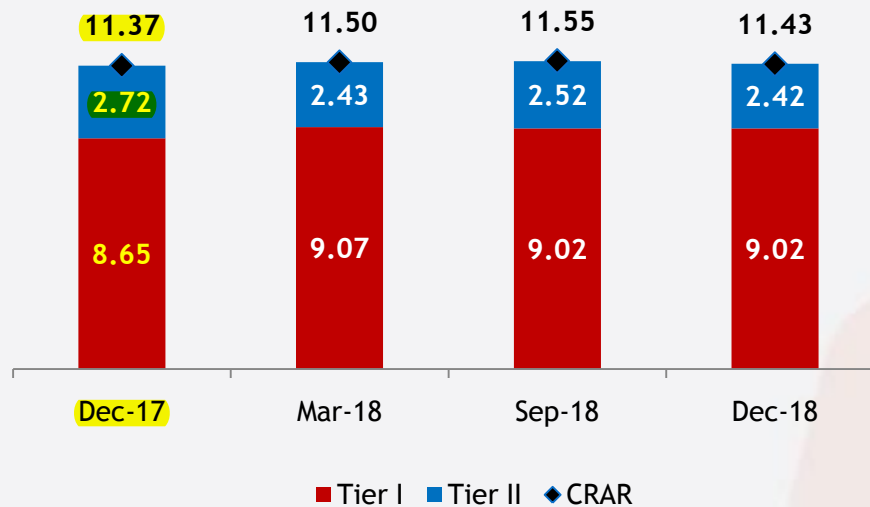
Particulars (percent to Gross Advances)	Dec-17	Sep-18	Dec-18
Standard Restructured	1.19	0.41	0.36
Impaired Assets Ratio (GNPA + Standard Res)	14.22	16.1	16.0
Net Impaired Assets Ratio (NNPA + Standard Res)	7.68	8.1	7.96

Provision fully provided to Accounts referred to NCLT under IBC 2016

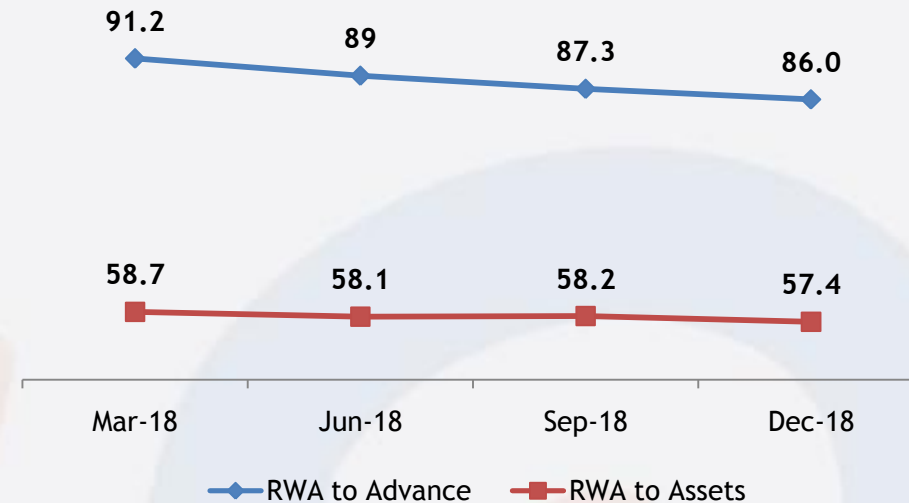
(₹ crore)

	1 st list	2 nd list	Total
Exposure to number of accounts referred under IBC (as per RBI list)	8	15	23
Loan Outstanding as of Dec 31, 2018	6004	3692	9696
Total Provisions held upto Dec 31, 2018	3791	2690	6481
Provision Coverage Ratio as of Dec 31, 2018	63%	73%	67%

Capital Adequacy Ratio



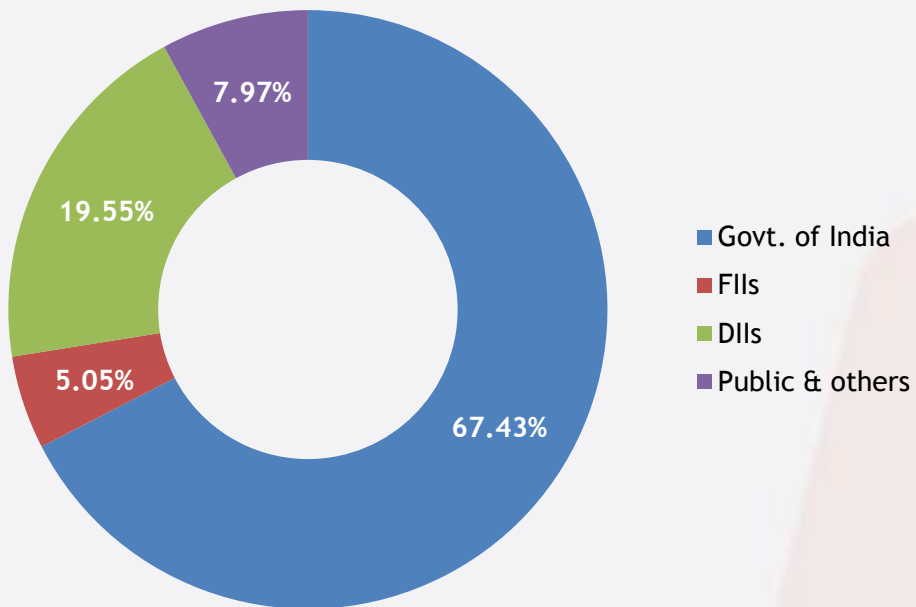
RWA Optimization



(₹ crore)

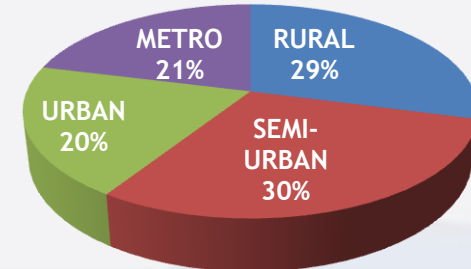
Particulars	Dec-17	Mar-18	Sep-18	Dec-18
Risk Weighted Assets	290276	286343	278172	272974
Capital Funds	32996	32939	32119	31213
CRAR-BASEL III (%)	11.37	11.50	11.55	11.43
TIER 1 (%)	8.65	9.07	9.02	9.02
CET 1 (%)	7.18	7.60	7.54	7.50

Dec-18



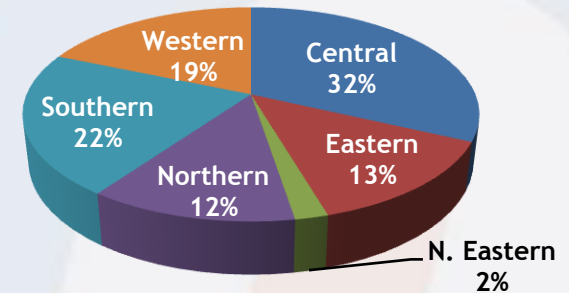
Share Capital	₹ 1168.5 crore
No. of Equity Shares	116.85 crore
Net Worth	₹ 17590 crore
Market Cap	₹ 10038 crore

Branch Distribution by Urbanization

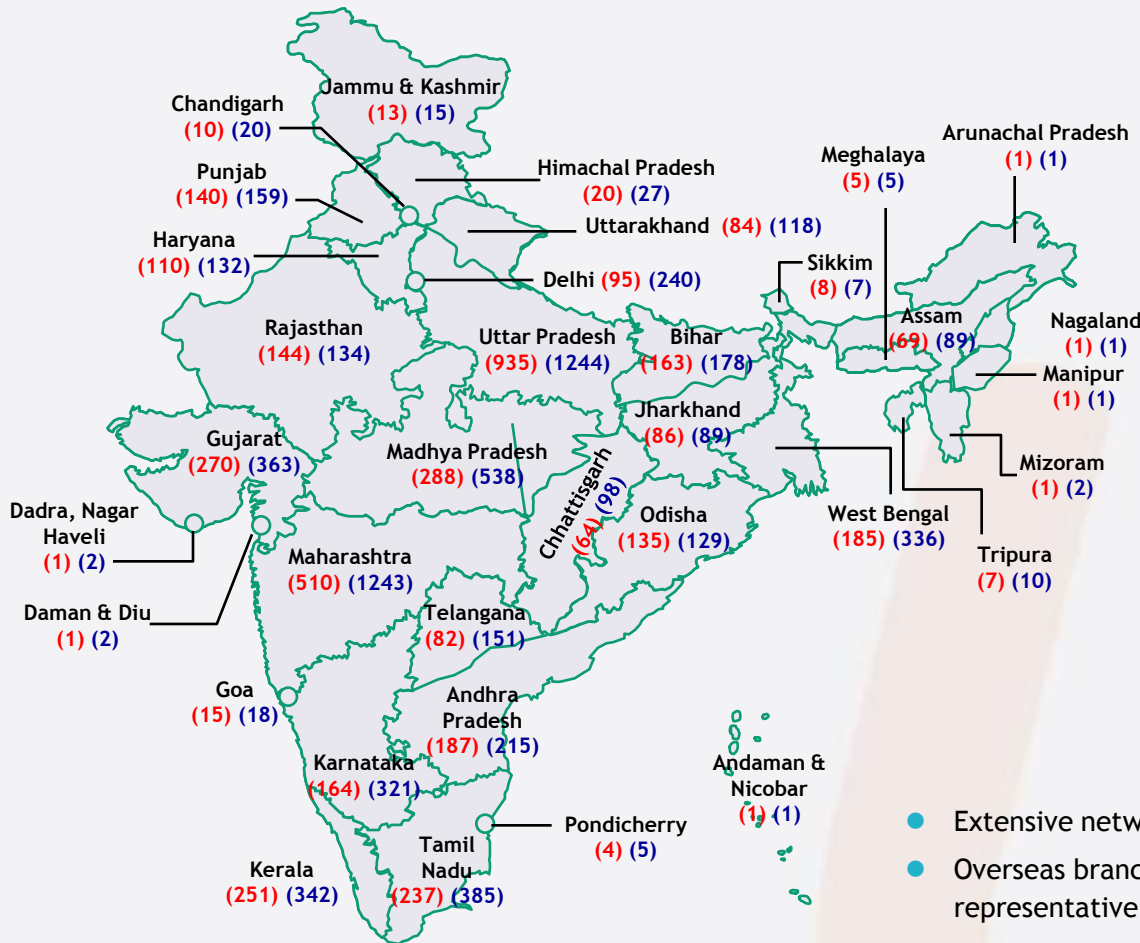


59% branches in rural/semi-urban markets

Branch Distribution by Geography



Geographical diversification minimizes regional risks



Domestic Branches (4,288) # ATMS (6621)
Micro-ATMS (5407)

- Extensive network across India
- Overseas branches in Hong Kong, Sydney, Dubai and Antwerp, in addition to representative offices in Abu Dhabi
- Operates in the UK through its wholly owned subsidiary, Union Bank of India (UK) Ltd.
- The Bank has 27 extension counters, 59 satellite offices and 48 service branches in addition to its regular bank branches as of Dec 31, 2018.

#1 Business Performance

#2 Financials

#3 New Initiatives & Outcomes

#4 Awards & Accolades

Credit Centralization



IFBs & MCBs for corporate loans

SARALs



Revamped MSME loan processing centre

SARAL Lite

ULPs



Revamped Retail loan processing centre

USKs



USKs for Rural & Semi Urban loans

Monitoring & Recovery



Leveraging analytics for detection of early signals of stress



Faster resolution through automatic & robust mechanism



Using technology tools for recovery

Customer Acquisition



Leveraging alternate channels for new business



Dedicated marketing teams for assets & liability products

50 CAG Centres

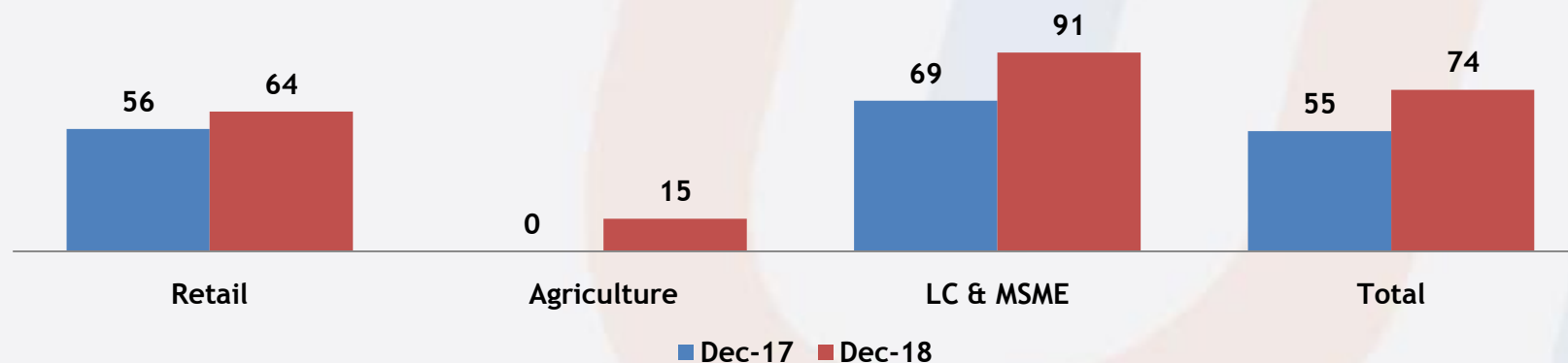
More than 70% of Credit Appraisal centralized

Structural Development: Creation of Centralized Processing Centres (CPCs)

Particulars	No of Units (Mar-18)	No. of Units (Dec-18)	Sectors covered
ULP	73	73	Retail (Housing and Mortgage Loan)
USK	4	28	Retail, Agriculture and MSME
SARAL	29	45	MSME, Agriculture (selected segment)
MCB	13	23	Mid Corporate
IFB	8	8	Large Corporate

Centralization in credit appraisals

% of credit proposals underwritten at CPCs



Efficient Rural Lending..... Hub and spoke model to reach borrowers in Rural and Semi-Urban areas...

Process flow	Infrastructure Set-up
Agriculture Officers reaching to borrowers; capturing their data / documents real time on tab; Geo Tagging the land; Information reaching real time to USKs (Hub); Processing done and sent to nearby branch (Spoke) of borrower; Loan disbursed.	•Banking Correspondent points activated for referral/lead generation/ Recovery. •Partnerships with farmer touch points like fertilizer traders, exporters, farm equipment traders, Agro based industries, cold storage, Warehouses etc •Digi Cash Points established for facilitating small value cash payments without visiting the branch



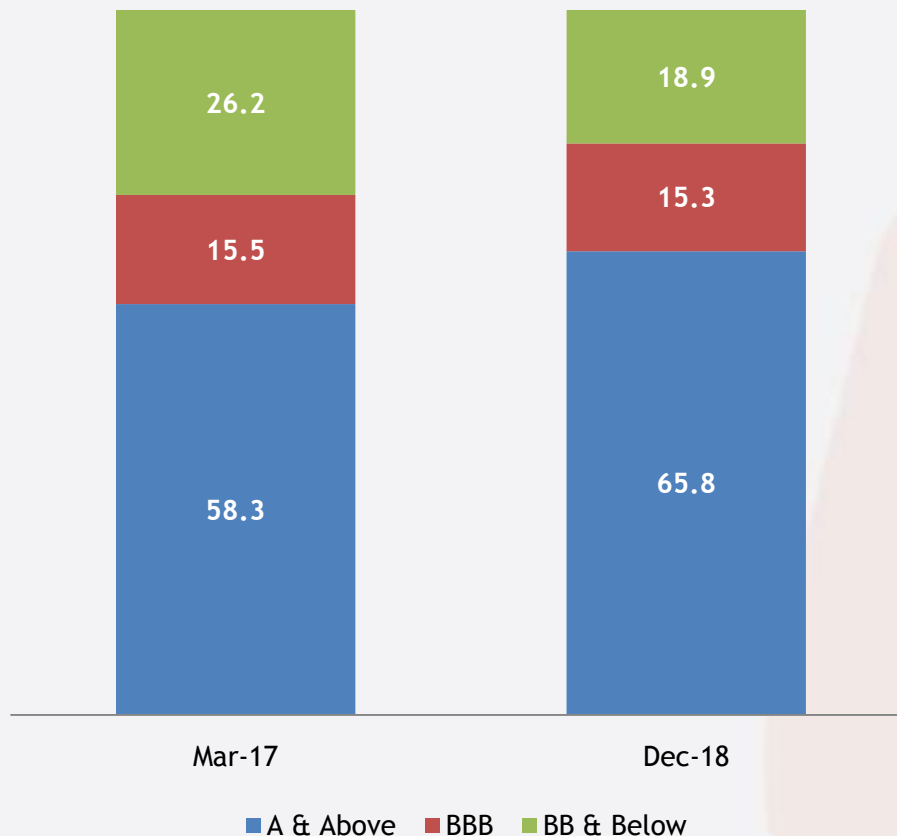
Outcome*
•95% of proposals of branches linked to USKs are processed at USKs. •98% of the eligible cases are submitted through Tab. •21% of accounts & amount sanctioned by USKs are sourced from BCs & partnership tie-ups. •Out of the total loan sanctioned, 24% are not agriculture advances.

*For the USKs that have completed one year

Improving Quality of Advances.....

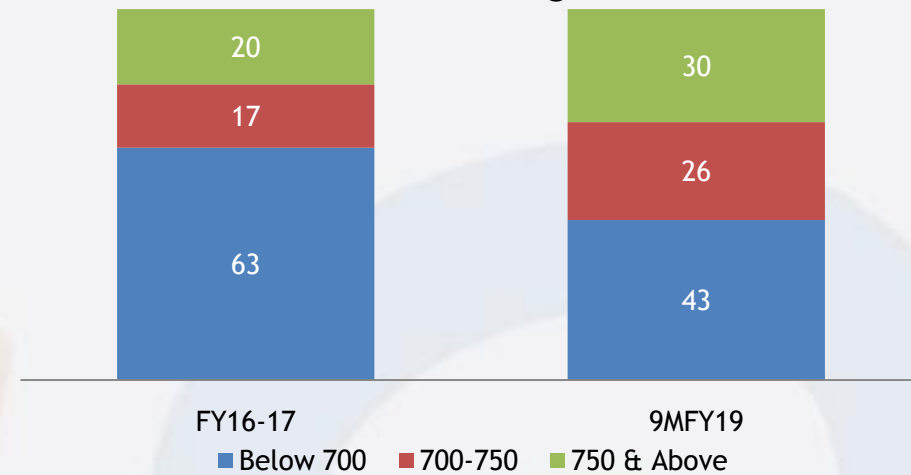
Rated Advances - Lending to higher rated borrowers...

Rating Matrix of Outstanding Corporate Loans



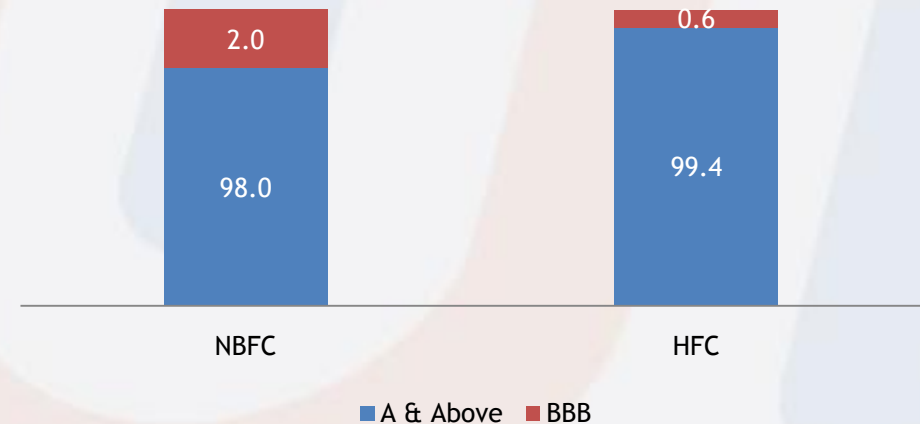
Improving rating profile of New Retail loans sanctioned

Retail CIBIL Rating Profile



Exposure to NBFCs-Lending to higher-rated NBFCs

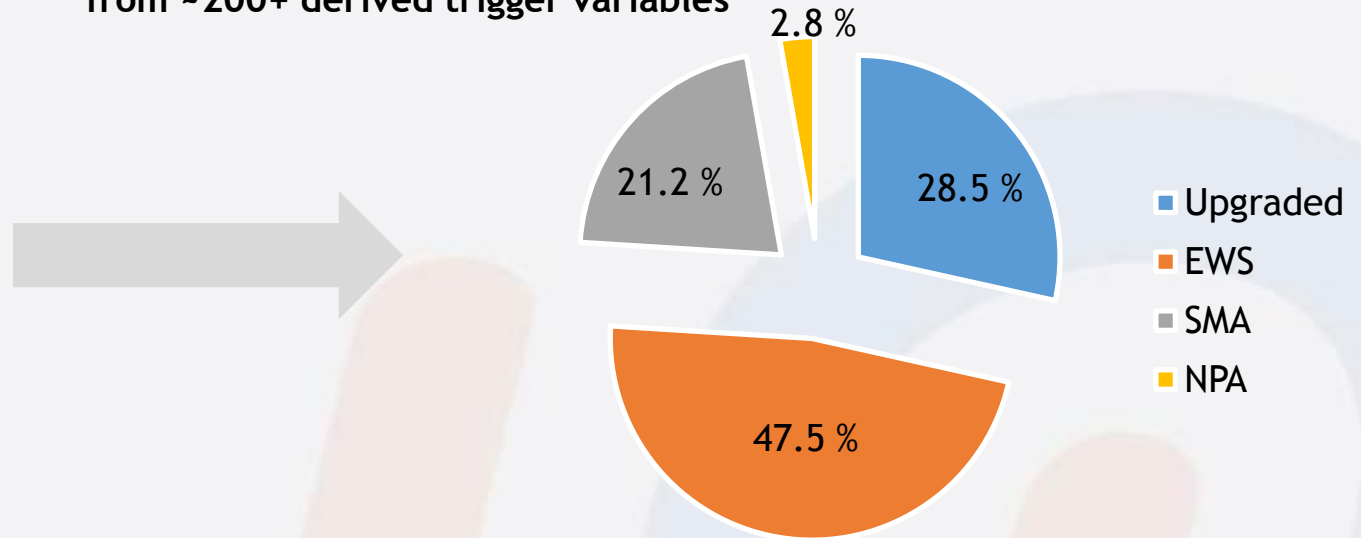
% of advances - Rating wise (Dec-18)



Early Warning Indicators to mitigate credit risk..... Logistic regression equation and derived coefficients created to predict the riskiness of the customer

The EWS model identified 8 major contributors to predict propensity of slippage from ~200+ derived trigger variables

Status update of EWS A/c's
As of Dec-18 identified in Apr-18



Key Triggers for Identification of Accounts

- ❖ Excess over limit
- ❖ Days past due
- ❖ Transactions in account
- ❖ Utilization of Limit
- ❖ Incident of Cheque Bouncing
- ❖ Relationship with the Bank

Resolutions of EWS Accounts

- ❖ Close Monitoring of identified accounts
- ❖ Re-visiting limits
- ❖ Enhanced due-diligence
- ❖ Explore possibility of Exit option

Digital Deepening across business lines...

Transaction



New mobile
banking app

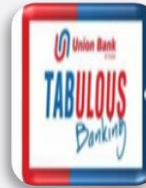


Rupay qSPARC
Debit Card



Union Combo Card

Business
Acquisition



CASA Acquisition
Tab



USK Loan
Processing
Tab



Union Mudra
Portal



OTS
Calculator



Recovery
App

Customer
Care



Chatbot



U Control



mPassBook

#1 Business Performance

#2 Financials

#3 New Initiatives & Outcomes

#4 Awards & Accolades



Vigilance Excellence Award

- “Vigilance Excellence Award” - for outstanding performance in conduct of Vigilance Awareness activities

ASSOCHAM SMEs Excellence Awards

- “Best SME offering” - Innovative Financial Solutions for MSMEs

SKOCH Awards

- SKOCH Gold Award - Banking & Finance Gold for Technology - Strategic Transformation (Union Samriddhi Kendra Model)
- SKOCH Gold Award - Cyber Security Gold for Governance Risk Management and Compliance tool
- SKOCH “Order of Merit” - Technology: Strategic Transformation & Financial Inclusion initiatives under Top Banking & Finance Project in India
- SKOCH “Order of Merit” - SIEM Tool, Governance Risk Management
- SKOCH “Order of Merit” - Compliance tool & Anti DDOS Solution under Top Cyber Security projects in India
- SKOCH “Order of Merit” - For Financial Inclusion Initiative

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.

Thank You!



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