यूनियन बैंक ऑफ इंडिया

Ref: ISD/16-17/347

4th November, 2016

The Deputy General Manager, Corporate Relationships Dept. **BSE Ltd.** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001. Scrip Code 532 477	The Deputy General Manager, Listing Dept. **National Stock Exchange of India Ltd.** Exchange Plaza, Plot No.C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai-400 051. Scrip Symbol/Series-UNIONBANK-EQ

Madam /Sir,

Subject: Presentation on Financial Results of the Bank for the 2nd Quarter/Half-year ended on 30.09.2016

Pursuant to Regulation 30 read with point 15 of Para A of Part A of Schedule III and Regulation 46(2)(o) of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, we hereby submit the Presentation on Financial results of the Bank for the 2nd Quarter/Half-year ended 30.09.2016.

Presentation is also made available on the Bank's website www.unionbankofindia.co.in

The above is for your information and record.

Thanking you.

Yours faithfully,

(Dipak D. Sanghavi)
Company Secretary

Encl: As above.

Union Bank of India
निवेशक सेवायें प्रभाग, बोर्ड सचिवालय, 12वीं मंज़िल, यूनियन बैंक भवन, 239 विधान भवन मार्ग, नरीमन पॉइंट, मुंबई - 400 0021.
Investor Services Division, Board Secretariat, 12th Floor, Union Bank Bhavan, 239,Vidhan Bhavan Marg, Nariman Point, Mumbai-400 021.
T: + 91 22 2289 6636/2289 6643, F: +91 22 2202 5238, Email: investorservices@unionbankofindia.com

यूनियन बैंक
ऑफ इंडिया
अच्छे लोग, अच्छा बैंक

Union Bank
of India
Good people to bank with

Financial Results

Q2 & H1
FY 2016-17

November 4, 2016

Union Bank of India

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#1 Business Performance

#2 Financials

#3 Structural Transformation

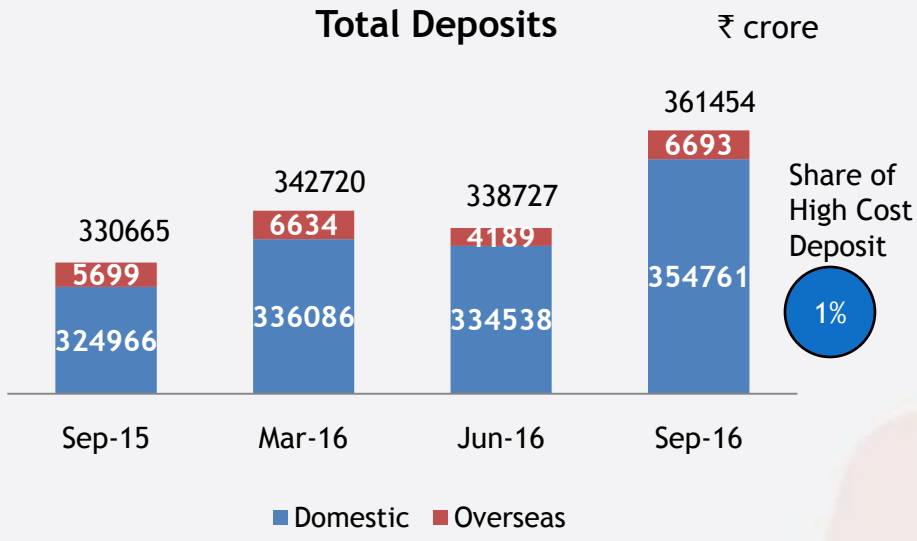
#4 Awards & Accolades

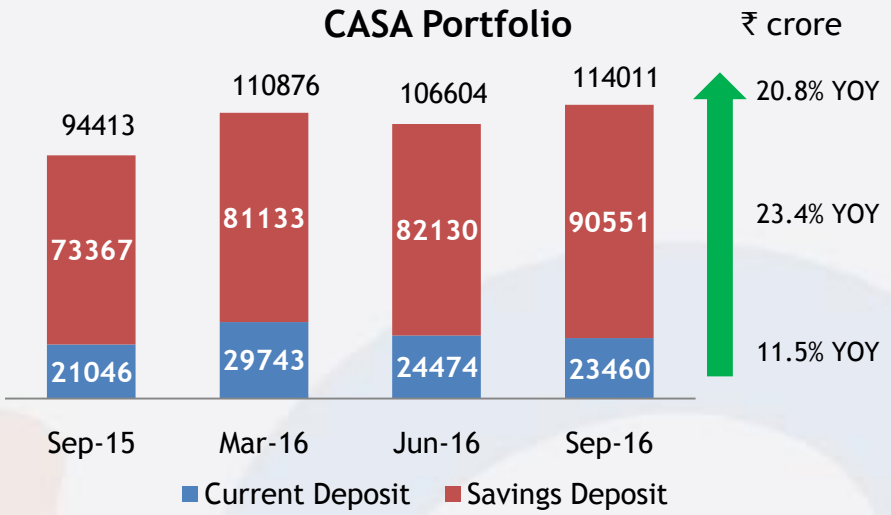
Union Bank of India

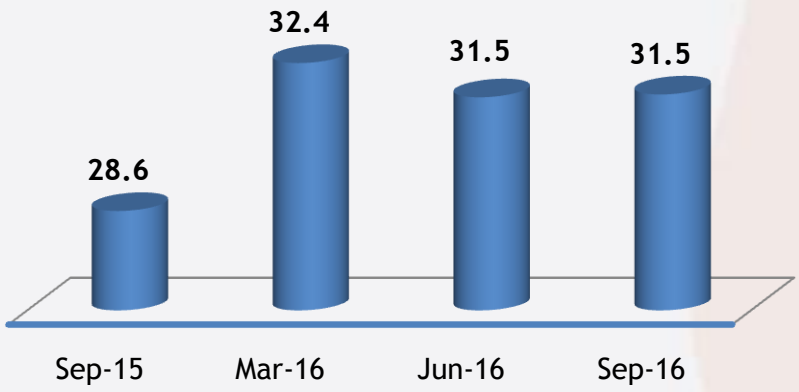
Snapshot as on September 30, 2016

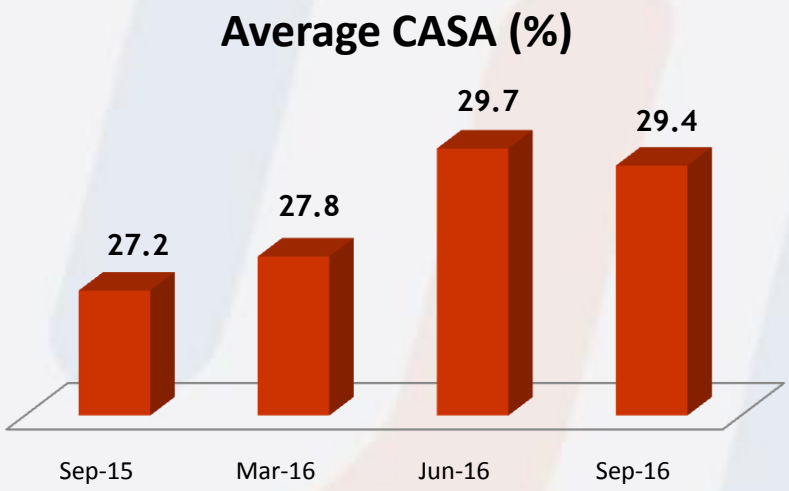
Total Business	₹ 639822 crore
Gross Advances	₹ 278368 crore
Total Deposits	₹ 361454 crore
Net Profit (Q2FY17)	₹ 177 crore
Net Profit (H1FY17)	₹ 343 crore
Earning Per Share (H1FY17)	₹ 10
ROA (%)(H1FY17)	0.17
ROE (%)(H1FY17)	3.46
Net NPA Ratio	6.39
Basel III Tier I CAR	8.56
Basel III Total CAR	11.19
Branches	4210
ATMs	7151

Strong Liability Franchise





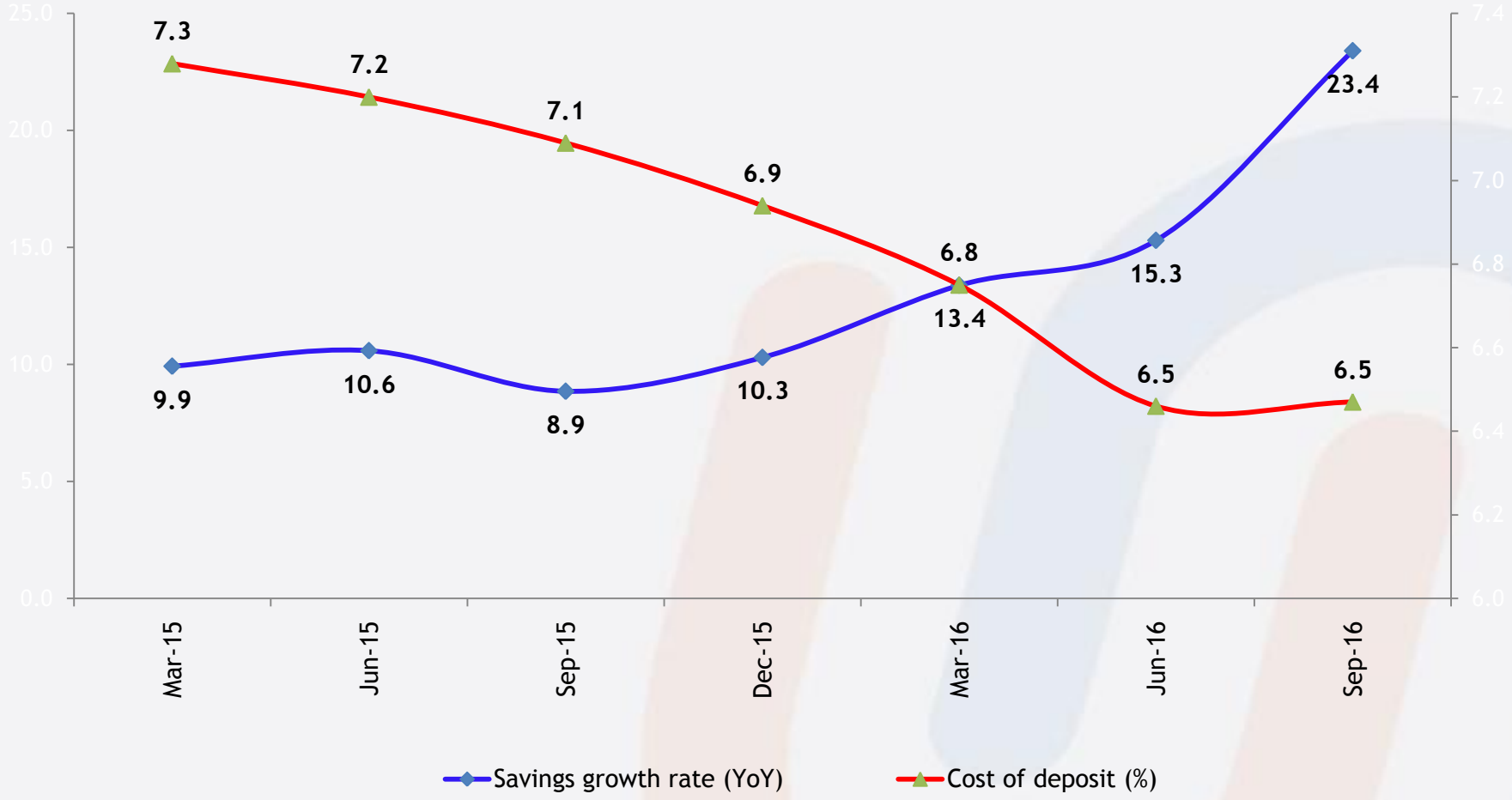




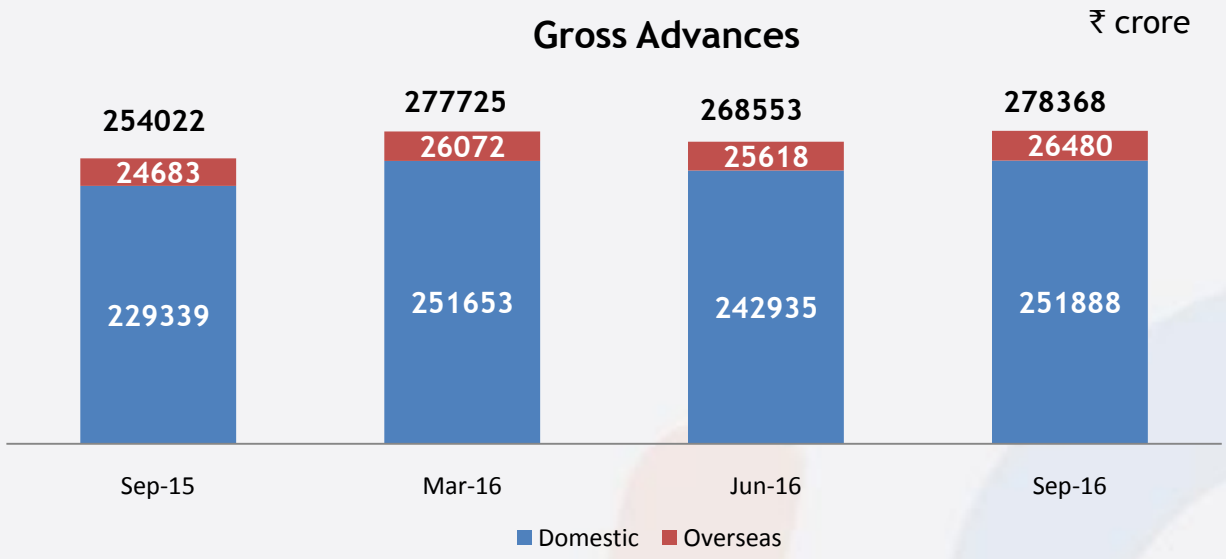
Union Bank of India

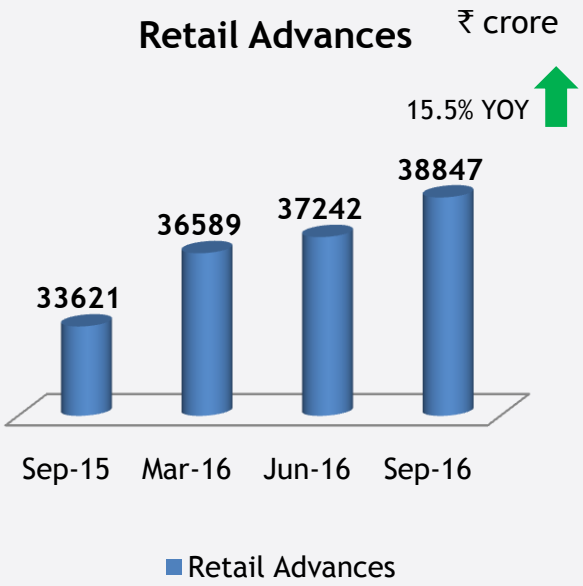
Strong Liability Franchise

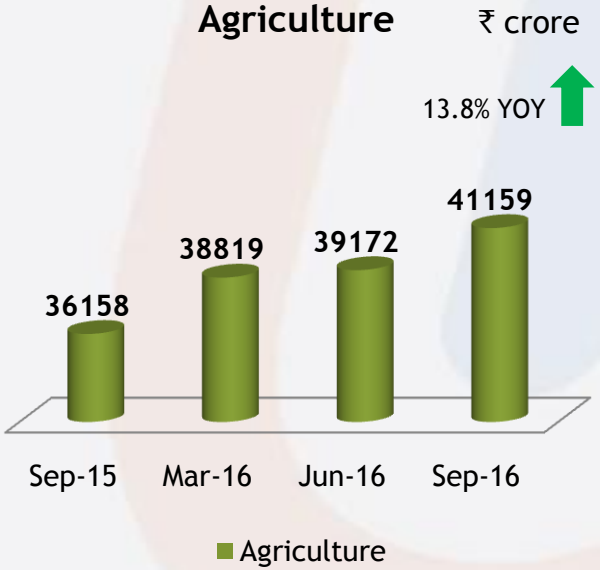
Movement in savings deposit growth and Cost of Deposit

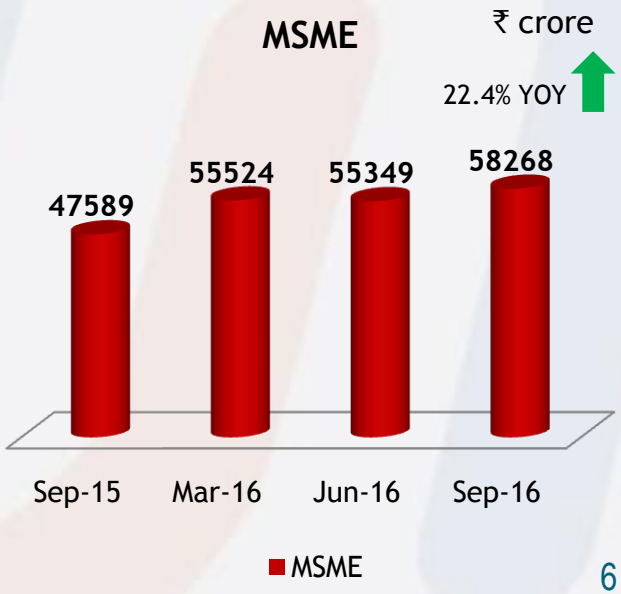


Diversified Loan Portfolio

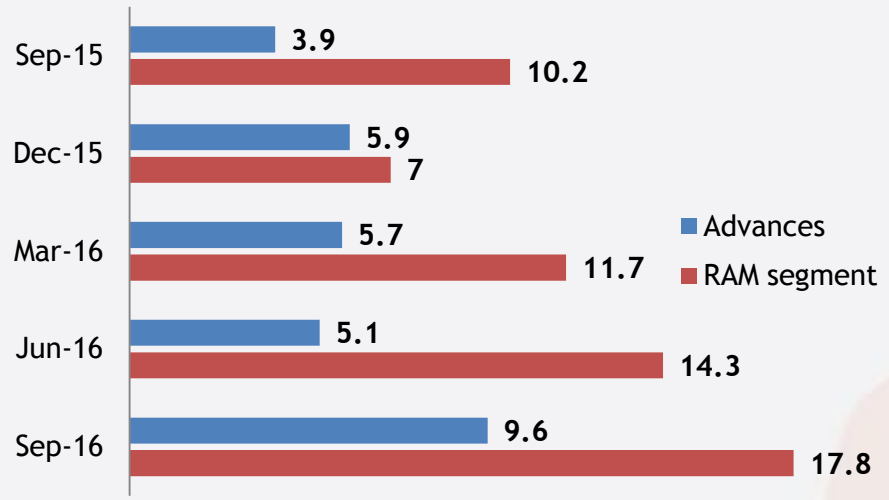


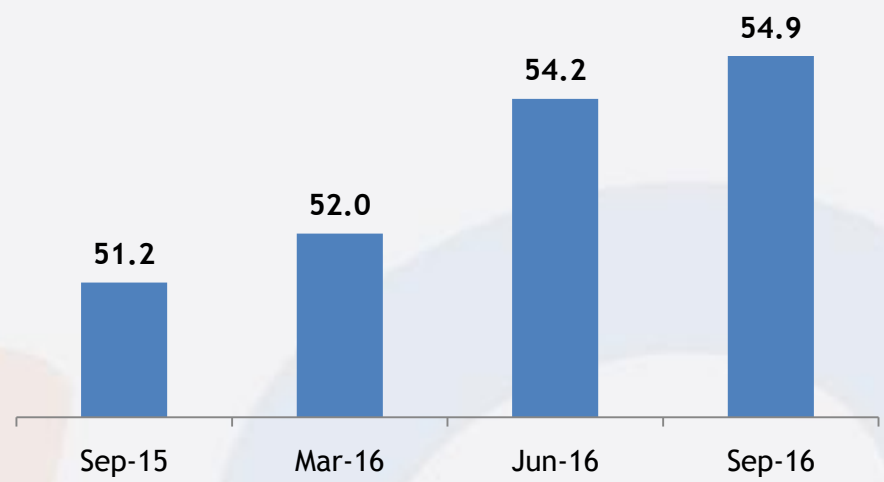


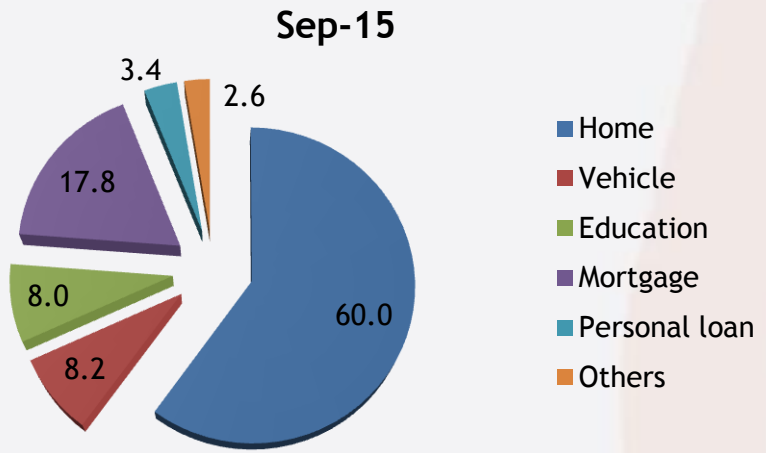


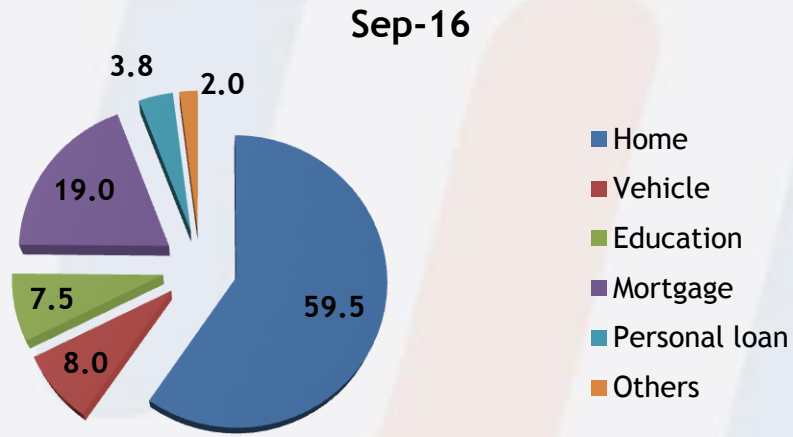


Diversified Loan Portfolio









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

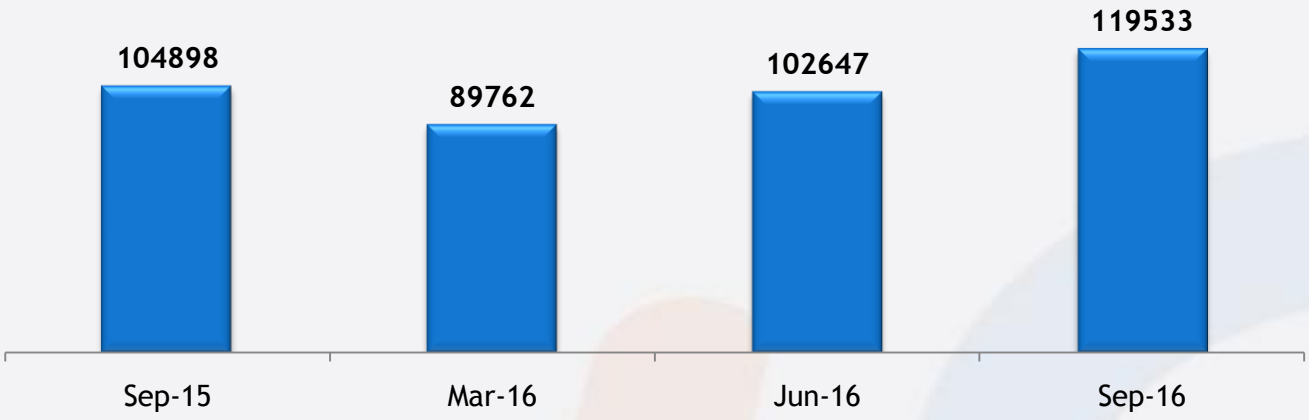
Union Bank of India

Diversified Loan Portfolio

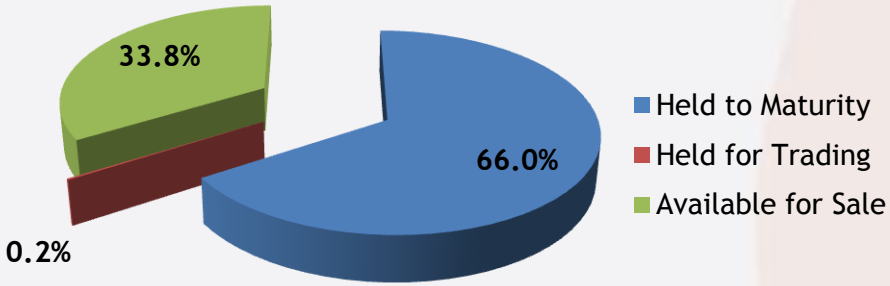
S No.	Sectors	Top 10 Sectors (% Share in Domestic Advances)				Amount (₹ crore)
		Sep 2015	Mar 2016	Jun 2016	Sep 2016	Sep 2016
1	Agriculture	15.8	15.5	16.1	16.3	41159
2	Retail Advances	14.6	14.5	15.3	15.4	38847
3	Infrastructure	16.5	13.6	14.3	14.5	36514
4	Trade	10.6	11.5	11.4	12.1	30348
5	NBFCs and HFCs	9.1	11.0	10.1	10.6	26711
6	Basic Metal Products	4.9	5.2	5.5	5.5	13809
7	Food Processing	2.8	2.8	3.5	3.3	8217
8	Textiles	2.2	2.9	2.8	2.7	6876
9	Construction	2.0	2.0	2.1	2.2	5503
10	All Engineering	2.0	1.8	2.0	2.0	5087
	Total	80.5	80.8	83.1	84.5	213071

Investments

Investment in (₹) Crore



Investment Composition (%)



(₹ crore)

	Sep 2016	% to Total Investment	Duration (Years)
			Sep-16
Held to Maturity	78833	66.0	3.9
Held for Trading	270	0.2	7.3
Available for Sale	40430	33.8	3.9
Total Investment	119533	100.0	3.9

Overseas Operations

- Branches at Hong Kong, DIFC (Dubai), Antwerp (Belgium) and Sydney (Australia)
- Representative Offices at Shanghai, Beijing and Abu Dhabi
- Union Bank of India (UK) Limited, a wholly owned subsidiary of the Bank
- Total Overseas Business of the Bank stood at ₹ 33173 crore as on Sep-2016

Union Bank of India

Statement of Assets & Liabilities

(₹ crore)

	As at 30.09.15	As at 31.03.16	As at 30.06.16	As at 30.09.16	Growth (%)	
					Y-o-Y	Q-o-Q
LIABILITIES						
Capital	687	687	687	687	0.0	0.0
Reserves and surplus	21316	22204	22502	22755	6.8	1.1
Deposits	330665	342720	338727	361454	9.3	6.7
Borrowings	32493	30958	33549	37541	15.5	11.9
Other Liabilities and Provisions	8480	8127	8575	9549	12.6	11.4
Total	**393641**	**404696**	**404040**	**431986**	**9.7**	**6.9**
ASSETS						
Cash and Balances with Reserve Bank of India	14489	15605	16060	15466	6.7	-3.7
Balances with Banks and Money at call and Short Notice	10343	13672	11229	12855	24.3	14.5
Investments	104517	89208	102135	119031	13.9	16.5
Advances	246217	267354	256861	265205	7.7	3.2
Fixed Assets	2689	3940	3895	3839	42.8	-1.4
Other Assets	15386	14917	13860	15590	1.3	12.5
Total	**393641**	**404696**	**404040**	**431986**	**9.7**	**6.9**

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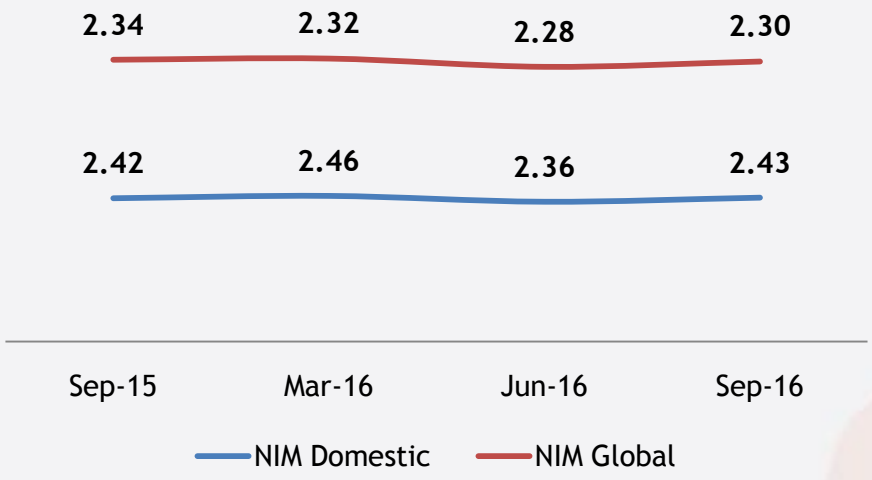
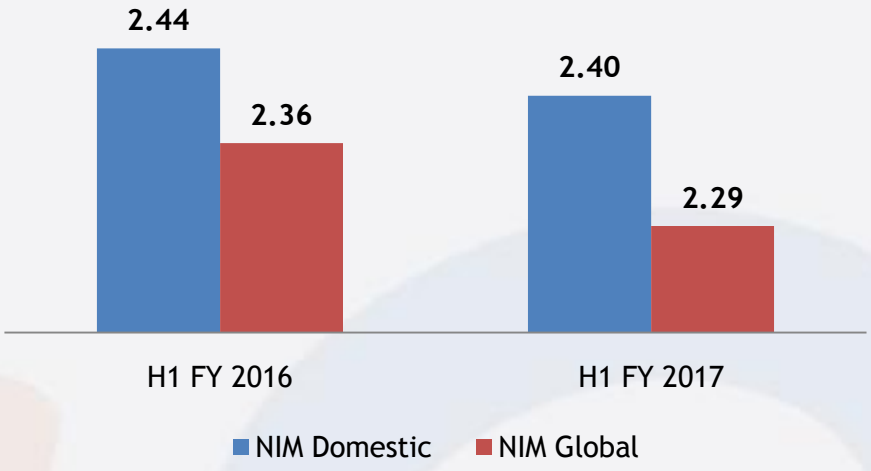
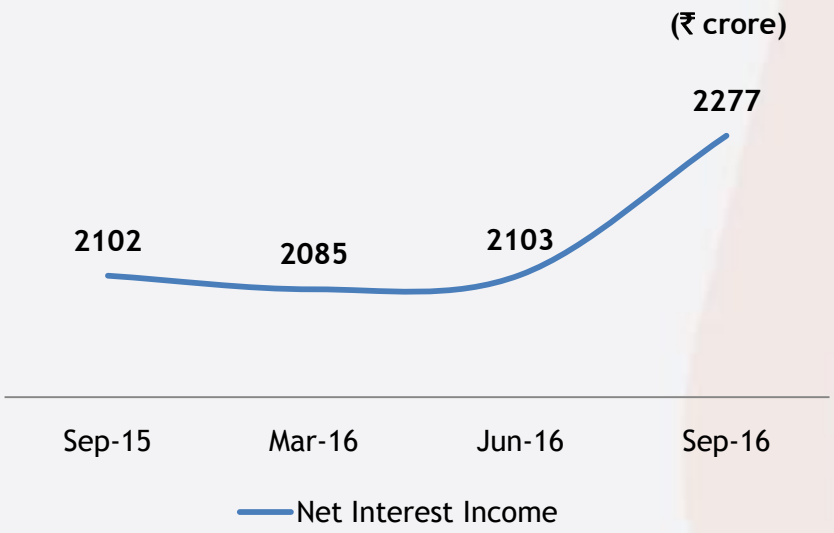
Cost & Yield Ratio

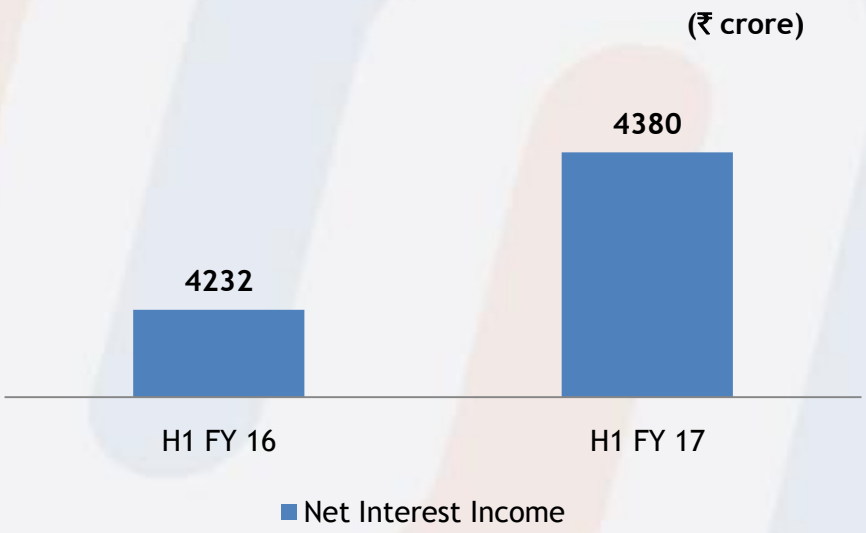
Parameters	Sep-15 (Q2)		Jun-16 (Q4)		Sep-16 (Q2)		H1 FY 2016		H1 FY 2017	
	Domestic	Global	Domestic	Global	Domestic	Global	Domestic	Global	Domestic	Global
Cost of Deposit	7.19	7.09	6.54	6.46	6.55	6.47	7.25	7.15	6.54	6.47
Cost of Funds	6.53	6.25	6.07	5.82	5.78	5.58	6.62	6.36	5.92	5.69
Yield on Advances	10.69	9.81	9.57	8.93	9.65	8.95	10.56	9.86	9.62	8.95
Yield on Investment	7.37	7.33	7.60	7.55	7.30	7.26	7.62	7.58	7.44	7.40
Yield on Funds	8.77	8.43	8.26	7.94	8.04	7.72	8.89	8.57	8.14	7.82

Movement of NIM & NII









Union Bank of India

Non-Interest Income

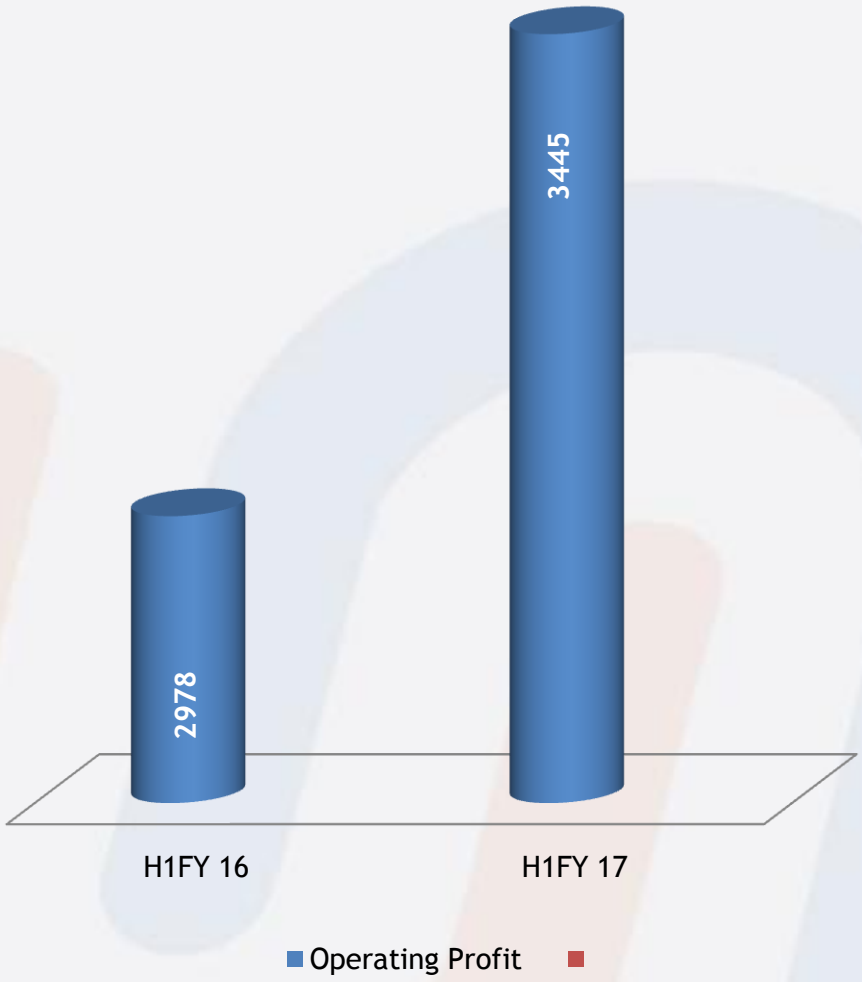
(₹ crore)

Parameters	Sep-15 (Q1)	Mar-16 (Q4)	Jun-16 (Q1)	Sep-16 (Q2)	Growth (%) Y/Y	Growth (%) Q/Q	H1 FY 2016	H1 FY 2017	Growth (%)
a. Core Non Interest Income	469	551	457	498	6.0	9.0	891	955	7.2
b. Treasury Income	435	390	547	598	37.6	9.3	756	1145	51.5
W/w									
• Profit on Sale of Investments	259	206	316	466	80.0	47.5	454	783	72.5
• Exchange Profit	176	184	231	132	-24.9	-42.9	302	363	20.0
c. Recovery in Written - off Accounts	55	56	36	43	-21.1	19.4	95	79	-17.1
Total	959	997	1040	1139	18.8	9.6	1743	2179	25.0

Profitability

(₹ crore)

(₹ crore)



Union Bank of India

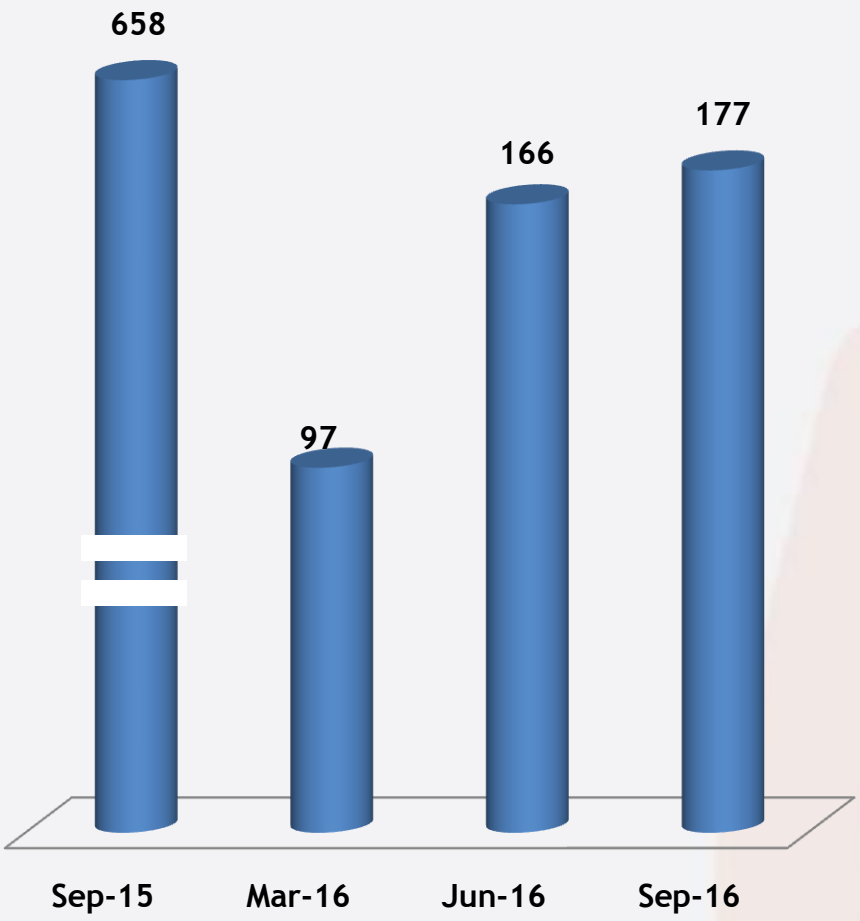
Provisions

(₹ crore)

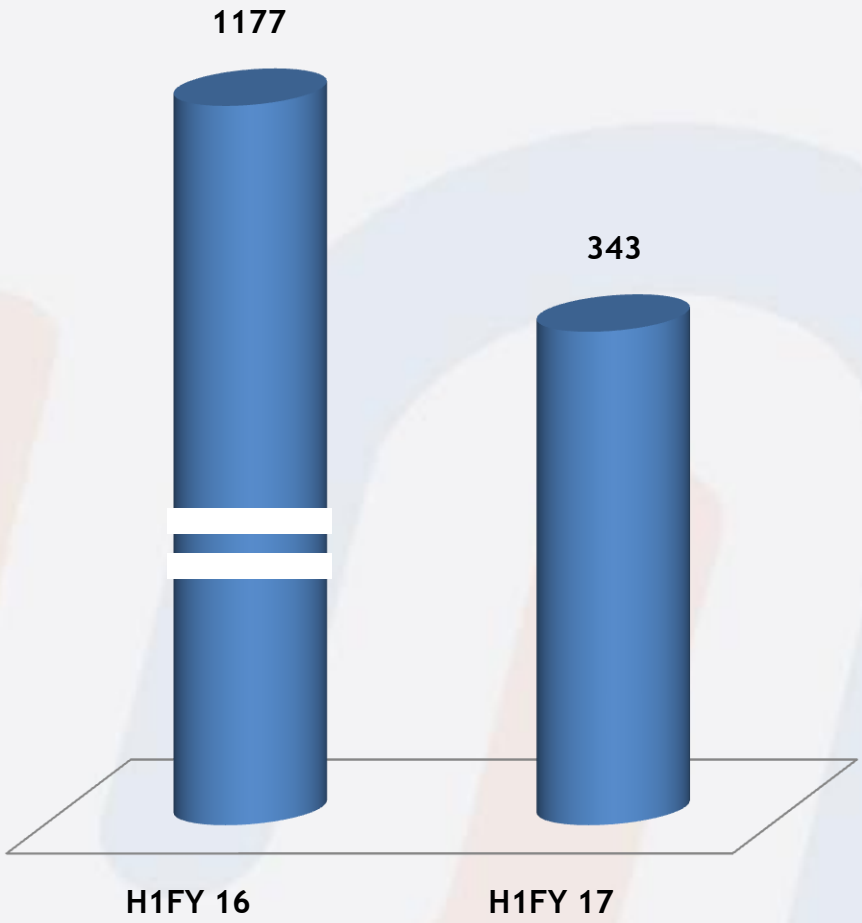
Parameters	Sep-15 (Q1)	Mar-16 (Q4)	Jun-16 (Q1)	Sep-16 (Q2)	H1 FY 2016	H1 FY 2017
NPAs	924	2008	1347	1598	1404	2945
Standard Assets	2	-63	54	124	-20	179
Depreciation on Investment	-113	42	-42	-12	86	-54
Shifting Loss	0	0	2	0	6	2
Restructured Advances	-320	-305	-11	-1	-312	-13
Others (FITL etc)	-61	-118	3	-89	-88	-85
Taxation	320	-252	106	23	647	129
Total	**752**	**1312**	**1459**	**1643**	**1723**	**3102**

Net Profit

(₹ crore)

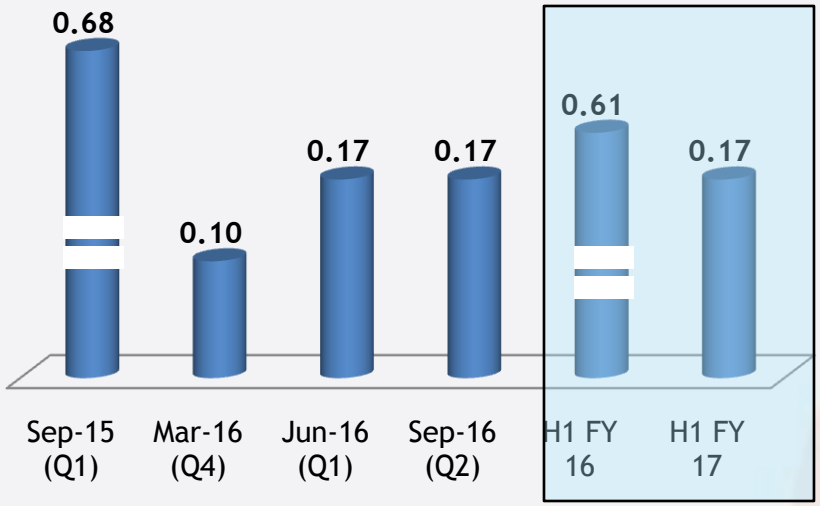


(₹ crore)

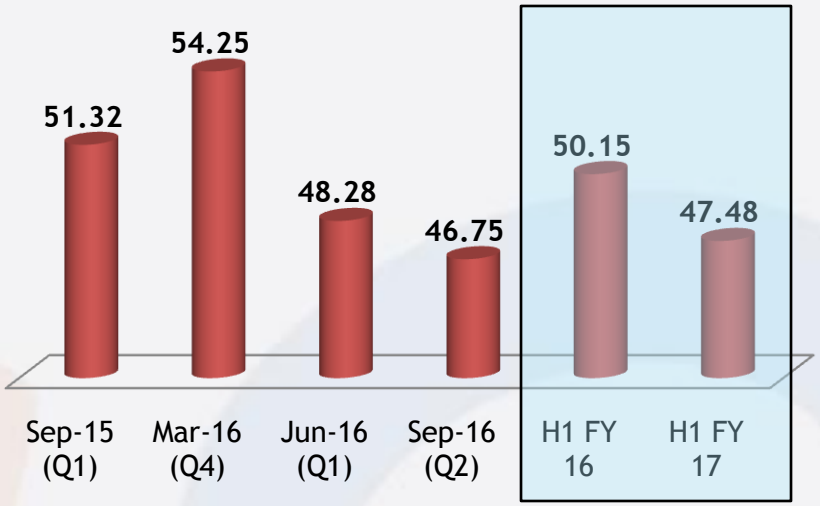


Efficiency/Profitability Ratios

Return on Avg. Assets (%)



Cost to Income(%)



S. No.	Efficiency Parameters	Sep-15 (Q2)	Mar-16 (Q4)	Jun-16 (Q1)	Sep-16 (Q2)	H1 FY 16	H1 FY 17
1	Return on Equity (%)	12.8	1.95	3.36	3.56	11.44	3.46
2	Book Value Per Share	299.3	287.51	288.52	288.55	299.3	288.55
3	Earnings per share	41.37	5.62	9.69	10.27	37	9.98

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Efficiency Ratios

Sn.	Profitability Parameters		Sep-15 (Q1)	Mar-16 (Q4)	Jun-16 (Q1)	Sep-16 (Q2)	H1 FY 16	H1 FY 17
1	Business per Branch	₹ crore	142.7	147.7	144.5	145.7	142.7	145.7
2	Business per employee	₹ crore	16.2	17.5	16.3	17.0	16.2	17.0
3	Gross Profit per Branch	₹ crore	1.45	1.34	1.5	1.7	1.5	1.6
4	Gross Profit per Employee	₹ lacs	16.49	15.89	17.5	19.4	16.5	18.3
5	Net Profit per Branch	₹ lacs	64.24	9.2	15.9	16.1	57.4	15.6
6	Net Profit per Employee	₹ lacs	7.28	1.09	1.8	1.9	6.5	1.8

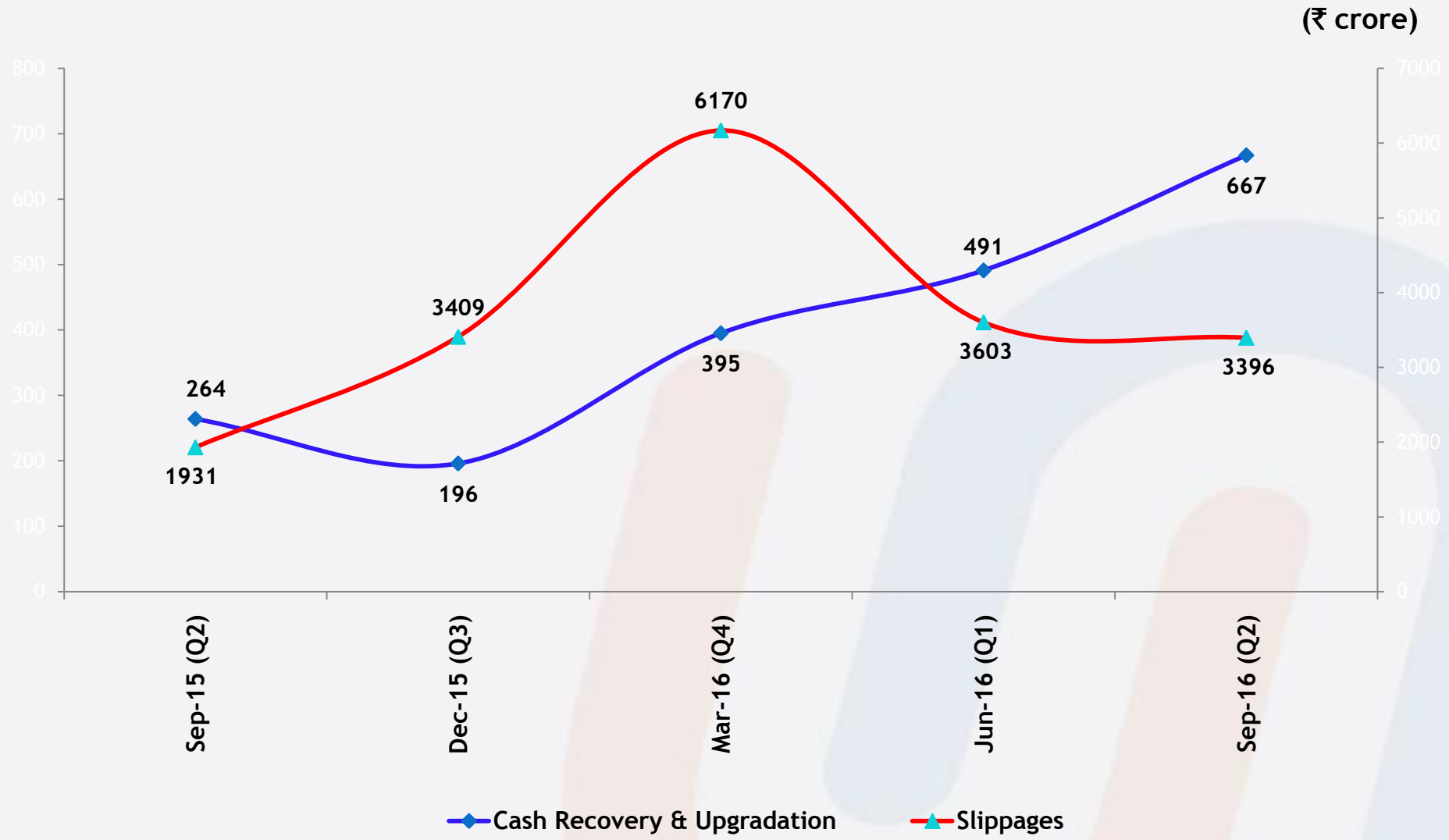
Union Bank of India

Asset Quality: Movement in Non Performing Assets

(₹ crore)

Parameters	Sep-15 (Q1)	Mar-16 (Q4)	Jun-16 (Q1)	Sep-16 (Q2)	H1 FY 16	H1 FY 17
Gross NPAs - Opening	14144	18495	24171	27281	13031	24171
Add : Additions	1931	6170	3603	3396	3439	6999
Less : Reductions	534	494	493	815	929	1308
1. Recoveries	205	204	350	251	365	601
2. Upgradation	59	191	141	416	137	557
3. Write Off	270	99	2	148	427	150
Gross NPAs- Closing	15541	24171	27281	29862	15541	29862
Gross NPA (%)	6.12	8.7	10.16	10.73	6.12	10.73
Net NPA	8335	14026	15825	16947	8335	16947
Net NPA (%)	3.39	5.25	6.16	6.39	3.39	6.39
Provision Coverage Ratio (%)	57.85	51.00	50.00	50.45	57.85	50.45
Credit Cost (%)	1.45	2.97	1.97	2.34	1.09	2.12

Positive Movement in Slippages & Recovery



Union Bank of India

Asset Quality: Sectoral

(₹ crore)

Sectors	Slippages During Q2 FY 17	NPAs Sep 2016	% to Total NPAs	% to Sector Loan			
				Sep 2015	Mar 2016	Jun 2016	Sep 2016
Retail Loans	**211**	**1203**	**4.0**	**2.76**	**2.54**	**2.93**	**3.10**
Agriculture	157	2104	7.1	4.75	5.21	5.31	5.11
Micro & Small (MSE)	530	3953	13.2	6.9	7.79	8.15	8.50
Medium & Large	2498	22602	75.7	6.85	11.06	13.64	14.66
Total	3396	29862	100.0	6.12	8.7	10.16	10.73

Union Bank of India

Restructured Assets

(₹ crore)

	Sep-16 (Q2)		
Particulars	**Standard**	**NPA**	**Total**
Restructured Assets as on July 01, 2016	7247	9531	16778
Fresh Restructuring during the Quarter	0	0	0
Upgradation to Standard Restructured Accounts during the Quarter	23	-23	0
Restructured Standard Advances which cease to attract higher provisioning and need not be shown as Restructured Assets Quarter	-118	0	-118
Down gradation of restructured accounts during the Quarter	-1196	1196	0
Change in Outstanding/Write-off/ Recovery/Closures Quarter	-320	-123	-443
Restructured Accounts as on Sep 30, 2016	5636	10581	16217

Particulars	**Sep-15**	**Mar-16**	**Jun-16**	**Sep-16**
Standard Restructured as % to Gross Advances	5.47	3.09	2.70	2.02
Impaired Assets Ratio (GNPA + Standard Res) (%)	11.60	11.79	12.86	12.75
Net Impaired Assets Ratio (NNPA + Standard Res) (%)	8.76	8.45	8.98	8.11

Union Bank of India

Stress Mostly Recognized

(₹ crore)

S.N.	Sector	Amt.	% to Standard Restructured
1	Infrastructure	1949	34.6
a.	Power	1153	20.5
b.	Roads	750	13.3
2	Engineering	998	17.7
3	Textiles	494	8.8
4	Hotel	441	7.8
5	Iron & Steel	292	5.2

Sectors	5/25		SDR		S4A
	During Q2	Total Outstanding	During Q2	Total Outstanding	Total Outstanding
Power	334	2685	690	810	0
Road	0	0	200	200	0
Telecom	0	0	1015	1015	0
Port	0	300	0	0	0
Cement	0	300	0	0	0
Refinery	0	210	0	0	0
Steel	0	433	161	1229	0
Construction	0	0	302	1163	130
Food & Beverages	0	0	187	187	0
Real Estate	0	0	0	75	0
Chemicals	0	0	0	0	145
Total	334	3928	2555	4679	275

Union Bank of India

Basel III : Capital Adequacy

(₹ crore)

	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16
Risk Weighted Assets	260508	258677	273791	267176	281316
Capital Funds	26740	26632	28932	28717	31469
CRAR-BASEL III (%)	10.26	10.3	10.56	10.75	11.19
TIER 1	7.67	7.70	8.14	8.39	8.56
CET Ratio (%)	7.42	7.45	7.95	8.24	8.06

Capital Raised during Q2FY17

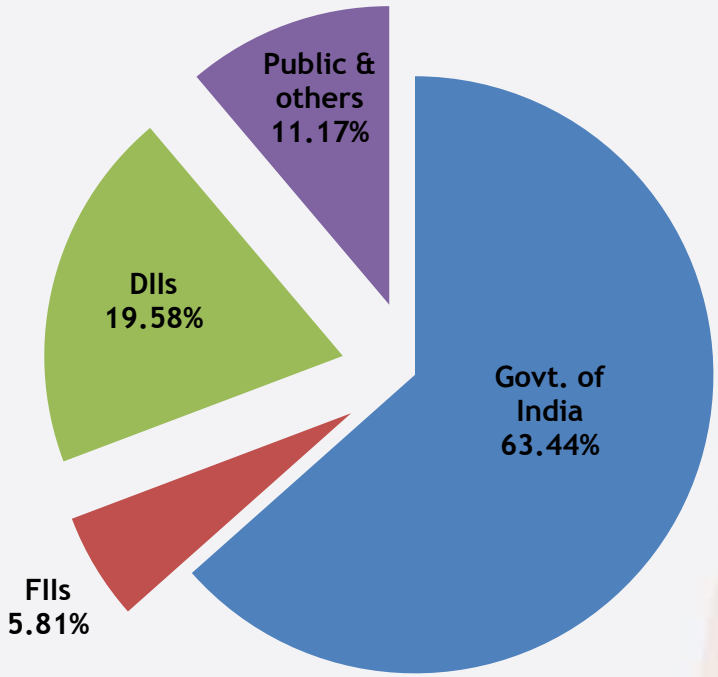
- ₹ 1000 crore under AT1
- ₹ 1000 crore under Tier2

Call Option Exercised

- IPDI : ₹ 300 crore
- Upper Tier2 : ₹ 750 crore

Shareholding Pattern

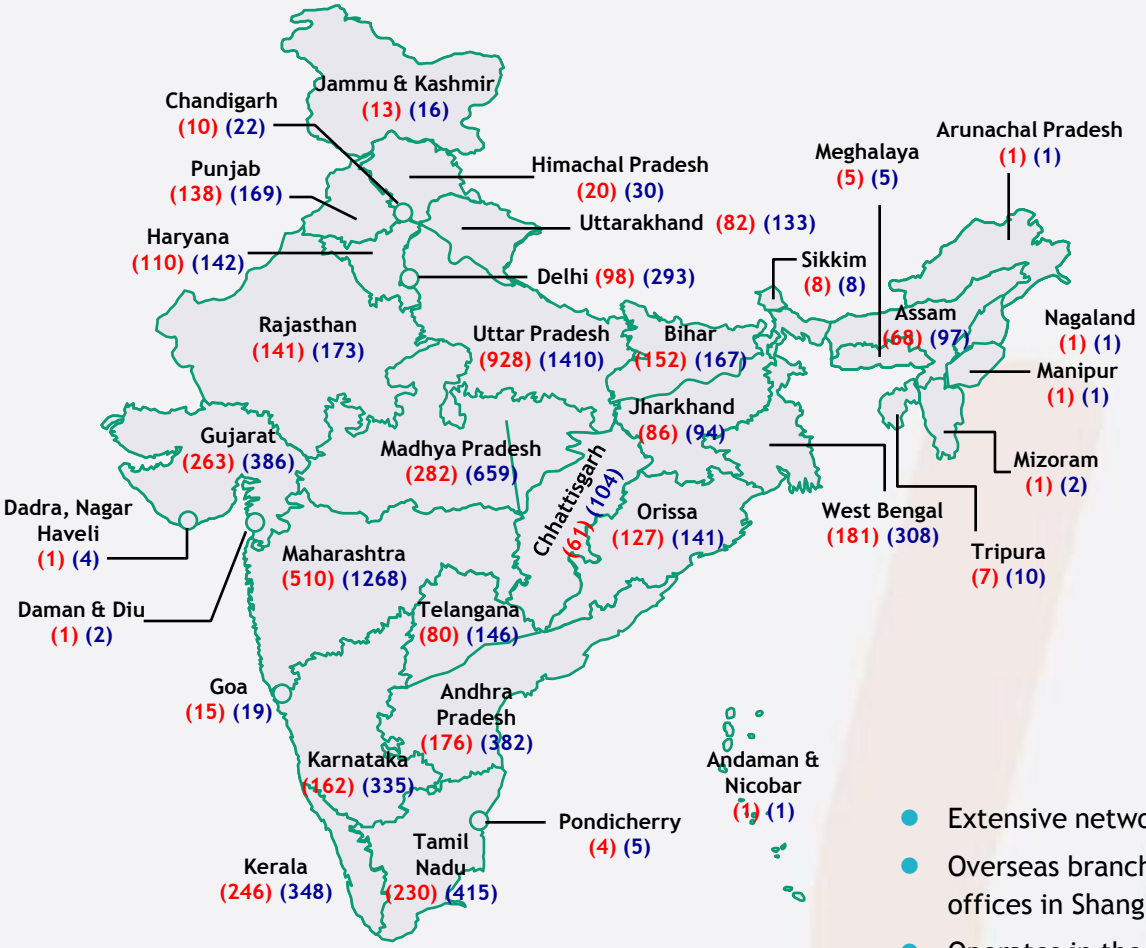
Shareholding Pattern (%)



Share Capital	**₹ 687.4 crore**
No. of Equity Shares	68.74 crore
Net Worth	₹ 19836 crore
Market Cap	₹ 9441 crore

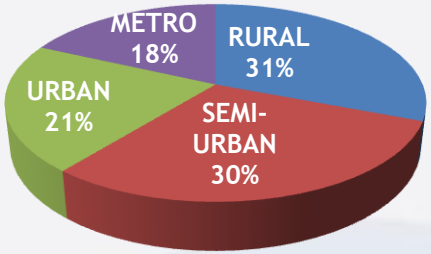
The GOI has decided to infuse Capital of ₹ 721 crore in the Bank During the current Financial Year

Extensive & specialized distribution network focused on the needs of the different business segments



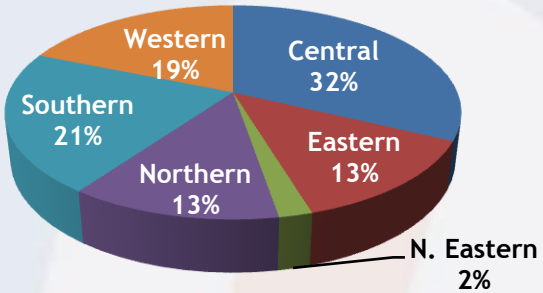
Domestic Branches (4,210) # ATMS (7151)

Branch Distribution by Urbanization



61% branches in rural/semi-urban markets

Branch Distribution by Geography



Geographical diversification minimizes regional risks

- Extensive network across India
- Overseas branches in Hong Kong, Dubai and Antwerp, in addition to representative offices in Shanghai, Beijing, Abu Dhabi and Sydney
- Operates in the UK through its wholly owned subsidiary, Union Bank of India (UK) Ltd.
- The Bank has 28 extension counters, 60 satellite offices and 48 service branches in addition to its regular bank branches as of September 30, 2016.

Financial Inclusion

Progress under Pradhan Mantri Jan Dhan Yojana (PMJDY)	
Parameters	**Achievements of the Bank**
Villages covered	18396
Sub Service Areas	5407
Urban Wards	2581
Accounts opened till September 30, 2016	60.35 Lakh
Deposits	₹ 974.98 Crore
RuPay Cards issued	53.96 Lakh
Aadhar Seeding	28.09 Lakh

Progress under PMSBY, PMJJBY and APJ Schemes	
Scheme Name	**Total Enrolments**
Pradhan Mantri Suraksha Bima Yojana **(PMSBY)**	29.2 Lakh
Pradhan Mantri Jeevan Jyoti Bima Yojana **(PMJJBY)**	12.3 Lakh
Atal Pension Yojana **(APJ)**	0.69 Lakh

JAN-DHAN SE JAN SURAKSHA

Pradhan Mantri Suraksha Bima Yojana

Pradhan Mantri Jeevan Jyoti Bima Yojana

Atal Pension Yojana

Progress under Mudra Yojana			
Category	**No. of Accounts**	**Sanctioned Amount (₹ crore)**	**Outstanding Amount (₹ crore)**
Shishu (< ₹ 50k)	28831	91	83
Kishor (Above ₹ 50k-5 Lakh)	39726	757	702
Tarun (Above ₹ 5 Lakh-10 Lakh)	3789	286	256
Total	**72346**	**1134**	**1041**

Union Bank of India

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Structural Transformation

Building Capabilities for Tomorrow

Key objectives

- Provide better customer experience
- Increase cross-sell
- Achieve higher sales productivity
- Improve performance of alternate/digital channels
- Strengthen HR proposition

6 prioritized initiatives

Union Bank of India

Structural Transformation

Union[1] Experience

- Frontline **lead/ referral generation** through service 2 sales
- **Single window** each for cash and non cash process
- Improved sales efficiency through **catchment planning**
- **Migration to alternate channels**

ULP[2]

- Ensured efficient interaction between ULP and branches through:
  - Clear scope definition
  - **Digitization** of the workflow
- Process redesigned to **reduce TAT**
- **Clear role definition** for Marketing Officers

SARAL[3]

- Process redesigned to reduce TAT through:
  - **Simplified formats**
  - **Centralized processing** at SARAL
  - **Digitization** of the workflow

1. Metro & Urban branches with greater focus on digitization & sales
2. Union Loan Point (ULP): Centralized retail loan processing hub (71 ULPs)
3. Centralized business loan processing centre (20 SARAL)

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Structural Transformation

Digitization

- **Customer engagement** through **user friendly digital channels**
- Continue to invest in **Digital product and platforms** along with evaluating innovative partnerships and models

Human Resource

- Induct **specialized talent** in senior and mid-senior level across departments & verticals
- **Succession planning**
- Centralized Services for staff related activities (shared services centre) & Grievance redressal Portal
- Development of **knowledge leadership** through training & developing research capability

Business Analytics

- Understand **customer behavior** to create **sales opportunities** across the branches
- **Generate business leads** through predictive analytics, text-mining etc.

Structural Transformation: Impact

Impact[1]: Regional execution

Metric	Baseline[2]	Latest[3]	Growth
CASA Productivity (CASA account acquisition/branch/day)	2.25	3.47	54%
Retail Loans sanctioned per month (₹crore/region/month)	23.1	30.0	30%
Loans processed by SARAL per month, (₹crore/region/month)	176.3	252.5	43%

Impact: Central initiatives

90% Reduction in **TAT** for sanctioning **employee claims,**

Increase in **productivity**
Processing of bills/day increased from 86 to 498

1. Relates to branches where Project Utkarsh is implemented for 6 months or more
2. Data prior to initiation of Project Utkarsh
3. Data as of September 30, 2016

Structural Transformation: Impact

Impact[1]: Automation

Metric	Baseline[2]	Latest[3]	Growth
ATM cash withdrawals <25K (number) as % to total cash withdrawals	78.6	92.0	17%
Cash deposits in CDM <50K (number) as % to total cash deposits	50.6	63.6	26%
Improvement in SSPB[4] hits/machine/day	53.6	61.6	15%

1. Relates to branches where Project Utkarsh is implemented for 6 months or more
2. Data prior to initiation of Project Utkarsh
3. Data as of September 30, 2016
4. Self Service Passbook

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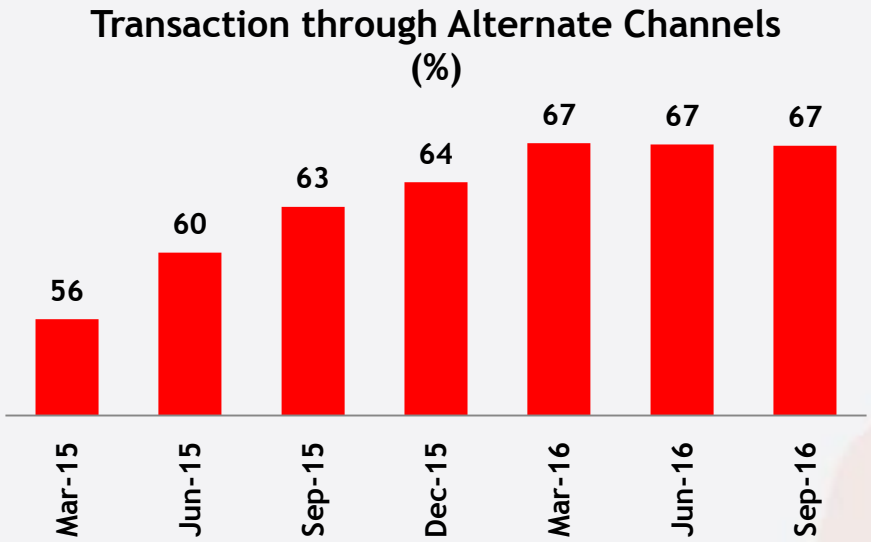
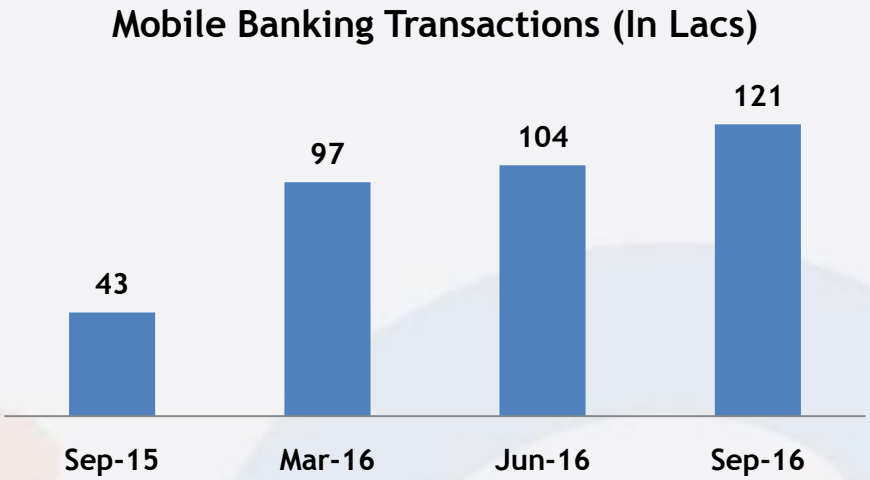
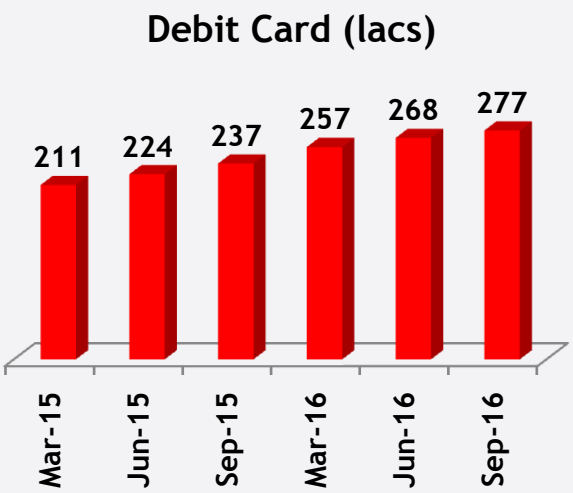
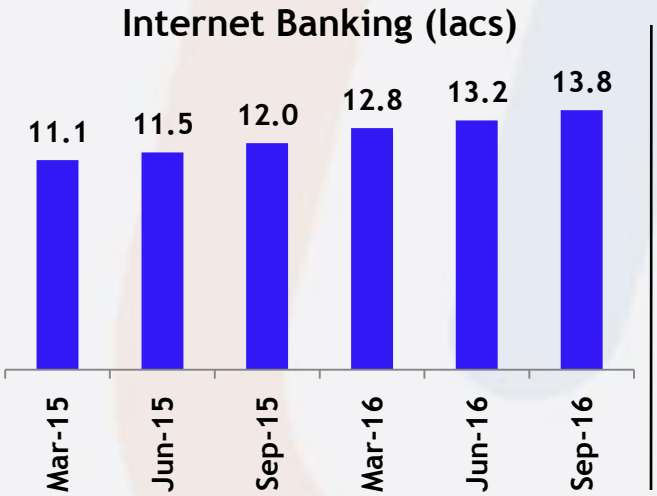
Structural Transformation: Digitization

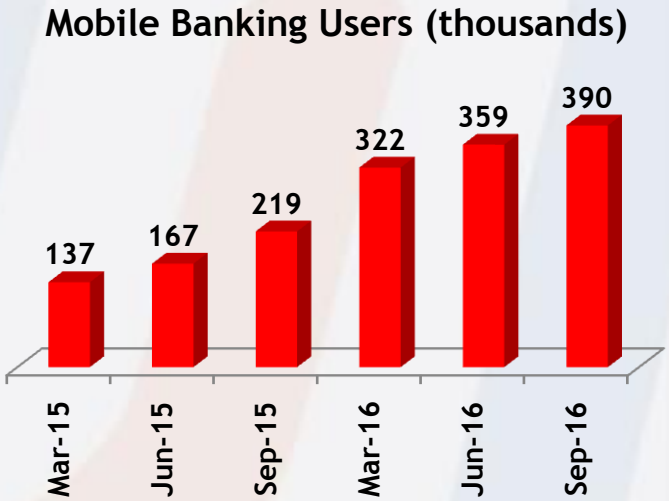
Structural Transformation: Impact











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Awards

Innovative HR practices recognition by Times ascent

The Bank was recognized under Top 50 PSU Organization with Innovative HR Practices

Technology award by Institute for Development & Research in Banking

Best Bank Award for the Use of technology for Financial Inclusion among large banks by Institute for Development & Research in Banking Technology

Awards in the area of Digital Banking

VISA award for credit card

VISA award for E-wallet "Digipurse"

Brand Value

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

Union Bank of India

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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अच्छे लोग, अच्छा बैंक

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Good people to bank with

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