यूनियन बैंक
ऑफ इंडिया

Ref: ISD/18-19/255

29th October, 2018

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 Quarter/Half Year ended on 30.09.2018

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 Reviewed Unaudited Financial results of the Bank for the Quarter/Half Year ended 30.09.2018.

Presentation is also made available on our Bank's website under the following link - http://www.unionbankofindia.co.in/english/financial_result.aspx

The above is for your information and record.

Thanking you.

Yours faithfully,

Mangesh Mandrekar

(Mangesh Mandrekar)
Company Secretary

Encl: As above.

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अच्छे लोग, अच्छा बैंक

Union Bank of India
Good people to bank with

Financial Results

Q2/FY19 & H1/FY19

October 29, 2018

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Union Bank of India

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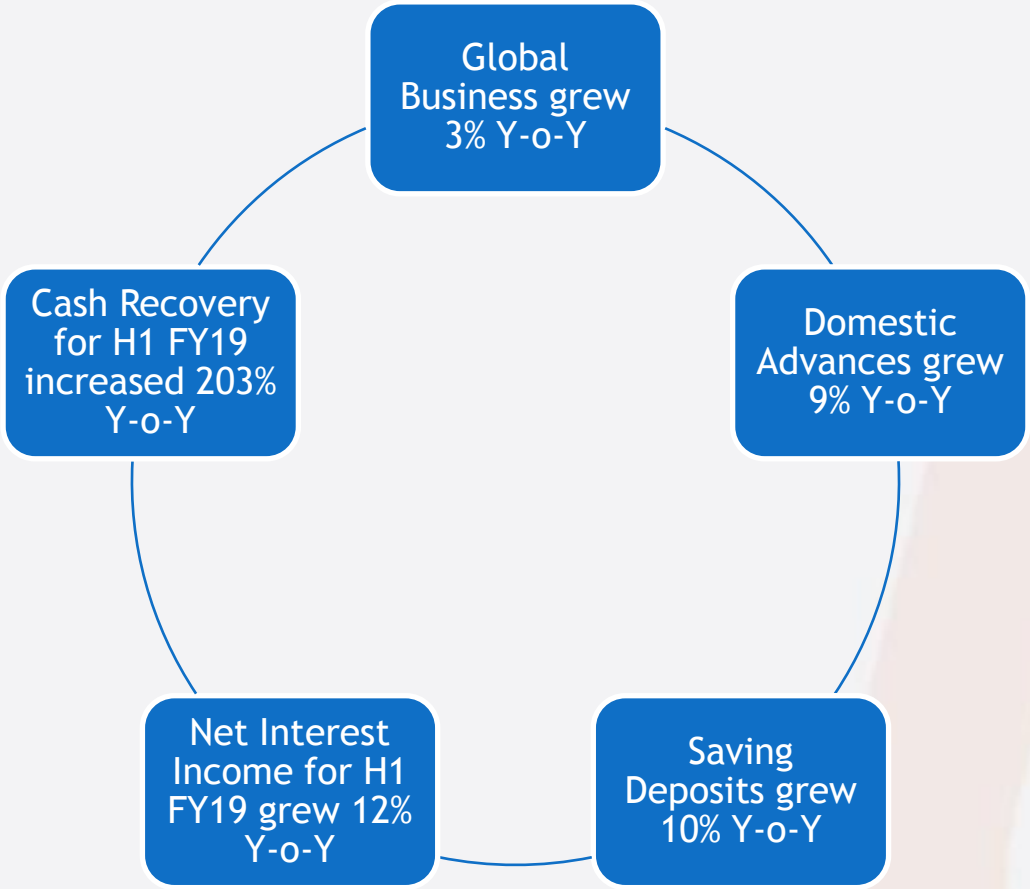
#2 Financials

#3 New Initiatives

#4 Awards & Accolades

Union Bank of India

Snapshot as on September 30, 2018



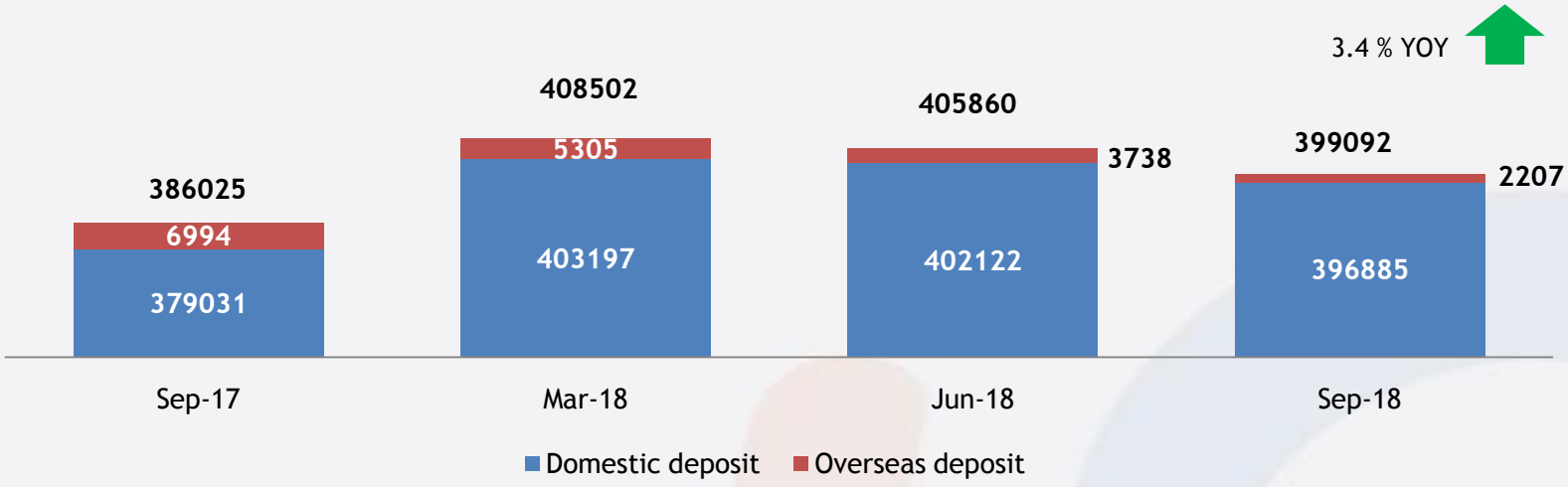
Total Business	₹ 717656 crore
Gross Advances	₹ 318563 crore
Total Deposits	₹ 399092 crore
Operating Profit(H1 FY19)	₹ 3861 crore
Basel III Tier I CAR	9.02 %
Basel III Total CAR	11.55 %
Branches	4303
ATMs	6794*

*Excluding 5407 Micro-ATM

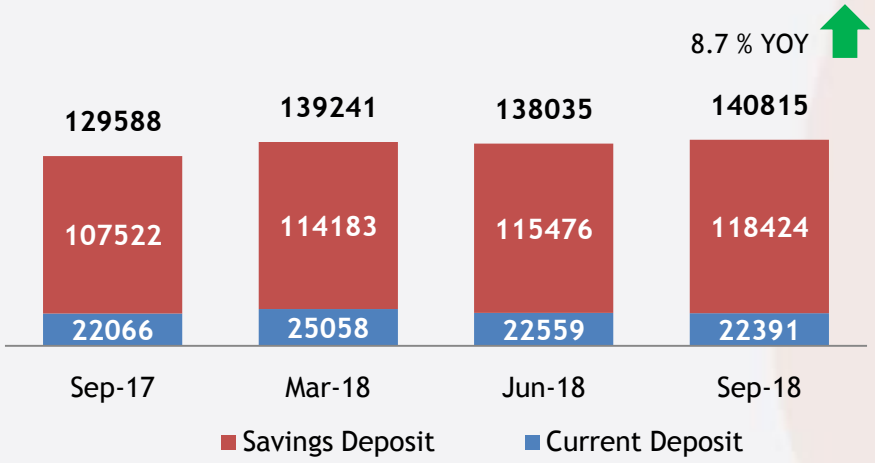
Business Performance - Liabilities

Total Deposits

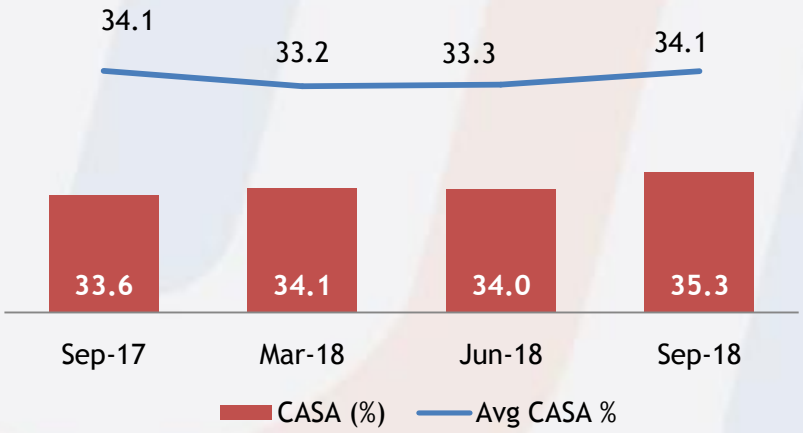
(₹ crore)



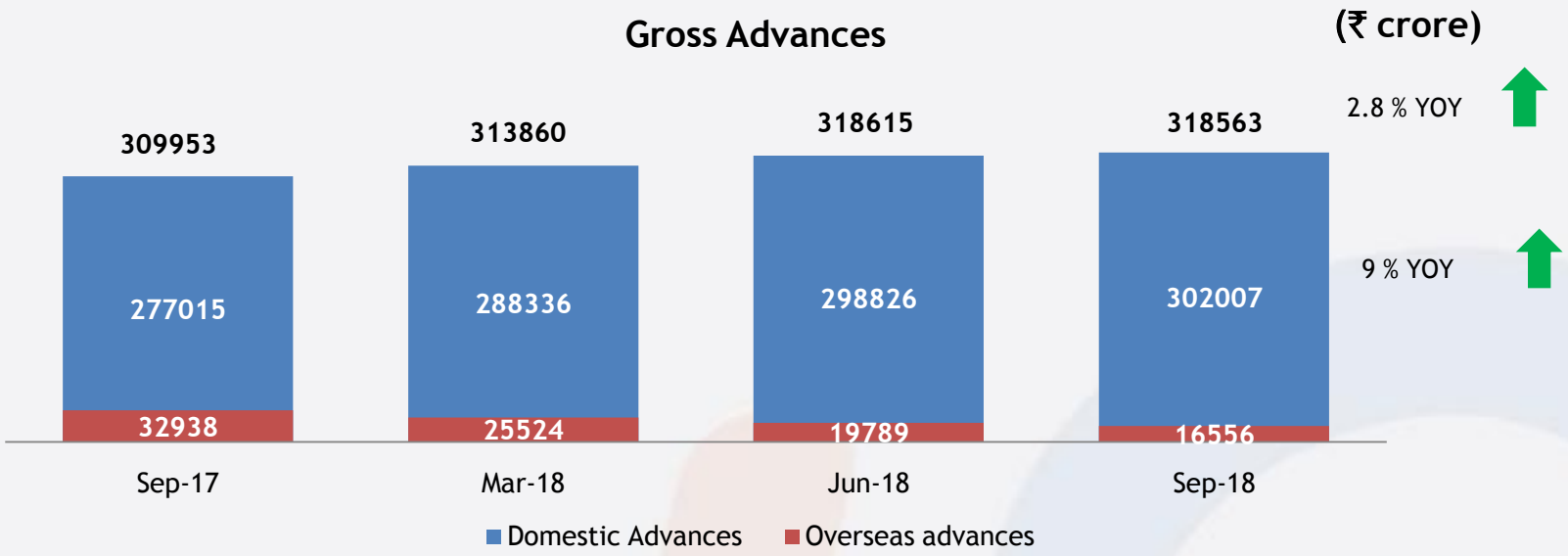
CASA Portfolio

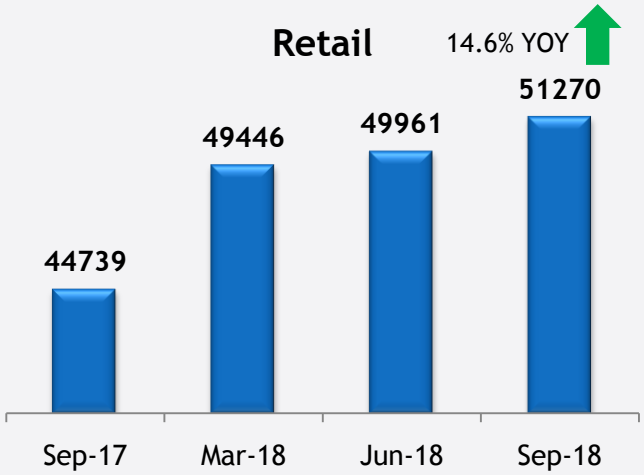


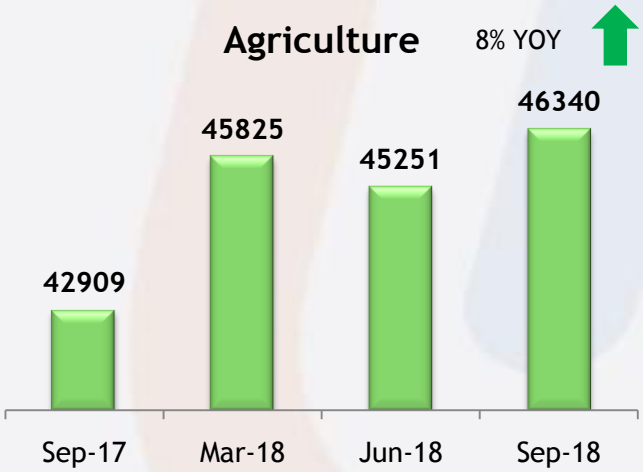
CASA & Avg CASA (%)

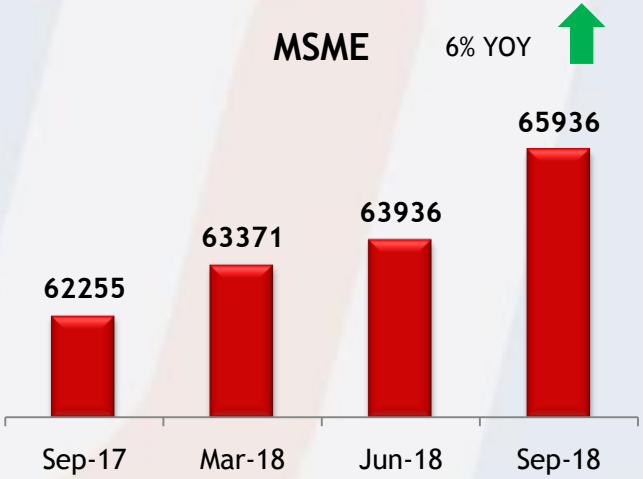


Business Performance - Assets

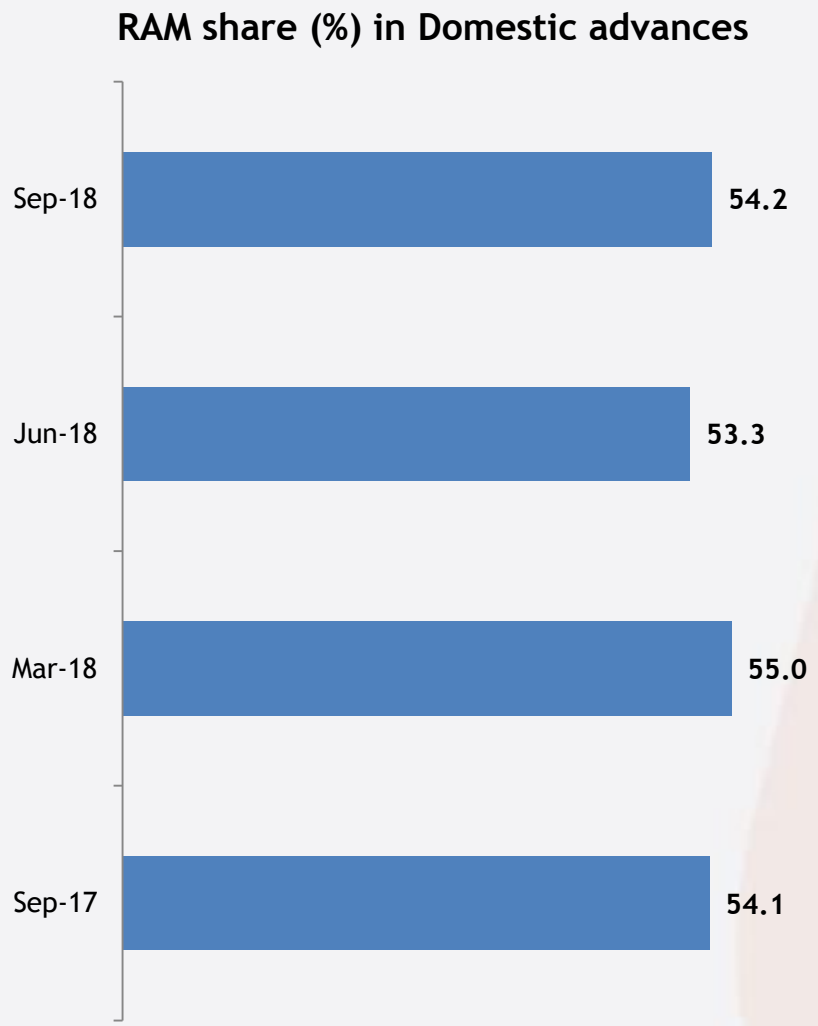


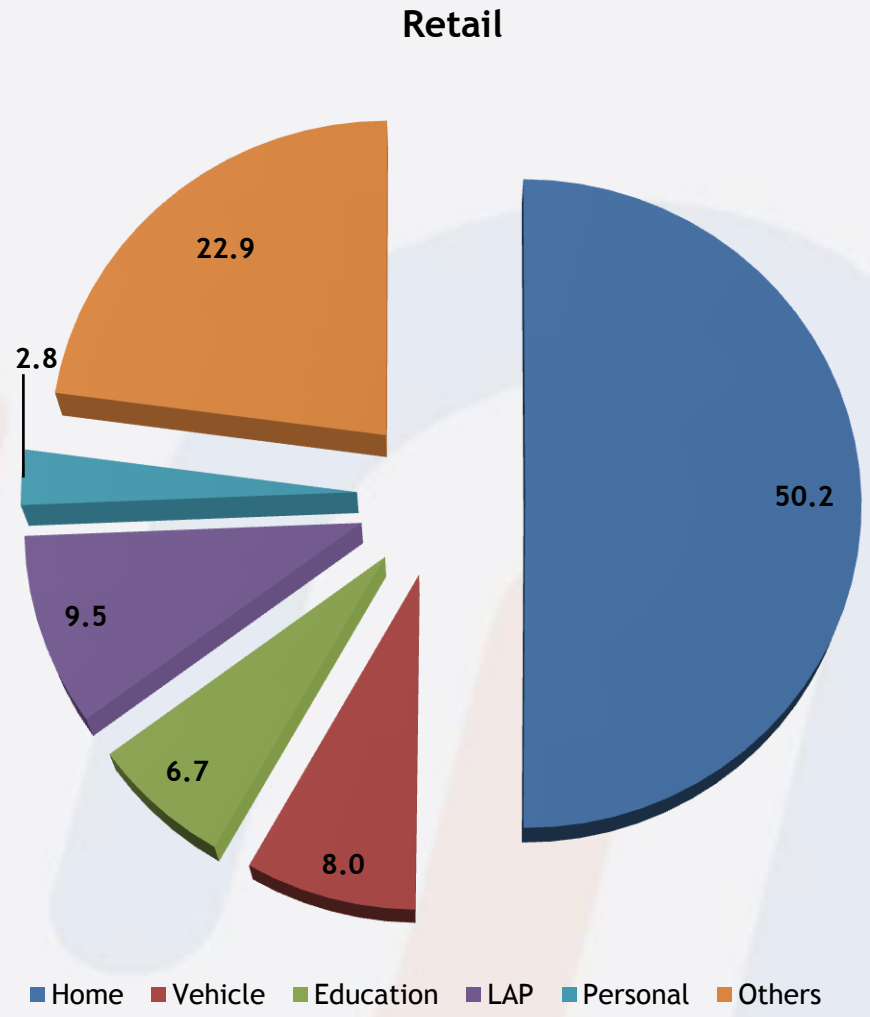






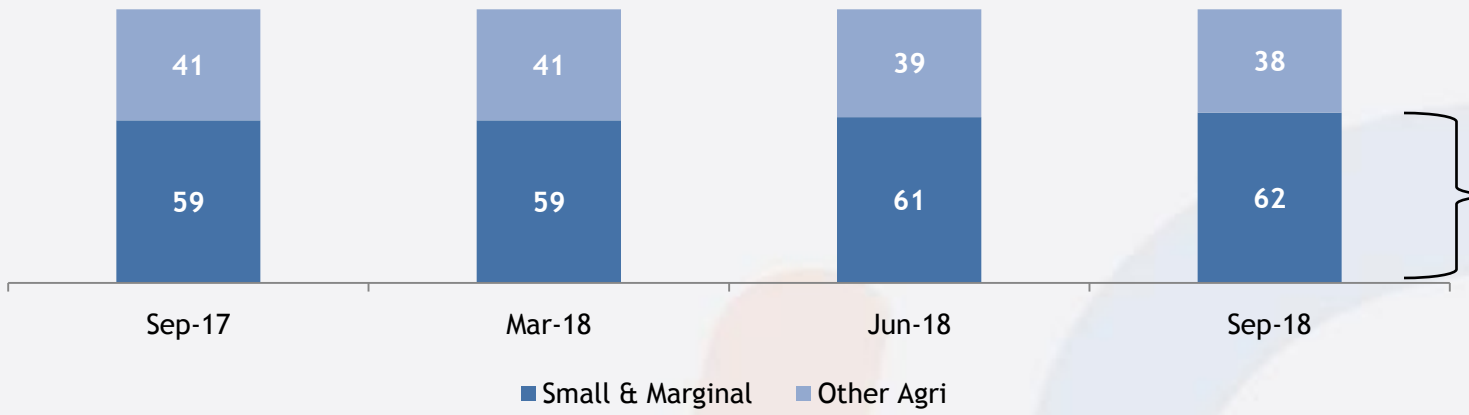
Diversified Loan Portfolio - RAM





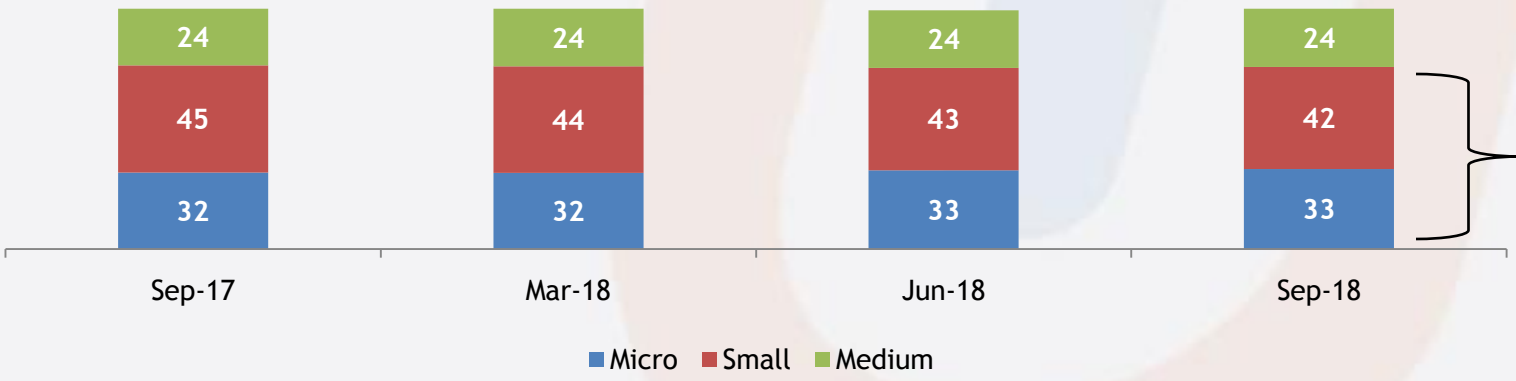
Diversified Loan Portfolio - RAM

Composition of Agri loan book(%)



➢More than 60% of Agri. portfolio is for Small & Marginal farmers

Composition of MSME loan book(%)



➢75% of MSME portfolio is for MSE

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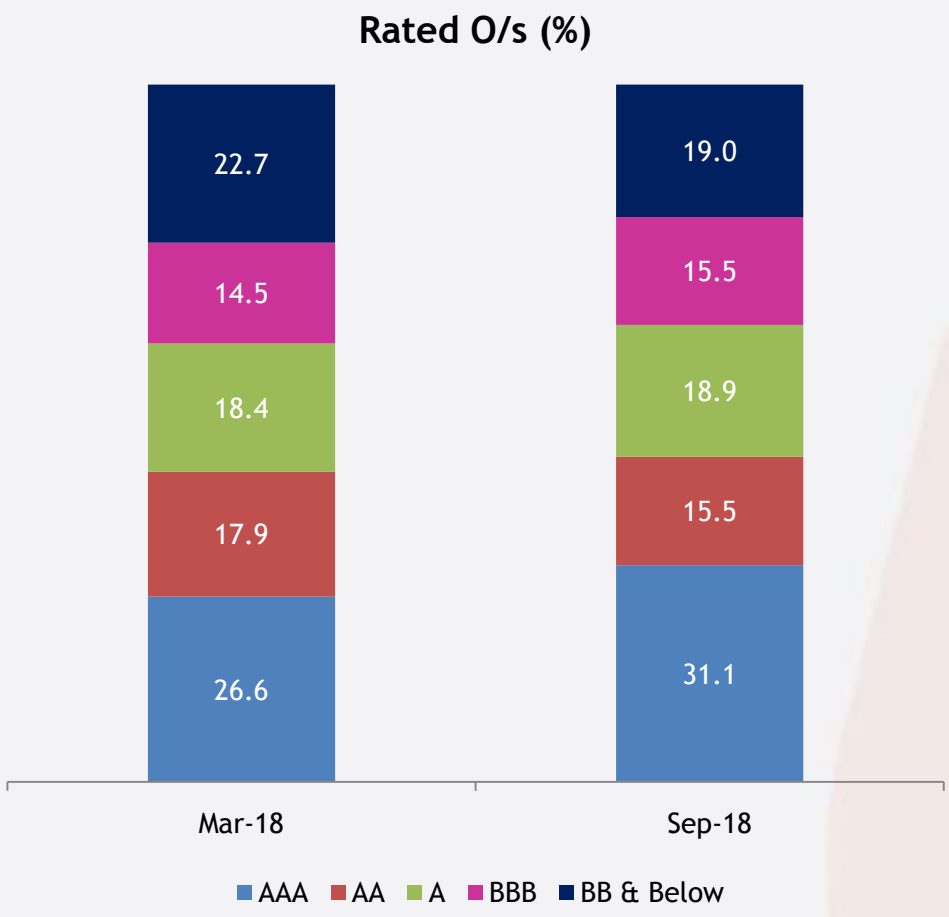
Diversified Loan Portfolio-Industry Exposure

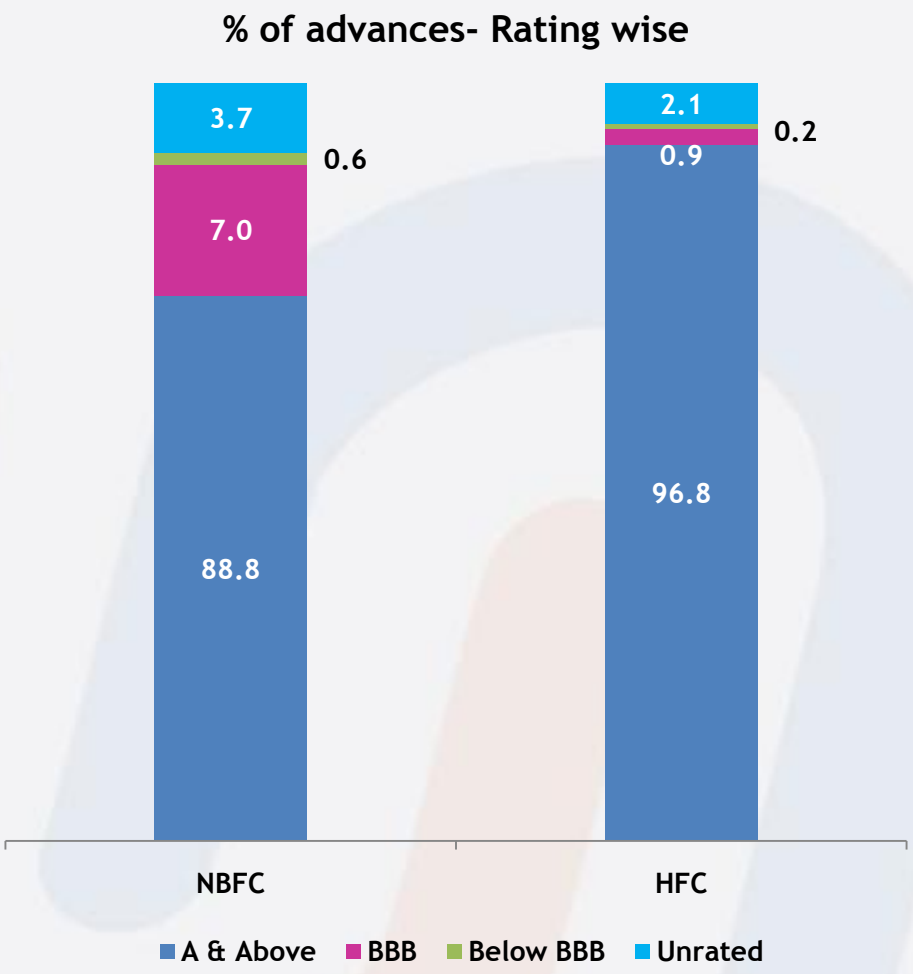
S No.	Sectors	Top Sector Exposure (% Share in Domestic Advance)			
		Mar	Jun	Sep-18	
		2018	2018	₹ Crore	% Share
1	Infrastructure	16.3	17.2	50478	16.7
2	Trade	12.2	12.3	38082	12.6
3	NBFCs and HFCs	11.6	11.6	35581	11.8
4	Basic Metal Products	4.5	4.2	13305	4.4
5	Construction	3.8	3.7	11853	3.9
6	Food Processing	3.7	3.5	9608	3.2
7	Textiles	2.6	2.5	7621	2.5
8	All Engineering	2.2	2.0	6332	2.1
Total		**56.9**	**57**	**172860**	**57.2**

Diversified Loan Portfolio-Rating Profile

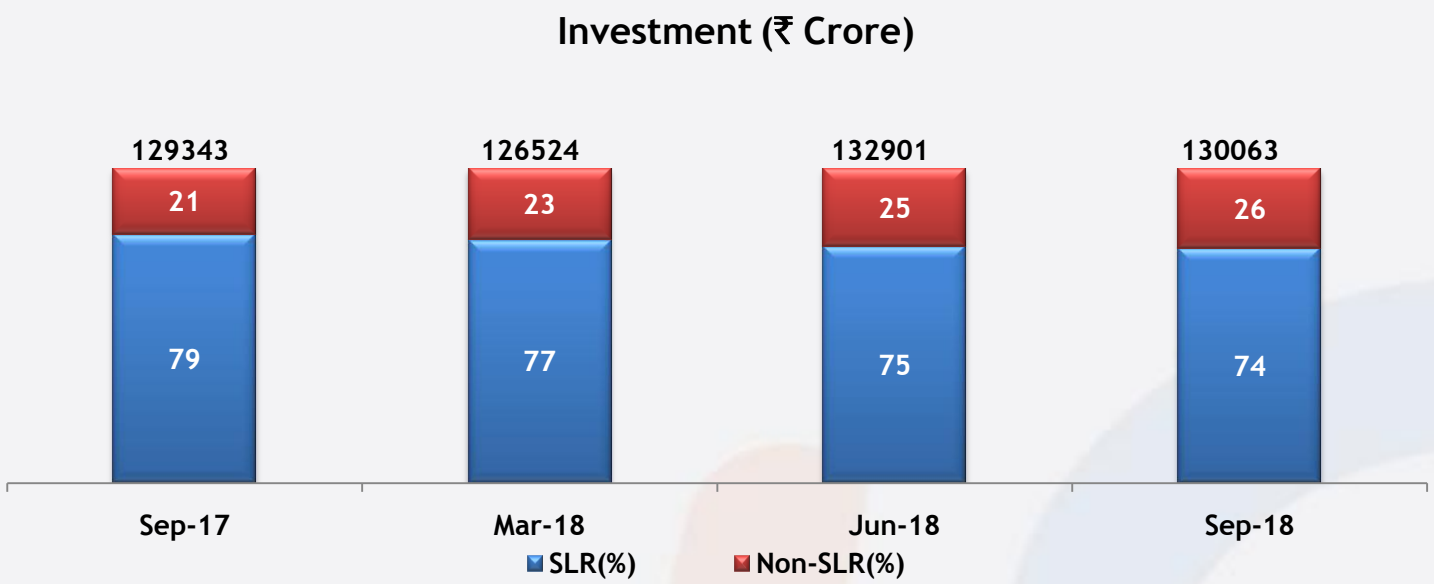
Rated Advances - Lending to higher rated borrowers…



Exposure to NBFCs- Lending to higher-rated NBFCs…



Investments



Particulars	Sept 2018	Duration (Years)	
	(₹ Crore)	Jun-18	Sep-18
Held to Maturity	85694	4.6	4.5
Held for Trading	384	7.1	6.5
Available for Sale	43985	3.1	3.1
Total Investment	130063	4.1	4.1

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Overseas Operations

Business from Overseas Operations					
US $ in billion (₹ crore)	Sep 2017	Jun 2018	Sep 2018	Growth (%)	
				Y-o-Y (US$)	Y-o-Y (INR)
Total Business	6.1 (39932)	3.4 (23527)	2.6 (18764)	-57.4	-53.0
Total Deposits	1.1 (6994)	0.5 (3738)	0.3 (2207)	-72.7	-68.4
Total Advances	5.0 (32938)	2.9 (19789)	2.3 (16556)	-54	-49.7

*1US$ = ₹ 72.517 as on Sep 30, 2018
#1US$ = ₹ 65.285 as on Sep 30, 2017

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Statement of Assets & Liabilities

(₹ crore)

	As at 30.09.17	As at 31.03.18	As at 30.06.18	As at 30.09.18	Growth (%)	
					Y-o-Y	Q-o-Q
LIABILITIES						
Capital	726	1169	1169	1169	61.0	0.0
Reserves and surplus	21882	23928	24091	24243	10.8	0.6
Deposits	386025	408501	405860	399092	3.4	-1.7
Borrowings	57922	45681	47397	44367	-23.4	-6.4
Other Liabilities and Provisions	11021	8127	9538	9349	-15.2	-2.0
Total	**477576**	**487406**	**488055**	**478220**	0.1	-2.0
ASSETS						
Cash and Balances with Reserve Bank of India	21434	21016	17356	18275	-14.7	5.3
Balances with Banks and Money at call and Short Notice	18141	28425	23440	15872	-12.5	-32.3
Investments	128418	123780	130327	127143	-1.0	-2.4
Advances	290850	288761	293099	293011	0.7	0.0
Fixed Assets	3843	3833	3779	3744	-2.6	-0.9
Other Assets	14890	21591	20054	20175	35.5	0.6
Total	**477576**	**487406**	**488055**	**478220**	0.1	-2.0

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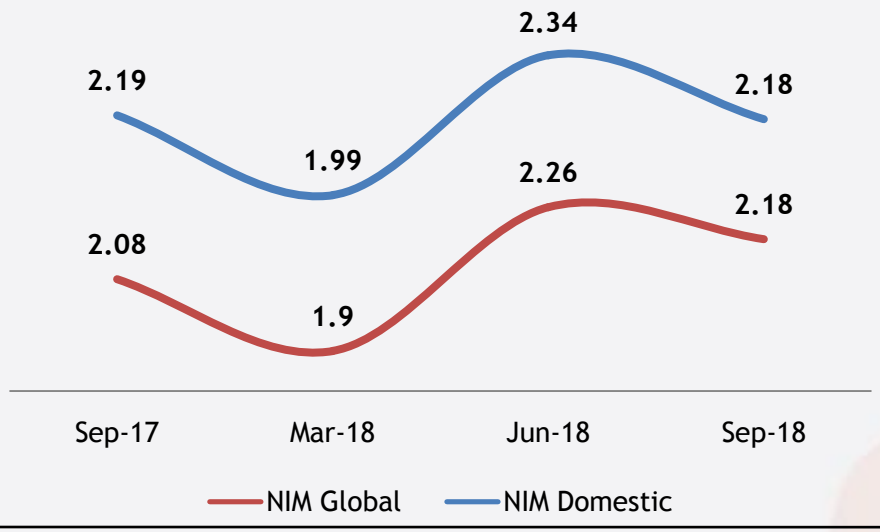
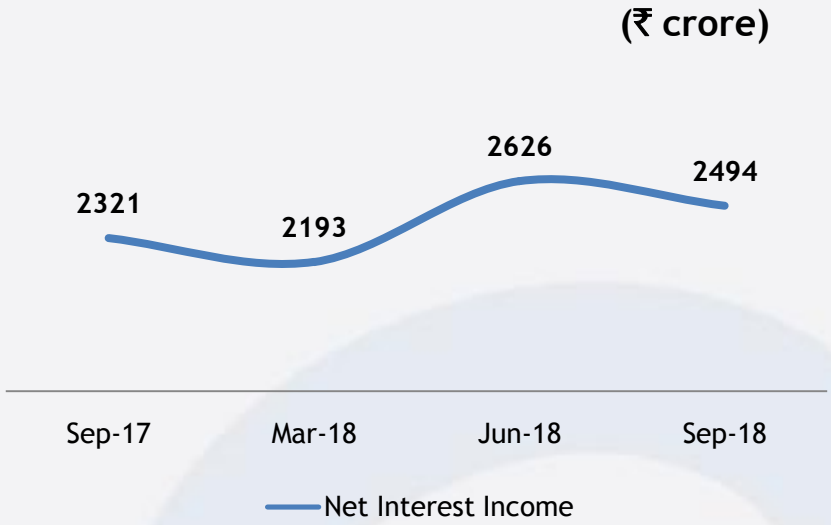
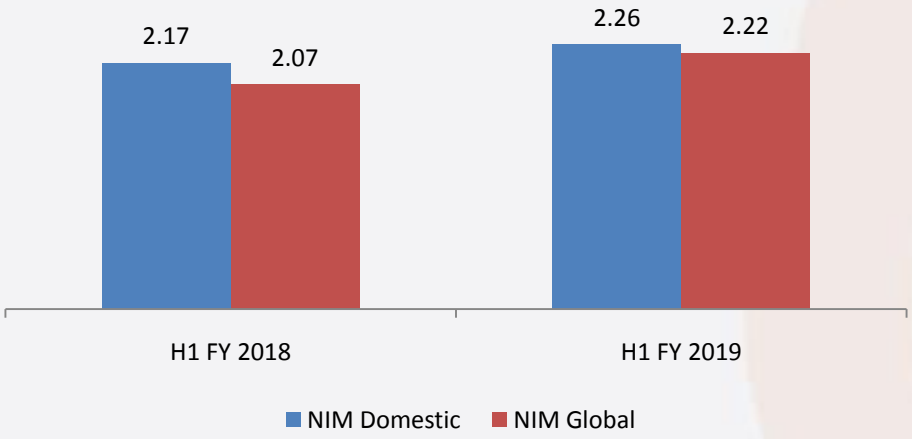
Cost & Yield Ratio

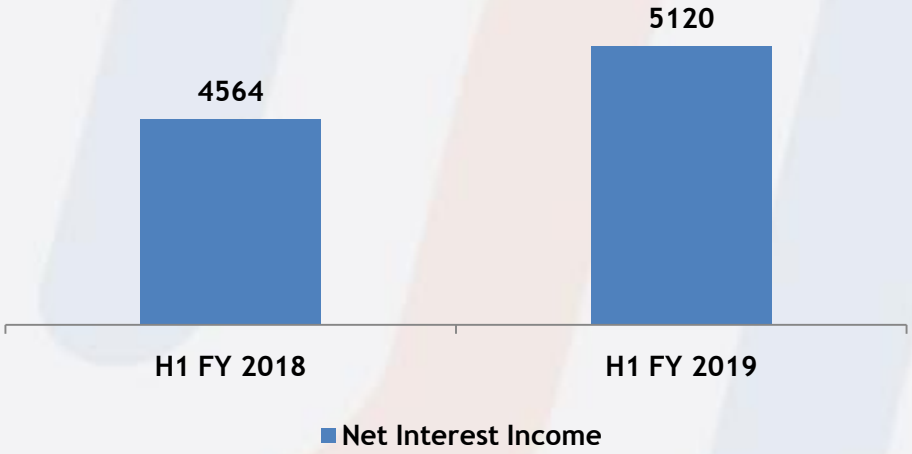
Parameters	Sep-17 (Q2)		Jun-18 (Q1)		Sep-18 (Q2)		H1 FY 2018		H1 FY 2019	
	Domestic	Global	Domestic	Global	Domestic	Global	Domestic	Global	Domestic	Global
Cost of Deposit	5.80	5.71	5.53	5.50	5.54	5.52	5.85	5.77	5.54	5.51
Cost of Funds	5.19	4.89	4.90	4.81	4.98	4.87	5.26	4.96	4.94	4.84
Yield on Advances	8.47	7.91	8.19	7.90	7.96	7.71	8.52	7.97	8.07	7.80
Yield on Investment	6.91	6.85	6.90	6.84	7.17	7.09	6.91	6.86	7.04	6.97
Yield on Funds	7.20	6.81	7.05	6.90	6.99	6.88	7.26	6.88	7.02	6.89

Movement of NIM & NII









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Operating Revenues

Parameters	Sep-17 (Q2)	Mar-18 (Q4)	Jun-18 (Q1)	Sep-18 (Q2)	Growth (%) YoY	Growth (%) QoQ	H1 FY18	H1 FY19	Growth (%)
Interest Income	8223	8112	8701	8539	3.84	-1.86	16376	17240	5.28
Interest Expense	5902	5919	6075	6045	2.42	-0.49	11812	12120	2.61
Net Interest Income	2321	2193	2626	2494	7.45	-5.03	4564	5120	12.18
Other Income	1218	1485	1208	899	-26.19	-25.58	2632	2107	-19.95
Total Income	9441	9597	9909	9438	-0.03	-4.75	19008	19347	1.78
Operating Expenses	1600	1788	1745	1621	1.31	-7.11	3200	3366	5.19
Total Expenses	7502	7707	7820	7666	2.19	-1.97	15012	15486	3.16

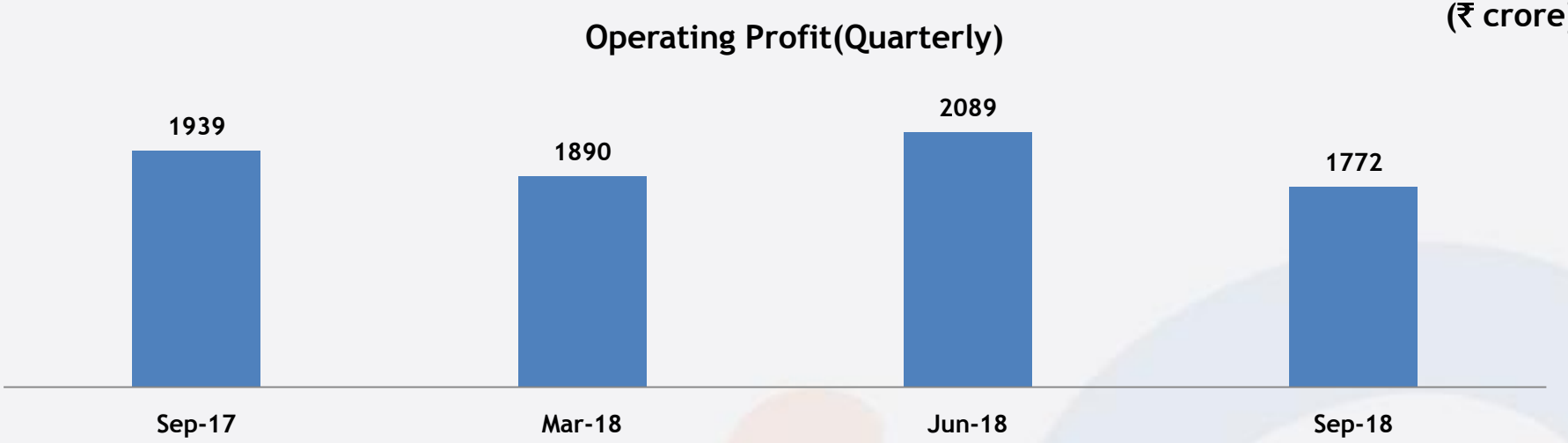
Union Bank of India

Non Interest Income

Parameters	Sep-17 (Q2)	Mar-18 (Q4)	Jun-18 (Q1)	Sep-18 (Q2)	Growth (%) YOY	Growth (%) QOQ	H1 FY18	H1 FY19	Growth (%)
a. Core Non Interest Income	549	1127	707	641	16.79	-9.32	1155	1349	16.76
b. Treasury Income	613	277	288	153	-75.10	-47.06	1402	441	-68.53
W/w • Profit on Sale of Investments	477	132	194	82	-82.85	-57.78	1129	276	-75.59
• Exchange Profit	136	145	95	71	-47.96	-25.14	273	166	-39.30
c. Recovery in Written off Accounts	55	81	212	105	92.28	-50.37	75	317	323.96
Total	1217	1485	1208	899	-26.11	-25.54	2632	2107	-19.93

Operating Profit

(₹ crore)



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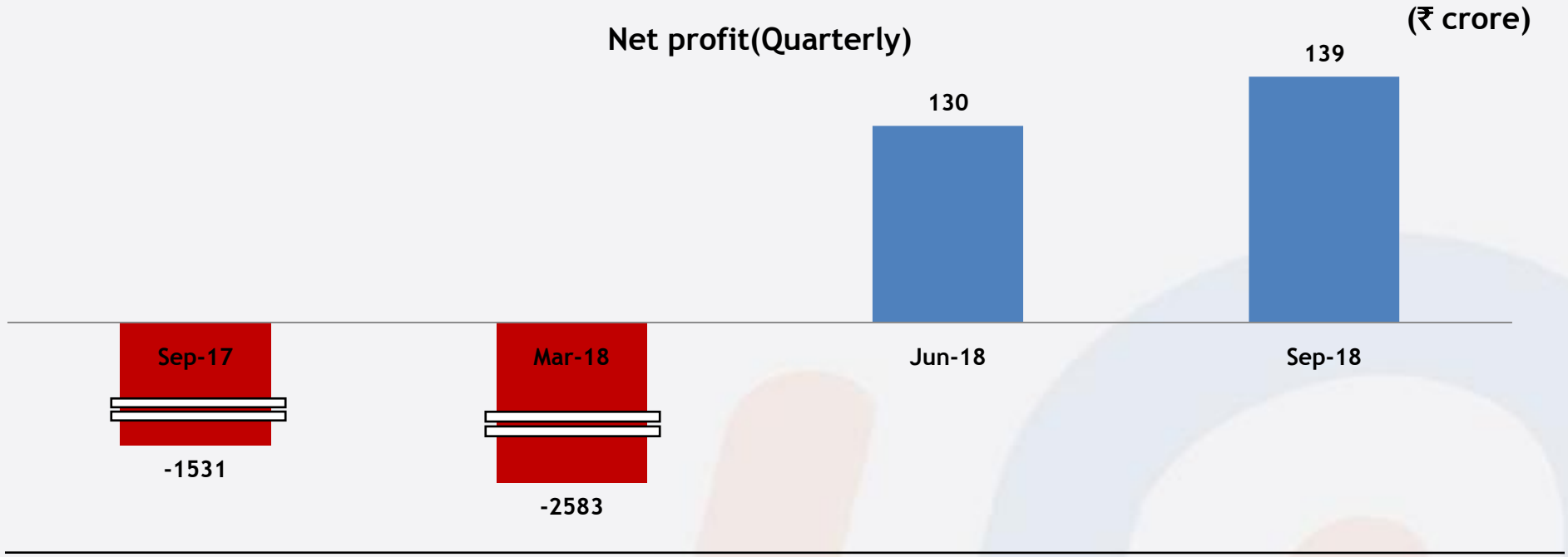
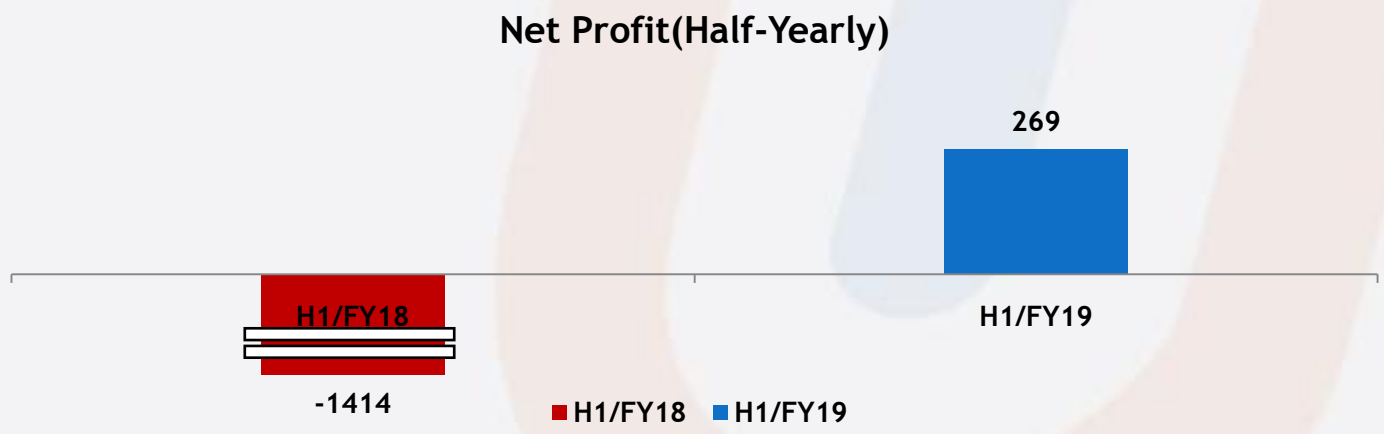
Provisions

(₹ crore)

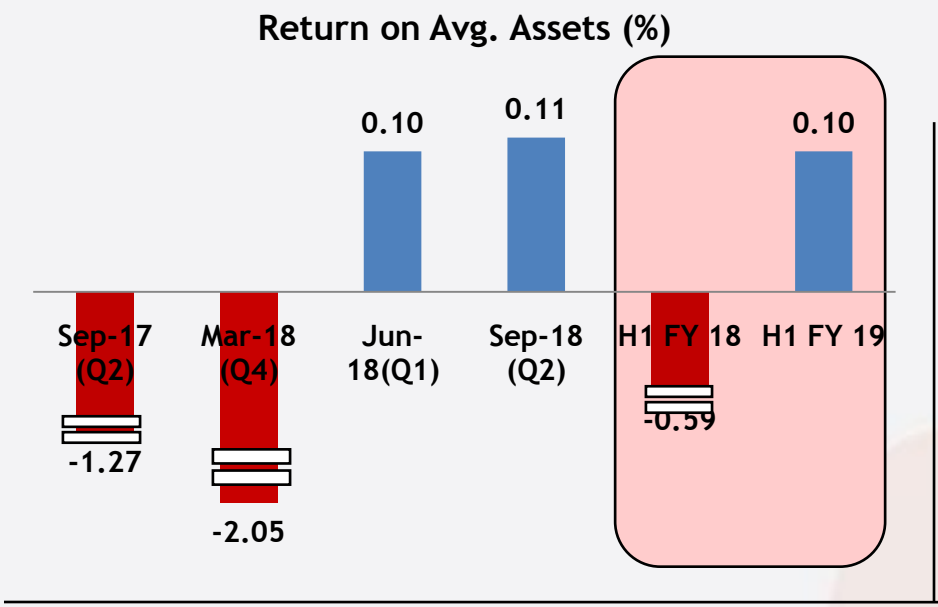
Parameters	Sep-17 (Q2)	Mar-18 (Q4)	Jun-18 (Q1)	Sep-18 (Q2)	H1 FY18	H1 FY19
NPAs	3465	5639	1803	1710	5340	3513
Standard Assets	-20	-737	24	21	-81	45
Depreciation on Investment	166	1120	27	146	-260	173
Shifting Loss	0	0	411	0	367	411
Restructured Advances	-8	-183	-25	-229	-51	-254
Others (FITL etc)	-48	-171	-11	8	-57	-3
Taxation	-85	-1195	-270	-23	151	-293
Total	3470	4473	1959	1633	5410	3592

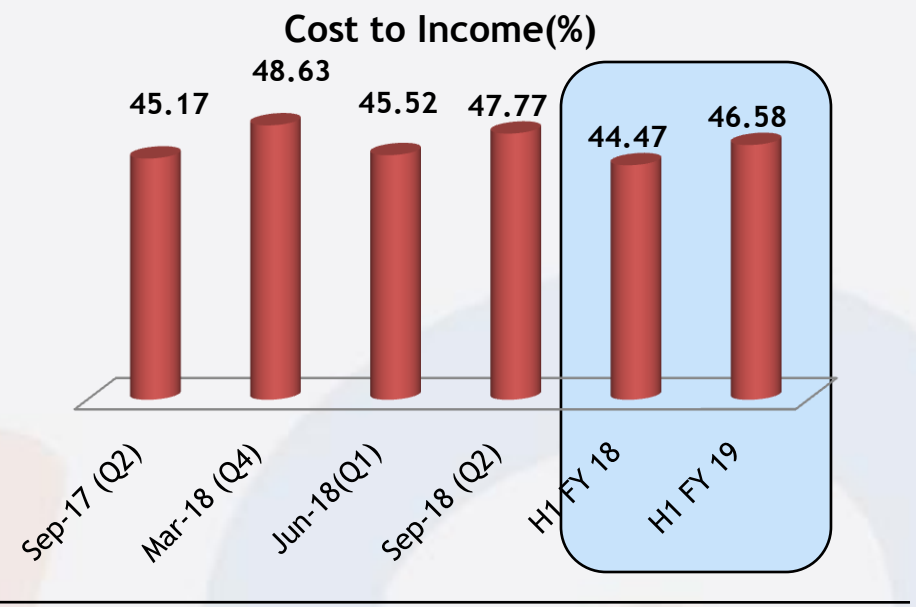
Net Profit


(₹ crore)
Net profit(Quarterly)
Sep-17
-1531
Mar-18
-2583
Jun-18
130
Sep-18
139


Net Profit(Half-Yearly)
H1/FY18
-1414
H1/FY19
269
H1/FY18
H1/FY19

Efficiency/Profitability Ratios





S. No.	Efficiency Parameters	Sep-17 (Q2)	Mar-18 (Q4)	Jun-18 (Q1)	Sep-18 (Q2)	H1 FY 2018	H1 FY 2019
1	Return on Equity (%)	-35.81	-55.92	2.88	3.11	-16.54	3.00
2	Book Value Per Share	244.33	211.66	154.07	153.09	244.33	153.09
3	Earnings per share	-87.50	-29.59	4.43	4.76	-40.42	4.60

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Efficiency Ratios

Sn.	Profitability Parameters		Sep-17 (Q2)	Mar-18 (Q4)	Jun-18 (Q1)	Sep-18 (Q2)	H1 FY 18	H1 FY 19
1	Business per Branch	₹ crore	162.0	167.9	168.4	166.8	162.0	166.8
2	Business per employee	₹ crore	17.1	19.2	19	18.3	17.1	18.4
3	Gross Profit per Branch	₹ crore	1.8	1.8	1.9	1.6	1.9	1.8
4	Gross Profit per Employee	₹ lacs	20.2	20.1	21.9	18.7	20.8	20.3
5	Net Profit per Branch	₹ lacs	-142.6	-240.3	12.0	12.9	-65.9	12.5
6	Net Profit per Employee	₹ lacs	-15.9	-27.5	1.4	1.5	-7.4	1.4

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Asset Quality: Movement in Non Performing Assets

(₹ crore)

Parameters	Sep-17 (Q2)	Mar-18 (Q4)	Jun-18 (Q1)	Sep-18 (Q2)	H1 FY 18	H1 FY 19
Gross NPAs - Opening	37286	40988	49370	50973	33712	49370
Add : Additions	2686	10043	4652	2667	7139	7319
Less : Reductions	1686	1661	3049	3483	2565	6532
1. Recoveries	484	387	1252	1208	812	2460
2. Up-gradation	92	42	371	407	303	778
3. Write Off	1110	1233	1426	1868	1450	3294
Gross NPAs- Closing	38286	49370	50973	50157	38286	50157
Gross NPA (%)	12.35	15.73	16.00	15.74	12.35	15.74
Net NPA	19479	24326	25508	24657	19479	24657
Net NPA (%)	6.70	8.42	8.70	8.42	6.70	8.42
Provision Coverage Ratio(%)	56.06	57.16	56.49	57.66	56.06	57.66
Tangible PCR(%)	49.12	50.73	49.96	50.84	49.12	50.84
Credit Cost (%)	4.58	7.18	2.28	2.15	3.49	2.22

Union Bank of India

Asset Quality: Sectoral

(₹ crore)

Sectors	Slippages During Q2 FY 19	NPAs Sep 2018	Sectoral NPA %		
			Sep-17	Jun-18	Sep-18
Retail Loans	214	1276	2.53	2.65	2.49
Agriculture	784	3533	6.74	6.90	7.62
Micro & Small (MSE)	449	6098	10.71	12.03	12.21
Medium & Large	1220	39258	20.56	23.25	22.82
Total	2667	50157	12.35	16.00	15.74

Union Bank of India

Asset Quality: Sectoral

Scheme	Standard as on Jun 2018		Standard as on Sep 2018	
	Account	Amount (Rs. in crore)	Account	Amount (Rs. in crore)
5:25	12	3452	12	3452
SDR	1	0*	1	0*
S4A	3	126	3	122

*Account is Non-Fund Based

S.N.	Sector #	Outstanding	NPA	Std. Restructured	NPA + Std. Restructured (%)
1	Infrastructure	50478	10811	771	22.9
a.	Power	23009	5686	172	25.5
b.	Roads	7196	1871	577	34.0
2	Iron & Steel	10612	5845	5	57.7
3	Textiles	7621	2135	-	28.0

#Domestic

Particulars (percent to Gross Advances)	Sep-17	Jun-18	Sep-18
Standard Restructured	1.70	0.34	0.41
Impaired Assets Ratio (GNPA + Standard Res)	14.05	16.3	16.1
Net Impaired Assets Ratio (NNPA + Standard Res)	8.40	8.3	8.1

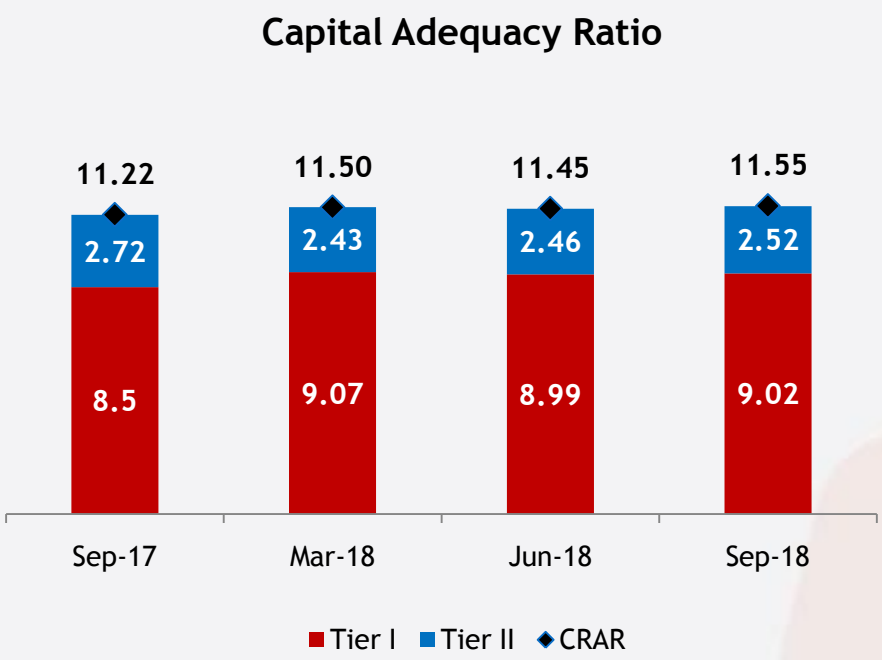
Asset Quality - NCLT I & II

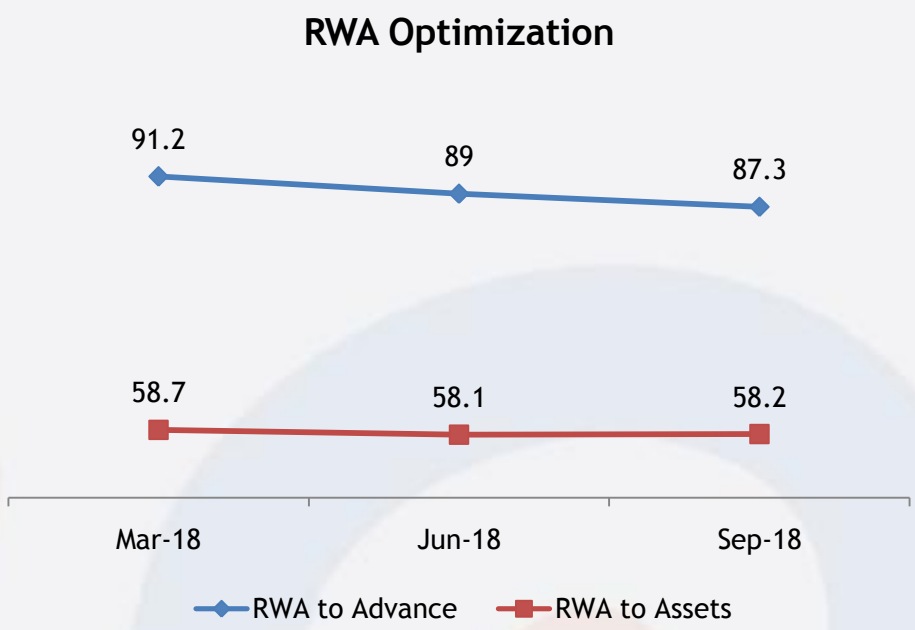
Provision fully provided to Accounts referred to NCLT under IBC 2016

(₹ crore)

	1st list	2nd list	Total
Exposure to number of accounts referred under IBC (as per RBI list)	8	16	24
Loan Outstanding as of Sept 30, 2018	5973	4501	10474
Total Provisions held upto Sept 30, 2018	3743	3096	6839
Provision Coverage Ratio as of Sept 30, 2018	63%	69%	65.3%

Basel III : Capital Adequacy



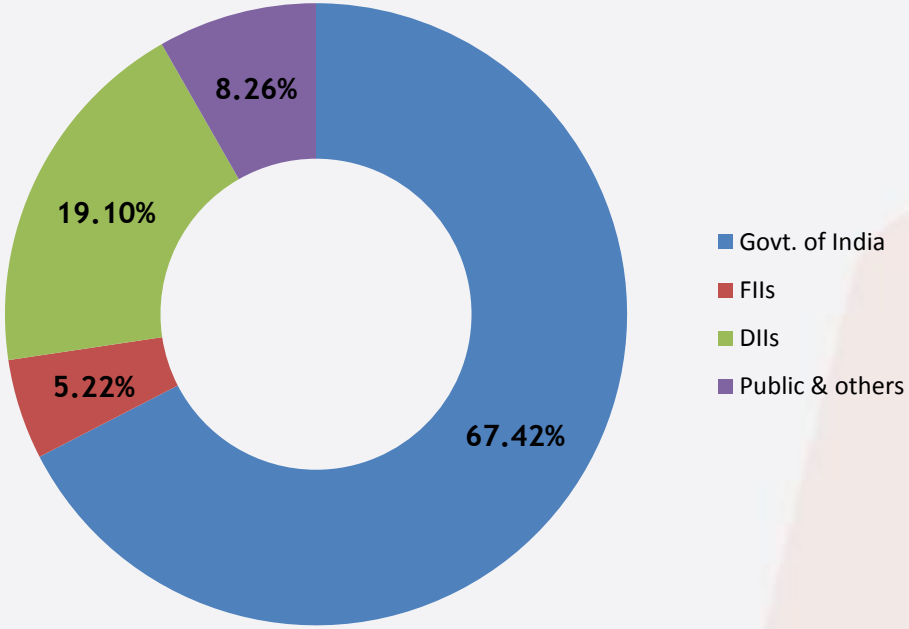


(₹ crore)

Particulars	Sep-17	Mar-18	Jun-18	Sep-18
Risk Weighted Assets	290259	286343	283552	278172
Capital Funds	32567	32939	32472	32119
CRAR-BASEL III (%)	11.22	11.50	11.45	11.55
TIER 1 (%)	8.50	9.07	8.99	9.02
CET 1 (%)	7.00	7.60	7.50	7.54

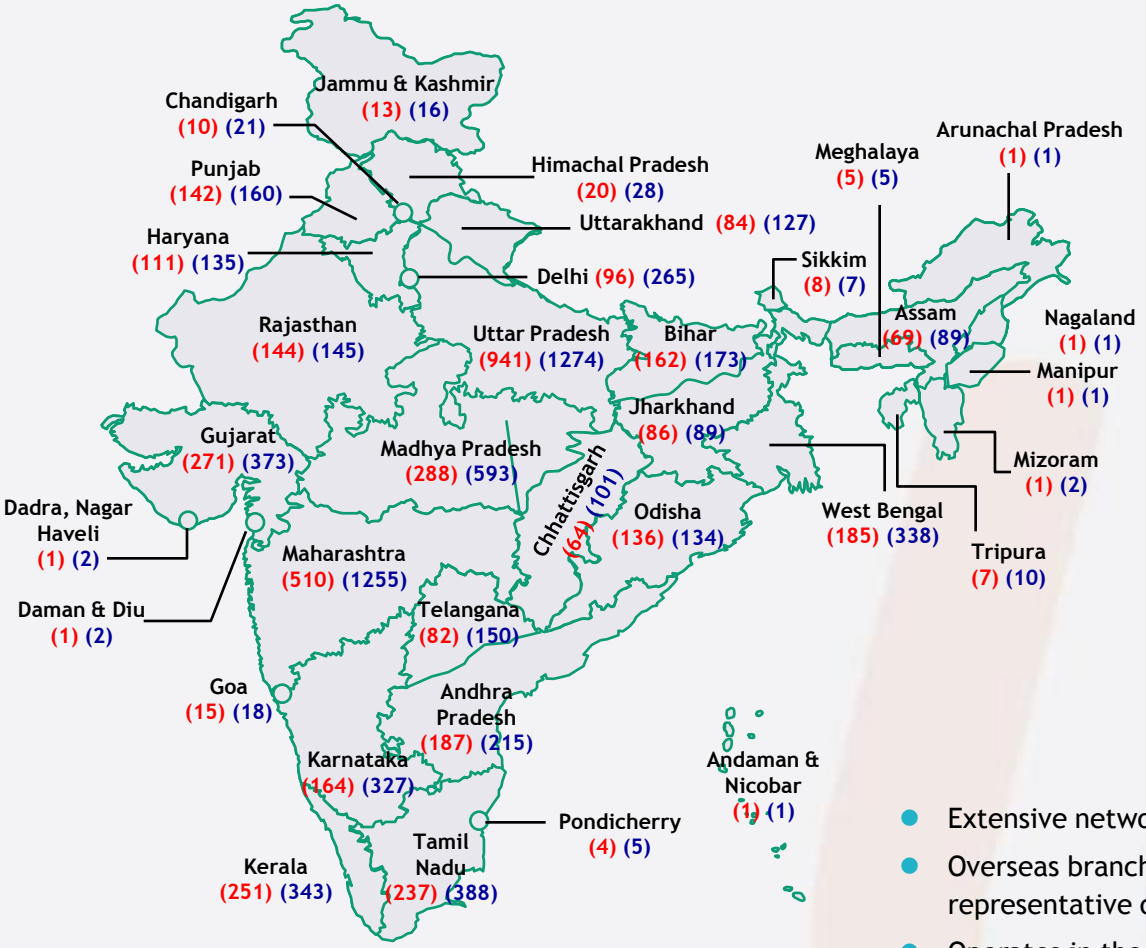
Shareholding Pattern

Sept-18



Share Capital	**₹ 1168.5 crore**
No. of Equity Shares	116.85 crore
Net Worth	₹ 17890 crore
Market Cap	₹ 7683 crore

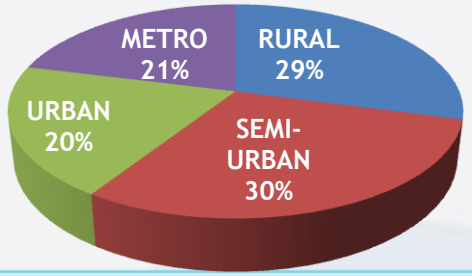
Extensive & specialized distribution network



Domestic Branches (4,299)

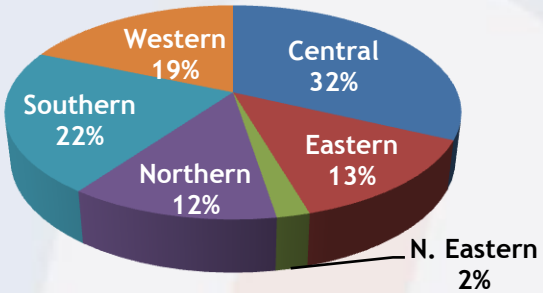
ATMS (6794)
Micro-ATMS (5407)

Branch Distribution by Urbanization



59% branches in rural/semi-urban markets

Branch Distribution by Geography



Geographical diversification minimizes regional risks

- Extensive network across India
- Overseas branches in Hong Kong, Sydney, Dubai and Antwerp, in addition to representative offices in Shanghai, Beijing and 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 Sept 30, 2018.

Financial Inclusion

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	2871
Accounts opened till Sept 30, 2018	92.3 Lakh
Deposits	₹ 1996.3 Crore
RuPay Cards issued	48.2 Lakh
Aadhar Seeding	75.4 Lakh

JAN-DHAN SE JAN SURAKSHA

Pradhan Mantri Suraksha Bima Yojana — 32.4 Lakh

Pradhan Mantri Jeevan Jyoti Bima Yojana — 13.7 Lakh

Atal Pension Yojana — 3.73 Lakh

Financial Inclusion

Total outstanding since inception under Mudra loan:
₹ 6378 crore

Progress under Mudra Yojana April to September 2018 (PMMY)			
Category	No. of Accounts	Sanctioned Amount (₹ crore)	Outstanding Amount (₹ crore)
Shishu (< ₹ 50k)	16531	66	54
Kishor (Above ₹ 50k-5 Lakh)	61602	1311	1105
Tarun (Above ₹ 5 Lakh-10 Lakh)	9800	743	616
Total	**87933**	**2120**	**1775**

Finance to Light Commercial Vehicle under PMMY April-September 2018	
No. of Accounts	Sanctioned Amount (₹ crore)
19899	497

Union Bank of India

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New Initiatives

Strategic Initiatives

Credit Centralization

IFBs & MCBs for corporate loans

Revamped MSME loan processing centre

Revamped Retail loan processing centre

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

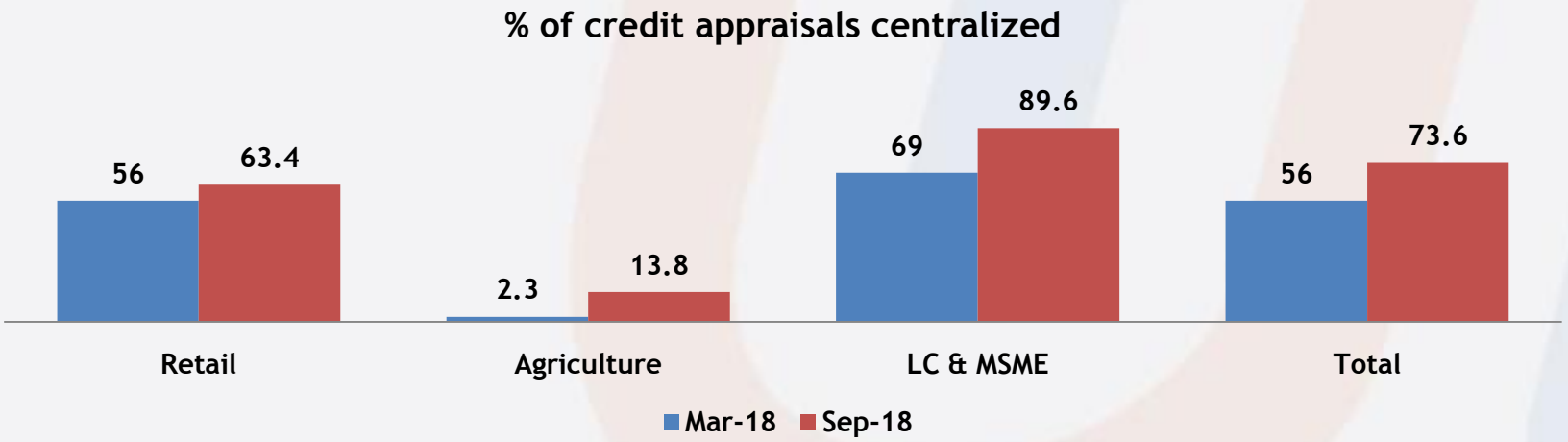
Dedicated marketing teams for assets & liability products

New Initiatives: Centralization-Progress

1.Structure development: Creation of Centralized Processing Centres

Particulars	No of Units (Mar-18)	No. of Units (Sep-18)	Sectors covered
ULP	73	73	Retail (Housing and Mortgage Loan)
USK	4	19	Retail, Agriculture and MSME
SARAL	29	45	MSME, Agriculture (selected segment) and Large Corporate
MCB	13	23	MSME and Large Corporate
IFB	8	8	Large Corporate

2.Centralization in credit appraisals



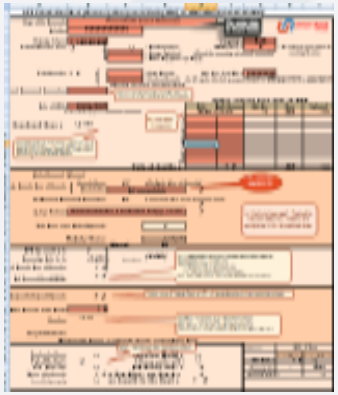
New Initiatives: Monitoring-Progress

1.System based triggers & alerts for classification & identification of action required in stressed assets

	Scope	Purpose
Early Warning Signal	MSME loans above Rs.10 lacs	Helps in identifying incipient weakness in the accounts and taking remedial action

2.Leveraging Technology for recovery

Developed in-house with aim to aid in NPA recovery by Geo tagging of the locations;
Creates a database of NPA borrowers and instant access to the user.



Tool to calculate minimum settlement amount and NPV as per Bank's Recovery policy.

Digital Banking-Initiatives

The Bank has been pioneer in taking various digital initiatives to make its processes more robust and secure……

Chatbot

mPassBook

U Control

U mobile

Union Shayog

- Facilitates easy viewing of the Bank's product offerings in both English & Hindi.
- Single interface for all mobile & web based payment channel.

Tabulous Banking

- Tablet based online saving account opening – liabilities & assets.

Recovery App

- Developed in-house with aim to aid in NPA recovery by Geo tagging of the locations;
- Creates a database of NPA borrowers and instant access to the user.

OTS Calculator

- Tool to calculate minimum settlement amount and NPV as per Bank's Recovery policy.

C-SOC

- State of art security solutions at application level, network level and database level;
- 24*7 monitoring to detect the intrusion and neutralize them

UPI

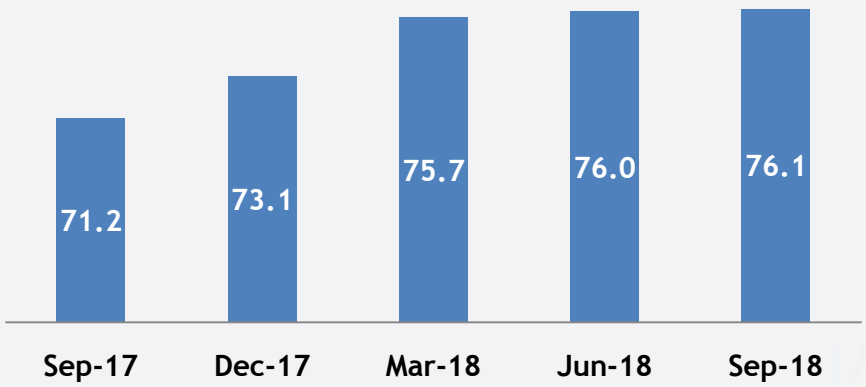
E-Lobby

Digipurse

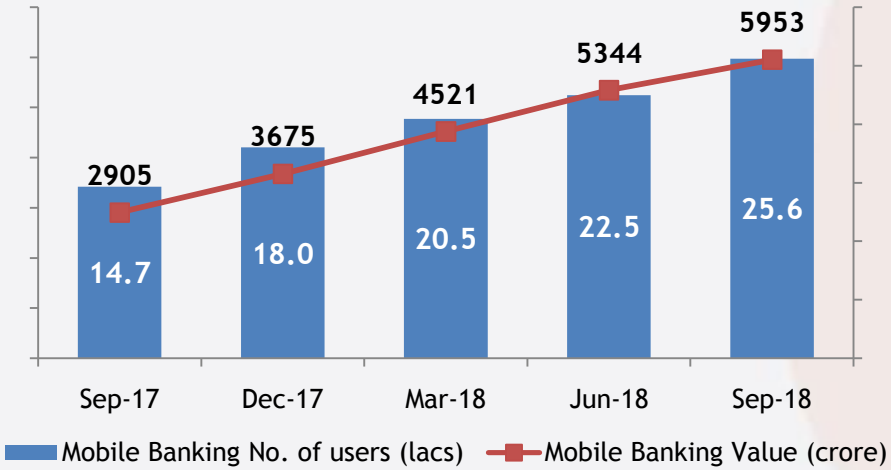
Digital Banking - Progress

Expanding Digital banking base

Transactions through Alternate Channels (In %)



Mobile Banking



Y-o-Y Growth in Digital Banking

Debit cards (No.) grew at 16.9%

Credit cards (No.) grew at 15.5%

PoS Terminals grew at 6.3%

Mobile Banking users grew at 74.1%

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Awards

• SKOCH Order of Merit Award-

World HRD Congress Award
•Best Leadership Development Program Award – in Top Management Category •Best Leadership Development Program Award – in Middle Management Category

UIDAI Award
•"Rising Star Award" – 1st Rank 2018 for best Aadhaar Services

Asia Pacific HRM Congress Award
•Organization with Innovative HR Practices

PRFDA Awards
•Best Performing Bank – APY Formation Day •Best Performing Bank – Quest for Crown

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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