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July 26, 2010

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Exchange Plaza,
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (E)
Mumbai-400 051.

Fax No.66418124/25/26
26598237/38

Dear Sir,

Sub: Union Bank of India's Equity Shares
(Scrip Symbol/Series-UNIONBANK-EQ)-
- Press Release on the Working Results of the
Bank for the quarter ended 30.06.2010

We enclose a copy of Press Release issued by the Bank on its Working Results
for the quarter ended 30th June, 2010.

The above is for your information please.

Thanking you,

Yours faithfully,


(Monika Kalia)
Company Secretary

Encl: as above.

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Quarterly Results June 2010

TABLE OF CONTENTS

		Page No.
1	Major Highlights	2
2	Financial Highlights	3
3	Performance in Brief	3
4	Future Plans	6

JULY 26, 2010

WORKING RESULTS – QUARTER ENDED JUNE 2010

Major Highlights

- ✓ Operating profit for the quarter Q1-11 grew by 32.53 % to Rs.1043 crs as against Rs 787 crs in the corresponding quarter of the previous year. Operating profits for Q1 have grown at CAGR of 25.75% in the last 3 years
- ✓ The Bank registered Net Profit of Rs.601 crs for Q1-11 as against Rs 442 crs in the previous year, a growth of 35.97%. Net Profits for Q1 have grown at CAGR of 38.75% in the past 3 years.
- ✓ NIM of the Bank was at 3.03% for Q1-11 as against 2.32% in the previous year.
- ✓ The Bank's Return on Equity (RoE) was at an impressive 25.71% as of June'10 as against 23.87% in the previous year. Return on Avg. Assets(RoAA) also improved to 1.27 from 1.12 in the previous year.
- ✓ CASA deposits grew by 27.67% to Rs 55845 crs as of June'10 as against Rs 43742 crs in the previous year.

Working Results Overview - Quarter ended June, 2010

		Q1 to Q1 change		
		June'09	June'10	% change
1.0	Total Income	3704	4120	11.23
1.1	Interest Income	3191	3685	15.48
1.1.1	-on advances	2353	2733	16.15
1.1.2	-on investments	815	910	11.66
1.1.3	-on others	23	42	82.61
1.2	Non-Interest Income	513	435	-15.20
2.0	Total Expenses	2917	3077	5.49
2.1	Interest Expenses	2374	2338	-1.52
2.1.1.	-Deposits	2216	2194	-0.99
2.1.2	-Others	158	144	-8.86
2.2	Other Expenses	543	739	36.10
2.2.1	-Establishment	301	435	44.52
2.2.2	-Others	242	304	25.62
3.0	Interest Spread	817	1347	64.87
4.0	Operating Profit	787	1043	32.53
5.0	Provisions	345	442	28.12
6.0	Net Profit	442	601	35.97

Performance in Brief

Business:

- o The Bank achieved a domestic business-mix of Rs. 291938 cr. as on 30th June'10, a growth of 22.92%, as against Rs 237506 crs in the previous year.
- o Global business-mix reached a level of Rs. 296227 cr. as on 30th June'10.
- o The Bank's domestic deposits as on 30th June'10 reached a level of Rs. 171080 crs from Rs. 143498 crs as on 30th June'09, an increase of 19.22%. The Bank's CASA deposits grew by 27.67% to 55845 crs as on 30th June'10 from Rs. 43742 crs in the previous year.

- Gross domestic advances of the Bank reached a level of Rs. 120858 crs as on 30th June'10, registering an increase of 28.57% over 30th June'09.
- MSME advances grew by 42.94% to Rs. 22203 crs as on 30th June'10 from Rs 15533 crs in the previous year. Bank's Retail advances grew by 36.05% YoY to Rs.14359 crs from Rs.10554 crs in the previous year. Home Loans grew by 22.93% to Rs 8463 crs from Rs 6884 crs in the previous year. Educational loans portfolio of the Bank grew by 30.97% YoY to Rs.1366 crs as on 30th June'10 from Rs 1043 crs in the previous year.

Capital & Net Worth:

- The Bank's Capital Adequacy Ratio (CRAR) is at 12.59% as on 30th June 2010 as per Basel II.
- The Bank's Net Worth increased by 26.30% and stood at Rs. 9358 crore as on 30th June'10 as compared to Rs. 7409 crore in the previous year.

Financial Performance (Quarterly):

- The Net Interest Margin of the Bank stood at 3.03% for the quarter ended 30th June'10 as against 2.32% in the corresponding period of the previous year.
- The Bank's Net Interest Income increased from Rs. 817 crs for the quarter ended June'09 to Rs. 1347 crs as of June'10, a growth of 64.87% YoY.
- Operating expenses were at Rs. 739 crs for the quarter ended June'10 as against Rs. 543 crs in the corresponding period of the previous year.
- Cost to Income Ratio is at 41.45% as of 30th June'10 from 40.81% in the corresponding period of the previous year.
- The Cost of Funds decreased to 4.95% from 6.02% in the previous year. Cost of deposits also decreased to 5.31% from

6.47% in the previous year. While the yield on advances decreased to 9.37% from 10.30% in the previous year, yield on funds decreased to 7.80% from 8.09%.

- o Return on Average Assets (ROA) was at 1.27% as on 30th June'10 as against 1.12% in the previous year.
- o Return on Equity is at 25.71% as on 30th June'10 as against 23.87% in the previous year.
- o EPS and Book value showed improvement to Rs. 47.63 and Rs. 185.25 as on 30th June'10 from Rs. 35.02 and Rs. 146.68 respectively in the previous year.

Asset Quality:

- Gross NPAs increased to Rs. 2736 crore as on 30th June, 2010 from Rs. 1874 crore as on 30th June, 2009.
- The ratio of the Bank's Gross NPAs to Gross Advances is at 2.19% as on 30th June 2010 in comparison to 1.95% as on 30th June 2009.
- Net NPAs increased to Rs. 1150 crore as on June'10 from Rs. 677 crore as on June'09.
- The ratio of Net NPAs to Net Advances is at 0.94% as on 30th June 2010 as against 0.72% as on 30th June 2009.
- The provision cover for NPAs as on 30th June 2010 was at 71.12% as compared to 92.67% as on 30th June 2009.

EMPLOYEE PRODUCTIVITY

- o Business per Employee increased to Rs. 1004 lacs as of 30th June'10 from Rs. 805 lacs in the previous year.
- o Gross Profit per Employee increased to Rs. 15.12 lacs as of 30th June'10 from Rs 11.31 lacs in the previous year.

FUTURE PLANS

- The Bank aims for a deposits growth of approx. 22% and advances growth of 25% for 2010-11.
- Bank targets CASA Ratio of 35% by 31st March 2012.
- Return on Equity to be 25.00% and Return on Average Assets to be 1.25% by 31st March 2011.
- Transaction through electronic mode to reach 50% of total transactions by 31st March 2011.
- Bank will endeavour to reign in Gross NPAs below 2.10% by 31st March 2011.

PRESS RELEASE

Released on behalf of Union Bank of India by:-
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