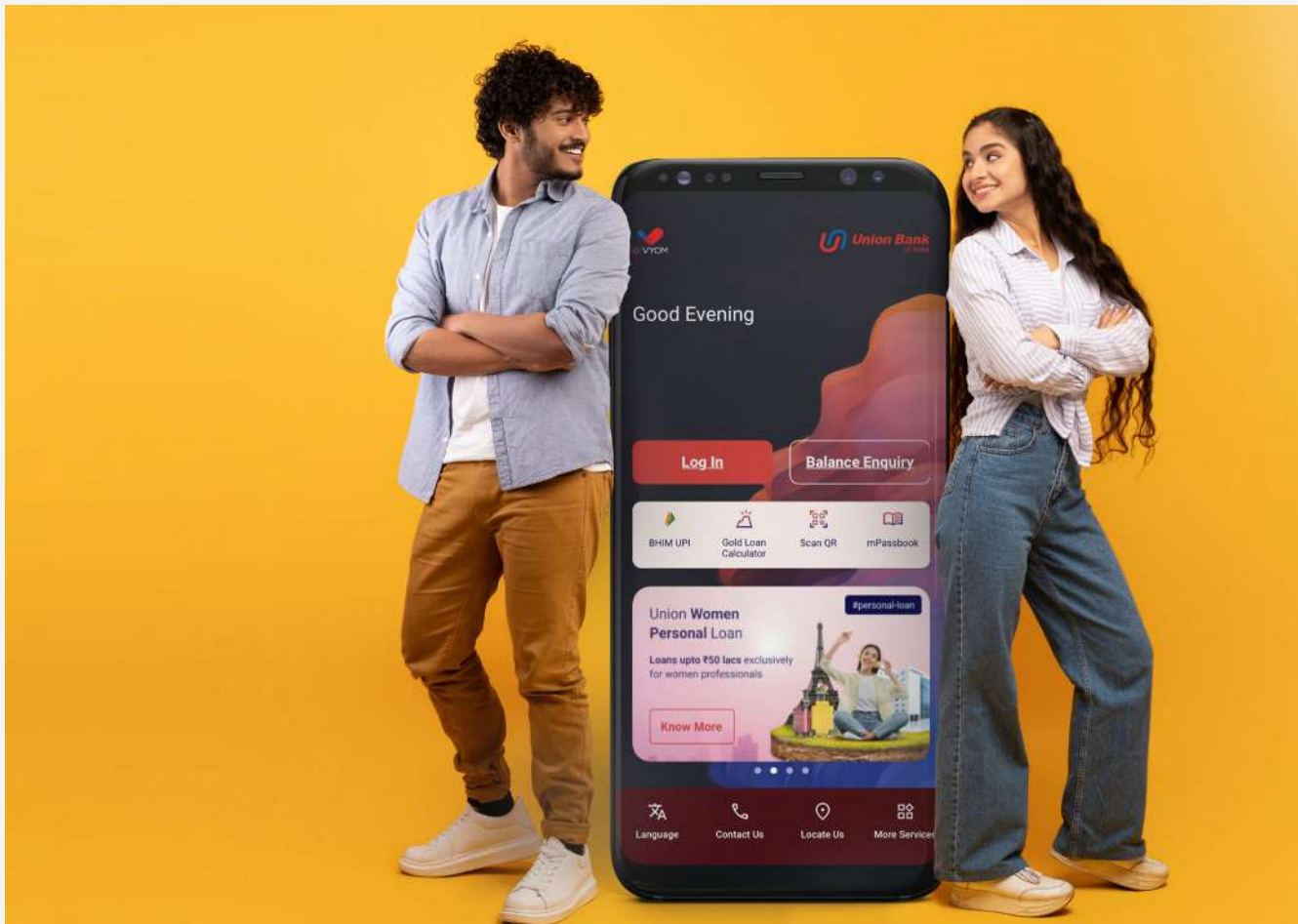


Responsible Manufactured Capital

# *Advancing Financial Solutions to Create Value*



» **UNSDGs:**



» **Strategy Blueprint:**



» **Business Model Components:**



» **Material Issues:**

11, 12, 13, 19, 29, 43



Union Bank of India's manufactured capital is a cornerstone of our commitment to sustainability and digital prowess. By offering a comprehensive range of banking products and services, we empower individuals, households, businesses, and corporations to achieve their financial goals. Our focus on financial inclusion, green banking practices, and technological advancements enables us to play a significant role in India's journey toward a prosperous, sustainable, and digitally empowered future. As we continue to innovate and adapt to changing needs, Union Bank of India remains dedicated to creating long-term value for our stakeholders while contributing to the nation's growth as a global leader in clean energy and digital innovation.

As a financial institution committed to sustainability and driven by digital prowess, Union Bank of India is dedicated to fostering the growth of a digital and aspirational India, while championing the country's journey to net-zero emissions. In line with our core values, we recognize the importance of manufactured capital in creating long-term value for our stakeholders and contributing to India's path toward becoming a global leader in clean energy and digital innovation. This chapter delves into Union Bank's comprehensive range of services and solutions across various segments, highlighting our commitment to financial inclusion, green banking practices, and technological advancements that enable us to serve our customers effectively and contribute to a prosperous, sustainable, and digitally empowered future.

**Responsible Manufactured Capital****Advancing Financial Solutions to Create Value****What we do: Services & Solutions**

Union Bank of India offers a wide array of banking products and services that cater to the diverse needs of our customers. Our operations are organized into four segments: Treasury Operations, Retail Banking Operations, Corporate and Wholesale Banking, and Other Banking Operations. Through these segments, we provide a comprehensive suite of financial solutions encompassing various areas such as savings and current accounts, deposits, loans, insurance products, investment options, and international banking services.

**Retail Banking Operations:**

Our retail banking operations cater to individual customers and households, providing various products and services designed to meet their financial requirements. We offer savings and current accounts, term and recurring deposits, demat and online trading accounts, and a variety of retail loans, including home loans, vehicle loans, education loans, and personal loans. Additionally, we extend loans against property and provide financial products specifically tailored for micro, small, and medium enterprises. Our retail banking portfolio also includes mutual funds, life and non-life insurance products, health insurance plans, general insurance policies, and tax-saving deposits. Furthermore, we offer government savings schemes, tax collection services, pension products, and departmentalized ministries accounts.

**Corporate and Wholesale Banking:**

Union Bank's corporate and wholesale banking segment caters to the financial needs of corporate clients, businesses, and large enterprises. We provide a comprehensive range of corporate loans, including Covid

emergency line of credit, trade finance solutions, working capital financing, project financing, channel finance, and debt structuring/restructuring. Our expertise extends to services such as loan syndication, structured finance, mergers and acquisitions advisory, and private equity services. We also offer cash management, export and import finance, foreign exchange, derivatives, and NRI banking services. Moreover, we provide treasury products and services, remittance services, and support for international trade through our global network.

**Other Banking Operations:**

In addition to our core banking operations, Union Bank of India engages in various other banking activities to cater to specific needs and markets. We offer a range of digital banking services, including app banking, internet banking, self-service banking, ATM banking, and SMS banking. Our point-of-sale terminals and immediate payment services contribute to our customers' convenience and ease of transactions. Furthermore, we provide a comprehensive suite of cards, including combo cards, debit cards, credit cards, gift cards, prepaid cards, and payroll cards, to meet diverse payment needs.

**International Presence:**

Union Bank of India's commitment to global engagement is evident through our international presence. We have three branches overseas located in Hong Kong, Dubai International Financial Centre (UAE), and Sydney (Australia). Additionally, we maintain a representative office in Abu Dhabi (UAE), a banking subsidiary in London (UK), four Para banking subsidiaries within India, two joint ventures (including one in the life insurance business), and one associate company - Chaitanya Godavari Gramin Bank.

**₹19.28** trillionTotal business turnover as of March 31, 2023  
(Deposits and Advances)**15.12%**

Year-on-year growth in mid corporate segment

**42.31%**Your Bank's achievement in priority sector  
advances**₹11,17,716** crore

Total global deposits with your Bank

**17.19%**

Year-on-year growth in retail loans

**43.55%**Growth in the gross advance portfolio of  
foreign branches**35.26%**Percentage of CASA deposits out of  
total deposits**18.97%**Your Bank's performance in the agriculture  
priority sector

## Branch Network: Expanding Horizons through Diverse Markets

### Customers

21.67 crore

### Domestic Branches

8,577 / Overseas  
Branches: 3

### ATM's in Service

10,835

### Business Correspondent Points

17,000+

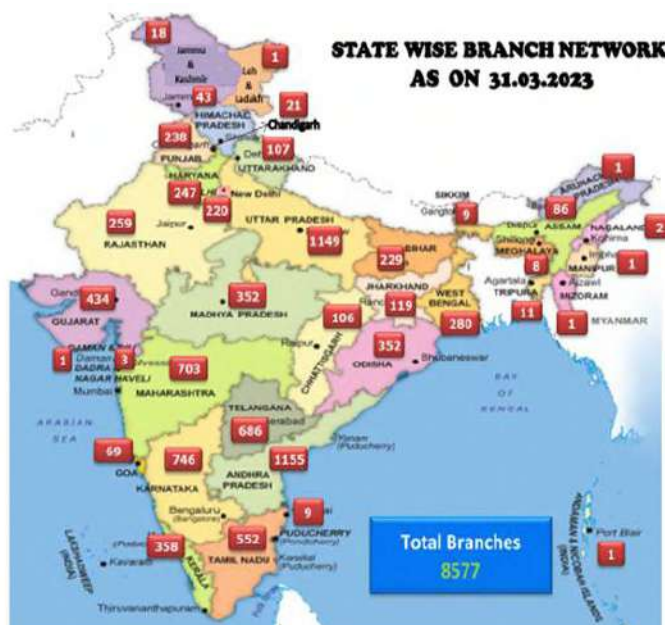
Union Bank of India boasts an extensive branch network that spans the country, solidifying our commitment to serving customers from diverse regions. As of March 31, 2023, our Bank operates 8,577 branches in India and maintains a presence in three overseas locations: Hong Kong, Sydney, and Dubai International Financial Centre (DIFC). Notably, 59 percent of our branches are strategically located in rural and semi-urban centres, allowing us to cater to the financial needs of individuals and businesses in underserved areas.

In the pursuit of operational efficiency and enhanced customer experience, we continuously assess our branch network. During FY2023,



we rationalized 292 branches while converting 81 branches from traditional branches to Customer Point Centres (CPC). These strategic decisions enable us to optimize resources and provide more streamlined services to our customers. Additionally, in line with our expansion plans, we opened 80 new branches during the same fiscal year, extending our reach to areas where our presence can make a meaningful impact.

*By strategically locating our branches and evolving our service offerings, we aim to empower communities, foster economic growth, and contribute to realising a sustainable and digitally empowered India.*





## Responsible Manufactured Capital

### Advancing Financial Solutions to Create Value

#### Resource Management

Union Bank of India has achieved a remarkable milestone in its business performance during FY2023, with the total business figure reaching ₹ 19.28 trillion. As of March 31, 2023, your Bank's total business grew to ₹ 19,27,621 crore, driven by the robust management of resources. Total deposits stood at ₹ 11,17,716 crore, with CASA deposits accounting for 35.26%. The composition of deposits reveals that saving deposits reached ₹ 3,20,075 crore, while current deposits stood at ₹ 73,980 crore. To enhance resource management, Union Bank of India implemented key initiatives during the fiscal year:

1. Established a Corporate Salary Division, resulting in a 26.55% growth in the salary portfolio.
2. Current Deposits Sub-vertical: Introduced a dedicated focus on current deposits.
3. Customer Segmentation and Premium Accounts: Implemented customer segmentation strategies, including SBHNI Prime for affluent individuals.
4. Special Account for Minors: Launched Union Muskaan, a unique account for newborns and minors, promoting savings habits and providing free term insurance.
5. Specialized Branch for Bulk Deposits: Identified 233 branches to handle bulk deposits, enabling other branches to focus on retail term deposits and CASA portfolio.
6. Special Deposit Schemes for Retail Term Deposits: Introduced term deposit schemes in various durations, gathering approximately ₹ 1,00,000 crore from 20,46,357 accounts.
7. Collaboration with Indian Navy and Naval Dockyard Mumbai: Signed MOUs to open salary accounts for Navy personnel and Naval civilians.
8. NRI Engagement and Back Office Support: Conducted "Pravasi Hamara Gaurav" drive, organizing 77 NRI meets, and established an NRI back office in Mangalore for efficient customer support.
9. Deployment of Relationship Managers: Placed relationship managers at regional offices and other centres to offer personalized services to top clients and HNI customers.

#### Corporate Credit

Union Bank of India actively participates in corporate credit, catering to the needs of large corporations and investment-grade projects. As of March 31, 2023, the corporate and other advances stood at ₹ 3,73,188 crore.

Fourteen Industrial Finance Branches (IFBs) and Fifty-Six Mid Corporate Branches (MCBs) nationwide provide specialized services to our corporate clientele. Your Bank ensures judicious disbursements to investment-grade projects, contributing to the growth opportunities in the Indian economy and its global linkages.

*Your Bank actively supports corporate growth, with ₹ 3,73,188 crore in corporate and other advances, fostering investment-grade projects and contributing to India's economic opportunities and global linkages.*

#### Mid-Corporate

Union Bank has achieved significant growth in its mid-corporate segment, with a year-on-year growth of 15.12%. During FY2023, your Bank approved 171 new business proposals amounting to ₹ 21,615 crore. The final sanction was accorded in 64 accounts totalling ₹ 7,704 crore, and enhancements were provided in 165 accounts amounting to ₹ 7,977 crore. To increase non-interest income, your Bank enhanced the NFB limit (Off-Balance Sheet exposure) in 91 accounts, totalling ₹ 3,000 crore.

*Mid-corporate segment thrives at Union Bank, achieving a remarkable 15.12% year-on-year growth. We approved ₹ 21,615 crore in new business proposals, providing financial support to fuel growth and enhance non-interest income.*





## MSME

Union Bank of India is committed to supporting Micro, Small, and Medium Enterprises (MSMEs). To address their credit requirements, your Bank has launched 80 additional Union MSME First Branches (UMFBs) during FY2023, bringing the total number of specialized branches to 105. These branches cater to the MSME client base and have a portfolio size of ₹ 9,000 crore. Additionally, your Bank launched a specialized Start-up Branch in Bangalore to specifically serve the needs of start-ups.

*Your Bank's commitment to MSMEs shines through our specialized branches. With 105 Union MSME First Branches and ₹ 9,000 crore in portfolio size, we empower small businesses and startups, driving growth and supporting their credit requirements.*

Your Bank has established a dedicated "Centralized Guarantee Cell" to enhance efficiency and focus on credit guarantee schemes. This structure allows for a more streamlined approach, freeing up field functionaries for marketing

activities and business growth. To ensure timely compliance, your Bank created an in-house portal called "Credit Guarantee Management Solutions (CGMS)" that facilitates seamless activities related to obtaining guarantee coverage under various schemes. Your Bank became the first in the industry to have API integration with CGTMSE for fresh guarantee coverage. The Guarantee Cell handles guarantee coverage schemes such as CGTMSE, CGFMU, CGSSI, ECLGS, PMSVanidhi, and CGSSS.

## Retail

Union Bank of India has achieved significant growth in retail loans, with an overall year-on-year growth of 17.19%. Your Bank offers a range of retail lending products, and the Y-o-Y growth for each scheme is as follows:

- » Home loans: 10.84%
- » Miles (auto loans): 30.63%
- » Education loans: 24.10%
- » Mortgage loans: 13.49%
- » Personal loans: 91.54%
- » Others: 10.71%

The total retail advance, including pre-shipment and post-shipment credit, reached ₹ 1,60,595 crore, exhibiting a growth of ₹ 23,429 crore over the previous year. Pan India, Retail Lending Points (CPCs) sanctioned retail loans amounting to ₹ 32,375 crore during FY2023.

*Your Bank excels in retail lending, witnessing an impressive year-on-year growth of 17.19%, with a total retail advance of ₹ 1,60,595 crore.*

## Responsible Manufactured Capital

### Advancing Financial Solutions to Create Value

To cater to diverse customer needs, Union Bank of India introduced several new initiatives in retail lending. These initiatives include the creation of separate schemes for special education loans for studying abroad and premier medical institutes (Union Medicos). Dedicated education loan officers were earmarked as single-point contacts for education loans, and a separate retail gold loan scheme for education loans was introduced. Your Bank also launched digital education loans for studies in premier institutes and Union Suraksha Personal Loan to finance credit life premiums. Additionally, your Bank empanelled UBISL as a CSA (Customer Service Associate) for canvassing education loan leads and integrated Maruti Suzuki with your Bank's Lending Automation System (LAS) for streamlined loan processing.

## Wealth Management and Relationship Banking

Union Bank of India actively engages in wealth management, generating income by distributing third-party products. In FY2023, your Bank earned an income of ₹ 353.36 crore from the distribution of third-party products.

Your Bank's wealth management initiatives include corporate tie-ups with Nippon India Mutual Fund and LIC Mutual Fund to expand the business under the mutual fund segment. Select insurance products from SUD Life, Care Health, and Manipal Cigna were onboarded on the VYOM app for purchase through digital channels. Mutual fund investments through the VYOM app were made live, offering convenient access to customers. Your Bank also introduced a personal loan scheme for premium funding of credit life insurance policies.

*Our strategic partnerships with Nippon India Mutual Fund, LIC Mutual Fund, and others enable convenient access to select insurance products and mutual fund investments through the VYOM app, offering comprehensive financial solutions.*

New products launched during the year include the 'UNICARE' policy from Bajaj Allianz General Insurance Company, catering to the needs of HNI customers. Manipal Cigna's cancer plan for women, "PINK Health," was also introduced. Additionally, Chola Farmer Care Package, a Chola MS policy, compensates farmers for property losses, accidents, and loan protection.

Union Bank of India has collaborated with fintech companies to enhance digital services. M/s. Fintech Blue Solutions Pvt Ltd is working on developing a digital platform, and SUD Life, Care Health, and Manipal Cigna are already operating on the VYOM app. Other channel partners are in the process of being onboarded. M/s. Finwizard Technologies has developed a digital platform for mutual funds, successfully running on VYOM. A branch portal for mutual funds is also under development, streamlining operations and customer access.

Additionally, your Bank developed an online redemption option for Sovereign Gold Bonds.







## Agriculture

Agriculture lending remains a top priority for Union Bank of India. As of March 31, 2023, agriculture advances accounted for 17.77% of your Bank's gross advances. Your Bank's performance in the agriculture priority sector surpassed the statutory target, reaching 18.97%. Additionally, your Bank sold a surplus of ₹ 15,450 crore under the PSLC-Small & Marginal Farmer category.

*Agriculture lending remains a priority for Union Bank, achieving a remarkable 14.20% year-on-year growth. With a strong commitment to supporting farmers and rural communities, our outstanding agriculture advances reached ₹ 1,51,993 crore, exceeding the statutory target. We issued 4.11 lakh fresh Kisan Credit Cards, empowering small and marginal farmers and driving growth in the agriculture priority sector.*

In FY2023, Union Bank registered a year-on-year growth of 14.20% in agriculture lending, with an outstanding amount of ₹ 1,51,993 crore as of March 31, 2023. Notably, credit to small and marginal farmers stood at ₹ 95,171 crore, accounting for 13.33% of the Adjusted Net Bank Credit (ANBC) against a benchmark of 9.50% of ANBC. Your Bank issued 4.11 lakh fresh Kisan Credit Cards, totalling ₹ 6,896.45 crore during the fiscal year.

## Priority Sector Advances

Union Bank of India is committed to providing credit facilities to underserved segments of society. Your Bank's priority sector advances reached ₹ 3,02,006 crore as of March 31, 2023. This achievement accounts for 42.31% of the Adjusted Net Bank Credit (ANBC) for the quarter, surpassing the statutory target of 40% after excluding PSLC sales and including investments in RIDF/SIDBI/MUDRA/NHB.

## International Banking

Union Bank of India has expanded its presence in international banking. As of March 31, 2023, your Bank's overseas business stood at ₹ 36,229 crore, compared to ₹ 17,429 crore in the previous year. Your Bank operates three overseas branches in Hong Kong, DIFC Dubai, and Sydney (Australia). It also operates in London, United Kingdom, through its wholly owned subsidiary, Union Bank of India (UK) Ltd, and has a joint venture with Bank of Baroda and Indian Overseas Bank called India International Bank Malaysia Berhad in Kuala Lumpur (Malaysia). The foreign branches experienced a 43.55% growth in the gross advance portfolio and a 7.46% growth in operating profit during FY2023.

## Treasury Operations

Union Bank of India's treasury operations focuses on prudent liquidity management to generate optimal profit while managing credit, market, and liquidity risks according to policy guidelines. Your Bank aims to improve cash management through short-term money market instruments and forex market activities. By maintaining a well-balanced SLR (Statutory Liquidity Ratio) and a non-SLR investment book with appropriate M-duration, your Bank aims to enhance profitability and conserve capital. During FY2023, the treasury department achieved the targets for interest income, profit on the sale of investments, and exchange profit.