

Managing Director's Message



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A. Manimekhalai
Managing Director & CEO

Dear Esteemed Shareholders,

I am delighted to present to you an overview of Bank's accomplishments and financial performance for the fiscal year 2022-23. In the face of significant global challenges, the fiscal year has proven to be a season of opportunities for both the Indian economy and the banking sector at large. The Bank's resilience, adaptability, and commitment to core values have been instrumental in shaping Union Bank of India into a stronger and more robust entity, mirroring the overall upswing in the banking sector.

We are pleased to announce attaining a global business figure of ₹ 19.28 trillion, which includes ₹ 11.18 trillion in deposits and ₹ 8.10 trillion in advances. We have also achieved highest ever operating profit and net profit of ₹ 25,467 crore and ₹ 8,433 crore, respectively, in the financial year 2022-2023. The asset quality remained robust, with both gross NPA and net NPA ratios decreasing to 7.53% and 1.70%, respectively. The Provision Coverage Ratio (PCR) improved to 90.34% as of March 31, 2023. With a capital adequacy ratio of 16.04%, we stand well above the regulatory requirement of 11.5%. With retail deposits, including CASA and retail term deposits forming 74% of total deposits, we have

established a stable franchise of deposits and a robust advances book, where the RAM portfolio forms 56% of Bank's total domestic advances.

The progress in digital transformation has been significant. This has allowed us to enrich customer experience, boost operational efficiency, and generate fresh revenue streams. The innovation extends across several segments, launching unique products and services, such as, Vyom mobile app—a one-stop solution for all customer banking needs; the Straight Through Processing (STP) for Shishu, Kishore, and Tarun; a comprehensive

digital solution for Mudra MSME loans; Pre-Approved Personal Loans (PAPL) for retail borrowers; and the end-to-end digitisation of KCC for the agriculture sector. We were among the first PSB to venture into the account aggregator ecosystem and metaverse platform and are now live within RBI's Central Bank Digital Currency (CBDC) framework. In an effort to enhance Bank's digital penetration, we have activated 7 Digital Banking Units (DBUs) across 6 districts in the country. We've further strengthened our reach and offerings through collaborations with fintech companies, e-commerce platforms, and other ecosystem participants.

We've laid a strong foundation to meet the escalating demands of our business. We've operationalised credit centralisation and verticalisation, creating new verticals in the areas of gold loans, education loans, cash management, and TEV cell, among others. For efficient monitoring, we've established a transaction and fraud monitoring cell. To expedite the resolution and recovery of NPA accounts, we have operationalised ARBs & SAM branches nationwide.

As the fifth-largest PSB in the country, we recognise our pivotal role in fostering financial inclusion and credit deepening. With 59% of our branches located in rural and semi-urban centres and over 17,600 active BCs, we are dedicated to serving the rural populace. We continue to impart self-employment training to unemployed youth, including rural youth, through our 30 RSETIs and Financial Literacy

As we embark on a new fiscal year, we remain confident that we have the right strategy, capabilities, and culture to surmount any challenges and seize any opportunities in the post-pandemic world.

Centers nationwide. We fully appreciate the significance of environmental sustainability and corporate responsibility. We are determined to incorporate Environmental, Social, and Governance (ESG) factors into our strategies, supporting initiatives that promote inclusive growth, renewable energy, and sustainable development.

Understanding the rapid evolution of the banking industry, we're investing in our people through skill-based training and leadership development. We've set up 9 Union Learning Academies (ULA) across the country with the aim of nurturing a specialised workforce across functions. Our unique initiatives, 'Empower HER' and 'Empower HIM', are geared towards providing support, counsel and guidance to our workforce.

As we embark on a new fiscal year, we remain confident that we have the right strategy, capabilities, and culture to surmount any challenges and seize any opportunities in the post-pandemic world. We remain resolute in our commitment to creating long-term value for all our stakeholders and progressing towards our vision of becoming India's most preferred bank.

I deeply thank our Board of Directors for their invaluable guidance and unwavering support. I acknowledge the trust and confidence our shareholders, customers, regulators, and other stakeholders have shown in us. I would like to commend our employees for their dedication, hard work, and resilience. They have shown incredible fortitude in the face of adversity and have been instrumental in helping us achieve our goals.

With heartfelt best wishes,

A. Manimekhalai
Managing Director & CEO