

# Strategic Growth Through Customer Centricity and Technology



Union Bank of India's all-time highest net profit of ₹ 13,648 crore for FY24 reflects our strategic initiatives and operational efficiency.

**A. Manimekhalai**  
*Managing Director & CEO*

## **Dear Esteemed Shareholders,**

I am pleased to share an overview of Union Bank of India's accomplishments and financial performance for the fiscal year 2023-24. Despite global challenges, this year has brought significant opportunities for the Indian economy and the banking sector. Our Bank's resilience, adaptability, and commitment to core values have strengthened Union Bank of India, reflecting positive trends in the banking sector.

## **Major Highlights on Bank's Business Performance**

We are delighted to announce our all-time highest net profit of ₹ 13,648 crore for FY24, marking an impressive growth of 61.84%. As of 31<sup>st</sup> March 2024, our total business has grown to ₹ 21.26 trillion, with a deposit base of ₹ 12.21 trillion and advances of ₹ 9.05 trillion. Our asset quality has improved significantly, with the Gross NPA ratio reducing by 277 bps YoY to 4.76%, and the Net NPA ratio decreasing by 67 bps to 1.03%. The Provision Coverage Ratio (PCR) improved by 235 bps YoY to 92.69%. Our Credit Cost for FY24 stood at 0.74%, an improvement of 90 bps from the previous year. Our Net Interest Margin (NIM) improved to 3.10%, our Return on Assets (RoA) to 1.03%, and Return on Equity (RoE) to 15.58%. The Capital Adequacy Ratio (CRAR) stood at a historic high level of 16.97%, with a CET1 ratio of 13.65%.

## **Major Milestones Achieved**

In FY24, we successfully raised equity capital of ₹ 8000 crore through Qualified Institutional Placement (QIP). We surpassed ₹ 1 lakh crore in market capitalization, becoming one of the top 100 listed entities on the stock exchanges. Major rating agencies, including CRISIL Ratings Ltd., CARE Ratings Ltd., and ICRA Ratings Ltd., have upgraded the ratings of our debt instruments. We were included in the MSCI Global Standard Index and

consistently performed well in the EASE Ranking index by the Government of India.

## Outlook on the Bank

Union Bank of India has registered commendable performance, focusing on consistent improvement in profitability, asset quality, and capital adequacy. Key initiatives such as enhanced underwriting capabilities, verticalization, digitization, analytics, and robust assurance frameworks are yielding positive results. We aim to continue improving our performance in line with the banking industry.

## ESG Initiatives

We have integrated ESG practices into our business strategies, focusing on renewable energy, environmental conservation, education, healthcare, and community development. Our ESG Cell drives these initiatives, guided by our Board-approved ESG Risk Framework and Climate Risk Policy. We have extended credit facilities totaling nearly ₹ 27,000 crore to the renewable energy sector and various social initiatives, including support for street vendors, self-help groups, and women entrepreneurs. Additionally, we have conducted training programs through our RSETIs and UBSFT, and implemented numerous CSR initiatives.

## Digital Transformation

Our Bank is undergoing significant digital transformation, marked by the implementation of a comprehensive digital business platform. We have successfully implemented 24 digital journeys, with 7 new ones in FY24. Our Vyom mobile app has onboarded 2.68 crore users, and our digital lending and FD have seen significant pick up during the financial year. We are also part of the Central Bank



Our digital transformation and ESG initiatives are key drivers of our success and commitment to long-term stakeholder value.

Digital Currency (CBDC) initiatives and have adopted advanced IT and cyber security systems.

## HR Transformation

Our “Ekam” project, a key component of our HR Transformation journey, integrates a range of digital HR tools to streamline and enhance HR processes. This initiative aims to strengthen our talent pools, refine our Reward & Recognition systems, and optimize our Performance Management System (PMS). Additionally, “Ekam” fosters women leadership and promotes Diversity, Equity, and Inclusion (DEI) initiatives, embracing next-generation HR practices. We are proud to introduce Union SWAR, an industry-first initiative designed to support our employees comprehensively. This program offers counseling services and workshops focused on enhancing the physical, mental, and emotional well-being of our workforce, demonstrating our commitment to their overall health and success.

As we embark on a new fiscal year, we remain confident in our strategy, capabilities, and culture to overcome challenges and seize opportunities.

We are committed to creating long-term value for our stakeholders and progressing towards our vision of becoming India's most preferred bank.

I deeply thank our Board of Directors for their guidance and support, and I acknowledge the trust our shareholders, customers, regulators, and other stakeholders have shown in us. I commend our employees for their dedication, hard work, and resilience in helping us achieve our goals.

With heartfelt best wishes,

**A. Manimekhalai**  
*Managing Director & CEO*