

Directors' Report

Dear Shareholders,

The Board of Directors are pleased to present the 105th Annual Report of the Bank for the Financial Year 2023-24 together with the 'Audited Balance Sheet', 'Profit & Loss Account', 'Cash-Flow Statement' and the report on 'Management Discussion & Analysis'. The 'Corporate Governance Report' and 'Business Responsibility and Sustainability Report' also form part of the Annual Report 2023-24.

1. Highlights:

- 1.1 India's economic growth remained robust in FY 2023-24. According to the provisional estimates by National Statistical Office (NSO), India's gross domestic product (GDP) is estimated at 8.2% for FY 2023-24, driven by investment. Real GDP growth in Q4:FY24 was 7.8% y-o-y, boosted by investment demand. Fixed investment firmed up at a robust pace with the government's continued thrust on infrastructure building. Private corporate investment is slowly gaining vitality with a pickup likely post elections. On the supply side, manufacturing activity continued to gain traction in H2, supported by lower commodity prices, diversifying global supply chains and easing logistic costs due to improving infrastructure. Buoyancy in construction activity contributed to services sector momentum. The growth in GDP at current prices, or nominal GDP, during FY 2023-24 is estimated at 9.6%.
- 1.2 There was positive growth across all sectors, with services like trade, tourism, and hospitality driving momentum. These sectors were followed by manufacturing, construction and utility service industries like electricity, gas, etc. Enabling government policies are expected to further catapult industry growth towards an upward trajectory. Financial sector activity has also been encouraging, with bank credit growth at 20.2% in FY 2023-24, up from 15.0% in FY 2022-23. Liquidity conditions slipped into deficit since September 2023 as deposit growth lagged credit. Despite persistent global challenges, overall exports (merchandise + services) estimated to surpass last year's record highs. It is estimated to reach USD 776.68 billion in FY 2023-24 as compared to an average of USD 600.63 billion during FY 2018-19 to FY 2022-23. Exports grew despite global challenges such as rise in raw material

prices, restrictions in exports of certain products, supply chain disruptions especially via Red sea crisis and geo-political tensions. According to RBI monthly bulletin, about 48.7% of India's merchandise exports and 30.4% of imports are estimated to be exposed to the Red sea route.

- 1.3 Despite price volatility in certain specific food items, consumer price index (CPI) inflation remained within the RBI's tolerance range of 2 to 6 per cent during FY 2023-24, except in July and August 2023. The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) kept the policy repo rate unchanged during FY 2023-24 while remaining focused on progressively aligning inflation with the target, while supporting growth.
- 1.4 Going forward, India's growth trajectory is poised for a significant upswing following the pandemic, with early indicators hinting at a return to the robust growth rates exceeding 7%. While private consumption continues to be a key driver, it is investments and exports that are expected to fuel this resurgence. Although global headwinds have subdued export growth, public expenditure on infrastructure is emerging as a pivotal force in driving the growth momentum with private capex likely to show a broad based pickup post elections. Headwinds from geopolitical tensions driving oil prices higher, volatility in international financial markets, geo-economic fragmentation, rising Red Sea disruptions, and extreme weather events, however, pose risks to the outlook.
- 1.5 Meanwhile global economic outlook is highly uncertain amid financial sector volatility, moderating yet high inflation in developed markets, and ongoing geo-political tensions. According to the International Monetary Fund's (IMF's) April 2024 update of the World Economic Outlook (WEO), global growth is expected to be stagnant at 3.2% in 2023, 2024, and 2025. A slight acceleration for advanced economies, where growth is expected to rise from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025, will be offset by a modest slowdown in emerging market and developing economies from 4.3% in 2023 to 4.2% in both 2024 and 2025. Global inflation is forecast to decline steadily, from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025. Core



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inflation is generally projected to decline more gradually. Elevated inflation levels is a looming challenge complicating the trade-offs that central banks are faced with, between containing inflation and boosting economic growth.

- 1.6 As per the IMF, Asia will contribute 60% of global economic growth in year 2024, as momentum stays strong. Asia's GDP to expand 4.5% in 2024, after growing 5.0% in 2023. India and China are projected to be the biggest drivers of that growth. In terms of real GDP, India is forecast to grow 6.8% in 2024, while China expands by 4.6%.
- 1.7 Notwithstanding global economic uncertainties, India's economic performance has surpassed expectations, leading to upward revisions in growth forecasts by institutions like the IMF, World Bank and ADB in recent months. As per the IMF, India is projected to expand by 6.8% in 2024 and further by 6.5% in 2025. India is poised to emerge as one of the largest economies worldwide, projected to contribute significantly to global growth. Projections indicate India will exceed Germany and Japan in market exchange rates in the next decade, becoming the second-largest economy by purchasing power parity terms.
- 1.8 The Reserve Bank of India has pegged the economic growth estimate for 2024-25 at 7.0%. The expected above normal monsoon this year has brightened the prospects for agriculture sector and rural demand. The steady growth in contact-intensive services is likely to be positive for urban demand. The government's focus on capital expenditure, capacity utilization above long-period average and moderating commodity prices should bolster manufacturing and investment activity. Given the reforms undertaken by the government and the various supportive measures by the RBI, a very strong foundation is being laid for further rapid increase in economic growth in the coming years. The various government initiatives are seen to be supporting growth and credit demand is expected to remain robust yet moderate from decade high levels clocked in FY 2023-24.

2. Bank's Performance

Established in the year 1919, your Bank has 8,466 domestic branches, 8,982 ATMs across 29 States and 5 Union Territories, and 75,866 employees as on March 31, 2023-24

The Bank has 2 overseas Branches at Sydney, and Dubai DIFC, 5 wholly owned Subsidiaries, 3 Joint Ventures and 1 Associate Organization.

The global business of your Bank stood at ₹ 21,26,412 crore as on March 31, 2024 which comprises of total deposits of ₹ 12,21,528 crore and gross Advances of ₹ 9,04,884 crore.

The operating profit and net profit of the Bank stood at ₹ 28,211 crore and ₹ 13,648 crore respectively as on March 31, 2024.

3. Digitization

- 3.1 The Bank has implemented best-in-class technology solutions to provide frictionless Digital Banking experience. The Bank is in the process of modernizing its IT Systems by bringing in state-of-art Digital Business Platform which aims at Omni-channel capabilities, data driven hyper personalization, Super App with capabilities to cross sell & upsell, STP journeys and Open Banking capabilities for integration of services across partnerships in a single interface.
- 3.2 The Bank has initiated more than 40 digitization projects, w/w 27 projects have been completed and 13 projects are under various stages of development.
- 3.3 The Bank has implemented 7 journeys during the FY 2023-24, thereby taking the total number of journeys to 24 (7 journey includes Gold Loan STP, Digital Kisan Tatkal, Digital PM SVANidhi, Digital WC Enhancement, Digital Savings Account, Online OTS, VKYC). The bank could mobilize more than ₹ 8,300 crore digital business from 20+ journeys, w/w ₹ 6,200 Cr business generated in FY 2023-24.

Onboarding of M/s IBM India Pvt Ltd as a System Integrator:

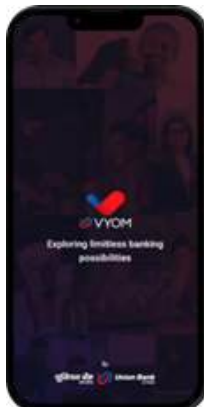
The Bank had partnered with M/s IBM India Pvt. Ltd. to co-create a cutting-edge Digital Business Platform thereby developing best-in-class digital offerings. The vertical has adopted wave-wise approach and will be launching 100+ Digital Journeys and Business services across multiple drops. The project commenced on 30th June 2023 for Designing, Supplying, Installing, Building, Implementing, Integrating, Customizing and Maintaining New Digital Business Platform. The project is underway and the Bank is poised to launch many journeys in Liabilities (CASA) & in RAM sector apart from bringing a Super App during this Financial Year.



*Cumulative till 31.03.2024

3.4 Vyom App

The mobile banking application of the Bank has been rebranded as “VYOM”. VYOM offers 400+ features with explorative UI/UX design to increase engagement and offers unique banking experience.



The application offers lifestyle features (marketplace), where in the customer can book Flight tickets, Hotels, Cabs, Bus tickets, purchase Gift Cards, recharge mobiles DTH & Data card and make donations. The Bank has also incorporated Mutual Fund, Insurance, and various STP journeys in VYOM app.

VYOM has been periodically updated with new features such as Aadhar+ OTP based registration, Virtual Debit Card, Credit Card against Term Deposit, Apply for IPO - ASBA, Mark Transaction as Fraud, NCMC Wallet recharge Facility, Check beneficiary name in IMPS, Realtime generation of insurance policy for PMSBY & PMJJBY. 55.18 Lakhs users have been onboarded in FY 2023-24 with daily login of 24 lakh+ users.

3.5 CRM Solutions

The Bank has implemented CRM Edge; an integrated solution for Branches, Marketing Officer and Admin Offices; provides various features like Product per Customer (PPC), Customer Relationship Value (CRV), Services availed, Graphical reports, Complaints / Service requests / Query resolution on a single platform. Further, it enables automatic routing of complaints to the respective stakeholders and escalation of complaints on expiry of stipulated TAT.

With the help of this solution, the Bank automatically tracks business, manages leads effectively, improves Customer Service & it manages complaints timely & effectively, provides a Customer 360-degree view (in Detail), Analytics tool, Campaign Management solution etc.



CRM access is given to Call Centre Agents, Bank’s Business Correspondents and DSAs/CSAs.

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3.6 CBDC Digital Rupee (₹) App



e-RUPI (Digital Rupee) is recently introduced, i.e. tokenized digital version of Indian Rupee, issued by the RBI.

Your Bank was one among 9 Banks to implement W-CBDC (Wholesale) and one among 13 Banks to implement CBDC-R (Retail). The Bank was the 1st bank in Cohort 2 to go live with the CBDC- R pilot project.



(Union Bank's CBDC app showcased to RBI Governor Shri Shaktikanta Das and Shri Nandan Nilekani at the Global Fintech Festival 2023)



3.7 Digital Journeys

Digital solutions for Mutual Funds & Insurance business

Digital Mutual Fund

With an objective to increase the fee-based income, the bank has launched digital solution for



as of 31-03-2024

1,01,360 (SIP + Lumpsum)
89.43 Cr amount

Mutual Funds sales through Bank's Mobile App and Net-Banking channels, in addition to providing paperless transactions at branches. Mutual Fund STP aims to provide best in-class customer experience for Mutual Fund investment needs of the customer and to provide a digital buying experience to our customers.

Digital Insurance

The Bank has integrated 34 digital insurance products across Health, General and Life Segments.



as of 31-03-2024

2259 policies, 0.26 Cr amount

The same is available in Vyom, Internet Banking & Branch Module.

Digital Journeys implemented in FY 2023-24:

During FY 2023-24, the Bank has implemented various STP journeys, features enhancements, technology upgradations etc to provide frictionless Digital Banking experience.

➤ **Digital Savings Account:**

The Bank has launched next-generation Digital Savings Account, wherein customer can open their savings account online, without visiting the branch. The process of opening an account has been made easy with implementation of Video-KYC and online verification of Aadhaar and PAN and

thereby customer can start enjoying the benefits immediately. Digital Saving Account journey launched on 31st Oct 2023. As of 31st March 2024, the bank could mobilize 3012 savings accounts digitally. For walk-in customers digitally assisted platform is launched to open SB General & Premium accounts with ease & reduced T-A-T.

Silent Features of Digital Savings Account:

- Online PAN & Aadhaar validation
- End to end online account opening through V-KYC
- Flexibility to select nearby Branch
- Immediate account opening and option for funding

➤ **Digital Union Kisan Tatkal:**

Digital Union Kisan Tatkal journey is offered to existing KCC borrowers to meet emergency agriculture needs having KCC limit up to ₹ 25.00 lakhs. The scheme offers loan amount from ₹ 5,000 to ₹ 50,000. The journey offers fully automated decision making and Digitized sanction, within minutes. Digital Union Kisan Tatkal journey offers Farmer friendly onboarding process through mobile and web application interface in a self-service mode. As on 31st March 2024, the bank could mobilize 1573 applications with sanctioned amount of ₹ 6.49 Crore.



Presentation of Digital KCC at G20 summit, Gandhinagar

➤ **Digital PMSVANidhi:**

To enable Micro Credit to street vendors, Ministry of Housing and Urban Affairs (MoHUA), GOI had launched the scheme 'PM Street Vendor's Atma Nirbhar Nidhi Scheme (PMSVANidhi)' - a special micro credit facility for providing affordable loan to street vendors to resume their livelihoods in 2020. In order to facilitate such street vendors with hassle free quick sanction and disbursal approach to Micro Credit, a new product is developed to sanction loans to street vendors amounting upto ₹ 50,000.00 under Digital PMSVANidhi. A total of 8400 loan applications sanctioned digitally amounting ₹ 9.29 Cr in FY 2023-24.

➤ **Digital Working Capital Enhancement:**

Digital Enhancement of Working Capital Limit has been devised for existing Micro and Small category Cash Credit Account Holders of Union Bank of India to give them a hassle-free sanction in order to meet their regular business needs. With this product, existing CC customers can apply for enhancement in their existing limits upto ₹ 10.00 Lakh.

➤ **Digital Gold Loan:**

The Digital Gold Loan application aims to enhance the ease of on-boarding of customers and bring down the TAT for processing of the Gold Loan. The Digital gold loan journey is available through VYOM app as well as through Banks Corporate website. Digital Gold Loan application offers loans for Retail, MSME and Agriculture purposes. 2,50,433 applications mobilized & sanctioned ₹ 5007 Crore in FY 2023-24.

➤ **Online OTS:**

Fully automated OTS application processing without any manual intervention. The eligible borrowers can complete the settlement process without having to visit the bank branch.

➤ **V-KYC:**

The bank has implemented Video KYC solutions by integrating with Digital Savings account journey and other New To Bank (NTB) journeys. The Bank offers robust V-KYC solutions with minimum T-A-T.

FinTech & Ecosystem Partnerships

The Bank is one of the pioneer banks to create a policy framework for engaging with FinTech's and leveraging their solutions for building customer digital journeys. The Bank has empaneled 84 FinTech's, among these 18 FinTech's have been onboarded for implementing various digital solutions in Agri, Retail & MSME segments. Various horizontal capabilities through API platform of FinTech's such as Statement Analyzer, Video-KYC, Title search, valuation etc. are being created.

Account Aggregator and OCEN:

Union Bank of India was the first Public Sector Bank to integrate with Account Aggregator ecosystem.

Bank has on-boarded 13 Account Aggregators out of which 11 AA's (Finvu, Onemoney, Anumati, NESL Asset Data Limited, Saafe, CAMSfinserv, PhonePe, Protean SurakshAA, TallyEdge, CRIF Connect Pvt Ltd & Yodlee) are live as of now. INK (M/s Unacores AA Solutions Pvt Ltd) and Setu (M/s Agya Technologies Pvt Ltd) are under integration.

Account Aggregator framework is embedded in 4 MSME journeys viz Tarun, Kishore (Mudra), Nari shakti and GST Gain, and integrated with LAS Platform.

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The Bank is leveraging Account Aggregator Framework for developing new use cases for improving the Business, Managing Risk and Effective Monitoring.

Under OCEN bank has implemented GeM Sahay as a first reference use case and presently working on GST Sahay for extending unsecured cash flow-based lending to MSMEs registered on GeM portal and GSTN respectively.

Digital Banking Units

Our Bank has operationalized 7 DBUs across 7 districts with a prime objective to increase the digital penetration of financial services by providing cost effective, convenient access with enhanced experience using paperless, secured and connected environment. DBUs are located in Rajahmundry and Machilipatnam in Andhra Pradesh, Palakkad (Kerala), Sagar (Madhya Pradesh), Nagpur (Maharashtra), Patiala (Punjab) and Agartala (Tripura).

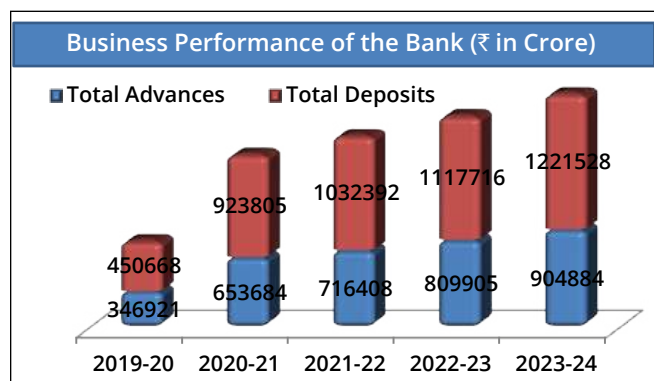
Performance of Digital banking Units are shown here below:

	Total till date (FY 2023-24)
Savings Account	4800+
Financial & Cyber Security Camps Conducted (since inception)	1840+
KCC Loans (presently operationalized only at DBU Sagar)	230
STP MUDRA Loans	402
VYOM registrations	3400+
Internet banking registrations	1800+
Number of Digital Transaction	1920000+

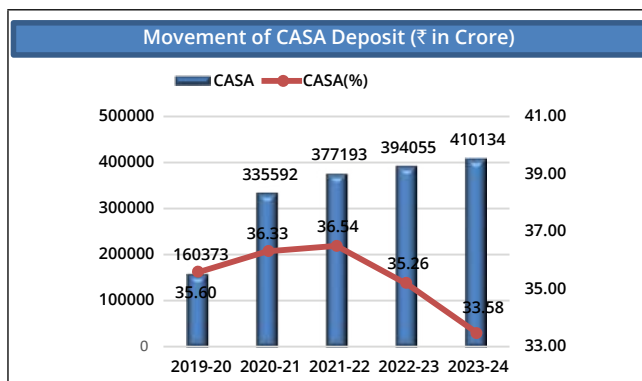
All the DBUs are equipped with smart capabilities such as interactive, multi-functional kiosks, tablets, ATMs, video KYC apparatus, the DBUs offer 27 banking services in self-service mode.

4. Business Highlights:

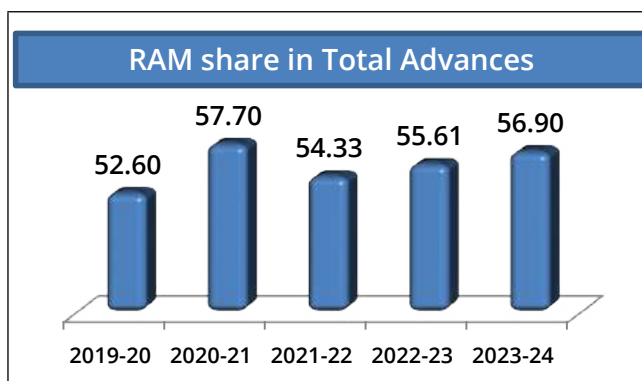
4.1 The global business of your Bank stood at ₹ 21,26,412 crore as on March 31, 2024



4.2 Total Deposits stood at ₹ 12,21,528 crore as on March 31, 2024. Out of this, CASA share (current account and saving account) stood at 33.58% as on March 31, 2024.



4.3 Gross Advances stood at ₹ 9,04,884 crore as on March 31, 2024. RAM segment of your Bank stood at 13.82%. 11.14% growth in Retail, 20.95% growth in Agriculture, and 8.58% growth in MSME advances are achieved on a YoY basis. RAM advances as a percent of Domestic Advances stood at 56.90%.



4.4 Overseas business of your Bank stood at ₹ 53,583 crore as on March 31, 2024, compared to ₹ 36,229 crore as on March 31, 2023. Your Bank has two overseas branches in DIFC (Dubai), and Sydney (Australia). Your Bank also operates in the United Kingdom through its wholly owned subsidiary, Union Bank of India (UK) Ltd, and operates in Kuala Lumpur (Malaysia) through its Joint Venture - India International Bank (Malaysia) Berhad, which is a Joint Venture with Bank of Baroda and Indian Overseas Bank. The Gross Advance portfolio of the foreign branches stood at ₹ 31,252 Cr as on 31st March 2024 and Net Profit of the foreign branches stood at ₹ 109.76 Cr as on 31st March 2024.

5. Income and Expenditure:

Table 1: Income and Expenditure Statement			
(₹ in crore)			
Sl.	Parameter	FY 2023-24	FY 2022-23
1	Interest Earned	99778	80743
2	Other Income	16080	14633
3	Total Income (1+2)	115858	95376
4	Interest Expended	63208	47978
5	Net Interest Income (1-4)	36570	32765
6	Operating Expenses w/w Establishment Expenses	24440	21931
7	Total Expenditure	14377	12390
8	Operating Profit (3-7)	87648	69909
9	Provisions	28211	25467
10	Net Profit/Loss	14562	17034
11	Earnings per share (in ₹)	13648	8433
		18.95	12.34

6. Profitability and Efficiency:

- 6.1 Your Bank has reported an Operating Profit of ₹ 28,211 crore in FY 2023-24 as compared to ₹ 25,467 crore in FY 2022-23.
- 6.2 Net profit of your Bank stood at ₹ 13,648 crore in FY 2023-24.
- 6.3 Cost-to-income ratio of your Bank stood at 46.42% in FY 2023-24.
- 6.4 During FY 2023-24, Return on Average Assets stood at 1.03%, whereas Return on Equity stood at 15.58%.

Table 2: Efficiency Ratios		
Parameter (%)	FY 2023-24	FY 2022-23
Return on Average Assets	1.03	0.69
Return on Equity	15.58	13.26

- 6.5 The following are the key productivity ratios of your Bank for FY 2023-24.

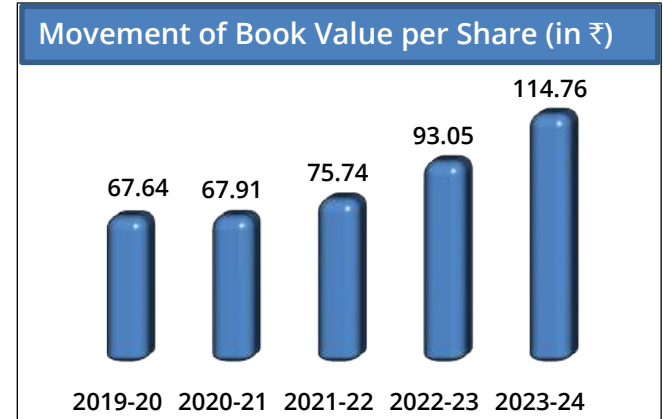
Table 3: Productivity		
Parameter	FY 2023-24	FY 2022-23
Business per Employee (₹ in crore)	28.02	25.50
Business per Branch (₹ in crore)	251.17	224.66
Gross Profit per Employee (₹ in lakh)	37.18	33.69

6.6 Dividend:

The Board of your Bank has recommended a dividend of ₹ 3.60 per equity share of face value ₹ 10/- each for FY 2023-24.

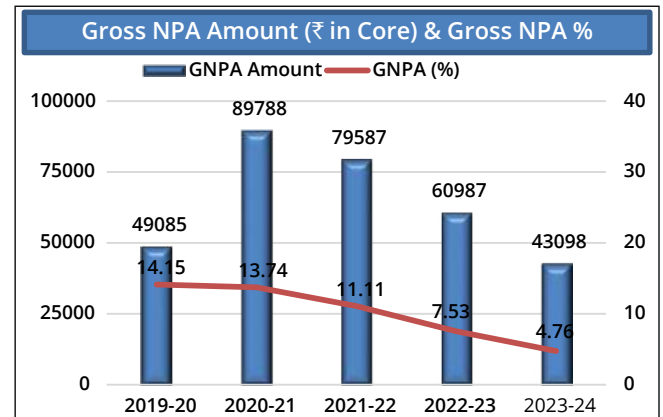
7. Shareholders' Return:

- 7.1 Your Bank's net worth was ₹ 87,601.31 crore as on March 31, 2024.



8. Asset Quality:

- 8.1 Gross Non-Performing Assets (GNPA) of your Bank stood at ₹ 43,098 crore as on March 31, 2024. GNPA as a percent of gross advances stood at 4.76% as on March 31, 2024.



- 8.2 Net NPA of your Bank stood at ₹ 8,990 crore as on March 31, 2024, and the Net NPA ratio stood at 1.03% as on March 31, 2024.

9. Capital Adequacy:

- 9.1 The Capital Adequacy Ratio, as per BASEL III norms, stood at 16.97% as on March 31, 2024. Common Equity Tier I (CET I) capital of your Bank stood at 13.65% in March 2024.

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Table 4: Capital Adequacy Ratios - Basel III (₹ in crore)			
Parameters	RBI Minimum Benchmark March 31, 2024	March 31, 2024	March 31, 2023
Total Risk-Weighted Assets		664188	5,78,455
Total Capital Funds	NA	112689	92,778
CET 1 Capital		90693	71,492
Tier 1 Capital		99622	80,478
CRAR (%)	11.50	16.97	16.04
CET 1 (%)	8.00	13.65	12.36
Tier 1 (%)	9.50	15.00	13.91
Tier 2 (%)	2	1.97	2.13

9.2 Capital Raised by your Bank

During the year 2023-24, the Bank has raised equity capital through Qualified Institution Placement (QIP) to the extent of ₹ 5,000 Crore by way of issue and allotment of 57,77,00,751 equity shares at price of ₹ 86.55 of face value ₹ 10/- each on 25.08.2023 and further raised equity capital through QIP of ₹ 3,000 Crore by way of issue and allotment of 22,11,57,390 equity shares of face value ₹ 10/- each on 26.02.2024

The said proceeds were utilized for augmenting the Bank's Tier 1 Capital in terms of Basel III guidelines of RBI and to enhance the long-term resources of the Bank.

10. Network

The Branch Network of your Bank is widely spread across the country with 8466 branches and 2 overseas branches (Sydney and Dubai) as on March 31, 2024. Out of these, 59 percent of the branches are located in rural and semi-urban centers.

11. Awards & Accolades:

During FY 2023-24, your Bank received awards for various initiatives taken under the areas of Digitization, Financial Inclusion, HR management, Customer Service, etc.

- Best Digital Engagement citation (runner-up, large bank) in 19th IBA Tech expo
- BFSI conclave and awards for:
 - o Digital transformation Leader
 - o Use of emerging Technologies
 - o Digital Security Leader award
 - o Innovative bank of the year

12. Social Media

Your bank is extending information related to products/ services through its official handles on all major social media platforms viz. Facebook, X, Instagram, YouTube and LinkedIn. Bank has marked its official presence on Threads in August 2023. Users were engaged in business interactions through conversation sessions/ Direct Messaging, customer care support, online contests, Educational posts/ videos, organizing online events etc. User interactions were used to understand brand perception and gained competitive intelligence to increase business prospects through social media.

Your bank has thrived on cost-effective brand publicity through social media and posted dynamic content with attractive static/ video posts, bringing customer awareness of the products, services and offers. Awareness was also created through posts on cyber security, urging customers to be aware of frauds, cyber scams and other social engineering, social causes, remembering personalities, significant days/ events, engagement campaigns of public interest, etc.

Bank has spread awareness among ETB and NTB customers through Influencer marketing in regional languages with prominent Influencers such as Maithali Thakur, Atta Sandeep, Karthik Surya, Isha Keshkar, etc.

Your bank is available 365x24x7 on all handles which are very responsive and reply instantly. In the last year, 1.70 lakhs queries from social media users were responded ensuring timely guidance, proper redirections and complaint redressal resulting in customer delight. Your bank brand was well received by the public at large, justified with a whopping 8846.14 lakhs impressions and 115.79 lakhs engagements.

Your bank has a huge follower base on social media presence which has grown to 49.75 lakhs as on 31st March 2024 against 41.47 lakhs last fiscal scaling a remarkable growth of 20.04% YoY.

Your bank is continuously measuring the overall sentiment about existing or new products, collecting feedback about initiatives, customer interest to meet the expectations of customers in product offerings and services rendered.

Your bank has run more than 200+ Digital Marketing campaigns on social media handles and targeted ad campaigns on Google Ads creating buzz for maximum reach on products/ services/ offers and roped in new customers along with improved search engine visibility and enhanced website traffic.

Bank has conducted Lead Campaign in regional languages through Google Display Network, Social Media and Publisher network to generate high intent customer lead and convert them into potential business for products like Home Loan, Union Nari Shakti, etc.

13. Changes in the Directors on the Board of your Bank:

The following changes took place in the Board of Directors of your Bank during the financial year 2023-24.

- Shri Rajneesh Karnatak, Executive Director of your Bank, ceased to be the Director on his Elevation as Managing Director and Chief Executive Officer of Bank of India on 29.04.2023.
- Shri Arun Kumar Singh, completed his term in office on 14.07.2023.
- Shri Prakash Baliarsingh has been appointed as RBI Nominee Director on the Board of your Bank w.e.f. 14.07.2023.
- Shri Sanjay Rudra has been appointed as an Executive Director on the Board of your Bank w.e.f. 09.10.2023.
- Shri Nidhu Saxena, Executive Director of your Bank, ceased to be the Director on his Elevation as Managing Director and Chief Executive Officer of Bank of Maharashtra on 27.03.2024.
- Shri Pankaj Dwivedi has been appointed as an Executive Director on the Board of your Bank w.e.f. 27.03.2024.

14. Directors' Responsibility Statement

The Directors confirm that in the preparation of the annual accounts for the year ended 31st March 2024:

- The applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any.
- Accounting Policies had been selected and applied consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Bank at the end of the financial year and of the profit and loss of your Bank for that period.
- Proper and sufficient care was taken for the maintenance of adequate Accounting Records in accordance with the provisions of the relevant Acts for safeguarding the assets of your Bank and for preventing and detecting fraud and other irregularities.
- The Annual Accounts were prepared on a going-concern basis.
- Internal financial controls had been laid down to be followed by your Bank, and such Internal Financial Controls were adequate and were operating effectively. Explanation.— For the purposes of this clause, the term "Internal Financial Controls" means the policies and procedures adopted by your Bank to ensure the orderly and efficient conduct of its business, including adherence to your Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.
- Proper systems were in place to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. Performance Evaluation of the Board

The performance evaluation of the Board of the Bank, Committees of the Board and Directors on the Board of the Bank has been carried out by an independent body - M/s KPMG India Services LLP, Mumbai and recommended measures to enhance their effectiveness.

The major themes for the evaluation were Competency, Dynamics, Vision and Strategy, Risk and Independence, Process and Procedure.

**Directors' Report****16. Market capitalization of the Bank**

Particulars	Market Capitalisation as on 28.03.2024 (in ₹ Crore)	Rank among listed entities
National Stock Exchange of India Ltd.	1,17,175.85	70 (among top 100)
BSE Ltd.	1,17,137.68	70 (among top 100)

Union Bank of India has been included in T+0 rolling settlement cycle by stock exchanges in equity cash markets.

Further, the top management of the Bank have held more interactions with the stakeholders of the Bank to enhance Bank's market perception.

17. Corporate Governance

The Board of your Bank is committed to adopting good Corporate Governance practices in letter and spirit. A detailed report on Corporate Governance is given in a separate section of the Annual Report. The Corporate Governance report for the financial year 2023-24 has no audit qualifications.

18. Corporate Social Responsibility (CSR):

18.1 Union Bank of India has been at the forefront of meeting its CSR commitments. Towards this, your Bank established Union Bank Social Foundation Trust (UBSFT) in the year 2006 as an extended arm for carrying out the CSR activities of your Bank. The major CSR activities of your Bank are now being carried out through the UBSFT. Its Board is headed by your Bank's Managing Director & CEO, with executive directors as Vice Chairman Trustees. Other trustees include your Bank's Chief General Managers, General Managers, and one independent trustee. The UBSFT Board provides directions in accordance with your Bank's thrust areas and undertakes review every quarter. The directions of the Board are executed by the Chief Executive of UBSFT. While the Registered office of UBSFT is in Bengaluru, the administrative office is in Mumbai.

Bank's Stakeholders' Relationship Committee also monitors and guides the CSR activity of your Bank also that of UBSFT on a quarterly basis.

UBSFT has been incorporated, aiming to support initiatives towards Social upliftment & improving the lives of underprivileged segments.

18.2 The CSR activities undertaken by your Bank / UBSFT in 2023-24

During the year 2023-24, the Bank has approved donations of ₹ 79.33 crore under CSR. During the FY 2023-24, donations of ₹ 34.79 crores were approved by Union Bank Social Foundation (UBSFT) towards 62 projects/programs under various sectors like Education, Healthcare, Sanitation, Community Development, Skill Development, etc.,

Some of the major activities conducted in the area of social responsibility during the FY 2023-24 are as under:

- As part of our commitment to improving health infrastructure, Union Bank social Foundation has donated one custom built Ambulance to Civil Court Hospital, Gorakhpur.
 - UBSFT has proudly donated for procuring & installing critical diagnostic instruments at their Life Blood Centre of Saurashtra Medical & Educational Charitable Trust, Rajkot. This contribution reflects our dedication to supporting the blood bank in its mission to provide quality diagnostic services to patients in need.
 - As part of commitment to improving healthcare services., donated an ambulance to Sri Sadguru Sewa Sangh Trust, Chitrakoot for their hospital. This donation aims to cater to the critical needs of patients by offering advanced medical transportation equipped with intensive care capabilities.
 - As part of commitment to improving healthcare services. donated an ambulance to District Magistrate, Rudraprayag, Uttarakhand for their hospital. This donation aims to cater to the emergency medical needs of pilgrims of Kedarnath dham & local people.
- As part of commitment to improving healthcare facilities at the sports complex donated an ambulance with basic life support to Netaji Subhash National Institute of Sports, Patiala. This donation aims to cater to the emergency medical needs of the trainees at the sports institute.
- As part of commitment to improving healthcare facilities at the Primary Health Centre (PHC), Dharakonda, Paderu donated them with an ambulance. This donation aims to cater to the emergency medical needs of the patients in that locality.

- As part of commitment to improving healthcare facilities at the Hospital donated 100 hospital beds to Sri Guru Gorakshnath Chikitsalaya, Gorakhpur. This donation aims to cater to the hospital beds need of the patients.
- As part of commitment to improving healthcare facilities at the Vriddha Ashram donated an ambulance to Gauri Gopal Vridha Ashram, Vrindavan. This donation aims to cater to the emergency medical needs of the inmates of the Vridha Ashram.
- As part of commitment to improving transportation facilities at Nizam's Institute of Medical Sciences (NIMS), Hyderabad donated four electric vehicles (Golf carts). The donation will cater for intramural transportation of needy patients inside the campus which are located in different places.
- As part of commitment to improving healthcare facilities at CSITA Scudder Memorial Hospital (SMH), Ranipet donated RO plant. This donation aims to provide clean and pure water to their patients, doctors, nurses and supporting staff.
- As a part of commitment to provide clean and pure water Donated 15 steel benches to the Kamakhya temple at Assam. The donation aims to cater proper seating arrangement for the devotees during the waiting period for the darshan of goddess Kamakhya.
- As a part of commitment to provide modern infrastructure, donated infrastructure to the conference hall of Vikas Bhavan, Ghazipur. The donation will cater to the modern infrastructure in their conference hall for welfare of the general public.
- Donated desktop computers & printers, water coolers, fans etc. to Sitaram Poddar Madhyamik Vidyalaya, Mumbai. The donation aims for providing better infrastructure facility & pure and safe drinking water to the school children.
- Donated Desktop Computers, Air Conditioners, Sony Headphones, RO UV Purification Water Cooler & Chairs to Shishu Sirothi, a Centre for Rehabilitation & Training for multiple disability at Guwahati. The donation aims for the welfare of children and persons with disabilities which will provide appropriate and innovative therapies & interventions, habilitate / rehabilitate.

19. EASE (Enhanced Access and Service Excellence)

Enhanced Access and Service Excellence (EASE) Reforms Agenda, launched by Government of India in the financial year 2018-19 for ushering next-generation reforms is now deeply ingrained in your Bank. The journey has witnessed a transformative shift in the bank, enhancing the tech-capabilities, improving customer experience, tech and data-enabled capability building, and improving operational efficiencies, among others. The fifth iteration of EASE agenda for the FY 2022-23 was launched under the theme "Enhanced Digital Experience, Integrated and Inclusive Banking" and your bank was placed at 2nd position in EASE 5.0 annual index.

Sixth iteration of EASE launched under the theme "Customer-friendly banking enabled by modern capabilities" aims at improving branch banking experience for the customers by enhanced customer self-service and employee-assisted digital journeys, achieving greater customer stickiness, providing a seamless call centre experience to the customers, improving customer satisfaction of grievance redressal process, expanding digital banking offerings across agriculture and its value chain, automation of viable processes for improving operational efficiency, accelerating cloud adoption journey of PSBs, developing risk assessment methodologies for assessment of climate risk in the front book, enhancing preparedness of PSBs to mitigate cyber risk, improving employee productivity, skill panning, training across job family, and digital-data-driven succession planning.

Your bank has adopted the reform measures progressively built into the EASE framework in a focused manner which has immensely contributed towards achieving enhanced operational efficiencies, improved customer offerings and faster service delivery.

The major developmental goals accomplished by your Bank in the FY 2023-24 includes:

- Launching comprehensive digital banking for MSMEs with digital Trade Finance solutions
- Launching more Digital Lending Journeys such as Kisan Tatkal, GST Gains, Nari shakti.
- Introducing enhanced MSME functionalities in Mobile Banking and Internet Banking
- Introducing unified customer view at outbound call centre with sentiments and speech analytics
- Providing tablets to 100% of the branches for customer self-service and for staff's assistance to customers.



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- Integrating all the customer complaint/feedback channels into a consolidated complaint management portal with universal complaint ID.
- Increased adoption of digital savings account journey through V-KYC.
- Digital Adoption of Wealth Management products through VYOM.
- Strengthening specialized analytics function for robust data governance and model management.
- Enhanced Analytical Infrastructure and analytics-based training to Analytics team.
- Increasing adoption of cloud technologies.
- Strengthened Climate- related risk management and disclosures to assess potential exposure to climate-related and environmental risks during the underwriting process.
- Strengthening the cyber security model for cyber fraud mitigation and grievance redressal.
- Increasing thrust on promotion of gender diversity.
- Adopting various staff friendly initiatives.
- Further strengthening specialization, succession planning and leadership development in the bank.
- Improving productivity of the workforce.

In the latest EASE 6.0 index for Q3 FY 2023-24, your Bank is placed in third position amongst all PSBs. Your Bank has also placed in second position under three out of four themes i.e. "Delivering excellence in customer service with digital enablement", "Digital and analytics-driven business improvement" and "Developing people and enhancing HR operations" in the Q3 FY-24 index.

As, your Bank is transitioning from EASE 1.0 to EASE 7.0, it is all set to leverage rapid developments in digital technology to bring innovations in customer service, business decision making, back-office processes and further improve the banking experience for you.

EASE Next (Pillar – II): Bank-specific 3-year Roadmap program:

As part of EASE Next (Pillar – II) for bank specific strategic initiatives, your Bank had prioritized the following 5 initiatives covering 45 metrics with an objective of achieving the financial and non-financial aspirations.

- Increase market share in aspirational districts to become market leader.

- Wealth Management: Dedicated vertical with Relationship Managers for HNI.
- Digital ready Bank: Implementation of platform with open banking capabilities, enabling embedded financing capabilities.
- Succession Planning with gender diversity in core.
- Strengthening Back-offices to act branches as sales engine.

These initiatives have helped the bank to register significant improvements in bank's non-interest income.

20. Acknowledgements:

20.1 The Directors thank the shareholders, valued customers, well-wishers, Share Transfer Agent, and correspondents of your Bank in India and abroad for their goodwill, patronage, and support.

20.2 The Directors acknowledge with gratitude the valuable and timely advice, guidance, and support received from the Government of India, Government of Maharashtra, Reserve Bank of India, Securities & Exchange Board of India, Insurance Regulatory and Development Authority of India, Central Vigilance Commission, BSE, NSE, financial institutions, correspondent Banks and Statutory Central Auditors of your Bank, in the functioning of your Bank.

20.3 The Directors place on record their deep appreciation for the dedicated service and valuable contribution made by members of staff in the overall performance of your Bank during the year and look forward to their continued cooperation in the realisation of the corporate goals of your Bank in the years ahead.

20.4 The Directors also express that the staff members stay safe, healthy and maintain good health.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 11.06.2024

(Srinivasan Varadarajan)
Chairman