

Chairman's Message



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In our digital journey, we've increased customer satisfaction, optimized resources, and delivered 350+ digital banking services to over 21 million plus customers, while continuously embracing innovative technologies for the future.

Srinivasan Varadarajan
Chairman



Dear Shareholders,

It gives me great pleasure to present our inaugural Integrated Annual Report, a significant stride forward in our commitment to transparency and sustainability. This report details the Bank's financial data as well as our social, environmental and governance initiatives. It, thereby, provides a holistic picture of our contribution to the financial services landscape, to our society and environment. Our move towards Integrated Reporting reflects our determination to embed ESG practices into our core business strategies, ensuring we create lasting value not just for our shareholders, but also for our customers, employees, communities, and environment. Your continued trust inspires our pursuit of responsible banking and inclusive growth.

Fiscal 2023 marked a continued improvement in economic activity in India, despite significant challenges in the global environment. The overall economic growth remains robust at 7.2 percent for the fiscal year 2022-23, and it was underpinned by strong investment activity reinforced by the Government's capex push and private consumption. However, inflation remained high, averaging around 6.7 percent in FY22-23, and started moderating towards the

end of the financial year. Going forward, the growth is expected to slightly moderate in the current financial year FY23-24 owing to a combination of factors, including slowing external demand, the development of El Nino conditions and volatile global financial conditions. Despite moderation in growth, India is expected to remain the fastest growing major economy in the world.

In the past few years, the Indian banking industry has seen significant changes, such as the explosion of UPI led digital payments, significant expansion of public payment infrastructure, budding fintech eco system, and technology-led shifts in consumer behaviour. After the consolidation that took place amongst PSU banks over the last five years, we are now witnessing the largest housing finance company merge with a bank within its group, creating a banking behemoth. As consolidation gathers more momentum, it is not unconceivable to see the top 5 banks in India have a majority market share in the Indian banking system in the coming years. Such creation of large, strong and efficient banks would make the banking system more robust and also bring scale benefits to all stakeholders. Customers are likely to benefit from

such consolidation through better products and seamless service enabled by higher technology investments. The larger banks would also be able to cater to the needs of the fast growing Indian economy in a more efficient manner. Your bank is one of the consolidating banks having absorbed Andhra Bank and Corporation Bank into its fold. It is well positioned to be one of the beneficiaries of consolidation in the Indian banking system and would make all necessary investments to capitalise on opportunities that come its way.

During fiscal 2023, Union Bank of India has delivered a commendable financial performance. We have recorded significant growth in key financial indicators, reflecting our ability to adapt and make prudent business decisions. The strong growth in our profits, a healthy capital adequacy ratio, and a substantial improvement in asset quality, coupled with our focus on digitization and diligent risk management practices, have ensured an attractive return to our stakeholders. The Bank is also simultaneously building 'future ready' capabilities at a rapid pace. The creation of specialized verticals for gold loans, education loans, current & salary accounts, cash management, transaction & fraud monitoring etc., allows for a dedicated focus on specific products/services, thereby providing enhanced customer value and better customer experience. The Bank has strengthened its processes in credit and transaction monitoring, fraud detection, and data mining to ensure corrective and remedial action is taken in a timely manner.

At Union Bank of India, customer delight remains at the heart of everything we do. With a customer base of 216+ million, we continue to place utmost importance on understanding and meeting the evolving needs of our customers. Through our extensive branch network of 8,580 branches & 10,835 ATMs, digital platforms and other customer touchpoints, we have strived to deliver superior services, tailored financial solutions, and an exceptional banking experience.

Technology continues to redefine how we operate, and we are committed to embracing innovation and digitalization to stay ahead of the curve. We are proud of the progress we have made in our digital journey, which has resulted in increased customer satisfaction and stronger engagement. This focus on digitization has also allowed us to streamline internal processes, reduce costs, and optimize resource allocation, creating value for our shareholders. We now have 21 million plus customers registered on our Vyom platform and provide access to 350+ banking services digitally, covering lending, deposits, payments, and much more. Simultaneously, the Bank has rolled out 20+ Digital Journeys covering both assets and liability product lines. We have implemented a CRM system that enables customer 360 degree and a digital contact centre for efficient and effective customer service. These initiatives will facilitate personalised and proactive service, enhancing the customer satisfaction, loyalty and retention. As we look towards the future, we are confident of successfully navigating the ever-changing dynamics of the banking sector.

Furthermore, we firmly believe that as a responsible corporate citizen, it is our duty to contribute to sustainable development and address environmental and social challenges. Our Bank has integrated environmental, social, and governance (ESG) practices into our business strategies, aligning with global sustainability goals.

We have supported initiatives relating to renewable energy, environmental conservation, education, healthcare, and community development. Maintaining the highest standards of corporate governance and transparency is of paramount importance to us. We continue to strengthen our governance frameworks, ensuring compliance with applicable laws, regulations, and ethical standards. Our engagement with stakeholders has been instrumental in shaping our strategic decisions and fostering long-term relationships built on trust and mutual benefit.

I would like to express my sincere gratitude to our dedicated 75,500+ employees whose relentless efforts and commitment have been the driving force behind the Bank's success. I extend my appreciation to our valued customers for their continued trust and support. I would also like to thank our esteemed shareholders for their unwavering confidence and belief in our Bank's vision.

In conclusion, I am proud of our Bank's achievements during the fiscal year 2022-23. We have demonstrated growth, resilience, innovation, and social and environmental awareness in the changing operating business environment. Looking ahead, we remain committed to enhancing customer value, embracing technological advancements, and contributing to the socioeconomic progress of our nation.

With best wishes,

Srinivasan Varadarajan
Chairman