



Committed to
Sustainability
driven by digital prowess



About this Report

The Integrated Annual Report covers the period Financial Year 2022-2023 unless otherwise noted. The Union Bank of India Integrated Annual Report FY2023 was approved by the Board of Directors on 20th June 2023 and signed on its behalf by the Chairman.

Union Bank of India's FY2023 Integrated Annual Report aims to provide transparency into how we activate our purpose: to improve the lives of our customers and the well-being of our communities.

The report for FY2023 is our first Integrated Annual Report, and we have produced it in reference to the International Integrated Reporting Council (IIRC), London guidelines. In addition, we have attempted to comply with Global Reporting Initiative Standards' core option, which includes general disclosures as well as topic-specific disclosures relevant to Union Bank of India.

Alignment with the IR Framework:

The Union Bank of India has strived to maintain fidelity to the Guiding Principles outlined in the Integrated Reporting (IR) Framework 2021. These principles inform the content of the Integrated Report and determine how information is presented:

- 1. Strategic Focus and Future Orientation:** The report provides a clear insight into the bank's strategy, how it relates to its ability to create value in the short, medium, and long term, and how it impacts the various forms of capital.
- 2. Connectivity of Information:** The report presents a comprehensive picture of the interrelated factors that affect the bank's ability to create value over time. It does this by showcasing links between the bank's various activities, its capitals, and its overall value creation.
- 3. Stakeholder Relationships:** The Integrated Report offers insights into the quality of the bank's relationships with its key stakeholders. It articulates how the bank understands, responds to, and takes into account their legitimate needs and interests.
- 4. Materiality:** The report discloses information about matters that significantly affect the bank's ability to create value over the short, medium, and long term. It identifies material matters based on their potential to substantially influence value creation.



SUSTAINABLE
DEVELOPMENT
GOALS

United Nations
Global Compact



TCFD | TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

5. **Conciseness:** The bank ensures the overall usefulness of the Integrated Report by presenting it in a logically structured, well-articulated, and clear language. It includes effective navigation devices to enhance user experience.
6. **Reliability and Completeness:** The report is both reliable and complete. It includes all relevant and material information, hence offering a comprehensive picture of the bank's performance and prospects.
7. **Consistency and Comparability:** The information presented in the report is consistent over time and comparable with other organizations in the same industry or sector, enhancing its credibility and usefulness.

Union Bank of India's Integrated Report broadly embodies all aspects of the IR Framework's Guiding Principles. It captures the interdependencies of various factors that influence value creation, portrays the bank's strategic orientation, and acknowledges stakeholder relationships. Through its concise yet comprehensive presentation, it ensures reliability and comparability, thereby adhering to the principles and guidelines of the Integrated Reporting Framework.

The goals discussed in this report are aspirational. While we are committed to achieving them, we cannot guarantee or promise that these goals will be met. Statistics and metrics in these disclosures include estimates and may be based on assumptions. Further, the Independent Assessment / evaluation / assurance of the Non-financial disclosures made in Natural Capital forming part of Integrated Report 2022-23 / Principle 6 of the Business Responsibility and Sustainability Report has been carried out by M/s. AAR Consulting & Services, Class A Energy Auditors empanelled with Maharashtra Energy Development Agency. This report uses certain terms, including "material" topics, to reflect the issues of greatest importance to Union

Bank of India and our stakeholders. Used in this context, these terms are distinct from and should not be confused with the terms "material" and "materiality" as defined by or construed in accordance with the securities laws or as used in the context of financial statements and reporting.

This report is for general informational purposes only and does not constitute an offer or sale of any securities issued by Union Bank of India. All information in this report is current as of the date of publication. We undertake no obligation to update the information in this report or otherwise notify you if any views, opinions, or facts stated in this report change or subsequently become inaccurate. Apart from Statutory Disclosures, this report also contains voluntary disclosures on important ESG topics. This report should be read in conjunction with our FY2022 ESG Report, (particularly the "Forward-Looking Statements" and "Risk Factors" sections), all of which can be found on our Investor Relations pages of our website.

The Integrated Report for FY2023 has been prepared entirely in-house and, with the exception of specific non-financial and financial disclosures, has not undergone external validation by a third-party agency. The insights, figures, and assessments contained in this report reflect our understanding of our operations, impacts, and our pathway to value creation. All non-financial disclosures like energy consumption and water usage, as highlighted in Principle 6 of BRSR and in the Chapter on Natural Capital, have been evaluated by Bank appointed Energy Auditors. Additionally, all financial disclosures are audited by our Statutory Auditors, as certified in the financial statements within the report. Union Bank of India maintains sole accountability for the accuracy, completeness, and timeliness of the information presented, understanding that the Integrated Report was produced without external verification. From FY2024, Union Bank of India plans to engage a reputable external agency for the validation of meeting Integrated Reporting requirements. This aligns with our commitment to strengthening our stakeholder relationships by enhancing the reliability of our reports.

www.unionbankofindia.co.in

Forward-looking statement

This report contains certain forward-looking statements with respect to the Group. Union Bank of India cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. The forward-looking statements speak only as at the date on which they are made. Forward-looking statements may be affected by: changes in legislation; the development of standards and interpretations including evolving practices in ESG reporting with regard to the interpretation and application of accounting, industry and regulatory standards; the Group's ability along with government and other stakeholders to manage and mitigate the impacts of climate change effectively; and environmental, social and geopolitical risks. A number of these influences and factors are beyond the Group's control. These statements are based on the current beliefs and expectations of

Union Bank of India's management and are subject to significant risks and uncertainties. Actual outcomes may differ materially from those expressed in the forward-looking statements. Factors that could impact Union Bank of India's future financial condition and performance are identified in the Union Bank of India Annual Report FY2022-23, which is available on www.unionbankofindia.co.in. Subject to our obligations under the applicable laws and regulations of any relevant jurisdiction. In relation to disclosure and ongoing information, we undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Find out more at:
www.unionbankofindia.co.in



Scan the QR Code to download
Integrated Annual Report 2022-23

Committed to Sustainability

driven by digital prowess

At Union Bank of India, we aspire to be a trailblazer in driving the growth of a digital and aspirational India, while championing the country's journey to net Zero emissions. We aim to positively contribute to India's progress and overall societal development through our focus on sustainability, responsible banking, and cutting-edge digital technologies.

Union Bank of India is committed to playing a pivotal role in the growth of a digital, aspirational, and eco-conscious India. By integrating sustainability and digital prowess into our core values, we are not only creating long-term value for its stakeholders, but also contributing to the nation's journey towards becoming a net Zero country.

India has taken the global lead in addressing climate change and championing sustainable development, showcasing its dedication to building a greener and more equitable future. Union Bank of India stands firm in support of this vision, focusing on responsible banking practices, financial inclusion, and green banking. We acknowledge the importance of reaching out to the unbanked and underbanked segments of the population, enabling them to access financial services and empowering them to contribute to the nation's economic growth.



AT UNION BANK OF INDIA, WE BELIEVE IN A BRIGHTER, GREENER, AND MORE CONNECTED INDIA, WHERE EVERYONE CAN PROSPER AND ENJOY THE BENEFITS OF INNOVATION AND FINANCIAL ACCESS.

Digital technologies are revolutionising how we live and work, and the Union Bank of India is fully participating in this transformation. The bank's investments in cutting-edge technologies such as blockchain, AI, and machine learning enable us to provide seamless and secure customer experiences, optimise our processes, and adapt to the rapidly evolving digital landscape. With digital banking initiatives such as internet banking, mobile banking, and digital payment solutions, we are making banking services more convenient, accessible, and secure for our customers.



The growth of digital India and the nation's aspirations for a sustainable future go hand in hand. Union Bank of India's commitment to sustainability and digital prowess will play a meaningful role in propelling India towards its goal of becoming a global leader in clean energy and a hub for innovation in the digital space. By fostering financial inclusion and green banking practices, we also aim to enable the nation's march toward a prosperous, sustainable, and digitally empowered future.

What's Inside

Navigating this Report

We have incorporated a series of icons throughout the report, serving as visual cues to interlink pertinent topics and demonstrate our value creation process. Each icon and corresponding materiality issue number provides cross-referencing within the report, fostering a deeper understanding of the context and reasoning for the subjects under discussion. Utilise these guiding elements to seamlessly navigate through the report and grasp the full narrative of our performance.

» UNSDGs:	» Strategy Blueprint:	» Material Issues:
	<ol style="list-style-type: none"> Enhancing our clients' financial health Facilitating our clients' transition towards a sustainable future Broadening our customer outreach Achieving operational excellence Nurturing a dynamic and engaged team Enhancing Digital Capability Fostering Sustainability Proactive Regulatory Compliance 	<ol style="list-style-type: none"> Social Capital - Customer Privacy Social Capital - Data Security Social Capital - Clients' Sustainability Social Capital - Product Quality & Safety Social Capital - Customer Welfare Human Capital - Training and Skill Development Human Capital - Employee Health & Safety Business Model & Innovation - Significance of Product Design and Innovation Leadership & Governance - Business Ethics and Anti - Corruption Measures Leadership & Governance - Risk Management Leadership & Governance - Grievance Redressal of Stakeholders Leadership & Governance - Reputation, Communication and Awareness Economy - Systematic Risk Management
<p>» Business Model Components:</p> <ol style="list-style-type: none"> Key Partners Key Activities Key Resources Value Proposition Customer Relationships Channels Customer Segments Key Inputs Revenue Streams 		

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Corporate Information

Head Office & Central Office

Union Bank Bhavan,
239, Vidhan Bhavan Marg,
Nariman Point, Mumbai - 400 021.

Global Location Number (GLN)

8904368511166

Investor Services Division

Union Bank Bhavan, 12th Floor,
239, Vidhan Bhavan Marg,
Nariman Point, Mumbai - 400 021.

Registrar & Share Transfer Agent

KFin Technologies Limited

Unit: Union Bank of India
Selenium Tower B, Plot 31 & 32
Financial District,
Nanakramguda
Hyderabad – 500032

Debenture Trustees

IDBI Trusteeship Services Limited

Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai - 400 001

Company Secretary

S. K. Dash

Secretarial Auditor

Ragini Chokshi & Co
Company Secretaries

Statutory Central Auditors

M/s R G N Price & Co.

Chartered Accountants

M/s Sarda & Pareek LLP

Chartered Accountants

M/s C R Sagdeo & Co.

Chartered Accountants

M/s P V A R & Associates

Chartered Accountants

M/s Gopal Sharma & Co.

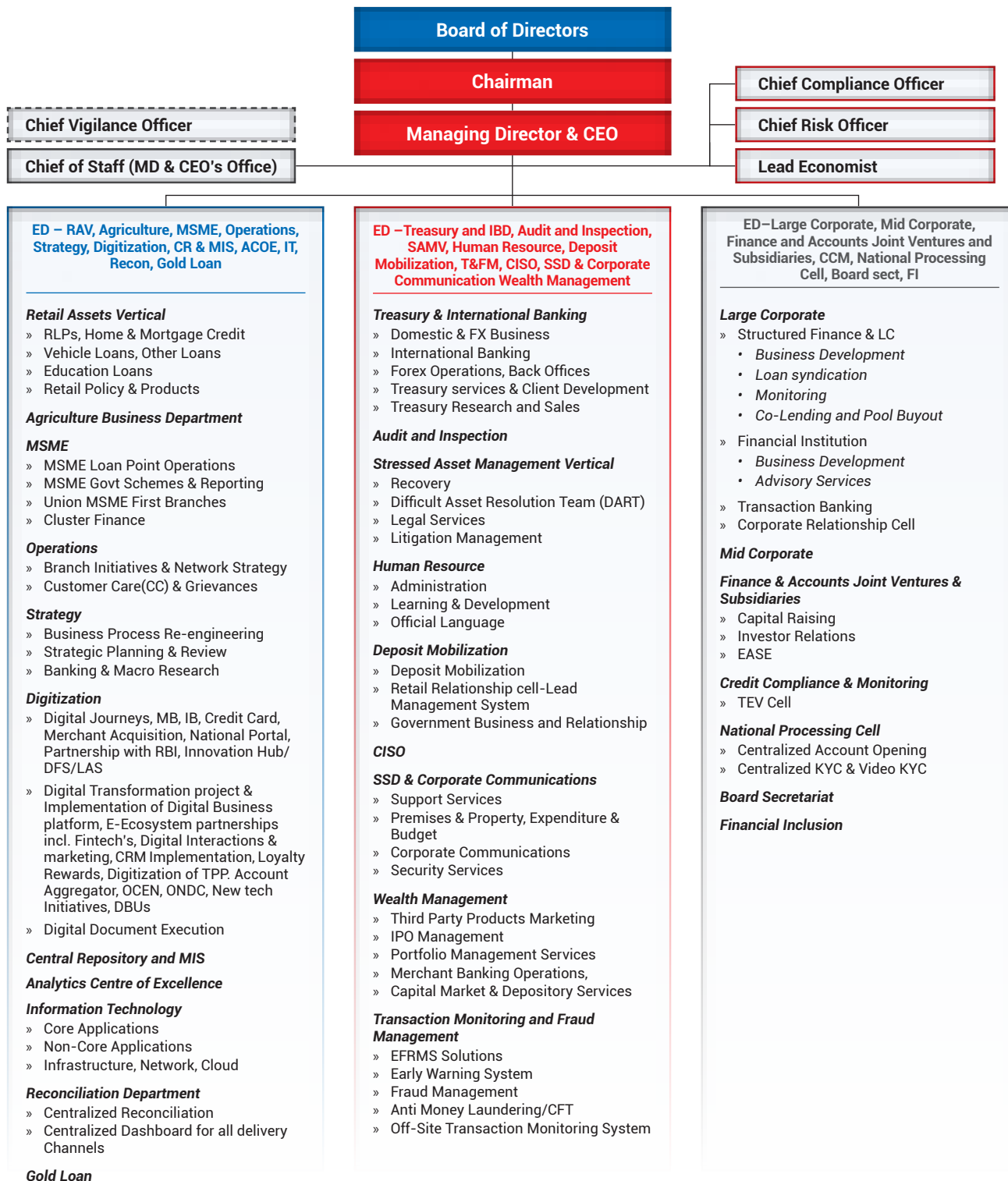
Chartered Accountants

M/s N B S & Co.

Chartered Accountants

Organization Structure

w.e.f. 05.06.2023



Strategy, Model & Capitals

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Board of Directors



Shri Srinivasan Varadarajan

Non-Executive Chairman and Part-Time Non-Official Director

Shri Srinivasan Varadarajan assumed office as Part-Time Non-Official Director as well as Non-Executive Chairman of the Bank on November 7, 2022. He has to his credit, more than three decades of experience in Banking and Financial services. He last served as the Deputy Managing Director of Axis Bank before setting up his own advisory practice in 2019.

As a financial advisor, he has worked with a leading international consulting firm, a sovereign wealth fund, a large corporate group, a NBFC group and a private sector Bank. Shri Srinivasan Varadarajan was the Managing Director and Head of Markets with J.P. Morgan, India. He was also the CEO, J P Morgan Chase Bank in India.

He served on various RBI Committees including the Technical Advisory Committee, Committee for Repos and Committee for STRIPS. He was also the Chairman of Fixed Income Money Market and Derivatives Association of India (FIMMDA) and Primary Dealers Association of India (PDAI). He was also the member of the Indo UK Financial Partnership Forum.

He holds an Engineering Degree from the College of Engineering, Anna University, Chennai and PG Diploma in Management from the Indian Institute of Management, Calcutta.



Ms. A. Manimekhalai

Managing Director & CEO

Ms. A. Manimekhalai is a seasoned Banker with experience of more than 3 decades. She started her career in erstwhile Vijaya Bank as an Officer in 1988 and rose successively as Branch Head, Regional Head and Functional Head of various Departments at Corporate Office. She was instrumental in devising & implementation of strategic policies covering core areas like strategic planning, setting organizational goals, growth strategies, action plans, compliance, internal control, etc.

Prior to joining Union Bank of India, Ms. A Manimekhalai was an Executive Director at Canara Bank, wherein she oversaw strategic planning, credit & related matters, inspection, marketing and financial inclusion, State Level Lead Bank responsibilities and the functioning of Regional Rural Banks. She played a pivotal role in

effecting successful amalgamation of Canara Bank and Syndicate Bank. She has extensive experience as Director on the Board of five other companies namely Canbank Factors Ltd., Canbank Computer Services Ltd., Canara HSBC Oriental Bank of Commerce Life Insurance Co. Ltd., General Insurance Corporation of India, India Infrastructure Finance Company Ltd. and Trustee, Canara Robeco Asset Management Co.

A member of various committees and working groups constituted by Government of India, she has actively contributed towards policymaking, including drawing the future road map of RRBs, Financial Inclusion, Agriculture Value-chain Finance, Banking Correspondent issues and creating synergies for seamless credit flow to Health Care and Education.

Ms. A. Manimekhalai holds Master of Business Administration (Marketing) from Bangalore University, and a Diploma in Human Resource Management from Narsee Monjee Institute of Management Studies (NMIMS), Mumbai. A beneficiary of various executive development programs at leading institutes of country, she is also a Certified Associate of Indian Institute of Bankers (CAIIB).



Shri Nitesh Ranjan
Executive Director

Shri Nitesh Ranjan is Executive Director of Union Bank of India since 2021. He is leading digital transformation in the Bank towards a superior customer experience, enhanced employee engagement and stronger balance sheet. While driving business outcome, he is focused on continuous strengthening of risk and compliance standards in the Bank.

Shri Ranjan has been with the Bank since 2008 where he occupied several important positions namely, Head of Treasury Operations & Business Strategy, Chief Investor Relations Officer, Chief Economist, and Regional Head.

He is a member of the Board of Directors of National Payments Corporation of India (NPCI), SUD Life Insurance Company Ltd and Swift India Domestic Pvt Ltd; and member of IBA Steering Committee on PSB Reforms. Earlier, he was on the board of SBI Global Factors Ltd, FIMMDA (Fixed Income Money Market and Derivatives Association of India) and UBI Services Ltd. He was also a founding member of India Forex Committee (IFXC).

Shri Nitesh Ranjan is a post-graduate in Economics. He has completed Leadership Development Programme of IIM Bangalore, curated by the Banks Board Bureau (now FSIB), IBA and Egon Zehnder International Pvt. Ltd. He also dedicated 100 days for imparting 'Spoken English Programme' to underprivileged youth, under Teach-India initiative.



Shri Rajneesh Karnatak
Executive Director (till 28.04.2023)

Shri Rajneesh Karnatak was a Chief General Manager of Punjab National Bank posted at Corporate Office. He is a Post Graduate in Commerce (M.Com) and is a Certified Associate from Indian Institute of Bankers (CAIIB).

He rich banking experience of over 27 years and carries varied branch and administrative office experience. As General Manager in erstwhile Oriental Bank of Commerce, he has headed Large Corporate Credit Branches and verticals such as Credit Monitoring, Digital Banking and Mid Corporate Credit. Post the amalgamation of Oriental Bank of Commerce into Punjab National Bank, he headed Credit Monitoring Division and also Corporate Credit Division in Punjab National Bank.

He attended various training and Leadership Development Programs from IIM-Kozhikode and JNIDB Hyderabad and has also taken part in Advance Management Programme at IMI (International Management Institute) Delhi. He was

Board of Directors

a part of 1st batch of Senior Officers selected by FSIB (erstwhile BBB) for Leadership Development Program of IIM Bangalore & Egon Zehnder. He carries with him credit appraisal skills including Project Funding & Working Capital funding along with Risk Management with specific reference/special emphasis on Credit Risk.

Shri Karnatak served as Nominee Director on the behalf of Punjab National Bank in the Board of PNB Housing Finance Ltd. And India SME Asset Reconstruction Company Limited. He also served as Board Trustee on behalf of Punjab National Bank on IAMCL (IIFCL Asset Management Co. Ltd).

He is presently Non-Executive Chairman of UBI Services Ltd. He also serves as Non Independent Non Executive Director on the Board of UBI (UK) Limited, the Bank's subsidiary based out of London. And member of the Governing Board of Indian Institute of Bank Management (IIBM) Guwahati.



Shri Nidhu Saxena

Executive Director

Shri Nidhu Saxena assumed the charge as Executive Director of Union Bank of India on 01.02.2022.

Shri Nidhu Saxena, aged 54 years is a Commerce graduate and holds a Masters in Business Administration along with CAIIB qualification. He started his banking career with Bank of Baroda and also worked at UCO Bank before his elevation as Executive Director in Union Bank of India.

He holds directorship in Union Asset Management Company Private Limited and Union Bank of India Services Limited. He is also a member of the NIBM Academic council and has been empanelled as a Subject Expert on the UPSC Advisor panel. Among the professional

memberships, he has been an ex-member of the Indian Banking Association Standing Committees on Retail Banking and MSME.

Throughout his banking career, he has worked at several locations and with different branches including specialised NRI Branch, Centralised Retail Hubs and administrative offices including Central Offices. He donned various roles including Branch Head, Zonal Head and has headed the verticals of Retail Credit, MSME and Bancassurance.



Shri Ramasubramanian S.

Executive Director

Shri Ramasubramanian S. assumed office as Executive Director of Union Bank of India w.e.f. from November 21, 2022. Prior to joining Union Bank of India, he held the position of Chief General Manager at Canara Bank. He has over 25 years of rich experience in various facets of Banking including Corporate Credit, MSME, Retail Credit, International Credit and FOREX. He is a Science graduate and a Certified Associate of Indian Institute of Bankers (CAIIB).

Throughout his banking career he has led effectively under various capacities; both in operations and administrative areas. He has executed leadership roles across various segments namely; Prime Corporate Credit Wing, Large Corporate, Mid Corporate Branches including a stint at Hong Kong Branch of Canara Bank. The India Banks' Association (IBA) having recognized his expertise and invaluable insights into Credit; secured him membership in their Standing Committee for Corporate Credit in the past. Similarly, he also participated in the Kamath Committee on COVID related Loan Restructuring.



Shri Sameer Shukla
Government Nominee Director

Shri Sameer Shukla is an officer of Indian Administrative Service (IAS) belonging to 2005 batch of Karnataka Cadre.

At present, he is working as Joint Secretary in Ministry of Finance, Department of Financial Services, Government of India.

He has been appointed as Government Nominee Director on the Board of Union Bank of India w.e.f. 08.11.2021. He has done Bachelor's in Electronics Engineering.

Experience in Government of India

Earlier, he has worked in the Ministry of Information and Broadcasting and Ministry of Steel, Government of India.

Experience in Government of Karnataka

- » Deputy Commissioner and District Magistrate in Districts of Bidar, Dharwad and Ballari.
- » Chief Executive Officer Zila Panchayat, Raichur in Rural Development and Panchayati Raj Department.
- » Managing Director of Mysore Minerals Limited in Industries Department.
- » Mission Director in Rural Development.
- » Commissioner in Skill Development, Entrepreneurship & Livelihood Department.

He has also worked in HCL Infosystems, private sector, as network engineer before joining Government Service as an IAS.



Shri Arun Kumar Singh
RBI Nominee Director

Shri Arun Kumar Singh is currently the head of Department of Information Technology, Reserve Bank of India, Central Office Mumbai, spearheading technological development in the Bank, particularly, in the areas of Currency Management, Government Banking, Payment System, Cyber Security, Data Centre upgradation, Internal Applications, IT Infrastructure, etc.

He has had a wide and rich experience of working in RBI in various capacities in the field of Government Banking, Financial Inclusion, Non-Banking and Banking Supervision, Banking Regulation, Monetary Policy, Information Technology, etc. He was actively engaged in regulation and supervision of non-banking financial companies for long period. He has acted as Principal Inspecting Officer / Senior Supervisory Manager for various commercial banks and has actively participated in first Asset Quality Review (AQR) of banks as well as Risk-based Supervision (RBS) related processes and development. He was also involved in framing banking policies in various capacities. He has also served as nominee director on Regional Rural Bank and assisted in regulatory and development issues under monetary policy formulation process. Just before his current assignment, he was Regional Director for Rajasthan for three years [2019-22] and carried out his Central Banking responsibilities in the areas of currency management, financial inclusion, financial literacy, banking / non-banking development, Government banking, etc. in the state of Rajasthan.

Shri Arun Kumar Singh has done his Graduation in Economics and MBA in Finance and HR. He is also a Certified Associate of the India Institute of Banking (CAIIB).

Board of Directors



Shri Suraj Srivastava

Part-Time Non-Official Director

Shri Suraj Srivastava is a Fellow Member of The Institute of Chartered Accountants of India (ICAI) and also a Bachelor of Laws (LL.B.).

Shri Srivastava has a rich professional experience of over 16 years as a practicing Chartered Accountant in taxation and statutory audits, concurrent audits and branch audits of various Public Sector Banks, Public Sector Undertakings and other Companies.

Shri Srivastava has also completed Information Systems Audit (ISA) Assessment test from ICAI.



Shri Laxman S Uppar

Part-Time Non-Official Director

Shri Laxman S Uppar assumed the charge as the Director of Union Bank of India on March 21, 2022.

Shri Uppar has done Bachelor's in Engineering. He is a noted Educationist, Philanthropist and Founder of Karnataka Classic Education Private Ltd. Dharwad. He has also started Spardha Spoorti Publishers & Printers Pvt. Ltd. Dharwad in 2012, which publishes books and magazines for various competitive examinations.

Currently, he is the Chairman of the Classic International Public School and also Classic Little Buds, Classic PU & Degree College, Dharwad.

Shri Uppar besides giving donations to orphanage centres, educational institutions and religious organisations also helps students having rural and poor background.

Shri Uppar has been bestowed with many National level awards for his service to educational and social sector.



Dr. Jayadev Madugula

Shareholder Director

Dr. Jayadev Madugula has been elected as Shareholder Director of the Bank w.e.f. 28.06.2021 for a period of three years. He is Post Graduate in Commerce and Ph.D. in Business Management. Presently, he is Professor of Finance & Accounting at IIM, Bangalore.

Dr. Jayadev has rich experience of teaching not only in premier institutions in India but also as a Visiting Professor in various universities abroad. He has published various books and research articles in national and international journals and has won various awards and accolades in the field of finance and banking. He was the Shareholder Director of the Bank from June 28, 2018, to June 27, 2021.



Ms. Priti Jay Rao
Shareholder Director

Smt. Priti Jay Rao is M.Sc (Mathematics) from IIT Bombay, specializing in Computer Science. She advocates amplifying business value by leveraging technology and is passionate about Diversity, Equity, and Inclusion, mainly focused on gender.

She has 24 Years of diverse experience in building and delivering a range of IT services for customers across all five continents. During her stint in Infosys as a management council member and Pune head, she played a pivotal role in building Technology Infrastructure Services (IMS) business and delivering a range of software services managing large-scale recruitment, training, and assimilating a large employee base.

She is a dynamic entrepreneur who has built an organization that fills the void of quality childcare in India, having experienced challenges for women who want to balance home and career.

She is also actively engaged in CSR activities with being chairperson and founder of the Aatmaja Foundation, with a mission to provide financial assistance, coaching, counseling, and other requisite support to deserving bright young girls from disadvantaged backgrounds to enable them to grow into empowered, confident professionals with solid values. Currently, the foundation supports 300 adolescent girls pursuing professional education.

She has been a member of the Board of Directors of Public and Private companies related to various aspects of technology services and products for the last several years.

Chief Vigilance Officer & *Chief General Managers*

as on 31.03.2023

Chief Vigilance Officer



Shri Vishnu Kumar Gupta

Chief General Managers



Shri S.K. Mohapatra



Shri V. B. Reddy



Shri K. Bhaskara Rao



Shri Abhijit Basak



Shri M V Balasubramanyam



Shri Shailesh Kumar Singh



Shri A K Vinod



Shri Rajiv Mishra



Shri Lal Singh



Shri Yogendra Singh



Shri C. M. Minocha



Shri Prafulla Kumar Samal



Shri Pravin Sharma



Shri S. C. Teli

General Managers

as on 31.03.2023

Strategy, Model & Capitals

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Dr. K. L. Raju



Shri Pramod Kumar Gupta



Shri K.S.D.S.V. Prasad



Shri A. R. Raghavendra



Shri S.V. Biju



Smt. S. Annapurna



Shri Tata Venkat Venugopal



Shri M. H. Padmanabham



Shri R. Pradhan



Smt. Beena Vaheed



Shri Anil Kuril



Shri R. Ratheesh



Shri Pramod Kumar Soni



Shri Amarendra Kumar



Shri Arun Kumar



Shri M. Venkateswara Swamy



Shri Sudarshana Bhat



Shri Binod Kumar Pattanaik

General

Managers

as on 31.03.2023



Shri Gyana Ranjan Sarangi



Shri Kabir Bhattacharya



Shri Ram Kumar Jaglan



Shri Sanjay Narayan



Shri S. K. Dash



Shri G.K. Sudhakar



Shri R.L. Pattanayak



Shri Navneet Kumar



Shri Naveen Jain



Shri R. Viswesvaran



Shri M. Babu Ravindra



Shri C. V. Manjunatha



Shri Bhalchandra Raman Rao Akolkar



Shri Sarvesh Ranjan



Shri Sumit Srivastava



Shri B. Janaki Ram



Shri Alok Kumar



Shri Vikash Kumar



Shri Vipin Singh



Shri Roop Lal Meena



Shri Rajiv Kumar Jha



Shri Manoj Kumar



Shri Jithender Maniram



Shri Gokulananda Das



Shri Dharendra Jain



Shri Rajiv Sharma



Shri Jaganatha Shetty



Shri Arun Kumar



Shri Gugulotu Shankarlal



Shri Vithal Banashankari



Shri S. Sakthivel



Shri Vipin Kumar Shukla



Shri Girija Bhusan Mishra



Shri Girish Chandra Joshi



Shri Manoj Kumar Nanda



Shri Omprakash Shriniwas Karwa



Shri P Krishnan

Chairman's Message



“

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

Managing Director's Message



“

Our resilience, adaptability, and commitment to our 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.

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

FY2022-23 Highlights

**Natural, Social & Human
Capitals**

₹23.38 cr.

Approved under Corporate Social Responsibility (CSR) initiatives

₹1,35,430 cr.

Loans disbursed to Agricultural Sector as on 31.03.2023, up by 6.35% YoY

75,594

Workforce Strength in FY2022-23

₹1,25,022 cr.

Total MSME Advances as on 31.03.2023, up by 13.12% YoY

28.82%

Of our workforce are women

₹1,05,954 cr.

Loans to women beneficiaries as on 31.03.2023, up by 18.90% YOY

₹215 cr.

Union Green Miles sanctioned in FY2022-23

>66,000 cr.

Hours of training for employees by Union Learning Academies

₹10,370 cr.

Credit facility extended to Renewable Energy Sector in FY2022-23

₹16.42 cr.

CSR spend by Union Bank Social Foundation Trust (UBSFT) in FY2022-23 on 38 projects under Education, Healthcare, Community Development, Skill Development and environmental conservation

₹3,233 cr.

Loans sanctioned under Union Nari Shakti scheme as on 31.03.2023

₹3,02,006 cr.

Advances made to the priority sectors as on 31.03.2023, up by 10.91% after excluding the PSLC sales and including the investments in RIDF/SIDBI/MUDRA/NHB

FY2022-23 Highlights

Manufactured & Financial Capitals

Global Business

₹19,27,621 cr.

as on 31.03.2023, up by 10.23% YOY

Total Global Deposits

₹11,17,716 cr.

as on 31.03.2023, up by 8.26% YOY

Global Gross Advances

₹8,09,905 cr.

as on 31.03.2023, up by 13.05% YOY

CASA Deposits

₹3,94,055 cr.

as on 31.03.2023, up by 10.23% YOY

Net Interest Income

₹32,765 cr.

as on 31.03.2023, up by 17.92% YOY

Operating Profit

₹25,467 cr.

as on 31.03.2023, up by 16.43% YOY

Domestic NIM

3.07%

as on 31.03.2023, up by 13 BPS YOY

Yield on Advances

7.68%

as on 31.03.2023, up by 54 BPS YOY

Provision Coverage Ratio

90.34%

as on 31.03.2023, up by 673 BPS YOY

Cost to Income Ratio

46.27%

as on 31.03.2023, up by 53 BPS YOY

Net NPA Ratio

1.70%

as on 31.03.2023, up by 198 BPS YOY

Customers

21.67 cr.

as on 31.03.2023

Domestic Branches

8,577

as on 31.03.2023

ATMs

10,835

as on 31.03.2023

Business Correspondent Points

17,000+

as on 31.03.2023

Corporate and Economic Profile

About the Bank

We are the first large public sector bank in the country to have implemented 100% core banking solution. The Bank has received several awards and recognition for its prowess in technology, digital banking, financial inclusion, MSME and development of human resources.

Today, Union Bank of India is India's one of leading public sector banks listed on the Indian stock exchanges, with the Government of India holding 83.49% in the Bank's total share capital. Founded in 1919, we have had a long legacy of serving our stakeholders.



Employees

75,594

Global Deposits

₹ 11,17,716 cr.

as on 31.03.2023

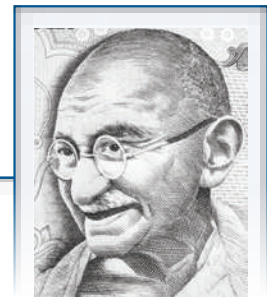
Global Gross Advances

₹ 8,09,905 cr.

as on 31.03.2023

Our Genesis

Union Bank of India was established on 11th November 1919 with its headquarters in Mumbai. It was promoted by Seth Sitaram Poddar. The Head Office building of the Bank in Mumbai was inaugurated by Mahatma Gandhi, the Father of the Nation in the year 1921. His prescient words predicted the growth of the Bank that has taken place in the decades that followed.



“

We should have the ability to carry on a big bank, to manage efficiently crores of rupees in the course of our national activities. Though we have not many banks amongst us, it does not follow that we are not capable of efficiently managing crores and tens of crores of rupees. –

Mahatma Gandhi (1921)

Services & Solutions

Our Bank offers a wide variety of banking products and services across four main segments.



Treasury Operations

We provide an array of account options including savings and current accounts, term and recurring deposits, as well as demat and online trading accounts. Our retail loan offerings encompass home loans, vehicle loans, education loans, personal loans, and loans against property. We also cater to the needs of pensioners and micro, small, and medium enterprises (MSMEs) with tailored products and loans.



Retail Banking Operations

Our services extend to the investment and insurance domains as well, where we offer mutual funds, and various insurance products such as life, non-life, health, and general insurance. We provide tax saving deposits, government saving schemes, and pension products. Our Bank also facilitates tax collection services and departmentalized ministries accounts. Agricultural, SSI, and tertiary sectors can benefit from our short-term, long-term, and other tailored credit facilities. For added convenience and safety, we provide safe deposit locker and cheque collection services.



Corporate and Wholesale Banking, and

In the corporate sector, we offer an extensive range of services including, but not limited to, trade finance, working capital, lines of credit, project financing, and channel finance. We also assist with debt structuring/restructuring, loan syndication, structured finance, mergers and acquisition advisory, and private equity services. Our corporate customers can also avail themselves of cash management, Export Credit Guarantee Corporation (ECGC) cover, foreign exchange services, and derivatives. We provide comprehensive support for international trade through our export and import finance services.



Other Banking Operations

Our services are not limited to domestic customers, as we offer comprehensive NRI banking services, along with a suite of treasury and remittance services. Our digital capabilities include app banking, internet banking, self-service banking, ATM services, and SMS banking. Further expanding our service portfolio, we offer point of sale terminals and immediate payment services. We also provide an assortment of card options including combo, debit, credit, gift, prepaid, and payroll cards.

Deciphering Market Dynamics

Responding responsibly for Sustainability Success

Banking Industry Structure

The Indian banking sector is broadly categorized into scheduled and non-scheduled banks. The scheduled banks are further divided into commercial banks and cooperative banks. Commercial banks comprise public sector banks (PSBs), private sector banks, foreign banks, and Small Finance Banks. Cooperative banks include urban and rural cooperatives.

Union Bank of India (UBI) is a major Public Sector Bank in India. It was nationalized in 1969 by the Indian government and has played a significant role in expanding your Banking sector in rural and semi-urban areas. Union Bank of India is one of the largest government-owned banks in India. Following a merger in 2020, Andhra Bank and Corporation Bank were amalgamated into Union Bank of India, further augmenting its position in the public sector banking space. UBI provides a comprehensive suite of banking products and services, ranging from regular savings and checking accounts to more complex offerings like loans, insurance, and investment services. Its presence is not just limited to urban areas but extends to many rural areas, thus playing a crucial role in supporting rural development and promoting financial inclusion.

Banking Industry Dynamics

FY 2022-23 marked a period of significant transformation and resilience for the Indian banking industry. The sector demonstrated commendable adaptability in the face of the Monetary Policy Committee's policy shifts and challenging global financial conditions. The year saw your Banking industry weather these changes with robust credit growth across all major sectors, moderate non-performing loans, and improved asset quality. Additionally, despite the increase

Union Bank of India remains steady amidst global financial changes, contributing to India's economic recovery. Our stable credit growth and improved asset quality attest to our adaptability in an ever-evolving banking industry.

in the policy repo rate, your Banking industry managed to maintain robust deposit growth while effectively transmitting the changes to retail and bulk deposit rates. These trends suggest a healthy banking sector, capable of supporting India's economic recovery and growth and poised for further progress in the upcoming fiscal years.

RBI's Monetary Policy Shifts in 2022-23: During FY 2022-23, the Monetary Policy Committee (MPC) adopted an aggressive approach towards tackling inflation and supporting growth. It increased the policy repo rate by 250 basis points from May 2022 to February 2023. This strategy aimed to align inflation with the set target, providing a stable economic environment for growth.

Money Market Responses and Repo Rate Transmissions: In the latter half of the fiscal year, money market rates for various maturities followed the rise in the policy repo rate, reflecting the prevailing surplus liquidity. The impact of this development was clear in the weighted average call money rate (WACR), which came into alignment with the repo rate. Furthermore, the pace of policy repo rate transmission to banks' lending and deposit rates amplified, thanks to the external benchmark regime for loans, the easing surplus liquidity in your Banking system, and the persistence of credit growth over deposit growth.



Resilience in Hostile Global Financial Environment: In the face of a challenging global financial environment in the first half of FY 2022-23, the Indian banking system demonstrated resilience. It maintained adequate capital buffers and moderate levels of non-performing loans. Banks managed to improve their profitability through higher net interest income as the impact of rising interest rates on investment portfolios remained limited.

Acceleration of Bank Credit Growth: In response to improving economic activity, bank credit growth showed an acceleration, especially in the non-food sector. Scheduled Commercial banks (SCBs) registered a year-on-year increase in non-food credit growth of 16.7% as of September 2022, up from 9.7% at the end of March 2022. This robust credit growth persisted into the second half of the fiscal year, driven by resurgent demand in the economy.

Sector-Wise Credit Expansion: In FY 2022-23, an improvement in bank credit was noticeable across all major sectors. The agriculture sector experienced credit growth, mainly due to favourable monsoon conditions and

an increased target for agricultural credit. The industrial sector also saw a recovery in credit growth, thanks to contributions from both large industries and the MSME segment. Retail loans continued to be a significant driver of credit growth for the year.

Deposits Growth and Asset Quality Improvement: Scheduled Commercial Banks (SCBs) saw their aggregate deposits grow faster in FY 2022-23, spurred by a considerable increase in interest rates. However, this deposit growth lagged behind credit growth for the year. In terms of asset quality, SCBs marked a substantial improvement with a decline in the overall non-performing assets (NPA) ratio.

Banks' Lending and Deposit Rates Adjustment: In response to the increases in the policy repo rate from May 2022, banks' deposit and lending rates also increased during the first half of 2022-23. The efforts to raise retail deposits to fund robust credit growth led to a notable transmission to retail deposit rates, especially in the year's second half.

Deciphering Market Dynamics

Responding responsibly for Sustainability Success

Shifts in the Weighted Average Domestic Term Deposit

Rate: The Weighted Average Domestic Term Deposit Rate (WADTDR) on fresh deposits (including retail and bulk) showed an increase of 222 bps from May 2022 to February 2023. Initially, banks concentrated on mobilising

bulk deposits, but the focus shifted towards raising fresh retail deposit rates in the latter half of the year. This shift resulted in the overall growth of term deposit rates, highlighting the increasing demand for durable funds from depositors.

Threats, Risks and Concerns

The Indian banking sector, despite its remarkable growth trajectory and integral role in driving the nation's economy, is confronted with a unique blend of threats, risks, and concerns, accentuated in a digitally dominant and sustainability-conscious world.

1. Digital Disruption and Cybersecurity Risks:

While providing significant growth opportunities, the digital revolution is a double-edged sword. There is an increased susceptibility to cyber threats, such as data breaches, phishing, and ransomware attacks. The explosion of digital banking has exponentially increased the attack surface for malefactors, causing a potential threat to the financial stability of banks.

2. Operational Risks:

With the increased implementation of advanced technology, there's an associated rise in operational risk due to system outages, IT failures, or breakdowns in internal procedures, people, and systems.

3. Regulatory Compliance:

The regulatory landscape is becoming increasingly stringent, requiring banks to comply with various rules, ranging from Anti-Money Laundering (AML) laws to Know Your Customer (KYC) protocols. Non-compliance can lead to significant financial penalties and reputational damage.

4. Asset Quality and Credit Risk:

Indian banks face a persisting issue of Non-Performing Assets (NPAs), mainly due to high corporate and agricultural sector debt. Moreover, the economic consequences of the COVID-19 pandemic have further exacerbated the credit risk situation.

5. Sustainability Concerns:

In the face of global climate change, banks are under mounting pressure from stakeholders to transition to more sustainable operations and ensure their loan portfolios are aligned with climate-friendly projects.

We proactively mitigate risks by advancing cybersecurity measures, improving digital capabilities, and streamlining compliance processes. Our improved credit appraisal systems safeguard asset quality, while our focus on sustainability is evident in our incorporation of ESG criteria into our operations.

Strategies for Success in a Digital World with Sustainability as a Priority

By recognizing the dynamic landscape of your Banking sector and implementing these strategies, Union Bank of India can fortify its position, optimize performance, and succeed in the digital and sustainability-conscious world. Nonetheless, this requires a delicate balance of technological adoption, regulatory understanding, prudent risk management, and a commitment to sustainability backed by a culture of innovation and adaptability. Some key strategies in play would be:

Key Areas of Concern	Union Bank of India's Response	GRI Relevance	Read More	Strategy Icon
Digital Disruption and Cybersecurity Risks	Strengthen cybersecurity measures by implementing advanced technologies such as data encryption, multi-factor authentication, and AI-based threat detection. Regularly conduct cybersecurity audits and employee training to stay updated with the latest cyber threats and promote safe practices.	GRI 418: Customer Privacy and GRI 419: Socioeconomic Compliance	Chapter on Intellectual Capital, Page 82	
Operational Risks	Enhance digital capabilities to compete with fintech and big tech firms. Develop user-friendly apps, adopt AI, machine learning, and data analytics for personalized services, streamline operations, and employ blockchain technology for secure transactions.	GRI 419: Socioeconomic Compliance	Chapter on Intellectual Capital, Page 82	
Regulatory Compliance	Establish a robust compliance programme to manage and mitigate regulatory risks. Adopt RegTech solutions to automate compliance processes and keep pace with evolving regulations.	GRI 419: Socioeconomic Compliance	Chapter on Risk Framework, Page 91	
Asset Quality and Credit Risk	Improve credit appraisal systems and follow stringent due diligence for lending. Invest in advanced analytics to identify potential NPAs and take corrective actions promptly.	GRI 201: Economic Performance	Chapter on Manufactured Capital, Page 62	
Sustainability Concerns	Incorporate ESG criteria into lending decisions and operational strategies. Offer green banking products like green loans, green mortgages, and green bonds to incentivize sustainable investments.	GRI 201: Economic Performance, GRI 203: Indirect Economic Impacts, and GRI 300: Environmental	Chapters on Social & Relationship Capital, Page 104 ; Natural Capital, Page 90 ; Corporate Governance Report, Page 191	

Strategy Blueprint

Committed to Environmental Stewardship, Powered by Digital Innovation

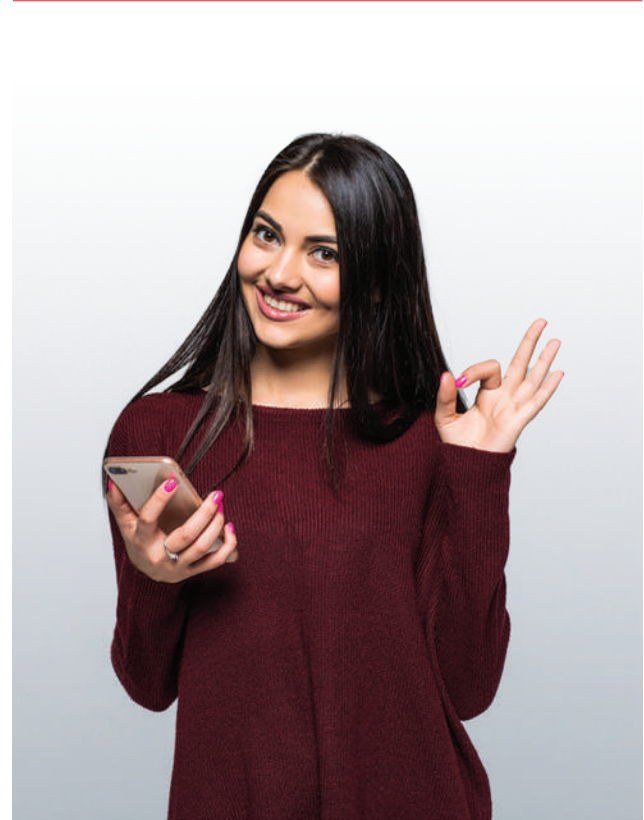
Strategic Priorities

In light of the evolving banking landscape, Union Bank of India remains steadfast in its commitment to pioneering digital excellence while catalysing India's march towards sustainable growth. The sweeping trend of mass digitalization and technology-driven disruption continues to reshape our strategic priorities, ensuring we remain agile in the face of these transitions.

As champions of sustainability, we recognize the urgency of mitigating climate change impacts. This awareness is at the core of our quest to decarbonize the economy and achieve net-zero emissions by 2050, a journey that demands significant behavioural changes and large-scale deployment of non-carbon technologies across sectors.

Underpinning our strategic agenda is our mission, "Committed to Sustainability, Driven by Digital Prowess." Our ambition is to harness technological innovation and digital prowess to create an age of opportunity for everyone. Our focus is to ensure that our customers have access to a range of products, advice, and solutions that empower them to make informed financial decisions and fulfil their life and business aspirations.

Union Bank of India leverages digital innovation for sustainable growth. We're driving towards net-zero emissions by 2050 while empowering customers with digitized, informed financial decisions.



Our strategy is guided by eight key priorities:

Strategic Priority	Description	Symbol
1. Enhancing our clients' financial health	As a trusted partner, we strive to improve our clients' financial wellbeing by delivering personalized advice, driven by our digital proficiency and data insights.	
2. Facilitating our clients' transition towards a sustainable future	Echoing our commitment to sustainability, we endeavour to assist our clients in navigating their path to a greener future, using sustainable finance and innovative solutions.	
3. Broadening our customer outreach	With a focus on the power of scale, our goal is to accelerate sustainable growth by expanding our customer base across our digital and physical channels.	
4. Achieving operational excellence	Leveraging our digital capabilities, we aspire to provide an outstanding customer experience through simplified processes and a value-focused transaction model.	
5. Nurturing a dynamic and engaged team	Our team, guided by our commitment to sustainability and digital empowerment, remains a strategic priority. We foster an inclusive and diverse culture that promotes talent development and growth opportunities for all.	
6. Enhancing Digital Capability	Central to our strategy is our emphasis on utilizing data and technology as primary drivers. Our advanced data analytics and secure technology infrastructure enable us to create superior solutions that address our customers' needs.	
7. Fostering Sustainability	We are dedicated to embodying sustainability within our operations and propagating it amongst stakeholders. Through minimizing our environmental impact and promoting sustainable practices externally, we aim to contribute to a resilient, sustainable ecosystem.	
8. Proactive Regulatory Compliance	Upholding our commitment to serve with integrity, we prioritize proactively adhering to regulatory norms and fostering a culture of compliance. Through our robust compliance framework, we ensure alignment with industry best practices and regulations, reinforcing the trust of our clients and stakeholders.	









Strategy Blueprint

Committed to Environmental Stewardship, Powered by Digital Innovation

To track our progress, we have identified a set of Key Performance Indicators (KPIs), which monitor both financial and non-financial aspects. These strategic KPIs, aligned with our commitment to sustainability and digital prowess, guide our decision-making processes, from planning and budgeting to resource allocation, investment

prioritization, and performance-based remuneration. Below is a tabular representation that connects our strategic priorities with the respective United Nations Sustainable Development Goals (UNSDGs); Global Reporting Initiative (GRI) Standards, and Sustainability Accounting Standards Board (SASB) Standards:

Strategic Priority	UNSDGs	GRI Standards	SASB Standards
<p>1. Union Bank of India's Strategic Priorities</p>		<p>GRI 203 (Indirect Economic Impacts), GRI 404 (Training and Education)</p>	<p>FN-CB-270a.1 (Financial Inclusion & Capacity Building), FN-CB-270a.2 (Customer Privacy & Data Security)</p>
<p>2. Facilitating our clients' transition towards a sustainable future</p>		<p>GRI 201 (Economic Performance), GRI 305 (Emissions)</p>	<p>FN-CB-410a.1 (Climate Risk Management), FN-CB-410a.2 (Climate Change Business Interruption Incidents)</p>
<p>3. Broadening our customer outreach</p>		<p>GRI 203 (Indirect Economic Impacts), GRI 417 (Marketing and Labeling)</p>	<p>FN-CB-270a.3 (Customer Privacy & Data Security), FN-CB-550a.1 (Access to Banking Services)</p>
<p>4. Achieving operational excellence</p>		<p>GRI 302 (Energy), GRI 305 (Emissions), GRI 416 (Customer Health and Safety)</p>	<p>FN-CB-000.B (Systemic Risk Management), FN-CB-510a.1 (Data Security)</p>
<p>5. Nurturing a dynamic and engaged team</p>		<p>GRI 401 (Employment), GRI 404 (Training and Education), GRI 405 (Diversity and Equal Opportunity)</p>	<p>FN-CB-330a.1 (Labor Practices), FN-CB-330a.2 (Employee Diversity)</p>

Strategic Priority	UNSDGs	GRI Standards	SASB Standards
<p>6. <i>Enhancing Digital Capability</i></p> 	 	GRI 418 (Customer Privacy), GRI 306 (Effluents and Waste)	FN-CB-230a.1 (Systemic Risk Management), FN-CB-550a.2 (Data Security), FN-CB-510a.1 (Customer Privacy & Data Security)
<p>7. <i>Fostering Sustainability</i></p> 	 	GRI 301 (Materials), GRI 302 (Energy), GRI 305 (Emissions)	FN-CB-410a.1 (Climate Change Business Interruption Incidents), FN-CB-410a.3 (Climate Risk Management)
<p>8. <i>Proactive Regulatory Compliance:</i></p> 		GRI 307 (Environmental Compliance), GRI 419 (Societal Compliance)	FN-CB-510a.2 (Management of the Legal & Regulatory Environment), FN-CB-510a.3 (Critical Incident Risk Management)



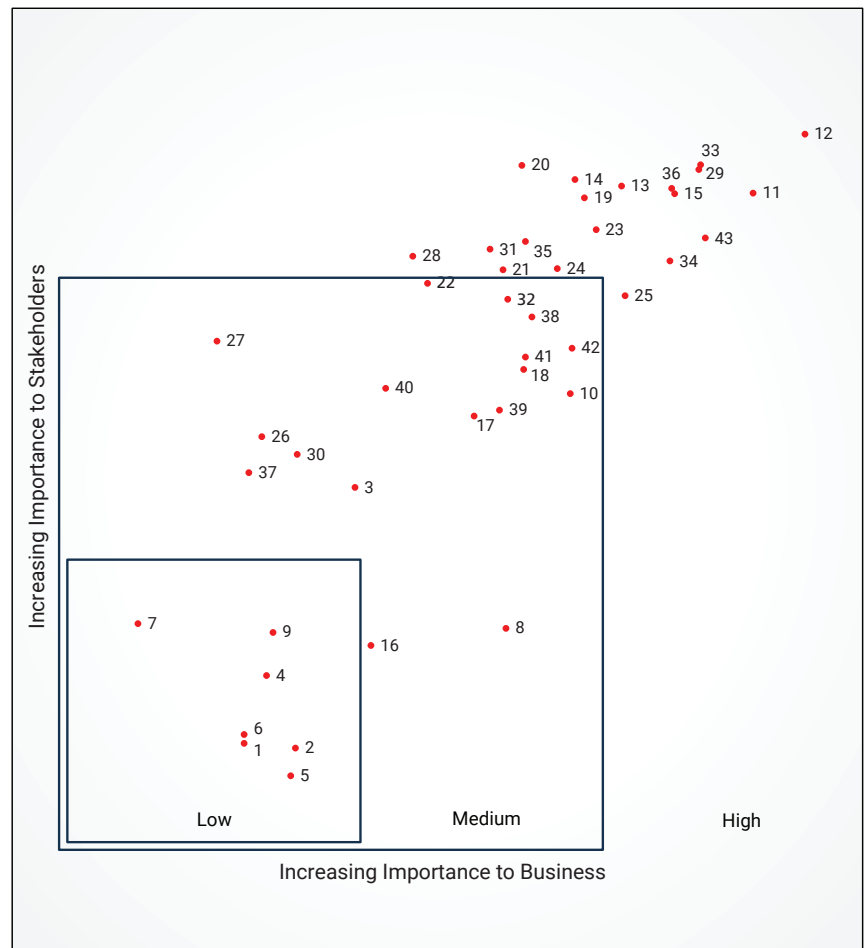
Materiality Assessment &

Stakeholder Engagement

Materiality Survey

In FY2023, Union Bank of India embarked on an extensive Materiality Analysis Survey to guide the strategic priorities outlined in this annual report. This analysis provided a comprehensive internal and external perspective on the bank's material issues, spanning the breadth of our economic, environmental, and social impact. By undertaking this process, we were able to identify and underscore the topics of utmost relevance to our diverse group of stakeholders and to the organization's sustainable growth. The outcomes of this exercise underpin our commitment to balancing our business objectives with the needs and expectations of our stakeholders, and to driving responsible, inclusive growth.

ESG Factors material to Union Bank and our External Stakeholders:



The Bank conducted its first formal materiality assessment survey on external and internal stakeholders, using a third-party consultant. We engaged with internal and external stakeholders, including several Union Bank of India leaders and subject matter experts from across the company. We reached out to several external stakeholders, representing our customers and employees, ESG investors, Government, media, NGOs, and financial peers.

For the purposes of this Integrated Annual Report, the Bank has identified the following topics as being the most significant to our internal and external stakeholders materiality assessment:

Issue #	Highly Material Issues
11	Social Capital - Customer Privacy
12	Social Capital - Data Security
13	Social Capital - Clients' Sustainability
14	Social Capital - Product Quality & Safety
15	Social Capital - Customer Welfare
19	Human Capital - Training and Skill Development
20	Human Capital - Employee Health & Safety
23	Business Model & Innovation - Significance of Product Design and Innovation
29	Leadership & Governance - Business Ethics and Anti-Corruption Measures
33	Leadership & Governance - Risk Management
34	Leadership & Governance - Grievance Redressal of Stakeholders
36	Leadership & Governance - Reputation, Communication and Awareness
43	Economy - Systematic Risk Management

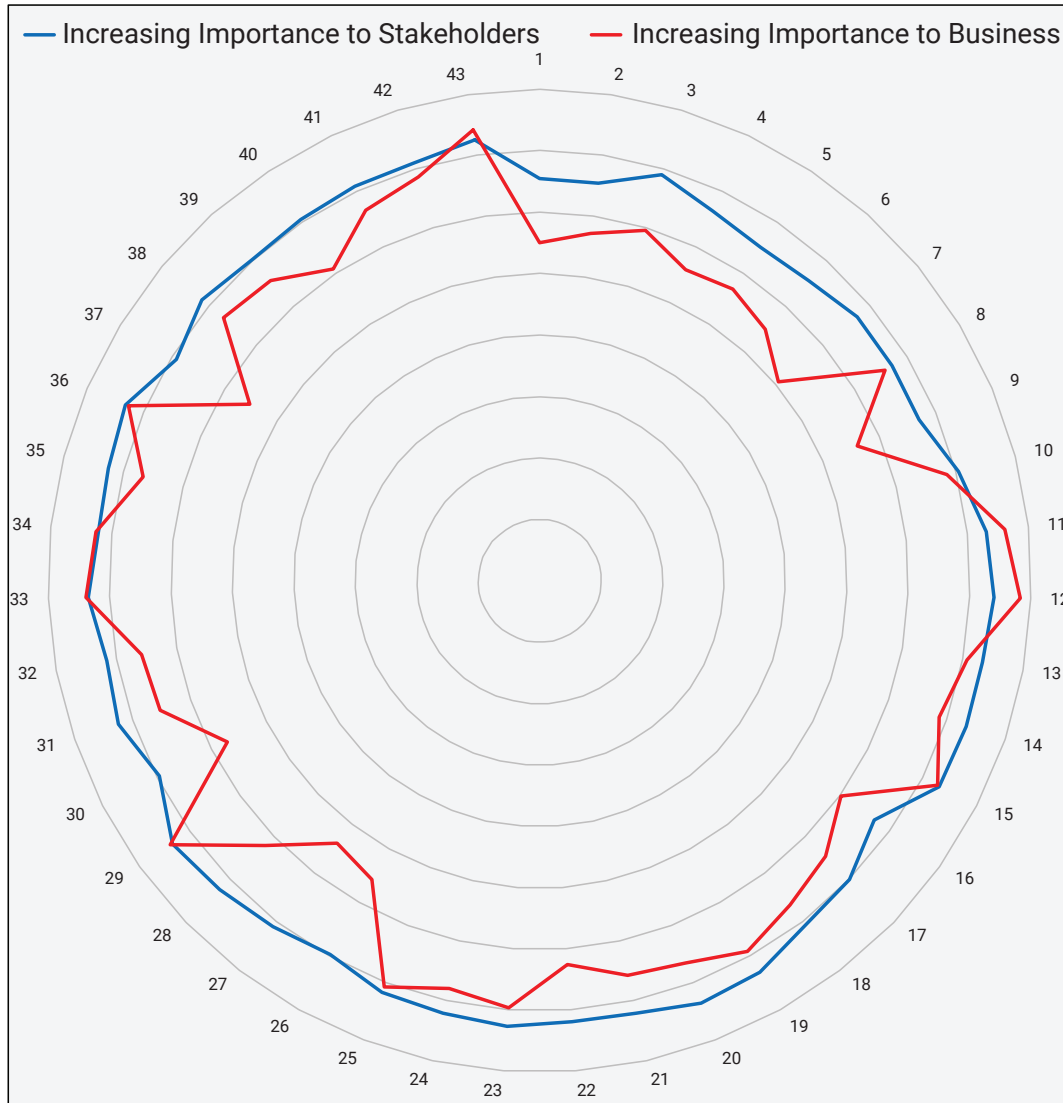
●	High
●	Medium
●	Low

Issues Scored by Internal and External Stakeholders Through a Survey			Average Ratings (from 100)	
Issue Number	Materiality Issue	Issue Number	Increasing Importance to Business	Increasing Importance to Stakeholders
1	Environment - Climate Change Mitigation & Adoption	1	55	66
2	Environment - Air Pollution Control & Toxic Emission Management	2	57	65
3	Environment - Energy Management & Renewable Energy Usage	3	60	69
4	Environment - Water Management	4	56	66
5	Environment - Effluent/Waste Water Management	5	57	65
6	Environment - Waste Management	6	55	66
7	Environment - Biodiversity Management	7	51	67
8	Environment - Environment Compliance	8	66	67
9	Environment - Natural Resources Conservation (soil, air and water)	9	56	67
10	Social Capital - Human Rights	10	69	70
11	Social Capital - Customer Privacy	11	76	73
12	Social Capital - Data Security	12	78	74
13	Social Capital - Clients' Sustainability	13	71	73
14	Social Capital - Product Quality & Safety	14	69	73
15	Social Capital - Customer Welfare	15	73	73
16	Social Capital - Charitable Giving	16	60	67

Materiality Assessment & Stakeholder Engagement

Issues ranked by internal and External Stakeholders through a survey			Average Ratings (from 100)	
Issue Number	Materiality Issue	Issue Number	Increasing Importance to Business	Increasing Importance to Stakeholders
17	Social Capital - Social Development & Community Involvement	17	65	70
18	Human Capital - Labour Practice & Employment	18	67	71
19	Human Capital - Training and Skill Development	19	69	73
20	Human Capital - Employee Health & Safety	20	67	74
21	Human Capital - Importance of Staff Succession Planning	21	66	72
22	Human Capital - Employee Engagement, Diversity & Inclusion	22	63	72
23	Business Model & Innovation - Significance of Product Design and Innovation	23	70	73
24	Business Model & Innovation - Need for Business Model Resilience	24	68	72
25	Business Model & Innovation - Access to Capital and Customers	25	71	72
26	Business Model & Innovation - Role of Supply Chain Management	26	56	70
27	Business Model & Innovation - Efficiency in Material Sourcing	27	54	71
28	Business Model & Innovation - Long-Term Asset Management	28	62	72
29	Leadership & Governance - Business Ethics and Anti-Corruption Measures	29	74	73
30	Leadership & Governance - Promoting Renewable Energy Generation	30	57	70
31	Leadership & Governance - Competitive Behaviour	31	65	72
32	Leadership & Governance - Management of the Legal & Regulatory Environment	32	66	72
33	Leadership & Governance - Risk Management	33	74	74
34	Leadership & Governance - Grievance Redressal of Stakeholders	34	73	72
35	Leadership & Governance - Responsible Investment	35	67	72
36	Leadership & Governance - Reputation, Communication and Awareness	36	73	73
37	Economy - Commodity Price Volatility	37	55	69
38	Economy - Economic/Financial Crises	38	67	71
39	Economy - Impact on Local Communities	39	66	70
40	Economy - Responsible Supply Chain	40	61	70
41	Economy - Employment Trends/Diversification	41	67	71
42	Economy - Tax Governance	42	69	71
43	Economy - Systematic Risk Management	43	74	73















Scatter Diagramme



Our materiality assessment also included a comparison of internal and external scoring, the results of which are presented through a Scatter Diagramme. This visual representation vividly displays a remarkable alignment between the perceptions of internal and external stakeholders, with each data point indicating a respective material issue. A very marginal deviation between the two assessments reinforces the consensus on the importance of these material issues. This harmonious correlation underscores our comprehensive understanding of stakeholder expectations and affirms the alignment of our strategic priorities with those expectations.

Materiality Assessment & Stakeholder Engagement

Mapping to Important Issues to Stakeholders

Issue #	High Material Issue	Relevance and Measures	GRI	SASB	UNSDG	Strategic Priority
11	Social Capital - Customer Privacy	Ensuring customer privacy is crucial for Union Bank of India to maintain customer trust and comply with data protection regulations. Your Bank implements data protection measures and policies, provide staff training, and assure customers through communications about their privacy rights and the security of their data. To know more on Union Bank's actions in this area, read the Chapter on Intellectual Capital on Page 82 .	GRI 418: Customer Privacy	SASB FN-CB-220a.1		
12	Social Capital - Data Security	Data security is essential to prevent breaches that could harm customers and Your Bank's reputation and could lead to regulatory fines. Your Bank invests in secure technology, employee training, and regular audits to ensure that all data is appropriately protected. To know more on Union Bank's actions in this area, read the Chapter on Intellectual Capital on Page 82 .	GRI 418: Customer Privacy	SASB FN-CB-230a.2		
13	Social Capital - Clients' Sustainability	Helping clients to be sustainable can contribute to long-term client relationships and the sustainability of Your Bank itself. Your Bank develops sustainable products, provide sustainability advice and services, and support clients in their sustainability transitions. To know more on Union Bank's actions in this area, read the Chapter on Relationship Capital on Page 104 .	GRI 203: Indirect Economic Impacts	SASB FN-CB-410b.1		
14	Social Capital - Product Quality & Safety	High-quality and safe products are essential for customer satisfaction and trust. Your Bank implements robust quality controls, safety checks, and customer feedback mechanisms. To know more on Union Bank's actions in this area, read the Chapter on Manufactured Capital on Page 62 .	GRI 417: Marketing and Labeling	SASB FN-CB-270a.1		
15	Social Capital - Customer Welfare	Customer welfare is crucial for customer retention and Your Bank's reputation. Your Bank provides transparent and fair products, ensure customer privacy and data security, and provide excellent customer service. To know more on Union Bank's actions in this area, read the Chapter on Relationship Capital on Page 104 .	GRI 416: Customer Health and Safety	SASB FN-CB-270a.1		
19	Human Capital - Training and Skill Development	Continuous training and skill development are crucial for employee productivity and job satisfaction. Your Bank provides ongoing training programmes, encourage lifelong learning, and support skill development. To know more on Union Bank's actions in this area, read the Chapter on Human Capital on Page 120 .	GRI 404: Training and Education	SASB FN-CB-330a.2		
20	Human Capital - Employee Health & Safety	Ensuring employee health and safety can contribute to productivity and job satisfaction. Your Bank implements robust health and safety policies, provide training, and ensure a safe and healthy working environment. To know more on Union Bank's actions in this area, read the Chapter on Human Capital on Page 120 .	GRI 403: Occupational Health and Safety	SASB FN-CB-320a.1		

Issue #	High Material Issue	Relevance and Measures	GRI	SASB	UNSDG	Strategic Priority
23	Business Model & Innovation - Significance of Product Design and Innovation	Innovating new products is vital for the Union Bank of India to meet changing customer needs and stay competitive. Your Bank encourages a culture of innovation, invest in R&D and customer insights, and collaborate with fintech companies. To know more on Union Bank's actions in this area, read the Chapter on Manufactured Capital on Page 62 .	GRI 417: Marketing and Labeling	SASB FN-CB-330a.1		
29	Leadership & Governance - Business Ethics and Anti-Corruption Measures	Strong ethics and anti-corruption measures are vital to Your Bank's reputation, customer trust, and regulatory compliance. Your Bank implements robust anti-corruption policies, provide staff training, and demonstrates commitment to ethics through leadership behaviors. To know more on Union Bank's actions in this area, read the Chapter on Corporate Governance Report on Page 191 .	GRI 205: Anti-corruption	SASB FN-CB-510a		
33	Leadership & Governance - Risk Management	Managing risks effectively is crucial to maintain financial stability and customer trust. Your Bank implements a robust risk management framework, invest in technologies for risk analysis, and conduct regular risk audits. To know more on Union Bank's actions in this area, read the Chapter on Risk Management on Page 91 .	GRI 102-15: Key impacts, risks, and opportunities	SASB FN-CB-000.B: Systemic Risk Management		
34	Leadership & Governance - Grievance Redressal of Stakeholders	Effective grievance redressal mechanisms are important to maintain good relationships with stakeholders and to comply with regulatory requirements. Your Bank implements robust grievance redressal procedures and communicate them clearly to all stakeholders. To know more on Union Bank's actions in this area, read the Chapter on Relationship Capital on Page 104 .	GRI 102-17: Mechanisms for advice and concerns about ethics	SASB FN-CB-510a.3: Critical Incident Risk Management		
36	Leadership & Governance - Reputation, Communication and Awareness	Building a good reputation and effectively communicating with stakeholders is important for maintaining trust and attracting investment. Your Bank implements strong communication strategies, promote transparency, and engage actively with stakeholders. To know more on Union Bank's actions in this area, read the Chapter on Stakeholder Engagement on Page 36 .	GRI 102-43: Approach to stakeholder engagement	SASB FN-CB-510a.2: Management of the Legal & Regulatory Environment		
43	Economy - Systematic Risk Management	Systematic risk management is essential to avoid significant losses and maintain financial stability. Your Bank uses advanced risk modelling techniques, conduct stress tests, and maintain adequate capital buffers. To know more on Union Bank's actions in this area, read the Chapter on Risk Management on Page 91 ; and on Financial Capital on Page 70 .	GRI 201: Economic Performance	SASB FN-CB-000.B: Systemic Risk Management		

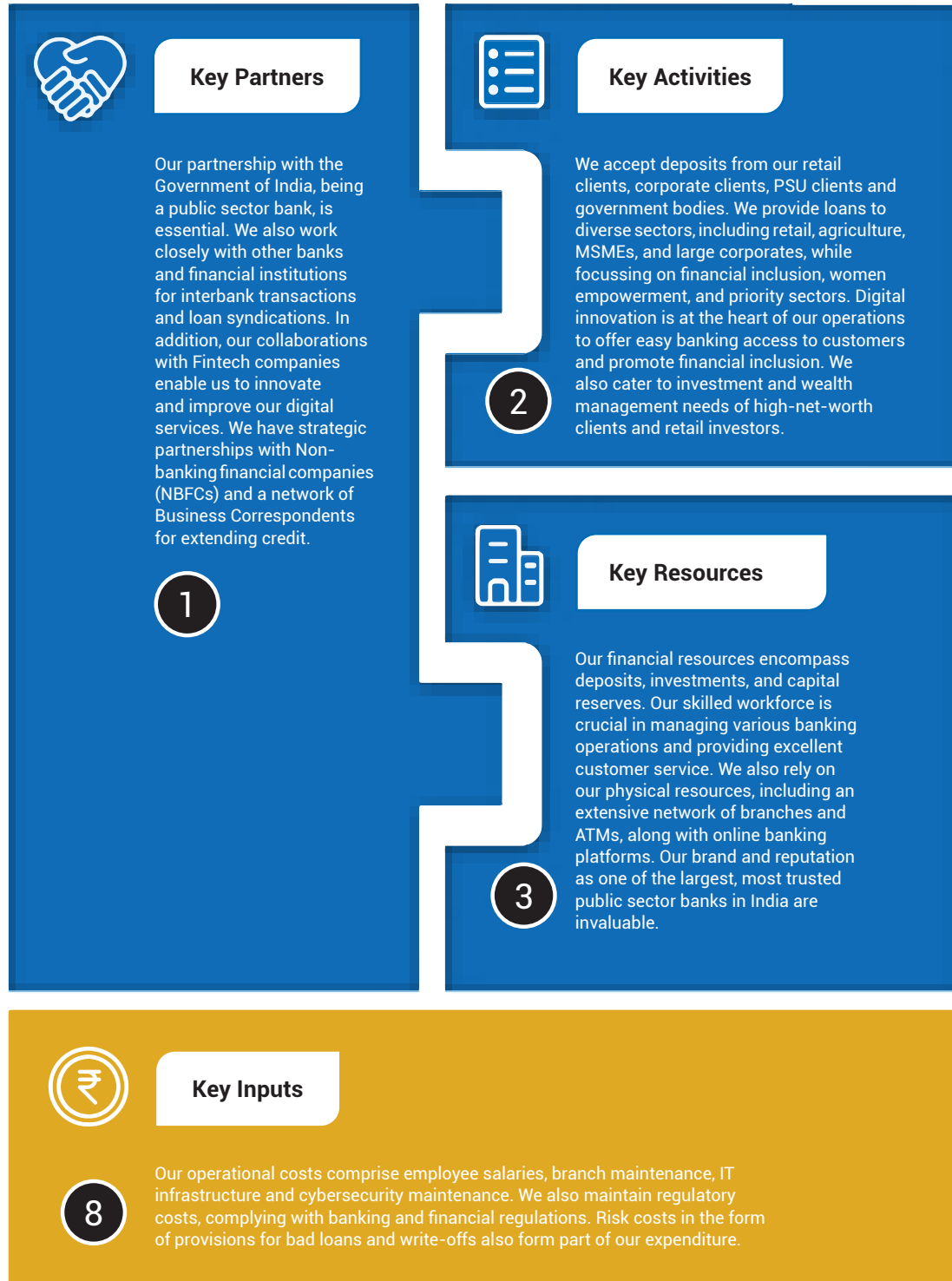
Our Dynamic Business Model

Our Operating Canvas

As Union Bank of India, a public sector bank, we elegantly balance our commercial objectives with social and sustainable aspirations. Here is a glimpse into our business model using the standard Business Model Canvas as developed by Alexander Osterwalder and Yves Pigneur. As an agile bank, this framework is dynamic and continually adapts to changes in regulatory, economic, and technological environments.

» Business Model Components:

- 1 Key Partners
- 2 Key Activities
- 3 Key Resources
- 4 Value Proposition
- 5 Customer Relationships
- 6 Channels
- 7 Customer Segments
- 8 Key Inputs
- 9 Revenue Streams





Value Proposition

We offer accessibility through our broad physical presence and digital platforms. We provide a sense of security and trust being government-backed and regulated. We cater to a wide range of customers with our diverse product and service portfolio. Upholding our social objectives, we also prioritize sector lending, financial inclusion initiatives, and sustainability.

4



Customer Relationships

We maintain personal assistance through our branch banking. We provide self-service and automated services through our digital platforms and ATMs. Our commitment to community development shines through our social outreach programmes, priority sector lending and CSR activities.

5



Customer Segments

Our clientele spans from retail customers, who engage us for savings, current accounts, loans, etc. We have corporate clients seeking working capital, term loans, trade finance, etc. We also manage government funds, tax collection, and disbursement. We extend our services to MSMEs and Agricultural Customers through lending and other banking facilities.

7



Channels

Our branch network is vital for providing face-to-face banking services. We also serve customers via digital platforms, including mobile and online banking, and UPI. Our vast ATM network facilitates cash withdrawal, deposits and other services.

6



Revenue Streams

9

We earn interest income from various types of lending. We also generate revenues from fees and commissions obtained from services such as wealth management, card services, remittances, among others. Our investment income arises from treasury operations.

FY2023: Creating Integrated Value

» INPUT

FINANCIAL CAPITAL

₹ 19,27,621 cr
Global Business
₹ 6,835 crore
Equity

MANUFACTURED CAPITAL

8,577 branches
10,835 ATMs

INTELLECTUAL CAPITAL

1461 Internal Training
Programmes

HUMAN CAPITAL

75,594 employees
28.82% women
> 66,000 training hours by
Union Learning Academies

NATURAL CAPITAL

205,135 kilolitres
water consumption
892,587 GJ
energy consumption

SOCIAL CAPITAL

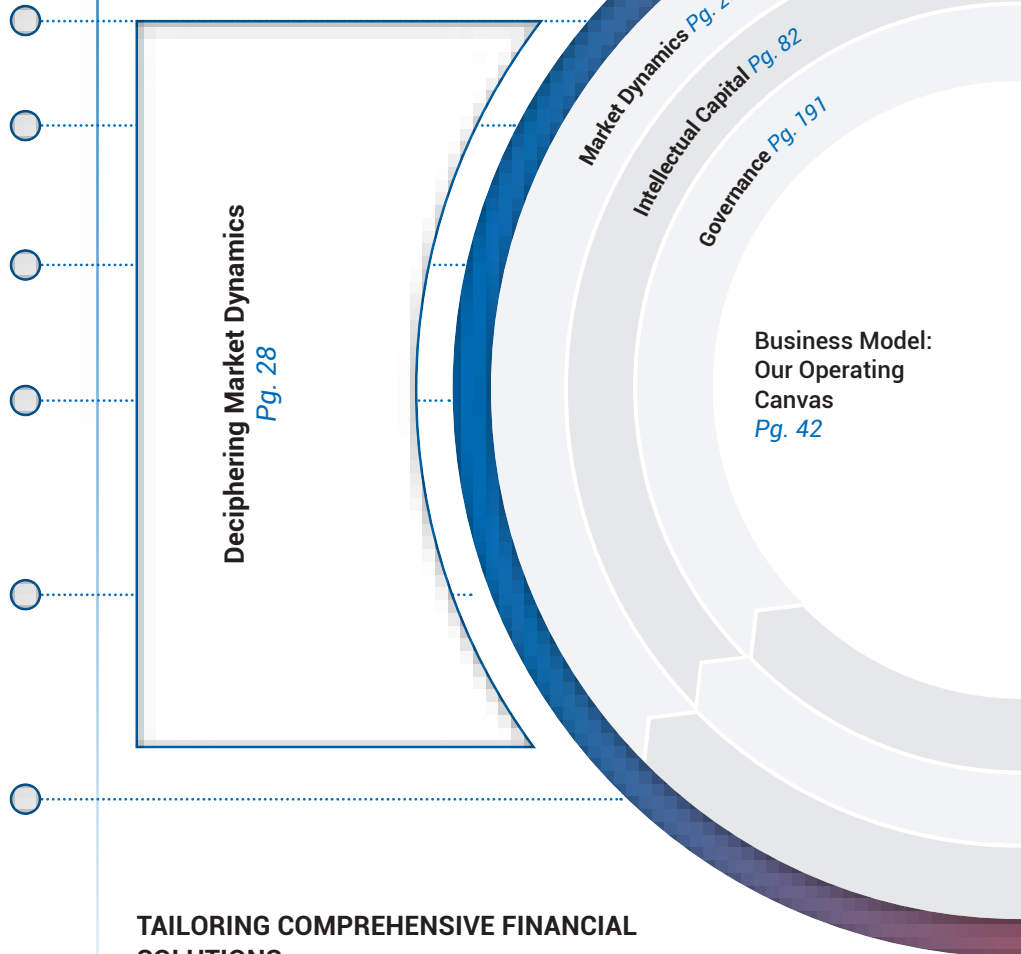
₹ 16.42 cr CSR spend
130 suppliers at Central Office
21.67 cr clients

Digital Clients:

- » UPI: 1.96 crore
- » Net Banking: 74 lakh
- » Mobile Banking: 2.13 crore

CARVING TOMORROW: CUSTOMERS, PERSONNEL AND INSTITUTION

As one of India's progressive banking future, we embed our customers at the crux of our pursuits. We inspire our personnel and unlock their potential, thereby cultivating a fertile ground for talent to thrive. All our efforts are channelled towards a common vision: to empower communities, bolstering their journey towards progress.



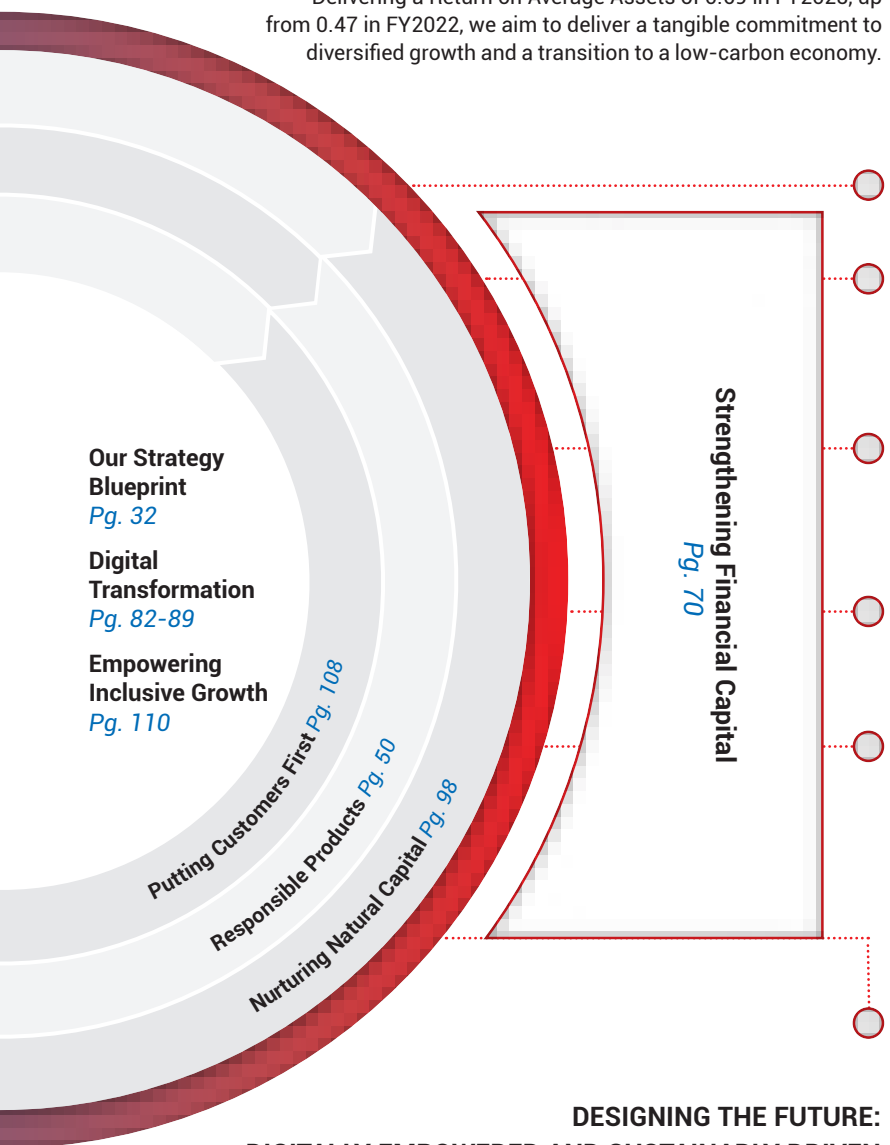
TAILORING COMPREHENSIVE FINANCIAL SOLUTIONS

Organised into four segments, we deliver a broad spectrum of banking products and services, catering to the multifaceted needs of our customers across savings, loans, insurance, investments, and international banking.



CHARTING THE PATH OF SUSTAINABLE GROWTH

Delivering a Return on Average Assets of 0.69 in FY2023, up from 0.47 in FY2022, we aim to deliver a tangible commitment to diversified growth and a transition to a low-carbon economy.



DESIGNING THE FUTURE: DIGITALLY EMPOWERED AND SUSTAINABLY DRIVEN

Our clients are the nucleus of our operations as we chart our approach, redefining work experiences for our people. We are following a lean capital model, weaving the principles of sustainability into the fabric of our strategy, all the while harnessing the power of digitisation.

» OUTPUT

FINANCIAL CAPITAL

13.26% ROE (Return on Equity)
0.69% ROAA (Return on Average Asset)
61.18% YoY Growth in PAT

MANUFACTURED CAPITAL

₹ 10,370 crores
sanctioned for renewable energy sector
₹ 11,17,716 crore Deposits

INTELLECTUAL CAPITAL

Mobile Banking: 29%
Internet Banking: 9%
YoY growth in digital adoption

HUMAN CAPITAL

13,98,470
total hours of training

NATURAL CAPITAL

11,278 tonnes of waste

GHG Emissions:

Scope 1: 274042 metric tonnes of CO₂ equivalent
YOY Reduction of 3.33%

Scope 2: 241884 metric tonnes of CO₂ equivalent

12,339 GJ
non-conventional renewable energy

SOCIAL CAPITAL

₹ 22.87 crores donations
2,52,954 customer issues resolved
51 approved programmes

Our Approach to Sustainability

Transforming Together.

Our purpose is a simple one: make a difference in people's lives and uplift the communities we serve. At Union Bank of India, we are proud of the transformation we are helping bring about, and optimistic about the work we are going to do together to uplift all our stakeholders. We are focused on generating long-term sustainable

value for our stakeholders, including shareholders, customers, employees, communities, and regulators. This focus is aligned with our Vision and guided by our Core Values and Strategic Actions. Our commitment to sustainability is integrated across our Company and aligned to our strategic priorities.



Our value proposition.

If India is to become a strong economy, it will need strong banks. At Union Bank of India, we are transforming ourselves to be amongst India's foremost banks. With strength, comes the ability to do strategic good. Therefore, our approach to corporate sustainability and ESG is focused on doing well by doing good. We believe that how we can facilitate finance can have positive effects for society too. Together, we can deliver for all our stakeholders.

We deploy finance responsibly to support people and businesses, acting with empathy and integrity, championing innovation and sustainability, for the common good and the long term.

We can do so because of our diversification. As a universal Indian bank, we have diversity in the types of customers and clients we serve – from individuals and small businesses to global corporations to governments – as well as the geographies we operate in and the types of income we generate. This diversity gives us resilience through economic cycles and gives us the platform to deliver a consistent level of financial performance.

That, in turn, means we can better serve our stakeholders. We aim to deliver for our customers and clients, create a wonderful place to work for colleagues, support society and provide consistent returns to shareholders. As we target sustainable growth for our Bank, our stakeholders will be able to grow with us.



» Together for our customers and clients

We help those who use our products, services and expertise realise their aspirations



» Together for our employees

We support their health and wellbeing, enable them to build their career, and empower and motivate them to be able to provide excellent service

As a resilient and diversified entity, Union Bank of India is committed to providing consistent returns to shareholders while focusing on sustainable growth. We continue to build a strong business that serves all stakeholders, creating opportunities for shared prosperity.



» Together for society and the environment

Our success over the long term is tied inextricably to the progress of our communities, and the preservation of our environment



» Together for our investors

We continue to build a strong, diversified business that can deliver attractive and sustainable returns

Oversight

The Bank's ESG oversight is carried out by the Stakeholders Relationship Committee (SRC). The objective of the this Committee shall be to assist the Board and the Bank in fulfilling its Corporate Social Responsibility and ESG objectives. The Committee is adequately composed of the Executive and Non-Executive Directors. During FY2023, Ms. Priti Jay Rao, Shareholder Director of the Bank chaired the Committee. The Committee held 4 meetings during the year FY2023.

The scope of SRC was expanded by mandating it with the functions related to Customer Service and Corporate Social Responsibility. SRC also has been mandated with Environment, Social and Governance (ESG) functions.

Ethical Excellence

Our Approach to Responsible Banking

Promoting Trust and Transparency: Our Commitment to Fair Practices and Customer-Centric Growth

At Union Bank of India, we are focused on delivering best-in-class financial products and services and providing access to those services whenever and wherever consumers want them. We are responsible for ensuring that our products and services are accessible to all consumers, in all markets, and that the right types of responsible products and services are offered. We strive to act in the best interest of consumers by providing reasonably priced products, defining clear terms and disclosures, and offering fair and consistent service. By doing so, we can build lasting customer relationships and meet our responsibility to help them prosper.

We strive to act in the best interest of consumers to build lasting relationships and to help them prosper.

172

Training Programmes conducted in FY2023, covering 703 employees.

>66,000

Learning hours invested in training its workforce in FY2023 by Union Learning Academies.

Honest Business Practices

At Union Bank of India, we strive to act in our customers' best interest. Fair and honest business practices are essential to keeping our customers at the centre of everything we do. Unethical business practices are strictly prohibited, and further, are not consistent with our core values. We are fully committed to maintaining non-abusive and anti-predatory lending practices. Credit decisions are made without regard to caste, ethnicity, colour, religion, sex, age, marital status, sexual orientation, gender identification or assignment, military status, disability, receipt of public assistance, familial status or a consumer's exercise of credit protection rights.

The Bank's Board and its committees are responsible for guiding enterprise-wide strategies and policies. The committees facilitate high-level direction to consumer and commercial lines of business consistent with such strategies and policies. The committees also seek to promote a corporate culture that supports Union Bank's commitment to laws and regulations that prohibit behaviour and practices that could be deemed unethical, discriminatory, or predatory in nature, as well as unfair, deceptive, or abusive acts or practices.

In addition, the Bank requires employees and contractors to complete compliance training on an annual basis, including complaint management, financial crimes compliance training, financial abuse, preventing fraud and 'Doing the Right Thing'. In FY2023, 172 Inland External training programs were conducted which covered 703 employees and 7 Overseas programs were conducted which covered 43 employees. Total 1171 long duration programs were conducted which covered 45965 employees and 290 small duration programs were conducted covering 39414 employees. Total 136 training programs conducted by all ULAs and trained over 3500 employees in FY 2022-23. More than 66000 Learning Hours training is imparted by



ULAs to improve the proficiency level of the participants in various new age skills.

During FY 22-23 total 14 advance training programs and 20 functional/core training programs are developed. Also, 28 case studies have been developed by the faculty members.

The mission of the Bank's Marketing department is to support customer-centric growth by fully activating the Bank's brand. Marketing professionals are motivated by doing what's right for customers and keeping them at the centre of all decisions.

How our financing supports the Sustainable Development Goals

Union Bank of India is in the process of recognising the Sustainable Development Goals (SDGs) as a set of shared global priorities to be achieved by 2030. These relate to positive human, societal and environmental factors, and are to be reached through committed engagement and multilateral collaboration. We believe it is important for business, governments, society and other stakeholders to work together to make the 2030 Agenda a reality. The Bank

is committed to playing its part, and working in partnership with our stakeholders to support the delivery of the goals.

Our social and environmental financing covers businesses from all sectors. It generates positive social and environmental contributions through financing of healthcare systems, educational institutions, affordable housing projects, and green infrastructure projects. Financing of these activities in turn supports progress on the SDGs.



As part of a more comprehensive update of our Sustainable Finance Framework, we are in the process of updating our Framework and process to capture information more accurately on the SDGs, supported through an analysis of the underlying SDG targets. As better information becomes available, we will refine our methodologies in order to provide more granular insights.

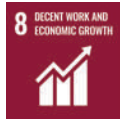
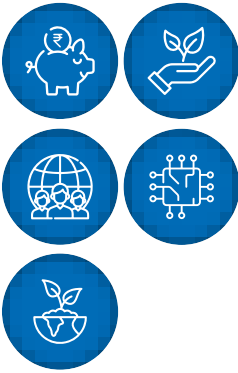


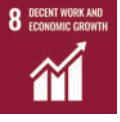



Responsible Products

A Year of Growth and Inclusion

Sustainable Financial Solutions and Empowering Diverse Sectors

This chapter delves into the diverse facets of Union Bank of India's commitment to fostering financial prosperity and accessibility. Our 2022-23 fiscal year saw robust growth in key sectors - retail loans, corporate lending, agricultural and MSME

advances, underpinned by our dedication to sustainability and digitisation. Surpassing statutory targets and extending credit facilities to underrepresented segments testify to our focus on financial inclusion. This chapter further demonstrates our tailored approach to catalyse economic growth and enhance the financial well-being of our customers, thereby reinforcing our annual theme of steadfast commitment to sustainability, propelled by digital ingenuity.

Initiative	UNSDGs	GRI Standards	Strategic Pillars	Materiality Aspect
Retail Loans Growth		GRI 203: Indirect Economic Impacts		23, 24, 25
Enterprise Lending		GRI 203: Indirect Economic Impacts		23, 24, 25
Agricultural Advances	 	GRI 203: Indirect Economic Impacts		13, 23, 24, 25, 39
MSME Advancements	 	GRI 203: Indirect Economic Impacts		13, 23, 24, 25, 39
Priority Sector Advances		GRI 203: Indirect Economic Impacts		13, 23, 24, 25, 39

Retail Loans

Initiative	UNSDGs	GRI Standards	Materiality Aspect
Retail Loans Growth		GRI 203: Indirect Economic Impacts	23, 24, 25

In line with Union Bank of India's commitment to enhancing our clients' financial health, our retail loan portfolio continues to see an encouraging upward trajectory, consistently contributing to sustainable economic growth and wellbeing for our customers.

During the fiscal year 2022-23, we witnessed an overall year-on-year growth of 17.19% in our retail loans outstanding. This substantial growth signifies not only our sustained efforts to make banking and financial services more accessible to a broader segment of the population but also resonates with our theme of the annual report - "Committed to Sustainability, Driven by Digital Prowess".

The following table provides a breakdown of the year-on-year growth under retail lending:

Scheme	% YoY Growth
Home	10.84
Miles	30.63
Education	24.10
Mortgage	13.49
Personal	91.54
Others	10.71
Total Retail Advance (including PWO)	17.24
PWO (-)	25.95
Total Retail Advance (Excluding PWO)	17.19



This growth reflects our persistent efforts in providing diversified, customer-centric financial solutions that cater to the varying needs of our clientele, from home and education to personal and mortgage loans. It is worth highlighting the remarkable growth in personal loans, where we have seen a substantial rise of 91.54% year-on-year and an overall retail growth of ₹ 23,429 crore over March 2022. To augment our impact, we have sanctioned retail loans worth ₹ 32,375 crore PAN India during the fiscal year 2022-23 through Retail Loan Points (RLP). These numbers not only indicate the robust financial health of your Bank but also validate our strategic priorities and approach towards a customer-focused service model.

By embodying a proactive, customer-centric approach, Union Bank of India stands firm in its resolve to empower customers, catalyse prosperous futures, and stimulate economic growth. Our retail loan segment continues to make strides towards a resilient financial ecosystem that is accessible, inclusive, and beneficial for all.

As a forward-thinking institution, we have also embarked on a series of new initiatives to improve our services' efficiency and reach. These include the introduction of specialised schemes for education loans, earmarking dedicated education loan officers, launching the Union Suraksha Personal loan, digitalisation of education, and vehicle loan journeys, among others.


Responsible Products

A Year of Growth and Inclusion

The strategic road ahead for us is based on maximising business and market share in identified aspirational districts, streamlining the Retail Loan Point (RLP) structure to improve credit underwriting, forming special cells to cultivate future customer base and HNIs, and continuing to leverage digital capabilities for enhanced service delivery.



Enterprises

Initiative	UNSDGs	GRI Standards	Materiality Aspect
Enterprise Lending		GRI 203: Indirect Economic Impacts	23, 24, 25

In a rapidly evolving global market, enterprises play a pivotal role in the economic engine.

₹3,73,188 cr. 15.12%

Corporate and other advances as of 31.03.2023.

YoY growth rate for mid-corporate accounts.

₹21,615 cr.

New business proposals were approved during FY 2022-23, indicating the potential for future growth and expansion of corporate credit.

Empowering enterprises with sustainable growth, your Bank continues to innovate, digitalise, and champion environmental responsibility, contributing to a robust, resilient economy.

During FY 2022-23, your Bank launched various initiatives to enhance the sustainability and digitalisation of its enterprise services:

- Digital Loan Application Platform:** A new digital pre-approved personal loan platform was launched through VYOM, enabling enterprises to apply online loans, reducing the need for paper-based applications. This initiative expedites the loan approval process and contributes to our commitment to environmental sustainability by reducing paper usage.
- Green Financing:** To drive sustainable business practices, your Bank introduced favourable terms for enterprises that invest in eco-friendly projects or adopt green technologies. This initiative helps promote sustainable development and mitigate the adverse effects of climate change.
- Fintech Partnerships:** Your Bank has actively collaborated with various fintech companies to offer advanced digital solutions to enterprise customers, like instant loan approval, digital payment solutions, and online account management.
- Digitisation of Enterprise Services:** To enhance customer experience, we've digitised several services, such as account

opening, funds transfer, and invoice discounting, among others. Now, enterprises can avail of these services 24x7 from the comfort of their office, reducing the time and cost of banking transactions.

5. **Cybersecurity Initiatives:** In the digital age, data security is paramount. We have invested in robust cybersecurity measures to ensure our enterprise customers can securely conduct their banking transactions.
6. **Training and Development:** We've conducted multiple workshops and training sessions to keep our enterprise clients up-to-date with the latest digital banking tools. These sessions ensure that enterprises can leverage the full potential of our digital banking services.

As we step into FY 2023-24, we aim to continue leveraging technology to drive growth and sustainability in the enterprise segment. Our key strategies include expanding our green financing portfolio, introducing more digital services tailored for enterprises, strengthening our cybersecurity framework, and increasing our collaborations with fintech companies to provide innovative banking solutions.

We also plan to conduct more training sessions for our enterprise customers, ensuring they are well-equipped to utilise the benefits of digital banking.

By harnessing the power of digitalisation and promoting sustainable business practices, we aim to drive enterprises' growth and contribute to our economy's sustainable development.



Agriculture

Initiative	UNSDGs	GRI Standards	Materiality Aspect
Agricultural Advances	 	GRI 203: Indirect Economic Impacts	13, 23, 24, 25, 39

Union Bank of India continues to prioritise agricultural lending, recognising its crucial role in fostering economic development and reducing rural poverty. As of March 31, 2023, our agrarian advances constituted 17.77% of the Gross advances, demonstrating our unwavering commitment to this vital sector.

We are proud to announce that we surpassed the statutory agriculture priority target of 18% by achieving a performance rate of 18.97% as of March 31, 2023. In addition, we successfully sold a surplus of ₹ 15,450 Cr under PSLC-Small & Marginal Farmer, underscoring our efficient management and contribution to the sector.

Nurturing agricultural prosperity, we consistently exceed statutory targets, bolster financial wellness in farming communities, and drive economic development through responsible lending.

Responsible Products

A Year of Growth and Inclusion

During the fiscal year 2022-23, we witnessed a robust year-on-year growth of 14.20% in agricultural lending, reaching an outstanding total of ₹ 151,993 Cr as of March 31, 2023.

We also remained steadfast in our commitment to small and marginal farmers, with an outstanding credit of ₹ 95,171 Cr as of March 31, 2023, representing 13.33 percent of ANBC and surpassing the benchmark of 9.50 percent. During the same period, we issued 4.11 lakh fresh Kisan Credit Cards amounting to ₹ 6896.45 Cr.

17.77%

Share of Agriculture within Gross Advances as of 31.03.2023.

14.20%

YoY growth in Agriculture Lending.

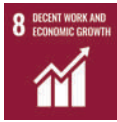

4.11 lakh

Fresh Kisan Credit Cards were issued during FY2023.

These milestones reflect Union Bank of India's continuous efforts in fostering financial wellness among agricultural communities, aligning with our strategic priority of enhancing our clients' financial health and catalysing prosperous futures.



Micro, Small & Medium Enterprises (MSME)

Initiative	UNSDGs	GRI Standards	Materiality Aspect
MSME Advancements	 	GRI 203: Indirect Economic Impacts	13, 23, 24, 25, 39

The Micro, Small, and Medium Enterprises (MSMEs) play an integral role in any country's economic growth and development. During FY 2022-23, we witnessed a notable increase of 13.06% in our total MSME advances, expanding from ₹ 110577 crore to ₹ 125022 crore.

We have diligently worked on enhancing our services under identified MSME schemes such as Union MSME Suidha, Union Nari Shakti, Union Equipment Finance, Union Ayushman Plus, and Union Solar, witnessing substantial credit sanctioning across these schemes. The MSME Loan Points, responsible for the appraisal and sanctioning of credit proposals, recorded a sanction of ₹ 35,598 crore during the year.

Our 'Branch Manager Delegation Power Campaign' resulted in sanctioning 166,234 loan accounts, bringing in a credit value of ₹ 4,461 crore. Such proactive initiatives were complemented by consistent monitoring by Central Office executives, which significantly boosted the growth of MSME businesses.

Fuelling the entrepreneurial spirit and embracing digital transformation, we ensure robust growth in MSMEs, fostering economic resilience and championing environmental sustainability.

To further fortify our dedication towards MSMEs, we launched 80 additional Union MSME First Branch (UMFBs), raising the total to 105 branches, and managing an MSME portfolio of ₹ 9,000 crore. Additionally, a start-up-focused branch is set to launch in Bangalore. We also noticed a robust increase in utilisation under our approved cluster schemes, skyrocketing from ₹ 2,191 crore to ₹ 10,113 crore.

Our attention to service digitalisation led to the creation of the 'Centralised Guarantee Cell' and the 'Credit Guarantee Management Solutions (CGMS)' portal, streamlining the processes related to credit guarantees. This initiative enabled us to become the industry's first bank to have API integration of CGTMSE for fresh guaranteed coverage.

Education plays a critical role in sustaining growth. Consequently, we equipped our Marketing Officers and MLP Heads with intensive orientation and training on credit appraisal and marketing. This endeavour provided them with the necessary skills and knowledge, contributing to better job implementation.

We extended our commitment towards societal growth through active participation in schemes like PMEGP, PMMY, and PMSVANidhi. Through these initiatives, we have helped numerous individuals embark

on their entrepreneurship journey, underscoring our dedication towards fostering economic growth.

₹1,25,022 cr.

The total MSME advances at the end of FY 2022-23, indicating a robust growth of 13.06% YoY in support of MSMEs.

166,234

The number of loan accounts sanctioned under the 'Branch Manager Delegation Power Campaign' indicated an aggressive drive towards supporting MSMEs, resulting in ₹ 4,461 Crore of credit.

₹10,113 cr.

The utilisation under the approved cluster schemes as of Mar.23, showing a solid increase from ₹ 2191 Crore in the previous year, representing a focus on cluster-based growth strategies for MSMEs.

Understanding the significance of ESG initiatives, we launched digital banking solutions for MSME customers to apply for loans digitally. Products like Straight through Processing (STP) Kishore and Tarun Mudra Loans, Union Nari Shakti, and GST Gain are now available digitally, enhancing the ease of access and usage.

Lastly, we launched the 'Union Solar' product to finance borrowers for installing Solar Power Plants. This move aligns with our dedication towards promoting the use of non-conventional energy sources, thereby contributing to environmental sustainability.

Priority Sectors

Initiative	UNSDGs	GRI Standards	Materiality Aspect
Priority Sector Advances	 	GRI 203: Indirect Economic Impacts	13, 23, 24, 25, 39

Union Bank of India remains committed to serving the diverse needs of society, with priority sector advances reaching ₹ 302,006 Cr as of March 31, 2023. We exceeded the statutory target of 40% by achieving 42.31% of the Adjusted Net Bank Credit (ANBC) for Q1 2023, after excluding PSLC sales and including investments in RIDF/SIDBI/MUDRA/NHB.

Responsible Products

A Year of Growth and Inclusion

Embracing technology and societal commitment, we strive to empower women, minority communities, and weaker sections, driving financial inclusion and fuelling sustainable growth for all.

Our focus on social upliftment has led us to extend credit facilities to weaker and underserved sections, such as women, minority communities, and self-help groups.

- Women Beneficiaries:** Encouraging women entrepreneurs, we grew our loans to women from ₹ 89,110 Cr in March 2022 to ₹ 105,954 Cr in March 2023, an 18.90% increase.
- Minority Communities:** We offered credit to minority communities, reaching ₹ 28,314 Cr as of March 31, 2023, comprising 9.38% of priority sector advances.
- Weaker Sections:** We increased our finances to weaker sections from ₹ 104,698 Cr to ₹ 118,631 Cr as of March 31, 2023, a 13.30% increase.

Our initiatives, like Rural Self Employment Training Institute (RSETI) and Regional Rural Banks (RRBs) like Chaitanya Godavari Grameen Bank (CGGB), further underscore our commitment to rural development. As of March 2023, 308,494 candidates were trained at RSETIs, with 205,525 successfully employed.



₹ 105,954 cr.

Loans given to Women Entrepreneurs, up by 18.90% YOY

₹ 118,631 cr.

Loans given to Weaker Sections, up by 13.30% YOY

₹ 28,314 cr.

Loans given to Minority Communities, 9.38% of our priority advances.

Our alignment with government initiatives like Pradhan Mantri Fasal Bima Yojana (PMFBY), Atmanirbhar Bharat Schemes, and renewable energy schemes, coupled with digital initiatives like the Digitization of Kisan Credit Card, further illustrates our determination to leverage technology for financial inclusion and sustainability.

Financial Inclusion Participation for FY2023

In line with our commitment to sustainable development and embracing the digital age, we have prioritised financial inclusion as a key strategic focus for the past fiscal year 2022-2023.

Our progress is evident through the significant growth in Pradhan Mantri Jan-Dhan Yojana (PMJDY) accounts from 244.78 lakhs to 280.00 lakhs, as well as an increase in the associated account balances from ₹ 7780 crores to ₹ 9046 crores. This illustrates our commitment to ensuring that even the most marginalised segments of society are financially empowered.

Moreover, our efforts to integrate Aadhaar, a unique identification system, into our financial inclusion strategies have paid off, with the number of Aadhaar-seeded accounts growing from 204 lakhs to 229 lakhs. Similarly, we also saw a substantial increase in the issuance of RuPay cards, further facilitating digital transactions for our customers.

We are also proud of the significant strides made in terms of our Bank Correspondents (BC) infrastructure, with the number increasing from 16,948 to 17,662. Our BCs play a crucial role in providing banking services in remote areas, and we have targeted to further improve this number to 20,000 in the next fiscal year.

"Leveraging digital technology, we aim to break down barriers to financial empowerment, reaching the most marginalised sections of society and making financial inclusion a reality for all."



280 lakh

Pradhan Mantri Jan-Dhan Yojana (PMJDY) accounts as of March 31, 2023

17,000+

The number of Bank Correspondents (BCs) as of March 31, 2023

₹9,046 cr.

The total balance in PMJDY accounts as of March 31, 2023

In FY 2022-23, we introduced a new initiative – the enrolment of the New Pension Scheme (NPS) at BC points. This development has allowed us to expand our financial inclusion efforts and make retirement savings accessible to individuals in far-reaching corners of the country.

Additionally, we have leveraged digital technology to improve the monitoring and effectiveness of our BCs through the launch of the BC Monitoring Mobile App. This app streamlines BC operations, serves as a preventive vigilance measure, and provides early warning signals of irregularities at BC points.

For the upcoming fiscal year 2023-24, we are committed to linking BCs at the Jan Samarth Portal and the ZOHO CRM application for lead generation of asset and liability products. Furthermore, we will aim for real-time account opening of PMJDY and real-time APY, PMJJBY, and PMSBY enrolment.

Awards & Accolades

Respect FY2023

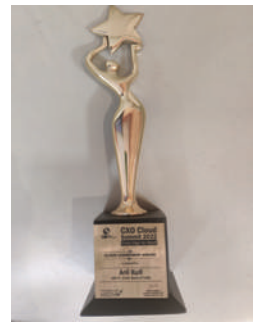
Award Organisation	Award Description
PFRDA Award	Recognized as the "Best Performing Bank"
Retail Banker Asia Trailblazer Awards 2022	Awarded the "Best ATM and Self-Service Innovation"
31 st National Award for Training	Honored for Innovative Training Practices 2020-21
ASSOCHAM Awards	Large Bank in the categories – Overall Champion, Lending and Non-Lending
BML Munjal Awards	Acknowledged for Business Excellence through Learning & Development
EASE 4.0 Awards	Received three awards under the following themes for FY 2021-22: <ul style="list-style-type: none"> » Governance and outcome centric HR – Winner » New Age 24*7 banking with resilient technology – 2nd Runner up » Collaborating for synergistic outcomes – 2nd Runner up
EASE reforms	Earned 2 nd Rank for Q1 FY 2022-23 and retained the 2 nd Rank for Q2 FY 2022-23
IBA Award-2022	Secured six awards including Best Technology Bank
DSCI AISS Award 2022	Recognized for Best Security practices (BFSI) & Security Leader of the Year (BFSI)
DSCI Excellence Awards 2022	Celebrated for Best Security Practices in Banking Sector
DSCI Excellence Awards 2022	Acknowledged for Security Leader of the Year (CISO of our Bank)
18 th Banking Technology Awards by IBA	Honoured for IT Risk Management
18 th Banking Technology Awards by IBA	Received Best Technology Bank and Best Technology Talent awards
BFSI Technology Conclave & Awards 2022	Won two awards in the Enterprise Security category
EASE 5.0 Reforms Index	Earned 1 st rank for Digitally enabled customer offerings, BIG Data and Analytics
IBA Banking Technology Conference, Expo & Awards	Recognized with the Best Fintech Collaboration- Special Prize
PFRDA	Awarded for the APY campaign
Department of Official Language, Ministry of Home Affairs, Gol	Honoured with 18 prestigious Kshetriya Rajbhasha Puraskars
Various TOLICs	Awarded 85 Shields for outstanding performance in Official Language Implementation
CGTMSE	Secured 1 st Position Award in the category of "Best Guarantee Coverage (Number)"
CIMSME event	Earned First position Award in various categories and runners up in others
9 th MSME Excellence Awards by ASSOCHAM	Received 1 st Position Award in the category of "BEST SME LENDING"
ASSOCHAM Financial Conclave 2023	Awarded the "Best Bank of the Year in the Financial Ecosystem"
Institute of Directors	Awarded Golden Peacock HR Excellence Awards 2022



Award Organisation	Award Description
Mint W3 Champions 2022	Acknowledged as the Future of Workplace Disruptor 2022 (Large enterprise)
M/s People Lab	Honoured at Indian Academia Conference 2023 Corporate Award
Team Marksmen	Named among Most Preferred Workplaces in BFSI 2022
BAI Global Innovation Award	Awarded for Innovation in HR Transformation
NCPEDP- LTI Mindtree Helen Keller Awards-2022	Recognized as one of the Role Model Companies
ISTD, New Delhi	Received ISTD 31 st National Awards for Innovative Training Practices: 2020-21
IAC Corporate Awards 2023	Awarded for "Pioneering Work in Creating Future Ready Inclusive Organization"
Business World People & Ask Insights "Disability Positive Awards."	Acknowledged as the "Best Organization for PWD Inclusion"
18 th IBA Technology Conference, Expo & Awards	Received Best AI and ML Bank Runner Up award and Best Financial Inclusion Runner Up award
FIEO	Honoured with "Export Excellence Gold Award"

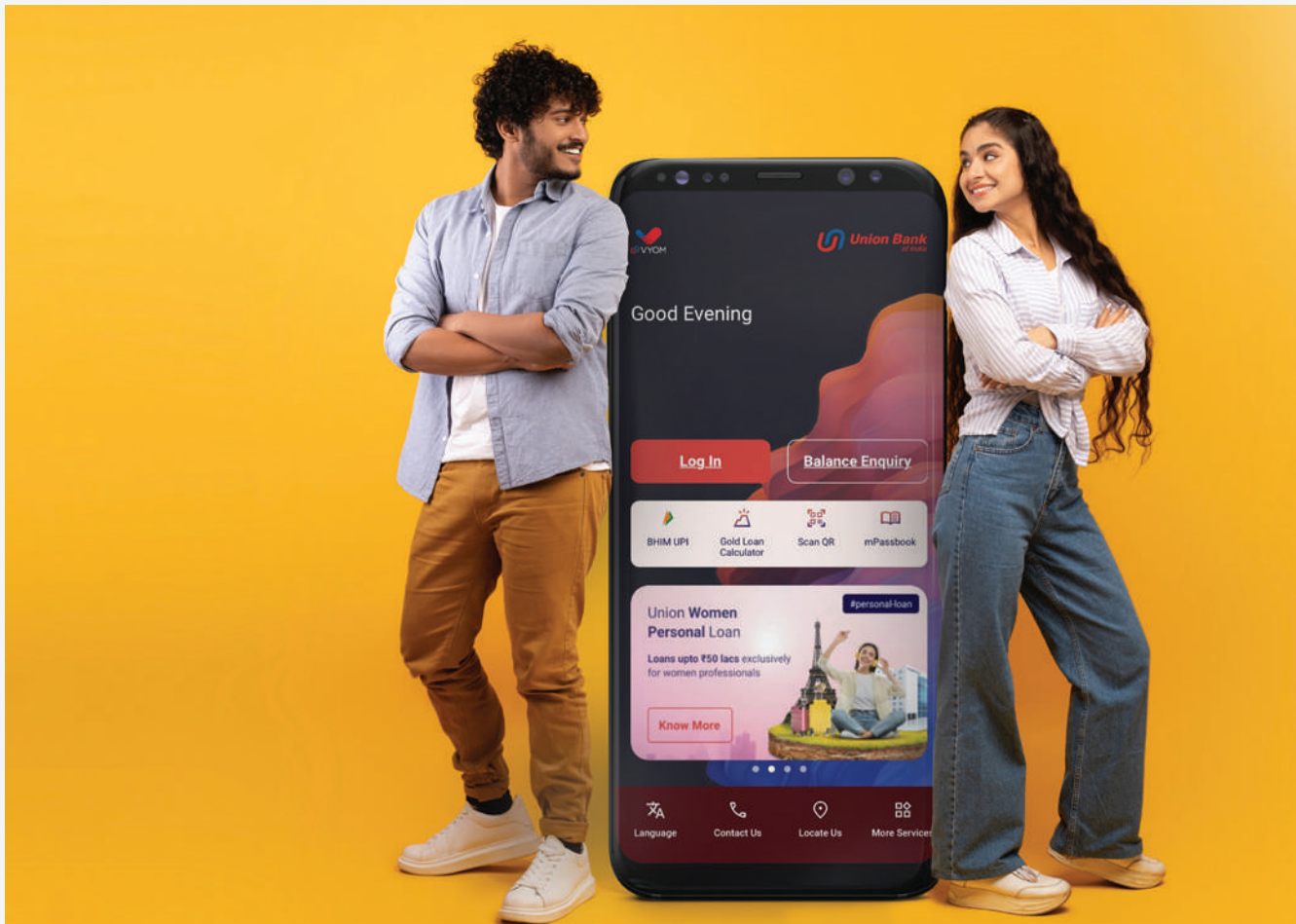
Awards & Accolades *Respect FY2023*





Responsible Manufactured Capital

Advancing Financial Solutions to Create Value



» **UNSDGs:**

» **Strategy Blueprint:**

» **Business Model Components:**

1 3 6 7

» **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 trillion

Total 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

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.

Strengthening Financial Capital

A Bedrock of Sustainability and Digital Advancement

» *UNSDGs:*



» *Strategy Blueprint:*



» *Business Model Components:*



» *Material Issues:*

13, 23, 33, 43

In alignment with our theme, “Committed to Sustainability, Driven by Digital Prowess,” the Union Bank of India is dedicated to achieving strategic and resilient growth. Our goal is to uphold our financial strength and contribute to India's pursuit of sustainable development and digital transformation in how we deliver banking services. We are committed to preserving a robust balance sheet through prudent capital management and a conservative approach, to ensure business continuity, growth, and consistent shareholder returns. Leveraging advanced technologies and responsible banking practices, we are creating long-term value for our stakeholders and fuelling India's march towards a sustainable and digitally empowered future.



Our strong financial performance in 2023 serves as a crucial foundation for our two primary strategic commitments: sustainability and digital prowess. Strong financial performance indicates that we are a healthy and growing organisation. It not only ensures our business continuity and resilience but also provides the necessary resources to invest in the future. In terms of sustainability, these resources can be used to finance green projects, foster financial inclusion, and support sectors that are key for sustainable development, such as renewable energy and small and medium-sized enterprises (SMEs). For instance, our improved Net Interest Income can be allocated to lend more to environmentally-friendly initiatives or to provide affordable financial services to underserved communities, thereby contributing to our sustainability goals.

Our consistent growth and operational efficiency enable us to generate higher profits, a part of which can be reinvested into cutting-edge digital technologies. As your

Banking industry is witnessing a digital transformation, these investments are vital to adapt to the evolving landscape and stay competitive. Our rise in Non-Interest Income demonstrates our capacity to generate revenue from various sources, which can support our digital transformation, such as investing in artificial intelligence, blockchain, and cyber security. This digital transformation not only allows us to deliver superior customer experiences, but also drives operational efficiency through automation and data analytics, creating a virtuous cycle of financial performance improvement.

Moreover, a robust financial performance, marked by efficient cost and risk management, sends a positive signal to all our stakeholders, including customers, employees, investors, and regulators. It strengthens their confidence in our ability to fulfil our sustainability commitments and successfully navigate the digital transition.

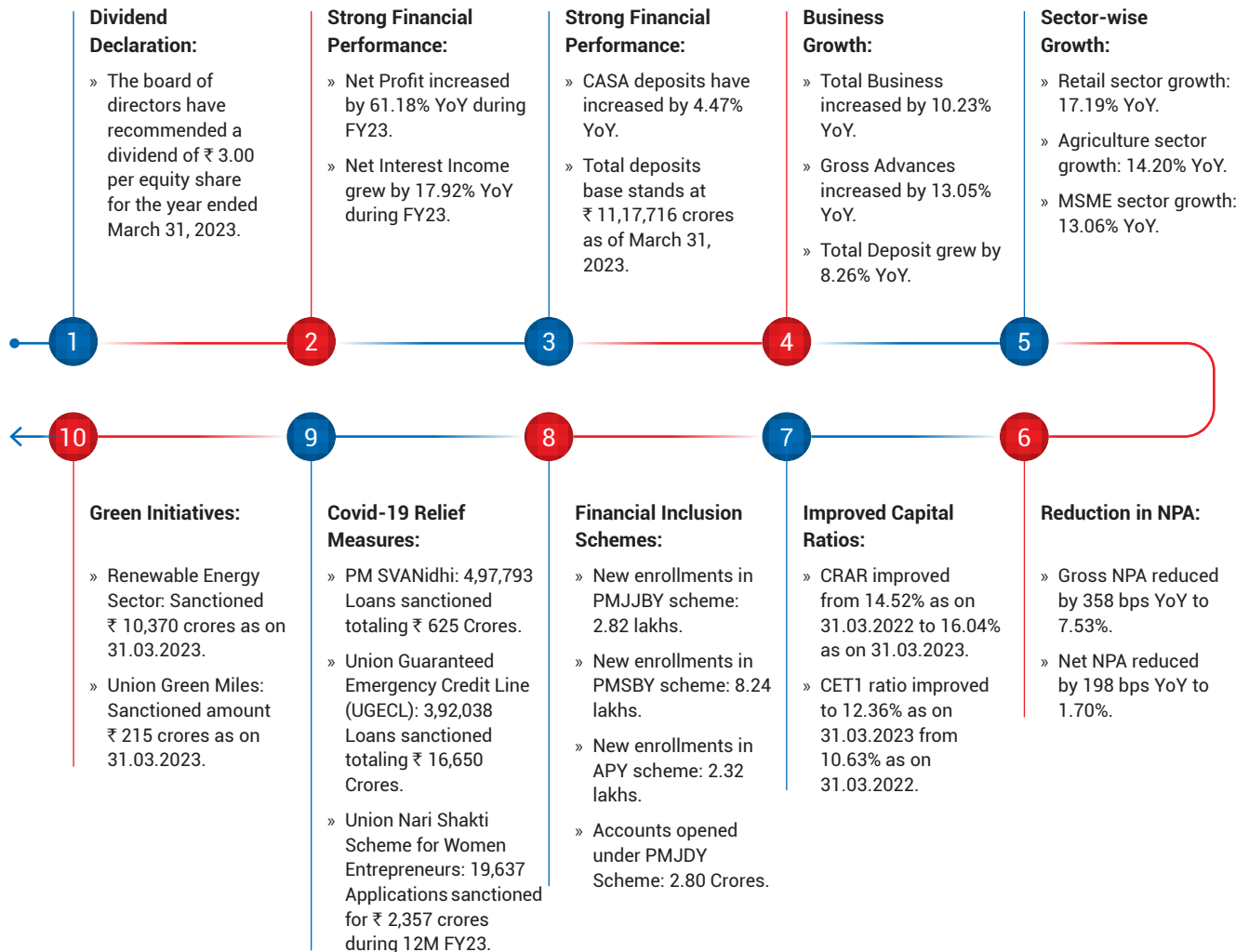
Strengthening Financial Capital***A Bedrock of Sustainability and Digital Advancement*****Our Financial Performance****Strategically aligned for Optimal Returns and Long-Term Value Creation**

Strategic planning is a critical aspect of Union Banks's ability to generate sustainable value. The outcomes of the planning process guide the long-term priorities and investment focus of the Company. The strategic planning process is designed to deliver a shared understanding of our vision, objectives, tactics, and target outcomes, while maintaining risk management excellence and strong governance mechanisms. That shared understanding spans our Board of Directors and management and our front-line staff, enabling effective governance and clarity of purpose on our strategic priorities. Clearly defined strategic

priorities, proactive balance-sheet management, and ongoing discipline position us well for the future.

Transforming to deliver optimal returns

Over the course of FY2023, Union Bank has demonstrated a clear and sustainable path to growth, delivering a Return on Average Assets (ROAA) of 0.69, a marked improvement over an ROAA of 0.47 in FY2022. We aim to continue to develop the diversified business model that we have established, investing in advanced technology and digital capabilities in our consumer businesses, delivering sustainable growth across our domestic and global operations, and play a meaningful part in aiding the transition to a low-carbon economy.

Key Highlights for FY2023:

Financial Highlights for FY2023

Deposits

8.26% YoY

Deposits Growth

Operating Profit

₹25,467 crore

Increased by 16.43% YoY.

NNPA

1.70%

Improved by 198 BPS

RAM

14.94% YoY

Robust Growth in RAM Advances.

Net Profit

₹8,433 crore

Increased by 61.18% YoY.

NIM

3.07%

Improved by 198 BPS.

Advances

13.05% YoY

Consistent & Sustained Credit Growth.

GNPA

7.53%

Improved by 358 BPS

PCR

90.34%

Increased by 673 bps YoY

CRAR

16.04%

454 bps higher than Minimum Regulatory Requirement

Through a consistent story of operational efficiency, our 2023 financial performance marks an impressive 18.84% YoY rise in Interest Income, demonstrating our strong interest-earning strategies and unwavering financial stability.

An Overview of Our Financial Capital

Our financial capital forms the solid foundation for our operations and investments in sustainability and digital initiatives. This capital, comprising customer deposits, shareholder equity, retained earnings, and external borrowings, among others, supports the Bank's strong capital base and ensures consistent returns for shareholders.

Consistent Financial Performance

Our financial performance for the year 2023 portrays a compelling story of consistent growth and operational efficiency. Our balance sheet showcases a steady growth

rate of 7.84%, reflecting our financial stability. On the Profit & Loss side, Interest Income saw an impressive rise of 18.84% YoY, reaching ₹ 80,743 Crore from ₹ 67,944 Crore in FY2022. This significant increase underscores our improved asset yield and wider interest-earning base. Meanwhile, Interest Expenses also grew by 19.47% YoY, reflecting the cost of our robust deposit growth and our increased borrowings to support your Bank's expansion. Underscoring this, our Net Interest Income (difference between interest income and interest expenses) registered a strong increase of 17.92% YoY, from ₹ 27,786 Crore to ₹ 32,765 Crore, reflecting our successful interest-earning strategies.

Our Non-Interest Income, including fees, commissions, and gains from foreign currency transactions, saw a healthy rise

Strengthening Financial Capital

A Bedrock of Sustainability and Digital Advancement

of 16.83% YoY, strengthening our income base. Despite an increase in the total provisions by 2.36% YoY, our Operating Profit witnessed a robust 16.43% YoY growth. The most notable highlight from the Profit & Loss statement is our Profit After Tax, which experienced a significant increase of 61.18% YoY, a testament to our efficient cost and risk management strategies.

Robust Liability Management

Robust liability management plays a crucial role in our commitment to sustainability. Effective management of liabilities, including deposits and borrowings, forms the backbone of our lending capacity. With a growth of 13.05% YoY in Global Advances, we are able to increase lending to sectors that are instrumental in driving sustainable development, such as renewable energy projects, green infrastructure, and small-scale sustainable enterprises.

Our strong growth in Domestic Advances, particularly in the RAM sectors (Retail, Agriculture, MSME), indicates our focus on fostering financial inclusion. By extending credit to these sectors, we are contributing to job creation, poverty reduction, and economic resilience, which are key aspects of socio-economic sustainability. A rise in deposits, specifically an 8.26% YoY increase, demonstrates the trust and confidence our customers place in us. It is not only a testament to our sound financial management but also indicates the strength of our relationships with our customers. As a bank committed to sustainability, this trust enables us to engage our customers in our sustainability agenda, encouraging them to consider sustainable investment and saving options, and enabling us to channel more funds towards sustainable projects.

Our increased CASA deposits by 4.47% YoY, despite a slight decrease in the CASA Ratio, underscore our ability to maintain a stable and low-cost deposit base. This cost-effective source of funds strengthens our capacity to provide affordable financial services, which is critical for promoting financial inclusion and socio-economic sustainability.

Furthermore, robust liability management enhances our financial resilience and ability to withstand economic shocks. This resilience is key to ensuring our long-term contribution to sustainable development and maintaining our operations in a manner that respects the environment, supports social development, and upholds strong governance practices.

↑ **12.30%** YoY

The Growth in Domestic Advances demonstrates the trust and confidence our customers place in us.

↑ **4.47%** YoY

An increase in CASA deposits reinforces our ability to maintain a stable and low-cost deposit base.

Accelerated Business Growth

The expansive reach across India, facilitated by our 8580 branches and 10,835 ATMs, plays a vital role in fostering sustainability and bolstering our digital capabilities. It contributes to sustainable economic growth by facilitating financial inclusion, allowing us to serve a diverse set of customers across different geographic regions and socio-economic backgrounds. This extensive network of branches and ATMs ensures that even those in the remotest parts of the country have access to basic banking and financial services, which is a critical element in driving socio-economic development and poverty reduction.

A broad physical presence combined with a robust digital infrastructure creates a hybrid model that caters to all customer segments, regardless of their digital proficiency. It ensures that while we progress towards a more digital future, we do not alienate any section of our customer base. This, in turn, fosters digital inclusion, a key facet of the digital future.

The 10.23% YoY increase in the total business of your Bank indicates a strong relationship with our customer base and successful engagement strategies. It reflects our ability to understand and fulfil the diverse financial needs of our customers, thereby contributing to their economic well-being and the sustainable growth of the economy as a whole.

The growth of Gross Advances by 13.05% YoY signifies our strong position to support sustainable initiatives. It enhances our capacity to finance green projects and contribute to sustainable sectors of the economy. The growth in Total Deposits by 8.26% YoY, on the other hand,

indicates our strength in attracting and retaining customer funds, thus enhancing our resilience and capacity to support sustainable economic growth over the long term.

Commitment to the RAM Segment

Our demonstrated commitment to the Retail, Agri, and MSME (RAM) segment contributes significantly to our sustainability efforts and digital capabilities. The robust 14.94% YoY growth in RAM advances showcases our active role in financing sectors that are not just pivotal to the Indian economy, but also key to promoting inclusive and sustainable growth.

The retail segment often encompasses a broad range of individuals and families who benefit from our diverse suite of financial products and services. By supporting this sector, we are helping to improve financial literacy, promote savings, and support the economic aspirations of individuals, thereby contributing to broader social and economic sustainability.

The agricultural sector is crucial to India's economy, contributing significantly to GDP and employment. Our active support for this sector helps to ensure food security, rural development, and sustainable management of natural resources. By providing financial services to this sector, we are playing a pivotal role in transforming traditional agricultural practices into more sustainable ones, thus contributing to environmental sustainability.

The growth in advances to the MSME sector underscores our commitment to promoting entrepreneurship and job creation, key components of economic sustainability. MSMEs are the backbone of the Indian economy, providing large-scale employment and contributing significantly to India's GDP. By providing the necessary financial support to MSMEs, we are contributing to the growth and sustainability of this sector, which has a multiplier effect on the overall economy.

Digitally, serving the RAM sector also necessitates the development and utilization of technologies that can reach these diverse and sometimes remote customers. This could include digital lending platforms, mobile banking applications, and digital payment solutions that can provide these customers with the financial services they need, promoting digital inclusion and improving our digital capabilities. The fact that RAM advances, as a percentage of Domestic Advances, stood at 55.61% demonstrates our dedication towards empowering these critical sectors and signifies a balanced approach to lending.

↑ **14.94%** YoY

Growth in RAM advances highlights Union Bank's commitment to financing the Retail, Agri, and MSME sectors, driving inclusive and sustainable growth in the Indian economy.

55.61%

RAM advances, as a percentage of Domestic Advances, demonstrates our dedication towards empowering these critical sectors and signify a balanced approach to lending.

Significant Improvement in Asset Quality

Perhaps one of the most impressive metrics is our significant improvement in asset quality. Our Gross NPA (Non-Performing Assets) saw a notable reduction of 23.37% YoY, while our Net NPA decreased by a massive 46.81% YoY, demonstrating our commitment to maintaining high-quality assets and adopting stringent risk management practices. This is indicative of our proactive and prudent approach to risk management. This reduction represents a successful strategy for monitoring, managing, and minimizing risk-associated lending, and it suggests a comprehensive evaluation of credit risks before sanctioning loans. The drop in NPAs (Non-Performing Assets) is not only a positive sign of sustainable lending practices but also reflects an improved recovery and follow-up mechanism. A lower NPA ratio means your Bank has a healthier portfolio, ensuring financial sustainability and lending capabilities in the long run.

Increased Provision Coverage Ratio (PCR) by 673 basis points to 90.34% reflects Union Bank's prudent approach to risk management, providing a safety net against potential losses and reinforcing fiscal responsibility.

Moreover, the increase in our Provision Coverage Ratio (PCR) by 673 basis points to 90.34% reinforces this prudent risk management approach. A high PCR demonstrates our readiness to absorb potential losses from non-performing assets, providing a safety net for uncertain times and demonstrating fiscal responsibility.

Strengthening Financial Capital

A Bedrock of Sustainability and Digital Advancement

It is an important indicator that we have prepared for potential risks in the future, a critical aspect of sustainability.

From a digital perspective, improving asset quality also requires efficient data management and analytics, automation in the risk assessment process, and digital platforms to monitor and control NPAs. This focus on digital tools to manage and improve asset quality ultimately strengthens our overall digital prowess, playing a pivotal role in sustainable banking in the digital era.

46.81 % YoY

The decrease in Net NPA demonstrates Union Bank's commitment to high-quality assets and stringent risk management practices, ensuring sustainable lending and long-term financial stability.

Strengthening Capital Ratios

The strengthening of capital ratios, as shown by the improvement in Capital to Risk-Weighted Assets Ratio (CRAR) from 14.52% to 16.04% and Common Equity Tier 1 (CET1) ratio from 10.63% to 12.36%, is a key indicator of financial sustainability and resilience.

A higher CRAR indicates that your Bank has a cushion to absorb a higher level of losses before becoming insolvent, thus ensuring your Bank's sustainability over the long run. The increase in CRAR also demonstrates that your Bank has robust capital adequacy, a fundamental aspect of a bank's financial health. This improved ratio indicates that your Bank is well-capitalized and better prepared to withstand financial distress or economic downturns.

Improvement in Capital to Risk-Weighted Assets Ratio (CRAR) from 14.52% to 16.04% showcases Union Bank's financial sustainability and resilience, providing a cushion to absorb losses and indicating strong capital adequacy.

Simultaneously, the increase in the CET1 ratio, which measures a bank's core capital against its total risk-weighted assets, shows that your Bank has a solid

capital base. CET1 capital includes ordinary shares and retained earnings, which are the most liquid forms of capital and can be used to absorb losses. An improved CET1 ratio reflects your Bank's commitment to building and maintaining a solid capital buffer, which is crucial for sustainable banking operations.

Enhanced Shareholder Returns

The financial indicators Return on Assets (ROA) and Return on Equity (ROE) are both vital measures of financial performance and efficiency, and their increase signifies your Bank's growing profitability and successful management strategies. The improvement in ROA from 0.47% in FY2022 to 0.69% in FY23 is significant as it shows your Bank's efficiency in utilizing its assets to generate income. A higher ROA suggests that your Bank is more effectively allocating and using its resources to generate profits, an essential factor for sustainability as it indicates your Bank's ability to make profitable investments and to return value to shareholders.

The improvement in Return on Assets (ROA) from 0.47% to 0.69% reflects Union Bank's efforts to optimize asset utilization and generate income, demonstrating effective resource allocation and a focus on profitable investments for sustainable growth.

Moreover, the ROE saw an increase from 10.11% in FY2022 to 13.26% in FY23, indicating that your Bank is delivering a higher return on the money that shareholders have invested. An increased ROE is a positive indicator for shareholders. It shows your Bank's effectiveness in using equity investments to fund operations and grow the business, making it an attractive investment proposition. Further demonstrating your Bank's financial robustness and commitment to rewarding its shareholders, the board of directors has recommended a dividend of ₹ 3.00 per equity share (30%) for the year ended March 31, 2023. This decision showcases not only your Bank's profitability but also its confidence in its sustained growth and stability.

For your Bank's digital prowess, the increased profitability and efficient use of resources could provide more opportunities for investment in digital infrastructure, services, and technologies, thus strengthening its position in a digitally oriented banking landscape.

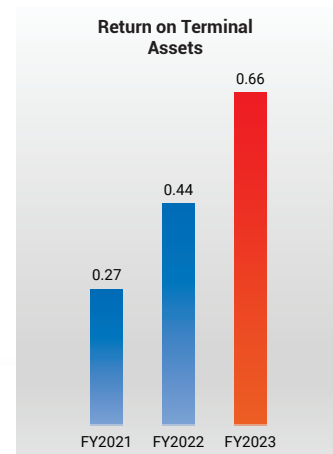
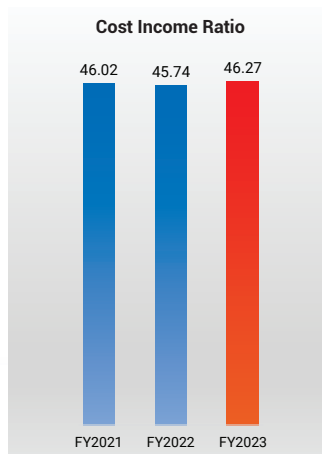
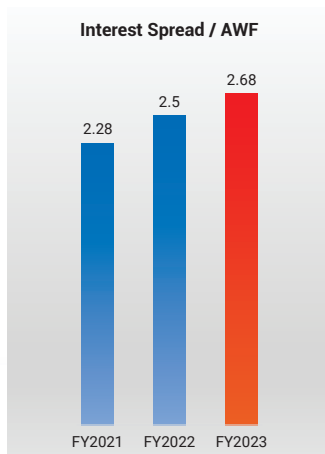
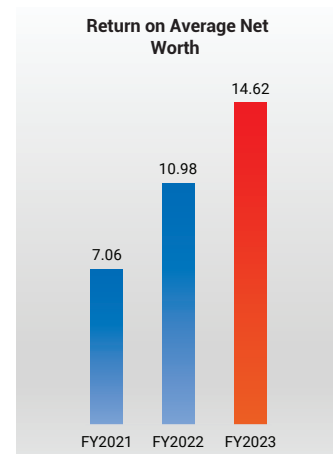
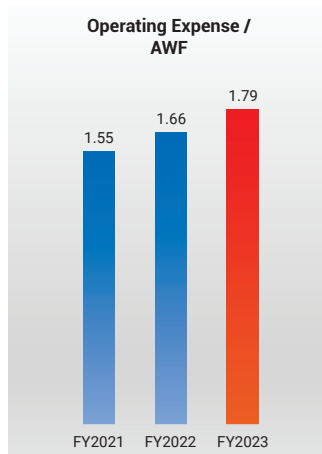
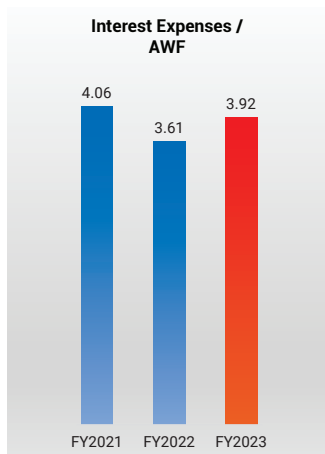
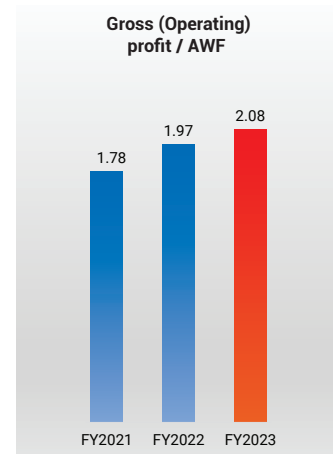
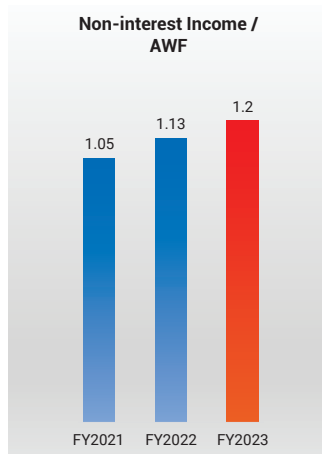
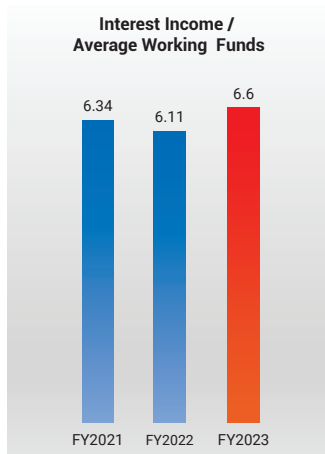
Key Summary of Results

In ₹ Crore	FY2022	FY2023	YoY%
Profit & Loss			
Interest Income	67,944	80,743	18.84
Interest Expenses	40,157	47,978	19.47
Net Interest Income	27,786	32,765	17.92
Non-Interest Income	12,525	14,633	16.83
NIM %	2.94	3.07	13 bps
Operating Profit	21,873	25,467	16.43
Total Provisions	16,641	17,034	2.36
Profit After Tax	5,232	8,433	61.18
Balance Sheet			
Global Advances	7,16,408	8,09,905	13.05
Domestic Advances	6,99,269	7,85,302	12.30
W/w Retail	1,36,273	1,59,702	17.19
Agriculture	1,33,092	1,51,993	14.20
MSME	1,10,577	1,25,022	13.06
RAM advances	3,79,942	4,36,717	14.94
Deposits	10,32,392	11,17,716	8.26
W/w CASA	3,77,193	3,94,055	4.47
Retail Term Deposits (<2 Crs)	4,43,752	4,38,280	-1.23
CASA Ratio (%)	36.54	35.26	-128 bps
GNPA	79,587	60,987	-23.37
NNPA	24,303	12,928	-46.80
Ratios (%)			
Asset Quality			
GNPA	11.11	7.53	-358
NNPA	3.68	1.70	-198
PCR	83.61	90.34	673
TPCR	69.46	78.80	934
Credit Cost	1.74	1.64	-10
Capital Ratios			
CET-1 ratio	10.63	12.36	173
Tier-1 ratio	12.20	13.91	171
CRAR	14.52	16.04	152

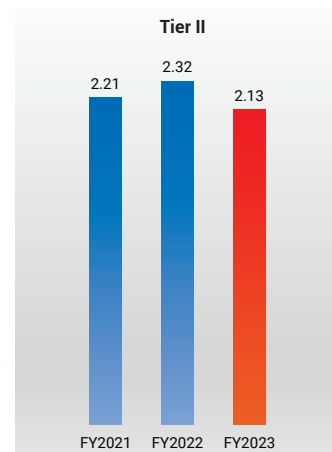
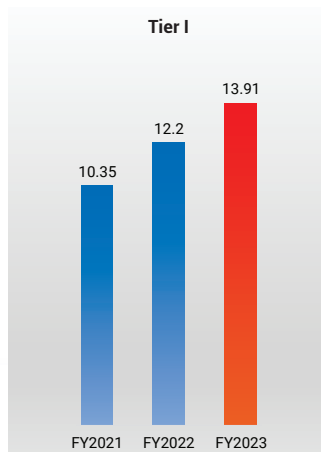
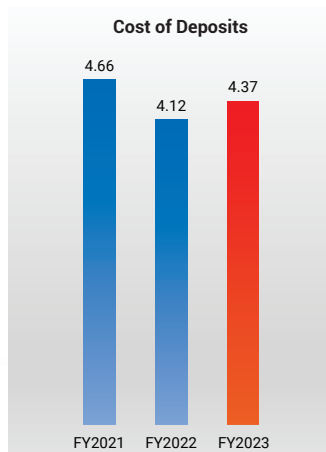
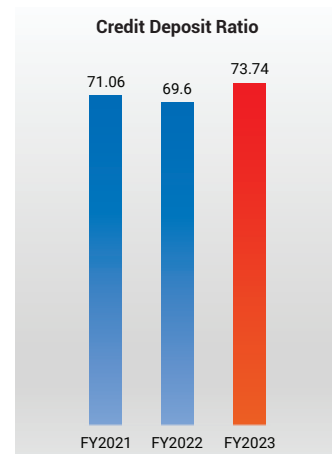
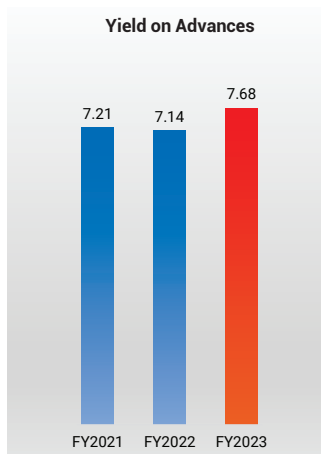
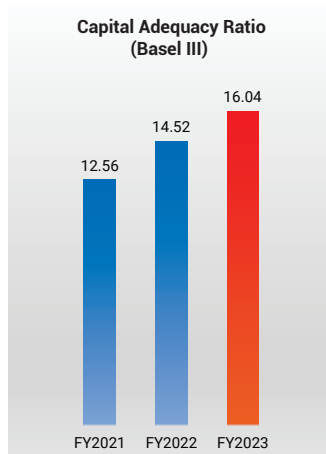
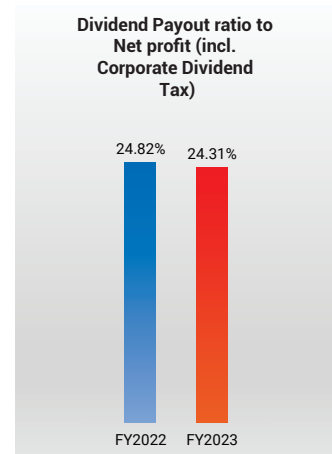
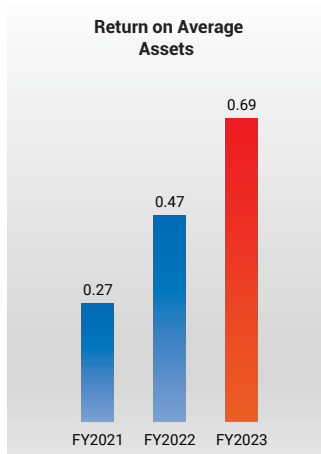
Strengthening Financial Capital

A Bedrock of Sustainability and Digital Advancement

Performance trends over 3 Years



Demonstrating our financial efficacy, the rise in ROA from 0.47% to 0.69% and ROE from 10.11% to 13.26% underscores Union Bank's commitment to optimizing asset utilization, maximizing shareholder returns, and investing for sustainable growth.



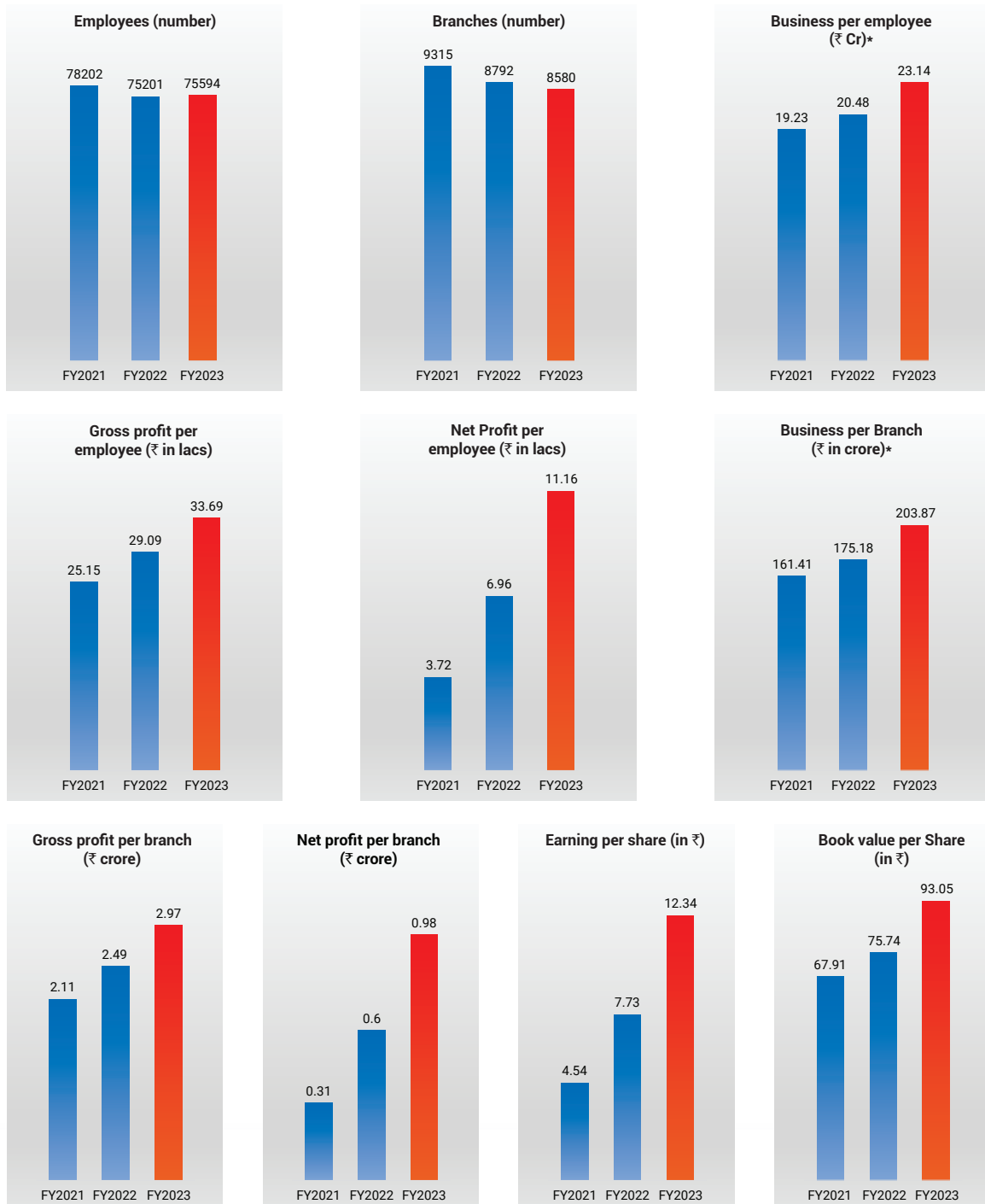
Strengthening Financial Capital***A Bedrock of Sustainability and Digital Advancement*****Key take-home points for FY2023**

- » Our Global Business grew responsibly to ₹ 19,27,621 Cr by the end of FY 2022-23, up from ₹ 17,48,800 Cr in the previous fiscal year.
- » We achieved an impressive Total Global Deposit growth, ending at ₹ 11,17,716 Cr.
- » Our Global Gross Advances reached ₹ 809905 Cr, reflecting our comprehensive and inclusive financial services.
- » We saw a surge in CASA Deposits, reaching ₹ 3,94,055 Cr by the end of FY 2022-23.
- » Our commitment to customer-centric services contributed to an improved Net Interest Income of ₹ 32,765.35 Cr for FY 2022-23.
- » Our careful and strategic approach resulted in a Global Net Interest Margin (NIM) of 3.07%, while the Domestic NIM stood at 2.95%.
- » We generated Other Income of ₹ 14,633 Cr, evidencing our diversified revenue streams.
- » Our efficient practices led to an Operating Profit of ₹ 25,467 Cr in FY 2022-23, an increase from ₹ 21,873 Cr in FY 2021-22.
- » We effectively managed our Cost to Income ratio at 46.27%, reflecting our focus on operational efficiency.
- » Yield on Advances rose to 7.68% for FY 2022-23, showing the result of our prudent lending strategies.
- » We made significant strides in reducing our GNPA ratio to 7.53 %, improving from 11.11% in the previous year.
- » Our Net NPA ratio also improved to 1.70 %, demonstrating our robust risk management.
- » We increased our Provision Coverage Ratio to 90.34%, providing a stronger safety net against potential losses.
- » Our Capital to Risk (Weighted) Assets Ratio (CRAR) under Basel III stood at 16.04 %, showing our strong capital base and surpassing the minimum regulatory requirement. We also maintained Tier 1 and CET 1 capital ratios at 13.91% and 12.36% respectively.



Financial statements as contained in the Annual Report 2021-22 of the Bank have been awarded Gold Shield in the category "Public Sector Banks" by the Institute of Chartered Accountants of India for excellence in Financial Reporting.

Productivity trends over 3 Years





Energised Intellectual Capital

*Committed to
Sustainability, Driven
by Digital Prowess*

» **UNSDGs:**



» **Strategy Blueprint:**



» **Business Model Components:**



» **Material Issues:**

11, 12, 13, 19, 29, 43

Union Bank of India's commitment to harnessing intellectual capital through technology-driven initiatives strengthens our position in digital banking. Our investment in cutting-edge solutions, collaboration with industry stakeholders, and focus on emerging technologies position us to create sustainable value for our stakeholders while propelling India's digital and sustainable transformation journey. We are dedicated to providing exceptional digital experiences and remaining at the forefront of technological advancements in the banking industry.

Information Technology and Digital Transformation

Union Bank of India, as a leading public sector bank, embraces the latest technology to establish itself as a next-generation digital-savvy institution. Our robust IT systems enable us to provide IT-driven, convenient, and adaptable banking products and services, placing technology at the core of our operations.

At Union Bank of India, we are committed to customer-centric, inclusive, responsive, and responsible banking. To achieve this, we have launched various new-age initiatives and adopted cutting-edge technologies such as Augmented Reality/Virtual Reality (AR/VR), Artificial Intelligence/ Machine Learning (AI/ML), Natural Language Processing (NLP), and Blockchain. These transformative measures ensure high-performance access to business systems and cloud-based applications while complying with regulatory norms without compromising security.

Energised Intellectual Capital***Committed to Sustainability, Driven by Digital Prowess***

We have invested in infrastructure, technology platforms, and digital applications to enhance the banking experience for our customers. Integration of core banking applications with internet banking, mobile banking, ATMs, and electronic payment systems has allowed us to offer a wide range of value-added services. Our platforms, including Tabulous Banking, Talking ATMs, and multi-function Sampurna ATMs, facilitate services such as mobile top-up, e-cash remittance, direct tax payment, interbank mobile payment service remittance, NEFT, and mutual funds payments.

Language Accessibility:

Mobile Banking: **13** Call centre: **11**
Internet Banking: **2** SMS Facility: **13**

Number of languages in which banking services are available, including digital platforms, call centers, and communication channels.

Awards and Recognitions:

106

Number of prestigious awards received for official language implementation, and publications.

Employee Participation:

6,307

Number of staff members participating in Hindi competitions and winning individual prizes.

Customer Engagement:

1.26 crore

Number of customers reached through awareness campaigns on cybersecurity.

**Intellectual Capital Initiatives:**

136 Training programs by Union Learning Academies;
7 overseas programs;
172 Inland External training programs;
1461 internal training programs;
Number of intellectual capital initiatives implemented, such as training programs, webinars, and knowledge-sharing platforms.

Multilingual Publications:

131

Number of publications released in different languages, promoting cultural understanding and inclusivity.

Digital Adoption:

Mobile Banking: 29.09%
Internet Banking: 6.84%

Growth in the number of users and transactions conducted through digital channels, such as mobile banking and internet banking.

Leveraging Emerging and Future Technologies

Union Bank of India continues to adopt advanced technology solutions to deliver a seamless digital experience to our customers. These include personalized video-based solutions, WhatsApp Banking, Palm Banking, Video KYC solutions, and Microservices Architecture for container-based cloud-ready applications. We prioritize regulatory compliance and security in all our technology implementations.

The Bank actively collaborates with key stakeholders in the technology domain to drive innovation and contribute to India's digital transformation. We are working closely with the RBI IT Innovation Hub on Digital Ledger-based Blockchain Technology and have been selected for a pilot on Central Bank Digital Currency (CBDC). Moreover, we pioneer the Account Aggregator platform and actively integrate with the Open Network for Digital Commerce (ONDC) and Open Credit Enablement Network (OCEN) for Digital Lending. Artificial Intelligence (AI)-based conversational banking through Amazon Alexa and Google Assistant Voice Bots further enhances customer experience and convenience.

The Bank embraces emerging technologies to drive future growth and innovation. We explore solutions, form fintech partnerships, and leverage technologies such as AI/ML, 5G, Blockchain, Metaverse, and DevSecOps. Our Analytics Centre of Excellence (ACOE) utilizes a Data Lake to analyze customer data and preferences, enhancing our understanding and delivering personalized services.

Union Bank of India's strategic focus on the future includes initiatives such as hosting Cloud Native Applications on a Hybrid Cloud to enable swift digital resource deployment, integrating AI and Virtual Reality (VR) for immersive banking experiences, leveraging the Internet of Things (IoT) and connected devices for banking services, implementing robust security and fraud prevention measures to safeguard customer information, establishing a Microservices-based Omni-Channel Platform for a unified customer experience across multiple channels, and adopting new practices like DevOps tools for continuous development, integration, and deployment of in-house projects and application modernization.

We are harnessing the power of emerging technologies like AI, Blockchain, and the Metaverse, driving future growth and delivering an unparalleled digital banking experience. Our relentless innovation signifies our commitment to India's digital transformation and our customers' evolving needs.

Digital Leadership Achievements

Union Bank of India has achieved several milestones in digital adoption, reinforcing our position as a trailblazer in the industry:

- » First public sector bank (PSB) to go live on the account aggregator ecosystem.
- » First PSB to achieve triple ISO certifications: ISO 27001:2013 (Information Security Management System), ISO 22301:2019 (Business Continuity Management System), and ISO 31000:2018 (IT Risk Management).
- » First PSB to implement end-to-end auto-renewals of MSME loans up to ₹1 million.
- » First PSB to implement multi-language support in Finacle, mobile banking applications, and SMS.
- » Ranked 2nd in ATM Switch Processing among all banks across the country.
- » Average monthly CBS transactions exceed 194 crores, with a 20% increase in daily average transaction volume in the last six months.
- » Average system uptime of 99.97%, aligning with best-in-class standards under EASE 4.0.
- » First bank in India to introduce Metaverse in banking.
- » Achieved prestigious PCI-DSS (Payment Card Industry – Data Security Standard) certification covering all payment systems and processes dealing with cards.
- » Introduction of innovative solutions like WhatsApp Banking, Voice Banking, Open Banking Architecture, Digital Platform, Straight Through Processing (STP), Robotic Process Automation (RPA), and Pre-Approved Personal Loans (PAPL).

Energised Intellectual Capital

Committed to Sustainability, Driven by Digital Prowess

Digital Initiatives Taken in FY2023

The various digital initiatives taken by Union Bank of India in FY2023 highlight the bank's commitment to technological advancements, customer-centricity, and innovation in the banking industry. The recognition received, such as the 1st rank in EASE 5.0 Reforms Index and the Best Fintech Collaboration Special Prize, further validate the bank's efforts in the digital domain. Under the umbrella of digital transformation, Union Bank of India has undertaken several innovative initiatives aimed at enhancing customer experience, increasing efficiency, and embracing emerging technologies. These initiatives can be categorized into the following key areas:

- 1. Video KYC:** Video KYC, as defined by the RBI, enables seamless and secure customer identification through live audio-visual interactions. Union Bank of India has made Video KYC live for all DBUs, 3 FGMOs, and five regions. This initiative has resulted in the opening of over 4,000 accounts through Video KYC, with a dedicated Video KYC Cell set up in Lucknow.
- 2. UVConn 2.0:** UVConn is a digital platform that leverages WhatsApp Messenger to provide basic inquiries and services to customers. Currently available in 7 languages, UVConn offers features such as account balance inquiries, mini statements, cheque status checks, chequebook requests, locker rent inquiries, and more. Over 10 lakh users have been onboarded on UVConn, with over 45 lakh customer inquiries triggered through the platform.
- 3. Your Bank** has implemented various projects to streamline processes and improve customer service. These projects include e-nomination, the establishment of **Digital Banking Units (DBUs)** at 7 locations, the implementation of Positive Pay for cheque reconfirmation, simplified and instant DEMAT account opening, and the revamping of the chatbot for enhanced customer interaction.
- 4. Your Bank** has launched **Project Sambhav**, a comprehensive digital transformation initiative aimed at building a digital bank within the bank. This project includes the launch of the Vyom App, which offers over 350 features and an explorative UI/UX design to enhance customer engagement. Your Bank has also partnered with over 90 fintechs to accelerate the rollout of digital products and services. Additionally, initiatives such as digital solutions for mutual fund and insurance businesses, CRM solutions for unified customer experience, and integration with the

Account Aggregator ecosystem showcase the bank's commitment to digital innovation.



- 5. Digital Lending & Review/Renewal Journeys:** Union Bank of India has introduced digital lending journeys covering various assets and liability products. These journeys enable digital sanctioning, renewal, and review of accounts, resulting in over 7.68 lakh accounts being processed digitally. Notable digital lending journeys implemented include Mudra Kishor STP, Mudra Tarun STP, education loans, fresh KCC loans, loans against deposits (LAD), and more.



6. **Central Bank Digital Currency:** Union Bank of India has been nominated by the Reserve Bank of India to participate in the Central Bank Digital Currency - Retail and Central Bank Digital Currency - Wholesale projects. Your Bank has made the CBDC-R application live for Android users under a closed user group..
7. **FinTech & Ecosystem Partnerships:** Your Bank has actively engaged with fintechs and forged partnerships to leverage their solutions for building customer digital journeys. Over 150 fintechs have been engaged, with more than 90 fintechs empanelled. These collaborations have facilitated the implementation of digital solutions in segments such as agriculture, retail, and MSMEs.
8. **Digital Banking Units:** Union Bank of India has established 7 Digital Banking Units (DBUs) equipped with smart capabilities such as interactive tablets, multi-functional kiosks, ATMs, video KYC apparatus, and Metaverse technology. These DBUs aim to increase digital penetration and provide cost-effective, convenient access to financial services.



9. **Project Sambhav:** Implementation of Digital Business Platform: Under Project Sambhav, Union Bank of India has designed a digital strategy aligned with its business vision. This strategy includes the upgradation of the Vyom app to provide seamless omnichannel

experiences, the establishment of ecosystem partnerships, the development of a digital platform with cloud-ready architecture, and the implementation of data and analytics platform services. Collaboration with fintechs is also a key aspect of Project Sambhav to offer new digital products.

10. Introduction of "Uni-verse" - a Virtual Lounge based on Metaverse

Union Bank of India is the first Bank to launch Metaverse in India. These Virtual Lounge feature:

- » Digital Avatars
- » User Interactive Digital Screens with Product Creatives
- » Digital Displays with Product Videos
- » Digital Wall - Video about "Journey of Union Bank of India" and other creatives
- » Customers can Navigate through the Lounge with both VR and non-VR Enabled environments
- » Holographic Floating Menu about New Products and others.
- » "Spin a Wheel" Contest
- » Metaverse 2.0- For creating immersive customer experiences platforms, higher user engagement, Seamless Banking Solutions, and positive brand communication. 100,000+ hits till date and balance enquiry mini statement facility has been enabled.



Cybersecurity

Union Bank of India recognizes the significance of cybersecurity as a critical aspect of its operations and its commitment to safeguarding stakeholder interests in the digital landscape. Your Bank has proactively established a strong cybersecurity culture to enhance digital trust among stakeholders. A dedicated Cybersecurity Centre of Excellence (CCoE) has been set up at the bank's

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Smart Virtual Assistant

premises in Hyderabad. The CCoE collaborates with external institutes, such as the Centre for Development of Advanced Computing (CDAC) and the Cyber Security Centre of Excellence, Department of IT & Electronics, Government of West Bengal (WB-CS-CoE), to conduct cybersecurity awareness webinars and training sessions for stakeholders.

Your Bank has implemented a 24x7 Cyber Security Operation Centre (C-SOC) with a skilled team to identify and prevent cyber threats. The C-SOC closely monitors critical business applications and employs a "Security by design" approach to strengthen the bank's cybersecurity posture. Union Bank of India follows a "Defence in depth" strategy, deploying multi-layered security architecture, including perimeter security, network security, application security, endpoint security, identity and access management, threat intelligence, and data security. Your Bank's Cybersecurity Centre of Excellence conducts regular vulnerability assessments, penetration testing, and red-teaming exercises to identify and mitigate risks to its IT infrastructure.

To promote cybersecurity awareness, Union Bank of India has developed a Comprehensive Cybersecurity Awareness Programme (CCSAP) for both customers and employees. Your Bank conducts awareness campaigns through various channels, including SMS, emails, ATMs, branch displays, social media, and its website. Cybersecurity

mascots named "U SuṛKsha" and "U ṛKshak" have been introduced to personalize and promote educational cybersecurity safety tips. Your Bank has also appointed Digital Ambassadors in branches to spread cybersecurity awareness at the grassroots level.

In alignment with national and international practices, Union Bank of India actively participates in initiatives like the Ministry of Home Affairs' Cyber Jaagrookta Diwas (CJD) and the National Cybersecurity Awareness Month (NCSAM). These initiatives involve activities such as sending cybersecurity emails to customers, sharing creatives on social media, hosting webinars with cybersecurity experts, and raising awareness on reporting cybercrime through the National Cyber Crime portal.

To strengthen the cybersecurity culture among staff members, your Bank conducts town hall meetings, provides daily emails with cybersecurity tips, and offers interactive puzzles and crosswords. Your Bank also publishes internal booklets and news snippets to keep employees updated on the latest cybersecurity trends. Regular phishing simulation exercises and an online cybersecurity self-risk assessment program called "My Cyber Hygiene" help identify areas for improvement and provide additional training opportunities. Additionally, your Bank has implemented a Cybersecurity Executive Development Program (CSEDP) to certify senior management in IT and cybersecurity.

Union Bank of India has taken comprehensive measures to ensure state-of-the-art cybersecurity technologies are in place. Your Bank has harmonized its policies and action plans with Digital Payment Security Controls, ISO certifications for information security management systems, business continuity management systems, and PCI-DSS certification for card payment systems. A robust cybersecurity governance structure, including policies, procedures, guidelines, and committees, is established at both the executive and board levels.

Data Analytics Centre

Union Bank of India recognizes the transformative power of data analytics and has embarked on a journey to enhance its data culture and competencies. Your Bank has established an Analytics Centre of Excellence (ACoE) that collaborates across business verticals to develop customized use cases and dashboards. A dedicated policy for the ACoE has been formulated to ensure the effective use of analytics within the bank.

Your Bank leverages analytics in various areas to drive value and improve customer experiences. In digital lending, analytics is used to understand customer behaviour and account information, enabling your Bank to offer pre-approved personal loans through seamless digital journeys. Analytics also plays a crucial role in fraud detection, as real-time monitoring helps identify unusual transaction patterns that could indicate potential fraud.

Operations benefit from analytics as well, with your Bank utilizing machine learning models to identify customer churn in the CASA segment and recommend appropriate actions for customer retention. In marketing and sales, analytics-generated leads assist your Bank in identifying potential customers, offering personalized products and services, and enhancing overall customer satisfaction. Risk management is another area where analytics is utilized to identify, measure, and manage risks across the bank, including predicting loan defaults and identifying potential NPAs.

Your Bank has also developed visual dashboards to track performance in key areas such as the CASA, retail loans, and MSME loans portfolios, enabling effective monitoring and comparison with peer banks in the market.

Union Bank of India's efforts in data analytics have been recognized with accolades. Your Bank achieved the first rank under the EASE 5.0 framework for the Big Data and Analytics theme consecutively in Q2 and Q3 of FY 2022-23.

Additionally, your Bank was honoured as the Runner-Up for the Best AI and ML Bank at the 18th IBA Technology Conference, Expo & Awards.

Official Language & Publications: Rajbhasha

Union Bank of India recognizes the significance of intellectual capital in fostering a strong organizational culture. As part of its commitment to intellectual capital, your Bank places great importance on promoting the use of the official language and has been recognized for its exceptional performance in official language implementation. These initiatives contribute to the bank's overall intellectual capital by fostering effective communication, inclusivity, and cultural understanding.

Union Bank has received 18 prestigious Kshetriya Rajbhasha Puraskars from the Department of Official Language, Ministry of Home Affairs, Government of India, in various regions and FGMOs. Your Bank's dedication to official language implementation is further exemplified by the 85 Shields it has received for outstanding performance from different TOLICs (Town Official Language Implementation Committees) across the country. Moreover, the bank's staff members have achieved remarkable success, winning a total of 183 individual prizes in various Hindi competitions, demonstrating their linguistic skills and promoting the bank's intellectual capital.

In line with its commitment to linguistic accessibility, Union Bank ensures that its services are available in multiple languages. The digital KCC STP is offered in Hindi and Kannada, and the SMS facility is provided in 13 languages, ensuring effective communication with customers. Your Bank's call centre also supports 11 Indian languages, allowing customers to interact in their preferred language. Additionally, the mobile banking application, 'VYOM,' is available in 12 Indian languages, enabling a seamless and inclusive digital banking experience.

Union Bank's commitment to intellectual capital extends to its publications. The quarterly bilingual corporate in-house journal, 'Union Dhara,' and the Hindi magazine 'Union Srijan' have received prestigious accolades, such as the PRCI Gold award for 'Best in-House Magazine' and the Ashirwad Award. These publications contribute to the intellectual capital of your Bank by disseminating valuable knowledge, insights, and updates to its stakeholders.

Nurturing Natural Capital

Union Bank's Commitment to Environmental Stewardship

» *UNSDGs:*



» *Strategy Blueprint:*



» *Business Model Components:*

3

» *Material Issues:*

1, 3, 4, 6, 8, 9, 26, 27, 28,
30, 32, 33.

Union Bank of India is committed to addressing climate change and accelerating the transition to a low-carbon economy. With a vision of achieving net-zero emissions by 2070 and aligning its financing portfolio with the goals of the Paris Climate Agreement, your Bank actively oversees social and environmental matters through dedicated committees. By integrating environmental sustainability into its business strategy, Union Bank supports the development of green technologies, offers sustainable finance solutions, and strives to meet the evolving needs of its customers. Your Bank's achievements in sustainable finance, including surpassing targets in renewable energy lending, reflect its dedication to a cleaner and greener future..



Climate Strategy

As the impacts of climate change continue to be felt around the world, we are observing significant changes emerge in the way many of our customers do business. These changes are driving a larger economic shift as the push towards decarbonization accelerates. For many, it is no longer about whether this change will happen but how quickly it will transpire.

The Board directly supervises social and environmental matters, including climate change. The Board recognised that Union Bank can, and should, make a real contribution to tackling climate change and help to accelerate the transition to a low-carbon economy.



Supporting a sustainable transition

by helping our customers and communities prepare for climate related risks and opportunities.



Managing climate-related risks

facing our Company, including those related to physical and transition risks.



Reducing our environmental footprint

through renewable energy, energy efficiency and other operational improvements across our enterprise.

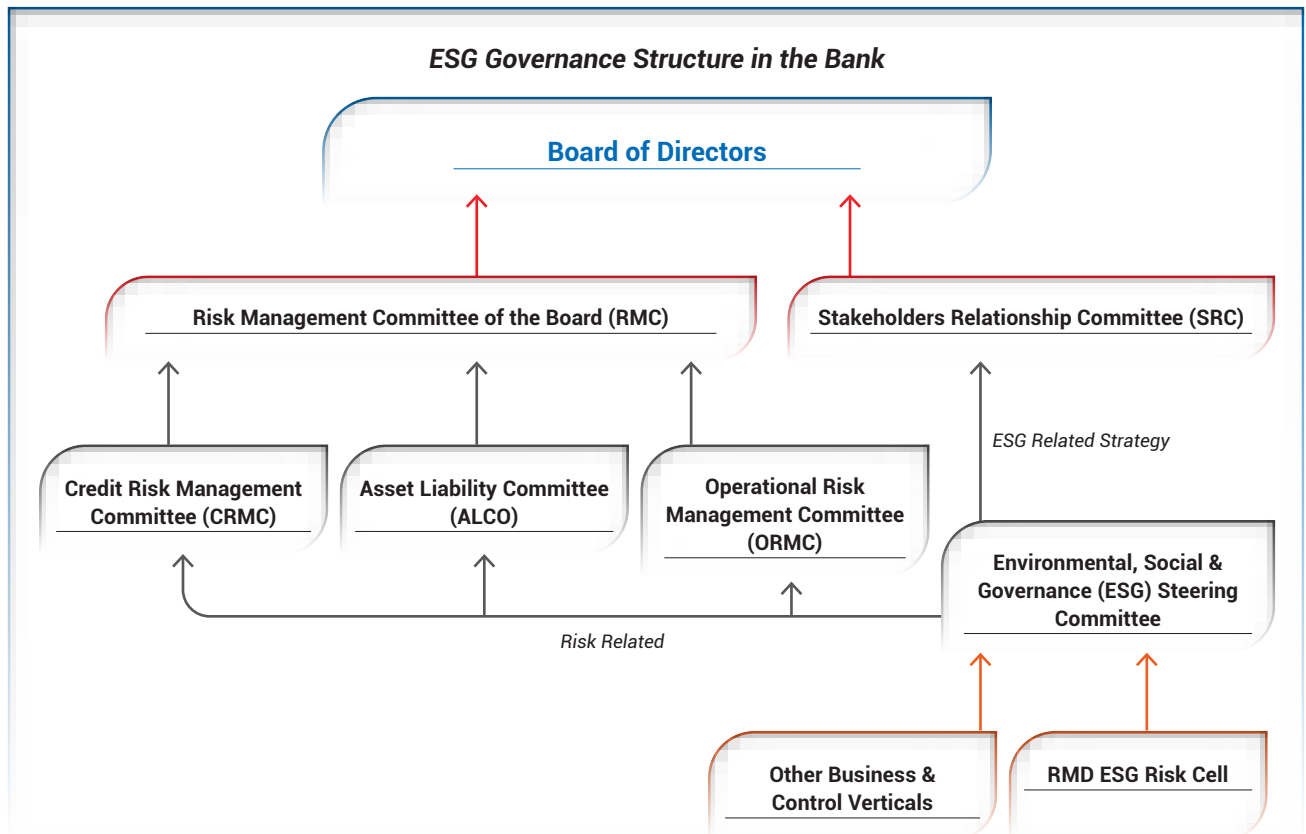
Nurturing Natural Capital

Union Bank's Commitment to Environmental Stewardship

We maintain a steadfast ambition to be net zero by 2070, and our commitment to align our financing portfolio to the goals of the Paris Climate Agreement. We aim to align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement, and relevant national and regional frameworks.

During FY2022, the Board of the Bank decided to entrust the Stakeholders Relationship Committee of the Board

to be responsible for overseeing the ESG commitments and implementations of the Ban through the formation of a dedicated ESG Steering Committee at the Executive Management Level, constituting of members from the Board and the Senior Executive Management team. The ESG Steering Committee will, in turn, form an ESG Cell at the Bank's Operational Level, with members within the Bank with domain expertise and departmental responsibilities for research, goal setting and implementation of various ESG aspects..



Union Bank of India has historically committed to environmental leadership in the financial services sector. That commitment is rooted in our desire to build strong communities, serve our customers well and achieve our vision to be your Bank people most value and trust. We are driven by our understanding that integrating environmental sustainability into all aspects of our business creates long-term value and strengthens the communities we serve. We recognize the need for financial service providers to support the transition toward a more sustainable future. Banking is key to supporting the development of new technologies, financing new infrastructure and helping customers transition their operations.

At Union Bank of India, our ambition is clear - net zero by 2070. Through sustainable practices, we're fostering a future that people trust and value, leading the transition towards a more environmentally conscious world.

Transition to a Sustainable Future



Our business strategy embraces an inclusive, sustainable path forward. We believe that capital can be a force for positive change. Our Bank's purpose drives our approach to sustainability: to improve our customers' lives and our community's well-being. We intend to identify, accelerate, and promote the development of Union Bank's climate and sustainable finance growth opportunities for our customers and clients across all our businesses, products, and services.

Financing the Transition

The transition to a low-carbon economy is today's defining opportunity for innovation and growth. There is a significant opportunity for Union Bank to play a leading role in helping to meet the demand for climate change-related financing to support the transition. We are directing investment into new green technologies and infrastructure projects to build up low-carbon capacity and capability.

Union Bank is committed to helping our customers and communities move to a low-carbon, sustainable future and achieve positive social outcomes. We seek to provide our customers with products and services to help them meet their evolving needs. We hope to inspire and support our communities to drive toward more sustainable and inclusive solutions. We recognize the financial sector plays a crucial role in making the changes necessary to adapt to a changing planet and create more resilient communities.

The table below showcases the achievements of Union Bank of India in sustainable finance targeting the renewable energy sector:

Sustainable Financial Target	Achievement in FY2022	Achievement in FY2023
Renewable Energy Sector	₹ 7,164 crore	₹ 10,370 crore

These achievements highlight Union Bank of India's commitment to supporting the renewable energy sector through sustainable finance. By surpassing targets in both fiscal years, your Bank actively contributes to the nation's transition towards a cleaner and greener future.

Climate Risk



Union Bank is providing the green and sustainable finance required to transform the economies we serve. Our strategy is underpinned by how we assess and manage our exposure to climate-related risk. Since 2022, climate risk is being treated as a Principal Risk under Union Bank's Enterprise Risk Management Framework. Today, Union Bank of India is one of the premier institutions in the Indian Financial sector and is committed to building a sustainable and climate-risk-resilient organization. The smooth integration of ESG factors in Business Strategy, Business Processes, Internal Governance (Business Verticals, Risk Management & Compliance, and Independent Audit), Policies, Credit Rating/Assessment, Disclosure framework, Data Management and Risk culture of the Bank is of prime importance.

Nurturing Natural Capital

Union Bank's Commitment to Environmental Stewardship**1. Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity**

Parameter	Unit	FY 22-23(Current Financial Year)	FY 21-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	274042	283485
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	241884	193187

Parameter	Unit	FY 22-23(Current Financial Year)	FY 21-22 (Previous Financial Year)
Total Scope 1 and Scope 2 emissions per Cr of turnover	Metric tonnes / Cr	6.39	7.02
Total Scope 1 and Scope 2 emission intensity (optional)–the relevant metric may be selected by the entity	Metric tonnes / FTE	4.16	6.27

- » Scope 1 emission is calculated based on the total Air conditioning tonnage based on per square feet area and the leakage rate of 5% and Diesel consumed in bank owned cars and DG sets.
- » Scope 2 emission is calculated based on the electricity consumed from the utility.

2. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter	FY 22-23(Current Financial Year)	FY 21-22 (Previous Financial Year)
Total electricity consumption(A) in GJ	769900	755951
Total fuel consumption (B) in GJ	110348	102140
Energy consumption through other sources (C) in GJ	12339	14515
Total energy consumption A+B+C) in GJ	892587	872606
Energy intensity per Cr of turnover (Total energy consumption/ turnover in Cr)	11.05	12.84
Energy intensity (optional)–the relevant metric may be selected by the entity (per Full Time Employee FTE)	11.81	11.48

- » Procured electricity consumption: Average rates of different states are considered in arriving at the consumption figures using spent amount data.
- » Diesel consumption in liters is calculated considering the average rate and the amount spent data.

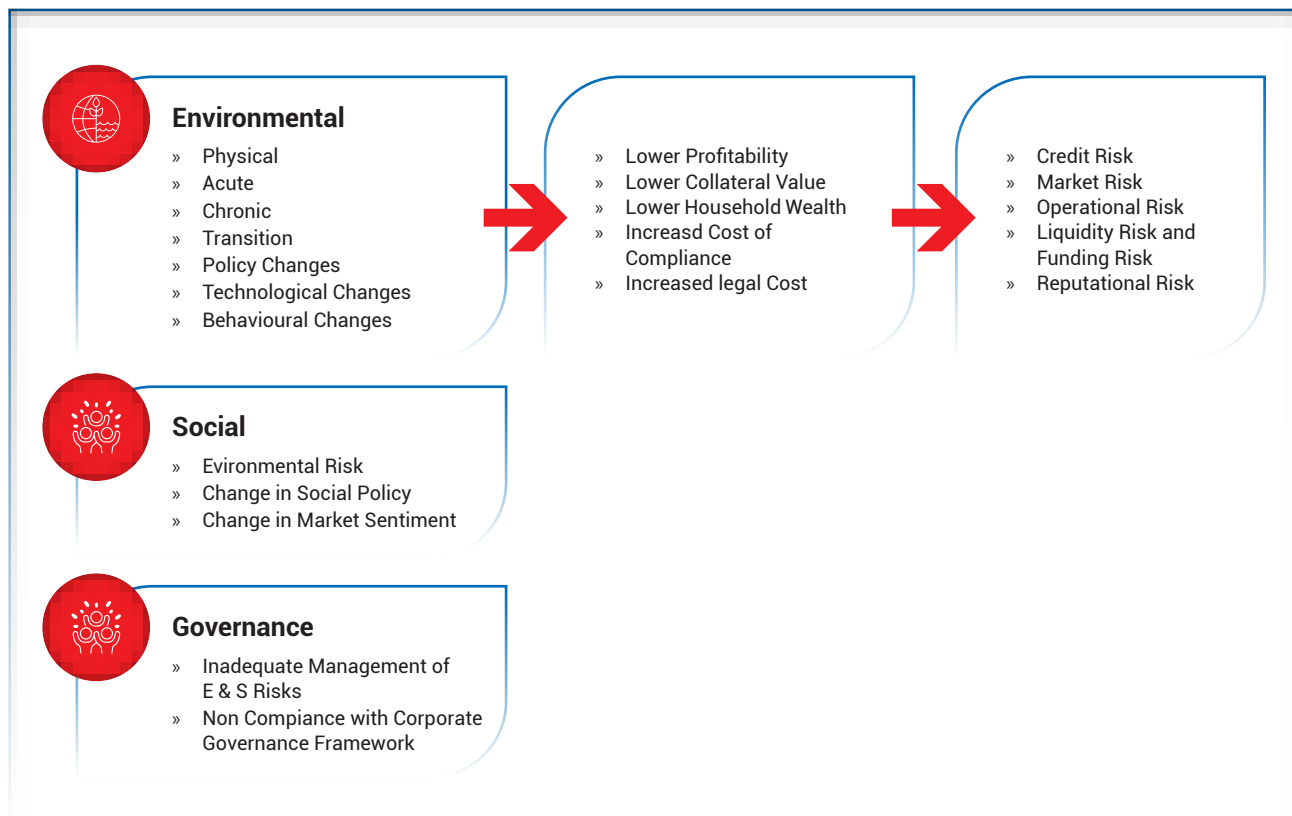
The Bank is committed to reducing the carbon footprint of its operations. The Bank shall endeavour to achieve carbon-neutral status by 2030 and is focusing on aligning its products and services with the United Nations Sustainable Development Goals (SDGs). Apart from that, the Bank is committed to identifying and mitigating climate-related risks and opportunities across all aspects of the Bank's lending, investments and operations.

The primary aim of the Climate Risk Management Policy of the Bank is to work towards embedding sustainability into business and ensuring a smooth transition towards low carbon and climate-resilient operations and investments. To achieve this objective, the Bank is committed to the following:

- i. Taking system-wide action to ensure both – the resilience of the financial system to Climate risk and support of the financial system in a Climate Risk–sensitive manner by integrating climate-related risk (and opportunity) considerations within day-to-day operations, lending portfolios and overall decision-making.
- ii. Assessing climate-related risk drivers that might lead to increasing strategic, reputational, and regulatory compliance risk, as well as liability costs associated with climate-sensitive investments and businesses.
- iii. Identify, monitor and manage all climate-related financial risks that could materially impair the financial condition, including the capital resources and liquidity positions and incorporate climate-related financial risks into the overall business strategies and risk management frameworks.
- iv. Identifying and quantifying climate-related financial risks and incorporating them into the internal capital and liquidity adequacy assessment processes.
- v. Appropriate policies, procedures and controls are to be implemented across the organization to ensure effective management of climate-related financial risks.

- vi. Identify responsibilities for climate-related risk management throughout the organizational structure and clearly assign climate-related responsibilities to members and committees and exercise effective oversight of climate-related financial risks.
- vii. Incorporating applicable India's national, state and local regulatory requirements and: relevant environmental, social, labour and biodiversity conventions ratified by India.
- viii. Implementing climate risk assessment approach following internationally accepted guidelines such as Taskforce on Climate-related Financial Disclosures (TCFD), Climate Risk.

The proactive approach towards Climate risk management under this Policy necessitates the understanding of multi-point impacts of climate risk vis-à-vis ensuring the resilience of the financial system to Climate risk and support of the financial system in Climate Risk in a sensitive manner by integrating climate-related risk (and opportunity) considerations within day-to-day operations, lending and investment portfolios and overall decision-making.



Nurturing Natural Capital

Union Bank's Commitment to Environmental Stewardship

Climate Change Risk Management

Risk Governance

Bank is adopting a solid system of Governance, with effective and robust controls for climate risk mainstreaming. The system of Governance is proportionate to the nature, scale and complexity of the operations across the Bank's businesses. The Board of Directors, the Risk Management Committee (RMC), the Stakeholders Relationship Committee (SRC) and senior management shall be the senior most decision-making authorities on climate risk-related matters.

The Board of Directors and senior management shall clearly assign climate-related responsibilities to members and committees and effectively oversee climate-related financial risks. The Bank's well-established, existing risk governance structure shall be utilized for assessing and managing climate-related risks, wherein assessment and monitoring of climate risks and opportunities shall take place through each level of the existing governance structure.

Climate-related Opportunities

While Climate change poses a significant risk for the Bank but at the same time, it also offers several business opportunities. The low-carbon transition creates opportunities for efficiency, innovation and growth for the Bank. There is increasing demand for capital to finance long-term projects in emerging markets where economic growth and lower carbon intensity policies are intertwined with the urgent need to strengthen climate resilience. Adjustment to climate change and shifting climate zones creates demand for new and different products and services. That will require investment in measures to enhance the resilience of infrastructure, water-intensive industries, and agriculture. Climate, resilient technologies and practices in agriculture and food security include drought-tolerant seeds, improved irrigation systems, and more sustainable land management practices. Water management to address higher rainfall variability ranges from harvesting rainwater by households to ecosystem-based adaptation of entire watersheds. Disaster risk reduction entails deploying tools such as risk and vulnerability assessments, climate information and early warning systems. There is an increase in demand for low-carbon investment that Bank can support. There are multiple opportunities banks can explore, including:

- » Energy Efficiency, which has a positive impact on profitability and competitiveness while at the same time reducing or deferring the pressure of putting additional power generation capacity on the grid.

- » Renewable Energy Renewable energy, and solar photovoltaic generation in particular, is poised to disrupt conventional electricity systems worldwide. Many opportunities for the Bank to develop innovative financing schemes to either support direct investments by households or businesses or to provide loans to energy service providers. Rooftop solar systems offer millions of households and companies the potential to produce electricity. Financing opportunity exists in combining home mortgage loans with solar home systems loans, which has the potential to make solar financing easier while also allowing financial institutions to benefit from mortgage securitization.

Encouraging cleaner technologies via digital banking for MSMEs

One notable initiative is the introduction of digital banking solutions that enable MSME customers to apply for loans digitally. Through Straight Through Processing (STP) Kishore and Tarun Mudra Loans, businesses can conveniently access financing up to ₹ 10.00 Lacs. Additionally, Union Nari Shakti and GST Gain loans, also available digitally, provide financial support for women entrepreneurs and facilitate the adoption of cleaner technologies. In FY2023, the Bank disbursed around ₹ 1,25,022 crore under these methods to MSMEs.

Digital banking solutions are revolutionizing the financial landscape, offering convenient financing options for MSMEs and women entrepreneurs. These initiatives are not only fostering economic empowerment but also encouraging the adoption of cleaner technologies.

Union Solar

To further promote sustainability, Union Bank has launched Union Solar, a specialized product aimed at financing the installation of solar power plants for captive use. By encouraging borrowers to transition to non-conventional energy sources, your Bank contributes to the reduction of carbon emissions and the promotion of renewable energy. The Union Solar product offers attractive features, such as a waiver of collateral requirements and concessional interest rates, making it an appealing and cost-effective choice for borrowers. In FY2023, the Bank sanctioned around ₹ 105 crore under the Union Solar programme.

These initiatives underscore Union Bank of India's commitment to environmental responsibility and sustainable practices, promoting the efficient utilization of resources and supporting the transition towards a greener and more sustainable future.

Risk Management Measures and Strategies

Risk Appetite: The direction and effectiveness of Climate Risk Management are closely linked to the Bank's corporate goals, risk appetite and risk culture. The Climate risk management framework consists of five distinct building blocks, i.e., a) Risk measurement, b) Internal control, c) Risk reporting and monitoring, d) Metrics & Targets, and e) Disclosures.

Risk Measurement: The TCFD has provided a valuable lexicon of climate-related risks and opportunities, outlining the transition (Policy, market, technology, and reputation) and physical (chronic and acute) risks that can impact an organization's long-term sustainability and financial performance. These risks and opportunities can be broken down further and put into the context of the business being assessed. The Bank will be using different metrics to assess the impact of (transition and physical) climate-related risks on the lending and other financial intermediary business activities in the short, medium and long term. Metrics may relate to credit exposure, equity and debt holdings, or trading positions, broken down by Industry, Geography, Credit quality (e.g., investment grade or non-investment grade, internal rating system), Average Tenor, among others.

Financial Type	Category gets Impacted	Impacts
Balance Sheet	<ul style="list-style-type: none"> » Assets » Liabilities » Capital and Financing 	<p>Impacts on Assets</p> <ul style="list-style-type: none"> » Increase in earnings from giving loans to companies which follow proper Climate Risk Management in their business operation. » Increase in earnings due to funding Projects which have potential for sustainable finance like Renewable Energy, Clean Transportation, Green buildings, Sustainable Agriculture, Waste management etc. » Loss of earnings due to various disruptions caused by acute Physical Risks. <p>Impacts on Liabilities</p> <ul style="list-style-type: none"> » There may be an increase in liabilities related to legal recourse caused due to Climate Change litigations. » The liquidity may get impacted due to the sudden mass withdrawal of deposits by depositors due to Climate-Related Hazards. <p>Impacts on Capital and Financing</p> <ul style="list-style-type: none"> » The Bank's Capital reserve may get affected due to loss caused by Climate-related Risk or an increase in the expenditure of the Bank.
Income Statement	<ul style="list-style-type: none"> » Revenues » Expenditures 	<p>Impacts on Revenues</p> <p>Impacts on Expenditure</p>

Nurturing Natural Capital

Operational Sustainability at Union Bank of India

» UNSDGs:



» Strategy Blueprint:



» Business Model Components:



» Material Issues

1, 3, 4, 6, 8, 9, 26, 27, 28, 30, 32, 33.

In addressing our own environmental impact, we better prepare our organization for future changes by reducing our exposure and risk to decarbonization, energy market volatility and potential carbon pricing scenarios. Operational sustainability, the reduction of our own environmental and carbon footprint, has been key to our environmental sustainability program over the few years.

Operational Sustainability Goals

In FY2024, Union Bank of India is in the process of setting important sustainability goals to help prioritise our environmental sustainability efforts. This includes targeted goals to reduce our energy use and location based GHG emissions, reduce water consumption and waste sent to a landfill, and purchase renewable power. We are focusing on reducing our waste and conserving water significantly in the coming years. Further, we are committed to continuing our work in this area, increasingly reducing the material we use and recycling as much as possible.

Until now, the Bank has already taken certain steps towards water conservation. Our efforts, such as providing waterless urinals, among others, in our corporate office, have resulted in a 3% reduction in water consumption in our Central Office Building at Nariman Point in FY2022.

Union Bank of India has established a comprehensive sustainable sourcing procedure to ensure responsible procurement practices. The Bank recognizes the importance of sourcing inputs and materials in an environmentally and socially sustainable manner. Union Bank of India's sustainable sourcing policy encompasses various aspects, including supplier selection, evaluation, and ongoing monitoring. The bank emphasizes the consideration of environmental, social, and ethical factors when engaging with suppliers. This includes assessing suppliers' commitment to sustainability, such as their adherence to environmental regulations, labor standards, and ethical business practices. Through this policy, Union Bank of India aims to promote sustainable development, reduce environmental impacts, support fair trade practices, and contribute to the well-being of communities. By prioritizing sustainable sourcing, the bank demonstrates its commitment to responsible business practices and its role in fostering a more sustainable future.

Committed Towards Environment

Union Bank of India has become the founding member of the Indian Green Building Council (IGBC), a premier green rating organisation promoted by the Confederation of Indian Industry (CII).



Reducing our operational emissions to net zero

Union Bank remains committed to managing its operational footprint and transitioning to a low-carbon economy. In FY2022, we began to define our Scope 1 and 2 emission reduction targets against an established



Nurturing Natural Capital

Operational Sustainability at Union Bank of India

baseline. We aim to continue offsetting residual emissions from our operations and business travel. This reduction will be achieved through expanding our renewable electricity purchasing programme across our operations in India and our overseas offices.

Union Bank of India has implemented specific procedures for the disposal of IT assets classified as e-waste and hazardous waste. To manage e-waste containing the bank's data, including computers, HDDs, drives, tapes, printers, scanners, and other data-bearing devices, the bank engages e-waste management services. Regarding the disposal of hazardous IT waste, such as batteries, Union Bank of India follows a buyback approach with the original equipment manufacturers (OEMs). This ensures the safe and compliant disposal of hazardous waste, mitigating potential environmental risks.

Union Bank of India remains committed to responsible waste management practices, ensuring the safe reclamation and disposal of e-waste and hazardous waste through certified recyclers and authorized channels. By adhering to these practices, the bank actively contributes to environmental sustainability and supports a cleaner and healthier future. We aim to start disclosing our progress in these endeavours from FY2024.

Renewable Energy Adoption

We recognise that for renewable energy to support the decarbonisation of the wider economy, there is also a pressing need to reduce the energy intensity of our operations. We are in the process of setting targets for reducing our energy intensity by 2030.

Union Bank of India takes pride in its extensive branch network, which plays a vital role in serving customers across the country. As of March 31, 2023, your Bank boasts a wide-reaching network of 8,580 branches, including 3 overseas branches located in Hong Kong, Sydney, and Dubai DIFC. Notably, 58 percent of these branches are strategically positioned in rural and semi-urban areas, ensuring financial inclusion and accessibility for diverse communities.

The Bank aims to focus on using solar energy to meet the energy requirements of its >8,577 branches. This will enable the Bank to achieve its environmental goals and contribute to the Government's objective of fulfilling at least 50% of energy requirements through renewable energy by 2030.

TTill today, the Bank has installed on-grid rooftop solar panels on the terrace of the corporate office in Mumbai and one of its facilities at Vijayawada, with a net installed capacity of 72 KWp, and a potential of generating around 300 units of daily power consumption. Your Bank Is committed to investing in energy conservation initiatives to further commitment to achieve greater environmental efficiency in our operations. Major initiatives include:

- » Installation of roof top solar plant of 2 MW capacity. This installation has generated 3427597 units annually which helped to save 3153 Metric Tons of CO₂ e of Carbon emission in FY 22-23.
- » Bank has installed grid connected solar power plant of capacity 60 KWp and 12 KWp in Banks' own building of Vijayawada and Central Office Mumbai respectively. Further, installation of 430 KWp solar power plant is in process at CO-Annexe Mangalore.
- » The 60 KWp and 12 KWp helped to save 70.52 Metric Tons of CO₂ e of Carbon emission and 14.1 Metric Tons of CO₂ e of Carbon emission respectively and as applicable metric tons.
- » Further to the installation of 430 KWp, it will help to save 690 Metric Tons of CO₂ e of Carbon emission.
- » Office premises are being provided with indoor ornamental plants with a view of air purification and contributing to the environment.

These moves are a modest step towards our ambition to transition to cleaner and alternate sources of energy in future.



Zonal Office, Vijayawada



Central Office Mumbai

Encouraging the adoption of non-polluting vehicles

During FY2022, the Bank initiated a programme to encourage its employees to adopt the use non-polluting vehicles. These include vehicles that are CNG, electric or hybrid fuels that do not emit any pollution. To motivate its employees, the Bank has offered to re-imburse its employees for their conveyance expenses, making the running cost of such vehicles even more attractive.

Reducing waste & Supply Chain

For a long period, we have directed our procurement teams to increase the coverage of sustainably sourced paper. At the beginning of FY2022, we explored opportunities to continue the removal of single-use plastics. Going forward, our focus is on transitioning our waste management approach and material use to circular economy principles, recognising the importance of reducing the volume of waste we produce and maximising the use of materials in our buildings.

Details related to waste management

Parameter	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	10961	8816
E-waste (B)	306	238
Battery waste (C)	11	21
Total (A+B + C)	11278	9075

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste		
(i) Recycled	11	21

- » Battery waste weight is calculated based on the sale value of ₹ 85 per Kg.
- » E-waste weight is calculated based on the sale value of ₹ 50 per Kg.
- » The recycled waste is calculated based on the battery waste as it is getting recycled.
- » The plastic waste (per capita waste generation) is calculated referring the Central Pollution Control Board report.

To support our new strategic direction, we are setting a new target to divert all waste from landfills and incineration across all our branches by 2035, with 100% of waste in our facilities being reused, repurposed, or recycled. This will be achieved through the roll-out of our Zero Waste Strategy, which will commence in FY2024. As part of this initiative, we are also working with our procurement teams to engage with our supply chain partners to understand their capabilities to reduce the volume of packaging being sent to our offices and request suppliers to sign up for our Zero Waste Supply Chain Charter. The Charter encourages suppliers to eliminate transit packing, supply goods in reusable containers and investigate opportunities for packaging waste to be backhauled in the next delivery.

Reducing the use of paper

At your Bank, we have migrated a large number of transactions (Bulk Collections / Payments / MIS / Channel Finance) from paper-based services to digital services through our online platform, whereby paper usage has been dramatically reduced. The volume of digital transactions undertaken by the Bank during the FY2023 are as follows:

Year	No of Transactions	Amount (in crore)
FY2023	15,95,01,642	8,93,524.67

Enhance our Digital Network for Operational Efficiencies

The Bank has created a dedicated Digitization Vertical to drive the digital transformation journey of the Bank by reorienting Bank's digital vision. The vertical comprises of Digital Journeys, Digital Banking Department and Digital Interactions & Partnerships.

Nurturing Natural Capital**Operational Sustainability at Union Bank of India****Progress through Digital Channels**

Growth on Digital Channels (Figures in crore)				
Channels	31.03.2022	31.03.2023	Annual Growth	
			Absolute	(%)
Mobile Banking Users	1.65	2.13	0.48	29
Internet Banking Users	0.68	0.74	0.06	9

Fintech absorption:

Rising customer expectations and changing customer behaviours have compelled banks to consider partnering with FinTech companies warranting Banks to deliver seamless, world-class services to the customers so that they can be benefitted by the evolution in FinTech Segment. Fintech policy of the Bank provides for empanelment of FinTechs to create a pool of companies having developed unique financial services. A readily available pool of FinTechs helps the Bank in the adoption of the required solution within the shortest possible time. Based on the market study and expected requirements of the Bank, 24 FinTechs were empanelled under the following segments. The validity of such empanelment is for a period of three years.

- » Development & Integration of Digital Journeys
- » Wealth Management, including Insurance
- » Agricultural Lending
- » UI / UX Development & Customization.
- » Analytics using Artificial / Machine / Deep Learning
- » Intelligent Virtual Assistant (Chatbot)
- » Digital Marketing
- » Cash Management, Trade and Supply chain financing

Taking Information Technology Farther

Offering the "Digital Experience" to its customers is essential for both their convenience and our own operational efficiencies and consumptions. At Union Bank, we are leveraging and implementing the latest innovations in technology such as cloud computing and digital lending,

among others. The Bank is transforming the current IT architecture to ensure high performance access to business systems and cloud-based applications complying regulatory norms without compromising security. At the same time we are fostering Enterprise Solution Architecture Practices for new applications to support new innovations in diverse, dynamic, and complex environments.

Account Aggregator: Union Bank of India became the first public sector lender to go live on the account aggregator ecosystem, a part of the Government's digital initiatives to improve credit delivery. The account aggregator ecosystem helps lenders leverage digital data acquired with the customer's consent to provide seamless service without physical documentation. Any financial information user (FIU) can request data based on a consent given by the customer on their account aggregator handle. Bank has implemented the technology stack as per the Reserve Bank Information Technology (ReBIT) guidelines.

Blockchain Technology: Union Bank of India, along with 18 other banks, have formed an organization known as "Indian Banks Blockchain Infrastructure Company (IBBIC)" to implement Banking related Services in Blockchain Technology. With this, the Banking System in India is going to take a new leap in Digitization in the near future.

AI/ML: The Bank has initiated setting up of Analytics Center of Excellence and eyeing upon complete business modelling through AI/ML in next 3 years. Various use cases like AI based IVR System, U-Mobile Adoption Analysis, Cross Selling/Upselling of Credit Cards, Voice Bot, etc. are in implementation stage whereas Early Warning Signal (EWS) in Retail/Agri/MSME sectors is already implemented.

Robotic Process Automation (RPA): Bank is partnering with leading Fintech firms in RPA and initially identified few processes for automation like daily report generation, ATM reconciliation, payment settlement, etc. Using RPA technology.

Key Highlights include:

- » First public sector bank (PSB) to go live on the account aggregator ecosystem.
- » First PSB to achieve triple ISO certifications: ISO 27001:2013 (Information Security Management System), ISO 22301:2019 (Business Continuity Management System), and ISO 31000:2018 (IT Risk Management).
- » First PSB to implement end-to-end auto-renewals of MSME loans up to ₹1 million.
- » First PSB to implement multi-language support in Finacle, mobile banking applications, and SMS.
- » Ranked 2nd in ATM Switch Processing among all banks across the country.
- » Average monthly CBS transactions exceed 194 crores, with a 20% increase in daily average transaction volume in the last six months.
- » Average system uptime of 99.97%, aligning with best-in-class standards under EASE 4.0.
- » First bank in India to introduce Metaverse in banking.
- » Achieved prestigious PCI-DSS (Payment Card Industry – Data Security Standard) certification covering all payment systems and processes dealing with cards.
- » Introduction of innovative solutions like WhatsApp Banking, Voice Banking, Open Banking Architecture, Digital Platform, Straight Through Processing (STP), Robotic Process Automation (RPA), and Pre-Approved Personal Loans (PAPL)

New Initiative on our Horizon

Union Bank of India places significant emphasis on leveraging emerging and future technologies to achieve its Natural Capital objectives. Your Bank is dedicated to delivering seamless digital experiences to customers through advanced technology solutions. These include

personalized video-based solutions, WhatsApp Banking, Palm Banking, Video KYC, and Microservices Architecture for container-based cloud-ready applications. Your Bank prioritizes regulatory compliance and security in all technology implementations.

Collaboration with key stakeholders in the technology domain is a key focus for the bank. It actively works with the RBI IT Innovation Hub on Digital Ledger-based Blockchain Technology and has been selected for a pilot project on Central Bank Digital Currency (CBDC). Union Bank also pioneers the Account Aggregator platform and integrates with the Open Network for Digital Commerce (ONDC) and Open Credit Enablement Network (OCEN) for Digital Lending. Additionally, your Bank utilizes Artificial Intelligence (AI)-based conversational banking through Amazon Alexa and Google Assistant Voice Bots to enhance customer experience and convenience.

In its pursuit of future growth and innovation, Union Bank embraces emerging technologies such as AI/ML, 5G, Blockchain, Metaverse, and DevSecOps. Your Bank actively explores solutions, forms partnerships with fintech companies, and utilizes its Analytics Centre of Excellence (ACOE) and Data Lake to analyse customer data and preferences, enabling the delivery of personalized services.

These technological initiatives align with the bank's strategic focus on the future. Union Bank aims to host Cloud Native Applications on a Hybrid Cloud to facilitate rapid digital resource deployment. It seeks to integrate AI and Virtual Reality (VR) to create immersive banking experiences, harness the potential of the Internet of Things (IoT) and connected devices for banking services, implement robust security measures for customer information protection, establish a Microservices-based Omni-Channel Platform for a unified customer experience, and adopt new practices like DevOps tools for continuous development and application modernization.

Social & Relationship Capital

Building Sustainable Relationships



» **UNSDGs:**

» **Strategy Blueprint:**

» **Business Model Components:**

1 5 7

» **Material Issues:**

11, 12, 15, 17, 18, 19, 22, 32, 33, 34, 36, 42, 43.

At Union Bank of India, we embrace our role as a catalyst for the growth of a digital, aspirational, and eco-conscious India. We recognize that sustainability, responsible banking, and cutting-edge digital technologies are essential for creating long-term value for our stakeholders and contributing to India's journey towards becoming a net-zero emissions country. As we embark on this path,

we prioritize meaningful engagement with our stakeholders, responding to their perspective, and aligning our strategies with their expectations. In this chapter, we present how Union Bank of India leverages its social and relationship capital to build sustainable partnerships, foster innovation, and contribute to India's progress and overall societal development.






Stakeholder Type	How we engage with them	Our strategic priorities for them	Union Bank of India's response
Employees	<ul style="list-style-type: none"> » Continual engagement across all levels » Regular communication meetings led by senior leaders » Digital platform for employees to exchange ideas 	<ul style="list-style-type: none"> » Risk and compliance culture » Growth and learning opportunities » Culture of innovation » Merit-based growth 	<ul style="list-style-type: none"> » Job rotation and expanded roles » Entrusting responsibilities to young professionals » Leadership and career mobility initiatives » Covid vaccination drive and emergency support for employees » Empathetic leave policies » Providing digital, functional, and behavioural learning opportunities
Customers	<ul style="list-style-type: none"> » Employee interactions » Structured feedback surveys » Branch-based customer meetings » Multichannel communication and grievance resolution 	<ul style="list-style-type: none"> » Digital convenience » Skilled, responsive staff » Relevant digital products and services » Rapid resolution of requests and grievances 	<ul style="list-style-type: none"> » Upholding fairness to both customers and the Bank » Promoting the right-selling of digital products » Enhancing customer service with digital efficiency and swift response » Fostering staff's digital proficiency

Social & Relationship Capital

Building Sustainable Relationships

Stakeholder Type	How we engage with them	Our strategic priorities for them	Union Bank of India's response
Regulators	<ul style="list-style-type: none"> » Regular meetings with regulatory bodies » Participation in policy forums » Various forms of communication » Supervisory meetings 	<ul style="list-style-type: none"> » Fair customer treatment and grievance resolution » Anti-money laundering and fraud risk » Operational risk, including IT and cybersecurity risk » Promoting a strong risk and compliance culture 	<ul style="list-style-type: none"> » A dedicated team for regulator communication » Defined processes and digital technology usage for efficient regulatory response » Continual regulatory engagement and policy input provision
Shareholders & Potential Investors	<ul style="list-style-type: none"> » Annual General Meeting » Emails and periodic meetings » Conference calls » Investor conferences » Analyst day 	<ul style="list-style-type: none"> » Shareholder value creation » Medium and long-term strategy » Governance and ethical practices » Compliance » Transparency » Disclosure of non-financial metrics pertaining to sustainability 	<ul style="list-style-type: none"> » Regular digital sessions with investors » Communicating during the quarterly results call with investors and increasing disclosures » Narrative analysis and disclosures included in the Annual Report » Environmental, Social, and Governance (ESG) initiatives and accomplishments disclosed on your Bank's website
Society	<ul style="list-style-type: none"> » Union Bank Social Foundation (UBSFT) for Inclusive Growth » Rural development initiatives » Support for government initiatives 	<ul style="list-style-type: none"> » Contribution to societal development » Financial literacy and improved financial service access 	<ul style="list-style-type: none"> » Voluntary CSR initiatives were undertaken during FY 2022-23 » Union Bank Social Foundation's (UBSFT) focus on livelihoods, health infrastructure, social and environmental projects » Partnerships between industry and academia for developing banking sector skills

Methods of Stakeholder Engagement

Stakeholders	Methods of Engagement
 Shareholders	Annual shareholder meeting, quarterly earnings calls, investor conferences and presentations, meetings with investor relations team and executive management, regulatory filings, and dedicated investor relations website.
 Customers	Focus groups, conversations through branch interactions and phone calls, satisfaction surveys, social media interactions, customer helplines and corporate website.
 Employees	Engagement survey, executive leadership communications, learning programmes, business resource groups and inclusion councils, performance and development initiatives and corporate landing page.
 Communities	Community needs survey and assessments, financial education and outreach programmes, philanthropic investments, civic memberships, volunteerism and non-profit board engagement, and corporate website.
 Regulators	Exams, continuous monitoring and other meetings with senior management, interactions through regulatory affairs and government affairs teams, and regulator-sponsored events and initiatives.

Building Sustainable Relationships with Employees

At Union Bank of India, we prioritize our employees as essential stakeholders, recognizing their valuable contributions to our success. We engage with them through various initiatives, ensuring continuous dialogue and fostering a culture of open communication and collaboration. By aligning our strategic priorities, we strive to create an environment that promotes growth, innovation, and employee well-being.

Continual engagement across all levels is a key element of our approach. We conduct regular communication meetings led by senior leaders, providing opportunities for meaningful interactions and the exchange of ideas. Through these sessions, we promote transparency, address concerns, and align our collective efforts

towards achieving our goals. To facilitate idea-sharing and collaboration, we have established a digital platform exclusively for employees. This platform serves as a hub for exchanging innovative ideas, fostering a culture of creativity, and harnessing the collective intelligence of our workforce.

We believe that an empowered and motivated workforce is fundamental to achieving sustainable growth and delivering exceptional service to our customers.

Social & Relationship Capital

Building Sustainable Relationships

Our strategic priorities for employees revolve around four key areas: fostering a risk and compliance culture, providing growth and learning opportunities, cultivating a culture of innovation, and enabling merit-based growth. We believe that a strong risk and compliance culture is vital for ensuring the integrity of our operations. To achieve this, we prioritize ongoing training programs and awareness sessions that instill ethical practices, regulatory compliance, and risk management principles throughout the organization.

We are committed to empowering our employees with growth and learning opportunities. Through initiatives like job rotation and expanded roles, we encourage skill diversification and offer avenues for personal and professional development. We also believe in entrusting responsibilities to young professionals, recognizing their potential, and providing them with challenging opportunities to excel.

As part of our commitment to employee development, we have established leadership and career mobility initiatives that enable individuals to progress and contribute to their fullest potential. Additionally, we place great emphasis on employee well-being and safety. During challenging times, such as the COVID-19 pandemic, we have implemented a comprehensive vaccination drive and emergency support measures to ensure the health and safety of our employees. We also provide empathetic leave policies that support work-life balance and cater to personal and family needs.

Furthermore, we recognize the importance of digital transformation in the banking sector. We offer digital, functional, and behavioural learning opportunities to equip our employees with the necessary skills for the digital age. Through these initiatives, we strive to enhance their proficiency and adaptability, positioning them for success in an evolving banking landscape.

Delivering Exceptional Customer Experience: Putting Customers First

At Union Bank of India, our customers are at the heart of everything we do. We engage with them through various channels and initiatives, striving to provide the best possible experience. By aligning our strategic priorities, we aim to enhance customer satisfaction, promote digital convenience, and ensure swift resolution of requests and grievances.

Employee interactions play a crucial role in our customer engagement strategy. Our dedicated staff members are

trained to provide personalized and attentive service, creating a welcoming environment for customers. We believe in fostering positive relationships with our customers through meaningful interactions and building trust. To gather valuable feedback, we conduct structured feedback surveys. These surveys enable us to understand our customers' needs, preferences, and areas for improvement. By actively listening to their feedback, we continuously refine our products and services to better meet their expectations.

We continuously strive to enhance customer satisfaction, embrace digital innovation, and provide responsive and efficient service that exceeds expectations.

We also organize branch-based customer meetings, where customers have the opportunity to discuss their banking requirements and seek personalized guidance. These meetings allow us to better understand their financial goals and provide tailored solutions.

Grievance Redressal Mechanism: Strengthened and Efficient

To address customer grievances effectively, Union Bank of India has strengthened its Grievance Redressal Mechanism. Clear roles and responsibilities have been defined at each level, accompanied by defined Standard Operating Practices for complaint resolution. The revised Grievance Redressal Policy ensures prompt and effective resolution of customer complaints through an escalation matrix and predefined timelines. The updated Union Care Handbook provides categorization, reasons, and remedies for complaints, along with updated contact details for resolving various issues. The bank has also uploaded grievance redressal officer details on its website for easy access. During the financial year 2022-23, a total of 2,52,954 complaints were successfully resolved. Union Bank of India remains committed to enhancing its grievance redressal mechanism for improved customer satisfaction.

2,52,954

Total number of complaints resolved during the year

In today's digital age, we recognize the importance of multichannel communication and grievance resolution. We provide various digital channels for customers to interact with us, ensuring convenience and accessibility. Swift resolution of customer requests and grievances is a top priority for us as we strive to deliver exceptional service and maintain customer satisfaction. Our strategic priorities for customers focus on digital convenience, skilled and responsive staff, relevant digital products and services, and rapid resolution of requests and grievances. We are committed to upholding fairness to both customers and the bank, ensuring transparent and ethical practices in all our interactions. Additionally, we promote the right-selling of digital products, offering customers tailored solutions that align with their financial needs and goals.

Enhancing customer service with digital efficiency and swift response is paramount to us. We continually invest in digital technologies to provide seamless and convenient banking experiences. We prioritize the development of relevant digital products and services that cater to our customers' evolving needs.

To achieve these priorities, we foster our staff's digital proficiency through training and upskilling initiatives. By equipping our employees with the necessary digital expertise, we empower them to deliver exceptional service and support our customers' digital journeys.

Ensuring Regulatory Compliance: Building Trust and Collaboration

At Union Bank of India, we recognize the importance of maintaining strong relationships with regulatory bodies. We engage with regulators through various channels and activities to ensure compliance, promote transparency, and build trust. By aligning our strategic priorities, we aim to uphold fair customer treatment, mitigate risks, and promote a strong risk and compliance culture. Regular meetings with regulatory bodies form an integral part of our engagement strategy. These meetings provide a platform for open dialogue, allowing us to address regulatory concerns, seek guidance, and share updates on our operations. We value the opportunity to collaborate with regulators to ensure our practices align with industry standards and regulatory requirements.

Active participation in policy forums enables us to contribute to the development of regulations and industry best practices. By sharing our insights and experiences, we actively participate in shaping the

regulatory landscape, fostering a collaborative approach towards compliance and risk management. To facilitate effective communication, we utilize various forms of communication channels recommended by regulatory bodies. This ensures timely dissemination of information, exchange of regulatory updates, and efficient reporting processes.

Supervisory meetings further strengthen our relationship with regulators. These meetings provide an opportunity for detailed discussions on risk management, anti-money laundering, fraud prevention, and operational risks, including IT and cybersecurity. Through these engagements, we demonstrate our commitment to implementing robust risk management practices and maintaining a secure operational environment.

We embrace regulatory engagement as an opportunity to continuously improve and strengthen our risk management practices, safeguard the interests of our customers, and contribute to the overall stability and integrity of the banking industry.

Our strategic priorities for regulatory engagement focus on fair customer treatment, mitigating risks such as anti-money laundering and fraud, operational risk management, including IT and cybersecurity, and promoting a strong risk and compliance culture. To achieve these priorities, we have established a dedicated team for regulator communication. This team ensures regular and effective communication with regulatory bodies, addressing queries, providing necessary information, and maintaining transparency.

We have defined processes and embraced digital technologies to enhance our regulatory response capabilities. By leveraging digital solutions, we streamline reporting, monitoring, and compliance processes, enabling efficient regulatory responses.

We believe in continual regulatory engagement and proactive policy input provision. By staying actively involved in regulatory discussions and seeking opportunities to provide input, we contribute to the development of regulations that foster a safe, fair, and transparent banking environment.

Social & Relationship Capital

Building Sustainable Relationships

Fostering Trust and Value Creation for Shareholders & Potential Investors

Union Bank of India recognizes the significance of shareholders and potential investors as crucial stakeholders. We engage with them through various channels and activities, aiming to foster trust, create value, and provide transparent and comprehensive information. By aligning our strategic priorities, we emphasize shareholder value creation, long-term strategy, governance, compliance, and sustainability.

We continuously strive to provide transparent and meaningful communication, ensure compliance with regulations, and disclose relevant information pertaining to our sustainability initiatives. By engaging in open and informative dialogue, we aim to build long-lasting relationships based on trust and mutual growth.

We hold an Annual General Meeting, providing a platform for shareholders to receive updates, voice their concerns, and engage directly with the bank's management. Additionally, we maintain regular communication through emails, periodic meetings, conference calls, investor conferences, and an analyst day, ensuring timely updates on our performance and strategic direction.

Our strategic priorities for shareholders and potential investors focus on shareholder value creation, medium and long-term strategy, governance and ethical practices, compliance, transparency, and disclosure of non-financial sustainability metrics. To fulfill these priorities, we conduct regular digital sessions with investors, facilitating direct communication and addressing queries related to our performance and future prospects. During the quarterly results calls, we enhance disclosures, providing deeper insights into our financial and operational performance. Furthermore, we include narrative analysis and disclosures in our Annual Report, ensuring a comprehensive understanding of our strategic initiatives and progress. As part of our commitment to sustainability, we disclose our environmental, social, and governance (ESG) initiatives and accomplishments on our website.

Empowering Inclusive Growth: Union Bank's Social Impact (CSR)

Union Bank of India is committed to creating a positive impact on society. Through Union Bank Social Foundation (UBSFT), we focus on inclusive growth, rural development, and supporting government initiatives. UBSFT drives projects that uplift marginalized communities and improve access to healthcare, education, and livelihood opportunities. Our rural development initiatives aim to empower rural areas and promote sustainable agriculture and skill development. We actively collaborate with the government to support social progress and economic growth. Union Bank of India remains dedicated to making a lasting social impact and fostering a more inclusive and prosperous society.

Corporate Social Responsibility (CSR) is an integral part of a company's commitment to managing the social, environmental, and economic impacts of its operations in a responsible manner, aligned with public expectations. It encompasses the company's efforts to give back to the community, participate in philanthropic causes, and provide positive social value. Today, companies increasingly recognize the importance of CSR as a means to make a difference and build a positive brand image. CSR can be categorized into different types, including environmental responsibility, ethical responsibility, philanthropic responsibility, and economic responsibility.

At Union Bank of India, we remain steadfast in our commitment to social responsibility. We are dedicated to creating a positive and sustainable impact on society through our CSR initiatives. By aligning our efforts with the needs of the community, we strive to contribute to a better and more inclusive future for all.

To facilitate and manage its CSR activities and donations, Union Bank established the Union Bank Social Foundation (UBSFT) on March 2, 2006. The primary purpose of UBSFT is to uplift underprivileged communities and significantly improve the living standards of the poor and marginalized. Your Bank allocates up to 1% of the previous year's published net profits for voluntary CSR activities, even though it is not mandatory as a public sector bank.

During FY2023, Union Bank approved donations amounting to ₹ 23.38 crores for 51 projects and programmes. Out of this amount, ₹ 38 crore were disbursed across 42 projects and programs. These initiatives span various areas of social responsibility and aim to make a meaningful impact on the communities we serve.

₹ **23.38** crores

Donations approved by Union Bank of India/UBSFT for projects/programmes during FY 2022-23

51

The number of projects/programmes for which donations approved by Union Bank of India/UBSFT during FY 2022-23

Union Bank Social Foundation Trust (UBSFT)

Union Bank of India is deeply committed to its role as a responsible corporate entity. In addition to adhering to ethical business practices, your Bank actively contributes to the economic development of communities beyond its statutory obligations. We recognize our social responsibility to enhance the quality of life for the local community and society as a whole. To fulfill this commitment, Union Bank sets aside 1% of the previous year's published profits for voluntarily undertaking CSR activities.

To uplift underprivileged communities and significantly improve the living standards of the poor and marginalized, as an extended arm for carrying out CSR activities, the Bank set up Union Bank Social Foundation Trust (UBSFT) as a Trust on March 2, 2006. UBSFT is registered under section 12AA and have obtained certificate under section 80G of the Income Tax Act, 1961.

The vision of UBSFT is to foster public-private initiatives and act as a catalyst for socioeconomic development. We aim to collaborate with other agencies to fulfill our obligations as a corporate citizen. Our focus areas include improving healthcare, providing infrastructure and tools for education, and promoting continuous and sustainable skill development. UBSFT's mission is to launch, implement, participate in, fund, or otherwise assist programs and projects that contribute to the socioeconomic development

of individuals and communities. We are dedicated to fulfilling our obligations to society.

The UBSFT Board is led by your Bank's MD & CEO, with Executive Directors serving as Vice Chairman Trustees. Other trustees include Union Bank's General Managers and one independent trustee. The UBSFT Board provides strategic direction aligned with Union Bank's CSR priorities and conducts regular reviews of activities. The Chief Executive of UBSFT oversees the execution of the Board's directives.

Union Bank has also established a Stakeholders Relationship Committee (SRC) at the apex level, comprising members of the Board of Directors, which monitor's the CSR activities of both your Bank and UBSFT on a quarterly basis. This committee, headed by the MD & CEO, includes Executive Directors and non-official Directors.

FY2023 Initiatives

Some of the key activities carried out by Union Bank through UBSFT in the field of social responsibility during FY2023 include:

- » **Education and Skill Development:** Supporting programs to enhance access to quality education, promote skill development, and empower individuals for a better future.
- » **Healthcare and Sanitation:** Partnering with organizations to provide healthcare facilities, medical camps, sanitation infrastructure, and initiatives to promote general well-being.
- » **Livelihood Enhancement:** Undertaking initiatives to promote livelihood opportunities, entrepreneurship, and economic empowerment of individuals and communities.
- » **Environmental Conservation:** Engaging in activities that contribute to environmental sustainability, such as tree plantation drives, waste management programs, and promoting renewable energy.
- » **Rural Development:** Implementing projects focused on rural infrastructure development, access to clean water, agriculture and farming techniques, and rural livelihood improvement.

Social & Relationship Capital
Product Marketing

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Union Bank of India's loan programmes for women stands as a beacon of our dedication to responsible banking. By offering customised loan solutions for women entrepreneurs, we're not just financing their businesses; we're investing in their dreams, their independence, and the equitable growth of our society.

Caring for those who care for others.

Union Ayushman Plus Scheme



- Credit facilities for practicing medical professionals towards acquisition / setting up / renovation of premises etc.
- Quantum of loan to depend upon the location of property / financial viability / income and repayment capacity of the professional
- Reduced service charges
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Social & Relationship Capital

Building Sustainable Relationships

Healthcare



As part of our commitment to improving health infrastructure, Union Bank of India has donated one X-ray machine with a digital upgrade kit and one 33-seater camp van to Tirumalai Medical Mission Hospital in Ranipet, Tamil Nadu. These contributions aim to enhance medical diagnostic capabilities and provide better transportation facilities for patients in the region.



Your Bank has proudly donated an ambulance to SDM Hospital, one of the prestigious hospitals in Jaipur. This contribution reflects our dedication to supporting the hospital in its mission to provide quality healthcare services to patients in need.



As part of our commitment to improving healthcare services, Union Bank of India has made a significant donation by providing an ICU ambulance to Jayadev Memorial Rashthrohana Hospital, one of the prestigious hospitals in Bengaluru. This donation aims to cater to the critical needs of patients by offering advanced medical transportation equipped with intensive care capabilities.

Community Development



Your Bank has donated towards the renovation of Rajkiya Vriddhashram in Varanasi. This contribution aims to improve the facilities and living conditions for the residents of the Vriddhashram, particularly the elderly.



Your Bank has provided two food delivery vehicles to the Akshaya Patra Foundation in Bengaluru. These vehicles will support their mid-day meal scheme in Mangalagiri, Andhra Pradesh. By donating these vehicles, we aim to contribute to the Foundation's efforts in providing nutritious meals to children and promoting education through their impactful initiatives.



Your Bank has made a thoughtful donation by providing school bags and diapers to the inmates of Swami Vivekanand Seva Pratisthan in Belagavi. By providing school bags, we hope to enable the children to carry their educational essentials with pride and ease. Additionally, the donation of diapers will contribute to the comfort and hygiene of those in need.



The Bank has donated by providing bunk beds, mattresses, and a projector to the Association for the Blind in Belagavi, Karnataka. This contribution aims to enhance the living conditions and educational opportunities for visually impaired individuals supported by the association. Additionally, the projector will facilitate visual learning and interactive sessions, empowering the visually impaired with educational resources and a more immersive learning experience.

Social & Relationship Capital
Building Sustainable Relationships

Community Development



Your Bank has provided school bags and sewing machines to school children and women Self-Help Groups (SHGs) in Bhopal. Additionally, the donation of sewing machines empowers women's SHGs, providing them with opportunities for skill development and economic independence. We are committed to supporting education and fostering entrepreneurship, contributing to the growth and empowerment of individuals and communities in Bhopal

Education Development



Union Bank of India has contributed to the Government First Grade College in Hebri, Karnataka, by providing modern infrastructure in their conference hall. By enhancing the conference hall with modern infrastructure, we seek to provide students with a conducive learning environment that fosters knowledge exchange, collaboration, and holistic development.



During the year, your Bank undertook the construction of 250 toilets in government schools located in rural areas across the country. By constructing these toilets, we contribute to creating a more conducive and healthy learning environment for students, addressing a crucial need in rural education infrastructure. Our commitment to supporting education and the well-being of students is reflected in our efforts to provide essential facilities that empower young minds and enhance their educational journey.



Skill Development-Rural Self-Employment Training Institutes (RSETIs)



At Union RSETI Anandasram in Kasargod, Adv. C.H. Kunhambu, MLA of Kerala State, took part in a certificate distribution ceremony to honour successfully trained candidates. The distribution of certificates recognizes their dedication and commitment to skill development and empowers them with valuable credentials for future opportunities. Union Bank of India is proud to collaborate with esteemed individuals like Adv. C.H. Kunhambu and remains dedicated to promoting skill development and empowering individuals for a better and prosperous future.



At RSETI Rajahmundry, the Bank conducted a Women's Tailoring Training Program. Through this program, the Bank actively promotes women's empowerment and economic independence.



At RSETI Eluru, your Bank organized a certificate distribution ceremony where successfully trained Scheduled Tribe (ST) candidates were recognized for their achievements. Along with the certificates, sewing machines were also distributed to these individuals. By supporting initiatives like this, we strive to enhance the livelihood prospects and overall well-being of individuals belonging to the ST category.

Social & Relationship Capital

Building Sustainable Relationships

Skill Development-Rural Self-Employment Training Institutes (RSETIs)



As part of the poultry farming training programme at RSETI Gajapati, Union Bank of India organized an exposure visit to broiler and layer units. By exposing participants to real-life poultry farming settings, they gained valuable knowledge and understanding of the industry. Union Bank of India remains committed to providing comprehensive training opportunities and practical exposure to empower individuals and foster their growth in the agricultural sector.



Organized an exposure visit to mushroom cultivation units as part of the training programme at RSETI Gajapati. Participants gained practical insights and first-hand experience in mushroom cultivation techniques. The visit focused on different mushroom varieties and optimal growing conditions. This exposure aimed to enhance their skills and prepare them for careers in mushroom cultivation.



At RSETI Atkur, we conducted a certificate distribution ceremony to honor the successfully trained candidates. Along with the certificates, sewing machines were also distributed to these individuals. Union Bank of India is dedicated to promoting skill development and empowering individuals for a brighter future.

Skill Development-Rural Self-Employment Training Institutes (RSETIs)



Union RSETIs celebrated International Environment Day, acknowledging the importance of environmental conservation. This special occasion was observed to raise awareness and promote sustainable practices among trainees and staff.



Your Bank conducted a Narishakti credit camp for trained women entrepreneurs at RSETI Chikmagaluru. This camp provided a platform for women entrepreneurs to showcase their business ideas and seek financial support. During the event, credit sanction letters were issued to eligible participants, enabling them to access the necessary funds to start or expand their businesses.



The Bank organized a Financial Literacy Camp at RSETI Varanasi. Through interactive sessions and educational workshops, attendees learned about various aspects of personal finance, including budgeting, savings, investments, and banking services.

Energising Human Capital

Towards a Digital, Sustainable Future

» UNSDGs:



» Strategy Blueprint:



» Business Model Components:

3

» Material Issues:

5, 6, 10, 19, 20, 21, 22, 23.

At Union Bank of India, we passionately believe that our most valuable assets are our employees. Their skills, enthusiasm, and commitment are the foundation for our vision for a sustainable, digitally empowered future. By investing in our human capital, we aim to provide the highest quality services to our customers and contribute meaningfully to India's journey towards becoming a digital powerhouse and a net-zero emissions country.

Enhancing Workforce Capability and Automation for a Digitally-Driven Future

Union Bank of India understands the indispensable role our workforce plays in the twin journey of digital transformation and sustainability, reflecting the central theme of our report. With a total strength of 75,594 employees as of March 31, 2023, we ensure our human capital's efficient deployment and motivation in achieving our organizational goals while fostering their personal growth.

Our workforce is the cornerstone of our vision for a sustainable, digitally empowered future. By continually reinventing our processes and adopting industry best practices, we enhance our service quality and contribute significantly to India's journey towards becoming a digital powerhouse and a net-zero emissions country.



Recognising the centrality of our workforce in our commitment to digital innovation and sustainability, we constantly reinvent our processes and introduce industry best practices to empower our workforce and achieve our corporate objectives. The FY2023 saw a specific focus on stabilizing the automation and digitization of processes

launched by your Bank. This endeavour aligns with our theme by ensuring seamless operations and service delivery in an increasingly digital banking landscape, thereby aiding India's journey toward a digital and sustainable future.

Energising Human Capital***Towards a Digital, Sustainable Future*****Human Capital's Four Strategic Priorities in FY2022****Inclusion and Diversity**

Union Bank intensified its efforts to foster an inclusive workplace and diversify its workforce strategy, with a particular emphasis on employee education and training, interactive listening sessions, and refined recruiting practices.

**Develop Great Leaders**

Recognizing the importance of enhancing our leaders' capabilities to drive success and foster empowerment amidst an increasingly diverse and technologically evolving environment, we maintained our focus on leadership development throughout FY2023.

**Evolving Employee Experience**

Our strategy of understanding our employees' needs has been instrumental in enhancing the employee experience, which included augmenting our benefits offerings. This approach informs the evolution of our work methodology and ensures our employee value proposition succinctly expresses who we are, what we stand for, and what employees can expect to receive. To ensure a holistic perspective, we conducted further surveys involving diverse groups of employees at all levels in FY2023.

**Future of Work**

Adapting to the future, we continued to invest in our workforce and remodel our workplace. Our refined talent acquisition strategy aligns with the Bank's strategic priorities, growth plans, and our goal to diversify our talent pipeline. Through innovative approaches, we have expedited the attraction of talent and the enhancement of our employees' skills. Striving for balance, we are accommodating our employees' desire for greater control over their work dynamics—how, where, and when work is done—while preserving our belief that our culture thrives through in-person collaboration.

People Development and Digital Empowerment

Our focus is not only on nurturing talent but also on stabilizing automation and digitizing processes to improve operational efficiency. The fiscal year 2022-23 was a significant one, where we concentrated on integrating digital transformation into our people processes. This

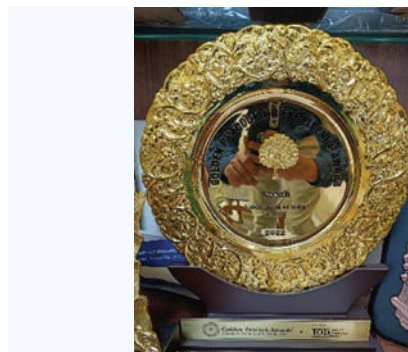
aligns perfectly with the overall theme of the report, as it allows our Bank to operate seamlessly and sustainably while ensuring our employees are equipped with the skills needed for the digital era.

Industry Recognition - A Testament to Our Commitment

Our pursuit of excellence and innovation has not gone unnoticed. The industry has acknowledged our relentless efforts towards HR innovation, leadership development, and creating a preferred workplace. The numerous accolades that Union Bank of India has received during 2022-23 in these areas bear testament to our unwavering commitment to our workforce. This recognition is a

benchmark for us, indicating our successful alignment with the broader report theme of driving digital transformation while creating a sustainable future. We remain committed to nurturing a workplace where innovation thrives, leadership is fostered, and digital transformation is embraced – all of which are imperative in our journey towards a sustainable banking future. Each accolade is a testament to our enduring dedication to our thematic goal of building a future-ready, digitally adept, and sustainable banking organization.

Detailed List of Awards for FY2023



Golden Peacock HR Excellence Awards 2022, awarded by the Institute of Directors: This honor underscores our dedication to human resource excellence, highlighting our efforts in aligning HR practices with the theme of fostering a dynamic, future-focused banking workforce.



Future of Workplace Disruptor 2022 (Large Enterprise) at the Mint W3 Champions 2022: This award validates our innovative practices in shaping the future of work, resonating perfectly with our theme of driving digital transformation in banking operations.



Indian Academia Conference 2023 Corporate Award by M/s People Lab: Recognition of our corporate efforts that synergize academia and industry, furthering our thematic goal of building sustainable partnerships for growth.

Energising Human Capital
Towards a Digital, Sustainable Future

Detailed List of Awards for FY2023



Most Preferred Workplaces in BFSI 2022 by Team Marksmen: An accolade that reinforces our commitment to providing an engaging, inclusive, and growth-oriented work environment, in line with our broader theme of promoting sustainability in banking.



Innovation in HR Transformation at the BAI Global Innovation Award: This honor spotlights our innovative human resource practices, underscoring our efforts to transform and modernize our workforce, fitting seamlessly with the report's theme of digital transformation.



Role Model Companies at NCPEDP- LTI Mindtree Helen Keller Awards-2022: A testament to our commitment to fostering an inclusive environment, aligning with our thematic emphasis on sustainable and inclusive growth.



Business Excellence through Learning & Development at BML Munjal Awards: Recognition of our efforts in enhancing learning and development initiatives, aligning with our broader report theme of nurturing a capable, future-ready workforce.

Detailed List of Awards for FY2023

	<p>ISTD 31st National Awards for Innovative Training Practices by ISTD, New Delhi: This award validates our innovative training practices, underpinning our commitment to empowering our employees with the skills needed for the future, resonating with our theme of building a digitally adept workforce.</p>
	<p>Pioneering Work in Creating Future Ready Inclusive Organization at IAC Corporate Awards 2023: An accolade that reinforces our commitment to building a future-ready, inclusive organization, aligning perfectly with our broader report theme of sustainable and inclusive banking.</p>
	<p>Best Organization for PWD Inclusion at Business World People & Ask Insights "Disability Positive Awards": This award acknowledges our efforts to create an inclusive environment for people with disabilities, mirroring our broader theme of sustainable and inclusive growth.</p>

Strategy, Model & Capitals

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Emphasizing Diversity - A Vibrant Workforce

To serve our clients with unrivalled excellence, we strive to sustain a diverse, talented, and engaged workforce across all our functional outlets and fields. Such a workforce is integral to our report's theme: shaping a future-ready, digital, and sustainable banking framework.

Staffing Strategy & Planning

We implement a comprehensive approach to gauge staffing needs in various cadres annually, with an eye on evolving factors like business growth, future branch expansion, and attrition through retirements, resignations, or voluntary retirements. This strategy is steeped in meticulous analysis and flexible planning, which enhances staffing efficiency and ensures our readiness for the digital and sustainable future of banking.

Energising Human Capital

Towards a Digital, Sustainable Future

Diversity and Inclusion in Workforce

Our commitment to diversity, inclusion, and equality remains unflinching as a bank. The government's reservation policies are strictly adhered to, as reflected in our workforce distribution as of March 31, 2023, illustrated through a pie chart:

- » Scheduled Castes (SCs): 19.67%
- » Scheduled Tribes (STs): 7.91%
- » Other Backward Classes (OBCs): 30.10%
- » Ex-Servicemen: 6.23%
- » Women: 28.82%
- » Minority Communities: 7.14%

These statistics aren't merely numbers but tangible proof of our relentless dedication to fostering inclusivity in the workforce. Moreover, these figures echo our pledge towards a more diverse, sustainable, and inclusive banking landscape, reflecting our report's overarching theme.

75,594

Our total manpower as of March 2023, showing resilience and adaptability amid changing banking landscapes.

28.82%

The percentage of female employees in 2023, signalling our commitment to gender equality.

SC, ST & OBC

The representation of SC, ST, and OBC in our staff strength is robust, at 19.67%, 7.91%, and 30.10%, respectively, indicating our dedication to social inclusion.

6.23%

Our staffing of ex-servicemen stands, underscoring our recognition of the skills and experience they bring to our institution.

Union Prerna Project: Fostering Skills and Well-being for a Digitally Capable, Resilient Workforce

1.

Skill Profiling Exercise:

We've embarked on a skill assessment and gap analysis initiative for Scale 4 & 5 employees, employing a dedicated in-house tool. This step helps identify traditional and new-age banking skills, guide training needs, and foster future-proof competencies crucial to our evolving business landscape.

2.

Succession Planning Exercise:

Our innovative Talent Management & Succession Planning Tool ensures business continuity and seamless leadership transition. By identifying potential successors and assessing them against key competencies, we're preparing our future leaders today.

3.

Wings Program For Branch Heads (Scale IV & Above):

The Wings Program is our commitment to nurturing female leadership within our ranks. Through this exclusive training program, we develop a suite of crucial skills, including decision-making, negotiation, and time management, fostering women's growth and leadership.

4.

Power Him & Empower Her:

Addressing gender-specific career challenges, these committees provide platforms for dialogues on issues like career progression and promotion reluctance. Our approach incorporates interactive tools like workshops and webinars, combining workforce development with CSR initiatives.

5.

Employee Wellness (Employee Assistance Program):

Union Prerna's Suraksha- HR Benefits Program focuses on the holistic well-being of our employees. Offering counseling services, we assist employees in managing personal and professional challenges, striving towards improved mental health, increased productivity, and reduced stress levels.

Learning and Development: Building a Future-Ready, Digitally Skilled Workforce

Our Learning & Development initiatives are not just ambitious, they are anchored in equipping our workforce with digital proficiency and fostering a culture of sustainable practices. Through Union Learning Academies, external partnerships, and modernized training methods, we are cultivating a talent pool primed for a digital and green future. These efforts signify our dedication to a sustainable and digitally advanced future, preparing our employees for a transformative banking experience and thereby, contributing to a digitally empowered, sustainable India.

Bridging the Digital Gap: Language Inclusion for Comprehensive Digital Accessibility We firmly believe in inclusivity as a core aspect of sustainability. Therefore, our commitment to promoting the official language reflects in the digital banking services we provide, facilitating digital inclusion across different language demographics. This practice democratizes digital banking, paving the way for a more inclusive and digitally proficient India, resonating with our theme of sustainability and digitalisation.

Through our strategic endeavours and investment in human capital, we are accelerating India's trajectory towards becoming a digital and green powerhouse, underscoring our commitment to crafting lasting value for stakeholders and contributing to the global effort of achieving net-zero emissions.

Through our strategic endeavours, we're driving growth in a digital, sustainable India, backed by a diverse and digitally skilled workforce. Investing in human capital is our commitment to crafting lasting value for stakeholders, accelerating India's trajectory towards becoming a digital, green powerhouse, and contributing to the global effort of achieving net-zero emissions.

1,633

Number of Training Programmes Conducted during FY2023

13,98,470

Total Hours of Training Provided during FY2023

Employee engagement, retention, and talent attraction

"What gets measured gets managed", said Peter Drucker. Employee retention and engagement levels are vital factors employers often strive to influence. By introducing strategies to improve engagement and retention, companies set themselves a strong foundation for success. Utilising talent management to realise these targets is an essential step to achieving this.

Implementing employee engagement and retention strategies through improved talent management is a tried and tested way to build a committed and engaged workforce. This is why leading companies factor talent management and employee engagement into their central strategic plans.

Defining Employee Engagement and Retention

Employee engagement creates a positive working environment in which employees feel willing and able to perform their best. Employee engagement is more than just a happy or satisfied workforce. Whilst happiness is essential in employee engagement, to create a truly engaged team, elements such as communication, collaboration, and well-being must be addressed to realise one's ambitions.

An employee engagement strategy works with employee retention plans to improve engagement. Employee retention refers to a Bank's ability to keep existing employees by using employee engagement as a retention tool. A Bank often introduces employee retention initiatives to develop and maintain an environment where existing employees feel supported and want to remain within your Bank. Retaining existing employees reduces recruitment costs and the time and effort it takes to train new starters.

Energising Human Capital

Towards a Digital, Sustainable Future

Significance of Talent Management in the Age of Sustainability and Digitalisation

Talent management, geared towards attracting, identifying, nurturing, and retaining valuable employees, has profound implications for an organisation's drive towards sustainability and digital transformation. These initiatives, acting as the pulse of employee engagement and retention, are pivotal for Union Bank's success in the evolving digital era and our pursuit of sustainability. The absence of a comprehensive talent management system can result in a disengaged workforce, less likely to excel and more prone to leave, hindering our journey towards a sustainable, digitally empowered future.

The urgency to captivate employees through compelling strategies is more vital now than ever, given the significant role of digitalisation and sustainability. Talent management is our strategic tool for this engagement, aligning with our objective of sustainable growth and digital transformation. This unified approach is essential for Union Bank to thrive amidst the digital age's challenges and opportunities.

Talent management can effectively bolster our engagement and retention efforts by fostering a culture that encourages a dedicated workforce. The digitalisation and sustainability themes come to life in three critical areas of talent management - onboarding, performance, and retention. This approach prepares us to navigate and excel in the digital landscape, while also making strides towards a sustainable future.

Caring for Employee Health, Safety and Well-being

At the heart of our operations, we value the health, safety, and well-being of our employees as fundamental to our success. We believe that by addressing their needs and ensuring their general welfare, we empower them to reach their potential, boost creativity and productivity, foster positive relationships, and effectively manage stress, thus positively impacting both their personal and our organisational development. In light of this, we have implemented several key schemes:

1. **Annual Health Check-up Scheme:** This initiative provides employees aged 35 and above with annual health check-up reimbursements ranging from ₹ 2200 to ₹ 5000. Mandatory tests for those aged 40+ and executives include a comprehensive set of analyses covering a broad spectrum of health aspects.

2. **Antenatal Check-up Scheme:** Acknowledging the importance of maternal health, we provide up to ₹ 5000 for antenatal check-ups for female employees. This benefit can be claimed twice during an employee's service tenure.
3. **Child Care Facility Scheme:** Recognizing the challenges of modern working parents, we provide reimbursement of ₹ 3000 per child (up to two dependent children under five) on a declaration basis, supporting both female and single male employees.
4. **Group Accidental Insurance Scheme:** Prioritising the safety of our team, we provide all staff members, including board members, with accident coverage ranging from ₹ 6 lakhs to ₹ 45 lakhs, with your Bank absorbing the insurance premium cost.
5. **Group Insurance Scheme:** We have also instituted a scheme covering outstanding loan amounts for Staff Housing Loans, Staff Conveyance Loans, and Staff Overdrafts.

Creating an Inclusive Workforce

Aligning with the government's policy on reservations, Union Bank of India takes pride in cultivating a diverse workforce that includes representation from SCs, STs, OBCs, and individuals with disabilities across all levels. Our unwavering commitment to inclusivity brings together a variety of perspectives and experiences, creating a rich, vibrant environment that fuels innovation and propels our forward momentum.

2,488

Differently-abled employees at your Bank across all cadres

21,790

The staff strength of your Bank who are Women

Empowering Women

As part of our sustained commitment to gender equality, we've enacted numerous initiatives to empower women across all cadres. The cornerstone of our policy is the Prevention of Sexual Harassment (POSH) mechanism, which we uphold with absolute commitment, ensuring

prompt, impartial action and maximum confidentiality for every complaint. Sexual Harassment Redressal Committees (SHRCs) are instituted at each administrative level, from regional and zonal offices to the Central Office. Beyond this, we practice positive discrimination, with certain relaxations in promotion and transfer/posting cycles for women, SC/ST/OBC employees, and Persons with Disabilities (PWD), creating an environment conducive to their comfort and growth.

In response to the COVID-19 pandemic, we have issued guidelines including staggered timings and work-from-home provisions for employees with special needs, pregnant women, and those with co-morbidities. A COVID Tracker assists in prompt decision-making while local COVID Assistance Teams (CATs) provide rapid aid. We've also organised vaccination drives for employees and their families. Our leave benefits include two separate sabbatical leave policies, one for all employees for higher studies and another specifically for women, recognising their dual roles. Additionally, we provide extended maternity leave (six months), surpassing the statutory requirement, and paternity leave, affirming our unwavering commitment to inclusivity and gender balance.

Wellness

The Bank's well-being and Engagement Strategy addresses a spectrum of holistic enablers across physical, mental, emotional, and spiritual well-being.

'Being a Role Model': As part of its wellness program, your Bank has designed a unique "Being a Role Model"

programme. This programme aims to equip employees with the means to manage themselves better, lead fuller lives, become more efficient in their daily living, and eliminate self-damaging habits. Eventually, they should be able to manage others and improve their personal and professional relationships by cultivating empathy and understanding.

Employee Code of Conduct and Whistle Blower Mechanism

Employees' Code of Conduct: In exercise of the powers conferred by section 19 of your Banking Companies (Acquisition and Transfer of Undertakings) act, 1970 (5 of 1970), the Board of Directors of Union Bank of India, in consultation with the Reserve Bank and with the previous sanction of the Central Government, is responsible for forming the Conduct regulations.

Whistle-Blower Mechanism: Your Bank has framed and adopted the Whistle Blower Policy to provide an avenue for Employees of your Bank and Directors on the Board to raise concerns regarding any misconduct with an assurance of confidentiality and protection to the Whistle Blower.

Ethics Training: Ethics training programmes are designed to promote ethical behaviour. An ethics training programme provides employees with instructions on dealing with ethical dilemmas when they occur and improving their overall ethical conduct. Details of training conducted by our Bank on ethics were as follows:

Internal Training

Training	FY 2021-22		FY 2022-23	
	No. of Programmes	Nos. Trained	No. of Programmes	Nos. Trained
Ethics training, employee communications on ethics matters, and ethics programme assessment	7	210	410	13,790

External Training

Training	FY 2021-22		FY 2022-23	
	No. of Programmes	Nos. Trained	No. of Programmes	Nos. Trained
Ethics training, employee communications on ethics matters, and ethics programme assessment	3	9	1	11

GRI Index Table

Item	GRI Standard	Disclosure Number	Disclosure	GRI Standard Framework	Relevant SASB Reference where applicable	UNSDG Reference where applicable	Page (s)	Material Issue #	Material Issue Description
1	GRI 102	1	Name of the organization	GRI 102: General Disclosures 2016	n/a	n/a	Page 8	36	Leadership & Governance - Reputation, Communication and Awareness
2	GRI 102	2	Activities, brands, products, and services	GRI 102: General Disclosures 2016	n/a	n/a	Page 42	23	Business Model & Innovation - Significance of Product Design and Innovation
3	GRI 102	3	Location of headquarters	GRI 102: General Disclosures 2016	n/a	n/a	Page 8	32	Leadership & Governance - Management of the Legal & Regulatory Environment
4	GRI 102	4	Location of operations	GRI 102: General Disclosures 2016	n/a	n/a	Pages 65, 178	39	Economy - Impact on Local Communities
5	GRI 102	5	Ownership and legal form	GRI 102: General Disclosures 2016	n/a	n/a	Page 9	36	Leadership & Governance - Reputation, Communication and Awareness
6	GRI 102	6	Markets served	GRI 102: General Disclosures 2016	n/a	n/a	Pages 65, 209	25	Business Model & Innovation - Access to Capital and Customers
7	GRI 102	7	Scale of the organization	GRI 102: General Disclosures 2016	n/a	n/a	Page 42	24	Business Model & Innovation - Need for Business Model Resilience
8	GRI 102	8	Information on employees and other workers	GRI 102: General Disclosures 2016	HC-A, HC-B	8.5, 8.8	Page 120	18	Human Capital - Labour Practice & Employment
9	GRI 102	9	Supply chain	GRI 102: General Disclosures 2016	CG-AA	12.6	Page 42	26	Business Model & Innovation - Role of Supply Chain Management
10	GRI 102	10	Significant changes to the organization and its supply chain	GRI 102: General Disclosures 2016	n/a	n/a	Page 42	24	Business Model & Innovation - Need for Business Model Resilience
11	GRI 102	11	Precautionary Principle or approach	GRI 102: General Disclosures 2016	CG-AA	16.5	Page 91 & 191	33	Leadership & Governance - Risk Management
12	GRI 102	12	External initiatives	GRI 102: General Disclosures 2016	CG-AA	17.16	Page 104	17	Social Capital - Social Development & Community Involvement
13	GRI 102	13	Membership of associations	GRI 102: General Disclosures 2016	n/a	n/a	Page 191	36	Leadership & Governance - Reputation, Communication and Awareness

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Item	GRI Standard	Disclosure Number	Disclosure	GRI Standard Framework	Relevant SASB Reference where applicable	UNSDG Reference where applicable	Page (s)	Material Issue #	Material Issue Description
14	GRI 102	14	Statement from senior decision-maker	GRI 102: General Disclosures 2016	n/a	n/a	Pages 20 - 23, 29, 48 - 49	29	Leadership & Governance - Business Ethics and Anti-Corruption Measures
15	GRI 102	15	Key impacts, risks, and opportunities	GRI 102: General Disclosures 2016	CG-AA	13.1	Page 28	33	Leadership & Governance - Risk Management
16	GRI 103	1	Explanation of the material topic and its Boundary	GRI 103: Management Approach 2016	n/a	n/a	Pages 36 - 41	33	Leadership & Governance - Risk Management
17	GRI 201	1	Direct economic value generated and distributed	GRI 201: Economic Performance 2016	FB-EC	8.1, 8.2	Pages 44 - 45	37	Economy - Commodity Price Volatility
18	GRI 202	1	Ratios of standard entry level wage by gender compared to local minimum wage	GRI 202: Market Presence 2016	HC-B	5.1, 8.5	Page 120	22	Human Capital - Employee Engagement, Diversity & Inclusion
19	GRI 202	2	Proportion of senior management hired from the local community	GRI 202: Market Presence 2016	HC-B	8.5	Page 163	39	Economy - Impact on Local Communities
20	GRI 203	1	Infrastructure investments and services supported	GRI 203: Indirect Economic Impacts 2016	IF-EP	9.1, 9.3	Pages 80 - 89	24	Business Model & Innovation - Need for Business Model Resilience
21	GRI 203	2	Significant indirect economic impacts	GRI 203: Indirect Economic Impacts 2016	IF-EP	8.1, 8.2	Pages 48 - 58	39	Economy - Impact on Local Communities
22	GRI 205	1	Operations assessed for risks related to corruption	GRI 205: Anti-corruption 2016	CG-AA	16.5	Pages 20 - 23, 29, 48 - 49	29	Leadership & Governance - Business Ethics and Anti-Corruption Measures
23	GRI 205	2	Communication and training about anti-corruption policies and procedures	GRI 205: Anti-corruption 2016	CG-AA	16.5	Pages 41, 129, 188, 235	29	Leadership & Governance - Business Ethics and Anti-Corruption Measures
24	GRI 205	3	Confirmed incidents of corruption and actions taken	GRI 205: Anti-corruption 2016	CG-AA	16.5	Pages 20 - 23, 29, 48 - 49	29	Leadership & Governance - Business Ethics and Anti-Corruption Measures
25	GRI 206	1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	GRI 206: Anti-competitive Behavior 2016	CG-CC	16.3	Pages 20 - 23, 29, 48 - 49	31	Leadership & Governance - Competitive Behaviour
26	GRI 302	1	Energy consumption within the organization	GRI 302: Energy 2016	IF-EU, IF-EP	7.3, 12.2	Pages 98 - 103	3	Environment - Energy Management & Renewable Energy Usage

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Item	GRI Standard	Disclosure Number	Disclosure	GRI Standard Framework	Relevant SASB Reference where applicable	UNSDG Reference where applicable	Page (s)	Material Issue #	Material Issue Description
27	GRI 302	3	Energy intensity	GRI 302: Energy 2016	IF-EU, IF-EP	7.3, 12.2	Pages 98 - 103	3	Environment - Energy Management & Renewable Energy Usage
28	GRI 302	4	Reduction of energy consumption	GRI 302: Energy 2016	IF-EU, IF-EP	7.3, 12.2	Pages 98 - 103	3	Environment - Energy Management & Renewable Energy Usage
29	GRI 303	1	Interactions with water as a shared resource	GRI 303: Water and Effluents 2018	IF-EP, EM-MM	6.4, 12.2	Pages 98 - 103	4	Environment - Water Management
30	GRI 304	1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	GRI 304: Biodiversity 2016	EM-MM	15.1, 15.5	Page 46	7	Environment - Biodiversity Management
31	GRI 305	1	Direct (Scope 1) GHG emissions	GRI 305: Emissions 2016	IF-EU, IF-EP	13.1, 13.2	Pages 46, 90, 98	1	Environment - Climate Change Mitigation & Adoption
32	GRI 305	2	Energy indirect (Scope 2) GHG emissions	GRI 305: Emissions 2016	IF-EU, IF-EP	13.1, 13.2	Pages 46, 90, 98	1	Environment - Climate Change Mitigation & Adoption
33	GRI 305	3	Other indirect (Scope 3) GHG emissions	GRI 305: Emissions 2016	IF-EU, IF-EP	13.1, 13.2	Pages 46, 90, 98	1	Environment - Climate Change Mitigation & Adoption
34	GRI 305	4	GHG emissions intensity	GRI 305: Emissions 2016	IF-EU, IF-EP	13.1, 13.2	Pages 46, 90, 98	1	Environment - Climate Change Mitigation & Adoption
35	GRI 305	5	Reduction of GHG emissions	GRI 305: Emissions 2016	IF-EU, IF-EP	13.1, 13.2	Pages 46, 90, 98	1	Environment - Climate Change Mitigation & Adoption
36	GRI 306	1	Waste generation and significant waste-related impacts	GRI 306: Waste 2020	EM-MM	12.4, 12.5	Page 46	6	Environment - Waste Management
37	GRI 307	1	Non-compliance with environmental laws and regulations	GRI 307: Environmental Compliance 2016	EM-MM, IF-EP	16.3	Pages 46, 90, 98	8	Environment - Environment Compliance
38	GRI 401	1	New employee hires and employee turnover	GRI 401: Employment 2016	HC-B	8.5, 8.6	Pages 120 - 129	18	Human Capital - Labour Practice & Employment
39	GRI 402	1	Minimum notice periods regarding operational changes	GRI 402: Labor/Management Relations 2016	n/a	n/a	Pages 120 - 129	22	Human Capital - Employee Engagement, Diversity & Inclusion
40	GRI 403	1	Occupational health and safety management system	GRI 403: Occupational Health and Safety 2018	EM-MM, IF-EP	8.8	Pages 120 - 129	20	Human Capital - Employee Health & Safety

GRI Index Table

Item	GRI Standard	Disclosure Number	Disclosure	GRI Standard Framework	Relevant SASB Reference where applicable	UNSDG Reference where applicable	Page (s)	Material Issue #	Material Issue Description
41	GRI 403	2	Hazard identification, risk assessment, and incident investigation	GRI 403: Occupational Health and Safety 2018	EM-MM, IF-EP	8.8	Pages 120 - 129	20	Human Capital - Employee Health & Safety
42	GRI 403	3	Occupational health services	GRI 403: Occupational Health and Safety 2018	EM-MM, IF-EP	8.8	Pages 120 - 129	20	Human Capital - Employee Health & Safety
43	GRI 403	4	Worker participation, consultation, and communication on occupational health and safety	GRI 403: Occupational Health and Safety 2018	EM-MM, IF-EP	8.8	Pages 120 - 129	20	Human Capital - Employee Health & Safety
44	GRI 404	1	Average hours of training per year per employee	GRI 404: Training and Education 2016	HC-B	8.5	Pages 120 - 129	19	Human Capital - Training and Skill Development
45	GRI 404	2	Programs for upgrading employee skills and transition assistance programs	GRI 404: Training and Education 2016	HC-B	8.5	Pages 120 - 129	19	Human Capital - Training and Skill Development
46	GRI 405	1	Diversity of governance bodies and employees	GRI 405: Diversity and Equal Opportunity 2016	HC-B	5.1, 5.5	Pages 120 - 129	22	Human Capital - Employee Engagement, Diversity & Inclusion
47	GRI 405	2	Ratio of basic salary and remuneration of women to men	GRI 405: Diversity and Equal Opportunity 2016	HC-B	5.1, 5.5	Pages 120 - 129	18	Human Capital - Labour Practice & Employment
48	GRI 406	1	Incidents of discrimination and corrective actions taken	GRI 406: Non-discrimination 2016	n/a	n/a	Pages 120 - 129	22	Human Capital - Employee Engagement, Diversity & Inclusion
49	GRI 412	1	Operations that have been subject to human rights reviews or impact assessments	GRI 412: Human Rights Assessment 2016	FB-HR, HC-B	16.1, 16.2	Page 104	10	Social Capital - Human Rights
50	GRI 418	1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	GRI 418: Customer Privacy 2016	TC-SI-220a.1, TC-SI-220a.2	16.3, 16.10	Page 104	11	Social Capital - Customer Privacy
51	GRI 419	1	Non-compliance with laws and regulations in the social and economic area	GRI 419: Socioeconomic Compliance 2016	FB-HR, HC-B	16.3, 16.6	Page 91 & 191	32	Leadership & Governance - Management of the Legal & Regulatory Environment

GRI Index Table

Item	GRI Standard	Disclosure Number	Disclosure	GRI Standard Framework	Relevant SASB Reference where applicable	UNSDG Reference where applicable	Page (s)	Material Issue #	Material Issue Description
52	GRI Sector Disclosures for Financial Services	FS1	Policies with specific environmental and social components applied to business lines	GRI Financial Services Sector Disclosures 2013	IF-SS	8.3, 8.4	Page 91 & 191	33	Leadership & Governance - Risk Management
53	GRI Sector Disclosures for Financial Services	FS2	Procedures for assessing and screening environmental and social risks in business lines	GRI Financial Services Sector Disclosures 2013	IF-SS	8.3, 8.4	Pages 28 - 35	33	Leadership & Governance - Risk Management
54	GRI Sector Disclosures for Financial Services	FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	GRI Financial Services Sector Disclosures 2013	IF-SS	8.3, 8.4	Pages 90 - 97	33	Leadership & Governance - Risk Management
55	GRI Sector Disclosures for Financial Services	FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	GRI Financial Services Sector Disclosures 2013	HC-B	8.5	Page 120	19	Human Capital - Training and Skill Development
56	GRI Sector Disclosures for Financial Services	FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	GRI Financial Services Sector Disclosures 2013	IF-SS	8.3, 8.4	Page 104	13	Social Capital - Clients' Sustainability
57	GRI Sector Disclosures for Financial Services	FS6	Percentage of the portfolio for business lines by specific region, size, and by sector	GRI Financial Services Sector Disclosures 2013	FN-AC-410a.1	10.2, 10.3	Page 42	28	Business Model & Innovation - Long-Term Asset Management
58	GRI Sector Disclosures for Financial Services	FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	GRI Financial Services Sector Disclosures 2013	FN-AC-410a.2	1.4, 10.2	Page 104	17	Social Capital - Social Development & Community Involvement
59	GRI Sector Disclosures for Financial Services	FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	GRI Financial Services Sector Disclosures 2013	FN-AC-410a.3	13.2, 13.3	Pages 46, 90, 98	1	Environment - Climate Change Mitigation & Adoption

GRI Index Table

Item	GRI Standard	Disclosure Number	Disclosure	GRI Standard Framework	Relevant SASB Reference where applicable	UNSDG Reference where applicable	Page (s)	Material Issue #	Material Issue Description
60	GRI Sector Disclosures for Financial Services	FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	GRI Financial Services Sector Disclosures 2013	FN-AC-410a.4	12.6, 12.8	Pages 90 - 97	35	Leadership & Governance - Responsible Investment
61	GRI Sector Disclosures for Financial Services	FS11	Percentage of assets subject to positive and negative environmental or social screening	GRI Financial Services Sector Disclosures 2013	FN-AC-410a.5	12.6	Pages 90 - 97	35	Leadership & Governance - Responsible Investment
62	GRI Sector Disclosures for Financial Services	FS13	Access points in low-populated or economically disadvantaged areas by type	GRI Financial Services Sector Disclosures 2013	FN-AC-550a.2	8.1.0, 10.2	Pages 53 - 56, 69, 168	25	Business Model & Innovation - Access to Capital and Customers
63	GRI Sector Disclosures for Financial Services	FS14	Initiatives to improve access to financial services for disadvantaged people	GRI Financial Services Sector Disclosures 2013	FN-AC-550a.3	1.4, 10.2	Pages 53 - 56, 69, 168	17	Social Capital - Social Development & Community Involvement
64	GRI Sector Disclosures for Financial Services	FS15	Policies for the fair design and sale of financial products and services	GRI Financial Services Sector Disclosures 2013	FN-AC-550a.4	10.2, 10.3	Page 104	14	Social Capital - Product Quality & Safety
65	GRI Sector Disclosures for Financial Services	FS16	Initiatives to enhance financial literacy by type of beneficiary	GRI Financial Services Sector Disclosures 2013	FN-AC-550a.5	4.4, 4.7	Pages 23, 75, 106, 161, 175	19	Human Capital - Training and Skill Development

Disclaimer:

Below is an expanded GRI index table that includes a selection of the standards that might be most relevant to a Bank. This cross-reference table is not exhaustive and the exact standards and disclosures applicable to the Bank will depend on our materiality assessment and the specific nature of our operations. Please consult with the Sustainability Accounting Standards Board (SASB) and United Nations (UN) documentation for more information on the particular SASB references and UNSDGs, respectively. SASB codes are abbreviated, and HC stands for Human Capital, FB for Financials & Banking, IF for Infrastructure, EM for Extractives & Minerals Processing, CG for Corporate Governance, and TC for Technology & Communications. The SASB references and United Nations Sustainable Development Goals (UNSDGs) relevant to the GRI Standards listed in this table are a general alignment. They may not completely align with the specifics of our operations and strategies. Please note that not all GRI Standards have an equivalent SASB code or are linked to a UNSDG. The same applies to UNSDGs and SASB codes. This is a general guideline and might not cover all the specifics of our organization.

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors is pleased to present the 104th Annual Report of your Bank for the Financial Year 2022-23 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 2022-23.

1. Highlights:

- 1.1 India's economic growth remained resilient in FY 2022-23. According to the provisional estimates by National Statistical Office (NSO), India's gross domestic product (GDP) is estimated to grow at 7.2% for FY 2022-23, driven by private consumption and investment. On the supply side, activity was supported by the agriculture and services sectors, while manufacturing was restrained under the pressure of high input costs. A slew of data, from services activity to bank credit, pointed to a pick-up in demand during FY 2022-23. The growth in GDP at current prices, or nominal GDP, during FY 2022-23 is estimated at 16.1% on annual basis.
- 1.2 There was positive growth across all sectors, with services like trade, tourism, and hospitality driving momentum. Enabling government policies are expected to further catapult these sectors towards an upward growth trajectory. Consumer activity was encouraging, with growth in non-food bank credit rising to 15.4% as at end-March 2023 from 9.7% a year ago. Liquidity conditions slipped into periods of the deficit as deposit growth lagged credit. Merchandise exports have registered the highest-ever annual exports of USD 447.46 billion with 6.03% growth during FY 2022-23, surpassing the previous year's (FY 2021-22) record exports of USD 422.00 billion. Exports are growing despite global challenges such as the rise in raw material prices, restrictions on exports of certain products, and the Russia-Ukraine war.
- 1.3 Consumer price index (CPI) inflation persisted at elevated levels during FY 2022-23, impacted by a series of adverse supply shocks and the continuing pass-through of high input costs. The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) increased the policy repo rate by 250 basis points from May 2022-February 2023, and monetary policy remains focused on progressively aligning inflation with the target while supporting growth.
- 1.4 Going forward, India's economic rebound faces difficult challenges from the legacy of structural bottlenecks as well as the scars of the pandemic. The Russia-Ukraine conflict has also dampened the momentum of recovery, with its impact transmitting through record-high commodity prices, weaker global growth outlook, and tighter global financial conditions. Concerns surrounding de-globalization impacting future trade, capital flows, and supply chains have amplified uncertainties for the business environment.
- 1.5 While global economic prospects have improved modestly compared to a few months ago, the outlook is highly uncertain again amid financial sector turmoil, high inflation and ongoing effects of Russia Ukraine war. According to the International Monetary Fund's (IMF's) April 2023 update of the World Economic Outlook (WEO), global growth is expected to moderate from 3.4% in 2022 to 2.8% in 2023, and 3.0% in 2024, with a sharper deceleration projected for advanced economies (AEs) relative to Emerging Market And Developing Economies (EMDEs). Global headline inflation is set to fall from 8.7% in 2022 to 7.0% in 2023 on the back of lower commodity prices, but core inflation is likely to decline more slowly. Alongside this, global trade is expected to decelerate in 2023. Elevated inflation levels are a looming challenge complicating the trade-offs that central banks are faced with between containing inflation and boosting economic growth.
- 1.6 The IMF predicts Asia-Pacific's GDP to expand by 4.6% in 2023 after growing 3.8% in 2022. China and India are expected to contribute around half of global growth in 2023, with the rest of Asia and the Pacific contributing an additional fifth.
- 1.7 Notwithstanding economic uncertainties triggered by the Russia-Ukraine war, India will remain the fastest-growing economy in the world. As per the IMF, India is projected to expand by 5.9% in 2023 and further by 6.3% in 2024. The Reserve Bank of India (RBI) has pegged the economic growth estimate for 2023-24 at 6.5%. The higher rabi production has brightened the prospects for the agriculture sector and rural demand. The steady growth in contact-intensive services should be positive for urban demand. The government's focus on capital

expenditure, capacity utilization above the 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 a further rapid increase in economic growth in the coming years. The Union Budget 2023-24 has provided for a sharp increase in public investment and capital expenditure. The various government initiatives are seen to be supporting growth, and credit demand is expected to remain robust in FY 2023-24.

2. Bank's Performance

Established in the year 1919, your Bank has 8577 domestic branches, 10,835 ATMs across 29 States and 5 Union Territories, and 75,594 employees as on March 31, 2023.

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

The global business of your Bank stood at ₹19,27,621 crore as on March 31, 2023 which comprises of total deposits of ₹11,17,716 crore and gross Advances of ₹8,09,905 crore.

The operating profit and net profit of the Bank stood at ₹25,467 crore and ₹8,433 crore respectively as on March 31, 2023.

3. Digitization:

Project Sambhav: Implementation of Digital Business Platform

To capture the growing digital business & to build a strong digital ecosystem/architecture, your Bank has launched Project Sambhav. As part of Project Sambhav, your Bank has designed a detailed roadmap on Digital Transformation for building a Digital Bank within Bank, which includes:

- Digital strategy aligned with the business vision and Digital Banking Policy.
- Vyom upgradation with seamless Omni channel experience & enhanced UI/UX to offer best-in-class journey experience.
- Ecosystem Partnerships

- Building Digital Platform with Cloud-ready architecture grounds- up build digital channels, APIs, microservices, and modern engineering practices
- Data & Analytics Platform Services
- Collaboration with Fintechs to offer new digital products.

Your Bank has rolled out 20+ digital journeys & partnered with 90+ fintechs to launch quick Go-to-Market journeys, thus reducing the timelines for rolling out the products.

Thrust was given to projects which are part of regulatory requirements, the EASE Reforms Agenda, as well as requests received from within your Bank.



Launch of Vyom App

Your Bank has given top priority and facilitated the existing Mobile Banking application with feature enhancements, thereby providing ease and comfort to customers.

The mobile banking application of your Bank has been rebranded as "VYOM" and launched on your Bank's

Foundation Day dated 11.11.2022. VYOM offers 350+ features with explorative UI/UX design to increase engagement and offers a unique banking experience. The application offers lifestyle Banking (marketplace), where the customer can book Flight, Cabs, and Bus tickets, purchase Gift Cards, recharge mobile DTH & Data cards and book Hotels, and also make a donation. Your Bank has also incorporated Mutual Funds, Insurance, and various STP journeys in the VYOM app. More than 21 million Customers are registered on Vyom with 2.1 million daily logins.



Launch of Vyom App by MD & CEO

Registrations on Vyom

(In lakhs)

Mar-22	During the FY 2022-23	Cumulative Performance- as on 31.03.2023
164.71	48.43	213.14

Digital Journeys

Digital solutions for Mutual Funds & Insurance business



Mutual Fund

With an objective to increase the fee-based income, your Bank has launched a digital solution for Mutual Funds sales through Bank's Mobile App and Net-Banking channels (in addition to providing paperless transactions at branches) and the same is in the initial phase.



Insurance

As a one-stop solution for Life, Non-Life, and Health Insurance products, your Bank has launched a digital solution for the Insurance business, and the same is in the initial phase.

CRM Solutions

Your Bank has started implementing Customer Relationship Management (CRM) solution to provide a unified customer experience and better customer satisfaction. As part of the phase-wise implementation of CRM solutions, the Lead Management Solution (LMS) has been made live in Q4 FY 22-23 for all the Marketing Officers, Retail Loan Points, MSME Loan Points, all branches & Admin Offices. The Customer 360° beta testing has been made live for branches of Regional Office Andheri and shall be made live in the Q1 FY 23-24.



Account Aggregator

Union Bank of India is the first Public Sector Bank to integrate with Account Aggregator (AA) ecosystem. Your Bank has onboarded 5 AAs. The Bank has taken up two use cases – GeM Sahay and GST Sahay for implementation under the OCEN framework.

Digital Lending & Review/Renewal Journeys

Our Bank has rolled out 20+ Digital Journeys covering both assets and liability products. From these journeys, your Bank could sanction ₹ 2126 Crores & and have renewed/reviewed more than 7.68 lacs Accounts Digitally.



Photos taken during the launch of Fresh KCC (1.60 lacs) on pilot basis at Madhya Pradesh & Karnataka state

The following digital lending journeys have been launched during the FY 2022-23:

- i. Mudra Kishor STP
- ii. Mudra Tarun STP
- iii. Education loan
- iv. Fresh KCC (1.6L)
- v. Loan Against Deposit (LAD)
- vi. Nari Shakti
- vii. GST Gain
- viii. KCC loan renewal
- ix. Retail term loan review
- x. MSME renewal (assessed)

Central Bank Digital Currency

The Reserve Bank of India has nominated your Bank for implementation of the Central Bank Digital Currency -Retail (CBDC-R) and the Central Bank Digital Currency – Wholesale (CBDC – W) project. Your Bank has made

live CBDC- Retail and CBDC – Wholesale – Application for Android and IOS users under CUG.

FinTech & Ecosystem Partnerships

Your Bank is one of the pioneer banks to create a policy framework for engaging with Fintechs and leveraging their solutions for building digital customer journeys. Your Bank Engaged with 150+ best-in-class fintechs across 20+ next-gen themes and empaneled 90+ Fintechs. 8+ Fintechs have been onboarded for implementing various digital solutions in Agri, Retail & MSME segments.

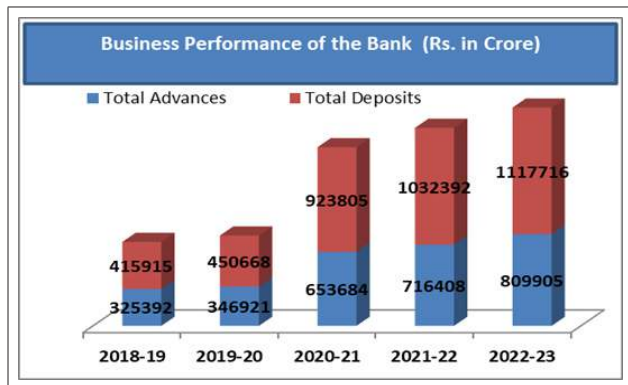
Digital Banking Units

Your Bank has operationalized 7 DBUs across 6 districts with a prime objective to increase the digital penetration of financial services by providing cost-effective, convenient access with enhanced experience using a 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). All the DBUs are equipped with smart capabilities such as interactive tablets, multi-functional kiosks, ATMs, video KYC apparatus, Metaverse, and Internet Banking Kiosks.

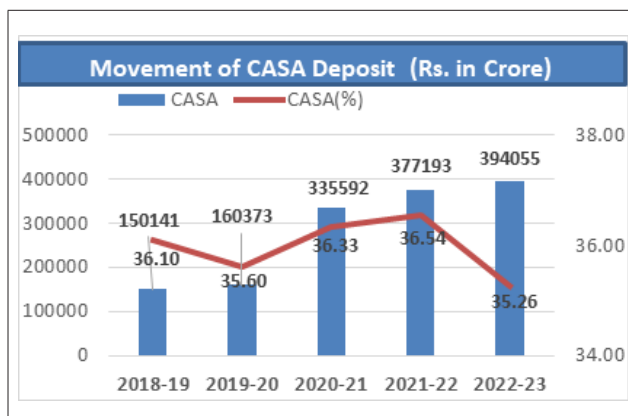


4. Business Highlights:

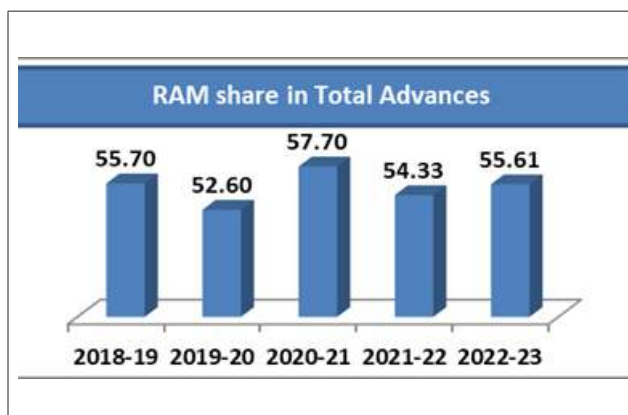
4.1 The global business of your Bank stood at ₹19,27,621 crore as on March 31, 2023.



4.2 Total Deposits increased to ₹11,17,716 crore as on March 31, 2023. Out of this, CASA share (current account and saving account) stood at 35.26 % as on March 31, 2023.



4.3 Gross Advances stood at ₹ 8,09,905 crore as on March 31, 2023. RAM segment of your Bank increased by 14.94% YoY. 17.19% growth in Retail, 14.20% growth in Agriculture, and 13.06% growth in MSME advances are achieved on a YoY basis. RAM advances as a percent of Domestic Advances stood at 55.61%.



4.4 Overseas business of your Bank stood at ₹36,229 crore as on March 31, 2023, compared to ₹ 17,429 crore as on March 31, 2022. Your Bank has three overseas branches in Hong Kong, 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 has grown by 43.55%, and Operating Profit has grown by 7.46% for the FY 2022-23.

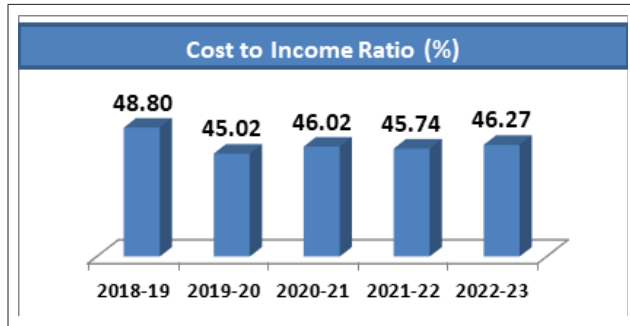
5. Income and Expenditure:

Table 1: Income and Expenditure Statement
(₹ in crore)

Sl.	Parameter	FY 2022-23	FY 2021-22
1	Interest Earned	80743	67944
2	Other Income	14633	12525
3	Total Income (1+2)	95376	80469
4	Interest Expended	47978	40157
5	Net Interest Income (1-4)	32765	27786
6	Operating Expenses	21931	18438
	w/w Establishment Expenses	12390	10115
7	Total Expenditure	69909	58596
8	Operating Profit (3-7)	25467	21873
9	Provisions	17034	16641
10	Net Profit/Loss	8433	5232
11	Earnings per share (in ₹)	12.34	7.73

6. Profitability and Efficiency:

- 6.1 Your Bank reported an Operating Profit of ₹25,467 crore in FY 2022-23 as compared to ₹ 21,873 crore in FY 2021-22.
- 6.2 Net profit of your Bank stood at ₹8,433 crore in FY 2022-23.
- 6.3 Cost-to-income ratio of your Bank stood at 46.27% in FY 2022-23.



6.4 During FY 2022-23, Return on Average Assets stood at 0.69%, whereas Return on Equity stood at 13.26%.

Parameter (%)	FY 2022-23	FY 2021-22
Return on Average Assets	0.69	0.47
Return on Equity	13.26	10.11

6.5 The following are the key productivity ratios of your Bank for FY 2022-23.

Parameter	FY 2022-23	FY 2021-22
Business per Employee (₹ in crore)	25.50	23.26
Business per Branch (₹ in crore)	224.66	198.91
Gross Profit per Employee (₹ in lakh)	33.69	29.09

6.6 Dividend:

The Board of your Bank has recommended a dividend of ₹3.00 per share for FY 2022-23.

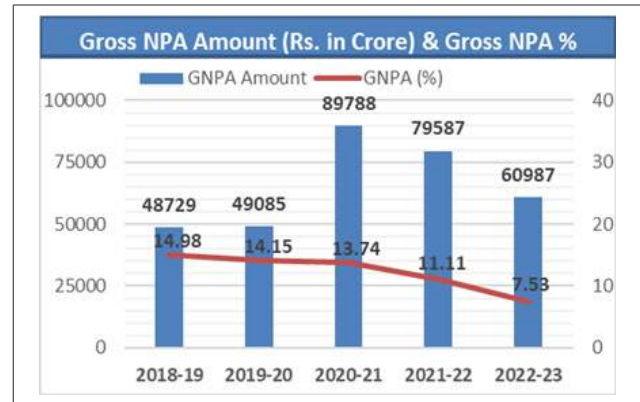
7. Shareholders' Return:

7.1 Your Bank's net worth was ₹63,599.34 crore as on March 31, 2023.

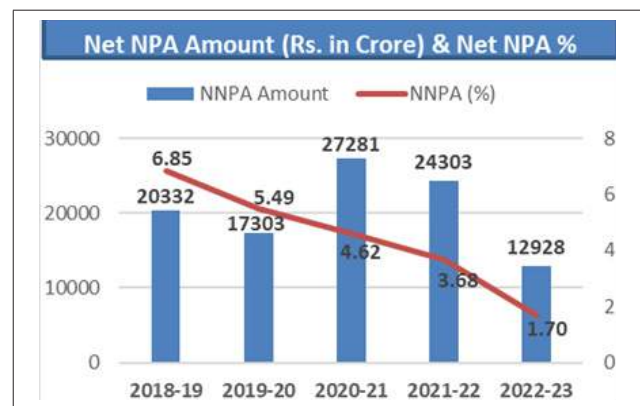


8. Asset Quality:

8.1 Gross Non-Performing Assets (GNPA) of your Bank stood at ₹60,987 crore as on March 31, 2023. GNPA as a percent of gross advances stood at 7.53% as on March 31, 2023.



8.2 Net NPA of your Bank stood at ₹12,928 crore as on March 31, 2023, and the Net NPA ratio stood at 1.70% as on March 31, 2023.



9. Capital Adequacy:

9.1 The Capital Adequacy Ratio, as per BASEL III norms, stood at 16.04% as on March 31, 2023. Common Equity Tier I (CET I) capital of your Bank stood at 12.36% in March 2023.

Table 4: Capital Adequacy Ratios - Basel III (₹ in crore)			
Parameters	RBI Minimum Benchmark March 31, 2023	March 31, 2023	March 31, 2022
Total Risk- Weighted Assets	NA	5,78,455	545,923
Total Capital Funds		92,778	79,281
CET 1 Capital		71,492	58,049
Tier 1 Capital		80,478	66,589
CRAR (%)		11.50	16.04
CET 1 (%)	8.00	12.36	10.63
Tier 1 (%)	9.50	13.91	12.20
Tier 2 (%)	NA	2.13	2.32

9.2 Capital Raised by your Bank

Your Bank has issued and allotted Basel III compliant Tier 1 Bonds to the tune of ₹1983 crore and Tier II Bonds to the tune of ₹2200 crore during the FY 2022-23.

10. Network

The Branch Network of your Bank is widely spread across the country with 8577 branches and 3 overseas branches (Hongkong, Sydney, Dubai) as on March 31, 2023. Out of these, 59 percent of the branches are located in rural and semi-urban centers.

11. Awards & Accolades:

During FY 2022-23, your Bank received awards for various initiatives taken under the areas of Digitization, Financial Inclusion, HR management, Customer Service, etc.

- Awarded DSCI Excellence Awards 2022 under the category of "Best Security Practices in Banking Sector" and CISO of your Bank received an award as "Security Leader of the Year".
- Received award under "IT Risk Management" category from 18th Banking Technology Awards by IBA. Bank has received this award 4 times continuously from 2019-2022.
- Received Best Technology Bank and Best Technology Talent awards in the 18th Banking Technology Awards by IBA.
- Received two awards under the "Enterprise

Security" category in "BFSI Technology Conclave & Awards 2022" conducted by Indian Express group.

- 1st rank in EASE 5.0 Reforms Index for Q3:FY 2022-2023 (Digitally enabled customer offerings, BIG Data and Analytics)
- Best Fintech Collaboration- Special Prize awarded by IBA Banking Technology Conference, Expo & Awards
- **Atal Pension Yojna (APY):** Your Bank received awards and recognition certificates from PFRDA in the various campaigns organized by PFRDA. Qualified in the following campaigns in the FY:
 - o Circle of Excellence trophy for ED.
 - o Beat the best and be the best campaign.
 - o Rise above the rest for ZH/RH – 10 ZH and 120 RH qualified.
 - o LEADERSHIP PINNACLE campaign for MD and CEO.
 - o APY Big Billion campaign for MD and CEO.
 - o APY Big Believers campaign.
- 18 prestigious Kshetriya Rajbhasha Puraskars from the Department of Official Language, Ministry of Home Affairs, GoI.
- 85 Shields for outstanding performance in Official Language Implementation from different TOLICs (Town Official Language Implementation Committees) set up by the Govt. of India, Ministry of Home Affairs, Rajbhasha Vibhag, across the country.
- 1st Position in the category of "Best Guarantee Coverage (Number)" for FY 2022-23 by CGTMSE (Credit Guarantee Fund Trust For Micro And Small Enterprises).
- First position in the categories of Promoting Social Schemes, Implementing COVID-related Schemes, and Government Schemes and runners up in the categories of CSR Initiative Bank and MSME friendly Bank in the event conducted by Chamber of India Micro Small & Medium Enterprises (CIMSME).
- 1st Position in the category of "BEST SME LENDING" in the 9th MSME Excellence Awards by ASSOCHAM.
- Awarded "Best Bank of the Year in the Financial Ecosystem" conferred by Assocham in the Assocham Financial Conclave 2023.
- Awarded Golden Peacock HR Excellence Awards 2022, by the Institute of Directors

- Future of Workplace Disruptor 2022 (Large enterprise) awarded by Mint W3 Champions 2022
- Indian Academia Conference 2023 Corporate Award awarded by M/s People Lab
- Most Preferred Workplaces in BFSI 2022 awarded by Team Marksmen
- Innovation in HR Transformation awarded by BAI Global Innovation Award.
- Role Model Companies awarded by NCPEDP- LTI Mindtree Helen Keller Awards-2022
- Business Excellence through Learning & Development award by BML Munjal Awards
- ISTD 31st National Awards for Innovative Training Practices: 2020-21 awarded by ISTD, New Delhi
- "Pioneering Work in Creating Future Ready Inclusive Organization" awarded by IAC Corporate Awards 2023
- "Best Organization for PWD Inclusion" awarded by Business World People & Ask Insights "Disability Positive Awards."
- Best AI and ML Bank Runner Up award and Best Financial Inclusion Runner Up award in 18th IBA Technology Conference, Expo & Awards.
- FIEO (Federation of Indian Export Organisations) has conferred your Bank with the "Export Excellence Gold Award" for 2 consecutive years for its contribution to promoting Export growth in the country.
- Gold shield has been awarded by the Institute of Chartered Accountants of India in the category "Public Sector Banks" for excellence in Financial Reporting.
- Bank has also received various awards for its contributions in the field of Digital Transformation and Accessibility:
 - The NCPEDP- LTIMINDTREE Helen Keller Award
 - Business Transformation Awards 2022
 - 5th India BFSI Conclave & Awards 2022
 - Digital Transformation Summit India 2022

12. Social Media

Your Bank is extending information related to products/ services through its official handles on all major social media platforms, viz. Facebook, Twitter, Instagram, YouTube, and LinkedIn. 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 gain 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, 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 6699.25 lakhs impressions and 932.79 lakhs engagements.

Your Bank has a huge follower base on social media presence which has grown to **41.47 lakhs** as on 31st March 2023 against 24.33 lakhs last fiscal scaling a remarkable growth of **70.44%** YoY.

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

Your Bank has run more than 150+ 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.

Your Bank has made e-commerce business tie-ups across hospitality, entertainment, and health sectors with key market players like MakeMyTrip, Swiggy, Zomato, BookMyShow, Apollo Pharmacy, Ferns N Petals, Swiggy Instamart, Meesho, Golbibo, etc. and encouraged cardholders to embrace cashless payments thereby remaining with digital banking ecosystem.

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 2022-23.

- Shri Manas Ranjan Biswal, Executive Director of your Bank, completed his term in office on April 30, 2022

- Shri Rajkiran Rai G, MD & CEO of your Bank, completed his term in office on May 31, 2022.
- Ms. A. Manimekhalai has been appointed as MD & CEO on the Board of your Bank w.e.f. June 3, 2022.
- Shri Srinivasan Varadarajan has been appointed as a Part-Time Non-Official Director and Non-Executive Chairman on the Board of your Bank w.e.f. November 7, 2022.
- Shri Ramasubramanian S has been appointed as an Executive Director on the Board of your Bank w.e.f. November 21, 2022.

14. Directors' Responsibility Statement

The Directors confirm that in the preparation of the annual accounts for the year ended 31st March 2023:

- 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. 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 2022-23 has no audit qualifications.

16. Corporate Social Responsibility (CSR):

16.1 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.

16.2 The CSR activities undertaken by your Bank / UBSFT in 2022-23

During the FY 2022-23, donations of ₹23.38 crores were approved towards 51 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 2022-23 are as under:

- Towards improving health infrastructure, donated one X-ray machine with a digital upgrade kit & one 33-seater camp van to Tirumalai Medical Mission hospital, Ranipet, Tamilnadu.
- Donated an Ambulance to "SDMH" hospital, one of the prestigious Hospitals in Jaipur, to cater to the patients.

- Donated an ICU Ambulance to Jayadev Memorial Rashthrothana Hospital, one of the prestigious Hospitals in Bengaluru, to cater to the patients
- Donated towards the renovation of the Rajkiya Vriddhashram, Varanasi.
- Donated two food delivery vehicles to Akshaya Patra Foundation, Bengaluru, for their mid-day meal scheme at Mangalagiri, Andhra Pradesh.
- Organized Financial Literacy Camp at RSETI Varanasi
- Provided modern infrastructure in the conference hall at Government First Grade College, Hebri, Karnataka, towards providing of quality & modernized education environment to the college students coming from socially & economically weaker sections of society.
- Conducted Narishakti credit camp for RSETI Chikmagaluru trained women entrepreneurs & credit sanction letters were issued.

17. EASE (Enhanced Access and Service Excellence)

Enhanced Access and Service Excellence (EASE) was launched by the Government of India in the financial year 2018-19 to usher in next-generation reforms in Public Sector Banks. The performance of the banks is measured on a common index on a quarterly basis. The fourth iteration of the EASE agenda for the FY 2021-22 was launched under the theme "Technology-Enabled Collaborative and Simplified Banking," and your Bank was ranked 4th position in EASE 4.0 annual index.

The fifth iteration of EASE under the theme "Enhanced Digital Experience, Integrated and Inclusive Banking" has set forth long-term reforms objectives, which is to be achieved over a period of three years with well-defined annual milestones. The reform focuses on promoting digital banking offerings, enhancing analytical capabilities, broadening PSB's technological capabilities, broadening and deepening the nature of co-lending partnerships, and enhancing employee engagement and satisfaction, among others.

Your Bank has made considerable progress in EASE Index over the past five years in institutionalising the reforms agenda in your Bank. Major developmental goals accomplished by your Bank towards developing internal capabilities and enhancing the banking experience of the customers in the FY 2022-23 include:

- a. Rebranded the Mobile Banking Application as "VYOM" and launched the new super-app with 350+ best-in-class features and an explorative UI/UX design for a unique banking experience.

- b. 38+ end-to-end digital journeys were rolled out to enhance the user experience, convenience, and adoption.
- c. Quarterly, 1600+ cr. of business generated through STP journeys across the RAM segment.
- d. Implemented account opening process via video KYC with the objective of making the customer onboarding process simpler.
- e. To gather feedback on customer expectations in a frequent manner and to re-engineer the products/ services as per the requirement, your Bank has activated 10 channels for capturing customer sentiment.
- f. To have a greater reach to the underserved remotest areas of the country, your Bank has partnered with several NBFCS in RAM segments for its co-lending journey. A separate vertical was created for co-lending, entrusted with the responsibility of expanding the portfolio.
- g. Your Bank was the first public sector bank to go live on the Account Aggregator Framework in the month of May last year. Your Bank has registered as both FIP (Financial Information Provider) and FIU (Financial Information User), enabling customers to share data on a real-time basis and providing them with a seamless journey eliminating the need for physical documentation.
- h. Your Bank has also undertaken several employee-friendly initiatives such as reimbursement of expenses on Child Care facilities to Women Employees and Single Male Employees (Parents), Collaborating with external partners to cater to the training needs of the employees, introducing an employee grievance redressal portal, creating a forum for career counselling for employees, amongst others.

In the latest EASE 5.0 index for Q3 FY 2022-23, your Bank stood **first** amongst all PSBs. Your Bank has also set the benchmark under four out of five themes by securing the first rank amongst PSBs. The themes are Digitally-enabled customer offerings, Big data and analytics, Modern technology capabilities, and Employee development & governance.

Your Bank is working in tandem with the reform objectives envisaged to improve customer service through greater flexibility and faster delivery of services. With improved operational efficiency and increased customer engagement, your Bank is committed to creating an inclusive digital finance ecosystem.

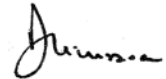
18. Acknowledgements:

- 18.1 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.
- 18.2 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.

18.3 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.

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

For and on behalf of the Board of Directors,



(Srinivasan Varadarajan)

Chairman

Place: Mumbai

Date: 23.06.2023

MANAGEMENT DISCUSSION AND ANALYSIS

1 Global Economy

- 1.1 Global economy recorded slower than normal growth followed by weak fundamentals in last two years. Series of events including war in Europe, tightening monetary policies, inflationary pressure and supply shocks impacted the global growth performance in FY 2022-23. Financial market conditions across the globe were highly volatile with more frequent rate hikes and events of capital outflows. Prolonged tightening policy actions in the Advanced Economies (AE) drove the major instabilities in capital markets and its repercussions were felt in Emerging Market Economies (EMEs) too. Disruption in supply chain of essentials had led to inflationary pressure and pushed the world towards 'cost of living crisis'. Soaring prices of food, energy and intermediate commodities pushed the central banks to take tougher policy actions which constrained growth in the FY 2022-23. Nevertheless, sustenance in demand conditions across the globe as a part of post pandemic recovery, somewhat prevented the world from facing a recession.
- 1.2 Global commodity prices were on higher trajectory due to geo-political tensions and supply chain disruptions. Prices cooled-off from December 2022 onwards, soon after correction in the prices of meat, vegetable oil and dairy products. However, prices of cereals moderated marginally whereas sugar prices increased which posed upward pressure to food indices.
- 1.3 In H1:2022 crude oil prices hovered at USD 100 followed by a gradual softening in H2: 2022. Crude oil demand faced some down-turn in the H2:2022 due to weak industrial activity in Europe, COVID lockdowns in China, and winter blizzards in the US and Canada that disrupted holiday travel.
- 1.4 Driven by sharp rise in prices of food, metals and essential commodities, consumer price inflation remained elevated across the globe during 2022. Along with food and energy prices, core inflation (excluding food and fuel) too remained elevated in 2022.
- 1.5 Global financial markets remained highly volatile in 2022 due to geopolitical tensions, soaring inflation and tightening monetary policy. Overall, the US S&P index fell by 17.9% in H1:2022. European stocks too remained low in H1:2022 amid the rising interest

rates and weak economic activities. Financial markets in Emerging Markets underperformed in H1:2022 as growing inflationary pressures, recession fears, and monetary tightening in the major Advanced Economies had significant repercussions on investors' sentiments in EMEs.

- 1.6 Bond yields across major AEs hardened in H1: 2022 due to surging inflationary pressure and tightening monetary policy stance. The US 10-year treasury yield raced up to a 3-year high in H1:2022 as the markets priced-in more aggressive Fed tightening than previously anticipated. Nevertheless, in H2:2022, bond yields across major AEs softened on signs of easing inflationary pressures and expectations of less aggressive rate hikes. Bond yields in major EMEs have moved with a hardening bias driven by domestic monetary tightening as well as global cues in H1:2022. Hardening of yields continued in H2: 2022 as spillovers of tighter monetary policy impulses from AEs continued to impact the EMEs.
- 1.7 In its latest World Economic Outlook report, the International Monetary Fund (IMF) has projected global growth at 2.8% in 2023 and 3.0% in 2024. The projections are lowered by 0.1 percentage point each for 2023 and 2024 from January publication. Instability in financial conditions in Advanced Economies and prolonged impact of war are the down-side risks to global growth.
- 1.8 The IMF expects consumer prices to increase by 7.0% in 2023, which is 0.4% more than January 2023 estimates. In 2024, consumer prices are expected to cool down moderately to 4.9%. World Trade volume is expected to grow by 2.4% in 2023, which remains largely unchanged from January 2023 forecasts. World trade volume is expected to revive back in 2024 with 3.5% growth.

2. Domestic Economy

- 2.1 As per the National Statistics Office (NSO) provisional estimates of national income, Indian economy has grown by 7.2% in FY 2022-23 compared to growth of 9.1% in FY 2021-22. The GDP at constant (2011-12) prices in FY 2022-23 is estimated to attain a level of ₹ 160.06 lakh crore, as against ₹ 149.26 lakh crore in FY 2022-23. From supply side, agriculture, industry and services sector estimated to have grown by 4.0%, 4.4%, and 9.5% respectively in FY 2022-23 compared to

3.5%, 11.6% and 8.8% respectively in same period previous year. While agricultural growth improved compared to previous year, industry sector growth was seen on a lower trajectory.

- 2.2 The Reserve Bank of India (RBI) in its latest recent monetary policy, projected real GDP growth for FY 2023-24 at 6.5%, with Q1 at 8.0%; Q2 at 6.5%; Q3 at 6.0%; and Q4 at 5.7%. These numbers indicate recovery from pandemic-led slow-down and overall broadening of economic activity; the expected moderation in inflation; the fiscal consolidation with focus on capital spending. Downside risks to growth emanate from tightening monetary policies, failure of financial institutions in AEs, monetary policy actions of the U.S Federal Reserve (the US Fed), drag from net external demand, global financial market volatility, EL Nino impact on agriculture and Oil shocks, etc.

3 Price scenario:

- 3.1 Headline inflation, measured by the consumer price index (CPI), remained above the RBI's upper target level of 6% in H1: FY 2022-23. Global commodity price shocks resulted in spill-overs in domestic markets. In Q1 FY 2022-23, the heat wave and consequent production losses added to a sharp pick-up in prices. As a result, headline inflation reached to 7.3% in Q1 FY 2022-23, and 6.9% in Q2 FY 2022-23. Pricing pressure continued to remain higher in H2 FY 2022-23 too followed by improvement in domestic demand, spike in input costs and stickiness in core inflation. In Q3 and Q4 FY 2022-23, headline inflation was at 6.1% and 6.5%, which was comparatively lower than the first half, but continued to be higher than RBI's policy mandate.
- 3.2 Prices of food basket showed upward bias during the year due to sustained price pressures from cereals and spices and a pick-up in protein-based food inflation. Nevertheless, prices of vegetables and other perishables showed some transient corrections in H2, which pulled the overall numbers marginally. Volatility in fuel prices continued as a part of global supply shocks and related spill-over. However, during the entire year FY 2022-23, core inflation (excluding food and fuel) was sticky at 6% reflective of higher prices of essential services.
- 3.3 Inflation trajectory for FY 2023-24 would be shaped by both domestic and global factors and expectations remain largely range bound with gradual cooling. The RBI projects CPI inflation at 5.1% for FY 2023-24, with Q1 at 4.6%, Q2 at 5.2%, Q3 at 5.4 % and Q4 at 5.2%.

4. Stock market performance

- 4.1 In FY 2022-23, domestic financial markets were impacted by global spillovers, especially in the equities and forex segments. Domestic equity market remained in mild losing phase in H1: FY 2022-23 while showing better resilience than most of its global peers. In H2 FY 2022-23, equity markets resumed the positive tone amidst strong buying by the Foreign Portfolio Investors (FPIs), robust corporate earnings, correction in commodity prices, and good progress of the monsoon.
- 4.2 Sensex declined by 2.5% in H1: 2022-23 to close at 57,108. Sensex gained 2.7% in H2 to close at 58,992 on March 31, 2023. Continuing the resilience, the BSE banking index (the Bankex), gained by 0.9% in March 2023 in contrast to declines of 25.2% and 13.8% in the US and European banking benchmarks respectively in March 2023.

5 Yield Movement:

- 5.1 During H1: 2022-23, G-sec yields exhibited two-way movements. The benchmark 10-year yield rose by 64 basis points (bps) during Q1, driven by the rise in US yields and crude prices; the announcement of a larger than anticipated Central Government borrowing calendar for H1: 2022-23, higher than expected CPI inflation prints, and repo rate hikes.
- 5.2 During H2, G-sec yields were largely range-bound. Yields hardened in October 2022, tracking higher than expected domestic CPI inflation for September. The yield moderated in November, taking cues from softening US yields with a lower-than-expected US CPI print and declining crude prices. In Q4, yields softened in early February on a lower than anticipated market borrowing programme of the central government for FY 2023-24. The yield on 10-year G-Sec closed 2022-23 at 7.31%.
- 5.3 Yields on T-bills firmed up across tenors in sync with the increases in the policy repo rate and the introduction of the Standing Deposit Facility (SDF) and moderation in surplus liquidity.

6 External Sector

- 6.1 Amidst persisting geopolitical tensions and slowing external demand, merchandise exports lost pace, with growth of 6.7% to USD 450 billion in FY 2022-23. Merchandise imports, however, remained buoyant, at USD 714 billion, rising 16.5% from year ago, reflecting strong domestic demand conditions. These developments led to a widening of the merchandise trade deficit.

- 6.2 The current account deficit (CAD) was 2.8% of GDP in Q1:2022-23. The CAD narrowed to 2.2% of GDP in Q3 from 3.7% in Q2, mirroring the trend in merchandise trade deficit for FY 2022-23.
- 6.3 Net Foreign Direct Investments (FDI) flows stayed strong at USD 28 billion, albeit lower than USD 38.6 billion a year ago. The FPIs reduced their exposure in domestic capital market, reflecting the generalized risk aversion towards EME assets in the face of the strengthening of US dollar, intensified geopolitical tensions, elevated global inflation and faster policy tightening by major central banks.
- 6.4 In the currency market, the Indian rupee (INR) traded with a depreciating bias against the US dollar (USD) in H1:2022-23. Market interventions by the RBI contained volatility and ensured orderly movement of the INR. The appreciation of the US dollar, triggered by aggressive rate hikes and the hawkish stance of the US Fed, exerted depreciation pressure on EME currencies in H2 2022. Dragged by these concerns, the INR touched an all-time low of 83.2 per USD in October 2022. Nevertheless, the INR outperformed major EME currencies, including the Argentine Peso, the South African Rand, and the Turkish Lira during 2022-23.
- 6.5 India's foreign exchange reserves stood at USD 578.4 billion, equivalent to 9.7 months of merchandise imports in FY 2022-23.
- 6.6 Non-food bank credit of scheduled commercial banks (SCBs) rose 15.4% year-on-year (y-o-y) as at end-March 2023 from 9.7% a year ago. Improvement in bank credit was seen across all major sectors. Credit to the agriculture sector grew by 15.4% (y-o-y) in FY 2022-23 as compared with 9.9% a year ago, supported by the above normal monsoon and the enhanced target for agricultural credit. Credit growth to industry registered a growth of 5.7% in FY 2022-23 as compared to 7.5% previous year, led by medium industry and sustained growth in the micro, small and medium enterprises (MSME) segment. Retail loans with growth of 20.6% y-o-y, aided by housing and vehicle loans, remained the major driver of overall credit growth during the FY 2022-23.

7 Liquidity conditions:

- 7.1 Liquidity conditions remained highly volatile during the FY 2022-23. In H1:2022-23, the focus of liquidity management moved to gradual, calibrated withdrawal of surplus liquidity in a non-disruptive manner. Accordingly, surplus liquidity moderated further in H2:2022-23.

- 7.2 In FY 2022-23, the RBI brought-in various modifications in the liquidity operations including introduction of the SDF at 25 bps below the policy repo rate thereby removing Fixed Rate Reverse Repo (FRRR) as the floor for Liquidity Adjustment Facility (LAF) from April 2022. In September, it announced the merger of the 28-day variable rate reverse repo (VRRR) with the fortnightly 14-day main auction.
- 7.3 Further, the RBI provided a forward- looking guidance for remaining vigilant, agile, and nimble in its liquidity management operations to meet the productive requirements of the economy while mitigating the impact of global spillovers on domestic financial markets.

8 RBI's policy decisions:

- 8.1 During FY 2022-23, the Monetary Policy Committee (MPC) increased the policy repo rate by 250 bps, and policy remained focussed on progressively aligning inflation with the target, while supporting growth.
- 8.2 Reflecting these developments, the weighted average call money rate (WACR), on an average, was broadly aligned with the repo rate with 3 basis points (bps) above the repo rate in H2 as compared with 27 bps below in H1 of FY 2022-23.

9 Banking environment:

- 9.1 In FY 2022-23, despite a hostile global financial environment, Indian banking system remained resilient with improved profitability, adequate capital buffers and moderate levels of non-performing loans.
- 9.2 Aggregate deposits of SCBs registered a faster growth (9.6% y-o-y as on 24th March 2023, as compared to 8.9% growth as on 25th March 2022) during FY 2022-23, due to considerable increase in interest rates.
- 9.3 Banks' deposit and lending rates moved higher in tandem with increases in the policy repo rate. The Weighted Average Lending Rate (WALRs) on fresh rupee loans rose by 181 bps during May 2022-March 2023. The weighted average domestic term deposit rate (WADTDR) on fresh deposits increased by 242 bps during May 2022 to March 2023. The transmission to WADTDR on outstanding deposits has picked-up gradually, reflecting the longer maturity profile of term deposits contracted at fixed rates.
- 9.4 Asset quality of the SCBs improved, with the overall non-performing assets (NPA) ratio declining to

4.5% in December 2022 from 6.5% a year ago. Asset quality improved across all the major sectors.

10 Resources Mobilisation

Total deposits of the Bank stood at ₹11,17,716 crore. CASA deposits stood at 35.25% of total deposits.

Composition of Deposits:

(₹ in crore)

Particulars	31.03.2022	31.03.2023
Total Deposits	10,32,392	11,17,716
CASA Deposits	3,77,193	3,94,055
Saving Deposits	3,04,541	3,20,075
Current Deposits	72,652	73,980

Initiatives taken during the year:

- Bank aimed at an exclusive focus on Salary accounts. The salary portfolio has shown a growth of 26.55%.
- Special SB products such as SBHNI Prime was launched to cater to the needs of the affluent section of society.
- Special Account for Minors (IndustryFirst product): **Union Muskaan** launched to inculcate Saving habits among children and to help parents/guardians build a corpus for the child's future. The scheme also has the additional feature of a free term insurance facility attached with RD linked to each MUSKAAN Account.
- Pan India's 233 branches have been identified for handling/accepting bulk deposits of ₹2 crores and above. This has helped other branches to concentrate on retail term deposits and the CASA portfolio.
- Special Retail Deposit Schemes in the slab of 599 days, 700 days, 800 days & 3 years launched to give momentum to growth in the retail deposit segment. This helped your Bank garner total of ₹1,00,000 Cr (approx.) from 20,46,357 accounts as on 31.03.2023
- MOU signed with Indian Navy and Naval Dockyard Mumbai for opening Salary accounts of Navy Personnel and Naval Civilians
- "Pravasi Hamara Gaurav" drive was conducted, and 77 NRI meets were organized in Pan India with a focus on garnering quality business from NRIs.

- Dedicated NRI Back office has been established at Mangalore with a view to providing support to NRI & NRI focussed branches. Customer queries & grievances are also handled by the team.
- Relationship Managers have been posted at regional offices & other identified centres to cater to the needs of Top clients / HNI customers at their doorstep and provide them with personalized service on case to case basis.

11 Credit Management

11.1 Overall Credit:

The Bank's total advance was ₹8,09,905 as of 31.03.2023, the corporate & others advance stood at ₹3,73,188 Crore. 14 Large Corporate Branches (LCB) and 56 Mid Corporate Branches (MCBs) across the country are catering to the needs of corporate clientele. Your Bank has made judicious disbursements to investment-grade projects of the large corporate, thus participating in the growth opportunities in the Indian economy.

11.2 Mid Corporate:

- Your Bank registered growth of 15.12% on a YOY basis in Mid corporate accounts.
- A total of 171 New Business Proposals amounting to ₹21,615 crore have been approved during FY 2022-23, out of which final sanction has been accorded in 64 accounts amounting to ₹7704 crore.
- To increase non-interest income, enhancement was accorded in Non-Fund Based limit (Off Balance sheet exposure) amounting to ₹3000 crore in 91 accounts.

11.3 MSME:

Business Growth:

(₹ in crore)

Particulars	31.03.2022	31.03.2023	YoY Growth (%)
Total MSME Advances	110577	125022	13.06

MSME advances have registered YoY growth of 13.06 % during the FY 2022-23.

Performance under identified MSME Schemes:

Detailed below is the performance of your Bank under the identified MSME Schemes during the year.

Name of the scheme	Sanctioned A/c (Number)	Sanctioned Amt. (₹ In Crore)
Union MSME Suvidha	5,525	4,307
Union Nari Shakti	19,637	2,357
Union Equipment Finance	899	819
Union Ayushman Plus	567	378
Union Solar	108	105

Union Nari Shakti: An exclusive scheme for financing women entrepreneurs i.e. "Union Nari Shakti" Scheme with attractive features such as waiver of Processing charges, reduced margin requirement, collateral coverage, rate of interest etc. The total number of accounts financed as on 31.03.2023 is 24,669 with sanctioned amount of ₹ 3232.57 Crores and outstanding balance of ₹ 2598.11 Crores. During the FY 2022-23, your Bank sanctioned 19,637 fresh accounts to the tune of ₹ 2357.33 Crores. Including the enhancement portion in the existing accounts, your Bank sanctioned 20,618 accounts to the tune of ₹ 2489.64 Crores. To take a leap further, Your Bank has introduced end-to-end digital New platform for Fresh Nari Shakti applications during the FY 2022-23. This platform enables Existing to Bank (ETB) & New to Bank (NTB) customers to avail loan above ₹ 2.00 Lakhs & up to ₹ 10.00 Lakhs through mobile and web application interfaces in a self-service mode.

MSME Loan Points: During the financial year, MSME processing centers of your Bank have sanctioned/appraised credit proposals (including Agri and corporate) of ₹35,598 Crore, out of which ₹ 18,140 Crore was within their own delegation.

Outreach Camps: Executives from the Central Office have regularly visited their assigned regions to drive the growth of the MSME business. This has resulted in increased monitoring of their regions with improved MSME business numbers.

Cluster Schemes: Bank has approved 33 cluster schemes across Pan India. During the financial year, the utilization under the approved clusters has increased from ₹2191 Crore as on March 2022 to ₹10,113 Crore as on March 2023.

To cater to MSME Client Base and timely address their credit requirements, 80 additional Union MSME First Branch (UMFBs) were launched during the FY 2022-23 taking the number of total specialized branches to 105 with an MSME portfolio of ₹9000.00 Crores.

To cater to the requirements of the Startups, a specialized Startup Branch was launched in Bangalore during FY 2022-23.

Creation of the Dedicated "Centralized Guarantee Cell" for Credit Guarantee Schemes: In order to have focused approach and freeing field functionaries for marketing activity and business growth, operational activities related to credit guarantee are shifted to a dedicated back-office structure. The Guarantee Cell is set up at MSME Vertical, Central Office. Further, a need was felt for automation of the process. To ensure timely compliance with the credit guarantee-related activities, an inhouse portal called 'Credit Guarantee Management Solutions (CGMS)' was created. This portal had a pivot role in the API integration of fresh guarantee coverage with CGTMSE. CGMS was made live on 1st September'22 for all India Branches. Currently, all the new credit guarantees are obtained online through the CGMS portal, and also guarantee fee is debited directly to accounts from the backend. This is to ensure seamless activities related to obtaining guarantee coverage under the various Schemes, claim lodgment, and maintenance of the portfolios in time bound manner.

Training Programme: During FY 2022-23, Marketing officers were introduced to the MSME Loan Points (MLP), and each of them was imparted an orientation and training programme on credit appraisal and marketing. In order to have the complete development of credit officers posted at MSME Loan Points (MLP), including the MLP Heads, training was provided within the existing training structure to improve the knowledge level for better implementation at their job role.

PMEGP (Prime Minister's Employment Generation Programme): Bank is playing an instrumental role in the implementation of the PMPGP Scheme across all the regions with regular monitoring at all levels. During the FY 2022-23 Bank has enabled 7,562 Individuals to embark on the entrepreneurship journey with total assistance (Margin Money) of ₹ 298 Crore.

PMMY (Pradhan Mantri Mudra Yojna): To promote entrepreneurship and to enable micro credit to the aspiring youth, Bank has been at the forefront in implementing the Pradhan Mantri Mudra Yojna by sanctioning 814221 applications with a total

sanction of ₹ 13,078 Crore during the FY 2022-23.

PMSVANidhi (PM Street Vendor's Atma Nirbhar Nidhi): To implement the financial inclusion of Street Vendors by providing them with micro-credit and inculcating the habit of financial discipline among them, your Bank has assisted 1,15,695 street vendors with ₹193.83 Crores under PMSVANidhi scheme during the FY 2022-23.

Initiatives to reduce environmental footprint as a part of ESG initiatives:

Digital Banking Initiatives: MSME Customers can now apply for loans digitally for their business requirements. On this front, Bank has launched an end-to-end digital solution like Straight through Processing (STP) Kishore and Tarun Mudra Loans (up to ₹10.00 Lacs). Union Nari Shakti (up to ₹10.00 Lacs) and GST Gain (up to ₹25.00 Lacs) are also available digitally.

Union Solar (New Product): Bank has launched this product to finance the borrowers for installing Solar Power Plants for their captive use and help in moving towards usage of non-conventional sources of energy. In order to make the scheme attractive and cost-effective, waiver of collateral requirements and concessional rate of interest is approved.

12 Retail:

The Total Retail Advances (excluding PWO) reached ₹1,59,702 crores registering overall Y-o-Y growth of 17.19%.

Product-wise Y-o-Y growth under Retail Lending is as under:

(₹ in crore)

Scheme	Actual March'22	Actual March'23	Growth over March' 22	% Growth Over March 22
Home	71929	79726	7797	10.84
Miles	12705	16597	3892	30.63
Education	7590	9419	1829	24.10
Mortgage	12607	14308	1701	13.49
Personal	6126	11734	5608	91.54
Others	26025	28812	2787	10.71
Total Retail Advance (incl. PWO)	136982	160595	23613	17.24
PWO (-)	709	893	184	25.95
Total Retail A d v a n c e (E x c l u d i n g PWO)	136273	159702	23429	17.19

- Total Retail growth of ₹23429 Crore over March'22.
- Growth on YOY basis is at 17.19 %.
- PAN India basis, RLPs (CPCs) sanctioned Retail loans of ₹ 32375 Cr during FY 2022-23.

Initiatives Taken:

- Separate scheme for Special Education Loans for Abroad Study, Special Education Loan Scheme for Premier Medical Institutes (Union Medicos)
- Dedicated education loan officers are earmarked in the field as the single point contact for education loans.
- Introduction of a separate Retail Gold loan scheme for Education loans.
- Introduction of Digital Education Loan for Studies in Premier Institutes.
- Launch of Union Suraksha Personal loan to finance for credit life premium.
- UBISL has been empaneled as CSA for canvassing education loan leads.
- Maruti Suzuki Integration with Bank's Lending Automation System (LAS).

12.1 Agriculture: Agriculture lending has always been the priority area for your bank. Agriculture advances constituted 17.77% of the Gross advances of your Bank as of 31.03.2023. Your Bank registered a Y-o-Y growth of 14.20% in Agriculture during FY 2022-23 with an outstanding of ₹1,51,993 Cr as of 31.03.2023.

Outstanding credit to small and marginal farmers as of March 31, 2023, stood at ₹95,171 Cr, which constituted 13.33 percent of ANBC against the benchmark of 9.50 percent of ANBC. During FY 2022-23, Bank issued 4.11 lakh fresh Kisan Credit Cards amounting to ₹6,896.45 Cr.

12.2 Priority Sector Advances:

Your Bank remains committed to extending credit facilities to the needy segments of society. Your bank's priority sector advance stood at ₹302006 Cr as on March 31, 2023. Against the statutory target of 40% under Priority sector advances, your Bank achieved 42.31 percent of the Adjusted Net Bank Credit (ANBC) for the Quarter that ended March-2023 after excluding the PSLC sales and including the investments in RIDF/SIDBI/MUDRA/NHB.

Against the statutory target of 18% under Agriculture Priority as on March 31, 2023, Bank's performance is 18.97%. Bank could also sell the

surplus of ₹15450 Cr under PSLC-Small & Marginal Farmer.

(₹ in crore)

Particulars (Including RIDF)	31.03.23	31.03.22	Y-o-Y (%)	% to ANBC	Benchmark FY 2022-23 (% of ANBC)
Priority Sector Credit (After Deducting PSLC-Sold)	302006	272282	10.91	42.31	40%
Agriculture Priority Sector (After Deducting PSLC-Sold)	135430	127343	6.35	18.97	18%
Small & Marginal Farmers (After Deducting PSLC-Sold)	95171	88194	7.91	13.33	9.50%
Credit to Weaker section (After Deducting PSLC-Sold)	118631	104698	13.30	16.62	11.50%

Specific Lending for Social Upliftment

Your Bank has continued to keep its focus on social development and equal opportunities for all segments of society. Accordingly, your Bank extended credit facilities to various weak and unserved sections of society, specifically women, minority communities, and self-help groups.

- **Women Beneficiaries:** With a view to promoting entrepreneurs among women and making them self-reliant, your Bank encourages credit to women entrepreneurs. During FY 2022-23, Total outstanding loans to women beneficiaries increased from ₹89110 crore in March 2022 to ₹105954 Crore in March 2023, i.e., a growth of 18.90%.
- **Minority Communities:** Your Bank is extending finance to the minority communities in line with the Government of India directives on the welfare of minority communities. As on March 31, 2023, the outstanding credit to minorities stood at ₹28,314 crore, which constitutes 9.38 percent of Priority sector advances.
- **Weaker Section:** Your Bank has been actively participating in financing for weaker sections of society. Finances to weaker section net sale of PSLC-SF/MF has increased from ₹104698 crore to ₹118631 crore, as on March 31, 2023, registering a growth of 13.30 percent. Outstanding credit stood at 16.62 percent of ANBC against a benchmark of 11.50 percent.
- **Rural Self Employment Training Institute (RSETI):** With the aim of mitigating the employment problem among the rural youth, your Bank has established

24 RSETIs in districts where your Bank has "Lead Bank Responsibility". As of March 31, 2023, the total number of candidates trained in our RSETIs is 308494, out of which 205525 candidates have been employed. Thus, in total, your Bank has 30 RSETIs (including 24 RSETIs wherein our Bank is the Lead Bank) present across the country, creating employment opportunities for Unemployed Rural youth.

- **Regional Rural Banks (RRBs):** Your Bank sponsors Chaitanya Godavari Grameen Bank (CGGB), Guntur, Andhra Pradesh state. It has a network of 238 CBS Branches spread over three districts of Andhra Pradesh, namely, East Godavari, West Godavari & Guntur. The business of CGGB has increased to ₹17582.21 crore, with a growth of 19.77 percent during FY 2022-23. Total Deposits stood at ₹7481.59 Cr and Advances at ₹8820.64 Cr with a Net profit of ₹232.34 Cr. The Gross NPA is 0.63%, and Net NPA is 0% as of 31.03.2023.
- **Pradhan Mantri Fasal Bima Yojana (PMFBY):** Your Bank is implementing PMFBY for the benefit of farmers who face climatic adversities very often and suffer a lot. All farmers, including sharecroppers and tenant farmers, grow the notified crops in the notified areas covered under PMFBY.
- **Area Specific Schemes**
Bank has formulated 32 Area Specific Schemes based on the available potential for the benefit of the farmers in the respective areas to augment lending under agriculture.
- **Atmanirbhar Bharat Schemes/Emerging Renewable Sectors:**
Your Bank has started capitalizing on huge investment taking place in Agri Infrastructure, Animal Husbandry, and Food Processing through various Atmanirbhar Bharat Schemes like the Agri Infrastructure Fund, Animal Husbandry Infrastructure Development Fund, and Pradhan Mantri Formalization of Micro Food Processing Enterprises.
Your Bank is also leveraging other schemes under renewable energy like Compressed biogas schemes, solar power plants, and solarization of pump sets under the PM KUSUM Scheme to help in achieving sustainable development goals and improving Green Financing.
- **Digitization of KCC**
Your Bank rolled out Kisan Credit Card Auto Renewal STP (Straight Through Processing) in

the entire state of Karnataka on 29.11.2022 & in the state of Madhya Pradesh on 30.11.2022. Fintech has been onboarded and will be scaled up gradually in all remaining states where land records are digitized). Kisan Credit Card STP for Fresh sanctions up to ₹ 1.60 lakhs has been rolled out in the State of Madhya Pradesh on 11.11.2022 and launched in 11 branches of Karnataka state on 20.03.2023 on a pilot basis.

12.3 Financial Inclusion:

Summary of performance during the FY 2022-23:

(₹ in lacs)

S. No	Parameters	31.03.2022	31.03.2023
1	No. of PMJDY A/cs	244.78	280.00
2	Balances in PMJDY A/cs (Cr)	7780	9046
3	RuPay Cards issued A/cs	118	156
4	Aadhaar Seeded A/cs	204	229
5	Zero Balance A/cs	42	47
6	Overdraft Sanctioned	2.44	2.41
7	APY (cumulative)	25.01	33.77
8	PMJJBY in PMJDY A/cs	6.52	8.39
9	PMSBY in PMJDY A/cs	29.77	36.57
10	No Transactions at BC Point	1045	1110
11	Amount of Transactions at BC Point (Cr)	62945	71618
12	Average Enrolment Per Day Per Branch at Aadhar Enrolment Centres (Nos)	10	14
13	Financial Literacy Camps	3358	4128

- 35.65 lakhs PMJDY accounts are opened during FY 2022-23, Your Bank has achieved 132% of the target under PMJDY Saturation Drive Campaign.
- Total Deposit balances in PMJDY accounts have increased by ₹ 1266 crores over the previous year (i.e., from ₹7780 crore to ₹9046 crore).

- Cumulative enrolments under APY increased by 8.77 lakhs during the year. As of 31.03.2023, Your Bank has achieved 123% of the Target of 7.1 lakhs allocated by the Dept. of Financial Services for FY 2022-23 for APY enrolments.
- No of BCs increased to 17662 from 16948.

New initiatives taken:

- Enrolment of New Pension Scheme (NPS) at BC Points.
- BC Monitoring Mobile App is made live at the Google Play store to enable the Branch/RO/CO to complete the BC Monitoring through Mobile and will have the advantages like Paperless Inspection of BCs, Geo Tagging, Social Audit concept, Real-Time MIS of the audit coverage, Risk categorization, a tool for Preventive Vigilance measures and Early Warning Signal of irregularities at BC points, availability of Reports through Dashboard, etc.

13 International Banking

Overseas business of your Bank stood at ₹36,229 Crore as on March 31, 2023, compared to ₹17,429 Cr as on March 31, 2022. Your Bank has three overseas branches in Hong Kong, DIFC (Dubai), and Sydney (Australia) and operates in London, United Kingdom, through its wholly owned subsidiary, Union Bank of India (UK) Ltd, and 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 has grown by 43.55%, and Operating Profit has grown by 7.46% for the FY 2022-23.

Trade Finance

Your Bank offers a bouquet of Trade Finance products and services to exporters and importers through an extensive, well-equipped branch network that operates in India and abroad. The agenda is to support 150 Authorized Dealing branches spread across the length & breadth of the country, Centralized Trade Finance Back offices, and Centralized SWIFT Back Office for orderly growth of the Trade Finance portfolio, formulate policies, and innovate new products as per the market demands and changing regulatory norms.

Bank aims to improve synergies and trade flow between Domestic Offices and Foreign Offices/ Correspondent Banks and the trading community by forming a strong link between them.

Your Bank facilitates the growth of Export Credit by actively involving branches, trade bodies & other stakeholders.

Global Payments & Services

International Exchange Vostro Branch- International Exchange Vostro Branch (IEVB) facilitates Inward Remittances from Overseas locations to India & Opening & Maintenance of Vostro Accounts for Foreign Banks, Rupee Drawing Arrangements of Exchange Houses & Special Rupee Vostro Accounts.

Your Bank is in the process of introducing various Foreign Exchange Services at your fingertips via its “Vyom” App, like Inward & Outward Remittances, followed by various other Trade Finance products through the mobile app.

Correspondent Banking Relations - Your Bank is a pivot in maintaining and reviewing RMA relationships with a network of 717 banks in 114 countries. Your Bank has 943 RMAs with 673 Banks in 94 Countries and Nostro Relationships with 33 Banks.

“Trade Finance Set Up”

Your Bank is well-equipped to provide a wide range of products and services to exporters and importers through an extensive branch network that operates domestically and internationally.

Your Bank facilitates the growth of Export Credit by actively involving branches, trade bodies & other stakeholders.

To facilitate the Trade Community, Forex Service Charges have been rationalized and aligned with the market. Bank has also introduced many system-related enhancements and updates in the SWIFT system.

Your Bank has in place Centralized Trade Finance back offices at Mumbai & Mangaluru for central processing of Trade Finance Transactions, which are exclusively set up to provide a one-stop solution for access to our customers.

Your Bank is committed to ensuring FEMA compliance across your Bank. The department ensures timely submission of RBI / FEMA-related returns and issuing instructions concerning revisions in FEMA / RBI guidelines.

Exporters/Importers meet

Various Exporters/Importer meets were conducted across India to increase awareness of the banking facilities offered by your Bank. New products like Union Trade Current Account (UTCA) and Trade Nxt have been introduced for the benefit of our customers. Also, existing schemes like Union Exports have been made more attractive.

TRRACS Software, EDPMS / IDMPMS

Your Bank has in place the Trade Regulatory Reporting and Compliance Solution (TRRACS) software that is

continuously leading to a reduction in pending EDPMS / IRMs / Export advances entries over a period of time, and we could succeed in the removal of these entries substantially, enhancing customer satisfaction.

LIBOR to ARR (Alternate Reference Rate) / RFR (Risk-Free Rate) Transition

With the introduction of an Alternate Reference Rate (ARR) to replace LIBOR, there is a major transition in the Global Trade Ecosystem. Your Bank has taken the initiative to implement & Automate the ARR regime in its Trade Finance operations.

Centralized SWIFT Back Office (CSBO)

SWIFT is an integrated web-enabled messaging software that runs centrally and is accessed by the interface channels and branches, facilitating the electronic exchange of financial and non-financial messages.

A centralized SWIFT office has been set up in Mumbai for handling cross-border transactions over the SWIFT network and for ensuring smooth & fully secured transmission of messages.

Trade Finance Solution – Trade Nxt

As part of digitization and redesigning of trade finance processes, your Bank has launched Trade Finance Solution, i.e., Trade Nxt.

Trade Nxt is a Unique Digital Trade Services Platform for our customers to transact Foreign exchange transactions efficiently & at their convenience. The platform supports all types of trade transactions, including Exports, Imports, Guarantees, and Remittances.

Key Features:

- ❖ **Convenience** - Avail service from your home or office, No need to visit branches.
- ❖ **24x7 Availability** - Trade-related transactions can be initiated round the clock.
- ❖ **Customization** - Personalized dashboards and customized templates.
- ❖ **Paperless Banking via Digitization** - Dedicated portal for managing all trade transactions, Auto mailer intimations of advice, and SWIFT messages.
- ❖ **Process Improvement** - Driven by AI and OCR Technologies to initiate and process transactions (Implementation under progress)
- ❖ **Efficiency** - Substantial improvement in TAT due to Digitization and Centralization
- ❖ **Relationship Manager** - Improved Customer service through dedicated Relationship Managers

- ❖ **Compliance** - Complying with Regulatory Norms & Procedures along with International Best Practices.

FEMA Audit

The branches that are authorized to deal (Authorised Dealers) in Foreign Exchange Transactions, including CSBO, and Trade Finance Processing Back Offices, are subjected to FEMA compliances.

KYC / AML-CFT Measures

Your Bank has been taking comprehensive steps to implement KYC norms/guidelines across your Bank. Bank has a board-approved policy on Know Your Customer (KYC) standards, Anti-Money Laundering (AML), and Combating of Financing of Terrorism (CFT) measures, in line with the extant RBI Master Direction on KYC.

Workshops / Events held by Bank

- India International Cargo & Logistics Exhibition from 30.11.2022 to 02.12.2022 at Mumbai & companies have participated in the exhibition.
- Almus Rupee Money Conference'2022 on 10.12.2022 at Mumbai.
- BFSI Insight Summit 2022 from 21.12.2022 to 22.12.2022, in Mumbai.
- FIEO's capacity building programme under the initiative district as an export hub on 21.1.2023 at Jaipur.
- IESS (International Engineering Sourcing Show) Chennai – 16th to 18th March 2023

14 Treasury operations

- To act as a prudent liquidity manager in line with Bank's corporate goal, Treasury aims at generating optimum profit while managing the credit, market, and liquidity risks as per policy guidelines. Better cash management by different short-term money market instruments and forex market. Maintaining a decent SLR & Non-SLR investment book with appropriate Modified duration will help us to enhance our profitability.
- Conserve your Bank's capital by reducing high capital-intensive instruments and increase the NIM and ROCE by leveraging the less capital-intensive instruments.

a. Summary of performance during 2022 – 23:

During the FY, the repo rate increased by 250 bps, from 4.00 to 6.50 percent, to tame the higher inflation. This results in hardening of the yields and

10 year G-sec made a high of 7.62 in June 22 from 6.84 in March 22. Accordingly, bank took prudent investment decision and kept the duration lower in the AFS book to minimize the impact of the yields hardening. The modified duration of AFS book was kept at 1.32 in FY22-23 against 1.20 in FY21-22. Bank made investment at opportune time to augment the interest income from the investment portfolio. Bank's total domestic investment was to the tune of ₹3, 45,370 crore as on 31-03-2023 whereas it was ₹3, 53,002 crore as on 31-03-2022.

Bank has actively managed the liquidity and the liquidity position remains comfortable during the FY 2022-23.

Bank has good presence in USD-Rupee Spot and USD-Rupee Forward markets and command good market share in merchant foreign exchange flows.

Summary of performance:

Particulars	₹ in crore)	
	FY 2022 -23	FY 2021-22
Interest income	24,438.39	22,780.00
Profit on sale of Investment	1,083.00	3,401.00
Exchange profit (Forex)	813.00	640.00
Total Treasury Income	26,334.39	26,821.00

b. New Initiatives during the Year:

Debt syndication:

Debt syndication activity started during the FY, and Bank has earned fee-based income to the tune of ₹ 1.51 Cr.

c. Treasury Strategy:

- As interest rate is likely peaked in most of the economies as inflationary pressure is ebbing, interest rate cycle is expected to reverse. We are closely looking into all the opportunities and accordingly diversifying the portfolio with adding duration to this to maximize the trading gain as well as to augment the interest income.
- Explore all available arbitrage opportunities in the financial market, such as forex Vs. money market, dated securities Vs. interest rate future (IRF), dated securities Vs. overnight index swap (OIS), long-term treasury liabilities Vs. structured derivatives etc.

- Strengthening manpower through various in-house and external training like ACI dealing certification, mastering the trading game, etc., for improving overall efficiency level at every stage.
- To make the sales team even more capable by increasing the size of members and using the digital mode to onboard new customers and provide a seamless experience to old and new customers of your Bank. Exploring possibilities of expanding PD business through the sales team.

d. Increasing existing customer business share and onboarding new customers:

Treasury Relationship group will drive FX business from existing as well as acquisition of new customers; White label screen to customer can increase FX volume; Trade Finance solution (Finstra) will provide more FX Business due to flexibility to customers for document handling.

15 Asset Quality

Summary of Performance:

NPA Level reduced from ₹ 79,587 crore as of March 2022 to ₹ 60,987 Crore as of March 2023 with reduction of ₹ 18,600 crore.

The details of NPA movement are as follows :

(₹ in crore)

Particulars	FY 2021	FY 2022	FY 2023
Gross NPA	89788	79587	60987
Gross NPA %	13.74	11.11	7.53
Net NPA	27281	24303	12928
Net NPA %	4.62	3.68	1.7
Fresh Slippages +	17443	22877	12518
Increase in O/S			
Cash Recoveries /	7865	13595	11943
Upgradation			
Recovery in TWO	2537	2750	5549
Write-Offs	16983	19484	19175
PCR	81.27	83.61	90.34

Digital Initiatives Taken under project UNION SARAS:

- Showcasing properties on the common auction platform, i.e., eBkay, under the Indian Banks Auctions Mortgaged Properties Information (IBAPI) portal launched by IBA at monthly prefixed dates for the entire financial year to enable the filed functionaries to showcase all the eligible properties for auction.

- Use of digital platforms (portals like 99 acres.com, housing.com, foreclosure .com, and OLX) for wider publicity to attract more and more bidders while auctioning NPA.

Recovery Strategies initiated:

Restructuring of NPA Accounts.

Recovery through legal recourse :

- Swift and effective use of legal remedies under SARFAESI and DRT Acts for quick recovery.
- Creation of a strong/flawless database for SARFAESI actions and DRT filed accounts.
- Filing of Suits in all the eligible accounts without fail and close follow-up of the SUITs that have already been filed before DRTs.

Recovery through OTS :

- Focus on negotiated settlements for OTS/ resolution of NPA accounts are discussed with high ticket borrowers during visits by Executives.
- Structured OTS Scheme (OSDL-2023) for Doubtful-II, III, and Loss NPA account with R/L OS Balance up to ₹ 5 crore is launched w.e.f. 31.03.2023.

Bank will continue to lay emphasis on guarding against fresh slippages and focus on recovery/Upgradation vigorously so as to bring down the level of NPA consistently.

Weekly Mega recovery camps were planned to be organized on a Pan India basis.

Recovery through sale of assets to ARCs/NARCL :

- Bank will identify NPA accounts to explore for the Sale of distressed assets to ARCs/NBFCs/BANKs/ FIs so as to keep the NPA levels at an acceptable level in line with the requirements of the regulator.
- Shifting of High-level NPA to NARCL

Recovery through NCLT :

- To improve the timely recovery performance of your Bank , emphasis has also been given to the identification of eligible accounts to be filed before NCLT for reduction of NPA levels.
- Under personal insolvency Form 'B' had been issued to all the guarantors of the corporate debtor.
- Initiating action against personal guarantors where CIRP is going on.

Recovery through specialized branches :

- NPA Accounts with O/s of 20.00 lakh and above up to ₹ 25.00 crore are transferred to ARBs.

- 7 new ARBs are opened during the current Financial year for a focused approach in the Resolution/ Recovery of NPAs of ₹ 20 lakhs to less than ₹ 25 crores.

Various campaigns are launched to improve the recovery performance, like provision buster, Thunder-2, Heat the beat, Pace the race-I, II, III, and DRT Campaign.

National Lok Adalat was conducted on various dates as per the National Lok Adalat calendar. Apart from this, Lok Adalat is also conducted by Regions at regular intervals under Aegis of District Legal Service Authority.

16 Relationship Banking

Your Bank earned an income of ₹353.36 crore through the distribution of third-party products during the year 2022-23.

(₹ in crore)

Business Parameter	ACTUALS FY 2021-22	ACTUALS FY 2022-23	% Achievement
Life Insurance	170.24	233.69	56.04%
Non-Life Insurance	48.14	50.76	39.50%
Health Insurance	38.03	49.13	44.57%
Mutual Fund	17.66	19.77	42.74%
Total Income	274.07	353.36	50.34%

INITIATIVES DURING THE YEAR

- Revival of Corporate tie-up with Nippon India Mutual Fund to grow business under the Mutual Fund segment.
- Corporate tie-up with LIC Mutual Fund.
- Select Insurance products from SUD Life, Care Health, and Manipal Cigna were onboarded on the VYOM app for purchase through digital channels. Products from other channel partners are in the process of being onboarded shortly.
- Mutual Fund investments through the VYOM app were made live in November'22
- A personal loan scheme was introduced for premium funding of Credit life insurance policies.

NEW PRODUCTS LAUNCHED:

UNICARE: 'UNICARE' policy from Bajaj Allianz General Insurance Company was launched to cater to the needs of HNI customers of your Bank

PINK Health: Manipal Cigna's Cancer plan for women.

Chola Farmer Care package: Policy launched by Chola MS for compensation to the farmer due to property losses, accident losses, other personal losses, and loan protection up to the sum insured or loan outstanding, whichever is lower.

SMS alerts to customers and conversion of the leads shared by ACoE. SMS alerts are already being sent to customers.

A redemption option for Sovereign Gold Bonds has been developed in Finacle, doing away with the manual process of sending physical applications.

DIGITAL INITIATIVES:

1. M/s. Fintech Blue Solutions Pvt. Ltd. is working on developing a digital platform. SUD Life, Care Health, and Manipal Cigna working in VYOM. Onboarding other channel partners is under process.
2. M/s. Finwizard Technology Private Limited has developed a digital platform for Mutual Funds. Platform running successfully on VYOM.
3. Branch portal under process for Mutual Funds.

17 Government Business

- ❖ Non-Interest Income from Govt Business reached ₹ 132.90 Crores, showing a growth of 70% against last year's performance of ₹ 78.18 Crores.
- ❖ Total Govt. resources reached ₹ 3,15,196 Crores W/w Govt CASA reached ₹ 68,368 crores.
- ❖ Finished 2nd Position in National Pension System Citizen Model, after SBI in PSB Category. This year your Bank added 33,558 accounts, showing a growth of 35.27% against last financial year.
- ❖ Mobilised 22,208 Pension Accounts and recorded 54.31% growth over the previous year.
- ❖ Added 2,87,560 new Small Savings Scheme accounts and reached 12.96 lakh A/Cs. Recorded 14% growth over the previous year.
- ❖ Tax Challan collection reached 6.2 Million in the FY, amassing ₹ 90,381 crores.
- ❖ Enabled NPS Account opening Integration through Banking Correspondents.
- ❖ Signed MoU with Indian Navy for Salary Account opening.
- ❖ Signed MoU with Gram Volunteers/Ward Volunteers & Village Secretariats / Ward Secretariats (GVWV & VSWS) Department, Vijayawada, for opening Employees Salary Accounts
- ❖ Integration with EPFO for Pension Disbursement for EPFO pensioners.
- ❖ 21 Central Nodal Agency (CNA) accounts were added with a budget of ₹4,316 Crore and a present balance of ₹812 Crores.
- ❖ Mobilised 226 Single Nodal Agency (SNA) accounts and 1700 plus sub-agency accounts with

a budget of ₹ 35,000 crores & present balance of ₹ 5,733 Crores.

- ❖ Mobilised 3,700 plus Gram Panchayat Accounts and also canvassed 33 MPLAD Accounts of newly elected MPs.
- ❖ Enabled e-Stamping facility in 630 branches under 15 States.
- ❖ Enabled online bond subscription facility for RBI Bond.
- ❖ Provided Collection facility of Vidyalaya Vikas Nidhi of 595 Navodaya Vidyalaya School.
- ❖ Mobilised Hybrid Annuity Model (HAM) Escrow account of NMCG.
- ❖ Mobilised Current Account of 4G Saturation Project Account of BSNL with Budgetary Allocation of ₹ 24,000 Crores.
- ❖ Mobilised Account of U.P. JAL NIGAM (RURAL) at Orai.

Various type of collection facility through Payment Gateway was enabled for 17 Government Organizations, namely:

- Kerala State Beverages
- Central Pollution Control Board
- Etawah Safari Parks Samiti
- Karnataka Housing Board
- HSIDC
- Panvel Municipal Corporation
- NBCC (India) Ltd (EMG NEW MOTI BAGH)
- Udupi City Municipal Council
- Odisha Lift Irrigation Corporation Ltd
- Gujarat Matikam Kalakari and Rural Technology Institute Gujarat
- The Fertilisers and Chemical Travancore Limited
- Odisha Power Generation Corporation Ltd.
- Indian Institute of Food Science and Technology
- Netaji Subhash University of Technology
- NIFT – Shimla, Jodhpur and Kolkata
- Navodaya Vidyalaya Samiti
- Arun Jaitley National Institute of Fin. Mgt

18. Human Resources Management

Your Bank has been at the forefront when it comes to introducing industry best practices in order to empower its workforce as well as in order to achieve its corporate objectives. In addition to the focus on people development, the focus during FY 2022-23 has

also been on stabilizing the automation and digitization of processes being launched by your Bank so that they can function seamlessly.

The industry has also recognized and lauded your Bank's efforts through numerous awards received during 2022-23 for HR innovation, Leadership, Preferred Workplace & Training.

Union Prerna Project:

Skill profiling exercise:

Your Bank has undertaken skill assessment and gap assessment for employees in Scale 4 & 5 in order to connect essential requirements of their jobs and their abilities and knowledge needed for that job to develop futuristic capabilities for the bank. An in-house skill profiling tool has been developed, which will assess the skill of employees based on their self-declaration and multiple choice questions, which are designed to test a mix of knowledge and scenario-based testing on a group of skills having a mix of traditional and new age skills required in banking. The exercise will help your Bank in associating skills required for specific jobs within the bank, determining the levels of expertise required for various roles, helping analyze skill gaps in employees, training need analysis, providing skill development opportunities for the employees, etc.

Succession Planning Exercise:

Your Bank has undertaken the succession planning exercise for key executive positions in order to plan smooth execution of leadership transition to ensure business continuity with the help of a Talent Management & Succession Planning Tool that has been developed to provide the list of probable successors for different critical positions. The tool with various data inputs like role suitability, PMS score, behavioral competency mapping, functional competency mapping, role history, etc., provides suitable successors for a particular position.

The exercise will help your Bank to identify the necessary skills, knowledge, and attributes to succeed the incumbent in each key position of the bank. Probable successors can be assessed against the competencies and skills of potential successors and fill the gaps between these through targeted training and development activities, to ensure that successors have the knowledge, skills, and abilities necessary to succeed in future leadership roles.

Wings Programme for Branch Heads (Scale IV & Above):

The Wings Programme is an exclusive training programme to promote women's leadership at Scale IV & above. The training programme content

includes fostering Growth Mindset, Decision Making, Negotiation Skills, Effective Time Management, and other behavioral skills along with Business strategies.

Power Him & Empower Her:

The Power Him and Empower Her committees have been created with a focus on gender-centric issues of males and females in their career trajectory. The members of these committees are reaching out to employees grouped with specific issues like employees not appearing for promotion, employees facing career progression problems, constraints, etc. The committees conduct various discussion sessions and motivate employees through various interactive ways like workshops, webinars, etc., to help them manage their work-life balance. Various CSR initiatives and camps have also been undertaken by these committees, which has helped your Bank in garnering business opportunities as well.

Employee Wellness (Employee Assistance Program):

Bank has taken the initiative to extend various wellness facilities for employees for their holistic well-being under Union Prerna's Suraksha- HR Benefits Program. An employee assistance programme was conducted on a pilot basis at three centers Mumbai, Delhi & Bengaluru. Through this programme, the employees and their dependent family members benefitted through counseling assistance which helped the employees who were experiencing issues like financial instability, improving work relationships, performance improvement, mental health, occupational stress, coping with major life events, etc. Through these interactions, we have been able to identify some of the major issues faced by the employees, which are anxiety, interpersonal & relationship conflict, work-life balance, confused thinking, negative thoughts, and marital conflicts. With regular counseling of employees, your Bank will benefit from the improved mental health of employees, reduced absenteeism, increased productivity at work, and reduced stress levels in employees.

Learning & Development:

Bank has embarked on an ambitious journey to become one of the top 3 PSB lenders in the country. Consequently, our employees need to be equipped with skills that make us competitive and ahead of our peers. With this foresight, our Bank has embarked on a new L&D journey to build a future-ready talent pool with skill sets that complement the vision of your Bank and promote culture.

The major step in this journey is the creation of 9 Union Learning Academies (ULAs) to enable Unionites to achieve this bold ambition set forth for your Bank and

drive thought leadership in the broader BFSI space. Your Bank has made significant investments to ensure that each Unionite has access to a best-in-class faculty network, new-age content, external collaborations and innovative training design.

In order to keep the learning journey of its workforce uninterrupted various webinars, short duration/long duration programs were conducted. 172 Inland External training programs were conducted, which covered 703 employees, and 7 Overseas programs were conducted, which covered 43 employees. A total of 1171 long-duration programs were conducted, which covered 45965 employees, and 290 small-duration programs were conducted, covering 39414 employees (A total of 1461 internal training programs were conducted covering 85379 employees) at the ZLC level.

A total of 136 training programs were conducted by all ULAs and trained over 3500 employees in FY 2022-23. More than 66000 Learning Hours of training are imparted by ULAs to improve the proficiency level of the participants in various new age skills.

During FY 22-23 total of 14 advanced training programs and 20 functional/core training programs were developed. Also, 28 case studies have been developed by the faculty members.

Faculty members are encouraged to write articles and publish the same in reputed magazines/journals. A total of 180+ articles written by our faculty members are published in reputed journals like Indian Banker, Banking Finance, banker Plus, IIBF, etc.

Bank has empaneled four premier academic institutes, i.e., ISB-Hyderabad, IIM-Indore, IIM-Kozhikode & MDI-Gurugram, to help the training system to bring in fresh perspectives & ideas in training curriculum through their expertise from diverse background & global experience.

To create a think tank and innovation & research hub for your Bank and undertake new research to infuse best-market practices in the training system, Bank inducted 11 Research Officers in the training system through the internal selection process. Our research officers have completed 20+ research projects, out of which 10 are already published.

Mega Experiential Training Action (META) is a highly digitized and cost-effective training initiative with a wider reach to bring in a substantial increase in training hours per employee is initiated.

This is oriented towards enhanced participation to inculcate & nurture the spirit of continuous learning/innovation amongst staff members. META Learning has 4 pillars, and each pillar has a unique design and methodology with an objective of participative

learning: 1. Query-Based Training Sessions: Practical/ need-based/ targeted training to respond to the field functionary's concerns. 2. Staggered Training Program: To enhance two-way communication and outcome-oriented learning. 3. Union Manch: Platform to share the success stories of the Field. 4. UBIQUE: To crowdsource innovative/creative ideas to resolve various issues which are affecting your Bank 's performance.

Bank also rolled out exclusive learning series, namely 'Union Learnathon', to supplement the training and developmental needs of staff members for career development. In the Union Learnathon series, 8800 MCQs, 97 Practice sets, and 26 Digidarshika were hosted to foster the culture of continuous learning and intended to upskill staff members. Under Union Prajna (e-learning module), several Union Radio and Union Podcasts are hosted.

The training system of your Bank has won several awards like IAC Corporate Awards 2023 for "Pioneering Work in Creating Future Ready Inclusive Organization", "The BML Munjal Award for Business Excellence through Learning & Development," and "31st National Award for Innovative Training Practices 2020-21 under BFSI and IT/ITES services category instituted by ISTD".

Official Language:

Your Bank received 18 prestigious Kshetriya Rajbhasha Puraskars from the Department of Official Language, Ministry of Home Affairs, GoI in various Regions/ FGMOs:

Manpower Strength:

The total manpower of your Bank as of 31.03.2023 stood at 75,594.

YEAR	OFFICERS		CLERKS		SUB-STAFF		TOTAL		TOTAL STRENGTH
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	
2020-21	31629	11505	17763	8225	6585	2495	55977	22225	78202
2021-22	31326	11469	16389	7705	5979	2333	53694	21507	75201
2022-23	31814	11734	16774	7886	2170	5216	53804	21790	75594

The effectiveness and efficiency of your Bank's human resources have a direct bearing on the growth of the bank. We have long been working to ensure that there is always a sufficient workforce available in all fields and functional outlets of your Bank in order to provide a high level of service to our clients.

Your Bank has been reviewing the requirement of staff in various cadres every year, and an analysis of the vacancies in various cadres is being made having regard to the growth of the business, future branch expansion/ rationalization, attrition on account of resignations, retirements on superannuation/ VRS, etc.

During the Financial year 2022-23, your Bank received 85 Shields for outstanding performance in Official Language Implementation from different TOLICs (Town Official Language Implementation Committees) set up by the Govt. of India, Ministry of

Home Affairs, Rajbhasha Vibhag, across the country. A total of 183 individual prizes were won by the staff members of your Bank in various Hindi Competitions across the country. Digital KCC STP is available in Hindi and Kannada Languages. SMS facility for all customers is available in 13 languages. The call Centre facility is also available in 11 Indian languages. The Mobile Banking application – 'VYOM' is available in 12 Indian languages. During the year, your Bank also published Cartoon Books on the Mobile Banking application 'Mera Bank-Hamesha Mere Saath' and 11 cartoon books on 'Ethics' in Hindi.

'Union Dhara', Your Bank's quarterly bilingual corporate in-House Journal, and 'Union Srijan' Hindi Magazine of your Bank received the prestigious Public Relations Council of India (PRCI) Gold award in 'Best in-House Magazine' and Consolation Award under 'Journal Print Regional Award' categories respectively. 'Union Srijan' Hindi Magazine of your Bank has also won the prestigious Ashirwad Award. 'Union Dhara' has published special issues on 'Jammu & Kashmir' & 'Operation'. Union Srijan also published special issues on 'Haryana' & 'Senior Citizens'.

The guidelines for reservation in employment for specified categories are strictly followed by your Bank as per Govt. Policy on reservations. Accordingly, the indents are placed with the Institute of Banking Personnel Selection (IBPS), Mumbai. The representation of all reserved categories of employees within the overall staff strength is as detailed below:

Particulars	Officers		Clerks		Sub-staffs		Total	
Total Employees	43548		24660		7386		75594	
Within which								
Scheduled Castes (SCs)	7521	17.27%	4680	18.98%	2668	36.12%	14869	19.67%
Scheduled Tribes (STs)	3432	7.88%	1934	7.84%	614	8.31%	5980	7.91%
Other Backward Classes (OBCs)	12787	29.36%	7597	30.81%	2372	32.11%	22756	30.10%
Ex-Servicemen	884	2.02%	3214	13.03%	614	8.31%	4712	6.23%
Women	11734	26.95%	7886	31.98%	2170	29.38%	21790	28.82%
Minority Communities	3119	7.16%	1723	6.99%	557	7.54%	5399	7.14%

19 Network

The branch network of our Bank is widely spread across the country with 8577 branches and 3 overseas branches (Hongkong, Sydney, Dubai DIFC) as on March 31, 2023. Out of these, 58 percent of the branches are in rural and semi-urban centers.

Table 11: Branches Network As on 31.03.2023

	Rural	Semi-Urban	Urban	Metro	Foreign	Total
No. Of Branches	2545	2458	1755	1819	3	8580
Branches (%)	30	29	20	21	--	100

Your Bank has also total 17662 Business Correspondents, 10835 ATMs, 7 Digital Banking Units (DBU), 5 Owned Subsidiaries, 3 Joint Ventures and 1 Associate Organisation.

20 Information Technology

Your Bank is committed to becoming a next-generation digital savvy Bank with a focus on inclusive, responsive, and responsible banking through customer centricity, employee empowerment, and value creation for all stakeholders. Your Bank continues to progress on this agenda with the launch of multiple new-age initiatives by adopting several technologies like Augmented Reality/Virtual Reality (AR/VR), Artificial Intelligence /Machine Learning, Natural Language Processing, Blockchain, etc.

Your Bank has been transforming IT architecture to ensure high-performance access to business systems and cloud-based applications, complying with regulatory norms without compromising security. We are also employing Enterprise Solution Architecture Practices for new applications to support innovations in diverse, dynamic, and complex environments.

Your Bank invested in infrastructure, technology platforms, and digital applications, which included the integration of our core banking applications with Internet banking, mobile banking, ATMs, and electronic payment systems. Also introduced various other banking platforms, such as Tabulous Banking, Talking

ATMs, and multi-function Sampurna ATMs that provide a number of value-added services, such as mobile top-up, e-cash remittance, direct tax payment, inter Bank mobile payment service remittance, NEFT, and mutual funds payments.

Major strides by your Bank in digital adoption include:

- First public sector Bank (PSB) to go live on the account aggregator ecosystem;
- The first PSB to achieve triple ISO for its IT systems; ISO 27001:2013 (Information Security Management System), ISO 22301:2019 (Business Continuity Management System) & ISO 31000:2018 (IT Risk Management).
- First PSB to implement end-to-end auto-renewals of MSME loans up to ₹1 million;
- First PSB to implement multi-language in Finacle, mobile banking applications, and SMS;
- Union Bank stands 2nd in ATM Switch Processing among all banks across the country.
- Average Monthly CBS transactions – 194+ crore. Daily average transaction volume in the last six months increased by 20%.

- The average system uptime is 99.97% which is at par with the best-in-class Bank under EASE 4.0.
- First Bank in India to introduce Metaverse in Banking.
- Achieved prestigious PCI-DSS (Payment Card Industry – Data Security Standard) certification covering all the payment Systems and processes dealing with cards to secure card payment infrastructure.
- Introduction of several innovative solutions like WhatsApp Banking, Voice Banking, Open Banking Architecture, Digital Platform, Straight Through Processing (STP), Robotic Process Automation (RPA), Pre-Approved Personal Loans (PAPL), etc.

Bank has implemented various advanced Technology solutions like Interactive & Personalised video-based solutions, Whatsapp Banking, Palm Banking, Video KYC Solutions, etc., and is in the process of implementing Microservices Architecture for container-based cloud-ready applications complying with regulatory norms without compromising security. At the same time, Bank is fostering Enterprise Solution Architecture Practices for new applications to support new innovations in diverse, dynamic, and complex environments.

Further, Bank is also working along with the RBI IT innovation Hub on Digital Ledger based Block Chain Technology, and RBI has selected Union Bank among other Peer banks for doing a pilot on Central Bank Digital currency (CBDC). Union Bank of India is the pioneer in launching the Account Aggregator platform and is also working closely with all Technology stakeholders to integrate with Open Network for Digital Commerce (ONDC) and Open Credit Enablement Network (OCEN) for Digital Lending. Our Bank is the first among PSBs that enable Bank Rupay Credit Card on UPI. Artificial Intelligence (AI) based conversational Banking is being implemented using Amazon Alexa and Google Assistant Voice Bots. Services like Balance Inquiries, Account statements, Cheque Book requests can be done using voice banking.

Union Bank of India offers a “Digital Experience” to its customers through innovative products like Uni-verse – The Metaverse of Banking, which is a virtual Lounge for customers to access various product information with an immersive user experience.

Bank has recently set up a Testing Centre of Excellence (TCoE), Application Performance Monitoring System, App Modernisation Tools (Kubernetes), etc., to achieve robust system performance, and Robotic Process Automation is implemented for reducing manpower utilization. Straight Through Process (STP) journeys are implemented to ease the process of availing/renewing

loans through Digital Channels.

Multiple promising fintech companies and new start-ups are being onboarded through the Sandbox Platform. Bank has developed a comprehensive Digital Trade Platform for Exporters and Importers, bringing ease of doing business 24/7 and a delightful user experience.

Bank’s on-premises private cloud hosts more than 140 applications. Bank has implemented Office 365 through Software As a Service (SaaS) and is in the process of adopting the public cloud.

Bank has a very strong and resilient IT system with strong BCP to ensure Zero Data Loss for critical applications of your Bank. Bank has invested in Advanced Performance Monitoring Tool for real-time monitoring of IT infrastructure and a DR Automation tool for all critical applications in order to perform automated DR Switchover for BCP. Further, Bank has established a Site Recovery Manager (SRM) solution for Private Cloud for online replication of data and automating the recovery process from DC Site to DR Site.

Bank has set up the Cyber Security Centre of Excellence, which in coordination with the Cyber Security Operations Centre (CSOC), ensures “Security Defence in Depth” and protects your Bank’s Information assets from breaches and compromises & ensures robust cyber resilience through continuous surveillance.

Union Bank of India is transforming to become a next-generation digital Bank and has envisaged the potential of open banking with fintech as partners and have leveraged the benefits of APIs.

Bank is in the process of digital transformation by exploring innovative solutions, Fintech partnerships, and new emerging technologies such as AI/ML, 5G, Blockchain, Metaverse, DevSecOps, etc. Bank has established an Analytics Centre of Excellence (ACOE), which will effectively use Data Lake for proper analysis of customer data and preferences by leveraging the technologies like AI/ML.

As a part of the futuristic and innovative strategy, we are planning to endeavour in the following areas.

- Cloud Native Applications, which can be hosted on Hybrid Cloud to move digital resources where they are needed quickly.
- Enable AI & Virtual Reality (VR) for new-age banking.
- Banking through the Internet of Things (IoT) and Connected devices.
- Security and Fraud Prevention.
- Implementing a Micro services-based Omni-

Channel Platform to cater to unified customer experience on various channels.

- Use of new practices like DevOps tools for continuous Development, integration, and deployment of in-house projects and app modernization.

Progress on Digital Channels

Growth on Digital Channels (Figures in Crs)				
Channels	31.03.2022	31.03.2023	Annual Growth	
			Absolute	(%)
Mobile Banking Users	1.65	2.13	0.48	29
Internet Banking Users	0.68	0.74	0.06	9

21 Transaction Monitoring & Fraud Management

Bank has put in place Off-site Transactions Monitoring System (OTMS) within A&ID since 2013 which is responsible for monitoring various types of transactions, especially monitoring irregularities in transactions, by means of which, early signals can be triggered.

With the presence of an effective and proactive mechanism of EFRMS, bank has also implemented real time monitoring of newly opened SB & CD accounts in the CBS - Finacle itself.

Bank has a full-fledged Fraud Management team which carries out the root cause analysis of frauds on a continuous basis and puts forth all the suggestions for mitigation of frauds and plugging the loopholes, present in the system, if any.

During the FY 2022-23, the AML/CFT team (Anti Money Laundering / Combating of Financial Terrorism) has submitted 10 typologies to FIU-India. In FIU-India Bi-monthly meeting, the Principal Officer has presented in detail the various scenarios and typologies observed by the AML-CFT team and the same was appreciated by FIU-Ind.

22 Risk Management

Your Bank has a proactive approach toward risk management. Its risk philosophy involves developing and maintaining a healthy portfolio within its risk appetite and regulatory framework. Your Bank constantly endeavors to ensure that the business function partners with the risk management function to enhance shareholder value and ensure judicious use of available capital.

Risk Management is a Board driven function in your Bank with the Risk Management Committee (RMC)

at the apex level supported by operational level committees of top executives for managing various risks. The Board of Directors of your Bank approves the Risk appetite and Risk policies of your Bank. The RMC supervises the implementation of the risk strategy and policies, reviews the level and direction of risk, prudential ceilings, and portfolio diversification, and monitors the risk reporting. The risk strategy and policies are effectively communicated to all branches and offices of your Bank .

Your Bank addresses Credit, Market, and Operational risk through appropriate policies, organization structure, risk management techniques, adequate systems and procedures, and monitoring and reporting mechanisms. Risk management activity has been extended to field-level units by posting Risk Officers at FGMOs and ROs. The primary responsibility of these Risk Officers is to identify, assess, monitor, report, and suggest mitigants. It has a well-defined risk appetite statement and an independent risk function to ensure that your Bank operates within its risk appetite.

Credit Risk Management

Your Bank has well-defined credit appraisal mechanisms and risk management frameworks in place for the identification, measurement, monitoring, and control of the risks in credit exposures.

Your Bank has various instruments like Credit Risk Management Policies, Credit Approval Committees, Prudential Exposure Limits, a Risk Rating system, and Risk-based pricing for Credit Risk/Portfolio Management.

Your Bank has a standardized and well-defined approval process for all advances. It adopts a committee approach for credit sanctions and has approval committees at various levels.

The business environment is analyzed and researched in a structured manner by a dedicated team of experts to decide Bank's outlook and growth appetite in the identified industries/sectors/segments. Your Bank has also subscribed to industry research/analysis reports from top research companies for internal consumption. Risky sectors are monitored continuously and wherever warranted; exposure concerned is reviewed immediately.

Your Bank also conducts Stress Tests every quarter on its Credit portfolio. Stress Scenarios are regularly updated in line with RBI guidelines, industry best practices, and changes in macroeconomic variables.

Your Bank has put in place an Early Warning Signal (EWS) system based on a predictive analytical approach, which helps to identify the stress signals well in advance and helps to take appropriate mitigation

measures to maintain the desired credit quality of borrowers on a regular basis.

Your Bank uses various Credit Risk Assessment Models and scorecards for assessing borrower-wise credit risk. Your Bank also has in place a 'Dynamic Rating framework', which facilitates early identification of stress and triggers and adoption of appropriate mitigation mechanisms. Bank has also introduced the 'Credit Risk Review Framework' for large value accounts to strengthen loan underwriting.

Your Bank has adopted an IT platform for credit appraisal processes through Lending Automation Solutions (LAS). Internal Rating models are hosted on these platforms, which are interfaced with CIBIL, RBI defaulters' lists, etc.

While arriving at Bank's CRAR, the capital charge on credit risk is computed based on a Standardized approach.

Your Bank has adopted the RAROC Framework for optimal risk-reward considerations, wherein RAROC computation for all fresh sanctions/reviews/renewals of MSME and Corporate proposals above a certain cut-off limit is mandatory. Credit decisions related to the concession in Rate of Interest (ROI) are linked to the RAROC of the borrower, which will help in maintaining the profitability of your Bank and value creation for the stakeholders.

Asset Liability and Market Risk Management

Asset Liability Management Policy, Treasury Policy, and Market Risk Policy aid in the management and mitigation of interest rate risk, liquidity risk, and market risk in the banking and trading books. The overall responsibility of managing the market risk lies with the Asset Liability Committee (ALCO). The fundamental focus is to add value both from the earnings perspective and the economic value perspective. The ALM Desk and Mid-Office measure and monitor the market risk in your Bank ing and Trading books, respectively.

The Asset Liability Committee meets regularly to review and decide on the size, mix, tenor, and composition of various assets and liabilities. It primarily does identification, measurement, monitoring, and management of liquidity and interest rate risk. The pricing of asset and liability products is also decided by ALCO.

Your Bank ensures proactive liquidity management, develops stress scenarios, and also has a contingency funding plan in place. Bank has adopted the liquidity risk management guidelines issued by RBI pursuant to the Basel III framework on liquidity standards. These include intraday liquidity management, Liquidity Coverage Ratio (LCR), and Net Stable Funding Ratio

(NSFR). Monitoring of liquidity is proactively done both through the stock approach and flow approach.

Market Risk stems from the Trading positions assumed by your Bank in debt/equity instruments, forex transactions, and Derivatives. The key drivers of Market Risk are Interest Rate Risk, Equity Risk, and Forex Risk.

Some of the key risk measures include position limits, tenor limits, price sensitivity measurement tools such as PV01 and Modified Duration (MD), Value At Risk (VaR), Net Overnight Open Position Limit (NOOPL), Daylight Limits, Stop loss limits at both dealer and security level is being monitored on a daily basis.

The Risk measures are further supplemented by a Board-approved 'Stress Testing Policy', which guides your Bank in assessing the potential impact of adverse scenarios on your Bank 's Investment book, including forex exposures and their impact on your Bank 's Profit & Loss. The Stress Testing results are being submitted to the Board on a periodic basis.

The Market Risk capital charge of your Bank is computed using the Standardized Measurement Method (SMM) by applying the regulatory factors.

Operational Risk Management

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. To manage Operational Risks, your Bank has in place a comprehensive Operational Risk Management Framework, whose implementation is supervised by the Operational Risk Management Committee (ORMC) and reviewed by the Risk Management Committee of the Board.

An independent Operational Risk Management Cell implements the framework. Under the framework, your Bank has three lines of defence. The first line of defence is the business unit (including support and operations) which is primarily responsible for managing Operational Risk on a day-to-day basis. The second line of defence is the Risk Management Department, which develops policies, procedures, and techniques to assess and monitor the effectiveness of your Bank's internal controls. Internal Audit is the third line of defence. The team reviews the effectiveness of governance, risk management, and internal controls within your Bank.

The comprehensive systems and procedures, internal control system, and audit are used as primary means for managing Operational risk. Your Bank has in place a Board approved Operational Risk Management Policy based on Reserve Bank of India guidelines. All new products/processes introduced by your Bank pass through a Product & Process Risk Evaluation process to identify and address the operational risk issues.

Variations in existing products, as well as risks in outsourcing activities, are also reviewed. Your Bank has compiled data relating to operational losses incurred during the last seventeen years, and it is analyzed for taking corrective measures so that these losses do not recur. The process has also been put in place to conduct Risk and Control Self-Assessment (RCSA) for assessing the residual risks in the products/processes of your Bank. Key Risk Indicators (KRIs) have been identified for various processes, and the threshold limits have been fixed.

Your Bank is currently following the Basic Indicator Approach (BIA) for capital computation under Operational Risk.

Your Bank is also creating a risk awareness culture by embedding it through the existing training system at all levels. Internal as well as external training is conducted in your Bank for the Risk Officers. To imbibe the risk culture in your Bank across various functions and field functionaries, e-learning modules on Risk Management have been made mandatory.

As part of digital adoption, your Bank has developed a Vendor Risk Management System. It captures all the details related to vendors, and it also hosts a risk assessment model, focusing on the risk associated with the outsourced activity.

Your Bank has a robust Business Continuity Plan and Disaster Recovery Plan that is periodically tested to ensure that it can meet any operational contingencies. A well-documented Board approved Business Continuity plan is in place to minimize business disruptions and system failure and potential impact on its business, employees, and customers during any unforeseen adverse event or circumstances. The plan is designed in accordance with the regulatory guidelines and is reviewed regularly. Further, Bank has also constituted a BCP Quick Response Team (QRT) for IT and Non IT related Disruptions. QRT monitors the disruption and gives necessary directions to various Verticals/fields, and also monitors the situation till normalcy is restored.

Group Risk Management

Group Risk entails the risks faced by any of the group entities that have a common resonance across the group, which may have a group-wide impact.

Your Bank, through its group entities, participates in diversified financial services like banking, securities and capital markets, insurance, mutual fund, and retail asset businesses. Bank has put in place a framework/policy for the assessment of risks for its Group entities, internal controls, mitigants, and capital assessment under normal and stressed conditions.

Environment, Social, Governance (ESG) & Climate Risk Management

Your Bank's Board has acknowledged the need to address the impact of ESG & Climate change risk. Your Bank is committed to addressing the challenges to the environment by creating a positive impact through its businesses.

The Risk Management Committee (RMC) looks into Climate Risk related matters of your Bank. Your Bank has formed the ESG Steering Committee (ESGSC), which comprises EDs and Heads of business & control verticals for ESG transition in your Bank. Your Bank has formulated a Board approved ESG Risk Framework & Climate Risk Policy.

The Stakeholders' Relationship Committee (SRC) of the Board will oversee your Bank's ESG programme, strategy, initiatives, policies, reporting, and disclosures. The SRC also reviews and evaluates the ESG risks identified by your Bank and collaborates with the Board and its Committees to monitor and establish the mitigation plan for such risks.

Your Bank has identified vertical-wise ESG-related action points and timelines. A Sub-committee has been formed comprising verticals looking after the premises of your Bank, Information Technology & Operations to formulate action points to achieve net zero in your Bank's own operations. Further, another Sub-committee has been formed under the credit verticals of your Bank, which will be the driving force behind the transition of the credit portfolio of your Bank towards sustainable/green finance. The Committee is working on finding out new avenues and opportunities for sustainable finance by measuring & reducing the percentage of credit exposure to polluting industries in the loan portfolio of your Bank. Under the RMD, a separate ESG risk desk has been formed. Your Bank has also started the integration of ESG in all its training programmes.

Your Bank is in the process of incorporating ESG & Climate Risk in its ICAAP. Your Bank is also taking help from external experts for providing consultancy services related to the ESG Transition of your Bank.

Your Bank is working towards setting a time-bound quantitative target for reduction in emissions/reduction in emissions intensity/carbon neutrality. Your Bank will be aligned with national goals and targets in the nation's collective transition to a low-carbon economy.

Enterprise Risk Management (ERM)

An ERM framework enables a firm to gain a clear view of its overall risk level. It helps to manage and align risk with strategy at a whole Bank level. It encompasses,

among others, a Risk Appetite framework and the establishment of consistent Risk culture in your Bank.

Your Bank has a Board approved ERM policy in place. Bank also conducts a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) wherein the material risks faced by your Bank are listed, and their measurement and management methodologies are enumerated. Besides the Pillar-I risks, the Pillar-II risks are also assessed. The adequacy of the capital under normal & stressed conditions and to meet future business requirements are also assessed.

23 Compliance

Your Bank has implemented a robust compliance system along with a well-documented Compliance Policy. The focus of the compliance function is adherence to regulatory compliance, statutory compliance, compliance with fair practice codes and other prescribed codes, government policies, your Bank 's internal policies, and prevention of money laundering and funding of illegal activities.

Your Bank conducts regular Compliance Test Checks of various Banking functions undertaken by various Central Office Departments, Field Level controlling offices, and branches.

Your Bank has an in-house Compliance package to monitor & manage responses to communications received from Regulators (RBI, SEBI, etc.) / Government of India (MoF) and IBA. Periodic compliance test checks are put in place for the effective implementation of mandatory guidelines. The role & responsibility of the Compliance Function is clearly defined for every tier in your Bank. Your Bank has a well-established reporting system to ensure regulatory and statutory compliance through the self-certification process. A compliance certificate is submitted by branches to the respective ROs & from ROs to FGMOs. FGMOs & CO verticals submit the Compliance Certificate to the Compliance Department every quarter. A field-level structure of compliance has been established through Zonal Compliance Officers and Zonal Compliance Monitoring Committee.

Your Bank has implemented a Compliance Monitoring Tool, an application built In-house to enable individual-level compliance monitoring, certification, and verification in line with the EASE 4.0 deliverables.

24 Internal Audit

An effective and efficient internal audit function provides independent assurance to the Board and senior Management on the quality and effectiveness of your Bank 's internal control, risk management, and

governance systems and processes.

During the year FY 2022-23, Bank has conducted 7279 Branch audits and 656 audits for other units.

Apart from the above audits, Bank has a Concurrent Audit system covering 1863 branches/units covering 55.12% of the Total Deposits and 76.92% of the Total Advances of your Bank , which ensures compliance with RBI guidelines and also conducts Management Audit, IS Audit, Swift Audit, Bill of Entry audit, Foreign Branches' audit, Forex Branches audit and Expenditure Audit for effective follow-up and monitoring.

25 Cyber Security

Your Bank puts cyber security front and center to safeguard the bank's stakeholder interests while growing its digital business with an omnichannel presence. Bank has cultivated a strong cybersecurity culture to increase digital trust among its stakeholders. Bank has established the Cybersecurity Centre of Excellence (CCoE) at its premises in Hyderabad, tasked with learning, imbibing, and implementing industry-leading new-generation cybersecurity technologies that will not only protect your Bank 's cybersecurity assets but also focus on a comprehensive awareness and education programme for its employees and customers. CCoE has signed MoU with external institutes such as the Centre for Development of Advance Computing (CDAC), Hyderabad and Cyber Security Centre of Excellence, Department of IT & Electronics, Government of West Bengal (WB-CS-CoE) for using their expertise in conducting cybersecurity awareness webinars/training for stakeholders.

Your Bank has also developed a Comprehensive Cybersecurity Awareness Programme (CCSAP) for customers and employees. Your Bank reaches out to customers with awareness campaigns across multiple channels, such as SMS, emails, ATMs, display units in branches, social media, and on Bank website. Cybersecurity awareness webinars for customers are being conducted pan India at Bank's all zonal office locations. A unique, first-of-its-kind initiative has been the introduction of cybersecurity mascots "U SuRkSha" and "U RkShak" to personalize and promote educational cybersecurity safety tips to its people. Bank has designated Digital Ambassadors in all Branches to spread cybersecurity awareness at the grassroots level.

In addition, your Bank drives initiatives to further the Ministry of Home Affairs, Government of India's Cyber Jaagrookta Diwas (CJD), which is observed on the first Wednesday of every month. On this day, Union Bank sends e-mails on cybersecurity topics to customers, posts creatives on social media, and invites eminent speakers from the cybersecurity domain to conduct

engaging webinars. In sync with international practice, the annual National Cybersecurity Awareness Month (NCSAM) is celebrated throughout the month of October with a daily webinar on different cybersecurity topics. Your Bank, during its training programs, is also disseminating information regarding reporting Cybercrime in the National Cyber Crime portal of Govt of India by visiting <https://cybercrime.gov.in> or dialing 1930.

Bank is strengthening and promoting cybersecurity culture amongst its staff members by implementing an annual action plan for various cybersecurity activities which includes conducting town hall meetings pan India, daily mail with cybersecurity tips, interactive puzzles, and crosswords. To evaluate and help employees to know their cyber hygiene risk profile, My Cyber Hygiene, an online cybersecurity self-risk assessment programmes, is made available for staff members.

Bank regularly publishes internal booklets and news snippets to update staff members on the latest cybersecurity news and trends. The booklet, "Union Shield", has been released in various regional languages to maximise its reach and spread awareness. A monthly phishing simulation exercise for all employees creates awareness and identifies weak points among the staff that can be addressed with additional training and handholding. Union Bank has also formulated the Cybersecurity Executive Development Programme (CSEDP) to offer in-house certification for senior management in IT and Cybersecurity. Your Bank has also created a robust cybersecurity governance structure comprising policies, procedures, guidelines, and committees at the executive and Board levels.

State of the Art technologies

Your Bank has harmonized its policies and action plans in line with Digital Payment Security Controls for Internet banking, mobile banking applications, ATM operations, and other generic security controls. Your Bank's Data Centre (DC) & Disaster Recovery (DR) site has ISO certifications for Information Security Management Systems (27001) and Business Continuity Management System (22301). Your Bank's Enterprise Risk Management System is ISO 31000 certified. Your Bank has PCI-DSS certification for all card payment systems and ATM Switch operations. Multiple measures are in place to protect systems and confidential Bank/customer data, such as a defense-in-depth architecture with layered defensive mechanisms and a data loss or leakage prevention strategy. This includes protecting data processed on end-point devices, data in transmission as well as data stored on systems. Data security and protection are also mandated at your Bank's vendor-managed facilities.

Union Bank of India has also implemented a cybersecurity framework and established a 24x7 Cyber Security Operation Centre (C-SOC) with a dedicated, skilled team that works around the clock. The C-SOC helps to identify, detect and prevent cyber threats. It is tightly integrated with critical business applications to monitor attack vectors at various layers. Bank has adopted the 'Security by design' approach to strengthen the cybersecurity posture of your Bank by automating its data security controls and developing a robust IT infrastructure.

To provide holistic protection for its cyber infrastructure, Bank has adopted a 'Defence in depth' strategy with a comprehensive, multi-layered security architecture in place. Your Bank has also implemented cybersecurity solutions at each level, like perimeter security, network security, application security, endpoint security, identity, and access management, threat Intelligence, and data security to protect its IT assets. The Ethical Hacking Lab, set up by your Bank under its CCoE, is tasked with identifying the gaps in the perimeter or internet-facing application/assets of your Bank on a daily basis.

The Vulnerability Assessment/Penetration Testing Lab (VA/PT) is also under CCoE, and it conducts a quarterly VA or PT of critical applications and all the applications twice a year. With the help of external vendors, your Bank also conducts red-teaming exercises to identify the vulnerabilities, business risks, the efficacy of the defences, etc., in its IT infrastructure. These simulate the actions of an attacker and test the mitigating controls that are already in place.

Cyber Security Awareness

Bank never failed in bringing innovative ideas for incorporating Cyber Security at the root level of the Organization. Some of them are:

- First Bank to launch Cyber Security Mascot (**U-SuṛKsha (Female Mascot) and U-ṛKshak (Male Mascot)**) for creating Cyber Security Awareness.
- Developed My Cyber Hygiene portal for evaluating the cyber awareness level of staff.
- Introduced daily cyber security awareness programme "SABKO BATAOO" which provides knowledge on Cyber Security to Staff.
- Conducting Town Hall Meetings PAN India to spread awareness of Cybersecurity among staff members & customers across the zones in India.
- Your Bank, in coordination with CDAC, Hyderabad, is conducting online webinars for Bank customers across India.
- Created Multilingual Podcasts on Cyber Security Awareness.

Your Bank conducted the Cybersecurity Awareness campaign "CyberSecurityAwarenessMission-2022-23" across India during the month of October 2022. Daily webinars were conducted virtually for all the employees of your Bank .

Bank is also observing Cyber Jaagrookta Diwas every month on the first Wednesday, and the following activities are being conducted:

- Cybersecurity Awareness programme to customers/staff in association with CDAC Hyderabad.
- Cybersecurity Awareness creatives are being posted on social media platforms.

26 Operations

INITIATIVES TAKEN

Video KYC has been made live for all DBUs, 3 FGMO (Ahmedabad, Mumbai, Pune) & 5 regions (Ludhiana, Lucknow, Mumbai South, Thane & Kanpur). Around 4000+ accounts have been opened through V-KYC. Video KYC Cell has been set up in Lucknow.

UVConn 2.0:

UVConn is a digital platform where customers can access basic enquires and services using Whatsapp Messenger. UVConn leverages the WhatsApp communication platform to connect with customers for inquiries related to their accounts. UVConn currently Live in 7 languages (English, Hindi, Kannada, Telugu, Tamil, Bangla, and Marathi). There are 6 Enquiries and Services (Account Balance, Mini Statement, Cheque Status, Cheque Book Request, Stop Cheque, Locker rent inquiry, Green PIN, ATM Card block/Unblock, PPF Balance, SSA Balance), and Positive pay. Currently, 10 Lakhs+ users are on-boarded over UVConn, and 45 Lakhs+ inquiries are triggered by customers over UVConn.

Projects implemented:

E-nomination : Nomination through Mobile banking, Internet banking, branch banking, WhatsApp banking, and Corporate website.

Positive Pay : Reconfirmation of Cheque. Presently it is made mandatory in cheques of ₹5.00 lacs and above. The facility is available through Branch, SMS, Mobile, UVConn, Internet banking, and corporate website. Limit options are also made available to the customers.

- There are more than 110 reconfirmations daily above ₹5.00 lakhs.

- Now report on Positive can be generated by branches also- First in the PSUs
- Bulk uploading of cheques for reconfirmation in Internet banking -First in PSUs.

Simplified/ Instant DEMAT Account Opening :

Opening of DEMAT account through the DAO menu in Finacle in less than one minute and through Internet banking in 2 minutes.

Revamping of Chatbot - Implementation in Internet & Mobile Banking :

The chatbot is implemented in Internet Banking & Mobile Banking. New features have been added. Now chatbot is made available in Hindi & English. Only a few banks have a Hindi version. Chatbot in UVCONN under development.

GRIEVANCE REDRESSAL MECHANISM

The Grievance Redressal Mechanism has been strengthened to cater to the need of the customers. The roles and responsibilities at each level of the Grievance Redressal Mechanism have been clearly identified and defined. Mechanism to resolve the complaints and Standard Operating Practices has been defined at all levels to speed up the process of grievance redressal.

Grievance Redressal Policy: - Policy outlines the framework for addressing customer grievances; it aims at minimizing instances of customer complaints and grievances through a well-structured escalation matrix and pre-defined TATs depending on the nature of the complaint. The purpose is to ensure prompt as well as effective redressal of customer complaints.

Union Care 2.0 Handbook has been issued by the bank, which covers the categorization of complaints, probable reasons for complaints and remedial measures, escalation matrix, and updated contact details of officials nominated for resolving customer complaints in the area of ATM, Internet Banking, Pension, Mobile Banking, Door Step Banking, NEFT/RTGS, ASBA/DEMAT, etc. The Handbook helps the Field Functionaries for early resolution of customer complaints in a better way.

Your Bank has now uploaded the contact and other details of FGRO and RGRO on our website to enable ease to the customer in quick resolution of complaints. We have also issued a detailed action plan, Do's & Don'ts, and alternate arrangements during the tour/leave of RGROs/FGROs for redressal of grievances posted at ROs/ZOs. Now our website contains the structured Grievance Redressal Mechanism from the Chief Grievance Officer level to ZO and RO levels.

The details of customers complaints received during the financial year 2022-23 are given below:

Particulars	Count
Complaints outstanding as of 1st April 2022 (including BO Complaints)	1,395
Complaints received during the year (including BO Complaints)	2,52,086
Complaints resolved during the year (including BO Complaints)	2,52,954
Complaints outstanding as of 31st March 2023 (including BO Complaints)	527

Union Bank of India caters to its customers across metropolitan, urban, semi-rural, and rural areas through a range of delivery methods to enable them to access our products and services, including physical branches, rural branches, financial inclusion outlets, internet banking, and telephone banking. As of March 31, 2023, we had 8,870 domestic branches in India across 28 states and 8 union territories. We also have 219 Retail Loan Points and 125 MLPs as of March 31, 2023, to serve as dedicated credit processing centres for customers in the RAM sectors.

Our international operations include the operations of our subsidiary, Union Bank of India (UK) Limited, and our three branches in Hong Kong, DIFC, and Sydney. In addition, we have a representative office in Abu Dhabi. Our Bank also has a joint venture in Malaysia, India International Bank (Malaysia) BHD. We are planning to open a branch in Gujarat International Finance Tec-City (GIFT City) [in Fiscal 2023] when regulatory approvals are in place. As on March 31, 2023, our Bank had 10,835 ATMs, of which 7,889 were located at our branches (on-site), and 2,946 were located off-site. Most of our ATMs function 24/7 and are located at various commercial establishments and at other convenient locations, offering our customers the convenience of facilities, such as cash withdrawal, balance enquiry, mini statements of accounts, and fund transfer. We also operate cash deposit machines and passbook kiosks. Further Bank has made 27 services like Cash Deposit and Withdrawal, Green Pin, Request for Loan, etc., operational in 7 Digital Banking Units (DBU).

Business Correspondents act as agents on our behalf and accept deposits or make cash payments when customers would like to deposit or withdraw money to or from their accounts at locations other than a traditional Bank branch. We have adopted technologies and processes to serve the changing requirements of our customers and to ensure efficient and accessible services to our customers through our diversified

branch network and various platforms.

All our branches and offices, including our training centres, have implemented core banking solutions. Our international branches have also implemented core banking solutions that connect all our multiple delivery channels to a common platform. Core banking solutions facilitate the networking of branches, enabling customers to operate their accounts and avail of banking services from any of our branches on the core banking solutions network, regardless of where that customer maintains their account. Our core banking solutions deployment comprises three sites, the primary site, the near site, and the disaster recovery site, located in different seismic zones.

27 Analytics Capabilities

Bank has embarked on its journey of scaling up its analytics capabilities and enhancing its data culture and competencies. The Analytics Centre of Excellence (ACoE), set up by your Bank, collaborates and communicates across business verticals to develop bespoke use cases and dashboards. Bank has formulated a dedicated Policy for ACoE to drive the effective use of analytics within your Bank .

Some of the areas where Analytics has been used in your Bank are mentioned below:

Digital Lending: Analytics is being used to understand customers' behaviour and account information, thereby offering pre-approved personal loans to existing customers through end-to-end digital journeys.

Fraud Detection: Analytics is used to identify potential frauds. Bank is using real-time analytics to monitor transactions and identify unusual patterns that could indicate fraud.

Operations: Bank has deployed an ML-based model to identify churn in CASA customers and also prescribe appropriate action for their retention.

Marketing and Sales: Analytics-generated leads have helped your Bank identify potential customers, offer personalized products and services, and improve customer satisfaction.

Risk Management: Analytics is used to identify, measure and manage risk across your Bank . Your Bank uses predictive analytics to assess the likelihood of default on loans and identify potential NPA.

Smart Reporting: Bank has developed many visual dashboards to track business under the CASA, Retail loans, and MSME loans portfolio with peer banks in the market.

28 Credit Compliance and Monitoring

To re-tune the processes and improve data accuracy and operational efficiency, we have done 'End-to-End' automation of the CERSAI registration process, and we have integrated the same through the LAS platform. In this new process, CERSAI of loan assets will be registered with the help of LAS, which will eradicate the current issues and difficulties faced by field functionaries.

Bank Guarantee E-confirmation Software:

As an integral part of business, your Bank issues guarantees on behalf of the customers for various purposes. At present, the beneficiary organization of your Bank Guarantee seeks confirmation of details of the issuance of your Bank guarantee from issuing bank's centralized cell, i.e., the E-Confirmation Cell' (ECC) at Credit Compliance & Monitoring, Central Office.

In order to ease the process for E-confirmation, a new in-house software is prepared, enabling us to check Bank Guarantee details and send E-confirmation to the beneficiary's email ID in your Bank 's prescribed format with a single click. This software will result in the time-saving and error-free submission of E-confirmation.

QR code for Collection:

Dynamic QR Code through SMS and WhatsApp message at regular intervals to be sent to the borrower on a registered mobile number with Loan details and overdue details.

The borrower will scan the QR Code, which will provide him/her Loan Account details for information and the option for payment of EMI/Overdue or amount of his/ her own choice, followed by generation of e-Receipt

Tie-up with Mom and Pop stores:

A list of the Kirana stores/ general stores (along with the location /address) providing Business Correspondent Services in a nearby area of the borrower has to be provided through SMS and Whatsapp to the borrower for payment of Loan EMI either in Cash or through handheld devices used by them.

29 Vigilance

The Vigilance department in your Bank is headed by the Chief Vigilance Officer (CVO), who acts as an extended arm of the CVC. The CVO is assisted by a team of Functional Vigilance Officers and Field Vigilance Officers stationed at the Central Office and Zonal Vigilance Cells / Regional Vigilance Cells, respectively, headed by a DGM and 6 AGMs. The vigilance administration in your Bank acts as a moral gatekeeping of the employee's conduct in order to promote sound business decisions

necessary for the perpetual growth & profitability of the organization.

The facets of vigilance are classified into preventive, participative & punitive. Rather than punitive actions, the efficiency of vigilance in an organization is counted on efficiency in bringing Reformation in systems & procedures by preventing unhealthy practices and ensuring hassle-free delivery services.

Your Bank has adopted a Whistle Blower Policy pursuant to which employees of your Bank can raise their concerns relating to fraud, malpractice, or any other activity or event which is against the interest of your Bank or society as a whole. As per the Whistle Blower Policy, the Executive Director looking after HR is the designated Nodal Officer for all whistle-blower complaints. In order to sensitize the staff members and citizens about the importance of the PIDPI/ Whistleblower mechanism, Short Video Films on PIDPI & Corruption have been prepared in house by Bank staff for circulation on Social Media handles of your Bank like Facebook, Youtube, and Twitter, etc. to educate masses to come out and report incidences of fraud/ corruption.

Total 02 films have been prepared, which were launched during VAW-2022. The use of technology and advancement were shown as effective tools in the animation movie on Corruption Free India for a Developed Nation.

To safeguard your Bank against internal/external threats such as fraud, bribery, corruption, abuse of authority, and non-compliance with laid down systems & procedures, constant vigilance at all levels is necessary through a process called 'participative vigilance'. To popularize the scheme, awareness is created during the VAW and during preventive vigilance visits to the branches.

Preventive Vigilance Visits are surprise visits to branches by vigilance officials, the very purpose of which is to sensitize the staff about the importance of following the laid down rules and procedures by your Bank from time to time. In F.Y. 2022-23, 9071 visits were conducted.

In addition to the PVV, an offsite surveillance system is adopted by your Bank, which helps in the detection of abnormal transactions, irregularities, etc., and thereby initiates corrective action. During the year, 232284 alerts were raised under off-site surveillance, which was reviewed by CVO during quarterly ZVC meetings for timely action and closure.

During the year, various systemic improvements have been undertaken by the concerned departments as suggested by the Vigilance Department in order to streamline the processes and systems in your Bank.

Control Returns are also sent regularly to various statutory and regulatory bodies (CVC, RBI, MOF, CBI, etc.) as demanded by them to enable them to exercise a general check and supervision over our vigilance cases and anti-corruption work. In compliance with CVC directions, our Bank observes Vigilance Awareness Week from October to November every year by executing numerous activities in & outside the organization with the aim of sensitizing & spreading awareness amongst staff, children, youth, and all citizens of the country, including the rural population. This year, the pre-inauguration ceremony of VAW-2022 began in our Bank by commencing precursor activities as advised by the central vigilance commission.

During the solemn occasion of observing Vigilance Awareness Week from 31st Oct to 06th Nov 2022 under the theme "Corruption Free India for a Developed Nation", we were able to entail participation of 9.34 lac citizens, including staff members, by oath-taking of integrity pledge through online mode and conduct 17938 outreach activities apart from undertaking visits in birthplaces of freedom fighters recognised by Gol under Azadi Ka Amrit Mohotsav by vigilance officials. We were opportune to organize an event with top executives in the boardroom graced by a visit & address by then CVC Shri Suresh N Patel during VAW-2022.

For knowledge enrichment of our staff, we unveiled four short series on Vigilance Manual, Procurement, Disciplinary Action & Banks guidelines. Also, CVC, in coordination with our Bank, has published a cartoon booklet in Hindi & English as well for creating awareness among the common citizens/students about corruption, ethics, etc.

Various lectures related to Vigilance Awareness Week were organized by PAN INDIA. An exclusive radio interview of CVO Shri. Umesh Kumar Singh, with the title "PATE KI BAAT," has also been broadcasted on RED FM to reach the masses to create awareness about PIDPI & Vigilance Awareness Week.

An online Quiz on PIDPI was conducted for all (staff as well as the General public) on a Pan India basis with automated certificate generation and the facility to download a book containing short stories on moral values for children/ students.

Drawing inspiration from 'Azaadi ka Amrit Mahotsav', birthplaces of unsung freedom fighters were identified, and visits were made by executives from Vigilance Department, Central Office to such places commemorating their contribution to Indian Independence and taking inspiration from their efforts to fight against corruption, making India a Corruption Free Developed Nation. A movie was also released in honour of these heroes who contributed greatly

towards the Independence of our Nation.

This year your Bank has released a dedicated song on this year's theme- "Corruption Free India for a Developed Nation," in the presence of Hon'ble Shri Suresh N Patel, then CVC, during the Vigilance Awareness Week celebrations. The song was conceptualized, composed, and sung by in-house people. A total of 1,000 employees, from bottom to top ladder, participated in the song, pledging their ideation towards making India- a corruption-free nation. The song received wide publicity and accolades.

Coming to the punitive part, as against the total staff strength of 75594 as of 31.03.2023, the number of pending vigilance cases is 293, i.e., 0.38%. During the year, 1105 complaints were received by the department & 1098 have been disposed of, including 27 complaints pertaining to the previous year. During the year, investigations were ordered in 83 cases & reports were received in 92 cases, including 14 investigation reports pertaining to the previous year. Investigation reports in 05 cases are awaited, which are less than 03 months old. TAT for completing the investigation and submission of the investigation report to the Vigilance department stood at 57 days as against the benchmark of 90 days.

A new initiative Vigilance Perception Index (VPI), has been undertaken, which will enable Field General Managers/ Regional Heads to assess the level of implementation and effectiveness of available preventive vigilance tools of your Bank based on the review of 10 selected parameters in the Zonal Vigilance Committee meetings on a quarterly basis. The compliance culture of your Bank has considerably improved, which is evident from the fact that at the time of launching total VPI score of your Bank was 67.31% & the same has now improved to 97.91%.

Union Reformation- A project has been launched to inculcate Business Ethics and reintegrate punished employees into mainstream banking is launched in your Bank. This project works on the concept of positive punishment, which entails the placement of deterrents so that the occurrence of an unwanted event can be avoided. Further, in the case of penalized employees, counseling and training are part of the curriculum, which will help them re-establish themselves in the workplace as well as reduce the reoccurrence of any such lapses in the future.

30 Opportunities

30.1 Pan India Presence: Post amalgamation, your Bank has emerged as the 4th largest Bank in terms of total business and 4th largest in terms of network among the PSBs. Your Bank has a

network of 8870 branches across all the states & Union Territories, 10800 plus ATMs, 17600 plus BC points, an employee base of 75594, and a customer base of over 216 million.

30.2 Strong organization structure: The creation of centralized processing cells has enhanced customer focus and increased lead generation by branches due to the shift of processing to Centralised Processing Centers (CPCs). Furthermore, dedicated monitoring teams at ROs and dedicated recovery branches, supported by Regional Office Collection Centers (RCOCs)/ Feet on Street (FOS), have assisted your Bank in reducing stress and improving recovery. On the sourcing front, your Bank has started generating analytics-based leads and widened the scope of services of our subsidiary, UBI Services Limited (UBISL), and entered into tie-ups with Fintechs.

30.3 Digitisation: Gen Z is expected to influence businesses across industries. They comprise 1.8 billion people making up 24% of the global population by 2030. This has led to the focus of your Bank towards digitization to offer seamless banking among this generation that relies majorly on smartphones and digital mediums for their financial interactions and transactions. On the digitization front, various straight-through processing (STP) journeys for Retail, Agriculture, and MSME (RAM) segments have been launched. Bank has envisaged to set-up a Next-Generation Data Repository solution (Data Lake) to meet its Analytical and Reporting requirements Digital Transformation requirements. Data Lake can store multi-structured data from diverse sources to meet present & future needs and to support Advanced Analytics, Deep Learning Algorithms & Real Time Decision Analytics.

30.4 Government initiatives: Focus of the Government aimed at building better infrastructure, particularly in rural areas, will lead to an increasing number of households with electricity and water supply, adding more demand for telecom and gas connections and subsequently increasing the customer base of Bharat Bill Payment System (BBPS) users.

30.5 Low penetration of financial services: As the average per capita income for the country increases, there could be a further increase in the penetration of financial services. There is great potential ahead in deepening financial products, especially in wealth management, payments, insurance, and pension products in India. Banks with rich branch network presence and digital

offerings can help in meeting customer financial needs holistically.

30.6 Higher Market Share: Being the 5th largest PSB in the country with a pan-India presence, your Bank has a very strong market share in most of the Indian States. During the quarter that ended Dec'22 on a y-o-y basis, your Bank has improved its share in PSBs in Total Business (52 bps), Deposits (41 bps) & Credit (64 bps). Going forward, consistent improvement in share is quite challenging. Therefore, Bank has decided to initiate project POWER, which represents Enhanced Publicity & Advertisement, Outreach, and Customer Connect through robust marketing, HR Initiatives to Empower Employees and Re-creating products and processes with the vision to improve its share on a continuous basis by selecting one aspirational district in each region, where your Bank would focus on converting the opportunity available in the selected district into business.

30.7 Sustainability of Growth & Scope or Further Improvement: As per Enhanced Access & Service Excellence (EASE) Index for Q3 FY 2023, Union Bank of India currently ranks first. Our bank's GNPA dropped sharply by 369 basis points (bps) YoY to 7.93%. NNPA went down by 195 bps YoY to 2.14%. Provision Coverage Ratio PCR stood at 88.50%. Your Bank has set benchmarks under various themes like "Modern Technology Capabilities" & "Employee Development and Governance, "Digitally Enabled Customer Offerings", and "Big Data & Analytics". However, your Bank needs to focus on the sustainability of growth and needs to develop to find scope for continued growth across all the areas of operations.

30.8 Skilled and Diverse Workforce: Your Bank has one of the youngest workforces, with an average age of less than 40 years. A relatively younger workforce will help your Bank for easy transformation towards becoming a digitally savvy Bank. Policy changes are in vogue to upskill youngsters and build specialization across chosen job Families. Besides, women-centric benefits are in place to ensure greater participation in the promotion process by eligible candidates across the women's workforce.

31 Threats

31.1 Stiff Competition: Interest rates could remain higher for the first half of FY 2023-24, and the competition for liabilities will be tough. All the major banks will be on getting a higher share of incremental deposits mobilised by the banking

industry. The Government has also raised interest on small savings to attract a higher flow of savings from households. Even though the impact of the global banking collapse may be limited in India, the spread of the crisis globally could constrict capital flow in India and other emerging markets. This could potentially have a negative impact on the Indian economy, as well as on other economies that rely on capital inflows.

31.2 Uncertain Business Environment: Globally, the worry is that the core inflation could remain sticky, and price rises could become entrenched due to the relatively tight economic environment facing several territories, which is placing unprecedented pressure on central banks. Banks in India have performed considerably well in FY2022-23 after the pandemic hit the economy hard. Be it in terms of recovering bad loans, generating better profits, or having higher provisions, both the public and private sector banks have witnessed positive traits. Going forward, the impact of high inflation on household savings/consumption and the effect of the increase in interest rates and servicing costs on vulnerable borrowers will remain risks.

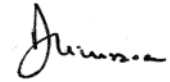
31.3 Rise in NPA levels: As the moratorium given during the pandemic to the retail and MSME sector will end during 2023-24, there are chances of a rise in NPA levels as many of the small and medium business units have failed to gain momentum after the pandemic. Recent past, the pricing of the loan products by the banks was high due to the interest rate hike by the Reserve Bank. Also, the Inflationary pressure in the economy remains a threat. Hence, the consumers may be delaying the payments towards their Loan Accounts, resulting in increased stress in your Bank 's book.

32 Outlook

32.1 The year 2022-23 was a year of resurgence for India's economy despite the tailwind of the pandemic and the headwind of the geo-political conflict intertwining to escalate global economic uncertainty. Indian economy has grown to fifth largest economy by GDP. Improved macroeconomic stability as seen in the moderate current account deficit, easing inflation pressure, and resilience in banking system is expected to strengthen the outlook further. These fundamentals support the projections of World Bank estimate of 6.3% and Asian Development Bank (ADB) estimate of 6.4% for FY 2023-24. Growth numbers would be further supported by improving rural demand, the Government's thrust on infrastructure spending, revival in corporate investment, healthy bank credit, and moderating commodity prices. Downside risks to growth include headwinds of prolonged geopolitical tensions, tighter global financial conditions, global financial market volatility and slowing external demand.

32.2 Bank credit offtake remained buoyant on resilient economic activity. Though some corrections in peak growth numbers are expected, credit growth is expected to remain double digit in FY 2023-24 followed by sustained deposit inflow. With inflation seen softening below target level, the RBI has affected pause on rate hikes while remaining vigilant, strengthening India's prospects while mitigating the impact of global spill overs on domestic financial markets.

For and on behalf of the Board of Directors



(Srinivasan Varadarajan)

Chairman

Place: Mumbai
Date: 23.06.2023

Corporate Governance Report

1. BANK'S PHILOSOPHY ON CORPORATE GOVERNANCE

- 1.1 Union Bank of India is committed to good corporate governance practices. The Bank has laid emphasis on the cardinal values of fairness, transparency and accountability for performance at all levels, thereby enhancing the shareholders' value and protecting the interests of the stakeholders.
- 1.2 The Bank considers itself as trustee of its shareholders and acknowledges its responsibility towards them for creation and safeguarding their wealth. During the year under review, the Bank continued its pursuit of achieving these objectives through adoption of corporate strategies, prudent business plans, monitoring of major risks and pursuing policies and procedures to satisfy its legal and ethical responsibilities.
- 1.3 The Bank firmly believes that the self-discipline and sincerity of the Board and other stakeholders in carrying out their responsibilities provide the bedrock for a clean, transparent and trustworthy Corporate Governance regime which in turn will earn continuous support and trust of stakeholders.
- 1.4 The changing landscape on account of the COVID-19 pandemic has posed additional challenges and your Bank has shown the character, maturity and resilience to deal with the situation since March 2020 and would continue to demonstrate the same going forward.
- 1.5 To implement the best practices, the Board has framed a Code of Corporate Governance. The code helps to inculcate a spirit of good corporate governance right from the top. It basically encompasses and documents the practices followed in the Bank in conduct of its duties towards all the stakeholders like:
 - Functioning of Board and its various Committees
 - Compliance (Regulatory and Policy)
 - Relation with shareholders
 - Disclosures by Bank and its Directors
 - Corporate Social Responsibility and
 - Other miscellaneous issues viz. Code of Conduct for Directors & Senior Management Personnel,

Prohibition of Insider Trading, Related Party Transaction Policy, Whistle Blower Policy, Staff Related Matters, Vigilance etc.

- 1.6 The Bank being a listed entity complies with the Corporate Governance provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

2. BOARD OF DIRECTORS

- 2.1 The composition of the Board of Directors is governed by the provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended and Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, as amended.
- 2.2 The responsibilities of the Board include monitoring overall functioning of Bank including but not limiting to approval of policies for conduct of business, business reviews, assessing the independence of the audit and risk function, detailed scrutiny of quarterly and annual financial results, NPA management and provisioning integrity, compliance of regulatory and statutory guidelines, customer protection, financial inclusion, overall supervision of human resources etc.
- 2.3 The Board has constituted various sub-committees and delegated its powers for different functional areas to the committees of the Board. The Board as well as its Committees meet at periodic intervals.
- 2.4 As on 31st March, 2023, the Board comprised of five whole-time Directors viz. Managing Director & Chief Executive Officer (MD & CEO) and four Executive Directors appointed by the Government of India besides seven Non-Executive Directors who are eminent personalities from various walks of life. Their rich and varied experience guides the Bank in its progress and achievements in various spheres.
- 2.5 The positions of Workmen Employee Director and Officer Employee Director to be nominated by the Central Government were vacant during the year. The positions of CA category Director and Part-Time Non official Director to be nominated by the Central Government were vacant as on 31.03.2023.
- 2.6 Composition of the Board of Directors as on 31st March, 2023 is as under:

Sr. No.	Full Name of the Director, Designation & Category	Appointment Date	Membership in Committees of the Bank \$	Holding of Bank's shares	Number of memberships of ACB & SRC in Public Ltd. Companies including the Bank	No. of Chairmanships of ACB & SRC in Public Ltd. Companies including the Bank	Remarks (Nature of appointment in the Bank/Other Listed Companies and Area of Expertise)
1	Shri Srinivasan Varadarajan, Non-Executive Chairman and Part-Time Non-Official Director (Non-Executive – Independent)	07-11-2022	RMC SCMF NRC BCPE	Nil	2	2	Appointed as Non-Executive Chairman and Part-Time Non-Official Director u/s 9(3)(h) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, to hold office for a period of three years from the date of notification i.e. 07.11.2022 or until further orders, whichever is earlier. Area of Expertise: Banking & Finance
2	Ms. A. Manimekhalai, Managing Director & CEO (Executive)	03-06-2022	MCB SRC RMC ITSC SCMF DPPC STCB HRSC CAC-I REMC CDRCF RCNCB & WD	Nil	3	2	Appointed as a Whole Time Director u/s 9(3)(a) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, to hold office for a period of three years from the date of assumption of office i.e., 03.06.2022 or until further orders whichever is earlier. Area of Expertise: Banking & Marketing
3	Shri Nitesh Ranjan, Executive Director (Executive)	10-03-2021	MCB SRC ITSC REMC HRSC CAC-I CDRCF	6725	2	Nil	Appointed as a Whole Time Director u/s 9(3)(a) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, for a period of 3 years w.e.f. the date of assumption of office i.e., from 10.03.2021 or until further orders, whichever is earlier. Area of Expertise: Economics, Finance & Management
4	Shri Rajneesh Karnatak, Executive Director (Executive) (till 28.04.2023)	21-10-2021	MCB SRC ITSC REMC HRSC CAC-I CDRCF	Nil	1	Nil	Appointed as a Whole Time Director u/s 9(3)(a) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, for a period of 3 years w.e.f. the date of assumption of office i.e., from 21.10.2021 or until further orders, whichever is earlier. Area of Expertise: Banking & Finance

Sr. No.	Full Name of the Director, Designation & Category	Appointment Date	Membership in Committees of the Bank \$	Holding of Bank's shares	Number of memberships of ACB & SRC in Public Ltd. Companies including the Bank	No. of Chairmanships of ACB & SRC in Public Ltd. Companies including the Bank	Remarks (Nature of appointment in the Bank/Other Listed Companies and Area of Expertise)
5	Shri Nidhu Saxena, Executive Director (Executive)	01-02-2022	MCB SRC ITSC REMC HRSC CAC-I CDRCF	Nil	2	Nil	Appointed as a Whole Time Director u/s 9(3)(a) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, for a period of 3 years w.e.f. the date of assumption of office i.e., from 01.02.2022 or until further orders, whichever is earlier. Area of Expertise: Banking & Marketing
6	Shri Ramasubramanian S, Executive Director (Executive)	21-11-2022	MCB SRC ITSC REMC HRSC CAC-I CDRCF	Nil	1	Nil	Appointed as a Whole Time Director u/s 9(3)(a) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, for a period of 3 years w.e.f. the date of assumption of office i.e., from 21.11.2022 or until further orders, whichever is earlier. Area of Expertise: Banking & Finance
7	Shri Sameer Shukla Government Nominee Director (Non-Executive)	08-11-2021	ACB SRC ITSC SCMF DPPC REMC HRSC BCPE	Nil	2	Nil	Nominated as a Director by Central Government u/s 9(3) (b) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, to hold the post until further orders. Area of Expertise: Management & Finance
8	Shri Arun Kumar Singh, RBI Nominee Director (Non-Executive)	26-04-2019	MCB ACB DPPC	Nil	1	Nil	Nominated as a Director by Central Government on the recommendation of RBI u/s 9(3) (c) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, to hold the post until further orders. Area of Expertise: Banking, Finance & Information Technology
9	Shri Suraj Srivastava, Part-Time Non-Official Director (Non-Executive - Independent)	21-12-2021	ACB SRC RMC SCMF STCB NRC RCNCB & WD	Nil	2	1	Nominated as a Part Time Non-Official Director by Central Government u/s 9(3) (h) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, for a period of three years from the date of notification i.e. 21.12.2021 or until further orders, whichever is earlier. Area of Expertise: Audit, Taxation and Finance

Sr. No.	Full Name of the Director, Designation & Category	Appointment Date	Membership in Committees of the Bank \$	Holding of Bank's shares	Number of memberships of ACB & SRC in Public Ltd. Companies including the Bank	No. of Chairmanships of ACB & SRC in Public Ltd. Companies including the Bank	Remarks (Nature of appointment in the Bank/Other Listed Companies and Area of Expertise)
10	Shri Laxman S. Uppar, Part-Time Non-Official Director (Non-Executive - Independent)	21-03-2022	MCB SRC RMC SCMF STCB NRC RCNCB & WD	Nil	1	Nil	Nominated as a Part Time Non-Official Director by Central Government u/s 9(3)(h) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, for a period of three years from the date of notification i.e. 21.03.2022 or until further orders, whichever is earlier. Area of Expertise: Learning & Development, Management and CSR
11	Dr. Jayadev Madugula, Shareholder Director (Independent Non-Executive)	28-06-2018	ACB RMC ITSC BCPE HRSC	200	1	Nil	Elected as Shareholder Director u/s 9(3)(i) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, for a period of three years from 28.06.2018 to 27.06.2021 and re-elected for further period of three years from 28.06.2021 Area of Expertise: Banking, Finance & Risk Management
12	Ms. Priti Jay Rao, Shareholder Director (Independent Non-Executive)	29-07-2021	ACB SRC ITSC SCMF HRSC	1000	3	1	Elected as Shareholder Director u/s 9(3)(i) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, for a period of three years from 29.07.2021 to 28.07.2024. Area of Expertise: Information Technology, HR & CSR

§ Abbreviations of Committee Names

ACB	-	Audit Committee of the Board
BCPE	-	Board Committee for Performance Evaluation
CAC -I	-	Credit Approval Committee – I
CDRCF	-	Committee of Directors for Raising of Capital Fund
RMC	-	Risk Management Committee
SCMF	-	Special Committee on Monitoring of Frauds of ₹ 1 crore & above
SRC	-	Stakeholders Relationship Committee
DPPC	-	Disciplinary Proceedings & Promotion Committee
STCB	-	Share Transfer Committee of the Board
HRSC	-	HR Sub-Committee of the Board
ITSC	-	IT Strategy Committee
MCB	-	Management Committee of the Board
NRC	-	Nomination & Remuneration Committee
RCNCB&WD	-	Review Committee for Non Cooperative Borrowers & Willful Defaulters of the Bank
REMC	-	Recovery Management Committee of the Board

2.7 Appointments/Cessations during the Financial Year 2022-23:

The following new directors inducted on the Board during the financial year 2022-23:-

Sr. No.	Name	Age	Date of Appointment	Expiry date of current term	Nature of Expertise	Brief Profile
1.	Shri Srinivasan Varadarajan	58	07.11.2022	06.11.2025 or until further orders, whichever is earlier	Banking & Finance	<p>Shri Srinivasan Varadarajan has to his credit, more than three decades of experience in Banking and Financial services. He last served as the Deputy Managing Director of Axis Bank before setting up his own advisory practice in 2019. As a financial advisor, he has worked with a leading international consulting firm, a sovereign wealth fund, a large corporate group, a NBFC group and a private sector Bank. Shri Srinivasan Varadarajan was the Managing Director and Head of Markets with J.P. Morgan, India. He was also the CEO, J P Morgan Chase Bank in India.</p> <p>He served on various RBI Committees including the Technical Advisory Committee, Committee for Repos and Committee for STRIPS. He was also the Chairman of Fixed Income Money Market and Derivatives Association of India (FIMMDA) and Primary Dealers Association of India (PDAI). He was also the member of the Indo UK Financial Partnership Forum.</p> <p>He holds an Engineering Degree from the College of Engineering, Anna University, Chennai and PG Diploma in Management from the Indian Institute of Management, Calcutta.</p>
2.	Ms. A. Manimekhalai	57	03.06.2022	02.06.2025 or until further orders, whichever is earlier	Banking & Marketing	<p>Ms. A. Manimekhalai is a seasoned Banker with experience of more than 3 decades. She started her career in erstwhile Vijaya Bank as an Officer in 1988 and rose successively as Branch Head, Regional Head and Functional Head of various Departments at Corporate Office. She was instrumental in devising & implementation of strategic policies covering core areas like strategic planning, setting organizational goals, growth strategies, action plans, compliance, internal control, etc.</p> <p>Prior to joining Union Bank of India, Ms. A Manimekhalai was an Executive Director at Canara Bank, wherein she oversaw strategic planning, credit & related matters, inspection, marketing and financial inclusion, State Level Lead Bank responsibilities and the functioning of Regional Rural Banks. She played a pivotal role in effecting successful amalgamation of Canara Bank and Syndicate Bank. She has extensive experience as Director on the Board of five other companies namely Canbank Factors Ltd., Canbank Computer Services Ltd., Canara HSBC Oriental Bank of Commerce Life Insurance Co. Ltd., General Insurance Corporation of India, India Infrastructure Finance Company Ltd. and Trustee, Canara Robeco Asset Management Co.</p>

Sr. No.	Name	Age	Date of Appointment	Expiry date of current term	Nature of Expertise	Brief Profile
						<p>A member of various committees and working groups constituted by Government of India, she has actively contributed towards policymaking, including drawing the future road map of RRBs, Financial Inclusion, Agriculture Value-chain Finance, Banking Correspondent issues and creating synergies for seamless credit flow to Health Care and Education.</p> <p>Ms. Manimekhalai holds Master of Business Administration (Marketing) from Bangalore University, and a Diploma in Human Resource Management from Narsee Monjee Institute of Management Studies (NMIMS), Mumbai. A beneficiary of various executive development programs at leading institutes of country, she is also a Certified Associate of Indian Institute of Bankers (CAIIB).</p>
3.	Shri Ramasubramanian S	55	21.11.2022	20.11.2025 or until further orders, whichever is earlier	Banking & Finance	<p>Shri Ramasubramanian S. assumed office as Executive Director of Union Bank of India w.e.f. from November 21, 2022. Prior to joining Union Bank of India, he was Chief General Manager of Canara Bank. He has to his credit more than 25 years of rich experience in various facets of Banking like Corporate Credit, MSME/Retail Credit, International Credit and forex. He holds a Bachelor degree in Science along with CAIIB qualification.</p> <p>Throughout his banking career, he has worked at different locations and branch categories including Prime Corporate Credit Wing, Large Corporate, Mid Corporate Branches and Hong Kong Branch of Canara Bank and administrative offices including Head Office. He is one of the Top Executive Grade officers who underwent Leadership Development Strategy Program organized by Financial Services Institutions Bureau (erstwhile Banks Board Bureau). He is in the standing Committee for Corporate Credit of IBA. He is also nominated to participate in Kamath Committee on COVID related loan Restructuring. He is well versed in operations and administration equally.</p>

Cessations: The following members ceased to be the Directors during the financial year 2022-23:

Sr. No.	Name of Director	Designation	Date of Cessation	Reason
1.	Shri Rajkiran Rai G	Managing Director & CEO	31.05.2022	Completion of Tenure
2.	Shri Manas Ranjan Biswal	Executive Director	30.04.2022	Completion of Tenure

2.8 Inter-se relationship of Directors:

There is no inter-se relationship amongst the Directors.

2.9 Committee Membership of Directors:

In terms of regulations 26(1) of SEBI (LODR) Regulations, 2015, Chairpersonship and Membership of Audit Committee of the Board (ACB) and Stakeholders Relationship Committee (SRC) are considered for this disclosure.

No Director of the Bank was a member in more than 10 Committees or acted as Chairperson of more than 5 Committees across all listed entities/public limited companies in which he / she was a Director during the year 2022-23.

Details of Membership/Chairmanship held by the Directors on the Committees of the Bank and other listed/public limited companies where he /she was a Director as on 31.03.2023 are given here under:

Sr. No.	Name & Designation of Director	Name of Company	Name of Committee	Member/ Chairman
1	Shri Srinivasan Varadarajan, Non-Executive Chairman and Part-Time Non-Official Director	1. India Debt Resolution Company Limited	ACB	Chairman
		2. Institutional Investor Advisory Services India Limited	ACB	Chairman
2	Ms. A. Manimekhalai, Managing Director & CEO	1. General Insurance Corporation of India	ACB	Chairperson
		2. General Insurance Corporation of India	SRC	Chairperson
		3. Union Bank of India	SRC	Member
3	Shri Nitesh Ranjan, Executive Director	1. Union Bank of India	SRC	Member
		2. National Payments Corporation of India	ACB	Member
4	Shri Rajneesh Karnatak, Executive Director	Union Bank of India	SRC	Member
5	Shri Nidhu Saxena, Executive Director	1. Union Bank of India	SRC	Member
		2. UBI Services Ltd	ACB	Member
6	Shri Ramasubramanian S, Executive Director	Union Bank of India	SRC	Member
7	Shri Sameer Shukla, Government Nominee Director	Union Bank of India	ACB	Member
		Union Bank of India	SRC	Member
8	Shri Arun Kumar Singh, RBI Nominee Director	Union Bank of India	ACB	Member
9	Shri Suraj Srivastava, Part-Time Non-Official Director	1. Union Bank of India	ACB	Chairman
		2. Union Bank of India	SRC	Member
10	Shri Laxman S. Uppar, Part-Time Non-Official Director	Union Bank of India	SRC	Member
11	Dr. Jayadev Madugula, Shareholder Director	Union Bank of India	ACB	Member
12	Ms. Priti Jay Rao, Shareholder Director	1. Mastek Limited	ACB	Member
		2. Union Bank of India	SRC	Chairman
		3. Union Bank of India	ACB	Member

2.10 Details of Familiarization Programmes attended by Directors:

The details of training programmes attended by Directors of the Bank are made available on Bank's website under the following link:

<http://www.unionbankofindia.co.in/english/familiarisation.aspx>

- 2.11 In terms of requirement of Schedule V of the Listing Regulations, a Practicing Company Secretary has certified that none of the directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as directors of Bank by the SEBI / Ministry of Corporate Affairs or any such statutory authority and the certificate from Practicing Company Secretary in this regard forms part of Annual Report.
- 2.12 The Board of Directors of the Bank confirms that the independent directors of the Bank fulfil the conditions specified in Listing Regulations and are independent of the management.

3. ANNUAL GENERAL MEETING

The Twentieth Annual General Meeting of the Shareholders of the Bank was held on **Thursday, 30th June, 2022** through VC/OAVM where the following directors were present:

Name	Designation
Ms. A. Manimekhalai	Managing Director & CEO
Shri Nitesh Ranjan	Executive Director
Shri Rajneesh Karnatak	Executive Director
Shri Nidhu Saxena	Executive Director
Shri Sameer Shukla	Govt. of India Nominee Director
Shri Suraj Srivastava	Part-Time Non-Official Director
Shri Laxman S Uppar	Part-Time Non-Official Director
Dr. Jayadev Madugula	Shareholder Director
Ms. Priti Jay Rao	Shareholder Director

4. BOARD MEETINGS

Details of Board Meetings held during the Financial Year 2022-23:

The Board met 17 times during the year 2022-23 on 26.04.2022, 13.05.2022, 26.05.2022, 28.06.2022, 08.07.2022, 26.07.2022, 10.08.2022, 29.09.2022, 20.10.2022, 01.11.2022, 11.11.2022, 29.11.2022, 21.12.2022, 20.01.2023, 14.02.2023* and 23.03.2023.

(* 2 Board Meetings held on 14.02.2023)

5. COMMITTEES OF THE BOARD

The Board of Directors of the Bank has constituted various committees of Directors and/or executives to look into different areas of strategic importance in terms of Reserve Bank of India / SEBI / Govt. of India guidelines on Corporate Governance and Risk Management. The important Committees are as under-

1. Management Committee of the Board (MCB)
2. Audit Committee of the Board (ACB)
3. Risk Management Committee (RMC)
4. Special Committee on monitoring of Frauds of ₹1.00 crore and above (SCMF)
5. Recovery Management Committee of the Board (ReMC)
6. HR Sub-Committee of the Board (HRSCB)
7. Stakeholders Relationship Committee (SRC)*
8. IT Strategy Committee (ITSC)
9. Nomination & Remuneration Committee (NRC)
10. Disciplinary Proceedings & Promotion Committee (DPPC)
11. Share Transfer Committee of the Board (STCB)
12. Review Committee for Non Cooperative Borrowers & Willful Defaulters of the Bank (RCNCB & WD)
13. Credit Approval Committee-I (CAC - I)
14. Committee of Directors for Raising of Capital Fund (CDRCF)
15. Board Committee for Performance Evaluation (BCPE)

5.1 Management Committee of the Board (MCB)

5.1.1 Composition:

In pursuance of Clause 13 of the Nationalized Banks (Management & Miscellaneous Provisions) Scheme, 1970 (as amended), the Management Committee of the Board consists of –

- Managing Director & CEO,
- Executive Directors,

- RBI Nominee Director nominated under section 9(3)(c) and
- Three other Non-Executive Directors under Section 9 (3) (e), (f), (h) & (i) nominated by the Board for a period of one year and may be re-nominated thereafter for a period of six months each for two times

Ms. A. Manimekhalai., Managing Director & CEO of the Bank chaired the Committee.

5.1.2 Functions:

Pursuant to the directives of Ministry of Finance, Government of India, Management Committee of the Board is constituted by the Board of Directors for considering various business matters viz. sanctioning/ review of credit proposals, loan compromise/write-off proposals, approval of capital and revenue expenditure beyond the powers of Credit Approval Committee-I, acquisition and hiring of premises, investments, donations, etc.

During the year 2022-23, 23 meetings of MCB were held.

5.2 Audit Committee of the Board (ACB)

5.2.1 Composition:

The Audit Committee of the Board (ACB) has been constituted by the Bank as per the guidelines of Reserve Bank of India and Ministry of Finance, Government of India. The ACB at present consists of following members –

- Nominees of Govt. of India & Reserve Bank of India and
- Three other Non-Executive Directors / Independent Directors.

Executive Directors are the invitees to the meeting.

Shri Suraj Shrivastava, Part-Time Non-Official Director chaired the Committee.

Company Secretary acts as Secretary to the ACB in terms of Regulation 18(1)(e) of the SEBI (LODR) Regulations, 2015.

5.2.2 Functions:

The ACB reviews the functions of the Bank as mandated by calendar of items issued by the RBI. The

major functions of ACB are enumerated below:

1. ACB provides directions as also oversees the operation of the total audit function in the Bank. Total audit function implies the organization, operationalization and quality control of internal audit and inspection within the Bank and follow-up on the statutory / external audit of the Bank and inspection by RBI.
2. ACB reviews the internal inspection/audit functions in the Bank i.e. the system, its quality and effectiveness in terms of follow-up. It reviews the inspection reports of specialized and extra-large branches and all branches with unsatisfactory ratings. It also specially focuses on the follow-up of:-
 - Inter-branch adjustment accounts
 - Un-reconciled long outstanding entries in Inter-Bank accounts and Nostro accounts
 - Arrears in balancing of books at various branches
 - Frauds
 - All other major areas of housekeeping.
3. ACB obtains and reviews quarterly reports from the Compliance Officers appointed in the Bank in terms of guidelines of RBI and SEBI.
4. Regarding statutory audits, ACB follows up on all the issues raised in the Long Form Audit Reports. It interacts with the external auditors before and after the finalization of annual / semi-annual financial accounts and on the audit reports.
5. ACB reviews the accounting policies and practices, related party transactions, Mechanism for Whistle-Blower, Management Discussion and Analysis and Quarterly and Annual Financial Results of the Bank.
6. In addition to the above, the functions of the Audit Committee include the role of the Audit Committee and review of information by audit committee as

defined under Part – C of Schedule II – Corporate Governance of SEBI (LODR) Regulations, 2015.

The Committee met 11 times during the year 2022-23 on 13.05.2022, 27.06.2022, 26.07.2022, 08.08.2022, 14.09.2022, 20.10.2022, 18.11.2022, 13.01.2023, 20.01.2023, 01.03.2023 and 17.03.2023.

5.3 Risk Management Committee (RMC)

5.3.1 Composition:

The Bank had constituted Supervisory Committee of Directors on Risk and Asset Liability Management in terms of RBI guidelines. In terms of SEBI (LODR) Regulations, 2015, the Board of Directors shall constitute a Risk Management Committee (RMC) in top 1000 listed entities determined on the basis of market capitalization. Considering the similarity in functions, the Board in its meeting dated 06.12.2019 changed the name of Supervisory Committee of Directors on Risk & Asset Liability Management (SCR & ALM) to Risk Management Committee (RMC).

The Committee consists of the following members:

- Non-Executive Chairman
- Managing Director & CEO
- Three Non-Executive / Independent Directors.

5.3.2 Functions:

The Committee is constituted to supervise the functions of Risk and Asset Liability Management in the Bank. The Committee is responsible for identifying, evaluating and monitoring the overall risks faced by the Bank.

Ministry of Finance, Govt. of India vide letter no. F.No. 16/19/2019-BO. Idated 30.08.2019, envisaged institution of a Risk Appetite Framework for a structured approach to manage, measure and control risk, consisting of – i. A Risk Appetite Statement and Risk Limits for the Bank; ii. Policies, Processes, Controls and Systems for both material and reputational risks iii. Delineation of roles and responsibilities for overseeing implementation and monitoring.

It was further envisaged that the Risk Management Committee may be given a mandate to periodically review adherence to the Risk Appetite framework of the

Bank and to fix accountability in the event of breach of approved Risk Appetite

The Committee met 5 times during the year 2022-23.

5.4 Special Committee of the Board of Directors for monitoring of Fraud of ₹1.00 crore and above (SCMF)

5.4.1 Composition:

Special Committee of the Board of Directors for monitoring of frauds of ₹ 1 crore and above is constituted as per the guidelines issued by Reserve Bank of India. At present the Audit Committee of Board (ACB) is required to oversee the internal inspection, statutory audit, inter branch/inter bank accounts and major areas of housekeeping etc. The ACB is also required to focus attention on preventive aspects and follow-up action being initiated by the bank on frauds. However, this Special Committee focuses on Monitoring and following up of cases of frauds involving amounts of ₹ 1 crore and above exclusively while ACB continues to monitor all the cases of frauds in general.

The Special Committee is constituted with following members of the Board of Directors:

- Non-executive Chairman
- Managing Director & CEO
- Two members from the Audit Committee of the Board
- Two other members from the Board excluding RBI nominee Director

Functions:

The major function of the Special Committee is to monitor and review all the cases of frauds of ₹ 1 crore and above so as to:

- Identify the systemic lacunae, if any that facilitated perpetration of the fraud and put in place measures to plug the same.
- Identify the reasons for delay in detection, if any and/or reporting to top management of the Bank and RBI.
- Monitor progress of CBI /Police Investigation and recovery position.

- Ensure that the staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.
- Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls.
- Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.

The Committee met 4 times during the year 2022-23.

5.5 Recovery Management Committee of the Board (ReMC)

5.5.1 Composition:

A Board level Sub Committee for Recovery Management has been formed as per Ministry of Finance, Government of India guidelines to monitor the progress in recovery on regular basis and this Committee would submit its report to the Board.

The composition of the Committee is:

- Managing Director & CEO
- Executive Directors
- Government of India Nominee Director

Ms. A. Manimekhalai, Managing Director & CEO of the Bank chaired the Committee.

5.5.2 Functions:

To monitor the progress in recovery on regular basis and submit the report to the Board.

The Committee has held 4 meetings during the year 2022-23.

5.6 Human Resources Sub-Committee of the Board (HRSCB)

5.6.1 Composition:

The Committee consists of Managing Director & CEO, Executive Directors, Government Nominee Director and any two Directors nominated by the Board. In addition, two experts in Human Resources also participate as special invitees.

Ms. A. Manimekhalai, Managing Director & CEO of the

Bank chaired the Committee.

5.6.2 Functions:

To oversee & review the implementation of following aspects:

1. Overall Strategy for the Bank on HR.
 - Overall manpower plan and skills gap identification.
 - Systems, procedures and structures to attract and groom right talent.
 - Succession planning.
2. Development of performance management system covering all staff in the Bank
 - Performance assessment on transparent Key Responsibility Areas.
 - System of providing developmental feedback to all staff.
3. Fine tuning of policies on HR in line with Bank's strategy and market realities.
 - Reward and incentives
 - Promotions
 - Deployment
4. Training
 - Specialist business skills training
 - General retraining / reorientation for all staff
5. IT automation of all HR related activities

The Committee has held 5 meetings during the year 2022-23.

5.7 Stakeholders Relationship Committee of the Board (SRCB)

5.7.1. Composition:

Pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Stakeholders Relationship Committee (SRC) has been constituted with Executive Directors and Three Non-Executive Directors.

Ms. Priti Jay Rao, Shareholder Director, is the present Chairperson of the Committee.

5.7.2. Functions:

Stakeholders' related:

1. Monitoring and resolving the grievances of the security holders of the Bank including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Customer Service related:

1. To oversee the functions of overall customer grievance redressal in the Bank
2. To monitor the customer services and guide in improving the customer service in the Bank
3. To frame and review the Policies in the interest of customers' interest protection.

Corporate Social Responsibility related:

1. To review the Corporate Social Responsibility Policy of the Bank
2. To approve and review the activities / projects undertaken by the Union Bank Social Foundation Trust periodically.

ESG related:

1. To exercise oversight over ESG related activities.
2. Provide strategic guidance and oversight over all matters and activities relating to ESG;
3. Monitor implementation and execution of ESG related initiatives and policies;
4. Assess impact of various ESG initiatives;
5. Review disclosure of ESG matters to internal and external stakeholders;

6. Identify and recommend to the Board and the Committees of the Bank, the emerging risks related to ESG

The Committee has held 4 meetings during the year 2022-23.

5.7.3. Name & Designation of Compliance Officer:

Pursuant to Regulation 6 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Shri S.K. Dash has been appointed as Company Secretary and designated as the Compliance Officer of the Bank for Investor Grievances.

5.7.4. Details of Shareholder Complaints during the year 2022-23:

A comparative chart showing number of complaints received, responded and pending for the financial year ended 31.03.2023 vis-à-vis 31.03.2022 is as under:-

Sr. No	Particulars	For F.Y. ended 31.03.23	For F.Y. ended 31.03.22
a.	No. of shareholders complaints pending at the beginning of the year	0	0
b.	No. of shareholders complaints received during the year	14	8
c.	No. of shareholders complaints resolved during the year	14	8
d.	No. of shareholders complaints pending at the end of the year	0	0

5.8 Information Technology Strategy Committee (ITSC)

5.8.1 Composition:

As a part of IT Governance measures, RBI has recommended creation of IT Strategy Committee of the Board to advise the Board on strategic direction on IT and to review IT Investments on behalf of the Board. The Committee consists of:

- MD & CEO
- Executive Directors
- Govt. Nominee Director
- Two Non-Executive Directors one of whom shall be independent Director
- Two Outside IT Experts

- Chief Information Officer (CGM/GM heading the IT function of the Bank)

Ms. Priti Jay Rao, Shareholder Director chaired the Committee.

5.8.2 Functions:

- Approving IT strategy and policy documents.
- Ensuring that the management has put an effective strategic planning process in place.
- Ratifying that the business strategy is indeed aligned with IT strategy.
- Ensuring that the IT organizational structure complements the business model and its direction.
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business.
- Ensuring IT investments represent a balance of risks & benefits and that budgets are acceptable.
- Monitoring the methods that management uses to determine the IT resources needed to achieve strategic goals and provide high level direction for sourcing & use of IT resources.
- Ensuring proper balance of IT investments for sustaining bank's growth.
- Ensure adequate mitigation for exposure towards IT risks & controls, evaluating effectiveness of management's monitoring.
- Assessing Senior Management's performance in implementing IT strategies.
- Issuing high level policy guidance (e.g. related to risk, funding or sourcing tasks).
- Confirming whether IT or business architecture is to be designed, so as to derive maximum business value from IT.
- Overseeing the aggregate funding of IT at a bank-level, and ascertaining if the management has resources to ensure the proper management of IT risks.
- Reviewing IT performance measurement and contribution of IT to business (i.e. delivering the promised value).
- To build up mechanism to undertake IT disaster management.

- To act as Board level Sub-Committee on Digital Transactions to advice, guide and monitor enhancing digital transactions of the Bank.

The Committee has held 5 meetings during the year 2022-23.

5.9 Nomination & Remuneration Committee (NRC)

The Bank earlier had two separate Committees viz. Nomination Committee and Remuneration Committee constituted in terms of earlier guidelines issued by RBI and MOF. MOF vide its communication F. No. 16/19/2019-BO.1 dated 30.08.2019 advised that in place of separate Nomination Committee of the Board and Remuneration Committee of the Board, the Bank may constitute a single committee named Nomination and Remuneration Committee for carrying out the functions entrusted to the said two committees and having composition as specified vide RBI's communication RBI/DBR/2019-20/71 Master Direction DBR.Appt. No. 9/29.67.001/2019-20, dated August 2, 2019.

Thus, pursuant to the above-mentioned MOF guidelines, the Board of Directors approved the constitution of a single Nomination and Remuneration Committee (NRC) in place of two separate Committees in line with RBI guidelines w.e.f. 06.12.2019.

5.9.1 Composition:

Reserve Bank of India vide its Master Direction No. 9/29.67.001/2019-20 dated 02.08.2019 has issued Reserve Bank of India ('Fit and Proper' Criteria for Elected Directors on the Boards of PSBs) Directions, 2019. In terms of Para 4.1 of the said directions, the bank is required to constitute a Nomination and Remuneration Committee for undertaking a process of due diligence to determine the 'fit and proper' status of the persons to be elected as directors under Section 9(3)(i) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. The Composition of the Committee at present is as under:

- Non-Executive Chairman
- Two Non-Executive Directors nominated under section 9(3)(h) of the Act

5.9.2 Functions:

To undertake a process of due diligence to determine the 'fit and proper' status of the persons to be elected as directors under Section 9(3)(i) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.

The Committee met one time during FY 2022-23 on 15.03.2023.

5.10 Disciplinary Proceedings & Promotion Committee (DPPC)

The Bank earlier had two separate Committee viz. Directors Promotion Committee (DPC) and Disciplinary Proceedings Committee – Vigilance/Non-Vigilance (DPC-V).

MOF vide its communication F. No. 16/19/2019-BO.1 dated 30.08.2019 advised to review in its Board the need for continuation of Board committees set up at the bank's own initiative and the possibility of their functions being discharged by another Board committee or the Board, with a view to rationalise their number.

The Board of Directors with a view to rationalize its Committees and considering the MOF guidelines dated 24.10.1990 and basic composition, decided to merge Directors' Promotion Committee and Disciplinary Proceedings Committee – Vigilance/ Non-Vigilance w.e.f. 06.12.2019.

5.10.1 Composition:

The Board of Directors has approved the constitution of the Committee as below –

- Managing Director & CEO
- Government Nominee Director
- RBI Nominee Director

Independent members / Outside experts to be inducted while conducting interview for the promotion process from Scale VI to VII and Scale VII to VIII.

Ms. A. Manimekhalai, Managing Director & CEO of the Bank chaired the Committee.

5.10.2 Functions:

- To conduct Promotion Process from TEGS VI to TEGS VII and TEGS VII to TEGS VIII,
- consider appeals of Executives in TEGS VI & VII against non-promotions to TEGS VII & VIII respectively,
- to consider promotions to TEGS VII & VIII in cases where Sealed Cover Procedure is adopted
- To review Vigilance, Non-Vigilance disciplinary cases and departmental enquiries.
- To review APAR marks of Top Executives upon their representation within 15 days from the date of disclosure.
- To review the appeal against the Regular Departmental Action for major penalty for General

Managers

The Committee has held 6 meetings during the year 2022-23.

5.11 Share Transfer Committee of the Board (STCB)

5.11.1 Composition:

The Committee consists of:

- Managing Director & CEO or in absence, Executive Director in charge of Board Secretariat
- Two Non-Executive Directors

Ms. A. Manimekhalai, Managing Director & CEO of the Bank chaired the Committee.

5.11.2 Functions:

With a view to effecting speedy transfer of shares, the Bank has constituted a Share Transfer Committee of the Board with powers to confirm transfer, transmission, demat and issue of duplicate shares etc.

Further, in the interest of investors and with a view to enhance ease of dealing in securities markets by investors, SEBI, vide its circular dated 25.01.2022, decided that the listed entities shall henceforth issue the shares in dematerialized mode only while processing the following service requests:

- a. Issue of duplicate securities certificate;
- b. Claim from Unclaimed Suspense Account;
- c. Renewal / Exchange of securities certificate;
- d. Endorsement;
- e. Sub-division / Splitting of securities certificate;
- f. Consolidation of securities certificates / folios;
- g. Transmission;
- h. Transposition;

During the year, the STCB met 4 times and 20 Resolutions were passed by circulation.

5.12 Review Committee for Non Cooperative Borrowers and Willful Defaulters (RCNCB &WD)

The Bank earlier had two separate Committee viz. Review Committee for Classification of Non-Cooperative Borrower (RCNCB) and Review Committee on Willful Defaulters of the Bank (RCWDB). MOF vide its communication F. No. 16/19/2019-BO.1 dated 30.08.2019 advised to review in its Board the need for continuation of Board committees set up at the bank's

own initiative and the possibility of their functions being discharged by another Board committee or the Board, with a view to rationalise their number.

The Board of Directors with a view to rationalize its Committees and based on the composition of the above two committees, decided to merge the same and to constitute a single Committee for identification of Wilful Defaulters and classification of Non-Cooperative Borrowers namely Review Committee for Non Cooperative Borrowers and Willful Defaulters with the following composition w.e.f. 06.12.2019 –

- Managing Director & CEO
- Any two Independent Directors

Ms. A. Manimekhalai, Managing Director & CEO of the Bank chaired the Committee.

5.12.1 Functions:

- The committee shall review the orders of the Approving Committee i.e. Executive Director Headed Committee recording the Borrower to be non-cooperative. The order shall become final only after it is confirmed by the Review Committee of the Board.
- On a half-yearly basis review the status of non-cooperative borrowers for deciding whether their names can be declassified as evidenced by their return to credit discipline and cooperative dealings before its submission to the Board.
- Review & confirm the orders passed by Committee headed by Executive Director on classification of Borrowers as Willful Defaulters.
- Reviewing the quarterly Return submitted to CRILC.

The Committee has held 4 meetings during the year 2022-23.

5.13 Committee of Directors for Raising of Capital Fund (CDRCF)

5.13.1 Composition:

As per the approval given by the Board the committee is constituted to complete the necessary formalities for raising of capital funds. The Committee consists of MD & CEO and Executive Directors.

Ms. A. Manimekhalai, Managing Director & CEO of the Bank chaired the Committee.

5.13.2 Functions:

The Committee is authorized by the Board / Shareholders, as the case may be to complete the necessary formalities for raising of capital funds and to do all such acts, deeds, and things as it may in its absolute discretion deem necessary, proper and desirable including but not limited to decide on quantum & mode(s), number of tranches, price or prices, discount/premium, reservations to employees, customers, existing shareholders and/or any other persons as decided by the Board and as provided under SEBI regulations and the timing of such issue(s), calling the issue open at its discretion subject to applicable Rules and Regulations and GoI & RBI approval.

The Committee has held 5 meetings during the year 2022-23.

5.14 Board Committee for Performance Evaluation (BCPE)

5.14.1 Composition:

Ministry of Finance vide communication no. F. No. 9/5/2009-IR dated 30.08.2019 advised the Bank to constitute a Board Committee for Performance Evaluation of Managing Directors & CEO, Executive Directors in charge of internal Control Functions (Risk, Compliance and Audit) and General Managers in charge of internal control Functions (Risk, Compliance and Audit) of the bank.

Further as per MOF communication dated 14.11.2019, the Board Committee for Performance Evaluation is to be constituted with the approval of the Board with following members –

1. Non-Executive Chairman (NEC)
2. Government nominee Director, and
3. Longest serving Shareholder Director on the Board.

In case of vacancy in the office of NEC, the Chairman of Audit Committee of the Board shall be a member of the Committee in place of NEC.

5.14.2 Functions:

To appraise, review and accept the Annual Performance Appraisal Reports of the Managing Director and CEOs, Executive Directors and Chief General Managers in charge of Risk, Compliance and Audit.

The Committee has held 2 meetings during the year 2022-23.

5.15 Credit Approval Committee-I (CAC-I)

5.15.1 Composition:

As per clause 13A of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, the Bank has constituted the Credit Approval Committee-I. The Committee shall exercise the powers of the Board in respect of any single credit proposal upto ₹800 crore (in case of A & above externally rated accounts having valid rating) and up to ₹ 600 crore in case of other accounts and group exposure upto ₹ 800 crore and in case exposure exceeds such limits, it shall be considered by the Management Committee of the Board.

The composition of CAC-I is as under:

- Managing Director & CEO
- Executive Directors
- Chief General Manager / General Manager in-charge of the Credit

- Chief General Manager / General Manager in-charge of the Finance/Chief Financial Officer and
- Chief General Manager / General Manager in-charge of the Risk Management

Ms. A. Manimekhalai, Managing Director & CEO of the Bank chaired the Committee.

5.15.2 Functions:

All credit related matters including approval/review-renewal, miscellaneous requests, interest concessions, compromise/write off proposals, approval of capital and revenue expenditure, acquisition and hiring of premises, etc. within its delegated authority are being put up before the CAC-I for approval.

The Committee has held 32 meetings during the year 2022-23.

5.16 The details of Directors, their attendance in the Board and other Committee Meetings during the year is appended at the end of this Corporate Governance Report.

6. GENERAL BODY MEETINGS

The details of the General Body Meetings of the Shareholders held during last 3 years are given below:

Nature of Meeting	Date & Time	Venue	Special Resolution
18 th Annual General Meeting	4 th August, 2020 at 11:00 a.m.	Central Office, Union Bank, Mumbai through VC or OAVM	To set off the Bank's accumulated losses of ₹32758,49,47,263.10 (Rupees Thirty Two Thousand Seven Hundred Fifty Eight Crores Forty Nine Lacs Forty Seven Thousand Two Hundred Sixty Three and Ten Paise only) as at 31 st March, 2020 by utilizing the balance standing to the credit of Share Premium Account of Bank as on the date of set off and take the same into account during current Financial Year 2020-21.
Extraordinary General Meeting	30 th December, 2020 at 11:00 a.m.	Central Office, Union Bank, Mumbai through VC or OAVM	-To raise Capital through FPO/Rights / QIP/Preferential allotment etc. by way of an offer document / prospectus or such other document, in India or abroad, such number of equity shares, upto ₹6,800 crore (including premium, if any).
Extraordinary General Meeting (Cancelled)	25 th June, 2021 at 11:00 a.m.	Central Office, Union Bank, Mumbai through VC or OAVM	Election of ONE Shareholder Director was the only agenda at the Meeting and the Bank received only ONE valid nomination and therefore the meeting was cancelled as per Reg.66 of the Union Bank of India (Shares and Meetings) Regulations, 1998, as amended.

Nature of Meeting	Date & Time	Venue	Special Resolution
19 th Annual General Meeting	10 th August, 2021 at 11:00 a.m.	Central Office, Union Bank, Mumbai through VC or OAVM	-To raise Capital through FPO/Rights / QIP/Preferential allotment etc. by way of an offer document / prospectus or such other document, in India or abroad, such number of equity shares, upto ₹3,500 crore (including premium, if any).
20 th Annual General Meeting	30 th June, 2022 at 11:00 a.m.	Central Office, Union Bank, Mumbai through VC or OAVM	Raising of Capital of the Bank by way of issuance of fresh Equity Shares and / or by issuance of Additional Tier-1 / Tier-2 Capital as per BASEL III Guidelines for an amount not exceeding ₹ 8100 crore.

7. DISCLOSURES

The Bank is governed by the Banking Regulations Act 1949, Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, Nationalised Banks (Management & Miscellaneous Provisions) Scheme, 1970, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and guidelines/circulars issued by RBI, GoI and SEBI.

It is stated that the Bank is complying with the applicable mandatory requirements of Listing Regulations.

Compliance with respect to non-mandatory requirements is also given in this report. The other disclosure requirements stipulated by the Listing Regulation are as under:

7.1 Remuneration of Directors:

Managing Director & CEO and Executive Directors are being paid remuneration and reimbursement of traveling & halting expenses as per the rules framed by Government of India in this regard. Other terms and conditions of the appointment of whole-time directors are as per clause 8 of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970. The details of the same are given in the notes to accounts.

Sitting Fees:

The Directors appointed under clause (e), (f), (g), (h) and (i) of sub-section (3) of section (9) of the Banking Companies Act are entitled to sitting fees as mentioned below in accordance with circular F.No.15/1/2011-BO.I dated August 30, 2019 issued by Department of Financial Services, Ministry of Finance, Government of India, in terms of clause 17(1) of the Nationalised Banks Scheme for attending meetings of the Board and meetings of the committees of the Board, along with

additional fees for chairing the meeting of the Board and for chairing the meeting of committees of the Board, as decided by the Board of Directors subject to overall ceiling of ₹25 lakhs per director per annum.

The Board of Directors in its meeting held on July 29, 2020, approved payment sitting fees of ₹70,000 with effect from April 1, 2021 for attending per meeting of the Board and ₹35,000 for attending per meeting of the committees of the Board. Additional fees of ₹20,000 for chairing per meeting of the Board and ₹10,000 for chairing per meeting of committees of the Board was also approved.

The above information is also available on Bank's website under following link: <http://www.unionbankofindia.co.in/english/Making-payment.aspx>

Travelling & Halting Allowance:

In addition to fees to which a director is entitled to be paid, every such director travelling in connection with the work of the Bank shall be reimbursed his Travelling & Halting expenses, if any, in terms of the provisions of clauses 17 of the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970, on such basis as may be fixed by Central Government from time to time.

7.2 Disclosure on Material Significant Related Party Transactions:

Other than those in the normal course of banking business, the Bank has not entered into any materially significant Related Party Transaction that has potential conflict with interests of the Bank at large.

It is an established practice in the Bank that Directors do not take part in the deliberations of the Board and other Sub-Committees of the Board, when matters relating to them or to their relatives/firms/companies in which they are interested are discussed.

7.3 Disclosure of Pecuniary Relationship or Transactions:

The Bank's Non-Executive Directors do not have any pecuniary relationship or transaction with the Bank except to the extent of transactions done in the normal course of banking business and the sitting fees paid to them by the Bank for their attendance in the Board and Committee meetings of the Board of the Bank.

7.4 Proceeds from Public issues, Right issues, Preferential issues etc.:

During the year 2022-23, the Bank has issued Basel III Compliant Tier 2 Bonds to the tune of ₹ 2200 crore and Basel III Compliant AT 1 Bonds to the tune of ₹ 1983 crore. The said proceeds were utilized for augmenting the Bank's Tier 1 and Tier 2 Capital in terms of Basel III guidelines of RBI and to enhance the long-term resources of the Bank.

7.5 Penalties or Strictures:

No penalties or strictures were imposed on the Bank by any of the Stock Exchanges, SEBI or any Statutory Authority on any matter relating to Capital Markets during the last three years.

7.6 Whistle Blower Policy:

The Bank has put in place the Whistle Blower Policy and same can be accessed via following link –

<https://www.unionbankofindia.co.in/english/aboutus-policiescodes.aspx>.

The Audit Committee of the Board periodically reviews the functioning of the said policy. It is further stated that no employee has been denied access to the Audit Committee of the Board.

7.7 Policy for determining Material Subsidiary:

In compliance with Regulation 46(2)(h) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Bank has formulated Policy for determining Material Subsidiary and same can be accessed via following link <https://www.unionbankofindia.co.in/english/aboutus-policiescodes.aspx>

However as on date there is no material subsidiary of the Bank.

7.8 Related Party Transaction Policy:

The Bank has formulated Related Party Transaction Policy on dealing with Related Party Transactions. The said policy can be accessed via following link <https://www.unionbankofindia.co.in/english/aboutus-policiescodes.aspx>.

The Bank didn't have any materially significant related party transactions that had potential conflict with the interest of the Bank at large during the FY 2022-23.

7.9 Dividend Distribution Policy:

The Bank has formulated Policy for declaration of dividend for the year 2022-23. The said policy can be accessed via following link

<https://www.unionbankofindia.co.in/english/aboutus-policiescodes.aspx>

7.10 Takeover Code:

The Bank has also complied from time to time with the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended.

7.11 Compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015:

In pursuance of the Regulations, the Bank has formulated Code of Conduct for Prevention of Insider Trading for Designated Employees and Directors for dealing in Shares of the Bank. Various forms have been designed to receive periodical information from the Designated Employees and the Directors of the Bank, as required in terms of these Regulations. Further, the Trading Window for dealing in shares of the Bank was kept closed for the Directors and Designated Employees of the Bank as per the following details:

Dates of closure of trading window	Purpose of closure
31 st March 2022 to 15 th May 2022	Declaration of Financial Results for the year ended 31 st March 2022.
30 th June 2022 to 28 th July 2022	Declaration of Financial Results for the quarter ended 30 th June 2022.
1 st October 2022 to 22 nd October 2022	Declaration of Financial Results for the quarter ended 30 th September 2022.
1 st January 2023 to 22 nd January 2023	Declaration of Financial Results for the year ended 31 st December 2022.

7.12 Management Discussion and Analysis:

The same has been given separately in the Annual Report.

7.13 Compliance Reports on Corporate Governance:

The Bank has submitted quarterly compliance reports on Corporate Governance in the specified format to BSE Ltd (BSE) & National Stock Exchange of India Ltd (NSE) within stipulated timeline.

7.14 Dissemination of Information on Website:

The Bank has disseminated the required information under clauses (b) to (i) of sub-regulation 46 of Listing Regulations on its website www.unionbankofindia.co.in.

7.15 Details of Fees paid to Statutory Auditors:

Total fees for all services paid by the Bank and its subsidiaries, on a consolidated basis, to Statutory Auditor during Financial Year 2022-23 is ₹ 74.49 Crore.

7.16 Disclosures in relation to the Sexual Harassment of

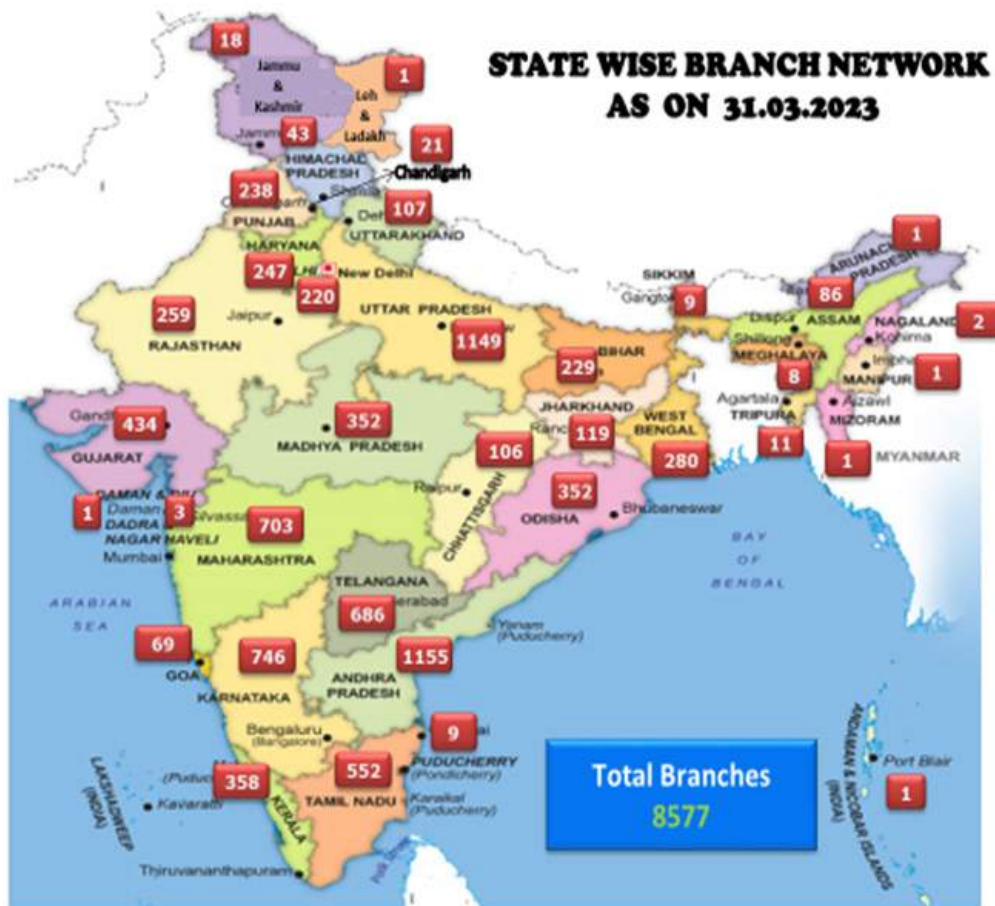
Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. number of complaints filed during the financial year 2022-23 : 17 (Seventeen)
- b. number of complaints disposed of during the financial year 2022-23 : 16 (Sixteen)
- c. number of complaints pending as on end of the financial year 2022-23 : 1 (One)

7.17 Branch Network:

The branch network of our Bank is widely spread across the country with 8577 branches and 3 overseas branches (Hongkong, Sydney, Dubai DIFC) as on March 31, 2023 out of these 58 percent of the branches are in rural and semi-urban centers.

Branches Network As on 31.03.2023						
	Rural	Semi-Urban	Urban	Metro	Foreign	Total
No. Of Branches	2545	2458	1755	1819	3	8580
Branches (%)	30	29	20	21	--	100



7.18 Credit Rating

List of all credit ratings obtained along with revisions during the financial year 2022-23, for all debt instruments or any fixed deposit programme or any scheme or proposal of the Bank involving mobilization of funds, whether in India or abroad:

Rating Agency	Basel III		Certificates of Deposits	Outlook
	Additional Tier 1	Tier 2		
Brickwork	BWR AA	BWR AA+	-	Stable
CRISIL	CRISIL AA	CRISIL AA+	-	Stable
CARE	CARE AA	CARE AA+	-	Positive
India Ratings	IND AA	IND AA+	IND A1+	Stable
ICRA Ltd	-	ICRA AA+	ICRA A1+	Stable

FITCH - Rating report dated October 21, 2022:

Category	Rating
Long Term Issuer default Rating (IDR)	"BBB-" Outlook Stable
Short Term Issuer Default Rating (IDR)	F3
Viability Rating (VR)	b

Vide its Rating Rationale dated April 28, 2023, Fitch Ratings assigned Ex-Government Support 'xgs' ratings to banks in the Asia-Pacific (APAC) region. Ex-Government Support ratings, where an 'xgs' suffix is added to the corresponding existing rating assigned to Banks that are not rated as public-sector policy Banks and whose Long-Term Issuer Default Ratings (IDRs) incorporate assumptions of Government support.

In line with the Bank Ex-Government support Ratings criteria, Union Bank of India has been assigned a Long-Term Foreign currency IDR (xgs) at the level of its existing Viability Ratings (VR).

Standard & Poor's- Rating Date: January 31, 2023

Category	Rating
Issuer Credit Rating (Long term/ Short Term)	BB+/Stable/B
Standalone Credit Profile (SACP)	bb-
Bank's Senior Unsecured Notes (Long term)	BB+
Outlook: Stable	

7.19 Details of Material Subsidiaries of the Bank: None of the Subsidiaries of the Bank is a Material Subsidiary.

8. MEANS OF COMMUNICATION

The quarterly, half-yearly and annual financial results of the Bank were published in leading newspapers including Business Standard (English), The Free Press Journal (English), Navbharat (Hindi) and Navshakti (Marathi). The results are simultaneously displayed on the Bank's website www.unionbankofindia.co.in Similarly, the press releases issued by the Bank, related presentations, shareholding pattern, etc. are also simultaneously placed on the Bank's website under the head "Investor Relations".

9. SHAREHOLDERS' INFORMATION

9.1 Financial Year – 1st April 2022 to 31st March 2023

9.2 Listing of Equity Shares & Bonds - The Bank's equity shares are listed on BSE and NSE and Bonds listed on NSE. The details of stock scrip code are as follows:

Name	Code
BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	532477
National Stock Exchange of India Limited (NSE), Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051	UNIONBANK-EQ

The Annual Listing Fee for Equity Shares for the financial year 2023-24 has been paid to both the Stock Exchanges on 21st April, 2023.

The Bank has issued and allotted unsecured Non-Convertible taxable, subordinated Basel III compliant Tier II and additional Tier I bonds in the nature of debentures from time to time. The relevant details thereof as on 31.03.2023 are as under:

Sr. No.	ISIN	Bond Description	Series	Amount (in ₹ Cr.)	Date of Allotment	Maturity Date	Coupon Rate (%)(p.a.)
1	INE692A08029	Basel III Compliant Additional Tier I	Bond Series XX	1,000	15-Sep-16	Perpetual	9.50
2	INE692A08110	Basel III Compliant Additional Tier I	Bond Series XXVII	500	15-Dec-20	Perpetual	8.73
3	INE692A08128	Basel III Compliant Additional Tier I	Bond Series XXVIII	1,000	11-Jan-21	Perpetual	8.64
4	INE692A08136	Basel III Compliant Additional Tier I	Bond Series XXIX	205	29-Jan-21	Perpetual	8.73
5	INE692A08169	Basel III Compliant Additional Tier I	Bond Series XXXII	2,000	22-Nov-21	Perpetual	8.70
6	INE692A08177	Basel III Compliant Additional Tier I	Bond Series XXXIII	1,500	20-Dec-21	Perpetual	8.40
7	INE692A08185	Basel III Compliant Additional Tier I	Bond Series XXXIV	1,500	02-Mar-22	Perpetual	8.50
8	INE692A08193	Basel III Compliant Additional Tier I	Bond Series XXXV	1,320	25-Jul-22	Perpetual	8.69
9	INE692A08227	Basel III Compliant Additional Tier I	Bond Series XXXVII	663	23-Dec-22	Perpetual	8.40
10	INE692A09266	Basel III Compliant Tier II	Bond Series XVII-A	2,000	22-Nov-13	22-Nov-23	9.80
11	INE692A08045	Basel III Compliant Tier II	Bond Series XXII	750	24-Nov-16	24-Nov-26	7.74
12	INE112A08051	Basel III Compliant Tier II	Bond Series II	1,000	8-Nov-19	8-Nov-29	8.93
13	INE692A08094	Basel III Compliant Tier II	Bond Series XXV	1,000	16-Sep-20	16-Sep-30	7.42
14	INE692A08102	Basel III Compliant Tier II	Bond Series XXVI	1,000	26-Nov-20	26-Nov-35	7.18
15	INE692A08144	Basel III Compliant Tier II	Bond Series XXX	850	24-Jun-21	24-Jun-31	7.19
16	INE692A08151	Basel III Compliant Tier II	Bond Series XXXI	1,150	9-July-21	9-July-36	7.25
17	INE692A08219	Basel III Compliant Tier II	Bond Series XXXVI-A	1,500	29-Nov-22	29-Nov-37	7.85
18	INE692A08201	Basel III Compliant Tier II	Bond Series XXXVI-B	700	29-Nov-22	29-Nov-32	7.80
		Total		19,638.00			

9.3 Dividend:

The Board of Directors has recommended a dividend of ₹ 3 per equity share of face value ₹10/-for FY 2022-23.

9.4 Particulars of AGM:

Board Meeting for considering Accounts	Saturday, 6 th May, 2023
Date, Time & Venue of AGM	Friday, 4 th August, 2023 at 11.00 AM through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) facility at Central Office, Union Bank of India, Mumbai (the deemed venue of the Meeting)
Dates of Book Closure	Saturday, 29 th July, 2023 to Friday, 4 th August, 2023 (both days inclusive)
Opening & Closing of E-Voting	Tuesday, 1 st August, 2023 (9:00 AM IST) to Thursday, 3 rd August, 2023 (5:00 PM IST)

9.5 Financial Calendar:

The tentative calendar for declaration of results for the financial year 2023-24 is given below:

Financial Results	Likely release of results
For the quarter ending June 30, 2023	By August 10, 2023
For the quarter ending September 30, 2023	By November 10, 2023
For the quarter ending December 31, 2023	By February 10, 2024
For the year ending March 31, 2024	By May 15, 2024

9.6 Share Transfer System and Redressal of Investors' Grievances:

The Bank has constituted the Share Transfer Committee of the Board to consider the transfer of shares and other related matters. In terms of SEBI guidelines dated 08.06.2018 & SEBI Press Release dated 03.12.2018, physical transfer of shares is not permitted after 31.03.2019, thus, shareholders are requested to open a demat account and dematerialise their physical shareholding.

Further, in the interest of investors and with a view to enhance ease of dealing in securities markets by investors, SEBI, vide its circular dated 25.01.2022, decided that the listed entities shall henceforth issue the shares in dematerialized mode only while processing the following service requests:

- Issue of duplicate securities certificate;
- Claim from Unclaimed Suspense Account;
- Renewal / Exchange of securities certificate;
- Endorsement;
- Sub-division / Splitting of securities certificate;
- Consolidation of securities certificates / folios;
- Transmission;
- Transposition;

The Shareholder / claimant shall submit duly filled up Form ISR-4 (ISR-5 for Transmission) and the RTA / listed entity shall, after processing the service requests, issue a "Letter of Confirmation" instead of physical certificates to the shareholder / claimant within 30 days of such requests after removing objections, if any.

The Letter of Confirmation shall be valid for 120 days from the date of its issuance within which the shareholder / claimant shall make a request to the depository participant for dematerializing the said securities.

The RTA shall issue a reminder after the end of 45 days and 90 days from the date of issuance of Letter of Confirmation, informing the securities holder / claimant to submit the demat request.

The RTA shall retain the physical share certificate as per the existing procedure and deface the certificate with a stamp "Letter of Confirmation Issued" on the face / reverse of the certificate, subsequent to processing the service request.

Depository Participant shall generate the demat request on the basis of Letter of Confirmation and forward the same to the Listed entity / RTA for processing the demat request.

If demat request is not received within 120 days of the Letter of Confirmation, shares shall be credited to the Suspense Escrow Demat Account of the entity.

In compliance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Bank has appointed KFin Technologies Limited as its Registrars and Share Transfer Agent (RTA) with a mandate to process transfer of Shares, dividend,

recording of shareholders' requests, solution of shareholders' grievances amongst other activities connected with the issue of shares. The Investors may lodge their transfer deeds / requests / complaints with the RTA at the address mentioned below.

The Bank has also established Investor Services Division at its Central Office, Mumbai. The Shareholders may contact Company Secretary, Investor Services Division for any of their requests/complaints.

Registrar & Share Transfer Agent (RTA)	Debenture Trustee	Company Secretary
KFIN Technologies Limited Unit: Union Bank of India Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 Tel No: 040- 67162222 Fax No: 040 – 23001153 Email: einward.ris@kfintech.com	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400001 Tel- (022) 40807001 Fax- (022) 66311776 Email: itsl@idbitrustee.com, response@idbitrustee.com	Investor Services Division Union Bank of India 12 th Floor, Central Office, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai-400 021. Tel-(022) 2289 6636 Fax-(022) 22025238 E-mail: investorservices@unionbankofindia.bank

9.7 Other communications:

In addition to timely responses to the queries of the shareholders, the Bank proactively sends a half yearly communication to the shareholders to promote good investors' relations.

The Banksent Half-yearly Communication through email to all the shareholders whose email id is registered with the Bank / DP.

9.8 Dematerialisation of shares:

The Bank has entered into agreements with both the Depositories viz. National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd.

(CDSL) for dematerialisation of the Bank's shares. The ISIN code allotted to the Bank's Equity Shares is INE692A01016.

Therefore, it is requested that the shareholders holding the shares in physical mode may get their shares dematerialized in their own interest as it will save them from the need of safe custody of the share certificates which at times may lead to loss/mutilation. Besides, this would also provide them instant liquidity as the shares of the Bank is traded in demat form. This would also result in easy and faster collection of dividend payments.

Particulars of shares in Demat and Physical form held by the shareholders as of 31.03.2023 are as under:

Category	No of Shareholders	No. of Shares	% of shareholding
Physical	82,760	1,56,69,245	0.23
Demat			
NSDL	2,99,080	90,05,79,727	13.18
CDSL	4,01,711	591,84,98,494	87.31
TOTAL	7,83,551	683,47,47,466	100.00

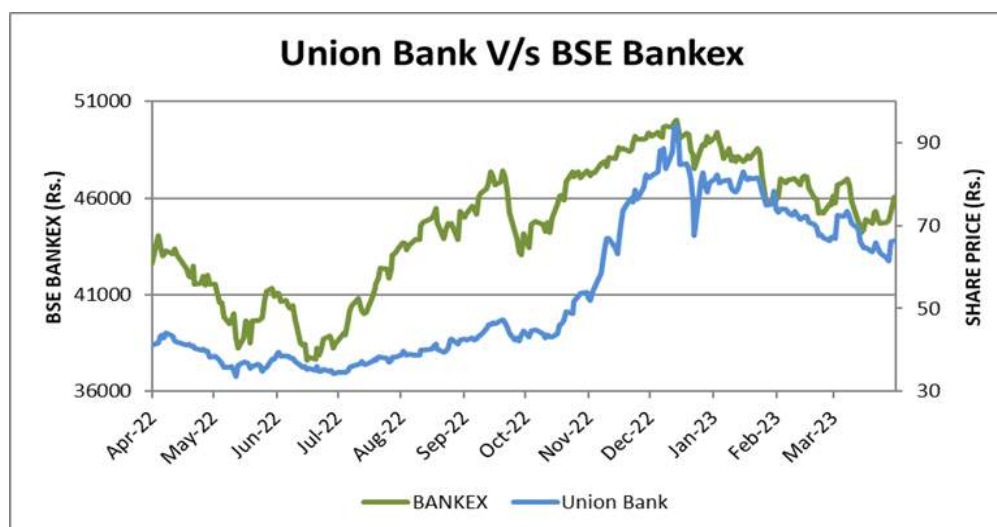
Note: Entire Shareholding of the Promoter of the Bank is in Dematerialized Form.

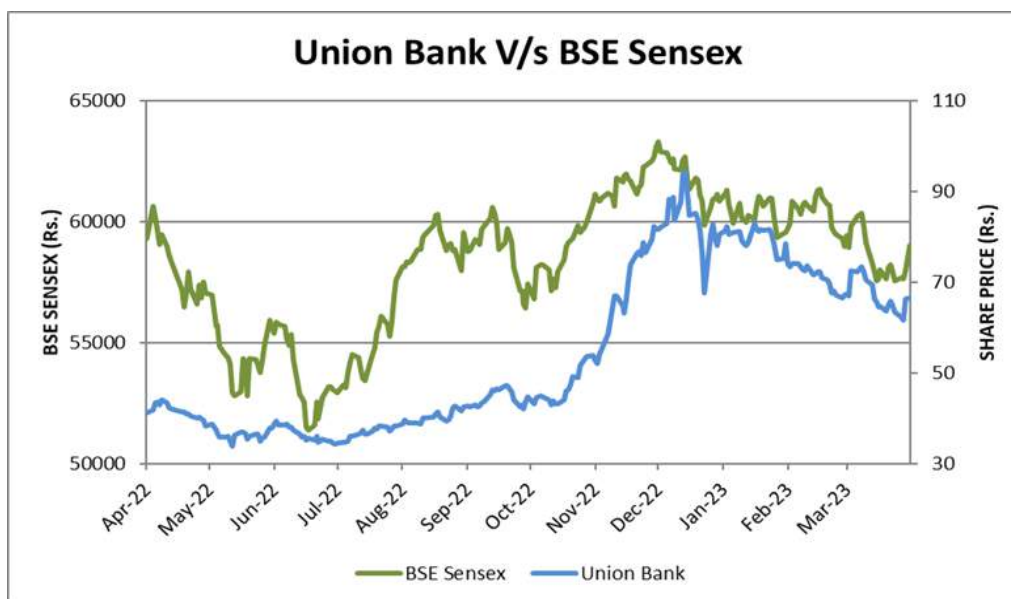
Further, in pursuance of the circular issued by SEBI, a practicing Company Secretary has also conducted reconciliation of Share Capital Audit on a quarterly basis. During the course of reconciliation of Share Capital audit, no discrepancy in updation/maintenance of the Register of Members or processing of demat requests was found and the capital held in physical mode and demat mode tallied with the issued capital.

The Bank has sent various communications to its shareholders holding shares in physical form to dematerialize the same. As a result, 1,796 shareholders dematerialized their 4,07,085 shares held in physical form during the year 2022-23.

9.9 Market Price, Volume of shares traded in Stock Exchanges:

Months	BSE			NSE			BSE SENSEX	
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)	High	Low
Apr-2022	44.8	37.85	249.14	44.85	37.8	1,969.83	60845.1	56009.07
May-2022	39.1	33.55	189.62	39	33.5	1,776.24	57184.21	52632.48
Jun-2022	39.9	34.1	136.85	40	34.1	1,484.42	56432.65	50921.22
Jul-2022	38.8	34	112.27	38.8	34	1,116.11	57619.27	52094.25
Aug-2022	43.7	38.05	159.35	43.7	38	1,672.64	60411.2	57367.47
Sep-2022	48.45	41.75	246.10	48.45	41.8	2,361.02	60676.12	56147.23
Oct-2022	54.7	42.6	256.67	54.7	42.6	2,290.17	60786.7	56683.4
Nov-2022	83.7	51.3	604.28	83.7	51.2	7,351.18	63303.01	60425.47
Dec-2022	96.4	66.75	775.58	96.4	66.7	9,160.44	63583.07	59754.1
Jan-2023	83.85	72.15	378.79	83.8	72.25	3,609.20	61343.96	58699.2
Feb-2023	79.7	65.35	219.21	79.7	65.35	1,863.51	61682.25	58795.97
Mar-2023	75.6	60.32	320.73	75.6	60.35	2,699.07	60498.48	57084.91
Closing Price as on 31.03.23	65.37			66.55				
Market Cap	₹44,678 crore			₹ 45,485 crore			-	





9.10 Distribution of Shareholding:

Shareholding	As of 31.03.2023				As of 31.03.2022			
	No. of shareholders	% to total	No. of shares	% to total	No. of shareholders	% to total	No. of shares	% to total
Upto 500	665546	84.94	74079944	1.08	642618	82.42	76427698	1.12
501 to 1000	52924	6.75	40433982	0.59	58277	7.47	45172534	0.66
1001 to 2000	26956	3.44	40668815	0.60	30157	3.87	45971773	0.67
2001 to 3000	15910	2.03	40039611	0.59	20276	2.60	51007654	0.75
3001 to 4000	7608	0.97	26522967	0.39	9745	1.25	34019956	0.50
4001 to 5000	4329	0.55	20258665	0.30	5544	0.71	26009371	0.38
5001 to 10000	6522	0.83	46280143	0.68	8289	1.06	59067045	0.86
10001 & above	3756	0.48	6546463339	95.78	4793	0.62	6497071435	95.06
Total	783551	100	6834747466	100	779699	100.00	6834747466	100.00

The face value of Bank's per Equity share is ₹10/-.

9.11 Shareholding pattern:

The Shareholding Pattern of the Bank's shares as of 31.03.2023 vis-a-vis 31.03.2022 is as follows:

Category of shareholder	As of 31.03.2023		As of 31.03.2022	
	No. of shares held	% to total holding	No. of shares held	% to total holding
Promoter				
Government of India	5,70,66,60,850	83.49	5,70,66,60,850	83.49
Public				
Institutional Investors				
Mutual Funds & UTI	155330626	2.27	6,42,39,168	0.94
Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions)	410675574	6.01	4178,25,501	6.11
FIs & Foreign Mutual Funds	8,07,63,510	1.18	8,07,63,510	1.18
OTHERS				
Private Corporate Bodies	24023255	0.35	4,89,41,688	0.72
Indian Public	416682742	6.1	50,84,00,256	7.44
NRIs/OCBs/Qualified Foreign Investor	7470165	0.11	79,16,493	0.12
Total	6834747466	100.00	6,43,47,47,466	100.00

9.12 List of Top 10 Shareholders of the Bank:

The list of top 10 shareholders of the Bank as on 31.03.2023 is as follows:

Sr. No.	Name	Shares	% To capital
1	PRESIDENT OF INDIA	5706660850	83.495
2	LIFE INSURANCE CORPORATION OF INDIA	385692691	5.643
3	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPORTUNITIES FUND	70861014	1.037
4	QUANT MUTUAL FUND - QUANT ACTIVE FUND	44537000	0.652
5	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA ETF NIFTY PSU BANK BEES	16797434	0.246
6	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	15442120	0.226
7	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	14900616	0.218
8	KOTAK PSU BANK ETF	11752304	0.172
9	BNP PARIBAS ARBITRAGE - ODI	10605382	0.155
10	REKHA RAKESH JHUNJHUNWALA	8400000	0.123

9.13 Unclaimed/Unpaid Dividend:

The amount of dividend that remained unclaimed for a period of seven years from the date of transfer of dividend to the Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund (IEPF). The proposed date of transfer for various dividend accounts as on date are given below:

Sr. No	Dividend Account pertaining to	Unpaid Dividend Bank Account No.	Financial Year	Rate of dividend	Proposed Date of Transfer to IEPF	Balance as on 31.03.2023 (₹)
1	UBI	317901090049775	2015-16	₹1.95 per share	08-08-23	1,02,50,036.15
2	E-AB	117911100001802	2015-16	₹0.50 per share	31-08-23	57,60,465.42
3	UBI	066221090000005	2021-22	₹1.90 per share	11.08.29	3,61,25,128.59
TOTAL						5,21,35,630.16

The shareholders who have not claimed the above dividends till now are requested to make a claim at the earliest to the Registrar & Share Transfer Agent or the Investor Services Division of the Bank. A format of indemnity bond in this respect is available on the website of the bank (www.unionbankofindia.co.in).

9.14 Unclaimed Shares:

a) In Physical Form:

As per Schedule VI of the SEBI (Listing Obligations & Disclosure Requirements), 2015 i.e. Manner of Dealing with Unclaimed Shares, the Bank opened a Unclaimed Suspense Account in March, 2012 after completion of procedure as instructed by SEBI. The shares issued in physical form during IPO of the Bank in the year 2002, which are still unclaimed are controlled in this account. The details of the shares lying in this account are as follows:

Particulars	No. of shareholders	No. of shares
Balance as of 01.04.2022 lying in Demat Suspense Account	4	600
Shareholders approached for transfer during the financial year 2022-23	NIL	NIL
Shareholders to whom shares were transferred during the year 2022-23	NIL	NIL
Balance as on 31.03.2023 lying in Demat Suspense Account	4	600

b) In Demat Form:

As per Schedule VI of the SEBI (Listing Obligations & Disclosure Requirements), 2015 i.e. Manner of Dealing with Unclaimed Shares, the Bank has opened a Demat Suspense Account in March 2010 after completion of procedure as instructed by SEBI. The shares allotted to the applicants at the time of Bank's FPO during 2006 but not credited to their respective demat account due to some technical reasons are controlled in this account. The details of the shares lying in this account are as follows:

Particulars (UBI-FPO)	No. of shareholders	No. of shares
Balance as of 01.04.2022 lying in Demat Suspense Account	216	26414
Shareholders approached for transfer during the financial year 2022-23	0	0
Shareholders to whom shares were transferred during the year 2022-23	0	0
Balance as on 31.03.2023 lying in Demat Suspense Account	216	26,414

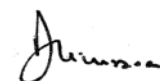
Particulars (E-AB and E-CB)	No. of shareholders	No. of shares
Balance as of 01.04.2022 lying in Demat Suspense Account	175	17,431
Shareholders approached for transfer during the financial year 2022-23	7	4342
Shareholders to whom shares were transferred during the year 2022-23	7	4342
Balance as on 31.03.2023 lying in Demat Suspense Account	168	13089

The voting rights on above- mentioned all shares shall remain frozen till the rightful owner of these shares claims the same to their respective Demat Account.

10. EXTENT OF COMPLIANCE WITH DISCRETIONARY REQUIREMENTS OF LISTING REGULATIONS

Sr. No	Non-Mandatory Requirement	Extent of Compliance
1.	Board A non-executive Chairman may be entitled to maintain a Chairperson's Office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his /her duties.	Complied with.
2.	Shareholder Rights A half-yearly declaration of financial performance including summary of the significant events in last six months, may be sent to each household of shareholders.	Half-yearly communication is sent by way of an email to all the shareholders who registered their email IDs with the Bank / RTA of the Bank.
3.	Modified opinion(s) in Audit Report The listed entity may move towards a regime of financial statements with unmodified audit opinion.	There has been no modified opinion in audit report during the year under review.
4.	Reporting of Internal Auditor The Internal auditor may report directly to the Audit Committee.	As per the Board approved Risk Based Internal Audit Policy, the Internal Auditors report directly to the Chief General Manager, Audit & Inspection Department. However, details with latest position of Flash Reports & Special Reports given by internal auditors are placed before the Audit Committee of the Board.

For and on behalf of the board of directors



(Srinivasan Varadarajan)

Chairman

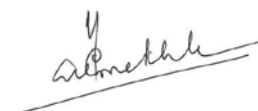
Place: Mumbai

Date: 23.06.2023

DECLARATION ON CODE OF CONDUCT

The Board has laid down a Code of Conduct for all the Board Members and Senior Management of the Bank and the same is posted on the website of the Bank. The Directors and Senior Management have affirmed compliance with the Code of Conduct for the financial year 2022-23.

For Union Bank of India



(A. Manimekhalai.)

Managing Director & Chief Executive Officer

Place: Mumbai

Date: 06.06.2023

Independent Auditors' Certificate on Corporate Governance

To The Members of Union Bank of India

We have examined the compliance of conditions of Corporate Governance by Union Bank of India, for the year ended on March 31, 2023, as stipulated in the relevant provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') amended from time to time as referred to in Regulation 15(2) of the Listing Regulations for the year April 01, 2022 to March 31, 2023.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Corporate Governance, issued by the Institute of Chartered Accountants of India (ICAI) and was limited to procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Bank.

Based on our examination of relevant records, in our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable for the year ended March 31, 2023.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

This certificate is issued with reasonable assurance as mentioned in Independent Auditor's Report for various certificates issued during the Statutory Audit of Union Bank of India for the Financial Year 2022-23.

For **M/s R G N Price & Co.**
Chartered Accountants
FRN 002785S

For **M/s SARDA & PAREEK LLP**
Chartered Accountants
FRN 109262W/W100673

For **M/s C R Sagdeo & Co.**
Chartered Accountants
FRN 108959W

CA P. M. Veeramani
Partner
Membership No.023933
UDIN: 23023933BGVFB8763

CA Niranjn Joshi
Partner
Membership No.102789
UDIN: 23102789BGWREB5291

CA Sachin V. Luthra
Partner
Membership No. 109127
UDIN: 23109127BGQVHR6655

For **M/s P V A R & Associates**
Chartered Accountants
FRN 005223C

For **Mis Gopal Sharma & Co**
Chartered Accountants
FRN002803C

For **M/s N B S & Co.**
Chartered Accountants
FRN 110100W

CA Ruchi Agarwal
Partner
Membership No. 504134
UDIN: 23504134BGWTPP4106

CA Abhishek Sharma
Partner
Membership No. 079224
UDIN: 23079224BGTKQO2274

CA Pradeep J. 046940
Partner
Membership No. 046940
UDIN: 23046940BGPTTS7892

Place: Mumbai
Date :May 06, 2023

Form No. MR-3
Secretarial Audit Report
For the period 01-04-2022 to 31-03-2023

[Pursuant to Regulation 24A of the SEBI (LODR) Regulations, 2015, read with
SEBI Circular CIR/CFD/CMD1/27/2019 Dated February 08, 2019]

To,
The Members,
Union Bank of India
Central Office, Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Union Bank of India** (hereinafter called "the Bank"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering 1st April, 2022 to 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the audit period April 01, 2022 to March 31, 2023 according to the provisions of:

- i. The Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970;
- ii. The Nationalised Banks' (Management & Miscellaneous Provisions) Scheme, 1970;
- iii. The Banking Regulation Act, 1949 & Banking Regulation (Companies) Rules, 1949 (as amended from time to time);
- iv. The Reserve Bank of India Act, 1945 and Master Directions, Notifications and Guidelines etc., issued by RBI from time to time.
- v. The Union Bank of India (Shares and Meetings) Regulations, 1998;
- vi. The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- vii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing;
- viii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Bank during the period under review)**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Bank during the period under review)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Bank during the period under review)**
 - g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Bank during the period under review)**

- h) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009;
- i) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993
- j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

We have relied on the representation made by the Bank and its Officers for systems and mechanism formed by the Bank for compliances under other applicable Acts, Laws and Regulations to the Bank.

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not applicable as Bank is not incorporated under the Companies Act, 2013)**
- b) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

During the period under review the Bank has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc.

We further report that

The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act, Rules and Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Bank had following specific events or actions which might have a bearing on the Bank's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

1. Superannuation of Shri Manas Ranjan Biswal as Executive Director of the Bank
2. Cessation of Shri Mangesh Mandrekar as Company Secretary and Compliance Officer of the Bank & Designation of Shri S.K. Dash as Company Secretary and Compliance Officer of the Bank.
3. Superannuation of Shri Rajkiran Rai G. as Managing Director & Chief Executive Officer of the Bank .
4. Appointment of Ms. A. Manimekhalai as Managing Director & Chief Executive Officer of the Bank .
5. Issue & Allotment of ₹ 1983 Crore of Unsecured, Subordinated, Taxable, Non-Convertible, Perpetual, fully paid-up Basel III Compliant Additional Tier-1 Bond ("Bonds").
6. Cessation from service of Shri B. S. Venkatesha, Chief Risk Officer of the Bank & Appointment of Shri Omprakash S Karwa as Chief Risk Officer of the Bank.
7. Appointment of Shri Srinivasan Varadarajan as a Part-time Non-Official Director as well as Non-Executive Chairman of the Bank
8. Appointment of Shri Ramasubramanian S as the Executive Director of the Bank
9. Issue and Allotment of ₹2200 crore Unsecured, Subordinated, Non-Convertible, Taxable, Fully Paid-Up Basel III Compliant Tier- 2 Bonds in the nature of Debentures eligible for inclusion in Tier 2 Capital ("Bonds").

10. Appointment of KFin Technologies Limited as Registrar to Issue and Share Transfer Agent (RTA) of the Bank in place of Datamatics Business Solutions Ltd, the earlier RTA.

For Ragini Chokshi & Co
Company Secretaries
Firm Registration Number: 92897

Place: Mumbai
Date: 30.05.2023

Umashankar Hegde
Partner
M.No: A22133 #CP No: 11161
UDIN : - A022133E000416648
ICSI Unique Code: P1988MH05 6900
Peer Review Certificate No -659/2020

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

Annexure - A

To,
The Members,
Union Bank of India
Central Office, Mumbai

Our Secretarial Audit Report for the Financial Year ended on March 31, 2023 of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the Management of the Bank. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we follow provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Bank.

For Ragini Chokshi & Co
Company Secretaries
Firm Registration Number: 92897

Place: Mumbai
Date: 30.05.2023

Umashankar Hegde
Partner
M.No: A22133 #CP No: 11161
UDIN : - A022133E000416648
ICSI Unique Code: P1988MH05 6900
Peer Review Certificate No -659/2020

Secretarial Compliance Report of Union Bank of India for the year ended 31st March, 2023

[Under Regulation 24A of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

We have examined:

- (a) all the documents and records made available to us and explanation provided by **UNION BANK OF INDIA** ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended March 31, 2023 ("Review Period") in respect of compliance with the provisions of:

- (a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and as amended from time to time;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and as amended from time to time;;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Bank during the period under review)**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and as amended from time to time; **(Not Applicable to the Bank during the period under review)**
- (f) Securities and Exchange Board of India (Issue and Listing of Non—Convertible Securities) Regulations, 2021;
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and as amended from time to time;
- (h) Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018
- (i) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Bank during the period under review)**
- (j) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009; and circulars/guidelines issued thereunder;

We hereby report that, during the Review Period the Compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by PCS
1	<p>Secretarial Standards:</p> <p>The compliances of the Bank are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI) notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable .</p>	NA	Union Bank of India is a corresponding bank constituted under Banking Companies (Acquisition and Transfer of Undertaking) Act,1970. The provisions of the Companies Act ,2013 are not applicable to the Bank.
2	<p>Adoption and timely updation of the Policies:</p> <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI 	Yes	None
3	<p>Maintenance and disclosures on Website:</p> <ul style="list-style-type: none"> The listed entity is maintaining a functional website Timely dissemination of the documents/ information under a separate section on the website Web-links provided in the annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website 	Yes	None
4	<p>Disqualification of Director:</p> <p>None of the Director of the Bank are disqualified under Section 164 of Companies Act, 2013.</p>	Yes	None
5	<p>To examine details related to Subsidiaries of listed entities have been examined w.r.t:</p> <p>(a) Identification of material subsidiary companies (b) Disclosures requirements of material as well as other subsidiaries</p>	NA	(a) No Material Subsidiary has been identified. (b) Examined the disclosures of other subsidiaries and found in order.
6	<p>Preservation of Documents:</p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.</p>	Yes	None

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by PCS
7	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	None
8	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions. (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	Yes N.A	No such instances were observed during the period
9	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed there under.	Yes	None
10	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	None
11	Actions taken by SEBI or Stock Exchange(s), if any: No Action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued there under.	NA	No such instances were observed during the period.
12	Additional Non-compliances, if any: No additional non-compliance observed for all SEBI regulation/ circular/ guidance note etc.	NA	No additional non- compliances were found for the period under review.

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS
1	Compliances with the following conditions while appointing/re-appointing an auditor		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA NA NA	Not applicable during the period under review Not applicable during the period under review Not applicable during the period under review
2	Other conditions relating to resignation of statutory auditor		
	i. Reporting of concerns by Auditor with respect to the listed entity/ its material subsidiary to the Audit Committee: a In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings. b In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information /explanation sought and not provided by the management, as applicable. c The Audit Committee/ Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.	NA	Not applicable during the period under review

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS
	ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI/ NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	NA	Not applicable during the period under review
3	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18 th October, 2019.	NA	Not applicable during the period under review

The Bank has complied with the points 6(A) and 6 (B) as mentioned in SEBI No. CIR/CFD/CMD1/114/2019 dated October 18, 2019 and it has incorporated all the terms and conditions in the respective appointment letter / supplemental letter issued to the Statutory Auditors.

The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below: -

-NIL-

The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr No.	Compliance Requirement (Regulations/ circulars/guidelines including specific clause)	Regulation/ Circular	Deviations	Action taken by	Type of action	Details of violation	Fine Amount	Observations / Remarks of The Practicing Company Secretary	Management response	Remarks
1	Regulation 17(b) of the SEBI (LODR) Regulations 2015 Where the listed entity does not have a regular on executive chairperson, at least half of the board of directors shall comprise of independent directors	Regulation 17(b)	Since the Bank doesn't have a non-executive Chairperson, based on the number of directors on the board, the board comprise of at least 6 independent directors.	-	-	-	-	Though the provisions related to independent directors do not apply to public sector banks as they are not established under the Companies Act, and the Act establishing the PSBs does not define independent directors, the communication of Ministry of Finance no. F.No.6/2019- BO.1 dated 30/08/2019, has clarified that the non official director appointed clause (g) and the non official directors appointed under clause (h) of section 9(3) of Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970, are similar in nature to independent directors. In view of this clarification, the Board of the Bank has decided to consider the directors appointed/nominated under clauses (g) (h) and (i) of the section referred above as independent directors. During the year under report, the Board did not have a director appointed under clause (g) and had two directors each nominated/elected under clause (h) and (i) of the above section. Based on this decision of the Board, the bank had only 4 independent directors against the requirement of 6 directors.	With the induction of Non-Executive Chairman (Independent), the Board of the Bank is composed of requisite number of independent directors as per SEBI LODR	Now Complied with.
2	Regulation 19(1) of the SEBI (LODR) Regulations, 2015 The Board of Directors shall constitute the Nomination and Remuneration committee consisting of at least three non-executive directors with at least two-third of the directors being independent directors.		Due to non-availability of the prescribed number of non-executive/ independent directors on the Board of the Bank there was shortage of members in this Committee.					As per the directions of the Reserve Bank of India, the Committee should comprise of the non-executive director nominated under section 9(3)(g) and three non-executive directors nominated under section 9(3)(h) of the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970. Though the Board did not have a non-executive director nominated under section 9(3)(g) of the Act, it had two directors each nominated under section 9(3)(h) and elected under 9(3)(i) of the Act to constitute the committee, satisfying the requirements of the composition of the committee under LODR. The functions of this Committee were taken up by the Board of the Bank pursuant to Clause 14A of the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970.	As per RBI Circular dated 26.04.2021, NRC shall consist of only Non-Executive Directors and atleast half of the Members shall be independent. Bank's NRC is composed of all Non-Executive and Independent Directors.	Now Complied with.

Assumptions & Limitation of scope and Review.

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the Bank.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the Bank.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank

For Ragini Chokshi & Co
Company Secretaries

Umashankar Hegde
(Partner)
M.No: A22133,
CP No: 11161

UDIN : A022133E000322730

Date: 19.05.2023
Place: Mumbai

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Union Bank of India
Union Bank Bhavan, 239,
Vidhan Bhavan Marg, Nariman Point,
Mumbai - 400 021

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Union Bank of India (hereinafter referred to as 'the Bank') having Central Office at Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai - 400 021, produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Bank & its officers, We hereby certify that none of the Directors on the Board of the Bank as stated below for the Financial Year ended March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	Director Identification Number	Date of Appointment in the Bank
1.	Srinivasan Varadarajan	00033882	07-11-2022
2.	A. Manimekhalai	08411575	03-06-2022
3.	Nitesh Ranjan	08101030	10-03-2021
4.	Rajneesh Karnatak	08912491	21-10-2021
5.	Nidhu Saxena	09691292	01-02-2022
6.	Ramasubramanian S	08747165	21-11-2022
7.	Sameer Shukla	06435463	08-11-2021
8.	Arun Kumar Singh	09498086	26-04-2019
9.	Suraj Srivastava	09444372	21-12-2021
10.	Laxman S Uppar	02453845	21-03-2022
11.	Jayadev Madugula	03574167	28-06-2018
12.	Priti Jay Rao	03352049	29-07-2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For Ragini Chokshi & Co
Company Secretaries
Firm Registration Number: 92897

Date: 17.05.2023
Place: Mumbai

Umashankar Hegde
(Partner)
M.No: A22133,
CP No: 11161
UDIN : A022133E000319155

CEO & CFO CERTIFICATION

To,
The Board of Directors,
Union Bank of India,
Mumbai.

**CEO and CFO Certificate under Regulation 17(8) of SEBI
(Listing Obligations & Disclosure Requirements) Regulations, 2015**

This is to certify that to the best of our knowledge and belief,

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Listed entity pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies,
- D. We have indicated to the auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Union Bank of India



(Prafulla Kumar Samal)
(Chief Financial Officer)

For Union Bank of India



A. Manimekhalai
Managing Director & CEO

Place: Mumbai

Date: 06.05.2023

5.16 Details of Directors, their attendance in the Board and other Committee Meetings during 2022-23 are as follows :

Sl. No.	Name of the Director	Type	Board and Member of the Committee(s) of the Board																							
			Board		MCB		ACB		SRC		RMC		ITSC		SCMF		DPPC		STCB **							
			Held*	attended	Held*	attended	Held*	attended	Held*	attended	Held*	attended	Held*	attended	Held*	attended	Held*	attended	Held*	attended	Held*	attended				
1	Shri Srinivasan Varadarajan Since 07.11.2022	NEC	7	6	-	-	-	-	-	2	2	-	-	-	-	2	2	-	-	-	-	-	-			
2	Ms.A.Manimekhalai Since 03.06.2022	MD & CEO	14	14	20	20	-	3	3	4	4	4	4	4	4	3	3	6	6	4	4	4	4			
3	Shri Nitesh Ranjan Since 10.03.2021	ED	17	17	23	18	4	4	3	3	2	5	5	5	1	1	-	-	-	-	-	-	-			
4	Shri Rajneesh Karnatak Since 21.10.2021	ED	17	16	23	22	-	4	4	3	2	5	4	-	-	-	-	-	-	-	-	-	-			
5	Shri Nidhu Saxena Since 01.02.2022	ED	17	17	23	21	1	4	4	3	3	5	5	1	1	-	-	-	-	-	-	-	-			
6	Shri Ramasubramanian S Since 21.11.2022	ED	6	6	10	10	-	2	2	-	-	2	2	-	-	-	-	-	-	-	-	-	-			
7	Shri Sameer Shukla, Central Govt Nominee Director Since 08.11.2021	NED	17	10	-	-	11	8	4	2	-	5	4	4	2	6	6	6	6	-	-	-	-			
8	Shri Arun Kumar Singh RBI Nominee Director. Since 26.04.2019	NED	17	17	23	23	11	10	-	-	-	-	-	-	-	6	6	-	-	-	-	-	-			
9	Shri Suraj Srivastava Since 21.12.2021	ID/NED	17	17	-	-	11	11	4	4	5	5	-	-	2	2	-	-	-	-	3	3	3			
10	Shri Laxman S. Uppar Since 21.03.2022	ID/NED	17	17	21	20	-	-	-	2	2	-	-	3	3	-	-	-	-	-	-	-	-			
11	Dr. Jayadev Madugula Since 28.06.2018	ID / SD	17	16	-	-	11	11	4	4	5	5	4	4	1	1	-	-	-	-	1	1	1			
12	Ms. Priti Jay Rao Since 29.07.2021	ID/SD	17	15	18	17	2	2	4	4	4	5	5	3	3	-	-	-	-	-	-	-	-			
The following are the details of attendance of directors who were on the Board of the Bank during FY 2022-23 prior to 31.03.2023																										
1	Shri Rajkiran Rai.G Since 01.07.2017 till 31.05.2022	MD & CEO	3	3	3	3	-	-	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
2	Shri Manas Ranjan Biswal Since 01.03.2019 till 30.04.2022	ED	1	1	1	1	-	-	-	-	-	1	1	1	1	1	1	1	1	1	1	1	1	1		

* Number of meetings held during the tenure of the Director

** 20 Proposals was circulated as Circular Resolution at different time intervals to the Share Transfer Committee and got it approved.

- MD & CEO - Managing Director & Chief Executive Officer
- ED - Executive Director
- NED - Non Executive Director
- ID - Independent Director
- SD - Shareholder Director
- NEC- Non Executive Chairman

5.16 Details of Directors, their attendance in the Board and other Committee Meetings during 2022-23 are as follows :

Sl. No.	Name of the Director	Type	Board and Member of the Committee(s) of the Board													
			RCNCB & WD		NRC		HRSC		CAC-I		REMC		CDRCF		BCPE	
			Held*	attended	Held*	attended	Held*	attended	Held*	attended	Held*	attended	Held*	attended	Held*	attended
1	Shri Srinivasan Varadarajan Since 07.11.2022	NEC	-	-	1	1	-	-	-	-	-	-	-	-	1	1
2	Ms.A.Manimekhalai Since 03.06.2022	MD & CEO	4	4	-	-	4	4	29	29	4	4	5	5	-	-
3	Shri Nitesh Ranjan Since 10.03.2021	ED	-	-	-	-	5	3	32	28	4	3	5	5	-	-
4	Shri Rajneesh Karnatak Since 21.10.2021	ED	-	-	-	-	5	5	32	30	4	3	5	3	-	-
5	Shri Nidhu Saxena Since 01.02.2022	ED	-	-	-	-	5	4	32	26	4	4	5	3	-	-
6	Shri Ramasubramanian S Since 21.11.2022	ED	-	-	-	-	2	2	12	11	2	2	2	2	-	-
7	Shri Sameer Shukla Central Govt Nominee Director Since 08.11.2021	NED	-	-	-	-	5	4	-	-	4	4	-	-	2	2
8	Shri Arun Kumar Singh RBI Nominee Director Since 26.04.2019	NED	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Shri Suraj Srivastava Since 21.12.2021	ID/ NED	3	3	1	1	-	-	-	-	-	-	-	-	-	-
10	Shri Laxman S. Uppar Since 21.03.2022	ID/ NED	3	3	1	1	-	-	-	-	-	-	-	-	-	-
11	Dr. Jayadev Madugula Since 28.06.2018	ID/SD	1	1	-	-	5	4	-	-	-	-	-	-	2	2
12	Ms. Priti Jay Rao Since 29.07.2021	ID/SD	1	1	-	-	5	4	-	-	-	-	-	-	1	1
The following are the details of attendance of directors who were on the Board of the Bank during FY 2022-23 prior to 31.03.2023																
1	Shri Rajkiran Rai.G Since 01.07.2017 till 31.05.2022	MD & CEO	-	-	-	-	1	1	3	3	-	-	-	-	-	-
2	Shri Manas Ranjan Biswal Since 01.03.2019 till 30.04.2022	ED	-	-	-	-	-	-	2	2	-	-	-	-	-	-

* Number of meetings held during the tenure of the Director

Independent Auditors' Report

To

The President of India /

The Members of Union Bank of India

Mumbai

Report on Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of **Union Bank of India** ('the Bank'), which comprise the Balance Sheet as at 31st March 2023, the Profit and Loss Account and the Statement of Cash Flows for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended on that date of

- i) Head Office, 20 branches, 1 Treasury Branch, 18 FGM Offices audited by us
- ii) 2691 branches audited by statutory branch auditors and
- iii) 3 overseas branches audited by local auditors.

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India (the RBI). Also incorporated in the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows are the returns from 6406 branches and offices which have not been subjected to audit. These unaudited branches account for 23.82 % of advances, 37.81% of deposits, 17.01 % of interest income and 33.86 % of interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 in the manner so required for bank and are in conformity with accounting principles generally accepted in India and:

- a. the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31st March, 2023;
- b. the Profit and Loss Account, read with the notes thereon shows a true balance of profit for the year ended on that date; and
- c. the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the financial statements in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by Reserve Bank of India ('RBI') from time to time and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of the Matter

3. We draw your attention to Note No. 15(b)(ii)(b)(iv)(a) of schedule 18 – Notes to Accounts to the standalone financial statements regarding unamortised part of additional liability on account of revision in family pension carried forward from last year amounting to ₹ 1521.62 crores, has been fully charged to profit and loss account during the year ended March 31, 2023. There is no unamortised expenditure in the Balance Sheet on account of additional family pension.

Our opinion is not modified in respect of these matters.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters to be communicated in our report.

Sr.	Key Audit Matter	How it was dealt with in our report
1	Income Recognition, Asset Classification (IRAC) and provisioning on Loans & Advances and Investments as per the regulatory requirements	provisioning on Loans & Advances and Investments as per the regulatory requirements
	<p>Loans & Advances and Investments are the largest class of assets forming 85.98% of the total assets as on March 31, 2023. Classification, income recognition and loss provisioning on the same are based on objective parameters as prescribed by the regulations (Reserve Bank of India's prudential norms and other guidelines). The management of the Bank relies heavily on its IT systems (including Core Banking Solution), exercise significant estimates and judgement, manual interventions, and uses services of experts (like independent valuers, Lawyers, legal experts and other professional) to determine asset classification, income recognition and provisioning for losses.</p> <p>The Bank has system based identification of non-performing assets in accordance with IRAC Norms</p>	<p>Our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances and associated impairment provisions.</p> <p>Our audit procedures included the assessment of controls over the approval, disbursements and monitoring of loans, and reviewing the logic and assumptions used in the CBS and other related IT systems for compliance of the IRAC and provisioning norms and its operating effectiveness.</p> <p>These included evaluation and understanding of following:</p> <ul style="list-style-type: none"> • Bank's internal control system in adhering to the Relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances/ investments; • System controls and manual controls over the timely recognition of non-performing assets (NPA/NPI); • Operational existence and effectiveness of controls over provisioning calculation models from the IT systems; • Overall Controls on the loan approval, disbursement and monitoring process in case of advances and controls over the purchase, sale and hold decisions making system in case of investments • We tested sample of loans/investments (in cases of branches visited by us) to assess whether they had been identified as non performing on a timely manner, income recognized and provisioning made as per IRAC norms. • We have also reviewed the reliability, effectiveness and accuracy of manual interventions, wherever it has come to our notice, on test check basis.

Sr.	Key Audit Matter	How it was dealt with in our report
		<ul style="list-style-type: none"> • We have relied on the reports/returns and work done by other Statutory Branch Auditors (SBA) in cases of branches not visited by us to get an overall comfort with respect to overall compliance in accordance with SA 600 - Using the Work of Another Auditor. • We have reviewed the work done by other experts like Independent valuers, Lawyers, Legal Experts and other such professionals who have rendered services to the Bank, in accordance with SA 620 Using the Work of an Auditor's Expert. • Further we have also reviewed the Bank's system of monitoring potentially weak and sensitive accounts which show a sign of stress. • We have also reviewed the reports and observations of the Bank's internal audit/inspection reports and observations of the concurrent auditors for the same. • Verification of valuation, classification, provisioning and income recognition of investments by carrying out substantive test including arithmetic accuracy, data accuracy and control over the financial reporting system. <p>We have test checked and assessed the efficacy of the system based identification of NPA</p>
2	<p>Information Technology (IT) and controls impacting financial reporting</p> <p>In the normal course of its business, the Bank's financial accounting and reporting systems are highly dependent on the effective working of the Core Banking Solution (CBS) and other IT systems linked to the CBS or working independently. Extensive volume, variety and complexity of transactions are processed daily and there is a risk that automated accounting procedures and related internal controls may not be accurately designed and operating effectively. Particular areas of focus relate to the logic that is fed into the system, sanctity and reliability of the data, access management and segregation of duties. These underlying principles are important because they ensure that changes to applications and data are appropriate, authorized, cleansed and monitored, so that the system generates accurate and reliable reports/ returns and other financial and non-financial information that is used for the preparation and presentation of the financial statements.</p> <p>We have relied on the consistent and accurate functioning of CBS and other IT systems for the following:</p> <ul style="list-style-type: none"> • Asset Classification and Income recognition as per the Reserve Bank of India guidelines; • Provisioning on the advance portfolio; 	<p>Our audit procedures included verifying, testing and reviewing the design and operating effectiveness of the IT system by verifying the reports/returns and other financial and non-financial information generated from the system on a test check basis.</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Ensuring that deficiencies noticed in our verification on test check basis were informed to the management for corrective action; • Carrying out independent alternative audit procedures like substantive testing in areas where deficiencies were noticed; • Analytical procedures like ratio analysis, trend analysis, reasonable tests, comparative analysis; • Reliance on the work performed by the statutory branch auditors and the rectification entries (MOCs) passed based on branch audits; • Reliance on external vendor inspection reports wherever made available. • Reviewed the IS Audit Reports and discussed with IT Department on compliance with key IT controls.

Sr.	Key Audit Matter	How it was dealt with in our report
	<ul style="list-style-type: none"> • Identification of advances and liability items and its maturity pattern in various brackets; • Reconciliation and ageing of various suspense and sundry accounts, impersonal accounts, inter-branch balances and other such accounts; • Recording Investment transactions • Interest expense on deposits and other liabilities; 	
3	<p>Recognition and measurement of Deferred tax</p> <p>The Bank has recognised a net deferred tax asset of ₹ 8,65,97,447 (in '000) as on March 31, 2023. Besides objective estimation, recognition and measurement of deferred tax asset is based on the judgment and numerous estimates regarding the availability and visibility of profits in the future. The recent decrease in the amount of deferred tax assets presumes availability and forecasting of profits over an extended period of time thus decreasing uncertainty and the inherent risk of inappropriate recognition of the said asset.</p>	<p>Our audit procedures included the risk assessment to gain an understanding of the applicable tax laws and relevant regulations applicable to the Bank. Based on our understanding, we performed both tests of related internal key controls and substantive audit procedures with the assistance of tax specialists. We performed the following audit procedures as part of our controls testing including, but not limited to:</p> <ul style="list-style-type: none"> • Evaluation of the policies used for recognition and measurement of deferred tax assets in accordance with AS 22 Accounting for Taxes on Income; • Assessed the method, assumptions and other parameters used with reference to uniformity, management representations, consistency and continuity like budget and midterm projections prepared by the management including earning growth and applicable tax rates and tested the arithmetical accuracy • Assessed the probability of the availability and visibility of profits against which the bank will be able to use this deferred tax asset in the future.

Information Other than the Standalone Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors is responsible for the other information. The other information comprises the Highlights for the year, Directors' Report including annexures to Directors' Report, key financial ratios, Business responsibility Report and Corporate Governance report in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the standalone financial statements does not cover the Other Information and Pillar 3 disclosures under the Basel III Disclosure and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the Other Information that we obtained prior to the date of this Auditors' Report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The Bank's Board of Directors is responsible with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI to the extent applicable, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

8. We did not audit the financial statements / information of 2694 branches and offices including 3 foreign branches included in Standalone Financial Results of the Bank whose financial statements/ information reflects total assets of ₹ 2,66,41,76,397.19 (in thousand) at March 31, 2023 and total revenue of ₹ 25,17,25,101.73 (in thousand) for the year ended on that date, as considered in the Standalone Financial Results. These branches and offices cover 36.86% of advances, 58.04% of deposits and 48.89% of Non – performing assets as on 31st March 2023 and 26.39% of revenue for the year ended 31st March 2023. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, are based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

9. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;

Subject to the limitations of the audit indicated in paragraphs 5 and 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and subject also to the limitations of disclosure required therein, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
- b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
- c) The returns received from the offices and branches of the Bank have been found adequate for the purpose of our audit.

10. As required by letter No. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

- (a) In our opinion, the aforesaid standalone financial statements comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.
- (b) In our opinion there are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.
- (c) As the bank is not registered under the Companies Act, 2013 the disqualifications from being a director of the bank under sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank.
- (d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.

- (e) Our audit report on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting is given in **Annexure A** to this report. Our report expresses an unmodified opinion on the Bank's internal financial controls over financial reporting with reference to the Standalone Financial Statements as at 31st March 2023.

11. We further report that:

- a) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- b) the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
- c) the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and
- d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

CA P. M. Veeramani
Partner
Membership No.023933
UDIN: 23023933BGVFB8763

For M/s P V A R & Associates
Chartered Accountants
FRN 005223C

CA Ruchi Agarwal
Partner
Membership No. 504134
UDIN:23504134BGWTPP4106

For M/s SARDA & PAREEK LLP
Chartered Accountants
FRN 109262W/W100673

CA Niranjan Joshi
Partner
Membership No.102789
UDIN: 23102789BGWREB5291

For M/s Gopal Sharma & Co.
Chartered Accountants
FRN 002803C

CA Abhishek Sharma
Partner
Membership No. 079224
UDIN: 23079224BGTKQ02274

For M/s C R Sagdeo & Co.
Chartered Accountants
FRN 108959W

CA Sachin V. Luthra
Partner
Membership No. 109127
UDIN: 23109127BGQVHR6655

For M/s N B S & Co.
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 23046940BGPTTS7892

Place of Signature: Mumbai

Date of Report: 06.05.2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 10(a) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the "RBI") Letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the "RBI communication")

We have audited the internal financial controls over financial reporting of Union Bank of India ("the Bank") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting of the Bank's branches.

Management's Responsibility for Internal Financial Controls

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI") and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Bank's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management

and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the Other Matters paragraph below, the Bank has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

Our aforesaid report insofar as it relates to the operating effectiveness of internal financial controls over financial reporting of 2691 branches and offices is based on the corresponding reports of the respective branch auditors of those branches.

Our opinion is not modified in respect of this matter.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

CA P. M. Veeramani
Partner
Membership No.023933
UDIN: 23023933BGVFB8763

For M/s P V A R & Associates
Chartered Accountants
FRN 005223C

CA Ruchi Agarwal
Partner
Membership No. 504134
UDIN:23504134BGWTPP4106

For M/s SARDA & PAREEK LLP
Chartered Accountants
FRN 109262W/W100673

CA Niranjan Joshi
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UDIN: 23102789BGWREB5291

For M/s Gopal Sharma & Co.
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CA Abhishek Sharma
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For M/s C R Sagdeo & Co.
Chartered Accountants
FRN 108959W

CA Sachin V. Luthra
Partner
Membership No. 109127
UDIN: 23109127BGQVHR6655

For M/s N B S & Co.
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 23046940BGPTTS7892

Place of Signature: Mumbai

Date of Report: 06.05.2023

Standalone Balance Sheet

As on 31st March, 2023

(₹ in 000')

Particulars	Schedule Number	As on 31 March, 2023	As on 31 March, 2022
CAPITAL AND LIABILITIES			
Capital	1	6,83,47,475	6,83,47,475
Reserves and Surplus	2	71,49,94,658	63,74,13,875
Share Application Money		-	-
Deposits	3	11,17,71,63,220	10,32,39,26,349
Borrowings	4	43,13,74,686	51,17,90,975
Other Liabilities and Provisions	5	41,56,44,474	33,44,31,936
TOTAL		12,80,75,24,513	11,87,59,10,609
ASSETS			
Cash and Balances with Reserve Bank of India	6	50,25,42,741	46,11,25,911
Balances with Banks and Money at Call and Short Notice	7	61,89,61,793	73,38,77,672
Investments	8	3,39,29,90,482	3,48,50,73,915
Advances	9	7,61,84,54,577	6,61,00,46,627
Fixed Assets	10	8,82,56,071	7,19,13,038
Other Assets	11	58,63,18,849	51,38,73,446
		12,80,75,24,513	11,87,59,10,609
Contingent Liabilities	12	6,07,80,94,194	6,50,24,77,545
Bills for Collection		43,56,67,177	66,08,94,129
Significant Accounting Policies	17		
Notes to Accounts	18		

The Schedules referred to above form an integral part of the Standalone Balance Sheet

(PANKAJ KUMAR)
DY. GENERAL MANAGER

For and on behalf of the Board of Directors

(RAMASUBRAMANIAN S)
EXECUTIVE DIRECTOR

(ARUN KUMAR SINGH)
DIRECTOR

(LAXMAN S UPPAR)
DIRECTOR

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

(JAYADEV MADUGULA)
DIRECTOR

(A. MANIMEKHALAI)
MANAGING DIRECTOR & CEO

(SRINIVASAN VARADARAJAN)
CHAIRMAN

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

(NITESH RANJAN)
EXECUTIVE DIRECTOR

(SURAJ SRIVASTAVA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

As per our report of even date attached.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

CA P M Veeramani
Partner
Membership No.023933
UDIN: 23023933BGVFB8763

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For M/s NBS & Co.
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 23046940BGPTTS7892

Standalone Profit and Loss Account For the Year Ended 31st March, 2023

(₹ in 000')

Particulars	Schedule Number	For the Year Ended 31 March, 2023	For the Year Ended 31 March, 2022
I. INCOME			
Interest Earned	13	80,74,33,386	67,94,39,508
Other Income	14	14,63,31,530	12,52,48,172
TOTAL		95,37,64,916	80,46,87,680
II. EXPENDITURE			
Interest Expended	15	47,97,79,957	40,15,74,864
Operating Expenses	16	21,93,13,319	18,43,80,735
Provision And Contingencies		17,03,38,863	16,64,11,123
TOTAL		86,94,32,139	75,23,66,722
III. Profit/ (Loss) for the year		8,43,32,777	5,23,20,958
Transfer from Investment Fluctuation Reserve		58,32,008	-
ADD : PROFIT/(LOSS) BROUGHT FORWARD		-	-
TOTAL		9,01,64,785	5,23,20,958
IV. APPROPRIATIONS			
Transfer To Statutory Reserve		2,10,83,194	1,30,80,240
Transfer To Capital Reserve		9,45,461	1,22,12,675
Transfer To Investment Fluctuation Reserve		-	65,68,682
Transfer To Revenue and Other Reserves		3,40,30,807	22,53,341
Transfer To Special Reserve u/s Sec 36(1)(viii)		60,00,000	52,20,000
Investment Reserve Account		17,69,006	-
Proposed Dividend		2,05,04,309	1,29,86,020
Balance in Profit and Loss Account		58,32,008	-
TOTAL		9,01,64,785	5,23,20,958
EARNINGS PER SHARE (BASIC AND DILUTED) (FV ₹ 10)		12.34	7.73
Significant Accounting Policies	17		
Notes To Accounts	18		

The Schedules referred to above form an integral part of the Standalone Profit and Loss Account

(PANKAJ KUMAR)
DY. GENERAL MANAGER

For and on behalf of the Board of Directors

(RAMASUBRAMANIAN S)
EXECUTIVE DIRECTOR

(ARUN KUMAR SINGH)
DIRECTOR

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(NITESH RANJAN)
EXECUTIVE DIRECTOR

(SURAJ SRIVASTAVA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

As per our report of even date attached.

For M/s R G N Price & Co.
Chartered Accountants
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For M/s NBS & Co.
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FRN 110100W

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Membership No. 046940
UDIN: 23046940BGPTTS7892

Schedules forming part of the Standalone Balance Sheet As on 31st March, 2023

(₹ in 000')

Particulars	As on 31 March, 2023	As on 31 March, 2022
SCHEDULE 1 - CAPITAL :		
I. Authorised :		
10,00,00,00,000 Equity Shares of ₹10 each (Previous Year 10,00,00,00,000 Equity Shares of ₹10 each)	10,00,00,000	10,00,00,000
II. Issued, Subscribed, called up & Paid up :		
i. 570,66,60,850 Equity Shares of ₹10 each, held by Central Government (Previous Year 570,66,60,850 Equity Shares)	5,70,66,609	5,70,66,609
ii. 112,80,86,616 Equity Shares of ₹10 each, held by Public (Previous Year 112,80,86,616 Equity Shares)	1,12,80,866	1,12,80,866
Less: Calls unpaid	-	-
Add: Forfeited shares	-	-
TOTAL	6,83,47,475	6,83,47,475

(₹ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
SCHEDULE 2 - RESERVES & SURPLUS :				
I. Statutory Reserve :				
As per last balance sheet	14,62,88,901	16,73,72,095	13,32,08,662	14,62,88,901
Addition during the year	2,10,83,194		1,30,80,239	
II. Capital Reserve :				
i) Revaluation Reserve :				
As per last balance sheet	4,75,70,741	13,42,90,504	4,89,84,778	11,95,91,559
Addition during the year	1,51,92,862		79,201	
Deduction during the year	14,39,378		14,93,238	
	6,13,24,225		4,75,70,741	
ii) Capital Reserve				
As per last balance sheet	5,89,24,839	18,34,11,800	4,67,12,164	18,34,11,800
Addition during the year	9,45,461		1,22,12,675	
	5,98,70,300		5,89,24,839	
iii) Amalgamation Adjustment Reserve	1,30,95,979		1,30,95,979	
III. Share Premium :				
As per last balance sheet	18,34,11,800	18,34,11,800	17,32,70,019	18,34,11,800
Addition during the year	-		1,01,92,652	
Deduction during the year	-		50,871	
IV. Revenue and Other Reserves :				
i) Revenue Reserve :				
As per last balance sheet	10,83,72,439	14,48,53,976	9,64,54,761	10,83,72,439
Addition during the year	3,64,81,537		1,31,16,426	
Deduction during the year	-		11,98,748	
Total	14,48,53,976		10,83,72,439	
ii) Special Reserve u/s Sec 36(1)(viii) of the Income Tax Act, 1961				
As per last balance sheet	6,02,98,789	6,62,98,789	5,50,78,789	6,02,98,789
Addition during the year	60,00,000		52,20,000	
Total	6,62,98,789		6,02,98,789	

(₹ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
iii) Foreign Currency Translation Reserve				
As per last balance sheet	30,319		10,42,370	
Addition during the year	40,439		23,859	
Deduction during the year	24,92,338		10,35,910	
Total	(24,21,580)		30,319	
iv) Investment Fluctuation Reserve				
As per last balance sheet	1,93,61,583		1,27,92,901	
Addition during the year	-		65,68,682	
Deduction During The year	58,32,008		-	
	1,35,29,575		1,93,61,583	
v) Investment Reserve Account				
As per last balance sheet	-		-	
Addition during the year	17,69,006		-	
Deduction During The year	-		-	
	17,69,006		-	
vi) Special Reserve Profit on FX Swap	58,485	22,40,88,251	58,485	18,81,21,615
vii) Balance in Profit and Loss Account		58,32,008		-
TOTAL		71,49,94,658		63,74,13,875
SCHEDULE 3 - DEPOSITS :				
A.				
I. Demand Deposits				
i) From Banks	1,75,66,930		81,32,959	
ii) From Others	72,22,34,695	73,98,01,625	71,83,91,699	72,65,24,658
II. Savings Bank Deposits		3,20,07,52,745		3,04,54,07,826
III. Term Deposits				
i) From Banks	17,64,32,725		2,27,87,325	
ii) From Others	7,06,01,76,125	7,23,66,08,850	6,52,92,06,540	6,55,19,93,865
TOTAL		11,17,71,63,220		10,32,39,26,349
B.				
i). Deposits of branches in India		11,06,08,94,903		10,32,10,23,919
ii). Deposits of branches outside India		11,62,68,317		29,02,430
TOTAL		11,17,71,63,220		10,32,39,26,349
SCHEDULE 4 - BORROWINGS :				
I) Borrowings in India				
a. Reserve Bank of India	13,38,20,000		14,20,90,000	
b. Other Banks	-		1,99,29,833	
c. Other Institutions and Agencies	2,30,94,294		2,98,96,073	
d. Perpetual Bonds- Tier I	9,68,80,000		8,70,50,000	
e. Subordinated Bonds - Tier II	9,95,00,000	35,32,94,294	10,05,00,000	37,94,65,906
II) Borrowings Outside India		7,80,80,392		13,23,25,069
TOTAL		43,13,74,686		51,17,90,975
Secured Borrowings included in I & II above		13,90,42,858		14,70,29,470
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS :				
I. Bills Payable		2,64,97,502		2,68,90,202
II. Interest Accrued		5,97,92,681		4,52,33,997
III. Others* (Including Provisions)		32,93,54,291		26,23,07,737
TOTAL		41,56,44,474		33,44,31,936
*includes provision for Standard Assets ₹ 5,57,95,524 (Previous Year ₹ 6,56,67,690)				

(₹ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA:				
I. Cash in hand (Including Foreign Currency Notes and Gold)		2,83,88,225		3,78,19,394
II. Balances with Reserve Bank of India				
(a) in Current Account		47,41,54,516		42,33,06,517
(b) in Other Accounts		0,000		0,000
TOTAL		50,25,42,741		46,11,25,911
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE :				
I. Balances with banks in India				
i) Balances with Banks				
a) In Current Accounts	56,30,727		22,24,274	
b) In Other Deposit Accounts	5,77,33,962		6,08,75,196	
ii) Money at Call and short notice				
a) with Banks	5,00,000		0,000	
b) with Other Institutions	31,23,03,614	37,61,68,303	55,41,14,877	61,72,14,347
II. Outside India				
i) In Current Accounts	39,25,300		29,80,253	
ii) In other Deposit Accounts	23,88,68,190		11,36,83,072	
iii) Money at call & Short Notice	0,000	24,27,93,490	0,000	11,66,63,325
TOTAL		61,89,61,793		73,38,77,672
SCHEDULE 8 - INVESTMENTS :				
I. Investments in India				
i) Government Securities		2,60,25,15,576		2,64,16,37,956
ii) Other Approved Securities		0,000		0,000
iii) Shares		2,04,13,250		2,30,53,036
iv) Debentures and Bonds		63,15,34,188		69,38,31,055
v) Subsidiaries and joint ventures		38,88,095		33,86,095
vi) Others (Commercial Paper, Mutual Funds, Venture Capital, Security Receipt etc.)		10,55,57,112		9,51,30,775
Total		3,36,39,08,221		3,45,70,38,917
II. Investments outside India				
i) Govt. Securities (Including Local Authority)		1,72,90,809		1,61,01,880
ii) Other Investments (Bonds)		3,35,490		4,60,268
iii) Subsidiaries and Joint Ventures		1,14,55,962		1,14,72,850
Total		2,90,82,261		2,80,34,998
TOTAL		3,39,29,90,482		3,48,50,73,915
III. i) Investments in India				
Gross Value		3,44,22,02,551		3,51,85,30,523
Provision for Depreciation		7,82,94,330		6,14,91,606
Net Value		3,36,39,08,221		3,45,70,38,917
ii) Investments outside India				
Gross Value		2,93,43,600		2,83,51,221
Provision for Depreciation		2,61,339		3,16,223
Net Value		2,90,82,261		2,80,34,998
TOTAL		3,39,29,90,482		3,48,50,73,915

(₹ in 000')

Particulars	As on 31 March, 2023	As on 31 March, 2022
SCHEDULE 9 - ADVANCES (Net)		
A.		
i) Bills purchased and discounted	3,29,53,001	3,87,09,874
ii) Cash Credits, Overdrafts and Loans repayable on demand	3,48,54,48,344	2,87,88,96,001
iii) Term Loans	4,10,00,53,232	3,69,24,40,752
TOTAL	7,61,84,54,577	6,61,00,46,627
B.		
i) Secured by tangible assets*	6,23,77,30,877	5,34,44,92,520
ii) Covered by Bank/Government Guarantees	12,26,93,689	13,06,61,251
iii) Unsecured	1,25,80,30,011	1,13,48,92,856
TOTAL	7,61,84,54,577	6,61,00,46,627
*includes advances against book debt ₹ 88,79,31,907 (previous year ₹ 61,83,30,066)		
C. Sectorial Classification of Advances		
I. Advances in India:		
i) Priority Sector	2,85,85,94,969	2,59,52,39,457
ii) Public Sector	81,73,80,496	72,72,96,155
iii) Banks	6,33,569	2,22,975
iv) Others	3,71,91,49,598	3,13,82,79,933
TOTAL	7,39,57,58,632	6,46,10,38,520
II. Advances Outside India:		
i) Due From Banks	4,91,50,582	5,31,10,677
ii) Due from Others		
a) Bills Purchased and Discounted	3,86,506	12,11,011
b) Syndicated loans	0,000	5,47,141
c) Others	17,31,58,857	9,41,39,278
TOTAL	22,26,95,945	14,90,08,107
TOTAL	7,61,84,54,577	6,61,00,46,627

(₹ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
SCHEDULE 10 - FIXED ASSETS :				
A. TANGIBLE ASSETS				
I. Premises				
At cost/valuation as per last balance sheet	8,08,71,144		8,15,36,732	
Additions during the year	2,16,56,329		6,10,204	
Deduction during the year	67,16,482		12,75,792	
	9,58,10,991		8,08,71,144	
Less: Depreciation till date	2,75,63,468	6,82,47,523	2,63,31,743	5,45,39,401
II. Capital Work-in-Progress				
At cost as per last balance sheet	3,60,997		6,22,879	
Additions during the year	1,08,106		1,26,601	
Deductions during the year	2,63,665	2,05,438	3,88,483	3,60,997
III. Land				
At cost as per last balance sheet	24,98,636		12,45,683	
Additions during the year	12,33,904		13,08,678	
Deductions during the year	97,572		55,725	
	36,34,968		24,98,636	
Less: Amortisation till date	7,02,457	29,32,511	4,52,022	20,46,614

(₹ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
IV. Other Fixed Assets (including Furniture and Fixtures)				
a) Assets given on lease				
At cost as per last balance sheet	2,65,352		2,65,352	
Less: Depreciation till date	2,65,352	-	2,65,352	-
b) Others				
At cost/valuation as per last balance sheet	6,86,74,933		6,46,03,010	
Additions during the year	69,39,880		48,67,443	
Deductions during the year	12,39,295		7,95,520	
	7,43,75,518		6,86,74,933	
Less: Depreciation till date	5,93,53,695	1,50,21,823	5,60,79,797	1,25,95,136
B. INTANGIBLE ASSETS				
Computer Software				
At cost as per last balance sheet	1,20,83,338		1,12,22,581	
Additions during the year	8,77,862		8,72,637	
Deduction during the Year	11,50,741		11,880	
	1,18,10,459		1,20,83,338	
Less: Amortisation till date	99,61,683	18,48,776	97,12,448	23,70,890
TOTAL		8,82,56,071		7,19,13,038
SCHEDULE 11 - OTHER ASSETS :				
I. Inter-Office Adjustments (Net)		2,20,20,700		1,79,97,045
II. Interest Accrued		9,08,48,858		7,68,96,049
III. Tax Paid/ Tax deducted at source (Net of provision)		6,73,41,164		5,39,12,604
IV. Stationery and stamps		62,780		63,349
V. Non-Banking assets acquired in satisfaction of claims		1,334		1,334
VI. Others*		27,43,38,697		21,24,01,949
VII. Deferred Tax Assets (Net)		8,65,97,447		12,29,23,747
VIII. MAT Credit Entitlement		4,51,07,869		2,96,77,369
TOTAL		58,63,18,849		51,38,73,446
*Includes Deposit placed with NABARD/SIDBI/NHB amounting to ₹ 10,61,55,991 (Previous Year ₹ 9,64,56,088)				
SCHEDULE 12 - CONTINGENT LIABILITIES :				
I. Claims against the bank not acknowledged as debts		3,02,01,462		3,31,30,212
II. Liability for partly paid Investments		0,000		0,000
III. Liability on account of outstanding Forward Exchange Contracts		4,13,13,28,582		4,36,34,96,833
IV. Guarantees given on behalf of Constituents				
a) In India	66,40,64,012		65,35,08,697	
b) Outside India	1,42,21,966	67,82,85,978	1,65,75,655	67,00,84,352
V. Acceptances, endorsements and other obligations		99,64,00,071		1,26,92,16,524
VI. Disputed Tax demands under appeals		20,98,89,819		13,77,78,737
VII. Amout transferred to DEAF Scheme 2014		3,19,88,282		2,87,70,887
TOTAL		6,07,80,94,194		6,50,24,77,545
Bills for Collection		43,56,67,177		66,08,94,129

Schedules forming part of the Standalone Profit & Loss Account For the year ended 31st March, 2023

(₹ in 000')

Particulars	For the Year Ended 31 March, 2023	For the Year Ended 31 March, 2022
SCHEDULE 13 - INTEREST EARNED :		
I. Interest/Discount on advances/bills	56,76,01,357	45,23,55,006
II. Income on Investments	21,35,50,354	19,94,28,382
III. Interest on balances with Reserve Bank of India & other Inter Bank Funds	2,11,68,449	2,14,08,267
IV. Others	51,13,226	62,47,853
TOTAL	80,74,33,386	67,94,39,508
SCHEDULE 14 - OTHER INCOME :		
I. Commission, Exchange and Brokerage	2,15,14,101	1,73,98,170
II. Profit on sale of investments (Net)	79,80,536	3,41,11,874
III. Profit on revaluation of Investments (Net)	28,51,483	(10,70,995)
IV. Profit / (Loss) on sale of land, buildings & other assets (Net)	(14,860)	(3,489)
V. Profit on exchange transactions (Net)	81,30,829	60,80,630
VI. Income earned by way of Dividends, etc from subsidiaries and/or joint ventures abroad/ in India	3,250	24,700
VII. Miscellaneous Income	10,58,66,191	6,87,07,282
TOTAL	14,63,31,530	12,52,48,172
SCHEDULE 15 - INTEREST EXPENDED :		
I. Interest on Deposits	44,34,00,344	37,45,42,117
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	1,84,28,879	1,05,59,953
III. Others	1,79,50,734	1,64,72,794
TOTAL	47,97,79,957	40,15,74,864
SCHEDULE 16 - OPERATING EXPENSES :		
I. Payments to and provisions for employees	12,38,97,058	10,11,46,061
II. Rent, Taxes and Lighting	1,06,77,413	1,07,06,732
III. Printing and Stationery	11,38,303	9,67,655
IV. Advertisement and Publicity	11,70,445	6,13,743
V. Depreciation on Bank's property	73,71,511	73,81,013
VI. Directors' fees, allowances and expenses	14,278	8,287
VII. Auditors' fees and expenses(including branch auditors)	6,89,129	6,30,321
VIII. Law Charges	16,29,256	14,08,632
IX. Postage, Telegrams, Telephones, etc.	32,04,977	31,10,629
X. Repairs and maintenance	36,09,658	32,71,779
XI. Insurance	1,53,61,120	1,28,77,009
XII. Other expenditure	5,05,50,171	4,22,58,874
TOTAL	21,93,13,319	18,43,80,735

Significant Accounting Policies (Standalone) : Schedule 17

1. Basis of Preparation

The financial statements have been prepared in accordance with requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by Reserve Bank of India (RBI) from time to time and the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable and practices generally prevalent in the banking industry in India.

2. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of Assets and Liabilities (including Contingent Liabilities) as of the date of the financial statements and the reported Income and Expenses during the reporting period. Management believes that the estimates wherever used in the preparation of the financial statements are prudent and reasonable. Difference between the actual results and estimates is recognized in the period in which the results are known / materialized.

3. Revenue Recognition

- 3.1. Income and Expenditure have been accounted for on accrual basis unless otherwise stated.
- 3.2. Income on Non-Performing Assets (NPAs) is recognized to the extent realized as per the prudential norms prescribed by the RBI. Income accounted for in the preceding year and remaining unrealized is derecognized in respect of assets classified as NPAs during the year.
- 3.3. Commission on Letter of Guarantee/Letter of Credit is accounted on accrual basis.
- 3.4. Exchange and brokerage earned, rent on Safe Deposit Lockers, income from Aadhaar cards, Minimum balance charges etc. are accounted for on realization basis.

3.5. Income (Other than interest) on investments in "Held to Maturity" (HTM) category acquired at discount to the face value is recognized as follows:

- 3.5.1. On interest bearing securities, it is recognized only at the time of sale/ redemption.
- 3.5.2. On Zero- coupon securities, it is accounted for over the balance tenor of the securities on a constant yield basis.
- 3.6. Dividend is accounted on an accrual basis where the right to receive the dividend is established.
- 3.7. Sale of NPAs accounted in terms of extant RBI guidelines.
- 3.8. Interest on Income-tax refunds is accounted for on receipt of Intimation order from the Income Tax Department.

4. Appropriation of Recovery :

Recoveries other than by way of OTS/NCLT shall be appropriated as under:

- 4.1. When there is no agreement between the debtor and creditor as to how monies paid by the debtor are required to be appropriated by the creditor, the order of appropriation is as under:

For Term Loans:

- Towards expenses & costs etc.
- Towards unrecovered interest reversed on the date of NPA.
- Interest held in dummy ledger (unapplied interest).
- Towards arrears of principal/EMI till the date of recovery.
- Towards running ledger balance.

For Running Accounts:

- Towards expenses & costs etc.
- Towards interest held in dummy ledger (unapplied interest) including unrecovered interest reversed at the time of NPA.

- Towards principal.

4.2. In case borrower stipulates terms of appropriation differently than above and if such different terms of appropriation is accepted by Bank then appropriation of recoveries will be as per the sanction terms.

4.3. In case of OTS & all NCLT accounts, recovery either through resolution/liquidation:

Appropriation of recovery to be done as discussed here under or as per the sanction stipulations

- Towards principal.
- Towards interest held in dummy ledger (unapplied interest) including unrecovered interest reversed at the time of NPA.
- Towards expenses & costs etc.

4.4. In case of Non-Performing Investment recovery will be apportioned as mentioned below:

- a. Towards expenses & costs etc.
- b. Towards unrecovered interest reversed on the date of NPI.
- c. Interest held in dummy ledger (unapplied interest).
- d. Towards arrears of principal/EMI till the date of recovery.
- e. Towards running ledger balance

5. Cash Flow Statements:

Cash Flow statement of the Bank is prepared as per AS-3. Cash Flow statement is mainly classified as:

- 5.1. Cash flow from Operating Activities: This activity includes cash flow generated from Operational activities.
- 5.2. Cash Flow from Investing Activities: This activity includes cash flow generated from investments.
- 5.3. Cash Flow from Financials Activities: This activity includes the cash flow generated from financial instruments.

6. Investments

6.1. In conformity with the requirements of Form A of the Third Schedule to the Banking Regulations Act, 1949, Investments are classified as under:

- 6.1.1. Government Securities
- 6.1.2. Other Approved Securities
- 6.1.3. Shares
- 6.1.4. Debentures & Bonds
- 6.1.5. Investments in Subsidiaries & Joint Ventures and
- 6.1.6. Other Investments

The Investment portfolio of the Bank is further classified in accordance with the RBI guidelines contained in Master Circular DoR.MRG.42/21.04.141 /201-22 dated August 25, 2021 (updated March 23,2022, March 31, 2022, April 08, 2022 and December 08, 2022) into three categories viz.,

- a) Held to Maturity (HTM)
 - b) Available for Sale (AFS)
 - c) Held for Trading (HFT)
- 6.2. As per RBI guidelines, the following principles have been adopted for the purpose of valuation
- 6.2.1. Securities held in "HTM" – at acquisition cost.
 - 6.2.1.1. The excess of acquisition cost over the face value is amortized over the remaining period of maturity and in case of discount; it is not recognized as income.

6.2.1.2. Investments in Regional Rural Banks are valued at carrying cost.

6.2.1.3. Investments in Subsidiaries and Joint Ventures are valued at carrying cost.

6.2.1.4. Diminution, other than temporary, in the value of its investment in subsidiaries/joint ventures, which are included in HTM shall be provided for.

6.2.2. Securities held in "AFS" and "HFT" categories

6.2.2.1. Securities held in "AFS" and "HFT" categories are valued classification wise and scrip-wise and net depreciation, if any, in each classification is charged to Profit & Loss account while net appreciation, if any, is ignored.

6.2.2.2. Valuation of securities is arrived at as follows:

A	Govt. of India Securities (Central Govt. Securities)	As per Quotation put out by Financial Benchmarks India Pvt Ltd (FBIL)
B	State Development Loans, State Govt. Securities, Securities guaranteed by Central/ State Government, PSU Bonds	On appropriate yield to maturity basis as per FIMMDA Guidelines
C	Equity Shares	As per Market rates, if quoted, otherwise at break-up value, as per latest audited balance sheet (not more than 18 months old). In absence of both, at ₹1/- per company. The break-up value is computed excluding revaluation reserve.
D	Preference Shares	As per Market rates, if quoted, or on appropriate yield to maturity basis not exceeding redemption value as per FIMMDA guidelines.
E	Debentures/Bonds	As per Market rates, if quoted, otherwise on appropriate yield to maturity basis as per FIMMDA guidelines.
F	Mutual Funds(MF)	As per stock exchange quotations, if quoted. In case of unquoted units, as per latest Repurchase price declared by concerned MF. In cases where latest repurchase price is not available, as per Net Asset Value (NAV)
G	Treasury Bills / Certificate of Deposits / Commercial Papers	At carrying cost
H	Venture Capital Funds (VCF)	At declared NAV or Breakup NAV as per audited Balance Sheet which is not more than 18 months old. If NAV / audited financial statements are not available for more than 18 months continuously, at ₹1/- per VCF

I	Security Receipts	Valuation of the same will be done as per RBI Guidelines on classification, valuation and operation of Investment portfolio of commercial Banks (RBI/DOR/2021-22/81 DOR. MGR.42/21.04.141/2021-22) dated Aug 25, 2021 and as amended from time to time.
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6.3. Interbank/RBI Repo and Interbank/ RBI Reverse Repo transactions are accounted for in accordance with extant RBI guidelines.

6.4. As per the extant RBI guidelines, the shifting of securities from one category to another is accounted for as follows:

6.4.1. From AFS/HFT categories to HTM category, at lower of book value or market value as on the date of shifting. Depreciation, if any, is fully provided for.

6.4.2. From HTM category to AFS/HFT category,

6.4.2.1. If the security is originally placed at discount in HTM category, at acquisition cost / book value.

6.4.2.2. If the security is originally placed at a premium, at amortized cost.

The securities so shifted are revalued immediately and resultant depreciation is fully provided for.

6.4.3. From AFS to HFT category and vice versa, at book value.

6.5. The non-performing investments are identified and depreciation / provision is made as per the extant RBI guidelines.

6.6. Profit / Loss on sale of investments & net depreciation on investment in any category are taken to the profit & loss account (net appreciation is ignored). However, in case of profit on sale of investments in "HTM" category, an equivalent amount (net of taxes and net of transfer to Statutory Reserves) is appropriated to the Capital Reserve account.

6.7. Commission, brokerage, broken period interest etc. on securities is debited / credited to Profit & Loss Account.

6.8. Brokerage and STT paid on purchase and sale of Equity is accounted to price of the deal.

6.9. The Amortization of premium on HTM Securities is

computed using Straight-line Method.

- 6.10. The Bank is following weighted average Price (WAP) for accounting of investment portfolio.
- 6.11. As per the extant RBI guidelines, the Bank follows 'Settlement Date' for accounting of investments transactions.
- 6.12. Income from the units of Mutual Fund, Venture Capital & Security Receipt shall be recognized on Cash Basis.
- 6.13. **Derivative Contracts**
 - 6.13.1. The Interest Rate Swap which hedges interest bearing Asset or Liability are accounted for in the financial statements on accrual basis except the swap designated with an Asset or Liability that is carried at market value or lower of cost or market value. Gains or losses on the termination of swaps are recognized over the shorter of the remaining contractual life of the swap or the remaining life of the Asset / Liability.
 - 6.13.2. Trading swap transactions are marked to market with changes recorded in the financial statements. (profit if any, is ignored)
 - 6.13.3. In the case of option contracts, guidelines issued by Foreign Exchange Dealers Association of India (FEDA) from time to time for recognition of income, premium and discount are being followed.
 - 6.13.4. Arbitrage Income earned on forex swap transactions is accounted in Profit / Loss on Exchange Transactions category.

7. Advances

- 7.1. All advances are classified under four categories:
 - 7.1.1. Standard,
 - 7.1.2. Sub-standard,
 - 7.1.3. Doubtful and
 - 7.1.4. Loss assets.

Provisions required on such advances are made as per the extant prudential norms issued by the RBI in terms of Master Circular RBI/2022-2023/15 DOR. STR.REC.4/21.04.048/2022-23 dated April 01,2022 as under:

- 7.2. Loans and Advances are classified as performing

and non-performing, based on the guidelines issued by the RBI. Loan Assets become Non-Performing Assets (NPAs) where:

- 7.2.1. In respect of term loans, interest and/or instalment of principal remains overdue for a period of more than 90 days;
- 7.2.2. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e.
 - 7.2.2.1. the outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days.
 - 7.2.2.2. The outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or
 - 7.2.2.3. the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but credits are not enough to cover the interest debited during the previous 90 days period.
- 7.2.3. In respect of bills purchased/discounted, the bill remains overdue for a period of more than 90 days;
- 7.2.4. In respect of agricultural advances for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons.
- 7.2.5. In respect of agricultural advances for long duration crops, where the principal or interest remains overdue for one crop season.
- 7.2.6. A working capital borrower account will become NPA if such irregular drawings are permitted in the account for a continuous period of 90 days even though the unit may be working or the borrower's financial position is satisfactory.
- 7.2.7. An account where the regular/ ad hoc credit limits have not been reviewed/ renewed within 180 days from the due date/ date of ad hoc sanction will be treated as NPA.
- 7.2.8. The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of the Reserve Bank of India (Securitization of Standard Assets) Directions, 2021

7.2.9. In respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.

7.2.10. Accounts where there is erosion in the value of security/frauds committed by borrowers

7.2.10.1. In respect of accounts where there are potential threats for recovery on account of erosion in the value of security or non-availability of security and existence of other factors such as frauds committed by borrowers it will not be prudent that such accounts should go through various stages of asset classification. In cases of such serious credit impairment, the asset should be straightaway classified as doubtful or loss asset as appropriate.

7.2.10.2. Erosion in the value of security can be reckoned as significant when the realizable value of the security is less than 50 per cent of the value assessed by the bank or accepted by RBI at the time of last inspection, as the case may be. Such NPAs may be straightaway classified under doubtful category.

7.2.10.3. If the realizable value of the security, as assessed by the bank/ approved valuers/RBI is less than 10 per cent of the outstanding in the borrowal accounts, the existence of security should be ignored and the asset should be straightaway classified as loss asset

7.2.11. In respect of MSME accounts which will be restructured in terms of RBI Circular No DOR. No.BP.BC.34/21.04.048/2019-20 February 11, 2020 with reference to Circular No DBR.No.BP. BC.18/21.04.048/2018-19 dated 1st January, 2019 and kept in standard category, the Bank shall maintain a provision of 5% in addition to the provision already held. Reversal of said provision shall be made in accordance with the said circular.

7.2.12. In terms of RBI guidelines relating to 'Covid 19 Regulatory Package' on Asset Classification and Provisioning RBI has issued circular no.DOR.No.BP.BC/3/21.04.048/2020-21 & circular no. DOR.No.BP.BC/4/21.04.048/2020-21 dated 06th August, 2020, DoR.STR. REC.12/21.04.048/2021-22 & DoR.STR. REC.11/21.04.048/2021-22 dated May 05th, 2021 with reference to restructuring of Corporate & Retail Loan, Bank shall maintain

necessary provision in this regard.

7.3. NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

7.3.1. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months,

7.3.2. Doubtful: A loan asset that has remained in the sub-standard category for a period exceeding 12 months,

7.3.3. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

7.4. Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

Sub-Standard Assets:	<ul style="list-style-type: none"> i. A general of 15% of the total outstanding ii. Additional provision of 10% for exposures which are unsecured ab-initio; iii. However, Unsecured Exposure, ab-initio, in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available - 20% (instead of 25% as stated above)
Doubtful-Secured Portion	<ul style="list-style-type: none"> i. Up to one year – 25% ii. One to three years – 40% iii. More than three years – 100%
Doubtful Unsecured Portion	100%
Loss Asset	100%

7.5. Advances are stated net of specific loan loss provisions, Counter cyclical provisioning buffer and unrecovered interest held in Sundry /claims received from Credit Guarantee Trust Fund (CGTF) / Export Credit Guarantee Corporation (ECGC) relating to non-performing assets.

7.6. In respect of foreign offices, classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.

7.7. For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference

between the fair value of the loan before and after restructuring is provided for, in addition to provision for NPAs.

- 7.8. In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.
- 7.9. Amounts recovered against debts written off are recognized as revenue in the year of recovery.
- 7.10. The general provision on Standard Advances is held in "Other Liabilities and Provisions" reflected in schedule 5 of the Balance Sheet and is not considered for arriving at both net NPAs and net advances. Standard Assets provision to be made as per IRAC RBI/2022-2023/15 DOR.STR. REC.4/21.04.048/2022-23 dated April 01,2022 and any subsequent circular issued from time to time.
- 7.11. Provision on Suspense accounts entries outstanding for more than six months are made at 100% except the claim receivable from Govt./ Govt. Bodies like Interest Subsidy on crop loan/ export advance, Pension receivable etc.

8. Property, Plant and Equipment

- 8.1. Premises and Other Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, eligible borrowing costs and directly attributable costs of bringing the Asset to its working condition for the intended use less trade discounts and rebates. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functional capability. Land and Buildings, if revalued are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve and the depreciation provided thereon is deducted there from and shall be credited to Revenue Reserves in terms of revised AS-10 on "Property, Plant and Equipment".
- 8.2. Depreciation on Fixed Assets is provided for on the Straight-Line Method at the rates prescribed in Expenditure Policy of the Bank from time to time.

The applicable rates of depreciation are as under:

S. No.	Capital Asset	Useful Life (Years)	Rate in percentage
1	Immovable Property- Land	Not stipulated; accordingly, no depreciation	NIL
2	Building with RCC frame structure (Both Residential & Non-residential)	60	1.67
3	Furniture	10	10.00
4	Fixtures	10	10.00
5	Air-conditioning plants (Package & water/air cooled ductable)	10	10.00
6	Split & Window Air conditioners	5	20.00
7	Electrical installation and equipments	5	20.00
8	Solar Power Equipment	15	6.67
9	Elevators & Lifts	15	6.67
10	Civil & Flooring work in leased Premises	5	20.00
11	Telephone Equipment	5	20.00
12	Motorcycles, Scooters & other mopeds	10	10.00
13	Motor Cars, Motor Lorries and Electrically operated vehicles including battery powered or fuel cell powered vehicles	8	12.50
14	Mobile Phones	3	33.33
15	Generators	15	6.67
16	Office Equipment/ Appliances,	5	20.00
17	Computers & computer software forming integral part of hardware	3	33.33
18	ATM & allied items	5	20.00
19	UPS & allied items	5	20.00
20	Servers & Networks	6	16.66

S. No.	Capital Asset	Useful Life (Years)	Rate in percentage
21	End user devices such as desktops, laptops, i-pads, tablets, printer & Scanner, digital watches etc.	3	33.33
22.	SDV lockers, Strong Room door, Cash Safe etc. (Along with Fixtures).	20	5.00
23.	Items provided to staff (Furniture/ Electrical and etc.)	5	20.00

8.3. Depreciation on premises is provided on composite cost, wherever the value of Land and Buildings is not separately identifiable.

8.4. Depreciation on Leased assets and Leasehold improvements is recognized on a straight-line basis using rates determined with reference to the primary period of lease.

9. Impairment of Assets

Impairment losses (if any) on Fixed Assets (including revalued assets) are recognised in accordance with AS-28 on "Impairment of Assets" issued by the ICAI and charged off to Profit and Loss Account. The carrying costs of assets are reviewed at each Balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying cost of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying cost of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

10. Counter Cyclical Provisioning Buffer

The Bank has a policy of creation and utilization of Counter Cyclical Provisioning Buffer separately for Advances and Investments. The quantum of provision to be created is assessed at the end of each financial year. The counter Cyclical Provisions are utilized only for contingencies under extra ordinary circumstances specified in the policy with prior permission of the RBI.

11. Transactions involving Foreign Exchange

Accounting for transactions involving foreign exchange is done in accordance with AS-11 on "The Effects of Changes in Foreign Exchange Rates", issued by the ICAI. In terms of AS-11, the foreign currency operations of the Bank are classified as a) Integral Operations and b) Non Integral Operations.

All overseas branches, offshore banking units, overseas subsidiaries are treated as non- integral operations and domestic operations in foreign exchange and representative offices are treated as integral operations.

Accounting for Integral operations:

11.1. Monetary and Non- Monetary Assets and Liabilities are revalued at the exchange rates notified by FEDAI at the close of the year and resultant gain / loss is recognized in the Profit & Loss Account.

11.2. Income & Expenditure items are recognized at the exchange rates prevailing on the date of the transaction.

11.3. Forward exchange contracts are recorded at the exchange rate prevailing on the date of commitment. Outstanding forward exchange contracts are revalued at the exchange rates notified by FEDAI for specified maturities and at interpolated rates for contracts of 'in-between' maturities. The resultant gains or losses are recognized in the Profit & Loss account.

11.4. Contingent liabilities on account of guarantees, acceptances, endorsements and other obligations are stated at the exchange rates notified by FEDAI at the close of the year.

12. Accounting for Non-Integral operations

12.1. Revenue Recognition

Income and Expenditure are recognized / accounted for as per the local laws of the respective countries.

12.2. Asset Classification and Loan Loss Provisioning

Asset classification and loan loss provisioning are made as per the local laws of the respective countries or as per RBI guidelines whichever is higher.

12.3. Fixed Assets and Depreciation

12.3.1. Fixed Assets are accounted for at historical cost.

12.3.2. Depreciation on Fixed Assets is provided as per the applicable laws of the respective countries.

12.4. Assets and Liabilities (monetary and non-monetary as well as Contingent Liabilities) are translated at the closing rates notified by FEDAI at the close of the year.

12.5. Income & Expenditure are translated at the quarterly average closing rates notified by FEDAI at the end of respective quarters.

12.6. All resulting exchange differences are accumulated in 'Foreign Currency Translation Reserve'.

13. Employee Benefits:

13.1. Short Term Employment Benefits:

The undiscounted amounts of short-term employee benefits (e.g. medical benefits) payable wholly within twelve months of rendering the services are treated as short term and recognized during the period in which the employee rendered the service.

13.2. Long term Employee Benefits:

13.2.1. Defined Contribution Plans:

The Bank operates a new pension scheme (NPS) for all officers/employees joining the Bank on or after 1st April,2010, which is a defined contribution plan, such new joiners not being entitled to become members of the existing Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with 14% of their basic pay plus dearness allowance as contribution from the Bank. Pending completion of registration

procedures of the employees concerned, these contributions retained with the Bank. The Bank recognizes such annual contributions in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS trust.

13.2.2. Defined Benefit Plan:

Gratuity, Pension and Leave Encashment are defined benefits plans. These are provided for on the basis of an actuarial valuation as per Accounting Standard-15 "Employee Benefit" issued by the Institute of Chartered Accountants of India, made at the end of each financial year, based on the projected unit credit method. Actuarial gains/losses are immediately taken to the Profit & Loss account.

14. Segment Reporting

The Bank recognizes the Business segment as the Primary reporting segment and Geographical segment as the Secondary reporting segment, in accordance with the RBI guidelines and in the compliances with the Accounting Standard-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India. Business segments are classified into

- 14.1. Treasury Operations,
- 14.2. Corporate and Wholesale Banking,
- 14.3. Retail Banking Operations and (w/w Digital Banking Segment as and when applicable)
- 14.4. Other Banking Operations.

15. Lease Transactions

Lease payments for Assets taken on operating lease recognized as an expense in the profit and loss account on a straight-line basis over the lease term.

16. Earnings per Share

The Bank reports the basic and diluted Earnings per Share in accordance with AS 20. Earnings per Share is calculated by dividing the net Profit or Loss (after tax) for the year attributable to the Equity shareholders by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if contracts to issue Equity shares were exercised or converted during the

year. Diluted earnings per Equity share is calculated by using the weighted average number of Equity shares and dilutive potential Equity shares outstanding as at the year-end.

17. Taxation:

This comprises of provision for Income tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) as determined in accordance with AS-22 on "Accounting for taxes on Income" issued by the ICAI. Provision for Tax is made for both current and deferred taxes. Current tax is provided on the taxable income using applicable tax rate. Deferred Tax Assets and Deferred Tax Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and the tax laws that have been enacted or substantively enacted till the date of the Balance Sheet. Deferred Tax Assets are not recognized unless there is 'reasonable certainty' that sufficient future taxable income will be available against which such Deferred Tax Assets will be realized. In case of carry forward of unabsorbed depreciation and tax losses, Deferred Tax Assets are recognized only if there is "virtual certainty".

18. Provisions, Contingent Liabilities and Contingent Assets

In terms of AS 29-Provisions, Contingent Liabilities and Contingent Assets issued by the ICAI, the Bank recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may not be realized.

19. Share Issue Expenses:

Share Issue expenses are charged to the Share Premium

account in terms of Section 52 of the Companies Act, 2013.

20. Consolidation of the Accounts:

Bank is having five subsidiaries i.e. Union Asset Management Company Private Limited, Union Trustee Company Private Limited, Union Bank of India (UK) Limited, Andhra Bank Financial Services Limited and UBI Services Ltd.

Bank is having three Joint Ventures i.e. Star Union Dai-ichi Life Insurance Company Ltd., ASREC (India) Ltd. and India International Bank (Malaysia) Berhad.

Bank is having one associate Chaitanya Godavari Grameen Bank.

The consolidated financial statements are prepared on the basis of:

- 20.1. Audited Accounts of the parent bank (Union Bank of India)
- 20.2. Consolidation of Subsidiaries: Line by Line aggregation of the Income/Expenditure/ Assets/Liabilities of the subsidiaries with the respective line item of the parent bank, after eliminating all intra-group transactions, unrealized profits/loss in terms of AS 21 on Consolidated Financial Statements issued by Institute of Chartered Accountants of India (ICAI).
- 20.3. Consolidation of Associates: The Investment in Associate is accounted for consolidation as per Equity Method in terms of AS 23 on Accounting for Investments in Associates in Consolidated Financial Statement issued by Institute of Chartered Accountants of India (ICAI).
- 20.4. Consolidation of Joint Ventures: Line by Line consolidation is done with proportionate share in Joint Venture in terms of AS-27 on Financials Reporting in Interest of Joint Venture issued by Institute of Chartered Accountants of India (ICAI).

SCHEDULE 18 – NOTES TO ACCOUNTS (STANDALONE):

DISCLOSURES IN TERMS OF THE RESERVE BANK OF INDIA GUIDELINES

1. REGULATORY CAPITAL

The Bank is subjected to Basel III capital adequacy guidelines stipulated by RBI with effect from April 1, 2013. The guidelines provide a transition schedule for Basel III implementation till Oct. 1, 2021. As per RBI Guidelines, Basel III has been completely implemented from Oct. 1, 2021. As per guidelines, the Tier I capital is made up of Common Equity Tier I (CET I) and Additional Tier I Capital (AT 1).

Basel III guidelines require the Bank to maintain minimum capital to Risk Weighted Assets ratio (CRAR) of 11.50% with minimum CET I of 8.00% and minimum Tier I CRAR of 9.50% (both inclusive of Capital Conservation Buffer of 2.50%) as at March 31, 2023.

During the year, the Bank has issued Basel III compliant Tier-2 bonds of ₹ 2,200 Crore & additional Tier-1 Bonds of ₹ 1,983 crore in tranches and exercised call option for redemption of Basel III compliant Tier-2 bonds of ₹ 2,300.00 crore & additional Tier-1 Bonds of ₹ 1,000.00 crore.

a) Composition of Regulatory Capital:

		(₹ in Crore)	
Sr. No	Particulars	31.03.2023	31.03.2022
i.	Common Equity Tier 1 capital (CET 1) (net of deductions, if any)	71,491.90	58,048.85
ii.	Additional Tier 1 capital	8,985.99	8,539.83
iii.	Tier 1 capital (i + ii)	80,477.89	66,588.68
iv.	Tier 2 capital	12,300.56	12,692.32
v.	Total capital (Tier 1+Tier 2)	92,778.45	79,281.00
vi.	Total Risk Weighted Assets (RWAs)	5,78,454.82	5,45,922.81
vii.	CET 1 Ratio (CET 1 as a percentage of RWAs)	12.36	10.63
viii.	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	13.91	12.20
ix.	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.13	2.32
x.	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	16.04	14.52
xi.	Leverage Ratio	5.73	5.17
xii.	Percentage of the shareholding of		
	a) Government of India	83.49	83.49
	b) State Government	--	--
	c) Sponsor Bank	--	--
xiii.	Amount of paid-up equity capital raised during the year	--	1,447.17
xiv.	Amount of non-equity Tier 1 capital raised during the year, of which:		
	a) Basel III compliant Perpetual Non-Cumulative Preference Shares	--	--
	b) Basel III compliant Perpetual Debt Instruments	1,983.00	5,000.00
xv.	Amount of Tier 2 capital raised during the year, of which		
	a) Perpetual Cumulative Preference Shares	--	--
	b) Redeemable Non-Cumulative Preference Shares	--	--
	c) Basel III compliant Redeemable non convertible tier II Bonds	2,200.00	2,000.00

b) Draw down from Reserves

During the year 2022-23, the Bank has not drawn any amount from other reserves towards unamortized of Frauds. However, Bank has drawn ₹ 583.20 Crore from Investment Fluctuation Reserve.

2. ASSET LIABILITY MANAGEMENT**a) Maturity pattern of certain items of assets and liabilities**

Current Year 2022-23

(₹ in crore)

	Day 1	2-7 DAYS	8-14 DAYS	15-30 DAYS	31 days-2 months	>2-3 months	>3-6 months	>6 months-1 year	>1-3 years	>3-5 years	> 5 years	TOTAL
Deposits	16,719.54	24,897.19	17,582.29	15,386.37	27,291.25	46,680.66	82,771.68	1,63,434.74	1,61,274.09	80,204.10	4,81,474.41	1117716.32
Advances	19,713.45	31,128.05	23,916.23	49,224.70	18,235.92	31,896.75	50,852.13	54,002.81	3,36,508.35	47,328.90	99,038.17	7,61,845.46
Investments	87,469.35	10,712.95	888.30	2,993.82	5,506.13	17,324.42	5,710.88	8,220.90	68,822.45	17,556.16	1,14,093.69	3,39,299.05
Borrowings	963.24	8,333.29	4,085.78	1,996.21	572.85	254.44	2,123.29	3,610.00	2,310.97	1,996.06	16,891.33	43,137.47
Foreign Currency assets	5,317.26	5,843.41	1,016.52	10,915.50	3,748.05	3,259.63	13,035.32	5,403.49	11,913.15	9,366.84	187.01	70,006.19
Foreign Currency liabilities	4,984.28	1,553.01	998.49	2,717.99	2,947.61	4,647.05	3,478.54	3,586.05	8,792.19	6,039.50	315.07	40,059.79

Previous year 2021-22

(₹ in crore)

	Day 1	2-7 DAYS	8-14 DAYS	15-30 DAYS	31 days-2 months	>2-3 months	>3-6 months	>6 months-1 year	>1-3 years	>3-5 years	> 5 years	TOTAL
Deposits	12,750.62	22,568.14	15,505.37	24,224.17	31,592.76	34,111.25	77,995.40	1,47,057.37	1,20,848.10	86,172.71	4,59,566.76	1032392.63
Advances	6,038.86	11,250.55	9,483.94	21,912.53	4,709.33	17,723.78	34,326.71	62,738.47	2,98,295.75	71,329.79	1,23,194.95	6,61,004.66
Investments	1,44,407.71	18,199.02	1,748.39	5,135.88	1,441.91	22,859.62	26,503.85	25,831.24	13,504.34	20,494.70	68,380.73	3,48,507.39
Borrowings	803.30	778.30	602.84	1,132.91	831.74	1,104.87	1,713.57	5,643.17	19,676.78	3,676.24	15,215.38	51,179.10
Foreign currency assets	4,900.56	2,797.74	2,961.84	2,339.01	3,635.01	5,975.17	4,771.74	5,434.65	10,170.15	7,449.49	27.23	50,462.59
Foreign currency liabilities	2,921.98	927.90	1,638.95	1,650.41	1,661.87	3,276.05	3,395.36	5,638.17	6,322.48	6,492.50	265.12	34,190.79

b) Liquidity Coverage Ratio

LCR aims to ensure that a bank maintains an adequate level of unencumbered High-Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario specified by RBI.

LCR is the ratio of HQLA to Net Cash Outflow.

$$\text{LCR} = \frac{\text{HQLA}}{\text{Net Cash Outflows over 30 days}}$$

High Quality Liquid Assets (HQLA):

Liquid assets comprise of high quality assets that can be readily sold or used as collateral to obtain funds in a range of stress scenarios. They should be unencumbered i.e. without legal, regulatory or operational impediments. Assets are considered to be high quality liquid assets if they can be easily and immediately converted into cash at little or no loss of value. HQLA is categorized into two : a) Level 1 Assets, and b) Level 2 Assets. Level 2 Assets are further sub divided into Level 2A Assets & Level 2B Assets based on Liquidity & Price Volatility.

Minimum requirement of LCR as stipulated by RBI is 100% for the calendar year 2019 onwards. LCR is applicable to bank's domestic operations as well as overseas operations.

Level 1 assets are stock of HQLA without any haircut. Level 1 Assets mainly comprise Cash including excess Cash Reserve Ratio (CRR), Excess SLR (Statutory Liquidity Ratio), Marginal Standing Facility (2% of Net Demand and Time Liability w.e.f. 01st January 2022) & FALLCR (16.00% of Net Demand and Time Liability).

A haircut of 15% is applied on current market value of Level 2A asset. Level 2A assets mainly comprise of securities with 20% risk weight. A 50% haircut is applied on current market value of Level 2B asset. Level 2B assets should not be more than 15% of the total stock of HQLA. Level 2B assets mainly comprise Securities with risk weights higher than 20% but not higher than 50%.

Net Cash Outflows

The total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows. In order to determine cash outflows, the Bank, in terms of RBI guidelines, segregates its deposits into various customer segments, viz Retail (which include deposits from Natural Persons), Small Business Customers (those with total aggregated funding upto ₹ 7.5 crore) and deposits from Non Financial Customers (NFC) and Other Legal Entity Customers (OLE). Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in, up to an aggregate cap of 75% of total expected cash outflows.

Brief about LCR of the Bank

The entities covered are Union Bank of India Ltd. And Union Bank of India UK Ltd. The Bank during the three months ended 31st March 2023 maintained average HQLA of ₹ 2,70,381 crores. Level 1 assets are the main drivers of HQLA for the bank. They contribute to 97% of the total stock of HQLA. Based on daily averages for the quarter ended 31st March 2023, Facility to avail Liquidity for Liquidity Coverage Ratio constitutes the highest portion to HQLA i.e. around 64% of the total HQLA. Level 2 assets which are lower in quality as compared to Level 1 assets, constitute 3% of the total stock of HQLA against maximum permissible level of 40%.

Bank's exposure is mainly in Indian Rupee. Unsecured wholesale funding constitute major portion of total funding sources. Retail deposits and deposits from small business customers contributed around 22% and 4% of the total weighted cash outflows, respectively. Deposits from non-financial corporates contributed around 43% of the total weighted cash outflows. The other contingent funding obligations primarily include bank guarantees (BGs) and letters of credit (LCs) issued on behalf of the Bank's clients. Inflows by various counterparties contribute around 77% of the total weighted cash inflows.

Bank has calculated LCR for all working days over the March 2023 quarter. The average of the daily observation of 66 data points is calculated. The average LCR for the quarter ended 31st March 2023 is 167.42% as against 157.20% for the quarter ended December 2022, and is well above the present minimum requirement prescribed by RBI of 100% for the calendar year 2023.

Movement of Average LCR during Financial Year 2022-23

Quarter	June 2022	September 2022	December 2022	March 2023	FY 2022-23
LCR Ratio	177.23	176.29	157.20	167.42	169.45

Quantitative Disclosure (Quarter wise)

	March 2022 Quarter		June 2022 Quarter		September 2022 quarter		December 2022 quarter		March 2023 quarter	
	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets										
1 Total High Quality Liquid Assets (HQLA)	2,80,230.24	2,77,655.44	2,85,874.82	2,83,471.76	2,72,796.14	2,70,526.80	2,54,845.43	2,52,755.92	2,72,365.27	2,70,381.26
Cash Outflows										
2 Retail deposits and deposits from small business customers, of which:										
(i) Stable deposits	6,14,334.98	47,119.13	6,25,940.05	48,160.84	6,31,943.26	48,711.45	6,36,133.95	49,080.23	6,46,869.46	49,883.30
(ii) Less stable deposits	2,86,287.44	14,314.37	2,88,663.30	14,433.17	2,89,657.58	14,482.88	2,90,663.22	14,533.16	2,96,072.85	14,803.64
	3,28,047.54	32,804.75	3,37,276.75	33,727.67	3,42,285.68	34,228.57	3,45,470.73	34,547.07	3,50,796.61	35,079.66
3 Unsecured wholesale funding, of which:	2,00,598.22	1,01,620.62	2,06,251.79	1,03,380.30	2,00,358.09	1,01,590.06	2,15,331.51	1,10,366.55	2,43,570.32	1,20,721.42
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	2,00,598.22	1,01,620.62	2,06,251.79	1,03,380.30	2,00,358.09	1,01,590.06	2,15,331.51	1,10,366.55	2,43,570.32	1,20,721.42
(iii) Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
4 Secured wholesale funding	422.26	7.72	3,620.07	9.50	1,260.89	1.93	3,979.56	-	3,663.14	-
5 Additional requirements, of which	1,32,737.42	21,653.42	1,43,767.95	22,850.08	1,37,798.14	20,531.91	1,35,207.29	18,972.06	1,31,809.13	15,033.14
(i) Outflows related to derivative exposures and other collateral requirements	27.26	27.26	20.31	20.31	44.51	44.51	75.97	75.97	79.02	79.02
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	1,32,710.16	21,626.16	1,43,747.64	22,829.76	1,37,753.63	20,487.40	1,35,131.32	18,896.09	1,31,730.11	14,954.11
6 Other contractual funding obligations	3,201.84	3,201.84	3,710.09	3,710.09	3,620.63	3,620.63	2,971.14	2,971.14	3,609.33	3,609.33
7 Other contingent funding obligations	90,030.40	2,700.94	86,943.70	2,608.34	88,357.30	2,650.75	88,203.10	2,646.10	91,305.09	2,739.15
8 TOTAL CASH OUTFLOWS	10,41,325.12	1,76,303.67	10,70,233.64	1,80,719.15	10,63,338.31	1,77,106.72	10,81,826.55	1,84,036.09	11,20,826.48	1,91,986.34
Cash Inflows										
9 Secured lending (e.g reverse repos)	36,175.58	0.02	18,836.01	0.00	2,302.80	-	1,217.00	-	4,103.18	-
10 Inflows from fully performing exposures	18,458.03	13,489.62	21,684.25	16,347.74	24,872.09	17,871.82	25,867.34	18,316.49	32,328.30	23,567.09
11 Other cash inflows	4,499.09	4,499.09	4,427.01	4,427.01	5,782.78	5,782.78	4,938.06	4,938.06	6,917.47	6,917.47
12 TOTAL CASH INFLOWS	59,132.70	17,988.73	44,947.27	20,774.75	32,957.67	23,654.60	32,022.40	23,254.54	43,348.96	30,484.56
13 TOTAL HQLA		2,77,655.44		2,83,471.76		2,70,526.80		2,52,755.92		2,70,381.26
14 TOTAL NET CASH OUTFLOWS		1,58,314.93		1,59,944.41		1,53,452.12		1,60,781.54		1,61,501.78
15 LIQUIDITY COVERAGE RATIO (%)		175.38%		177.23%		176.29%		157.20%		167.42%

(₹ in crore)

c) Net Stable Funding Ratio (NSFR)

i) Qualitative Disclosure:

The objective of the Net Stable Funding Ratio (NSFR) is to promote the resilience of bank's liquidity risk profiles and to incentivize a more resilient banking sector over a longer time horizon. The NSFR will require banks to maintain a stable funding profile in the form of Capital & liabilities in relation to the composition of their assets and off-balance sheet activities.

NSFR is defined as the amount of available stable funding relative to the amount of required stable funding.

$$\text{NSFR} = \frac{\text{Available Stable Funding (ASF)}}{\text{Required Stable Funding (RSF)}}$$

RBI issued the regulations on the implementation of the Net Stable Funding Ratio in May 2018 with minimum requirement of equal to at least 100%. The implementation is effective from 1st October, 2021. NSFR is applicable to Bank's domestic operations as well as overseas operations and computed at standalone and consolidated level.

Available Stable Funding (ASF) is defined as the portion of capital and liabilities expected to be reliable which is determined by various factor weights according to the nature and maturity of liabilities with liabilities having maturity of 1 year or more receiving 100 weight.

Required Stable Funding (RSF) is defined as the portion of on balance sheet and off-balance sheet exposures which requires to be funded on an ongoing basis. The amount of such stable funding required is a function of the liquidity characteristics and residual maturities of the various assets held.

Brief about NSFR of the Bank

The entities covered are Union Bank of India Ltd. And Union Bank of India UK Ltd. The main drivers of the Available Stable Funding (ASF) are the capital base, retail deposit base, and funding from non-financial companies and long-term funding from institutional clients. The capital base formed around 10%, retail deposits (including deposits from small sized business customers) formed 69% and wholesale funding formed 21% of the total Available Stable Funding, after applying the relevant weights.

The Required Stable Funding primarily comprised lending to corporates, retail clients and financial institutions which constituted 85% of the total RSF after applying the relevant weights. The stock of High-Quality Liquid Assets which majorly includes cash and reserve balances with the RBI, government debt issuances attracted no or low amount of stable funding due to their high quality and liquid characteristic. Accordingly, the HQLA constituted only 2% of the Required Stable Funding after applying the relevant weights. Other assets and Contingent funding obligations, such as committed credit facilities, guarantees and letters of credit constituted 13% of the Required Stable Funding.

Bank has maintained comfortable stable funding buffers with Available Stable Funding at consolidated level of ₹9,42,399 Crores against ₹6,76,671 Crores of Required Stable Funding, resulting in a consolidated NSFR of 139.27% as on 31st March, 2023.

ii) Quantitative Disclosure

NSFR Disclosure Template-Consolidated, March, 2023

(₹ in crore)

Sr. No.	Details	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	73472.52	0.00	2000.00	18565.48	92038.00
2	Regulatory capital	73472.52	0.00	0.00	927.48	74400.00
3	Other capital instruments	0.00	0.00	2000.00	17638.00	17638.00
4	Retail deposits and deposits from small business customers: (5+6)	326162.46	113777.94	260622.47	2539.51	646702.81
5	Stable deposits	40994.80	29833.11	202307.84	1869.82	261348.79
6	Less stable deposits	285167.66	83944.83	58314.64	669.69	385354.02
7	Wholesale funding: (8+9)	74748.93	154529.84	173378.83	14931.52	200097.63
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	74748.93	154529.84	173378.83	14931.52	200097.63
10	Other liabilities: (11+12)	47026.01	18329.10	1610.00	3560.37	3560.37
11	NSFR derivative liabilities	32.74	0.00	0.00	0.00	0.00
12	All other liabilities and equity not included in the above categories	46993.27	18329.10	1610.00	3560.37	3560.37
13	Total ASF (1+4+7+10)					942399.71
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					15865.86
15	Deposits held at other financial institutions for operational purposes	53.84	0.00	0.00	0.00	26.49
16	Performing loans and securities: (17+18+19+21+23)	1330.58	154093.90	61825.48	635915.07	576113.75
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	81215.04	15206.23	19712.90	34141.10
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0.00	67617.10	39686.95	506522.55	458900.37
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.00	0.00	0.00
21	Performing residential mortgages, of which:	0.00	62.09	186.77	80496.34	52447.05
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	62.09	186.77	80496.34	52447.05
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1330.58	5199.67	6745.54	29183.29	30625.23
24	Other assets: (sum of rows 25 to 29)	65903.32	14408.88	0.00	1261.18	75473.33
25	Physical traded commodities, including gold	0.00				0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		3040.96	0.00	0.00	2584.82
27	NSFR derivative assets		0.00	0.00	0.00	0.00
28	NSFR derivative liabilities before deduction of variation margin posted		80.96	0.00	0.00	80.96
29	All other assets not included in the above categories	65903.32	11286.96	0.00	1261.18	72807.56
30	Off-balance sheet items		221871.20	0.00	0.00	9191.06
31	Total RSF (14+15+16+24+30)					676671.20
32	Net Stable Funding Ratio (%)					139.27%

NSFR Disclosure Consolidated, March, 2022

(₹ in crore)

Sr. No.	Details	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	65,865.83	500.00	2,800.00	16,317.85	82,183.68
2	Regulatory capital	65,865.83	0.00	0.00	862.85	66,728.68
3	Other capital instruments	0.00	500.00	2800.00	15,455.00	15,455.00
4	Retail deposits and deposits from small business customers: (5+6)	3,06,015.13	1,23,377.43	1,12,229.03	1,18,948.30	6,15,904.72
5	Stable deposits	1,57,204.34	16,642.91	16,092.51	19,955.67	2,00,398.44
6	Less stable deposits	1,48,810.80	1,06,734.52	96,136.52	98,992.63	4,15,506.28
7	Wholesale funding: (8+9)	71,238.13	1,52,239.14	1,04,620.69	45,879.68	1,88,062.72
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	71,238.13	1,52,239.14	1,04,620.69	45,879.68	1,88,062.72
10	Other liabilities: (11+12)	38,317.01	6,967.54	4,843.17	20,613.39	20,613.39
11	NSFR derivative liabilities	0.00	0.00	0.00	0.00	0.00
12	All other liabilities and equity not included in the above categories	38,317.01	6,967.54	4,843.17	20,613.39	20,613.39
13	Total ASF (1+4+7+10)					9,06,764.50
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					15,873.09
15	Deposits held at other financial institutions for operational purposes	39.04	0.00	0.00	0.00	19.52
16	Performing loans and securities: (17+18+19+21+23)	2,238.58	1,71,639.17	36,535.76	5,58,433.59	5,05,993.64
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	97,166.19	1,253.47	24,561.57	28,446.79
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0.00	70,851.92	28,600.27	4,25,903.02	3,89,150.15
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	40,631.05	3,716.58	1,12,683.89	95,418.35
21	Performing residential mortgages, of which:	0.00	53.30	127.95	59,707.96	38,900.80
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	53.30	127.95	59,707.96	38,900.80
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	2,238.58	3,567.75	6,554.07	48,261.04	49,495.90
24	Other assets: (sum of rows 25 to 29)	78,600.04	11,828.54	0.00	1,996.47	87,378.54
25	Physical traded commodities, including gold	0.00				0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		2,012.38	0.00	0.00	1,710.52
27	NSFR derivative assets		173.75	0.00	0.00	173.75
28	NSFR derivative liabilities before deduction of variation margin posted		87.04	0.00	0.00	87.04
29	All other assets not included in the above categories	78,600.04	9,555.37	0.00	1,996.47	85,407.22
30	Off-balance sheet items		1,17,104.57	0.00	0.00	5,855.23
31	Total RSF (14+15+16+24+30)					6,15,120.01
32	Net Stable Funding Ratio (%)					147.41%

3. Investments

a) Composition of investment portfolio

As at 31.03.2023

	Investments in India											Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total investments outside India	Total Investments				
												Government Securities	Other Approved Securities	Shares	Debentures and Bonds	
Held to maturity																
Gross	2,22,125.35	-	-	52,161.68	393.80	3,998.21	2,78,679.04	-	1,148.71	0.40	1,149.11	2,79,828.15	1,149.11	2,79,828.15		
Less: Provision for non-performing investments (NPI)	-	-	-	(200.00)	(5.00)	-	(205.00)	-	(3.11)	-	(3.11)	(208.11)	(3.11)	(208.11)		
Net	2,22,125.35	-	-	51,961.68	388.80	3,998.21	2,78,474.04	-	1,145.60	0.40	1,146.00	2,79,620.04	1,146.00	2,79,620.04		
Available for Sale																
Gross	37,798.39	-	5,007.44	13,388.83	-	8,994.58	65,189.24	1,739.88	-	45.37	1,785.25	66,974.49	1,785.25	66,974.49		
Less: Provision for depreciation & NPI	-	-	(2,966.26)	(2,221.01)	-	(2,437.08)	(7,624.35)	(10.80)	-	(12.21)	(23.01)	(7,647.36)	(23.01)	(7,647.36)		
Net	37,798.39	-	2,041.18	11,167.82	-	6,557.50	57,564.89	1,729.08	-	33.16	1,762.24	59,327.13	1,762.24	59,327.13		
Held for trading																
Gross	327.82	-	0.15	24.00	-	-	351.97	-	-	-	-	351.97	-	351.97		
Less: Provision for depreciation & NPI	-	-	-	(0.08)	-	-	(0.08)	-	-	-	-	(0.08)	-	(0.08)		
Net	327.82	-	0.15	23.92	-	-	351.89	-	-	-	-	351.89	-	351.89		
Total Investments	2,60,251.56	-	5,007.59	65,574.51	393.80	12,992.79	3,44,220.25	1,739.88	1,148.71	45.77	2,934.36	3,47,154.61	2,934.36	3,47,154.61		
Less: Provision for NPI	-	-	-	(200.00)	(5.00)	-	(205.00)	-	(3.11)	-	(3.11)	(208.11)	(3.11)	(208.11)		
Less: Provision for depreciation & NPI	-	-	(2,966.26)	(2,221.09)	-	(2,437.08)	(7,624.43)	(10.80)	-	(12.21)	(23.01)	(7,647.44)	(23.01)	(7,647.44)		
Net	2,60,251.56	0.00	2,041.33	63,153.42	388.80	10,555.71	3,36,390.82	1,729.08	1,145.60	33.56	2,908.24	3,39,299.06	2,908.24	3,39,299.06		

Note:

- Note: 1. Provision provided in Subsidiaries and/or Joint Venture (in India & outside India) is on account of Standard MTM and not NPI.
 2. Provision for Non-performing investments includes only Held to Maturity Category.
 3. Provision for depreciation and NPI includes Available for sale and Held for Trading Category.

As at 31.03.2022

	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total investments outside India	
Held to maturity												
Gross	1,99,238.04	-	59.71	56,762.49	343.61	346.90	2,56,750.75	--	1,148.71	0.40	1,149.11	2,57,899.86
Less: Provision for non-performing investments (NPI)	-	-	-	(80.00)	(5.00)	-	(85.00)	--	(1.43)	-	(1.43)	(86.43)
Net	1,99,238.04	-	59.71	56,682.49	338.61	346.90	2,56,665.75	--	1,147.28	0.40	1,147.68	2,57,813.43
Available for sale												
Gross	65,341.29	-	5,085.76	14,182.17	-	10,908.61	95,517.83	1,640.39	-	45.62	1,686.01	97,203.84
Less: Provision for depreciation & NPI	-	-	(2,840.17)	(1,481.55)	-	(1,742.43)	(6,064.15)	(30.20)	-	-	(30.20)	(6,094.35)
Net	65,341.29	-	2,245.59	12,700.62	-	9,166.18	89,453.68	1,610.19	-	45.62	1,655.81	91,109.49
Held for trading												
Gross	(415.53)	-	-	-	-	-	(415.53)	--	-	-	-	(415.53)
Less: Provision for depreciation & NPI	-	-	-	-	-	-	0.00	--	-	-	-	-
Net	(415.53)	-	-	-	-	-	(415.53)	--	-	-	-	(415.53)
Total Investments	2,64,163.80	-	5,145.47	70,944.66	343.61	11,255.51	3,51,853.04	1,640.39	1,148.71	46.02	2,835.12	3,54,688.16
Less: Provision for NPI	-	-	-	(80.00)	(5.00)	-	(85.00)	-	(1.43)	-	(1.43)	(86.43)
Less: Provision for depreciation & NPI	-	-	(2,840.17)	(1,481.55)	-	(1,742.43)	(6,064.15)	(30.20)	-	-	(30.20)	(6,094.35)
Net	2,64,163.80	0.00	2,305.30	69,383.11	338.61	9,513.08	3,45,703.90	1,610.19	1,147.28	46.02	2,803.49	3,48,507.39

Note: 1. Provision provided in Subsidiaries and/or Joint Venture (in India & outside India) is on account of Standard MTM and not NPI.

2. Provision for Non-performing investments includes only Held to Maturity Category.

3. Provision for depreciation and NPI includes Available for sale and Held for Trading Category.

b) Movements of Provisions for Depreciation and Investment Fluctuation Reserve

		(₹ in Crore)	
	Particulars	2022-23	2021-22
i)	Movement of provisions held towards depreciation on investments		
	a) Opening Balance	6,180.78	6,227.42
	b) Add: Provisions made during the year	2,119.77	631.43
	c) Less: Write off / Write back of excess provisions during the year	444.98	678.07
	d) Closing Balance	7,855.57	6,180.78
ii)	Movement of Investment Fluctuation Reserve		
	a) Opening Balance	1,936.16	1,279.29
	b) Add: Amount transferred during the year	--	656.87
	c) Less: Drawdown	583.20	0.00
	d) Closing Balance	1,352.96	1,936.16
iii)	Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.00	2.00
iv)	Movement of Investment Reserve		
	a) Opening Balance	--	--
	b) Add: Amount transferred during the year	176.90	--
	c) Less: Drawdown	--	--
	a) Closing Balance	176.90	--

During the FY 2022-23, Investment Reserve has been created since the bank is currently maintaining excess provision in AFs and HFT categories to the tune of ₹ 362.56 Crore and the amount has been transferred net of taxes & transfer to Statutory Reserve.

c) Sale and transfers to/from HTM category

The Bank has not made sales and transfers to/from HTM category during the financial year 2022 - 23 exceeding 5 per cent of the book value of investments held in HTM category at the beginning of the year. The 5 per cent threshold to above will exclude:

- i. The one-time transfer of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks at the beginning of the accounting year.
- ii. Direct sale from HTM for bringing down SLR holding in HTM category consequent to a downward revision in SLR requirements by RBI.
- iii. Sale to Reserve Bank of India under liquidity management operations of RBI like Open Market Operations (OMO) and the Government securities acquisition programme (GSAP).
- iv. Repurchase of Government Securities by Government of India from banks under buyback / switch operations.
- v. Repurchase of State Development Loans by respective state governments under buyback / switch operations.
- vi. Additional shifting of securities explicitly permitted by the Reserve Bank of India

d) Non-SLR investment portfolio

i) Non-performing non-SLR investments

(₹ in Crore)

S. no.	Particulars	2022-23	2021-22
a)	Opening Balance	4,431.69	4,811.06
b)	Additions during the year since 1 st April	1,910.06	566.54
c)	Reductions during the above period	416.15	945.91
d)	Closing balance	5,925.60	4,431.69
e)	Total provisions held	5,737.00	4,036.84

ii) Issuer composition of non-SLR investments

The issuer composition of investments in securities, other than Government and other approved securities is given below:

(₹ in crore)

Sl. no.	Issuer	Amount		Extent of Private Placement		Extent of Below Investment Grade Securities		Extent of Unrated Securities		Extent of Unlisted Securities	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
a)	PSUs	4,193.09	4,087.05	1,418.66	1,170.10	--	--	3,080.52	3,197.29	0.58	22.83
b)	FIs	4,046.13	2,680.13	1,765.47	595.68	--	--	--	--	--	--
c)	Banks	2,816.78	2,057.83	2,177.16	1,850.15	--	--	5.00	--	--	--
d)	Private Corporate	24,269.13	29,301.27	20,609.27	24,005.23	20.00	456.28	448.37	413.54	126.16	138.94
e)	Subsidiaries/ Joint Ventures	1,542.52	1,492.32	1,542.52	1,492.32	--	--	--	--	--	--
f)	Others	50,035.42	50,905.77	46,481.31	47,310.71	--	--	--	--	--	--
g)	Provision held towards depreciation	(7,855.57)	(6,180.78)	--	--	--	--	--	--	--	--
	TOTAL	79,047.49	84,343.59	73,994.39	76,424.19	20.00	456.28	3,533.89	3,610.83	126.74	161.77

e) Repo Transactions (in face value terms)

The following tables set forth for the periods indicated, the details of securities sold and purchased under repo and reverse repo transactions respectively including transactions under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF).

(₹ in crore)

	Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31.03.2023
i)	Securities sold under Repo				
	a) Government securities	14,129.54	21,902.81	15,874.76	14,509.54
	b) Corporate debt securities	--	--	--	--
	c) Any other securities	10.33	10.33	10.33	10.33
ii)	Securities purchased under Reverse Repo				
	a) Government securities	255.00	60,605.07	6,067.94	763.49
	b) Corporate debt securities	--	--	--	--
	c) Any other securities	--	--	--	--

- f) Profit of ₹ 193.77 Crore (previous year ₹ 2,120.13 crore) on sale of "Held to Maturity" category securities have been taken to profit and loss account initially.
- g) In respect of "Held to Maturity" category, the excess of acquisition cost over face value of the securities amortized during the year amounted to ₹ 723.50 crore (previous year ₹ 719.79 Crore).
- h) Total investments made in shares, convertible debentures and units of equity linked mutual funds / venture capital funds and also advances against shares aggregate to ₹ 2,353.41 crore (previous year ₹ 2,523.77 crore).

4. Asset Quality

a) Classification of advances and provisions held

(₹ in crore)

FY 2022-23	Standard	Non-performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	6,36,820.81	11,040.55	49,449.47	19,097.04	79,587.07	7,16,407.87
Add: Additions during the year					12,518.60	12,518.60
Less: Reductions during the year*					31,118.38	31,118.38
Closing balance	7,48,918.02	7,118.16	34,950.72	18,918.41	60,987.29	8,09,905.31
*Reductions in Gross NPAs due to:					31,118.38	31,118.38
i) Upgradation					4,666.03	4,666.03
ii) Recoveries (excluding recoveries from upgraded accounts)					7,277.35	7,277.35
iii) Technical/ Prudential Write-offs					16,805.74	16,805.74
iv) Write-offs other than those under (iii) above					2,369.26	2,369.26
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	6,566.77	2,377.63	33,650.81	18,628.10	54,656.53	61,223.30
Add: Fresh provisions made during the year					12,478.97	12,478.97
Less: Excess provision reversed/ Write-off loans	987.21				19,506.32	20,493.53
Closing balance of provisions held	5,579.56	1,892.61	27,035.25	18,701.32	47,629.18	53,208.74
Amount kept in Sundry Deposits-ECGC Claim received/Recovery in suit filed accounts/ sacrifice in restructured NPA accounts					430.68	430.68
Net NPAs						
Opening Balance		8,659.30	15,524.13	119.87	24,303.30	24,303.30
Add: Fresh additions during the year					12,048.29	
Less: Reductions during the year					23,424.15	
Closing Balance		5,199.52	7,727.92	0.00	12,927.44	12,927.44
Floating Provisions						
Opening balance						Nil
Add: Fresh provisions made during the year						Nil
Less: Amount draw down during the year						Nil
Closing balance of floating provisions						Nil

(₹ in crore)

FY 2022-23	Standard	Non-performing			Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	
Technical write-offs and the recoveries made thereon					
Opening Balance of Technical write-offs/ Prudential written off accounts					68,680.43
Add: Technical/Prudential write-off during the year					16,805.73
Less: Recoveries made from previously Technical/Prudential written-off accounts during the year					12,693.64
Closing Balance					72,792.52

(₹ in crore)

FY 2021-22	Standard	Non-performing			Total	
	Total Standard Advances	Sub-standard	Doubtful	Loss		Total Non-Performing Advances
Gross Standard Advances and NPAs						
Opening Balance	5,63,896.13	13,489.56	50,540.50	25,758.14	89,788.20	6,53,684.33
Add: Additions during the year					22,877.39	22,877.39
Less: Reductions during the year*					33,078.53	33,078.53
Closing balance	6,36,820.81	11,040.55	49,449.47	19,097.04	79,587.07	7,16,407.87
*Reductions in Gross NPAs due to:					33,078.53	33,078.53
i) Upgradation					7,742.82	7,742.82
ii) Recoveries (excluding recoveries from upgraded accounts)					5,851.28	5,851.28
iii) Technical/ Prudential Write-offs					18,025.70	18,025.70
iv) Write-offs other than those under (iii) above					1,458.73	1,458.73
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	5,112.97	2,272.67	34,896.24	24,679.04	61,847.95	66,960.92
Add: Fresh provisions made during the year					11,919.46	11,919.46
Less: Excess provision reversed/ Write-off loans					19,110.88	19,110.88
Closing balance of provisions held	6,566.77	2,377.63	33,650.81	18,628.10	54,656.53	61,223.30
Amount kept in Sundry Deposits-ECGC Claim received/Recovery in suit filed accounts/sacrifice in restructured NPA accounts/floating provision					522.65	522.65
Net NPAs						
Opening Balance		11,197.34	15,165.99	917.19	27,280.52	27,280.52
Add: Fresh additions during the year					10,986.46	10,986.46
Less: Reductions during the year					13,963.68	13,963.68
Closing Balance		8,659.30	15,524.13	119.87	24,303.30	24,303.30

(₹ in crore)

FY 2021-22	Standard	Non-performing			Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	
Floating Provisions					
Opening balance					306.20
Add: Fresh provisions made during the year					--
Less: Amount draw down during the year					306.20
Closing balance of floating provisions					Nil
Technical write-offs and the recoveries made thereon					
Opening Balance of Technical write-offs/ Prudential written off accounts					55,877.88
Add: Technical / Prudential write-off during the year					17,611.07
Less: Recoveries made from previously Technical / Prudential written-off accounts during the year					4,808.52
Closing Balance					68,680.43

Ratios (in per cent)	2022-23	2021-22
Gross NPA to Gross Advances	7.53	11.11
Net NPA to Net Advances	1.70	3.68
Provision coverage ratio	90.34	83.61

b) Sector-wise Advances and Gross NPAs

(₹ in crore)

Sr. No.	Sector	2022-23			2021-22		
		Outstanding Total Advances	Gross NPA	Percentage of Gross NPAs to total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to total Advances in that sector
i)	Priority Sector						
a)	Agriculture and allied activities	1,43,493.24	13,691.94	9.54	1,24,395.26	13,543.61	10.89
b)	Advances to industries sector eligible as priority sector lending	39,428.37	5,576.86	14.14	39,765.31	8,167.11	20.54
c)	Services	85,855.21	10,104.78	11.77	75,149.63	13,349.25	17.76
d)	Personal loans	38,088.39	2,808.90	7.37	39,275.53	2,098.46	5.34
	Sub-total (i)	3,06,865.21	32,182.48	10.49	2,78,585.73	37,158.43	13.34
ii)	Non Priority Sector						
a)	Agriculture and allied activities	7,736.63	1,117.94	14.45	8,696.56	1,863.22	21.42
b)	Industry	1,08,328.10	10,001.65	9.23	1,43,378.04	20,574.40	14.35
c)	Services	1,89,560.91	9,178.30	4.84	1,65,324.21	13,950.23	8.44
d)	Personal loans	1,97,414.46	8,506.92	4.31	1,20,423.35	6,040.79	5.02
	Sub-total (ii)	5,03,040.10	28,804.81	5.73	4,37,822.16	4,24,28.64	9.69
	Total (i+ii)	8,09,905.31	60,987.29	7.53	7,16,407.88	79,587.07	11.11

Details of industry wherein Sub-sector advances is more than 10% of the total advances of industry sector:

Sr. No.	Industry	2022-23		
	Sector	Outstanding Total Advances	Gross NPA	Percentage of Gross NPAs to total Advances in that sector
I	Basic Metals AND Metal Products	25,124.64	1,689.75	6.73%
II	Infra	94,202.45	7,569.17	8.04%

Sr. No.	Industry	2021-22		
	Sector	Outstanding Total Advances	Gross NPA	Percentage of Gross NPAs to total Advances in that sector
I	Basic Metals & Metal products	16,014	4,557	28.46
II	Construction	40,734	8,898	21.84
III	Food manufacturing & processing	18,758	5,101	27.19

c) OVERSEAS ASSETS, NPAs AND REVENUE

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Total Assets	31,540.79	26,418.31
Total NPAs	2,357.98	2,265.25
Total Revenue	1,096.75	426.24

d) Particulars of resolution plan and restructuring under RBI circular DBR.No..BP.BC.45/21.04.048/2018-19 dated June 7, 2019:

(₹ in crore)

Particulars	No. of accounts	Investment value	Provision Held
i) Debt converted into Equity Based on RBI June 2019 Circular	6	104.77	54.25

ii) Details of accounts subjected to restructuring

(₹ in crore)

Standard		Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22
	Number of borrowers	3,108	6,883	26	32	46,871	1,05,979	56,303	70,032	1,06,308	1,82,926
	Gross Amount	223.74	332.44	6,638.44	9,246.36	3,335.35	5,707.11	8,185.46	9,533.55	18,383.00	24,819.45
	Provision held	21.29	32.64	397.38	673.44	290.72	435.10	786.35	949.69	1,495.75	2,090.87
Substandard	Number of borrowers	1,308	579	--	2	23,973	34,772	3,802	3,088	29,083	38,441
	Gross Amount	38.46	14.45	--	72.94	639.22	1,008.81	359.88	298.33	1,037.56	1,394.52
	Provision held	5.86	2.24	--	13.15	100.31	160.32	55.12	46.61	161.28	222.32

(₹ in crore)

		Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
Doubtful	Number of borrowers	1,479	1,224	17	67	47,300	21,852	2,718	1,202	51,514	24,345
	Gross Amount	92.52	207.61	1,787.82	10,144.05	1,748.85	2,032.77	230.10	153.34	3,859.30	12,537.77
	Provision held	78.07	172.95	985.82	8,817.41	873.33	1,349.91	117.60	88.94	2,054.82	10,429.20
Loss	Number of borrowers	101	54	13	59	3,449	2,144	4,588	1,814	8,151	4,071
	Gross Amount	49.00	171.34	2,149.74	6,972.99	184.16	564.96	146.99	89.14	2,529.88	7,798.43
	Provision held	49.00	171.31	2,149.74	6,968.74	182.01	567.01	146.99	89.00	2,527.73	7,796.06
Total	Number of borrowers	5,996	8,740	56	160	1,21,593	1,64,747	67,411	76,136	1,95,056	2,49,783
	Gross Amount	403.72	725.83	10,576.00	26,436.34	5,907.58	9,313.65	8,922.44	10,074.36	25,809.74	46,550.18
	Provision held	154.22	379.13	3,532.94	16,472.75	1,446.37	2,512.33	1,106.06	1,174.23	6,239.58	20,538.45

e) Divergence is asset classification and provisioning

No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for the year ended March 31, 2022, based on the conditions mentioned in RBI circular No. RBI/2022-23/130 DOR.ACC.REC.No.74/21.04.018/2022-23 dated October 11, 2022.

f) Disclosure of transfer of loan exposure:

- The Bank has not transferred any loans not in default during FY 2022-23.
- Details of loans not in default acquired through assignment are given below:

(₹ in crore)

Particulars	2022-23	2021-22
Aggregate Amount of Loans acquired	2772.99	1,962.42
Weighted average residual maturity (in months)	74.59	144.00
Weighted average holding period by originator (in months)	12.47	20.42
Retention of beneficial economic interest by the originator	10.00%	10.00%
Tangible Security Coverage	72.13%	273.96%

The loans acquired are not rated as these are to Non-corporate Borrowers.

- The Bank has not acquired any non-performing assets during FY 2022-23.
- Details of non-performing loans transferred are given below:

FY 2022-23

(Amount in ₹ crore)

Particulars	To ARCs	To permitted transferees	To other transferees (please specify)
No. of accounts	10	Nil	Nil
Aggregate principal outstanding of loans transferred	3,248.82		
Weighted average residual tenor of the loans transferred (months)	119.42		
Net book value of loans transferred (at the time of transfer)	Nil		
Aggregate consideration	1,472.76		
Additional consideration realized in respect of accounts transferred in earlier years	45.09		

FY 2021-22

(Amount in ₹ crore)

Particulars	To ARCs	To permitted transferees	To other transferees (please specify)
No. of accounts	8	Nil	Nil
Aggregate principal outstanding of loans transferred	1,181.38		
Weighted average residual tenor of the loans transferred	Nil		
Net book value of loans transferred (at the time of transfer)	108.59		
Aggregate consideration	623.60		
Additional consideration realized in respect of accounts transferred in earlier years	28.52		

- v) Distribution of the SRs held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on 31st March, 2023 are as under:

Recovery Rating Band	Book Value (₹ in crore)	
	As on 31.03.2023	As on 31.03.2022
RR1+	222.25	12.33
RR1	384.06	878.44
RR2	186.16	303.07
RR3	53.27	148.63
RR4	181.07	382.41
RR5	391.09	376.79
RR6	--	25.30
Unrated	815.86	78.23
Total	2,233.76	2,205.20

During the FY ending 31st March, 2023, two new SRs to the tune of ₹ 342.68 Crore have been added in the portfolio and 100% provision has been made on the book value of the Security Receipts.

- g) **Fraud Accounts**

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Number of frauds reported	366	638
Amount involved in fraud	5,504.38	3,942.37
Amount outstanding in fraud	5,418.30	3,674.70
Amount of Provision made for such frauds	5,418.30	3,554.83
Amount of Unamortized Provision debited from "other reserve" as at the end of Year	0.00	119.87

- h) Details of resolution plan implemented under Resolution framework for Covid 19 related stress as per RBI circular dtd. 6th August 2020 and 5th May, 2021 are as below:

(₹ in crore)

Type of borrower	(A) Exposure to accounts classified as standard consequent to implementation of resolution plan- position as at 30.09.21 (A)	(B) of (A) aggregate debt that slipped into NPA during the half-year	(C) Of (A), Amount written off during the half year	(D) Of (A) amount paid by the borrower during the half year	(E) Exposure to accounts classified as standard consequent to implementation of resolution plan- position as at 31.03.2022
Personal Loans	8467.55	248.64	0.00	504.10	7714.81
Corporate persons	3924.88	30.93	0.00	157.85	3736.10
Of which, MSMEs	270.18	30.93	0.00	20.76	218.49
Others	251.17	27.47	0.00	16.36	207.34
Total	12,643.60	307.04	-	678.31	11,658.25

- i) In terms of RBI Circular No. DBR.BP.BC.18/21.04.048/2018-19 dated 1st January, 2019, DOR.No. BP.BC.34/21.04.048/2019-20 dated 11th February, 2020, DOR.No.BP.BC/4/21.04.048/2020-21 dated 6th August, 2020 and DOR.STR.REC.12/21.04.048/2021-22 dated 5th May, 2021 on "Restructuring of Advances – Micro, Small & Medium Enterprises (MSME) Sector (One Time Restructuring)", the Bank has restructured the MSME borrower accounts as under:

No of Accounts restructured	₹ in Crore
1,21,122	5,052.85

- j) In terms of RBI circular no. DOR.STR.REC.11/21.04.048/2021-22 dated 05.05.2021 under Resolution Framework 2.0 for Individuals & Small Business, the details are as under:

Sector	Position as of 31.03.2023	
	No. of borrowers	Amount in ₹ crore
Personal & Small Business	42,860	5,914.65
Agri/Allied	4,997	269.71
Total	47,857	6,184.36

- k) In terms of RBI Circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 on Prudential Framework for Resolution of Stressed Assets, the bank is holding provision as on 31st March, 2023 in 16 accounts as detailed below:

(₹ in crore)

Amount of loans impacted by RBI circular	Amount of loans to be classified as NPA	Amount of loans as on 31.03.2023 out of (B) classified as NPA	Provisions required for loans covered under RBI circular out of (A)	Provision held on 31.03.2023
(A)	(B)	(C)	(D)	(E)
4,003.90	2,588.58	2,588.58	678.09	678.09

- l) As per RBI circular No. DBR No. BP. 15199/21.04.048/2016-17 and DBR No. BP. 1906/21.04.048/2016-17 dated June 23, 2017 and August 28, 2017 respectively, for the accounts covered under the provisions of the Insolvency and Bankruptcy Code (IBC), the Bank has made a total provision of ₹ 10,568.54 Crore (including Technically Written Off accounts of ₹ 10,510.66 crore) covering 100% of the total outstanding as on 31st March, 2023.

5. EXPOSURES

a) Exposure to Real Estate Sector

(₹ in crore)

Sr. No.	Category	31.03.2023	31.03.2022
i)	Direct exposure	99,387.40	91,038.56
a)	Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	84,322.00	76,189.00
	- Out of the above, individual housing loan eligible for inclusion in Priority Sector Advances	32,831.00	34,702.00
b)	Commercial Real Estate – lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits.	15,065.40	14,849.56
c)	Investments in Mortgage-Backed Securities (MBS) and other securitized exposures - i. Residential, ii. Commercial Real Estate.	Nil Nil	Nil Nil
ii)	Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	46,693.51	44,862.16
	Total Exposure to Real Estate Sector	1,46,080.91	1,35,900.72

b) Exposure to Capital Market

(₹ in crore)

Sr. No.	Category	31.03.2023	31.03.2022
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	1,208.79	1,364.85
ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity oriented mutual funds	1.35	1.32
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	299.20	319.28
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advances	1,198.71	825.61
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	1,058.30	393.50
vi)	Loans sanctioned to corporate against the security of shares /bonds/ debentures or other securities or on clean basis for meeting promoter contribution to the equity of new companies in anticipation of raising resources	--	--
vii)	Bridge loans to companies against expected equity flows /issues.	--	--

(₹ in crore)

Sr. No.	Category	31.03.2023	31.03.2022
viii)	Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures and units of equity oriented mutual funds	--	
ix)	Financing to stockbrokers for margin trading	--	
x)	All exposures to Venture Capital Funds (both registered and unregistered) will be deemed to be on par with equity and hence will reckon for compliance with the capital market exposure.	1,144.62	1,158.92
	Total exposure to Capital Market	4,910.97	4,063.48

c) Risk Category -wise Country Exposure

(₹ in crore)

Risk Category	Net Exposure 31.03.2023	Provision held 31.03.2023	Net Exposure 31.03.2022	Provision held 31.03.2022
Insignificant	31,603.27	Nil	16,345.90	Nil
Low	22,760.29	Nil	13,396.01	Nil
Moderately Low	513.30	Nil	74.41	Nil
Moderate	227.78	Nil	181.59	Nil
Moderately High	670.21	Nil	134.84	Nil
High	101.17	Nil	1.18	Nil
Very High	0.00	Nil	5.28	Nil
Total	55,876.02	Nil	30,139.21	Nil

As per Country Risk Policy 2022-23, Bank has used ECGC country risk classification for the Trade Exposure and other than Trade exposure in India both for branches in India and for overseas branches.

Bank will make provision for country risk exposure only in respect of a country where the net funded exposure is 1% or more of its total assets.

d) Unsecured advances

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Total unsecured advances of the bank	1,25,803.00	1,13,489.29
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. have been taken	Nil	Nil
Estimated value of such intangible collateral securities	Nil	

e) Factoring exposure

(₹ in crore)

Particulars	As on 31.03.2023	As on 31.03.2022
TReDS Exposure in terms of DBR.No.FSD.BC.32/24.01.007/2015-16 dated 30 th July 2015 (Para 8).	523.83	543.54

f) Intra Group Exposure

Particulars	(₹ in crore)	
	31.03.2023	31.03.2022
Total amount of Intra group exposure	539.98	490.44
Total amount of Top 20 Intra group exposure	539.98	490.44
Percentage of Intra group exposure to total exposure of the Bank on borrowers/customers	0.05	0.05
Details of breach of limits on Intra group exposure and regulatory action thereon, if any	NIL	NIL

g) Un-Hedged Foreign Currency Exposures

In terms of guidelines issued by Reserve Bank of India with regard to UFCE, Bank has approved Policy on Unhedged Foreign Currency Exposure of Clients 2022-23. While framing the policy, bank has taken into consideration the exchange risks arising out of volatility in the forex market and accordingly has made suitable provisions to reduce the risks. Bank has also taken into consideration credit risks arising out of unhedged foreign currency exposure and accordingly Bank has put in place risk mitigation measures by incorporating additional loan pricing framework. Total provision made for exposures to entities with UFCE for the year ended March 2023 is ₹16.83 Crore.

6. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs:

a) Concentration of Deposits

Particulars	(₹ in crore)	
	31.03.2023	31.03.2022
Total Deposits of twenty largest depositors	89,178.87	97,755.30
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank.	7.98	9.47

b) Concentration of Advances

Particulars	(₹ in crore)	
	31.03.2023	31.03.2022
Total Advances of twenty largest borrowers/customers	1,35,080.37	1,04,418.65
Percentage of Advances of twenty largest borrowers to Total Advances of the Bank	16.46	14.35

c) Concentration of Exposures

Particulars	(₹ in crore)	
	31.03.2023	31.03.2022
Total Exposures of twenty largest borrowers/customers	1,43,096.26	1,39,132.22
Percentage of Exposures of twenty largest borrowers/customers to Total Exposures of the Bank on borrowers / customers	13.41	14.57

d) Concentration of NPAs

Particulars	(₹ in crore)	
	31.03.2023	31.03.2022
Total Exposures to top twenty NPA accounts	10,510.60	11,098.86
Percentage of Exposures to the twenty largest NPA Exposures to total Gross NPAs	17.23	13.95

7. DERIVATIVES**a) Forward Rate Agreement/Interest Rate Swap**

(₹ in crore)

Sr. No.	Particulars	31.03.2023	31.03.2022
i)	The notional principal of swap agreements	42,093.16	17,840.00
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	136.65	110.71
iii)	Collateral required by the Bank upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the Swaps	Banking Industry	Banking Industry
v)	The fair value of the swap book	4.65	4.96

Note:

- I. Interest rate swaps in Indian Rupees were undertaken for hedging Reciprocal Loan Arrangements.
- II. The Bank has entered into Floating to Fixed or Fixed to Floating Interest Rate Swap transactions for trading during the year.
- III. All underlying for hedge transactions are on accrual basis.

b) Exchange Traded Interest Rate Derivatives

(₹ in crore)

Sr. No.	Particulars	31.03.2023		31.03.2022	
		Buy	Sell	Buy	Sell
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise) Interest Rate Future				
	a) 577GS2030	--	--	70.00	70.00
	b) 585GS2030	--	--	1,963.00	1,963.00
	c) 664GS2035	--	--	428.00	428.00
	d) 610GS2031	1,215.04	1,215.04	3,035.02	3,035.02
	e) 654GS2032	1,074.28	1,074.28	--	--
	f) 726GS2032	1,180.76	1,180.74	--	--
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 st March 2023 (instrument-wise)				
	a) 726GS2032	0.02		Nil	
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	Nil		Nil	
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument wise)	Nil		Nil	

c) Disclosures on Risk Exposures in Derivatives**i) Qualitative disclosure:**

- a) The Bank deals in two groups of derivative transactions within the framework of RBI guidelines.
 - i) Over the Counter Derivatives
 - ii) Exchange Traded Derivatives

The Bank deals in Forward Rate Agreement, Interest Rate Swaps, Cross Currency Swap and Currency Options in Over the Counter Derivatives group.

In Exchange Traded Derivatives Group, the Bank trades in Currency Futures and Interest Rate Futures. The Bank is Trading & clearing member with three Exchanges viz. National Stock Exchange (NSE), Bombay Stock Exchange (BSE) & Metropolitan Stock Exchange (MSEIL), on their Currency Derivative segment, as permitted by Reserve Bank of India. The Bank carries out proprietary trading in currency futures on these exchanges. The Bank has set up the necessary infrastructure for Front, Mid and Back office operations. Daily Mark to Market (MTM) and Margin obligations are settled with the exchanges as per guidelines issued by the Regulators.

The Bank trades in Interest Rate Futures on National Stock Exchange. The bank has necessary infrastructure for Front, Mid and Back office operations in place. Daily Mark to Market (MTM) and Margin obligations are settled with the exchanges as per guidelines issued by the Regulators.

The Bank undertakes derivative transactions for proprietary trading/market making, hedging own balance sheet and for offering to customers, who use them for hedging their risks within the prevalent regulations. Proprietary trading/market making positions are taken in Rupee Interest Rate Swap, Currency Futures and Interest Rate Futures. While derivative instruments present immense opportunity for making a quantum leap in non-interest income and also for hedging market risk, it exposes the Bank to various risks. The Bank has adopted the following mechanism for managing different risks arising out of derivative transactions.

- a) In terms of the structure, operations in the Treasury Branch are segregated into following three functional areas, which are provided with trained officers with necessary systems support and their responsibilities are clearly defined.
 - I) Front Office (Dealing Room) - Ensures Compliance with trade origination requirements as per Bank's policy and RBI guidelines.
 - II) Mid-Office - Risk Management, Accounting Policies and Management
 - III) Back Office - Settlement, Reconciliation, Accounting.

Mid Office monitors transactions in the trading book and excesses, if any, are reported to Risk management Department for necessary action. Mid Office also measures the financial risk for transactions in the trading book on a daily basis, by way of Mark to Market. Daily Mark to Market position is reported to Risk Management Department, for onward reporting of the risk profile to the Directors' Committee on the Assets and Liability Management.

In case of corporate clients transactions are concluded only after the inherent credit exposures are quantified and approved in terms of approval process laid down in the Treasury Policy for customer appropriateness and suitability. The necessary documents like ISDA agreements are duly executed. The bank has adopted Current Exposure Method for monitoring credit exposures.

Bank has entered into Credit Support Annex (CSA) with few banks. CSA is a legal document regulating the terms and conditions under which collateral is posted to mitigate counterparty credit risk in bilateral derivative transactions.

- b) Treasury Policy of the Bank lays down the types of financial derivative instruments, scope of usages, and approval process as also the limits like the open position limits, deal size limits, stop loss limits and counterparty exposure limit for trading in approved instruments.

Various Risk Limits are set up and actual exposures are monitored vis-à-vis the limits.

These limits are set up taking in to account market volatility, business strategy and management experience. Risk limits are in place for risk parameters viz. PV01, stop loss, counterparty credit exposure. Actual positions are measured against these limits periodically and breaches if any are reported promptly. The Bank ensures that the Gross PV01 position arising out of all non option derivative contracts is within the 0.25% of net worth of the Bank.

- c) The Bank also uses financial derivative transactions for hedging its own Balance Sheet Exposures. Treasury Policy of the Bank spells out approval process for hedging the exposures. The hedge transactions are monitored

on a regular basis. The notional profit or loss calculated on Mark to Market basis, PV01 and VaR on these deals are reported to the Assets Liability Committee (ALCO) every month. Hedge effectiveness is the degree to which changes in the fair value or cash flows of the hedged items that are attributed to a hedged risk are offset by changes in the fair value or cash flows of the hedging instruments. This exercise is carried out periodically to ensure hedge effectiveness.

- d) The hedged/un-hedged transactions are recorded separately. The hedged transactions are accounted for on accrual basis. All trading contracts are mark-to-market and resultant gross gain or loss is recorded in income statement.

In case of Option contracts, guidelines issued by FEDAI from time to time for recognition of income, premium, and discount are being followed.

To mitigate the credit risk, the Bank has policy in place to sanction limits to the counterparty Banks and Counterparty clients. The Bank adopts Current Exposure method for monitoring counterparty exposure periodically. While sanctioning derivative limit, the competent authority may stipulate condition of obtaining collaterals/margin as deemed appropriate. The derivative limit is reviewed periodically along with other credit limits.

The customer related derivative transactions are covered with counterparty banks, on back-to-back basis for identical amount and tenure and the bank does not carry any market risk.

ii) Quantitative disclosure:

(₹ in crore)

Quantitative Disclosures					
S. No.	Particular	31-03-2023		31-03-2022	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(a)	Derivatives (Notional Principal Amount)				
	(i) For Hedging	3,994.00	3,165.00	370.64	2,180.00
	(ii) For Trading	4,13,578.41	38,928.18	4,44,008.28	15,660.00
(b)	Marked to Market Position				
	(i) Asset (+)	1,430.12	135.51	1,818.71	88.38
	(ii) Liability (-)	(1,326.16)	(130.46)	(1,683.63)	(88.67)
(c)	Credit Exposure (*)	10,364.27	493.24	11,041.95	267.08
(d)	Likely impact of one percentage change in interest rate (100*PV01) (in Lacs)				
	(i) On Hedging Derivatives	-20,888.16	3,686.11	0.00	4,392.29
	(ii) On Trading Derivatives	-16.62	47.77	0.00	134.01
(e)	Maximum and minimum of 100*PV01 observed during the year (in Lacs)				
	I. Maximum				
	(i) On Hedging	(10,744.86)	4,652.40	0.00	5,454.20
	(ii) On Trading	1,023.14	2,548.55	0.00	2,345.28
	II. Minimum				
	(i) On Hedging	(23,138.00)	3,686.11	0.00	1,407.51
	(ii) On Trading	(25.97)	14.82	0.00	22.40

*Note:

1. Credit Exposure of Interest Rate Derivatives also includes the exposure on Hedging deals.
2. Credit Exposure of Currency Derivatives also includes the exposure on Hedging deals

d) CREDIT DEFAULT SWAPS:

The Bank has not entered into any Credit Default Swap transactions during the FY 22-23.

8. Disclosures relating to securitisation: Nil

9. Off – Balance Sheet SPVs sponsored by the Bank: Nil

10. TRANSFERS TO DEPOSITOR EDUCATION AND AWARENESS FUND (DEAF)

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Opening balance amounts transferred to DEAF	2,877.09	2,375.24
Add: Amounts transferred to DEAF during the Year	387.59	545.18
Less: Amount reimbursed by DEAF towards claims	65.85	43.33
Closing balance of Amount transferred to DEAF	3,198.83	2,877.09

11. DISCLOSURE OF COMPLAINTS:

Summary information on complaints received by the bank from customers and from the Office of Ombudsman (OBOs)

Particulars				
Sr. No.		Complaints received by the Bank from its customers	2022-23	2021-22
1.		Number of complaints pending at beginning of the year (Including BO Complaints)	1,395	10,780
2.		Number of complaints received during the year (Including BO Complaints)	2,52,086	3,28,216
3.		Number of complaints disposed during the year (Including BO Complaints)	2,52,954	3,37,601
	3.1	Of which, number of complaints rejected by the bank	610	415
4.		Number of complaints pending at the end of the year (Including BO Complaints)	527	1,395
Maintainable complaints received by the bank from OBOs				
5.		Number of maintainable complaints received by the bank from OBOs	6,167	7,971
	5.1	Of 5, number of complaints resolved in favour of the bank by BOs	2,241	7,229
	5.2	Of 5, Number of complaints resolved through conciliation/ mediation/ advisories issued by BOs	3,924	740
	5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank.	2	2
6.		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Note:-

Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme. However, the above data collated from CMS site also includes those complaints settled by agreement per Clause 11 as well as Rejected Complaints as per Clause 13 of Ombudsman Scheme 2006 which is under correspondence.

Top five grounds of complaints received by the Bank from customers (Including BO Complaints)					
Grounds of complaints (i.e. Complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year (2022-23)					
	01.04.2022	2022-23	31.03.2023	31.03.2023	
ATM/Debit Cards	324	203453	(4.91%)	98	0
Internet/Mobile/Electronic Banking	213	23432	(62.25%)	50	0
Levy of Charges Without prior Notice/Excessive Charges/Foreclosure Charges	47	3860	(62.72%)	1	0
Cheques/Drafts/Bills	11	765	(77.56%)	8	0
Credit Cards	32	1892	(40.76%)	0	0
Others	768	18684	(46.97%)	370	2
Total	1395	252086	(23.19%)	527	2
Previous Year (2021-22)					
	01.04.2021	2021-22	31.03.2022	31.03.2022	
ATM/Debit Cards	4,583	2,13,956	-26.73%	324	50
Internet/Mobile/Electronic Banking	344	62,068	1.61%	213	-
Levy of Charges Without prior Notice/Excessive Charges/Foreclosure Charges	2,389	10,355	23.19%	47	71
Cheques/Drafts/Bills	52	3,410	-36.03%	11	-
Credit Cards	27	3,194	-17.10%	32	17
Others	3,385	35,233	-20.51%	768	60
Total	10,780	3,28,216	-20.92%	1,395	198

12. DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATOR:

(₹ in crore)

Name of Regulator	Year ended 31 st March 2023		Year ended 31 st March 2022	
	No. of Cases	Amount	No. of Cases	Amount
Banking Regulation Act, 1949	0	0.00	1	1.00
Other Regulators	0	0.00	1	0.46

13. Key Management Personnel – Remuneration paid.

(₹ in crore)

Particulars	31.03.2023	31.03.2022
CEO and Managing Director	0.49	0.37
Executive Directors	1.28	1.21
Total	1.77	1.58

14. Other Disclosures

a) BUSINESS RATIOS

(₹ in crore)			
Sr. No.	Particulars	31.03.2023	31.03.2022
i)	Interest Income as a percentage to Working Funds	6.60	6.11
ii)	Non-interest income as a percentage to Working Funds	1.20	1.13
iii)	Cost of Deposit	4.37	4.12
iv)	Net Interest Margin	2.90	2.71
v)	Operating Profit as a percentage to Working Funds	2.08	1.97
vi)	Return on Assets	0.69	0.47
vii)	Average Business (Deposits plus advances) per employee (₹ in crore)	23.14	20.48
vi)	Net Profit per employee (₹ in crore)	0.11	0.07

b) BANCASSURANCE BUSINESS:

The breakup of income derived from bancassurance business is given here below:

(₹ in crore)			
Sr. No.	Nature of Income	31.03.2023	31.03.2022
1.	Life Insurance Policies	233.39	170.24
2.	Non Life Insurance Policies	50.76	48.14
3.	Health Insurance	49.13	38.03

c) Marketing and distribution

Details of fees / remuneration received in respect of the marketing and distribution function (excluding bancassurance business):

(₹ in crore)			
Sr. No.	Nature of Income	31.03.2023	31.03.2022
1.	Distributing Mutual Fund Business	19.76	17.66

d) Priority Sector Lending Certificate

Other income of the Bank inter alia includes commission income of ₹ 167.16 Crore from sale of Priority Sector Lending Certificate. Traded value of PSCL certificate are given below:

(₹ in crore)	
Category	Traded Value
PSLC-General	--
PSLC-Small & Marginal Farmer	15,450.00
TOTAL	15,450.00

e) Provision & Contingencies

(₹ in crore)		
Break up of Provision & Contingencies	31.03.2023	31.03.2022
Provision / (Reversal) for NPI on Investment	1,915.18	214.61
Provision towards NPA	12,478.98	11,613.25
Provision/(Reversal) towards Standard Assets	(992.73)	1,449.02
Net Provision made towards Income Tax (IT)/ Deferred tax assets (DTA)	3,704.45	3,347.31
Other Provision and Contingencies:		
- Shifting Loss	--	--
- Restructured Advances	(96.98)	(32.94)
- Others	24.98	49.83
TOTAL	17,033.88	16,641.08

f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)

The RBI vide DBR.BP.BC.No. 76/21.07.001/2015-16 dated 11th February 2016, has prescribed the roadmap for implementation of Indian Accounting Standards (Ind-AS) in the Banks and the Banks needs to disclose the strategy for Ind-AS implementation, including the progress made in this regard. The Bank accordingly, has appointed a Consultant to assist in implementation of the Ind-AS. Further, the Bank has procured the required softwares and onboarded the vendor for software implementation of Indian Accounting Standards (Ind-AS). The Bank has also constituted a Steering Committee to oversee the progress made and the Audit Committee of the Board is being apprised of the same from time to time. Further, in terms of DO.DBR.BP.No.2535/21.07.001/2017-18 dated 13th September 2017, the Bank had been submitting Proforma Ind AS financial statements to the RBI on quarterly basis till 31st March 2021. Thereafter, in term of RBI's (Department of Regulation) mail dated 8th August 2021, bank has been advised to submit Proforma Ind AS financial statements on half yearly basis. Last proforma financials for the half year ended 30th September 2022 was submitted to RBI vide letter dated 22nd November 2022.

g) Payment of DICGC insurance premium

(₹ in crore)			
Sr. No.	Particulars	31.03.2023	31.03.2022
i)	Payment of DICGC Insurance Premium (Inclusive of GST)	1,448.90	1,278.48
ii)	Arrears in payment of DICGC premium (Inclusive of GST)	--	--

15. DISCLOSURES AS PER ACCOUNTING STANDARDS ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

a. REVENUE RECOGNITION (AS 9)

Income and Expenditure have been accounted for on accrual basis except certain items of income are recognized on realization basis as per Accounting Policy no.3.4 of Schedule 17 of Significant Accounting Policies which however, is not considered to be material.

b. EMPLOYEE BENEFITS (AS 15 - REVISED)

i) Short Term Employment Benefits:

The undiscounted amounts of short-term employee benefits (e.g. medical benefits) payable wholly within twelve months of rendering the service are treated as short term and recognized during the period in which the employee rendered the service.

ii) Long Term Employee Benefits:

a) Defined Contribution Plans:

The Bank operates a new pension scheme (NPS) for all officers/employees joining the Bank on or after 1st April, 2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with 14% contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions retained with the Bank. The Bank recognizes such annual contributions in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS trust.

The Bank has Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after April 1, 2010. The scheme is managed by National Pension Scheme (NPS) Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2022-2023, the Bank has contributed ₹ 525.36 crores including arrears of ₹ 0.12 crores (Previous Year ₹501.51 crore) to NPS.

b) Defined Benefit Plan:

Gratuity, Pension and Leave Encashment are defined benefit plans. These are provided for on the basis of an actuarial valuation as per Accounting Standard-15 "Employee Benefit" issued by the Institute of Chartered Accountants of India, made at the end of each financial year, based on the projected unit credit method. Actuarial gains/losses are immediately taken to the Profit & Loss account.

Defined Benefit Plans – Employee's Pension plan and Gratuity plan:

The Bank has accounted for employee benefits as per Accounting Standards issued by the Institute of Chartered Accountants of India, as per actuarial valuation report for the year ended March 31, 2023.

(₹ in crore)

S. No.	Particular	31.03.2023		31.03.2022	
		Gratuity	Pension	Gratuity	Pension
i)	Table showing change in Defined Benefit Obligation:				
	Liability at the beginning of the year	3,197.81	28,650.99	3,355.82	26,011.41
	Interest Cost	233.76	2,120.17	232.56	1,797.39
	Current Service Cost	163	184.38	161.12	212.30
	Past Service Cost (Vested Benefit Amortized)	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit)	NIL	NIL	NIL	1902.02
	Liability Transfer in	NIL	NIL	NIL	NIL
	Liability Transfer out	NIL	NIL	NIL	NIL
	(Benefit paid)	(334.38)	(2,120.73)	(465.84)	(2,341.52)
	Actuarial (Gain)/loss on obligation – due to change				
	In the financial assumption	(63.88)	(278.47)	(119.57)	(1,446.34)
	in demographic assumption	NIL	NIL	2.86	63.46
	Actuarial (Gain) / Loss on obligations	29.55	614.25	30.86	2,452.27
	Liability at the end of the year	3,225.86	29,170.59	3,197.81	28,650.99

(₹ in crore)

S. No.	Particular	31.03.2023		31.03.2022	
		Gratuity	Pension	Gratuity	Pension
ii)	Table of Fair value of Plan Assets:				
	Fair value of Plan Assets at the beginning of the year	3,367.60	27,043.50	2,746.43	26,720.88
	Expected return on Plan Assets	246.17	2,001.22	190.33	1,846.41
	Contributions	NIL	1,780.29	843.37	551.42
	Transfer from Other Company	0.29	NIL	NIL	NIL
	Transfer to Other Company	NIL	NIL	NIL	NIL
	(Benefit paid)	(334.38)	(2,120.73)	(465.84)	(2,341.52)
	Actuarial (Gain)/loss on Plan Assets	(17.33)	49.96	(53.31)	(266.31)
	Fair Value of Plan Assets at the end of the year	3,262.35	28,754.24	3,367.60	27,043.50
	Actuarial (Gain)/loss on obligation for the period	(34.33)	335.78	(85.85)	1,069.39
	Actuarial (Gain)/loss on Plan Assets	17.33	(49.96)	(53.31)	(266.31)
	Total Actuarial (Gain)/loss to be recognized	(17.00)	285.82	(139.16)	803.08
iii)	Recognition of Transitional Liability :				
	Transitional Liability at start	NIL	NIL	NIL	NIL
	Transitional Liability recognized during the year	NIL	NIL	NIL	NIL
	Transitional Liability at end	NIL	NIL	NIL	NIL
iv)	Actual return on Plan Assets :				
	Expected Return on Plan Assets	246.17	2,001.22	190.33	1,846.41
	Actuarial Gain/(Loss) on Plan Assets	(17.33)	49.96	53.31	266.31
	Actual return on Plan Assets	228.84	2,051.18	243.64	2,112.72
v)	Expenses recognized in the Income Statement:				
	Current Service Cost	163.00	184.38	161.12	212.30
	Interest Cost	(12.41)	118.95	42.23	(49.02)
	Expected Return on Plan Assets	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit Amortized) recognized	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit) recognized(1/5 of enhanced family pension)	NIL	1,521.62	NIL	380.40
	Recognition of Transition Liability	NIL	NIL	NIL	NIL
	Actuarial (Gain) or Loss	(17.00)	285.82	(139.16)	803.08
	Expenses Recognized in P & L	133.59	2,110.77	64.19	1,346.76
vi)	Balance Sheet Reconciliation:				
	Opening Net Liability (Last year net amount recognized in the balance sheet)	(169.79)	85.87	609.39	(709.47)
	Expenses as above	133.59	2,110.77	64.19	1,346.76
	Transfer from other Company (Net)	(0.29)	NIL	NIL	NIL
	Transfer to other Company (Net)	NIL	NIL	NIL	NIL
	(Employer Contribution)	NIL	(1,780.29)	(843.37)	(551.42)
	Net (Asset)/Liability Amount recognized in Balance Sheet	(36.49)	416.35	(169.79)	85.87

(₹ in crore)

S. No.	Particular	31.03.2023		31.03.2022	
		Gratuity	Pension	Gratuity	Pension
vii)	Other Details:				
	Pension is payable at the rate of 1/66 Salary for Each Year of Service Subject to Maximum of 50%.				
	Gratuity is payable at the rate of 15 days salary for each year of service subject to maximum of ₹ 20,00,000 or as per the Bank scheme.				
	Actuarial gain / loss is accounted for in the year of occurrence.				
	Salary escalation is considered as advised by the company which is in line with the industry practice considering promotion and demand and supply of the employees.				
	No. of Members	75,618	21,138	75,201	23,216
	Salary Per Month	513.88	513.88	354.44	182.95
	Contribution for next year	139.74	587.94	-	592.76
viii)	Category of assets:				
	Government of India Assets	61.47	565.13	63.45	585.14
	Corporate Bonds/FDR	25.75	720.80	36.15	721.81
	Special Deposits Scheme	-	-	-	-
	State Govt.	82.81	1,379.39	101.17	1,185.78
	Property	NIL	NIL	NIL	NIL
	Other	64.13	454.17	244.10	1,733.36
	Insurer Managed Funds	3,028.18	25,634.75	2,897.20	22,492.80
	Mutual Fund	NIL	NIL	25.53	324.61
	Total	3,262.34	28,754.24	3,367.60*	27,043.50*

*Note: Return on investments in LIC & other insurance companies is expected at 7.50% while arriving Pension liability and Gratuity liability at the Fair Value of Plan Assets for the FY2022-23 as against the 7.25% considered for arriving Pension and Gratuity liability for the FY2021-22.

(₹ in crore)

Surplus/Deficit in the Plan:	Gratuity Plan				
	31.03.23	31.03.22	31.03.21	31.03.20*	31.03.19*
Amount recognized in the Balance-Sheet					
Liability at the end of the year	3,225.86	3,197.81	3,355.82	1,291.94	1,222.64
Fair value of Plan Assets at the end of the year	3,262.35	3,367.60	2,746.43	1,219.01	1,202.14
Difference	36.49	169.79	(609.39)	(72.93)	(20.50)
Unrecognized Past Service Cost	Nil	Nil	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	36.49	169.79	(609.39)	(72.93)	(20.50)

* Amount mentioned for Union Bank (Standalone) only.

(₹ in crore)

Amount recognized in the Balance-Sheet	Gratuity Plan				
	31.03.23	31.03.22	31.03.21	31.03.20*	31.03.19*
Experience Adjustment					
On plan liability (Gain) / Loss	29.55	30.86	752.31	25.87	7.91
On plan Assets (Loss) / Gain	(17.33)	53.31	34.41	7.20	(13.03)

* Amount mentioned for Union Bank (Standalone) only.

(₹ in crore)

Surplus/Deficit in the Plan:	Pension Plan				
	31.03.23	31.03.22	31.03.21	31.03.20*	31.03.19*
Amount recognized in the Balance-Sheet					
Liability at the end of the year	29,170.59	28,650.99	26,011.41	12,746.69	12,158.43
Fair value of Plan Assets at the end of the year	28,754.24	27,043.50	26,720.88	12,607.16	12,308.84
Difference	(416.35)	(1,607.49)	709.47	(139.53)	150.41
Unrecognized Past Service Cost	Nil	1,521.62	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	(416.35)	(85.87)	709.47	(139.53)	150.41

* Amount mentioned for Union Bank (Standalone) only.

(₹ in crore)

Amount recognized in the Balance-Sheet	Pension Plan				
	31.03.23	31.03.22	31.03.21	31.03.20*	31.03.19*
Experience Adjustment					
On plan liability (Gain) / Loss	614.25	2,452.27	1,456.27	938.90	125.22
On plan Assets (Loss) / Gain	49.96	266.31	81.65	75.23	7.18

* Amount mentioned for Union Bank (Standalone) only.

Principal actuarial assumption used (%)	2022-23		2021-22	
	Gratuity	Pension	Gratuity	Pension
Discount Rate Prev.	7.31	7.40	6.93	6.91
Rate of return on Plan Assets Prev.	7.31	7.40	6.93	6.91
Salary Escalation Prev.	5.00	5.00	5.00	5.00
Attrition Rate Prev.	2.00	2.00	2.00	2.00
Discount Rate Current	7.49	7.53	7.31	7.40
Rate of Return on Plan Assets Current	7.49	7.53	7.31	7.40
Salary Escalation Current	5.00	5.00	5.00	5.00
Attrition Rate Current	2.00	2.00	2.00	2.00

iii) Other long term Employee Benefits:

Details of Provisions made for various Long-Term Employees Benefits during the year are as follows:

(₹ in crore)

Sr. No.	Other Long Term Benefits	31.03.2023	31.03.2022
1.	Pension	2,110.77	1,346.76
2.	Leave Travel Concession	3.66	13.41
3.	Leave Encashment	149.30	48.70

Bank is having provision of ₹ 268.76 Crore towards Sick Leave on prudential basis though there is no payout.

iv) **Unamortized Family pension & Gratuity Liabilities:**

Particulars	31.03.2023	31.03.2022
Pension		
a) Balance brought forward	1,521.62	NIL
b) Gross Liability	NIL	1,902.02
c) Charged to Profit & Loss account	1,521.62	380.40
d) Balance Carried forward	NIL	1,521.62
Gratuity		
a) Charged to Profit & Loss account	NIL	NIL
b) Carried forward	NIL	NIL

- a. Pursuant to the revision in family pension payable to the employees of the Bank, covered under 11th Bi- Partite Settlement and joint note dated November 11, 2020, the Bank had arrived additional liability at ₹ 1,902.02 Crore as per Actuarial valuation, of which a sum of ₹ 380.40 Crore was amortized during the FY 2021-22, in terms of RBI Circular no. RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 04, 2021 and unamortized part of ₹ 1,521.62 Crore has been fully charged to the Profit & Loss Account during the year ended March 31, 2023. There is no unamortized expenditure in the Balance Sheet on account of additional family pension.

c. i) **SEGMENT REPORTING (AS-17)**

(₹ in crore)

Business Segment	Standalone	
	Year Ended	
	(Audited)	(Audited)
	31.03.2023	31.03.2022
Segment Revenue		
Treasury Operations	26,442.90	26,815.66
Retail Banking Operations	31,078.66	26,198.04
(a) Digital Banking Operations	569.38	NA
(b) Other Retail Banking Operations	30,509.28	26,198.04
Corporate /Wholesale Banking	35,941.71	25,776.79
Other Banking Operations	1,979.37	1,397.64
Unallocated	496.71	403.35
Total Segment Revenue	95,939.35	80,591.48
Less Inter-segment Revenue	(562.86)	(122.70)
Income from operations	95,376.49	80,468.78
Segment Results		
Treasury Operations	2,426.80	6,002.74
Retail Banking Operations	5,059.25	4,508.68
(a) Digital Banking Operations	(43.07)	NA
(b) Other Retail Banking Operations	5,102.32	4,508.68
Corporate Banking	3,091.44	(3,093.72)
Other Banking Operations	1,063.52	758.37
Unallocated	496.71	403.35
Total Profit/(Loss) Before Tax	12,137.72	8,579.42
Provision for Tax	3,704.45	3,347.31
Net Profit/(Loss) after Tax	8,433.27	5,232.11
Segment Assets		
Treasury Operations	4,64,788.70	4,78,735.97
Retail Banking Operations	3,59,680.33	3,18,913.60
(a) Digital Banking Operations	42,263.05	NA

(₹ in crore)

Business Segment	Standalone	
	Year Ended	
	(Audited) 31.03.2023	(Audited) 31.03.2022
(b) Other Retail Banking Operations	3,17,417.28	3,18,913.60
Corporate/Wholesale Banking	4,26,011.76	3,68,181.73
Other Banking Operations	-	-
Unallocated	30,271.66	21,759.76
Total	12,80,752.45	11,87,591.06
Segment Liabilities		
Treasury Operations	4,56,704.84	4,70,252.54
Retail Banking Operations	3,28,812.17	2,90,449.81
(a) Digital Banking Operations	38,724.27	NA
(b) Other Retail Banking Operations	2,90,087.90	2,90,449.81
Corporate/Wholesale Banking	3,88,190.19	3,35,313.11
Other Banking Operations	-	-
Unallocated	28,711.04	20,999.47
Total	12,02,418.24	11,17,014.93
Capital Employed		
Treasury Operations	8,083.86	8,483.43
Retail Banking Operations	30,868.16	28,463.79
(a) Digital Banking Operations	3,538.78	NA
(b) Other Retail Banking Operations	27,329.38	28,463.79
Corporate/Wholesale Banking	37,821.57	32,868.62
Other Banking Operations	-	-
Unallocated	1,560.62	760.29
Total	78,334.21	70,576.13

Notes:

1. The Bank operates in four segments viz., Treasury, Retail, Corporate / Wholesale and Other Banking Operations. These segments have been identified in line with AS-17 on segment reporting issued by the Institute of Chartered Accountants of India (ICAI) after considering the nature and risk profile of the products and services, the target customer profiles, the organizational structure and the internal reporting system of the bank. The bank has disclosed the business segment as primary segment. The revenue and other parameters of foreign branch for the period are within the threshold limits stipulated as per AS-17 and hence the bank has only one reportable segment.
 2. Segment wise income, expenditure, Capital employed which are not directly allocable have been allocated to the reportable segments based on assumptions as considered appropriate by the management.
 3. Figure of previous period have been regrouped/reclassified wherever necessary.
 4. In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 7, 2022 on Establishment of Digital Banking Units, the Bank has for the first time disclosed 'Digital Banking' as a sub-segment of the Retail Banking segment.
- c. ii) In terms of RBI circular no. RBI/DOR/2021-22/83 DOR.ACC.REC.No.45/21.04.018/2021-22 dated August 30, 2021 (Updated as on February 20, 2023), the following disclosures are required:
- a. In case of Other Liabilities and Provisions, any item under the head "Others (including provisions)" exceeds one per cent of the total assets,

- b. In case of Other Assets, any item under the head “Others” exceeds one per cent of the total assets,
- c. In case of Other Income, any item under the head “Miscellaneous Income” exceeds one per cent of the total income,
- d. In case of Operating Expenses, any item under the head “Other expenditure” exceeds one per cent of the total income,

Statement Showing item in Sch. 14- Other income Sub Head – Miscellaneous income

Item under the Sub Head	(₹ in Crore)	% of Total Income
Processing Charges for Advances	1,178.18	1.24
Miscellaneous Earning	1,004.21	1.05
Recovery In Write Off	5,549.49	5.82

There is no other disclosure related to other heads as mentioned above.

RELATED PARTY DISCLOSURES (AS-18)

i. List of Related Parties

a) Subsidiaries

- Union Asset Management Co. Pvt. Ltd.
- Union Trustee Company Pvt. Ltd.
- Union Bank of India (UK) Ltd.
- Andhra Bank Financial Services Ltd.
- UBI Services Ltd.

b) Joint Venture

- Star Union Dai-Ichi Life Insurance Co. Ltd.
- ASREC (India) Ltd.
- India International Bank (Malaysia) Berhad

c) Associate

- Chaitanya Godavari Grameena Bank

d) Key Management Personnel

(₹ in crore)		
Name	Designation	Remuneration paid for the Year ended 31 st March 2023
Shri Rajkiran Rai G. @	Managing Director & CEO	0.19
Ms. A Manimekhalai #	Managing Director & CEO	0.30
Shri Manas Ranjan Biswal ##	Executive Director	0.11
Shri Nitesh Ranjan	Executive Director	0.39
Shri Rajneesh Karnatak	Executive Director	0.34
Shri Nidhu Saxena	Executive Director	0.32
Shri Ramasubramanian S ^	Executive Director	0.12

@ Till 31.05.2022

From 03.06.2022

Till 30.04.2022

^ From 21.11.2022

Parties with whom transactions were entered into during the year

No disclosure is required in respect of related parties, which are "State controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 6 of AS 18, transactions in the nature of Banker – Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

As per the RBI Master Direction, KMPs are construed to be the Whole Time Directors of the Bank.

e. "Leases" – Premises taken on Operating Lease (AS 19):

The Bank has no non-cancellable operating lease during the FY 2022-23. Hence, additional disclosure under AS-19 is not applicable. However, the amount of lease payment recognized in the profit & loss account for operating lease is ₹ 801.99 crore (PY ₹ 816.15 crore)

f. EARNING PER SHARE (AS-20)

Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. The diluted earnings per equity share is computed using the weighted average number of equity shares and weighted average number of diluted potential equity shares outstanding during the year.

The computation of earnings per share is given below:

Particulars	31.03.2023	31.03.2022
Number of Equity shares at the beginning of the year	6,83,47,47,466	6,40,68,44,355
Number of Equity shares issued during the year	Nil	42,79,03,111
Number of Equity shares outstanding at the end of the year	6,83,47,47,466	6,83,47,47,466
Weighted Average Number of Equity Shares used in computing Basic Earnings per share	6,83,47,47,466	6,77,26,13,590
Weighted Average Number of Shares used in computing diluted Earnings per share	6,83,47,47,466	6,77,26,13,590
Net Profit/(Loss) ₹ in Crore	8,433.28	5,232.11
Basic Earnings per share (₹)	12.34	7.73
Diluted Earnings per share (₹)	12.34	7.73
Nominal Value per share (₹)	10.00	10.00

g. PROVISION FOR TAXES:**i. Deferred Tax (AS-22)**

(₹ in crore)

Sr. No.	Particulars	31.03.2023	31.03.2022
	Deferred Tax Assets		
1	Employee Benefits (Leave Encashment)	534.18	474.78
2	Depreciation on Fixed Assets	395.89	358.42
3	On account of other provisions	11405.67	14,069.38
4	Foreign Currency Translation Reserve	-84.48	1.14
5	Standard Asset	0.00	588.37
	Total	12251.26	15,492.08
	Deferred Tax Liabilities		

(₹ in crore)

Sr. No.	Particulars	31.03.2023	31.03.2022
1	Accrued interest on securities	1274.79	1,092.63
2	Special Reserves u/s 36(i)(viii)	2316.74	2,107.08
3	Depreciation on Investment		--
	Total	3,591.53	3,199.71
	Net Deferred Tax Asset	8,659.73	12,292.37
	Net Deferred Tax Liability		Nil

ii. **Direct Tax**

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Provision for Income Tax (Including Deferred tax)	3,704.45	3,347.31

CORPORATE TAXATION:

Provision for tax is made for both current and deferred taxes. Current tax is provided on the taxable income using applicable tax rates and tax laws. Deferred Tax Assets and Deferred Tax Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and the tax laws that have been enacted or substantively enacted till the date of the Balance Sheet.

Deferred Tax Assets are recognized only if there is virtual certainty of realization of such assets in future. Deferred Tax Assets/Liabilities are reviewed at each Balance Sheet date based on developments during the year.

h. **INVESTMENT IN JOINT VENTURES (AS – 27)**

Investments include ₹ 286.88 Crores (Previous year ₹ 236.68 Crores) representing Bank's interest in Star Union Dai-ichi Life Insurance Co., ASREC(India) Limited, and India International Bank (Malaysia) BHD.

i. **Revaluation of Property**

Land and Building of the bank were revalued as on 31.12.2019 at Fair Market Value as determined by approved valuer have further been revalued as on 31.12.2022 at Fair Market Value by approved valuer. The resultant increase in value thereof on such revaluations amounting to ₹ 1,418.26 crore for Premises and ₹ 101.02 crore for Vacant Land as on 31.12.2022 have been credited to Revaluation Reserve. As AS-10 (Revised), the depreciation of revalued portion is recouped from Revaluation Reserve resulting in decrease in Revaluation Reserve by ₹ 125.20 crore for the year ended 31st March, 2023.

j. **IMPAIRMENT OF ASSET (AS-28)**

In the opinion of the Management, there is no indication for Impairment during the year with regard to the asset to which Accounting Standards 28 applies.

k. **CONTINGENT LIABILITIES (AS – 29)**

Contingent liabilities referred to in Schedule-12 at S. No.(I) & (VI) are dependent upon the outcome of court/arbitration/out of court settlement, the amount being called up, terms of contractual obligations, devolvement and raising of demand by parties concerned, disposal of appeals respectively.

l. During the current year, there is no material prior period item (as per AS 5) and no discontinued operations (as per AS 24).

m. Climate Control

Union Bank of India has a policy in place in name of "Sustainable Development and Business Responsibility Policy" which is reviewed every year and last reviewed by the Board on 02.03.2023. Through this policy, the Bank is committed to make effort to protect and restore the environment. Bank has taken various initiatives like Electricity Conservations, avoid usage of plastic bottles for packaged drinking water etc. To manage Environmental, Social and Governance (ESG) and climate risk, the Bank's Board has put in place "ESG Risk Framework and Climate Risk Policy". The Bank has formed ESG Steering Committee to formulate and implement ESG strategy and transition in the Bank.

n. BALANCING OF BOOKS, RECONCILIATION OF INTER BRANCH / BANK TRANSACTIONS

- (i) Confirmation/ Reconciliation of balance with foreign banks and other banks has been obtained/carried out.
- (ii) Adjustment of outstanding entries in Suspense Accounts, Sundry Deposits, Clearing Adjustments, Bank Reconciliation Statements and various inter-branch/office accounts is in progress.
- (iii) Pending final clearance of the (i) and (ii), the overall impact, if any, on the accounts, in the opinion of the management will not be significant.

o. Compliance to the Provision of MSME Development Act, 2006

Bank is complying with the extant provisions of MSME Development Act, 2006 and there has been no reported cases of any delayed payments of the principal amount or interest due thereon to Micro, Small and Medium Enterprises.

The figures of the previous year have been regrouped/rearranged wherever considered necessary.

(PANKAJ KUMAR)
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EXECUTIVE DIRECTOR

(ARUN KUMAR SINGH)
DIRECTOR

(LAXMAN S UPPAR)
DIRECTOR

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

(JAYADEV MADUGULA)
DIRECTOR

(A. MANIMEKHALAI)
MANAGING DIRECTOR & CEO

(SRINIVASAN VARADARAJAN)
CHAIRMAN

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

(NITESH RANJAN)
EXECUTIVE DIRECTOR

(SURAJ SRIVASTAVA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

For **M/s R G N Price & Co.**
Chartered Accountants
FRN 002785S

CA P M Veeramani
Partner
Membership No.023933
UDIN: 23023933BGVFB8763

For **M/s P V A R & Associates**
Chartered Accountants
FRN 005223C

CA Ruchi Agarwal
Partner
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UDIN:23504134BGWTPP4106

For **M/s SARDA & PAREEK LLP**
Chartered Accountants
FRN 109262W/W100673

CA Niranjan Joshi
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For **M/s Gopal Sharma & Co.**
Chartered Accountants
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CA Abhishek Sharma
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For **M/s C R Sagdeo & Co.**
Chartered Accountants
FRN 108959W

CA Sachin V Luthra
Partner
Membership No. 109127
UDIN: 23109127BGQVHR6655

For **M/s NBS & Co.**
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 23046940BGPTTS7892

Standalone Cash Flow Statement For the Year Ended 31st March, 2023

(₹ in lacs)

S. No.	Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
A	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit Before Tax	12,13,772	8,57,941
	Adjustments for:		
	Depreciation on Fixed Assets	73,715	73,809
	Provision for Investments	1,67,478	21,461
	Provision for Non Performing Assets (Net)	12,47,897	11,61,326
	Provision for Standard Asset	(1,16,241)	1,36,521
	Provision for other items (Net)	9,770	10,072
	(Profit)/Loss on Sale or Disposal of Fixed Assets	149	35
	Interest on Borrowings : Capital Instruments	1,58,601	1,55,133
	Dividend received from Investments	(6,968)	(3,019)
	Transfer to/from reserves	(67,520)	72,382
	Sub Total	26,80,653	24,85,662
	Adjustments for:		
	Increase / (Decrease) in Deposits	85,32,369	1,08,58,729
	Increase / (Decrease) in Other Liabilities and Provisions	10,48,458	(90,800)
	(Increase) / Decrease in Investments	7,63,829	(17,40,928)
	(Increase) / Decrease in Advances	(1,13,31,977)	(81,63,505)
	(Increase) / Decrease in Other Assets	(7,67,147)	4,45,843
	Direct taxes paid (Net of Refund)	(3,27,752)	(1,73,612)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)	5,98,433	36,21,389
B	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed Assets	(3,05,524)	(73,970)
	Proceeds from Sale/Adjustment of Fixed asset	68,230	15,382
	(Increase)/Decrease in Investment in Subsidiary	(10,473)	19,907
	Dividend received from Investment	6,968	3,019
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(2,40,799)	(35,662)
C	CASH FLOW FROM FINANCING ACTIVITIES :		
	Proceeds from issue of Equity Share Capital Including Share Premium (Net)	-	1,44,208
	Proceeds from issue of Capital Instruments	98,300	7,00,000
	Repayments of Capital Instruments	(10,000)	(5,40,000)
	(Decrease)/Increase Borrowings other than Capital Instruments	(8,92,463)	(2,25,801)
	Interest Paid on Borrowings : Capital Instruments	(1,58,601)	(1,55,133)
	Dividend paid during the year	(1,29,861)	-
	NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(10,92,624)	(76,726)
	Net Increase (Decrease) in Cash & Cash Equivalent (A)+(B)+(C)	(7,34,990)	35,09,001
	Cash and Cash Equivalents as at the beginning of the year	1,19,50,036	84,41,035
	Net cash and cash equivalents at the end of the year	1,12,15,045	1,19,50,036

(₹ in lacs)

S. No.	Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
	Components of Cash and Cash equivalents		
D	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	Cash and Balances with RBI (including FC notes)	46,11,259	37,88,046
	Balances with Banks and Money at call	73,38,777	46,52,989
	Net cash and cash equivalents at the beginning of the year	1,19,50,036	84,41,035
E	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Cash and Balance with RBI (including FC notes)	50,25,427	46,11,259
	Balances with Banks and Money at call	61,89,618	73,38,777
	Net cash and cash equivalents at the end of the year	1,12,15,045	1,19,50,036

Previous Year's figures have been regrouped/recasted wherever considered necessary to correspond with the year ended classification/ presentation.

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DY. GENERAL MANAGER

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EXECUTIVE DIRECTOR

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EXECUTIVE DIRECTOR

(SURAJ SRIVASTAVA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

Auditors Certificate:

We, the undersigned Statutory Auditors of the Union Bank of India, have verified the above Standalone Cash Flow Statement of the Bank for the year ended 31.03.2023. The statement has been prepared in Indirect Method in accordance with the AS-3, "Cash Flow Statement" issued by The Institute of Chartered Accountants of India and with the requirements of the SEBI (Listing Obligations & Disclosure Requirements), 2015 and is based on and in agreement with the corresponding Standalone Profit & Loss Account and the Standalone Balance Sheet of the Bank covered by our report of the May 06, 2023 to the members.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

CA P M Veeramani
Partner
Membership No.023933
UDIN: 23023933BGVFB8763

For M/s SARDA & PAREEK LLP
Chartered Accountants
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CA Niranjan Joshi
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CA Sachin V Luthra
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Membership No. 109127
UDIN: 23109127BGQVHR6655

For M/s P V A R & Associates
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CA Ruchi Agarwal
Partner
Membership No.504134
UDIN:23504134BGWTPP4106

For M/s Gopal Sharma & Co.
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CA Abhishek Sharma
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Membership No.079224
UDIN: 23079224BGTKQ02274

For M/s NBS & Co.
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 23046940BGPTTS7892

Place : MUMBAI

Date : 6th May, 2023

Independent Auditors' Report

To

The President of India /

The Members of Union Bank of India

Mumbai

Report on Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of Union Bank of India (the "Bank") which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and Notes to the Consolidated Financial Statements including Significant Accounting Policies and other explanatory information, in which following are incorporated –
 - a. Audited Standalone Financial Statements of the Bank;
 - b. Audited Financial Statements of 2 Domestic Subsidiaries, 1 Regional Rural Banks (Associate) 1 Foreign Subsidiary Entity and 1 Foreign Jointly Controlled Entity.
 - c. Unaudited financial statements of 2 domestic Subsidiaries and 2 Domestic Jointly Controlled Entities

The above entities together with the Bank are referred to as the "Group".

In our opinion and to the best of our information and according to explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements, the unaudited financial statements and the other financial information of the subsidiaries, Jointly controlled entities and associates as furnished by the management, the aforesaid Consolidated Financial Statements are in conformity with accounting principles generally accepted in India and give:

- a. true and fair view in case of the Consolidated Balance Sheet, of the state of affairs of the Bank as at March 31, 2023;
- b. true balance of Profit in case of Consolidated Profit & Loss account for the year ended on that date; and
- c. true and fair view of the cash flows in case of Consolidated Cash Flows Statement for the year ended on that date.

Basis of Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

3. We draw your attention to Note No. 8 (c) (ii) (a) of schedule 18 – Notes to Accounts to the standalone financial statements regarding unamortised part of additional liability on account of revision in family pension carried forward from last year amounting to ₹ 1,521.62 crores, has been fully charged to profit and loss account during the year ended March 31, 2023. There is no unamortised expenditure in the Balance Sheet on account of additional family pension.

Our opinion is not modified in respect of this matter.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters to be communicated in our report.

Sr.	Key Audit Matter	How it was dealt with in our report
1	<p>Income Recognition, Asset Classification (IRAC) and provisioning on Loans & Advances and Investments as per the regulatory requirements</p> <p>Loans & Advances and Investments are the largest class of assets forming 85.98% of the total assets as on March 31, 2023. Classification, income recognition and loss provisioning on the same are based on objective parameters as prescribed by the regulations (Reserve Bank of India's prudential norms and other guidelines). The management of the Bank relies heavily on its IT systems (including Core Banking Solution), exercise significant estimates and judgement, manual interventions, and uses services of experts (like independent valuers, Lawyers, legal experts and other professional) to determine asset classification, income recognition and provisioning for losses.</p> <p>The Bank has system based identification of non-performing assets in accordance with IRAC Norms</p>	<p>Our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances and associated impairment provisions.</p> <p>Our audit procedures included the assessment of controls over the approval, disbursements and monitoring of loans, and reviewing the logic and assumptions used in the CBS and other related IT systems for compliance of the IRAC and provisioning norms and its operating effectiveness.</p> <p>These included evaluation and understanding of following:</p> <ul style="list-style-type: none"> • Bank's internal control system in adhering to the Relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances/investments; • System controls and manual controls over the timely recognition of non-performing assets (NPA/NPI); • Operational existence and effectiveness of controls over provisioning calculation models from the IT systems; • Overall Controls on the loan approval, disbursement and monitoring process in case of advances and controls over the purchase, sale and hold decisions making system in case of investments • We tested sample of loans/investments (in cases of branches visited by us) to assess whether they had been identified as non performing on a timely manner, income recognized and provisioning made as per IRAC norms. • We have also reviewed the reliability, effectiveness and accuracy of manual interventions, wherever it has come to our notice, on test check basis. • We have relied on the reports/returns and work done by other Statutory Branch Auditors (SBA) in cases of branches not visited by us to get an overall comfort with respect to overall compliance in accordance with SA 600 - Using the Work of Another Auditor.

Sr.	Key Audit Matter	How it was dealt with in our report
		<ul style="list-style-type: none"> • We have reviewed the work done by other experts like Independent valuers, Lawyers, Legal Experts and other such professionals who have rendered services to the Bank, in accordance with SA 620 Using the Work of an Auditor's Expert. • Further we have also reviewed the Bank's system of monitoring potentially weak and sensitive accounts which show a sign of stress. • We have also reviewed the reports and observations of the Bank's internal audit/inspection reports and observations of the concurrent auditors for the same. • Verification of valuation, classification, provisioning and income recognition of investments by carrying out substantive test including arithmetic accuracy, data accuracy and control over the financial reporting system. <p>We have test checked and assessed the efficacy of the system based identification of NPA</p>
2	Information Technology (IT) and controls impacting financial reporting	
	<p>In the normal course of its business, the Bank's financial accounting and reporting systems are highly dependent on the effective working of the Core Banking Solution (CBS) and other IT systems linked to the CBS or working independently. Extensive volume, variety and complexity of transactions are processed daily and there is a risk that automated accounting procedures and related internal controls may not be accurately designed and operating effectively. Particular areas of focus relate to the logic that is fed into the system, sanctity and reliability of the data, access management and segregation of duties. These underlying principles are important because they ensure that changes to applications and data are appropriate, authorized, cleansed and monitored, so that the system generates accurate and reliable reports/ returns and other financial and non-financial information that is used for the preparation and presentation of the financial statements.</p> <p>We have relied on the consistent and accurate functioning of CBS and other IT systems for the following:</p> <ul style="list-style-type: none"> • Asset Classification and Income recognition as per the Reserve Bank of India guidelines; 	<p>Our audit procedures included verifying, testing and reviewing the design and operating effectiveness of the IT system by verifying the reports/returns and other financial and non-financial information generated from the system on a test check basis.</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Ensuring that deficiencies noticed in our verification on test check basis were informed to the management for corrective action; • Carrying out independent alternative audit procedures like substantive testing in areas where deficiencies were noticed; • Analytical procedures like ratio analysis, trend analysis, reasonable tests, comparative analysis; • Reliance on the work performed by the statutory branch auditors and the rectification entries (MOCs) passed based on branch audits; • Reliance on external vendor inspection reports wherever made available. • Reviewed the IS Audit Reports and discussed with IT Department on compliance with key IT controls.

Sr.	Key Audit Matter	How it was dealt with in our report
	<ul style="list-style-type: none"> • Provisioning on the advance portfolio; • Identification of advances and liability items and its maturity pattern in various brackets; • Reconciliation and ageing of various suspense and sundry accounts, impersonal accounts, inter-branch balances and other such accounts; • Recording Investment transactions • Interest expense on deposits and other liabilities; 	
3	Recognition and measurement of Deferred tax	
	<p>The Bank has recognised a net deferred tax asset of ₹ 8,65,97,447 (in '000) as on March 31, 2023. Besides objective estimation, recognition and measurement of deferred tax asset is based on the judgment and numerous estimates regarding the availability and visibility of profits in the future. The recent decrease in the amount of deferred tax assets presumes availability and forecasting of profits over an extended period of time thus decreasing uncertainty and the inherent risk of inappropriate recognition of the said asset.</p>	<p>Our audit procedures included the risk assessment to gain an understanding of the applicable tax laws and relevant regulations applicable to the Bank. Based on our understanding, we performed both tests of related internal key controls and substantive audit procedures with the assistance of tax specialists. We performed the following audit procedures as part of our controls testing including, but not limited to:</p> <ul style="list-style-type: none"> • Evaluation of the policies used for recognition and measurement of deferred tax assets in accordance with AS 22 Accounting for Taxes on Income; • Assessed the method, assumptions and other parameters used with reference to uniformity, management representations, consistency and continuity like budget and midterm projections prepared by the management including earning growth and applicable tax rates and tested the arithmetical accuracy • Assessed the probability of the availability and visibility of profits against which the bank will be able to use this deferred tax asset in the future.

Information Other than the Consolidated Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors is responsible for the other information. The other information comprises the Highlights for the year, Directors' Report including annexures to Directors' Report, key financial ratios, Business responsibility Report and Corporate Governance report in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the consolidated financial statements does not cover the Other Information and Pillar 3 disclosures under the Basel III Disclosure and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the Other Information that we obtained prior to the date of this Auditors' Report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Bank's Board of Directors are responsible for preparation and presentation of these consolidated Financial Results that give a true and fair view of the consolidated financial position, financial performance and consolidated cash flows and other financial information of the Group including its associate and jointly controlled entity in accordance with the Accounting Standard 21- "Consolidated Financial Statements", Accounting Standards 23- "Accounting for Investments in Consolidated Financial Statements" and Accounting Standards 27 – Financial Reporting of Interest in Joint Venture" issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India.

The respective Board of Directors of the entities included in the Group and of its associate and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act/ Banking Regulations Act, 1949 for safeguarding the assets of the Group and preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud and error.

In preparing the consolidated Financial statements, the respective Board of Directors of the entities included in the Group and of its associate and jointly controlled entity are responsible for assessing the ability of the group and of its associate and jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group and of its associate and jointly controlled entity are responsible for overseeing the financial reporting process of the Group and of its associate and jointly controlled entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

8. We did not audit the financial statements of 3 subsidiaries and 1 Jointly controlled entity included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 4,47,55,068 (in thousand) as at March 31, 2023 and total revenues of ₹ 22,11,654 (in thousand) for the year ended on that date net Loss after tax amounting to ₹ 4,33,866 (in thousand) for the year ended on that date, as considered in the consolidated financial statements. The Consolidated Financial Statements also include the Group's share of Net Profit after tax amounting to ₹ 8,13,202 (in thousand) for the year ended 31st March, 2023 as considered in the Consolidated Financial Statements, in respect of one associate, whose Financial Statements / financial information have not been audited by us. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, are based solely on the reports of the other

auditors.

The consolidated financial statements also include the unaudited Financial Results of 2 subsidiaries and 2 jointly controlled entities whose Financial Statements/ Financial Results/ Financial information reflect Group's share of total assets of ₹ 5,20,44,943 (in thousands) as at 31st March 2023, Group's share of total revenue of ₹ 1,77,52,017 (in thousands) and Group's share of total net profit after tax of ₹ 4,04,522 (in thousands) for the year ended 31st March 2023, as considered in the consolidated Financial Results. These unaudited Financial Statements/Financial Results/ financial information has been furnished to us duly certified by the Bank's management and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities are based solely on such reviewed/unaudited Financial Statements/Financial Results/Financial information. In our opinion and according to the information and explanations given to us by Bank's management, these Financial Statements/Financial Results / Financial information are not material to the Group.

The entities of the Group whose financial statements are included in the Consolidated Financial Statements are listed in Schedule 18 of Notes to Accounts which forms part of the Consolidated Financial Statements of the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

9. The Consolidated Balance Sheet and the Profit & Loss Account have been drawn up in accordance with section 29 of the Banking Regulation Act, 1949.
10. Subject to limitation of the audit indicated in paragraph 5 and 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associate and jointly controlled entities, as noted in the 'other matter' paragraphs to the extent applicable and also subject to the limitations of disclosure required therein and we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;

- b) The transactions of Bank, which have come to our notice, have been within the power of Bank; and
- c) The returns received from the offices and branches of the bank have been found adequate for the purpose of our audit.

11. We further report that:

- a) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- b) The Consolidated Balance Sheet, Consolidated Profit and Loss account and Consolidated Cash flow statement dealt with by this report are in agreement with the books of account and with the returns received from branches not visited by us;
- c) The reports on the accounts of the branches and offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report;
- d) in our opinion, the Consolidated Balance Sheet, Consolidated Profit and Loss account and Consolidated Cash flow statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

CA P. M. Veeramani
Partner
Membership No.023933
UDIN: 23023933BGVFVC3602

For M/s P V A R & Associates
Chartered Accountants
FRN 005223C

CA Ruchi Agarwal
Partner
Membership No. 504134
UDIN:23504134BGWTPQ8986

For M/s SARDA & PAREEK LLP
Chartered Accountants
FRN 109262W/W100673

CA Niranjan Joshi
Partner
Membership No.102789
UDIN: 23102789BGWREC1919

For M/s Gopal Sharma & Co.
Chartered Accountants
FRN 002803C

CA Abhishek Sharma
Partner
Membership No. 079224
UDIN: 23079224BGTKQP5499

For M/s C R Sagdeo & Co.
Chartered Accountants
FRN 108959W

CA Sachin V. Luthra
Partner
Membership No. 109127
UDIN: 23109127BGQVHR54391

For M/s N B S & Co.
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 23046940BGPTTT2512

Place of Signature: Mumbai

Date of Report: 06.05.2023

Consolidated Balance Sheet As on 31st March, 2023

(₹ in 000')

Particulars	Schedule Number	As on 31 March, 2023	As on 31 March, 2022
CAPITAL AND LIABILITIES			
Capital	1	6,83,47,475	6,83,47,475
Preference Share Capital Issued by Subsidiary Company	1A	10,40,035	10,40,035
Reserves and Surplus	2	71,86,47,629	63,92,23,739
Minority Interest	2A	-	-
Deposits	3	11,20,32,19,225	10,34,36,77,535
Borrowings	4	42,73,65,947	51,24,51,999
Other Liabilities and Provisions	5	46,49,50,783	37,29,15,316
TOTAL		12,88,35,71,094	11,93,76,56,099
ASSETS			
Cash and Balances with Reserve Bank of India	6	50,25,81,072	46,11,58,920
Balances with Banks and Money at Call and Short Notice	7	62,34,07,568	73,64,23,289
Investments	8	3,43,72,69,559	3,51,83,90,437
Advances	9	7,64,27,66,793	6,63,35,56,506
Fixed Assets	10	8,84,79,756	7,20,83,095
Other Assets	11	58,90,66,347	51,60,43,852
Goodwill on Consolidation		-	-
TOTAL		12,88,35,71,094	11,93,76,56,099
Contingent Liabilities	12	6,08,09,92,755	6,51,14,68,340
Bills for Collection		43,56,67,177	66,08,94,128
Significant Accounting Policies	17		
Notes to Accounts	18		

The Schedules referred to above form an integral part of the Consolidated Balance Sheet

<p style="text-align: center;">(PANKAJ KUMAR) DY. GENERAL MANAGER</p> <p>For and on behalf of the Board of Directors</p> <p style="text-align: center;">(RAMASUBRAMANIAN S) EXECUTIVE DIRECTOR</p> <p style="text-align: center;">(ARUN KUMAR SINGH) DIRECTOR</p> <p style="text-align: center;">(LAXMAN S UPPAR) DIRECTOR</p>	<p style="text-align: center;">(NIDHU SAXENA) EXECUTIVE DIRECTOR</p> <p style="text-align: center;">(JAYADEV MADUGULA) DIRECTOR</p> <p style="text-align: center;">(A. MANIMEKHALAI) MANAGING DIRECTOR & CEO</p> <p style="text-align: center;">(SRINIVASAN VARADARAJAN) CHAIRMAN</p>	<p style="text-align: center;">(PRAFULLA KUMAR SAMAL) CHIEF FINANCIAL OFFICER</p> <p style="text-align: center;">(NITESH RANJAN) EXECUTIVE DIRECTOR</p> <p style="text-align: center;">(SURAJ SRIVASTAVA) DIRECTOR</p> <p style="text-align: center;">(PRITI JAY RAO) DIRECTOR</p>
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As per our report of even date attached.

<p style="text-align: center;">For M/s R G N Price & Co. Chartered Accountants FRN 002785S</p> <p style="text-align: center;">CA P. M. Veeramani Partner Membership No. 023933 UDIN: 23023933BGVFVC3602</p>	<p style="text-align: center;">For M/s SARDA & PAREEK LLP Chartered Accountants FRN 109262W/W100673</p> <p style="text-align: center;">CA Niranjan Joshi Partner Membership No. 102789 UDIN: 23102789BGWREC1919</p>	<p style="text-align: center;">For M/s C R Sagdeo & Co. Chartered Accountants FRN 108959W</p> <p style="text-align: center;">CA Sachin V. Luthra Partner Membership No. 109127 UDIN: 23109127BGQVHRS4391</p>
<p style="text-align: center;">For M/s P V A R & Associates Chartered Accountants FRN 005223C</p> <p style="text-align: center;">CA Ruchi Agarwal Partner Membership No. 504134 UDIN: 23504134BGWTPQ8986</p>	<p style="text-align: center;">For M/s Gopal Sharma & Co. Chartered Accountants FRN 002803C</p> <p style="text-align: center;">CA Abhishek Sharma Partner Membership No. 079224 UDIN: 23079224BGTKQP5499</p>	<p style="text-align: center;">For M/s N B S & Co. Chartered Accountants FRN 110100W</p> <p style="text-align: center;">CA Pradeep J. Shetty Partner Membership No. 046940 UDIN: 23046940BGPTTT2512</p>

Consolidated Profit and Loss Account For the Year Ended 31st March, 2023

(₹ in 000')

Particulars	Schedule Number	For the Year Ended 31 March, 2023	For the Year Ended 31 March, 2022
I. INCOME			
Interest Earned	13	81,16,31,823	68,22,96,573
Other Income	14	15,91,53,525	13,52,44,131
TOTAL		97,07,85,348	81,75,40,704
II. EXPENDITURE			
Interest Expended	15	48,03,28,447	40,17,84,651
Operating Expenses	16	23,48,73,032	19,70,26,117
Provision And Contingencies		17,12,80,436	16,66,44,918
TOTAL		88,64,81,915	76,54,55,686
iii. Consolidated Net Profit/(Loss) before Minority Interest and Share of Earnings in Associate		8,43,03,433	5,20,85,018
Add:-Share of profit in Associate		8,13,202	5,68,187
Consolidated Net Profit/(Loss) for the year before deducting Minority Interest		8,51,16,635	5,26,53,205
(Less):-Minority Interest		-	-
Consolidated Net Profit/(Net Loss) for the year attributable to the group		8,51,16,600	5,26,53,205
Transfer from Investment Fluctuation Reserve		58,32,008	00,00,000
Add : Profit/(Loss) Brought Forward		35	35
Amount Available for Appropriation		9,09,48,643	5,26,53,240
IV. Appropriation			
Transfer To Statutory Reserve		2,10,83,194	1,31,93,989
Transfer To Capital Reserve		9,45,461	1,22,12,675
Transfer To Investment fluctuation Risk Reserve		-	65,68,682
Transfer To Revenue And Other Reserves		3,48,14,630	24,71,838
Transfer To Special Reserve [Sec36(I)(viii)]of the Income Tax Act,1961		60,00,000	52,20,000
Transfer to Investment Reserve Account		17,69,006	-
Proposed Dividend		2,05,04,309	1,29,86,021
Balance in Profit and Loss Account		58,32,043	35
TOTAL		9,09,48,643	5,26,53,240
Earnings per share (Basic and Diluted in ₹) of FV of ₹10/- each	18(13)	12.45	7.77
Significant Accounting Policies	17		
Notes To Accounts	18		

The Schedules referred to above form an integral part of the Consolidated Profit & Loss A/c

<p style="text-align: center;">(PANKAJ KUMAR) DY. GENERAL MANAGER</p> <p>For and on behalf of the Board of Directors</p> <p style="text-align: center;">(RAMASUBRAMANIAN S) EXECUTIVE DIRECTOR</p> <p style="text-align: center;">(ARUN KUMAR SINGH) DIRECTOR</p> <p style="text-align: center;">(LAXMAN S UPPAR) DIRECTOR</p>	<p style="text-align: center;">(NIDHU SAXENA) EXECUTIVE DIRECTOR</p> <p style="text-align: center;">(JAYADEV MADUGULA) DIRECTOR</p> <p style="text-align: center;">(A. MANIMEKHALAI) MANAGING DIRECTOR & CEO (SRINIVASAN VARADARAJAN) CHAIRMAN</p>	<p style="text-align: center;">(PRAFULLA KUMAR SAMAL) CHIEF FINANCIAL OFFICER</p> <p style="text-align: center;">(NITESH RANJAN) EXECUTIVE DIRECTOR</p> <p style="text-align: center;">(SURAJ SRIVASTAVA) DIRECTOR</p> <p style="text-align: center;">(PRITI JAY RAO) DIRECTOR</p>
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As per our report of even date attached.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

CA P. M. Veeramani
Partner
Membership No.023933
UDIN: 23023933BGVFC3602

For M/s SARDA & PAREEK LLP
Chartered Accountants
FRN 109262W/W100673

CA Niranjan Joshi
Partner
Membership No.102789
UDIN: 23102789BGWREC1919

For M/s C R Sagdeo & Co.
Chartered Accountants
FRN 108959W

CA Sachin V. Luthra
Partner
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UDIN: 23109127BGQVHRS4391

For M/s P V A R & Associates
Chartered Accountants
FRN 005223C

CA Ruchi Agarwal
Partner
Membership No. 504134
UDIN:23504134BGWTPQ8986

For M/s Gopal Sharma & Co.
Chartered Accountants
FRN 002803C

CA Abhishek Sharma
Partner
Membership No. 079224
UDIN: 23079224BGTKQP5499

For M/s N B S & Co.
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 23046940BGPTTT2512

Schedules forming part of the Consolidated Balance Sheet As on 31st March, 2023

(₹ in 000')

Particulars	As on 31 March, 2023	As on 31 March, 2022
SCHEDULE 1 - CAPITAL :		
I. Authorised :		
10,00,00,00,000 Equity Shares of ₹10 each	10,00,00,000	10,00,00,000
II. Issued, Subscribed & Paid up :		
i. 570,66,60,850 Equity Shares of ₹10 each, held by Central Government	5,70,66,609	5,70,66,609
ii. 11280866110 Equity Shares of ₹10 each, held by Public	1,12,80,866	1,12,80,866
	6,83,47,475	6,83,47,475
SCHEDULE 1A - PREFERENCE SHARE CAPITAL ISSUED BY SUBSIDIARY COMPANY :		
10,40,03,544 Participatory Non-Redemable Compulsorily convertible Preference Shares of ₹ 10 Each (Issued by Union Asset Management Company Private Limited, a subsidiary company) to Dai Ichi Life Holdings Inc on May 17, 2018 for a tenure of 20 years)	10,40,035	10,40,035
TOTAL	10,40,035	10,40,035

(₹ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
SCHEDULE 2 - RESERVES & SURPLUS :				
I. Statutory Reserve :				
As per last Balance Sheet	14,68,21,655	16,79,04,849	13,36,27,665	14,68,21,655
Addition during the year	2,10,83,194		1,31,93,989	
II. Capital Reserve :				
A) Capital Reserve				
As per last Balance Sheet	5,89,33,239		4,67,20,564	
Addition during the year	9,45,461		1,22,12,675	
Deductions during the year	-		-	
	5,98,78,700		5,89,33,239	
B) Revaluation Reserve :				
As per last Balance Sheet	4,75,70,740		4,89,84,778	
Addition during the year	1,51,92,863		79,201	
Deduction during the year	14,39,378		14,93,238	
	6,13,24,225		4,75,70,741	
C) Amalgamation Reserves				
As per last Balance Sheet	1,30,95,979		1,30,95,979	
Addition during the year	-		-	
Deduction during the year	-		-	
	1,30,95,979	13,42,98,904	1,30,95,979	11,95,99,958
III. Capital Reserve on Consolidation				
As per last Balance Sheet	4,21,351		6,63,498	
Addition during the year	-		-	
Deduction during the year	3,01,200	1,20,151	2,42,147	4,21,351

(₹ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
IV. Share Premium :				
As per last Balance Sheet	18,39,26,860		17,37,85,077	
Addition during the year	3,01,198		1,01,92,652	
Deduction during the year	-	18,42,28,058	50,870	18,39,26,860
V. Revenue and other Reserves :				
i) Revenue Reserves :				
As per last Balance Sheet	10,74,30,020		9,53,58,032	
Addition during the year	3,75,80,223		1,36,44,810	
Deduction during the year	25,786		15,72,823	
	14,49,84,457		10,74,30,020	
Less:- Minority Interest	-		-	
	14,49,84,457		10,74,30,020	
ii) Special Reserve Sec 36(1)(viii)				
As per last Balance Sheet	6,02,98,789		5,50,78,789	
Addition during the year	60,00,000		52,20,000	
	6,62,98,789		6,02,98,789	
iii) Special Reserve profit on Fx Swap				
As per last Balance Sheet	58,485		58,485	
Addition during the year	843		-	
Deduction during the year	-		-	
	59,328		58,485	
iv) Investment fluctuation reserve				
As per last Balance Sheet	1,93,61,583		1,27,92,901	
Addition during the year	-		65,68,682	
Deduction during the year	58,32,008		-	
	1,35,29,575		1,93,61,583	
v) Foreign Currency Translation Reserve				
As per last Balance Sheet	12,73,628		20,15,886	
Addition during the year	8,11,962		2,95,338	
Deduction during the year	24,94,495		10,37,597	
	(4,08,905)		12,73,628	
vi) Debenture Redemption reserve				
As per last Balance Sheet	31,375		-	
Addition during the year	-		31,375	
Deduction during the year	-		-	
	31,375		31,375	
vii) Investment Reserve Account				
As per last Balance Sheet	-		-	
Addition during the year	17,69,006		-	
Deduction during the year	-		-	
	17,69,006	22,62,63,624	-	18,84,53,880
VI. Balance in Profit and Loss Account				
Balance in Profit and Loss Account		58,32,043		35
TOTAL		71,86,47,629		63,92,23,739

(₹ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
SCHEDULE 2 A Minority Interest				
Opening Balance		-		-
Add/(Less):- Increase/(Decrease) during the year		-		-
Total Minority Interest				

(₹ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
SCHEDULE 3 - DEPOSITS :				
I. Demand Deposits				
i) From Banks	1,75,66,930		81,32,959	
ii) From Others	72,24,22,466	73,99,89,396	71,90,31,754	72,71,64,713
II. Savings Bank Deposits		3,20,10,49,443		3,04,57,69,582
III. Term Deposits				
i) From Banks	17,64,32,725		2,27,87,325	
ii) From Others	7,08,57,47,660	7,26,21,80,385	6,54,79,55,915	6,57,07,43,240
TOTAL		11,20,32,19,225		10,34,36,77,535
Deposits of branches in India		11,05,94,29,728		10,31,96,69,265
Deposits of branches outside India		14,37,89,497		2,40,08,270
TOTAL		11,20,32,19,225		10,34,36,77,535

(₹ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
SCHEDULE 4 - BORROWINGS :				
A. Borrowings in India				
i. Reserve Bank of India	13,38,20,000		14,20,90,000	
ii. Other Banks	75,821		1,98,28,213	
iii. Other Institutions and Agencies	2,34,63,987		3,02,20,231	
iv. Perpetual Bonds	9,68,80,000		8,70,50,000	
v. Subordinated Bonds	9,95,00,000		10,05,00,000	
vi. 7 years infra bonds	-		-	
		35,37,39,808		37,96,88,444
B. Borrowings Outside India		7,36,26,139		13,27,63,555
TOTAL		42,73,65,947		51,24,51,999
Secured Borrowings included in A & B above		13,90,42,858		14,70,29,470

(₹ in 000')

Particulars	As on 31 March, 2023	As on 31 March, 2022
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS ::		
I. Bills Payable	2,64,97,502	2,68,90,202
II. Interest Accrued	6,03,43,341	4,54,94,112
III. Others (including provisions)*	37,81,09,940	30,05,31,002
TOTAL	46,49,50,783	37,29,15,316

* Includes provision for Standard Assets ₹ 5,59,63,289 (Previous Year ₹ 6,57,86,258)

(₹ in 000')

Particulars	As on 31 March, 2023	As on 31 March, 2022
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA :		
I. Cash in Hand (including foreign currency notes and Gold)	2,84,16,340	3,78,48,706
II. Balances with Reserve Bank of India		
(a) in Current Account	47,41,54,986	42,33,09,768
(b) in other Account	9,747	446
TOTAL	50,25,81,072	46,11,58,920

(₹ in 000')

Particulars	As on 31 March, 2023	As on 31 March, 2022
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE :		
I) In India		
i) Balances with Banks		
a) In Current Accounts	61,55,270	24,07,403
b) In Other Deposit Accounts	5,85,95,898	6,15,83,178
ii) Money at Call & Short notice		
a) With Banks	5,00,000	-
b) With Other Institutions	31,23,03,614	55,41,14,877
	37,75,54,782	61,81,05,458
II. Outside India		
i) In Current Accounts	54,81,900	33,72,152
ii) In other Deposit Accounts	23,88,70,885	11,36,93,769
iii) Money at call & short notice	15,00,001	12,51,910
	24,58,52,785	11,83,17,831
TOTAL	62,34,07,568	73,64,23,289
SCHEDULE 8 - INVESTMENTS :		
I. Investments in India		
i) Government Securities	2,62,25,87,764	2,65,82,89,693
ii) Other Approved Securities	91,11,365	58,64,924
iii) Shares	2,45,33,686	2,62,42,463
iv) Debentures and Bonds	64,33,93,358	70,34,90,650
v) Subsidiaries and Joint Ventures/Associate	35,02,148	26,88,946
vi) Others (Commercial Paper,Mutual Funds, Venture Capital,Security Receipt, Etc.)	11,10,88,502	10,05,44,011
Total	3,41,42,16,823	3,49,71,20,687
II. Investments outside India		
i) Govt Securities (including Local Authorities)	1,86,90,375	1,85,57,542
ii) Shares	3,35,490	6,810
iii) Other Investments (Bonds)	40,26,870	27,05,398
iv) Subsidiaries and Joint Ventures	0	0
Total	2,30,52,736	2,12,69,750
TOTAL	3,43,72,69,559	3,51,83,90,437

(₹ in 000')

Particulars	As on 31 March, 2023	As on 31 March, 2022
III. Investments in India		
Gross Value	3,49,25,11,153	3,55,86,12,295
Less: Provision for Depreciation	7,82,94,330	6,14,91,607
Net Value of Investment in India	3,41,42,16,823	3,49,71,20,688
IV. Investments outside India		
Gross Value	2,33,14,075	2,15,85,972
Less: Provision for Depreciation	2,61,339	3,16,223
Net Value of Investment outside India	2,30,52,736	2,12,69,749
TOTAL	3,43,72,69,559	3,51,83,90,437

(₹ in 000')

Particulars	As on 31 March, 2023	As on 31 March, 2022
SCHEDULE 9 - ADVANCES (Net)		
I		
i) Bills Purchased and Discounted	3,29,74,692	3,87,31,665
ii) Cash Credits, Overdrafts and Loans Repayable on Demand	3,48,61,71,808	2,87,95,84,813
iii) Term Loans	4,12,36,20,293	3,71,52,40,028
TOTAL	7,64,27,66,793	6,63,35,56,506
II		
i) Secured by Tangible Assets (includes Advance against Book Debts)	6,25,80,98,735	5,36,44,78,377
ii) Covered by Bank/Government Guarantees	12,26,93,689	13,07,52,505
iii) Unsecured	1,26,19,74,369	1,13,83,25,624
TOTAL	7,64,27,66,793	6,63,35,56,506
III Sectorial Classification of Advances		
A. Advances in India		
i) Priority Sector	2,85,85,94,969	2,59,52,39,457
ii) Public Sector	81,73,80,496	72,72,96,155
iii) Banks	6,33,569	2,22,975
iv) Others	3,71,92,11,698	3,13,83,22,359
TOTAL	7,39,58,20,732	6,46,10,80,946
B. Advances Outside India		
i) Due From Banks	5,39,13,567	5,45,65,135
ii) Due from Others		
a) Bills Purchased and Discounted	4,08,197	12,32,802
b) Syndicated Loans	-	5,47,141
c) Others	19,26,24,296	11,61,30,482
	24,69,46,060	17,24,75,560
TOTAL	7,64,27,66,793	6,63,35,56,506

(₹ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
SCHEDULE 10 - FIXED ASSETS :				
A. TANGIBLE ASSETS				
I. Premises				
At cost/valuation as per last balance sheet	8,09,82,724		8,16,49,772	
Additions during the year	2,16,26,582		6,12,275	
Deductions during the year	67,17,063		12,79,323	
	9,58,92,243		8,09,82,724	
Less: Depreciation till Date	2,76,06,610	6,82,85,633	2,64,08,228	5,45,74,496
II. Capital Work-in-Progress				
At cost as per last balance sheet	3,70,133		6,30,768	
Additions during the year	3,25,262		1,87,638	
Deductions during the year	4,73,766	2,21,629	4,48,273	3,70,133
III. Land				
At cost as per last balance sheet	24,98,636		12,45,683	
Additions during the year	12,33,904		13,08,678	
Deductions during the year	97,572		55,725	
	36,34,968		24,98,636	
Less: Depreciation till Date	7,02,457	29,32,511	4,52,022	20,46,614
IV. Other Fixed Assets (including Furniture and Fixtures)				
a) Assets given on lease				
At cost as per last balance sheet	2,68,478		2,68,478	
Addition during the year	45,920		-	
Deductions during the year	-		-	
	3,14,398		2,68,478	
Less: Depreciation till Date	3,12,863	1,536	2,68,478	-
b) Others				
At cost/valuation as per last balance sheet	6,90,59,835		6,49,59,025	
Additions during the year	70,01,866		49,20,419	
Deductions during the year	12,54,203		8,19,609	
	7,48,07,497		6,90,59,835	
Less: Depreciation till Date	5,96,87,939	1,51,19,558	5,63,82,534	1,26,77,301
B. INTANGIBLE ASSETS				
(i) Computer Software				
At cost as per last balance sheet	1,23,74,205		1,14,93,797	
Additions during the year	9,41,715		9,10,278	
Deductions during the year	11,51,692		29,870	
	1,21,64,227		1,23,74,205	
Amortisation till Date	1,02,45,338	19,18,889	99,59,654	24,14,551
TOTAL		8,84,79,756		7,20,83,095

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(₹ in 000')

Particulars	As on 31 March, 2023	As on 31 March, 2022
SCHEDULE 11 - OTHER ASSETS :		
I. Inter-Office Adjustments (net)	2,20,20,700	1,79,97,046
II. Interest Accrued	9,19,16,723	7,77,68,178
III. Tax paid/Tax deducted at source (Net of Provisions)	6,75,66,225	5,41,13,751
IV. Stationery and Stamps	62,780	63,349
V. Non-Banking Assets acquired in satisfaction of claims	1,334	1,334
VI. Others	27,57,45,972	21,34,52,492
VII. Deferred Tax Assets (Net)	8,66,27,845	12,29,53,434
VIII. MAT Credit	4,51,24,768	2,96,94,268
TOTAL	58,90,66,347	51,60,43,852
SCHEDULE 12 - CONTINGENT LIABILITIES :		
I. Claims against the Bank not acknowledged as debts	3,02,43,174	3,32,70,455
II. Liability for partly paid Investments	-	-
III. Liability on account of outstanding forward exchange contracts	4,13,37,63,836	4,37,12,08,481
IV. Guarantees given on behalf of Constituents		
i) In India	66,40,64,012	65,35,08,697
ii) Outside India	1,42,33,661	1,65,87,098
V. Acceptances, Endorsements and Other Obligations	99,64,20,847	1,26,99,57,903
VI. Other items of Contingent Liability	-	-
VII. Disputed Tax demands under Appeals	21,02,78,944	13,81,64,819
VIII. Amount transferred to DEAF Scheme 2014	3,19,88,282	2,87,70,887
TOTAL	6,08,09,92,755	6,51,14,68,340

Schedules forming part of the Consolidated Profit & Loss Account for the year ended 31st March 2023

(₹ in 000')

Particulars	Year Ended 31 March, 2023	Year Ended 31 March, 2022
SCHEDULE 13 - INTEREST EARNED:		
I. Interest/Discount on Advances/Bills	56,87,45,745	45,29,33,293
II. Income on Investments	21,63,56,463	20,15,94,684
III. Interest on Balances with RBI & Other Inter Bank Funds	2,13,17,912	2,14,39,537
IV. Others	52,11,704	63,29,059
TOTAL	81,16,31,823	68,22,96,573
SCHEDULE 14 - OTHER INCOME :		
I. Commission, Exchange and Brokerage	2,18,70,990	1,71,90,485
II. Profit on Sale of Investments - (Net)	86,24,178	3,52,44,503
III. Profit on revaluation of Investments (Net)	25,73,612	(13,43,760)
IV. Profit/ (Loss) on Fixed Asset - (Net)	(14,860)	(3,489)
V. Profit on Exchange Transactions - (Net)	81,33,570	60,83,678
VI. a) Lease Finance Income	-	-
b) Lease Management Fee	-	-
c) Overdue Charges	-	-
d) Interest on Lease Rent Receivables	-	-
VII. Miscellaneous Income	11,79,66,035	7,80,72,713
TOTAL	15,91,53,525	13,52,44,131
SCHEDULE 15 - INTEREST EXPENDED :		
I. Interest on Deposits	44,38,31,965	37,47,18,766
II. Interest on Reserve Bank of India/Inter Bank Borrowing	1,85,04,007	1,05,60,975
III. Others	1,79,92,476	1,65,04,910
TOTAL	48,03,28,447	40,17,84,651
SCHEDULE 16 - OPERATING EXPENSES :		
I. Payments to and Provisions for Employees	12,52,40,040	10,26,36,661
II. Rent, Taxes and Lighting	1,08,23,277	1,08,29,331
III. Printing and Stationery	11,55,291	9,75,942
IV. Advertisement and Publicity	13,34,511	6,94,846
V. a) Depreciation on Bank's Property other than Leased Assets	74,45,671	74,48,149
b) Depreciation on Leased Assets	-	-
VI. Directors' Fees, Allowances and Expenses	61,641	48,608
VII. Auditors' Fees and Expenses (including Branch Auditors)	7,44,948	6,70,847
VIII. Law Charges	17,37,120	15,25,868
IX. Postage, Telegrams, Telephones, etc.	32,23,483	31,25,474
X. Repairs and Maintenance	37,33,263	33,75,669
XI. Insurance	1,37,50,448	1,16,58,849
XII. Amortization of Goodwill, if any	-	-
XIII. Other Expenditure	6,56,23,339	5,40,35,874
TOTAL	23,48,73,032	19,70,26,117

Significant Accounting Policies (Consolidated) : Schedule 17

1. Basis of Preparation

The financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated. These are prepared following the Going Concern concept, in accordance with requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by Reserve Bank of India (RBI) from time to time and the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable and practices generally prevalent in the banking industry in India. In respect of foreign offices, statutory provisions and practices prevailing in foreign countries are complied with.

2. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions considered in the reported amount of Assets and Liabilities (including Contingent Liabilities) as of the date of the financial statements and the reported Income and the Expenses during the reporting period. Management believes that the estimates wherever used in the preparation of the financial statements are prudent and reasonable. Actual results can differ from these estimates. Any revision in the accounting estimates is recognized prospectively in the current and future period.

3. Basis of consolidation

a) Bank is having 5 subsidiaries, 3 JVs and 1 associate. The details are as under:-

S. No.	Nature	Entities	Stake
1	Subsidiary	Union Asset Management Company Pvt Ltd	100%
2	Subsidiary	Union Trustee Co Pvt Ltd	100%
3	Subsidiary	Union Bank of India (UK) Ltd	100%
4	Subsidiary	Andhra Bank Financial Services Ltd	100%

5	Subsidiary	UBI Services Ltd.	100%
6	JV	Star Union Dai-Ichi Life Insurance Co Ltd.	25.10%
7	JV	ASREC (India) Ltd	26.02%
8	JV	India International Bank (Malaysia) BHD	25.00%
9	Associate	Chaitanya Godavari Grameena Bank	35%

The consolidated financial statements are prepared on the basis of:

- 1) Audited Accounts of the parent bank (Union Bank of India)
 - 2) **Consolidation of Subsidiaries:** Line by Line aggregation of the Income/Expenditure/ Assets/Liabilities of the subsidiaries with the respective line item of the parent bank, after eliminating all intra-group transactions, unrealized profits/loss in terms of AS 21 on Consolidated Financial Statements issued by Institute of Chartered Accountants of India (ICAI).
 - 3) **Consolidation of Associates:** The Investment in Associate is accounted for consolidation as per Equity Method in terms of AS 23 on Accounting for Investments in Associates in Consolidated Financial Statement issued by Institute of Chartered Accountants of India (ICAI).
 - 4) **Consolidation of Joint Ventures:** Line by Line consolidation is done with proportionate share in Joint Venture in terms of AS-27 on Financials Reporting in Interest of Joint Venture issued by Institute of Chartered Accountants of India (ICAI).
- b) In case of Domestic Associate/Subsidiaries and Joint Venture, accounting adjustments arising due to different accounting policies followed by parent bank and associate/subsidiaries and Joint Venture have not been carried out due to practical difficulties on the basis of data provided by associates/ subsidiaries and Joint Venture as the amounts are not material.

- c) The difference between cost to the Group of its investment in the subsidiaries and the Parent's portion of the equity of the subsidiaries is recognized in the CFS as Goodwill / Capital Reserve, as the case may be.
- d) Minority interest in the net assets of the consolidated subsidiaries consists of:
 - i) The amount of equity attributable to the minority at the date on which investment in a subsidiary is made and
 - ii) The minority share of movements in revenue reserves / loss and equity since the date the parent subsidiary relationship came into existence.
 - iii) The excess, and any further losses applicable to the minority, are adjusted against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses

4. Revenue Recognition

a) Banking entities

- i) Income and Expenditure have been accounted for on accrual basis unless otherwise stated.
- ii) Income on Non-Performing Assets (NPAs) is recognized to the extent realized as per the prudential norms prescribed by the RBI. Income accounted for in the preceding year and remaining unrealized is derecognized in respect of assets classified as NPAs during the year.
- iii) Commission on Letter of Guarantee/Letter of Credit is accounted on accrual basis.
- iv) Exchange and brokerage earned, rent on Safe Deposit Lockers, income from Aadhaar cards Minimum balance charges etc. are accounted for on realization basis.
- v) Income (Other than interest) on investments in "Held to Maturity" (HTM) category acquired at discount to the face value is recognized as follows:
 - a) On interest bearing securities, it is recognized only at the time of sale / redemption.
 - b) On Zero- coupon securities, it is accounted for over the balance tenor of the securities on a constant yield basis.

- vi) Dividend is accounted on an accrual basis where the right to receive the dividend is established.
- vii) Sale of NPAs accounted in terms of extant RBI guidelines.
- viii) Interest on Income-tax refunds is accounted for on receipt of Intimation order from the Income Tax Department.

b) Non-Banking entities

Life Insurance

i. Premium Income

Premium (net of GST) is recognized as income when due. For linked business, premium is recognized when the associated units are created. Top up premiums are considered as single premium. Premium on lapsed policies is recognized as income when such policies are reinstated. Commission received on reinsurance ceded is recognized as income in the period in which reinsurance premium is ceded.

ii. Income from linked funds

Income from linked funds which includes premium allocation charges, policy administrative charges, mortality charges, fund management charges etc. are recovered from the linked funds in accordance with the terms and conditions of policies issued.

iii. Reinsurance Premium

Cost of reinsurance ceded is accounted for at the time of recognition of premium income in accordance with the treaty or in principle arrangement with the reinsurer. Profit commission on reinsurance ceded is netted off against premium ceded on reinsurance.

iv. Benefits paid (including claims)

Benefits paid comprise of policy benefits & claim settlement costs, if any. Death, rider & surrender claims are accounted for on receipt of intimation. Survival benefit claims and maturity claims are accounted for when

due. Withdrawals & surrenders under linked policies are accounted for in the respective schemes when the associated units are cancelled. Reinsurance recoveries on claims are accounted for in the same period as the related claims.

v. Acquisition Costs

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts and are expensed in the period in which they are incurred.

vi. Liability for life policies

Actuarial liability for life policies in force and for policies in respect of which premium has been discontinued but a liability exists, is determined by the Appointed Actuary using the gross premium method and in case of group business, unearned premium reserve method, in accordance with accepted actuarial practice, requirements of Insurance Act, 1938, IRDA regulations and the stipulations of Institute of Actuaries of India.

Asset Management

- i. Investment management fees are recognized net of tax on an accrual basis as a percentage of the average daily net assets of the mutual fund schemes (excluding the investments made by the company in the schemes) such that it does not exceed the limit prescribed by the SEBI (Mutual Funds) Regulations, 1996 and any further amendments.
- ii. Investment advisory fees are recognized on accrual basis in accordance with the terms of contract with the customers.
- iii. Interest income is recognized using the time proportion method, based on the rates implicit in the transaction.
- iv. Dividend income is recognized when right to receive is established.

5. Investments

i) Classification

In conformity of the requirements in form A of the Third Schedule to the Banking Regulations Act, 1949, Investments are classified as under::

- a) Government Securities
- b) Other Approved Securities
- c) Shares
- d) Debentures & Bonds
- e) Investments in Subsidiaries & Joint Ventures, and
- f) Other Investments

The Investment portfolio of the Bank is further classified in accordance with the RBI guidelines contained in Master Circular DoR. MRG.42/21.04.141 /2021-22 dated August 25, 2021 (updated March 23,2022, March 31, 2022, April 08, 2022 and December 08, 2022) into three categories viz.,

- a) Held to Maturity (HTM)
- b) Available for Sale (AFS)
- c) Held for Trading (HFT)

ii) Basis of Valuation

As per RBI guidelines, the following principles have been adopted for the purpose of valuation:

- a) Securities held in "HTM" – at acquisition cost: The excess of acquisition cost over the face value is amortized over the remaining period of maturity and in case of discount; it is not recognized as income.
- b) Investment in Regional Rural Banks is valued at carrying cost.
- c) Investments in Subsidiaries and Joint Ventures are valued at carrying cost
- d) Diminution other than temporary, if any, in valuation of such investments is provided for.

- e) Securities held in "AFS" and "HFT" categories are valued classification wise and scrip-wise and net depreciation, if any, in each classification is charged to Profit & Loss account while net appreciation, if any, is ignored.
- f) Valuation of other securities is arrived at as follows:

A	Govt. of India Securities (Central Govt. Securities)	As per Quotation put out by Financial Benchmarks India Pvt Ltd (FBIL)
B	State Development Loans, State Govt. Securities, Securities guaranteed by Central/ State Government, PSU Bonds	On appropriate yield to maturity basis as per FIMMDA Guidelines
C	Equity Shares	As per Market rates, if quoted, otherwise at break-up value, as per latest audited balance sheet (not more than 18 months old). In absence of both, at ₹ 1/- per company. The break-up value is computed excluding revaluation reserve.
D	Preference Shares	As per Market rates, if quoted, or on appropriate yield to maturity basis not exceeding redemption value as per FIMMDA guidelines.
E	Debentures/Bonds	As per Market rates, if quoted, otherwise on appropriate yield to maturity basis as per FIMMDA guidelines.

F	Mutual Funds (MF)	As per stock exchange quotations, if quoted. In case of unquoted units, as per latest Repurchase price declared by concerned MF. In cases where latest repurchase price is not available, as per Net Asset Value (NAV)
G	Treasury Bills / Certificate of Deposits / Commercial Papers	At carrying cost
H	Venture Capital Funds (VCF)	At declared NAV or Breakup NAV as per audited Balance Sheet which is not more than 18 months old. If NAV / audited financial statements are not available for more than 18 months continuously, at ₹ 1/- per VCF
I	Security Receipts	Valuation of the same will be done as per RBI Guidelines on classification, valuation and operation of Investment portfolio of commercial Banks (RBI/DOR/2021-22/81 DOR. MGR.42/21.04.141/2021-22) dated Aug 25, 2021 and as amended from time to time.

- iii) Interbank REPO / Reverse REPO transactions are accounted for in accordance with extant RBI guidelines.

- iv) As per the extant RBI guidelines, the shifting of securities from one category to another is accounted for as follows:
- a) From AFS / HFT categories to HTM category, at lower of book value or market value as on the date of shifting. Depreciation, if any, is fully provided for.
 - b) From HTM category to AFS / HFT category,
 - If the security is originally placed at discount in HTM category, at acquisition cost/ book value
 - If the security is originally placed at a premium, at an amortized cost.
 - c) From AFS to HFT category and vice versa, at book value.
 - d) The securities so shifted are revalued immediately and resultant depreciation is fully provided for.
- v) The non-performing investments are identified and provision is made as per the extant RBI guideline.
- vi) Profit / Loss on sale of investments & net depreciation on investment in any category are taken to the profit & loss account (net appreciation is ignored). However, in case of profit on sale of investments in "HTM" category, an equivalent amount (net of taxes and net of transfer to Statutory Reserves) is appropriated to the Capital Reserve account.
- vii) Commission, brokerage, broken period interest etc. on securities is debited / credited to Profit & Loss account.
- viii) Brokerage and STT paid on purchase and sale of Equity is accounted to price of the deal.
- ix) The Amortization of premium on HTM Securities is computed using Straight-line Method.
- x) The Bank is following weighted average Price (WAP) for accounting of investment portfolio.
- xi) As per the extant RBI guidelines, the Bank follows

'Settlement Date' for accounting of investments transactions.

- xii) Income from the units of Mutual Fund, Venture Capital & Security Receipt shall be recognized on Cash Basis.

6. Derivative Contracts:

- a) The Interest Rate Swap which hedges interest bearing Asset or Liability are accounted for in the financial statements on accrual basis except the swap designated with an Asset or Liability that is carried at market value or lower of cost or market value. Gains or losses on the termination of swaps are recognized over the shorter of the remaining contractual life of the swap or the remaining life of the Asset / Liability.
- b) Trading swap transactions are marked to market with changes recorded in the financial statements. (profit if any, is ignored)
- c) In the case of option contracts, guidelines issued by Foreign Exchange Dealers Association of India (FEDAI) from time to time for recognition of income, premium and discount are being followed.
- d) Arbitrage Income earned on forex swap transactions is accounted in Profit / Loss on Exchange Transactions category.

7. Advances

- i) Advances in India, are classified under four categories, i.e.
 - (a) Standard,
 - (b) Sub-standard,
 - (c) Doubtful and
 - (d) Loss assets.

Provisions required on such advances are made as per the extant prudential norms issued by the RBI in terms of Master Circular RBI/2022-2023/15 DOR.STR.REC.4/21.04.048/2022-23 dated April 01,2022. In respect of foreign offices, Advances are classified in accordance with Prudential Norms prescribed by the RBI or local laws of the host

country in which advances are made, whichever is more stringent.

- ii) Advances are stated net of specific loan loss provisions, counter cyclical provisioning buffer and unrecovered interest held in sundry / claims received from Credit Guarantee Trust for Micro & Small Enterprises (CGTMSE)/Export Credit Guarantee Corporation (ECGC) relating to non-performing assets.
- iii) The general provision on Standard Advances is held in "Other Liabilities and Provisions" reflected in schedule 5 of the Balance Sheet and is not considered for arriving at both net NPAs and net advances. Standard Assets provision to be made as per IRAC RBI/2022-2023/15 DOR.STR. REC.4/21.04.048/2022-23 dated April 01,2022 and any subsequent circular issued from time to time.
- iv) Amounts recovered against debts written off are recognized as revenue in the year of recovery.
- v) Provision on Suspense accounts entries outstanding for more than six months are made at 100% except the claim receivable from Govt./Govt. Bodies like Interest Subsidy on crop loan/export advance, Pension receivable etc.

8. Property, Plant and Equipment

- i) Premises and Other Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, eligible borrowing costs and directly attributable costs of bringing the Asset to its working condition for the intended use less trade discounts and rebates. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functional capability. Land and Buildings, if revalued are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve and the depreciation provided thereon is deducted there from and shall be credited to Revenue Reserves in terms of revised AS-10 on "Property, Plant and Equipment".

- ii) Depreciation on Fixed Assets is provided for on the Straight-Line Method at the rates prescribed in Expenditure Policy of the Bank from time to time. The applicable rates of depreciation are as under:

Sr. No.	Capital Asset	Useful Life (Years)	Rate in percentage
1	Immovable Property-Land	Not stipulated; accordingly, no depreciation	NIL
2	Building with RCC frame structure (Both Residential & Non-residential)	60	1.67
3	Furniture	10	10.00
4	Fixtures	10	10.00
5	Air-conditioning plants (Package & water/air cooled ductable)	10	10.00
6	Split & Window Air conditioners	5	20.00
7	Electrical installation and equipments	5	20.00
8	Solar Power Equipment	15	6.67
9	Elevators & Lifts	15	6.67
10	Civil & Flooring work in leased Premises	5	20.00
11	Telephone Equipment	5	20.00
12	Motorcycles, Scooters & other mopeds	10	10.00
13	Motor Cars, Motor Lorries and Electrically operated vehicles including battery powered or fuel cell powered vehicles	8	12.50
14	Mobile Phones	3	33.33
15	Generators	15	6.67
16	Office Equipment/ Appliances,	5	20.00
17	Computers & computer software forming integral part of hardware	3	33.33
18	ATM & allied items	5	20.00
19	UPS & allied items	5	20.00
20	Servers & Networks	6	16.66

Sr. No.	Capital Asset	Useful Life (Years)	Rate in percentage
21	End user devices such as desktops, laptops, i-pads, tablets, printer & Scanner, digital watches etc.	3	33.33
22	SDV lockers, Strong Room door, Cash Safe etc. (Along with Fixtures).	20	5.00
23	Items provided to staff (Furniture/Electrical and etc.)	5	20.00

- iii) Depreciation on premises is provided on composite cost, wherever the value of Land and Buildings is not separately identifiable.
- iv) Depreciation on Leased assets and Leasehold improvements is recognized on a straight-line basis using rates determined with reference to the primary period of lease.
- v) Depreciation on fixed assets outside India and fixed assets of subsidiaries / associates is provided as per regulatory requirements / or prevailing practices of respective country / industry.

9. Impairment of Assets

The carrying costs of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying cost of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying cost of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

10. Counter Cyclical Provisioning Buffer

The Bank has a policy for creation and utilization of Counter Cyclical Provisioning Buffer separately for advances and investments. The quantum of provision to be created is assessed at the end of each financial year. The counter cyclical provisions are utilized only for contingencies under extra ordinary circumstances specified in the policy with prior permission of the RBI.

11. Transactions involving Foreign Exchange

Accounting for transactions involving foreign exchange is done in accordance with AS 11, (The Effects of Changes in Foreign Exchange Rates), issued by the ICAI. As stipulated in AS 11, the foreign currency operations of the Bank are classified as under

- a) Integral Operations and
- b) Non Integral Operations.

All Overseas Branches, Offshore Banking Units, Overseas Subsidiaries are treated as Non-Integral Operations and domestic operations in foreign exchange and Representative Offices are treated as Integral Operations.

a) Translation in respect of Integral Operations

- i. Income and Expenditure items are recognized at the exchange rates prevailing on the date of the transaction.
- ii. Foreign Currency Monetary and Non-Monetary Assets and Liabilities are translated at the closing spot rates notified by FEDAI at the end of each quarter.
- iii. Contingent liabilities on account of guarantees, acceptances, endorsements and other obligations are stated at the exchange rates notified by FEDAI at the close of the year
- iv. The resulting exchange differences are recognized as income or expenses and are accounted through Profit and Loss Account.
- v. Forward exchange contracts are recorded at the exchange rate prevailing on the date of commitment. Outstanding forward exchange contracts are revalued at the exchange rates

notified by FEDAI for specified maturities and at interpolated rates for contracts of 'in-between' maturities. The resultant gains or losses are recognized in the Profit and Loss account.

b) Translation in respect of Non Integral Operations

- i) Assets and Liabilities (including contingent liabilities) are translated at the closing spot rates notified by FEDAI at the end of each quarter
- ii) Foreign Exchange Spot and Forwards contingent liabilities outstanding as at the balance sheet date are translated at the closing spot and forward rates respectively notified by FEDAI and at interpolated rates for contracts of interim maturities.
- iii) Income and Expense are translated at quarterly average rate notified by FEDAI at the end of each quarter.
- iv) The resulting exchange differences are not recognized as income or expense for the period but accumulated in a separate account "Foreign Currency Translation Reserve" till the disposal of the net investment.

12. Employee Benefits

A. Short Term Employment Benefits:

The undiscounted amounts of short term employee benefits (e.g. medical benefits) payable wholly within twelve months of rendering the service are treated as short term and recognized during the period in which the employee rendered the service.

B. Long Term Employee Benefits:

i. Defined Contribution Plans:

The Bank operates a new pension scheme (NPS) for all officers/employees joining the Bank on or after 1st April,2010, which is a defined contribution plan, such new joiners not being entitled to become members of the existing Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with 14% of their basic pay plus dearness allowance as contribution from the Bank. Pending completion of registration procedures of the employees concerned, these

contributions retained with the Bank. The Bank recognizes such annual contributions in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS trust.

ii. Defined Benefit Plan:

Gratuity, Pension and Leave Encashment are defined benefit plans. These are provided for on the basis of an actuarial valuation as per Accounting Standard-15 "Employee Benefit" issued by the Institute of Chartered Accountants of India, made at the end of each financial year, based on the projected unit credit method. Actuarial gains/losses are immediately taken to the Profit & Loss account.

13. Segment Reporting

The Bank recognizes the Business segment as the Primary reporting segment and Geographical segment as the Secondary reporting segment, in accordance with the RBI guidelines and in the compliances with the Accounting Standard-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India. Business segments are classified into

- 13.1. Treasury Operations,
- 13.2. Corporate and Wholesale Banking,
- 13.3. Retail Banking Operations and (w/w Digital Banking Segment as and when applicable)
- 13.4. Other Banking Operations.

14. Lease Transactions

Lease payments for assets taken on operating lease are amortized over the lease term. The properties taken on lease / rental basis are renewable / cancellable at the option of the Bank. The Bank's liabilities in respect of disputes pertaining to additional rent / lease rent are recognized on settlement or on renewal.

15. Earnings Per Share

Earnings per share are calculated by dividing the net profit or loss (after tax) for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings

per equity share are calculated by using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

16. Taxation

This comprises of provision for Income tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) as determined in accordance with AS-22 on "Accounting for taxes on Income" issued by the ICAI. Provision for Tax is made for both current and deferred taxes. Current tax is provided on the taxable income using applicable tax rate. Deferred Tax Assets and Deferred Tax Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and the tax laws that have been enacted or substantively enacted till the date of the Balance Sheet. Deferred Tax Assets are not recognized unless there is 'reasonable certainty' that sufficient future taxable income will be available against which such Deferred

Tax Assets will be realized. In case of carry forward of unabsorbed depreciation and tax losses, Deferred Tax Assets are recognized only if there is "virtual certainty".

17. Provisions, Contingent Liabilities and Contingent Assets

As per AS 29 (Provisions, Contingent Liabilities and Contingent Assets) issued by the ICAI, the Bank recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

18. Share Issue Expenses:

Share Issue expenses are charged to the Share Premium account in terms of Section 52 of the Companies Act, 2013.

SCHEDULE 18 – NOTES TO ACCOUNTS (CONSOLIDATED)

1. The particulars of the subsidiaries whose financial statements are consolidated with the standalone financial statement of the Bank (the Parent) are as under:

Names of Subsidiaries	Country of Incorporation	Proportion of Ownership by the parent as on 31.03.2023
Union Asset Management Company Private Limited	India	100%
Union Trustee Company Private Limited	India	100%
Union Bank of India UK Limited	United Kingdom	100%
Andhra Bank Financial Services Limited	India	100%
UBI Services Ltd	India	100%

2. The particulars of Joint Venture considered in the Consolidated Financial Statements are as under :

Names of Joint Venture	Country of Incorporation	Proportion of Ownership
Star Union Dai-Ichi Life Insurance Company Limited (Non- Banking)	India	25.10%
ASREC (India) Ltd	India	26.02%
India international bank (MALAYSIA) BHD	India	25.00%

3. The particulars of Associate considered in the Consolidated Financial Statements are as under:

Names of Associates	Country of Incorporation	Proportion of Ownership
Chaitanya Godavari Grameena Bank	India	35%

The value of the investment made by the Bank is ₹ 1,542.52 Crore as on 31st March 2023 which is treated as long term investment.

- 4 The financial statements of the subsidiaries, joint venture and associate which are used in the consolidation have been drawn up to the same reporting date as that of the Parent i.e. 31st March 2023 except for India International Bank (Malaysia) BHD for 31st December, 2022.
- 5 The Consolidated Financial Statements have been prepared on the basis of audited financial statements of Union Asset Management Company Private Limited, Union Trustee Company Private Limited, Union Bank of India (UK) Limited, Chaitanya Godavari Grameena Bank for the financial year ended 31.03.2023, India International Bank (Malaysia) BHD for the period ended 31.12.2022 and unaudited financials of Star Union Dai-ichi Life Insurance Company Limited, UBI Services LTD, ASREC(INDIA) Limited and Andhra Bank Financial Services Limited for the financial year ended 31.03.2023.
- 6 Adjustment of outstanding entries in Suspense Accounts, Sundry Deposits, Clearing Adjustments, Bank Reconciliation Statements and various inter-branch/office accounts is in progress on an ongoing basis. Pending final clearance of the same, the overall impact, if any, on the accounts, in the opinion of the management will not be significant.

7 DISCLOSURES IN TERMS OF THE RESERVE BANK OF INDIA GUIDELINES

7.1. A. Capital

The Bank is subjected to Basel III capital adequacy guidelines stipulated by RBI with effect from April 1, 2013. The guidelines provide a transition schedule for Basel III implementation till Oct. 1, 2021. As per RBI Guidelines, Basel III has been completely implemented from Oct. 1, 2021. As per guidelines, the Tier I capital is made up of Common Equity Tier I (CET I) and Additional Tier I Capital (AT 1).

Basel III guidelines require the Bank to maintain minimum capital to Risk Weighted Assets ratio (CRAR) of 11.50% with minimum CET I of 8.00% (inclusive of Capital Conservation Buffer of 2.50%) and minimum Tier I CRAR of 9.50% as at March 31, 2023.

During the year, the Bank has issued Basel III compliant Tier-2 bonds of ₹ 2,200 Crore & additional Tier-1 Bonds of ₹ 1,983 crore in tranches and exercised call option for redemption of Basel III compliant Tier-2 bonds of ₹ 2,300.00 crore & additional Tier-1 Bonds of ₹ 1,000.00 crore.

The computation of Capital Adequacy as per the framework is indicated below:

(Amount in ₹ crore)			
Sr. No.	Particulars	31.03.2023	31.03.2022
i.	Common Equity Tier 1 capital (CET 1) / Paid up share capital and reserves (net of deductions, if any)	71,879.53	58,205.98
ii.	Additional Tier 1 capital / Other Tier 1 capital	8,985.99	8,539.83
iii.	Tier 1 capital (i + ii)	80,865.52	66,745.81
iv.	Tier 2 capital	12,299.90	12,692.32
v.	Total capital (Tier 1+Tier 2)	93,165.42	79,438.12
vi.	Total Risk Weighted Assets (RWAs)	5,82,024.83	5,48,469.51
vii.	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid-up share capital and reserves as percentage of RWAs	12.35	10.61
viii.	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	13.89	12.17
ix.	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.11	2.31
x.	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	16.01	14.48
xi.	Leverage Ratio	5.74	5.17
xii.	Percentage of the shareholding of		
	a) Government of India	83.49	83.49
	b) State Government (specify name)	--	--
	c) Sponsor Bank	--	--
xiii.	Amount of paid-up equity capital raised during the year	--	1,447.17
xiv.	Amount of non-equity Tier 1 capital raised during the year, of which:		
	a) Basel III compliant Perpetual Non-Cumulative Preference Shares	--	--
	b) Basel III compliant Perpetual Debt Instruments	1,983.00	5,000.00
xv.	Amount of Tier 2 capital raised during the year, of which		
	a) Perpetual Cumulative Preference Shares	--	--
	b) Redeemable Non-Cumulative Preference Shares	--	--
	c) Basel III compliant Redeemable Non-convertible Tier 2 Bonds	2,200.00	2,000.00

7.2 Provisions and Contingencies

(₹ in crore)		
Break up of Provision & Contingencies. shown under the head in Profit & Loss:	31.03.2023	31.03.2022
Provision / (Reversal) for Depreciation on Investment	1,915.53	200.48
Provision towards NPA	12,506.77	11931.44
Provision/(Reversal) towards Standard Assets	(988.37)	1451.35
Net Provision made towards Income Tax/Deferred tax	3,716.20	3357.84
Other Provision and Contingencies:	(22.08)	(276.62)
TOTAL	17,128.04	16664.49

7.3 Counter Cyclical Provisioning Buffer / Floating Provision:

(₹ in crore)			
Sr. No.	Particulars	31.03.2023	31.03.2022
i)	Opening Balance	Nil	306.20
ii)	Additional provisions made during the accounting year	Nil	Nil
iii)	Amount of drawdown made during the accounting year	Nil	306.20
iv)	Closing balance	Nil	Nil

8 EMPLOYEE BENEFITS (AS 15 - REVISED) (Parent Bank)

i) Short Term Employment Benefits:

The undiscounted amounts of short-term employee benefits (e.g. medical benefits) payable wholly within twelve months of rendering the service are treated as short term and recognized during the period in which the employee rendered the service.

ii) Long Term Employee Benefits:

a) Defined Contribution Plans:

The Bank operates a new pension scheme (NPS) for all officers/employees joining the Bank on or after 1st April, 2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with 14% contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions retained with the Bank. The Bank recognizes such annual contributions in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS trust.

The Bank has Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after April 1, 2010. The scheme is managed by National Pension Scheme (NPS) Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2022-2023, the Bank has contributed ₹ 525.36 crores including arrears of ₹ 0.12 crores (Previous Year ₹501.51 crore) to NPS.

b) Defined Benefit Plan:

Gratuity, Pension and Leave Encashment are defined benefit plans. These are provided for on the basis of an actuarial valuation as per Accounting Standard-15 "Employee Benefit" issued by the Institute of Chartered Accountants of India, made at the end of each financial year, based on the projected unit credit method. Actuarial gains/losses are immediately taken to the Profit & Loss account.

c) Defined Benefit Plans – Employee's Pension plan and Gratuity plan:

The Bank has accounted for employee benefits as per Accounting Standards issued by the Institute of Chartered Accountants of India, as per actuarial valuation report for the year ended March 31, 2023.

(₹ in crore)

S. No.	Particular	31.03.2023		31.03.2022	
		Gratuity	Pension	Gratuity	Pension
i)	Table showing change in Defined Benefit Obligation:				
	Liability at the beginning of the year	3,197.81	28,650.99	3,355.82	26,011.41
	Interest Cost	233.76	2,120.17	232.56	1,797.39
	Current Service Cost	163.00	184.38	161.12	212.30
	Past Service Cost (Vested Benefit Amortized)	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit)	NIL	NIL	NIL	1902.02
	Liability Transfer in	NIL	NIL	NIL	NIL
	Liability Transfer out	NIL	NIL	NIL	NIL
	(Benefit paid)	(334.38)	(2,120.73)	(465.84)	(2,341.52)
	Actuarial (Gain)/loss on obligation – due to change				
	In the financial assumption	(63.88)	(278.47)	(119.57)	(1,446.34)
	in demographic assumption	NIL	NIL	2.86	63.46
	Actuarial (Gain) / Loss on obligations	29.55	614.25	30.86	2,452.27
	Liability at the end of the year	3,225.86	29,170.59	3,197.81	28,650.99
ii)	Table of Fair value of Plan Assets:				
	Fair value of Plan Assets at the be-ginning of the year	3,367.60	27,043.50	2,746.43	26,720.88
	Expected return on Plan Assets	246.17	2,001.22	190.33	1,846.41
	Contributions	NIL	1,780.29	843.37	551.42
	Transfer from Other Company	0.29	NIL	NIL	NIL
	Transfer to Other Company	NIL	NIL	NIL	NIL
	(Benefit paid)	(334.38)	(2,120.73)	(465.84)	(2,341.52)
	Actuarial (Gain)/loss on Plan Assets	(17.33)	49.96	(53.31)	(266.31)
	Fair Value of Plan Assets at the end of the year	3,262.35	28,754.24	3,367.60	27,043.50
	Actuarial (Gain)/loss on obligation for the period	(34.33)	335.78	(85.85)	1,069.39
	Actuarial (Gain)/loss on Plan Assets	17.33	(49.96)	(53.31)	(266.31)
	Total Actuarial (Gain)/loss to be recognized	(17.00)	285.82	(139.16)	803.08
iii)	Recognition of Transitional Liability:				
	Transitional Liability at start	NIL	NIL	NIL	NIL
	Transitional Liability recognized dur-ing the year	NIL	NIL	NIL	NIL
	Transitional Liability at end	NIL	NIL	NIL	NIL

(₹ in crore)

S. No.	Particular	31.03.2023		31.03.2022	
		Gratuity	Pension	Gratuity	Pension
iv)	Actual return on Plan Assets:				
	Expected Return on Plan Assets	246.17	2,001.22	190.33	1,846.41
	Actuarial Gain/(Loss) on Plan Assets	(17.33)	49.96	53.31	266.31
	Actual return on Plan Assets	228.84	2,051.18	243.64	2,112.72
v)	Expenses recognized in the Income Statement:				
	Current Service Cost	163.00	184.38	161.12	212.30
	Interest Cost	(12.41)	118.95	42.23	(49.02)
	Expected Return on Plan Assets	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit Amortized) recognized	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit) recognized(1/5 of enhanced family pension)	NIL	1,521.62	NIL	380.40
	Recognition of Transition Liability	NIL	NIL	NIL	NIL
	Actuarial (Gain) or Loss	(17.00)	285.82	(139.16)	803.08
	Expenses Recognized in P & L	133.59	2,110.77	64.19	1346.76
vi)	Balance Sheet Reconciliation:				
	Opening Net Liability (Last year net amount recognized in the balance sheet)	(169.79)	85.87	609.39	(709.47)
	Expenses as above	133.59	2,110.77	64.19	1,346.76
	Transfer from other Company (Net)	(0.29)	NIL	NIL	NIL
	Transfer to other Company (Net) (Employer Contribution)	NIL	NIL	NIL	NIL
	Net (Asset)/Liability Amount recog-nized in Balance Sheet	(36.49)	416.35	(169.79)	85.87
vii)	Other Details:				
	Pension is payable at the rate of 1/66 Salary for Each Year of Service Subject to Maximum of 50%.				
	Gratuity is payable at the rate of 15 days salary for each year of service subject to maximum of ₹ 20,00,000 or as per the Bank scheme.				
	Actuarial gain / loss is accounted for in the year of occurrence.				
	Salary escalation is considered as advised by the company which is in line with the industry practice considering promotion and demand and supply of the employees.				
	No. of Members	75,618	21,138	75,201	23,216
	Salary Per Month	513.88	513.88	354.44	182.95
	Contribution for next year	139.74	587.94	-	592.76
viii)	Category of assets:				
	Government of India Assets	61.47	565.13	63.45	585.14
	Corporate Bonds/FDR	25.75	720.80	36.15	721.81
	Special Deposits Scheme	-	-	-	-
	State Govt.	82.81	1,379.39	101.17	1,185.78
	Property	NIL	NIL	NIL	NIL
	Other	64.13	454.17	244.10	1,733.36
	Insurer Managed Funds	3,028.18	25,634.75	2,897.20	22,492.80
	Mutual Fund	NIL	NIL	25.53	324.61
	Total	3,262.34	28,754.24	3,367.60*	27,043.50*

*Note: Return on investments in LIC & other insurance companies is expected at 7.50% while arriving Pension liability and Gratuity liability at the Fair Value of Plan Assets for the FY2022-23 as against the 7.25% considered for arriving Pension and Gratuity liability for the FY2021-22.

(₹ in crore)

Surplus/Deficit in the Plan:	Gratuity Plan				
Amount recognized in the Balance-Sheet	31.03.23	31.03.22	31.03.21	31.03.20*	31.03.19*
Liability at the end of the year	3,225.86	3,197.81	3,355.82	1,291.94	1,222.64
Fair value of Plan Assets at the end of the year	3,262.35	3,367.60	2,746.43	1,219.01	1,202.14
Difference	36.49	169.79	(609.39)	(72.93)	(20.50)
Unrecognized Past Service Cost	Nil	Nil	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	36.49	169.79	(609.39)	(72.93)	(20.50)

*Amount mentioned for Union Bank (Standalone) only.

(₹ in crore)

Amount recognized in the Balance-Sheet	Gratuity Plan				
Experience Adjustment	31.03.23	31.03.22	31.03.21	31.03.20*	31.03.19*
On plan liability (Gain) / Loss	29.55	30.86	752.31	25.87	7.91
On plan Assets (Loss) / Gain	(17.33)	53.31	34.41	7.20	(13.03)

* Amount mentioned for Union Bank (Standalone) only.

(₹ in crore)

Surplus/Deficit in the Plan:	Pension Plan				
Amount recognized in the Balance-Sheet	31.03.23	31.03.22	31.03.21	31.03.20*	31.03.19*
Liability at the end of the year	29,170.59	28,650.99	26,011.41	12,746.69	12,158.43
Fair value of Plan Assets at the end of the year	28,754.24	27,043.50	26,720.88	12,607.16	12,308.84
Difference	(416.35)	(1,607.49)	709.47	(139.53)	150.41
Unrecognized Past Service Cost	Nil	1,521.62	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	(416.35)	(85.87)	709.47	(139.53)	150.41

* Amount mentioned for Union Bank (Standalone) only.

(₹ in crore)

Amount recognized in the Balance-Sheet	Pension Plan				
Experience Adjustment	31.03.23	31.03.22	31.03.21	31.03.20*	31.03.19*
On plan liability (Gain) / Loss	614.25	2,452.27	1,456.27	938.90	125.22
On plan Assets (Loss) / Gain	49.96	266.31	81.65	75.23	7.18

* Amount mentioned for Union Bank (Standalone) only.

Principal actuarial assumption used (%)	2022-23		2021-22	
	Gratuity	Pension	Gratuity	Pension
Discount Rate Prev.	7.31	7.40	6.93	6.91
Rate of return on Plan Assets Prev.	7.31	7.40	6.93	6.91
Salary Escalation Prev.	5.00	5.00	5.00	5.00
Attrition Rate Prev.	2.00	2.00	2.00	2.00
Discount Rate Current	7.49	7.53	7.31	7.40
Rate of Return on Plan Assets Current	7.49	7.53	7.31	7.40
Salary Escalation Current	5.00	5.00	5.00	5.00
Attrition Rate Current	2.00	2.00	2.00	2.00

i) Other long term Employee Benefits:

Details of Provisions made for various Long-Term Employees Benefits during the year are as follows:

(₹ in crore)

Sr. No.	Other Long Term Benefits	31.03.2023	31.03.2022
1	Pension	2,110.77	1,346.76
2	Leave Travel Concession	3.66	13.41
3	Leave Encashment	149.30	48.70

Bank is having provision of ₹268.76 Crore towards Sick Leave on prudential basis though there is no payout.

ii) Unamortized Family pension & Gratuity Liabilities:

(₹ in crore)

Particulars	31.03.2023	31.03.2022
Pension		
a) Balance brought forward	1,521.62	NIL
b) Gross Liability	NIL	1,902.02
c) Charged to Profit & Loss account	1,521.62	380.40
d) Balance Carried forward	NIL	1,521.62
Gratuity		
a) Charged to Profit & Loss account	NIL	NIL
b) Carried forward	NIL	NIL

a. Pursuant to the revision in family pension payable to the employees of the Bank, covered under 11th Bi- Partite Settlement and joint note dated November 11, 2020, the Bank had arrived additional liability at ₹ 1,902.02 Crore as per Actuarial valuation, of which a sum of ₹ 380.40 Crore was amortized during the FY 2021-22, in terms of RBI Circular no. RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 04, 2021 and unamortized part of ₹ 1,521.62 Crore has been fully charged to the Profit & Loss Account during the year ended March 31, 2023. There is no unamortized expenditure in the Balance Sheet on account of additional family pension.

b. In terms of RBI circular no. RBI/DOR/2021-22/83 DOR.ACC.REC.No.45/21.04.018/2021-22 dated August 30, 2021 (Updated as on February 20, 2023), the following disclosures are required (Parent Bank):

- In case of Other Liabilities and Provisions, any item under the head "Others (including provisions)" exceeds one per cent of the total assets,
- In case of Other Assets, any item under the head "Others" exceeds one per cent of the total assets,
- In case of Other Income, any item under the head "Miscellaneous Income" exceeds one per cent of the total income,
- In case of Operating Expenses, any item under the head "Other expenditure" exceeds one per cent of the total income,

(₹ in Crore)

Statement Showing item in Sch. 14- Other income Sub Head – Miscellaneous in-come		
Item under the Sub Head	(₹ in Crore)	% of Total Income
Processing Charges for Advanc-es	1,178.18	1.24
Miscellaneous Earning	1,004.21	1.05
Recovery In Write Off	5,549.49	5.82

There is no other disclosure related to other heads as mentioned above.

10. SEGMENT REPORTING (AS-17)

10.1. Business Segments:

(₹ in crore)

Business Segment		Consolidated	
		Year Ended	
		(Audited)	(Audited)
		31.03.2023	31.03.2022
(a)	Segment Revenue		
1	Treasury Operations	26,442.90	26,815.66
2	Retail Banking Operations	31,078.66	26,198.04
	(a) Digital Banking Operations	569.38	NA
	(b) Other Retail Banking Operations	30,509.28	26,198.04
3	Corporate /Wholesale Banking	35,941.71	25,776.79
4	Other Banking Operations	1,979.37	1,397.64
5	Unallocated	2,198.75	1,688.64
	Total Segment Revenue	97,641.39	81,876.77
	Less Inter-segment Revenue	(562.86)	(122.70)
	Income from operations	97,078.53	81,754.07
(b)	Segment Results		
1	Treasury Operations	2,426.80	6,002.74
2	Retail Banking Operations	5,059.25	4,508.68
	(a) Digital Banking Operations	(43.07)	NA
	(b) Other Retail Banking Operations	5,102.32	4,508.68
3	Corporate Banking	3,091.44	(3,093.72)
4	Other Banking Operations	1,063.52	758.37
5	Unallocated	505.46	390.27
	Total Profit/(Loss) Before Tax	12,146.47	8,566.34
(c)	Provision for Tax	3,716.12	3,357.84
(d)	Net Profit/(Loss) after Tax	8,430.35	5,208.50
	Add: Share of Profit in Associate	81.32	56.82
(e)	Consolidated Net Profit/(Loss)	8,511.67	5,265.32
(f)	Segment Assets		
1	Treasury Operations	4,64,788.70	4,78,735.97
2	Retail Banking Operations	3,59,680.33	3,18,913.60
	(a) Digital Banking Operations	42,263.05	NA
	(b) Other Retail Banking Operations	3,17,417.28	3,18,913.60
3	Corporate/Wholesale Banking	4,26,011.76	3,68,181.73
4	Other Banking Operations	-	-
5	Unallocated	37,876.32	27,934.31
	Total	12,88,357.11	11,93,765.61

(₹ in crore)

Business Segment		Consolidated	
		Year Ended	
		(Audited)	(Audited)
		31.03.2023	31.03.2022
(g)	Segment Liabilities		
1	Treasury Operations	4,56,704.84	4,70,252.54
2	Retail Banking Operations	3,28,812.17	2,90,449.81
	(a) Digital Banking Operations	38,724.27	NA
	(b) Other Retail Banking Operations	2,90,087.90	2,90,449.81
3	Corporate/Wholesale Banking	3,88,190.19	3,35,313.11
4	Other Banking Operations	-	-
5	Unallocated	35,846.39	26,889.03
	Total	12,09,553.60	11,22,904.49
(h)	Capital Employed		
1	Treasury Operations	8,083.86	8,483.43
2	Retail Banking Operations	30,868.16	28,463.79
	(a) Digital Banking Operations	3,538.78	NA
	(b) Other Retail Banking Operations	27,329.38	28,463.79
3	Corporate/Wholesale Banking	37,821.57	32,868.62
4	Other Banking Operations	-	-
5	Unallocated	2,029.92	1,045.28
	Total	78,803.51	70,861.12

Notes:

- The Bank operates in four segments viz., Treasury, Retail, Corporate / Wholesale and Other Banking Operations. These segments have been identified in line with AS-17 on segment reporting issued by the Institute of Chartered Accountants of India (ICAI) after considering the nature and risk profile of the products and services, the target customer profiles, the organizational structure and the internal reporting system of the bank. The bank has disclosed the business segment as primary segment. The revenue and other parameters of foreign branch for the period are within the threshold limits stipulated as per AS-17 and hence the bank has only one reportable segment.
- Segment wise income, expenditure, Capital employed which are not directly allocable have been allocated to the reportable segments based on assumptions as considered appropriate by the management.
- Figure of previous period have been regrouped/reclassified wherever necessary.
- In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 7, 2022 on Establishment of Digital Banking Units, the Bank has for the first time disclosed 'Digital Banking' as a sub-segment of the Retail Banking segment.

11. RELATED PARTY DISCLOSURES (AS-18) (Parent Bank)**11.1 List of Related Parties****a) Subsidiaries**

- Union Asset Management Co. Pvt. Ltd.
- Union Trustee Company Pvt. Ltd.
- Union Bank of India (UK) Ltd.
- Andhra Bank Financial Services Ltd.
- UBI Services Ltd.

b) Joint Venture

- Star Union Dai-Ichi Life Insurance Co. Ltd.
- ASREC (India) Ltd.
- India International Bank (Malaysia) Berhad

c) Associate

- Chaitanya Godavari Grameena Bank

d) Key Management Personnel

(₹ in Crore)

Name	Designation	Remuneration paid for the Year ended 31 st March 2023
Shri Rajkiran Rai G. @	Managing Director & CEO	0.19
Ms. A Manimekhalai #	Managing Director & CEO	0.30
Shri Manas Ranjan Biswal ##	Executive Director	0.11
Shri Nitesh Ranjan	Executive Director	0.39
Shri Rajneesh Karnatak	Executive Director	0.34
Shri Nidhu Saxena	Executive Director	0.32
Shri Ramasubramanian S^	Executive Director	0.12

@ Till 31.05.2022

From 03.06.2022

Till 30.04.2022

^ From 21.11.2022

Parties with whom transactions were entered into during the year

No disclosure is required in respect of related parties, which are "State controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 6 of AS 18, transactions in the nature of Banker – Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

As per the RBI Master Direction, KMPs are construed to be the Whole Time Directors of the Bank.

e) Key Management Personnel – Remuneration paid

(₹ in crore)

Particulars	31.03.2023	31.03.2022
CEO and Managing Director	0.49	0.37
Executive Directors	1.28	1.21
Total	1.77	1.58

Parties with whom transactions were entered into during the year

No disclosure is required in respect of related parties, which are "State controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker – Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

12. EARNING PER SHARE (AS-20)

Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. The diluted earnings per equity share is computed using the weighted average number of equity shares and weighted average number of diluted potential equity shares outstanding during the year.

The computation of earnings per share is given below:

Particulars	31.03.2023	31.03.2022
Number of Equity shares at the beginning of the year	6,83,47,47,466	640,68,44,355
Number of Equity shares issued during the year	Nil	42,79,03,111
Number of Equity shares outstanding at the end of the year	6,83,47,47,466	6,83,47,47,466
Weighted Average Number of Equity Shares used in computing Basic Earnings per share	6,83,47,47,466	6,77,26,13,590
Weighted Average Number of Shares used in computing diluted Earnings per share	6,83,47,47,466	6,77,26,13,590
Net Profit/(Loss) ₹ in Crore	8,511.67	5,265.32
Basic Earnings per share (₹)	12.45	7.77
Diluted Earnings per share (₹)	12.45	7.77
Nominal Value per share (₹)	10	10

13. PROVISION FOR TAXES:

Deferred Tax (AS-22)

(₹ in crore)

Sr. No.	Particulars	31.03.2023	31.03.2022
	Deferred Tax Assets		
1	Employee Benefits (Leave Encashment)	534.18	474.78
2	Depreciation on Fixed Assets	395.67	358.12
3	On account of other provisions	11,408.93	14,072.58
4	Foreign Currency Translation Reserve	-84.48	1.14
5	Standard Asset	0.00	588.37
6	Others	-0.01	0.07
	Total	12,254.30	15,495.05
	Deferred Tax Liabilities		
1	Accrued interest on securities	1,274.79	1,092.63
2	Special Reserves u/s 36(i)(viii)	2,316.74	2,107.08
3	Depreciation on Investment	--	--
	Total	3,591.53	3,199.71
	Net Deferred Tax Asset	8,662.77	12,295.34
	Net Deferred Tax Liability	Nil	Nil

14. IMPAIRMENT OF ASSET (AS-28)

In the opinion of the Management, there is no indication for Impairment during the year with regard to the asset to which Accounting Standards 28 applies.

15. Additional information disclosed in the separate financial statements of the parent and the subsidiaries have no bearing on the true and fair view of the Consolidated Financial Statements (CFS) and also the information pertaining the items which are not material, have not been disclosed in the CFS.

16. The Management believes that there would not be any significant impact on Bank's performance in future and going concern assumptions.

17. The figures of the previous year have been regrouped / rearranged wherever considered necessary.

Signatories to Schedules 1 to 18

(PANKAJ KUMAR)
DY. GENERAL MANAGER

(RAMASUBRAMANIAN S)
EXECUTIVE DIRECTOR

(ARUN KUMAR SINGH)
DIRECTOR

(LAXMAN S UPPAR)
DIRECTOR

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

(JAYADEV MADUGULA)
DIRECTOR

(A. MANIMEKHALAI)
MANAGING DIRECTOR & CEO

(SRINIVASAN VARADARAJAN)
CHAIRMAN

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

(NITESH RANJAN)
EXECUTIVE DIRECTOR

(SURAJ SRIVASTAVA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

CA P M Veeramani
Partner
Membership No.023933
UDIN: 23023933BGVFC3602

For M/s P V A R & Associates
Chartered Accountants
FRN 005223C

CA Ruchi Agarwal
Partner
Membership No.504134
UDIN:23504134BGWTPQ8986

For M/s SARDA & PAREEK LLP
Chartered Accountants
FRN 109262W/W100673

CA Niranjan Joshi
Partner
Membership No.102789
UDIN: 23102789BGWREC1919

For M/s Gopal Sharma & Co.
Chartered Accountants
FRN 002803C

CA Abhishek Sharma
Partner
Membership No.079224
UDIN: 23079224BGTKQP5499

For M/s C R Sagdeo & Co.
Chartered Accountants
FRN 108959W

CA Sachin V Luthra
Partner
Membership No. 109127
UDIN: 23109127BGQVHS4391

For M/s NBS & Co.
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 23046940BGPTTT2512

Place : MUMBAI
Date : 6th May, 2023

Consolidated Cash Flow Statement For the Year Ended 31st March, 2023

(₹ in lacs)

S. No.	Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
A	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit Before Tax	12,14,647	8,56,634
	Adjustments for:		
	Depreciation on Fixed Assets	74,457	73,809
	Provision for Investments	1,67,478	20,048
	Provision for Non Performing Assets (Net)	12,50,677	11,62,524
	Provision for Standard Asset	(1,15,806)	1,36,754
	Provision for other items (Net)	14,760	11,339
	(Profit)/Loss on Sale or Disposal of Fixed Assets	(149)	35
	Interest on Borrowings : Capital Instruments	1,58,601	1,55,133
	Share of Profit in Associate	8,132	5,682
	Transfer to/from reserve	(56,928)	63,465
	Sub Total	27,15,870	24,85,426
	Adjustments for:		
	Increase / (Decrease) in Deposits	86,00,976	1,08,71,383
	Increase / (Decrease) in Other Liabilities and Provisions	11,51,603	(5,55,146)
	(Increase) / Decrease in Investments	6,61,560	(12,92,420)
	(Increase) / Decrease in Advances	(1,14,16,687)	(81,66,081)
	(Increase) / Decrease in Other Assets	(7,74,427)	3,45,116
	Direct taxes paid (Net of Refund)	(3,27,752)	(54,388)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)	6,11,143	36,33,890
B	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed Assets	(3,06,555)	(74,953)
	Proceeds from Sale/Adjustment of Fixed asset	68,280	30,788
	(Increase)/ Decrease in Investment in Subsidiary	(17,830)	(11,606)
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(2,56,105)	(55,771)
C	CASH FLOW FROM FINANCING ACTIVITIES :		
	Proceeds from Issue of Preference Share Capital Issued by Subsidiary Company Including Share Premium (Net)	-	-
	Proceeds from issue of Equity Share Capital Including Share Premium (Net)	-	1,44,208
	Proceeds from issue of Capital Instruments	98,300	7,00,000
	Repayments of Capital Instruments	(10,000)	(5,40,000)
	(Decrease)/Increase Borrowings other than Capital Instruments	(8,65,254)	(2,27,704)
	Interest Paid on Borrowings : Capital Instruments	(1,58,601)	(1,55,133)
	Dividend paid during the year	(1,29,861)	-
	NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(10,65,416)	(78,629)
	Net Increase (Decrease) in Cash & Cash Equivalent (A)+(B)+(C)	(7,10,377)	34,99,488
	Cash and Cash Equivalents as at the beginning of the year	1,19,75,822	84,76,334
	Cash and Cash Equivalents as at the end of the year	1,12,65,445	1,19,75,822

(₹ in lacs)

S. No.	Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
	Components of Cash and Cash equivalents		
D	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	Cash and Balances with RBI (including FC notes)	46,11,589	37,88,571
	Balances with Banks and Money at call	73,64,233	46,87,762
	Net cash and cash equivalents at the beginning of the year	1,19,75,822	84,76,334
E	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Cash and Balance with RBI (including FC notes)	50,25,811	46,11,589
	Balances with Banks and Money at call	62,39,634	73,64,233
	Net cash and cash equivalents at the end of the year	1,12,65,445	1,19,75,822

Previous Year's figures have been regrouped/recasted wherever considered necessary to correspond with the year ended classification/ presentation.

(PANKAJ KUMAR)
DY. GENERAL MANAGER

(RAMASUBRAMANIAN S)
EXECUTIVE DIRECTOR

(ARUN KUMAR SINGH)
DIRECTOR

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CHIEF FINANCIAL OFFICER

(NITESH RANJAN)
EXECUTIVE DIRECTOR

(SURAJ SRIVASTAVA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

Auditors Certificate:

We, the undersigned Statutory Auditors of the Union Bank of India, have verified the above consolidated Cash Flow Statement of the Bank for the year ended 31.03.2023. The statement has been prepared in Indirect Method in accordance with the AS-3, "Cash Flow Statement" issued by The Institute of Chartered Accountants of India and with the requirements of the SEBI (Listing Obligations & Disclosure Requirements), 2015 and is based on and in agreement with the corresponding Consolidated Profit & Loss Account and the Consolidated Balance Sheet of the Bank covered by our report of the May 06, 2023 to the members.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

CA P M Veeramani
Partner
Membership No.023933
UDIN: 23023933BGVFC3602

For M/s P V A R & Associates
Chartered Accountants
FRN 005223C

CA Ruchi Agarwal
Partner
Membership No.504134
UDIN:23504134BGWTPQ8986

For M/s SARDA & PAREEK LLP
Chartered Accountants
FRN 109262W/W100673

CA Niranjn Joshi
Partner
Membership No.102789
UDIN: 23102789BGWREC1919

For M/s Gopal Sharma & Co.
Chartered Accountants
FRN 002803C

CA Abhishek Sharma
Partner
Membership No.079224
UDIN: 23079224BGTKQP5499

For M/s C R Sagdeo & Co.
Chartered Accountants
FRN 108959W

CA Sachin V Luthra
Partner
Membership No. 109127
UDIN: 23109127BGQVHS4391

For M/s NBS & Co.
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 23046940BGPTTT2512



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Standalone & Consolidated Financial Statements and Report of the Auditors

(in US Dollar)

(Conversion of financial statements in US Dollar is only for the convenience of users)

Exchange Rates used for Conversion:

1 US\$ = ₹ (INR) = 75.7925 as on March 31, 2022

1 US\$ = ₹ (INR) = 82.17 as on March 31, 2023



Independent Auditors' Report

To

The President of India /

The Members of Union Bank of India

Mumbai

Report on Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of **Union Bank of India** ('the Bank'), which comprise the Balance Sheet as at 31st March 2023, the Profit and Loss Account and the Statement of Cash Flows for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended on that date of

- i) Head Office, 20 branches, 1 Treasury Branch, 18 FGM Offices audited by us
- ii) 2691 branches audited by statutory branch auditors and
- iii) 3 overseas branches audited by local auditors.

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India (the RBI). Also incorporated in the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows are the returns from 6406 branches and offices which have not been subjected to audit. These unaudited branches account for 23.82 % of advances, 37.81% of deposits, 17.01 % of interest income and 33.86 % of interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 in the manner so required for bank and are in conformity with accounting principles generally accepted in India and:

- a. the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31st March, 2023;
- b. the Profit and Loss Account, read with the notes thereon shows a true balance of profit for the year ended on that date; and
- c. the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the financial statements in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by Reserve Bank of India ('RBI') from time to time and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of the Matter

3. We draw your attention to Note No. 15(b)(ii)(b)(iv)(a) of schedule 18 – Notes to Accounts to the standalone financial statements regarding unamortised part of additional liability on account of revision in family pension carried forward from last year amounting to \$ 18.52 crores, has been fully charged to profit and loss account during the year ended March 31, 2023. There is no unamortised expenditure in the Balance Sheet on account of additional family pension.

Our opinion is not modified in respect of these matters.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters to be communicated in our report.

Sr.	Key Audit Matter	How it was dealt with in our report
1	Income Recognition, Asset Classification (IRAC) and provisioning on Loans & Advances and Investments as per the regulatory requirements	provisioning on Loans & Advances and Investments as per the regulatory requirements
	<p>Loans & Advances and Investments are the largest class of assets forming 85.98% of the total assets as on March 31, 2023. Classification, income recognition and loss provisioning on the same are based on objective parameters as prescribed by the regulations (Reserve Bank of India's prudential norms and other guidelines). The management of the Bank relies heavily on its IT systems (including Core Banking Solution), exercise significant estimates and judgement, manual interventions, and uses services of experts (like independent valuers, Lawyers, legal experts and other professional) to determine asset classification, income recognition and provisioning for losses.</p> <p>The Bank has system based identification of non-performing assets in accordance with IRAC Norms</p>	<p>Our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances and associated impairment provisions.</p> <p>Our audit procedures included the assessment of controls over the approval, disbursements and monitoring of loans, and reviewing the logic and assumptions used in the CBS and other related IT systems for compliance of the IRAC and provisioning norms and its operating effectiveness.</p> <p>These included evaluation and understanding of following:</p> <ul style="list-style-type: none"> • Bank's internal control system in adhering to the Relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances/ investments; • System controls and manual controls over the timely recognition of non-performing assets (NPA/NPI); • Operational existence and effectiveness of controls over provisioning calculation models from the IT systems; • Overall Controls on the loan approval, disbursement and monitoring process in case of advances and controls over the purchase, sale and hold decisions making system in case of investments • We tested sample of loans/investments (in cases of branches visited by us) to assess whether they had been identified as non performing on a timely manner, income recognized and provisioning made as per IRAC norms. • We have also reviewed the reliability, effectiveness and accuracy of manual interventions, wherever it has come to our notice, on test check basis.

Sr.	Key Audit Matter	How it was dealt with in our report
		<ul style="list-style-type: none"> We have relied on the reports/returns and work done by other Statutory Branch Auditors (SBA) in cases of branches not visited by us to get an overall comfort with respect to overall compliance in accordance with SA 600 - Using the Work of Another Auditor. We have reviewed the work done by other experts like Independent valuers, Lawyers, Legal Experts and other such professionals who have rendered services to the Bank, in accordance with SA 620 Using the Work of an Auditor's Expert. Further we have also reviewed the Bank's system of monitoring potentially weak and sensitive accounts which show a sign of stress. We have also reviewed the reports and observations of the Bank's internal audit/inspection reports and observations of the concurrent auditors for the same. Verification of valuation, classification, provisioning and income recognition of investments by carrying out substantive test including arithmetic accuracy, data accuracy and control over the financial reporting system. <p>We have test checked and assessed the efficacy of the system based identification of NPA</p>
2	<p>Information Technology (IT) and controls impacting financial reporting</p> <p>In the normal course of its business, the Bank's financial accounting and reporting systems are highly dependent on the effective working of the Core Banking Solution (CBS) and other IT systems linked to the CBS or working independently. Extensive volume, variety and complexity of transactions are processed daily and there is a risk that automated accounting procedures and related internal controls may not be accurately designed and operating effectively. Particular areas of focus relate to the logic that is fed into the system, sanctity and reliability of the data, access management and segregation of duties. These underlying principles are important because they ensure that changes to applications and data are appropriate, authorized, cleansed and monitored, so that the system generates accurate and reliable reports/ returns and other financial and non-financial information that is used for the preparation and presentation of the financial statements.</p> <p>We have relied on the consistent and accurate functioning of CBS and other IT systems for the following:</p> <ul style="list-style-type: none"> Asset Classification and Income recognition as per the Reserve Bank of India guidelines; Provisioning on the advance portfolio; 	<p>Our audit procedures included verifying, testing and reviewing the design and operating effectiveness of the IT system by verifying the reports/returns and other financial and non-financial information generated from the system on a test check basis.</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> Ensuring that deficiencies noticed in our verification on test check basis were informed to the management for corrective action; Carrying out independent alternative audit procedures like substantive testing in areas where deficiencies were noticed; Analytical procedures like ratio analysis, trend analysis, reasonable tests, comparative analysis; Reliance on the work performed by the statutory branch auditors and the rectification entries (MOCs) passed based on branch audits; Reliance on external vendor inspection reports wherever made available. Reviewed the IS Audit Reports and discussed with IT Department on compliance with key IT controls.

Sr.	Key Audit Matter	How it was dealt with in our report
	<ul style="list-style-type: none"> • Identification of advances and liability items and its maturity pattern in various brackets; • Reconciliation and ageing of various suspense and sundry accounts, impersonal accounts, inter-branch balances and other such accounts; • Recording Investment transactions • Interest expense on deposits and other liabilities; 	
3	Recognition and measurement of Deferred tax	
	<p>The Bank has recognised a net deferred tax asset of \$ 10,53,881.55 (in '000) as on March 31, 2023. Besides objective estimation, recognition and measurement of deferred tax asset is based on the judgment and numerous estimates regarding the availability and visibility of profits in the future. The recent decrease in the amount of deferred tax assets presumes availability and forecasting of profits over an extended period of time thus decreasing uncertainty and the inherent risk of inappropriate recognition of the said asset.</p>	<p>Our audit procedures included the risk assessment to gain an understanding of the applicable tax laws and relevant regulations applicable to the Bank. Based on our understanding, we performed both tests of related internal key controls and substantive audit procedures with the assistance of tax specialists. We performed the following audit procedures as part of our controls testing including, but not limited to:</p> <ul style="list-style-type: none"> • Evaluation of the policies used for recognition and measurement of deferred tax assets in accordance with AS 22 Accounting for Taxes on Income; • Assessed the method, assumptions and other parameters used with reference to uniformity, management representations, consistency and continuity like budget and midterm projections prepared by the management including earning growth and applicable tax rates and tested the arithmetical accuracy • Assessed the probability of the availability and visibility of profits against which the bank will be able to use this deferred tax asset in the future.

Information Other than the Standalone Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors is responsible for the other information. The other information comprises the Highlights for the year, Directors' Report including annexures to Directors' Report, key financial ratios, Business responsibility Report and Corporate Governance report in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the standalone financial statements does not cover the Other Information and Pillar 3 disclosures under the Basel III Disclosure and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the Other Information that we obtained prior to the date of this Auditors' Report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The Bank's Board of Directors is responsible with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI to the extent applicable, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

8. We did not audit the financial statements / information of 2694 branches and offices including 3 foreign branches included in Standalone Financial Results of the Bank whose financial statements/ information reflects total assets of \$ 3,24,22,738.19 (in '000) at March 31, 2023 and total revenue of \$ 30,63,467.22 (in '000) for the year ended on that date, as considered in the Standalone Financial Results. These branches and offices cover 36.86% of advances, 58.04% of deposits and 48.89% of Non – performing assets as on 31st March 2023 and 26.39% of revenue for the year ended 31st March 2023. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, are based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

9. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;

Subject to the limitations of the audit indicated in paragraphs 5 and 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and subject also to the limitations of disclosure required therein, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
- b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
- c) The returns received from the offices and branches of the Bank have been found adequate for the purpose of our audit.

10. As required by letter No. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

- (a) In our opinion, the aforesaid standalone financial statements comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.
- (b) In our opinion there are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.
- (c) As the bank is not registered under the Companies Act, 2013 the disqualifications from being a director of the bank under sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank.
- (d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.

- (e) Our audit report on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting is given in **Annexure A** to this report. Our report expresses an unmodified opinion on the Bank's internal financial controls over financial reporting with reference to the Standalone Financial Statements as at 31st March 2023.

11. We further report that:

- a) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- b) the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
- c) the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and
- d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

CA P. M. Veeramani
Partner
Membership No.023933
UDIN: 23023933BGVFB8763

For M/s P V A R & Associates
Chartered Accountants
FRN 005223C

CA Ruchi Agarwal
Partner
Membership No. 504134
UDIN:23504134BGWTPP4106

For M/s SARDA & PAREEK LLP
Chartered Accountants
FRN 109262W/W100673

CA Niranjan Joshi
Partner
Membership No.102789
UDIN: 23102789BGWREB5291

For M/s Gopal Sharma & Co.
Chartered Accountants
FRN 002803C

CA Abhishek Sharma
Partner
Membership No. 079224
UDIN: 23079224BGTKQ02274

For M/s C R Sagdeo & Co.
Chartered Accountants
FRN 108959W

CA Sachin V. Luthra
Partner
Membership No. 109127
UDIN: 23109127BGQVHR6655

For M/s N B S & Co.
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 23046940BGPTTS7892

Place of Signature: Mumbai

Date of Report: 06.05.2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 10(a) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the "RBI") Letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the "RBI communication")

We have audited the internal financial controls over financial reporting of Union Bank of India ("the Bank") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting of the Bank's branches.

Management's Responsibility for Internal Financial Controls

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI") and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Bank's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of

management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the Other Matters paragraph below, the Bank has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

Our aforesaid report insofar as it relates to the operating effectiveness of internal financial controls over financial reporting of 2691 branches and offices is based on the corresponding reports of the respective branch auditors of those branches.

Our opinion is not modified in respect of this matter.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

For M/s SARDA & PAREEK LLP
Chartered Accountants
FRN 109262W/W100673

For M/s C R Sagdeo & Co.
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For M/s P V A R & Associates
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UDIN: 23079224BGTKQ02274

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 23046940BGPTTS7892

Place of Signature: Mumbai

Date of Report: 06.05.2023

Standalone Balance Sheet As On 31st March, 2023

(\$ in 000')

Particulars	Schedule Number	As on 31 st March 2023	As on 31 st March 2022
CAPITAL AND LIABILITIES			
Capital	1	831,781	901,771
Reserves and Surplus	2	8,701,408	8,409,986
Share Application Money			-
Deposits	3	136,024,866	136,213,034
Borrowings	4	5,249,783	6,752,528
Other Liabilities and Provisions	5	5,058,348	4,412,467
TOTAL		155,866,186	156,689,786
ASSETS			
Cash and Balances with Reserve Bank of India	6	6,115,891	6,084,057
Balances with Banks and Money at Call and Short Notice	7	7,532,698	9,682,722
Investments	8	41,292,327	45,981,778
Advances	9	92,715,767	87,212,411
Fixed Assets	10	1,074,067	948,815
Other Assets	11	7,135,437	6,780,004
		155,866,186	156,689,786
Contingent Liabilities	12	73,969,748	85,793,153
Bills for Collection		5,302,022	8,719,783
Significant Accounting Policies	17		
Notes to Accounts	18		

The Schedules referred to above form an integral part of the Standalone Balance Sheet

(PANKAJ KUMAR)
DY. GENERAL MANAGER

For and on behalf of the Board of Directors

(RAMASUBRAMANIAN S)
EXECUTIVE DIRECTOR

(ARUN KUMAR SINGH)
DIRECTOR

(LAXMAN S UPPAR)
DIRECTOR

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

(JAYADEV MADUGULA)
DIRECTOR

(A. MANIMEKHALAI)
MANAGING DIRECTOR & CEO

(SRINIVASAN VARADARAJAN)
CHAIRMAN

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

(NITESH RANJAN)
EXECUTIVE DIRECTOR

(SURAJ SRIVASTAVA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

As per our report of even date attached.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

CA P M Veeramani
Partner
Membership No.023933
UDIN: 23023933BGVFB8763

For M/s P V A R & Associates
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For M/s SARDA & PAREEK LLP
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For M/s Gopal Sharma & Co.
Chartered Accountants
FRN 002803C

CA Abhishek Sharma
Partner
Membership No.079224
UDIN: 23079224BGTKQ02274

For M/s C R Sagdeo & Co.
Chartered Accountants
FRN 108959W

CA Sachin V Luthra
Partner
Membership No. 109127
UDIN: 23109127BGQVHR6655

For M/s NBS & Co.
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 23046940BGPTTS7892

Place : MUMBAI
Date : 6th May, 2023

Standalone Profit and Loss Account For the Year Ended 31st March, 2023

(\$ in 000')

Particulars	Schedule Number	For the Year Ended 31 March, 2023	For the Year Ended 31 March, 2022
I. INCOME			
Interest Earned	13	9,826,377	8,964,469
Other Income	14	1,780,839	1,652,514
TOTAL		11,607,216	10,616,983
II. EXPENDITURE			
Interest Expended	15	5,838,870	5,298,346
Operating Expenses	16	2,669,019	2,432,704
Provision And Contingencies		2,073,006	2,195,615
TOTAL		10,580,895	9,926,665
III. PROFIT/ (LOSS) FOR THE YEAR		1,026,321	690,318
Transfer from Investment Fluctuation Reserve		70,975	-
ADD : PROFIT/(LOSS) BROUGHT FORWARD		-	-
TOTAL		1,097,296	690,318
IV. APPROPRIATIONS			
Transfer To Statutory Reserve		256,580	172,580
Transfer To Capital Reserve		11,506	161,133
Transfer To Investment Fluctuation Reserve		-	86,667
Transfer To Revenue and Other Reserves		414,151	29,730
Transfer To Special Reserve u/s Sec 36(1)(viii)		73,019	68,872
Investment Reserve Account		21,529	-
Proposed Dividend		249,535	171,336
Provision for Div On PNCPS		-	-
Dividend Tax		-	-
Balance in Profit and Loss Account		70,975	-
TOTAL		1,097,296	690,318
EARNINGS PER SHARE (BASIC AND DILUTED)	18	0.15	0.10
(FV \$ 0.1217)			
Significant Accounting Policies	17		
Notes To Accounts	18		

The Schedules referred to above form an integral part of the Standalone Profit and Loss Account

<p>(PANKAJ KUMAR) DY. GENERAL MANAGER</p>	<p>(PRAFULLA KUMAR SAMAL) CHIEF FINANCIAL OFFICER</p>
<p>For and on behalf of the Board of Directors</p>	
<p>(RAMASUBRAMANIAN S) EXECUTIVE DIRECTOR</p>	<p>(NIDHU SAXENA) EXECUTIVE DIRECTOR</p>
<p>(ARUN KUMAR SINGH) DIRECTOR</p>	<p>(NITESH RANJAN) EXECUTIVE DIRECTOR</p>
<p>(LAXMAN S UPPAR) DIRECTOR</p>	<p>(SURAJ SRIVASTAVA) DIRECTOR</p>
<p>(JAYADEV MADUGULA) DIRECTOR</p>	<p>(PRITI JAY RAO) DIRECTOR</p>
<p>(A. MANIMEKHALAI) MANAGING DIRECTOR & CEO</p>	
<p>(SRINIVASAN VARADARAJAN) CHAIRMAN</p>	

As per our report of even date attached.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

CA P M Veeramani
Partner
Membership No.023933
UDIN: 23023933BGVFB8763

For M/s P V A R & Associates
Chartered Accountants
FRN 005223C

CA Ruchi Agarwal
Partner
Membership No.504134
UDIN:23504134BGWTPP4106

For M/s SARDA & PAREEK LLP
Chartered Accountants
FRN 109262W/W100673

CA Niranjan Joshi
Partner
Membership No.102789
UDIN: 23102789BGWREB5291

For M/s Gopal Sharma & Co.
Chartered Accountants
FRN 002803C

CA Abhishek Sharma
Partner
Membership No.079224
UDIN: 23079224BGTKQ02274

For M/s C R Sagdeo & Co.
Chartered Accountants
FRN 108959W

CA Sachin V Luthra
Partner
Membership No. 109127
UDIN: 23109127BGQVHR6655

For M/s NBS & Co.
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 23046940BGPTTS7892

Schedules Forming Part Of The Standalone Balance Sheet As On 31st March, 2023

(\$ in 000')

Particulars	As on 31 March, 2023	As on 31 March, 2022
SCHEDULE 1 - CAPITAL :		
I. Authorised :		
10,00,00,00,000 Equity Shares of \$ 0.1217 each (Previous Year 10,00,00,00,000 Equity Shares of \$ 0.1217 each)	1,216,989	1,319,392
II. Issued, Subscribed, called up & Paid up :		
i. 570,66,60,850 Equity Shares of \$ 0.1217 each, held by Central Government (Previous Year 570,66,60,850 Equity Shares)	694,494	752,932
ii. 112,80,86,616 Equity Shares of \$ 0.1217 each, held by Public (Previous Year 70,01,83,505 Equity Shares)	137,287	148,839
Less: Calls unpaid	-	-
Add: Forfeited shares	-	-
TOTAL	831,781	901,771

(\$ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
SCHEDULE 2 - RESERVES & SURPLUS :				
I. Statutory Reserve :				
As per last balance sheet	1,930,124		1,822,031	
Addition during the year	106,777	2,036,900	108,094	1,930,124
II. Capital Reserve :				
i) Revaluation Reserve :				
As per last balance sheet	627,644		670,015	
Addition during the year	184,895		1,045	
Deduction during the year	66,231		43,416	
	746,309		627,644	
ii) Capital Reserve				
As per last balance sheet	777,449		638,930	
Addition during the year	11,506		138,519	
Deduction during the year	60,341		-	
	728,615		777,449	
iii) Amalgamation Adjustment Reserve	159,377	1,634,301	172,787	1,577,880
III. Share Premium :				
As per last balance sheet	2,419,920		2,369,991	
Addition during the year	-		50,601	
Deduction during the year	187,818	2,232,102	672	2,419,920
IV. Revenue and Other Reserves :				
i) Revenue Reserve :				
As per last balance sheet	1,429,857		1,319,310	
Addition during the year	333,000		126,363	
Deduction during the year	-		15,816	
Total	1,762,857		1,429,857	

(\$ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
ii) Special Reserve u/s Sec 36(1)(viii) of the Income Tax Act, 1961				
As per last balance sheet	795,577		753,369	
Addition during the year	11,272		42,208	
Total	806,849		795,577	
iii) Foreign Currency Translation Reserve				
As per last balance sheet	400		14,258	
Addition during the year	461		315	
Deduction during the year	30,331		14,172	
Total	(29,470)		400	
iv) Investment Fluctuation Reserve				
As per last balance sheet	255,456		174,982	
Addition during the year	-		80,475	
Deduction During The year	90,802		-	
	164,653		255,456	
v) Investment Reserve Account	21,529		-	
vi) Special Reserve Profit on FX Swap	712	2,727,130	772	2,482,062
vii) Balance in Profit and Loss Account		70,975		-
TOTAL		8,701,408		8,409,986

(\$ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
SCHEDULE 3 - DEPOSITS :				
A.				
I. Demand Deposits				
i) From Banks	213,788		107,306	
ii) From Others	8,789,518	9,003,306	9,478,401	9,585,707
II. Savings Bank Deposits		38,952,814		40,180,860
III. Term Deposits				
i) From Banks	2,147,167		300,654	
ii) From Others	85,921,579	88,068,746	86,145,813	86,446,467
TOTAL		136,024,866		136,213,034
B.				
i) Deposits of branches in India		134,609,893		136,174,739
ii) Deposits of branches outside India		1,414,973		38,295
TOTAL		136,024,866		136,213,034
SCHEDULE 4 - BORROWINGS :				
A) Borrowings in India				
I. Reserve Bank of India	1,628,575		1,874,724	
II. Other Banks	-		262,952	
III. Other Institutions and Agencies	281,055		394,446	
IV. Perpetual Bonds- Tier I	1,179,019		1,148,531	
V. Subordinated Bonds - Tier II	1,210,904		1,325,989	
VI. 7 Years Infra Bonds	-	4,299,553	-	5,006,642
B) Borrowings Outside India		950,230		1,745,886
TOTAL		5,249,783		6,752,528
Secured Borrowings included in (B) I above		1,692,137		1,939,895

(\$ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS :				
I. Bills Payable		322,472		354,787
II. Interest Accrued		727,670		596,814
III. Others* (Including Provisions)		4,008,206		3,460,867
TOTAL		5,058,348		4,412,467
*includes provision for Standard Assets \$ 6,79,025 (Previous Year \$8,66,414)				
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA:				
I. Cash in hand (Including Foreign Currency Notes and Gold)		345,482		498,986
II. Balances with Reserve Bank of India (a) in Current Account		5,770,409		5,585,072
(b) in Other Accounts		-		-
TOTAL		6,115,891		6,084,058
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE :				
I. Balances with banks in India				
i) Balances with Banks				
a) In Current Accounts	68,525		29,347	
b) In Other Deposit Accounts	702,616		803,182	
ii) Money at Call and short notice				
a) with Banks	6,085		-	
b) with Other Institutions	3,800,701	4,577,928	7,310,946	8,143,475
II. Outside India				
i) In Current Accounts	47,770		39,321	
ii) In other Deposit Accounts	2,907,000		1,499,925	
iii) Money at call & Short Notice	-	2,954,770	-	1,539,246
TOTAL		7,532,698		9,682,722
SCHEDULE 8 - INVESTMENTS :				
I. Investments in India				
i) Government Securities		31,672,333		34,853,554
ii) Other Approved Securities		-		-
iii) Shares		248,427		304,160
iv) Debentures and Bonds		7,685,703		9,154,350
v) Subsidiaries and joint ventures		47,318		44,676
vi) Others (Commercial Paper, Mutual Funds, Venture Capital, Security Receipt etc.)		1,284,619		1,255,148
Total		40,938,399		45,611,887
II. Investments outside India				
i) Govt. Securities (Including Local Authority)		210,427		212,447
ii) Other Investments (Bonds)		4,083		6,073
iii) Subsidiaries and Joint Ventures		139,418		151,372
Total		353,928		369,891
TOTAL		41,292,327		45,981,778

(\$ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
III. i) Investments in India				
Gross Value		41,891,232		46,423,202
Provision for Depreciation		952,834		811,315
Net Value		40,938,399		45,611,887
ii) Investments outside India				
Gross Value		357,108		374,063
Provision for Depreciation		3,180		4,172
Net Value		353,928		369,891
TOTAL		41,292,327		45,981,778

(\$ in 000')

Particulars	As on 31 March, 2023	As on 31 March, 2022
SCHEDULE 9 - ADVANCES (Net)		
A.		
i) Bills purchased and discounted	401,034	510,735
ii) Cash Credits, Overdrafts and Loans repayable on demand	42,417,529	37,983,917
iii) Term Loans	49,897,204	48,717,759
TOTAL	92,715,767	87,212,411
B.		
i) Secured by tangible assets*	75,912,509	70,514,794
ii) Covered by Bank/Government Guarantees	1,493,169	1,723,934
iii) Unsecured	15,310,089	14,973,683
TOTAL	92,715,767	87,212,410
*includes advances against book debt \$ 1,08,06,035 (previous year \$ 81,58,196)		
C. Sectorial Classification of Advances		
I. Advances in India:		
i) Priority Sector	34,788,791	34,241,376
ii) Public Sector	9,947,432	9,595,886
iii) Banks	7,710	2,942
iv) Others	45,261,648	41,406,207
TOTAL	90,005,581	85,246,410
II. Advances Outside India:		
i) Due From Banks	598,157	700,738
ii) Due from Others		
a) Bills Purchased and Discounted	4,704	15,978
b) Syndicated loans	-	7,219
c) Others	2,107,325	1,242,066
TOTAL	2,710,186	1,966,001
TOTAL	92,715,767	87,212,411

(\$ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
SCHEDULE 10 - FIXED ASSETS :				
A. TANGIBLE ASSETS				
I. Premises				
At cost/valuation as per last balance sheet	1,106,479		1,115,261	
Additions during the year	263,555		8,051	
Deduction during the year	81,739		16,833	
	1,288,296		1,106,479	
Less: Depreciation till date	457,730	830,565	386,891	719,588
II. Capital Work-in-Progress				
At cost as per last balance sheet	4,763		8,520	
Additions during the year	1,316		1,368	
Deductions during the year	3,578	2,501	5,125	4,763
III. Land				
At cost as per last balance sheet	33,570		17,038	
Additions during the year	15,016		17,267	
Deductions during the year	1,187		735	
	47,399		33,570	
Less: Depreciation till date	11,711	35,688	6,567	27,003
IV. Other Fixed Assets (including Furniture and Fixtures)				
a) Assets given on lease				
At cost as per last balance sheet	3,501		3,501	
Less: Depreciation till date	3,501	-	3,501	-
b) Others				
At cost/valuation as per last balance sheet	906,093		883,641	
Additions during the year	84,458		32,948	
Deductions during the year	15,082		10,496	
	975,468		906,093	
Less: Depreciation till date	792,654	182,814	739,914	166,179
B. INTANGIBLE ASSETS				
Computer Software				
At cost as per last balance sheet	164,859		153,503	
Additions during the year	10,683		11,513	
Deduction during the Year	14,004		157	
	161,539		164,859	
Less: Amortisation till date	139,040	22,499	133,578	31,281
TOTAL		1,074,067		948,815
SCHEDULE 11 - OTHER ASSETS :				
I. Inter-Office Adjustments (Net)		267,990		237,451
II. Interest Accrued		1,105,621		1,014,560
III. Tax Paid/ Tax deducted at source (Net of provision)		819,535		711,318
IV. Stationery and stamps		764		836
V. Non-Banking assets acquired in satisfaction of claims		16		18
VI. Others*		3,338,672		2,802,414
VII. Deferred Tax Assets (Net)		1,053,882		1,621,846
VIII. MAT Credit Entitlement		548,958		391,561
TOTAL		7,135,437		6,780,004
*Includes Deposit placed with NABARD/SIDBI/NHB amounting to \$ 12,91,907 (Previous Year \$ 12,72,634)				

(\$ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
SCHEDULE 12 - CONTINGENT LIABILITIES :				
I. Claims against the bank not acknowledged as debts		367,549		437,117
II. Liability for partly paid Investments				
III. Liability on account of outstanding Forward Exchange Contracts		50,277,821		57,571,618
IV. Guarantees given on behalf of Constituents				
a) In India	8,081,587		8,622,340	
b) Outside India	173,080	8,254,667	218,698	8,841,038
V. Acceptances, endorsements and other obligations		12,126,081		16,745,938
VI. Disputed Tax demands under appeals		2,554,336		1,817,841
VII. Amount transferred to DEAF Scheme 2014		389,294		379,601
TOTAL		73,969,748		85,793,153
Bills for Collection		5,302,022		8,719,783

Schedules forming part of the Standalone Profit & Loss Account For the year ended 31st March, 2023

(\$ in 000')

Particulars	For the Year Ended 31 March, 2023	For the Year Ended 31 March, 2022
SCHEDULE 13 - INTEREST EARNED :		
I. Interest/Discount on advances/bills	6,907,647	5,968,334
II. Income on Investments	2,598,885	2,631,242
III. Interest on balances with Reserve Bank of India & other Inter Bank Funds	257,618	282,459
IV. Others	62,227	82,434
TOTAL	9,826,377	8,964,469
SCHEDULE 14 - OTHER INCOME :		
I. Commission, Exchange and Brokerage	261,824	229,550
II. Profit on sale of investments (Net)	97,122	450,069
III. Profit on revaluation of Investments (Net)	34,702	(14,131)
IV. Profit / (Loss) on sale of land, buildings & other assets (Net)	(181)	(46)
V. Profit on exchange transactions (Net)	98,951	80,227
VI. Income earned by way of Dividends, etc from subsidiaries and/or joint ventures abroad/ in India	40	326
VII. Miscellaneous Income	1,288,380	906,518
TOTAL	1,780,839	1,652,514
SCHEDULE 15 - INTEREST EXPENDED :		
I. Interest on Deposits	5,396,134	4,941,678
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	224,277	139,327
III. Others	218,458	217,341
TOTAL	5,838,870	5,298,345
SCHEDULE 16 - OPERATING EXPENSES :		
I. Payments to and provisions for employees	1,507,814	1,334,513
II. Rent, Taxes and Lighting	129,943	141,264
III. Printing and Stationery	13,853	12,767
IV. Advertisement and Publicity	14,244	8,098
V. Depreciation on Bank's property	89,710	97,385
VI. Directors' fees, allowances and expenses	174	109
VII. Auditors' fees and expenses(including branch auditors)	8,387	8,316
VIII. Law Charges	19,828	18,585
IX. Postage, Telegrams, Telephones, etc.	39,004	41,041
X. Repairs and maintenance	43,929	43,168
XI. Insurance	186,943	169,898
XII. Other expenditure	615,190	557,560
TOTAL	2,669,019	2,432,705

Significant Accounting Policies (Standalone) : Schedule 17

1. Basis of Preparation

The financial statements have been prepared in accordance with requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by Reserve Bank of India (RBI) from time to time and the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable and practices generally prevalent in the banking industry in India.

2. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of Assets and Liabilities (including Contingent Liabilities) as of the date of the financial statements and the reported Income and Expenses during the reporting period. Management believes that the estimates wherever used in the preparation of the financial statements are prudent and reasonable. Difference between the actual results and estimates is recognized in the period in which the results are known / materialized.

3. Revenue Recognition

- 3.1. Income and Expenditure have been accounted for on accrual basis unless otherwise stated.
- 3.2. Income on Non-Performing Assets (NPAs) is recognized to the extent realized as per the prudential norms prescribed by the RBI. Income accounted for in the preceding year and remaining unrealized is derecognized in respect of assets classified as NPAs during the year.
- 3.3. Commission on Letter of Guarantee/Letter of Credit is accounted on accrual basis.
- 3.4. Exchange and brokerage earned, rent on Safe Deposit Lockers, income from Aadhaar cards, Minimum balance charges etc. are accounted for on realization basis.

3.5. Income (Other than interest) on investments in "Held to Maturity" (HTM) category acquired at discount to the face value is recognized as follows:

- 3.5.1. On interest bearing securities, it is recognized only at the time of sale/ redemption.
- 3.5.2. On Zero- coupon securities, it is accounted for over the balance tenor of the securities on a constant yield basis.
- 3.6. Dividend is accounted on an accrual basis where the right to receive the dividend is established.
- 3.7. Sale of NPAs accounted in terms of extant RBI guidelines.
- 3.8. Interest on Income-tax refunds is accounted for on receipt of Intimation order from the Income Tax Department.

4. Appropriation of Recovery :

Recoveries other than by way of OTS/NCLT shall be appropriated as under:

- 4.1. When there is no agreement between the debtor and creditor as to how monies paid by the debtor are required to be appropriated by the creditor, the order of appropriation is as under:

For Term Loans:

- Towards expenses & costs etc.
- Towards unrecovered interest reversed on the date of NPA.
- Interest held in dummy ledger (unapplied interest).
- Towards arrears of principal/EMI till the date of recovery.
- Towards running ledger balance.

For Running Accounts:

- Towards expenses & costs etc.
- Towards interest held in dummy ledger (unapplied interest) including unrecovered interest reversed at the time of NPA.
- Towards principal.

4.2. In case borrower stipulates terms of appropriation differently than above and if such different terms of appropriation is accepted by Bank then appropriation of recoveries will be as per the sanction terms.

4.3. In case of OTS & all NCLT accounts, recovery either through resolution/liquidation:

Appropriation of recovery to be done as discussed here under or as per the sanction stipulations

- Towards principal.
- Towards interest held in dummy ledger (unapplied interest) including unrecovered interest reversed at the time of NPA.
- Towards expenses & costs etc.

4.4. In case of Non-Performing Investment recovery will be apportioned as mentioned below:

- a. Towards expenses & costs etc.
- b. Towards unrecovered interest reversed on the date of NPI.
- c. Interest held in dummy ledger (unapplied interest).
- d. Towards arrears of principal/EMI till the date of recovery.
- e. Towards running ledger balance

5. Cash Flow Statements:

Cash Flow statement of the Bank is prepared as per AS-3. Cash Flow statement is mainly classified as:

- 5.1. Cash flow from Operating Activities: This activity includes cash flow generated from Operational activities.
- 5.2. Cash Flow from Investing Activities: This activity includes cash flow generated from investments.
- 5.3. Cash Flow from Financials Activities: This activity includes the cash flow generated from financial instruments.

6. Investments

6.1. In conformity with the requirements of Form A of the Third Schedule to the Banking Regulations Act, 1949, Investments are classified as under:

- 6.1.1. Government Securities
- 6.1.2. Other Approved Securities
- 6.1.3. Shares
- 6.1.4. Debentures & Bonds
- 6.1.5. Investments in Subsidiaries & Joint Ventures and
- 6.1.6. Other Investments

The Investment portfolio of the Bank is further classified in accordance with the RBI guidelines contained in Master Circular DoR.MRG.42/21.04.141 /201-22 dated August 25, 2021 (updated March 23,2022, March 31, 2022, April 08, 2022 and December 08, 2022) into three categories viz.,

- a) Held to Maturity (HTM)
 - b) Available for Sale (AFS)
 - c) Held for Trading (HFT)
- 6.2. As per RBI guidelines, the following principles have been adopted for the purpose of valuation
- 6.2.1. Securities held in "HTM" – at acquisition cost.
 - 6.2.1.1. The excess of acquisition cost over the face value is amortized over the remaining period of maturity and in case of discount; it is not recognized as income.
 - 6.2.1.2. Investments in Regional Rural Banks are valued at carrying cost.
 - 6.2.1.3. Investments in Subsidiaries and Joint Ventures are valued at carrying cost.
 - 6.2.1.4. Diminution, other than temporary, in the value of its investment in subsidiaries/joint ventures, which are included in HTM shall be provided for.
 - 6.2.2. Securities held in "AFS" and "HFT" categories
 - 6.2.2.1. Securities held in "AFS" and "HFT" categories are valued classification wise and scrip-wise and net depreciation, if any, in each classification is charged to Profit & Loss account while net appreciation, if any, is ignored.

6.2.2.2. Valuation of securities is arrived at as follows:

A	Govt. of India Securities (Central Govt. Securities)	As per Quotation put out by Financial Benchmarks India Pvt Ltd (FBIL)
B	State Development Loans, State Govt. Securities, Securities guaranteed by Central/ State Government, PSU Bonds	On appropriate yield to maturity basis as per FIMMDA Guidelines
C	Equity Shares	As per Market rates, if quoted, otherwise at break-up value, as per latest audited balance sheet (not more than 18 months old). In absence of both, at \$ 0.0122/- per company. The break-up value is computed excluding revaluation reserve.
D	Preference Shares	As per Market rates, if quoted, or on appropriate yield to maturity basis not exceeding redemption value as per FIMMDA guidelines.
E	Debentures/Bonds	As per Market rates, if quoted, otherwise on appropriate yield to maturity basis as per FIMMDA guidelines.
F	Mutual Funds(MF)	As per stock exchange quotations, if quoted. In case of unquoted units, as per latest Repurchase price declared by concerned MF. In cases where latest repurchase price is not available, as per Net Asset Value (NAV)
G	Treasury Bills / Certificate of Deposits / Commercial Papers	At carrying cost
H	Venture Capital Funds (VCF)	At declared NAV or Breakup NAV as per audited Balance Sheet which is not more than 18 months old. If NAV / audited financial statements are not available for more than 18 months continuously, at \$ 0.0122/- per VCF
I	Security Receipts	Valuation of the same will be done as per RBI Guidelines on classification, valuation and operation of Investment portfolio of commercial Banks (RBI/DOR/2021-22/81 DOR. MGR.42/21.04.141/2021-22) dated Aug 25, 2021 and as amended from time to time.

6.3. Interbank/RBI Repo and Interbank/ RBI Reverse Repo transactions are accounted for in accordance with extant RBI guidelines.

6.4. As per the extant RBI guidelines, the shifting of securities from one category to another is accounted for as follows:

6.4.1. From AFS/HFT categories to HTM category, at lower of book value or market value as on the date of shifting. Depreciation, if any, is fully provided for.

6.4.2. From HTM category to AFS/HFT category,

6.4.2.1. If the security is originally placed at discount in HTM category, at acquisition cost / book value.

6.4.2.2. If the security is originally placed at a premium, at amortized cost.

The securities so shifted are revalued immediately and resultant depreciation is fully provided for.

6.4.3. From AFS to HFT category and vice versa, at book value.

6.5. The non-performing investments are identified and depreciation / provision is made as per the extant RBI guidelines.

6.6. Profit / Loss on sale of investments & net depreciation on investment in any category are taken to the profit & loss account (net appreciation is ignored). However, in case of profit on sale of investments in "HTM" category, an equivalent amount (net of taxes and net of transfer to Statutory Reserves) is appropriated to the Capital Reserve account.

6.7. Commission, brokerage, broken period interest etc. on securities is debited / credited to Profit & Loss Account.

6.8. Brokerage and STT paid on purchase and sale of Equity is accounted to price of the deal.

6.9. The Amortization of premium on HTM Securities is computed using Straight-line Method.

6.10. The Bank is following weighted average Price (WAP) for accounting of investment portfolio.

6.11. As per the extant RBI guidelines, the Bank follows 'Settlement Date' for accounting of investments transactions.

6.12. Income from the units of Mutual Fund, Venture Capital & Security Receipt shall be recognized on Cash Basis.

6.13. Derivative Contracts

- 6.13.1. The Interest Rate Swap which hedges interest bearing Asset or Liability are accounted for in the financial statements on accrual basis except the swap designated with an Asset or Liability that is carried at market value or lower of cost or market value. Gains or losses on the termination of swaps are recognized over the shorter of the remaining contractual life of the swap or the remaining life of the Asset / Liability.
- 6.13.2. Trading swap transactions are marked to market with changes recorded in the financial statements. (profit if any, is ignored)
- 6.13.3. In the case of option contracts, guidelines issued by Foreign Exchange Dealers Association of India (FEDAI) from time to time for recognition of income, premium and discount are being followed.
- 6.13.4. Arbitrage Income earned on forex swap transactions is accounted in Profit / Loss on Exchange Transactions category.

7. Advances

- 7.1. All advances are classified under four categories:
- 7.1.1. Standard,
- 7.1.2. Sub-standard,
- 7.1.3. Doubtful and
- 7.1.4. Loss assets.

Provisions required on such advances are made as per the extant prudential norms issued by the RBI in terms of Master Circular RBI/2022-2023/15 DOR.STR. REC.4/21.04.048/2022-23 dated April 01,2022 as under:

- 7.2. Loans and Advances are classified as performing and non-performing, based on the guidelines issued by the RBI. Loan Assets become Non-Performing Assets (NPAs) where:
- 7.2.1. In respect of term loans, interest and/or instalment of principal remains overdue for a period of more than 90 days;
- 7.2.2. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e.
- 7.2.2.1. the outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days.

7.2.2.2. The outstanding balance in the CC/OD account is less than the sanctioned limit/ drawing power but there are no credits continuously for 90 days, or

7.2.2.3. the outstanding balance in the CC/OD account is less than the sanctioned limit/ drawing power but credits are not enough to cover the interest debited during the previous 90 days period.

7.2.3. In respect of bills purchased/discounted, the bill remains overdue for a period of more than 90 days;

7.2.4. In respect of agricultural advances for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons.

7.2.5. In respect of agricultural advances for long duration crops, where the principal or interest remains overdue for one crop season.

7.2.6. A working capital borrower account will become NPA if such irregular drawings are permitted in the account for a continuous period of 90 days even though the unit may be working or the borrower's financial position is satisfactory.

7.2.7. An account where the regular/ ad hoc credit limits have not been reviewed/ renewed within 180 days from the due date/ date of ad hoc sanction will be treated as NPA.

7.2.8. The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of the Reserve Bank of India (Securitization of Standard Assets) Directions, 2021

7.2.9. In respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.

7.2.10. Accounts where there is erosion in the value of security/frauds committed by borrowers

7.2.10.1. In respect of accounts where there are potential threats for recovery on account of erosion in the value of security or non-availability of security and existence of other factors such as frauds committed by borrowers it will not be prudent that such accounts should go through various stages of asset classification.

In cases of such serious credit impairment, the asset should be straightaway classified as doubtful or loss asset as appropriate.

7.2.10.2. Erosion in the value of security can be reckoned as significant when the realizable value of the security is less than 50 per cent of the value assessed by the bank or accepted by RBI at the time of last inspection, as the case may be. Such NPAs may be straightaway classified under doubtful category.

7.2.10.3. If the realizable value of the security, as assessed by the bank/ approved valuers/RBI is less than 10 per cent of the outstanding in the borrowal accounts, the existence of security should be ignored and the asset should be straightaway classified as loss asset

7.2.11. In respect of MSME accounts which will be restructured in terms of RBI Circular No DOR.No.BP.BC.34/21.04.048/2019-20 February 11, 2020 with reference to Circular No DBR.No.BP.BC.18/21.04.048/2018-19 dated 1st January, 2019 and kept in standard category, the Bank shall maintain a provision of 5% in addition to the provision already held. Reversal of said provision shall be made in accordance with the said circular.

7.2.12. In terms of RBI guidelines relating to 'Covid 19 Regulatory Package' on Asset Classification and Provisioning RBI has issued circular no.DOR.No.BP.BC/3/21.04.048/2020-21 & circular no. DOR.No.BP.BC/4/21.04.048/2020-21 dated 06th August, 2020, DoR.STR.REC.12/21.04.048/2021-22 & DoR.STR.REC.11/21.04.048/2021-22 dated May 05th, 2021 with reference to restructuring of Corporate & Retail Loan, Bank shall maintain necessary provision in this regard.

7.3. NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

7.3.1. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months,

7.3.2. Doubtful: A loan asset that has remained in the sub-standard category for a period exceeding 12 months,

7.3.3. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

7.4. Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

Sub-Standard Assets:	<ul style="list-style-type: none"> i. A general of 15% of the total outstanding ii. Additional provision of 10% for exposures which are unsecured ab-initio; iii. However, Unsecured Exposure, ab-initio, in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available - 20% (instead of 25% as stated above)
Doubtful-Secured Portion	<ul style="list-style-type: none"> i. Up to one year – 25% ii. One to three years – 40% iii. More than three years – 100%
Doubtful Unsecured Portion	100%
Loss Asset	100%

7.5. Advances are stated net of specific loan loss provisions, Counter cyclical provisioning buffer and unrecovered interest held in Sundry /claims received from Credit Guarantee Trust Fund (CGTF) / Export Credit Guarantee Corporation (ECGC) relating to non-performing assets.

7.6. In respect of foreign offices, classification of loans and advances and provisions for NPAs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.

7.7. For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loan before and after restructuring is provided for, in addition to provision for NPAs.

7.8. In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.

7.9. Amounts recovered against debts written off are recognized as revenue in the year of recovery.

7.10. The general provision on Standard Advances is held in "Other Liabilities and Provisions" reflected in schedule 5 of the Balance Sheet and is not considered for arriving at both net NPAs and

net advances. Standard Assets provision to be made as per IRAC RBI/2022-2023/15 DOR.STR. REC.4/21.04.048/2022-23 dated April 01,2022 and any subsequent circular issued from time to time.

7.11. Provision on Suspense accounts entries outstanding for more than six months are made at 100% except the claim receivable from Govt./ Govt. Bodies like Interest Subsidy on crop loan/ export advance, Pension receivable etc.

8. Property, Plant and Equipment

8.1. Premises and Other Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, eligible borrowing costs and directly attributable costs of bringing the Asset to its working condition for the intended use less trade discounts and rebates. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functional capability. Land and Buildings, if revalued are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve and the depreciation provided thereon is deducted there from and shall be credited to Revenue Reserves in terms of revised AS-10 on "Property, Plant and Equipment".

8.2. Depreciation on Fixed Assets is provided for on the Straight-Line Method at the rates prescribed in Expenditure Policy of the Bank from time to time.

The applicable rates of depreciation are as under:

S. No.	Capital Asset	Useful Life (Years)	Rate in percentage
1	Immovable Property-Land	Not stipulated; accordingly, no depreciation	NIL
2	Building with RCC frame structure (Both Residential & Non-residential)	60	1.67
3	Furniture	10	10.00
4	Fixtures	10	10.00
5	Air-conditioning plants (Package & water/air cooled ductable)	10	10.00

S. No.	Capital Asset	Useful Life (Years)	Rate in percentage
6	Split & Window Air conditioners	5	20.00
7	Electrical installation and equipments	5	20.00
8	Solar Power Equipment	15	6.67
9	Elevators & Lifts	15	6.67
10	Civil & Flooring work in leased Premises	5	20.00
11	Telephone Equipment	5	20.00
12	Motorcycles, Scooters & other mopeds	10	10.00
13	Motor Cars, Motor Lorries and Electrically operated vehicles including battery powered or fuel cell powered vehicles	8	12.50
14	Mobile Phones	3	33.33
15	Generators	15	6.67
16	Office Equipment/ Appliances,	5	20.00
17	Computers & computer software forming integral part of hardware	3	33.33
18	ATM & allied items	5	20.00
19	UPS & allied items	5	20.00
20	Servers & Networks	6	16.66
21	End user devices such as desktops, laptops, i-pads, tablets, printer & Scanner, digital watches etc.	3	33.33
22.	SDV lockers, Strong Room door, Cash Safe etc. (Along with Fixtures).	20	5.00
23.	Items provided to staff (Furniture/ Electrical and etc.)	5	20.00

8.3. Depreciation on premises is provided on composite cost, wherever the value of Land and Buildings is not separately identifiable.

8.4. Depreciation on Leased assets and Leasehold improvements is recognized on a straight-line

basis using rates determined with reference to the primary period of lease.

9. Impairment of Assets

Impairment losses (if any) on Fixed Assets (including revalued assets) are recognised in accordance with AS-28 on "Impairment of Assets" issued by the ICAI and charged off to Profit and Loss Account. The carrying costs of assets are reviewed at each Balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying cost of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying cost of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

10. Counter Cyclical Provisioning Buffer

The Bank has a policy of creation and utilization of Counter Cyclical Provisioning Buffer separately for Advances and Investments. The quantum of provision to be created is assessed at the end of each financial year. The counter Cyclical Provisions are utilized only for contingencies under extra ordinary circumstances specified in the policy with prior permission of the RBI.

11. Transactions involving Foreign Exchange

Accounting for transactions involving foreign exchange is done in accordance with AS-11 on "The Effects of Changes in Foreign Exchange Rates", issued by the ICAI. In terms of AS-11, the foreign currency operations of the Bank are classified as a) Integral Operations and b) Non Integral Operations.

All overseas branches, offshore banking units, overseas subsidiaries are treated as non- integral operations and domestic operations in foreign exchange and representative offices are treated as integral operations.

Accounting for Integral operations:

- 11.1. Monetary and Non- Monetary Assets and Liabilities are revalued at the exchange rates notified by FEDAI at the close of the year and resultant gain / loss is recognized in the Profit & Loss Account.
- 11.2. Income & Expenditure items are recognized at the exchange rates prevailing on the date of the transaction.
- 11.3. Forward exchange contracts are recorded at the exchange rate prevailing on the date of commitment. Outstanding forward exchange contracts are revalued at the exchange rates notified by FEDAI for specified maturities and at interpolated rates for contracts of 'in-between' maturities. The resultant gains or losses are recognized in the Profit & Loss account.
- 11.4. Contingent liabilities on account of guarantees, acceptances, endorsements and other obligations are stated at the exchange rates notified by FEDAI at the close of the year.

12. Accounting for Non-Integral operations

- 12.1. Revenue Recognition
Income and Expenditure are recognized / accounted for as per the local laws of the respective countries.
- 12.2. Asset Classification and Loan Loss Provisioning
Asset classification and loan loss provisioning are made as per the local laws of the respective countries or as per RBI guidelines whichever is higher.
- 12.3. Fixed Assets and Depreciation
 - 12.3.1. Fixed Assets are accounted for at historical cost.
 - 12.3.2. Depreciation on Fixed Assets is provided as per the applicable laws of the respective countries.
- 12.4. Assets and Liabilities (monetary and non-monetary as well as Contingent Liabilities) are translated at the closing rates notified by FEDAI at the close of the year.
- 12.5. Income & Expenditure are translated at the quarterly average closing rates notified by FEDAI at the end of respective quarters.

12.6. All resulting exchange differences are accumulated in 'Foreign Currency Translation Reserve'.

13. Employee Benefits:

13.1. Short Term Employment Benefits:

The undiscounted amounts of short-term employee benefits (e.g. medical benefits) payable wholly within twelve months of rendering the services are treated as short term and recognized during the period in which the employee rendered the service.

13.2. Long term Employee Benefits:

13.2.1. Defined Contribution Plans:

The Bank operates a new pension scheme (NPS) for all officers/employees joining the Bank on or after 1st April, 2010, which is a defined contribution plan, such new joiners not being entitled to become members of the existing Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with 14% of their basic pay plus dearness allowance as contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions retained with the Bank. The Bank recognizes such annual contributions in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS trust.

13.2.2. Defined Benefit Plan:

Gratuity, Pension and Leave Encashment are defined benefits plans. These are provided for on the basis of an actuarial valuation as per Accounting Standard-15 "Employee Benefit" issued by the Institute of Chartered Accountants of India, made at the end of each financial year, based on the projected unit credit method. Actuarial gains/losses are immediately taken to the Profit & Loss account.

14. Segment Reporting

The Bank recognizes the Business segment as the Primary reporting segment and Geographical segment as the Secondary reporting segment, in accordance with the RBI guidelines and in the compliances with the Accounting Standard-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India. Business segments are classified into

14.1. Treasury Operations,

14.2. Corporate and Wholesale Banking,

14.3. Retail Banking Operations and

(w/w Digital Banking Segment as and when applicable)

14.4. Other Banking Operations.

15. Lease Transactions

Lease payments for Assets taken on operating lease recognized as an expense in the profit and loss account on a straight-line basis over the lease term.

16. Earnings per Share

The Bank reports the basic and diluted Earnings per Share in accordance with AS 20. Earnings per Share is calculated by dividing the net Profit or Loss (after tax) for the year attributable to the Equity shareholders by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if contracts to issue Equity shares were exercised or converted during the year. Diluted earnings per Equity share is calculated by using the weighted average number of Equity shares and dilutive potential Equity shares outstanding as at the year-end.

17. Taxation:

This comprises of provision for Income tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) as determined in accordance with AS-22 on "Accounting for taxes on Income" issued by the ICAI. Provision for Tax is made for both current and deferred taxes. Current tax is provided on the taxable income using applicable tax rate. Deferred Tax Assets and Deferred Tax Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and the tax laws that have been enacted or substantively enacted till the date of the Balance Sheet. Deferred Tax Assets are not recognized unless there is 'reasonable certainty' that sufficient future taxable income will be available against which such Deferred Tax Assets will be realized. In case of carry forward of unabsorbed depreciation and tax losses, Deferred Tax Assets are recognized only if there is "virtual certainty".

18. Provisions, Contingent Liabilities and Contingent Assets

In terms of AS 29-Provisions, Contingent Liabilities and Contingent Assets issued by the ICAI, the Bank recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may not be realized.

19. Share Issue Expenses:

Share Issue expenses are charged to the Share Premium account in terms of Section 52 of the Companies Act, 2013.

20. Consolidation of the Accounts:

Bank is having five subsidiaries i.e. Union Asset Management Company Private Limited, Union Trustee Company Private Limited, Union Bank of India (UK) Limited, Andhra Bank Financial Services Limited and UBI Services Ltd.

Bank is having three Joint Ventures i.e. Star Union Dai-ichi Life Insurance Company Ltd., ASREC (India) Ltd. and India International Bank (Malaysia) Berhad.

Bank is having one associate Chaitanya Godavari Grameen Bank.

The consolidated financial statements are prepared on the basis of:

- 20.1. Audited Accounts of the parent bank (Union Bank of India)
- 20.2. Consolidation of Subsidiaries: Line by Line aggregation of the Income/Expenditure/ Assets/Liabilities of the subsidiaries with the respective line item of the parent bank, after eliminating all intra-group transactions, unrealized profits/loss in terms of AS 21 on Consolidated Financial Statements issued by Institute of Chartered Accountants of India (ICAI).
- 20.3. Consolidation of Associates: The Investment in Associate is accounted for consolidation as per Equity Method in terms of AS 23 on Accounting for Investments in Associates in Consolidated Financial Statement issued by Institute of Chartered Accountants of India (ICAI).
- 20.4. Consolidation of Joint Ventures: Line by Line consolidation is done with proportionate share in Joint Venture in terms of AS-27 on Financials Reporting in Interest of Joint Venture issued by Institute of Chartered Accountants of India (ICAI).

SCHEDULE 18 – NOTES TO ACCOUNTS (STANDALONE):**DISCLOSURES IN TERMS OF THE RESERVE BANK OF INDIA GUIDELINES****1. REGULATORY CAPITAL**

The Bank is subjected to Basel III capital adequacy guidelines stipulated by RBI with effect from April 1, 2013. The guidelines provide a transition schedule for Basel III implementation till Oct. 1, 2021. As per RBI Guidelines, Basel III has been completely implemented from Oct. 1, 2021. As per guidelines, the Tier I capital is made up of Common Equity Tier I (CET I) and Additional Tier I Capital (AT 1).

Basel III guidelines require the Bank to maintain minimum capital to Risk Weighted Assets ratio (CRAR) of 11.50% with minimum CET I of 8.00% and minimum Tier I CRAR of 9.50% (both inclusive of Capital Conservation Buffer of 2.50%) as at March 31, 2023.

During the year, the Bank has issued Basel III compliant Tier-2 bonds of \$ 26.77 Crore & additional Tier-1 Bonds of \$ 24.13 crore in tranches and exercised call option for redemption of Basel III compliant Tier-2 bonds of \$ 27.99 crore & additional Tier-1 Bonds of \$ 12.17 crore.

a) Composition of Regulatory Capital:

		(\$ in crore)	
Sr. No	Particulars	31.03.2023	31.03.2022
i.	Common Equity Tier 1 capital (CET 1) (net of deductions, if any)	870.05	765.89
ii.	Additional Tier 1 capital	109.36	112.67
iii.	Tier 1 capital (i + ii)	979.41	878.57
iv.	Tier 2 capital	149.70	167.46
v.	Total capital (Tier 1+Tier 2)	1129.10	1046.03
vi.	Total Risk Weighted Assets (RWAs)	7039.73	7202.86
vii.	CET 1 Ratio (CET 1 as a percentage of RWAs)	12.36	10.63
viii.	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	13.91	12.20
ix.	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.13	2.32
x.	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	16.04	14.52
xi.	Leverage Ratio	5.73	5.17
xii.	Percentage of the shareholding of a) Government of India b) State Government (specify name) c) Sponsor Bank	83.49 -- --	83.49 -- --
xiii.	Amount of paid-up equity capital raised during the year	--	19.09
xiv.	Amount of non-equity Tier 1 capital raised during the year, of which: a) Basel III compliant Perpetual Non-Cumulative Preference Shares b) Basel III compliant Perpetual Debt Instruments	-- 24.13	-- 65.97
xv.	Amount of Tier 2 capital raised during the year, of which a) Perpetual Cumulative Preference Shares b) Redeemable Non-Cumulative Preference Shares c) Basel III compliant Redeemable Non-convertible Tier 2 Bonds	-- -- 26.77	-- -- 26.39

b) Draw down from Reserves:

During the year 2022-23, the Bank has not drawn any amount from other reserves towards unamortized of Frauds. However, Bank has drawn \$ 7.10 Crore from Investment Fluctuation Reserve.

2. ASSET LIABILITY MANAGEMENT

a) Maturity pattern of certain items of assets and liabilities

Current Year 2022-23

(\$ in crore)

	Day 1	2-7 DAYS	8-14 DAYS	15-30 DAYS	31 days-2 months	>2-3 months	>3-6 months	>6 months-1 year	>1-3 years	>3-5 years	> 5 years	TOTAL
Deposits	203.47	303.00	213.97	187.25	332.13	568.10	1007.32	1988.98	1962.69	976.08	5859.49	13602.49
Advances	239.91	378.82	291.06	599.06	221.93	388.18	618.86	657.21	4095.27	575.99	1205.28	9271.58
Investments	1064.49	130.38	10.81	36.43	67.01	210.84	69.50	100.05	837.56	213.66	1388.51	4129.23
Borrowings	11.72	101.42	49.72	24.29	6.97	3.10	25.84	43.93	28.12	24.29	205.57	524.98
Foreign Currency assets	64.71	71.11	12.37	132.84	45.61	39.67	158.64	65.76	144.98	113.99	2.28	851.97
Foreign Currency liabilities	60.66	18.90	12.15	33.08	35.87	56.55	42.33	43.64	107.00	73.50	3.83	487.52

Previous year 2021-22

(\$ in crore)

	Day 1	2-7 DAYS	8-14 DAYS	15-30 DAYS	31 days-2 months	>2-3 months	>3-6 months	>6 months-1 year	>1-3 years	>3-5 years	> 5 years	TOTAL
Deposits	168.23	297.76	204.58	319.61	416.83	450.06	1029.06	1940.26	1594.46	1136.96	6063.49	13621.30
Advances	79.68	148.44	125.13	289.11	62.13	233.85	452.90	827.77	3935.69	941.12	1625.42	8721.24
Investments	1905.30	240.12	23.07	67.76	19.02	301.61	349.69	340.82	178.18	270.41	902.21	4598.18
Borrowings	10.60	10.27	7.95	14.95	10.97	14.58	22.61	74.46	259.61	48.50	200.75	675.25
Foreign currency assets	64.66	36.91	39.08	30.86	47.96	78.84	62.96	71.70	134.18	98.29	0.36	665.80
Foreign currency liabilities	38.55	12.24	21.62	21.78	21.93	43.22	44.80	74.39	83.42	85.66	3.50	451.11

b) Liquidity Coverage Ratio (LCR)

LCR aims to ensure that a bank maintains an adequate level of unencumbered High-Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30-calendar day time horizon under a significantly severe liquidity stress scenario specified by RBI.

LCR is the ratio of HQLA to Net Cash Outflow.

$$LCR = \frac{HQLA}{\text{Net Cash Outflows over 30 days}}$$

High Quality Liquid Assets (HQLA):

Liquid assets comprise of high-quality assets that can be readily sold or used as collateral to obtain funds in a range of stress scenarios. They should be unencumbered i.e. without legal, regulatory or operational impediments. Assets are considered to be high quality liquid assets if they can be easily and immediately converted into cash at little or no loss of value. HQLA is categorized into two : a) Level 1 Assets, and b) Level 2 Assets. Level 2 Assets are further sub divided into Level 2A Assets & Level 2B Assets based on Liquidity & Price Volatility.

Minimum requirement of LCR as stipulated by RBI is 100% for the calendar year 2019 onwards. LCR is applicable to bank's domestic operations as well as overseas operations.

Level 1 assets are stock of HQLA without any haircut. Level 1 Assets mainly comprise Cash including excess Cash Reserve Ratio (CRR), Excess SLR (Statutory Liquidity Ratio), Marginal Standing Facility (2% of Net Demand and Time Liability w.e.f. 01st January 2022) & FALLCR (16.00% of Net Demand and Time Liability).

A haircut of 15% is applied on current market value of Level 2A asset. Level 2A assets mainly comprise of securities with 20% risk weight. A 50% haircut is applied on current market value of Level 2B asset. Level 2B assets should not be more than 15% of the total stock of HQLA. Level 2B assets mainly comprise Securities with risk weights higher than 20% but not higher than 50%.

Net Cash Outflows

The total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows. In order to determine cash outflows, the Bank, in terms of RBI guidelines, segregates its deposits into various customer segments, viz Retail (which include deposits from Natural Persons), Small Business Customers (those with total aggregated funding upto \$ 0.09 crore) and deposits from Non Financial Customers (NFC) and Other Legal Entity Customers (OLE). Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in, up to an aggregate cap of 75% of total expected cash outflows.

Brief about LCR of the Bank

The entities covered are Union Bank of India Ltd. And Union Bank of India UK Ltd. The Bank during the three months ended 31st March 2023 maintained average HQLA of \$ 3,290.51 crores. Level 1 assets are the main drivers of HQLA for the bank. They contribute to 97% of the total stock of HQLA. Based on daily averages for the quarter ended 31st March 2023, Facility to avail Liquidity for Liquidity Coverage Ratio constitutes the highest portion to HQLA i.e. around 64% of the total HQLA. Level 2 assets which are lower in quality as compared to Level 1 assets, constitute 3% of the total stock of HQLA against maximum permissible level of 40%.

Bank's exposure is mainly in Indian Rupee. Unsecured wholesale funding constitute major portion of total funding sources. Retail deposits and deposits from small business customers contributed around 22% and 4% of the total weighted cash outflows, respectively. Deposits from non-financial corporates contributed around 43% of the total weighted cash outflows. The other contingent funding obligations primarily include bank guarantees (BGs) and letters of credit (LCs) issued on behalf of the Bank's clients. Inflows by various counterparties contribute around 77% of the total weighted cash inflows.

Bank has calculated LCR for all working days over the March 2023 quarter. The average of the daily observation of 66 data points is calculated. The average LCR for the quarter ended 31st March 2023 is 167.42% as against 157.20% for the quarter ended December 2022, and is well above the present minimum requirement prescribed by RBI of 100% for the calendar year 2023.

Movement of Average LCR during Financial Year 2022-23

Quarter	June 2022	September 2022	December 2022	March 2023	FY 2022-23
LCR Ratio	177.23	176.29	157.20	167.42	169.45

Quantitative Disclosure (Quarter wise)

	March 2022 Quarter		June 2022 Quarter		September 2022 quarter		December 2022 quarter		March 2023 quarter	
	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
High Quality Liquid Assets										
1 Total High Quality Liquid Assets (HQLA)	3,697.33	3,663.36	3,619.93	3,589.50	3,353.57	3,325.67	3,080.63	3,055.38	3,314.66	3,290.51
Cash Outflows										
2 Retail deposits and deposits from small business customers, of which:										
(i) Stable deposits	8,105.49	621.69	7,926.05	609.84	7,768.68	598.83	7,689.74	593.29	7,872.33	607.07
(ii) Less stable deposits	3,777.25	188.86	3,655.24	182.76	3,560.85	178.04	3,513.61	175.68	3,603.17	180.16
	4,328.23	432.82	4,270.81	427.08	4,207.83	420.78	4,176.13	417.61	4,269.16	426.92
3 Unsecured wholesale funding, of which:	2,646.68	1,340.77	2,611.69	1,309.07	2,463.07	1,248.88	2,602.98	1,334.14	2,964.22	1,469.17
(i) Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Non-operational deposits (all counterparties)	2,646.68	1,340.77	2,611.69	1,309.07	2,463.07	1,248.88	2,602.98	1,334.14	2,964.22	1,469.17
(iii) Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4 Secured wholesale funding	5.57	0.10	45.84	0.12	15.50	0.02	48.11	0.00	44.58	0.00
5 Additional requirements, of which	1,751.33	285.69	1,820.48	289.34	1,694.00	252.41	1,634.42	229.34	1,604.10	182.95
(i) Outflows related to derivative exposures and other collateral requirements	0.36	0.36	0.26	0.26	0.55	0.55	0.92	0.92	0.96	0.96
(ii) Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Credit and liquidity facilities	1,750.97	285.33	1,820.22	289.08	1,693.45	251.86	1,633.50	228.42	1,603.14	181.99
6 Other contractual funding obligations	42.24	42.24	46.98	46.98	44.51	44.51	35.92	35.92	43.93	43.93
7 Other contingent funding obligations	1,187.85	35.64	1,100.94	33.03	1,086.20	32.59	1,066.22	31.99	1,111.17	33.34
8 TOTAL CASH OUTFLOWS	13,739.16	2,326.14	13,551.98	2,288.38	13,071.96	2,177.23	13,077.38	2,224.67	13,640.34	2,336.45
Cash inflows										
9 Secured lending (e.g reverse repos)	477.30	0.00	238.51	0.00	28.31	0.00	14.71	0.00	49.94	0.00
10 Inflows from fully performing exposures	243.53	177.98	274.58	207.01	305.76	219.70	312.69	221.41	393.43	286.81
11 Other cash inflows	59.36	59.36	56.06	56.06	71.09	71.09	59.69	59.69	84.18	84.18
12 TOTAL CASH INFLOWS	780.19	237.34	569.15	263.06	405.16	290.79	387.09	281.11	527.55	370.99
13 TOTAL HQLA		3,663.36		3,589.50		3,325.67		3,055.38		3,290.51
14 TOTAL NET CASH OUTFLOWS		2,088.79		2,025.32		1,886.44		1,943.57		1,965.46
15 LIQUIDITY COVERAGE RATIO (%)		175.38%		177.23%		176.29%		157.20%		167.42%

c) Net Stable Funding ratio (NSFR)**i) Qualitative Disclosure:**

The objective of the Net Stable Funding Ratio (NSFR) is to promote the resilience of bank's liquidity risk profiles and to incentivize a more resilient banking sector over a longer time horizon. The NSFR will require banks to maintain a stable funding profile in the form of Capital & liabilities in relation to the composition of their assets and off-balance sheet activities.

NSFR is defined as the amount of available stable funding relative to the amount of required stable funding.

$$\text{NSFR} = \frac{\text{Available Stable Funding (ASF)}}{\text{Required Stable Funding (RSF)}}$$

RBI issued the regulations on the implementation of the Net Stable Funding Ratio in May 2018 with minimum requirement of equal to at least 100%. The implementation is effective from 1st October, 2021. NSFR is applicable to Bank's domestic operations as well as overseas operations and computed at standalone and consolidated level.

Available Stable Funding (ASF) is defined as the portion of capital and liabilities expected to be reliable which is determined by various factor weights according to the nature and maturity of liabilities with liabilities having maturity of 1 year or more receiving 100 weight.

Required Stable Funding (RSF) is defined as the portion of on balance sheet and off-balance sheet exposures which requires to be funded on an ongoing basis. The amount of such stable funding required is a function of the liquidity characteristics and residual maturities of the various assets held.

Brief about NSFR of the Bank

The entities covered are Union Bank of India Ltd. And Union Bank of India UK Ltd. The main drivers of the Available Stable Funding (ASF) are the capital base, retail deposit base, and funding from non-financial companies and long-term funding from institutional clients. The capital base formed around 10%, retail deposits (including deposits from small sized business customers) formed 69% and wholesale funding formed 21% of the total Available Stable Funding, after applying the relevant weights.

The Required Stable Funding primarily comprised lending to corporates, retail clients and financial institutions which constituted 85% of the total RSF after applying the relevant weights. The stock of High-Quality Liquid Assets which majorly includes cash and reserve balances with the RBI, government debt issuances attracted no or low amount of stable funding due to their high quality and liquid characteristic. Accordingly, the HQLA constituted only 2% of the Required Stable Funding after applying the relevant weights. Other assets and Contingent funding obligations, such as committed credit facilities, guarantees and letters of credit constituted 13% of the Required Stable Funding.

Bank has maintained comfortable stable funding buffers with Available Stable Funding at consolidated level of \$ 11,468.89 Crores against \$ 8235.01 Crores of Required Stable Funding, resulting in a consolidated NSFR of 139.27% as on 31st March, 2023.

ii) Quantitative Disclosure:

NSFR Disclosure Consolidated, March, 2023

(\$ in crore)

Sr. No.	Details	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	894.15	0.00	24.34	225.94	1120.09
2	Regulatory capital	894.15	0.00	0.00	11.29	905.44
3	Other capital instruments	0.00	0.00	24.34	214.65	214.65
4	Retail deposits and deposits from small business customers: (5+6)	3969.36	1384.67	3171.75	30.91	7870.30
5	Stable deposits	498.90	363.07	2462.06	22.76	3180.59
6	Less stable deposits	3470.46	1021.60	709.68	8.15	4689.72
7	Wholesale funding: (8+9)	909.69	1880.61	2110.00	181.71	2435.17
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	909.69	1880.61	2110.00	181.71	2435.17
10	Other liabilities: (11+12)	572.30	223.06	19.59	43.33	43.33
11	NSFR derivative liabilities	0.40	0.00	0.00	0.00	0.00
12	All other liabilities and equity not included in the above categories	571.90	223.06	19.59	43.33	43.33
13	Total ASF (1+4+7+10)					11468.90
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					193.09
15	Deposits held at other financial institutions for operational purposes	0.66	0.00	0.00	0.00	0.32
16	Performing loans and securities: (17+18+19+21+23)	16.19	1875.31	752.41	7739.02	7011.24
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	988.38	185.06	239.90	415.49
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0.00	822.89	482.99	6164.32	5584.77
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.00	0.00	0.00
21	Performing residential mortgages, of which:	0.00	0.76	2.27	979.63	638.27
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.76	2.27	979.63	638.27
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	16.19	63.28	82.09	355.16	372.71
24	Other assets: (sum of rows 25 to 29)	802.04	175.35	0.00	15.35	918.50
25	Physical traded commodities, including gold	0.00				0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		37.01	0.00	0.00	31.46
27	NSFR derivative assets		0.00	0.00	0.00	0.00
28	NSFR derivative liabilities before deduction of variation margin posted		0.99	0.00	0.00	0.99
29	All other assets not included in the above categories	802.04	137.36	0.00	15.35	886.06
30	Off-balance sheet items		2700.15	0.00	0.00	111.85
31	Total RSF (14+15+16+24+30)					8235.02
32	Net Stable Funding Ratio (%)					139.27%

NSFR Disclosure Template-Consolidated, March, 2022

(\$ in crore)

Sr. No.	Details	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	869.03	6.60	36.94	215.30	1,084.32
2	Regulatory capital	869.03	0.00	0.00	11.38	880.41
3	Other capital instruments	0.00	6.60	36.94	203.91	203.91
4	Retail deposits and deposits from small business customers: (5+6)	4,037.54	1,627.83	1,480.74	1,569.39	8,126.20
5	Stable deposits	2,074.14	219.59	212.32	263.29	2,644.04
6	Less stable deposits	1,963.40	1,408.25	1,268.42	1,306.10	5,482.16
7	Wholesale funding: (8+9)	939.91	2,008.63	1,380.36	605.33	2,481.28
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	939.91	2,008.63	1,380.36	605.33	2,481.28
10	Other liabilities: (11+12)	505.55	91.93	63.90	271.97	271.97
11	NSFR derivative liabilities	0.00	0.00	0.00	0.00	0.00
12	All other liabilities and equity not included in the above categories	505.55	91.93	63.90	271.97	271.97
13	Total ASF (1+4+7+10)					11,963.78
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					209.43
15	Deposits held at other financial institutions for operational purposes	0.52	0.00	0.00	0.00	0.26
16	Performing loans and securities: (17+18+19+21+23)	29.54	2,264.59	482.05	7,367.93	6,676.04
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	1,282.00	16.54	324.06	375.32
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0.00	934.81	377.35	5,619.33	5,134.42
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	536.08	49.04	1,486.74	1,258.94
21	Performing residential mortgages, of which:	0.00	0.70	1.69	787.78	513.25
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.70	1.69	787.78	513.25
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	29.54	47.07	86.47	636.75	653.04
24	Other assets: (sum of rows 25 to 29)	1,037.04	156.06	0.00	26.34	1,152.87
25	Physical traded commodities, including gold	0.00				0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		26.55	0.00	0.00	22.57
27	NSFR derivative assets		2.29	0.00	0.00	2.29
28	NSFR derivative liabilities before deduction of variation margin posted		1.15	0.00	0.00	1.15
29	All other assets not included in the above categories	1,037.04	126.07	0.00	26.34	1,126.86
30	Off-balance sheet items		1,545.07	0.00	0.00	77.25
31	Total RSF (14+15+16+24+30)					8,115.84
32	Net Stable Funding Ratio (%)					147.41%

3. INVESTMENTS

a) Composition of investment portfolio

As at 31.03.2023

	Investments in India										Investments outside India			Total Investments
	Investments in India										Investments outside India			
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India			
Held to maturity														
Gross	2,703.24	0.00	0.00	634.80	4.79	48.66	3,391.49	0.00	13.98	0.00	13.98	3,405.48		
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	(2.43)	(0.06)	0.00	(2.49)	0.00	(0.04)	0.00	(0.04)	(2.53)		
Net	2,703.24	0.00	0.00	632.37	4.73	48.66	3,389.00	0.00	13.94	0.00	13.95	3,402.95		
Available for Sale														
Gross	460.00	0.00	60.94	162.94	0.00	109.46	793.35	21.17	0.00	0.55	21.73	815.07		
Less: Provision for depreciation & NPI	0.00	0.00	(36.10)	(27.03)	0.00	(29.66)	(92.79)	(0.13)	0.00	(0.15)	(0.28)	(93.07)		
Net	460.00	0.00	24.84	135.91	0.00	79.80	700.56	21.04	0.00	0.40	21.45	722.00		
Held for trading														
Gross	3.99	0.00	0.00	0.29	0.00	0.00	4.28	0.00	0.00	0.00	0.00	4.28		
Less: Provision for depreciation & NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Net	3.99	0.00	0.00	0.29	0.00	0.00	4.28	0.00	0.00	0.00	0.00	4.28		
Total Investments														
Total Investments	3,167.23	0.00	60.94	798.03	4.79	158.12	4,189.12	21.17	13.98	0.56	35.71	4,224.83		
Less: Provision for NPI	0.00	0.00	0.00	(2.43)	(0.06)	0.00	(2.49)	0.00	(0.04)	0.00	(0.04)	(2.53)		
Less: Provision for depreciation & NPI	0.00	0.00	(36.10)	(27.03)	0.00	(29.66)	(92.79)	(0.13)	0.00	(0.15)	(0.28)	(93.07)		
Net	3,167.23	0.00	24.84	768.57	4.73	128.46	4,093.84	21.04	13.94	0.41	35.39	4,129.23		

Note:

1. Provision provided in Subsidiaries and/or Joint Venture (in India & outside India) is on account of Standard MTM and not NPI.
2. Provision for Non-performing investments includes only Held to Maturity Category.
3. Provision for depreciation and NPI includes Available for sale and Held for Trading Category.

(\$ in crore)

As at 31.03.2022

	Investments in India							Investments outside India				Total Investments	
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total investments outside India		
Held to maturity													
Gross	2628.73	-	0.79	748.92	4.53	4.58	3387.55	--	15.16	0.01	15.16	3402.71	
Less: Provision for non-performing investments (NPI)	-	-	-	(1.06)	(0.07)	-	(1.12)	--	(0.02)	-	(0.02)	(1.14)	
Net	2628.73	-	0.79	747.86	4.47	4.58	3386.43	--	15.14	0.01	15.14	3401.57	
Available for sale	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Gross	862.11	-	67.10	187.12	-	143.93	1260.25	21.64	-	0.60	22.25	1282.50	
Less: Provision for depreciation & NPI	-	-	(37.47)	(19.55)	-	(22.99)	(80.01)	(0.40)	-	-	(0.40)	(80.41)	
Net	862.11	-	29.63	167.57	-	120.94	1180.24	21.24	-	0.60	21.85	1202.09	
Held for trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Gross	(5.48)	-	-	-	-	-	(5.48)	--	-	-	-	(5.48)	
Less: Provision for depreciation & NPI	-	-	-	-	-	-	0.00	--	-	-	-	-	
Net	(5.48)	-	-	-	-	-	(5.48)	--	-	-	-	(5.48)	
Total Investments	3485.36	-	67.89	936.04	4.53	148.50	4642.32	21.64	15.16	0.61	37.41	4679.73	
Less: Provision for NPI	-	-	-	(1.06)	(0.07)	-	(1.12)	-	(0.02)	-	(0.02)	(1.14)	
Less: Provision for depreciation & NPI	-	-	(37.47)	(19.55)	-	(22.99)	(80.01)	(0.40)	-	-	(0.40)	(80.41)	
Net	3485.36	0.00	30.42	915.44	4.47	125.51	4561.19	21.24	15.14	0.61	36.99	4598.18	

Note: 1. Provision provided in Subsidiaries and/or Joint Venture (in India & outside India) is on account of Standard MTM and not NPI.

2. Provision for Non-performing investments includes only Held to Maturity Category.

3. Provision for depreciation and NPI includes Available for sale and Held for Trading Category.

b) Movements of Provisions for Depreciation and Investment Fluctuation Reserve

(\$ in crore)

	Particulars	2022-23	2021-22
i)	Movement of provisions held towards depreciation on investments		
	a) Opening Balance	75.22	82.16
	b) Add: Provisions made during the year	25.80	8.34
	c) Less: Write off / Write back of excess provisions during the year	5.42	8.95
	d) Closing Balance	95.60	81.56
ii)	Movement of Investment Fluctuation Reserve		
	a) Opening Balance	23.56	16.88
	b) Add: Amount transferred during the year	0.00	8.67
	c) Less: Drawdown	7.10	0.00
	d) Closing Balance	16.47	25.55
iii)	Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.00	2.00
iv)	Movement of Investment Reserve		
	a) Opening Balance	0.00	--
	b) Add: Amount transferred during the year	2.15	--
	c) Less: Drawdown	0.00	--
	a) Closing Balance	2.15	--

During the FY 2022-23, Investment Reserve has been created since the bank is currently maintaining excess provision in AFs and HFT categories to the tune of \$ 4.41 Crore and the amount has been transferred net of taxes & transfer to Statutory Reserve.

c) Sale and transfers to/from HTM category

The Bank has not made sales and transfers to/from HTM category during the financial year 2022 - 23 exceeding 5 per cent of the book value of investments held in HTM category at the beginning of the year. The 5 per cent threshold to above will exclude:

- i. The one-time transfer of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks at the beginning of the accounting year.
- ii. Direct sale from HTM for bringing down SLR holding in HTM category consequent to a downward revision in SLR requirements by RBI.
- iii. Sale to Reserve Bank of India under liquidity management operations of RBI like Open Market Operations (OMO) and the Government securities acquisition programme (GSAP).
- iv. Repurchase of Government Securities by Government of India from banks under buyback / switch operations.
- v. Repurchase of State Development Loans by respective state governments under buyback / switch operations.
- vi. Additional shifting of securities explicitly permitted by the Reserve Bank of India

d) Non-SLR investment portfolio

i) Non-performing non-SLR investments

(\$ in crore)

S. no.	Particulars	2022-23	2021-22
a)	Opening Balance	53.93	63.48
b)	Additions during the year since 1 st April	23.25	7.47
c)	Reductions during the above period	5.06	12.48
d)	Closing balance	72.11	58.47
e)	Total provisions held	69.82	53.26

ii) Issuer composition of non-SLR investments

The issuer composition of investments in securities, other than Government and other approved securities is given below:

(\$ in crore)

Sl. no.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
a)	PSUs	51.03	53.92	17.26	15.44	0.00	0.00	37.49	42.18	0.01	0.30
b)	FIs	49.24	35.36	21.49	7.86	0.00	0.00	0.00	0.00	0.00	0.00
c)	Banks	34.28	27.15	26.50	24.41	0.00	0.00	0.06	0.00	0.00	0.00
d)	Private Corporate	295.35	386.60	250.81	316.72	0.24	6.02	5.46	5.46	1.54	1.83
e)	Subsidiaries/ Joint Ventures	18.77	19.69	18.77	19.69	0.00	0.00	0.00	0.00	0.00	0.00
f)	Others	608.93	671.65	565.67	624.21	0.00	0.00	0.00	0.00	0.00	0.00
g)	Provision held towards depreciation	(95.60)	(81.55)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL	962.00	1,112.82	900.50	1,008.33	0.24	6.02	43.01	47.64	1.54	2.13

e) Repo Transactions (in face value terms)

The following tables set forth for the periods indicated, the details of securities sold and purchased under repo and reverse repo transactions respectively including transactions under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF).

(\$ in crore)

	Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31.03.2023
i)	Securities sold under Repo				
	a) Government securities	171.95	266.55	193.19	176.58
	b) Corporate debt securities	--	--	--	--
	c) Any other securities	0.13	0.13	0.13	0.13

ii)	Securities purchased under Reverse Repo				
	a) Government securities	3.10	737.56	73.85	9.29
	b) Corporate debt securities	--	--	--	--
	c) Any other securities	--	--	--	--

- f) Profit of \$ 2.36 Crore (previous year \$ 27.97 crore) on sale of "Held to Maturity" category securities have been taken to profit and loss account initially.
- g) In respect of "Held to Maturity" category, the excess of acquisition cost over face value of the securities amortized during the year amounted to \$ 8.80 crore (previous year \$ 9.50 Crore).
- h) Total investments made in shares, convertible debentures and units of equity linked mutual funds / venture capital funds and also advances against shares aggregate to \$ 28.64 crore (previous year \$ 33.30 crore).

4. ASSET QUALITY

a) Classification of advances and provisions held

(\$ in crore)

FY 2022-23	Standard	Non-performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	7,750.04	134.36	601.79	232.41	968.57	8,718.61
Add: Additions during the year					152.35	152.35
Less: Reductions during the year*					378.71	378.71
Closing balance	9,114.25	86.63	425.35	230.24	742.21	9,856.46
*Reductions in Gross NPAs due to:					378.71	378.71
i) Upgradation					56.79	56.79
ii) Recoveries (excluding recoveries from upgraded accounts)					88.56	88.56
iii) Technical/ Prudential Write-offs					204.52	204.52
iv) Write-offs other than those under (iii) above					28.83	28.83
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	79.92	28.94	409.53	226.70	665.16	745.08
Add: Fresh provisions made during the year					151.87	151.87
Less: Excess provision reversed/ Write-off loans	12.01				237.39	249.40
Closing balance of provisions held	67.90	23.03	329.02	227.59	579.64	647.54
Amount kept in Sundry Deposits-ECGC Claim received/Recovery in suit filed accounts/ sacrifice in restructured NPA accounts					5.24	5.24
Net NPAs						
Opening Balance		105.38	188.93	1.46	295.77	295.77
Add: Fresh additions during the year					146.63	
Less: Reductions during the year					285.07	
Closing Balance		63.28	94.05	0.00	157.33	157.33
Floating Provisions						
Opening balance						Nil

(\$ in crore)

FY 2022-23	Standard	Non-performing			Total	
	Total Standard Advances	Sub-standard	Doubtful	Loss		Total Non-Performing Advances
Add: Fresh provisions made during the year						Nil
Less: Amount draw down during the year						Nil
Closing balance of floating provisions						Nil
Technical write-offs and the recoveries made thereon						
Opening Balance of Technical write-offs/ Prudential written off accounts						835.83
Add: Technical/Prudential write-off during the year						204.52
Less: Recoveries made from previously Technical/Prudential written-off accounts during the year						154.48
Closing Balance						885.88

(\$ in crore)

FY 2021-22	Standard	Non-performing			Total	
	Total Standard Advances	Sub-standard	Doubtful	Loss		Total Non-Performing Advances
Gross Standard Advances and NPAs						
Opening Balance	7440.00	177.98	666.83	339.85	1184.66	8624.66
Add: Additions during the year					301.84	301.84
Less: Reductions during the year*					436.44	436.44
Closing balance	8402.16	145.67	652.43	251.96	1050.07	9452.23
*Reductions in Gross NPAs due to:					436.44	436.44
i) Upgradation					102.16	102.16
ii) Recoveries (excluding recoveries from upgraded accounts)					77.20	77.20
iii) Technical/ Prudential Write-offs					237.83	237.83
iv) Write-offs other than those under (iii) above					19.25	19.25
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	67.46	29.99	460.42	325.61	816.02	883.48
Add: Fresh provisions made during the year					157.26	157.26
Less: Excess provision reversed/ Write-off loans					252.15	252.15
Closing balance of provisions held	86.64	31.37	443.99	245.78	721.13	807.78
Amount kept in Sundry Deposits-ECGC Claim received/Recovery in suit filed accounts/sacrifice in restructured NPA accounts/floating provision					8.28	8.28
Net NPAs						
Opening Balance	0.00	147.74	200.10	12.10	359.94	359.94
Add: Fresh additions during the year					144.95	144.95
Less: Reductions during the year					184.24	184.24
Closing Balance		114.25	204.82	1.58	320.66	320.66

(\$ in crore)

FY 2021-22	Standard	Non-performing			Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	
Floating Provisions					
Opening balance					4.04
Add: Fresh provisions made during the year					--
Less: Amount draw down during the year					4.04
Closing balance of floating provisions					Nil
Technical write-offs and the recoveries made thereon					
Opening Balance of Technical write-offs/ Prudential written off accounts					737.25
Add: Technical / Prudential write-off during the year					232.36
Less: Recoveries made from previously Technical / Prudential written-off accounts during the year					63.44
Closing Balance					906.16

Ratios (in per cent)	2022-23	2021-22
Gross NPA to Gross Advances	7.53	11.11
Net NPA to Net Advances	1.70	3.68
Provision coverage ratio	90.34	83.61

b) Sector-wise Advances and Gross NPAs

(\$ in crore)

Sr. No.	Sector	2022-23			2021-22		
		Outstanding Total Advances	Gross NPA	Percentage of Gross NPAs to total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to total Advances in that sector
i)	Priority Sector						
a)	Agriculture and allied activities	1746.30	166.63	9.54	1,641.26	178.69	10.89
b)	Advances to industries sector eligible as priority sector lending	479.84	67.87	14.14	524.66	107.76	20.54
c)	Services	1044.85	122.97	11.77	991.52	176.13	17.76
d)	Personal loans	463.53	34.18	7.37	518.20	27.69	5.34
	Sub-total (i)	3734.52	391.66	10.49	3,675.64	490.27	13.34
ii)	Non Priority Sector						
a)	Agriculture and allied activities	94.15	13.61	14.45	114.74	24.58	21.42
b)	Industry	1318.34	121.72	9.23	1,891.72	271.46	14.35
c)	Services	2306.94	111.70	4.84	2,181.27	184.06	8.44
d)	Personal loans	2402.51	103.53	4.31	1,588.86	79.70	5.02
	Sub-total (ii)	6121.94	350.55	5.73	5,776.59	559.80	9.69
	Total (i+ii)	9856.46	742.21	7.53	9,452.23	1,050.07	11.11

Details of industry wherein Sub-sector advances is more than 10% of the total advances of industry sector:

Sr. No.	Industry	2022-23		
	Sector	Outstanding Total Advances	Gross NPA	Percentage of Gross NPAs to total Advances in that sector
I	Basic Metals AND Metal Products	305.76	20.56	6.73%
II	Infra	1,146.43	92.12	8.04%

Sr. No.	Industry	2021-22		
	Sector	Outstanding Total Advances	Gross NPA	Percentage of Gross NPAs to total Advances in that sector
I	Basic Metals & Metal products	211.29	60.12	28.46
II	Construction	537.44	117.40	21.84
III	Food manufacturing & processing	247.49	67.30	27.19

c) Overseas Assets, NPAs and Revenue

(\$ in crore)

Particulars	31.03.2023	31.03.2022
Total Assets	383.85	348.56
Total NPAs	28.70	29.89
Total Revenue	13.35	5.62

d) Particulars of resolution plan and restructuring under RBI circular DBR.No..BP.BC.45/21.04.048/2018-19 dated June 7, 2019:

(\$ in crore)

Particulars	No. of accounts	Investment value	Provision Held
Debt converted into Equity Based on RBI June 2019 Circular	6	1.28	0.66

ii) Details of accounts subjected to restructuring

(\$ in crore)

Standard		Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22
Standard	Number of borrowers	3,108.00	6,883.00	26.00	32.00	46,871.00	1,05,979.00	56,303.00	70,032.00	1,06,308.00	1,82,926.00
	Gross Amount	2.72	4.39	80.79	122.00	40.59	75.30	99.62	125.78	223.72	327.47
	Provision held	0.26	0.43	4.84	8.89	3.54	5.74	9.57	12.53	18.20	27.59
Substandard	Number of borrowers	1,308.00	579.00	--	2.00	23,973.00	34,772.00	3,802.00	3,088.00	29,083.00	38,441.00
	Gross Amount	0.47	0.19	0.00	0.96	7.78	13.31	4.38	3.94	12.63	18.40
	Provision held	0.07	0.03	0.00	0.17	1.22	2.12	0.67	0.61	1.96	2.93

(\$ in crore)

		Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
Doubtful	Number of borrowers	1,479.00	1,224.00	17.00	67.00	47,300.00	21,852.00	2,718.00	1,202.00	51,514.00	24,345.00
	Gross Amount	1.13	2.74	21.76	133.84	21.28	26.82	2.80	2.02	46.97	165.42
	Provision held	0.95	2.28	12.00	116.34	10.63	17.81	1.43	1.17	25.01	137.60
Loss	Number of borrowers	101.00	54.00	13.00	59.00	3,449.00	2,144.00	4,588.00	1,814.00	8,151.00	4,071.00
	Gross Amount	0.60	2.26	26.16	92.00	2.24	7.45	1.79	1.18	30.79	102.89
	Provision held	0.60	2.26	26.16	91.94	2.22	7.48	1.79	1.17	30.76	102.86
Total	Number of borrowers	5,996.00	115.31	56.00	160.00	1,21,593.00	1,64,747.00	67,411.00	76,136.00	1,95,056.00	2,49,783.00
	Gross Amount	4.91	9.58	128.71	348.80	71.89	122.88	108.59	132.92	314.10	614.18
	Provision held	1.88	5.00	43.00	217.34	17.60	33.15	13.46	15.49	75.94	270.98

e) Divergence in asset classification & provisioning

No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for the year ended March 31, 2022, based on the conditions mentioned in RBI circular No. RBI/2022-23/130 DOR.ACC.REC.No.74/21.04.018/2022-23 dated October 11, 2022.

f) Disclosure of transfer of loan exposure:

- i) The Bank has not transferred any loans not in default during FY 2022-23.
- ii) Details of loans not in default acquired through assignment are given below:

	(\$ in crore)	
Particulars	2022-23	2021-22
Aggregate Amount of Loans acquired	33.75	25.89
Weighted average residual maturity (in months)	0.91	1.90
Weighted average holding period by originator (in months)	0.15	0.27
Retention of beneficial economic interest by the originator	10.00%	10.00%
Tangible Security Coverage	72.13%	273.96%

The loans acquired are not rated as these are to Non-corporate Borrowers.

- iii) The Bank has not acquired any non-performing assets during FY 2022-23.
- iv) Details of non-performing loans transferred are given below:

(\$ in crore)

FY 2022-23 Particulars	To ARCs	To permitted transferees	To other transferees (please specify)
No. of accounts	10		
Aggregate principal outstanding of loans transferred	39.54		
Weighted average residual tenor of the loans transferred (months)	1.45		
Net book value of loans transferred (at the time of transfer)	Nil	Nil	Nil
Aggregate consideration	17.92		
Additional consideration realized in respect of accounts transferred in earlier years	0.55		

(\$ in crore)

FY 2021-22 Particulars	To ARCs	To permitted transferees	To other transferees (please specify)
No. of accounts	8		
Aggregate principal outstanding of loans transferred	15.59		
Weighted average residual tenor of the loans transferred	Nil		
Net book value of loans transferred (at the time of transfer)	1.43	Nil	Nil
Aggregate consideration	8.23		
Additional consideration realized in respect of accounts transferred in earlier years	0.38		

- v) Distribution of the SRs held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on 31st March, 2023 are as under:

Recovery Rating Band	Book Value (\$ in crore)	
	As on 31.03.2023	As on 31.03.2022
RR1+	2.70	0.16
RR1	4.67	11.59
RR2	2.27	4.00
RR3	0.65	1.96
RR4	2.20	5.05
RR5	4.76	4.97
RR6	0.00	0.33
Unrated	9.93	1.03
Total	27.18	29.10

During the FY ending 31st March, 2023, two new SRs to the tune of \$ 4.17 Crore have been added in the portfolio and 100% provision has been made on the book value of the Security Receipts.

g) Fraud Accounts

(\$ in crore)

Particulars	2022-23	2021-22
Number of frauds reported	366	638
Amount involved in fraud	66.99	52.02
Amount outstanding in fraud	65.94	48.48
Amount of Provision made for such frauds	65.94	46.90
Amount of Unamortized Provision debited from "other reserve" as at the end of Year	0.00	1.58

h) Details of resolution plan implemented under Resolution framework for Covid 19 related stress as per RBI circular dtd. 6th August 2020 and 5th May, 2021 are as below:

(\$ in crore)

Type of borrower	(A) Exposure to accounts classified as standard consequent to implementation of resolution plan- position as at 30.09.2022	(B) of (A) aggregate debt that slipped into NPA during the half-year	(C) Of (A), Amount written off during the half year	(D) Of (A) amount paid by the borrower during the half year	(E) Exposure to accounts classified as standard consequent to implementation of resolution plan- position as at 31.03.2023
Personal Loans	104.09	3.06	0.00	6.13	93.89
Corporate persons	48.25	0.38	0.00	1.92	45.47
Of which, MSMEs	3.32	0.38	0.00	0.25	2.66
Others	3.09	0.34	0.00	0.20	2.52
Total	155.43	3.77	0.00	8.25	141.88

i) In terms of RBI Circular No. DBR.BP.BC.18/21.04.048/2018-19 dated 1st January, 2019, DOR.No. BP.BC.34/21.04.048/2019-20 dated 11th February, 2020, DOR.No.BP.BC/4/21.04.048/2020-21 dated 6th August, 2020 and DOR.STR.REC.12/21.04.048/2021-22 dated 5th May, 2021 on "Restructuring of Advances – Micro, Small & Medium Enterprises (MSME) Sector (One Time Restructuring)", the Bank has restructured the MSME borrower accounts as under:

No of Accounts restructured	(\$ in crore)
1,21,122	61.49

j) In terms of RBI circular no. DOR.STR.REC.11/21.04.048/2021-22 dated 05.05.2021 under Resolution Framework 2.0 for Individuals & Small Business, the details are as under:

Sector	Position as of 31.03.2023	
	No. of borrowers	(\$ in crore)
Personal & Small Business	42,860	71.98
Agri/Allied	4,997	3.28
Total	47,857	75.26

- k) In terms of RBI Circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 on Prudential Framework for Resolution of Stressed Assets, the bank is holding provision as on 31st March, 2023 in 16 accounts as detailed below:

(\$ in crore)

Amount of loans impacted by RBI circular	Amount of loans to be classified as NPA	Amount of loans as on 31.03.2023 out of (B) classified as NPA	Provisions required for loans covered under RBI circular out of (A)	Provision held on 31.03.2023
(A)	(B)	(C)	(D)	(E)
48.73	31.50	31.50	8.25	8.25

- l) As per RBI circular No. DBR No. BP. 15199/21.04.048/2016-17 and DBR No. BP. 1906/21.04.048/2016-17 dated June 23, 2017 and August 28, 2017 respectively, for the accounts covered under the provisions of the Insolvency and Bankruptcy Code (IBC), the Bank has made a total provision of \$ 128.62 Crore (including Technically Written Off accounts of \$ 127.91 crore) covering 100% of the total outstanding as on 31st March, 2023.

5. EXPOSURES

a) Exposure to Real Estate Sector

(\$ in crore)

Sr. No.	Category	31.03.2023	31.03.2022
i)	Direct exposure	1,209.53	1,201.16
a)	Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	1,026.19	1,005.23
	- Out of the above, individual housing loan eligible for inclusion in Priority Sector Advances	399.55	457.86
b)	Commercial Real Estate -		
	lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits.	183.34	195.92
c)	Investments in Mortgage-Backed Securities (MBS) and other securitized exposures -		
	i. Residential,	Nil	Nil
	ii. Commercial Real Estate.	Nil	Nil
ii)	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	568.25	591.91
	Total Exposure to Real Estate Sector	1777.79	1793.06

b) Exposure to Capital Market

(\$ in crore)

Sr. No.	Particulars	31.03.2023	31.03.2022
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	14.71	18.01
ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity oriented mutual funds	0.02	0.02
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	3.64	4.21
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advances	14.59	10.89
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	12.88	5.19
vi)	Loans sanctioned to corporate against the security of shares /bonds/debentures or other securities or on clean basis for meeting promoter contribution to the equity of new companies in anticipation of raising resources	--	--
vii)	Bridge loans to companies against expected equity flows /issues.	--	--
viii)	Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures and units of equity oriented mutual funds	--	--
ix)	Financing to stockbrokers for margin trading	--	--
x)	All exposures to Venture Capital Funds (both registered and unregistered) will be deemed to be on par with equity and hence will reckon for compliance with the capital market exposure.	13.93	15.29
	Total exposure to Capital Market	59.77	53.61

c) Risk Category -wise Country Exposure

(\$ in crore)

Risk Category	Net Exposure 31.03.2023	Provision held 31.03.2023	Net Exposure 31.03.2022	Provision held 31.03.2022
Insignificant	384.61	Nil	215.67	Nil
Low	276.99	Nil	176.75	Nil
Moderately Low	6.25	Nil	0.98	Nil
Moderate	2.77	Nil	2.40	Nil
Moderately High	8.16	Nil	1.78	Nil
High	1.23	Nil	0.02	Nil
Very High	0.00	Nil	0.07	Nil
Total	680.01	Nil	397.65	Nil

As per Country Risk Policy 2022-23, Bank has used ECGC country risk classification for the Trade Exposure and other than Trade exposure in India both for branches in India and for overseas branches.

Bank will make provision for country risk exposure only in respect of a country where the net funded exposure is 1% or more of its total assets.

d) Unsecured advances

(\$ in crore)		
Particulars	31.03.2023	31.03.2022
Total unsecured advances of the bank	1,531.01	1,497.37
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. have been taken	Nil	Nil
Estimated value of such intangible collateral securities	Nil	Nil

Advances backed by Annuity under Build Operate Transfer (BOT) model in respect of Road / Highway / Projects and toll collection rights have been considered secured as per RBI Circular No. OD.BP.BC.No. 83/08.12.014/2012-13 dated 18th March 2013.

e) Factoring exposure

(\$ in crore)		
Particulars	As on 31.03.2023	As on 31.03.2022
TReDS Exposure in terms of DBR.No.FSD.BC.32/24.01.007/2015-16 dated 30 th July 2015 (Para 8).	6.37	7.17

f) Intra Group Exposure

(\$ in crore)		
Particulars	31.03.2023	31.03.2022
Total amount of Intra group exposure	6.57	6.47
Total amount of Top 20 Intra group exposure	6.57	6.47
Percentage of Intra group exposure to total exposure of the Bank on borrowers/customers	0.05	0.05
Details of breach of limits on Intra group exposure and regulatory action thereon, if any	NIL	NIL

g) Un-Hedged Foreign Currency Exposures

In terms of guidelines issued by Reserve Bank of India with regard to UFCE, Bank has approved Policy on Unhedged Foreign Currency Exposure of Clients 2022-23. While framing the policy, bank has taken into consideration the exchange risks arising out of volatility in the forex market and accordingly has made suitable provisions to reduce the risks. Bank has also taken into consideration credit risks arising out of unhedged foreign currency exposure and accordingly Bank has put in place risk mitigation measures by incorporating additional loan pricing framework. Total provision made for exposures to entities with UFCE for the year ended March 2023 is \$ 0.20 Crore.

6. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS:

a) Concentration of Deposits

(\$ in crore)		
Particulars	31.03.2023	31.03.2022
Total Deposits of twenty largest depositors	1,085.30	1,289.78
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank.	7.98	9.47

b) Concentration of Advances

(\$ in crore)

Particulars	31.03.2023	31.03.2022
Total Advances of twenty largest borrowers/customers	1,643.91	1,377.69
Percentage of Advances of twenty largest borrowers to Total Advances of the Bank	16.46	14.35

c) Concentration of Exposures

(\$ in crore)

Particulars	31.03.2023	31.03.2022
Total Exposures of twenty largest borrowers/customers	1,741.47	1,835.70
Percentage of Exposures of twenty largest borrowers/customers to Total Exposures of the Bank on borrowers / customers	13.41	14.57

d) Concentration of NPAs

(\$ in crore)

Particulars	31.03.2023	31.03.2022
Total Exposures to top twenty NPA accounts	127.91	146.44
Percentage of Exposures to the twenty largest NPA Exposures to total Gross NPAs	17.23	13.95

7. DERIVATIVES

a) Forward Rate Agreement/Interest Rate Swap

(\$ in crore)

Sr. No.	Particulars	31.03.2023	31.03.2022
i)	The notional principal of swap agreements	512.27	235.38
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	1.66	1.46
iii)	Collateral required by the Bank upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the Swaps	Banking Industry	Banking Industry
v)	The fair value of the swap book	0.06	0.07

Note:

- I. Interest rate swaps in Indian Rupees were undertaken for hedging Reciprocal Loan Arrangements.
- II. The Bank has entered into Floating to Fixed or Fixed to Floating Interest Rate Swap transactions for trading during the year.
- III. All underlying for hedge transactions are on accrual basis.

b) Exchange Traded Interest Rate Derivatives

(\$ in crore)

Sr. No	Particulars	31.03.2023		31.03.2022	
		Buy	Sell	Buy	Sell
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise) Interest Rate Future				
a)	577GS2030	--	--	0.92	0.92
b)	585GS2030	--	--	25.90	25.90
c)	664GS2035	--	--	5.65	5.65
d)	610GS2031	14.79	14.79	40.04	40.04
e)	654GS2032	13.07	13.07	--	--
f)	726GS2032	14.37	14.37	--	--
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 st March 2023 (instrument-wise)				
a)	726GS2032		Nil		Nil
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)				
			Nil		Nil
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument wise)				
			Nil		Nil

c) Disclosures on Risk Exposures in Derivatives

i) Qualitative disclosure:

a) The Bank deals in two groups of derivative transactions within the framework of RBI guidelines.

- i) Over the Counter Derivatives
- ii) Exchange Traded Derivatives

The Bank deals in Forward Rate Agreement, Interest Rate Swaps, Cross Currency Swap and Currency Options in Over the Counter Derivatives group.

In Exchange Traded Derivatives Group, the Bank trades in Currency Futures and Interest Rate Futures. The Bank is Trading & clearing member with three Exchanges viz. National Stock Exchange (NSE), Bombay Stock Exchange (BSE) & Metropolitan Stock Exchange (MSEIL), on their Currency Derivative segment, as permitted by Reserve Bank of India. The Bank carries out proprietary trading in currency futures on these exchanges. The Bank has set up the necessary infrastructure for Front, Mid and Back office operations. Daily Mark to Market (MTM) and Margin obligations are settled with the exchanges as per guidelines issued by the Regulators.

The Bank trades in Interest Rate Futures on National Stock Exchange. The bank has necessary infrastructure for Front, Mid and Back office operations in place. Daily Mark to Market (MTM) and Margin obligations are settled with the exchanges as per guidelines issued by the Regulators.

The Bank undertakes derivative transactions for proprietary trading/market making, hedging own balance sheet and for offering to customers, who use them for hedging their risks within the prevalent regulations. Proprietary trading/market making positions are taken in Rupee Interest Rate Swap, Currency Futures and Interest Rate Futures. While derivative instruments present immense opportunity for making a quantum leap in non-interest income and also for hedging market risk, it exposes the Bank to various risks. The Bank has adopted the following mechanism for managing different risks arising out of derivative transactions.

- a) In terms of the structure, operations in the Treasury Branch are segregated into following three functional areas, which are provided with trained officers with necessary systems support and their responsibilities are clearly defined.
- I) Front Office (Dealing Room) - Ensures Compliance with trade origination requirements as per Bank's policy and RBI guidelines.
 - II) Mid-Office - Risk Management, Accounting Policies and Management
 - III) Back Office - Settlement, Reconciliation, Accounting.

Mid Office monitors transactions in the trading book and excesses, if any, are reported to Risk management Department for necessary action. Mid Office also measures the financial risk for transactions in the trading book on a daily basis, by way of Mark to Market. Daily Mark to Market position is reported to Risk Management Department, for onward reporting of the risk profile to the Directors' Committee on the Assets and Liability Management.

In case of corporate clients transactions are concluded only after the inherent credit exposures are quantified and approved in terms of approval process laid down in the Treasury Policy for customer appropriateness and suitability. The necessary documents like ISDA agreements are duly executed. The bank has adopted Current Exposure Method for monitoring credit exposures.

Bank has entered into Credit Support Annex (CSA) with few banks. CSA is a legal document regulating the terms and conditions under which collateral is posted to mitigate counterparty credit risk in bilateral derivative transactions.

- b) Treasury Policy of the Bank lays down the types of financial derivative instruments, scope of usages, and approval process as also the limits like the open position limits, deal size limits, stop loss limits and counterparty exposure limit for trading in approved instruments.

Various Risk Limits are set up and actual exposures are monitored vis-à-vis the limits.

These limits are set up taking in to account market volatility, business strategy and management experience. Risk limits are in place for risk parameters viz. PV01, stop loss, counterparty credit exposure. Actual positions are measured against these limits periodically and breaches if any are reported promptly. The Bank ensures that the Gross PV01 position arising out of all non option derivative contracts is within the 0.25% of net worth of the Bank.

- c) The Bank also uses financial derivative transactions for hedging its own Balance Sheet Exposures. Treasury Policy of the Bank spells out approval process for hedging the exposures. The hedge transactions are monitored on a regular basis. The notional profit or loss calculated on Mark to Market basis, PV01 and VaR on these deals are reported to the Assets Liability Committee (ALCO) every month. Hedge effectiveness is the degree to which changes in the fair value or cash flows of the hedged items that are attributed to a hedged risk are offset by changes in the fair value or cash flows of the hedging instruments. This exercise is carried out periodically to ensure hedge effectiveness.

- d) The hedged/un-hedged transactions are recorded separately. The hedged transactions are accounted for on accrual basis. All trading contracts are mark-to-market and resultant gross gain or loss is recorded in income statement.

In case of Option contracts, guidelines issued by FEDAI from time to time for recognition of income, premium, and discount are being followed.

To mitigate the credit risk, the Bank has policy in place to sanction limits to the counterparty Banks and Counterparty clients. The Bank adopts Current Exposure method for monitoring counterparty exposure periodically. While sanctioning derivative limit, the competent authority may stipulate condition of obtaining collaterals/margin as deemed appropriate. The derivative limit is reviewed periodically along with other credit limits.

The customer related derivative transactions are covered with counterparty banks, on back-to-back basis for identical amount and tenure and the bank does not carry any market risk.

ii) Quantitative disclosure:

(\$ in crore)

Quantitative Disclosures					
S No	Particular	31-03-2023		31-03-2022	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(a)	Derivatives (Notional Principal Amount)				
	(i) For Hedging	48.61	38.52	4.89	28.76
	(ii) For Trading	5,033.20	473.75	5,858.21	206.62
(b)	Marked to Market Position				
	(i) Asset (+)	17.40	1.65	24.00	1.17
	(ii) Liability (-)	(16.14)	(1.59)	(22.21)	(1.17)
(c)	Credit Exposure (*)	126.13	6.00	145.69	3.52
(d)	Likely impact of one percentage change in interest rate (100*PV01) (\$ in Lacs)				
	(i) On Hedging Derivatives	(254.21)	44.86	0.00	57.95
	(ii) On Trading Derivatives	(0.20)	0.58	0.00	1.77
(e)	Maximum and Minimum of 100*PV01 observed during the year (\$ in Lacs)				
	I. Maximum				
	(i) On Hedging	(130.76)	56.62	0.00	71.96
	(ii) On Trading	12.45	31.02	0.00	30.94
	II. Minimum				
	(i) On Hedging	(281.59)	44.86	0.00	18.57
	(ii) On Trading	(0.32)	0.18	0.00	0.30

*Note:

1. Credit Exposure of Interest Rate Derivatives also includes the exposure on Hedging deals.
2. Credit Exposure of Currency Derivatives also includes the exposure on Hedging deals

d) CREDIT DEFAULT SWAPS:

The Bank has not entered into any Credit Default Swap transactions during the FY 22-23.

8. DISCLOSURES RELATING TO SECURITIZATION: Nil

9. OFF – BALANCE SHEET SPVS SPONSORED BY THE BANK: Nil

10. TRANSFERS TO DEPOSITOR EDUCATION AND AWARENESS FUND (DEAF)

(\$ in crore)

Particulars	31.03.2023	31.03.2022
Opening balance amounts transferred to DEAF	37.96	31.34
Add: Amounts transferred to DEAF during the Year	1.77	7.19
Less: Amount reimbursed by DEAF towards claims	0.80	0.57
Closing balance of Amount transferred to DEAF	38.93	37.96

11. DISCLOSURE OF COMPLAINTS:

Summary information on complaints received by the bank from customers and from the Offices of Ombudsman (OBOs)

Sr. No.	Particulars	2022-23	2021-22
Complaints received by the Bank from its customers			
1.	Number of complaints pending at beginning of the year (Including BO Complaints)	1,395	10,780
2.	Number of complaints received during the year (Including BO Complaints)	2,52,086	3,28,216
3.	Number of complaints disposed during the year (Including BO Complaints)	2,52,954	3,37,601
3.1	Of which, number of complaints rejected by the bank	610	415
4.	Number of complaints pending at the end of the year (Including BO Complaints)	527	1,395
Maintainable complaints received by the bank from OBOs			
5.	Number of maintainable complaints received by the bank from OBOs	6,167	7,971
5.1	Of 5, number of complaints resolved in favour of the bank by BOs	2,241	7,229
5.2	Of 5, Number of complaints resolved through conciliation/ mediation/ advisories issued by BOs	3,924	740
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank.	2	2
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme. However, the above data collated from CMS site also includes those complaints settled by agreement per Clause 11 as well as Rejected Complaints as per Clause 13 of Ombudsman Scheme 2006 which is under correspondence.

Top five grounds of complaints received by the Bank from customers (Including BO Complaints)

Grounds of complaints (i.e. Complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year (2022-23)					
	01.04.2022	2022-23	31.03.2023	31.03.2023	
ATM/Debit Cards	324	203453	(4.91%)	98	0
Internet/Mobile/Electronic Banking	213	23432	(62.25%)	50	0
Levy of Charges Without prior Notice/Excessive Charges/ Foreclosure Charges	47	3860	(62.72%)	1	0
Cheques/Drafts/Bills	11	765	(77.56%)	8	0

**Top five grounds of complaints received by the Bank from customers
(Including BO Complaints)**

Grounds of complaints (i.e. Complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Credit Cards	32	1892	(40.76%)	0	0
Others	768	18684	(46.97%)	370	2
Total	1395	252086	(23.19%)	527	2

Previous Year (2021-22)

	01.04.2021	2021-22	31.03.2022	31.03.2022	
ATM/Debit Cards	4,583	2,13,956	(26.73%)	324	50
Internet/Mobile/Electronic Banking	344	62,068	1.61%	213	-
Levy of Charges Without prior Notice/Excessive Charges/Foreclosure Charges	2,389	10,355	23.19%	47	71
Cheques/Drafts/Bills	52	3,410	(36.03%)	11	-
Credit Cards	27	3,194	(17.10%)	32	17
Others	3,385	35,233	(20.51%)	768	60
Total	10,780	3,28,216	(20.92%)	1,395	198

12. DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATOR:

(\$ in crore)

Name of Regulator	Year ended 31 st March 2023		Year ended 31 st March 2022	
	No. of Cases	Amount	No. of Cases	Amount
Banking Regulation Act, 1949	0	0.00	1	0.013
Other Regulators	0	0.00	1	0.006

13. KEY MANAGEMENT PERSONNEL – REMUNERATION PAID

(\$ in crore)

Particulars	31.03.2023	31.03.2022
CEO and Managing Director	0.006	0.005
Executive Directors	0.016	0.016
Total	0.022	0.021

14. OTHER DISCLOSURES

a) BUSINESS RATIOS

Sr. No.	Particulars	31.03.2023	31.03.2022
i)	Interest Income as a percentage to Working Funds	6.60	6.11
ii)	Non-interest income as a percentage to Working Funds	1.20	1.13
iii)	Cost of Deposit	4.37	4.12
iv)	Net Interest Margin	2.90	2.71
v)	Operating Profit as a percentage to Working Funds	2.08	1.97
vi)	Return on Assets	0.69	0.47
vii)	Average Business (Deposits plus advances) per employee (\$ in crore)	0.28	0.27
viii)	Net Profit per employee (\$ in crore)	0.0013	0.0009

b) BANCASSURANCE BUSINESS:

The breakup of income derived from bancassurance business is given here below: (\$ in crore)

Sr. No.	Nature of Income	31.03.2023	31.03.2022
1.	Life Insurance Policies	2.84	2.25
2.	Non Life Insurance Policies	0.62	0.64
3.	Health Insurance	0.60	0.50

c) Marketing and distribution

Details of fees / remuneration received in respect of the marketing and distribution function (excluding bancassurance business):

(\$ in crore)			
Sr. No.	Nature of Income	31.03.2023	31.03.2022
1.		0.24	0.23

d) Priority Sector Lending Certificate

Other income of the Bank inter alia includes commission income of \$ 2.03 Crore from sale of Priority Sector Lending Certificate. Traded value of PSCL certificate are given below:

(\$ in crore)	
Category	Traded Value
PSLC-General	--
PSLC-Small & Marginal Farmer	188.02
TOTAL	188.02

e) Provision & Contingencies

(\$ in crore)

Break up of Provision & Contingencies. debited to Profit & Loss Account:	31.03.2023	31.03.2022
Provision / (Reversal) for NPI on Investment	23.31	2.83
Provision towards NPA	151.87	153.22
Provision/(Reversal) towards Standard Assets	(12.08)	19.12
Net Provision made towards Income Tax (IT)/ Deferred tax assets (DTA)	45.08	44.16
Other Provision and Contingencies:		
- Shifting Loss	--	--
- Restructured Advances	(1.18)	(0.43)
- Others	0.30	0.66
TOTAL	207.30	219.56

f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)

The RBI vide DBR.BP.BC.No. 76/21.07.001/2015-16 dated 11th February 2016, has prescribed the roadmap for implementation of Indian Accounting Standards (Ind-AS) in the Banks and the Banks needs to disclose the strategy for Ind-AS implementation, including the progress made in this regard. The Bank accordingly, has appointed a Consultant to assist in implementation of the Ind-AS. Further, the Bank has procured the required softwares and onboarded the vendor for software implementation of Indian Accounting Standards (Ind-AS). The Bank has also constituted a Steering Committee to oversee the progress made and the Audit Committee of the Board is being apprised of the same from time to time. Further, in terms of DO.DBR.BP.No.2535/21.07.001/2017-18 dated 13th September 2017, the Bank had been submitting Proforma Ind AS financial statements to the RBI on quarterly basis till 31st March 2021. Thereafter, in term of RBI's (Department of Regulation) mail dated 8th August 2021, bank has been advised to submit Proforma Ind AS financial statements on half yearly basis. Last proforma financials for the half year ended 30th September 2022 was submitted to RBI vide letter dated 22nd November 2022.

g) Payment of DICGC Insurance Premium

(Amount in \$ in crore)

Sr No.	Particulars	31.03.2023	31.03.2022
i)	Payment of DICGC Insurance Premium (Inclusive of GST)	17.63	16.87
ii)	Arrears in payment of DICGC premium (Inclusive of GST)	--	--

15. DISCLOSURES AS PER ACCOUNTING STANDARDS ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

a. REVENUE RECOGNITION (AS 9)

Income and Expenditure have been accounted for on accrual basis except certain items of income are recognized on realization basis as per Accounting Policy no.3.4 of Schedule 17 of Significant Accounting Policies which however, is not considered to be material.

b. EMPLOYEE BENEFITS (AS 15 - REVISED)

i) Short Term Employment Benefits:

The undiscounted amounts of short-term employee benefits (e.g. medical benefits) payable wholly within twelve months of rendering the service are treated as short term and recognized during the period in which the employee rendered the service.

ii) **Long Term Employee Benefits:**

a) **Defined Contribution Plans:**

The Bank operates a new pension scheme (NPS) for all officers/employees joining the Bank on or after 1st April,2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with 14% contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions retained with the Bank. The Bank recognizes such annual contributions in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS trust.

The Bank has Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after April 1, 2010. The scheme is managed by National Pension Scheme (NPS) Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2022-2023, the Bank has contributed \$ 6.39 crores including arrears of \$ 0.0014 crores (Previous Year \$ 6.62 crore) to NPS.

b) **Defined Benefit Plan:**

Gratuity, Pension and Leave Encashment are defined benefit plans. These are provided for on the basis of an actuarial valuation as per Accounting Standard-15 "Employee Benefit" issued by the Institute of Chartered Accountants of India, made at the end of each financial year, based on the projected unit credit method. Actuarial gains/losses are immediately taken to the Profit & Loss account.

Defined Benefit Plans – Employee's Pension plan and Gratuity plan:

The Bank has accounted for employee benefits as per Accounting Standards issued by the Institute of Chartered Accountants of India, as per actuarial valuation report for the year ended March 31, 2023.

(\$ in crore)

S. no.	Particulars	31.03.2023		31.03.2022	
		Gratuity	Pension	Gratuity	Pension
	Table showing change in Defined Benefit Obligation:				
	Liability at the beginning of the year	38.92	348.68	44.28	343.19
	Interest Cost	2.84	25.80	3.07	23.71
	Current Service Cost	1.98	2.24	2.13	2.80
	Past Service Cost (Vested Benefit Amortized)	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit)	NIL	NIL	NIL	25.10
i)	Liability Transfer in	NIL	NIL	NIL	NIL
	Liability Transfer out	NIL	NIL	NIL	NIL
	(Benefit paid)	(4.07)	(25.81)	(6.15)	(30.89)
	Actuarial (Gain)/loss on obligation – due to change				
	In the financial assumption	(0.78)	(3.39)	(1.58)	(19.08)
	in demographic assumption	NIL	NIL	0.04	0.84
	Actuarial (Gain) / Loss on obligations	0.36	7.48	0.41	32.36
	Liability at the end of the year	39.26	355.00	42.19	378.02

(\$ in crore)

S. no.	Particulars	31.03.2023		31.03.2022		
		Gratuity	Pension	Gratuity	Pension	
	Table of Fair value of Plan Assets:					
	Fair value of Plan Assets at the beginning of the year	40.98	329.12	42.19	352.55	
	Expected return on Plan Assets	3.00	24.35	2.51	24.36	
	Contributions	NIL	21.67	11.13	7.28	
ii)	Transfer from Other Company	NIL	NIL	NIL	NIL	
	Transfer to Other Company	NIL	NIL	NIL	NIL	
	(Benefit paid)	(4.07)	(25.81)	(6.15)	(30.89)	
	Actuarial (Gain)/loss on Plan Assets	(0.21)	0.61	(0.70)	(3.51)	
	Fair Value of Plan Assets at the end of the year	39.70	349.94	44.43	356.81	
	Actuarial (Gain)/loss on obligation for the period	(0.42)	4.09	(1.13)	14.11	
	Actuarial (Gain)/loss on Plan Assets	0.21	(0.61)	(0.70)	(3.51)	
	Total Actuarial (Gain)/loss to be recognized	(0.21)	3.48	(1.84)	0.04	
		Recognition of Transitional Liability:				
	iii)	Transitional Liability at start	NIL	NIL	NIL	NIL
Transitional Liability recognized during the year		NIL	NIL	NIL	NIL	
Transitional Liability at end		NIL	NIL	NIL	NIL	
	Actual return on Plan Assets :					
iv)	Expected Return on Plan Assets	3.00	24.35	2.51	24.36	
	Actuarial Gain/(Loss) on Plan Assets	(0.21)	0.61	0.70	3.51	
	Actual return on Plan Assets	2.78	24.96	3.21	27.88	
	Expenses recognized in the Income Statement:					
v)	Current Service Cost	1.98	2.24	2.13	2.80	
	Interest Cost	(0.15)	1.45	0.56	(0.65)	
	Expected Return on Plan Assets	NIL	NIL	NIL	NIL	
	Past Service Cost (Vested Benefit Amortized) recognized	NIL	NIL	NIL	NIL	
	Past Service Cost (Vested Benefit) recognized(1/5 of enhanced family pension)	NIL	18.52	NIL	5.02	
	Recognition of Transition Liability	NIL	NIL	NIL	NIL	
	Actuarial (Gain) or Loss	(0.21)	3.48	(1.84)	10.60	
	Expenses Recognized in P & L	1.63	25.69	0.85	17.77	
	Balance Sheet Reconciliation:					
vi)	Opening Net Liability (Last year net amount recognized in the balance sheet)	(2.07)	1.05	8.04	(9.36)	
	Expenses as above	1.63	25.69	0.85	17.77	
	Transfer from other Company (Net)	NIL	NIL	NIL	NIL	
	Transfer to other Company (Net)	NIL	NIL	NIL	NIL	
	(Employer Contribution)	NIL	(21.67)	(11.13)	(7.28)	
	Net (Asset)/Liability Amount recognized in Balance Sheet	(0.44)	5.07	(2.24)	1.13	

(\$ in crore)

S. no.	Particulars	31.03.2023		31.03.2022	
		Gratuity	Pension	Gratuity	Pension
	Other Details:				
	Pension is payable at the rate of 1/66 Salary for Each Year of Service Subject to Maximum of 50%.				
	Gratuity is payable at the rate of 15 days salary for each year of service subject to maximum of \$ 24,339.78 or as per the Bank scheme.				
vii)	Actuarial gain / loss is accounted for in the year of occurrence.				
	Salary escalation is considered as advised by the company which is in line with the industry practice considering promotion and demand and supply of the employees.				
	No. of Members	75,618	21,138	75,201	23,216
	Salary Per Month	6.25	6.25	4.68	2.41
	Contribution for next year	1.70	7.16	-	7.82
	Category of assets:				
	Government of India Assets	0.75	6.88	0.84	7.72
	Corporate Bonds/FDR	0.31	8.77	0.48	9.52
	Special Deposits Scheme	-	-	-	-
viii)	State Govt.	1.01	16.79	1.33	15.65
	Property	NIL	NIL	NIL	NIL
	Other	0.78	5.53	3.22	22.87
	Insurer Managed Funds	36.85	311.97	38.23	296.77
	Mutual Fund	NIL	NIL	0.34	4.28
	Total	39.70	349.94	44.43	356.81

*Note: Return on investments in LIC & other insurance companies is expected at 7.50% while arriving Pension liability and Gratuity liability at the Fair Value of Plan Assets for the FY2022-23 as against the 7.25% considered for arriving Pension and Gratuity liability for the FY2021-22.

(\$ in crore)

Surplus/Deficit in the Plan:	Gratuity Plan				
	31.03.23	31.03.22	31.03.21	31.03.20*	31.03.19*
Amount recognized in the Balance-Sheet					
Liability at the end of the year	39.26	42.19	45.90	17.07	17.68
Fair value of Plan Assets at the end of the year	39.70	44.43	37.57	16.11	17.38
Difference	0.44	2.24	(8.34)	(0.96)	(0.30)
Unrecognized Past Service Cost	Nil	Nil	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	0.44	2.24	(8.34)	(0.96)	(0.30)

* Amount mentioned for Union Bank (Standalone) only.

Amount recognized in the Balance-Sheet	Gratuity Plan				
	31.03.23	31.03.22	31.03.21	31.03.20*	31.03.19*
Experience Adjustment					
On plan liability (Gain) / Loss	0.36	0.41	10.29	0.34	0.11
On plan Assets (Loss) / Gain	(0.21)	0.70	0.47	0.10	(0.19)

* Amount mentioned for Union Bank (Standalone) only.

Surplus/Deficit in the Plan:	Pension Plan				
	31.03.23	31.03.22	31.03.21	31.03.20*	31.03.19*
Amount recognized in the Balance-Sheet					
Liability at the end of the year	355.00	378.02	355.78	168.46	175.81
Fair value of Plan Assets at the end of the year	349.94	356.81	365.49	166.62	177.99
Difference	(5.07)	(21.21)	9.70	(1.84)	2.17
Unrecognized Past Service Cost	Nil	20.08	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	(5.07)	(1.13)	9.70	(1.84)	2.17

* Amount mentioned for Union Bank (Standalone) only.

Amount recognized in the Balance-Sheet	Pension Plan				
	31.03.23	31.03.22	31.03.21	31.03.20*	31.03.19*
Experience Adjustment					
On plan liability (Gain) / Loss	7.48	32.36	19.92	12.41	1.81
On plan Assets (Loss) / Gain	0.61	3.51	1.12	0.99	0.10

* Amount mentioned for Union Bank (Standalone) only.

Principal actuarial assumption used (%)	2022-23		2021-22	
	Gratuity	Pension	Gratuity	Pension
Discount Rate Prev.	7.31	7.40	6.93	6.91
Rate of return on Plan Assets Prev.	7.31	7.40	6.93	6.91
Salary Escalation Prev.	5.00	5.00	5.00	5.00
Attrition Rate Prev.	2.00	2.00	2.00	2.00
Discount Rate Current	7.49	7.53	7.31	7.40
Rate of Return on Plan Assets Current	7.49	7.53	7.31	7.40
Salary Escalation Current	5.00	5.00	5.00	5.00
Attrition Rate Current	2.00	2.00	2.00	2.00

iii) Other Long Term Employee Benefits:

Details of Provisions made for various Long-Term Employees Benefits during the year are as follows:

(\$ in crore)

Sr. No.	Other Long Term Benefits	31.03.2023	31.03.2022
1.	Pension	25.69	17.77
2.	Leave Travel Concession	0.04	0.18
3.	Leave Encashment	1.82	0.64

Bank is having provision of \$ 3.27 Crore towards Sick Leave on prudential basis though there is no payout.

iv) **Unamortized Family pension & Gratuity Liabilities:**

(\$ in crore)

Particulars	31.03.2023	31.03.2022
Pension		
a) Balance brought forward	18.52	NIL
b) Gross Liability	NIL	25.10
c) Charged to Profit & Loss account	18.52	5.02
d) Balance Carried forward	NIL	20.08
Gratuity		
a) Charged to Profit & Loss account	NIL	NIL
b) Carried forward	NIL	NIL

a. Pursuant to the revision in family pension payable to the employees of the Bank, covered under 11th Bi- Partite Settlement and joint note dated November 11, 2020, the Bank had arrived additional liability at \$ 25.10 Crore as per Actuarial valuation, of which a sum of \$ 5.02 Crore was amortized during the FY 2021-22, in terms of RBI Circular no. RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 04, 2021 and unamortized part of \$ 18.52 Crore has been fully charged to the Profit & Loss Account during the year ended March 31, 2023. There is no unamortized expenditure in the Balance Sheet on account of additional family pension.

v) **SEGMENT REPORTING (AS-17)**

(\$ in crore)

Business Segment	Standalone	
	Year Ended	
	(Audited)	(Audited)
	31.03.2023	31.03.2022
Segment Revenue		
Treasury Operations	321.81	353.80
Retail Banking Operations	378.22	345.65
(a) Digital Banking Operations	6.93	NA
(b) Other Retail Banking Operations	371.29	NA
Corporate /Wholesale Banking	437.41	340.10
Other Banking Operations	24.09	18.44
Unallocated	6.04	5.32
Total Segment Revenue	1,167.57	1,063.32
Less Inter-segment Revenue	(6.85)	(1.62)
Income from operations	1,160.72	1,061.70
Segment Results	-	-
Treasury Operations	29.53	79.20
Retail Banking Operations	61.57	59.49
(a) Digital Banking Operations	(0.52)	NA
(b) Other Retail Banking Operations	62.09	NA
Corporate Banking	37.62	(40.82)
Other Banking Operations	12.94	10.01
Unallocated	6.04	5.32
Total Profit/(Loss) Before Tax	147.71	113.20

(\$ in crore)

Business Segment	Standalone	
	Year Ended	
	(Audited)	(Audited)
	31.03.2023	31.03.2022
Provision for Tax	45.08	44.16
Net Profit/(Loss) after Tax	102.63	69.03
Segment Assets	-	-
Treasury Operations	5,656.43	6,316.40
Retail Banking Operations	4,377.27	4,207.72
(a) Digital Banking Operations	514.34	NA
(b) Other Retail Banking Operations	3,862.93	NA
Corporate/Wholesale Banking	5,184.52	4,857.76
Other Banking Operations	-	-
Unallocated	368.40	287.10
Total	15,586.62	15,668.98
Segment Liabilities	-	-
Treasury Operations	5,558.05	6,204.47
Retail Banking Operations	4,001.61	3,832.17
(a) Digital Banking Operations	471.27	NA
(b) Other Retail Banking Operations	3,530.34	NA
Corporate/Wholesale Banking	4,724.23	4,424.09
Other Banking Operations	-	-
Unallocated	349.41	277.07
Total	14,633.30	14,737.80
Capital Employed	-	-
Treasury Operations	98.38	111.93
Retail Banking Operations	375.66	375.55
(a) Digital Banking Operations	43.07	NA
(b) Other Retail Banking Operations	332.60	NA
Corporate/Wholesale Banking	460.28	433.67
Other Banking Operations	-	-
Unallocated	18.99	10.03
Total	953.32	931.18

Notes:

- The Bank operates in four segments viz., Treasury, Retail, Corporate / Wholesale and Other Banking Operations. These segments have been identified in line with AS-17 on segment reporting issued by the Institute of Chartered Accountants of India (ICAI) after considering the nature and risk profile of the products and services, the target customer profiles, the organizational structure and the internal reporting system of the bank. The bank has disclosed the business segment as primary segment. The revenue and other parameters of foreign branch for the period are within the threshold limits stipulated as per AS-17 and hence the bank has only one reportable segment.
- Segment wise income, expenditure, Capital employed which are not directly allocable have been allocated to the

reportable segments based on assumptions as considered appropriate by the management.

3. Figure of previous period have been regrouped/reclassified wherever necessary.
 4. In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 7, 2022 on Establishment of Digital Banking Units, the Bank has for the first time disclosed 'Digital Banking' as a sub-segment of the Retail Banking segment.
- vi) In terms of RBI circular no. RBI/DOR/2021-22/83 DOR.ACC.REC.No.45/21.04.018/2021-22 dated August 30, 2021 (Updated as on February 20, 2023), the following disclosures are required:
- a. In case of Other Liabilities and Provisions, any item under the head "Others (including provisions)" exceeds one per cent of the total assets,
 - b. In case of Other Assets, any item under the head "Others" exceeds one per cent of the total assets,
 - c. In case of Other Income, any item under the head "Miscellaneous Income" exceeds one per cent of the total income,
 - d. In case of Operating Expenses, any item under the head "Other expenditure" exceeds one per cent of the total income,

Statement Showing item in Sch. 14- Other income Sub Head – Miscellaneous income		
Item under the Sub Head	(\$ in Crore)	% of Total Income
Processing Charges for Advances	14.34	1.24
Miscellaneous Earning	12.22	1.05
Recovery In Write Off	67.54	5.82

There is no other disclosure related to other heads as mentioned above.

RELATED PARTY DISCLOSURES (AS-18)

i. List of Related Parties

a) Subsidiaries

- Union Asset Management Co. Pvt. Ltd.
- Union Trustee Company Pvt. Ltd.
- Union Bank of India (UK) Ltd.
- Andhra Bank Financial Services Ltd.
- UBI Services Ltd.

b) Joint Venture

- Star Union Dai-Ichi Life Insurance Co. Ltd.
- ASREC (India) Ltd.
- India International Bank (Malaysia) Berhad

c) Associate

- Chaitanya Godavari Grameena Bank

d) Key Management Personnel

(\$ in crore)

Name	Designation	Remuneration paid for the Year ended 31 st March 2023
Shri Rajkiran Rai G. @	Managing Director & CEO	0.002
Ms. A Manimekhalai #	Managing Director & CEO	0.004
Shri Manas Ranjan Biswal ##	Executive Director	0.001
Shri Nitesh Ranjan	Executive Director	0.005
Shri Rajneesh Karnatak	Executive Director	0.004
Shri Nidhu Saxena	Executive Director	0.004
Shri Ramasubramanian S ^	Executive Director	0.001

@ Till 31.05.2022

From 03.06.2022

Till 30.04.2022

^ From 21.11.2022

Parties with whom transactions were entered into during the year

No disclosure is required in respect of related parties, which are "State controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 6 of AS 18, transactions in the nature of Banker – Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

As per the RBI Master Direction, KMPs are construed to be the Whole Time Directors of the Bank.

b. "Leases" – Premises taken on Operating Lease (AS 19):

The Bank has no non-cancellable operating lease during the FY 2022-23. Hence, additional disclosure under AS-19 is not applicable. However, the amount of lease payment recognized in the profit & loss account for operating lease is \$ 9.76 crore (PY \$ 10.77 crore)

c. EARNING PER SHARE (AS-20)

Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. The diluted earnings per equity share is computed using the weighted average number of equity shares and weighted average number of diluted potential equity shares outstanding during the year.

The computation of earnings per share is given below:

Particulars	31.03.2023	31.03.2022
Number of Equity shares at the beginning of the year	6,83,47,47,466	6,40,68,44,355
Number of Equity shares issued during the year	Nil	42,79,03,111
Number of Equity shares outstanding at the end of the year	6,83,47,47,466	6,83,47,47,466
Weighted Average Number of Equity Shares used in computing Basic Earnings per share	6,83,47,47,466	6,77,26,13,590
Weighted Average Number of Shares used in computing diluted Earnings per share	6,83,47,47,466	6,77,26,13,590
Net Profit/(Loss) \$ in Crore	102.63	63.67
Basic Earnings per share (\$)	0.150	0.094
Diluted Earnings per share (\$)	0.150	0.094
Nominal Value per share (\$)	0.122	0.122

d. PROVISION FOR TAXES:

i. Deferred Tax (AS-22)

(\$ in crore)

Sr. No.	Particulars	31.03.2023	31.03.2022
	Deferred Tax Assets		
1	Employee Benefits (Leave Encashment)	6.50	6.26
2	Depreciation on Fixed Assets	4.82	4.73
3	On account of other provisions	138.81	185.63
4	Foreign Currency Translation Reserve	(1.03)	0.02
5	Standard Asset	0.00	7.76
	Total	149.10	204.40
	Deferred Tax Liabilities		
1	Accrued interest on securities	15.51	14.42
2	Special Reserves u/s 36(i)(viii)	28.19	27.80
3	Depreciation on Investment		--
	Total	43.71	42.22
	Net Deferred Tax Asset	105.39	162.18
	Net Deferred Tax Liability	Nil	Nil

ii. Direct Tax

(\$ in crore)

Particulars	31.03.2023	31.03.2022
Provision for Income Tax (Including Deferred tax)	45.08	44.16

CORPORATE TAXATION:

Provision for tax is made for both current and deferred taxes. Current tax is provided on the taxable income using applicable tax rates and tax laws. Deferred Tax Assets and Deferred Tax Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and the tax laws that have been enacted or substantively enacted till the date of the Balance Sheet.

Deferred Tax Assets are recognized only if there is virtual certainty of realization of such assets in future. Deferred Tax Assets/Liabilities are reviewed at each Balance Sheet date based on developments during the year.

e. INVESTMENT IN JOINT VENTURES (AS – 27)

Investments include \$3.49 Crores (Previous year \$ 3.12 Crores) representing Bank's interest in Star Union Dai-ichi Life Insurance Co., ASREC(India) Limited, and India International Bank (Malaysia) BHD.

f. Revaluation of Property

Land and Building of the bank were revalued as on 31.12.2019 at Fair Market Value as determined by approved valuer have further been revalued as on 31.12.2022 at Fair Market Value by approved valuer. The resultant increase in value thereof on such revaluations amounting to \$ 17.14 crore for Premises and \$ 1.22 crore for Vacant Land as on 31.12.2022 have been credited to Revaluation Reserve. As AS-10 (Revised), the depreciation of revalued portion is recouped from Revaluation Reserve resulting in decrease in Revaluation Reserve by \$ 1.52 crore for the year ended 31st March, 2023.

g. IMPAIRMENT OF ASSET (AS-28)

In the opinion of the Management, there is no indication for Impairment during the year with regard to the asset to which Accounting Standards 28 applies.

h. CONTINGENT LIABILITIES (AS – 29)

Contingent liabilities referred to in Schedule-12 at S. No.(I) & (VI) are dependent upon the outcome of court/arbitration/out of court settlement, the amount being called up, terms of contractual obligations, devolvement and raising of demand by parties concerned, disposal of appeals respectively.

i. During the current year, there is no material prior period item (as per AS 5) and no discontinued operations (as per AS 24).

j. Climate Control

Union Bank of India has a policy in place in name of "Sustainable Development and Business Responsibility Policy" which is reviewed every year and last reviewed by the Board on 02.03.2023. Through this policy, the Bank is committed to make effort to protect and restore the environment. Bank has taken various initiatives like Electricity Conservations, avoid usage of plastic bottles for packaged drinking water etc. To manage Environmental, Social and Governance (ESG) and climate risk, the Bank's Board has put in place "ESG Risk Framework and Climate Risk Policy". The Bank has formed ESG Steering Committee to formulate and implement ESG strategy and transition in the Bank.

k. BALANCING OF BOOKS, RECONCILIATION OF INTER BRANCH / BANK TRANSACTIONS

- (i) Confirmation/ Reconciliation of balance with foreign banks and other banks has been obtained/carried out.
- (ii) Adjustment of outstanding entries in Suspense Accounts, Sundry Deposits, Clearing Adjustments, Bank Reconciliation Statements and various inter-branch/office accounts is in progress.
- (iii) Pending final clearance of the (i) and (ii), the overall impact, if any, on the accounts, in the opinion of the management will not be significant.

l. Compliance to the Provision of MSME Development Act, 2006

Bank is complying with the extant provisions of MSME Development Act, 2006 and there has been no reported cases of any delayed payments of the principal amount or interest due thereon to Micro, Small and Medium Enterprises.

The figures of the previous year have been regrouped/rearranged wherever considered necessary.

Signatories to Schedules 1 to 18

(PANKAJ KUMAR)
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

For and on behalf of the Board of Directors

(RAMASUBRAMANIAN S)
EXECUTIVE DIRECTOR

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

(NITESH RANJAN)
EXECUTIVE DIRECTOR

(ARUN KUMAR SINGH)
DIRECTOR

(SURAJ SRIVASTAVA)
DIRECTOR

(LAXMAN S UPPAR)
DIRECTOR

(JAYADEV MADUGULA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

(A. MANIMEKHALAI)
MANAGING DIRECTOR & CEO

(SRINIVASAN VARADARAJAN)
CHAIRMAN

As per our report of even date attached.

For **M/s R G N Price & Co.**
Chartered Accountants
FRN 002785S

CA P M Veeramani
Partner
Membership No.023933
UDIN: 23023933BGVFVB8763

For **M/s P V A R & Associates**
Chartered Accountants
FRN 005223C

CA Ruchi Agarwal
Partner
Membership No.504134
UDIN:23504134BGWTPP4106

For **M/s SARDA & PAREEK LLP**
Chartered Accountants
FRN 109262W/W100673

CA Niranjan Joshi
Partner
Membership No.102789
UDIN: 23102789BGWREB5291

For **M/s Gopal Sharma & Co.**
Chartered Accountants
FRN 002803C

CA Abhishek Sharma
Partner
Membership No.079224
UDIN: 23079224BGTKQO2274

For **M/s C R Sagdeo & Co.**
Chartered Accountants
FRN 108959W

CA Sachin V Luthra
Partner
Membership No. 109127
UDIN: 23109127BGQVHR6655

For **M/s NBS & Co.**
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 23046940BGPTTS7892

Place : MUMBAI
Date : 6th May, 2023

Standalone Cash Flow Statement For The Year Ended 31st March, 2023

(\$ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	14,771.48	11,319.60
Adjustments for:		
Depreciation on Fixed Assets	897.10	973.83
Provision for Investments	2,038.19	283.15
Provision for Non Performing Assets (Net)	15,186.78	15,322.45
Provision for Standard Asset	(1,414.65)	1,801.25
Provision for Staff Related Expenditures	-	-
Provision for other items (Net)	118.90	132.89
(Profit)/Loss on Sale or Disposal of Fixed Assets	1.81	0.46
Interest on Borrowings : Capital Instruments	1,930.15	2,046.82
Dividend received from Investments	(84.80)	(39.83)
Transfer to/from reserves	(821.71)	955.01
Sub Total	32,623.26	32,795.62
Adjustments for:		
Increase / (Decrease) in Deposits	1,03,838.00	1,43,269.18
Increase / (Decrease) in Other Liabilities and Provisions	12,759.62	(1,198.00)
(Increase) / Decrease in Investments	9,295.71	(22,969.66)
(Increase) / Decrease in Advances	(1,37,908.93)	(1,07,708.61)
(Increase) / Decrease in Other Assets	(9,336.10)	5,882.42
Direct taxes paid (Net of Refund)	(3,988.70)	(2,290.63)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	7,282.87	47,780.31
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(3,718.20)	(975.95)
Proceeds from Sale/Adjustment of Fixed asset	830.35	202.95
(Increase)/Decrease in Investment in Subsidiary	(127.45)	262.65
Dividend received from Investment	84.80	39.83
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(2,930.50)	(470.52)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of Equity Share Capital Including Share Premium (Net)	-	1,902.67
Proceeds from issue of Capital Instruments	1,196.30	9,235.74
Repayments of Capital Instruments	(121.70)	(7,124.72)
(Decrease)/Increase Borrowings other than Capital Instruments	(10,861.18)	(2,979.20)
Interest Paid on Borrowings : Capital Instruments	(1,930.15)	(2,046.82)
Dividend paid during the year	(1,580.39)	-

(\$ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(13,297.12)	(1,012.32)
Net Increase (Decrease) in Cash & Cash Equivalent (A)+(B)+(C)	(8,944.75)	46,297.47
Cash and Cash Equivalents as at the beginning of the year	1,45,430.64	1,11,370.32
Net cash and cash equivalents at the end of the year	1,36,485.89	1,57,667.79
Components of Cash and Cash equivalents	-	-
D CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	-	-
Cash and Balances with RBI (including FC notes)	56,118.52	49,979.17
Balances with Banks and Money at call	89,312.12	61,391.15
Net cash and cash equivalents at the beginning of the year	1,45,430.64	1,11,370.32
E CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	-	-
Cash and Balance with RBI (including FC notes)	61,158.91	60,840.57
Balances with Banks and Money at call	75,326.98	96,827.22
Net cash and cash equivalents at the end of the year	1,36,485.89	1,57,667.79

The Schedules referred to above form an integral part of the Standalone Balance Sheet

(PANKAJ KUMAR)
DY. GENERAL MANAGER

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

For and on behalf of the Board of Directors

(RAMASUBRAMANIAN S)
EXECUTIVE DIRECTOR

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

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(A. MANIMEKHALAI)
MANAGING DIRECTOR & CEO

(SRINIVASAN VARADARAJAN)
CHAIRMAN

As per our report of even date attached.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

CA P M Veeramani
Partner
Membership No.023933
UDIN: 23023933BGVFB8763

For M/s P V A R & Associates
Chartered Accountants
FRN 005223C

CA Ruchi Agarwal
Partner
Membership No.504134
UDIN:23504134BGWTPP4106

For M/s SARDA & PAREEK LLP
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For M/s Gopal Sharma & Co.
Chartered Accountants
FRN 002803C

CA Abhishek Sharma
Partner
Membership No.079224
UDIN: 23079224BGTKQ02274

For M/s C R Sagdeo & Co.
Chartered Accountants
FRN 108959W

CA Sachin V Luthra
Partner
Membership No. 109127
UDIN: 23109127BGQVHR6655

For M/s NBS & Co.
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 23046940BGPTTS7892



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Independent Auditors' Report

To

The President of India /

The Members of Union Bank of India

Mumbai

Report on Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of Union Bank of India (the "Bank") which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and Notes to the Consolidated Financial Statements including Significant Accounting Policies and other explanatory information, in which following are incorporated –
 - a. Audited Standalone Financial Statements of the Bank;
 - b. Audited Financial Statements of 2 Domestic Subsidiaries, 1 Regional Rural Banks (Associate) 1 Foreign Subsidiary Entity and 1 Foreign Jointly Controlled Entity.
 - c. Unaudited financial statements of 2 domestic Subsidiaries and 2 Domestic Jointly Controlled Entities

The above entities together with the Bank are referred to as the "Group".

In our opinion and to the best of our information and according to explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements, the unaudited financial statements and the other financial information of the subsidiaries, Jointly controlled entities and associates as furnished by the management, the aforesaid Consolidated Financial Statements are in conformity with accounting principles generally accepted in India and give:

- a. true and fair view in case of the Consolidated Balance Sheet, of the state of affairs of the Bank as at March 31, 2023;
- b. true balance of Profit in case of Consolidated Profit & Loss account for the year ended on that date; and
- c. true and fair view of the cash flows in case of Consolidated Cash Flows Statement for the year ended on that date.

Basis of Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

3. We draw your attention to Note No. 8 (c) (ii) (a) of schedule 18 – Notes to Accounts to the standalone financial statements regarding unamortised part of additional liability on account of revision in family pension carried forward from last year amounting to \$ 18.52 crores, has been fully charged to profit and loss account during the year ended March 31, 2023. There is no unamortised expenditure in the Balance Sheet on account of additional family pension. Our opinion is not modified in respect of this matter.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters to be communicated in our report.

Sr.	Key Audit Matter	How it was dealt with in our report
1	<p>Income Recognition, Asset Classification (IRAC) and provisioning on Loans & Advances and Investments as per the regulatory requirements</p> <p>Loans & Advances and Investments are the largest class of assets forming 85.98% of the total assets as on March 31, 2023. Classification, income recognition and loss provisioning on the same are based on objective parameters as prescribed by the regulations (Reserve Bank of India's prudential norms and other guidelines). The management of the Bank relies heavily on its IT systems (including Core Banking Solution), exercise significant estimates and judgement, manual interventions, and uses services of experts (like independent valuers, Lawyers, legal experts and other professional) to determine asset classification, income recognition and provisioning for losses.</p> <p>The Bank has system based identification of non-performing assets in accordance with IRAC Norms</p>	<p>Our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances and associated impairment provisions.</p> <p>Our audit procedures included the assessment of controls over the approval, disbursements and monitoring of loans, and reviewing the logic and assumptions used in the CBS and other related IT systems for compliance of the IRAC and provisioning norms and its operating effectiveness.</p> <p>These included evaluation and understanding of following:</p> <ul style="list-style-type: none"> • Bank's internal control system in adhering to the Relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances/investments; • System controls and manual controls over the timely recognition of non-performing assets (NPA/NPI); • Operational existence and effectiveness of controls over provisioning calculation models from the IT systems; • Overall Controls on the loan approval, disbursement and monitoring process in case of advances and controls over the purchase, sale and hold decisions making system in case of investments • We tested sample of loans/investments (in cases of branches visited by us) to assess whether they had been identified as non performing on a timely manner, income recognized and provisioning made as per IRAC norms. • We have also reviewed the reliability, effectiveness and accuracy of manual interventions, wherever it has come to our notice, on test check basis. • We have relied on the reports/returns and work done by other Statutory Branch Auditors (SBA) in cases of branches not visited by us to get an overall comfort with respect to overall compliance in accordance with SA 600 - Using the Work of Another Auditor.

Sr.	Key Audit Matter	How it was dealt with in our report
		<ul style="list-style-type: none"> • We have reviewed the work done by other experts like Independent valuers, Lawyers, Legal Experts and other such professionals who have rendered services to the Bank, in accordance with SA 620 Using the Work of an Auditor's Expert. • Further we have also reviewed the Bank's system of monitoring potentially weak and sensitive accounts which show a sign of stress. • We have also reviewed the reports and observations of the Bank's internal audit/inspection reports and observations of the concurrent auditors for the same. • Verification of valuation, classification, provisioning and income recognition of investments by carrying out substantive test including arithmetic accuracy, data accuracy and control over the financial reporting system. <p>We have test checked and assessed the efficacy of the system based identification of NPA</p>
2	Information Technology (IT) and controls impacting financial reporting	
	<p>In the normal course of its business, the Bank's financial accounting and reporting systems are highly dependent on the effective working of the Core Banking Solution (CBS) and other IT systems linked to the CBS or working independently. Extensive volume, variety and complexity of transactions are processed daily and there is a risk that automated accounting procedures and related internal controls may not be accurately designed and operating effectively. Particular areas of focus relate to the logic that is fed into the system, sanctity and reliability of the data, access management and segregation of duties. These underlying principles are important because they ensure that changes to applications and data are appropriate, authorized, cleansed and monitored, so that the system generates accurate and reliable reports/ returns and other financial and non-financial information that is used for the preparation and presentation of the financial statements.</p> <p>We have relied on the consistent and accurate functioning of CBS and other IT systems for the following:</p> <ul style="list-style-type: none"> • Asset Classification and Income recognition as per the Reserve Bank of India guidelines; 	<p>Our audit procedures included verifying, testing and reviewing the design and operating effectiveness of the IT system by verifying the reports/returns and other financial and non-financial information generated from the system on a test check basis.</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Ensuring that deficiencies noticed in our verification on test check basis were informed to the management for corrective action; • Carrying out independent alternative audit procedures like substantive testing in areas where deficiencies were noticed; • Analytical procedures like ratio analysis, trend analysis, reasonable tests, comparative analysis; • Reliance on the work performed by the statutory branch auditors and the rectification entries (MOCs) passed based on branch audits; • Reliance on external vendor inspection reports wherever made available. • Reviewed the IS Audit Reports and discussed with IT Department on compliance with key IT controls.

Sr.	Key Audit Matter	How it was dealt with in our report
	<ul style="list-style-type: none"> • Provisioning on the advance portfolio; • Identification of advances and liability items and its maturity pattern in various brackets; • Reconciliation and ageing of various suspense and sundry accounts, impersonal accounts, inter-branch balances and other such accounts; • Recording Investment transactions • Interest expense on deposits and other liabilities; 	
3	Recognition and measurement of Deferred tax	
	<p>The Bank has recognised a net deferred tax asset of \$ 1,053,881.55 (in '000) as on March 31, 2023. Besides objective estimation, recognition and measurement of deferred tax asset is based on the judgment and numerous estimates regarding the availability and visibility of profits in the future. The recent decrease in the amount of deferred tax assets presumes availability and forecasting of profits over an extended period of time thus decreasing uncertainty and the inherent risk of inappropriate recognition of the said asset.</p>	<p>Our audit procedures included the risk assessment to gain an understanding of the applicable tax laws and relevant regulations applicable to the Bank. Based on our understanding, we performed both tests of related internal key controls and substantive audit procedures with the assistance of tax specialists. We performed the following audit procedures as part of our controls testing including, but not limited to:</p> <ul style="list-style-type: none"> • Evaluation of the policies used for recognition and measurement of deferred tax assets in accordance with AS 22 Accounting for Taxes on Income; • Assessed the method, assumptions and other parameters used with reference to uniformity, management representations, consistency and continuity like budget and midterm projections prepared by the management including earning growth and applicable tax rates and tested the arithmetical accuracy • Assessed the probability of the availability and visibility of profits against which the bank will be able to use this deferred tax asset in the future.

Information Other than the Consolidated Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors is responsible for the other information. The other information comprises the Highlights for the year, Directors' Report including annexures to Directors' Report, key financial ratios, Business responsibility Report and Corporate Governance report in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the consolidated financial statements does not cover the Other Information and Pillar 3 disclosures under the Basel III Disclosure and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the Other Information that we obtained prior to the date of this Auditors' Report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Bank's Board of Directors are responsible for preparation and presentation of these consolidated Financial Results that give a true and fair view of the consolidated financial position, financial performance and consolidated cash flows and other financial information of the Group including its associate and jointly controlled entity in accordance with the Accounting Standard 21- "Consolidated Financial Statements", Accounting Standards 23- "Accounting for Investments in Consolidated Financial Statements" and Accounting Standards 27 – Financial Reporting of Interest in Joint Venture" issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India.

The respective Board of Directors of the entities included in the Group and of its associate and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act/ Banking Regulations Act, 1949 for safeguarding the assets of the Group and preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud and error.

In preparing the consolidated Financial statements, the respective Board of Directors of the entities included in the Group and of its associate and jointly controlled entity are responsible for assessing the ability of the group and of its associate and jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group and of its associate and jointly controlled entity are responsible for overseeing the financial reporting process of the Group and of its associate and jointly controlled entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

8. We did not audit the financial statements of 3 subsidiaries and 1 Jointly controlled entity included in the consolidated financial statements, whose financial statements reflect total assets of \$ 544,664.33 (in '000) as at March 31, 2023 and total revenues of \$ 26,915.59 (in '000) for the year ended on that date net Loss after tax amounting to \$ 5,280.10 (in '000) for the year ended on that date, as considered in the consolidated financial statements. The Consolidated Financial Statements also include the Group's share of Net Profit after tax amounting to \$ 9,896.58 (in '000) for the year ended 31st March, 2023 as considered in the Consolidated Financial Statements, in respect of one associate, whose Financial Statements / financial information have not been audited by us. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, are based solely on the reports of the other auditors.

The consolidated financial statements also include the unaudited Financial Results of 2 subsidiaries and 2 jointly controlled entities whose Financial Statements/Financial Results/ Financial information reflect Group's share of total assets of \$ 633,381.32 (in '000) as at 31st March 2023, Group's share of total revenue of \$ 216,040.12 (in '000) and Group's share of total net profit after tax of \$ 4,922.99 (in '000) for the year ended 31st March 2023, as considered in the consolidated Financial Results. These unaudited Financial Statements/Financial Results/ financial information has been furnished to us duly certified by the Bank's management and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities are based solely on such reviewed/unaudited Financial Statements/Financial Results/Financial information. In our opinion and according to the information and explanations given to us by Bank's management, these Financial Statements/Financial Results / Financial information are not material to the Group.

The entities of the Group whose financial statements are included in the Consolidated Financial Statements are listed in Schedule 18 of Notes to Accounts which forms part of the Consolidated Financial Statements of the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

9. The Consolidated Balance Sheet and the Profit & Loss Account have been drawn up in accordance with section 29 of the Banking Regulation Act, 1949.
10. Subject to limitation of the audit indicated in paragraph 5 and 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associate and jointly controlled entities, as noted in the 'other matter' paragraphs to the extent applicable and also subject to the limitations of disclosure required therein and we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;

- b) The transactions of Bank, which have come to our notice, have been within the power of Bank; and
- c) The returns received from the offices and branches of the bank have been found adequate for the purpose of our audit.

11. We further report that:

- a) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- b) The Consolidated Balance Sheet, Consolidated Profit and Loss account and Consolidated Cash flow statement dealt with by this report are in agreement with the books of account and with the returns received from branches not visited by us;
- c) The reports on the accounts of the branches and offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report;
- d) in our opinion, the Consolidated Balance Sheet, Consolidated Profit and Loss account and Consolidated Cash flow statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

CA P. M. Veeramani
Partner
Membership No.023933
UDIN: 23023933BGVFVC3602

For M/s P V A R & Associates
Chartered Accountants
FRN 005223C

CA Ruchi Agarwal
Partner
Membership No. 504134
UDIN:23504134BGWTPQ8986

For M/s SARDA & PAREEK LLP
Chartered Accountants
FRN 109262W/W100673

CA Niranjan Joshi
Partner
Membership No.102789
UDIN: 23102789BGWREC1919

For M/s Gopal Sharma & Co.
Chartered Accountants
FRN 002803C

CA Abhishek Sharma
Partner
Membership No. 079224
UDIN: 23079224BGTKQP5499

For M/s C R Sagdeo & Co.
Chartered Accountants
FRN 108959W

CA Sachin V. Luthra
Partner
Membership No. 109127
UDIN: 23109127BGQVHR54391

For M/s N B S & Co.
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 23046940BGPTTT2512

Place of Signature: Mumbai

Date of Report: 06.05.2023

Consolidated Balance Sheet As On 31st March, 2023

(\$ in 000')

Particulars	Schedule Number	As on 31 st March 2023	As on 31 st March 2022
CAPITAL AND LIABILITIES			
Capital	1	844,438	915,493
Reserves and Surplus	2	8,745,864	8,433,865
Minority Interest	2A	-	-
Deposits	3	136,341,965	136,473,629
Borrowings	4	5,200,997	6,761,249
Other Liabilities and Provisions	5	5,658,401	4,920,214
TOTAL		156,791,665	157,504,451
ASSETS			
Cash and Balances with Reserve Bank of India	6	6,116,357	6,084,493
Balances with Banks and Money at Call and Short Notice	7	7,586,803	9,716,308
Investments	8	41,831,198	46,421,354
Advances	9	93,011,644	87,522,598
Fixed Assets	10	1,076,789	951,058
Other Assets	11	7,168,874	6,808,640
Goodwill on Consolidation		-	-
TOTAL		156,791,665	157,504,451
Contingent Liabilities	12	74,005,023	85,911,777
Bills for Collection		5,302,022	8,719,783
Significant Accounting Policies	17		
Notes to Accounts	18		

The Schedules referred to above form an integral part of the Consolidated Balance Sheet

(PANKAJ KUMAR)
DY. GENERAL MANAGER

For and on behalf of the Board of Directors

(RAMASUBRAMANIAN S)
EXECUTIVE DIRECTOR

(ARUN KUMAR SINGH)
DIRECTOR

(LAXMAN S UPPAR)
DIRECTOR

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

(JAYADEV MADUGULA)
DIRECTOR

(A. MANIMEKHALAI)
MANAGING DIRECTOR & CEO

(SRINIVASAN VARADARAJAN)
CHAIRMAN

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

(NITESH RANJAN)
EXECUTIVE DIRECTOR

(SURAJ SRIVASTAVA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

As per our report of even date attached.

For M/s R G N Price & Co.
Chartered Accountants
FRN 002785S

CA P M Veeramani
Partner
Membership No.023933
UDIN: 23023933BGVFB8763

For M/s P V A R & Associates
Chartered Accountants
FRN 005223C

CA Ruchi Agarwal
Partner
Membership No.504134
UDIN:23504134BGWTPP4106

For M/s SARDA & PAREEK LLP
Chartered Accountants
FRN 109262W/W100673

CA Niranjn Joshi
Partner
Membership No.102789
UDIN: 23102789BGWREB5291

For M/s Gopal Sharma & Co.
Chartered Accountants
FRN 002803C

CA Abhishek Sharma
Partner
Membership No.079224
UDIN: 23079224BGTKQO2274

For M/s C R Sagdeo & Co.
Chartered Accountants
FRN 108959W

CA Sachin V Luthra
Partner
Membership No. 109127
UDIN: 23109127BGQVHR6655

For M/s NBS & Co.
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 23046940BGPTTS7892

Consolidated Profit and Loss Account For the Year Ended 31st March, 2023

(\$ in 000')

Particulars	Schedule Number	For the Year Ended 31 st March, 2023	For the Year Ended 31 st March, 2022
I. INCOME			
Interest Earned	13	9,877,471	9,002,165
Other Income	14	1,936,881	1,784,400
TOTAL		11,814,353	10,786,565
II. EXPENDITURE			
Interest Expended	15	5,845,545	5,301,114
Operating Expenses	16	2,858,379	2,599,546
Provision And Contingencies		2,084,464	2,198,699
TOTAL		10,788,389	10,099,359
III. CONSOLIDATED NET PROFIT/(LOSS) BEFORE MINORITY INTEREST AND SHARE OF EARNINGS IN ASSOCIATE		1,025,964	687,205
Add:-Share of profit in Associate		9,897	7,497
Consolidated Net Profit/(Loss) for the year before deducting Minority Interest		1,035,860	694,702
(Less):-Minority Interest		-	-
Consolidated Net Profit/(Net Loss) for the year attributable to the group		1,035,860	694,702
Transfer from Investment Fluctuation Reserve		70,975	-
Add : Profit/(Loss) Brought Forward		0	0
Amount Available for Appropriation		1,106,835	694,703
IV. APPROPRIATIONS			
Transfer To Statutory Reserve		256,580	174,080
Transfer To Capital Reserve		11,506	161,133
Transfer To Investment Fluctuation Risk Reserve		-	86,667
Transfer To Revenue And Other Reserves		423,690	32,613
Proposed Dividend		249,535	171,336
To Special Reserve [Sec36(l)(viii)]of the Income Tax Act,1961		73,019	68,872
Transfer to Investment Reserve Account		21,529	-
Balance in Profit and Loss Account		70,975	0.46
TOTAL		1,106,835	694,703
Earnings per share (Basic and Diluted in \$) of FV of \$ 0.1217 each	18(13)	0.15	0.10
Significant Accounting Policies	17		
Notes To Accounts	18		

The Schedules referred to above form an integral part of the Consolidated Profit & Loss A/c

(PANKAJ KUMAR)
DY. GENERAL MANAGER
For and on behalf of the Board of Directors

(RAMASUBRAMANIAN S)
EXECUTIVE DIRECTOR

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EXECUTIVE DIRECTOR

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DIRECTOR

(PRITI JAY RAO)
DIRECTOR

As per our report of even date attached.

For **M/s R G N Price & Co.**
Chartered Accountants
FRN 002785S

CA P M Veeramani
Partner
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For **M/s P V A R & Associates**
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FRN 110100W

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Membership No. 046940
UDIN: 23046940BGPTTS7892

Schedules Forming Part Of The Consolidated Balance Sheet As On 31st March, 2023

(\$ in 000')

Particulars	As on 31 March, 2023	As on 31 March, 2022
SCHEDULE 1 - CAPITAL :		
I. Authorised :		
10,00,00,00,000 Equity Shares of \$ 0.1217 each (Previous Year 10,00,00,00,000 Equity Shares of \$ 0.1217 each)	1,216,989	1,319,392
II. Issued, Subscribed, called up & Paid up :		
i. 570,66,60,850 Equity Shares of \$ 0.1217 each, held by Central Government (Previous Year 570,66,60,850 Equity Shares)	694,494	752,932
ii. 112,80,86,616 Equity Shares of \$ 0.1217 each, held by Public (Previous Year 70,01,83,505 Equity Shares)	137,287	148,839
TOTAL	831,781	901,771
SCHEDULE 1A - PREFERENCE SHARE CAPITAL ISSUED BY SUBSIDIARY COMPANY :		
10,40,03,544 Participatory Non-Redemable Compulsorily convertible Preference Shares of \$ 0.1217 Each (Issued by Union Asset Management Company Private Limited, a subsidiary company) to Dai Ichi Life Holdings Inc on May 17 2018 for a tenure of 20 years)	12,657	13,722
TOTAL	12,657	13,722

(\$ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
SCHEDULE 2 - RESERVES & SURPLUS :				
I. Statutory Reserve :				
As per last balance sheet	1,937,153		1,827,762	
Addition during the year	106,231		109,391	
Deductions during the year	-	2,043,384		1,937,153
II. Capital Reserve :				
A) Capital Reserve				
As per last Balance Sheet	777,560		639,045	
Addition during the year	11,506		138,516	
Deductions during the year	60,349		-	
	728,717		777,560	
B) Revaluation Reserve :				
As per last Balance Sheet	627,644		670,015	
Addition during the year	184,895		1,045	
Deductions during the year	66,231		43,416	
	746,309		627,644	
C) Amalgamation Reserves				
As per last Balance Sheet	172,787		179,127	
Addition during the year	-		-	
Deduction during the year	13,411		6,340	
	159,376	1,634,402	172,787	1,577,991

(\$ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
III) Capital Reserve on Consolidation				
As per last Balance Sheet	5,559		9,075	
Addition during the year	-		-	
Deduction during the year	4,097	1,463	3,516	5,559
IV. Share Premium :				
As per last Balance Sheet	2,426,716		2,377,036	
Addition during the year	3,666		134,481	
Deduction during the year	188,346	2,242,036	84,802	2,426,716
V. Revenue Reserves :				
i) Revenue and other Reserves :				
As per last Balance Sheet	1,417,423		1,304,959	
Addition during the year	457,347		180,029	
Deduction during the year	110,325		67,565	
	1,764,445		1,417,423	
Less:- Minority Interest	-		-	
	1,764,445		1,417,423	
ii) Special Reserve Sec 36(1)(viii)				
As per last Balance Sheet	795,577		753,369	
Addition during the year	73,019		42,208	
Deduction during the year	61,748		-	
	806,849		795,577	
iii) Foreign Currency Translation Reserve"				
As per last Balance Sheet	16,804		27,550	
Addition during the year	9,881		3,897	
Deduction during the year	31,662		14,643	
	(4,976)		16,804	
iv) Special Profit Reserve/ Cash Flow Hedge Reserve				
As per last Balance Sheet	772		806	
Addition during the year	10		-	
Deduction during the year	60		35	
	722		772	
v) Investment Fluctuation Reserves				
As per last Balance Sheet	255,455		175,546	
Addition during the year	-		86,667	
Deduction during the year	90,802		6,758	
	164,653		255,455	
vi) Debenture Redemtion reserve				
As per last Balance Sheet	414		-	
Addition during the year	-		414	
Deduction during the year	32		-	
	382	2,732,075	414	2,486,445
VI. Investment Reserve Account				
As per last balance sheet	-		-	
Addition during the year	21,529		-	
Deduction During The year	-		-	
		21,529		-

(\$ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
VI. Balance in Profit and Loss Account				
Balance in Profit and Loss Account		70,975		0.46
TOTAL		8,745,864		8,433,864
SCHEDULE 2 A MINORITY INTEREST				
Opening Balance		-		-
Add/(Less):- Increase/(Decrease) during the year		-		-
Total Minority Interest		-		-
SCHEDULE 3 - DEPOSITS :				
I. Demand Deposits				
i) From Banks	213,788		107,306	
ii) From Others	8,791,803	9,005,591	9,486,846	9,594,151
II. Savings Bank Deposits		38,956,425		40,185,633
III. Term Deposits				
i) From Banks	2,147,167		300,654	
ii) From Others	86,232,782	88,379,949	86,393,191	86,693,845
TOTAL		136,341,965		136,473,629
Deposits of branches in India		134,592,062		136,156,866
Deposits of branches outside India		1,749,903		316,763
TOTAL		136,341,965		136,473,629
SCHEDULE 4 - BORROWINGS :				
A) Borrowings in India				
i. Reserve Bank of India	1,628,575		1,874,724	
ii. Other Banks	923		261,612	
iii. Other Institutions and Agencies	285,554		398,723	
iv. Perpetual Bonds	1,179,019		1,148,531	
v. Subordinated Bonds	1,210,904		1,325,989	
vi. 7 years infra bonds	-	4,304,975	-	5,009,578
B. Borrowings Outside India		896,022		1,751,671
TOTAL		5,200,997		6,761,249
Secured Borrowings included in (B) I above		1,692,137		1,939,895
I & II above				
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS :				
I. Bills Payable		322,472		354,787
II. Interest Accrued		734,372		600,246
III. Others* (including provisions)		4,601,557		3,965,181
TOTAL		5,658,401		4,920,214
*Includes provision for Standard Assets \$ 6,81,067 (Previous Year \$ 8,67,978)				
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA:				
I. Cash in hand		345,824		499,373
(Including Foreign Currency Notes and Gold)		-		-
II. Balances with Reserve Bank of India				
Balances with Reserve Bank of India In Current Account		5,770,415		5,585,114
Balances with Reserve Bank of India In Other Account		119		6

(\$ in 000')

Particulars	As on 31 March, 2023	As on 31 March, 2022
TOTAL	6,116,357	6,084,493
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE :		
I) In India		
i) Balances with Banks	74,909	31,763
a) In Current Accounts	713,106	812,523
b) In Other Deposit Accounts	-	-
ii) Money at Call & Short notice	6,085	-
a) With Banks	3,800,701	7,310,946
b) With Other Institutions	4,594,801	8,155,232
II. Outside India		
i) In Current Accounts	66,714	44,492
ii) In other Deposit Accounts	2,907,033	1,500,066
iii) Money at call & short notice	18,255	16,518
	2,992,002	1,561,076
TOTAL	7,586,803	9,716,308
SCHEDULE 8 - INVESTMENTS :		
I. Investments in India		
i) Government Securities	31,916,609	35,073,255
ii) Other Approved Securities	110,884	77,381
iii) Shares	298,572	346,241
iv) Debentures and Bonds	7,830,027	9,281,798
v) Subsidiaries and Joint Ventures/ Associate	42,621	35,478
vi) Others (Commercial Paper, Mutual Funds, Venture Capital, Security Receipt, Etc.)	1,351,935	1,326,569
Total	41,550,649	46,140,722
II. Investments outside India		
i) Govt Securities (including Local Authorities)	227,460	244,847
ii) Shares	4,083	90
iii) Other Investments (Bonds)	49,007	35,695
iv) Subsidiaries and Joint Ventures	-	-
Total	280,549	280,631
TOTAL	41,831,198	46,421,354
III. Investments in India		
Gross Value	42,503,482	46,952,037
Less: Provision for Depreciation	952,834	811,315
Net Value of Investment in India	41,550,649	46,140,722
IV) Investments outside India		
Gross Value	283,730	284,804
Less: Provision for Depreciation	3,180	4,172
Net Value of Investment outside India	280,549	280,631
TOTAL	41,831,198	46,421,354

Strategy, Model & Capitals

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Particulars	As on 31 March, 2023	As on 31 March, 2022
SCHEDULE 9 - ADVANCES (Net)		
I.		
i) Bills purchased and discounted	401,298	511,022
ii) Cash Credits, Overdrafts and Loans repayable on demand	42,426,333	37,993,005
iii) Term Loans	50,184,012	49,018,571
TOTAL	93,011,644	87,522,598
II.		
i) Secured by Tangible Assets (includes Advance against Book Debts)	76,160,384	70,778,486
ii) Covered by Bank/Government Guarantees	1,493,169	1,725,138
iii) Unsecured	15,358,091	15,018,974
TOTAL	93,011,644	87,522,598
A. Advances in India		
i) Priority Sector	34,788,791	34,241,376
ii) Public Sector	9,947,432	9,595,886
iii) Banks	7,710	2,942
iv) Others	45,262,404	41,406,767
TOTAL	90,006,337	85,246,970
B. Advances Outside India		
i) Due From Banks	656,122	719,928
ii) Due from Others	-	-
a) Bills Purchased and Discounted	4,968	16,265
b) Syndicated Loans	-	7,219
c) Others	2,344,217	1,532,216
	3,005,307	2,275,628
TOTAL	93,011,644	87,522,598

(\$ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
SCHEDULE 10 - FIXED ASSETS :				
A. TANGIBLE ASSETS				
I. Premises				
At cost/valuation as per last balance sheet	1,068,479		1,117,605	
Additions during the year	263,193		8,078	
Deduction during the year	164,674		57,204	
	1,166,998		1,068,479	
Less: Depreciation till date	335,969	831,029	348,428	720,051
II. Capital Work-in-Progress				
At cost as per last balance sheet	4,883		8,662	
Additions during the year	3,958		2,476	
Deductions during the year	6,145	2,697	6,254	4,883
III. Land				
At cost as per last balance sheet	32,967		15,966	
Additions during the year	15,016		17,736	
Deductions during the year	3,746		735	
	44,237		32,967	
Less: Depreciation till date	8,549	35,688	5,964	27,003

(\$ in 000')

Particulars	As on 31 March, 2023		As on 31 March, 2022	
IV. Other Fixed Assets (including Furniture and Fixtures)				
a) Assets given on lease				
At cost as per last balance sheet	3,542		3,672	
Addition during the year	559		-	
Deductions during the year	275		130	
	3,826		3,542	
Less: Depreciation till Date	3,808	19	3,542	-
b) Others				
At cost/valuation as per last balance sheet	911,169		890,889	
Additions during the year	85,212		64,920	
Deductions during the year	85,983		44,639	
	910,399		911,169	
Less: Depreciation till Date	726,396	184,003	743,907	167,263
B. INTANGIBLE ASSETS				
(i) Computer Software				
At cost as per last balance sheet	163,264		159,534	
Additions during the year	11,461		12,010	
Deductions during the year	26,688		8,280	
	148,037		163,264	
Amortisation till Date	124,685	23,353	131,407	31,857
TOTAL		1,076,789		951,057
SCHEDULE 11 - OTHER ASSETS :				
I. Inter-Office Adjustments (net)		267,990		237,452
II. Interest Accrued		1,118,617		1,026,067
III. Tax paid/Tax deducted at source (Net of Provisions)		822,274		713,972
IV. Stationery and Stamps		764		836
V. Non-Banking Assets acquired in satisfaction of claims		16		18
VI. Deferred Tax Assets (Net)		3,355,799		1,622,237
VII. MAT Credit		1,054,251		391,784
VIII. Others		549,164		2,816,275
TOTAL		7,168,874		6,808,640
SCHEDULE 12 - CONTINGENT LIABILITIES :				
I. Claims against the Bank not acknowledged as debts		368,056		438,968
II. Liability for partly paid Investments		-		-
III. Liability on account of outstanding forward exchange contracts		50,307,458		57,673,365
IV. Guarantees given on behalf of Constituents		-		-
i) In India		8,081,587		8,622,340
ii) Outside India		173,222		218,849
V. Acceptances, Endorsements and Other Obligations		12,126,334		16,755,720
VI. Other items of Contingent Liability		-		-
VII. Disputed Tax demands under Appeals		2,559,072		1,822,935
VIII. Amount transferred to DEAF Scheme 2014		389,294		379,601
TOTAL		74,005,023		85,911,777

Schedules forming part of the Consolidated Profit & Loss Account For the year ended 31st March, 2023

(\$ in 000')

Particulars	For the Year Ended 31 March, 2023	For the Year Ended 31 March, 2022
SCHEDULE 13 - INTEREST EARNED :		
I. Interest/Discount on Advances/Bills	6,921,574	5,975,965
II. Income on Investments	2,633,035	2,659,824
III. Interest on Balances with RBI & Other Inter Bank Funds	259,437	282,871
IV. Others	63,426	83,505
TOTAL	9,877,471	9,002,165
SCHEDULE 14 - OTHER INCOME :		
I. Commission, Exchange and Brokerage	266,168	226,810
II. Profit on Sale of Investments - (Net)	104,955	465,013
III. Profit on revaluation of Investments (Net)	31,321	(17,729)
IV. Profit/ (Loss) on Fixed Asset - (Net)	(181)	(46)
V. Profit on Exchange Transactions - (Net)	98,985	80,268
VI. a) Lease Finance Income	-	-
b) Lease Management Fee	-	-
c) Overdue Charges	-	-
d) Interest on Lease Rent Receivables	-	-
VII. Miscellaneous Income	1,435,634	1,030,085
TOTAL	1,936,881	1,784,400
SCHEDULE 15 - INTEREST EXPENDED :		
I. Interest on Deposits	5,401,387	4,944,009
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	225,192	139,341
III. Others	218,966	217,764
TOTAL	5,845,545	5,301,114
SCHEDULE 16 - OPERATING EXPENSES :		
I. Payments to and Provisions for Employees	1,524,158	1,354,180
II. Rent, Taxes and Lighting	131,718	142,881
III. Printing and Stationery	14,060	12,876
IV. Advertisement and Publicity	16,241	9,168
V. a) Depreciation on Bank's Property other than Leased Assets	90,613	98,270
b) Depreciation on Leased Assets	-	-
VI. Directors' Fees, Allowances and Expenses	750	641
VII. Auditors' Fees and Expenses (including Branch Auditors)	9,066	8,851
VIII. Law Charges	21,141	20,132
IX. Postage, Telegrams, Telephones, etc.	39,229	41,237
X. Repairs and Maintenance	45,433	44,538
XI. Insurance	167,341	153,826
XII. Amortization of Goodwill, if any	-	-
XIII. Other Expenditure	798,629	712,945
TOTAL	2,858,379	2,599,546

Significant Accounting Policies (Consolidated) : Schedule 17

1. Basis of Preparation

The financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated. These are prepared following the Going Concern concept, in accordance with requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by Reserve Bank of India (RBI) from time to time and the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable and practices generally prevalent in the banking industry in India. In respect of foreign offices, statutory provisions and practices prevailing in foreign countries are complied with.

2. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions considered in the reported amount of Assets and Liabilities (including Contingent Liabilities) as of the date of the financial statements and the reported Income and the Expenses during the reporting period. Management believes that the estimates wherever used in the preparation of the financial statements are prudent and reasonable. Actual results can differ from these estimates. Any revision in the accounting estimates is recognized prospectively in the current and future period.

3. Basis of consolidation

- a) Bank is having 5 subsidiaries, 3 JVs and 1 associate. The details are as under:-

S. No.	Nature	Entities	Stake
1	Subsidiary	Union Asset Management Company Pvt Ltd	100%
2	Subsidiary	Union Trustee Co Pvt Ltd	100%
3	Subsidiary	Union Bank of India (UK) Ltd	100%
4	Subsidiary	Andhra Bank Financial Services Ltd	100%

5	Subsidiary	UBI Services Ltd.	100%
6	JV	Star Union Dai-Ichi Life Insurance Co Ltd.	25.10%
7	JV	ASREC (India) Ltd	26.02%
8	JV	India International Bank (Malaysia) BHD	25.00%
9	Associate	Chaitanya Godavari Grameena Bank	35%

The consolidated financial statements are prepared on the basis of:

- 1) Audited Accounts of the parent bank (Union Bank of India)
 - 2) **Consolidation of Subsidiaries:** Line by Line aggregation of the Income/Expenditure/ Assets/Liabilities of the subsidiaries with the respective line item of the parent bank, after eliminating all intra-group transactions, unrealized profits/loss in terms of AS 21 on Consolidated Financial Statements issued by Institute of Chartered Accountants of India (ICAI).
 - 3) **Consolidation of Associates:** The Investment in Associate is accounted for consolidation as per Equity Method in terms of AS 23 on Accounting for Investments in Associates in Consolidated Financial Statement issued by Institute of Chartered Accountants of India (ICAI).
 - 4) **Consolidation of Joint Ventures:** Line by Line consolidation is done with proportionate share in Joint Venture in terms of AS-27 on Financials Reporting in Interest of Joint Venture issued by Institute of Chartered Accountants of India (ICAI).
- b) In case of Domestic Associate/Subsidiaries and Joint Venture, accounting adjustments arising due to different accounting policies followed by parent bank and associate/subsidiaries and Joint Venture have not been carried out due to practical difficulties on the basis of data provided by associates/ subsidiaries and Joint Venture as the amounts are not material.

- c) The difference between cost to the Group of its investment in the subsidiaries and the Parent's portion of the equity of the subsidiaries is recognized in the CFS as Goodwill / Capital Reserve, as the case may be.
- d) Minority interest in the net assets of the consolidated subsidiaries consists of:
 - i) The amount of equity attributable to the minority at the date on which investment in a subsidiary is made and
 - ii) The minority share of movements in revenue reserves / loss and equity since the date the parent subsidiary relationship came into existence.
 - iii) The excess, and any further losses applicable to the minority, are adjusted against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses
- vi) Dividend is accounted on an accrual basis where the right to receive the dividend is established.
- vii) Sale of NPAs accounted in terms of extant RBI guidelines.
- viii) Interest on Income-tax refunds is accounted for on receipt of Intimation order from the Income Tax Department.

b) Non-Banking entities

Life Insurance

i. Premium Income

Premium (net of GST) is recognized as income when due. For linked business, premium is recognized when the associated units are created. Top up premiums are considered as single premium. Premium on lapsed policies is recognized as income when such policies are reinstated. Commission received on reinsurance ceded is recognized as income in the period in which reinsurance premium is ceded.

ii. Income from linked funds

Income from linked funds which includes premium allocation charges, policy administrative charges, mortality charges, fund management charges etc. are recovered from the linked funds in accordance with the terms and conditions of policies issued.

iii. Reinsurance Premium

Cost of reinsurance ceded is accounted for at the time of recognition of premium income in accordance with the treaty or in principle arrangement with the reinsurer. Profit commission on reinsurance ceded is netted off against premium ceded on reinsurance.

iv. Benefits paid (including claims)

Benefits paid comprise of policy benefits & claim settlement costs, if any. Death, rider & surrender claims are accounted for on receipt of intimation. Survival benefit claims and maturity claims are accounted for when

4. Revenue Recognition

a) Banking entities

- i) Income and Expenditure have been accounted for on accrual basis unless otherwise stated.
- ii) Income on Non-Performing Assets (NPAs) is recognized to the extent realized as per the prudential norms prescribed by the RBI. Income accounted for in the preceding year and remaining unrealized is derecognized in respect of assets classified as NPAs during the year.
- iii) Commission on Letter of Guarantee/Letter of Credit is accounted on accrual basis.
- iv) Exchange and brokerage earned, rent on Safe Deposit Lockers, income from Aadhaar cards Minimum balance charges etc. are accounted for on realization basis.
- v) Income (Other than interest) on investments in "Held to Maturity" (HTM) category acquired at discount to the face value is recognized as follows:
 - a) On interest bearing securities, it is recognized only at the time of sale / redemption.
 - b) On Zero- coupon securities, it is accounted for over the balance tenor of the securities on a constant yield basis.

due. Withdrawals & surrenders under linked policies are accounted for in the respective schemes when the associated units are cancelled. Reinsurance recoveries on claims are accounted for in the same period as the related claims.

v. Acquisition Costs

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts and are expensed in the period in which they are incurred.

vi. Liability for life policies

Actuarial liability for life policies in force and for policies in respect of which premium has been discontinued but a liability exists, is determined by the Appointed Actuary using the gross premium method and in case of group business, unearned premium reserve method, in accordance with accepted actuarial practice, requirements of Insurance Act, 1938, IRDA regulations and the stipulations of Institute of Actuaries of India.

Asset Management

- i. Investment management fees are recognized net of tax on an accrual basis as a percentage of the average daily net assets of the mutual fund schemes (excluding the investments made by the company in the schemes) such that it does not exceed the limit prescribed by the SEBI (Mutual Funds) Regulations, 1996 and any further amendments.
- ii. Investment advisory fees are recognized on accrual basis in accordance with the terms of contract with the customers.
- iii. Interest income is recognized using the time proportion method, based on the rates implicit in the transaction.
- iv. Dividend income is recognized when right to receive is established.

5. Investments

i) Classification

In conformity of the requirements in form A of the Third Schedule to the Banking Regulations Act, 1949, Investments are classified as under::

- a) Government Securities
- b) Other Approved Securities
- c) Shares
- d) Debentures & Bonds
- e) Investments in Subsidiaries & Joint Ventures, and
- f) Other Investments

The Investment portfolio of the Bank is further classified in accordance with the RBI guidelines contained in Master Circular DoR. MRG.42/21.04.141 /2021-22 dated August 25, 2021 (updated March 23,2022, March 31, 2022, April 08, 2022 and December 08, 2022) into three categories viz.,

- a) Held to Maturity (HTM)
- b) Available for Sale (AFS)
- c) Held for Trading (HFT)

ii) Basis of Valuation

As per RBI guidelines, the following principles have been adopted for the purpose of valuation:

- a) Securities held in "HTM" – at acquisition cost: The excess of acquisition cost over the face value is amortized over the remaining period of maturity and in case of discount, it is not recognized as income.
- b) Investment in Regional Rural Banks is valued at carrying cost.
- c) Investments in Subsidiaries and Joint Ventures are valued at carrying cost
- d) Diminution other than temporary, if any, in valuation of such investments is provided for.

- e) Securities held in "AFS" and "HFT" categories are valued classification wise and scrip-wise and net depreciation, if any, in each classification is charged to Profit & Loss account while net appreciation, if any, is ignored.
- f) Valuation of other securities is arrived at as follows:

A	Govt. of India Securities (Central Govt. Securities)	As per Quotation put out by Financial Benchmarks India Pvt Ltd (FBIL)
B	State Development Loans, State Govt. Securities, Securities guaranteed by Central/ State Government, PSU Bonds	On appropriate yield to maturity basis as per FIMMDA Guidelines
C	Equity Shares	As per Market rates, if quoted, otherwise at break-up value, as per latest audited balance sheet (not more than 18 months old). In absence of both, at \$ 0.0122/- per company. The break-up value is computed excluding revaluation reserve.
D	Preference Shares	As per Market rates, if quoted, or on appropriate yield to maturity basis not exceeding redemption value as per FIMMDA guidelines.
E	Debentures/Bonds	As per Market rates, if quoted, otherwise on appropriate yield to maturity basis as per FIMMDA guidelines.

F	Mutual Funds(MF)	As per stock exchange quotations, if quoted. In case of unquoted units, as per latest Repurchase price declared by concerned MF. In cases where latest repurchase price is not available, as per Net Asset Value (NAV)
G	Treasury Bills / Certificate of Deposits / Commercial Papers	At carrying cost
H	Venture Capital Funds (VCF)	At declared NAV or Breakup NAV as per audited Balance Sheet which is not more than 18 months old. If NAV / audited financial statements are not available for more than 18 months continuously, at \$ 0.0122/- per VCF
I	Security Receipts	Valuation of the same will be done as per RBI Guidelines on classification, valuation and operation of Investment portfolio of commercial Banks (RBI/ DOR/2021-22/81 DOR. MGR.42/21.04.141/2021-22) dated Aug 25, 2021 and as amended from time to time.

- iii) Interbank REPO / Reverse REPO transactions are accounted for in accordance with extant RBI guidelines.

- iv) As per the extant RBI guidelines, the shifting of securities from one category to another is accounted for as follows:
- From AFS / HFT categories to HTM category, at lower of book value or market value as on the date of shifting. Depreciation, if any, is fully provided for.
 - From HTM category to AFS / HFT category,
 - If the security is originally placed at discount in HTM category, at acquisition cost/ book value
 - If the security is originally placed at a premium, at an amortized cost.
 - From AFS to HFT category and vice versa, at book value.
 - The securities so shifted are revalued immediately and resultant depreciation is fully provided for.
- v) The non-performing investments are identified and provision is made as per the extant RBI guideline.
- vi) Profit/Loss on sale of investments & net depreciation on investment in any category are taken to the profit & loss account (net appreciation is ignored). However, in case of profit on sale of investments in "HTM" category, an equivalent amount (net of taxes and net of transfer to Statutory Reserves) is appropriated to the Capital Reserve account.
- vii) Commission, brokerage, broken period interest etc. on securities is debited / credited to Profit & Loss account.
- viii) Brokerage and STT paid on purchase and sale of Equity is accounted to price of the deal.
- ix) The Amortization of premium on HTM Securities is computed using Straight-line Method.
- x) The Bank is following weighted average Price (WAP) for accounting of investment portfolio.
- xi) As per the extant RBI guidelines, the Bank follows 'Settlement Date' for accounting of investments transactions.

- xii) Income from the units of Mutual Fund, Venture Capital & Security Receipt shall be recognized on Cash Basis.

6. Derivative Contracts:

- The Interest Rate Swap which hedges interest bearing Asset or Liability are accounted for in the financial statements on accrual basis except the swap designated with an Asset or Liability that is carried at market value or lower of cost or market value. Gains or losses on the termination of swaps are recognized over the shorter of the remaining contractual life of the swap or the remaining life of the Asset / Liability.
- Trading swap transactions are marked to market with changes recorded in the financial statements. (profit if any, is ignored)
- In the case of option contracts, guidelines issued by Foreign Exchange Dealers Association of India (FEDAI) from time to time for recognition of income, premium and discount are being followed.
- Arbitrage Income earned on forex swap transactions is accounted in Profit / Loss on Exchange Transactions category.

7. Advances

- Advances in India, are classified under four categories, i.e.
 - Standard,
 - Sub-standard,
 - Doubtful and
 - Loss assets.

Provisions required on such advances are made as per the extant prudential norms issued by the RBI in terms of Master Circular RBI/2022-2023/15 DOR.STR.REC.4/21.04.048/2022-23 dated April 01,2022. In respect of foreign offices, Advances are classified in accordance with Prudential Norms prescribed by the RBI or local laws of the host country in which advances are made, whichever is more stringent.

- ii) Advances are stated net of specific loan loss provisions, counter cyclical provisioning buffer and unrecovered interest held in sundry / claims received from Credit Guarantee Trust for Micro & Small Enterprises (CGTMSE)/Export Credit Guarantee Corporation (ECGC) relating to non-performing assets.
- iii) The general provision on Standard Advances is held in "Other Liabilities and Provisions" reflected in schedule 5 of the Balance Sheet and is not considered for arriving at both net NPAs and net advances. Standard Assets provision to be made as per IRAC RBI/2022-2023/15 DOR.STR. REC.4/21.04.048/2022-23 dated April 01,2022 and any subsequent circular issued from time to time.
- iv) Amounts recovered against debts written off are recognized as revenue in the year of recovery.
- v) Provision on Suspense accounts entries outstanding for more than six months are made at 100% except the claim receivable from Govt./Govt. Bodies like Interest Subsidy on crop loan/export advance, Pension receivable etc.

8. Property, Plant and Equipment

- i) Premises and Other Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, eligible borrowing costs and directly attributable costs of bringing the Asset to its working condition for the intended use less trade discounts and rebates. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functional capability. Land and Buildings, if revalued are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve and the depreciation provided thereon is deducted there from and shall be credited to Revenue Reserves in terms of revised AS-10 on "Property, Plant and Equipment".
- ii) Depreciation on Fixed Assets is provided for on the Straight-Line Method at the rates prescribed in Expenditure Policy of the Bank from time to time. The applicable rates of depreciation are as under:

Sr. No.	Capital Asset	Useful Life (Years)	Rate in percentage
1	Immovable Property-Land	Not stipulated; accordingly, no depreciation	NIL
2	Building with RCC frame structure (Both Residential & Non-residential)	60	1.67
3	Furniture	10	10.00
4	Fixtures	10	10.00
5	Air-conditioning plants (Package & water/air cooled ductable)	10	10.00
6	Split & Window Air conditioners	5	20.00
7	Electrical installation and equipments	5	20.00
8	Solar Power Equipment	15	6.67
9	Elevators & Lifts	15	6.67
10	Civil & Flooring work in leased Premises	5	20.00
11	Telephone Equipment	5	20.00
12	Motorcycles, Scooters & other mopeds	10	10.00
13	Motor Cars, Motor Lorries and Electrically operated vehicles including battery powered or fuel cell powered vehicles	8	12.50
14	Mobile Phones	3	33.33
15	Generators	15	6.67
16	Office Equipment/ Appliances,	5	20.00
17	Computers & computer software forming integral part of hardware	3	33.33
18	ATM & allied items	5	20.00
19	UPS & allied items	5	20.00
20	Servers & Networks	6	16.66
21	End user devices such as desktops, laptops, i-pads, tablets, printer & Scanner, digital watches etc.	3	33.33

Sr. No.	Capital Asset	Useful Life (Years)	Rate in percentage
22	SDV lockers, Strong Room door, Cash Safe etc. (Along with Fixtures).	20	5.00
23	Items provided to staff (Furniture/Electrical and etc.)	5	20.00

- iii) Depreciation on premises is provided on composite cost, wherever the value of Land and Buildings is not separately identifiable.
- iv) Depreciation on Leased assets and Leasehold improvements is recognized on a straight-line basis using rates determined with reference to the primary period of lease.
- v) Depreciation on fixed assets outside India and fixed assets of subsidiaries / associates is provided as per regulatory requirements / or prevailing practices of respective country / industry.

9. Impairment of Assets

The carrying costs of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying cost of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying cost of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

10. Counter Cyclical Provisioning Buffer

The Bank has a policy for creation and utilization of Counter Cyclical Provisioning Buffer separately for advances and investments. The quantum of provision to be created is assessed at the end of each financial year. The counter cyclical provisions are utilized only

for contingencies under extra ordinary circumstances specified in the policy with prior permission of the RBI.

11. Transactions involving Foreign Exchange

Accounting for transactions involving foreign exchange is done in accordance with AS 11, (The Effects of Changes in Foreign Exchange Rates), issued by the ICAI. As stipulated in AS 11, the foreign currency operations of the Bank are classified as under

- a) Integral Operations and
- b) Non Integral Operations.

All Overseas Branches, Offshore Banking Units, Overseas Subsidiaries are treated as Non-Integral Operations and domestic operations in foreign exchange and Representative Offices are treated as Integral Operations.

a) Translation in respect of Integral Operations

- i. Income and Expenditure items are recognized at the exchange rates prevailing on the date of the transaction.
- ii. Foreign Currency Monetary and Non-Monetary Assets and Liabilities are translated at the closing spot rates notified by FEDAI at the end of each quarter.
- iii. Contingent liabilities on account of guarantees, acceptances, endorsements and other obligations are stated at the exchange rates notified by FEDAI at the close of the year
- iv. The resulting exchange differences are recognized as income or expenses and are accounted through Profit and Loss Account.
- v. Forward exchange contracts are recorded at the exchange rate prevailing on the date of commitment. Outstanding forward exchange contracts are revalued at the exchange rates notified by FEDAI for specified maturities and at interpolated rates for contracts of 'in-between' maturities. The resultant gains or losses are recognized in the Profit and Loss account.

b) Translation in respect of Non Integral Operations

- i) Assets and Liabilities (including contingent liabilities) are translated at the closing spot rates notified by FEDAI at the end of each quarter

- ii) Foreign Exchange Spot and Forwards contingent liabilities outstanding as at the balance sheet date are translated at the closing spot and forward rates respectively notified by FEDAI and at interpolated rates for contracts of interim maturities.
- iii) Income and Expense are translated at quarterly average rate notified by FEDAI at the end of each quarter.
- iv) The resulting exchange differences are not recognized as income or expense for the period but accumulated in a separate account "Foreign Currency Translation Reserve" till the disposal of the net investment.

12. Employee Benefits

A. Short Term Employment Benefits:

The undiscounted amounts of short term employee benefits (e.g. medical benefits) payable wholly within twelve months of rendering the service are treated as short term and recognized during the period in which the employee rendered the service.

B. Long Term Employee Benefits:

i. Defined Contribution Plans:

The Bank operates a new pension scheme (NPS) for all officers/employees joining the Bank on or after 1st April, 2010, which is a defined contribution plan, such new joiners not being entitled to become members of the existing Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with 14% of their basic pay plus dearness allowance as contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions retained with the Bank. The Bank recognizes such annual contributions in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS trust.

ii. Defined Benefit Plan:

Gratuity, Pension and Leave Encashment are defined benefit plans. These are provided

for on the basis of an actuarial valuation as per Accounting Standard-15 "Employee Benefit" issued by the Institute of Chartered Accountants of India, made at the end of each financial year, based on the projected unit credit method. Actuarial gains/losses are immediately taken to the Profit & Loss account.

13. Segment Reporting

The Bank recognizes the Business segment as the Primary reporting segment and Geographical segment as the Secondary reporting segment, in accordance with the RBI guidelines and in the compliances with the Accounting Standard-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India. Business segments are classified into

- 13.1. Treasury Operations,
- 13.2. Corporate and Wholesale Banking,
- 13.3. Retail Banking Operations and
(w/w Digital Banking Segment as and when applicable)
- 13.4. Other Banking Operations.

14. Lease Transactions

Lease payments for assets taken on operating lease are amortized over the lease term. The properties taken on lease / rental basis are renewable / cancellable at the option of the Bank. The Bank's liabilities in respect of disputes pertaining to additional rent / lease rent are recognized on settlement or on renewal.

15. Earnings Per Share

Earnings per share are calculated by dividing the net profit or loss (after tax) for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share are calculated by using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

16. Taxation

This comprises of provision for Income tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable

income for the period) as determined in accordance with AS-22 on “Accounting for taxes on Income” issued by the ICAI. Provision for Tax is made for both current and deferred taxes. Current tax is provided on the taxable income using applicable tax rate. Deferred Tax Assets and Deferred Tax Liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and the tax laws that have been enacted or substantively enacted till the date of the Balance Sheet. Deferred Tax Assets are not recognized unless there is ‘reasonable certainty’ that sufficient future taxable income will be available against which such Deferred Tax Assets will be realized. In case of carry forward of unabsorbed depreciation and tax losses, Deferred Tax Assets are recognized only if there is “virtual certainty”.

17. Provisions, Contingent Liabilities and Contingent Assets

As per AS 29 (Provisions, Contingent Liabilities and Contingent Assets) issued by the ICAI, the Bank recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

18. Share Issue Expenses:

Share Issue expenses are charged to the Share Premium account in terms of Section 52 of the Companies Act, 2013.

SCHEDULE 18 – NOTES TO ACCOUNTS (CONSOLIDATED)

- 1 The particulars of the subsidiaries whose financial statements are consolidated with the standalone financial statement of the Bank (the Parent) are as under.**

Names of Subsidiaries	Country of Incorporation	Proportion of Ownership by the parent as on 31.03.2023
Union Asset Management Company Private Limited	India	100%
Union Trustee Company Private Limited	India	100%
Union Bank of India UK Limited	United Kingdom	100%
Andhra Bank Financial Services Limited	India	100%
UBI Services Ltd	India	100%

- 2 The particulars of Joint Venture considered in the Consolidated Financial Statements are as under :**

Names of Joint Venture	Country of Incorporation	Proportion of Ownership
Star Union Dai-Ichi Life Insurance Company Limited (Non-Banking)	India	25.10%
ASREC (India) Ltd	India	26.02%
India international bank (MALAYSIA) BHD	India	25.00%

- 3 The particulars of Associate considered in the Consolidated Financial Statements are as under.**

Names of Associates	Country of Incorporation	Proportion of Ownership
Chaitanya Godavari Grameena Bank	India	35%

The value of the investment made by the Bank is \$ 18.77 Crore as on 31st March 2023 which is treated as long term investment.

- 4** The financial statements of the subsidiaries, joint venture and associate which are used in the consolidation have been drawn up to the same reporting date as that of the Parent i.e. 31st March 2023 except for India International Bank (Malaysia) BHD for 31st December, 2022.
- 5** The Consolidated Financial Statements have been prepared on the basis of audited financial statements of Union Asset Management Company Private Limited, Union Trustee Company Private Limited, Union Bank of India (UK) Limited, Chaitanya Godavari Grameena Bank for the financial year ended 31.03.2023, India International Bank (Malaysia) BHD for the period ended 31.12.2022 and unaudited financials of Star Union Dai-ichi Life Insurance Company Limited, UBI Services LTD, ASREC(INDIA) Limited and Andhra Bank Financial Services Limited for the financial year ended 31.03.2023.
- 6** Adjustment of outstanding entries in Suspense Accounts, Sundry Deposits, Clearing Adjustments, Bank Reconciliation Statements and various inter-branch/office accounts is in progress on an ongoing basis. Pending final clearance of the same, the overall impact, if any, on the accounts, in the opinion of the management will not be significant.

7 DISCLOSURES IN TERMS OF THE RESERVE BANK OF INDIA GUIDELINES**8.1.A. Capital**

The Bank is subjected to Basel III capital adequacy guidelines stipulated by RBI with effect from April 1, 2013. The guidelines provide a transition schedule for Basel III implementation till Oct. 1, 2021. As per RBI Guidelines, Basel III has been completely implemented from Oct. 1, 2021. As per guidelines, the Tier I capital is made up of Common Equity Tier I (CET I) and Additional Tier I Capital (AT 1).

Basel III guidelines require the Bank to maintain minimum capital to Risk Weighted Assets ratio (CRAR) of 11.50% with minimum CET I of 8.00% (inclusive of Capital Conservation Buffer of 2.50%) and minimum Tier I CRAR of 9.50% as at March 31, 2023.

During the year, the Bank has issued Basel III compliant Tier-2 bonds of \$ 26.77 Crore & additional Tier-1 Bonds of \$ 24.13 crore in tranches and exercised call option for redemption of Basel III compliant Tier-2 bonds of \$ 27.99 crore & additional Tier-1 Bonds of \$ 12.17 crore.

The computation of Capital Adequacy as per the framework is indicated below:

(\$ in crore)			
Sr. No	Particulars	31.03.2023	31.03.2022
i.	Common Equity Tier 1 capital (CET 1) / Paid up share capital and reserves (net of deductions, if any)	874.77	767.96
ii.	Additional Tier 1 capital / Other Tier 1 capital	109.36	112.67
iii.	Tier 1 capital (i + ii)	984.12	880.64
iv.	Tier 2 capital	149.69	167.46
v.	Total capital (Tier 1+Tier 2)	1,133.81	1,048.10
vi.	Total Risk Weighted Assets (RWAs)	7,083.18	7,236.46
vii.	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid-up share capital and reserves as percentage of RWAs	12.35	10.61
viii.	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	13.89	12.17
ix.	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.11	2.31
x.	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	16.01	14.48
xi.	Leverage Ratio	5.74	5.17
xii.	Percentage of the shareholding of		
	a) Government of India	83.49	83.49
	b) State Government (specify name)	--	--
	c) Sponsor Bank		
xiii.	Amount of paid-up equity capital raised during the year	--	19.09
xiv.	Amount of non-equity Tier 1 capital raised during the year, of which:		
	a) Basel III compliant Perpetual Non-Cumulative Preference Shares	--	--
	b) Basel III compliant Perpetual Debt Instruments	24.13	65.97
xv.	Amount of Tier 2 capital raised during the year, of which		
	a) Perpetual Cumulative Preference Shares	--	--
	b) Redeemable Non-Cumulative Preference Shares	--	--
	c) Basel III compliant Redeemable Non-convertible Tier 2 Bonds	26.77	26.39

8.2 Provisions and Contingencies

(\$ in crore)

Break up of Provision & Contingencies. shown under the head in Profit & Loss:	31.03.2023	31.03.2022
Provision / (Reversal) for Depreciation on Investment	23.31	2.65
Provision towards NPA	152.21	157.42
Provision/(Reversal) towards Standard Assets	(12.03)	19.15
Net Provision made towards Income Tax/Deferred tax	45.23	44.30
Other Provision and Contingencies:	(0.27)	(3.65)
TOTAL	208.45	219.87

8.3 Counter Cyclical Provisioning Buffer / Floating Provision:

(\$ in crore)

Sr. No	Particulars	31.03.2023	31.03.2022
i)	Opening Balance	Nil	4.04
ii)	Additional provisions made during the accounting year	Nil	Nil
iii)	Amount of drawdown made during the accounting year	Nil	4.04
iv)	Closing balance	Nil	Nil

8 EMPLOYEE BENEFITS (AS 15 - REVISED) (PARENT BANK)

i) Short Term Employment Benefits:

The undiscounted amounts of short-term employee benefits (e.g. medical benefits) payable wholly within twelve months of rendering the service are treated as short term and recognized during the period in which the employee rendered the service.

ii) Long Term Employee Benefits:

a) Defined Contribution Plans:

The Bank operates a new pension scheme (NPS) for all officers/employees joining the Bank on or after 1st April, 2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with 14% contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions retained with the Bank. The Bank recognizes such annual contributions in the year to which they relate. Upon receipt of the Permanent Retirement Account Number (PRAN), the consolidated contribution amounts are transferred to the NPS trust.

The Bank has Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after April 1, 2010. The scheme is managed by National Pension Scheme (NPS) Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2022-2023, the Bank has contributed \$ 6.39 crores including arrears of \$ 0.001 crores (Previous Year \$ 6.62 crore) to NPS.

b) Defined Benefit Plan:

Gratuity, Pension and Leave Encashment are defined benefit plans. These are provided for on the basis of an actuarial valuation as per Accounting Standard-15 "Employee Benefit" issued by the Institute of Chartered Accountants of India, made at the end of each financial year, based on the projected unit credit method. Actuarial gains/losses are immediately taken to the Profit & Loss account.

c) Defined Benefit Plans – Employee's Pension plan and Gratuity plan:

The Bank has accounted for employee benefits as per Accounting Standards issued by the Institute of Chartered Accountants of India, as per actuarial valuation report for the year ended March 31, 2023.

(\$ in crore)

S. no.	Particulars	31.03.2023		31.03.2022	
		Gratuity	Pension	Gratuity	Pension
	Table showing change in Defined Benefit Obligation:				
	Liability at the beginning of the year	38.92	348.68	44.28	343.19
	Interest Cost	2.84	25.80	3.07	23.71
	Current Service Cost	1.98	2.24	2.13	2.80
	Past Service Cost (Vested Benefit Amortized)	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit)	NIL	NIL	NIL	25.10
i)	Liability Transfer in	NIL	NIL	NIL	NIL
	Liability Transfer out	NIL	NIL	NIL	NIL
	(Benefit paid)	(4.07)	(25.81)	(6.15)	(30.89)
	Actuarial (Gain)/loss on obligation – due to change				
	In the financial assumption	(0.78)	(3.39)	(1.58)	(19.08)
	in demographic assumption	NIL	NIL	0.04	0.84
	Actuarial (Gain) / Loss on obligations	0.36	7.48	0.41	32.36
	Liability at the end of the year	39.26	355.00	42.19	378.02
	Table of Fair value of Plan Assets:				
	Fair value of Plan Assets at the beginning of the year	40.98	329.12	36.24	352.55
	Expected return on Plan Assets	3.00	24.35	2.51	24.36
	Contributions	NIL	21.67	11.13	7.28
	Transfer from Other Company	NIL	NIL	NIL	NIL
	Transfer to Other Company	NIL	NIL	NIL	NIL
ii)	(Benefit paid)	(4.07)	(25.81)	(6.15)	(30.89)
	Actuarial (Gain)/loss on Plan Assets	(0.21)	0.61	(0.70)	(3.51)
	Fair Value of Plan Assets at the end of the year	39.70	349.94	44.43	356.81
	Actuarial (Gain)/loss on obligation for the period	(0.42)	4.09	(1.13)	14.11
	Actuarial (Gain)/loss on Plan Assets	0.21	(0.61)	(0.70)	(3.51)
	Total Actuarial (Gain)/loss to be recognized	(0.21)	3.48	(1.84)	10.60

(\$ in crore)

S. no.	Particulars	31.03.2023		31.03.2022	
		Gratuity	Pension	Gratuity	Pension
	Recognition of Transitional Liability:				
iii)	Transitional Liability at start	NIL	NIL	NIL	NIL
	Transitional Liability recognized during the year	NIL	NIL	NIL	NIL
	Transitional Liability at end	NIL	NIL	NIL	NIL
	Actual return on Plan Assets :				
iv)	Expected Return on Plan Assets	3.00	24.35	2.51	24.36
	Actuarial Gain/(Loss) on Plan Assets	(0.21)	0.61	0.70	3.51
	Actual return on Plan Assets	2.78	24.96	3.21	27.88
	Expenses recognized in the Income Statement:				
v)	Current Service Cost	1.98	2.24	2.13	2.80
	Interest Cost	(0.15)	1.45	0.56	(0.65)
	Expected Return on Plan Assets	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit Amortized) recognized	NIL	NIL	NIL	NIL
	Past Service Cost (Vested Benefit) recognized(1/5 of enhanced family pension)	NIL	18.52	NIL	5.02
	Recognition of Transition Liability	NIL	NIL	NIL	NIL
	Actuarial (Gain) or Loss	(0.21)	3.48	(1.84)	10.60
	Expenses Recognized in P & L	1.63	25.69	0.85	17.77
	Balance Sheet Reconciliation:				
vi)	Opening Net Liability (Last year net amount recognized in the balance sheet)	(2.07)	1.05	8.04	(9.36)
	Expenses as above	1.63	25.69	0.85	17.77
	Transfer from other Company (Net)	NIL	NIL	NIL	NIL
	Transfer to other Company (Net)	NIL	NIL	NIL	NIL
	(Employer Contribution)	NIL	(21.67)	(11.13)	(7.28)
	Net (Asset)/Liability Amount recognized in Balance Sheet	(0.44)	5.07	(2.24)	1.13

(\$ in crore)

S. no.	Particulars	31.03.2023		31.03.2022	
		Gratuity	Pension	Gratuity	Pension
	Other Details:				
	Pension is payable at the rate of 1/66 Salary for Each Year of Service Subject to Maximum of 50%.				
	Gratuity is payable at the rate of 15 days salary for each year of service subject to maximum of \$ 24339.78 or as per the Bank scheme.				
vii)	Actuarial gain / loss is accounted for in the year of occurrence.				
	Salary escalation is considered as advised by the company which is in line with the industry practice considering promotion and demand and supply of the employees.				
	No. of Members	75,618.00	21,138.00	75,201	306.31
	Salary Per Month	6.25	6.25	4.68	2.41
	Contribution for next year	1.70	7.16	-	7.82
	Category of assets:				
	Government of India Assets	0.75	6.88	0.84	7.72
	Corporate Bonds/FDR	0.31	8.77	0.48	9.52
	Special Deposits Scheme	-	-	-	-
viii)	State Govt.	1.01	16.79	1.33	15.65
	Property	NIL	NIL	NIL	NIL
	Other	0.78	5.53	3.22	22.87
	Insurer Managed Funds	36.85	311.97	38.23	296.77
	Mutual Fund	NIL	NIL	0.34	4.28
	Total	39.70	349.94	44.43	356.81

*Note: Return on investments in LIC & other insurance companies is expected at 7.50% while arriving Pension liability and Gratuity liability at the Fair Value of Plan Assets for the FY2022-23 as against the 7.25% considered for arriving Pension and Gratuity liability for the FY2021-22.

(\$ in crore)

Surplus/Deficit in the Plan:	Gratuity Plan				
	31.03.23	31.03.22	31.03.21	31.03.20*	31.03.19*
Amount recognized in the Balance-Sheet					
Liability at the end of the year	39.26	42.19	45.90	17.07	17.68
Fair value of Plan Assets at the end of the year	39.70	44.43	37.57	16.11	17.38
Difference	0.44	2.24	(8.34)	(0.96)	(0.30)
Unrecognized Past Service Cost	Nil	Nil	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	0.44	2.24	(8.34)	(0.96)	(0.30)

* Amount mentioned for Union Bank (Standalone) only.

Amount recognized in the Balance-Sheet	Gratuity Plan				
Experience Adjustment	31.03.23	31.03.22	31.03.21	31.03.20*	31.03.19*
On plan liability (Gain) / Loss	0.36	0.41	10.29	0.34	0.11
On plan Assets (Loss) / Gain	(0.21)	0.70	0.47	0.10	(0.19)

* Amount mentioned for Union Bank (Standalone) only.

Surplus/Deficit in the Plan:	Pension Plan				
Amount recognized in the Balance-Sheet	31.03.23	31.03.22	31.03.21	31.03.20*	31.03.19*
Liability at the end of the year	355.00	378.02	355.78	168.46	175.81
Fair value of Plan Assets at the end of the year	349.94	356.81	365.49	166.62	177.99
Difference	(5.07)	(21.21)	9.70	(1.84)	2.17
Unrecognized Past Service Cost	Nil	20.08	Nil	Nil	Nil
Unrecognized Transition Liability	Nil	Nil	Nil	Nil	Nil
Amount Recognized in the Balance Sheet	(5.07)	(1.13)	9.70	(1.84)	2.17

* Amount mentioned for Union Bank (Standalone) only.

Amount recognized in the Balance-Sheet	Pension Plan				
Experience Adjustment	31.03.23	31.03.22	31.03.21	31.03.20*	31.03.19*
On plan liability (Gain) / Loss	7.48	32.36	19.92	12.41	1.81
On plan Assets (Loss) / Gain	0.61	3.51	1.12	0.99	0.10

* Amount mentioned for Union Bank (Standalone) only.

Principal actuarial assumption used (%)	2022-23		2021-22	
	Gratuity	Pension	Gratuity	Pension
Discount Rate Prev.	7.31	7.40	6.93	6.91
Rate of return on Plan Assets Prev.	7.31	7.40	6.93	6.91
Salary Escalation Prev.	5.00	5.00	5.00	5.00
Attrition Rate Prev.	2.00	2.00	2.00	2.00
Discount Rate Current	7.49	7.53	7.31	7.40
Rate of Return on Plan Assets Current	7.49	7.53	7.31	7.40
Salary Escalation Current	5.00	5.00	5.00	5.00
Attrition Rate Current	2.00	2.00	2.00	2.00

i) Other Long Term Employee Benefits:

Details of Provisions made for various Long-Term Employees Benefits during the year are as follows:

(\$ in crore)

Sr. No.	Other Long Term Benefits	31.03.2023	31.03.2022
1.	Pension	25.69	17.77
2.	Leave Travel Concession	0.04	0.18
3.	Leave Encashment	1.82	0.64

Bank is having provision of \$ 3.27 Crore towards Sick Leave on prudential basis though there is no payout.

ii) **Unamortized Family pension & Gratuity Liabilities:**

(\$ in crore)

Particulars	31.03.2023	31.03.2022
Pension		
a) Balance brought forward	20.08	NIL
b) Gross Liability	NIL	25.10
c) Charged to Profit & Loss account	20.08	5.02
d) Balance Carried forward	NIL	20.08
Gratuity		
a) Charged to Profit & Loss account	NIL	NIL
b) Carried forward	NIL	NIL

- a. Pursuant to the revision in family pension payable to the employees of the Bank, covered under 11th Bi- Partite Settlement and joint note dated November 11, 2020, the Bank had arrived additional liability at \$ 25.10 Crore as per Actuarial valuation, of which a sum of \$ 5.02 Crore was amortized during the FY 2021-22, in terms of RBI Circular no. RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 04, 2021 and unamortized part of \$ 18.52 Crore has been fully charged to the Profit & Loss Account during the year ended March 31, 2023. There is no unamortized expenditure in the Balance Sheet on account of additional family pension.
- b. In terms of RBI circular no. RBI/DOR/2021-22/83 DOR.ACC.REC.No.45/21.04.018/2021-22 dated August 30, 2021 (Updated as on February 20, 2023), the following disclosures are required (Parent Bank):
- In case of Other Liabilities and Provisions, any item under the head "Others (including provisions)" exceeds one per cent of the total assets,
 - In case of Other Assets, any item under the head "Others" exceeds one per cent of the total assets,
 - In case of Other Income, any item under the head "Miscellaneous Income" exceeds one per cent of the total income,
 - In case of Operating Expenses, any item under the head "Other expenditure" exceeds one per cent of the total income,

(\$ in crore)

Statement Showing item in Sch. 14- Other income Sub Head – Miscellaneous income		
Item under the Sub Head	(₹ in Crore)	% of Total Income
Processing Charges for Advances	14.34	1.24
Miscellaneous Earning	12.22	1.05
Recovery In Write Off	67.54	5.82

There is no other disclosure related to other heads as mentioned above.

10. SEGMENT REPORTING (AS-17)

10.1. Business Segments:

(\$ in crore)

	Business Segment	Consolidated	
		Year Ended	
		(Audited) 31.03.2023	(Audited) 31.03.2022
(a)	Segment Revenue		
1	Treasury Operations	321.81	353.80
2	Retail Banking Operations	378.22	345.65

(\$ in crore)

	Business Segment	Consolidated	
		Year Ended	
		(Audited) 31.03.2023	(Audited) 31.03.2022
	(a) Digital Banking Operations	6.93	NA
	(b) Other Retail Banking Operations	371.29	NA
3	Corporate /Wholesale Banking	437.41	340.10
4	Other Banking Operations	24.09	18.44
5	Unallocated	26.76	22.28
	Total Segment Revenue	1,188.29	1,080.28
	Less Inter-segment Revenue	(6.85)	(1.62)
	Income from operations	1,181.44	1,078.66
(b)	Segment Results		
1	Treasury Operations	29.53	79.20
2	Retail Banking Operations	61.57	59.49
	(a) Digital Banking Operations	(0.52)	NA
	(b) Other Retail Banking Operations	62.09	NA
3	Corporate Banking	37.62	(40.82)
4	Other Banking Operations	12.94	10.01
5	Unallocated	6.15	5.15
	Total Profit/(Loss) Before Tax	147.82	113.02
(c)	Provision for Tax	45.22	44.30
(d)	Net Profit/(Loss) after Tax	102.60	68.72
	Add: Share of Profit in Associate	0.99	0.75
(e)	Consolidated Net Profit/(Loss)	103.59	69.47
(f)	Segment Assets		
1	Treasury Operations	5,656.43	6,316.40
2	Retail Banking Operations	4,377.27	4,207.72
	(a) Digital Banking Operations	514.34	NA
	(b) Other Retail Banking Operations	3,862.93	NA
3	Corporate/Wholesale Banking	5,184.52	4,857.76
4	Other Banking Operations	-	-
5	Unallocated	460.95	368.56
	Total	15,679.17	15,750.45
(g)	Segment Liabilities		
1	Treasury Operations	5,558.05	6,204.47
2	Retail Banking Operations	4,001.61	3,832.17
	(a) Digital Banking Operations	471.27	NA
	(b) Other Retail Banking Operations	3,530.34	NA

(\$ in crore)

	Business Segment	Consolidated	
		Year Ended	
		(Audited) 31.03.2023	(Audited) 31.03.2022
3	Corporate/Wholesale Banking	4,724.23	4,424.09
4	Other Banking Operations	-	-
5	Unallocated	436.25	354.77
	Total	14,720.14	14,815.51
(h)	Capital Employed		
1	Treasury Operations	98.38	111.93
2	Retail Banking Operations	375.66	375.55
	(a) Digital Banking Operations	43.07	NA
	(b) Other Retail Banking Operations	332.60	NA
3	Corporate/Wholesale Banking	460.28	433.67
4	Other Banking Operations	-	-
5	Unallocated	24.70	13.79
	Total	959.03	934.94

Notes:

- The Bank operates in four segments viz., Treasury, Retail, Corporate / Wholesale and Other Banking Operations. These segments have been identified in line with AS-17 on segment reporting issued by the Institute of Chartered Accountants of India (ICAI) after considering the nature and risk profile of the products and services, the target customer profiles, the organizational structure and the internal reporting system of the bank. The bank has disclosed the business segment as primary segment. The revenue and other parameters of foreign branch for the period are within the threshold limits stipulated as per AS-17 and hence the bank has only one reportable segment.
- Segment wise income, expenditure, Capital employed which are not directly allocable have been allocated to the reportable segments based on assumptions as considered appropriate by the management.
- Figure of previous period have been regrouped/reclassified wherever necessary.
- In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 7, 2022 on Establishment of Digital Banking Units, the Bank has for the first time disclosed 'Digital Banking' as a sub-segment of the Retail Banking segment.

11. RELATED PARTY DISCLOSURES (AS-18) (PARENT BANK)

11.1 List of Related Parties

a) Subsidiaries

- Union Asset Management Co. Pvt. Ltd.
- Union Trustee Company Pvt. Ltd.
- Union Bank of India (UK) Ltd.
- Andhra Bank Financial Services Ltd.
- UBI Services Ltd.

b) Joint Venture

- Star Union Dai-Ichi Life Insurance Co. Ltd.
- ASREC (India) Ltd.
- India International Bank (Malaysia) Berhad

c) Associate

- Chaitanya Godavari Grameena Bank

d) Key Management Personnel (\$ in Crore)

Name	Designation	Remuneration paid for the Year ended 31 st March 2023
Shri Rajkiran Rai G. @	Managing Director & CEO	0.002
Ms. A Manimekhalai #	Managing Director & CEO	0.004
Shri Manas Ranjan Biswal ##	Executive Director	0.001
Shri Nitesh Ranjan	Executive Director	0.005
Shri Rajneesh Karnatak	Executive Director	0.004
Shri Nidhu Saxena	Executive Director	0.004
Shri Ramasubramanian S^	Executive Director	0.001

@ Till 31.05.2022

From 03.06.2022

Till 30.04.2022

^ From 21.11.2022

Parties with whom transactions were entered into during the year

No disclosure is required in respect of related parties, which are "State controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 6 of AS 18, transactions in the nature of Banker – Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

As per the RBI Master Direction, KMPs are construed to be the Whole Time Directors of the Bank.

e) Key Management Personnel – Remuneration paid.

(\$ in crore)

Particulars	31.03.2023	31.03.2022
CEO and Managing Director	0.006	0.005
Executive Directors	0.016	0.016
Total	0.022	0.021

Parties with whom transactions were entered into during the year

No disclosure is required in respect of related parties, which are "State controlled Enterprises" as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker – Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

12. EARNING PER SHARE (AS-20)

Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. The diluted earnings per equity share is computed using the weighted average number of equity shares and weighted average number of diluted potential equity shares outstanding during the year.

The computation of earnings per share is given below:

Particulars	31.03.2023	31.03.2022
Number of Equity shares at the beginning of the year	6,83,47,47,466	6,40,68,44,355
Number of Equity shares issued during the year	Nil	42,79,03,111
Number of Equity shares outstanding at the end of the year	6,83,47,47,466	6,83,47,47,466
Weighted Average Number of Equity Shares used in computing Basic Earnings per share	6,83,47,47,466	6,77,26,13,590
Weighted Average Number of Shares used in computing diluted Earnings per share	6,83,47,47,466	6,77,26,13,590
Net Profit/(Loss) \$ in Crore	103.59	69.47
Basic Earnings per share (\$)	0.15	0.10
Diluted Earnings per share (\$)	0.15	0.10
Nominal Value per share (\$)	0.12	0.13

13. PROVISION FOR TAXES:

Deferred Tax (AS-22)

(\$ in crore)

Sr. No.	Particulars	31.03.2023	31.03.2022
	Deferred Tax Assets		
1	Employee Benefits (Leave Encashment)	6.50	6.26
2	Depreciation on Fixed Assets	4.82	4.73
3	On account of other provisions	138.85	185.67
4	Foreign Currency Translation Reserve	(1.03)	0.02
5	Standard Asset	0.00	7.76
6	Others	0.00	0.00
	Total	149.13	204.44
	Deferred Tax Liabilities		
1	Accrued interest on securities	15.51	14.42
2	Special Reserves u/s 36(i)(viii)	28.19	27.80
3	Depreciation on Investment	--	--
	Total	43.71	42.22
	Net Deferred Tax Asset	105.42	162.22
	Net Deferred Tax Liability	Nil	Nil

14. IMPAIRMENT OF ASSET (AS-28)

In the opinion of the Management, there is no indication for Impairment during the year with regard to the asset to which Accounting Standards 28 applies.

15. Additional information disclosed in the separate financial statements of the parent and the subsidiaries have no bearing on the true and fair view of the Consolidated Financial Statements (CFS) and also the information pertaining the items which are not material, have not been disclosed in the CFS.

16. The Management believes that there would not be any significant impact on Bank's performance in future and going concern assumptions.

17. The figures of the previous year have been regrouped / rearranged wherever considered necessary.

Signatories to Schedules 1 to 18

(PANKAJ KUMAR)
DY. GENERAL MANAGER

For and on behalf of the Board of Directors

(RAMASUBRAMANIAN S)
EXECUTIVE DIRECTOR

(ARUN KUMAR SINGH)
DIRECTOR

(LAXMAN S UPPAR)
DIRECTOR

(NIDHU SAXENA)
EXECUTIVE DIRECTOR

(JAYADEV MADUGULA)
DIRECTOR

(A. MANIMEKHALAI)
MANAGING DIRECTOR & CEO

(SRINIVASAN VARADARAJAN)
CHAIRMAN

(PRAFULLA KUMAR SAMAL)
CHIEF FINANCIAL OFFICER

(NITESH RANJAN)
EXECUTIVE DIRECTOR

(SURAJ SRIVASTAVA)
DIRECTOR

(PRITI JAY RAO)
DIRECTOR

As per our report of even date attached.

For **M/s R G N Price & Co.**
Chartered Accountants
FRN 002785S

CA P M Veeramani
Partner
Membership No.023933
UDIN: 23023933BGV FVB8763

For **M/s P V A R & Associates**
Chartered Accountants
FRN 005223C

CA Ruchi Agarwal
Partner
Membership No.504134
UDIN:23504134BGWTPP4106

For **M/s SARDA & PAREEK LLP**
Chartered Accountants
FRN 109262W/W100673

CA Niranjn Joshi
Partner
Membership No.102789
UDIN: 23102789BGWREB5291

For **M/s Gopal Sharma & Co.**
Chartered Accountants
FRN 002803C

CA Abhishek Sharma
Partner
Membership No.079224
UDIN: 23079224BGTKQ02274

For **M/s C R Sagdeo & Co.**
Chartered Accountants
FRN 108959W

CA Sachin V Luthra
Partner
Membership No. 109127
UDIN: 23109127BGQVHR6655

For **M/s NBS & Co.**
Chartered Accountants
FRN 110100W

CA Pradeep J. Shetty
Partner
Membership No. 046940
UDIN: 23046940BGPTTS7892

Place : MUMBAI
Date : 6th May, 2023

Consolidated Cash Flow Statement For The Year Ended 31st March, 2023

(\$ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	14782.12	11302.36
Adjustments for:	0.00	0.00
Depreciation on Fixed Assets	906.13	973.83
Provision for Investments	2038.19	264.51
Provision for Non Performing Assets (Net)	15220.61	15338.25
Provision for Standard Asset	(1409.34)	1804.32
Provision for other items (Net)	179.63	149.61
(Profit)/Loss on Sale or Disposal of Fixed Assets	(1.81)	0.46
Interest on Borrowings : Capital Instruments	1930.15	2046.82
Share of Profit in Associate	98.97	74.97
Transfer to/from reserve	(692.81)	837.35
Sub Total	33051.84	32792.50
Adjustments for:		
Increase / (Decrease) in Deposits	104672.95	143436.13
Increase / (Decrease) in Other Liabilities and Provisions	14014.88	(7324.55)
(Increase) / Decrease in Investments	8051.12	(17052.09)
(Increase) / Decrease in Advances	(138939.84)	(107742.60)
(Increase) / Decrease in Other Assets	(9424.70)	4553.44
Direct taxes paid (Net of Refund)	(3988.70)	(717.59)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	7437.54	47945.24
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(3730.74)	(988.92)
Proceeds from Sale/Adjustment of Fixed asset	830.96	406.21
(Increase)/ Decrease in Investment in Subsidiary	(216.99)	(153.13)
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(3116.77)	(735.84)

(\$ in Lakh)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
C CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issue of Preference Share Capital Issued by Subsidiary Company Including Share Premium (Net)	0.00	0.00
Proceeds from issue of Equity Share Capital Including Share Premium (Net)	0.00	1902.67
Proceeds from issue of Capital Instruments	1196.30	9235.74
Repayments of Capital Instruments	(121.70)	(7124.72)
(Decrease)/Increase Borrowings other than Capital Instruments	(10530.04)	(3004.31)
Interest Paid on Borrowings : Capital Instruments	(1930.16)	(2046.82)
Dividend paid during the year	(1580.39)	0.00
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(12965.99)	(1037.43)
Net Increase (Decrease) in Cash & Cash Equivalent (A)+(B)+(C)	(8645.22)	46171.96
Cash and Cash Equivalents as at the beginning of the year	145744.46	111836.05
Cash and Cash Equivalents as at the end of the year	137099.24	158008.01
Components of Cash and Cash equivalents		
D CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
Cash and Balances with RBI (including FC notes)	56122.54	49986.10
Balances with Banks and Money at call	89621.92	61849.95
Net cash and cash equivalents at the beginning of the year	145744.46	111836.05
E CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Cash and Balance with RBI (including FC notes)	61163.57	60844.93
Balances with Banks and Money at call	75935.67	97163.08
Net cash and cash equivalents at the end of the year	137099.24	158008.01

The Schedules referred to above form an integral part of the Standalone Balance Sheet

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Amrit Mahotsav



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