

बीएसई लिमिटेड BSE Ltd. बीएसई लिस्टिंग सेंटर BSE Listing Centre स्क्रिप कोड Scrip Code - 532 477	नेशनल स्टॉक एक्स्चेंज ऑफ इंडिया लिमिटेड National Stock Exchange of India Ltd. निप्स NEAPS स्क्रिप कोड Scrip Symbol-UNIONBANK-EQ सिक्योरिटी Security - UBI-AT/BB

महोदया Madam / महोदय Sir,

विषय Subject : Integrated Annual Report of the Bank for FY 2024-25.

संदर्भ Ref. : Our earlier Ref. letter no. ISD/107/2025-26 dated June 25, 2025.

In compliance with Regulation 34 (1) (a) and 53 (2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we submit herewith the Integrated Annual Report (including Notice of 23rd Annual General Meeting) of the Bank for the FY 2024-25.

The Integrated Annual Report of the Bank for the FY 2024-25 is also available on the Bank's website:

<https://www.unionbankofindia.co.in/en/common/annual-report-for-the-year-2009-10-onwards>

or to:

Scan QR Code for the Integrated Annual Report 2024-25:



The 23rd Annual General Meeting of the Bank is scheduled to be held on Friday, August 01, 2025 at 11:00 AM (IST) through Video Conferencing (VC) / Other Audio-Visual Means (OAVM).

Thanking you.

भवदीय Yours faithfully,

MANGESH
MANDREKAR
Digitally signed by
MANGESH
MANDREKAR
Date: 2025.07.09
00:34:09 +05'30'

(Mangesh Mandrekar)

Company Secretary

संलग्न Encl.: यथोक्त As above.

Copy to: IDBI Trusteeship Services Ltd., Mumbai. (Pursuant to Regulation 53(2) of the SEBI (LODR) Regulations, 2015.

यूनियन बैंक
ऑफ़ इंडिया
भारत सरकार का उपक्रम



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of India
A Government of India Undertaking

आनंदमय ग्राहक अनुभव हेतु प्रतिबद्ध
Committed to
Happy Customer Experiences



एकीकृत वार्षिक रिपोर्ट 2024-25
INTEGRATED ANNUAL REPORT 2024-25

यूनियन बैंक
ऑफ़ इंडिया
भारत सरकार का उपक्रम



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of India

A Government of India Undertaking



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T&C Apply

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Forward-Looking Statements

This report contains forward-looking statements regarding Union Bank of India. We caution readers that no forward-looking statement guarantees future performance, and actual results may differ materially from those expressed. Forward-looking statements are identifiable by terms like 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve', or similar words.

By nature, forward-looking statements involve risk and uncertainty related to future events and circumstances, including changes in legislation, development of standards and interpretations, evolving ESG reporting practices, and external factors beyond our control. These statements are based on 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. Factors impacting our future financial condition and performance are identified in the Union Bank of India Annual Report FY2024-25, available on our website.

Subject to our obligations under applicable laws and regulations, we undertake no obligation to update publicly or revise any forward-looking statements as a result of new information, future events, or otherwise.



[Scan the QR Code to download Integrated Annual Report 2024-25](#)

Corporate Information

Category	Details
Head Office & Central Office	Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai - 400 021.
Global Location Number (GLN)	8904368511166
Legal Entity Identifier (LEI) Code	5493000P4HD6132SQ711
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	CS Mangesh Mandrekar
Secretarial Auditor	M/s Ragini Chokshi & Co, Company Secretaries
Statutory Central Auditors	M/s CHHAJED & DOSHI., Chartered Accountants M/s G.S. MATHUR & CO., Chartered Accountants M/s P. CHANDRASEKAR LLP, Chartered Accountants M/s V. K. LADHA & ASSOCIATES, Chartered Accountants
BRSR Assurance Provider	M/s TUV India Pvt. Ltd.

Issuer Ratings

S & P Global Ratings

Issuer Credit Rating

● BBB-/Positive/A-3
Outlook - Stable

Senior Unsecured

● BBB-
Outlook - Positive

Fitch Ratings Ltd

Long Term Issuer Default Rating (IDR)

● BBB -
Outlook - Stable

Short Term Issuer Default Rating (IDR)

● F3 -
Outlook - Stable

Certificate of Deposit

A1+/Stable

ICRA, India Ratings

Additional Tier -1 Bonds

AA+/Stable

CRISIL, CARE, Indra Rating,
BRICKWORK

Tier 2 Bonds

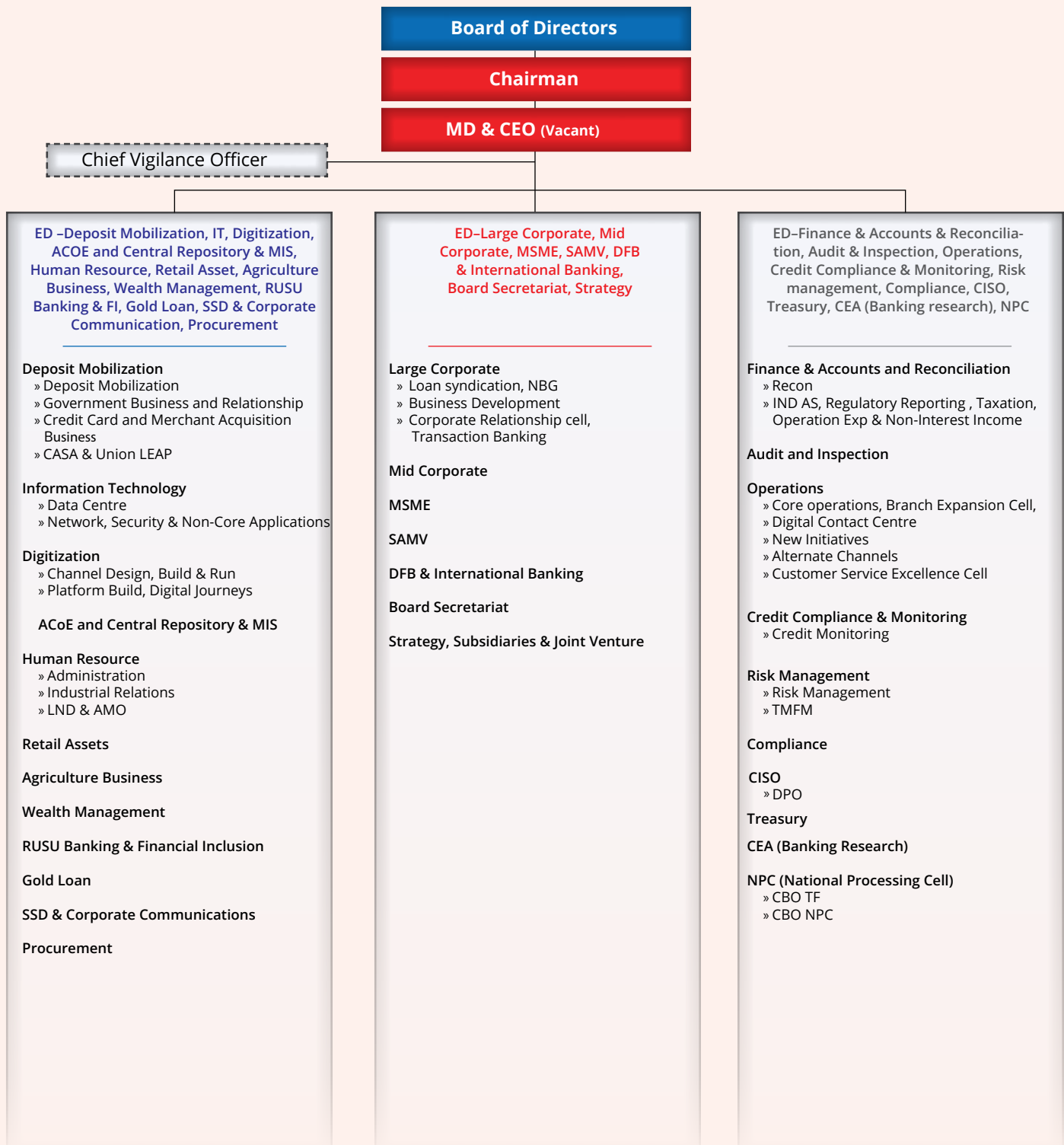
AAA/Stable

CRISIL, CARE, Indra Rating, ICRA, BRICKWORK



CRISIL: CRISIL Ratings Ltd . CARE: CARE Ratings Limited, INDIA RATING: India Ratings & Research Pvt. Ltd.
ICRA : ICRA Ltd. BRICKWORK: Brickwork Ratings India Pvt. Ltd

Organisation Structure (w.e.f. 27.06.2025)





Shri Srinivasan Varadarajan

Non – Executive Chairman

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. Shri Srinivasan Varadarajan was the Managing Director and Head of Markets with J.P. Morgan, India. He was also the CEO, JP Morgan Chase Bank in India. He commenced his career in ICICI Ltd and spent a decade with the Group in various leadership positions.

He is currently a member of the SEBI Alternative Investment Policy Advisory Committee. He also is the Chairman of AMC Repo Clearing Limited and is also on the Board of India Debt Resolution Company Limited and Institutional Investor Advisory Services India Limited. He has previously served on various RBI Committees including the Technical Advisory Committee, Committee for Repos and Committee for STRIPS. He has also previously officiated as the Chairman of Fixed Income Money Market and Derivatives Association of India (FIMMDA) and Primary Dealers Association of India (PDAI).

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 (upto 02.06.2025)

Ms. A. Manimekhalai is Managing Director & CEO of Union Bank of India since June 3rd, 2022.

A seasoned banker with experience of more than 3 decades, Ms. A. Manimekhalai 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 Executive Director at Canara Bank. 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.

Presently, Ms. A. Manimekhalai is Chairperson on the Board of Union Bank of India (U.K.) Ltd and also Director on the Board of Union Asset Management Company.

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. 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 (CAIB).



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 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.

He is a member of the Board of Directors of National Payments Corporation of India (NPCI) and also member of IBA Steering Committee on PSB Reforms. Shri Nitesh Ranjan is a post-graduate in Economics and has also completed Leadership Development Programme of IIM Bangalore.



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 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's degree in Science along with CAIIB qualification.

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 well versed in operations and administration equally.



Shri Sanjay Rudra

Executive Director

Mr. Sanjay Rudra assumed office as Executive Director of Union Bank of India, effective October 9, 2023. Prior to joining Union Bank of India, he was with, Bank of Maharashtra where he played a key role in Bank's turnaround and transformation. Mr. Rudra has embraced various leadership role such as General Manager and Chief Risk Officer at Bank of Maharashtra. With over three decades of experience in various banking facets, including credit, MSME, and integrated risk management, Mr. Rudra brings a wealth of knowledge and a driving force behind strategic banking initiatives to his role. He was also in charge of the Learning and Development (L&D) vertical and had additional responsibility for Development & Testing of Digital Lending.

At Union Bank of India, he is overseeing various businesses and support portfolios, including Treasury and International Banking, Retail Assets, Agriculture Business, Human Resources, Stressed Asset Management, RuSu Banking, Financial Inclusion, and Gold Loan Business. A strong proponent of leadership and learning, he has been instrumental in Learning and Development (L&D) initiatives in the Bank.

Mr. Rudra holds a postgraduate degree in Physics and a diploma in Financial Management from Welingkar Institute. He is an Associate Member of the Indian Institute of Banking and Finance (IIBF). Mr. Rudra has completed the Leadership Development Program from Indian Institute of Management (IIM) Bangalore, conducted by the Financial Services Institutions Bureau (FSIB). He has also attended the Global Advanced Management Program conducted by the Indian School of Business (ISB) Hyderabad in association with the Kellogg School of Management, USA as an active associate at the senior leadership level at Bank of Maharashtra. Mr. Rudra served as a Director on the Board of Maharashtra Executor and Trustee Company Private Ltd. (a subsidiary of Bank of Maharashtra). He has also served on the board of Union Asset Management Company, a subsidiary of Union Bank of India as Nominee Director. He has been appointed as Nominee Director of Swift India Domestic Services Pvt. Ltd. and India Infrastructure Finance Company (IIFC) Limited, Independent Director of PSB Alliance, and as a Member of Governing Board of the Indian Institute of Banking and Management (IIBM), Guwahati.



Shri Pankaj Dwivedi

Executive Director (upto 24.06.2025)

Shri Pankaj Dwivedi assumed office as the Executive Director of Union Bank of India on March 27, 2024. Prior to joining Union Bank of India, he was General Manager in Punjab & Sind Bank. He has more than 33 years of rich Banking experience.

He has completed Masters in Business Administration from Symbiosis Institute of Management Studies, Pune and is a Certified Associate from Indian Institute of Bankers (CAIIB). He has completed the Executive Certificate Program in Applied Financial Risk Management from IIM, Raipur and has also completed the Leadership Development Program of IIM Bangalore, curated by the Banks Board Bureau in consultation with IBA and Egon Zehnder International Pvt. Ltd.

During his tenure in Punjab & Sind Bank, he has gained wide experience in various aspects of banking and has rich experience of working in Branches, Zonal Office and various departments at Head Office. He has handled a variety of functions at Head Office such as Priority Sector, Retail Lending, Law & Recovery, Treasury, Corporate Credit, Board Secretariat, Planning & Development, Foreign Exchange, Co-Lending Cell, etc. He was also a trustee on the Board of Trustees of IIFCL Mutual Fund.



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.

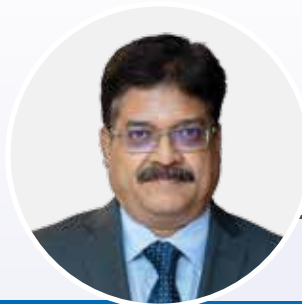
Experience in Government of India -

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 Prakash Baliarsingh

RBI Nominee Director

Shri Prakash Baliarsingh has been nominated as RBI Nominee Director on the Board of the Bank with effect from 14th July 2023.

Shri Prakash Baliarsingh was Chief General Manager of Department of Regulation, Reserve Bank of India. He was a career central banker and having rich experience of more than 3 decades with various Departments of Reserve Bank of India (majorly with Department of Supervision and Department of Regulation).

He has acted as Principal Inspecting Officer/Senior Supervisory Manager for leading commercial banks. He was also member of various committees/sub committees formed by the Reserve Bank of India related to Asset Quality Review (AQR) of banks, Risk Based Supervision as well as Supervisory Program for Assessment of Risk; and Capital (SPARC). He also represented Reserve Bank of India as a member in international Committees.

He is a Postgraduate in Political Science and also completed M.Sc. (Finance) from Oxford Brookes University, UK. He was also a recipient of Reserve Bank of India's Golden Jubilee scholarship. He is a Certified Associate of Indian Institute of Bankers.



Shri Suraj Srivastava

Part Time Non-Official Director (w.e.f from 11.04.2025)

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

Shri Srivastava has a rich professional experience of over 17 years as a practicing Chartered Accountant in taxation and audit practice. As a partner of M/s Batra Sapra & Co. Shri Srivastava has done 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.



Dr. Priti Jay Rao

Shareholder Director

Dr. Priti Jay Rao has been re-elected as a Shareholder Director of the Bank and assumed office of the Director of the Bank on 29/07/2024 for another period of 3 years till 28/07/2027. She is M.Sc. (Mathematics) from IIT Bombay with specialization in Computer Science. She has recently completed her Doctor of Business Studies (DBA). Her research is focused on "Harnessing Recruitment AI to enhance gender diversity" She is a passionate advocate of amplifying business value, leveraging Technology, Human Resources and Process Automation.

She has to her credit, 25 Years of diverse experience in building and delivering range of IT services for customers located across all the five continents. During her stint in various Companies, she played a pivotal role in supporting IT teams, delivering software services and managing large scale recruitment, training and assimilating large employee base.

She is inclined towards a leadership skill that requires both knowledge and vision of technology with the ability to envisage how technology might affect organizational dynamics to help organizations accelerate technology adoption.

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

She is also actively engaged in various CSR activities with a mission and objective to provide financial assistance, special coaching, counselling, other requisite support to deserving bright young girls from disadvantaged background to enable them to grow into empowered, confident professionals with strong values.



Shri Prakash Chandra Kandpal

Shareholder Director

Shri Prakash Chandra Kandpal has been elected as a Shareholder Director of the Bank and assumed office of the Director of the Bank on 27/07/2024 for a period of 3 years till 26/07/2027. He has extensive experience of over 36 years with State Bank of India and its subsidiaries. He retired as Deputy Managing Director (Retail business - Personal Banking and Real Estate) of SBI. Mr. Kandpal has held multiple leading responsibilities at SBI including MD & CEO of SBI General Insurance and ED and COO at SBI Funds Management Ltd. He has an in-depth expertise in Banking, HR, Operations, Insurance and Mutual funds space and have contributed immensely to the Banking and Financial Services Industry. He has led many renowned initiatives in HR, Training, IT, Business Process Re-engineering and Governance.

Shri Kandpal has been honored by prestigious awards such as Business Leader of the Year Award, in 2021 and the Company with Great Managers Award on behalf of SBI GI, in 2021 and secured the Brandon Hall Award in 2018 for SBI for his pathbreaking initiatives in Learning and Development at SBI to name a few.

Shri Kandpal holds a M.A(Economics) degree from Kumaon University, Nainital and Masters in Financial Management from Jamnalal Bajaj Institute of Management, Mumbai. He also has multiple professional certifications such as an Executive MBA program (curated for SBI) from ISB Hyderabad, and Global Advance Management Program-AIIMA with Berkley University, USA.

CVO / KMPs / CRO / SMPs / GMs (as on 31.03.2025)

Chief Vigilance Officer



Shri Ajay Kumar Singh

Key Managerial Personnel (KMP) other than Wholetime Directors



Shri P. K. Samal
CCO



Shri Avinash Vasant Prabhu
CFO



Shri Mangesh Mandrekar
Company Secretary

Chief Risk Officer



Shri Ashwini Kumar Choudhary

Chief General Managers (Senior Management Personnel)



Shri K. Bhaskara Rao



Shri Abhijit Basak



Shri A. K. Vinod



Shri S. C. Teli



Shri C. M. Minocha



Shri S.V. Biju

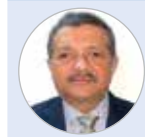


Shri Pravin Sharma



Shri Kabir Bhattacharya

Chief General Managers (Senior Management Personnel)



Shri Sudarshana Bhat



Shri Ravindra Babu M.



Shri Arun Kumar



Shri Sanjay Narayan



Shri Anil Kuril

General Managers



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



Shri Naveen Jain



Shri Tata Venkat Venugopal



Shri Sumit Srivastava



Shri Pramod Kumar Gupta



Shri Alok Kumar



Shri Amarendra Kumar



Shri G.K. Sudhakar Rao



Shri Gyana Ranjan Sarangi



Shri Navneet Kumar



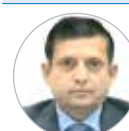
Shri Santanu Kumar Dash



Shri Sarvesh Ranjan



Shri R.L. Pattanayak



Shri Vikash Kumar



Shri Manoj Kumar



Shri Gokulananda Das



Shri Rajiv Sharma



Shri Arun Kumar



Shri Vithal Banashankari



Shri Vipin Kumar Shukla



Shri Girish Chandra Joshi



Shri Omprakash Shriniwas Karwa



Shri Vipin Singh



Shri Rajiv Kumar Jha



Shri Jithender Maniram



Shri Dharendra Jain



Shri Gugulotu Shankarlal



Shri S. Sakthivel



Shri Girija Bhusan Mishra



Shri Manoj Kumar Nanda



Shri P. Krishnan



Shri Guna Nand Gami



Shri G. N. V. Ramana



Shri Biraja Prasad Das



Shri Bajj Nath Singh



Shri V. N. Bhaskara Rao



Smt. Renu K. Nair



Shri Satyaban Behera



Shri N Chezhian.



Shri Ajay Kumar



Shri K. Pramod Kumar Reddy



Shri V. S. S. S. Sastry



Shri Srinivasa Kumar Patri



Smt. Sowmya Sridhar



Shri Hare Krishna Das



Shri Saroj Kumar Dash



Shri Hrishikesh Mishra



Shri K Mahendra Reddy



Shri Sunil Kumar Jadli



Smt. Archana Shukla



Shri Manoj Kumar



Shri Rajesh Kumar



Shri T. Kameshwara Rao



Shri Akhilesh Kumar



Smt. Shalini Menon



Shri Lokanath Sahoo



Dr. Chetna Pandey

Internal Ombudsman



Smt. Radhika Bhatawadekar

Chief Economic Adviser



Ms. Kanika Pasricha

Head Wealth Management



Shri Rishi Dhaddha

Head Transactions Banking and Corporate Relationship Cell



Shri Prasad Ramaswamy

Head Digital Call Centre



Shri Hitesh Sindhwani

Chairman's Message



Srinivasan Varadarajan
Chairman

Dear esteemed Shareholders,

It is my privilege to present to you the 106th Annual Report of Union Bank of India for the financial year 2024-25. Given the volatile global backdrop, it has been our endeavour to focus on sustainable business growth while maximising the value created for our investors and the entire society.

This report presents not only the Bank's financial performance but also outlines our initiatives in the areas of social responsibility, environmental sustainability, and corporate governance. Together, these elements offer a comprehensive view of our contributions to the financial services sector, as well as to society and the environment at large.

FY 2024-25: A remarkable year for PSBs

FY2024-25 has been a remarkable year for Public Sector Banks (PSBs), underscoring a phase of renewed strength and strategic transformation. The year witnessed significant improvements across key financial parameters, including credit growth, profitability, capital adequacy, and asset quality. These

developments have not only strengthened public confidence in state-owned banks but have also positioned them as pivotal enablers of the nation's economic growth and development agenda. Underscoring robust capital position, PSBs have demonstrated a marked improvement in financial resilience, with most banks reporting better capital adequacy ratios than their private bank peers. These developments signal enhanced balance sheet strength, reduced vulnerability to credit shocks, and improved capacity to support credit growth across key sectors of the economy.

Union Bank of India has not been an exception at the forefront of this resurgence. Amidst the collective improvement in profitability, asset quality, and balance sheet strength across PSBs, Union Bank has distinguished itself through strong financial performance, disciplined execution of strategy, and an unwavering commitment to inclusive and responsible banking. In FY25, the highest ever annual net profit of INR17,987 crore was clocked, reflecting a YoY growth of 32%. While operating profit reached INR31,090 crores, registering 10% YoY growth. That said,

capital adequacy, it is one of the best in the industry at 18.02% with CET-1 ratio at 14.98%, comfortably above the regulatory minimum, providing ample headroom for growth.

India's macroeconomic stability – A strong platform for banking sector growth

Given the volatile global backdrop and geopolitical uncertainty, India's macro continues to be 'best in class'. Supported by prudent fiscal and monetary policies, the economy continued on a robust growth path despite external uncertainties. India remained one of the fastest growing economies at 6.5% GDP growth in FY25. Inflation remained well behaved with headline CPI inflation averaging 4.6%. Our current account deficit remained under 1% of GDP, ensuring exchange rate stability and supporting investor confidence. Forex reserves remained healthy, enabling macro-financial stability and reducing volatility risks for banks engaged in international operations. The government's commitment to fiscal consolidation (targeting a fiscal deficit of 4.8%) has enhanced sovereign credibility and created space for private credit expansion.

Banks in good position to grow with adequate capital and clean balance sheets

Hence, even as banking system credit slowed in FY25 to 11% from 16% in previous year, banks are in a good position to grow with adequate capital and clean balance sheets. In this regard, Union Bank is also well capitalised and well-positioned to serve as engine of growth in the country's economic transformation.

The government and the RBI have continued to play a pivotal role in fostering a facilitating environment for economic and financial sector growth. To facilitate inclusive growth, innovation, and employment generation, the Government of India has launched a series of targeted credit guarantee schemes and reforms particularly for MSMEs. More importantly, RBI providing a facilitating environment to support growth by infusing huge amounts of liquidity and making regulations more friendly for 'ease of doing' business. Apart from front loading 100bps rate cut(s), the RBI has provided ~Rs 11 lakh crore of liquidity to the banking system with another Rs 2.5 lakh cr in the pipeline in order to expedite transmission into bank deposit and lending rates with eventual impact via recovery in credit growth. With the RBI passing the baton onto banks to support growth recovery, we, at Union Bank of India, are focused on helping realise the aspirational goals enunciated by the policymakers impact of policymakers' efforts.

In a volatile world, UBI remains committed to ensuring sustained returns to its stakeholders

Having said that, we remain cognisant of the evolving risks to growth stemming from global geopolitical developments and external uncertainties. In this context, the Bank is adopting a calibrated approach, maintaining a strong focus on profitability and asset quality. For achieving the same, the Board of the Bank is focusing on achieving sustainable growth by expanding its core deposit base i.e., CASA and retail term deposits. The Bank has introduced several value-added products & schemes such

as Union Leap, Union Bank Samridhi, Union Wellness deposit for accumulating quality customers deposits. Our strategic intent is to target growth sectors that offer the right risk-reward whilst simultaneously ensuring we do not compromise on quality of the balance sheet. Customer experience and right selling will be core principles we build our businesses on and that will ensure that existing bank customers would be the pillars on which we our future growth trajectory hinges on. Seamless digital solutions, adding to customer delight, will enable better productivity and efficiency for all stakeholders. protect and grow the bottom line without compromising on topline momentum, ensuring sustainable business model with sustainable growth in NIM accretive products sectors. Our fall in NIM has been way lower than compared to our peers. Also, our Return on Assets (ROA) stays firmly above the 1% mark, underscoring the strength of our operating model and the sustained focus on core profitability. These metrics highlight the Bank's commitment to delivering consistent returns to our stakeholders.

India continues to stand out as a beacon for growth

As we move forward in FY26, the risks from trade uncertainty and geopolitical developments overhang cast a cloud on private capex recovery and overall consumption growth momentum. Hence, we stay vigilant in the short term given our strategic focus on sustainable growth and maximising shareholder value. Continued vigilance, coupled with prudent underwriting and sectoral diversification, will be key to navigating global uncertainties.

Nevertheless, in the medium to long term, India continues to stand out as a beacon for growth and has the potential towards realising the dream to become a developed economy in the coming decades. We firmly believe that growth above 7% is possible after the cloud overhang gives way to clear blue skies in the short-term clear. for scaling higher altitudes. We, at Union Bank of India, aims to play a catalytic role in accelerating India's economic trajectory by actively funding key national priorities such as infrastructure development, MSME expansion, green energy transition, and digital inclusion.

We are deeply grateful to all our stakeholders, including our customers, employees, shareholders, regulators, for their continued support, cooperation, and commitment. As we look ahead, we remain committed to sustaining this momentum, deepening our stakeholder relationships, and building a future-ready, robust, and sustainable institution.

Thank you for your continued trust and support.

With best wishes,

Srinivasan Varadarajan
Chairman

Message from the Management

Dear esteemed Shareholders,

We are pleased to present an overview of Union Bank of India's performance and key achievements for the financial year 2024-25. Amidst global headwinds, the Indian economy and banking sector continued to demonstrate strength and resilience. In this dynamic environment, Union Bank of India seized emerging opportunities and remained steadfast in its commitment to core values. Our adaptability, strategic focus, and operational resilience have reinforced our position in the banking landscape, reflecting encouraging trends across key performance indicators.

Major Highlights of Bank's Business Performance

FY25 marked a milestone year for Union Bank of India, with the Bank delivering its highest-ever annual net profit of ₹17,987 crore, reflecting robust 32% year-on-year growth. Our total business volume reached ₹22.9 lakh crore during the year, comprising a deposit base of ₹13.1 lakh crore and advances of ₹9.8 lakh crore. Profitability ratios improved further, with Return on Assets (RoA) increasing to 1.26%, and Return on Equity (RoE) reaching 17.20%. Our Net Interest Margin (NIM) remained steady at 2.91%. Capital adequacy remains among the strongest in the industry, with our Capital to Risk Weighted Assets Ratio (CRAR) at 18.02% and Common Equity Tier-1 (CET-1) ratio at 14.98%, providing ample headroom to fund future growth.

We remain committed to sustainable growth with a balanced focus on both topline and bottomline performance. In a rising interest rate environment, we moderated our reliance on high-cost bulk deposits, which grew by 5% YoY compared to 22% in FY24, and selectively de-prioritized low-yielding credit assets. As a result, overall deposits grew 7.2% YoY while advances rose 8.6% YoY. Segmental performance remained strong with Current Account Deposits growing 17%, Retail Term Deposits 8.6%, Retail Lending 22.1%, and MSME Lending 12.5%. Asset quality improved further, with Gross NPA ratio reducing to 3.6% and Net NPA to 0.63%. Our Provision Coverage Ratio stood at 94.6%, reflecting a well-provisioned balance sheet ready to support credit growth as government policy initiatives and RBI's monetary easing measures take effect.

Major Milestones Achieved

Bank continued its strong momentum in FY25, achieving significant recognition in the Government of India's EASE 7.0 Reforms Index. The Bank secured the third position nationally, earning awards across three core themes:

Banking towards Viksit Bharat (1st place), Effective Risk/Fraud Management, Collection & Recovery (2nd place), and Developing Employees for Emerging Banking Priorities (2nd place). This achievement reflects our commitment to driving excellence in customer service, operational efficiency, risk management, and employee development in alignment with the Government's vision for a more responsive and robust banking sector.

During the year, our credit ratings also saw meaningful improvement. S&P Global revised our outlook to positive with a BBB-positive rating, while India Ratings and Brickwork Ratings both upgraded us by one notch to AAA with a stable outlook, underscoring our strengthened financial position and sound risk management practices. Additionally, Union Bank of India was included in the NIFTY NEXT50 Index, reflecting enhanced investor confidence and the Bank's growing stature in India's capital markets.

Focus on social transformation

At Union Bank of India, our commitment to inclusive growth aligns closely with the national priorities, including strengthening MSME lending and diversifying products to serve GYAN, Garib, Yuva, Annadata and Nari. A key pillar of this mission is women's empowerment. On November 9, 2024, the Hon'ble Finance Minister inaugurated five dedicated Nari Shakti branches in Bengaluru, Chennai, Jaipur, Mumbai, and Vijayawada. These branches are designed to support women entrepreneurs by providing tailored financial products and resources to foster growth and create employment opportunities. During FY 2024-25, the Bank sanctioned 20,820 Nari Shakti loan applications totaling ₹2,577 crore to women entrepreneurs.

Our commitment to building an inclusive and equitable society is further reinforced through Women Entrepreneur Summits and the Empower Her initiative. We also focus strongly on skill development, with our 33 Rural Self Employment Training Institutes (RSETIs) having trained over 4.0 lakh individuals, especially women. We have taken this commitment further by establishing two women-led RSETIs, entirely managed by women, at Mauganj (Madhya Pradesh) and Palnadu (Andhra Pradesh), demonstrate our resolve to empower women with skills, confidence, and opportunities for sustainable livelihoods.

Digital remains at core of our growth aspirations

Digital remains at the core of our growth aspirations. During FY25, we strengthened our digital footprint with the launch of

the Union Digital Contact Center, UVConn 3.0 on WhatsApp, and integration with Google Business Messages and Alexa for voice banking. Our Vyom app grew to 3.1 crore users and is set for an upgrade with Vyom 2.0. We enabled fully digital SB and CA account opening, generating 6.87 lakh savings accounts and over ₹87,500 crore in FDs. With 20 digital lending journeys and innovations like Union MSME Superfast STP and Union Digital Ease, we delivered faster, seamless credit approvals, underscoring our commitment to convenient, accessible, and inclusive banking.

Expanding Our Network to Meet Growing Demand

Union Bank of India expanded its reach by opening 201 new branches, including 21 premier branches at RuSu (Rural and Semi-Urban) centres and 5 dedicated Nari Shakti branches, taking our total network to 8,621 branches, 8,910 ATMs, and over 23,500 Business Correspondents. We have undertaken focused initiatives to deepen our retail deposit base, enhance customer engagement, and drive CASA growth, especially in high-potential and underpenetrated markets. To improve service quality for high-value customers, the Bank deployed 1,250 branch-based Relationship Managers (RMs) in metro and urban locations, delivering personalized and priority banking services to boost customer retention and acquisition. We also strengthened our Wealth Relationship Management offering by deploying dedicated Wealth RMs (WRMs), ensuring tailored, high-quality wealth management solutions.

HR initiatives

The Bank continued its strong focus on enhancing employee knowledge and capabilities across diverse banking domains. Recognizing the need for a well-informed and adaptable workforce, we launched the new LMS portal—Union Vidya to provide employees with access to the latest knowledge and skills. To promote employee well-being, initiatives

such as “Union SWAR” were introduced to support internal communication on mental and physical health. Further, with a view to fostering leadership excellence and developing visionary leaders who drive innovation and adaptability, the Bank launched the “Union Advith” Leadership Development Program (LDP), training 510 participants in its inaugural year.

ESG initiatives

We are proud to be the first Indian bank to join the Partnership for Carbon Accounting Financials (PCAF), underscoring our dedication to measuring and managing our financed emissions. To promote eco-friendly housing, we introduced the Union Green Home Loan, encouraging customers to adopt sustainable living practices. Our commitment extends beyond lending, with impactful initiatives such as planting one million saplings, launching waste management programs, and leading cleanliness drives—all aimed at building a future where banking actively supports sustainable and responsible practices.

Outlook on the Bank

As we look ahead, Union Bank of India wholeheartedly embraces the vision of Viksit Bharat 2047 inspired by our Hon’ble Prime Minister. We pledge our full support to realizing India’s ambition of becoming a developed economy in the coming decades. The Bank has set a clear objective to align its growth strategy with the government’s vision by actively funding key national priorities. As we enter a new fiscal year, we remain steadfast in our commitment to delivering long-term value for all stakeholders, maintaining sustainable growth momentum even in a dynamic environment.

With heartfelt best wishes,

Value Creation Story: Building India's Sustainable Future

Executive Summary: Bank's Value Creation Journey

Union Bank of India's FY2025 performance exemplifies how integrated thinking transforms banking from transactional relationships to sustainable value creation. Our **31.79% increase in Net Profit to ₹17,987 Crores** represents more than financial success — it demonstrates how strategic integration across all six capitals drives inclusive growth, environmental stewardship, and digital innovation.

Bank's Core Value Proposition: The Union Bank of India is the India's catalyst for sustainable economic transformation, leveraging bank's extensive reach of **8,621 branches** and **8,910 ATMs** to deliver financial inclusion while pioneering climate-positive financing and digital innovation.

Bank's Value Creation Model

INPUTS → BUSINESS ACTIVITIES → OUTCOMES → IMPACT

Sustainable Value Creation Framework



OUR OUTCOMES

Financial Performance

- Net Profit: ₹ 17,987 Cr(+31.79% growth)
- ROA: 1.26% (+23 bps)
- ROE: 17.20% (+162 bps)
- GNPA: 3.60% (-116 bps)

Sustainable Impact

- Green financing: ₹ 28,742 Cr Green
- Net-zero commitment
- Financed emissions tracking via PCAF

Digital Leadership

- Digital business: ₹ 66,000 + Cr mobilized
- VYOM users: 3.9mn+
- Digital journeys: 15+
- AI/ML automation: 27

Social Contribution

- Priority sector: 44.31%
- MSME advances: ₹ 1.36 Lakh Crores
- CSR investment: ₹ 121.4Cr
- Financial inclusion

Operational Excellence

- Credit growth: 8.62%
- Deposit growth: 7.22%
- Branch network: 8,621
- Operational efficiency

Stakeholder Value

- Dividend: ₹ 4.75/share
- Customer satisfaction
- Employee engagement
- Regulatory compliance



SUSTAINABLE VALUE CREATION

FOR SHAREHOLDERS

- Superior returns
- Sustainable growth
- Risk-adjusted profits

FOR CUSTOMERS

- Enhanced accessibility
- Digital convenience
- Inclusive banking
- Fair pricing

FOR SOCIETY

- Economic development
- Financial inclusion
- Climate action
- Skill development

FOR ENVIRONMENT

- Climate-positive finance
- Renewable energy support
- Carbon footprint reduction

FOR EMPLOYEES

- Career development
- Inclusive workplace
- Skills enhancement

FOR REGULATORS

- Compliance excellence
- Risk management
- Transparent reporting

Strategic Context & External Environment

Operating Environment

Union Bank operates in India's dynamic financial landscape, characterized by:

- **Regulatory Evolution:** Digital payment regulations, Implementation of ESG guidelines and climate risk frameworks
- **Digital Transformation:** Accelerated adoption of digital banking, fintech integration, and customer expectations for seamless experiences
- **Sustainability Imperative:** Growing focus on climate action, green financing, and responsible banking practices
- **Financial Inclusion Goals:** Government initiatives for universal financial access and support for priority sectors

Bank's Response Strategy

Bank's integrated approach addresses these challenges through:

1. **Digital Innovation Excellence** - Deploying cutting-edge technology through VYOM app and AI/ML solutions
2. **Inclusive Growth Champion** - Exceeding priority sector targets with 44.31% of ANBC allocation

3. **Operational Resilience** - Strengthening risk management with GNPA reduction to 3.60%
4. **Sustainable Banking Leadership** - Pioneering green finance with exposure of ₹28,742 Crores in green finance portfolio

Value Creation Themes

1. Climate-Positive Banking

Vision: Leading India's transition to a low-carbon economy

How We Create Value:

- **Finance to Renewable Energy Sector:** ₹27,668 Crores in renewable energy, supporting India's 500 GW renewable target
- **Sustainable Products:** Union Green Home (₹197 Cr), Union Green Miles for EVs (₹779 Cr), Green Deposits (₹29.05 Cr)
- **Climate Risk Management:** Comprehensive ESG framework with Board-level oversight and PCAF-based emissions tracking
- **Net-Zero Commitment:** Achieving carbon neutrality in own operations by 2035

Impact: Contributing to India's climate goals while creating new revenue streams and risk mitigation

2. Digital-First Innovation

Vision: Transforming banking through technology and customer-centric design

How We Create Value:

- **Customer Experience:** VYOM app with 400+ features adding 3.9mn+ users with 36% YoY growth
- **Business Generation:** ₹66,000+ Crores mobilized through 15+ digital lending journeys
- **Operational Efficiency:** 27 processes automated through hyper-automation, reducing costs and improving service
- **Cybersecurity Excellence:** Advanced SOC, data privacy framework, and digital forensics capabilities

Impact: Enhanced customer satisfaction, operational efficiency, & competitive positioning

3. Inclusive Growth Enabler

Vision: Democratizing financial services across India's diverse landscape

How We Create Value:

- **Extensive Reach:** 8,621 branches with 30% in rural areas, ensuring geographical inclusion
- **Priority Sector Excellence:** 44.31% allocation exceeding regulatory requirements, supporting agriculture and MSMEs
- **Accessible Banking:** "Union Access" program for differently abled customers and senior citizens
- **Skill Development:** Training 2,92,535 candidates through 32 RSETIs with 75% settlement ratio

Impact: Empowering millions with financial access, supporting livelihood creation, and reducing inequality

4. Operational Excellence

Vision: Building resilient, efficient, and scalable banking operations

How We Create Value:

- **Asset Quality:** GNPA improved to 3.60% from 4.76%, with PCR at 94.61%
- **Capital Strength:** CRAR at 18.02% providing strong buffer for growth and uncertainties
- **Revenue Diversification:** Non-interest income growth of 23.21%, reducing dependency on traditional banking
- **Risk Management:** Integrated framework covering credit, operational, cyber, and climate risks

Impact: Sustainable profitability, stakeholder confidence, and business continuity

Capital Interconnectedness

How Bank's Capitals Reinforce Each Other:

Financial Capital Enables:

- Investment in green technologies and sustainable products (Natural Capital)
- Digital infrastructure and innovation capabilities (Intellectual Capital)
- Branch expansion and service enhancement (Manufactured Capital)
- Employee development and community programs (Human & Social Capital)

Natural Capital Drives:

- New revenue streams from green financing (Financial Capital)
- Innovation in sustainable products and services (Intellectual Capital)
- Enhanced brand reputation and stakeholder trust (Social & Relationship Capital)
- Operational efficiency through green buildings and renewable energy (Manufactured Capital)

Intellectual Capital Powers:

- Digital transformation reducing costs and improving efficiency (Financial Capital)

- Customer experience enhancement building loyalty (Social & Relationship Capital)
- Process automation optimizing operations (Manufactured Capital)
- Data-driven insights for better decision-making (All Capitals)

Manufactured Capital Supports:

- Extensive reach for financial inclusion (Social & Relationship Capital)
- Platform for deploying digital innovations (Intellectual Capital)
- Infrastructure for sustainable banking services (Natural Capital)
- Revenue generation and cost optimization (Financial Capital)

Social & Relationship Capital Generates:

- Customer trust driving business growth (Financial Capital)
- Market intelligence for product innovation (Intellectual Capital)
- Social license for expansion and operations (Manufactured Capital)
- Stakeholder support for sustainability initiatives (Natural Capital)

Value Creation Outcomes FY2025

Financial Value

- **Profitability Growth:** Net Profit increased 31.79% to ₹17,987 Crores
- **Efficiency Gains:** ROA improved to 1.26%, ROE to 17.20%
- **Asset Quality:** GNPA reduced to 3.60%, strengthening balance sheet
- **Shareholder Returns:** Dividend increased to ₹4.75 per share

Environmental Value

- **Climate Finance:** ₹28,742 Crores supporting Green portfolio
- **Green Products:** Launched sustainable banking products across portfolio
- **Emissions Management:** Comprehensive financed emissions tracking via PCAF
- **Operational Sustainability:** 3 IGBC-certified green buildings

Social Value

- **Financial Inclusion:** 44.31% priority sector allocation, exceeding targets
- **Community Investment:** ₹121.40 Crores through Union Bank Social Foundation
- **Skill Development:** 2,92,535 candidates trained with 75% employment success
- **Accessible Banking:** Award-winning inclusive banking services

Digital Value

- **Customer Engagement:** addition of 3.9mn+ VYOM users with 400+ features
- **Business Generation:** ₹66,000 Crores through digital channels
- **Process Innovation:** 15+ digital journeys transforming customer experience
- **Operational Automation:** 27 processes automated improving efficiency

Future Value Creation Roadmap

Short-term (FY2026)

- Expand green financing portfolio
- Launch advanced AI-powered banking services
- Improving operational efficiency through hyper-automation in additional processes
- Strengthen climate risk management capabilities

Medium-term (FY2027-28)

- Pioneer in integrated ESG banking solutions

- Become India's leading sustainable finance bank
- Complete digital transformation across all channels
- Establish fintech ecosystem leadership

Long-term (FY2030 & beyond)

- Achieve net zero in operations ahead of 2035 target
- Lead market in climate risk management
- Achieve sustainable development goals alignment
- Model for global sustainable banking practices

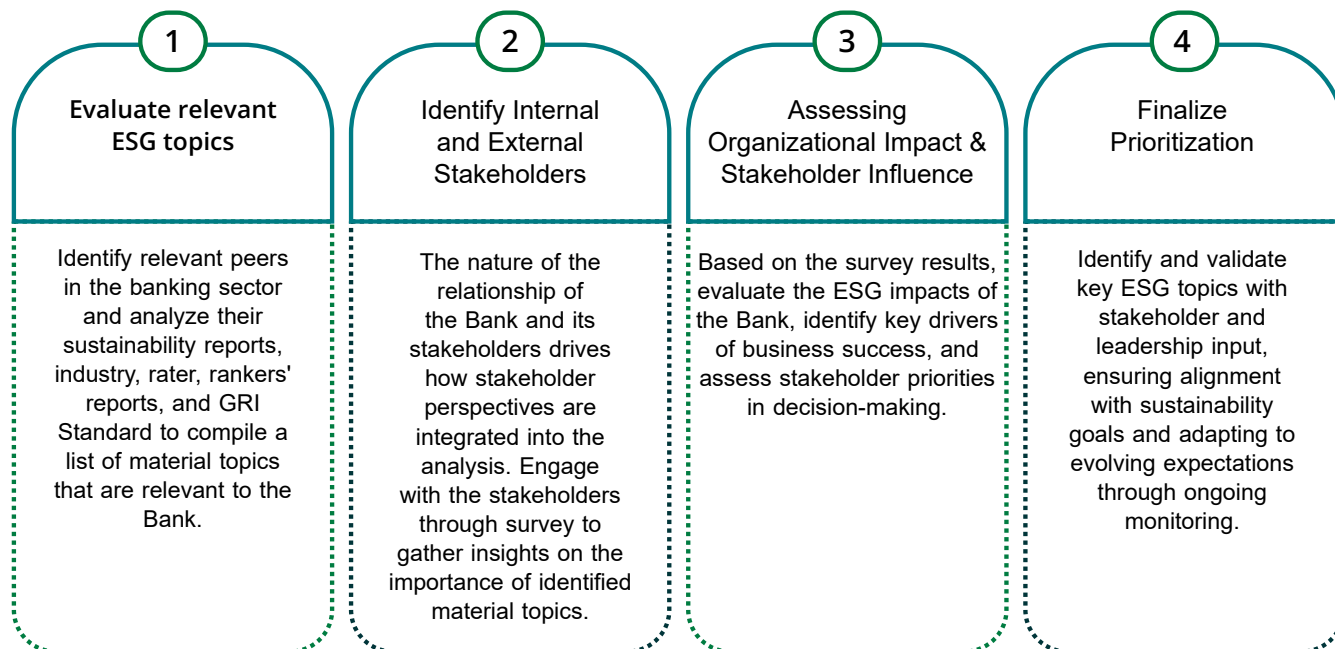
Materiality & Stakeholder Priorities

Materiality Assessment is a structured process aimed at identifying and prioritizing Environmental, Social, and Governance (ESG) issues that significantly influence an organization's operations and its stakeholders.

Methodology

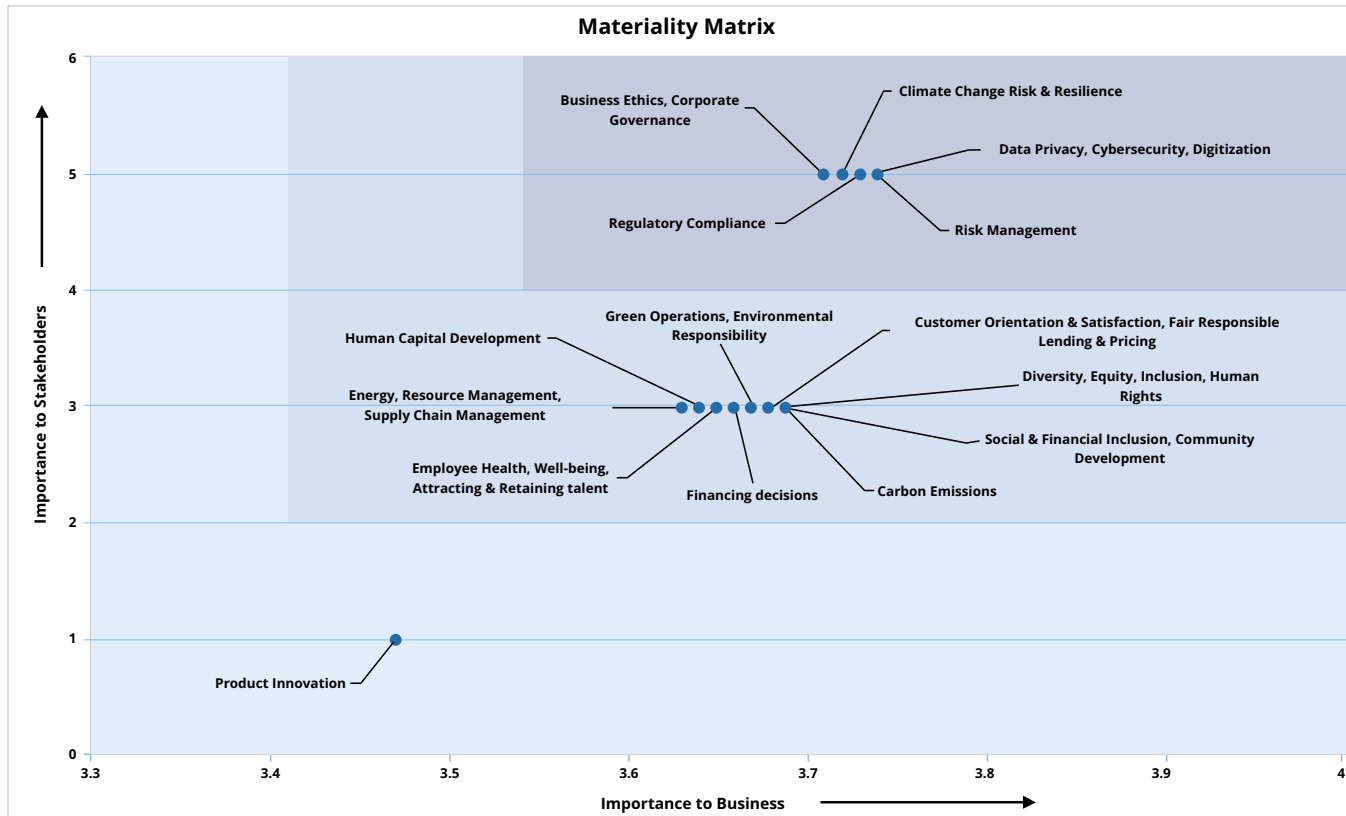
The Bank's materiality assessment process emphasizes responsible growth and sustainability, aiming to create meaningful value for the stakeholders while proactively tackling societal challenges.

This approach enables a targeted evaluation of the most impactful ESG issues that affect both the bank's business performance and stakeholder priorities. By focusing on these critical areas, the assessment guides the formulation of strategies that foster long-term, sustainable outcomes.



Materiality Matrix

In the bank's recent ESG materiality assessment, the bank has examined 15 key ESG topics, reflecting the evolving expectations of UBI and its stakeholders, and the shift from perception based to impact driven materiality. The resultant **Materiality Matrix** is as below:



Based on the **Materiality Matrix**, it is being observed that ESG topics on Business ethics & Corporate governance, Risk Management, Regulatory Compliance, Climate Change Risk & Resilience and Data Privacy, Cybersecurity & Digitization are of high importance.

Stakeholder Value Propositions

- **Customers:** Enhanced digital experience, inclusive access, sustainable products
- **Shareholders:** Superior risk-adjusted returns, sustainable growth, transparent governance
- **Employees:** Career development, inclusive workplace, meaningful work
- **Communities:** Economic development, financial inclusion, environmental stewardship
- **Regulators:** Compliance excellence, risk management leadership, market stability
- **Environment:** Climate-positive financing, operational sustainability, innovation support

This value creation story demonstrates Union Bank of India's commitment to integrated thinking, where financial performance, environmental responsibility, social impact, and stakeholder value creation are inextricably linked, ensuring sustainable growth that benefits all stakeholders while contributing to India's development aspirations.

Our Value Creation Model

INPUTS → BUSINESS → ACTIVITIES OUTCOMES → IMPACT

OUR CAPITALS

FINANCIAL CAPITAL

- ₹ 13.10 Lakh Crores deposits
- CRAR: 18.02%
- Strong balance sheet

MANUFACTURED CAPITAL

- 8,621 branches
- 8,910 ATMs
- 73,900+ employees
- 23,500+ Bcs

INTELLECTUAL CAPITAL

- VYOM app (400+ features)
- Digital journeys
- AI/ML capabilities
- Cybersecurity CoE

NATURAL

- Climate risk
- Green finance
- Renewable
- Net-zero 2035

SOCIAL

- Customer trust
- Compliance
- Partnerships
- Engagement

HUMAN

- Skilled workforce
- Development
- Digital Skill
- Inclusive culture

BUSINESS ACTIVITIES

SUSTAINABLE BANKING

- Green financing
- Climate risk integration
- ESG governance

DIGITAL TRANSFORMATION

- Technology innovation
- Customer experience
- Process automation
- Cybersecurity

FINANCIAL INCLUSION

- Priority sector lending
- Rural banking
- MSME support
- Accessible banking

RISK MGMT

- Asset quality
- Compliance
- Cybersecurity

ENGAGEMENT

- Customer service
- Development
- Investment

HUMAN

- Optimization
- Expansion
- Quality

OUR OUTCOMES

Financial

Net Profit: ₹ 17,987 Cr
(+31.79% growth)
ROA: 1.26% (+23 bps)
ROE: 17.20% (+162 bps)
GNPA: 3.60% (-116 bps)

Digital

Digital business:
₹ 66,000 + Cr mobilized
VYOM users: 3.9mn+
Digital journeys: 15+
AI/ML automation: 27

Operational

Credit growth: 8.62%
Deposit growth: 7.22%
Branch network: 8,621
Operational efficiency

Sustainable

Green financing:
₹ 28,742 Cr Green
Net-zero commitment
PCAF emissions tracking

Social

Priority sector: 44.31%
MSME advances:
₹ 1.36 Lakh Crores
CSR investment: ₹ 121.4Cr
Financial inclusion

Stakeholder

Dividend: ₹ 4.75/share
Customer satisfaction
Employee engagement
Regulatory compliance

SUSTAINABLE VALUE CREATION

FOR SHAREHOLDERS

Superior returns • Sustainable growth
Risk-adjusted profits

FOR CUSTOMERS

Enhanced accessibility • Digital Convenience
• Inclusive banking • Fair pricing

FOR SOCIETY

Economic development • Financial inclusion
• Climate action • Skill development

FOR ENVIRONMENT

• Climate-positive finance • Renewable
energy support • Carbon reduction

FOR EMPLOYEES

• Career development • Inclusive
workplace • Skills enhancement

FOR REGULATORS

• Compliance • Risk mgmt • Transparency

Strategic Value Flow

INPUTS

6 Capitals
₹13.10 LC
Assets

ACTIVITIES

6 Functions
Digital + ESG

OUTCOMES

₹17,987 Cr
31.79% Growth

IMPACT

6 Stakeholders
Sustainable
Value

Key Performance Highlights

FINANCIAL PERFORMANCE

Net Profit: ₹17,987 Cr
ROE: 17.20% (+162 bps)
GNPA: 3.60% (-116 bps)
Dividend: ₹4.75/share

DIGITAL LEADERSHIP

Digital business: 66,000 + Cr
VYOM users: 3.9mn+
AI/ML automation: 27
Digital journeys: 15+

ESG Impact

Green financing: ₹28,742 Cr
Priority sector: 44.31%
CSR investment: ₹121.4Cr
Net-zero Target 2035

Financial Capital

Building Sustainable Financial Foundation for Long-term Value Creation

Financial Capital Overview

Financial Capital represents bank's pool of funds that enables value creation across all business activities. For Union Bank of India, robust financial management serves as the foundation for sustainable growth, digital transformation, green financing, and inclusive banking. Bank's consistent strong financial performance in FY2025 reinforces its strategic priorities i.e. sustainability and digital excellence.

Bank's Financial Capital Strategy

- **Sustainable Growth:** Leveraging digital transformation and ESG integration
- **Profitability Enhancement:** Optimizing asset-liability management and revenue diversification
- **Risk Management:** Maintaining superior asset quality and robust capital adequacy
- **Stakeholder Value:** Delivering consistent returns while funding future investments

Financial Performance Highlights FY2025

Record Profitability Achievement

Key Metrics	FY2024	FY2025	Growth	Strategic Impact
Net Profit	₹13,648 Cr	₹17,987 Cr	+31.79%	Strong foundation for future investments
Net Interest Income	₹36,570 Cr	₹37,214 Cr	+1.76%	Stable core banking earnings
Non-Interest Income	₹16,080 Cr	₹19,813 Cr	+23.22%	Successful revenue diversification
Operating Profit	₹28,211 Cr	₹31,090 Cr	+10.21%	Operational efficiency gains

Key Achievement:

The **31.79% increase in Net Profit** demonstrates the successful execution of bank's integrated strategy, combining digital innovation, sustainable financing, and operational excellence.

Enhanced Financial Efficiency

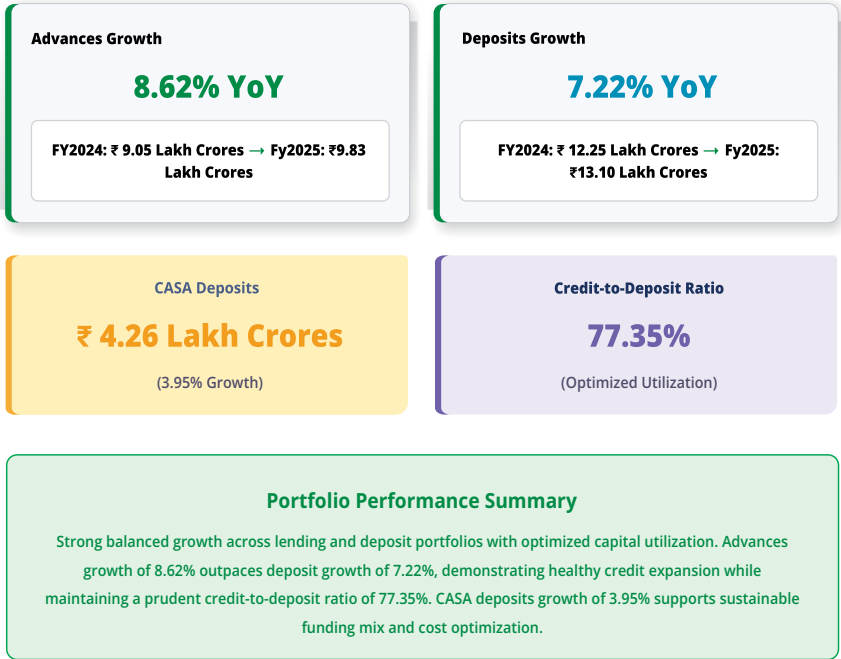
Profitability Ratios	FY2024	FY2025	Change (bps)	Performance Driver
Return on Assets (ROA)	1.03%	1.26%	+23 bps	Improved asset utilization
Return on Equity (ROE)	15.58%	17.20%	+162 bps	Enhanced shareholder value
Net Interest Margin	3.10%	2.91%	-19 bps	Strategic balance with growth

Strategic Context: The improvement in ROA and ROE reflects bank's enhanced efficiency in utilizing assets and equity to generate profits, underpinning sustainable value creation for stakeholders.

Balance Sheet Strength & Growth

Robust Business Growth

Business Portfolio Performance



Strategic Business Segment Performance

Business Segment	FY2024 (₹ Cr)	FY2025 (₹ Cr)	Growth %	Strategic Focus
Retail Advances	1,77,488	2,16,777	+22.14%	Digital transformation & customer experience
MSME Advances	1,21,269	1,36,423	+12.50%	Supporting entrepreneurship & job creation
Agricultural Advances	1,83,833	1,78,479	-2.91%	Sustainable agriculture & climate adaptation
Corporate Advances	4,22,294	4,51,215	6.85%	Infrastructure & sustainable projects

Retail Banking Excellence:

22.14% growth in retail advances reflects successful digital transformation and customer-centric product innovation, positioning the bank for sustainable growth.

Priority Sector Leadership

Priority Sector Metrics	Achievement	Regulatory Target	Performance
Priority Sector Advances	44.31% of ANBC	40% of ANBC	✓ Exceeded by 4.31%
Agricultural Advances	18.92% of ANBC	18% of ANBC	✓ Exceeded by 0.92%
Small & Marginal Farmers	8.68% of ANBC	10% of ANBC	-1.32% (Post PSLC sales)
Micro Enterprises	8.92% of ANBC	7.50% of ANBC	✓ Exceeded by 1.42%
Weaker Sections	9.29% of ANBC	12% of ANBC	-2.71%

Strategic Impact:

Achieving 44.31% priority sector allocation demonstrates commitment to inclusive growth while maintaining profitability and supporting India's development priorities.

Asset Quality Excellence

Significant NPA Improvement

Asset Quality Transformation

GROSS NPA RATIO

FY2021	→	Fy2025
13.74%		3.60%

FY2024: 4.76% → FY2025: 3.60%

(-116 bps improvement)

(Continuous Improvement)

Significant multi-year transformation

NET NPA RATIO

FY2024: 1.03% → FY2025: 0.63%

(-40 bps)

(-40 bps improvement year-on-year)

Enhanced asset quality management

Sustained improvement momentum

PROVISION COVERAGE RATIO: 94.61%

(+192 bps)

Strong buffer against potential losses

Robust risk mitigation framework

Enhanced financial resilience

Risk Management Excellence

Asset Quality Metrics	FY2024	FY2025	Change	Strategic Impact
Gross NPA Amount	₹43,098 Cr	₹35,350 Cr	-₹7,748 Cr	Enhanced portfolio quality
Net NPA Amount	₹8,990 Cr	₹5,969 Cr	-₹3,021 Cr	Improved recovery efficiency
Credit Cost	0.74%	0.77%	+3 bps	Proactive risk provisioning

Recovery Strategies:

- **Legal Recourse:** Swift use of SARFAESI, IBC, and DRT Acts
- **Restructuring:** Tailored rehabilitation of viable stressed assets
- **One-Time Settlement:** Negotiated settlements for expedited resolution

Capital Strength & Adequacy

Strong Capital Position

Capital Ratios	FY2024	FY2025	Change	Regulatory Requirement
CRAR	16.97%	18.02%	+105 bps	Minimum 11.50%
CET1 Ratio	13.65%	14.98%	+133 bps	Minimum 8.00%
Tier-1 Ratio	15.00%	16.24%	+124 bps	Minimum 9.50%

Capital Strength: Bank's 18.02% CRAR provides substantial cushion above regulatory requirements, ensuring resilience and growth capacity.

Dividend & Shareholder Returns

Shareholder Returns	FY2024	FY2025	Growth
Dividend per Share	₹3.60	₹4.75	+₹1.15
Total Dividend Payout	₹2,748 Cr	₹3,626 Cr	+₹878 Cr
Dividend Yield	Calculated	47.5%	Enhancement

Commitment to Shareholders: 31.9% increase in dividend per share reflects strong financial performance and confidence in sustained growth trajectory.

Revenue Diversification & Innovation

Treasury Operations Excellence

Treasury Performance	FY2025 (₹ Cr)	Strategic Contribution
Profit on Sale of Investment	2,103.00	Active portfolio management
Exchange Profit (Forex)	907.00	International banking growth
Investment Depreciation / Reversal	1,175.00	-
Total Non-Interest Treasury Income	4,186.00	Diversified revenue stream

Innovative Deposit Products

New Deposit Initiatives	Business Mobilized (₹Cr)	Strategic Purpose
Union Green Deposit	29.05	ESG investment attraction
Union RD Millionaire	383.92	HNI customer acquisition
Union Sum वृद्धि (333 days)	39,448	Retail deposit growth
Union Sum पूर्ण (456 days)	53,176	Term deposit optimization
VYOM MIS Deposits	92.88	Digital channel enhancement

Innovation Impact: These targeted products mobilized ₹93,130 Crores in new deposits, demonstrating our ability to innovate while meeting diverse customer needs.

Sustainable Finance Integration

Green Finance Portfolio

Sustainable Finance Growth

Renewable Energy Financing

FY2025

₹27,668 Crores

(Champion Sector Focus)

Growth Trajectory: Consistent upward trend

Green Product Portfolio

Union Green Home

(Energy-efficient housing finance)

₹197 Crores

Union Green Miles (EV)

(Electric vehicle financing)

₹779 Crores

Green Deposits

(Sustainable Deposit Products)

₹29.05 Crores

Climate Risk Integration

Financed Emissions

3,22,29,644 tCO2e

(PCAF methodology)

ESG Assessment Framework

(ESG scorecards for customer-level assessment)

Climate-Related Financial Opportunities

Green Finance Initiatives	Amount (₹ Cr)	Climate Impact
Renewable Energy Projects	27,668	Carbon emission reduction
Electric Vehicle Financing	779	Sustainable transportation
Green Home Loans	197	Energy-efficient housing
Planned Green Bonds	5,000	Sustainable project funding

Strategic Integration:

Bank's green finance portfolio aligns financial returns with environmental impact, creating new revenue streams while supporting India's climate goals.

Digital Banking Financial Impact

Digital Channel Performance during FY 2025

Digital Metrics	Performance	Financial Impact
Digital Business Generation	₹66,000 Cr	Enhanced operational efficiency
Digital Savings Accounts	4,12,205 new accounts	Low-cost deposit acquisition
VYOM App Transactions	39+ lakh new users	Reduced operational costs
Third-Party Products	₹578.91 Cr	Fee income diversification

Digital ROI:

₹ 66,000+ Crores digital business generation demonstrates the financial returns from technology investments, improving efficiency and customer experience.

International Banking & Trade Finance

Export Credit Excellence

International Banking	FY2024	FY2025	Growth %
Export Credit	₹17,647 Cr	₹23,684 Cr	+34.21%
Market Share (SCBs)	8.12%	10.98%	+286 bps

Global Presence:

Growing market share of the bank in export credit reflects enhanced capabilities in supporting India's international trade ambitions.

Financial Capital Evolution (3-Year Trend)

Comprehensive Performance Dashboard

Key Metrics	FY2023	FY2024	FY2025	3-Year CAGR
Profit After Tax	₹8,433 Cr	₹13,648 Cr	₹17,987 Cr	46.4%
Interest Income	₹80,743 Cr	₹99,778 Cr	₹1,07,726 Cr	15.6%
Global Advances	₹8,09,905 Cr	₹9,04,884 Cr	₹9,82,894 Cr	10.2%
Total Deposits	₹11,17,716 Cr	₹12,21,528 Cr	₹13,09,750 Cr	8.5%
CASA Deposits	₹3,94,055 Cr	₹4,10,134 Cr	₹4,26,325 Cr	4.0%

Asset Quality Transformation

Asset Quality	FY2023	FY2024	FY2025	Improvement
GNPA Ratio	7.53%	4.76%	3.60%	-393 bps (3 years)
NNPA Ratio	1.70%	1.03%	0.63%	-107 bps (3 years)
PCR	90.34%	92.69%	94.61%	+427 bps (3 years)

Risk Management Framework

Integrated Risk Approach

Credit Risk Management:

- Enhanced underwriting standards and monitoring systems
- Sector-wise exposure limits and concentration risk management
- Early warning systems and proactive intervention mechanisms

Market Risk Management:

- Interest rate risk monitoring and asset-liability optimization
- Treasury operations within risk appetite framework
- Foreign exchange risk hedging strategies

Operational Risk Management:

- Process automation reducing operational errors
- Cybersecurity framework protecting digital assets
- Business continuity planning ensuring service reliability

Climate Risk Integration:

- Physical and transition risk assessment at customer level
- Financed emissions tracking and reporting (PCAF methodology)
- ESG scorecards integrated with credit decision making

Financial Capital Enablers

How Financial Capital Powers Other Capitals

Supporting Natural Capital:

- ₹ 5,000 Cr green bond issuance planned for environmental projects
- Climate risk management protecting long-term asset values
- Sustainable finance products creating new market opportunities

Enabling Manufactured Capital:

- Funding for 8,621 branch network expansion and modernization
- Investment in digital infrastructure and technology platforms
- Capital allocation for green building initiatives

Powering Intellectual Capital:

- R&D investments in digital banking and fintech solutions
- Technology infrastructure supporting innovation capabilities
- Data analytics and AI/ML platform development funding

Strengthening Social & Relationship Capital:

- ₹ 121.40 Cr CSR investment through Union Bank Social Foundation
- Priority sector lending supporting inclusive growth
- Community development programs funding

Developing Human Capital:

- Employee training and development program investments
- Digital skills enhancement and leadership development
- Wellness programs and inclusive workplace initiatives

Future Financial Strategy

Strategic Priorities (FY2026-28)

Growth Acceleration:

- Advances growth through digital channels
- Expand green finance as flagship portfolio
- Enhance fee income contribution to 25% of total income

Profitability Enhancement:

- Maintain high ROA through operational efficiency
- Achieve consistent ROE through strategic capital allocation
- Optimize cost-to-income ratio below 45%

Risk Optimization:

- Reduce GNPA through proactive NPA management
- Maintaining CRAR comfortably above regulatory requirement
- Integrate ESG risks in all credit decisions

Digital Investment:

- Investing for technology transformation
- Maximizing digital transaction penetration
- Launch next-generation banking platform

Value Creation Impact**Stakeholder Value Delivery****For Shareholders:**

- **31.79% profit growth** demonstrating management effectiveness
- **47.5% dividend payout** reflecting financial strength
- **Enhanced ROE to 17.20%** indicating superior capital utilization

For Customers:

- Competitive pricing through operational efficiency gains
- Enhanced digital services reducing transaction costs
- Sustainable finance products supporting long-term goals

For Economy:

- **₹ 9.83 lakh Crores credit** supporting economic growth
- **44.31% priority sector** allocation fostering inclusive development
- **₹28,742 Cr Green Finance portfolio** supporting climate goals

For Environment:

- Climate-positive financing reducing carbon footprint
- Green products encouraging sustainable practices
- ESG integration in all financial decisions

Key Performance Indicators (KPIs)**Financial Scorecard FY2025**

KPI Category	Target	Achievement	Status
NIM	2.8-3.0%	2.91%	Achieved
ROA	>1.20%	1.26%	Achieved
ROE	>15%	17.20%	Exceeded
GNPA Ratio	<4%	3.60%	Achieved
CRAR	>12.5%	18.02%	Exceeded

Conclusion: Sustainable Financial Foundation

Union Bank of India's financial capital performance in FY2025 exemplifies how integrated thinking creates sustainable value. **₹17,987 Crores net profit** and **31.79% growth** provide the foundation for continued investment in digital transformation, sustainable finance, and inclusive banking.

Key Achievements:

- **Strong profitability** with ROA of 1.26% and ROE of 17.20%
- **Superior asset quality** with GNPA at 3.60% and PCR at 94.61%
- **Robust capital** with CRAR at 18.02% providing growth buffer
- **Sustainable finance** leadership with ₹28,742 Cr green finance portfolio

Forward Momentum: Our financial strength enables accelerated investment in climate-positive banking, digital innovation, and inclusive growth. The strong balance sheet, improving asset quality, and diversified revenue streams position us to deliver consistent value creation while contributing to India's sustainable development goals.

Financial Capital serves as the cornerstone of our integrated value creation model, enabling transformation across all other capitals while delivering superior stakeholder returns and supporting India's economic and environmental aspirations.

Natural Capital

Leading India's Climate-Positive Banking Transformation

Natural Capital Overview

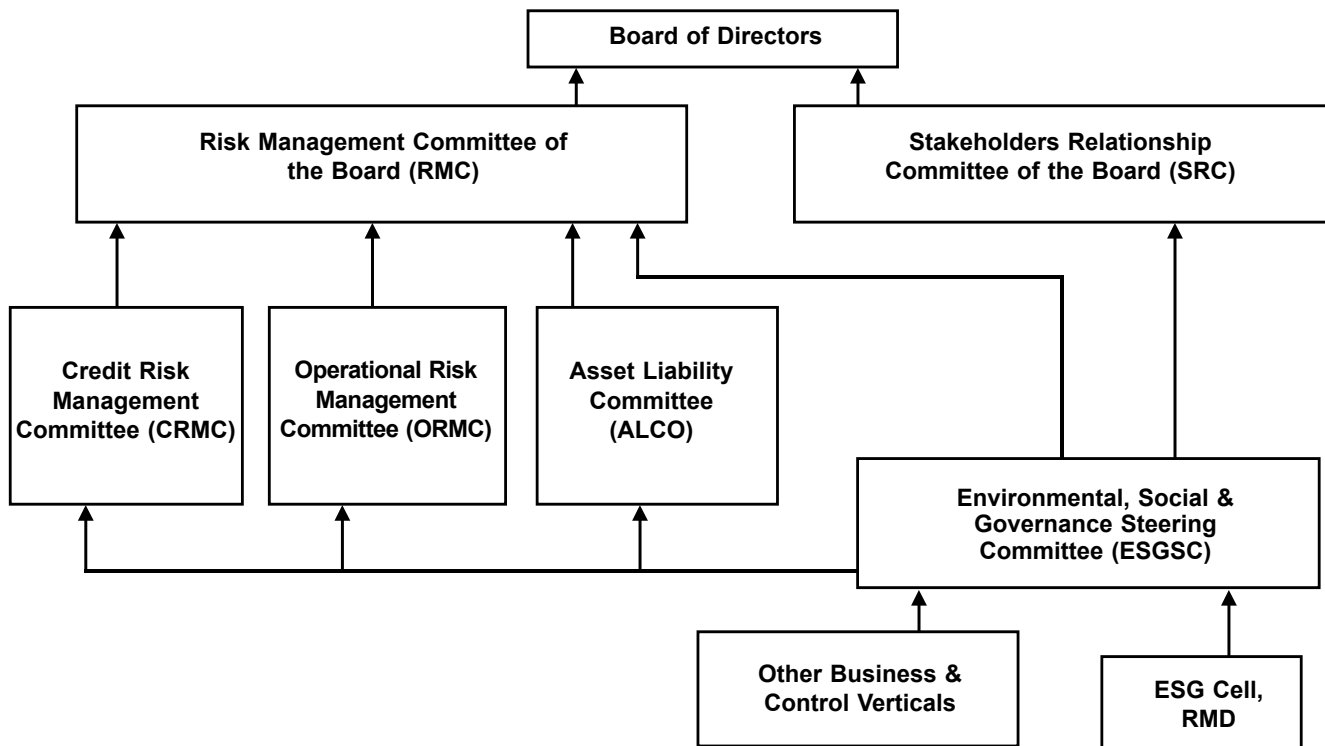
Natural Capital encompasses the renewable and non-renewable environmental resources and processes that provide goods and services supporting our banking products and operations and creating value for stakeholders. At Union Bank of India, we recognize that climate change poses both significant risks and unprecedented opportunities for the banking sector. Our approach integrates environmental stewardship into core business strategy, creating a comprehensive climate-positive banking framework.

Our Natural Capital Philosophy

- **Climate Leadership:** Pioneering sustainable finance solutions that support India's net-zero ambitions
- **Risk Integration:** Embedding climate and environmental risks into all business decisions
- **Innovation Drive:** Developing green financial products that create market opportunities
- **Operational Sustainability:** Achieving net-zero in own operations by 2035

Governance & Strategic Framework

Board-Level ESG Oversight



ESG GOVERNANCE STRUCTURE

Board Level Governance

- BOARD OF DIRECTORS (Apex ESG Authority)
- RISK MANAGEMENT Committee (Climate Risk)
- STAKEHOLDERS RELATIONSHIP COMMITTEE (ESG Oversight)



Implementation Structure

- ESG STEERING COMMITTEE (Strategy & Implementation)
- ESG CELL (Implementation Hub)
- Central Coordination and execution
- Strategic Policy implementation
- Cross-functional ESG Integration



Operational Committee

- INTERNAL OPERATIONS SUB-COMMITTEE (Carbon Neutrality)
- CREDIT PORTFOLIO SUB-COMMITTEE (Green Transition)
- Specialized focus areas execution
- Operational level ESG implementation

Governance Excellence:

- **Board Approval:** Comprehensive ESG Risk Framework with clear authority delegation
- **Quarterly Oversight:** Regular committee meetings with Board leadership
- **Strategic Integration:** ESG principles embedded in all major business decisions
- **Implementation Focus:** Dedicated ESG Cell driving organization-wide transformation

ESG Strategic Roadmap

Timeframe	Strategic Goals	Key Milestones	Value Creation
Short-term (2027)	Foundation Building	Employee capacity, green products, bonds	Market positioning
Medium-term (2030)	Risk Integration	End-to-end climate risk solution, customer ESG assessment	Competitive advantage
Long-term (2035)	Leadership Position	Net-zero operations, industry benchmark	Sustainable leadership

Climate Risk Management Excellence

Climate Risk Framework

PHYSICAL RISK ASSESSMENT

- Flood, Cyclone, Drought Impact Analysis
- Branch-level geographic vulnerability mapping
- Climate data & precipitation projections
- Risk Scores: **0-100 scale** for all locations

TRANSITION RISK ASSESSMENT

- High-emission sector identification & analysis
- Mining, Steel, Cement, Petroleum, Infrastructure focus
- Customer-level transition risk evaluation
- Policy & technology change impact assessment

FINANCED EMISSIONS TRACKING

- PCAF methodology** implementation
- Account level calculation for loans **>₹100 Cr**
- Power BI dashboard for real-time monitoring
- Comprehensive portfolio emissions mapping

Environmental Social Due Diligence

The Bank has implemented a comprehensive Environmental and Social Due Diligence (ESDD) framework for green loans exceeding specified thresholds. This systematic approach ensures that all significant green financing transactions undergo rigorous environmental and social impact assessment before approval.

The ESDD process evaluates potential environmental risks, social impacts, and alignment with international sustainability standards. This framework strengthens the Bank's commitment to responsible financing while mitigating environmental and social risks in the lending portfolio.

Financed Emissions Portfolio (PCAF Methodology)

Asset Class	Outstanding (₹ Cr)	Emissions (tCO2e)	Strategic Response
Loans & Advances – (PCAF DQ – 4.62)	9,53,513	2,39,73,167	Green transition support
Listed Equity & Corporate Bonds	6,264	68,397	ESG investment criteria
Sovereign Debt	3,29,055	81,88,080	Climate policy alignment
Total Portfolio	12,88,832	3,22,29,644	Comprehensive management

PCAF Leadership: Union Bank is the **first major Indian bank** to become a signatory of Partnership for Carbon Accounting Financials (PCAF), demonstrating our commitment to transparent climate risk reporting.

High-Impact Sector Analysis

Sector	Emission Intensity	Transition Risk	Bank's Strategy
Power Generation & Distribution	Very High	Structural	Renewable energy transition financing
Iron & Steel Manufacturing	Very High	Structural	Clean technology adoption support
Cement & Cementitious Products	Very High	Structural	Carbon capture technology financing
Mining & Quarrying	High	Significant	Sustainable mining practice support
Chemicals & Chemical Products	High	Significant	Green chemistry transition funding

Strategic Insight: These 5 sectors contribute 65% of our financed emissions, making them primary targets for client engagement and green lending transformation.

Green Finance Portfolio Leadership

Renewable Energy Champion Sector

Comprehensive Green Product Suite

Green Product	Amount Sanctioned	Environmental Impact	Market Innovation
Renewable Energy Projects	₹27,668 Cr	Massive carbon footprint reduction	Market leadership positioning
Union Green Miles (EV)	₹779 Cr	Sustainable transportation transition	First-mover advantage
Union Green Home	₹197 Cr	Energy-efficient housing promotion	Customer awareness building
Green Deposits	₹ 29.05 Cr	ESG investment facilitation	Retail ESG engagement

Planned Green Bond Issuance

Bond Category	Amount (₹ Cr)	Purpose	Climate Impact
Green/Sustainable Bonds	5,000	Environmental projects	Direct climate action
Infrastructure Bonds	20,000	Sustainable infrastructure	Indirect climate benefit
Total Issuance	25,000	Comprehensive sustainability	Portfolio transformation

Market Leadership: Bank planned ₹ 5,000 Cr green bond issuance positions us among India's largest green bond issuers, demonstrating commitment to sustainable finance scaling.

Sustainable Finance Classification System

The Bank has developed a comprehensive sustainable finance classification system using BSR codes as the starting point for categorizing loans into green and social financing categories. The tagging of green loans is done at account level to improve the transparency in reporting. This foundational approach ensures systematic identification and tracking of sustainable finance portfolios across the organization.

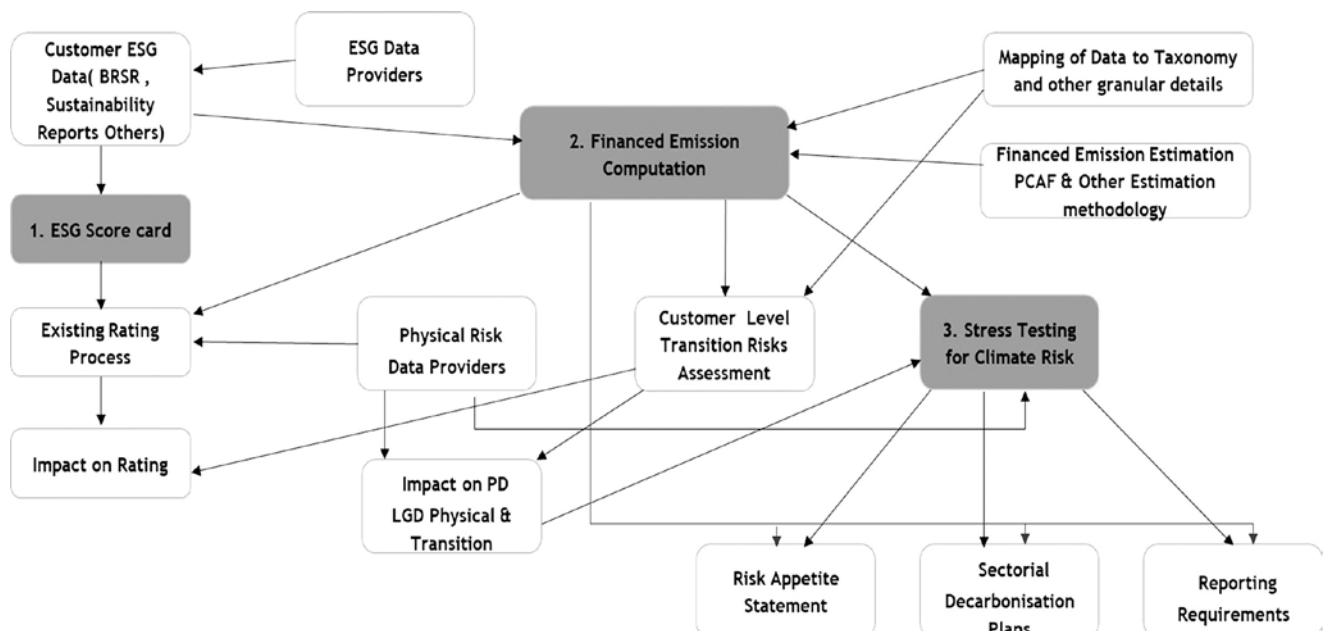
Building upon the BSR framework, the Bank has further refined its classification system to distinguish between climate mitigation and adaptation financing. This enhanced categorization enables precise measurement of climate-related financial flows and their environmental impact.

To address overlapping BSR codes and enhance classification accuracy, the Bank is developing machine learning algorithms that analyze the purpose of lending from the credit appraisal system. This innovative approach leverages artificial intelligence to ensure precise categorization based on actual lending intent rather than broad sectoral classifications.

Just Transition Finance Framework

The Bank is actively working to identify industrial hotspots that are particularly vulnerable to transition risks as part of developing a comprehensive just transition finance framework. In these identified hotspots, the Bank is analyzing its lending portfolio to map loans extended to individuals employed in transition-risk sectors, including retail loans, mortgages, and other personal financing products. This approach will enable the Bank to understand the cascading impact of climate transition on its broader lending portfolio and develop targeted support mechanisms to ensure equitable transition for affected borrowers whose livelihoods depend on carbon-intensive industries.

Innovation in Climate Risk - End-to-End Climate Risk Solution



Climate Risk Solution

Customer ESG Scorecard System

Listed companies assessment

Unlisted entities evaluation

MSME borrower ESG scoring

Risk monitoring dashboard

Integrated System Capabilities

Financed emission calculation

Physical risk assessment

Transition risk evaluation

Biodiversity and nature risk assessment

Decarbonization plan

Credit rating impact analysis

System Integrations

CRISIL ICON
(Internal Rating System)

LAS
(Loan Automated Solution)

Finacle Core Banking

**Risk Monitoring Dashboard
and reporting**

Technology Innovation: Implementation of end-to-end climate risk solution will enable comprehensive customer-level ESG assessments, integrating transition and physical risks with our existing systems.

Nature & Biodiversity Risk Assessment

Assessment Framework	Implementation	Strategic Value
TNFD LEAP Approach	Pilot on Project loans >₹250 Cr	Comprehensive risk coverage
Locate Interfaces	Geographic and sector mapping	Enhanced due diligence
Evaluate Dependencies	Nature impact assessment	Risk mitigation strategies
Assess Opportunities	Sustainable project identification	New business development
Prepare Responses	Risk management integration	Competitive advantage

Governance and Strategy

The Bank has initiated a pilot program for nature and biodiversity risk assessment on project loans exceeding ₹250 crores, implementing the TNFD LEAP methodology as part of bank's commitment to nature-positive financing. This initiative aligns with emerging regulatory frameworks and positions the Bank at the forefront of nature-related financial risk management in the Indian banking sector.

Risk Management Framework

Our nature and biodiversity risk assessment framework operates across four key phases:

Locate (L): Geographic mapping of project locations to identify proximity to sensitive biodiversity areas and protected zones using tools such as WDPA and Google Earth Engine.

Evaluate (E): Assessment of nature-related dependencies and impacts, including ecosystem services dependencies, biodiversity impacts on local flora and fauna, and effects on water, air, and soil quality.

Assess (A): Quantification of nature-related risks including operational, regulatory, reputational, and financial risks from potential environmental impacts.

Prepare (P): Development of risk mitigation strategies including biodiversity management plans, habitat restoration commitments, and ongoing monitoring frameworks.

Key Risk Categories Assessed:

- **Physical risks:** Direct impacts on biodiversity through habitat destruction, deforestation, water pollution, and soil degradation
- **Transition risks:** Regulatory changes related to biodiversity protection, evolving compliance requirements, and shifting stakeholder expectations
- **Systemic risks:** Dependencies on ecosystem services that may be disrupted by climate change or environmental degradation

Metrics and Targets

The Bank assigns nature-related risk ratings (low, medium, high) based on comprehensive assessment across seven key areas: project location sensitivity, ecosystem impact potential, regulatory compliance status, biodiversity dependencies, mitigation measures adequacy, monitoring framework robustness, and overall risk profile.

Future Development

The Bank is expanding this pilot program and integrating learnings into broader lending policies. We are also implementing integrated climate risk solution wherein nature and biodiversity risk is assessed along with other risks.

Pioneer Status: We are conducting **nature & biodiversity risk assessment** on a pilot basis, positioning us ahead of regulatory requirements and market expectations.

Transition Planning Excellence

High-Emission Sector Transformation Strategy

Sector	Current Challenge	Transition Support	Financial Opportunity
Mining & Quarrying	High financed emissions	Clean extraction technologies	Green mining finance
Cement Production	Process emissions	Carbon capture & alternative materials	Sustainable cement projects
Petroleum & Coal	Fossil fuel dependency	Renewable energy transition	Clean energy infrastructure
Basic Metals	Energy-intensive processes	Efficiency & renewable power	Green steel financing
Chemicals	High carbon footprint	Green chemistry & recycling	Circular economy solutions

Customer Transition Support Framework

Decarbonization Strategies:

- **Clean Energy Adoption:** Solar, wind, clean hydrogen financing
- **Energy Efficiency:** Process optimization and waste heat recovery
- **Carbon Capture:** Technology implementation for hard-to-abate sectors
- **Circular Economy:** Material recycling and sustainable resource use
- **Innovation Finance:** R&D support for breakthrough technologies

Industry Collaboration:

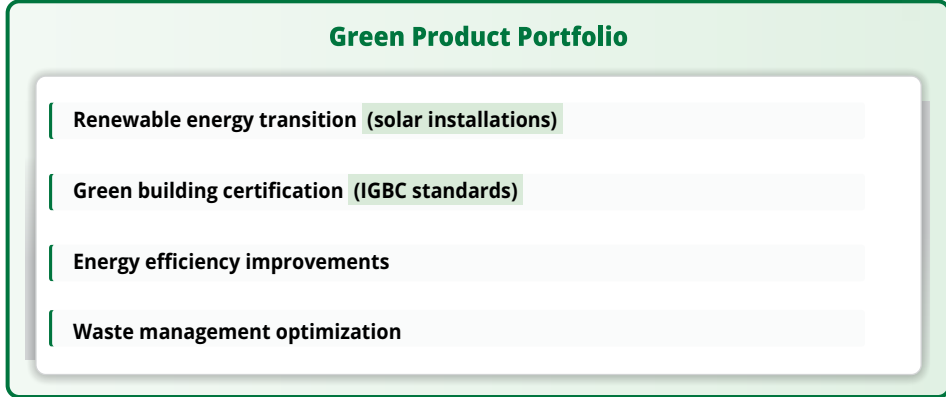
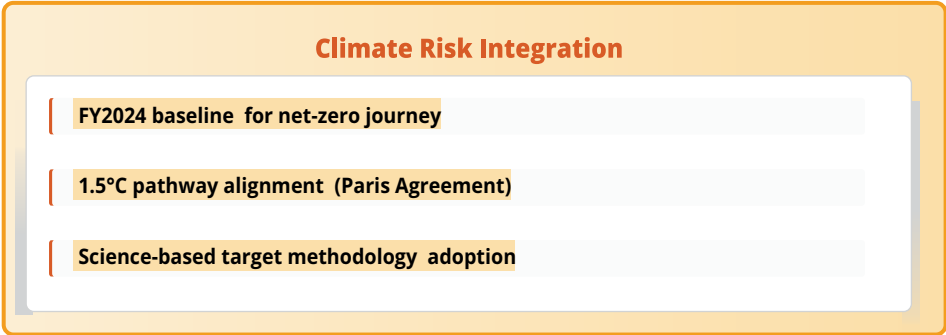
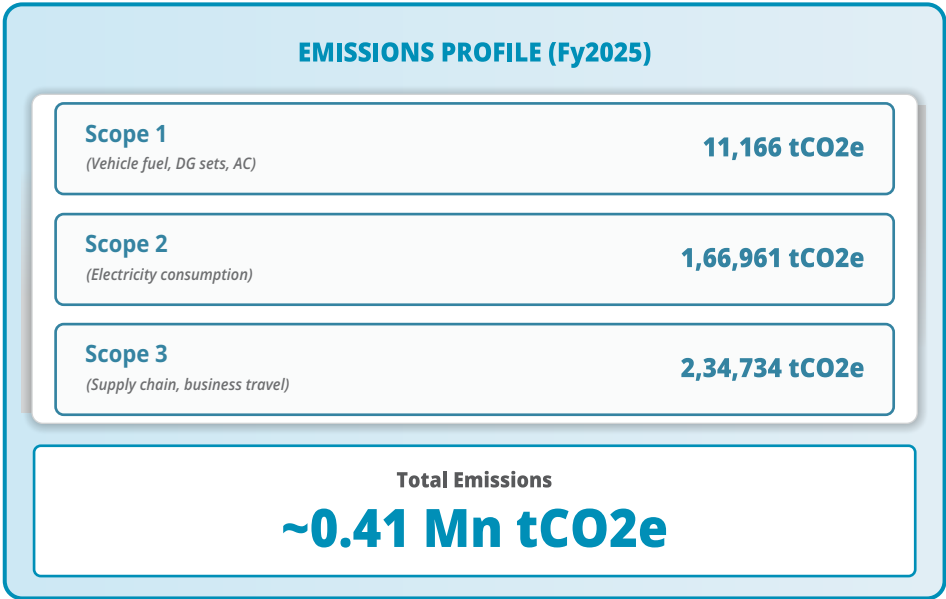
- Active participation in sector transformation initiatives
- Partnership development for circular economy solutions
- Technology provider connections for customer decarbonization
- Best practice sharing across industry verticals

Transition Plan of the Bank

Industry	Mining and Quarrying	Cement and Cement Products	Petroleum, Coal Products and Nuclear Fuels	Infrastructure	Basic Metal and Metal Products	Chemicals and Chemical Products
Key transition technologies and Strategies	❖ Gradual phase-out of thermal coal ❖ Transition Metals ❖ Decarbonization of on-site operations ❖ Clean Electricity ❖ CCS (Carbon capture and storage) ❖ Alternative beneficiation and extraction	❖ Clean Electricity ❖ Clean Fuels ❖ Clinker substitutes ❖ CCS ❖ Recycling ❖ Energy Efficiency	❖ Clean Fuels ❖ Clean electricity ❖ CCS ❖ Thermal coal phase-out ❖ Storage and flexibility	❖ Renewable energy ❖ Smart Grids ❖ Advanced building materials ❖ Modular construction ❖ Lifecycle management ❖ Enhanced efficiency	❖ Recycling and secondary production ❖ Clean Electricity ❖ CCS ❖ Inert Anodes ❖ Clean fuels ❖ Upgraded raw materials	❖ Alternative feedstocks ❖ Clean hydrogen ❖ Elimination of single-use plastics ❖ CCS ❖ Recycling
Industries requirement from Bank & financial opportunities arising to the Bank	❖ Bank can support customers by engaging with customers on their transition plan by providing transition solutions. ❖ Bank can partner for systematic change by collaborating with policymakers and participate in public-private partnerships with aim to finance transition plan. ❖ Bank can identify commercial opportunities to support customers in the decarbonization effort. ❖ Bank can also aim to implement innovative financing solutions and blended finance partnerships.					

Own Operations Sustainability
Net-Zero Commitment 2035

OWN OPERATIONS SUSTAINABILITY



Scope 3 Emission – Other than Category 15 Financed Emission

Scope 3 Category	Emissions (tCO ₂ e)
Category 1 (Purchased Goods & services)	37,837
Category 2 (Capital Goods & services)	18,817
Category 3 (Fuel & energy other than scope 1 and 2)	41,347
Category 5 (waste generated in operations)	10,590
Category 6 (Business travel)	23,292
Category 7 (Employee commuting)	1,00,677
Category 8 (Upstream leased asset)	2,173
Total	2,34,734

Renewable Energy Infrastructure

Solar Installation Status	Capacity	Environmental Benefit
Commissioned & Working	1,137 KW (22 locations)	Immediate emission reduction
Net Metering Awaited	78 KW (3 locations)	Grid integration benefits
Work Under Progress	80 KW (2 locations)	Expansion momentum
Tendered	50 KW (1 location)	Future capacity addition
Total Planned	1,345 KW	Significant carbon savings

Green Building Initiative

Certification Progress	FY2024	FY2025	Impact
IGBC Certified Premises	1	3	Minimizing carbon footprint
Energy Efficiency Gain	Baseline	Measurable	Operational cost reduction
Carbon Footprint Reduction	Initial	Significant	Emission intensity improvement

Comprehensive Environmental Management

Initiative	FY2024	FY2025	Environmental Impact
E-Waste Recycling	1.11 metric tons	18.09 metric tons	1,530% increase
Energy Consumption	858217 GJ	892585 GJ	Efficiency optimization
Renewable Energy	12664 GJ	16542 GJ	11% increase

Operational Excellence: Our significant increase in renewable energy demonstrates systematic approach to integrate renewable energy in own operations.

Value Chain ESG Assessment

The Bank has developed a comprehensive ESG assessment framework for monitoring vendor performance across environmental, social, and governance parameters. This systematic approach enables continuous evaluation of sustainability practices throughout our value chain ecosystem. Through this monitoring framework, the Bank assigns ESG performance ratings to vendors based on their ongoing performance across key sustainability metrics including environmental management systems, social responsibility practices, and governance standards.

The ESG monitoring process is fully integrated with vendor risk management processes, ensuring that sustainability performance is continuously tracked and any emerging risks are promptly identified and addressed.

Climate Risk Integration in Business

Scenario Analysis Framework:

Bank has conducted climate risk scenario analysis for NGFS orderly and disorderly scenarios for few selected borrowers. Scenario adjusted PD (Probability of Default) based on projected financials of each borrower was computed. Year wise average PD of all the borrowers belonging to a sector was compared with the PD's arrived without any adjustment to arrive at scenario wise and year wise increase in PD (Delta PD). Bank has also conducted Bottom-Up Stress Testing on a pilot basis.

Physical Risk Assessment:

- **Short-term (2030):** Acute weather event impact on operations
- **Medium-term (2040):** Chronic climate change effects on asset values
- **Long-term (2050):** Systemic climate impact on business model

Bank has assessed physical risk caused by flood by utilizing climate data and precipitation projections. The precipitation projections used for physical risk assessment are based on climate data from the Coupled Model Intercomparison Project Phase 6 (CMIP6), specifically the MIROC model.

For physical risk caused by cyclone, Bank has used CLIMADA (open-source package used for assessment of physical risk) provided impact and damage function. For each of the Bank locations, based on latitude and longitude Bank has arrived at Expected Annual Impact (EAI).

Transition Risk Evaluation:

- **Policy Risk:** Carbon pricing and regulatory changes impact
- **Technology Risk:** Stranded asset evaluation in high-carbon sectors
- **Market Risk:** Customer preference shifts toward sustainable options
- **Reputation Risk:** ESG performance impact on stakeholder relationships

Stress Testing Implementation

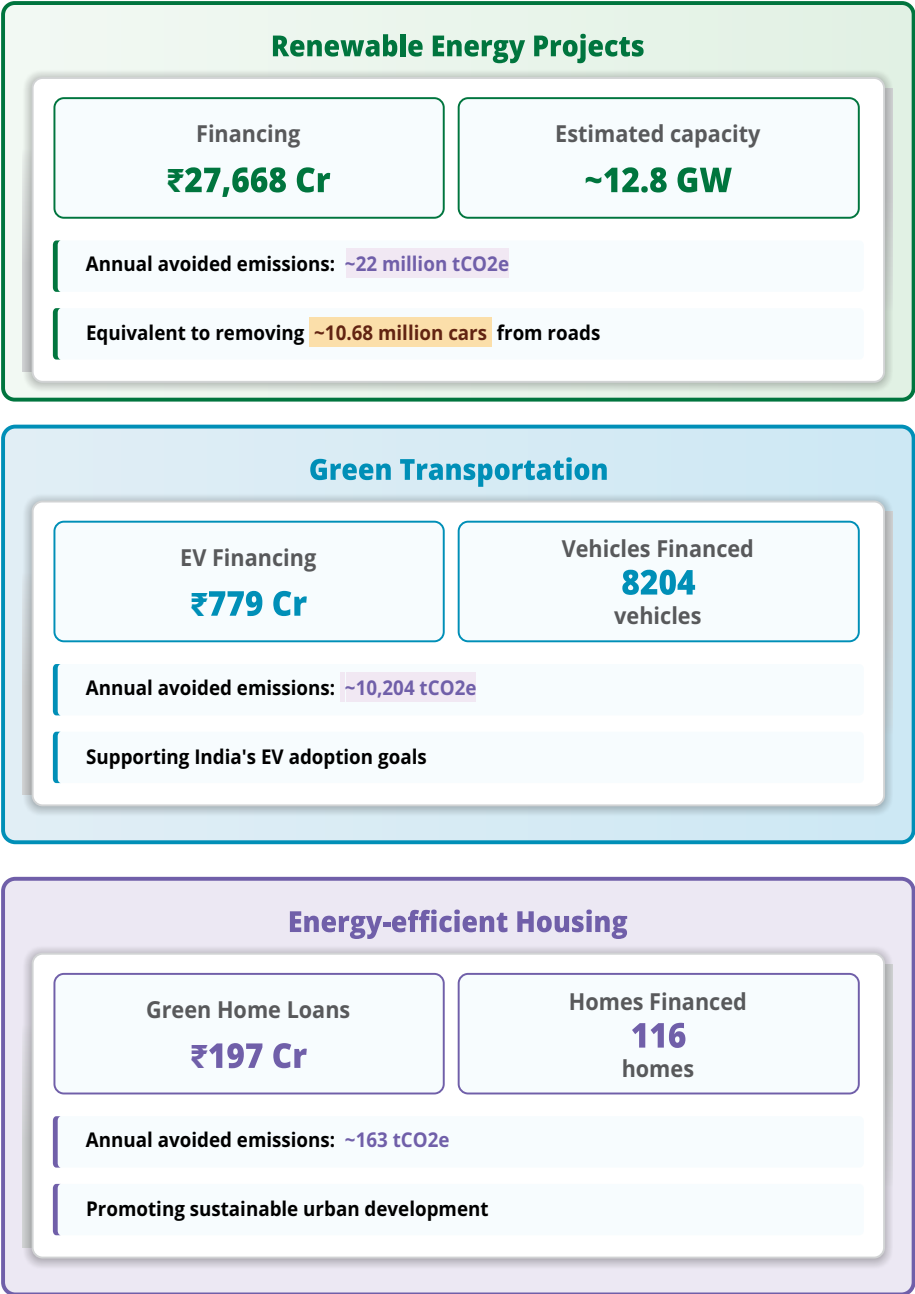
Stress Test Category	Methodology	Business Application
Climate Physical Risk	Geographic vulnerability mapping	Branch network resilience planning, Collateral vulnerability, Impact on cash flow of corporates
Transition Risk	Sector emission intensity analysis	Credit portfolio optimization, Impact of carbon tax on revenue and profitability of customer
Combined Scenario	Integrated climate impact modelling	Strategic business planning

ICAAP Integration: Climate risk is embedded in our Internal Capital Adequacy Assessment Process (ICAAP), ensuring regulatory compliance and strategic risk management.

Avoided Emissions & Positive Impact

Financed Avoided Emissions Calculation

Positive Climate Impact



Climate Positive Impact: Our green financing portfolio potentially avoids 30+ million tCO₂e annually, making us a significant contributor to India's climate goals.

Sustainable Finance Framework

Board-Approved Framework Components

Framework Element	Validation	Strategic Purpose
Resource Mobilization	CRISIL Second Party Opinion	Market credibility
Financing Framework	Independent validation	Transparent allocation
Assurance Mechanisms	External verification	Stakeholder confidence
Impact Reporting	Regular monitoring	Accountability framework

UN SDG Alignment

SDG Target	Our Contribution	Financial Allocation	Measured Impact
SDG 7 (Clean Energy)	Renewable energy financing	₹27,668 Cr	Capacity addition tracking
SDG 13 (Climate Action)	Green product portfolio	₹975+ Cr	Emission reduction metrics
SDG 11 (Sustainable Cities)	Green home financing	₹197 Cr	Energy efficiency promotion
SDG 9 (Innovation)	Clean technology support	Integrated	Innovation financing

Partnership Ecosystem

Strategic Climate Partnerships

Partner	Collaboration Area	Strategic Value
PCAF (Partnership for Carbon Accounting Financials)	Emission methodology	Global best practices
GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit)	Steel & cement capacity building	Sector expertise
CEEW (Council on Energy, Environment and Water)	GCAM India model use cases	Policy insights

Global Recognition: Our PCAF signatory status and international partnerships position us as a thought leader in sustainable banking practices.

Natural Capital Risk & Opportunity Matrix

Risk Assessment & Mitigation

Risk Category	Impact Level	Mitigation Strategy	Business Opportunity
Physical Climate Risk	Low	Geographic diversification	Climate-resilient infrastructure financing
Transition Risk	Medium	Sector exposure management	Green transition financing
Regulatory Risk	Low	Proactive compliance	First-mover advantage
Reputational Risk	Medium	ESG leadership positioning	Brand differentiation
Stranded Assets	Low-Medium	Portfolio monitoring	Asset transformation financing

Opportunity Identification & Capture

Opportunity Area	Market Size (2030)	Our Position	Capture Strategy
Renewable Energy Finance	\$100+ Bn (India)	Market leader	Expand portfolio
Green Bond Market	\$50+ Bn (India)	Early entrant	₹5,000 Cr issuance
Climate Tech Financing	\$50+ Bn (India)	Explorer	Leverage RBI proposed Climate Tech Sandbox
Carbon Credit Trading	\$50+ Bn (India)	Explorer	Market entry preparation

Performance Measurement & Reporting

Natural Capital KPIs

KPI Category	FY2025 Performance	Long-term Goal
Green Finance Portfolio	₹28,742 Cr	Be a market leader
Financed Emissions Intensity	Baseline established	Set sector wise emission reduction target
Own Operations Emissions	0.41 Mn tCO2e	Net-zero (2035)
Green Building Certification	3 IGBC premises	Achieve certifications for all owned premises by 2030 (wherever feasible)
Renewable Energy Capacity	1.0+ MW planned	Install Solar at all feasible premises with roof rights by 2030

Climate Risk Dashboard Metrics

Climate Risk Metrics

Transition Risk Exposure

67.36%

(High-emission sectors of financed emissions)

Customer transition plans: Under development

Sector-specific risk assessment and monitoring

Physical Risk Vulnerability

0-100

(Branch risk scores scale mapping)

Climate data integration Operational planning

Collateral risk assessment Geographic vulnerability

Comprehensive physical risk evaluation framework

PORTFOLIO DECARBONIZATION

Baseline emissions

32.23 Mn

tCO2e (PCAF methodology)

Avoided emissions

22+ Mn

tCO2e (renewable energy)

Net climate impact Strongly positive

Systematic decarbonization measurement and tracking

Innovation Pipeline & Future Strategy

Technology Integration Roadmap

Innovation Area	Current Status	FY2026 Plans	Strategic Impact
ESG Data Integration	Under Implementation	Operational use	ESG assessment as a part of credit assessment process
Latitude / Longitude Level Physical Risk Assessment	Under Implementation	Pilot implementation	Detailed physical risk monitoring
Financed Emission Assessment	Operational	Improve data quality	Informed decision making
Transition Risk Assessment	Under Implementation	Customer level detailed assessment	Opportunities for transition finance

Market Development Strategy

Green Finance Expansion:

- Make renewable as flagship portfolio
- Develop sector-specific green financing products
- Create green MSME and retail product suites

Climate Risk Leadership:

- Become India's benchmark for climate risk management
- Develop proprietary climate risk assessment tools
- Offer climate advisory services to corporate clients
- Lead industry standards development
- Conduct regular UBI Climate Dialogue (Bank borrower dialogue on climate change)

Sustainable Innovation:

- Partner with climate tech startups for solution development
- Develop next-generation sustainable banking products
- Pioneer climate-positive banking business models

Stakeholder Value Creation Through Natural Capital

Environmental Stakeholder Value

For Climate & Environment:

- ₹27,668 Cr renewable energy financing supporting India's 500 GW target
- Net-zero operations commitment by 2035 demonstrating leadership
- Comprehensive emissions tracking enabling portfolio decarbonization
- Nature risk assessment protecting biodiversity and ecosystem services

For Society & Communities:

- Clean energy access in rural and underserved areas
- Air quality improvement through EV and renewable energy financing
- Climate resilience building through adaptation project financing
- Green job creation in sustainable energy and technology sectors

Economic Stakeholder Value

For Shareholders:

- **New revenue streams** from green finance portfolio (₹28,742 Cr)
- **Risk mitigation** through comprehensive climate risk management
- **Future-ready positioning** in growing sustainable finance market
- **Regulatory compliance** ahead of evolving requirements

For Customers:

- **Innovative green products** supporting sustainability goals
- **Competitive financing** for renewable energy and efficiency projects
- **Risk advisory services** for climate transition planning
- **ESG financing solutions** for corporate climate commitments

For Financial System:

- **Systemic risk reduction** through climate risk integration
- **Market standard setting** for sustainable banking practices
- **Industry leadership** in emission measurement and reporting
- **Innovation demonstration** for climate-positive banking

Regulatory Leadership & Compliance

Regulatory Framework Alignment

Regulation/Guideline	Our Implementation	Compliance Status	Strategic Advantage
RBI Climate Risk Guidelines	Comprehensive framework	Under implementation	Early implementer benefit
SEBI ESG Disclosure Norms	Detailed reporting	Meets requirements	Stakeholder confidence
International Standards	PCAF, TCFD, ISSB S2 alignment	Leading practice	Global recognition
Taxonomy Development	Active participation	Influence development	Thought leadership

Regulatory Excellence: Our proactive approach to climate risk regulation positions us as an industry leader and preferred partner for regulators.

Integration with Other Capitals

Natural Capital Value Creation Connections

Enabling Financial Capital:

- **₹28,742 Cr green portfolio** generating superior risk-adjusted returns
- **Climate risk mitigation** protecting asset values and reducing provisions
- **New market opportunities** creating diversified revenue streams
- **Cost optimization** through operational sustainability initiatives

Leveraging Intellectual Capital:

- **Climate risk technology** enhancing assessment and monitoring capabilities
- **Data analytics** for emission tracking and portfolio optimization

- Digital platforms for green product delivery and customer engagement
- Innovation partnerships for sustainable solution development

Supporting Manufactured Capital:

- Green building certification improving operational efficiency
- Renewable energy installations reducing operational costs
- Sustainable infrastructure enhancing long-term asset value
- Climate-resilient facilities ensuring business continuity

Strengthening Social & Relationship Capital:

- Community climate benefits enhancing social license to operate
- Customer engagement through sustainable finance solutions
- Stakeholder trust through transparent climate action
- Regulatory relationships through proactive compliance leadership

Future Vision: Climate-Positive Banking Leader

Strategic Pillars for Climate Leadership

1. **Portfolio Transformation (2025-2030)**
 - Set sector specific emission reduction target
 - Make green portfolio as largest contributor of incremental business
2. **Operational Excellence (2025-2035)**
 - Achieve net-zero operations by 2035 (ahead of global banking targets)
 - 100% renewable energy for operations
 - Zero waste to landfill
3. **Innovation Leadership (2025-2030)**
 - Implement comprehensive climate risk assessment solution
 - Create integrated ESG advisory services for corporates
 - Pioneer carbon credit trading and financing solutions
4. **Market Development (2025-2030)**
 - Lead India's green bond market with major share in issuances
 - Create climate tech financing ecosystem
 - Develop nature-positive financing frameworks
 - Establish international climate finance partnerships

Conclusion: Natural Capital as Strategic Differentiator

Union Bank of India's natural capital strategy represents more than environmental responsibility—it's a comprehensive business transformation that creates competitive advantage, generates new revenue streams, and builds long-term resilience. Our ₹ 28,742 Cr green portfolio, comprehensive climate risk framework, and net-zero operational commitment position us as India's climate-positive banking leader.

Key Natural Capital Achievements FY2025:

- **Market Leadership** in renewable energy financing
- **Risk Integration Excellence** through PCAF-based emissions tracking and scenario analysis
- **Innovation Pioneering** with end-to-end climate risk solution and nature assessment
- **Operational Sustainability** with 300% increase in green building certifications

Strategic Value Creation: Our natural capital investments generate measurable returns across all stakeholder groups while contributing to India's climate goals. The integration of environmental considerations into core banking operations creates a sustainable competitive advantage that drives long-term value creation.

Future-Ready Positioning: As climate considerations become central to banking regulations and customer expectations, our comprehensive natural capital framework ensures we remain ahead of market evolution, capturing opportunities while mitigating risks in India's transition to a sustainable economy.

Natural Capital serves as a strategic differentiator that enhances financial performance, drives innovation, strengthens stakeholder relationships, and positions Union Bank of India as the leader in India's sustainable banking transformation.

Intellectual Capital

Driving Innovation Through Knowledge-Based Assets

Introduction

Intellectual capital represents the intangible, knowledge-based assets embedded in our systems, processes, relationships and organisational culture. These elements enhance our ability to deliver long-term value, drive innovation, and sustain competitive advantage. At Union Bank of India, our intellectual capital encompasses technological innovations, digital platforms, cybersecurity frameworks, employee knowledge systems, and customer-centric solutions that transform traditional banking into a digitally-enabled, secure, and customer-focused service delivery model.

CUSTOMER CENTRIC DIGITAL TRANSFORMATION

Digital Product Portfolio & Business Impact

Union Bank has revolutionized customer experience through comprehensive digital solutions. Our digital lending journeys have transformed traditional banking processes, enabling ₹ 66,000+ Crores business mobilization in FY2025. We've implemented 15+ digital journeys covering Personal Loans, Vehicle Loans, Savings Accounts, Union Nari Shakti, Digital Kisan Tatkal, and MSME loan assessments.

The liability side has seen equal innovation with digital journeys for Public Provident Fund (PPF), Sukanya Samriddhi Yojana (SSY), Fixed and Recurring Deposits, and MIS processing through VYOM generating ₹ 92.88 Crores in business mobilization.

VYOM - Flagship Mobile Banking Platform

Our VYOM application stands as a testament to digital innovation, offering 400+ features with explorative UI/UX design. The platform has successfully onboarded 46.19 Lakh customers across VYOM (39.24 lakh) and internet banking (6.95 lakh) platforms, serving not just banking needs but lifestyle requirements through integrated marketplace services for flights, hotels, gift cards, and donations.

A significant achievement in FY2025 was upgrading our "Digital Rupee by UBI" app with dedicated accessibility features for visually impaired users, reinforcing our commitment to inclusive banking.

Industry-First Innovations

Innovation	Achievement	Impact
CBDC Leadership	First bank in Cohort 2 for CBDC-Retail; Among 9 banks for W-CBDC	Leading digital currency adoption
Metaverse Banking	First Indian bank with "Uni-verse" platform	3.69+ lakh hits till March 2025
WhatsApp Banking	UVConn platform with 70+ services	2.45 crore customer requests serviced
Google Business Messages	First PSB on GBM platform	5.30 lakh users with 2.31 lakh using live agents
Voice Banking	AI-powered Union Voice Assistant (UVA)	30,000+ transactions completed

Digital Service Excellence

Our commitment to seamless customer service is exemplified through multiple digital touchpoints. The Interoperable Card-less Cash Withdrawal (ICCW) system enables UPI-based ATM transactions, while our comprehensive QR-based systems facilitate everything from Form 15G/H submissions to customer feedback collection. The Digital Contact Centre (DCC) provides 24/7 uninterrupted services with technology-driven personalization.

EMPLOYEE EMPOWERMENT THROUGH DIGITAL LEARNING

Union Vidya - Transforming Learning & Development

Our Training Management System represents a paradigm shift in employee development. Union Vidya has delivered **65.23+ lakh learning hours** in FY 2024-2025, with an average of **22 hours per employee per quarter**. The platform encompasses 10 mandatory e-learning modules for officers, covering critical areas from cybersecurity to climate risk and ethics in banking.

The Digital Accessible Library, developed in partnership with DAISY Forum of India and Sugamya Pustakalaya, demonstrates our commitment to inclusive learning. This initiative provides specialized resources for employees with visual impairments, ensuring equal access to professional development opportunities.

Innovation in Training Delivery

Our VR-based immersive training modules represent cutting-edge learning technology. **575 employees** have been trained through **3 ULAs** across the country, with comprehensive assessment systems ensuring effective knowledge transfer. The META Learning framework, built on four pillars - Query Based Training, Staggered Programs, Union Manch, and UBIQUE - fosters continuous learning culture.

Employee Digital Services

Service	Description	Impact
STP Staff Loans	Automated Staff Overdraft and Conveyance Loans	Eliminated manual processing
Union Green Hub	In-house ESG portal with PINCODE-based risk assessment	Centralized ESG information
My Diary Portal	Integrated dashboard for deposits, advances, lockers	Significant time savings
HR Mitra (Under Progress)	Gen AI chatbot for HR queries	HRMS integration
Frontline Assistant (Under Progress)	AI support for field staff	Comprehensive information access

INFRASTRUCTURE MODERNIZATION & PROCESS EXCELLENCE

Digital Ecosystem Partnerships

Union Bank has established a robust fintech ecosystem with **84 fintech companies empanelled** and **18 actively onboarded** for implementing solutions across Agriculture, Retail, and MSME segments. Our Account Aggregator implementation positions us as the **first public sector lender** to operate as both Financial Information User (FIU) and Financial Information Provider (FIP), integrating **13 Account Aggregators** across multiple platforms.

CRM & Customer Intelligence

The integration of CRM Edge with our Core Banking System provides comprehensive customer relationship management across branches, marketing offices, and admin offices. This platform enables cross-sell/up-sell opportunities, Product per Customer analysis, Customer Relationship Value assessment, and unified complaint management, significantly enhancing customer service delivery.

Automation Excellence

Our Robotic Process Automation Centre of Excellence (RPA CoE) has implemented **27 automated processes** through Hyper-Automation initiatives. This comprehensive approach utilizing AI, ML, and Robotics has freed employee time for strategic activities while delivering significant cost savings and efficiency improvements.

Technology Infrastructure Advancement

Initiative	Status	Key Benefits
Data Centre Modernization	Completed	Green Data Centre with 4-way architecture for zero data loss
Software Defined Network (SDN)	Implemented	100% network uptime with centralized monitoring
Core Banking Upgrade	Under Progress	Finacle 10.2.18 to 10.2.25 for enhanced performance
Cloud Centre of Excellence	Under Progress	Multi-cloud strategy with private, public, and hybrid deployment
Data Lake Platform	Under Progress	Advanced analytics with structured/unstructured data integration

CYBERSECURITY & DATA PRIVACY LEADERSHIP

Industry-Leading Compliance & Certification

Union Bank has achieved **industry-first recognition** as the first Financial Institution in India to obtain **ISO 27701:2019 Certification** for data privacy. Our comprehensive certification portfolio includes PCI PIN, CMMI Maturity Level 3, and ISO certifications (27001, 31000, 22301), demonstrating proactive compliance beyond regulatory requirements.

Advanced Security Infrastructure

Our **24/7 Cyber Security Operation Centre (C-SOC)** serves as the cornerstone of cybersecurity infrastructure, staffed by dedicated experts using advanced tools for continuous threat monitoring and response. The Digital Forensic and Malware Analysis Lab provides sophisticated capabilities for analyzing security incidents across ATMs, CRMs, and email systems.

The **Cybersecurity Centre of Excellence (CCoE)** in Hyderabad focuses on implementing next-generation cybersecurity technologies while conducting comprehensive awareness programs for employees and customers.

Modern Application Security

Our adoption of **Kubernetes and DevSecOps** platforms on private cloud infrastructure has modernized application development. **13 in-house applications** have been containerized with CI/CD pipeline integration, enhancing security and deployment efficiency. The Enterprise Architecture Office, utilizing **TOGAF Framework**, ensures optimal IT landscape management and redundancy elimination.

PUBLIC AWARENESS & CUSTOMER EDUCATION

Innovative Security Education

Union Bank introduced industry-first cybersecurity mascots **“U SuṛKsha”** and **“U ṚKshak”** to personalize cybersecurity education. Our multi-channel awareness campaigns utilize social media, emails, SMS, and Network Electronics Display Units (NEDU) in branches to educate customers about digital payment security and threat prevention.

Through collaboration with **CDAC Hyderabad**, we conduct monthly webinars and provide regular cybersecurity tips to all customers, ensuring continuous education about latest security practices and potential threats.

INTELLECTUAL CAPITAL PERFORMANCE DASHBOARD FY2025

Metric Category	Key Performance Indicators	FY2025 Achievement
Digital Business	Digital lending mobilization	₹66,000+ Crores
Customer Engagement	Digital platform customers	46.19 Lakh
Service Excellence	UVConn customer requests	2.45 Crores
Employee Development	Total learning hours delivered	65.23+ Lakh hours
Process Automation	Automated processes implemented	27 processes
Technology Partnerships	Active FinTech collaborations	18 implementations
Security Leadership	Unique industry certifications	ISO 27701:2019 (First in India)
Innovation Reach	Metaverse platform engagement	3.69+ Lakh hits

STRATEGIC OUTLOOK

Future Innovation Roadmap

Union Bank's intellectual capital strategy focuses on **Artificial Intelligence and Machine Learning integration**, **Blockchain adoption** for enhanced security, and **Metaverse expansion** for immersive banking experiences. Our roadmap includes advanced analytics implementation, API-first architecture development, and comprehensive cyber resilience enhancement.

Knowledge Management Evolution

We are developing **AI-powered knowledge discovery platforms**, **predictive training systems**, and **innovation labs** for continuous R&D. This evolution will support our vision of becoming a technology leader in Indian banking while maintaining our commitment to inclusive, secure, and customer-centric service delivery.

Through strategic intellectual capital deployment, Union Bank continues to drive digital transformation, operational excellence, and innovation leadership, positioning ourselves at the forefront of India's banking evolution.

Human Capital

Empowering Growth Through People

Introduction: The Role of Human Capital in Value Creation

In the evolving landscape of global finance, human capital has transformed from being a supportive resource to a strategic enabler of value creation. At Union Bank of India, we recognize that our employees are the cornerstone of our mission to become a next-generation, digitally enabled universal bank. Our approach to managing human capital is fully aligned with the Integrated Reporting Framework, which identifies human capital as one of the six key capitals essential for sustainable value creation.

Our holistic human capital strategy addresses every stage of the employee journey—from onboarding to specialization and leadership development. This strategy integrates business objectives with people practices, enabling long-term value creation for both the organization and its stakeholders while building a high-performance culture supported by inclusive policies, employee-centric systems, and leadership nurturing.

LEARNING & DEVELOPMENT EXCELLENCE

Institutionalizing Knowledge Excellence

Union Bank has revolutionized learning and development through the implementation of a **Master Policy on Learning & Development** that standardizes e-learning, virtual sessions, and staggered programs. Our new Learning Management System, **Union Vidya**, serves as a comprehensive digital platform that streamlines access to both mandatory and specialized training, ensuring structured learning pathways for all employees.

The commitment to continuous learning is evidenced by our mandate that **every staff member receives at least one structured training program annually**. This initiative has delivered extraordinary results, with **65.23+ lakh learning hours** imparted in FY 2024-2025, averaging **22 hours per employee per quarter**. Our training ecosystem encompasses **10 mandatory e-learning modules** for officers, covering essential competencies from KYC/AML and cybersecurity to climate risk and ethics in banking.

Training Delivery & Impact

Training Channel	Programs Conducted	Employees Covered	Key Focus Areas
Union Learning Academy (ULA)	571 CTP/LTP programs	17,190 employees	Advanced skills development
Virtual Programs/Webinars	379 programs	37,174 employees	Digital learning delivery
Zonal Learning Centres	776 classroom programs	21,365 employees	Localized skill building
Locational Programs	742 programs	31,136 employees	Region-specific training
External Training	Advanced programs	1,164 employees	Specialized expertise
Overseas Training	International exposure	51 officials	Global best practices

Inclusive Learning Innovation

Our commitment to inclusive learning is exemplified by the **Digital Accessible Library** launched under the Digital Learning Unit (DLU). Through partnerships with **DAISY Forum of India (DFI)** and **Sugamya Pustakalaya**, we provide India's largest accessible online digital library exclusively for employees with visual impairments and disabilities. This initiative reinforces our dedication to creating an inclusive workplace where every employee has equal access to professional development opportunities.

The **META Learning Framework** strengthens our continuous learning culture through four strategic pillars: Query-Based Training Sessions, Staggered Training Programs, Union Manch (knowledge sharing platform), and UBIQUE (creative problem-solving). This comprehensive approach ensures that learning is not just scheduled but embedded in daily operations.

LEADERSHIP DEVELOPMENT & TALENT MANAGEMENT

Creating Future-Ready Leaders

Our flagship “Union Advith” Leadership Development Program (LDP) represents our commitment to fostering leadership at scale. Through a rigorous diagnostic and nomination process, **510 executives** were selected in the first year, participating in comprehensive interventions including classroom training, executive coaching, mentoring, and continuous feedback loops. The program’s success has led to expansion plans targeting an additional **600 executives** from senior and top management.

Recognizing the importance of gender diversity in leadership, we organize specialized **Women Leadership Development Programs** that address under-representation challenges and provide inspiration through external speakers. These programs equip participants with tools to navigate various life and career challenges while building confidence for leadership roles.

Talent Acquisition & Succession Excellence

Union Bank’s talent strategy focuses on both immediate needs and future leadership pipeline development. A significant initiative in FY2025 was the recruitment of approximately **1,500 Local Bank Officers (LBOs)** with proficiency in local languages across various states. This strategic hire addresses the communication gap in rural and semi-urban areas, directly improving customer service delivery and market penetration.

Our commitment to developing future talent is demonstrated through the **Apprentices Program**, engaging around **259 apprentices** at the all-India level. This program serves as a crucial pipeline for future talent while providing practical, on-the-job training in BFSI operations and bank products.

Succession Planning Framework: The Talent Identification Committee and Succession Management Committee convened in March 2025 to identify talent pools for **50+ critical roles** for FY 2025-26, ensuring organizational continuity and strategic capability development.

DIVERSITY, EQUITY & INCLUSION LEADERSHIP

Building an Inclusive Workplace

Union Bank is firmly committed to creating a workplace where every employee feels valued, respected, and has equal opportunities to grow. Our comprehensive DEI framework includes robust policies on Prevention of Sexual Harassment (POSH), Equal Opportunity, and Diversity, Equity, and Inclusion, with active implementation and regular awareness programs.

Employee Representation & Inclusion Metrics

Category	Officers	Clerks	Sub-staff	Total	Percentage
Total Employees	44,107	23,818	6,020	73,945	100%
Scheduled Castes (SCs)	7,651	4,523	2,230	14,404	19.48%
Scheduled Tribes (STs)	3,424	1,875	500	5,799	7.84%
Other Backward Classes (OBCs)	13,458	7,610	1,984	23,052	31.17%
Women Employees	12,061	7,628	1,907	21,596	29.21%
Minority Communities	2,995	1,610	429	5,034	6.81%
Ex-Servicemen	861	3,147	404	4,412	5.97%
Differently-Abled	1,672	817	151	2,640	3.57%

Out of the total staff strength of 73,945, the bank has 2,640 differently-abled employees, which constitutes approximately 3.57% of the total workforce. The bank is committed to providing equal opportunities across various types of disabilities. Among these 901 are blind, 350 are deaf and dumb, 40 are intellectually disabled and 1,349 are Orthopaedically Handicapped. This inclusive approach reflects the bank’s dedication to diversity and equal opportunity in the workplace.

Special Inclusion Initiatives

Our dedication to supporting differently-abled employees is demonstrated through practical measures including the provision of **JAWS screen-reading software** for visually impaired colleagues and proactive revision of conveyance allowance rates for

disabled employees. The bank ensures preferential postings for women employees and considers spouse-based transfers to maintain work-life balance.

We have established **SC/ST and OBC cells** at the apex level with **Chief Liaison Officers** at General Manager level to address grievances and ensure equal opportunities across all organizational levels.

EMPLOYEE ENGAGEMENT & WELL-BEING

Comprehensive Employee Support

Union Bank's **Employee Assistance Program (EAP) - Union SWAR (Supporting Wellness and Resilience)** provides comprehensive support for physical and mental wellness. The program offers **24/7 counselling services** with risk classification systems, **Emergency Crisis Teams** across all offices, and specialized diet and nutrition consultations for employees and their dependents.

Our wellness initiatives extend beyond traditional boundaries, offering **daily online yoga sessions** through partnerships with Habuild Healthtech Pvt Ltd, chair desk yoga at all offices, and regular webinars led by industry experts addressing stress, anxiety, and depression. The program also provides **24/7 medical advice** for all employees and their dependents.

Digital Employee Services & Welfare

The introduction of **Straight Through Processing (STP) journeys** for Staff Overdraft Loans and Staff Conveyance Loans represents our commitment to employee convenience. These digital solutions eliminate manual processing, automatically open loan accounts upon sanction approval, and provide immediate access to SOD limits.

A notable welfare initiative launched in FY2025 is the **Reimbursement Scheme for Cervical Cancer Vaccination** for girl children of employees aged 9-14 years. This healthcare initiative demonstrates our commitment to family welfare and preventive healthcare, extending our care beyond employees to their families.

Communication & Engagement Excellence

Our multi-channel communication strategy includes various internal publications such as "**Union Dhara**," "**The Vidya Times**," and "**Banking Updates**," alongside audio-visual mediums like "**Union Radio**" and "**Union Podcast**." The "**Union Manch**" platform encourages employees to share experiences and success stories, fostering collaborative environments.

The **Community Connect** platform serves as our internal community engagement system, driving active discussions on diverse topics from office events and work anniversaries to employee promotions, creating a cohesive organizational culture.

HR TRANSFORMATION & GOVERNANCE

Strategic HR Evolution

HR at Union Bank has evolved into a strategic business function through comprehensive transformation initiatives that integrate talent and technology while elevating employee experience. Our refined **Performance Management System (PMS)** ensures transparent, objective, and credible assessment integrated with career progression and training needs.

Recognition & Rewards Framework

Our comprehensive **Rewards & Recognition framework** actively acknowledges employee contributions, with ₹ **16.59 Crores** distributed in FY2024-25. The framework includes milestone recognition programs:

Award Category	Eligibility	Recognition Value
Crystal Award	15 years completion	100 gm Silver equivalent
Silver Jubilee Award	25 years completion	150 gm Silver equivalent
Superannuation Award	Retirement	250 gm Silver equivalent
Star Performer Reward	80%+ performance score	Performance-based rewards

Code of Ethics & Governance

The introduction of our **maiden Code of Ethics** provides a comprehensive framework for ethical decision-making, empowering employees with clear guidelines that align with bank values and principles. This framework enhances employee morale, productivity, and customer satisfaction while ensuring compliance with applicable laws and regulations.

INDUSTRY RECOGNITION & AWARDS FY2025

Award Category	Recognizing Organization	Achievement	Date
Workforce Planning	Indian Conventions	HDM Awards - Best Workforce Planning 2024	March 2025
Learning & Development	International Business Conferences	Excellence in Continuous Learning & Leadership Development	February 2025
HR Excellence	Apex India Foundation	Platinum Award for HR Excellence & Gold for Training	November 2024
Innovation	Asian Leadership Awards	Organization with Innovative HR Practices	October 2024
Leadership Development	People Excellence Awards	Excellence in Leadership & Digital Learning Transformation	August 2024

For the **tenth consecutive time**, Union Bank received the prestigious **Golden Peacock National Training Award**, reinforcing our position as a leader in employee development and training excellence.

HUMAN CAPITAL PERFORMANCE DASHBOARD FY2025

Performance Metric	Achievement	Impact
Total Learning Hours Delivered	65.23+ Lakh hours	Comprehensive skill development
Average Learning per Employee	22 hours/quarter	Continuous capability building
Leadership Development Participants	510 executives (Union Advith)	Future-ready leadership pipeline
Local Language Officers Recruited	1,500 LBOs	Enhanced regional market penetration
Employee Rewards Distributed	₹16.59 Crores	Recognition culture strengthening
Apprentices Engaged	259 candidates	Community talent development
Training Programs Conducted	1,350+ programs	Multi-channel learning delivery
External Training Exposure	1,164 employees	Advanced skill acquisition

STRATEGIC OUTLOOK & UN SDG ALIGNMENT

Building the Workforce of Tomorrow

Union Bank's human capital strategy aligns with multiple **UN Sustainable Development Goals**, demonstrating our commitment to responsible employment practices and societal development:

SDG 3 (Good Health and Well-being): Through comprehensive wellness programs and mental health support systems

SDG 4 (Quality Education): Via continuous learning initiatives and skill development programs

SDG 5 (Gender Equality): Through women leadership programs and inclusive workplace policies

SDG 8 (Decent Work and Economic Growth): By providing meaningful employment and career development opportunities

SDG 10 (Reduced Inequalities): Through inclusive hiring practices and support for differently-abled employees

SDG 16 (Peace, Justice and Strong Institutions): Via ethical governance frameworks and transparent practices

Future Strategic Focus

Our human capital roadmap emphasizes **digital HR transformation**, **AI-powered learning systems**, and **predictive analytics** for talent management. We will continue expanding our **leadership development programs**, enhancing **employee wellness initiatives**, and strengthening our **diversity and inclusion framework**.

The integration of **advanced technologies** in HR processes, development of **innovation labs** for continuous learning, and establishment of **centers of excellence** for specialized skills will position Union Bank as an employer of choice in the evolving banking landscape.

Through strategic human capital investments, Union Bank continues to build a future-ready workforce equipped with the skills, knowledge, and passion to drive organizational excellence while contributing meaningfully to India's economic growth and social development.

Social and Relationship Capital

Building Trust and Creating Shared Value

Introduction: Strategic Approach to Stakeholder Engagement

Union Bank of India stands at the forefront of driving India’s transformation into a socially inclusive, digitally empowered, environmentally conscious, and progressive economy. Bank’s strategic initiatives are deeply aligned with the Sustainable Development Goals (SDGs), reflecting bank’s commitment towards responsible banking and sustainable growth.

At the core of bank’s sustainability strategy lies the effective use of social and relationship capital. The bank fosters long-term partnerships, promote innovation, and contribute meaningfully to India’s socio-economic development. Bank’s focus on inclusive growth, especially in rural and underserved regions, is achieved through active support for government-led initiatives and community empowerment programs.

Union Bank recognizes that meaningful engagement with vital stakeholders—employees, customers, regulators, shareholders, and society—is essential for achieving sustainable development. The bank has adopted a multi-dimensional engagement strategy that reflects bank’s core values of inclusivity, innovation, and environmental responsibility.

STAKEHOLDER ENGAGEMENT FRAMEWORK

Comprehensive Stakeholder Strategy

Bank’s stakeholder engagement model is built on understanding specific needs and delivering targeted value propositions. Each stakeholder group receives customized attention through dedicated channels, ensuring effective communication and relationship building.

Stakeholder	Engagement Channels	Strategic Priorities	Key Responses
Employees	Digital platforms (EKAM App), leadership communications, training programs, wellness initiatives	Growth opportunities, innovation culture, merit-based development, healthcare benefits	₹16.59 Cr in rewards, comprehensive wellness programs, career mobility initiatives
Customers	VYOM app, branch interactions, digital channels, feedback systems	Digital convenience, skilled staff, fair practices, rapid grievance resolution	15+ digital journeys, 2.45 crore WhatsApp enquiries served, accessibility innovations
Shareholders	AGMs, quarterly calls, investor conferences, regulatory disclosures	Value creation, transparency, governance, strategic communication	Enhanced ESG disclosures, regular digital sessions, detailed annual reporting
Society	Union Bank Social Foundation Trust (UBSFT), CSR initiatives, financial literacy programs	Societal development, financial inclusion, skill development	₹121.40 Cr UBSFT contribution, 89 projects approved worth ₹37.70 Cr
Regulators	Regular meetings, policy forums, compliance teams, timely reporting	Fair customer treatment, risk management, operational excellence	Dedicated compliance teams, timely regulatory returns, continuous engagement

EMPLOYEE RELATIONSHIP EXCELLENCE

Building Sustainable Employee Partnerships

Union Bank’s commitment to employees extends beyond traditional employer-employee relationships to create sustainable partnerships built on mutual growth and development. Bank’s people-first approach ensures every employee feels valued, supported, and equipped for success through continuous learning, leadership development, wellness programs, and inclusive workplace practices.

Digital Communication & Engagement

The **EKAM Mobile App** serves as bank's dynamic employee engagement platform, enabling real-time idea sharing, performance review access, and interactive discussions. This digital-first approach fosters a culture of openness, innovation, and continuous engagement, strengthening our internal community bonds.

Union Bank of India's comprehensive **Risk and Compliance Culture** initiatives include the HR Aapke Dwar portal and Whistleblower Policy, providing secure channels for concern reporting and resolution. These transparency-focused initiatives reinforce accountability and ethical conduct across the organization.

Employee Recognition & Development

The **Rewards and Recognition (R&R) program** distributed **₹16.59 Crores** in FY2024-25, acknowledging outstanding achievements across all organizational levels. Bank's job rotation and career mobility opportunities encourage cross-functional learning and leadership development, supported by comprehensive training ecosystems covering digital, functional, and behavioural learning modules.

Comprehensive Wellness Framework

Employee wellness receives priority attention through **health insurance coverage** for all employees and family members, **special healthcare schemes** for retired employees, and the introduction of **"Reimbursement Scheme for Cervical Cancer Vaccination"** for girl children of employees aged 9-14 years.

The **Employee Assistance Programme – Union SWAR** provides comprehensive physical and mental wellness support, including yoga sessions, virtual consultations with nutritionists and physicians, meditation sessions, and anonymous counselling services for employees and dependents.

CUSTOMER EXPERIENCE TRANSFORMATION

Delivering Exceptional Digital-First Banking

Union Bank's customer relationship strategy centres on delivering satisfactory service through continuous innovation, supported by robust and adaptive systems designed to meet evolving customer needs. Bank's blend of technology, personalized service, and forward-thinking strategies ensures we exceed expectations while building lasting relationships.

Technology-Enabled Service Excellence

Bank's strategy of implementation of **Straight-Through Processing (STP) journeys** has revolutionized customer experience by reducing manual intervention, enabling faster service delivery, and improving satisfaction through intuitive digital interfaces. **15+ digital journeys** implemented during FY2025 demonstrate bank's commitment to customer-centric innovation.

The **Union Virtual Connect (UVConn) – WhatsApp Banking platform** has serviced **2.45 crore enquiries / requests**, while **Google Business Messages (GBM) platform** engages **5.3 lakh users** with **2.31 lakh** utilizing live agent services. These multi-channel digital platforms enable real-time banking product and service information access.

Inclusive Banking Leadership

"Union Access" represents bank's flagship accessible banking initiative launched in 2022, designed to remove barriers faced by disabilities and senior citizens. Bank's commitment deepened in FY2025 through upgrading the Digital Rupee mobile application for visually impaired users and redesigning our corporate website according to global WCAG accessibility guidelines.

Industry Recognition: Bank's accessibility initiatives received **international acclaim** at the **Qorus Infosys Finacle Banking Innovation Awards** in Portugal (October 2024), earning the **Bronze Award in Social, Sustainable & Responsible Banking**. Bank has installed **India's first Accessible and Talking ATM** at the Blind Peoples' Association in Vastrapur, Ahmedabad.

Customer Service Excellence

The Bank's comprehensive **Grievance Redressal Mechanism** operates through structured escalation matrices with predefined turnaround times, ensuring efficient issue resolution. The **CRM EDGE system** provides unified complaint handling across multiple channels including phone, mobile banking, internet banking, letters, emails, and social media platforms.

FY2025 Grievance Performance: The Bank received **5,66,215 complaints** and successfully resolved **5,60,903** (including carryovers), demonstrating bank's commitment to addressing customer concerns efficiently and effectively.

SHAREHOLDER VALUE CREATION

Fostering Trust Through Transparent Communication

Union Bank of India maintains continuous engagement with shareholders through Annual General Meetings, quarterly earnings calls, investor conferences, and comprehensive regulatory disclosures. Our strategic initiatives focus on long-term value creation, robust governance, compliance excellence, and sustainability leadership.

ESG Leadership & Reporting

The establishment of a **dedicated ESG Cell** at Corporate Office Mumbai serves as the nodal office for all ESG-related activities. The “**Union Green Hub**” portal provides centralized ESG knowledge for field functionaries, reflecting bank's proactive approach to sustainability and responsible banking.

ESG initiatives and accomplishments are prominently disclosed on this web portal, demonstrating commitment towards sustainable and responsible banking practices. This transparency builds investor confidence while showcasing leadership in environmental, social, and governance dimensions.

COMMUNITY INVESTMENT & SOCIAL IMPACT

Union Bank Social Foundation Trust (UBSFT)

As a Public Sector Bank, Union Bank of India voluntarily allocates up to 1% of the previous year's net profits towards CSR activities through its dedicated **Union Bank Social Foundation Trust (UBSFT)**. Established on March 2, 2006 and registered under sections 12AA and 80G of the Income Tax Act, UBSFT serves as bank's extended arm for carrying out charitable activities.

FY2025 CSR Investment: Union Bank of India had contributed **₹121.40 crores** to UBSFT, of which **₹37.70 crores** were approved for 89 projects and **₹25.47 crores** disbursed for 70 projects.

CSR Portfolio Distribution & Impact

Focus Area	Projects	Investment (₹ Crores)	Key Responses
Health	21	15.46	13 ambulances (₹3.01 Cr), MRI scanner, CT scan machines, cancer care equipment
Skill Development	3	12.25	RSETI training programs, vocational development
Education	29	3.07	Interactive smart panels, science labs, infrastructure development
Community Development	19	3.24	Rural infrastructure, women empowerment, scholarships
Sanitation	8	2.26	Toilet construction in government schools
Environment Conservation	5	1.14	Solar panel installations, tree plantation
Physical & Mental Disability	3	0.08	Accessibility infrastructure
Heritage Conservation	1	0.20	Cultural legacy preservation
Total	89	37.70	Comprehensive social impact

Education & Skill Development Excellence

Union Bank of India's education initiatives focus on enhancing access to quality education in underserved areas. **16 institutes** benefited from infrastructure investments of **₹1.29 crores**, while **10 schools** received **₹1.60 crores** for direct student benefits. Sanitation facility investments of **₹2.26 crores** for toilet construction in government schools particularly encourages higher attendance rates among girls.

Scholarship Program: Bank has awarded **₹1.40 crores in scholarships to 28 students** who were State Toppers in 10th Standard Examinations. Each student shall receive **₹1.00 lakh** annually for five years, demonstrating bank's long-term commitment towards academic excellence.

Healthcare Infrastructure Development

Bank's contributions healthcare sector has significantly enhanced medical infrastructure nationwide. Major investments include **₹9.60 crores** in critical health check-up equipment such as MAGNETOM SEMPRA 1.5T MRI scanners, 128-slice CT scan machines, and diagnostic equipment. The donation of **13 custom-built ambulances** worth **₹ 3.01 crores** addresses emergency medical needs across multiple locations.

Rural Self-Employment Training Institutes (RSETIs)

Through **32 RSETIs** (25 in Lead Bank districts), the bank has trained **2,92,535 candidates** with a **75% settlement ratio**. Bank's comprehensive training modules span vocational and entrepreneurial skills including tailoring, small business management, and trades tailored to local market needs. **Out of total trained candidates, 71% are women**, demonstrating bank's strong commitment to women empowerment.

Equipment Support: Upon successful training completion, bank provides essential tools and equipment like sewing machines to selected candidates, enabling immediate income-generating activities and contributing to economic independence.

REGULATORY COMPLIANCE EXCELLENCE

Regulatory Relationship as Social Capital Foundation

Bank's regulatory compliance framework serves as a cornerstone of social and relationship capital. Through transparent compliance practices, proactive regulator engagement, and ethical governance commitment, the bank reinforce trust, stability, and long-term value for all stakeholders.

Compliance Infrastructure

The **independent Compliance Department** defines, monitors, and reviews compliance requirements under various laws, regulations, and regulatory authority directions. This structured approach ensures accountability, transparency, and proactive risk management, reflecting our unwavering commitment to building trust with regulators and stakeholders.

Board-Level Oversight: The Board of Directors, supported by senior management, oversees compliance performance and risk governance. Their active involvement ensures regulatory requirements are met with integrity and diligence, reinforcing ethical conduct and transparency culture.

Key Compliance Frameworks

Compliance Area	Implementation	Impact
Customer Protection	Fair practices codes, robust grievance mechanisms, transparent disclosures	Enhanced customer trust, quality service delivery
Cybersecurity & IT Governance	RBI guidelines compliance, digital payment security, incident response protocols	Stakeholder trust, operational resilience, digital integrity
Risk Management	Early detection frameworks, prevention protocols, Board oversight	Enhanced regulatory compliance, stakeholder trust
Regulatory Reporting	Timely, accurate statutory report submissions to RBI, SEBI, others	Transparency, accountability, robust governance

SOCIAL & RELATIONSHIP CAPITAL PERFORMANCE DASHBOARD FY2025

Performance Metric	Achievement	Stakeholder Impact
Employee Engagement	₹16.59 Cr rewards distributed	Enhanced employee satisfaction and retention
Customer Service Excellence	2.45 crore WhatsApp enquiries served	Improved customer experience and accessibility
Digital Innovation	15+ digital journeys implemented	Enhanced customer convenience and engagement

Performance Metric	Achievement	Stakeholder Impact
CSR Investment	₹121.40 Cr contributed to UBSFT	Significant community development impact
Project Implementation	89 projects approved (₹37.70 Cr)	Diverse social impact across focus areas
Skill Development	2,92,535 candidates trained through RSETIs	Economic empowerment and self-reliance
Healthcare Infrastructure	₹15.46 Cr medical equipment donated	Enhanced healthcare access in underserved areas
Educational Support	₹1.40 Cr scholarships to 28 state toppers	Long-term educational excellence promotion
Accessibility Leadership	India's first talking ATM installation	Inclusive banking innovation
Grievance Resolution	5,60,903 complaints resolved	Customer satisfaction and trust building

AWARDS & RECOGNITION FOR SOCIAL EXCELLENCE

Industry Leadership Recognition

Qorus Infosys Finacle Banking Innovation Awards 2024: Bronze Award in Social, Sustainable & Responsible Banking (Portugal) for bank's initiatives under "Union Access - Accessible Banking Program" that enhances banking experiences for individuals with disabilities and senior citizens.

Global Fintech Festival Award 2024: Recognition for excellence in cybersecurity, demonstrating bank's commitment to protecting stakeholder interests through advanced security measures.

STRATEGIC OUTLOOK & UN SDG ALIGNMENT

Social Impact Through SDG Integration

Bank's social and relationship capital initiatives directly contribute to multiple UN Sustainable Development Goals:

SDG 1 (Poverty Reduction): ₹ 79,473 Cr credit to weaker sections and ₹ 44,562 Cr to minority communities

SDG 4 (Quality Education): ₹ 15,912 Cr education loans and comprehensive educational infrastructure support

SDG 5 (Gender Equality): ₹ 1,39,406 Cr loans to women beneficiaries and 71% women participation in RSETI training

SDG 8 (Decent Work and Economic Growth): ₹ 1,36,423 Cr MSME advances and comprehensive skill development programs

SDG 10 (Reduced Inequalities): Accessible banking initiatives and inclusive financial services

SDG 17 (Partnerships for Goals): Strategic collaborations with government, NGOs, and private sector entities

Future Strategic Priorities

Bank's social and relationship capital strategy will continue expanding through **enhanced digital accessibility, increased CSR investment, strengthened community partnerships, and innovative financial inclusion products**. Going forward, the Bank will leverage **technology for social good, expand rural outreach programs, and deepen stakeholder engagement** across all touchpoints.

The integration of **ESG principles** into all stakeholder interactions, development of **community-centric banking solutions**, and establishment of **Union Bank Social Foundation Trust** for social impact will position Union Bank as a leader in responsible banking and sustainable development.

Through strategic social and relationship capital deployment, Union Bank continues to build trust, create shared value, and contribute meaningfully to India's socio-economic transformation while delivering exceptional stakeholder experiences and sustainable long-term growth.

Manufactured Capital

Promoting Environmentally Conscious Financial Practices

Introduction

At Union Bank of India, our Manufactured Capital serves as a powerful engine of inclusive growth, comprising a vast and diverse infrastructure network strategically positioned across Metro, Urban, Semi-Urban, and Rural areas throughout the country. We leverage cutting-edge digital technologies to deliver innovative and accessible financial services, including digital payment systems, mobile banking, and microfinance solutions.

UBI prioritizes sustainability and environmental stewardship in our operations, delivering exceptional banking services to customers while minimizing our ecological footprint. The Bank contributes significantly to India's economic development by providing financial inclusion, supporting entrepreneurship, and fostering economic empowerment among millions of customers, thereby playing a vital role in shaping the nation's financial landscape and promoting a more equitable and prosperous society.

Infrastructure Overview

Infrastructure Component	Details
Branches	8,621
ATMs	8,910
Branch Distribution	Rural (30%) • Semi-urban (29%) • Urban (20%) • Metro (21%)
Overseas Branches	Dubai & Sydney
Business Correspondents	23,500+
Employees	73,900+
MSME Loan Points	135
Union MSME First Branches	114
Retail Loan Points	137
Agriculture Loan Points	54
Gold Loan Points	1,685
SAMBs & ARBs	3 SAMBs & 30 ARBs
LCBs & MCBs	12 LCBs & 38 MCBs

Subsidiaries and Joint Ventures

5 Wholly Owned Subsidiaries (including one in London, United Kingdom):

- 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

3 Joint Ventures (including one JV in Malaysia):

- Star Union Dai-Ichi Life Insurance Co. Ltd
- ASREC (India) Ltd
- India International Bank (Malaysia) Berhad

Associate: Chaitanya Godavari Grameena Bank

Key Performance Highlights FY2025

1. **5th Largest PSB in Business Mix**
2. **₹27,668 crore** sanctioned for renewable energy sector, showcasing commitment to sustainable development
3. **₹779 crores** sanctioned under Union Green Miles scheme for electric vehicles, reducing carbon footprint
4. **₹197 crore** sanctioned under Union Green Homes, underscoring dedication towards sustainable living
5. **₹94,825 crore** in Home loans, demonstrating significant support for housing needs
6. **₹2,16,777 crore** in Total retail loans, marking **22.14% YoY growth**
7. **₹1,428 crore** financed through PM SVANidhi scheme and **₹173 crore** through PM Vishwakarma scheme
8. **₹15,912 crore** financed under education loans, supporting educational advancement
9. **₹1,61,864 crore** financed to agriculture priority sector and **₹74,261 crore** to small and marginal farmers
10. **₹1,36,423 crore** Total MSME advances with **12.50% YoY growth**
11. **46.19 Lakh customers** onboarded on VYOM and internet banking platforms
12. **₹13,266 crore** Total balance in PMJDY accounts as of March 31, 2025
13. **₹32,848 crore** Total income from treasury operations in FY 2025

ADVANCES PORTFOLIO

1. Corporate Credit

UBI's Corporate Credit capabilities are a cornerstone of our Manufactured Capital, enabling the bank to support businesses across India and overseas. With a strong presence in key markets, we leverage digital technologies to deliver innovative financial solutions that cater to the diverse needs of our corporate clients.

Global Reach: Our network of 8,621 branches, including 12 Large Corporate Branches & 38 Mid Corporate Branches across India, plus presence in Dubai, Sydney, London (UK subsidiary), and Malaysia (JV), positions us well to support businesses with global ambitions.

2. MSME Advances

Our MSME Credit capabilities are a vital component of our Manufactured Capital, empowering micro, small, and medium enterprises across India to grow and thrive.

FY2025 Performance:

MSME Category	March 2024 (₹ Crores)	March 2025 (₹ Crores)	% Growth
Micro	61,362	68,416	11.49%
Small	37,582	43,896	16.80%
Medium	22,325	24,111	8.00%
Total MSME	1,21,269	1,36,423	12.50%

Special MSME Initiatives

MSME Day: Every Friday is celebrated as MSME day for conducting outreach camps at branch level with Regional Office involvement.

Credit Guarantee Schemes Sanctions (FY 24-25):

Scheme	Accounts	Amount (₹ Crores)
CGTMSE	3,02,552	17,481
CGFMU (Including Agri Allied)	3,88,215	31,613
Total	6,90,767	49,094

Specialized MSME Infrastructure:

- **Union MSME Loan Points:** ₹36,293 Crore sanctioned
- **Union MSME First Branches:** ₹12,230 Crore sanctioned

Specialized MSME Schemes (FY2025):

Scheme	Sanctioned Accounts	Amount (₹ Crores)
Union MSME Suvidha	4,267	3,361
Union Nari Shakti	20,820	2,577
Union Equipment Finance	1,127	744
Union Ayushman Plus	483	334
Union Contractor	436	604
Union Textile	882	613
Union MSE Support	512	579
Total	28,527	8,812

Cluster Growth Strategy: 20 approved cluster-specific schemes across India with total sanctions of ₹1,441 crores in FY2025.

3. Retail Advances

Retail lending constitutes approximately 23% of the Bank's total advances portfolio, with Home & Education loans as focused products.

FY2025 Retail Performance:

Loan Type	FY2024 (₹ Crores)	FY2025 (₹ Crores)	Growth (₹ Crores)	% Growth
Home Loans	86,079	94,825	8,746	10.16%
Vehicle Loans	20,340	22,462	2,122	10.43%
Education Loans	14,068	15,912	1,845	13.12%
Mortgage Loans	15,043	16,152	1,109	7.37%
Personal Loans	11,450	11,225	-226	-1.97%
Others	30,508	56,202	25,693	84.22%
Total Retail	1,77,488	2,16,777	39,289	22.14%

4. Agricultural Advances

Agriculture advances constitute 18.87% of Domestic advances as of March 31, 2025. We achieved 18.92% to ANBC against the statutory target of 18% under Agriculture Priority.

Agricultural Portfolio FY 2025:

Category	Amount (₹ Crores)	% Share
Farm Credit (Crop, Investment & Allied)	1,44,214	80.80%
Agri Ancillary Activities	32,505	18.21%
Agri Infrastructure	1,760	0.99%
Total Agricultural Advances	1,78,479	100.00%

Key Agricultural Achievements:

- Credit to small and marginal farmers: ₹74,261 Crore (8.68% of ANBC)
- PSLC-Small & Marginal Farmer sales: ₹50,000 Crore
- Fresh Kisan Credit Cards issued: 3.38 lakh amounting to ₹7,079 Crore

5. Priority Sector Lending
Priority Sector Performance FY2025:

Category	Amount (₹ Crores)	% to ANBC	Benchmark	YoY Growth
Priority Sector Credit	3,79,092	44.31%	40%	16%
Agriculture	1,61,864	18.92%	18%	3%
Small & Marginal Farmers	74,261	8.68%	10%	-29%*
Micro Enterprises	76,344	8.92%	7.50%	6%

*Post PSLC sales of ₹50,000 Cr in SMF

Social Upliftment Initiatives
Specific Lending for Social Development:

- **Women Beneficiaries:** ₹1,39,406 Crore (7.8% growth during FY2025)
- **Minority Communities:** ₹44,562 crore
- **Weaker Section:** ₹79,473 Crore

Rural Self Employment Training Institute (RSETI):

- 32 RSETIs established (25 in Lead Bank districts)
- 2,92,535 candidates trained
- 2,19,268 candidates settled (75% settlement ratio)

Regional Rural Banks (RRBs):

- Sponsors Chaitanya Godavari Grameen Bank (CGGB)
- 276 CBS Branches across 8 Andhra Pradesh districts
- Business growth: 17.85% to ₹25,272.67 Cr

Deposits & CASA

1. CASA Performance

CASA Position as of March 31, 2025:

- **CASA Balance:** ₹4.26 lakh crore
- **CASA Ratio:** 33.52%

UNION LEAP Initiative: Our momentous CASA transformation project - **Liability Enhancement, Acquisition, and Protection** - reflects our progressive move towards enhancing financial services and securing market leadership.

Strategic CASA Initiatives:

- Digital onboarding channels for new customer acquisition
- Relationship Manager model for High-Net-Worth Individuals
- Comprehensive client engagement for bespoke banking solutions

2. Term Deposit Performance

Term Deposit Growth (YoY):

(Amount in ₹ Crs)

Parameters	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Retail Term Deposit	3,93,473	4,47,285	4,41,287	4,58,949	4,98,255
Bulk Deposit	1,92,562	2,07,716	2,70,837	3,30,178	3,47,248
Term Deposit	5,86,035	6,55,001	7,12,124	7,89,127	8,45,503
Total Deposit	9,21,633	10,32,102	11,17,716	11,99,199	12,71,745

INTERNATIONAL BANKING

A. Trade Finance

Our extensive network includes 119 Authorized Dealing branches, Centralized Trade Finance Back offices, and Centralized SWIFT Back Office, enabling comprehensive trade finance solutions for exporters and importers.

B. Global Payments & Services

International Exchange Vostro Branch (IEVB):

- 7 Foreign Bank Accounts under Vostro mechanism
- 1 Exchange House account under Rupee Drawing Arrangement
- 2 Foreign Bank accounts under Special Rupee Vostro mechanism

Correspondent Banking Relations:

- RMA relationships with 794 banks across 93 countries
- Nostro accounts with 34 Banks in 15 different currencies

C. Export Credit Market Share Growth

- **March 2024:** 8.12% market share (₹17,647 crores)
- **March 2025:** 10.98% market share (₹23,684 crores)
- **Growth:** 34.12%

D. New International Banking Initiatives

- Auto credit for inward remittances up to USD 5,000
- SMS alerts for foreign inward remittance receipts

TREASURY OPERATIONS**FY2025 Treasury Performance:**

Non- Interest Treasury Income	FY2025 (₹ Cr)
Profit on Sale of Investment	2,103.00
Exchange Profit (Forex)	907.00
Investment Depreciation / Reversal	1,175.00
Total Non-Interest Treasury Income	4,186.00

WEALTH MANAGEMENT & RELATIONSHIP BANKING**Third-Party Product Distribution (FY2025):**

Product	FY2024 (₹ Crores)	FY2025 (₹ Crores)	% Growth
Life Insurance	278.40	451.47	62.17%
Non-Life Insurance	29.76	37.16	24.88%
Health Insurance	54.49	53.10	-2.55%
Mutual Fund	20.80	29.74	42.95%
Merchant Banking	5.06	7.45	47.23%
Total	388.50	578.91	49.01%

New Product Launches:

- Life Insurance NFOs by SUD Life and India First Life
- Union Suraksha (Manipal Cigna Personal Accident Insurance)
- Union Cancer Suraksha (Cancer benefit product)
- Four Mutual Fund NFOs launched
- 3-in-1 account through VYOM mobile application

CLIMATE ACTION & SUSTAINABILITY

Union Bank recognizes the urgent need to address climate change and promote sustainability. We are committed to achieving net-zero in own operations for Scope 1 & 2 emissions by 2035, aligning with global 1.5°C warming limit efforts.

UN SDG Alignment

SDG	Our Contribution	FY2025 Impact
SDG 1: Poverty Reduction	Financial inclusion and targeted lending	Weaker sections: ₹79,473 Cr; Minorities: ₹44,562 Cr
SDG 4: Quality Education	Education loans and infrastructure support	Education loans: ₹15,912 Cr
SDG 5: Gender Equality	Women empowerment initiatives	Women beneficiaries: ₹1,39,406 Cr
SDG 7: Clean Energy	Renewable energy financing	Renewable energy: ₹27,668 Cr; EV financing: ₹779 Cr
SDG 8: Economic Growth	MSME and development financing	MSME advances: ₹1,36,423 Cr
SDG 13: Climate Action	Green financing and carbon reduction	Green financing portfolio: ₹28,742 Cr
SDG 17: Partnerships	Strategic collaborations	PCAF signatory, GIZ partnership, CEEW collaboration

Green Finance Portfolio

- **Green Deposit:** ₹29.05 Crores fresh deposit raised during FY 2024-25
- **Renewal Energy Finance:** ₹ 27,668 Crores
- **Union Green Miles:** ₹779 Crores for electric vehicles
- **Union Green Homes:** ₹197 Crores for sustainable housing

AWARDS & ACCOLADES FY2025

Major Recognition Received

1. **HDM Awards for Best Workforce Planning 2024** - Indian Conventions (March 2025)
2. **Asia L&D Employer Branding Awards** (February 2025):
 - o Excellence in Continuous Learning & Development
 - o Leadership Development Program of the Year
3. **Infosys Finacle Innovation Awards 2024** - Multiple Category Winners:
 - o **Platinum:** Ecosystem Led Innovation, ESG Led Innovation, Modern Technologies Innovation, Product Innovation
 - o **Gold:** Corporate Banking Innovation
4. **Qorus-Finacle Banking Innovation Award 2024** - Bronze Award in Social, Sustainable & Responsible Banking (Portugal)
5. **Global Fintech Festival Award 2024** - Excellence in Cyber Security Category
6. **The Open Group India Awards 2024** - Innovation & Excellence in Open Standards
7. **Finnovitti Awards 2024** - Banking Frontiers recognition for innovative products
8. **IBEX India BFSI Tech Award 2025:**
 - o IT Risk and Management - Winner
 - o Outstanding use of Emerging Technology - Special Mention
 - o Excellence in Operational Efficiencies - Special Mention
9. **SKOCH BFSI Gold Award 2024** - Cybersecurity Centre of Excellence
10. **HR Excellence Awards:**

- o Platinum Award by Apex India Foundation
 - o Gold Training Excellence Award
 - o Asian Leadership Awards for Innovative HR Practices
11. **MSME Banking Excellence Awards FY 23-24:**
- o 1st Position - Best MSME Friendly Bank
 - o Runners up - Best MSME Bank
12. **FIEO Export Excellence Gold Award** - Consecutive years (2020-21 & 2021-22)
13. **International Banking Recognition:**
- o Straight Through Processing Excellence Award - CITI Bank
 - o Elite Quality Recognition Award - J.P. Morgan

STRATEGIC OUTLOOK

Our Manufactured Capital strategy focuses on:

Digital Transformation: Continued investment in cutting-edge technologies to enhance customer experience and operational efficiency.

Sustainable Growth: Expanding green financing options and supporting India's transition to a low-carbon economy.

Infrastructure Enhancement: Optimizing our branch network and digital platforms for maximum reach and efficiency.

Innovation Leadership: Leveraging emerging technologies like AI, blockchain, and metaverse for next-generation banking services.

Financial Inclusion: Deepening our commitment to serving underserved communities and promoting economic empowerment.

Through our robust Manufactured Capital, Union Bank of India remains positioned as a catalyst for India's economic growth, environmental sustainability, and social development, while delivering exceptional value to all stakeholders.

Deposits: ₹ 13,09,750 Crs	Advances: ₹ 9,82,894 Crs	
Net Profit: ₹ 17,987 Crs	Gross NPA: 3.60%	Net NPA: 0.63%

ISSB S1, ISSB S2, GRI & TNFD Reporting Index

ISSB S1 - General Requirements for Disclosure of Sustainability-related Financial Information

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	Environmental, Social & Governance Steering Committee (ESGSC)	36
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2. Strategy

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3. Risk Management

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1. Governance

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Awards and Accolades













Notice of 23rd Annual General Meeting

NOTICE is hereby given pursuant to Regulation 56 of the Union Bank of India (Shares and Meetings) Regulations, 1998 that the **23rd (Twenty Third) Annual General Meeting ("AGM")** of the Shareholders of Union Bank of India ("**Bank**") will be held on **Friday, 1st August, 2025 at 11.00 am (IST)** at Central Office, Union Bank of India, Mumbai (the deemed venue of the Meeting) **through Video Conferencing (VC) or Other Audio Visual Means (OAVM)** facility to transact the following business:

Ordinary Business:

Item No. 1

To discuss, approve and adopt the Audited Standalone and Consolidated Balance Sheet of the Bank as at **31st March 2025**, Standalone and Consolidated Profit and Loss Account for the year ended on that date, the Report of the Board of Directors on the working and activities of the Bank for the period covered by the Accounts and the Auditors' Report on the Balance Sheet and Accounts.

Item No. 2:

To declare Dividend of ₹ 4.75/- per Equity Share of ₹ 10/- each for the Financial Year 2024 - 25.

Special Business:

Item No. 3

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

To consider and if thought fit, to pass with or without modification(s), the following resolution(s) as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 3(2B) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 ("**Act**"), Clause 20 of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 ("**Scheme**"), the Union Bank of India (Shares and Meetings) Regulations, 1998 ("**Regulations**") and other applicable provisions, if any, and subject to the approvals, consents, sanctions, if any, of the Reserve Bank of India ("**RBI**"), the Government of India ("**GOI**"), the Securities and Exchange Board of India ("**SEBI**"), and / or any other authority as may be required in this regard and subject to such terms, conditions and modifications thereto as may be prescribed by them in granting such approvals and which may be agreed to by the Board of Directors of the Bank and subject to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 [**the SEBI (ICDR) Regulations**] as amended, the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 [**the SEBI (LODR) Regulations**] as amended, the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India), Regulations, 2017 as amended and in accordance with the applicable rules, regulations, guidelines, circulars and clarifications if any, prescribed by the RBI, SEBI, notifications/ circulars and clarifications under the Banking Regulation Act, 1949, the Securities and Exchange Board of India Act, 1992 and all other applicable laws and all other competent authorities from time to time and subject to the Uniform Listing Agreements entered into with the Stock Exchanges where the equity shares of the Bank are listed, consent of **the members of the Bank be and is hereby accorded to the Board of Directors of the Bank** (hereinafter called "**the Board**" which shall be deemed to include any Committee which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this Resolution) to create, offer, issue and allot in one or more tranches (including with provision for reservation on firm allotment and/or competitive basis of such part of issue and for such categories of persons as may be permitted by the law then applicable) by way of offer document (s)/prospectus or such other document(s), in India or abroad **for an aggregate amount not exceeding ₹ 6,000 Crore (Rupees Six Thousand Crore only) subject to:**

- such number of equity shares and / or Preference Shares (whether Cumulative or not; convertible into equity shares or not) in accordance with the guidelines framed by RBI from time to time, specifying the class of preference shares, the extent of issue of each class of such preference shares, whether perpetual or redeemable, the terms and conditions subject to which each class of preference shares may be issued and / or other permitted securities which are capable of being converted into equity or not for cash (whether at a discount or premium to the market price or issue price or floor price) **for an amount not exceeding ₹ 3,000 Crore (Rupees Three Thousand Crore only)** which together with the existing Paid-up Equity share capital of **₹ 7633.60 crore (Rupees Seven Thousand Six Hundred Thirty Three Crore and Sixty Lakh only)** will be within the total authorized capital of ₹ 10,000 crore (Rupees Ten Thousand Crore Only) of the Bank, being the ceiling in the Authorised Capital of the Bank as per Section 3(2A) of the Act, or to the extent of enhanced Authorised Capital as per the Amendment (if any), that may be made to the Act in future, whichever is higher, in such a way that the Government of India shall at all times hold not less than 51% of the paid-up Equity Share Capital of the Bank.

- such number of perpetual debt instruments, Non-convertible debentures including but not limited to Sub-ordinated Debentures, Bonds and / or other debt securities on private placement / public issue basis in one or more tranches which may classify for Tier-1 or Tier-2 Capital (including Green/Infrastructure/Foreign Currency Denominated Additional Tier-1 /Tier-2 Bonds) as identified and classified by RBI, **for an amount not exceeding ₹ 2,000 Crore (Rupees Two Thousand Crore only) as Additional Tier- 1 Bonds and for an amount not exceeding ₹ 1,000 Crore (Rupees One Thousand Crore only) as Tier-2 Bonds**, to one or more of the members, employees of the Bank, Indian nationals, Non-Resident Indians (“NRIs”), Companies, private or public, Investment Institutions, Limited Liability Partnerships (LLPs), Societies, Trusts, Research Organizations, Qualified Institutional Buyers (“QIBs”) like Foreign Institutional Investors (“FIIs”)/ Foreign Portfolio Investors (“FPIs”), Banks, Financial Institutions, Indian Mutual Funds, Alternate Investment Funds, Foreign Venture Capital Investors, State Industrial Development Corporations, Insurance Companies, Provident Funds, Pension Funds, Development Financial Institutions or other entities, authorities or any other category of investors which are eligible to invest in equity/preference shares/securities of the Bank as per extant regulations/guidelines or any combination of the above, as may be deemed appropriate by the Bank.”

“RESOLVED FURTHER THAT such issue, offer or allotment of equity/preference shares/securities may also be by way of Qualified Institutions Placement (QIP), Further Public Offer, Rights Issue to public shareholders with or without promoter/promoter group shareholders forgoing their entitlement to equity shares, Depository Receipts/ADR/GDR, Private Placement of Equity / Compulsorily Convertible Debentures, Employees Stock Option Schemes or Employee Stock Purchase Scheme of the Bank or such other mode of issue or combinations of these as may be provided by applicable laws, with or without over-allotment or Green Shoe option and that such offer, issue, placement and allotment of equity/preference shares/securities be made as per the provisions of the Act, RBI Guidelines, the SEBI ICDR Regulations and all other applicable guidelines issued by the RBI, SEBI and any other authority as applicable, and at such time or times in such manner and on such terms and conditions as the Board may, in its absolute discretion, think fit.”

“RESOLVED FURTHER THAT in respect of the aforesaid issue/s, the Board shall have the absolute authority to decide, such price or prices not below the price as determined in accordance with relevant provisions of the SEBI (ICDR) Regulations, in such manner and wherever necessary, in consultation with the lead managers and /or underwriters and /or other advisors, and/or such terms and conditions as the Board may, in its absolute discretion, decide in terms of the SEBI (ICDR) Regulations, other regulations and any and all other applicable laws, rules, regulations and guidelines, and/or whether or not the proposed investor(s) are existing shareholders of the Bank.”

“RESOLVED FURTHER THAT in accordance with the provisions of the Listing Regulations, the provisions of the Act, the provisions of the Union Bank of India (Shares and Meetings) Regulations, 1998, the provisions of the SEBI (ICDR) Regulations, the provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, and subject to requisite approvals, consents, permissions and/or sanctions of Securities and Exchange Board of India (SEBI), Stock Exchanges, Reserve Bank of India (RBI), Department for Promotion of Industry and Internal Trade - Ministry of Commerce and Industry (DPIIT), Ministry of Finance and all other authorities as may be required (hereinafter collectively referred to as “the Appropriate Authorities”) and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction (hereinafter referred to as “the requisite approvals”) the Board, may at its absolute discretion, issue, offer and allot, from time to time in one or more tranches, equity shares or any securities other than warrants, which are convertible into or exchangeable with equity shares at a later date, in such a way that the Government of India at any time holds not less than 51% of the Equity Capital of the Bank, to Qualified Institutional Buyers (QIBs) (as defined in Chapter I of the SEBI (ICDR) Regulations pursuant to a Qualified Institutions Placement (QIP), as provided for under Chapter VI of the SEBI (ICDR) Regulations, through a placement document and / or such other documents / writings / circulars / memoranda and in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the SEBI (ICDR) Regulations or other provisions of the law as may be prevailing at that time.”

“RESOLVED FURTHER THAT in case of a Qualified Institutions Placement pursuant to Chapter VI of the SEBI (ICDR) Regulations:

- The allotment of Securities shall only be made to Qualified Institutional Buyers within the meaning of Chapter I of the SEBI (ICDR) Regulations, such securities shall be fully paid-up and the allotment of such Securities shall be completed within 365 days from the date of this resolution.
- The Bank in pursuant to provision of Regulation 176(1) of SEBI (ICDR) Regulations authorized to offer shares at a discount of not more than five percent on the floor price as determined in accordance with the SEBI (ICDR) Regulations.
- The relevant date for the determination of the floor price of the securities shall be in accordance with the SEBI (ICDR) Regulations.”

“RESOLVED FURTHER THAT the Board shall have the authority and power to accept any modification in the proposal as may be required or imposed by the GOI/RBI/SEBI/Stock Exchanges where the shares of the Bank are listed or such other appropriate authorities at the time of according / granting their approvals, consents, permissions

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and sanctions to issue, allotment and listing thereof and as agreed to by the Board."

"RESOLVED FURTHER THAT the issue and allotment of new equity shares / securities if any, to NRIs, FIIs/FPIs and/or other eligible foreign investments be subject to the approval of the RBI under the Foreign Exchange Management Act, 1999 as may be applicable but within the overall limits set forth under the Act and by other regulators, as applicable."

"RESOLVED FURTHER THAT the said new equity shares to be issued shall be subject to the Union Bank of India (Shares and Meetings) Regulations, 1998, as amended, and shall rank in all respects *pari-passu* with the existing equity shares of the Bank and shall be entitled to dividend declared, if any, in accordance with the statutory guidelines that are in force at the time of such declaration."

"RESOLVED FURTHER THAT the equity shares to be issued shall be listed with the stock exchanges where the existing equity shares of the Bank are listed."

"RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of equity shares/securities, the Board be and is hereby authorized to determine the terms of the public offer, including the class of investors to whom the securities are to be allotted, the number of shares/securities to be allotted in each tranche, issue price, premium amount on issue as the Board in its absolute discretion deems fit and do all such acts, deeds, matters and things and execute such deeds, documents and agreements, as they may, in its absolute discretion, deem necessary, proper or desirable, and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise in regard to the public offer, issue, allotment and utilization of the issue proceeds, and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, as it may, in its absolute discretion, deem fit and proper in the best interest of the Bank, without requiring any further approval of the shareholders and that all or any of the powers conferred on the Bank and the Board vide this resolution may be exercised by the Board."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to enter into and execute all such arrangements with any Book Runner(s), Lead Manager(s), Banker(s), Underwriter(s), Depository(ies), Registrar(s), Auditor(s), Arrangers(s) and all such agencies as may be involved or concerned in such offering of equity / securities and to remunerate all such institutions and agencies by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc., with such agencies."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board, in consultation with the Lead Managers, Underwriters, Advisors and/or other persons as appointed by the Bank, be and is hereby authorized to determine the form and terms of the issue(s), including the class of investors

to whom the shares/securities are to be allotted, number of shares/securities to be allotted in each tranche, issue price (including premium, if any), face value, premium amount on issue/conversion of Securities/exercise of warrants/redemption of Securities, rate of interest, redemption period, number of equity shares or other securities upon conversion or redemption or cancellation of the Securities, the price, premium or discount on issue/conversion of Securities, rate of interest, period of conversion, fixing of record date or book closure and related or incidental matters, listings on one or more stock exchanges in India and/or abroad, as the Board in its absolute discretion deems fit."

"RESOLVED FURTHER THAT such of the aforesaid securities as are not subscribed may be disposed off by the Board in its absolute discretion in such manner, as the Board may deem fit and as permissible by law."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deems necessary, proper and desirable and to settle any question, difficulty or doubt that may arise in regard to the issue of the shares/securities and further to do all such acts, deeds, matters and things, finalise and execute all documents and writings as may be necessary, desirable or expedient as it may in its absolute discretion deem fit, proper or desirable without being required to seek any further consent or approval of the shareholders or authorise to the end and intent, that the shareholders shall be deemed to have given their approval thereto expressly by the authority of the Resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to the Committee of Directors for Raising of Capital Funds or the Managing Director & CEO or to the Executive Director/(s) to give effect to the aforesaid Resolutions."

Item No. 4:

Appointment of Shri Suraj Srivastava (DIN: 09444372) as Part-Time Non-Official Director of the Bank

To consider and if thought fit, to pass with or without modification(s), the following resolution(s) as an Special Resolution:

"RESOLVED THAT pursuant to First Proviso to Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with Section 9(3)(a) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the appointment of Shri Suraj Srivastava (DIN: 09444372) vide Government of India's Notification eF.No. 6/1(xi)/2024-BO.I dated 11th April 2025 as Part-Time Non-Official Director of the Bank for a period of one year from the date of notification i.e. 11th April 2025 or until further orders, whichever is earlier, be and is hereby approved on the same terms and conditions as determined by the Government of India."

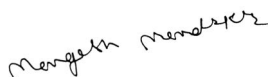
Item No. 5:

Appointment of M/s Ragini Chokshi & Co., Company Secretaries as a Secretarial Auditor of the Bank for a period of 2 years from FY2025-26 to FY 2026-27.

To consider and if thought fit, to pass with or without modification(s), the following resolution(s) as an Ordinary Resolution:

"RESOLVED THAT pursuant to Regulation 24A(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other applicable laws, if any, the relevant circulars issued by SEBI (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the shareholders of the Bank be and is hereby accorded, for appointment of M/s Ragini Chokshi & Co., Company Secretaries, Firm Registration No. BA92897 as the Secretarial Auditor of the Bank for a period of two years commencing from FY 2025-26 to FY 2026-27."

**By order of the Board of Directors
For UNION BANK OF INDIA**



Place : Mumbai
Date: 25.06.2025

(Mangesh Mandrekar)
COMPANY SECRETARY

NOTES**1. EXPLANATORY STATEMENT**

The Explanatory Statement setting out the material facts in respect of the business of the meeting is annexed hereto.

2. HOLDING OF AGM THROUGH VIDEO CONFERENCING (VC) OR OTHER AUDIO VISUAL MEANS (OAVM)

- a. Pursuant to General Circular No. 09/2024 dated 19th September 2024 issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October 2024 issued by the Securities and Exchange Board of India ("SEBI Circulars") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Communication No. F. No. 7/47/2020-BOA dated 10th July 2020 of Ministry of Finance, Government of India, the AGM of the Bank is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the AGM shall be the Central Office of the Bank situated at Mumbai. The Special business mentioned in the business Item Nos. 3 being unavoidable, be transacted at the 23rd AGM of the Bank through VC/OAVM.
- b. The Bank is adhering to and complying with all the provisions mentioned in the MCA Circulars. The Bank has made all the necessary arrangements to

avoid failure of VC/OAVM connection. The Bank has ensured sufficient and adequate security to safeguard the integrity of the meeting.

- c. KFin Technologies Limited (KFintech) will be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM Facility and e-voting during the AGM.
- d. In line with the MCA Circulars and SEBI Circulars, the Notice of the AGM will be made available on the website of the Bank at www.unionbankofindia.co.in, on the website of BSE Limited at www.bseindia.com, on the website of National Stock Exchange of India Ltd. at www.nseindia.com and also on the website of KFintech at <https://evoting.kfintech.com>.
- e. As the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice as required under Secretarial Standard 2 issued by the Institute of Company Secretaries of India.
- f. Members may participate in the AGM through VC/ OAVM facility by following the procedure as mentioned below which shall be kept open for the Members from 10.45 AM (IST) i.e. 15 minutes before the time scheduled to start the AGM and the Bank may close the window for joining the VC/ OAVM facility 30 minutes after the scheduled time to start the AGM. To join the VC/OAVM please visit <https://emeetings.kfintech.com> with the credentials as mentioned in the notice para no. 16 (vii). The helpline toll free no. 1800 309 4001 may be used for assistance with the technology before or during the meeting.
- g. Members may note that the VC/OAVM Facility with two-way conferencing and also pose questions concurrently, provided by Kfintech allows participation of atleast 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoter, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, scrutinizer etc. can attend the AGM without any restriction on account of first-come-first-served principle as per the MCA Circulars. Institutional Investors who are Members of the Bank, are encouraged to attend and vote in the 23rd AGM through VC/OAVM Facility.
- h. Attendance of the Members participating in the AGM through VC/OAVM facility shall be counted for the purpose of reckoning the quorum.
- i. Speaker shareholder registration before AGM may also be availed during the remote e-voting period latest by **5 PM on Wednesday, 30th July 2025**. Shareholders who wish to register as speaker are

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requested to visit <https://emeetings.kfintech.com> by using e-voting login credentials and click speaker registration during this period. Shareholders are requested to wait for their turn to be called by the Chairman of the meeting during the Question Answer session and coordination during the AGM. The Bank may have to dispense or curtail the speaker session; hence, shareholders are encouraged to send their relevant questions etc. in advance as provided in Notice Para No. 12 from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, on the Bank's email address investorservices@unionbankofindia.bank. Such questions by the Members shall be taken up during the meeting and replied by the Bank suitably. However, it is requested to raise the questions precisely and in short at the time of meeting to enable us to answer the same.

- j. The Shareholders who have not registered their email id can participate in the AGM after registering their email ID and Mobile Nos. in the weblink: <https://ris.kfintech.com/clientservices/mobileereg/mobileemailreg.aspx>
- k. Members holding shares in physical form are requested to furnish bank details, email address, change of address etc. to the Registrars and Transfer Agent M/s KFin Technologies Limited before the cut-off date i.e. **Friday, 25th July 2025**, in order to take note of the same. In respect of members holding shares in electronic mode, the details as would be furnished by the Depositories as at the close of the aforesaid date will be considered by the Bank. Hence, members holding shares shall update their records at the earliest to enable us to send the Notice of AGM to their registered email id.

3. APPOINTMENT OF PROXY

In terms of the MCA Circulars, since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Regulation 70(vi) of the Union Bank of India (Shares and Meetings) Regulations, 1998 will not be available for the AGM. Therefore, instrument for appointing proxy and attendance slip is not being attached herewith. However, representatives of the Members may be appointed for the purpose of voting through remote e-voting, for participation in the AGM through VC/OAVM Facility and e-voting during the AGM.

4. APPOINTMENT OF AUTHORISED REPRESENTATIVE

No person shall be entitled to attend or vote at the meeting as a duly authorized representative of a Company or any Body Corporate which is a shareholder of the Bank, unless a copy of the resolution appointing him/her as a duly authorized representative, certified to be true copy

by the Chairman of the meeting at which it was passed, shall have been sent to mail@csraginichokshi.com, not less than FOUR DAYS before the date of meeting i.e. on or before the closing hours of the Bank i.e. **5.00 p.m. on Saturday, 26th July 2025**.

5. BOOK CLOSURE

The Register of Shareholders and Share Transfer Books of the Bank will remain closed from **Saturday, 26th July 2025 to Friday, 1st August 2025** (both days inclusive) for the purpose of AGM and payment of Dividend, if declared by the Shareholder at the Annual General Meeting.

6. UNCLAIMED/UNPAID DIVIDEND, IF ANY

The shareholders who have not encashed their Dividend Warrants / not received dividend of previous periods, if any, are requested to contact the Bank's Registrar & Share Transfer Agent (RTA) or Bank's Investors Services Division for payment of unclaimed/ unpaid dividend.

Shareholders are requested to carefully note that pursuant to Section 10B of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, dividend remained unclaimed/unpaid for 30 days from the date of its declaration shall be transferred to the "Unpaid Dividend Account" within 7 days from the date of expiry of such period of 30 days.

The amount transferred to the said "Unpaid Dividend Account" and remained unclaimed/unpaid for a period of seven years from the date of transfer, is required to be transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government under Section 125 of the Companies Act, 2013. While the Bank has already transferred unpaid dividend up to FY 2015-16 to IEPF, for the details of unpaid dividend from FY 2021-22, the Shareholders may visit unclaimed dividend search facility made available on Bank's website under following link: <https://eremit.unionbankofindia.co.in/UnclaimedDividend/GUIs/CustomList.aspx>

Procedure to claim unclaimed dividend and requisite forms are also made available on the above link.

7. CHANGE OF ADDRESS / BANK PARTICULARS / BANK ACCOUNT MANDATE / NOMINATION

Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,

- a. For shares held in electronic form: to their Depository Participants (DPs).
- b. For shares held in physical form: to the Bank /Bank's Registrar and Transfer Agent (RTA) in prescribed **Form ISR-1** and other forms pursuant to SEBI Circular

No. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. The Bank has sent letters along with Business Reply Envelopes (BRE) for furnishing the required details.

- c. As per the provisions of the said SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting **Form No. SH-13**. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in **Form ISR-3 or SH-14** as the case may be. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to Bank's RTA in case the shares are held in physical form.

The address of Bank's RTA:

KFin Technologies Ltd.,
Unit: Union Bank of India,
Selenium, Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032.
Tel. No.: 040 - 67162222.

- d. The said forms are available on the website of the Bank at <https://www.unionbankofindia.co.in/en/common/shareholders-information>
- e. Shareholders holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Bank or Bank's RTA.
- f. Shareholders are requested to invariably quote their respective folio number/s (for those holding shares in physical form) and their respective DP Id / Client Id number (for those holding shares in electronic/demat form) in any correspondence with the Bank or Bank's RTA.

8. ISSUANCE OF SECURITIES IN DEMATERIALIZED FORM IN CASE OF INVESTOR SERVICE REQUESTS AND SIMPLIFICATION OF PROCEDURES FOR TRANSMISSION OF SHARES

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Entities to issue securities in **dematerialized form only** through letter of confirmation while processing the following service requests viz.

- 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 and transposition.

Accordingly, Members are requested to make the said service requests by submitting a duly filled and signed **Form ISR - 4**, the format of which is available on the Company's website at <https://www.unionbankofindia.co.in/en/common/shareholders-information>. It may be noted that any service request can be processed only after the folio is KYC Compliant. Shareholders are also requested to follow the procedure as simplified by SEBI with regard to transmission of shares.

9. RECORDING OF CHANGE OF STATUS

Non-Resident Indian Shareholders are requested to inform the RTA of the Bank - Kfin Technologies Limited immediately of:

- a) The change in the Residential status on return to India for permanent settlement.
- b) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with PIN, if not furnished earlier.

10. COPIES OF ANNUAL REPORT

As allowed by the authorities, copies of the Annual Report 2024-25 in physical form shall not be dispatched and the same shall be sent through e-mail only to those Shareholders who have registered their Email IDs with the Bank or with Depository Participant. The Annual Report will also be hosted on the websites of the Bank and the Stock Exchanges. The shareholders may contact the Registrar and Share Transfer Agent in case of physical shares or Depository Participant in case of shares in demat form, for updation of email id.

11. CUT OFF/RECORD DATE

FOR E-VOTING:

Pursuant to Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, voting rights of the shareholders in respect of business Item nos. 1 to 5 shall be reckoned as on cut-off date i.e., **Friday, 25th July 2025**.

12. PAYMENT OF DIVIDEND

If the dividend, as recommended by the Board of Directors, is declared at the AGM, payment of such dividend subject to Tax Deduction at Source will be made from **Monday, 11th August 2025** onwards as under:

- To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository

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Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of end of day on **Friday, 25th July 2025**.

- To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Bank as of the close of business hours on **Friday, 25th July 2025**.

Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Bank is required to deduct tax at source from dividend paid to shareholders at the prescribed rates against payment of Dividend more than ₹ 5000 per shareholder on PAN basis. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their valid PAN with the DPs (if shares held in dematerialized form) and the Bank/Bank's RTA (if shares are held in physical form).

13. VOTING RIGHTS

In terms of the provisions of sub-section (2E) of Section 3 of the Banking Companies (Acquisitions & Transfer of Undertakings) Act, 1970, no shareholder of the corresponding new Bank, other than the Central Government, shall be entitled to exercise voting rights in respect of any shares held by him/her in excess of **ten per cent of the total voting rights of all the shareholders of the Bank**.

Subject to the above, as per Regulation 68 of the Union Bank of India (Shares and Meetings) Regulations, 1998, each shareholder who has been registered as a shareholder on the **Cut-Off Date i.e. Friday, 25th July 2025** shall have one vote for each share held by him/her.

As per Regulation 10 of the Union Bank of India (Shares and Meetings) Regulations, 1998, if any share stands in the names of two or more persons, the person first named in the register shall, as regards voting, be deemed to be the sole holder thereof. Thus, if shares are in the name of joint holders, then first named person is only entitled to attend the meeting and is also only eligible to vote.

14. INFORMATION ON ACCOUNTS AND OTHER RELATED QUERIES

Shareholders seeking any information on the Accounts and other related queries are requested to write to the Bank by email at investorservices@unionbankofindia.bank which should reach the Bank before the date of the AGM latest by **5 PM on 30th July 2025** so as to enable the Management to keep the information ready. Replies will be provided only during the AGM. Please note that members' questions will be answered only if they continue to hold shares as on cut-off date i.e. **25th July 2025**.

Alternatively, Shareholders holding shares as on cut-off date may also visit <https://emeetings.kfintech.com>

and click on "*post your queries here*" to post the relevant queries/view/questions. The window shall be activated during remote e-voting period and shall be closed by **5 pm on 30rd July 2025**.

15. DEMATERIALIZATION OF PHYSICAL HOLDINGS

SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Bank or Bank's RTA for assistance in this regard.

16. BUSINESS SET OUT IN THE NOTICE WILL BE TRANSACTED THROUGH ELECTRONIC VOTING SYSTEM AND THE BANK IS PROVIDING FACILITY FOR VOTING BY ELECTRONIC MEANS:

- Pursuant to the provisions of Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circulars, the Bank is pleased to provide remote e-voting facility to its Members in respect of the business to be transacted during the AGM and facility for those Members participating in the AGM to cast vote through e-voting system during the AGM.
- The facility for voting shall also be made available during the AGM and the shareholders participating in the meeting who have not cast their votes by remote e-voting shall be able to exercise their right during the meeting through e-voting.
- The shareholders who have cast their vote by remote e-voting prior to the AGM may also participate in the AGM but shall not be entitled to cast their vote again.
- The facility of casting the votes by the shareholders using an electronic voting system ("remote e-voting") during the prescribed time prior to AGM and voting during AGM will be provided by service provider KFinTech.
- The remote e-voting period commences on **Tuesday, 29th July 2025 (9:00 am IST)** and ends on **Thursday, 31st July 2025 (5:00 pm IST)**. During this period shareholders of the Bank, holding shares either in physical form or in dematerialized form, as on the Cut-Off Date of **Friday, 25th July 2025** may cast their vote by remote e-voting for business Item nos. 1 to 5. The remote e-voting module shall be disabled by KFinTech for voting thereafter. Once a shareholder casts his vote on a resolution, the shareholder shall not be allowed to change it subsequently.

- vi. Any person who becomes a member of the Bank after sending notice of AGM and holding shares as on cut-off date i.e. **Friday, 25th July 2025**, may obtain the User ID and Password in the manner mentioned below by sending email to Bank at investorservices@unionbankofindia.bank along with authentic proof of shareholder or to write to Kfintech at evoting@kfintech.com sufficiently before closing of the remote e-voting i.e. **before 5.00 pm on 31st July 2025**.

- vii. The process and the manner for remote e-voting and e-voting during AGM is as under:

As per the SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in **Demat** mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Individual Shareholders (holding securities in DEMAT mode) - Login through Depositories.

NSDL	CDSL
1. User already registered for IDeAS facility: I. URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.	1. Existing user who have opted for Easi / Easiest I. URL: https://web.cdslindia.com/myeasitoken/Home/Login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with user id and password. IV. Option will be made available to reach e-Voting page without any further authentication. V. Click on e-Voting service provider name to cast your vote.
2. User not registered for IDeAS e- Services I. To register click on link : https://eservices.nsdl.com II. Select "Register Online for IDeAS" III. Proceed with completing the required fields.	2. User not registered for Easi/Easiest I. Option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration II. Proceed with completing the required fields.
3. User not registered for IDeAS e-Services I. To register click on link : https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp II. Proceed with completing the required fields.	3. By visiting the e-Voting website of CDSL I. URL: www.cdslindia.com II. Provide demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP (E-voting Service Provider) where the e-Voting is in progress.
	
4. By visiting the e-Voting website of NSDL I. URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section.	

Notice of 23rd Annual General Meeting

NSDL	CDSL
III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. V. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.	
	

Important note:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depositories i.e. NSDL and CDSL

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at 022- 23058738 or 022-23058542-43.

Individual Shareholders (holding securities in DEMAT mode) - Login through their Depository Participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Login method for Non-Individual Shareholders and Shareholders holding securities in Physical Form

- Initial Password is provided in the body of the email.
- Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No. /DP ID Client ID will be your User ID. However, if you are already registered with Kfintech for e-voting, you can use your existing User ID and password for casting your votes.
- After entering the details appropriately, click on LOGIN.
- You will reach the password change menu wherein you are required to mandatorily change your password. The

new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- You need to login again with the new credentials.
- On successful login, the system will prompt you to select the EVENT i.e. Union Bank of India.
- On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- Click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

- j. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- k. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory (ies) who is/are authorised to vote, to the Scrutinizer through email at mail@csraginichokshi.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'EVEN.....'
- viii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and evoting manual available at <https://evoting.kfintech.com> under help section or call on 1800 309 4001 (toll free).
- ix. All grievances connected with the facility for voting by electronic means may be addressed to KFintech or send an email to evoting@kfintech.com or call 1800 309 4001 (Toll Free).
- x. A person, whose name is recorded in the Register of Shareholders or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. **Friday, 25th July 2025** only shall be entitled to avail the facility of remote e-voting or voting at the AGM.
- xi. In case of Joint holders, login ID/User Id and password details shall be sent to the first holder of the shares. Accordingly, the vote using user ID and Password sent to first holder is recognized on behalf of all the joint holders as the shareholder who casts the vote through the remote e-voting services of KFintech, is doing so on behalf of all joint holders. First holder shall mean the holder of shares, whose name is first registered against the shares held.
- xii. Only a Shareholder entitled to vote is entitled to exercise his vote through remote e-voting. Any person having no voting rights should treat this Notice as intimation only.
- xiii. Ms. Ragini Chokshi or Mr Uma Shankar Hegde of M/s Ragini Chokshi & Co., Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the remote evoting process in a fair and transparent manner.
- xiv. The Chairman/Chairperson of the Meeting shall, after commencement of the AGM, allow voting for all those shareholders who are participating in the AGM but have not casted their vote by availing the remote e-voting facility.
- xv. The Scrutinizer shall after the conclusion of voting at the AGM, within two working days of the conclusion of the AGM, submit a consolidated scrutinizer's report of the total votes casted in favour or against, if any, to the Chairman/Chairperson of the Meeting or any other person authorised by him/her in writing.

17. RESULTS OF VOTING

The consolidated results of remote e-voting and e-voting during the AGM alongwith the consolidated report of the Scrutinizer shall be placed on the website of the Bank i.e. www.unionbankofindia.co.in and on the website of KFintech i.e. <https://evoting.kfintech.com>. The voting results and consolidated scrutinizer's report shall simultaneously be communicated to the Stock Exchanges i.e. BSE & NSE.

18. SCRUTINISERS FOR E-VOTING AT MEETING

As already indicated for e-voting, Ms. Ragini Chokshi or Mr. Uma Shankar Hegde of M/s Ragini Chokshi & Co., Practicing Company Secretaries shall act as Scrutinizer in respect of all the business Items. They shall also act as Scrutinizer along with another shareholder for the E-voting conducted at the Meeting.

19. OUTCOME OF MEETING

The resolution shall be deemed to be passed at the Central Office of the Bank on the date of AGM subject to receipt of the requisite number of votes in the favour of resolution(s).

20. RECORDED TRANSCRIPT

Proceeding of AGM held through VC/OAVM shall be made available on the website of the Bank www.unionbankofindia.co.in under Investor Relations section as soon as possible.

EXPLANATORY STATEMENT

ITEM NO.3:

Raising of Capital:

The Bank is in the business of the Banking and related services activities. Presently, the Authorised Capital of the Bank is Rs. 10,000 crore. The paid-up equity share capital of the Bank as on 31st March 2025 was ₹ 7,633.60 Crore.

Shareholding of Government of India in the Bank is **74.76%** of the total paid-up capital of the Bank. The capital fund to Risk Weighted Assets as on March 31, 2025 was as under:

Capital Adequacy Ratios - Basel III			
(₹ in Crore)			
Parameters	RBI Minimum Benchmark March 31, 2025	March 31, 2025	March 31, 2024
Total Risk Weighted Assets		7,03,920	6,64,188
Total Capital Funds	NA	1,26,825	1,12,689
CET 1 Capital		1,05,465	90,693
Tier 1 Capital		1,14,336	99,622
CRAR (%)	11.50	18.02	16.97
CET 1 (%)	8.00	14.98	13.65
Tier 1 (%)	9.50	16.24	15.00
Tier 2 (%)	NA	1.77	1.97

Note: RBI minimum benchmarks are including CCB (Capital Conservation buffer) of 2.50 per cent in CRAR, CET 1 and Tier 1 ratios. There is no minimum for Tier II ratio.

Notice of 23rd Annual General Meeting

In order to maintain the Capital and Leverage Ratio requirements under the Basel III guidelines for expansion of business assets and based on the estimated growth, your Directors have decided to raise the Capital up to ₹ 6,000 Crore (Rupees Six Thousand Crore Only).

In order to ensure regulatory compliances and to meet the requirement of additional capital funds for expanding and achieving the targeted business growth and for general lending purposes, the Bank may raise Equity Share Capital through Public Issue (i.e. Further Public Offer) and/or Rights Issue and/or Private Placement, including Qualified Institutions Placement and/or Preferential Allotment to the Government of India and/or other Institutions and/or any other mode(s) subject to approval by the Government of India and other regulatory authorities and in accordance with the SEBI (ICDR) Regulations. The enhanced capital will be utilized for the general business purposes of the Bank.

In the event of such issuance of securities is undertaken by way of QIP, the same will be in accordance with Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

The Bank may also raise such number of perpetual debt instruments, Non-convertible debentures including but not limited to Sub-ordinated Debentures, Bonds and / or other debt securities / Green Bonds etc. on private placement / public issue basis in one or more tranches which may classify for Tier-1 or Tier-2 Capital as identified and classified by RBI and in compliance with the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

The Regulation 41(4) of the SEBI (LODR) Regulations, 2015 provides that whenever any further issue or offer is being made by the Bank, the existing shareholders should be offered the same on pro-rata basis unless the shareholders in the general meeting decide otherwise as far as equity shares are concerned. The said resolution, if passed, shall have the effect of allowing the Board of Directors on behalf of the Bank to issue and allot the securities otherwise than on pro-rata basis to the existing shareholders.

For reasons aforesaid, an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalize the terms of the issue.

The present resolution is proposed in order to enable the Board of Directors of the Bank to issue equity shares/Bonds at an appropriate time, mode and other terms. This proposed resolution once passed it will supersede the resolution already passed in similar line, by the shareholders of the Bank in its Annual General Meeting held on 26th July 2024.

The proposed issuance of Equity Shares and or Bonds in terms of the Special Resolution will be in conformity with the provisions of all applicable laws.

Your Directors recommend passing of the special resolution as mentioned in the notice.

None of the Directors, Key Managerial Persons of the Bank and their relatives may be deemed to be interested or concerned in the Resolution, except to the extent of their shareholding, if any, in the Bank.

Item No. 4:

Appointment of Shri Suraj Srivastava (DIN: 09444372) as Part-Time Non-Official Director of the Bank

Shri Suraj Srivastava (DIN: 09444372) was nominated by the Govt. of India as the Part-Time Non-Official Director of the Bank under Section 9(3)(h) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, vide Government of India's Notification eF. No. 6/1(xi)/2024-BO.I dated 11th April 2025 for a period of one year from the date of notification i.e. 11th April 2025 or until further orders, whichever is earlier. Accordingly, Shri Srivastava holds the position of Part-Time Non-Official Director on the Board of the Bank effective 11th March 2025.

In terms of Department of Financial Services, Ministry of Finance Letter vide F.No.6/20/2019-BO.I dated August 30, 2019, Directors nominated under clause (h) of sub-section (3) of Section 9 of the Act are considered as Independent on the Board of the Bank.

In terms of Regulation 25(2A) and First Proviso to Regulation 17(1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the appointment of independent directors has to be approved at the meeting of shareholders of the Bank by way of Special Resolution.

Therefore, the approval of shareholders is sought for the appointment of Shri Suraj Srivastava as Part-Time Non-Official Director of the Bank on the same terms and conditions as determined by the Government of India.

Shri Srivastava has furnished declaration of Independence as enunciated in the definition of the term "Independent Director" under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Brief profile :

Shri Srivastava is a Fellow Member of The Institute of Chartered Accountants of India (ICAI) and also a Bachelor of LAW (LLB). Shri Srivastava has a rich professional experience of more than 19 years as a practicing Chartered Accountant in taxation and audit practice.

As a Partner of M/s Batra Sapra & Co., he has done 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.

Other particulars as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

- Relationship between directors inter-se: NIL
- Directorship in other listed entities: NIL
- Membership / Chairmanship in other listed entities: NIL
- Shareholding in Union Bank of India: NIL
- The skills/expertise/capabilities of Shri Srivastava as required in the context of business of the Bank are identified by the Government of India and accordingly nomination of the Director on the Board of the Bank is made by the Government of India.

Except Shri Suraj Srivastava, None of the Directors, Key Managerial Persons of the Bank and their relatives is in any way, interested or concerned in the Resolution.

The Board of Directors recommends the Special Resolution for your approval.

Item No. 5:

Appointment of M/s Ragini Chokshi & Co., Company Secretaries as a Secretarial Auditor of the Bank for a period of 2 years from FY2025-26 to FY 2026-27.

In terms of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, on the basis of recommendation of Board of Directors, Bank shall appoint Secretarial Auditors. Accordingly, on the basis of recommendation of the Board, the appointment of M/s Ragini Chokshi & Co. is proposed for a period of 2 years from FY2025-26 to FY 2026-27 for shareholders approval

Notice inviting Expression of Interest issued by the Bank on March 17, 2023 for appointment of Practicing Company Secretary / Partnership Firm / LLP of Practicing Company Secretaries for carrying out Secretarial Audit of the Bank and

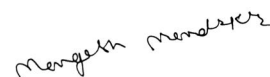
other certification works for five years.

After Techno-Commercial evaluation, Bank has appointed M/s Ragini Chokshi & Co. as a Secretarial Auditor for five financial years beginning with FY 2022-23. Since M/s Ragini Chokshi & Co. has completed three financial years (till FY 2024-25) as Secretarial Auditor of the Bank. Hence shareholders approval is sought for appointment of M/s Ragini Chokshi & Co., Company Secretaries as a Secretarial Auditor of the Bank for a period of 2 years from FY2025-26 to FY 2026-27.

M/s Ragini Chokshi and Co. is a firm of Practising Company Secretaries founded in 1991. The Firm provides professional services in the field of Corporate Laws, SEBI Regulations, including carrying out Secretarial Audit, Due Diligence Audits and Compliance Audits. The firm is Peer Reviewed by the Institute of Company Secretaries of India. M/S. Ragini Chokshi and Co. confirmed that the firm has not incurred any disqualification and eligible to be appointed as Secretarial Auditor of the Bank in terms of Regulations 24 (1A) of SEBI (LODR) regulations, 2012. The services to be rendered by purview of Regulations 24 (1B) of SEBI (LODR) Regulations, 2015 read with SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024.

None of the Directors, Key Managerial Persons of the Bank and their relatives is in any way, interested or concerned in the Resolution.

**By order of the Board of Directors
For UNION BANK OF INDIA**



(Mangesh Mandrekar)
COMPANY SECRETARY

Place : Mumbai
Date: 25.06.2025

Directors' Report

Dear Shareholders,

The Board of Directors are pleased to present the 106th Annual Report of the Bank for the Financial Year 2024-25 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 Report' also form part of the Annual Report 2024-25.

1. Highlights:

- 1.1 India's economic growth slowed in FY 2024-25 even as it remained the fastest growing economy in the world. As per provisional estimates of National Income, GDP growth was reported at 6.5% in FY 2024-25, lower from 9.2% growth of previous year. Also, growth rate for FY 2025-26 is estimated at 6.5%, largely unchanged amid global trade and geopolitical uncertainties. During FY2024-25, while rural spending slowed down with late recovery in H2, further delay was witnessed in private capex cycle recovery. Manufacturing activities grew at a slower pace during the year. Along with real GDP, nominal GDP growth during FY 2024-25 is estimated at 9.8%, lower from 12.0% in FY 2023-24. Though decline in Nominal GDP numbers were seen due to fall in inflation numbers, decline in real activity was also evident. Along with easing cycle, significant liquidity measures from the RBI totaling Rs 11 lakh crore have been pivotal in ensuring surplus liquidity in the system. However, real sector growth still needs uplift in the current fiscal.
- 1.2 There was moderation in services sector growth while agriculture sector growth improved during the year FY 2024-25. On demand side, private consumption expenditure revived in FY 2024-25 after slipping to multi-year lows in FY2023-24. However, capital formation growth slowed yet it was backloaded driven by public capex boost in H2 in an election year. Nevertheless, Government's continued push towards infrastructure spending has added positively to the overall growth cycle of the economy in FY 2024-25. Given the macro backdrop of moderation in overall economic activity, bank credit growth moderated during 2024-25 to grow by 11.0%, from 20.2% in previous year. Bank credit growth to industry recovered to 7.8% y/y. Though agricultural credit growth remained in double-digit at 10.4% in March 2025, it moderated from 20.0% in March 2024. Some deceleration in growth of credit to services sector and personal loans segments was seen in

FY 2024-25, on the back of regulatory restrictions implemented by the RBI in unsecured retail and NBFC sub sectors, nevertheless, they remained the main drivers of credit growth during the year. More importantly, Credit growth to MSMEs remained robust during the year registering 14.1% growth in FY 2024-25. Liquidity conditions entered into deficit in H2: FY 2024-25 from that of surplus in H1: FY 2024-25 due to draw down on Government cash balance and capital outflows. Merchandise exports growth marginally improved during FY 2024-25 to 0.1% up from (-)3.1% in previous year. Among the world's leading service-exporting nations, India maintained its position within the top five countries in services exports in FY 2024-25. India's software, business, and transportation services have contributed to export growth during the FY 2024-25. However, outlook of India's exports remains benign amid trade wars and global recessionary sentiments.

- 1.3 Prices remained volatile during FY 2024-25. Headline consumer price index (CPI) inflation, averaged to 4.6% during H1:2024-25 and increased to 6.2% in October 2024. Nevertheless, as the impact of food shocks receded, a sharp correction followed in H2, resulting in headline inflation declining below the target rate of 4% by Q4:FY 2024-25. After retaining the policy repo rate at 6.5% since February 2023, the Monetary Policy Committee (MPC) initiated monetary easing in H2:2024 25. It changed the stance from withdrawal of accommodation to neutral in October 2024, and cut the policy repo rate by 25 bps to 6.25% in February 2025. In December 2024, RBI reduced the cash reserve ratio (CRR) by 50 bps.
- 1.4 Going forward, India's growth is expected to show resilience backed by recovery in consumption demand. Government's push for consumption and capex, resilient services sector, robust outlook of agricultural sector would provide impetus to overall growth. Measures announced in the Union Budget FY 2025- 26 augur well for improving domestic consumption. However, headwinds from geopolitical tensions, trade wars, volatility in international financial markets and global recessionary pressures pose risks to the India's growth outlook.
- 1.5 Global economic activity remained steady in H2:2024, amid sluggish growth recorded by some Asian and European economies as weakness in manufacturing and trade exports offset the robust growth momentum in the United States. Global

economic outlook remains uncertain amid financial sector volatility, and global recessionary sentiments. According to the International Monetary Fund's (IMF's) April 2025 update of the World Economic Outlook (WEO), global growth is expected to slow down to 2.8% in 2025 and 3.0% in 2026, from 3.3% in 2024. Slowdown is expected to be seen across the countries. Growth in Advanced economies is expected to moderate to 1.4% in 2025 and 1.5% in 2026 from 1.8% in 2024. Slowdown is also expected in emerging market and developing economies at 3.7% in 2025 and 3.9% in 2026 from 4.3% in 2024. Global inflation too is expected to normalize to 4.3% in 2025 and 3.6% in 2026 low from 5.7% in 2024. Anticipating the adverse effects of trade wars to have a direct contractionary effect on global trade, IMF revised down the global trade growth to 1.7% in 2025, from 3.8% in 2024. Nevertheless, slight recovery is expected for next year with 2.5% growth in 2026. IMF lowered growth forecasts of US and China by 1% each for 2025. However, if US and China arrive at consensus on trade deal, the extent of decline in global slow-down will be capped, thereby capping the negative spill-overs.

- 1.6 As per the IMF, Asia will contribute 60% of global economic growth in year 2025 despite headwinds of global slow-down. Asia's GDP is expected to expand at 4.5% and 4.6% in 2025 and 2026 respectively, after growing 5.3% in 2024. India and China are projected to be the biggest drivers of growth in Asia. IMF projected India to grow by 6.2% in 2025 and 6.3% in 2026, while China to expand by 4.0% each in 2025 and 2026.
- 1.7 Being an integral part of the global value chain, India's growth is estimated to witness a slight slow-down as stated by IMF and World Bank. India is poised to emerge as one of the largest economies worldwide, projected to contribute significantly to global growth. India is currently ranked as the 5th largest economy globally in 2025, but it is projected to surpass Japan and secure the 4th position among the world's top 10 largest economies. IMF forecasts that by 2027, India will overtake Germany to become the 3rd largest economy worldwide.
- 1.8 The Reserve Bank of India has pegged the economic growth estimate for 2025-26 at 6.5%. Nevertheless, we expect, GDP growth at 6.3% in FY 2025-26 and further slow down to 6% in next fiscal. However, in times of nominal GDP slow-down, credit slow-down turns more prominent as seen in FY 2024-25. Nevertheless, Indian economy is resilient to its growth journey mainly supported by Government's push for consumption and capex, resilient services sector, robust outlook of agricultural sector aided by normal monsoon. Strong corporate balance sheets, government spending and oil prices slow down too would add positively to India's growth dynamics.

However, Global recession and uncertainty still persists which tend to pose adverse effect on domestic consumption. Well-coordinated fiscal and monetary policy could undoubtedly generate improved outcomes in terms of better growth prospects for Indian economy amid global volatilities.

Source: RBI Monetary policy report (October 2024, April 2025), RBI speeches & MPC member comments, IMF WEO April 2025, RBI Financial Stability Report June 2025

2. Bank Performance

Established in the year 1919, your Bank has 8,621 domestic branches, 8,910 ATMs across 29 States and 5 Union Territories, and 73,900 plus employees as on March 31, 2025. The Bank has 2 overseas Branches at Sydney, and Dubai DIFC, 5 wholly owned Subsidiaries, 3 Joint Ventures and 1 Associate Organization. The global business of your Bank stood at ₹ 22,92,644 Crore as on March 31, 2025 which comprises of total deposits of ₹ 13,09,750 Crore and gross Advances of ₹ 9,82,894 Crore. The operating profit and net profit of the Bank stood at ₹ 31,090 crore and ₹ 17,987 crore respectively as on March 31, 2025.

3. Digitization

The Bank has embarked on Digital Transformation Project by leveraging cutting edge technology solutions to deliver seamless banking experience. Innovations in the Financial service industry over the past decade has led to fundamental shifts in financial sector landscape and has brought in epochal reforms in banking regulations and the way in which traditional financial services interact with consumers.

During the FY 2024-25, the Bank has implemented 15+ digital journeys under various segments which are

1. Public Provident Fund (PPF)
2. Sukanya Samriddhi Yojana (SSY)
3. Fixed Deposits (FD)
4. Recurring Deposit (RD)
5. Personal Loan
6. Vehicle Loan
7. Pre-Qualified Business Loan
8. Current Account for Individuals
9. Union Digital EASE
10. Digital PM Vishwakarma
11. Digital Union Roof Top Solar Scheme
12. Agri Term Loan Review
13. Digital Co-Lending Module
14. Staff Conveyance Loan
15. Staff Clean Overdraft

Directors' Report

₹ 66,000 + Cr

Business generated through
15+ lending journeys

22.39+ lakhs

Accounts Renewed/
Reviewed

4,12,205 A/cs

Digital Savings Account
opened

₹ 185 + Cr

Business from 3rd party
products (MF+Insurance)

46.19 lakh

Customers onboarded.
VYOM (39.24 lakh) +
Internet Banking (6.95 lakh)
registered

1.65 lakh

Users registered on CBDC
platform

₹ 22,600 + Cr

Digital Deposit across all
Digital Channels

Additionally, with the increased digital adoption of various journeys, the Bank has enhanced the product/limit of the 6 digital journeys during the FY 2024-25 namely –

1. Union MSME Superfast STP (Limit Enhancement from ₹ 25.00 Lakh to ₹ 100.00 Lakh)..
2. Tarun & Kishore Mudra STP (extended for New-to-Bank Customers).
3. Union Nari Shakti (extended for New-to-Bank Customers)
4. Digital KCC STP (Limit Enhancement from ₹ 1.60 Lakh to ₹ 2.00 Lakh and extended for the state of Odisha & Tamil Nadu)
5. Digital KCC Renewal (Limit Enhancement to ₹ 10.00 Lakh)
6. MSME- Digitally Assessed Review/Renewal (Limit Enhancement to ₹ 25.00 Lakh)

The Bank mobilized ₹ 74,300+ crore digital business from 15+ lending journeys, w/w ₹ 66,000 Cr business was generated in FY 2024-25.

CRM

The Bank has implemented CRM Edge; a comprehensive integrated solution for Branches, Marketing Officer and Admin Offices which provides various features like Cross Sell/Up Sell, Product per Customer (PPC), Customer Relationship Value (CRV), Customer Satisfaction Score, Total Services availed by customer, Graphical reports, Complaints & service management and Query resolution on a single platform.

The CRM enables the Bank to automatically onboard leads, track/manage leads, improve Customer Service & manage complaints in a timely & effective manner; CRM also provide various modules for cross-selling viz. Customer 360-degree view (in Detail), Analytics tool, Campaign Management solution etc. Further, CRM access is given to Call Centre Agents, Bank's Business Correspondents/DSAs/CSAs for lead generation & follow-ups and customer support.

Vyom App

Bank VYOM offers 400+ features and benefits with explorative UI/UX design to increase engagement and offers unique banking experience. VYOM offers lifestyle features through a marketplace where in a customer can book Flight tickets, Hotels, Cabs, Bus tickets, purchase Gift Cards, recharge mobiles DTH & Data card and make donations. The Bank has also incorporated Digital Mutual Fund, Digital Insurance, and various STP journeys in VYOM app.

During the FY25, the bank has registered 3.9mn+ new users on Vyom and have implemented various features such as Credit Score, POS issuance, Union Millionaire Deposit Scheme, End-to-End Digital Saving Account (NTB) opening,

5.1 Mn+

Leads Captured

13 Mn+

Tickets raised

4.25

Avg Happiness
ratings



implementation of Re-KYC update, opening of MIS – Monthly Income Scheme, enhancement in Insurance process through Jansurksha and integration with Chat Bot “chat with UVI.

The UPI transactions of the Bank has shown a growth of 36% by volume on Y-o-Y basis. The Bank has launched various features such as EMI facility for Credit Card on UPI Transactions, UPI Interoperable Cash Deposit, UPI Lite Auto Top-up and UPI Circle facility during the FY. Bank also enables the facility of depositing funds in Public Provident Fund (PPF) and Sukanya Samriddhi Account (SSA) Scheme account holders through UPI.



Bank has showcased new features of UPI namely UPI Interoperable Cash Deposit, UPI Lite Auto Top-up and UPI Circle (Delegated payments through UPI) in Global Fintech festival 2024, Mumbai. RBI Deputy Governor Shri T Rabi Shankar launched UPI Interoperable Cash Deposit (UPI ICD) feature introduced by NPCI. The live demo of UPI ICD was showcased to all the audience on Union Bank of India CRM machine.

Subhadra Yojana Subsidy Credit using CBDC (Digital ₹)



Bank is one amongst the very few Banks in the CBDC ecosystem participated in the Subsidy Credit under Subhadra Yojana of Odisha State Government and released the subsidy with 100% success rate ensuring efficient and transparent subsidy delivery, eliminating intermediaries and enhancing financial inclusion for women.

Digital Rupee by Union Bank of India (₹) App

Union Bank of India is one among very few Banks to be Live in both the Retail as well as Wholesale segment. Union Bank of India was one among 9 Banks to implement W- CBDC (Wholesale) and one among 13 Banks to implement CBDC-R (Retail). The Bank was the 1st bank in Cohort 2 to go live with the CBDC- Retail segment.

In FY25, “Digital Rupee by UBI” app has been upgraded to promote inclusivity and ensure seamless access for all users, including individuals who are visually impaired. A dedicated “Accessibility” option has been integrated into the app to provide navigation guidance tailored to the needs of visually impaired users.

The Bank has successfully integrated the HRMS with the Digital Rupee App, enabling seamless crediting of staff benefits directly into CBDC Wallet. Additionally, bank has implemented Token Reconciliation Services (TRS), the Distributed Token Service Platform (DTSP), and the Multi Token Network (MTN). UPI fund transfers using P2P, velocity checks in the CBDC system, and enhanced security features have also been introduced to ensure secure and efficient digital transactions. These advancements demonstrate our commitment to leveraging technology for superior digital banking solutions.

FY25 Performance

1.65 Lakh

Retail users registered

Fintech & Ecosystem Partnerships:

Digital business has accelerated the pace at which Bank must support new web, mobile and multi experience apps, as well as custom integrations. The Bank has empaneled 84 FinTech's, among these 18 FinTech's have been onboarded for implementing various digital solutions in Agri, Retail & MSME segments.

Presently, the Bank has built following horizontal capabilities by partnering with the FinTech's to improve the efficiency, accuracy, and transparency of the Digital Journeys –

1. Video Customer identification Process (V-CIP)
2. API Aggregator
3. Statement Analyzers
4. Optical Character Recognition (OCR)
5. Digital Valuation Report
6. Digital Title Scrutiny Reports
7. Digital Document Execution

By embracing digital technologies, bank aims to streamline the loan application process, reduce costs and make it easier for borrowers to access credit and enable the Bank to extend the digital ecosystem in innovative and differentiating ways.

Digital Journeys:

During FY 2024-25, the Bank has implemented numerous straight-through processing (STP) journeys, enhanced features, and upgraded technologies to deliver a seamless and frictionless digital banking experience.

1. Implementation of Digital Business Platform:

To capture the growing digital business & building the robust digital ecosystem/ architecture, the Bank has launched “Project Sambhav”, to establish a dominant position within the digital landscape and capitalize on emerging opportunities. This endeavor aims to deliver superior, customized digital experience to customers through digital experience to customers through state of the art microservices based Digital Business Platform.

The platform is designed to incorporate advanced functionalities including omni-channel experience, data driven personalization, open banking integration and strengthened fintech partnerships to accelerate business growth. The Digital Business Platform will be integrated with various internal and external systems/applications to create various STP journey and assets viz. apps, assisted

Directors' Report

Digital Business Platform: Objectives



End-to-end omnichannel digital banking experience with drop off management, beyond the branch



Personalized, seamless & faster customer experience & engagement with single platform fulfilment



Modular & API-based approach for build with minimal modification / changes in the existing system



Next-gen technology stack to ensure scalability, reliability and future-proofing



New age banking with open API for quick integration with journeys

portal, net banking etc.

The "Assisted Portal" launched as part of Digital Business Platform is made accessible for Branches, RO, ZO & Marketing Officers through Tab. The Assisted portal can be used for completing dropped-off journeys and also to initiate new journeys for walk in customers at branches. This will helpful for serving customers with low digital literacy.

A customer will have multiple points for starting a journey such as "Open Web", an in-App access or through a Branch Assisted Portal. All customers i.e. New to Bank (NTB) customers as well as Existing to Bank (ETB) customers can initiate lending journeys on Open Web using the Bank's Corporate Website or links shared as a part of Digital Marketing.

Digital Growth Drivers



The Digital Business platform is made live with 7 Digital journeys across open web and assisted portal i.e. Public Provident Fund (PPF), Sukanya Samriddhi Yojana (SSY), Fixed Deposits (FD) & Recurring Deposit (RD) on assisted Portal; and Personal Loan, Vehicle Loan & Pre-Qualified Business Loan on Open-web and Assisted Portal.

2. Digital Personal Loan:

Collateral free unsecured loan that can be used for variety of purpose to meet personal needs. Sanctioning & disbursement of personal Loan digitally for both Existing-to-Bank (ETB) and New-to-Bank (NTB) customers without manual intervention.

3. Digital Vehicle Loan (4W):

End-to-end digital disbursal experience for the purchase of New Four-Wheeler for personal use digitally for both Existing-to-Bank (ETB) and New-to-Bank (NTB) customers without manual intervention and reduced TAT.

4. Pre-Qualified Business Loan:

A financing solution designed to provide businesses with quick and easy access to credit based on preliminary eligibility assessments. This allows businesses to receive a loan offer without undergoing a full-fledged application process, enabling them to plan their financial needs efficiently.

5. Digital Savings Account

The bank offers next-generation Digital Savings Account, wherein customer can choose from 10 different saving schemes basis their eligibility, without visiting the branch. The process of opening an account is made easy with the use of VKYC and online verification of Aadhaar and PAN and customer can start enjoying the benefits immediately.

6. Current Account STP for Individuals

Bank offers a convenient and seamless online digital current account opening process for individuals which allows customers to open a current account from the comfort of their home or office, without the need to visit a branch.

7. Union Digital EASE:

Cash flow-based lending (WCTL) based on Digital Footprint to eligible borrowers for business purpose specifically for Micro, & Small Business Enterprises engaged in Manufacturing / Service / Trading Activities for the purpose of Creation of Fixed Assets, expansion of existing business or meeting their working capital requirement.

8. Digital PM Vishwakarma:

PM Vishwakarma Scheme is devised to extend financial assistance to Artisans and Craftspeople along with Skill Upgradation, Toolkit Incentive, Marketing Support etc. The Scheme seeks to promote empowerment of women, and those belonging to the marginalized or under-served groups like the Scheduled Castes, Scheduled Tribes, OBCs, Specially Abled, Transgenders, residents of NER states, Island Territories and Hilly Areas.

Under PM Vishwakarma, financial support will be provided to the targeted beneficiaries in the form of collateral free 'Enterprise Development Loans.

9. Digital Co-lending Module:

An innovative platform designed to enhance credit accessibility by partnering with Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs). The digital platform ensures efficient processing, compliance with regulatory guidelines, and real-time monitoring of loan portfolios.

10. Digital Union Roof Top Solar Scheme:

Bank has developed Digital STP journey for PM Suryaghar- Muft Bijli Yojna under URTS scheme. The designed journey aims to maintain high standard of customer service by promoting adoption of our solar roof top loan product among prospective customers by providing quick and hassle-free loan process.

11. Agri Term Loan Review:

To strengthen digital footprints and to provide simplified process of term loan review in digital mode, Bank has come up with Digitally assisted review of Agri term loan (up to ₹ 25.00 Lakh) through STP journey. Digital journey involves no or minimum manual intervention which will help the branches to reduce TAT to a few minutes.

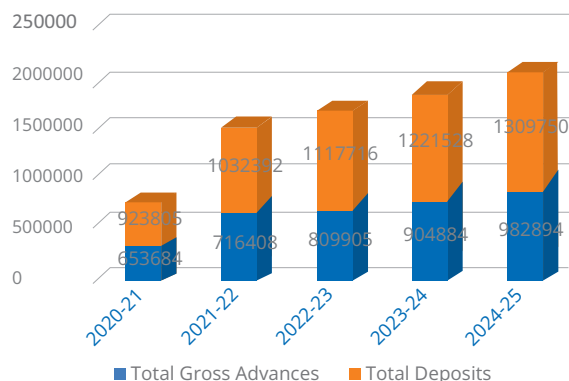
12. Staff Conveyance Loan and Clean Overdraft:

Fully automated system to digitally process the staff loan proposals end-to-end with minimal or no manual intervention for Staff Conveyance Loans and Staff Clean Overdrafts, reducing the turnaround time and minimizing manual interventions.

4. Business Highlights:

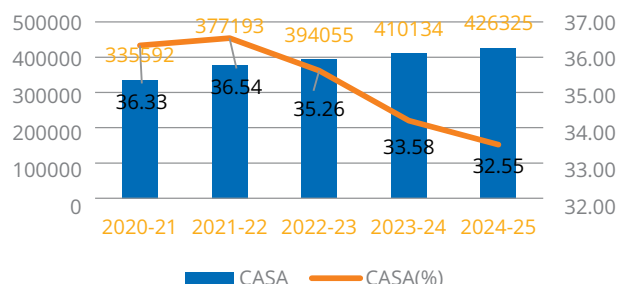
4.1 The global business of your Bank stood at ₹ 22,92,644 crore as on March 31, 2025

Business Performance of the Bank (₹ in Crore)



4.2 Total Deposits stood at ₹ 13,09,750 crore as on March 31, 2025. Out of this, CASA share (current account and saving account) stood at 32.55 % as on March 31, 2025.

Movement of CASA Deposit (₹ in Crore)



4.3 Gross Advances stood at ₹ 9,82,894 crore as on March 31, 2025. RAM segment of your Bank stood at ₹ 5,31,679 Crore. 22.14% growth in Retail, -2.91% growth in Agriculture, and 12.50% growth in MSME advances are achieved on a YoY basis. RAM advances as a percent of Domestic RAM Advances stood at 56.20%.

RAM share in Domestic Advances



Directors' Report

4.4 Overseas business of your Bank stood at ₹ 74,918 crore as on March 31, 2025, compared to ₹ 53,583 crore as on March 31, 2024. Your Bank has two overseas branches in DIFC (Dubai), and Sydney (Australia). Your Bank also operates in the United Kingdom through its wholly owned subsidiary, Union Bank of India (UK) Ltd, and operates in Kuala Lumpur (Malaysia) through its Joint Venture - India International Bank (Malaysia) Berhad, which is a Joint Venture with Bank of Baroda and Indian Overseas Bank. The Gross Advance portfolio of the foreign branches stood at ₹ 36,919 Cr as on 31st March 2025 as compare to ₹ 31,252 Cr as on 31st March 2024 and Net Profit of the foreign branches stood at ₹ 190 Cr as on 31st March 2025 as compare to ₹109 Cr as on 31st March 2024.

5. Income and Expenditure:

Table 1: Income and Expenditure Statement			
(₹ in crore)			
Sl.	Parameter	FY 2024-25	FY 2023-24
1	Interest Earned	1,07,726	99,778
2	Other Income	19,813	16,080
3	Total Income (1+2)	1,27,539	1,15,858
4	Interest Expended	70,512	63,208
5	Net Interest Income (1-4)	37,214	36,570
6	Operating Expenses	25,937	24,440
	w/w Establishment Expenses	14,668	14,377
7	Total Expenditure	96,449	87,648
8	Operating Profit (3-7)	31,090	28,211
9	Provisions	13,103	14,562
10	Net Profit/Loss	17,987	13,648
11	Earnings per share (in ₹)	23.56	18.95

6. Profitability and Efficiency:

- 6.1 Your Bank reported an Operating Profit of ₹31,090 crore in FY 2024-25 as compared to ₹28,211 crore in FY2023-24 with a growth of 10.21%.
- 6.2 Net profit of your Bank stood at ₹ 17,987 crore in FY 2024-25 as compare to ₹ 13,648 Cr as on 31st March 2024 with a growth of 31.79%.
- 6.3 Cost-to-income ratio of your Bank stood at 45.48% in FY 2024-25.

6.4 During FY 2024-25, Return on Average Assets stood at 1.26%, whereas Return on Equity stood at 17.20%.

Table 2: Efficiency Ratios		
Parameter (%)	FY 2024-25	FY 2023-24
Return on Average Assets	1.26	1.03
Return on Equity	17.20	15.58

6.5 The following are the key productivity ratios of your Bank for FY 2024-25.

Table 3: Productivity		
Parameter	FY 2024-25	FY 2023-24
Business per Employee (₹ in crore)	31.00	28.02
Business per Branch (₹ in crore)	265.94	251.17
Gross Profit per Employee (₹ in lakh)	42.04	37.18

6.6 Dividend:

The Board of your Bank has recommended a dividend of ₹ 4.75 per equity share of face value ₹10/- each for FY 2024-25 as compare to ₹ 3.60 for the FY 2023-24.

7. Shareholders' Return:

7.1 Your Bank's net worth was ₹ 1,04,562 crore as on March 31, 2025.

8. Asset Quality:

8.1 Gross Non-Performing Assets (GNPA) of your Bank stood at ₹ 35,350 crore as on March 31, 2025 as compare to ₹ 43,098 Cr as on 31st March 2024. GNPA as a percent of gross advances stood at 3.60% as on March 31, 2025 as compare to 4.76 % as on 31st March 2024.

8.2 Net NPA of your Bank stood at ₹ 5,969 crore as on March 31, 2025 as compare to ₹ 8,990 Cr as on 31st March 2024 and the Net NPA ratio stood at 0.63% as on March 31, 2025 as compare to 1.03 % as on 31st March 2024.

9. Capital Adequacy:

9.1 The Capital Adequacy Ratio, as per BASEL III norms, stood at 18.02% as on March 31, 2025. Common Equity Tier I (CET I) capital of your Bank stood at 14.98% in March 31, 2025.

Table 4: Capital Adequacy Ratios - Basel III			
(₹ in crore)			
Parameters	RBI Minimum Benchmark March 31, 2025	March 31, 2025	March 31, 2024
Total Risk-Weighted Assets	NA	7,03,920	6,64,188
Total Capital Funds		1,26,825	1,12,689
CET 1 Capital		1,05,465	90,693
Tier 1 Capital		1,14,336	99,622
CRAR (%)	11.50	18.02	16.97
CET 1 (%)	8.00	14.98	13.65
Tier 1 (%)	9.50	16.24	15.00
Tier 2 (%)	2.00	1.77	1.97

9.2 Capital Raised by your Bank

During the FY 2024-25, the Bank has not raised any equity capital and Basel III compliant Tier1/Tier 2 Bonds.

10. Network

The Branch Network of your Bank is widely spread across the country with 8621 branches including 2 overseas branches (at Sydney and Dubai) as on March 31, 2025. Out of these, 59 percent of the branches are located in rural and semi-urban centres.

11. Awards & Accolades:

During FY 2024-25, your Bank received awards for various initiatives taken under the areas of Digitization, Financial Inclusion, HR management, Customer Service, etc.

HDM Awards for Best Workforce Planning 2024 presented by Indian Conventions in March 2025

Presented by Asia L&D: Employer Branding Conference & Awards by International Business Conferences in February 2025

- Excellence in Continuous Learning & Development
- Leadership Development program of the year

12. Branding and Marketing

In today's dynamic world Branding assumes greater significance in creating an identity and enhancing its value; Branding can help forge emotional connections in one of the most diverse and rapidly growing markets in the world. It plays a pivotal role in establishing trust, differentiating products and services, and driving

business growth in a highly competitive market. Your Bank has been very active in the branding and marketing space during the year across all media such as Print/ TV/ Radio/Digital/OOH and Social Media.

Traditional Media

Your Bank ensured top of mind recall in the traditional media spaces such as TV and Radio by way of TVC, static creatives and attractive jingles. Attractive creatives were rolled out through Print and OOH media. Customer awareness campaigns including awareness campaign against cyber crimes were also launched by your Bank.

A catchy and popular TV Commercial was developed for Bank's MSME products under the theme "Soch Se Sach Tak". Another engaging brand TV commercial was released on the theme, with Union Bank, "Banking is always on". Your Bank also ran extensive campaigns to market retail deposit schemes such as "Union Samvridhi".

As part of its initiative to engage young students in the realms of knowledge and financial awareness, Your Bank conducted the third edition of a 48 city nationwide quiz program titled U-Genius 3.0 for students in Std 9-12. Bank also hosted a hackathon event-I D E A, which was first in the PSB Hackathon series 2025 under guidance of DFS and IBA.

Digital Media

With over 900 million internet users, India is one of the fastest-growing digital economies. There has been a definite shift towards digital media in accessing content such as news, entertainment, sports etc. Keeping in view of this ever growing target segment, Your Bank has been active in the digital space ensuring vibrant and continuous presence across popular digital news, travel and utility portals/apps and channels.

Social Media

Your Bank is extending information related to products/ services through its official handles on all major social media platforms viz. Facebook, X, Instagram, YouTube LinkedIn and Threads. 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 social engineering, social causes, remembering personalities, significant days/ events, engagement campaigns on public interest, etc.

Directors' Report

The Bank has undertaken sustained efforts to promote awareness on cybersecurity and safe digital payment practices through its social media platforms. Regular campaigns, informative posts, and digital safety advisories are being disseminated across various channels to educate customers about secure transaction methods, fraud prevention, and responsible digital Banking behaviour.

As part of cybersecurity awareness, the Bank actively shares tips on identifying phishing attempts, safeguarding personal and financial information, and avoiding fake apps or fraudulent links. Your Bank also released a cybercrime awareness video through Shri Neil Nitin Mukesh, a high-profile celebrity influencer. Customers are routinely educated on the importance of not sharing sensitive credentials like OTPs, UPI PINs, passwords, or card details.

These initiatives reflect the Bank's commitment to fostering a secure and informed digital Banking environment in line with regulatory guidelines and evolving customer needs.

Your Bank is available 24x7 on all handles which are very responsive and reply instantly to queries. In the last year, 74 lakhs queries from social media users were responded ensuring timely guidance, proper redirections and complaint redressal resulting in customer satisfaction. Your Bank brand was well received by the public at large, justified with 706.88 lakhs impressions and 18.19 lakhs engagements.

Your Bank has a substantial follower base on social media presence which has grown to 52.01 lakhs as on 31st March 2025.

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

Website

Your Bank also launched revamped website with an enhanced UI/UX design for a seamless user experience. The update includes advanced calculators for better utility, dedicated lead pages for most of the product, and improved SEO optimization to boost visibility and engagement. The new website contains Comprehensive product pages with features, benefits and specifications.

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 2024-25.

- Dr. Jayadev Madugula, Shareholder Director of your Bank, ceased to be the Director on his completion of tenure, w.e.f 28.06.2024.

- Dr. Priti Jay Rao, Shareholder Director of your Bank, ceased to be the Director on his completion of tenure, w.e.f 29.07.2024.
- Shri Prakash Chandra Kandpal has been elected as a Shareholder Director of the Bank on the Board w.e.f. 27.07.2024.
- Dr. Priti Jay Rao, has been elected as a Shareholder Director of the Bank on the Board w.e.f. 27.07.2024.
- Shri Suraj Srivastava, Part Time Non-Official Director your Bank, ceased to be the Director on his completion of tenure, w.e.f 21.12.2024.
- Shri Laxman Uppar, Part Time Non-Official Director your Bank, ceased to be the Director on his completion of tenure, w.e.f 21.03.2025.

14. Directors' Responsibility Statement

The Directors confirm that in the preparation of the annual accounts for the year ended 31st March 2025:

- 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. Market capitalization of the Bank

Particulars	Market Capitalisation as on 28.03.2025 (in ₹ Crore)	Rank among listed entities
National Stock Exchange of India Ltd.	96,320.84	90 (among top 100)
BSE Ltd.	96,336.10	90 (among top 100)

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

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

16. 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 2024-25 has no audit qualifications.

17. Corporate Social Responsibility (CSR):

17.1 Empowering Inclusive Growth:

Union Bank's Social Impact (CSR)

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 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.

Union Bank focuses on inclusive growth, rural development, and supporting government initiatives. Your Bank 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. The Bank actively collaborate with the government to support social progress and economic growth. Union bank remains dedicated to making a lasting social impact and fostering a more inclusive and prosperous society.

Union Bank allocates up to 1% of the previous year's published net profits towards voluntary CSR/charitable activities, though it is not mandatory being a Public Sector Bank.

To facilitate and manage its CSR/charitable activities, your Bank established the Union Bank Social Foundation (UBSFT) on March 2, 2006. The primary object of UBSFT is to uplift underprivileged communities and significantly improve the living standards of the poor and marginalized.

During FY 2024-25, total donation of Rs.37.70 crore for 89 projects was approved by Union Bank Social Foundation & an amount of Rs.25.47 crore was disbursed for 70 projects. The bank donated Rs.121.40 crore to Union Bank Social Foundation (UBSFT) during FY 2024-25.

These initiatives span various areas of social responsibility and aim to make a meaningful impact on the communities we serve.

₹ 37.70 crores	89
Donations approved by Union Bank Social Foundation (UBSFT) during FY 2024-25.	The number of projects/ programmes approved

Union Bank Social Foundation Trust (UBSFT)

To uplift underprivileged communities and significantly improve the living standards of the poor and marginalized, as an extended arm for carrying out CSR/charitable activities, the Bank set up Union Bank Social Foundation (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. UBSFT aim to collaborate with other agencies to fulfil its obligations as a corporate citizen. The focus areas of UBSFT include improving healthcare, providing infrastructure and tools for education, and promoting continuous and sustainable skill development.

Directors' Report

The mission of UBSFT is to launch, implement, participate in, fund, or otherwise assist programs and projects that contribute to the socio-economic development of individuals and communities.

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 an 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 inter alia monitor's the CSR activities of your Bank so also of UBSFT on a quarterly basis. This committee, headed by the MD & CEO, includes Executive Directors and non-official Directors.

FY 2024-25 Initiatives

Some of the key activities carried out by Union Bank/ UBSFT in the field of social responsibility during FY 2024-25 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.

18. EASE (Enhanced Access and Service Excellence)

Enhanced Access and Service Excellence (EASE) Reforms Agenda, launched by Government of India in the financial year 2018-19 aimed at enhancing the efficiency and customer-centric approach of public sector banks. The agenda has undergone multiple iterations, with each iteration bringing in new reforms to address the evolving

needs of the banking sector including improving financial inclusion, leveraging digital banking, and ensuring effective governance in PSBs. The Sixth iteration of EASE agenda for the FY 2023-24 was launched under the theme "Customer-friendly banking enabled by modern capabilities" and your bank was placed at 3rd position in EASE 6.0 annual index along with securing 2nd position in all the four themes.

Seventh iteration of EASE for the FY 2024-25 was launched under theme "Economic Development: Customer Delight" Resilient Banking" with an emphasis on enabling banks to drive national priorities, maintaining a strong customer service orientation, managing operational risks effectively and catalyzing new-age capability build. EASE 7.0 prioritizes further digitalization of banking services and marks a major shift in the modernization of India's financial sector, aligning PSBs with global standards of excellence.

EASE Reforms agenda has proven to be a game-changer for the Public Sector Banks, fostering a culture of modernization, efficiency, and customer-first practices. Under this framework your bank has made impressive strides in various areas from improving digital banking services, enhancing financial inclusion, governance reforms, to asset quality improvement. Below are some of the key achievements of your Bank under the EASE 7.0 (FY2024-25):

- Identification and Capability build in champion sector.
- Increased adoption of digital savings account journey through V-KYC.
- Introduced "Union Yuva Shakti"- a youth-oriented entrepreneurial product for MSME.
- Incentivizing top branches on customer experiences.
- Increased the number of services on chatbot.
- Introduced feedback capture mechanism for branch visit satisfaction on IVR.
- Segmentation of customers into different tiers based on their liability relationship for better service delivery.
- Increased the number of services via tablets in the branch.
- Increased the number of services at non-home branches.
- Increased the number of services via digital channels.
- Introduced the role of Chief AI officer for setting-up and driving the overall AI strategy for the bank.
- Developed relevant technical infrastructure for Gen AI implementation in the Bank.

- Deployment of prescriptive analytical models in the Bank.
- Built web analytics platforms to analyse metrics related to website performance.
- Increasing adoption of cloud technologies and enhanced cloud performance monitoring.
- Increased number of channels/products live on EFRMS platform with Real Time updates.
- Implementation of KRA for clerical employees.
- Introduced knowledge repository framework and Gen-AI enabled chatbot for employees to avail specific answers for their queries.

In the latest EASE 7.0 index for Q3 FY 2024-25, your Bank is placed in the 2nd position amongst all PSBs. Your Bank is also placed in 1st position in two themes and 2nd position in two themes out of total five themes i.e. Banking towards 'Viksit' Bharat, "Excellence in customer service", "Adoption of new-age technology & other advanced capabilities", "Effective risk/fraud management, collections and recovery" and "Developing employees for emerging banking priorities" in the Q3 FY 2024-25 index.

As India moves forward with the next phase of the EASE agenda (EASE 8.0), these achievements set a solid foundation for a more resilient and competitive bank that can meet the needs of a rapidly evolving economy. The ongoing transformation of your Bank through EASE will likely have lasting benefits, ensuring that it remain crucial players in India's financial ecosystem for years to come.

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

As part of EASE Next (Pillar – II) for bank specific strategic initiatives, your Bank had prioritized the following 5 initiatives covering 46 metrics with an objective of achieving the financial and non-financial aspirations.

- Customer Service & Operational Excellence.
- Risk Architecture and Capital allocation.

- Enhancing Liabilities Franchise.
- Learning & Development.
- Tech Resiliency and Cyber Security.

These initiatives have helped the bank to improve customer service, strengthening risk architecture and reinforcing Tech Resilience & Cyber security measures

19. Acknowledgements:

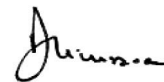
19.1 The Directors thank the shareholders, valued customers, well-wishers, Share Transfer Agent, and correspondents of your Bank in India and abroad for their goodwill, patronage, and support.

19.2 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.

19.3 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.

19.4 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: 25.06.2025

Management Discussion And Analysis

1. Global Economy

1.1 Global economic activity remained resilient in 2024 although below historical average, with high frequency indicators hinting at slowdown in growth momentum in 2025. Escalating trade tensions led by a slew of tariff impositions impart uncertainty to the growth outlook. Headline inflation though decelerating, remained above the target in many economies owing to the lackluster and uneven pace of disinflation. The divergence in monetary policy pathways across countries has continued.

1.2 In H2:2024, the global economy remained steady amidst accommodative financial conditions and a rebound in international trade. High frequency indicators for Q1:2025, however, suggest a slowdown in global economic growth as the output index of global composite purchasing managers' index (PMI) was the weakest since the last quarter of 2023. Amongst the advanced economies (AEs), the US economy grew by 2.4% in Q4:2024 (lower than the Q3 outturn of 3.1%), supported by increases in consumer and government spending and fall in imports, partly offset by a decline in investment. Amongst EMEs, China's real GDP growth accelerated to 5.4% year-on-year (y-o-y) in Q4:2024, marking the strongest quarterly expansion in 2024. The ASEAN economies demonstrated resilient growth in Q4:2024 driven by higher new orders and increased output activity. Overall, southeast Asian economies are expected to have grown at a healthy pace in 2024, supported by stronger manufacturing exports and public capital spending in larger economies, with growth expected to remain stable in 2025.

1.3 Financial markets have been on edge due to shifting expectations of monetary policy and fears of tariff wars. Geopolitical uncertainties, ratcheting up of trade tensions and withdrawal of portfolio investors caused retreat in equities from the highs in January 2025. The sell off further intensified since March due to fears of trade war. Sovereign bond yields in advanced economies (AEs) hardened in Q4:2024 but have softened thereafter due to growth slowdown concerns. Sovereign bond yields across most major AEs hardened since Q4:2024 in response to expectations of a firmer future path of interest rates amidst sticky inflation and rising economic policy uncertainty. In the US, bond yields hardened in Q4:2024 with the 10-year treasury yield rising by 79

bps due to a revision in the dot plot projection to 50 bps rate cut by the end of 2025 as against 100 bps earlier. In Q1:2025, however, yields softened, driven by fears of growth slowdown, market corrections and shifting perceptions of policy rates and fiscal deficit.

1.4 Gold prices surged in October 2024 by 4.9% m-o-m driven by heightened uncertainty regarding the US elections amid rising prospects of Trump's win in US elections and escalating geopolitical tensions. The rally was more than offset by decline in prices in November and December as strengthening US dollar and treasury yields increased the opportunity cost of holding gold, causing gold prices to fall by 1.5% q-o-q in Q4:2024. Thereafter, prices rose sharply in Q1:2025, gaining 19.5% and surpassing the USD 3100 per ounce mark for the first time, over increased safe haven demand and higher gold purchases by central banks.

1.5 Global commodity prices softened somewhat in Q4:2024 but increased sharply in Q1:2025, largely on account of metals and agricultural prices. In Q4:2024, global commodity prices, as measured by the Bloomberg commodity price index, remained volatile with a downward bias, softening by 1.6% due to moderation in metal prices. The correction was, however, more than offset in Q1:2025, when prices rose sharply by 7.7% as energy and metal prices increased.

1.6 Crude oil prices rose in the first fortnight of October, surpassing \$80 per barrel due to heightened tensions in the Middle East and Hurricane Milton in the US. Prices softened and remained subdued thereafter in Q4:2024, hovering in the range of \$74-76 per barrel, driven by a mix of geopolitical and economic factors. While receding tensions, less than expected China's stimulus measures and ceasefire discussion in the Middle East continued to pull down prices, anticipation of sanctions and escalating geopolitical & other trade tensions led to occasional price surges. Prices rose sharply from late December 2024 till mid-January 2025, reflecting sanctions on Russia's energy sector, threats of tariff imposition, and cold weather conditions. It has softened since then following a moderation in geopolitical risk premium and improved supply response from Organization of the Petroleum Exporting Countries plus (OPEC+). Of late, energy and metal prices have softened after the tariff imposition owing to uncertain global economic outlook.

- 1.7 Consumer price inflation remained above the target in many countries as the progress of disinflation lost momentum. While core goods inflation has eased, services inflation remains above pre-pandemic levels, especially in advanced economies.
- 1.8 Global growth was projected at 3.1% in 2025 and 3.0% in 2026 by the Organization for Economic Cooperation and Development (OECD) in its Economic Outlook Interim Report released in March 2025. The global disinflation continues, with inflation expected to decline to 4.3% in 2025 and to 3.6% in 2026, according to World Economic Outlook in its April 2025 update by International Monetary Fund (IMF). Global trade growth (goods and services combined) is projected to decelerate from 3.8% in 2024 to 1.7% in 2025 before rebounding to 2.5% in 2026. The recent reciprocal tariff announcements by the US administration and associated policy uncertainty, however, poses headwinds to global growth and inflation.
- 1.9 The US Fed initiated easing cycle in September 2024, lowering the target range for the federal funds rate by 50 bps to 4.75-5.00 per cent. In its two subsequent meetings, i.e., in November and December, it reduced the federal funds rate by 25 bps each lowering it to 4.25-4.50 per cent. In 2025, however, the policy rate was left unchanged in both the January and March meetings. In its March 2025 meeting, the Fed noted that uncertainty around the economic outlook had increased on Trump's trade tariff hikes. As per the Summary of Economic Projections released in the March meeting, the Federal Open Market Committee (FOMC) expected the target range for the federal funds rates to be at 3.75-4.00 per cent by end 2025, indicating a further 50 bps rate cut in 2025, unchanged from its December 2024 projection. Meanwhile, the European Central Bank (ECB) continued to ease its policy rate, lowering the deposit facility rate (DFR) by 25 bps each in all its four meetings held during October 2024 - March 2025, cumulatively reducing the benchmark rate by 150 bps since it began its easing cycle in June 2024.

2. Domestic Economy

- 2.1 As per the provisional estimates released by National Statistics Office (NSO) of National Income, Indian economy grew by 6.5% in FY 2024-25 compared to growth of 9.2% in FY 2023-24. The GDP at constant (2011-12) prices in FY 2024-25 is estimated to attain a level of Rs 187.97 lakh crore, as against Rs 176.51 lakh crore in FY 2023-24. From supply side, agriculture, industry and services sector grew by 4.4%, 5.9%, and 7.2% respectively in FY 2024-25 compared to 2.7%, 10.8% and 9.0% respectively in same period previous year. While

agriculture growth improved compared to previous year, industry and services sector growth was seen on a lower trajectory.

- 2.2 The IMF has revised downwards India's real GDP growth forecast for 2025 by 30 basis points to 6.2% in its April outlook from January due to increased trade tensions and global uncertainty. The Reserve Bank of India (RBI) in its June monetary policy, projected real GDP growth for FY 2025-26 at 6.5% with Q1 at 6.5%; Q2 at 6.7%; Q3 at 6.6%; and Q4 also at 6.3%. Sustained demand from rural areas, an anticipated revival in urban consumption, expected recovery of fixed capital formation supported by increased government capital expenditure and healthy balance sheets of corporates and banks are expected to support growth. Merchandise exports would be weighed down by the evolving global economic landscape which appears to be uncertain at the current juncture, while services exports are expected to sustain the resilience. On the supply side, while agricultural prospects appear bright, industrial activity continues to recover, and services sector is expected to be resilient. However, headwinds from global trade disruptions continue to pose downward risks to the outlook.

3. Price scenario:

- 3.1 Headline CPI inflation had moderated from an average of 5.4% in 2023-24 to 4.6% in 2024-25, as core inflation cooled while food inflation eased with a lag in late H2:2024-25 on correction in vegetable prices. Headline CPI inflation rose to 4.7% in H2:2024-25, from an average of 4.6% in H1:2024-25. Headline inflation surged from 3.6% in July to 6.2% by October 2024, breaching the upper tolerance threshold, propelled by a jump in food inflation owing to a spike in prices of vegetables, and edible oils. In the ensuing months, as food inflation eased on correction in vegetable prices, headline inflation softened successively to 3.3% in March 2025. Core (CPI excluding food and fuel) inflation in 2024-25 remained muted, and saw broad-based decline, covering both core goods and services categories. It moved in a range of 3.1-3.9 per cent during April 2024 to February 2025, before firming up to 4.1% in March 2025. The pick-up in core inflation during H2:2024-25 was largely contributed by the personal care and effects sub-group reflecting the spike in gold and silver prices apart from base effects. The cooling in headline inflation in FY 2024-25 was primarily led by core inflation as it cooled to 3.5% as against 4.3% in FY 2023-24, even as food inflation stayed relatively flat at 6.7% (7.0% in FY 2023-24).
- 3.2 Headline inflation remained sticky at around 5% during March to June 2024, fell sharply thereafter

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buoyed by favourable base effects. Core inflation softened from 3.2% to 3.1% over the same period, the lowest reading recorded in the current CPI (2012=100) series so far. This sustained sequential softening observed for more than a year (since June 2023) was disrupted in July-September 2024 with core inflation averaging 3.4%, primarily reflecting the impact of mobile tariff revisions.

3.3 During H2:2024-25, headline inflation exhibited significant volatility due to food price shocks. However, pre-emptive monetary policy actions have helped to limit their second-round effects on underlying inflation trends and sustain the disinflation process. Supply side measures have also played a role in mitigating the impact of sectoral price shocks on general inflation trends. The significant softening in CPI headline inflation in Q4:2024-25 driven by the sharp correction in food inflation, is likely to sustain on robust agricultural production. However, the impact of the hike in trade tariffs by the US and volatility in commodity prices on persistent geopolitical tensions on domestic inflation outlook remains uncertain.

3.4 Headline inflation is expected to moderate and enter the RBI's target range. Inflation trajectory for FY 2025-26 would be shaped by both domestic and global factors. The RBI projects CPI inflation at 3.7% for FY 2025-26, with Q1 at 2.9%, Q2 at 3.4%, Q3 at 3.9% and Q4 at 4.4%, with risks evenly balanced. The upside risks emanate from continuing geopolitical conflicts and resultant supply disruptions; volatility of commodity prices; and adverse weather events. The downside risks could emanate from an early resolution of geopolitical conflicts; adherence to fiscal consolidation and debt path; further correction in global crude and commodity prices in case of slowdown in global demand; and improvement in supply conditions.

4. Stock market performance

4.1 Indian equity markets maintained an upward trajectory in H1:2024-25, with the BSE Sensex surpassing the historic 80,000 mark in July 2024. In May, the market capitalisation of Indian listed companies surpassed US\$ 5 trillion in the wake of positive market sentiments on improved domestic and global cues. Domestic equities continued to rally in September amid a US Fed rate cut of 50 bps and reached new highs, with the weight of Indian equities surpassing that of China in a key global MSCI index. Overall, the BSE Sensex gained 14.5% during H1:2024-25 to close at 84,300 at end-September 2024. The broader market indices continued to outperform the benchmark Sensex, with the BSE MidCap and the BSE SmallCap index increasing by 25.5% and 32.4%, respectively, during H1:2024-25.

Foreign investors remained overall net buyers in equities during H1:2024-25. Support from domestic institutional investors (DIIs), on the other hand, remained robust. Overall, DIIs and FPIs were net buyers to the tune of Rs 2.26 lakh crore and Rs 0.82 lakh crore, respectively, in H1.

4.2 Domestic equity market experienced a persistent decline in H2:2024-25 amidst uncertainty over global tariff wars (post Trump's win in US elections in November) and geopolitical tensions that triggered risk-off sentiment and steep FPI outflows. Net FPI flows in the domestic equity markets turned negative in H2:2024-25. In contrast, flows from domestic institutional investors (DIIs) continued to remain robust. Overall, FPIs were net sellers to the tune of Rs 2.2 lakh crore while DIIs were net buyers to the tune of Rs 3.6 lakh crore in H2. The benchmark Bombay Stock Exchange (BSE) Sensex declined by 8.2% during H2:2024-25 to close at 77,415 at end-March 2025. All the BSE sectoral indices registered losses during the second half. The broader market indices underperformed the benchmark with the BSE MidCap and BSE SmallCap index shedding 15.8% and 18.4%, respectively.

5. Yield Movement:

5.1 During H1:2024-25, G-sec yields softened. At the beginning of the financial year, yields hardened, tracking movements in US yields and the increase in crude oil prices. Thereafter, they eased with the softening of US yields and easing crude oil prices and the buyback of government paper. Yields continued to moderate in August and September on lower inflation prints and the start of the policy easing cycle in the US.

5.2 During H2:2024-25, the 10-year G-sec yield moved in the range of 6.62 to 6.86%. Yields rose following the Federal Open Markets Committee's (FOMC) indication of a slower pace of rate cuts, and thereafter remained steady. Yields came down in the latter half of January due to lower-than-expected US CPI inflation print, fall in crude oil prices and the inclusion of Indian government bonds in the emerging market local currency index (EMLCI). Yields traded in a narrow range during February and remained steady during end-February on account of release of Q3 GDP data which showed growth recovery. During March, the yields softened on account of lower-than-expected CPI print, liquidity measures by RBI, lower than expected Apr-Sep'24 central government borrowing calendar, and expectations of another rate cut.

5.3 Yields on T-bills moderated during H1:2024-25 as liquidity continued to remain in surplus. Yields on T-bills hardened during Q3 amidst increasing volatility in the global financial markets, tight liquidity

conditions and reduced expectations of rate cuts. During January and February, T-bill rates softened across tenors, tracking the decline in domestic yields, and buoyed by the expectations of policy easing. T-bill rates softened tracking global and domestic developments in March.

6. External Sector

- 6.1 During 2024-25, merchandise exports saw a modest growth of 0.1%, while merchandise imports recorded a rise of 6.2%. During H2:2024-25, India's merchandise exports contracted by 0.9%, while imports rose by 3.9%. As a result, the merchandise trade deficit widened to US\$ 137.5 billion during H2:2024-25 from US\$ 121.9 billion in the corresponding period of the previous year. Services exports grew by 13.6% during 2024-25, a notable increase from 4.8% recorded in the same period of last year, reflecting robust global demand for Indian services. In H2:2024-25, services exports surged by 16.0%, compared to a modest 4.7% growth in the previous year. Services imports rebounded from contraction and recorded a 11.4% growth during 2024-25, with a significant increase of 12.9% during H2 on the back of buoyant domestic demand.
- 6.2 The current account deficit (CAD) turned into a surplus of 1.3% in Q4:2024-25 from a deficit of 1.1% of GDP in the previous quarter and a surplus of 0.5% of GDP in Q4:2023-24. The CAD widened to 0.6% of GDP in FY 2024-25 from a deficit of 0.7% of GDP in FY 2023-24, mainly due to higher merchandise trade deficit. Balance of Payment (BoP) in FY 2024-25 switched to a deficit of \$5 bn from a surplus of \$63.8bn. This is despite narrowing of CAD in absolute terms in FY 2024-25 to \$23.4 bn from \$26.1 bn in FY 2023-24.
- 6.3 The current account deficit (CAD) widened marginally to 1.1% of GDP in Q1:2024-25 from a deficit of 1.0% in Q1:2023-24 and a surplus of 0.5% in Q4:2023-24, mainly due to higher merchandise trade deficit. Further, CAD widened to 1.8% of GDP in Q2:2024-25. Before moderating to 1.1% in Q3:2024-25 and switching to surplus in Q4
- 6.4 Net foreign direct investment (FDI) flows to India declined to US\$ 1.0 billion during 2024-25 from US\$ 10.1 billion in 2023-24, mainly due to a surge in repatriations and increased outward FDI. Major sources of FDI inflows included Singapore, Mauritius, the USA, UAE, Netherlands and Japan, which together accounted for 80% of total FDI. Foreign portfolio investment (FPI) moderated in Q1:2024-25 mainly due to net outflows in equities, though debt inflows have remained robust after the announcement of inclusion of Indian government bonds in the JPMorgan's benchmark emerging market index. FPI inflows, however, registered a turnaround in Q2:2024-25 with continued surge in debt inflows and a revival in equity flows. FPI inflows of US\$ 20.1 billion

were recorded in H1:2024-25 as against net inflows of US\$ 20.3 billion a year ago. Foreign portfolio investment (FPI) to India recorded a net outflow of US\$ 18.3 billion in H2:2024-25, as portfolio investors turned net sellers in equities mainly due to heightened global trade & geopolitical uncertainties. Overall, FPI recorded a net inflow of US\$ 2.4 billion in 2024-25, a sharp decline from the net inflow of US\$ 44.6 billion in the same period of the previous year. The uncertain global economic outlook, rising US bond yields, and moderation in corporate earnings seem to have dampened FPI sentiment.

- 6.5 In the currency market, the Indian rupee (INR) traded in a range-bound manner with a depreciating bias during the first half of 2024-25. Between end-March and end-September 2024, the INR depreciated by 0.5% against the US dollar, although it outperformed several EME peer currencies. During the latter part of 2024-25, the Indian rupee faced downside pressure primarily because of US dollar appreciation. Moreover, persistent FPI outflows, increasing global economic uncertainty, and widening trade deficit added to the downward pressure on the rupee. However, the rupee staged a recovery in March 2025, supported by FPI inflows and improved risk sentiments. The rupee also experienced heightened volatility, particularly in Q4:2024-25, mirroring the fluctuations in the global foreign exchange market. Several global events contributed to foreign exchange market volatility during H2:2024-25, including the US elections, tariff announcements and slightly hawkish signals from US Fed meetings. Between end-March 2024 and end-March 2025, the rupee depreciated by 2.6% against the US dollar, with major depreciation occurring in H2:2024-25. Despite this, the rupee's depreciation during 2024-25 was relatively modest compared to some peer EMEs.
- 6.6 As of March 28, 2025, India's foreign exchange reserves stood at USD 665.4 billion, equivalent to eleven months of annualized merchandise imports in 2024-25 and 92.7% of the outstanding external debt as of December 2024.

7. Liquidity conditions:

- 7.1 The Reserve Bank of India remained nimble and flexible in liquidity management and conducted two-way operations during H1:2024-25 in view of the shifting liquidity dynamics, to ensure orderly evolution of financial markets. System liquidity transited from deficit in H2:2023-24 to surplus in H1:2024-25. Within H1, system liquidity was in deficit in Q1 with seasonal expansion in currency in circulation (CiC), build-up of government cash balances, and the increase in excess cash reserve ratio (CRR) balances held by banks. As a result, average daily net injection under the LAF (including MSF) stood at ₹ 0.5 lakh crore in Q1:2024-25. The liquidity dynamics changed in Q2

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with the return of currency to the banking system, the Reserve Bank's forex purchases and the pick-up in government spending after the elections. The Reserve Bank modulated excess liquidity through open market operations (OMOs) in Q2. Consequently, average daily net absorption under the LAF stood at ₹ 1.3 lakh crore in Q2.

7.2 During H2:2024-25, the monetary policy committee (MPC) changed the stance from withdrawal of accommodation to neutral in October 2024 given the confidence that inflation was progressively aligning to the 4% target, while need to support growth emerged. To ease liquidity conditions, the cash reserve ratio (CRR) of banks was reduced by 50 bps to 4.0% of net demand and time liabilities (NDTL) in December 2024, restoring the CRR to its pre-pandemic level while releasing primary liquidity to the tune of Rs 1.16 lakh crore to the banking system. To assure markets and instill confidence about the availability of adequate liquidity to meet the productive requirements of the economy, the Reserve Bank undertook a slew of liquidity augmenting measures in Q4:2024-25. It introduced daily variable rate repo (VRR) auctions on all working days with reversal taking place on the next working day effective January 16, 2025. In addition, the Reserve Bank injected durable liquidity through term repo auctions, open market purchase operations and USD/INR Buy/Sell swaps. The Reserve Bank increased the aggregate limit available to Standalone Primary Dealers (SPDs) under the Standing Liquidity Facility (SLF) from ₹ 10,000 crore to ₹ 15,000 crore, starting from April 2, 2025, and announced a monthly calendar of open market purchase operations for April 2025. Furthermore, the MPC reduced the policy repo rate by 25 bps to 6.25% in February 2025.

7.3 System liquidity, as measured by net balances under the liquidity adjustment facility (LAF), transited from surplus in H1:2024-25 to deficit in H2:2024-25. Changes in the Government of India (GoI) cash balances, expansion in currency in circulation (CiC) and volatile capital flows emerged as the major drivers of liquidity during H2. The leakage of banking system liquidity due to the increase in currency demand and the Reserve Bank's forex market operations was partly offset by the drawdown of GoI cash balances, reduction in CRR and the Reserve Bank's liquidity augmenting measures during H2 including OMOs, FX swaps apart from GoI bond buybacks.

8. RBI's policy decisions:

8.1 After retaining the policy repo rate at 6.50% since February 2023, the Monetary Policy Committee (MPC) embarked on monetary easing in H2:2024-25. It changed the stance from withdrawal of accommodation to neutral in October 2024, and cut

the policy repo rate by 25 basis points (bps) to 6.25% in its February 2025 meeting. In December 2024, the Reserve Bank reduced the cash reserve ratio (CRR) maintained by banks by 50 bps.

8.2 During H1:2024-25, as liquidity conditions transitioned to surplus, overnight money market rates softened and generally remained within the Liquidity Adjustment Facility (LAF) corridor. At the end of H1 (September 30), however, the weighted average call rate (WACR) increased by 15 bps on account of banks reducing their exposures in the uncollateralised market which incur higher Capital to Risk (Weighted) Assets Ratio (CRAR) requirements in the ensuing quarter. On an average basis, the WACR remained 5 basis points (bps) above the policy repo rate during H1, as compared with 21 bps in H2:2023-24.

8.3 During H2:2024-25, the WACR, which remained within the policy corridor and hovered close to the policy repo rate during October-November, hardened, moving close to and occasionally breaching the ceiling of the LAF corridor (MSF rate) during the second half of December and early January. The WACR moderated since mid-January with the introduction of daily VRR, the policy repo rate cut in February and the RBI's liquidity augmenting measures. The average spread of WACR over the policy repo rate declined to 7 bps in March 2025 from a high of 15 bps in December 2024.

9. Banking environment:

9.1 India's banking sector remained sound and resilient, underpinned by ongoing improvement in asset quality, enhanced provisioning for bad loans, sustained capital adequacy and rise in profitability.

9.2 Bank credit y-o-y growth moderated during 2024-25. Public sector banks (PSBs) continued to be the major driver of incremental credit extended by all scheduled commercial banks (SCBs) in 2024-25, while the share for private sector banks (PVBs) declined. Non-food bank credit of SCBs increased at a decelerated pace of 12.0% y-o-y as on March 21, 2025, compared to 16.3% a year ago. Sector-wise, bank credit growth to industry recovered yet stayed muted at 8.0% y-o-y. While agricultural credit growth remained in double-digits at 10.4% in March 2025, it moderated from 20.0% in March 2024. Despite some deceleration in growth of credit to services sector and personal loans segments at 13.4% and 14.0%, respectively, in March 2025, they remained the prime drivers of non-food credit growth during H2:2024-25. Incremental credit in personal loans segments with unchanged risk weights improved progressively, whereas it moderated for the loan categories with increased risk weights. Housing loans grew at a robust pace despite some moderation, while vehicle loans growth slowed down.

9.3 As on 21st March 2025, the y-o-y growth under aggregate deposits of SCBs stood at 10.3% and gross advances y-o-y growth was 11.0%. The wedge between deposit and credit growth of SCBs has widened by 77 bps. The CD ratio of SCBs was at 80.8%, with incremental CD ratio being 86.3%. The combination of sustained credit demand and persistent gap between credit and deposit growth prompted banks (especially PSBs) to increase their term deposit rates to bridge the funding gap. However, deposit growth remained below the credit growth in FY 2024-25.

9.4 Asset quality of SCBs improved during 2024-25, with the overall gross non-performing assets (NPA) ratio declining to 2.3% in March 2025 from 3.0% a year ago. Asset quality improved across all the major sectors.

9.5 During H1:2024-25, banks' lending and deposit rates increased, reflecting ongoing monetary policy transmission, with the latter adjusting faster in the wake of persistent credit demand and the widening gap between credit and deposit growth. The share of EBLR-linked loans in total outstanding floating rate loans increased to 57.5% at end-June 2024 from 56.6% at end-March 2024. Concomitantly, the share of MCLR-linked loans declined to 38.6% from 39.2% over the same period. The increasing share of EBLR-linked loans with shorter reset periods aided transmission to WALRs of SCBs in the current tightening cycle.

9.6 During H2, the share of the external benchmark-based lending rate (EBLR)-linked loans in total outstanding floating rate loans of SCBs increased to 60.6% at end-December 2024 from 56.6% at end-March 2024. Consequently, the share of MCLR-linked loans declined to 35.9%. With faster adjustments in lending rates, the EBLR system has quickened the pace of monetary policy transmission. The persistence of loans linked to MCLR and other legacy rates acts as an impediment to overall monetary policy transmission.

10. Resources Mobilization

The Deposit Mobilisation Department in the bank plays a crucial role in ensuring the financial health and operational success of the bank. Here's an overview of its key roles and responsibilities:

10.1 Attracting and Retaining Deposits:

- Formulates strategies to attract various types of term deposits
- Designs and promotes deposit schemes tailored to different customer segments (individuals, businesses, etc.).

10.2 Customer Relationship Management:

- Builds strong relationships with depositors to encourage loyalty and long-term deposits.

10.3 Market Research and Analysis:

- Analyses deposit trends, competitor offerings, and customer behaviour to refine deposit products and campaigns.

10.4 Coordinating with Branches:

- Provides guidance and targets to branches for deposit mobilization to maintain sustainable growth.

10.5 Product Development and Innovation:

- Develops new deposit products and updates existing ones to meet changing market needs.
- Ensures products in comply with regulatory requirements

10.6 Monitoring and Reporting:

- Tracks deposit growth and generate regular reports to bring further improvement.

10.7 Compliance and Risk Management:

- Ensures all deposit mobilization activities adhered to banking Regulations.

Initiatives taken during the year:

- ❖ **Launched Union Green deposit:** The Bank has launched a new term deposit product named as Union Green Deposit under ESG framework in the Month of April 2024. Bank has mobilized a business of ₹ 11.99 Cr during FY 2024-25.
- ❖ **Launched Union RD Millionaire:** To boost the growth of Retail Term Deposit with an attractive interest rate. The Bank has launched a new scheme RD Millionaire targeting the HNI (High Net worth Individuals) customers of the bank. In this Recurring Deposit product, maturity value of the deposit is minimum of ₹ 10.00 Lakhs. Bank has mobilized a business of ₹ 383.92 Cr during the FY 2024-25.
- ❖ **Launched Union Sumvridhi:** To boost the growth of Retail Term deposit Bank has launched a new scheme Union Sumvridhi, a Term deposit for a period of 333 days as bank has given higher rates in the said tenure. Bank has mobilized a business of ₹ 39,448 Cr within which NTB (New to Bank) customers 3,140 Cr during the FY 2024-25 for 8 months.
- ❖ **Launched Union Sumpurna:** To boost the growth of Retail Term deposit Bank has also launched a new scheme Union Sumpurna, a Term deposit for a period of 456 days as bank has given higher rates in the said tenure. Bank has mobilized a business of ₹ 53,176 Cr within which NTB ₹ 2,043 Cr during the FY 2024-25 within 5 months.
- ❖ **Enabled MIS in VYOM:** In order to ease the customers using VYOM (Mobile Phone App), Bank has taken

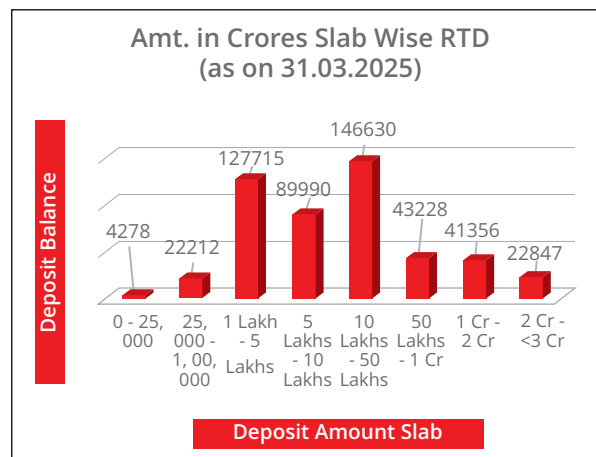
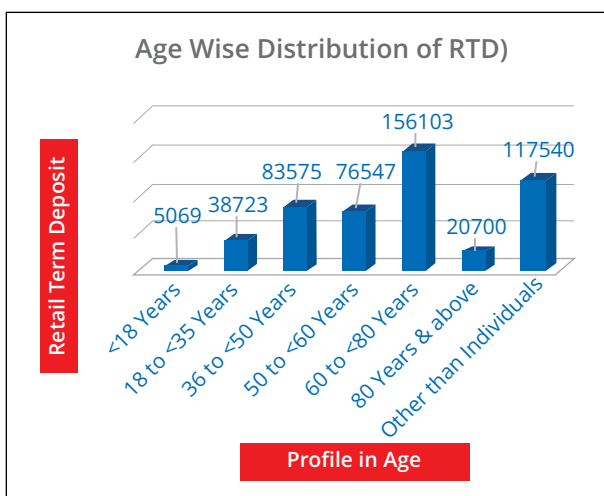
Management Discussion And Analysis

initiative for enabling MIS in VYOM. Total Business mobilized in MIS through VYOM is ₹ 92.88 Cr during the FY 2024-25.

Term Deposit Performance Y o Y (Amount ₹ in Crores)					
Parameters	Mar - 21	Mar-22	Mar-23	Mar-24	Mar-25
Retail Term Deposit	3,93,473	4,47,285	4,41,287	4,58,949	4,98,255
Bulk deposit	1,92,562	2,07,716	2,70,837	3,30,178	3,47,248
Term Deposit	5,86,035	6,55,001	7,12,124	7,89,127	8,45,503
Total Deposit	9,21,633	10,32,102	11,17,716	11,99,199	12,71,745

*As per RBI Directive, bank has changed amount for Retail Term Deposit from existing <2.00 Crores to <3.00 Crores from dated 15.06.2024.

Term Deposit Growth Y o Y (Amount ₹ in Crores)					
Parameters	FY 20-21	FY 21-22	FY 22-23	FY 23- 24	FY 24-25
	Absolute	Absolute	Absolute	Absolute	Absolute
Retail Term Deposit	33,835	50,279	-5,997	17,662	39,306
Bulk deposit	-16,185	15,154	63,120	59,341	17,070
Term Deposit	17,650	68,966	57,123	77,003	56,376
Total Deposit	56,650	1,10,469	85,614	81,483	72,546



Geographical Distribution of Rtd Y o Y (Amount ₹ in Crores)				
Parameters	FY 21-22	FY 22-23	FY 23- 24	FY 24-25
Branch Category	Mar'2022	Mar'2023	Mar'2024	Mar'2025
Rural	37516	40667	44940	51486
Semi Urban	65038	69509	74976	82970
Urban	116448	113040	118771	130067
Metropolitan	228282	218071	220263	233733
Bank Total	447285	441287	458949	498255

Way Forward:

➤ Recurring Deposit Drive

Targeting – Total 1st Instalment Collection of ₹1,500 Cr during Apr – 25

FY25-26 - ₹18,000 Cr (₹ 1500 Cr per month for 12 Months)

➤ Union Wellness Product

Targeting - ₹ 8000 Cr in FY 2025-26 i.e. ₹ 2000 Cr per quarter

➤ STP Journey for FD/RD Accounts Opening for NTB Customers

Targeting – 10,000 No. of A/cs with Funding of ₹ 1000 Cr in FY 25-26

11. Credit Management

11.1 Overall Credit:

The Bank's total advance was ₹ 9,82,894 as of 31.03.2025, the corporate & others advance stood at ₹ 4,51,215 Crore. 12 Large Corporate Branches (LCB) and 38 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:

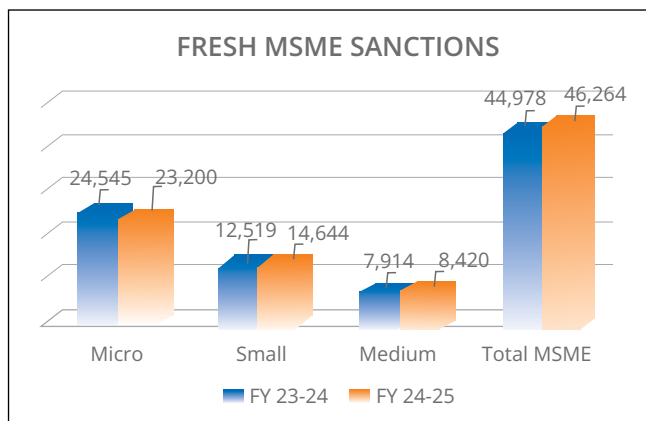
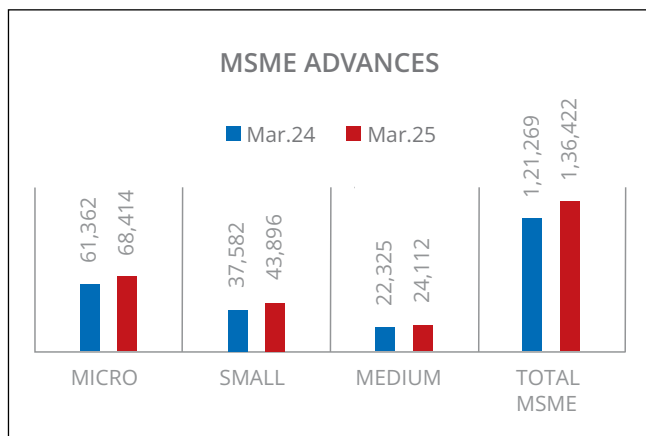
MCV have registered growth of 8.25 % on YOY basis in Mid Corporate Vertical Controlled Accounts Total 193 New Business Proposals amounting to ₹ 22211.00 Cr has been approved during FY 2024-25, out of which final sanction has been accorded in 82 accounts amounting ₹ 9369 Cr.

MCV have accorded enhancement in 179 accounts amounting to ₹ 8424 Cr. during the FY 2024-25. Non-Interest Income of MCV registered a growth of 84.47 % on YOY basis, by New sanctions / enhancement / utilisation of Non-Fund base limits (Off Balance sheet exposure).

11.3 MSME:

Financial Capital

Business Growth: (₹ in crore)			
Particulars	March.24	March.25	YOY Growth (%)
Total MSME Advance	1,21,269	1,36,422	12.50%



Performance under identified MSME Schemes: Bank has formulated specific schemes for targeted MSME segment. Detailed below are the performance of the bank under the identified MSME Schemes during the year.

Name of the Scheme	Sanctioned A/c (Number)	Sanctioned Amt. (₹ In Crore)
Union MSME Suvidha	4267	3361
Union Nari Shakti	20820	2577
Union Equipment Finance	1127	744
Union Ayushman Plus	483	334
Union Contractor	436	604
Union Textile	882	613
Union MSE Support	512	579

MSME Loan Points: During the financial year our 135 MSME processing centers have sanctioned/appraised credit proposals of ₹ 36,293 Crore out of which ₹ 10,311 Crore was within their own delegation.

Branch Manager Delegation Power Campaign: To achieve sustainable business under MSME, Vertical has launched the drive for usage of branch manager delegation for MSME loans throughout FY24-25. The drive received excellent response from the field with total 3,60,334 loan accounts sanctioned accounts amounting to ₹ 13,597 Crore.

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

Cluster Specific Schemes: Bank has 20 approved cluster specific schemes across Pan India. During the financial year the total sanctions under these schemes was ₹ 1,441 Crore.

Union MSME First Branches: For catering MSME Client Base and timely address their credit requirements, Bank has 114 UMFBs across the country with total MSME portfolio of ₹ 12,230 Crore. During the FY 24-25, 2025 sanction amounting to ₹ 6275 Crore were accorded through these UMFBs.

Manufactured Capital

❖ **Launch of Nari Shakti Branches:** Bank has launched Nari Shakti branches at five locations across the country. These branches were inaugurated by Hon'ble Minister of Finance. Key services offered through these branches are as under

Management Discussion And Analysis

- Loan and deposit products suitable for women entrepreneurs.
- Advisory services.
- Workshops for Startups.
- Skill Development Programs.
- Mentorship & Networking

Total business under the Nari Shakti Branches is ₹ 276 Cr (Advances: ₹ 190 Cr & Deposit ₹ 86 Cr)

- ❖ 16 MSME First Branches were opened during the year to cater the financial requirements of the MSME Customers.
- ❖ Every Friday of the week is celebrated as the MSME day for conducting the outreach camps at the branch level with involvement of the Regional Offices.
- ❖ To Increase sustainable business volume, following campaigns were conducted from the Vertical for growth in MSME loan book.

Name of the Campaign	A/cs	Sanction Amount
Empower MSME Campaign	2443	11,759
Quantum Leap MSME Campaign	849	4,290
Total	3292	16,049

- ❖ Sanctions under Credit Guarantee Schemes: Union Bank of India is at forefront in lending under Credit Guarantee Schemes for encouraging collateral free lending. Details of sanctions during FY 24-25 are as under.

Scheme	A/cs	Amount (₹ In Crore)
CGTMSE	3,02,552	17,481
CGFMU (Including Agri Allied)	3,88,215	31,613
Total	6,90,767	49,094

▪ Intellectual Capital

Digital Transformations: MSME Customers can now apply loans digitally for their business requirements. In this front, Bank has digital journeys through which loans up to ₹ 1.00 Cr can be sanctioned digitally.

Performance of the Bank during FY under each digital product is as below:

Digital journey	Accounts	Sanctioned Amount
STP Shishu Mudra	39,624	189
STP Kishore & Tarun Mudra	65,426	2,740
Nari Shakti STP	8,087	438
MSME Superfast STP	905	266
Union Digital Ease	1,546	70
Working Capital Enhancement	49	4
Total	1,15,637	3,707

Other Digital Initiatives undertaken at Bank

- ✓ Digi Renewal of the MSME accounts up to ₹ 25.00 Lacs: During FY 24-25, 12.32 lac MSME accounts were digitally reviewed which forms 98% of the total account under the slab.
- ✓ Upper ceiling of sanction through digital channel is increased to ₹ 1.00 Cr from ₹ 0.25 Cr.

▪ Human Capital

Learning and Development: For comprehensive development of credit officers posted at MSME Loan Points (MLP) including the MLP Heads, training was provided within the existing training structure for improving the knowledge level for better implementation at their job role.

▪ Social and relationship Capital

- ❖ PMMY: To promote entrepreneurship and to enable the micro credit to the aspiring youth Bank has been at forefront in implementing the Pradhan Mantri Mudra Yojna by sanctioning 7,10,680 applications with total sanction of ₹ 18,649 Crore during the FY 2024-25.
- ❖ PMEGP: Vertical is playing an instrumental role for implementation of PMEGP Scheme across all the regions with regular monitoring at all levels. During FY 2024-25 bank has enabled 7,072 Individuals for embarking the entrepreneurship journey with total sanctions of ₹ 1010 Crore.
- ❖ PM Vishwakarma: To support the artisans and to preserve their trade, bank has assisted 19,761 artisans with ₹ 173 Crores during FY 2024-25.
- ❖ Standup India: To promote the entrepreneurship among SC/ST/Women, bank has sanctioned 1300 applications with cumulative sanction of ₹ 249 Crore under stand up India Scheme.
- ❖ Union Solar (New Product): To encourage the businesses for usage of greener energy and contribute towards climate control, 462 units was assisted with sanction amount of ₹ 423.00 Cr.

12. Retail:

Retail lending is one of the thrust areas of lending in the bank and constitutes approx. 23% of the Bank's total advances portfolio and within Retail lending Home & Education loans are focused product of the Bank. Bank has demonstrated steady growth under retail segment with a focus on expanding services each strata of society. The Bank provides several variants of Home Loans, Vehicle Loan, Education & Personal loans to cater the needs of different sections of borrowers. In FY.2024-25, the total Retail Loan Advances (excluding PWO) reached 216777 crores, marking an 22.14 % year-over-year (YOY) growth.

(₹ in crore)				
Retail Loan Growth	FY.2024	FY.2025	Growth	% Growth
Home Loan	86079	94825	8746	10.16%
Vehicle Loans	20340	22462	2122	10.43%
Education Loans	14068	15912	1845	13.12%
Mortgage Loans	15043	16152	1109	7.37%
Personal Loans	11450	11225	-226	-1.97%
Others	30508	56202	25693	84.22%
Total Retail Advances (excluding PWO)	177488	216777	39289	22.14%

Personal and Mortgage Loans:

Bank offers personal loans & Mortgage loans with competitive interest rates for salaried and non-salaried class. Personal loans cater the various financial needs such as medical emergencies, education, and travel. Special personal loan is available for pensioners to meet personal expenses including medical treatment, travel, or any unforeseen expenses. The mortgage loan helps the customer to ease their personal & business needs. The committed growth in these segments, reflects Bank's role in supporting its customer's diverse financial requirements.

Special Initiatives and Scheme

➤ Pradhan Mantri Awas Yojana – Urban 2.0 (PMAY-U 2.0)

In the Union Budget 2024, Hon'ble Finance Minister announced that under PMAY-U 2.0, housing needs

of 1 crore urban poor and middle-class families will be addressed in the next 5 years. Accordingly, Pradhan Mantri Awas Yojana - Urban 2.0 (PMAY-U 2.0) has been launched to provide assistance to 1 crore eligible urban families, thus ensuring that eligible citizens of urban India lead a better quality of life.

Pradhan Mantri Awas Yojana -Urban 2.0 (PMAY-U 2.0)– 'Housing for All' Mission for urban areas will be implemented for 5 years from 01.09.2024 to provide Central Assistance to all eligible beneficiaries/households/ implementing agencies through States/Union Territories (UTs)/Primary Lending Institutions (PLIs) to construct, purchase a house at an affordable cost. New specific housing loan scheme Pradhan Mantri Awas Yojana – Urban 2.0 (PMAY-U 2.0) is formulated by bank. Bank is actively doing the publicity campaigns for successful implementation of the scheme and provide financial assistance to the eligible beneficiaries.

➤ HOME LOAN SCHEME for Economically Weaker Section (EWS), Low Income Group (LIG) and Middle-Income Group (MIG): Urban Area

As per the Govt. Initiative of 'Housing to All', Department of Financial Services, Ministry of Finance, Govt. of India has taken an initiative to devise a mechanism or scheme to extend formal credit for Housing Loans to low-Income Individuals either have minimal or no documented income or income proofs but have digital footprints of banking and other economic activities.

Bank is committed to align the products as per the Government Initiatives, a new specific housing loan scheme for Individuals with regular source of income (not having documentary proof) was formulated to cater the needs of the eligible beneficiaries.

➤ Union Green Home:

In recent years, there is growing awareness of the need to protect the environment and adopt sustainable practices in various aspects of life. One such area where sustainability is gaining significant traction is the "housing sector". People are becoming more conscious of the impact their homes have on the environment and actively seeking ways to reduce their carbon footprints. This shift in mindset has led to an increasing demand for green home loans in India.

As part of sustainable finance initiative and to cater the growing demand for green home loans, bank has formulated specific home loans scheme "Union Green Home". Bank is providing the home loan under this segment with lower rate of interest and other incentives.

Management Discussion And Analysis

➤ Union Education Pradhan Mantri Vidyalaxmi (PM-Vidyalaxmi) Scheme:

As per Govt. of India initiatives a special education loan scheme named “PM – Vidyalaxmi” is formulated. Under the scheme collateral-free loan is provided to students to have secured admission in top 860 Quality Higher Education Institutions (QHEI) through merit channel. This education loan will be available to students who secured admission on their own merit to 860 QHEIs in India. Students of all family income groups shall be eligible to avail the benefit under the scheme.

➤ Digitalisation of Retail Lending:

Indian Banking Environment is evolving at a rapid pace due to massive use of Digital Platform by various sections of Society. India's Digital Lending growth is primarily driven by Change in Demographics (young population below 35 years and aspirational customers), introduction of Account aggregators and peer to peer lending platform, technological advancements as well as Government Initiatives. Bank has invested significantly in digitising its retail services to enhance customer experience and operational efficiency. Digital lending platforms allow customer to apply for loans online, reducing the need for paper-based process and expediting approvals. Bank initiated digital lending process for Education Loan Scheme of Premier Institutes & Roof Top Solar Scheme. As per Bank's long-term goals several other digital lending initiatives is under development and it will be available to the customer for hassle free loan approval.

12.1 Agriculture: Agriculture lending has always been the priority area for your bank. Agriculture advances constituted 18.16% of Gross advances of the bank as on 31.03.2025.

Bank achieved an 18.92% to ANBC, against statutory target of 18% to Adjusted Net Bank Credit (ANBC) under Agriculture Priority as on 31st March 2025. Credit to Agriculture stood at ₹ 1,78,479 Cr as on 31.03.2025.

Credit to small and marginal farmers stood at ₹ 74,261 Cr, which constitutes 8.68 % to ANBC against the benchmark of 10% of ANBC as of 31st March 2025. Bank sold ₹ 50000 Cr under PSLC-Small & Marginal Farmer. Bank has issued 3.38 lakh fresh Kisan Credit Cards amounting to ₹ 7079 Cr during FY:2024-25.

12.2 Priority Sector Advances:

Bank remains committed towards extending credit facility to the needy segments of the society. Bank's priority sector advance stood at ₹ 3,79,092 Cr as on

March 31, 2025, with 44.31% to ANBC against the statutory target of 40% of ANBC including the PSLC sales and the investments in RIDF/SIDBI/MUDRA/ NHB.

Table 5: Priority Sector Advances (Quarter ended 31.03.2025) POST AUDIT

(₹ in crore)

Particulars*	31.03.25	31.03.24	Y-o-Y (%)	% to ANBC	Benchmark
Priority Sector Credit	3,79,092	3,27,728	16%	44.31	40%
Agriculture Priority Sector	1,61,864	1,57,248	3%	18.92	18%
Small & Marginal Farmers	74,261	1,05,042	-29% #	8.68	10%
Micro Enterprises	76,344	72,136	6%	8.92	7.50%

(*Post PSLC sale/ purchase & Including RIDF) (# Post PSLC sales of 50000 Cr. in SMF)

Specific Lending for Social Upliftment

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

Women Beneficiaries: With a view to promote entrepreneurs among the women and to make them self-reliant, bank encourages credit to women entrepreneurs. During FY 2024-25, Total outstanding loans to women beneficiaries has increased from ₹ 1,29,304 crore as of 31st March 2024 to ₹ 1,39,406 Crore in March 2025, with a growth of 7.8%.

Minority Communities: Bank is extending finance to the minority communities' viz. Muslims, Christians, Sikhs, Buddhists, Zoroastrians, and Jains in line with Government of India directives on welfare of minority communities. As on March 31,2025 the outstanding credit to minority stood at ₹ 44,562 crore.

Weaker Section: Bank has been actively participating in financing for weaker sections of society. Finances to weaker section including net sale of PSLC-SF/MF stood at ₹ 79,473 Cr as on 31.03.2025 with 9.29% of ANBC against the benchmark of 12 % to ANBC.

Rural Self Employment Training Institute (RSETI): With the aim of mitigating the employment problem among the rural youth, the Bank has established 32 RSETIs out

of which 25 RSETIs in the in districts where the bank has "Lead Bank Responsibility". as of March 31, 2025. Total number of candidates trained in RSETIs are 3,70890, out of which 2,76,475 candidates have been settled with a settlement ratio of 74%.

Regional Rural Banks (RRBs): Bank sponsors Chaitanya Godavari Grameen Bank (CGGB), Guntur, Andhra Pradesh state. It has a network of 276 CBS Branches, spread over 8 districts of Andhra Pradesh. Business of CGGB has increased to ₹ 25272.67 Cr with a growth of 17.85% during FY 2024-25. Total Deposits stood at ₹ 12113.92Cr and Advances at ₹ 13159.28 Cr with Net profit of ₹ 302.25Cr. The Gross NPA is 0.55% and Net NPA is 0% as on 31.03.2025.

Pradhan Mantri Fasal Bima Yojana (PMFBY): Bank is implementing PMFBY for the benefit of farmers who faced climatic adversities very often and suffer a lot. All farmers including sharecropper and tenant farmers growing the notified crops in the notified areas covered under PMFBY.

Area Specific Schemes: The bank has formulated 28 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:

Bank has started capitalizing on huge investment taking place in Agri Infra Structure, Animal Husbandry and Food Processing through various Atmanirbhar Bharat Schemes like Agri Infrastructure Fund, Animal Husbandry Infrastructure Development Fund and Pradhan Mantri Formalization of Micro Food Processing Enterprises.

Bank is also leveraging other schemes under renewable energy like Compressed bio-gas schemes, solar power plant, solarization of pump sets under PM KUSUM Scheme to help in achieving the sustainable development goals and improving the Green Financing.

- **Digitization in Agri:**

Digital KCC-Fresh

Digital Kisan Credit Card (KCC STP) for fresh sanction up to ₹ 2.00 lakh rolled out in the following states.

- Karnataka on 28.03.2023
- Madhya Pradesh on 19.09.2022.
- Uttar Pradesh state (pilot basis) on 18.07.2023
- Odisha state on 22.08.2024
- Tamil Nadu state on 11.12.2024.

KCC STP for fresh sanction up to ₹ 2.00 lakh will be scaled up gradually to Pan India (In all remaining states where land records are digitized).

Bank has rolled out Kisan Credit Card (KCC) Auto Renewal STP (Straight Through Processing) up to ₹ 1.60 lakhs in the following states.

- Karnataka on 29.11.2022
- Madhya Pradesh on 30.11.2022

KCC-STP journey through Jan Samarth Portal:

The digital KCC STP with Jansamarth portal for fresh sanction up to ₹ 1.60 lakh made live on 27.09.2024 in Karnataka state (all district), Maharashtra state (Beed dist.), UP state (Farukabad & Varanasi dist.).

Digital Kisan Tatkal:

To augment digital lending business and instant credit for farming community to meet the emergency requirements for Farm activities, Bank has introduced "Digital Union Kisan Tatkal Loan" Scheme through STP (end to end) journey on 24.12.2024 throughout country.

Digital KCC-Renewal and Enhancements

In order to strengthen digital footprints and utilize internal land records repository available in the CBS, bank has developed simplified digital Kisan Credit Cards (KCC) renewal journey up to ₹ 10 lakh made live Pan India on 22.08.2024.

12.3 Financial Inclusion:

Pradhan Mantri Jan-Dhan Yojana (PMJDY) Accounts:

Financial Inclusion Initiatives Pradhan Mantri Jan-Dhan Yojana (PMJDY) Accounts Union Bank of India plays a crucial role in the Pradhan Mantri Jan-Dhan Yojana (PMJDY) initiative, which enhances financial inclusion by providing banking services to unbanked populations. The Bank has opened millions of PMJDY accounts, helping individuals access essential financial services. As of March 31, 2025, Union Bank had opened 3.21 crore PMJDY accounts with a balance of ₹ 13,266.06 crores, compared to 2.95 crore accounts with ₹ 10,917.81 crores the previous year.

Our commitment to financial inclusion is evident with over 0.99 lakh street vendors financed through the PMSVANidhi scheme. Thus, the bank is transforming lives and promoting economic development in underserved communities.

Management Discussion And Analysis

PMJDY Accounts (No. in Crores)	March 2024	March 2025
Total PMJDY Accounts	2.95	3.21
Balances in PMJDY Accounts (₹ in Crs)	10,918	13,266

Bank Correspondent Infrastructure:

Union Bank has developed a robust bank correspondent infrastructure to support financial inclusion efforts, particularly in rural and underserved areas. The Bank employs over 24,347 business correspondents who act as intermediaries, providing banking services to remote communities. These correspondents facilitate various banking activities, including account opening, cash deposits, withdrawals, and loan applications, extending the Bank's reach and ensuring service accessibility.

Enrolments under Social Security Schemes for FY 2024-25

Sl. No.	Scheme	Number of accounts enrolled
1	Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)	15,81,492
2	Pradhan Mantri Suraksha Bima Yojana (PMSBY)	78,19,103
3	(Atal Pension Yojana (APY):	7,72,910

13. International Banking

Overseas business of your Bank stood at ₹ 74,918 Crores as March 31, 2025, compared to ₹ 53,583 Crore as on March 31, 2024. Your Bank has two overseas branches in 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 stood at ₹ 36,919 Cr as on 31st March 2025, compared to ₹ 31,252 Cr as on 31st March 2024 and Net Profit of the foreign branches stood at ₹ 190 Cr for FY 2024-25, compared to ₹ 109 Cr for FY 2023-24.

13.1 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. There are 119 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 innovative new

products as per the market demands and changing regulatory norms to suit the customer needs.

Your bank improves synergies and trade flow between Domestic Offices and Foreign Offices/ Correspondent Banks and the trading community by forming a strong link between them.

13.2 Global Payments & Services

International Exchange Vostro Branch-Our International Exchange Vostro Branch (IEVB) facilitates Inward Remittances from Overseas locations to India. Your Bank is maintaining 7 Accounts of Foreign Banks under Vostro mechanism, 1 account of Exchange House under Rupee Drawing Arrangement & 2 accounts of foreign banks under Special Rupee Vostro mechanism.

Correspondent Banking Relations – To facilitate international trade & transactions, your Bank is maintaining RMA relationships in 93 countries with 794 banks and Nostro accounts with 34 Banks, in 15 different currencies

13.3 "Trade Finance Set Up"

In the direction of digitalizing the Forex transactions, your bank has digital platform- Trade Nxt". For processing of these transactions Centralized Forex back offices, at Mumbai & Mangalore were operationalized.

Trade Finance Solution – Trade Nxt

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

Key Features:

- ❖ **Convenience** - Avail service from your home or office, no need to visit branches. 24x7 Availability - Trade related transaction can be initiated round the clock.
- ❖ **Customization**- Personalized dashboards, customized templates.
- ❖ **Paperless Banking via Digitization** - Dedicated portal for managing all trade transactions, Auto mailer intimations of advices and SWIFT messages.
- ❖ **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.

Over time, the forex back offices have garnered a significant portion of trade finance transactions, with customers migrating to the 'Trade Nxt' digital platform, thereby fortifying the forex back office operations

In line with commitment to continual improvement and innovation, your bank has implemented numerous system enhancements and updates within the SWIFT system.

These enhancements are aimed at optimizing operational processes, enhancing security measures, and providing our customers with a superior banking experience

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.

Centralized SWIFT Back office has been set up at Mumbai for handling cross border transactions over the SWIFT network and for ensuring smooth & fully secured transmission of messages.

13.4 Exporters'/ Importers' meet

Your bank facilitates the growth of Export Credit by actively engaging with branches, trade bodies & other stakeholders. Exporters' / Importers' meets were conducted across India to increase awareness of the banking products & services offered by your Bank.

13.5 Growth in Market Share in terms of Export Credit

Your bank's Export Credit portfolio has shown a significant growth, increasing from Rs. 17647.00 Crore as on Mar 2024 to Rs. 23684.00 Crore as on Mar 2025, reflecting a growth by 34.21%.

Consequently, the Bank's market share in Export Credit amongst SCBs has improved from 8.12% (as on Mar 2024) to 10.98% (as on Mar 2025), demonstrating its positioning in the segment.

13.6 Awards / Recognitions

- i) FIEO has conferred the Bank with "Export Excellence Gold Award" again for 2 consecutive years 2020-2021 & 2021-2022 for our contribution to promote Export growth in country.
- ii) Your Bank has received Straight Through Processing Excellence Award from CITI Bank and Elite Quality Recognition Award from J.P. Morgan for processing of cross border remittances.

13.7 New initiatives- Processing of Foreign Inward Remittances & intimation of Receipt of Foreign Inward Remittances to beneficiaries through SMS

- i) Efficient processing of inward remittances is vital for maintaining public trust, supporting economic activities and reinforcing the Bank's reputation as a reliable facilitator of international transactions. In this direction, a significant step taken by your bank to auto credit inward remittances upto USD 5,000, for both resident as well as non-resident individual customers, thereby ensuring seamless and timely credit to beneficiaries.
- ii) Your Bank has taken initiative to inform customers about the receipt of foreign inward remittances through SMS. This initiative ensures that customers are notified about the receipt of their Foreign Inward Remittances promptly, with SMS alerts. This approach enhances customer awareness and convenience.

14. Treasury

14.1 Treasury Operations:

- To act as 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 guideline. Better cash management by different short-term money market instruments and forex market. Maintaining a optimum SLR & Non-SLR investment book with appropriate M-duration which will help us to enhance our profitability.
- Conserve the Bank's capital by reducing high capital-intensive instruments and increase the NIM and ROCE by leveraging the less capital-intensive instruments.

14.2 Treasury Strategy:

Create a large investment book during an appropriate / conducive interest rate period and maintain M-duration as per approved policy. This will be a source of Treasury profit.

Explore all available arbitrage opportunities in the financial market, such as forex Vs money market, dated securities Vs interest rate futures (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 at every stage.

- To strengthen the Treasury sales team for effective utilization in onboarding new customers and provide seamless experience to old and new customers of the Bank. We are also expanding the sale team for mobilizing PD business.

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14.3 Summary of performance during 2024 – 25:

Treasury performance target v/s achievement on major parameters during the FY 2024 – 25 are as under:

(₹ in Cr.)		
Particulars	Target for 2024-25	Actual for FY 2024-25
Interest Income	28,900.00	28,689.95
Profit on Sale of Investment	2,150.00	3,285.93
Exchange Profit (forex)	900.00	907.12
Total Treasury Income	31,950.00	32,883.00

14.4 New Initiatives during the Year:

Debt syndication: Treasury Branch advises the corporates/NBFC's on their Bond issuance and also undertaking Debt Syndication activity by participating in the Bonds / Debenture of Public Sector Undertakings / Financial Institutions / NBFCs / Corporates.

During the FY 2024-25, Bank has earned a total arranger fee of ₹ 5.01 Crore. As per Prime Database (The primary Market Monitor) for the period from 01st April 2024 to 31st March 2025, Bank has been ranked at 13th Position with 31.50% share of total issuances. Bank's Ranking has improved from 16th position with 12.14% share of the total issuance, as per Prime Database, during the previous year ended 31st March 2024.

14.5 New Initiatives planned in FY 2025 – 26:

Up gradation of Dealing Room trading systems:

Process of Vendor identification for upgradation of dealing room system is completed and terms & condition with the vendors also finalized. Entire process for upgradation of dealing room system will be complete by end of Second Quarter of FY 2025-26. This will result in smooth functioning of the dealing room with advanced systems to improve the efficiency of Treasury.

Set up of Bond FRA / Future Desk:

Bank has planned to set up a dedicated structured derivative desk which will help customers to hedge their risks more efficiently and on a real time basis. This has also been helping credit vertical to reduce the cost of borrowing of customers by structured loan products with the help of structured derivatives.

Increasing existing customer business share and on boarding 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 (Finastra) will provide more FX business due to flexibility to customers for documents handling

15. Asset Quality

15.1 Summary of Performance for FY 2024-25:

NPA Level reduced from ₹ 43098 crores as of March 2024 to ₹ 35,350 Crore as of March-2025. Our cash recovery & upgradation and details of other recovery and reduction figures for financial year 2024-25 is as under:

(₹ in crore)	
Particulars	FY 2024-25
GNPA as of 31.03.2024	43,098
GNPA as of 31.03.2025	35,350
Cash Recovery	4,926
Dummy Ledger Recovery	2,497
Rec. in written off a/cs	4,311
Gross Cash Recovery	11,735
Upgradation	3,263
Gross cash recovery + Upgradation	14,995
% Gross NPAs	3.60

15.2 Recovery Strategies initiated during FY 2024-25

- ❖ Two SAMV, CO (Annex) have been opened at Bangalore & Delhi headed by General Manager for enhanced monitoring and expeditious disposal
- ❖ Special Scheme SAM-AARAMBH has been launched with target of reduction of 4.00 lakh accounts and reduction of RL by ₹ 4000 Crore.
- ❖ Efforts are being made to ensure wide publicity for E-Auction by circulating QR code with link to the properties under auction.
- ❖ Mega OTS camps are being held on 1st and 3rd Saturdays of every month
- ❖ Rationalization of allocation of SARFAESI Cases to authorized officers for expediting possession action and auction of SARFAESI eligible properties.
- ❖ Utilizing services of Business Correspondents holding IIBF certificate for recovery Agents for recovery in small value NPAs (Balance < RS. 10 lakhs)
- ❖ Expeditious examination of Willful Default cases.
- ❖ Focused monitoring of NCLT cases and providing quicker solution/Suggestions to field on CIRP matters.

- ❖ Holding additional Lok Adalat in consultation with DLSA and DRT.
- ❖ Regular Review of ZO/ Specialized Branches (ARB & SAMB) to monitor performance Vs target.

16. Relationship Banking

Your Bank earned income of ₹ 578.91 crore through the Wealth Management Vertical, during the year 2024-2025

Wealth Management Income Data as of 31.03.2025 (₹ in crore)				
Business Parameter	Actuals FY 2023-24	Targets FY 2024-25	Actuals FY 2024-25	% Growth Y-o-Y
Life Insurance	278.40	527.00	451.47	62.17%
Non-Life Insurance	29.76	59.00	37.16	24.88%
Health Insurance	54.49	109.00	53.10	-2.55%
Mutual Fund	20.80	39.00	29.74	42.95%
Merchant Banking Department	5.06	-	7.45	47.23%
Total Income	388.50	734.00	578.91	49.01%

16.1 INITIATIVES DURING THE YEAR

- Wealth Management model (WRM-HNI model) was initiated in Aug'24. Wealth Relationship Managers were mapped to HNI customers of the Bank to cater to their investment needs. Process for posting more WRMs and hiring lateral WRMs is under process.
- Bundling of products initiated with Core Business Verticals.
- IRDAI licence to act as a Corporate Agent was renewed upto 31-03-2028
- HNI meets conducted at Mangaluru, Guwahati, Mumbai, Lucknow, Varanasi and Delhi
- SP Certified staff increased from 17150 to 18131. Trainings provided to staff for better product knowledge and updated regulator guidelines
- Improved Branch Activation
- Higher focus on Large and Very Large Branches.
- Bima-ASBA process implementation initiated. Development is under process.
- Monthly In-house magazine 'Investment Insights' was launched for Insurance and Mutual Fund products and related market developments.

- Insurance products from SUD Life, India First Life Insurance Company, Care Health, Manipal Cigna, Bajaj Allianz, Chola MS and United India Ins Co. were onboarded on VYOM app for purchase through digital channels.

16.2 NEW PRODUCTS LAUNCHED IN 2024-25:

New Products / Developments in the Bank network:

1. Life Insurance NFOs: Life Insurance NFOs were launched by SUD Life and India First Life.
2. Union Suraksha: Manipal Cigna's Personal accidental Insurance plan was launched with benefits like EMI Covers, Child Education covers etc. at affordable rates.
3. Union Cancer Suraksha: A benefit product launched by Manipal Cigna providing lumpsum benefit on diagnosis of Cancer for the customers of the Bank & its staff.
4. Mutual Fund NFOs: Four NFOs (Union Short Duration Fund, Union Active Momentum Fund, Union Multi Asset Allocation Fund and Union Gold ETF Fund of Funds) were launched.
5. 3-in-1 account (Savings, Demat and trading account) made available through the Bank's mobile application VYOM

16.3 DIGITAL INITIATIVES:

16.3.1 M/s. Fintech Blue Solutions Pvt Ltd has developed digital platform on mobile app and branch portal. Out of a total of 50 products to be onboarded, 38 Insurance products from SUD Life, India First Life Insurance Company, Care Health, Manipal Cigna, Bajaj Allianz, Chola MS and United India Ins Co. were made live as on 31.03.2025.

16.3.2 Developments under process for services like renewing the policies, raising Insurance claims, Commission reconciliation etc. through the digital platforms

16.3.3 Branch portal (Union Invest) with schemes from 19 top AMCs available for Mutual Fund investments.

17. Government Business

Your bank has contributed in the Social Security Schemes and Mobilised 6,20,146 Small Savings Accounts in FY 24-25.

We have been awarded with fresh tie up with Kendriya Vidyalaya Sangathan for fee collection of 14 lakh students across India. Signed MoU with KVS on 20.08.2024.

Enabled Custom Duty payment facility through ICEGATE portal for our corporate customers.

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Development of Customer Payment Portal for DMRC was completed that went live on 3rd Oct'24

Got empaneled with Railway Protection Force (RPF & RPSF) for opening salary accounts of their employees having a total strength of 75000.

Your bank has been awarded approval for payment gateway integration in Parivesh 2.0 Portal. PG integration is under process for collection of CAMPA fee under Ministry of Environment, Forest & Climate Change (Parivesh 2.0 Portal).

Collection account of Prasar Bharti for 32 centres of Doordarshan Kendras across India were opened.

Opened collection account of OTT Platform "Waves" of Prasar Bharti. Payment gateway facility also integrated and made live for all users.

MOU Signed with SAIL for opening of Salary Accounts of their employees.

MOU signed with GeM for providing various banking services.

Payment Gateway facility provided to NIFT Headquarter for pan India counselling fee collection from candidates. Enabled Payment Gateway services for NIFT Daman, Patna and Varanasi Campuses.

For PMFME scheme under Ministry of Food Processing, ministry wanted state wise PFMS linked accounts for better MIS & Reconciliation. Accordingly, 36 state accounts have been opened and linked on PFMS Portal.

practices at the center of its day to day work and to create an environment of inclusion and belonging for the employees.

As HR functions are rapidly evolving, and rather than just a serving as a support function, HR has taken a step into a new role as a strategic partner that is pivotal in garnering business for the bank. The entire employee journey ranges in three stages, Introductory Stage, Specialization Stage and Leadership Development Stage and accordingly we have provided interventions for their career growth at all the three levels. The Leadership Development Program aims at preparing future ready leaders for the industry as a whole. Through the Banks HR Transformation Project bank is committed to enhance the employees experience by seamlessly adapting and integrating talent, performance and technology to create greater business value by driving both operational excellence and strategic impact

18.1 Key Strategic HR Initiatives in FY 2024-25:

18.1.1 Investing in Learning and Development:

- A Master Policy on Learning & Development was actively implemented, encompassing various training methodologies, including e-learning, virtual training, and staggered programs
- The bank continued with its initiative to improve the knowledge levels of employees across different banking domains. The new LMS portal Union Vidya was launched and keeping in view the need for Banks workforce to remain well-informed, adaptable and equipped with the latest knowledge and skills, the bank increased number of mandatory e-learning courses/ modules to be completed by all officers to ten courses.
- Emphasis was placed on mandatory e-learning courses covering crucial areas such as KYC/AML, Cyber Security Awareness, Responsible Use of Social Media, Prevention of Sexual Harassment, Vigilance, Risk Management, Climate Risk, EASE Reforms, Ethics in Banking, and the Bank's Strategic Initiatives. To provide impetus to the culture of learning the top performers with respect to completion of e-learning were appreciated.
- Role-based training modules were also delivered to enhance job-specific competencies for officers at various levels
- Training Management System (TMS) in Union Vidya was also launched. This pioneering initiative marks a new era in training and development, redefining how we approach learning by making it more accessible, efficient, and future-ready. The TMS will serve as a one-stop digital platform

18. Human Resources Management

At Union Bank of India, we recognize that our employees are our most valuable asset and the driving force behind our success. In FY 2024-25, we continued our unwavering commitment to fostering a dynamic, growth-oriented, and inclusive work environment. Our strategic HR initiatives during the year were focused on empowering our workforce, enhancing their capabilities, and aligning their growth with the Bank's strategic objectives.

Union Bank of India envisions being a next-generation digitally enabled universal bank known for inclusive, responsive and responsible banking through customer centric business models and significant investment in employee development. Our Bank is committed to workforce diversity, creating equity across various regions and zones, cultivating and preserving a culture of diversity, equity and inclusion. The Bank cogitates that its human capital is the most valuable asset and respects the fact that individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that the employees exhibit. The Bank strives to include diversity, equity and inclusion

that captures the entire training lifecycle, ensuring structured learning pathways for all employees. This initiative is a strategic move towards enhancing our workforce's competency, agility, and adaptability, aligning with the future goals of our Bank. As part of this initiative, every staff member will be provided with at least one structured training program in every financial year, ensuring continuous learning and skill enhancement.

- The Learning & Development Division of the Bank has launched a Digital Accessible Library under its Digital Learning Unit (DLU) reinforcing the Bank's commitment to an inclusive workplace. The Bank has recently partnered with DAISY Forum of India (DFI) and joined Sugamya Pustakalaya, India's largest accessible online digital library. This partnership is exclusively for employees and customers with visual impairment a print disability. Integration with DFI and Sugamya Pustakalaya offers a wide range of accessible books and learning materials for employees with visual impairment a print disability. The digital accessible Library is available through the Union Vidya platform with access strictly restricted to employees with visual impairment and print disability.
- The "META Learning" framework, built on four pillars – Query Based Training Sessions, Staggered Training Program, Union Manch (knowledge sharing platform), and UBIQUE (creative problem-solving), was strengthened to foster a continuous learning culture.
- The bank continued to leverage its training facilities to provide a competitive and forward-thinking approach to prepare our workforce for emerging opportunities. Banks commitment to training excellence was recognized for the tenth time with the prestigious Golden Peacock National Training Award.
- The "Union Advith" Leadership Development Program (LDP) commenced with the initiation of a thorough selection process, wherein the Bank finalized 510 participants during the first year. Mission of the program is to empower leadership excellence and cultivating visionary leaders who drive innovation and adaptability. This program will comprise various learning interventions like diagnosis tools to identify the competency gaps, classroom programs, one-to-one mentoring, coaching, feedback on a continuous basis to develop desired skills and competencies in the form of long term

learning engagement. Now, considering the success of the first year of Union Advith and its impact on various levers it is proposed to conduct the program for 600 more executives in Senior Management and Top Management cadre.

- **HR Conclave "IGNITE'25"**: This significant event highlights Union Bank's commitment to advancing HR practices. It focuses on collaboration, knowledge-sharing, and the adoption of technology in training amongst the various PSB, Pvt Banks and training institutions This initiative shows that the bank is working to modernize the way leadership training is to be undertaken along with its peers. It also shows that the bank is working to create a culture of continuous learning and sharing of knowledge.
- **Women Leadership Development Programs**: Our bank also organizes specific programs like the LDP program dedicated to women leadership development. These programs aim to address the under-representation of women in leadership roles and break down barriers to their advancement. These programs also bring in outside speakers to help inspire and educate the participants to navigate through various challenges in life.
- A new initiative called Study Circle was launched during the year wherein domain experts were invited by the bank to speak on their domain specific educative/informative series of knowledge sharing, peers from nearby banks were also be invited for the same.
- Union Bank of India has a formal training and awareness mechanism in place to sensitize staff on disability inclusion and customer support. This initiative is coordinated by a dedicated accessibility cell within the Human Resources and IT departments, ensuring that all related training programs are systematically implemented in collaboration with the Bank's training system. Disability sensitization is an integral part of the induction process for new employees. E-learning Course on "General Awareness on Disability, Inclusion and Accessibility" is available in Union Vidya. LMS portal". This awareness course helps employees gain essential understanding of Inclusion, Equity, and Accessibility, enhancing customer service for senior citizens and persons with disabilities, and promoting an inclusive work environment for colleagues with disabilities within the bank. Other List of Accessibility

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related e-learning Courses available in Union Vidya are :

- Disability Etiquettes.
- Introductory Course on Indian Sign Language.
- Mobile Accessibility Essentials for Android Developers in the Banking Sector.
- Mobile Accessibility Essentials for iOS Developers in the Banking Sector.
- JAWS Screen Reader Training for Visually Impaired Employees.

An awareness session on inclusion and support for persons with disabilities is conducted for all newly inducted staff. This session is curated by the Accessibility Cell in coordination with the HR and Training Departments. It includes:

- Introduction to various types of disabilities.
- Do's and Don'ts while interacting with persons with disabilities.
- Digital accessibility basics.
- Use of assistive technologies
- Real-life scenarios and inclusive customer service approaches.

Union Bank of India has organized several capacity-building initiatives focusing on digital accessibility and inclusive banking practices.

18.1.2 Enhancing Performance Management and Recognition: The Bank believes in a transparent, objective, and credible Performance Management System (PMS) that is integrated with career progression and training needs.

- The existing PMS was further refined to ensure fair and accurate assessment of employee performance, with a focus on linking individual contributions to organizational goals.
- The Rewards & Recognition framework was actively utilized to acknowledge and appreciate employees' contributions, reinforcing a culture of high performance. There were 36507 employees (49.37%) were rewarded under Rewards & Recognition framework during the year.
- The "Star Performer Reward" was also introduced during the year linked with performance appraisal score of employees achieving a score of 80% and above to be rewarded under this category.
- Felicitation and recognition of services: The 'Milestone Award' recognized significant achievements and contribution of employees by rewarding employees depending on the years of services completed in the bank such as

completion of 15 years (Crystal Award) , 25 years (Silver Jubilee Award) and Superannuation Award.

18.1.3 Focusing on Talent Acquisition and Development:

The bank believes that attracting and retaining the right talent is crucial for its long-term success.

- The bank continued to streamline its recruitment processes, leveraging technology to reach a wider pool of candidates.
- Recruitment of Local Bank Officers (LBOs): To meet the gap of non-linguistic officers in various states of the country; for the first time the bank hired around 1500 local bank officers having proficiency in local language of the State where they are selected and posted so that they can effectively communicate with local customers especially in rural and semi-urban areas, leading to better understanding of their issues and hence improvement in customer services.
- Emphasis was placed on recruiting domain experts at senior and middle management positions on to bring in specialized skills
- In line with the Apprentices Act, the bank engaged apprentices at all India level and this apprenticeship program remained a key source for building a pipeline of future talent by providing practical, on-the-job training to impart knowledge and practical skills related to BFSI and products of Bank.
- The bank has a well-defined succession planning policy to ensure a robust pipeline of leaders ready to step into critical roles as needed. The Succession Planning process for FY 2025-26 was completed and the Bank has identified suitable successors for the critical roles.

18.1.4 Promoting Diversity, Equity, and Inclusion (DEI): The bank is committed to creating a workplace where every employee feels valued, respected, and has equal opportunities to grow.

- The Bank has firmly in place its policy on POSH, Equal Opportunity and DEI. The Bank strives to include diversity, equity and inclusion practices at the center of its day to day work and to create an environment of inclusion and belonging for the employees. Policies on POSH (Prevention of Sexual Harassment), Equal Opportunity, and Diversity, Equity, and Inclusion were actively implemented and awareness programs were conducted.
- The bank strived to create a supportive environment for all employees, including providing reasonable accommodations for differently-abled staff members, such as the provision of JAWS screen-reading software for visually impaired colleagues.

- In a move to enhance the well-being of its disabled employees, the bank proactively revised and increased the conveyance allowance rate during the year. This decision underscores the bank's dedication to creating a workplace where every employee feels valued and supported and where financial considerations related to accessibility do not hinder their professional lives. The facilitating ease of travel is crucial for employee morale and productivity.
- The Bank takes care of the women and other employees belonging to reserved categories by giving due weightages in Transfer, Promotion and Other welfare policies. The women employees are given preferential convenient postings and their transfers are also considered on spouse grounds so that they can remain with family.
- The Bank has established SC/ST/OBC and Inclusion cells at apex level to redress the grievances of the employees belonging to these categories. The Bank has also appointed Chief Liaison Officers of the level of General Manager at Central Office for SC/ST, OBC and Persons with Disabilities.
- **Inclusion Cell:** Being a committed organization on diversity, equality, accessibility and inclusion; bank has set up an "Inclusion Cell" in May 2022 at the HR Department in Central Office to cater to Persons with Disabilities (PwD) employees/officers in the Bank. The key responsibilities of the Inclusion Cell shall include:
 - ❖ Coordinating with relevant verticals to spread awareness and raise empathy by organizing activities to celebrate various annual disability days through employee engagement.
 - ❖ Collaborate with Union Access team, who works toward making the digital banking offerings more user friendly for the senior citizens and improving the accessibility of digital banking products for the customers with disabilities to enhance digital accessibility features and functionalities in employee facing portals, documents and system.
 - ❖ Promoting awareness through employee engagement initiatives like monthly newsletters, online quizzes, etc. with content including global best practices, latest guidelines, etc.
 - ❖ Coordinating with training system to drive awareness initiatives including sharing of inputs to design exclusive training sessions to impart knowledge about accessibility features in Bank's digital products / internal platforms.
 - ❖ Addressing the grievances/queries of Persons with Disabilities employees/officers in coordination with Nodal Officers at Zonal Offices.
 - ❖ Ensuring that all Acts, Rules & Regulations, Guidelines & Directives of the Government of India / State Governments / Reserve Bank of India / IBA on the subject, related to PwD employees/officers, are followed.

Representation of various reserved categories as also that of Women and Minority Communities in the Bank as on 31.03.2025 was as under:

Inclusion Metrics

Particulars	Officers		Clerks		Sub-staffs		Total	
Total Employees	44107		23818		6020		73945	
Scheduled Castes (SCs)	7651	17.35	4523	18.99	2230	37.04	14404	19.48
Scheduled Tribes (STs)	3424	7.76	1875	7.87	500	8.31	5799	7.84
Other Backward Classes (OBCs)	13458	30.51	7610	31.95	1984	32.96	23052	31.17
Ex-Servicemen	861	1.95	3147	13.21	404	6.71	4412	5.97
Women	12061	27.34	7628	32.03	1907	31.68	21596	29.21
Minority Communities	2995	6.79	1610	6.76	429	7.13	5034	6.81

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TOTAL	73945	
Within which ..		
Category	COUNT	Percentage
EWS	1051	1.42
GEN	29639	40.08
OBC	23052	31.17
SC	14404	19.48
ST	5799	7.84
Blind	901	1.22
Deaf and Dumb	350	0.47
Intellectually Disabled	40	0.05
Orthopaedically Handicapped	1349	1.82
Ex-servicemen	4412	5.97

18.1.5 Strengthening Employee Engagement and Communication: Fostering a sense of belonging and ensuring open communication channels are vital for a motivated workforce.

- Initiatives like "Union SWAR" were in place to facilitate internal communication on mental/ physical health of employees and many employee engagement activities like desk yoga, webinars on important topics etc were undertaken. Employee engagement programs, such as Suicide Prevention Awareness campaigns and Mental Health Day observances, are held regularly to foster emotional resilience.
- Various internal publications, including "Union Dhara," "Union Srijan", " "The Vidya Times," and "Banking Updates," (magazines/e-magazines by vertical) along with audio-visual mediums like "Union Radio" and "Union Podcast," were utilized to keep employees informed and engaged.
- The "Union Manch" platform encouraged staff members to share their experiences and success stories, fostering a collaborative environment.
- Community Connect is Bank's internal Community engagement platform to drive active discussions between employees on a diverse set of topics – be it office -wide events, work anniversaries, employee promotions or anything else.

18.1.6 Enhancing Employee Well-being: Bank prioritises the health and safety of employees through comprehensive workplace safety programs and health initiatives. Bank has launched Union SWAR

through which Bank shall be able to provide avenues to its employees to get help and support for physical and mental wellness as and when required by them.

Several key initiatives are regularly conducted to promote employee engagement and well-being, as outlined below

- 24/7 counselling services were made available for a wide range of issues, with a system to classify cases as low, medium, or high risk following the counselling session.
- Emergency Crisis Teams have been established across all Zonal, Regional, and Central Offices to ensure seamless handling of such cases. These teams are trained to effectively manage crises.
- Diet and nutrition consultations are provided to all employees and their dependents, promoting physical health alongside mental well-being.
- Webinars led by industry experts are regularly organized to address topics such as stress, anxiety, depression, and other related challenges.
- Daily online yoga sessions are available for employees and their dependents, offering flexible scheduling to accommodate different routines.
- Chair desk yoga and standard yoga sessions are conducted in person at all offices, including Central, Zonal, and Regional offices, to promote physical and mental wellness.
- Medical advice for all employees and their dependents were made available 24/7.

18.1.7 STP Journeys for Staff Loans: Straight Through Processing (STP) is a key technological advancement used by Banks to digitally process loan proposals end-to-end with minimum or no manual intervention. STP has set a new benchmark for processing & seamless approval of loans, thus reducing the turnaround time from 10-15 days to fewer minutes. To reap the benefits of STP for welfare of all employees, Bank has developed STP journeys to sanction Overdraft and Vehicle loans, introduced during the year and manual processing/ sanctioning of these loans has been dispensed off with.

18.1.8 Reimbursement for Cervical Cancer Vaccination: All permanent employees having girl children in the age group of 9 to 14 years can claim reimbursement towards vaccinating their girl children (in the age group of 9 to 14 years of age). Bank is sensitizing all employees about the deadly foe i.e. cervical cancer and to ensure that the girl child of all the employees in the age group of 9 to 14 years are fully vaccinated against the disease.

18.1.9 Code of Ethics: Maiden code of ethics document as framework for ethical decision has been formulated by the Bank to provide employees with clear guidelines and expectations, empower them to make sound decisions that align with the bank's values and principles. It improves employee morale, productivity, and enhanced customer satisfaction and is essential for mitigating risks and ensuring compliance with applicable laws and regulations.

18.1.10 Awards and Recognition during FY 2024-25

Name /Category	Presented by (Organization Name)
Second Position in EASE Reforms Index under HR Theme	Government of India
HDM Awards for Best Workforce Planning 2024	Indian Conventions
Excellence in Continuous Learning & Development	Asia L&D: Employer Branding Conference & Awards by International Business Conferences
Leadership Development program of the Year	
HR Excellence Award (Platinum Award)	Apex India Foundation
Training Excellence Award (Gold Award)	
Organization with Innovative HR Practices	Asian Leadership Awards
Exemplary Leader Award	
Excellence in Leadership Development	People Excellence and Leadership Awards by International Business Conferences
Excellence in Learning & Development	
Digital Learning Transformation Awards	

In the coming year, the bank will continue to build upon these strategic initiatives, adapting to the evolving needs of our employees and the dynamic banking environment. The focus will remain on creating a future-ready workforce that is equipped with the skills, knowledge, and passion to drive Union Bank of India towards greater heights. The bank believes that by investing in its people, it is investing in the future success of our organization and our ability to serve our customers effectively.

18.2 Official Language: (RAJBHASHA)

- **RAJBHASHA and Publication of Magazine:** Union Bank of India continues to emphasise the promotion & publicity and use of Hindi across its operations, ensuring compliance with the Rajbhasha guidelines and fostering a bilingual work environment. Here

is an overview of initiatives and achievements in promoting the official language, Hindi.

- **Promotion of Hindi in Banking Operations:** Union Bank of India actively promotes the use of Hindi in its daily operations. The Bank ensures that Hindi is used extensively in official communications, including internal circulars, notices, and reports. The Bank also encourages employees to use Hindi in their day-to-day work, fostering a bilingual environment.
- **Multilingual Publications:** The Bank publishes various materials in Hindi to cater to a wider audience. Notable publications include the quarterly bilingual corporate in-house journal 'Union Dhara' and the Hindi magazine 'Union Srijan.' These publications feature articles, stories, and poems contributed by employees, promoting literature and culture within the organisation. During the financial year special issue important subjects like Information Technology, NPA management, Language and Literature, RUSU Banking have been published.
- **Employee Participation and Training:** Union Bank conducts regular training programs to enhance the Hindi proficiency of its employees. These sessions cover the effective use of Hindi in official documentation, communication, and customer interactions. Additionally, the Bank organises competitions and workshops to encourage the use of Hindi among employees. The bank has trained more than 500 staff members under the 'Union Bhasha Sauharda Indradhanush Programme' to impart practical language skills to the staff members in South/East Indian Languages. The said training will help in establishing cordial relations with the customers.
- **Coordination of Town Official Language Implementation Committees (TOLIC):** The bank is fulfilling the responsibility of coordinating TOLIC assigned by the Government of India, Ministry of Home Affairs, Department of Official Language very well. The bank has 29 TOLICs across India. These TOLICs promote the use of language while organizing meetings and competitions on time.
- **Recognition and Awards:** Union Bank's efforts in promoting Hindi have been recognised with several awards. The Bank has received a total of 507 Rajbhasha Awards in the year.
 - ❖ Regional Office, Mau has received the prestigious 'Rajbhasha Kirti Puraskar' for coordinating TOLIC.
 - ❖ Regional Office, Baroda has received the 'Kshetriya Rajbhasha Puraskar' from the Department of Official Language, Ministry of Home Affairs, Government of India for outstanding performance in Hindi implementation.

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- ❖ Second position in implementation of official language Hindi in Linguistic Region 'B' during FY 2023-24 from the Department of Financial Services.
- ❖ Various offices and branches of the Bank have received 86 shields from NARAKAS.30 staff members of the Bank have received awards in Hindi competitions organised at the All India level.
- ❖ The Bank's Corporate House Magazine 'Union Srijan' has received the 'Silver Award' from PRCI and 'Union Dhara' has received the 'Ashirwad Best House Magazine Award'.

• Digital and Multilingual Support

Union Bank has made significant progress in providing multilingual support across its digital platforms:

- ❖ **Mobile Banking:** Available in 13 languages, ensuring accessibility for a wide range of customers.
- ❖ **Internet Banking:** Available in 2 languages, enhancing user experience.
- ❖ **Call Centre:** Supports 11 languages, offering personalised assistance.
- ❖ **SMS Facility:** Available in 13 languages, ensuring effective communication with customers.
- ❖ **Selected STP Journey:** Available in Hindi and Indian languages which eases online loan approval process for customers.
- ❖ **UVCON:** Banks WhatsApp Banking service is available in 06 major Indian languages which gives our stakeholders a whole new experience of connecting with Bank.
- ❖ **Letter of thanks:** Printed in Hindi, English & 09 regional languages.

- **Official Language Implementation Committees:** To monitor and promote the use of Hindi, Union Bank has established Official Language Implementation Committees (OLICs) at various levels. These committees regularly review the progress of Hindi implementation and suggest measures to enhance its usage in the Bank's operations.

- **Publications and Knowledge Dissemination:** Union Bank disseminates knowledge through its publications, which are released in multiple languages to cater different employees and customers. The publications cover banking updates, industry insights, and employee contributions, fostering a culture of knowledge sharing and

inclusivity. During the financial year, the Bank has published useful booklets for customer interaction in major Indian languages such as Assamese, Bangla, Odia, Kannada, Tamil, Telugu, Malayalam, Marathi etc. To increase the awareness of staff members and customers on cyber security a cartoon booklet titled Cyber Mayajal has been published in Hindi, Bangla, Kannada, Tamil, Telugu, Malayalam. Similarly, a book titled various Dimensions of customer service excellence has been published to promote Bharatiya Bhasha through 'Union Bhasha Sauharda Indradhanush Programme'.

19. Network

- The branch network of our Bank is widely spread across the country with 8619 branches and 2 overseas branches (Sydney, Dubai DIFC) as on March 31, 2025 out of these 59 percent of the branches are in rural and semi-urban centres.
- As on 31.03.2024 we were having total 8464 branches, during FY 2024-25 total 46 branches were rationalized and 201 new branches were opened.

The category-wise Branch Network on 31.03.2025 is as follows:

ROW LABELS	RURAL	SEMI-URBAN	URBAN	METRO	GRAND TOTAL
Total Branches as of 01.04.2024	2540	2436	1728	1760	8464
Rationalised during F.Y. 2024-25	-1	-13	-15	-17	-46
Opened During F.Y 2024-25	53	95	31	22	201
Change in Category by RBI	-3 +8	-3 +6	-10 +1	-1 +2	-17 +17
Total As of 31.03.2025	2597	2521	1735	1766	8619

Your Bank has also total 23,500 Business Correspondents, 8910 ATMs, 7 Digital Banking Units (DBU), 5 Owned Subsidiaries, 3 Joint Ventures and 1 Associate Organisation.

20. Information Technology

Your Bank is a leading public sector Bank with latest technology based robust IT systems. Bank takes pleasure in providing I.T. driven convenient and adaptable banking products and services where IT plays a key role in establishing them. In the current business environment, organizations are reinventing themselves and emerging stronger by becoming more data-driven, digitizing their operations for cost reduction and greater efficiency, cloud adoption for greater flexibility and delivering greater experiences for employees and customers. To support Business and in view of the changing business landscape and in order to grab

the emerging opportunities for growth, Bank had devised Information Technology Strategy for FY 2024-2025.

IT Strategy of the Bank has been aligned with overall Digital and Analytics strategies to achieve overall Business objective of Bank. IT Strategy for FY 2024-25 was broadly categorized in three major themes i.e. Run the Bank, Change the Bank and Transform the Bank. Run the bank focussed on the Resilient Infrastructure, Governance, Risk & Cyber Security, Change the Bank focussed on New Ways of Working, Upskilling & HR Transformation, Modern Infrastructure & Agile Technology and Innovation & New Age Banking, Transform the Bank focused on Digital Transformation and Data Insights.

In the fiscal year 2024-25, the organization achieved significant milestones across various domains, demonstrating its commitment to excellence and innovation. The infrastructure was bolstered, ensuring its resilience to meet the evolving demands of operations. The major milestones achieved in FY 2024-25 under various categories are as follows:

20.1 Innovative Banking Solutions:

Bank has distinguished itself through its proactive adoption of emerging technologies, aimed at enriching the customer journey and overall experience. Bank has demonstrated unwavering commitment to prioritizing customer convenience and experience.

Various innovative Banking solutions/initiatives are as follows:

20.1.1 For Improved Customer Experience

- a) **Union Virtual Connect (UVConn) – WhatsApp Banking** : Bank had launched UVConn -WhatsApp banking initiative as a conversational banking platform for its customers with 6 Enquiry/Service features such as: Balance Enquiry, Cheque Book Request, Cheque Status, Mini Statement, Doorstep Banking, EMI Calculator, Apply for a loan, Account Opening, ATM Search, Branch Search etc.

UVConn has now been enhanced to provide approximately 70 services including Account Statement, Interest Certificate generation, Debit Card Green Pin, form 15 G/H, Form 16/16A, Loan Details, Credit Card Statement, Credit Card Green Pin etc. Customers can access UVConn by sending "Hi" to 9666606060. Over 45 lakh customers are registered on UVConn (WhatsApp banking). UVConn has till date serviced over 2.45 crore customer enquiries/requests resulting in better customer service experience.

- b) **Google Business Messages (GBM)**: Our Bank is the first Public Sector Bank to be live on GBM platform. GBM is a chat platform available on Google's webpages, which allows Bank's customers to

directly communicate with Banks Virtual Assistant "UVA". Customers can also opt for the facility of chatting with a live agent for resolution of their queries. Bank can also engage with customers through GBM. GBM can be accessed by searching for UBI or Union bank or Union Bank of India etc. on Google through Android devices. GBM is currently being used to generate leads and also to enable customers to reach out to live agents through a chat conversation directly. Through GBM, bank has the opportunity of cross-selling and upselling the bank's products.

- Total Users till date – 5.30 lac approximately
- Users Avail live Agent services – approx. 2.31 lac

Business Benefits:

- GBM offers the unique advantage of cross-selling/upselling to customers including NTB (New to Bank) customers through different Google end points such as Google Search, Google Maps etc .
 - GBM will help drive sales, improve customer satisfaction and loyalty through assistive experience and rich features .
- c) **Metaverse**: Leading the way in innovation, Our Bank is making use of emerging technologies to transform both its internal operations and customers experience in Banking. Our Bank is the first Indian bank to foray onto the Metaverse platform by launching Metaverse Virtual lounge, "Uni-verse" thus enabling an immersive way for the customers to use Banking Services. Total Hits in Metaverse are approx. 3.69 lakhs (as on 31st March, 2025).
- d) **VR based immersive training modules**: Our Bank has also developed VR based immersive training modules to resolve various concerns such as tackling workplace challenges, maintaining secure social media presence etc. to enhance customer service. All the training modules have been inculcated with assessment through Q&A/ feedback pertaining to specific modules for evaluation. The training modules are a testament to bank's commitment to continuous learning and improvement of staff members by leveraging emerging technologies to provide an immersive and interactive training sessions to the employees focusing on real world applications.

The VR based training is being provided by 3 ULAs across the country and a total of 575 employees have been trained as on 31st March, 2025

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e) **Union Voice Assistant:** The bank has implemented Union Voice Assistant - voice banking through Alexa channel powered by AI and Natural Language Processing (NLP). This allows customers to access account related information through simple voice commands, offering a convenient and hands-free banking experience. Total transactions in UVA are approx. 33,265 as on 31st March, 2025.

f) **Hyperautomation:** Bank has also Implemented hyper automation project under which 27 processes were automated as on 31st March, 2025.

g) **Integration of Kendriya Vidyalaya Fees collection through BBPS**

Bank has integrated Kendriya Vidyalaya Sangathan (KVS) Fee Collection on BBPS Platform which is the biggest in educational history. KVS fee Collection on BBPS will benefitted students from 1250+ KV schools for convenient fee payment on BBPS.

Total successful transactions – 6,67,214 (as on 31st March, 2025) amounting ₹ 131.03 Crore

Business Benefits:

Reduces the cost per transaction.

Help in Increasing CASA of the Bank .

h) **Uni Pay Plus**

Uni Pay Plus is designed to integrate with Corporate Systems for Automatic Payment Processing. Uni Pay Plus portal is developed to provide payment services to Corporate Clients, CRCs are making use of this portal to get business from several Corporate Clients. 150+ Corporates have been onboarded with Uni Pay Plus, prominent ones are:

- MVRPL (Maharastra Vikrikar Rokhe Pradhikaran Limited)
- Tirumala Tirupati Devasthanam (TTD)
- Odisha State Police Housing & Welfare Corporation (OPHWC)
- GIC Housing Finance Limited
- UBI Employee Cooperative Credit Society
- TP Central Odisha Distribution Limited
- Shakambhari ISPAT And Power Limited
- Railtel Corporaton Of India Ltd
- Konkan Fincap Co Operative Bank

- Megha Engineering & Infrastructure
- National Informatics Centre Services Inc
- West Bengal Housing Infrastructure Development Corporation WBHIDCO

Total No. of Transactions = 3,46,798

Total transaction value = ₹ 23,458.47 Crores

Monthly average transactions = 28,900

Monthly average value = ₹ 1,954.87 Crores

Business Benefits:

Total 150+ Corporates are on-boarded on Uni Pay Plus till 31-03-2025 having 222 accounts.

- Current & Saving Accounts – 84 (In Numbers) with Balance of ₹ 442.77 crores.
- Cash Credit & Overdraft Accounts – 138 (In Numbers) with balance of ₹ 930.67 crores.

i) **Enablement of Debit Card Tokenisation in Internet Banking**

In line with RBI guidelines, Card on File Tokenisation (CoFT) option has been provided to customers in Internet Banking. Tokenisation terminates the need for storing customers card details in online transaction at merchant website. CoFT in Internet Banking facilitates customers to view the debit card token details pertaining to all the merchants in a single platform, earlier it was done by visiting individual merchant website. Using this facility customer can enable/disable the token. This is enabled for both Rupay & Visa cards.

Business Benefits:

One stop solution is provided to customers to view / manage their token details instead of visiting multiple merchant websites, which further helps to reduce cyber frauds.

j) **NCMC Wallet**

Under the initiative of Ministry of Urban Development (MoUD), a National Common Mobility Card (NCMC) model was framed to enable seamless travel by different metros, toll plaza and other transport systems across the country. Facility is enabled for recharging National Common Mobility Card (NCMC R-wallet) accounts through Net Banking. Customer can also add money to their wallet account from POS terminal either by cash or account debit. It is a NPCI Initiative which is only for Rupay NCMC Debit Card.

Business Benefits:

- Rupay Debit Card issuance can be increased as customers can use the same card as pre-paid wallet.
- Customers can recharge the wallet upto maximum of ₹ 2,000/- through Internet Banking which in turn facilitates offline payments by customers at various POS points for example: metro stations, toll plaza etc.

k) Interoperable Card-less Cash Withdrawal (ICCW):

In line with digital revolution and to enable customers for more secure & seamless transactions on ATM terminals, Cash withdrawal through UPI is enabled which displays a dynamically generated QR code which can be scanned & authorized through major UPI supported apps. Post successful authorization of transaction in UPI APP by using UPI PIN, withdrawal can be triggered at the ATM terminal by selecting the appropriate Option/ Button assigned.

Business Benefits:

- Prevents Card Cloning to offer secure and seamless transactions
- No need to carry cards to access the accounts through ATMs.
- ICCW is enabled in 1,309 NCR ATMs all over India.

l) Account Aggregator:

Our Bank has become the first public sector lender to go live on the account aggregator ecosystem as financial information user (FIU) & Financial Information Providers (FIP) both, 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.

Presently Bank has integrated with 13 Account Aggregator and FIU solution is integrated with

Software AA Branch portal, LAS STP journey and MSME Journey. 13 Account Aggregators are:

- NESL Asset Data Limited (NADL)
- Perfios Account Aggregator Services Pvt Ltd (Anumati)
- Cookiejar Technologies Pvt Ltd (Finvu)
- Finsec AA Solutions Pvt Ltd (One Money)
- CAMSFinServe
- Dashboard Account Aggregation Services Pvt. Ltd (SAAFE)
- NSDL E-governance (Protean SurakshAA)
- Yodlee Finsoft Pvt Ltd
- Tally Edge AA
- Crif Connect
- Unacores AA Solutions Pvt. Ltd
- Agya Setu AA
- Digio Internet Pvt. Ltdl)

m) Inclusive and Accessible Banking

Union Bank of India remains committed to creating banking experiences that are truly inclusive. Our flagship accessible banking initiative 'Union Access', launched in 2022, is designed to remove barriers faced by individuals with disabilities and senior citizens, making banking accessible and user-friendly for all.

In recognition of these efforts, Union Access received international acclaim at the Qorus Infosys Finacle Banking Innovation Awards held in Portugal in October 2024. The Bank was conferred the Bronze Award in the Social, Sustainable & Responsible Banking.

In the financial year 2024-25, Union Bank of India deepened its commitment to accessible banking through a series of impactful initiatives designed to make financial services inclusive for all:

Accessible Digital Rupee mobile applications that supports assistive technologies, enabling visually impaired users to conduct CBDC transactions independently and with confidence.

A redesigned corporate website developed as per global WCAG accessibility guidelines, featuring dedicated sections for accessibility services.

A partnership between our Digital Learning Unit and Sugamya Pustakalaya to make knowledge resources available to persons with visual and print disabilities.

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A custom e-learning module titled Banking Services for Persons with Disabilities, to train staff in inclusive service delivery.

Accessibility support is embedded across Bank's service channels including email, WhatsApp, customer care centres and driven by dedicated in-house support with the inhouse capability of accessibility professionals, including those with lived experience of disability.

Accessible and inclusive banking is our leadership's strong commitment and at Union Bank of India, we believe that truly inclusive banking is not just about access—it's about dignity, independence, and financial inclusion of all the customers that the Bank serves.

20.1.2 For Improved Governance

DIT is Establishing comprehensive governance frameworks and practices to facilitate effective decision-making, risk management, and compliance with regulatory requirements, ensuring transparency and accountability across all levels of the organization.

Bank is having strong data governance and privacy practices in place which are defined in the IT Policy & Data Governance policy of the Bank. Additionally, Bank is also certified with Privacy Information Management System (PIMS) ISO 27701:2019, ISO 27701 which outlines framework for PII (Personally Identifiable Information) Controllers & PII Processors to manage data privacy. This reduces risk to the privacy rights of the individual and to the organization by enhancing the existing ISMS (Information Security management System). ISO 27701 certification also enhances the trust with stakeholders/ customers by demonstrating a commitment to privacy, mitigating privacy risks, ensuring legal compliance by prioritizing the protection of personal information. It also ensures Data integrity, accuracy and reliability of data, which is crucial for decision-making and maintaining trust with users and customers. Combining ISO 27701 and robust data integrity practices reinforces a comprehensive approach to safeguarding sensitive information.

Enterprise Solution Architecture Practice)

Bank has setup Enterprise Architecture (EA) office using TOGAF Framework to reduce organizational risk from outdated and misaligned tools and systems, streamline the IT application landscape for optimal performance and decommission redundancies.

The Enterprise Architecture (EA) Office & Architecture Governance Board (AGB) has been operationalized with effect from 01-04-2024 onwards to review, recommend and approve the architecture change requests falling in the IT landscape. It has benefited

the Bank to establish the business & IT Collaboration and driving the business strategy through IT.

- **Data Privacy Framework:**

It includes DPDP Organization Structure and Data Privacy Impact Analysis. Bank's IT systems at Data Centre, Powai and DR site, Bengaluru are compliant to the requirements of ISO 27701:2019 certification (PIMS- Privacy Information Management System). Our Bank is the first Financial Institution in the country to achieve ISO Certification in data privacy to meet the regulatory requirements and manage privacy risks.

- **ITSM/ITAM/ITOM:**

As IT functions become increasingly critical part in the day-to-day operations of Bank it is imperative to adopt ITSM and ITAM best practices to meet the rapidly changing needs of the business. It deals with the areas like Service Request Management, Change & Release Management, Incident Management, Workflow & orchestration.

PCI PIN Certification:

Payment Card Industry Personal Identification Number Certification is a set of Security Requirements for the secure management, processing, and transmission of Personal Identification Number (PIN) data during online and offline payment card transaction processing at ATMs and POS point-of-sale Terminal. Our Bank is the second PSB in the country to achieve PCI PIN certification..

PCI DSS Certification:

The Payment Card Industry Data Security Standard (PCI DSS) is a globally acclaimed standard with internationally accepted set of policies and procedures intended to optimize the security of card-based transactions and protect card holder information against the misuse and breaches. Our Bank is the second PSB after SBI to achieve this milestone in a record time span of 9 months.

20.1.3 For Resilient Infrastructure

Building a solid foundation of infrastructure that is robust, adaptable, and resilient, ensuring uninterrupted operations and continuity even in the face of unforeseen challenges and disruptions .

20.1.3.1 Data Centre Modernization:

- **Green Data Centre**

Bank has set up a Green Data Centre, that can operate with maximum energy efficiency, reducing carbon emission and minimum

environmental impact by using sustainable technologies and resource management.

- **4-way Architecture to Achieve Zero Data Loss**

Near Disaster Recovery site is successfully established to ensure zero data loss in case disaster at DR Site and to maintain business continuity. It benefits the Bank through improved customer service by achieving maximum availability and reduced data loss in case of disaster at DR Site.

- **Hollowing the Core – CBS modernization**

Hollow the core means componentization. Breaking the monolith system into smaller components by building series of smaller application by using microservices thus adding to agility.

Hollowing the core infrastructure is required to streamline operations, reduce complexities, and enhance scalability, ensuring the foundation is agile and adaptable to future demands.

- **Ransomware Recovery Solution**

Bank is setting up a Ransomware Recovery solution to enhance its ability to quickly recover from ransomware attacks, minimizing downtime and financial losses. The solutions typically include features like immutable backups, which ensure that data cannot be altered or deleted by ransomware, thus protecting critical information. The solution also offers rapid recovery capabilities, allowing bank to restore operations swiftly and reduce the impact of an attack. Bank is implementing a robust Ransomware Recovery solution to safeguard its data, maintain customer trust, and ensure business continuity in the face of cyber threats.

20.1.3.2 Next Generation Security Operation Centre

Bank is in process of upgrading existing Security Posture with Next-Gen SOC which integrates advanced security information and event management (SIEM) with AI and machine learning to detect and respond to threats more efficiently. By continuously monitoring network traffic and analyzing patterns, Next-Gen SOC can identify anomalies and potential security breaches in real-time, allowing for rapid incident response and minimizing the impact on operations.

20.1.3.3 Robust CBS & Cloud Infrastructure

Bank has automated DR Switching Operations for secured BCP using DR Automation tool. Additionally, the Bank leverages a comprehensive cloud infrastructure that includes Private, Hybrid, and Public Cloud

environments. This multi-faceted approach allows the Bank to optimize resource utilization, enhance data security, and maintain flexibility in deploying applications and services. By integrating these advanced technologies, the Bank ensures a superior customer experience, operational efficiency, and the agility to adapt to evolving market demands. Bank has automated DR Switching Operations for secured BCP using DR Automation tool. Additionally, the Bank leverages a comprehensive cloud infrastructure that includes Private, Hybrid, and Public Cloud environments. This multi-faceted approach allows the Bank to optimize resource utilization, enhance data security, and maintain flexibility in deploying applications and services. By integrating these advanced technologies, the Bank ensures a superior customer experience, operational efficiency, and the agility to adapt to evolving market demands.

20.1.3.4 Real Time performance Monitoring through APM Tool:

Application Performance Monitoring Centre of Excellence (APMCoE) at DIT, Hyderabad is a single integrated Application Health & Performance management solution for all servers/devices and application monitoring needs - end user applications and underlying infrastructure components such as application servers, databases, web servers, virtual systems and cloud resources.

Bank is using HEAL APM Tool for Real time monitoring of the applications and its infrastructure. 23 critical applications such as Internet Banking, Mobile Banking, IMPS, CBS Domestic, CBS Overseas, FI Gateway, UPI, NEFT, RTGS, SWIFT, Lending Automation System (LAS), SMS Gateway, Credit Card Host System, ATM Switch, E2FA (2nd Factor Authentication System), API (Application Programming Interface) Middleware, BBPS, DEMAT, UVConn, Union Prerna, Union Saras Metaverse and Video KYC are live on the HEAL APM platform.

Major Activities carried out at APMCoE:

- 24x 7 Application Monitoring of the various channels.
- Supporting the concerned Business departments for any production issues reported in channel functioning.
- Critical applications like Mobile Banking, Internet Banking, UPI, IMPS, NEFT/RTGS, LAS, CTS, DMS & CMS are being monitored 24x7 and the team follow up with the respective vendor for resolution of issues reported, if any and posting Hourly Stats.
- Concerned application owners are alerted immediately for further follow up with the

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respective vendors if the problem is not resolved by vendor team at Level 1.

- Detailed Root Cause Analysis (RCA) is shared for major application performance incidents, as a result, the performance stability of the applications are enhanced.
- Execution of all hourly batches of Internet Banking pertaining to corporate bulk upload.

Major KPIs monitored using HEAL APM Tool:

- **Service Delivery Map (SDM):** SDM provides a single pane view of services configured in HEAL.
- **Real Time Transaction Monitoring:** Dashboards on usage patterns, SLA violations, response time, total volume, failed transactions, etc.
- **Component KPI Monitoring:** Deep dive screens to show detailed KPI's from critical components.
- **Automated Forensics /Remedial actions:** Alert generation based on existing workflow parameters.
- **Application monitoring specific features:** Monitor application- specific custom KPIs
- **Configuration Watch:** Correlating configuration changes to performance degradation for accurate root cause.
- **Log Analyzer:** Error tracing through analysis of logs maintained by applications.
- **Intrusive Monitoring:** Intrusively Monitor and Trace the Code piece at the JVM level.
- **End User Monitoring:** Monitor the end-user experiences based on browser interactions (Dashboards).
- **Custom Reports:** Based on the Banks' requirement, custom dashboards are placed.

20.1.3.5 Resilience Operation Centre (ROC):

Bank is in the process of setting up IT Resiliency Operation Centre which will enhance the Bank's operational resiliency goal by integrating unified monitoring and Artificial Intelligence (AI) into IT operations (ITOps). This approach uses Machine Learning (ML) to improve performance monitoring and event analysis, enabling IT Teams to predict and prevent outages and quickly resolve issues, ensuring minimal disruption and a seamless customer experience.

20.1.3.6 Software Defined Network:

Bank has migrated its DC, NDC and DR from traditional network structure to SDN Fabric to ease

the network operations and improving security. The following benefits are achieved:

- Centralised Monitoring and control of Network Devices /Routers.
- 100% Network uptime
- Capability to monitor and analyse the Data Traffic.

20.2 Other Major Initiatives for Improved Performance

a) CMMI Maturity Level 3 Certification

Our Bank's In-house software development facility has been appraised at ISACA's CMMI Maturity Level 3. The major objectives of CMMI includes- Process Improvement, Performance Management, Quality Assurance, Resource Optimization and Customer Satisfaction. It also consists of best practices and models for enhancing product development, service delivery, and overall organizational performance.

Key benefits of CMMI Maturity Level 3 appraisal include:

- Provide high quality solutions.
- Standardization of process across different teams leading to consistency in deliverables.
- Predictable and timely delivery of products and Services.
- Streamline processes and reducing rework leads to effort and cost savings in the long run.
- Predefined process for risk handling leads to identification and addressing the weaknesses in a timely manner.
- Brand image and goodwill.

b) Kubernetes and DevSecOps

In order to achieve Agile Methodology and keeping security in focus, Bank has setup End-to-End DevSecOps Platform along with Container Orchestration Layer (Kubernetes Platform) on Bank's on-premises private cloud. Bank has adopted App Modernization platform (Kubernetes) based on DevSecOps for development of Micro Services based Bank's applications. Micro-services (or micro-service architecture) are a cloud native architectural approach in which a single application is composed of many loosely coupled and independently deployable smaller components, or services. It is useful for modernizing existing monolithic applications and harnessing the power of cloud and to develop market standard applications as per latest software development methodology.

Currently, 13 In-house developed applications are converted in to containerization and hosted on Kubernetes platform along with the CI/CD pipeline.

In addition to this, 6 COTS applications are also deployed on Kubernetes Platform

c. CRM (ZOHO) Integration with LAS

CRM(ZOHO)is integrated with LAS in which Processing Officer can view Lead generated through CRM in LAS Application which simplifies the processing of the leads generated through CRM application.

Bank is receiving leads from various sources like Corporate Website, ACOE, ATM, Internet Banking, Vyom, Social Media, Fintech partners, BC Agents, Call Centre, DBU etc. It is often observed that these leads are unattended and are not monitored. Hence, bank has introduced CRM Edge Application which channelizes leads from various sources. This integration enables to process these leads from various sources at LAS and the status of processing of these leads is updated back

20.3 Awards and Recognitions

Bank has received following Awards & Accolades in FY 2024-25.

S. No.	Awarded by	Award Name	Award Category
1	Inosys	Infosys Finacle Innovation Award 2024	Ecosystem led innovation- 1) STP Journeys 2) BBPS Loan Repayment 3) Interoperable Cardless Cash Withdrawals ESG-led Innovation-Embracing Paperless Journeys Modern Technologies-led Innovation: 1) Hyperautomation 2) Finacle deployment on Kubernetes Product Innovation: 1) Deploying PM SvaNidhi Micro-credit Facility 2) Digital Pre-approved Personal Loan Corporate banking Innovation: Union Pay Plus

S. No.	Awarded by	Award Name	Award Category
2	Banking Frontiers	Finnoviti Awards 2024	VR-based learning solution & Operation Vajra
3	Open Group	Open Group India Awards 2024	Togaf Standard/Enterprise Architecture
4	Quorus	Quorus Finacle Infosystem Banking Innovation Awards	Union Access
5	Global fintech festival	Global Fintech Festival	Excellence in Cyber Security
6	IBA	IBA Awards 2024-25	Best Technology Bank-Winner Tech Talent & Organisation-Winner IT Risk aand Management-Runner Up Fintech & DPI Adoption-Runner Up Digital Sales and Engagement- Runner Up Digital Financial Inclusion-Runner Up
7	IBEX India	IBEX India BFSI Tech Award 2025	IT Risk & Management-Winner Excellence in Operational Efficiency- Special Mention Enhanced Customer Service-Special Mention

20.4 Future Digital Initiatives

To position itself as the premier banking institution of choice, the Bank has diligently engaged in emerging technologies to elevate both customer experience and operational efficiency. Aspiring to personalize communication with customers, the Bank is leveraging Personalized Interactive Statements and Videos.

The Bank is considering the implementation of AI-based CTS clearing to digitize the clearing process, thereby reducing staff workload and processing time for cheques, enhancing operational efficiency. Additionally, the Bank is exploring potential use cases of Generative AI to streamline processes and enhance user experience.

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Focusing on creating a Robotic Process Automation (RPA) Center of Excellence (CoE), the Bank aims to monitor, optimize, and customize various operations and automated processes. Prioritizing Green Office Automation, the Bank will emphasize the meticulous preparation, escalation, and digital signing of documents, Inter Office Letters, and Proposals. This not only enhances operational efficiency but also aligns with delegated authority, fostering a culture of compliance and accountability.

In pursuit of unwavering operational resilience, our IT strategy focuses on fortifying infrastructure resilience with key initiatives such as NDR for the Bangalore DR Site and BCP strengthening.

After establishing the Analytics Center of Excellence (ACoE), the Bank has strengthened its analytics team by inducting the right talent and upskilling them through internal and external training to harness the power of data. The Bank is setting up a next-gen, state-of-the-art data infrastructure – a Data Lake – to drive advanced analytics using structured and unstructured data from both internal and external sources. This will enable the Bank to make more informed decisions and improve customer experiences.

Furthermore, the Bank is leveraging data analytics to enhance customer engagement, support informed decision-making, and lower risks through descriptive analysis and various machine learning-based use cases across categories (Retail, MSME, Agri, etc.).

For decision-making, the Bank utilizes Descriptive Analytics and Visual Dashboards to provide insights to Top Management and Verticals, enabling data-driven decision-making. To improve customer retention, the Bank harnesses predictive modeling to identify potential instances of customer attrition by analyzing historical data and reaching out to identified customers.

The Bank generates personalized offers for customers through analytics-based use cases using predictive modeling, leveraging customer data to identify potential leads and support various functions of the Bank such as Retail, MSME, Agri, etc., thereby contributing to business enhancement.

For risk management, the Bank has implemented various potential stress account models, leveraging historical data of customers (repayment behavior, account utilization, transaction behavior, and account maintenance) to detect patterns and predict early signs of stress in regular accounts.

Major Focus Areas

- **Generative AI:**

Generative AI presents a transformative opportunity for bank, offering multiple avenues by empowering bank to foster deeper customer relationships, driving customer satisfaction and loyalty. To leverage this technology, bank intended to onboard vendor to implement Generative AI through floating of RFP.

Frontline Assistant & HR Mitra has been deployed under CUG (Closed User Group) Model.

- **HR Mitra** – Gen AI powered chatbot for HR manuals, policies, circulars etc. with further integration with existing HRMS platform. Staff shall inquire HR related functionalities of HRMS platform from the chatbot itself.
- **Frontline Assistant** – Gen AI chatbot focused on providing relevant information to bank's field staff related to bank's products and services, FAQs, SOPs, resolving staff queries related to IT/ Application Support/operations etc.

- **Resilience Operation Centre (ROC):**

Bank is in the process of setting up IT Resiliency Operation Centre which will enhance the Bank's operational resiliency goal by integrating unified monitoring and Artificial Intelligence (AI) into IT operations (ITOps). This approach uses Machine Learning (ML) to improve performance monitoring and event analysis, enabling IT Teams to predict and prevent outages and quickly resolve issues, ensuring minimal disruption and a seamless customer experience.

- **Core Banking Modernization:**

Bank is upgrading its Core Banking System from Finacle 10.2.18 to 10.2.25 to enhance system performance, improve security features, and support new functionalities that align with the bank's evolving business needs. Upgrading Finacle to version 10.02.25 significantly aids in enhancing the system's resilience, performance, and scalability. This version introduces advanced features such as improved real-time processing capabilities and enhanced support for microservices architecture, which are crucial for hollowing the core.

- **Cloud Centre of Excellence:**

Bank is envisaging to setup a Cloud Center of Excellence (CCoE) that drives cloud adoption and optimizes cloud operations. The CCoE will play a crucial role in managing and governing cloud strategies across different types of cloud environments: private, public, hybrid and SaaS. All the critical applications will be hosted on the Private Cloud Infrastructure. In Hybrid Cloud, App & Web

Servers of Non-Critical Applications will be hosted on Public Cloud and DB Servers will be hosted on Private Cloud infra. Fintech Applications will be hosted directly on Public Cloud Infrastructure. Bank will also envisage towards hosting cloud native SaaS Applications such as Microsoft 365 etc. for faster deployment and Service.

- **Digital Business Platform:**

Digital Business Platform: Bank is implementing a comprehensive digital business platform to enable seamless interactions and transactions across various channels, fostering agility and adaptability in the digital landscape.

Four liability journeys for ETB customers viz. FD, RD, PPF & SSA are live on Assisted portal; and Three lending journeys viz. Vehicle Loan, Personal Loan and Pre-Qualified Business Loan are live across Open-Web and Assisted Portal.

- **Data Lake:**

Bank is modernizing its data capabilities with a transformative Data Lake & Analytics platform. This next-generation Data Repository Solution will store large sets of structured & unstructured data from various sources, offer advanced analysis, improve data exploration, cut costs and act as a single source of truth. This will lead to better insights, improved Internal/ Regulatory Reporting, easier data access, more accurate analysis, business agility and

eventually improving decision-making, customer service, regulatory compliance and our market position.

- **Digital Contact Center:**

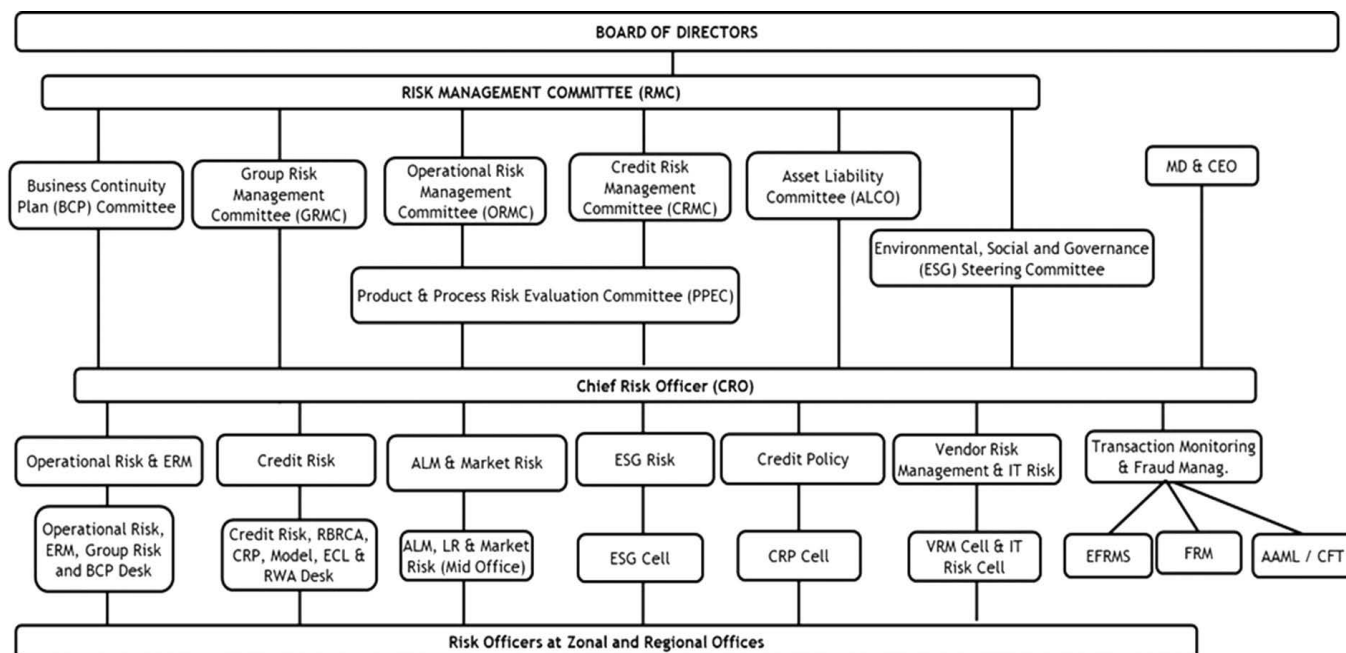
To provide uninterrupted and seamless above-mentioned banking services, Bank is also implementing Digital Contact Center to improve Customer Experience via personalization, call resolution, customer connect, quick response and embracing technology. It will widen the customer base supported by the contact center and migrate contacts from branch service mode to contact centre mode.

21 Risk Management

Risk Management Department

Risk management is the strategic process of identifying, assessing, and mitigating uncertainties that could affect an organization's objectives. Its critical role became increasingly evident as global financial markets evolved, leading to heightened complexity and volatility.

Your Bank has a proactive approach towards risk management. Its risk philosophy involves developing and maintaining a healthy portfolio within its risk appetite and regulatory framework. Your Bank constantly endeavours to ensure that business function partners with the risk management function to enhance shareholder value and to ensure judicious use of available capital.



Management Discussion And Analysis

Risk Management is a Board driven function in the 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 the Bank approves the Risk appetite and Risk policies of the Bank. The RMC supervises implementation of the risk strategy and policies, reviews the level and direction of risk, prudential ceilings, portfolio diversification and monitors the risk reporting. The risk strategy and policies are effectively communicated to all branches and offices of the Bank.

Your Bank addresses Credit, Market and Operational risk through appropriate policies, organization structure, risk management techniques, adequate systems and procedures, monitoring and reporting mechanisms. Your Bank has created a dedicated ESG Cell to incorporate ESG risks-related considerations in strategies and objectives, integrating ESG risks in governance structures and implementation of various ESG aspects. Your Bank has also created dedicated Vendor Risk Management Cell to mitigate risks arising from third party vendors due to outsourcing of critical functions. IT Risk Management Cell has been set up to ensure bank's operational resilience against IT risks and compliance with regulatory guidelines.

Risk management activity in your bank has also been extended to field level units by posting Risk Officers at Zonal Offices and Regional Offices. Primary responsibility of these Risk Officers is to identify, assess, monitor, report and suggest mitigants.

Your Bank has a well-defined risk appetite statement and an independent risk function to ensure that the Bank operates within its risk appetite.

Credit Risk Management

Credit risk management involves identifying, assessing, and mitigating the risk of financial loss due to borrower's failure to repay a loan or meet contractual obligations. It ensures to maintain asset quality and capital adequacy through effective risk controls and monitoring.

Your Bank has well-defined credit appraisal mechanisms and risk management frameworks in place for identification, measurement, monitoring and control of the risks in credit exposures. In your Bank, overall responsibility of managing credit risk lies with the Credit Risk Management Committee (CRMC). The CRMC meets regularly for portfolio analysis, setting and monitoring exposure ceilings, refine rating and scoring models, identify stress sectors etc.

Your Bank has various instruments like Credit Risk Management Policies, Prudential Exposure Limits, Risk Rating system, Risk Based Review of Credit Appraisal (RBRCA) for big ticket advances and Risk-based pricing

for Credit Risk/Portfolio Management. Your Bank has a standardised and well-defined approval process for all advances. It adopts a committee approach for credit sanctions and has credit approval committees at various levels.

Your Bank also has dedicated Credit Policy Cell for formulating, implementing, and updating policies and guidelines that govern bank's credit activities. The primary objective is to ensure that the bank's lending practices align with regulatory requirements, risk management principles, and the bank's strategic goals. Credit policy team is an integral part of product development and innovation. It collaborates with other verticals to design new loan products & for modification in existing products based on market needs and credit trends.

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 'Risk Based Review of Credit Appraisal Framework' for large value accounts to strengthen the 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, capital charge on credit risk is computed based on Standardized approach. Your Bank has adopted the RAROC Framework for optimal risk-reward considerations, wherein RAROC computation for all fresh sanctions/reviews/renewals of Agriculture, 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 help in maintaining profitability of the bank and value creation for the stakeholders. While taking decision on pricing of loan, RAROC framework is used to assess risk adjusted profitability from

individual transaction, which helps the bank in ensuring sustainable profitability and value creation for the stakeholders.

Operational Risk Management

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. Effective management involves identifying risks, implementing controls, and monitoring to minimize financial and reputational impact.

To manage operational risks, your bank has put 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. The primary goal of ORMC is to mitigate operational risk by establishing a structured risk management process within the bank.

An independent Operational Risk Management Cell implements the framework. Under the framework, the Bank has three lines of defense. The first line of defense 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 defense is the Risk Management Department and Compliance Department, which develops policies, procedures and techniques to assess the risk and monitor the effectiveness of your Bank's internal controls. Internal Audit is the third line of defense.

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. The bank has in place a Board approved Operational Risk Management Policy based on Reserve Bank of India guidelines.

All new products/ processes introduced by the Bank pass through a Product & Process Risk Evaluation Committee (PPEC), this process helps to identify and address the operational risk issues.

The Bank has compiled data of the operational losses and is analyzing the operational losses incurred for taking corrective measures. 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 the 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 the Bank for the Risk Officers. To imbibe the risk culture in

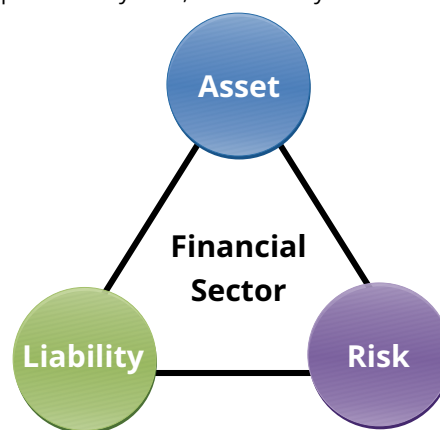
the Bank across various functions and field functionaries, e-learning module on Risk Management have been made mandatory.

Your Bank has a robust Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) 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.

Asset Liability Management (ALM)

ALM is defined as strategic process of managing risk that arise due to mismatches between assets & liabilities of the bank and matching them as per maturity pattern or duration, by hedging and securitization. The objective of ALM is to have a comprehensive system of management of assets and liabilities through a strategic approach and scientific blending of price, appropriation, mix and duration of funds to minimize the inherent risks that might creep into the system, intentionally or unintentionally.



In your Bank, overall responsibility of managing asset liability lies with the Asset Liability Committee (ALCO). 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. Pricing of asset and liability products is also decided by ALCO. The fundamental focus is to add value both from the earnings perspective and the economic value perspective. Your Bank dynamically reviews various benchmark lending rates by considering various cost factors to manage its interest rate risk effectively.

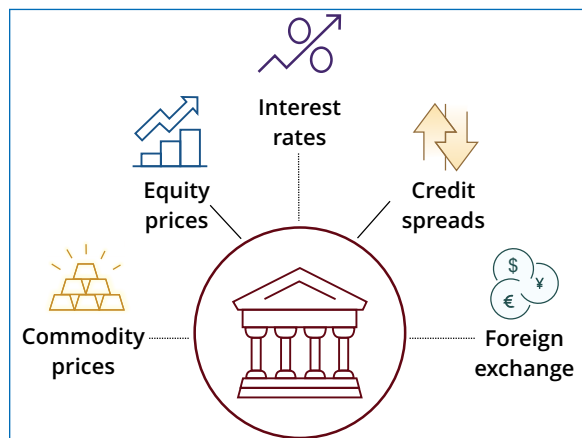
Management Discussion And Analysis

Your Bank is having Asset Liability Management Policy which aid in management and mitigation of interest rate risk, liquidity risk in the banking and trading books.

Your Bank ensures proactive liquidity management, develops stress scenarios, conducts behavioural studies 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 the 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. The ALM Desk and Mid-Office measure and monitor the market risk in the Banking and Trading books respectively.

Market Risk Management

Market risk refers to the potential loss arising from adverse movements in market prices, such as interest rates, foreign exchange rates, equity prices, or commodity prices. It is managed through techniques like value-at-risk (VaR), stress testing, and hedging strategies to protect the institution's earnings and capital.



In your Bank, overall responsibility of managing market risk lies with the Asset Liability Committee (ALCO). The Mid-office acts as an institutional mechanism to deal with the Market Risk Management functions by monitoring the positions vis-à-vis limits and coordinating with the Treasury Department. Mid-office reports directly to the Chief Risk Officer (CRO). It provides necessary inputs / information to the ALCO on Market Risk.

Your Bank is having Treasury Policy and Market Risk Management Policy which aid in management and mitigation of interest rate risk, liquidity risk and market risk in the trading books.

The Risk measures are further supplemented by a Board approved 'Stress Testing Policy', which guides the Bank in

assessing the potential impact of adverse scenarios on the Bank's Investment book, including forex exposures and their impact on the Bank's Profit & Loss. The Stress Testing results are being submitted to the Board on a periodic basis.

The Market Risk capital charge of the Bank is being computed using the Standardized Measurement Method (SMM) by applying the regulatory factors.

Internal Capital Adequacy Assessment Process (ICAAP)

Your Bank also conducts a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) wherein the material risks faced by the 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 to meet future business requirements are also assessed.

Your Bank review ICAAP framework every year, the framework ensures Bank maintain sufficient capital for risks. ICAAP validation is performed annually by a Validation Committee. Scope of ICAAP includes:

- Risks partially or not captured under Pillar 1
- Assessment methods for different types of risks.
- Estimating capital needs under stress scenarios (Stress Testing).
- Capital requirements for future growth (Risk Appetite Statement)

Your bank has board approved capital plan for capital needs, desired levels, utilization and contingency measures. Your Bank integrates capital planning with business growth, ensuring optimal utilization and regulatory compliance. Staff is trained on capital management, and stress testing is conducted to assess potential risks. Capital is raised proactively based on projected business requirements.

ESG & Climate Risk

ESG and climate risk refer to environmental, social, and governance factors that can impact a financial institution's long-term performance and resilience. Managing these risks involves integrating sustainability considerations into risk frameworks to address issues like climate change, regulatory shifts, and reputational impacts.

Your Bank's Board has acknowledged the need to address the impact of ESG & Climate change risk. The Bank is committed to address the challenges to the environment by creating a positive impact through its businesses and addressing the challenges to the environment.

Risk Management Committee looks into all the ESG & Climate Risk related matters of the Bank. The Bank constituted ESG Steering Committee (ESGSC) for overseeing ESG transition in the Bank. The Bank has formulated a Board approved ESG Risk Framework & Climate Risk Policy. The Bank has

also formulated a Board approved sustainable financing framework to cover resource mobilisation & financing framework and aspects related to assurance.



Your Bank has established a separate ESG Cell to act as a nodal department for ESG related risk & opportunities. The Bank has identified vertical wise ESG related action points and timelines. A Sub-committee has been formed comprising of verticals looking after the premises of the Bank, Information Technology & Operations to formulate action points to achieve net zero emission in the Bank's own operations. Further, another Sub-committee has been formed under the credit verticals of the Bank which will be the driving force behind transition of the credit portfolio of the Bank towards sustainable/ green finance. The Committee is working on finding out new avenues and opportunities for sustainable finance by measuring & mitigating the percentage of credit exposure to carbon-intensive sectors. The Bank has started assessment of physical risk and transition risk using financed emission in credit underwriting, identified physical risk of collaterals at district level of granularity and has also evaluated physical and transition risk for corporates at customer level under different climate scenarios.

Your Bank has become the first major Bank in India to become signatory to the Partnership for Carbon Accounting Financial (PCAF), which has provided the bank access to the PCAF database and methodologies. The Bank has also signed MoU with the Council on Energy, Environment and Water (CEEW), which provides access to advanced modelling and scenario analysis tool namely Global Change Analysis Model (GCAM) India model developed by CEEW. Your Bank has also signed MoU with the Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ), for technical assistance and capacity development. These partnerships with international organisations demonstrate your bank's strong ESG and climate commitment. Your Bank has also started integrating Climate Risk Solution in its lending

operations. The Bank has also started integration of ESG related topics in its training programmes.

Your Bank's training centre at Bangalore "Union Bank Knowledge Centre" has been certified with Platinum rating by Indian Green Building Council (IGBC). Your Bank has launched several products such as Union Green Home, Union Green Vehicle, Union Green Deposits promoting sustainable development.

Your Bank is working towards setting a time-bound quantitative target for reduction in emissions/ emissions intensity and carbon neutrality. Your Bank has set Net Zero target in Own Operations by 2035. Your Bank is well aligned to national goals and targets in the nation's collective transition to a low carbon economy.

Vendor Risk Management Cell

Third-party vendors have become integral part of banking operations. Over time, bank has recognized that outsourcing is a critical function within the bank. Risk and failures at a vendor can directly impact a bank's operations, financials, customers, and reputation.

Bank has established a dedicated Vendor Risk Management Cell within RMD, for managing risks arising from outsourcing activities. To manage outsourcing risk, the has board approved Vendor Risk Management policy in place.



Centralized data base of vendors is managed by Bank through inhouse portal called "Centralized Vendor Risk Management System" (CVRMS). Your bank has deployed outsourcing lifecycle in CVRMS for the effective monitoring of vendors. Your Bank is regularly reviewing its vendors and their services once at pre-onboarding stage and thereafter on periodic basis post-onboarding. Review of Service providers includes Activity Classification, Inherent Risk Assessment, Due Diligence, Enhanced Due Diligence, Cyber Risk Assessment, Due Diligence and Police Verification of Vendor Employees, Key Performance Indicator, Business Continuity Plan and ESG (Environment, Social and Governance) Assessment. To ensure the vendor maintains adequate security

Management Discussion And Analysis

measures at operating environment and required BCP in place. Your Bank has a system to inspect the vendor site on regular basis.

IT Risk Assessment Cell

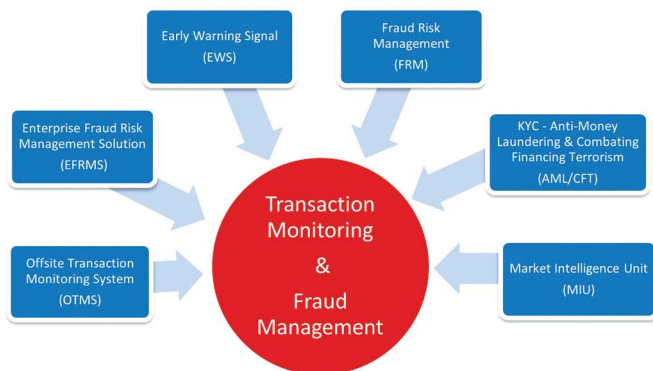
Bank has formulated IT Risk Assessment Cell under Risk Management Department to support the bank's Operational Risk Management function by evaluating technological changes, new implementation, and customizations to ensure that IT-related risks are getting identified, assessed, and managed at initial stage of product development. The Cell operates under the direct oversight of the Chief Risk Officer (CRO).

Your Bank's IT Risk Assessment Cell collaborates with key stakeholders, including DIT (Department of Information Technology), CISO (Chief Information Security Officer), Compliance, Audit, and Digitization verticals, to ensure a comprehensive approach to IT risk management and comply with RBI guidelines, banks internal policies and IT Governance framework.

The IT Risk Assessment process includes, Risk Identification, Risk Evaluation, Risk Prioritization, Risk Mitigation, Control Effectiveness, Change Identification and Assessment, Periodic Review of Business Impact Analysis (BIA) reports.

Transaction Monitoring and Fraud Management

Transaction Monitoring and Fraud Management vertical was formed with the vision to have better monitoring of fraud cases and early detection of the modus operandi followed in perpetrating the fraud. These will enable the bank to provide a robust system for prevention, early detection and timely reporting of fraud using various tools such as OTMS alerts, EFRMS alerts, Early Warning Signals to name a few.



Your Bank has started Real Time Monitoring System (RTMS), with an objective to detect & arrest transaction related frauds, at source system i.e., CBS (Finacle) on real time basis.

This is a unique concept wherein newly opened Saving and Current accounts are being monitored for initial first year and have facility to record Enhanced due diligence (EDD) in CBS on 24/7 basis.

Newly opened CASA accounts are being monitoring based on velocity checks on outlier basis. Such velocity checks include no. of transactions, transaction amount as per customer profile etc.

Your Bank is having a comprehensive surveillance mechanism for monitoring the transactions and events on a continuous basis at source system (CBS) and in near real time basis from the conclusion of transaction/event/activity; alerting designated users instantly via SMS & e-mail. Thus damage, if any, can be arrested immediately.

Bank has developed machine learning models which are capable in detecting mule accounts proactively on a real-time /near real-time basis. Many of the accounts identified through Machine Learning are also being reported through cyber-crime complaints from I4C and other Law Enforcement Agencies. This measure helps to protect genuine customers who may unknowingly fall prey to cyber-fraudsters by identifying and acting against mule accounts promptly.

These initiatives, positions your bank as a pioneer in the Indian Banking Industry, enhancing fraud detection and mitigation capabilities.

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.

Enterprise Risk Management (ERM)

Enterprise Risk Management (ERM) is a structured approach adopted for identifying, assessing, managing, and monitoring risks across the organization. Unlike traditional risk management, which often focuses on specific threats in isolation, ERM provides a holistic framework that integrates risk considerations into strategic decision-making. ERM is a process of addressing these risks on a bank-wide level instead of managing in silos.

Your Bank has put in place an ERM framework which enables the Bank to gain a clear view of its overall risk level. ERM is designed to address a broad range of risks, including financial, operational, strategic, regulatory, and reputational risks. Your Bank has a Board approved Enterprise Risk Management policy in place

22. Compliance

Your Bank has established a robust and well-documented compliance framework, guided by a comprehensive Compliance Policy. The Compliance Function is focused on ensuring adherence to regulatory and statutory guidelines, fair practice codes, internal policies, government directives, and the prevention of money laundering and financing of unlawful activities.

The Compliance Department operates through dedicated teams specializing in various domains, including regulatory compliance, risk-based supervision, operational compliance, compliance test checks, and policy reviews. These teams work closely with business verticals and other assurance functions to manage and monitor compliance risks effectively. The regulatory compliance team also plays a pivotal advisory role for internal stakeholders on evolving regulatory requirements.

Your Bank continues to leverage technology to streamline compliance processes, reduce manual interventions, enhance coordination with regulators, and strengthen monitoring mechanisms to improve operational efficiency. A structured process is in place for identifying, assessing, monitoring, and managing compliance risks, along with mechanisms for escalation and resolution of any instances of non-compliance. Compliance requirements are embedded into products and processes right from the design stage.

Recognizing the critical role of human capital, your Bank has invested in continuous education and capacity building of employees through training programs, workshops, and updates on regulatory changes and best practices in compliance risk management.

To ensure alignment across the Group, the Group Chief Compliance Officer (GCCO) oversees compliance adherence for the Bank and its subsidiaries. The Bank has further strengthened its compliance structure at the Corporate Office, as well as at Regional and Zonal levels, for enhanced field-level monitoring. A dedicated Assurance group comprising the Chief Compliance Officer, Chief Risk Officer, Heads of Internal Audit, Information Security, and Transaction & Fraud Monitoring regularly reviews key compliance issues and status of major regulatory directives.

In its ongoing efforts to embed a strong compliance culture, your Bank has launched targeted training programs across business verticals and field units. Special initiatives such as Compliance Awareness Week, distribution of flyers, capsules, and awareness sessions have been conducted to enhance regulatory knowledge and promote a compliance-first mindset. Additionally, the KRAs for officers across all levels now include increased weightage on compliance, thereby ensuring greater accountability.

Your Bank conducts regular compliance test checks across Central Office Departments, controlling offices, and branches to assess implementation of regulatory directives. A centralized Compliance Package is in place to manage responses to communications from regulatory bodies such as RBI, SEBI, Ministry of Finance, and the Indian Banks' Association (IBA). The roles and responsibilities of the Compliance Function are clearly defined across all tiers of the Bank. A structured self-certification process, supported by Zonal Compliance Officers and Zonal Compliance Monitoring Committees, ensures regulatory and statutory compliance at the field level.

The Bank has developed and deployed Compliance Monitoring Tool to facilitate individual-level compliance monitoring, certification, and verification, thereby enhancing accountability and transparency.

Long-term compliance requirements have been integrated with the Bank's business strategy. Compliance considerations are embedded into decision-making processes, product design, IT systems, and digital lending operations. Systematic checks and controls at policy, process, and technology levels have been institutionalized to ensure sustainable compliance. Enhanced transparency, risk governance, and disclosure practices have been adopted to uphold stakeholder trust.

Your Bank remains fully committed to reinforcing its compliance, risk management, and governance frameworks, and continues to align with industry best practices to support the overarching goals of financial stability and institutional integrity.

23. Internal Audit

Following key activities are carried out by the Audit & Inspection vertical:

- i. Risk based Internal Audit of Branches and other units
- ii. Concurrent Audit of select Branches and other units
- iii. Management audit of controlling offices and CO Verticals
- iv. IS Audit
- v. Foreign Branches' Audits
- vi. Special Audits and Special Reports
- vii. ACE, CAOC
- viii. Data Dump Analysis
- ix. Providing data for examination of Staff Accountability-DFS Guidelines.

Risk based Internal Audit of Branches and other units:

During FY 2024-25 total audits commence of 6080 branches, out of which wrap up completed in 5938 branches and rating of 5904 Branches is finalized as on

Management Discussion And Analysis

31.03.2025. The number of branches under Low Risk are 4299 (72.82%), Medium Risk are 1533 (25.97%), High Risk are 72 (1.22%) & Extremely High Risk are Nil. Further, 798 other units audit commenced, out of which 763 Audit wrapped up during FY 2024-25. Forex Audit of 114 'B' category branches done during the period.

Concurrent Audit of select Branches and other units:

Department has initially appointed (Fresh/Renewal) 1873 concurrent auditors for FY 2024-25 and as on 31.03.2025, 1,848 Concurrent Auditors covered 1843 branches/Verticals/Units. Out of Total 1843 branches/Verticals/Units 1341 are business Branches, these branches covers 54.64% of total Deposit and 77.99 % of Advances of the Bank's total business as on 31.03.2024. Total 39 Verticals /Sub Verticals covered under Concurrent Audit.

Revenue Audit (leakage of Income)

Leakage of income has direct effect on the profits. With a view to curb the tendency of negligence on the part of the staff, a format has been devised wherein the names of the officials are required to be mentioned against the leakage in each case to enable the Bank to take suitable corrective action. Three (3) Revenue Audit (leakage of Income) Special Campaigns conducted during FY 2024-25. Total amount detected 502.08 crore and recovered 408.87 crore as on 31-03-2025.

Management audit of controlling offices and CO Verticals

Management audit involves the review of managerial aspects like organizational objective, policies, procedures, structure, control and system in order to check the efficiency or performance of the management over the activities of the Bank. Management Audit is to assess effectiveness of management in accomplishing tasks and in achieving overall corporate objectives. It would strive to help the auditee unit to accomplish its objectives by bringing a systemic and disciplined approach to evaluate the effectiveness of management procedures, control and governance processes, for better results and quality. 134 Regional Offices, 18 Zonal Offices, 18 Zonal Audit Offices, 34 Central Office Verticals, 7 Other offices are covered under Management Audit.

IS Audit:

Information Systems audit is an examination of controls within Information Technology (IT) infrastructure. Bank has adopted hybrid model for conducting IS Audit of IT assets wherein by Bank's internal IS Audit team along with selected CERT-in empaneled IS Audit service provider is undertaking the IS Audit, as per the approved annual IS Audit Plan.

100% Target achieved during the period as IS Audit has been undertaken for 289 IT applications / processes and

74 Administrative offices & 3 foreign instances. Along with these regular IS audit, 35 pre-implementations IS audit were undertaken to provide IT control status to CISO & owner auditee team to decide go live. 25 special focus IS audits were also undertaken as per regulatory / Internal guidelines like SWIFT CSCF, comprehensive SWIFT, RBI KRI data, UIDAI compliance, RA audit etc.

Foreign Branches' Audits:

The bank is having branches at Dubai, Sydney and subsidiary at UK. The annual audit of all the three places is completed as per time schedule. The periodic audit is also completed at Dubai and Sydney branches.

Special Audits and Special Reports:

Special Audit: It is being conducted on receipt of specific requests from controlling offices like ZAO/RO/ZO and/or the respective Functional Department of Central Office Including Audit & Inspection vertical. Such request for conduct of Special Audit shall invariably contain specific reasons for the recommendations, nature and seriousness of the issues and specific area where the audit is to be focused. During FY 2024-25, 114 special audits approved, out of which 111 special audits completed & released.

Special Report: The purpose of submission of Special Report is to draw the immediate attention of the Management / Controlling Offices to the irregularities in branch/account further to initiate corrective steps for rectification/regularization of such irregularities and to safeguard the interest of the Bank. During FY 2024-25, 103 special reports issued.

Audit committee of Executives (ACE) & Central Office Audit Committee (COAC):

- During FY 2024-25, up to 24th July 2024, 4 ACB meetings conducted by A&I vertical, afterwards ACB shifted to board secretariat as per instruction received from RBI SSM.
- ACE shall meet at least once in a quarter and at least six time in a year. During the FY 2024-25, 7 ACE meetings conducted
- During FY 2024-25, 7 Central Office Audit Committee meetings conducted.

Data Dump Analysis

Data Dump Analysis is an important in-house activity to analyse the data available in the system to identify the data gaps, deviations from policies / guidelines of products/ processes defined by the bank and regulator (RBI). This activity is put in place to help the field functionaries to maintain the accuracy & completeness of data captured in line with the policies. Data analysis team (DAT) at audit & inspection CO, undertakes analysis on various scenarios for identifying the control gaps.

Since the beginning of Data Dump Analysis i.e. December 2021, A & I vertical conducted analysis of 152 scenarios. Data Dump Analysis conducted on 26 new scenarios in FY 2024-25 (Till March 2025) and their observations/findings were placed before ACE.

Providing data for examination of Staff Accountability-DFS Guidelines:

Revised guidelines on Staff Accountability framework for NPA accounts up to ₹ 50.00 crore (other than fraud cases) was issued by Department of Financial Services. Accordingly, A system is placed at Zonal Audit Offices to provide Audit Reports for accounts above ₹ 0.10 crore to ₹ 1.00 crore to Staff Accountability Committee within 7 working days and similarly for accounts above ₹ 1.00 crore to ₹ 50.00 crore by A&ID, CO within 15 working days.

Future Outlook:

Remote audit: First phase Implementation of remote audit for branches is completed. 280 Audit points constituting 10% of 2385 RBIA Master checklist points in eTHIC module have been brought under first phase of implementation.

Remote Audit integration with Finastra: Creation of interface with Finastra is under process. Under this phase, another 388 checklist points (13%) will be brought under the scope of remote audit.

Remote Audit integration with DMS: The remaining master checklist points will be implemented under remote audit once DMS module is fully functional and integrated with eTHIC.

With implementation of the Remote Audit module, Vertical envisages the following benefits:

- ✓ Saving in cost and effort
- ✓ Improvement in the quality of the Audit.

24. Cyber Security

24.1 Cybersecurity Governance Framework and Action Plans

Union Bank of India has implemented a comprehensive Cybersecurity Governance Framework and robust data governance and privacy practices, which are detailed in its IT Policy and Data Governance Policy. The Bank holds ISO 27701:2019 certification for its Privacy Information Management System (PIMS), enhancing its Information Security Management System (ISMS) and ensuring the management of Personally Identifiable Information (PII). This certification builds stakeholder trust, mitigates privacy risks, and ensures legal compliance, reinforcing data integrity, accuracy, and reliability. The Bank adheres to several key regulatory frameworks, including the

RBI Cyber Security Framework 2016, RBI Master Directions on Digital Payment Security Controls 2021, and RBI Master Directions on IT Governance, Risk, Controls, and Assurance Practices 2023. Its IT systems comply with international risk management frameworks, notably ISO 31000:2018, and include detailed Risk Assessment and Risk Treatment plans. Furthermore, the Bank meets the standards of ISO 27001 (Information Security Management), ISO 22301 (Business Continuity Management), ISO 27701 (Privacy Information Management), PCI DSS (Payment Card Industry Data Security Standard), and PCI PIN (Payment Card Industry PIN Security). Since November 14, 2022, several key systems, such as CBS, RTGS, NEFT, IMPS Switch, ATM Switch, and UPI Switch, have been designated as "Protected Systems" by the Ministry of Electronics and Information Technology. Consequently, the Union Bank of India complies with the Information Technology (Information Security Practices and Procedures for "Protected Systems") Rules, 2018, ensuring robust cybersecurity and data protection measures.

24.2 Cybersecurity Infrastructure & Strategies for Threat Mitigation

- Policies and Action Plans: Harmonised with Digital Payment Security Controls for internet banking, mobile banking applications, ATM operations, and other generic security controls.
- 24x7 Cyber Security Operation Centre (C-SOC): A cornerstone of the Bank's cybersecurity infrastructure, staffed by a dedicated team of experts using advanced tools and technologies to monitor, detect, and respond to cyber threats.
- Defence in Depth Strategy: Provides holistic protection with a comprehensive, multi-layered security architecture.
- Ethical Hacking Lab: Identifies gaps in the Bank's perimeter or internet-facing applications/assets daily.
- Vulnerability Assessment/Penetration Testing (VA/PT) Lab: Conducts regular VA and PT of applications and systems.
- Red-Teaming Exercises: Conducted with external vendors to identify vulnerabilities and business risks, simulating the actions of an attacker to test existing controls.

24.3 Customer Awareness Activities

Union Bank of India continues its unwavering commitment to educating customers on secure banking practices and digital safety. The Bank has implemented a series of initiatives to ensure

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customers are well-informed about potential cyber threats and how to mitigate them. Here are the key activities undertaken for customer awareness:

a) **Secure Usage Guidelines:** The Bank provides comprehensive, secure usage guidelines, terms, and conditions for using digital channels and products. These guidelines are prominently displayed across various platforms to ensure maximum visibility and awareness.

- Internet Banking and Mobile Banking App Vyom: Secure usage guidelines are integrated into the user interface of the Bank's internet banking portal and the Mobile Banking App Vyom. This ensures that customers are aware of best practices and security measures every time they use these digital channels.
- Passbooks and ATM Slips: Security messages are printed on the passbooks issued to customers and on ATM slips generated after successful transactions. This continuous reminder helps reinforce safe banking habits among customers.
- Videos and Social Media Posters: The Bank uses engaging videos and informative posters on social media platforms to educate customers about cybersecurity. These materials cover various topics, from identifying phishing attempts to securing personal information.

b) **Public Awareness Campaigns:** Union Bank of India continuously engages in public awareness campaigns to inform customers about the types of threats and attacks they may encounter while using digital payment products. These campaigns highlight precautionary measures that customers can take to protect themselves.

- Emails and SMS: Regular communications are sent via email and SMS to alert customers about potential threats and provide tips on how to stay safe online.

c) **Cybersecurity Awareness Displays:** In addition to digital communications, the Bank ensures that cybersecurity awareness is a visible part of the physical banking experience.

- Network Electronics Display Units (NEDU): Creative cybersecurity awareness messages and posters are displayed on NEDU screens in branches. These visual reminders help keep cybersecurity at the forefront of customers' minds as they conduct their banking activities.

- A strong focus on cybersecurity resilience drive Union Bank's initiatives across people, processes, and technology.

d) **Monthly Cybersecurity Tips:** The Bank collaborates with the Centre for Development of Advanced Computing (CDAC) Hyderabad, a key partner, to provide monthly bulk mailings of cybersecurity tips to all customers.

- CDAC Partnership: Through this partnership, the Bank sends out regular communications with practical cybersecurity tips, helping customers stay informed about the latest security practices and potential threats

e) **Online Webinars:** To reach a broader audience and provide in-depth cybersecurity education, the Bank conducts online webinars in coordination with CDAC Hyderabad.

- **Monthly Webinars:** These webinars are held monthly and are available to bank customers across India. The sessions cover a range of topics, including the latest cybersecurity threats and how to protect against them, providing an interactive platform for learning and engagement

f) **Multi-Channel Communication:** Union Bank of India employs a multi-channel approach to ensure that cybersecurity messages reach all customers, regardless of their preferred communication medium.

- Internet and Mobile Banking: Important cybersecurity information is displayed on the Bank's internet banking portal and Mobile Banking App Vyom.
- Credit Card Statements: Customers receive security messages with their credit card statements, reinforcing the importance of cybersecurity with their financial documents.
- SMS and Emails: Regular alerts and tips are sent via SMS and email.
- Social Media Channels: The Bank utilises LinkedIn, Instagram, Facebook, X and YouTube to share cybersecurity awareness content.
- Network Electronics Display Units (NEDU): Physical displays at branches ensure that customers are reminded of cybersecurity best practices during their visits. Through these comprehensive initiatives, Union Bank of India is dedicated to building a

well-informed customer base capable of navigating the digital banking landscape securely.

24.4 A strong focus on cybersecurity guides Union Bank's initiatives across people, process and technology

Union Bank of India puts cybersecurity front and center to safeguard bank's stakeholder interests while growing its digital business with omnichannel presence. Bank has cultivated a strong cybersecurity culture to increase the digital trust among its stakeholders. Bank has established Cybersecurity Centre of Excellence (CCoE) at its premises at Hyderabad, tasked with learning, imbibing, and implementing industry-leading new generation cybersecurity technologies that will not only protect the Bank's cybersecurity assets but also focus on a comprehensive awareness and education program 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.

The Bank has also developed a Comprehensive Cybersecurity Awareness Programme (CCSAP) for customers and employees. The Bank reaches out to customers with awareness campaigns across multiple channels, such as SMS, Multilingual emails, ATMs, display units in branches, social media and the 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 SuṛēKsha" and "U ṚēKshak" to personalize and promote educational cybersecurity safety tips to its people.

In addition, the 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, annual National Cybersecurity Awareness Month (NCSAM) is celebrated throughout the month of October with a daily webinar on different cybersecurity topics. Bank during its training programs is also disseminating the information regarding reporting of Cybercrime in 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 townhall meetings pan India, daily mail with cybersecurity tips, interactive puzzles, and crosswords.

Bank regularly publishes internal booklets and news snippets to update staff members on the latest cybersecurity news and trends. A monthly phishing simulation exercise for all employees creates awareness and identifies vulnerabilities among the staff that can be addressed with additional training and handholding. Union Bank has also formulated the Cybersecurity Executive Development Program (CSEDP) to offer in-house certification for senior management in IT and Cybersecurity. The Bank has also created a robust cybersecurity governance structure comprising policies, procedures, guidelines and committees at the executive and Board levels.

24.5 State of the Art technologies

Union 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. The Bank's Data Centre (DC) & Disaster Recovery (DR) site has ISO certifications for Information Security Management Systems (27001) and Business Continuity Management System (22301). The Bank's Enterprise Risk Management System is ISO 31000 certified. The 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 defence 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 is also mandated at the 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 the Bank by automating its data security controls and developing a robust IT infrastructure.

To provide holistic protection for its cyber infrastructure, Bank has adopted 'Defence in depth' strategy with a comprehensive, multi-layered security architecture in place. The Bank has also

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implemented cybersecurity solutions at each level, like perimeter security, network security, application security, end point security, identity and access management, threat Intelligence and data security to protect its IT assets. The Ethical Hacking Lab, set up by the Bank under its CCoE, is tasked with identifying the gaps in perimeter or internet-facing application/assets of Bank on daily basis.

The Vulnerability Assessment/Penetration Testing Lab (VA/PT) is also under CCoE, and it conducts periodic VA and PT of applications. With the help of external vendors, the Bank also conducts red-teaming exercises to identify the vulnerabilities, business risk, 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.

Bank has put in place Attack Surface Management Solution, with Continuous Automated Red Team Exercise Platform, Breach attack Simulation and Digital Risk Monitoring. This project also enables bank Support Bank's Digital Journey to bring down risk to minimal level, Continuous monitoring of perimeter, Enhancement in threat detection and incident response & Identify Bank's sensitive information such as card data, customer credentials exposed in the public domain.

Our Bank has inhouse Cyberdrill arrangement to assess and improve the bank's readiness in detection capabilities to cyber threats and incidents. The goal is to improve detection capabilities, response times, enhance communication, and ensure that all team members understand their roles during an actual cyber incident.

Bank has setup Digital Forensic and Malware Analysis Lab for review of Digital Forensic Readiness of applications, infrastructure, security and network devices, Malware Analysis of ATMs/CRMs, Suspicious emails, etc. Further this enables in Detecting and analyzing anomalies to prevent and respond to potential breaches.

Bank has procured Cyberrange simulation platform which facilitates an environment to practice defending against simulated threats in immersive training scenarios, essentially preparing and rehearsing for the event when a breach occurs.

Bank has undertaken Proactive Ransomware Readiness Assessment to understand the Protective, Preventive, Detective, Predictive and Recovery controls in the wake of a recent ransomware attacks and to address any findings that can undermine the organization's ability to resist or recover from such Ransomware attacks

New Cyber Security Awareness Initiatives:-

In addition to the existing cybersecurity awareness initiatives to the customers of the Bank the following new initiatives were implemented during the FY 2024-25

- Four Cyber Security Awareness Guide, Volume I, Volume II, Volume III, Volume IV containing modus operandi about latest Cyber Frauds and safety tips have been uploaded in Corporate website of Bank
- Cyber Security Awareness tips have been incorporated in the body of Email being sent to credit card customers.
- Cyber Security Awareness tips have been incorporated in Email body of monthly Bank Account Statement being sent to customer
- Cyber Security Audio jingles/Videos/ Banners/ Safety tips for display at Bank Branches Notice Board for creating awareness among customers.

RBI Cyber Security Framework

Bank has put in place Board approved Cybersecurity policy, duly incorporating robust cybersecurity governance structure, with clear roles & responsibilities for managing cybersecurity risks. Regular risk assessments and vulnerability assessments are essential to identify and mitigate potential cyber threats, our bank is conducting regular cyber security risk assessments to identify and mitigate potential cyber threats.

Bank has formulated and implemented Information Security, Cyber Security and Digital Payment Security policies & procedures covering various aspects of cybersecurity, including data protection, access controls, and incident response. We have clearly defined and documented Incident response & reporting mechanism under cyber security policy.

Bank is undertaking periodic security audits and assessments of cyber security solutions/processes through External/ Third party auditors to assess the effectiveness of cybersecurity measures.

Group CISO

Bank has implemented the concept of Group CISO for all the Subsidiaries/Joint venture/Associates of the Bank. Group CISO oversees cyber security risk of the group entities, takes part in risk management committee meetings of the entities & Acts an advisor to the management of entities for their cyber security related functions

25. Analytics Capabilities

Following the establishment of the Analytics Center of Excellence (ACoE), your Bank has made significant

strides in its analytics capabilities by bringing in skilled professionals and enhancing their expertise through a combination of internal and external training programs. This initiative aims to unlock the full potential of data-driven insights.

In addition, your Bank is actively leveraging data analytics to boost customer engagement, support informed decision-making, and mitigate risks. This is being achieved through descriptive analytics and a range of machine learning use cases developed using statistical and analytical models across key segments such as Retail, MSME, and Agriculture. Use-cases address wide-ranging areas such as customer retention, personalized offers for new products, risk management as well as stress identification.

Bank is currently in the process of implementing a next-generation, state-of-the-art data infrastructure, Enterprise Data Lake, designed to support advanced analytics. The implementation of a Data Lake offers the Bank a unified and scalable platform to store vast volumes of diverse data sets having structured and unstructured data, thus enabling seamless integration of data from multiple sources—internal systems, customer interactions, external feeds, and more facilitating real-time access and advanced analytics.

Envisaged benefits of this initiative include faster and more accurate risk management, strengthened reporting & review mechanisms, enhanced regulatory compliance, and the ability to personalize customer experiences. The Data Lake also lays the foundation for future innovations in AI and machine learning by providing high-quality, accessible data for model development, such as Credit Underwriting Scorecards for Retail & MSME portfolio, and Next-Best-Product; an advanced cross-sell and up-sell engine. It serves as a single-source-of-truth, ensuring accurate data lineage and coherence among disparate data sources, empowering your Bank to make more informed choices and deliver enhanced experiences for its esteemed customers.

26. Credit Compliance and Monitoring

Collection Management :

During the F.Y. 2024-25 your Bank has improved the Collection Management through the following:

Call Centre: For timely collection of dues in the loan accounts and strengthening the collection mechanism, your Bank has established a full-fledged call centre. Full Time Equivalent (FTE) are posted at the call centre for tele calling to those borrowers whose accounts are in stress. By this the borrower is being reminded about his overdue thus enhance the collection. Further, priority calling and

Virtual Relationship Manager (VRM) callings are also made to borrowers under Retail as well as MSME segments whose account is in stress. Callings are also made to all the borrowers having Days Past Due (DPD)+1 and to those borrowers whose account is restructured. Through this the repayment habit of the borrower is improved and enhance the collection efficiency for the Bank.

Feet On Street (FoS) & Customer Relationship Executive (CRE): In addition to the call centre facility, your Bank has deployed the services of Feet On Street (FoS) through UBI Services Limited (UBISL) and Qness Corp during the F.Y. 2024-25. Ltd. These FoS are physically visiting the borrowers for collection whose accounts are in stress. Your Bank has also posted its own staffs in all the Regions in the form of Customer Relationship Executive (CRE) for physically visiting the borrowers. The customer visit by FoS /CRE is allocated through the Mobile App provided to them and they capture the response of the borrowers after visiting them. Through this the repayment culture among the borrowers is inculcated and collection efficiency improved.

BBPS: In a digital era, customer needs ease in making repayment of their dues in hassle free manner. To address this your Bank is sending SMS to borrowers with Bharat Bill Payment System (BBPS) enabled Click Pay link. This SMS is sent to all the borrowers availing EMI based term loans before 7 days of DPD & after 1 day of DPD. This has brought substantial growth in the volume of digital transactions for repayment in term loan accounts.

27. Vigilance

The Vigilance Department of the Bank functions under the supervision of Chief Vigilance Officer (CVO), and two Additional Chief Vigilance Officers (ACVO), who act as an extended arm of Central Vigilance Commission. The CVO & ACVOs are assisted by a team of 46 functional vigilance Executives/officers stationed at Central Office and 144 Field Vigilance Officers, mapped to Regional/Zonal Offices PAN India. The team is managed by 02 DGMs and 06 AGMs at Central Office, along with 02 AGMs stationed on each at Delhi and Mumbai. Vigilance functionaries, at each level, act as a preventive task force, ensuring sustainable business growth and contributing towards profitability of the Bank. Being a part of Assurance Functions, it is marked as one of the defence pillars of the Bank, promulgating the environment of integrity, and accountability with transparency at all stages. The department has 03 major functional areas- Preventive, Participative and Punitive. Moreover, department aims at proffering systemic improvements for reformation of systems and procedures for strengthening the fundamentals of the organization. By proactively evincing and addressing potential risks, the Vigilance Department helps in mitigating financial, legal and reputational risks associated with corruption and fraud, protecting the interests of the organization and its stakeholders.

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Whistle blower mechanism is considered as a potent medium for organizations to ensure participative vigilance, wherein each employee has an access and avenue to safeguard the Bank against internal/ external threats like frauds, bribery, corruption, abuse of authority, non-compliance of laid down systems & procedures, through reporting such incidences to Top Management. This is under the purview of Executive Director heading Human Resource Department.

To effectuate Participative Vigilance-

1. Vigilance Awareness Day is observed on every Second Thursday of each month to address the ongoing frauds, their modus operandi and remedial preventive actions.
2. With the endeavour to exact awareness, an In-House film was directed showcasing the imminence of involving Middleman in financial system, reemphasizing the commitment of the Bank to its core values of transparency and authenticity in its procedures- Say No to Middleman.
3. 01 Video song reiterating the commitment towards upholding values of integrity and promoting culture of venerability, was launched during Vigilance Awareness Week, 2024.
4. In addition to this, 25 short videos were prepared with the concept of "Culture of Integrity for Nation's Prosperity" by CGGB (sponsored RRB).
5. To create awareness, participative vigilance drive is undertaken at all level by conducting periodic preventive vigilance visits at all units of the organisation. This is also a prime objective of observing Vigilance Awareness Campaign every year.
6. The department has also circulated educative series for capacity building of the officials working at Branches and controlling offices i.e. weekly series- "Drishti" 52 issues, Monthly series "Satarkata Se Safalta" -12 issues and 4 issues of quarterly series "Union Vigil".

A total of 8907 Preventive vigilance visits were undertaken, covering all the functional units of the Bank, to create awareness, especially pertaining to fraud prone areas and advise Functional Heads to ensure appropriate systems and procedures are put in place. Concept of Enhanced PVAV was introduced to further solidify the intent of PVAV for those units which were marked high on risk continuum. A total of 626 E-PVAVs were conducted during FY 2024-25.

In the endeavour to leverage IT platforms to strengthen the preventive measures various initiatives were taken in this financial year to contribute towards sustainability principle of the Bank. End-to-end digitization of

disciplinary process was launched as "Project Vishwas"- An online user-friendly platform for HR, ER, and Vigilance officers, facilitating online submission and collection of documents, efficient case review, and prompt action-taking. It is designed with integration of existing Human Resource Management Systems and Core Banking Database to ensure seamless data flow and real-time monitoring of disciplinary cases

During the year various Systemic Improvements were introduced in three major categories to check & deter actionable occurrences in the organization:

1. Preventive Measures
2. Deterrence Measures
3. Awareness Measures

A concept of Digital Vigilance Dashboard was devised which comprises of details of the different sections of Vigilance such as Preventive, Punitive, CBI, ABBFF, Complaints, etc. with updated status. It is presented to Top Management on fortnightly basis.

As per advisory of Central Vigilance Commission, Preventive Vigilance campaign was observed/ undertaken, as a precursor to Vigilance Awareness Week, 2024, from 16th August, 2024 to 15th November, 2024 and Vigilance Awareness Week 2024 envisaging the theme "Culture of Integrity for Nation's Prosperity सत्यनिष्ठा की संस्कृति से राष्ट्र की समृद्धि" was observed in a befitting manner from 28th October to 3rd November, 2024 in, across all branches/ offices PAN-India.

As a part of the celebrations, various Vigilance Awareness Programmes were conducted within the organization and outreach activities on PAN India basis, to spread awareness among the general public and youth of India on eradicating corruption and remedial measures available to them. A Total of 16895 events were conducted under Vigilance Awareness Week 2024. 75,000+ staff members and 10,50,657 citizens had taken Integrity Pledge during the Vigilance Awareness Week 2024. Compendium comprising snippets on Conduct Rules, Cyber Hygiene, Ethics & Governance, Systems and Procedures (Credit & Non-Credit Areas) and Procurement with during the campaign period.

During the year a total of 635 complaints were received by the department & all the 635 complaints are disposed of within the TAT. In compliance with CVC guidelines, Quarterly Structured Meetings are regularly held with MD & CEO.

Care is being exercised that the disciplinary process does not result in any demoralization. A rational approach by the Top Management, the disciplinary authorities as well as the vigilance machinery is being adopted so as to ensure uniformity, fairness and transparency in functioning and to uphold the principles of natural justice.

28. Operation

A. Initiative across the Banking Industry:

UVConn 3.0:

UVConn is an innovative 24X7 digital Banking tool available on WhatsApp Messenger Chat service on number 9666606060. UVConn 3.0 leverages WhatsApp communication platform to connect with customer for enquiries related to their accounts. UVConn is currently Live in 7 languages (English, Hindi, Kannada, Telugu, Tamil, Bangla and Marathi) and is available with 70 Non-financial services making Banking seamless to the customer. Out of 70 services, 10 services have been made live in the FY 2024-25. UVConn has been enabled for NRI customers in 19 countries. Further Welcome Message is being sent to all newly onboarded customers through WhatsApp with a creative of all services. Currently, over 44.50 Lakhs+ users have been onboarded on UVConn and 249 Lakhs+ enquiries have been triggered by customers.

B. Projects Implemented by Operations Vertical: Following are the customer centric/ oriented projects implemented by the Bank or easing of Banking and customer excellence.

Sr. No	Name of the Project	Remarks
1.	Digital Contact Centre	Digital Contact Centre of the Bank is established on 14.11.2024. The new digital Contact Centre of the Bank aims at faster resolution of queries/ requests/complaints with robust Back Office Management and multilingual facility in 19 Languages including Hindi & English. It also has a separate desk for HNI/NRI customers. It facilitates end to end digital solutions of Customer queries/requests/complaints.
2.	Modification in Monthly Account Statement sent through e-mail.	Security Awareness Information has been incorporated in the e-mail body to create awareness amongst the customers.
3.	Centralization of Locker Overdue Notice Issuance	Mechanism for sending of centralized dispatch of locker overdue notices has been implemented.
4.	Improvement in Cheque Book issuance process in the CBS system	To mitigate frauds and to strengthen Cheque Book management System, improvements in Cheque book issuance process and tracking of cheque book has been introduced, with mechanism to control delivered/ undelivered cheque book in the CBS system.

Sr. No	Name of the Project	Remarks
5.	Outward Clearing through tablets using Remote Deposit Capture (RDC)	Cheques can be scanned for outward clearing, through Tablet using Remote Deposit Capture (RDC) App. The App automatically reads the MICR band and other data through the integrated Artificial Intelligence (AI), which helps in streamlining the data extraction process.
6	Availability of Services / Portals through Tablet	The following services /portals are added in Tablet Banking for customer usage and convenience: 1) UDGAM 2) Union Vidya 3) UIDAI Portal 4) My NPS 5) Apply Locker 6) Enrol for APY 7) Death Claim Portal 8) PMEGP Portal 9) PMFBY Portal
7	Customer Feedback Capture Mechanism	Customer Feedback Capture has been incorporated for the below channels: 1) Tablet 2) Monthly Account statement sent through e-mail. 3) UVConn
8	Development of Services can be completed without mandatory branch visit	As per EASE 7.0 Agenda, below services are provided without mandatory branch visit through Online Grievances Portal in Corporate Website: 1) Account Transfer to Other Branch 2) Request for New Passbook
9	NRI Services through Internet Banking	Following services have been made live in Internet Banking specially for our NRI customers: 1) Address Update 2) Conversion of account from Resident to Non-Resident 3) Conversion of account from Non-Resident to Resident

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Sr. No	Name of the Project	Remarks
10	Dedicated Help Line number for Priority customers, Senior Citizen & Visually Impaired customers.	A dedicated Helpline number 1800 425 2407 is made live for Priority Customers, Senior Citizen & Visually Impaired persons.
11	Hassel Free Re-KYC in case no change in customer KYC details.	Customers can submit their Re-Kyc through digital channels like Corporate Website, Internet Banking, ATM, Mobile Application (Vyom), or through a link-based service made available on WhatsApp Banking (UVCONN).
12	8 Digit Toll Free Number 1800-2333	Bank has introduced new 8 Digit Toll-Free Number – 1800-2333 for the customers.
13	Real-Time query portal – “Ask-Us” for staff.	Bank has introduced a real time query portal for the staffs to attend the day to day banking queries.

c. 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: - The revised 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 TAT / Timeline depending on the nature of the complaint. The purpose is to ensure prompt as well as effective redressal of customer complaints.

Up-dation of Grievance Redressal Officer Details on Bank's Website: The Bank has now uploaded the contact and other details of Zonal & Regional Grievance Redressal Officers on our Bank's website to enable ease to the customer in quick resolution of complaints. Now our website contains the structured Grievance Redressal Mechanism from the Chief Grievance Officer level to ZO and RO levels.

Handling of Customer Grievances: Bank have the Online Grievance Redressal mechanism through Corporate Website, IVR, Call Centre, Mobile Banking, WhatsApp Banking, Emails etc. On lodgement of the complaint by the customer ticket number of the complaint is invariably provided to the customers. Further Cyber Fraud related complaints are handled 24X7. Branches/ customers are

made available with QR Codes for lodgement of complaint & capturing feedback.

The details of customer complaints received during the financial year 2024-25 are given below.

Complaints outstanding as of 01 st April 2024	6,331
Complaints received during the year	5,66,215
Complaints resolved during the year	5,60,903
Complaints outstanding as of 31 st March 2025	11,643

29. Opportunities

29.1 Falling costs of deposit, especially bulk deposits:

RBI led MPC cut repo rate by 25 bps during the FY 2024-25 and additionally, frontloaded another 75bps in Q1 FY2025-26, to resolve the worries around growth slow-down and greater confidence of inflation staying below the 4% target. Along with rate cut, RBI announced slew of liquidity measures approx. (₹10.5-11 lakh crore) through CRR cut, OMO purchases and forex swaps. While rate cut cycle led to downward pressure on deposit rates, transmission was witnessed the most in bulk deposits whereas it is still in progress in retail term deposits and savings deposit rates.

29.2 Sector-specific opportunities to see resurgence:

Silver-lining of trade wars can be seen in terms of India's strategic advantage in some sectors. While gaining comparative advantage in supply-chain, China plus one model would help in India's manufacturing boost. Within the sector-specific opportunities, MSME credit to see uptick. Union Budget FY 2025-26 emphasized on Rs.7 lakh crore credit guarantee scheme which provide the room for Banks to comfortably lend to MSMEs and help in credit creation. Bank credit to MSMEs is likely to play a significant role in India's manufacturing expansion as a strategic advantage amid trade wars. India's MSMEs can take advantage in competitive sectors such as textile, automobile and electronics sector apart from domestic oriented sectors like infra (especially power), defence etc. gaining traction. However, yet unfolding trade deals and Trump's sector specific bias can have varied impacts on sectoral credit creation. Hence, in this regard, the contours of the US-India trade deal is likely to play a key role in providing sector specific credit opportunities in a volatile world where broad-based private capex recovery has been delayed.

29.3 Treasury gains amid downward pressure on yields:

As a part of RBI's liquidity easing measures, the Banks treasuries may see gains on excess SLR holding which stand at -25% of NDTL (SCBs). The sovereign yield curve steepened as short-term rates fell faster than long-term rates supported by the

shift in banking system liquidity to surplus from the start of FY 2025-26 and 100bps rate cut in the easing cycle. That said, we expect the Bank treasury gains to be frontloaded, with a small window likely opening up in H2 if inflation trends stay within the 4% target to provide space for further monetary policy easing.

30. THREATS

30.1 Interest margins likely to face come under pressure on repo rate cut(s): As per RBI's Financial Stability report, "easing monetary policy cycle could impact the net interest margin (NIM) as growing share of loan book is linked to the external benchmark-based lending rate (EBLR), which is reset more frequently with change in repo rate. On the other hand, term deposits, which are also growing, have fixed contractual rates that change less frequently". However, eventual impact on NIM is contingent on factors like quantum and pace of correction in deposit rates, and MCLR rate revision as -35% credit portfolio is MCLR linked for the banking system and moves at the discretion of Banks, though bound by trends in cost of funds and competitive forces.

30.2 Business growth under pressure due to external shocks to overall growth: Headwinds of Trade wars and global slow-down will put downward pressure on India's growth through multiple channels. Any decline in overall activities and demand sentiments would adversely affect the credit demand of the economy, putting pressure on business growth of the Banks in India. Rules of Economic cycle state that in times of lower economic growth, credit growth remains low, as was also seen in last Financial Year.

30.3 Unfavourable business environment and slow-down pose risk of rise in asset quality issues in specific sectors: Slowdown in overall economic activity is likely to directly impact the sector-specific growth and business performance. As per Financial Stability Report June 2025, GNPA ratio of banks may rise from 2.3% in March 2025 to 2.5% in March 2027 in baseline scenario with a risk of spike to 5.6% and 5.3%, respectively, under adverse scenarios. Additionally, domestic growth slow-down can affect income flows and push NPAs in both retail and MSME sectors. Also, industry-specific NPAs can be observed due to trade wars related effects. While credit quality of large borrower shows the impact of external shock with a lag, retail and MSME credit show an immediate effect and higher rate of NPAs can be anticipated. That said, the banking system is well capitalised and well provisioned to handle any

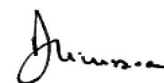
rise in stress with NPA levels also lowest in more than a decade.

31. Outlook

31.1 During FY 2024-25, Indian economy recorded robust growth amidst external headwinds. Economic activity gained momentum and the provisional estimates (SAE) of national income released by the NSO placed India's real GDP growth at 6.5% y-o-y in 2024-25 on the back of robust growth in private final consumption expenditure. On the supply side, real gross value added (GVA) expanded by 6.4%, y-o-y, driven by agriculture and services sectors. The headline consumer price index (CPI) inflation have averaged 4.6% during 2024-25, lower than 5.4% recorded for 2023-24 with most of the decline occurring in Q4:2024-25. Economic activity remained strong supported by revival in consumption as well as government's capex push. Pick up in private consumption, upturn in agricultural activity, continuing resilience of the services sector, healthy balance sheets of banks and corporates, and government's continued thrust on capital expenditure augur well for the growth outlook. The measures announced in the Union Budget 2025-26 augur well for improving domestic consumption. However, uncertainty about global trade owing to rising protectionist measures, persistent geopolitical tensions, rising supply chain pressures, and volatile global financial conditions, render the outlook uncertain.

31.2 Bank credit growth is expected to moderate in FY 2025-26 aligning with nominal GDP growth and overall deposit growth. With inflation seen softening below target level and to support the economy amid elevated global geopolitical uncertainty, the RBI has cut policy rates by 75 bps in the first quarter of FY 2025-26. Going forward, the RBI has space for further policy easing is limited at the current juncture and it will remain (inflation) data-dependent to assess future policy actions.

For and on behalf of the Board of Directors



Place: Mumbai
Date: 25.06.2025

(Srinivasan Varadarajan)
Chairman

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 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.

- 1.5 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 2025, 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 four 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 One Part-Time Non-Official Director to be nominated by the Central Government were vacant as on 31st March, 2025.

2.6 Composition of the Board of Directors as on 31st March 2025 is as under:

Sr. No.	Full Name of the Director, Designation & Category	Appointment Date	Membership in Committees of the Bank ⁵	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	SRC RMC ITSC SCBMF NRC HRSC BCPE	Nil	3	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 SCBMF DPC STCB HRSC CAC-I REMC CDRCF RCB & 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. Further, as per Government notification, the term of Shri Nitesh Ranjan has been extended for a period of two years, or until further orders, whichever is earlier. Area of Expertise: Economics, Finance & Management, Banking
4	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

Corporate Governance Report

Sr. No.	Full Name of the Director, Designation & Category	Appointment Date	Membership in Committees of the Bank ⁵	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)
4	Shri Sanjay Rudra, Executive Director (Executive)	09-10-2023	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, from the date of assumption of office i.e. from 09.10.2023 and up to date of his attaining the age of superannuation(i.e. 30.06.2026) or until further orders, whichever is earlier. Area of Expertise: Risk, Banking & Finance Management
6	Shri Pankaj Dwivedi, Executive Director (Executive)	27-03-2024	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 three years with effect from the date of assumption of office i.e., from 27.03.2024 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 SCBMF DPC REMC HRSC BCPE	Nil	3	Nil	Nominated as a Director by Central Government u/s 9(3)(b) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, from 08.11.2021 to hold the post until further orders. Area of Expertise: Management & Finance
8	Shri Prakash Baliarsingh, RBI Nominee Director (Non-Executive)	14-07-2023	MCB ACB DPC	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, from 14.07.2023 to hold the post until further orders. Area of Expertise: Banking Regulations and supervision, Finance
9	Ms. Priti Jay Rao Shareholder Director (Independent Non-Executive)	29-07-2021	ACB SRC RMC ITSC NRC CDRCF BCPE	3000	2	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 29.07.2024 to 28.07.2027. Area of Expertise: Information Technology, HR & CSR

Sr. No.	Full Name of the Director, Designation & Category	Appointment Date	Membership in Committees of the Bank ^s	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 Prakash Chandra Kandpal Shareholder Director (Independent Non-Executive)	27-07-2024	MCB RMC SCBMF RCBWD	300	0	0	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 27.07.2024 to 26.07.2027. Area of Expertise: Banking, HR, Operations, Insurance and Mutual funds

\$ 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
SCBMF	-	Special Committee of the Board for monitoring and follow-up cases of Frauds
SRC	-	Stakeholders Relationship Committee
DPC	-	Disciplinary Proceedings Committee – Vigilance/Non-vigilance
STCB	-	Share Transfer Committee of the Board
HRSC	-	Human Resource Sub-Committee of the Board
ITSC	-	Information Technology Strategy Committee
MCB	-	Management Committee of the Board
NRC	-	Nomination & Remuneration Committee
RCBWD	-	Review Committee of the Board for Willful Defaulters
REMC	-	Recovery Management Committee of the Board

2.7 Appointments/Cessations during the Financial Year 2024-25:

Appointments: The following new directors inducted on the Board during the financial year 2024-25:-

Sr. No.	Name	Age	Date of Appointment	Expiry date of current term	Nature of Expertise	Brief Profile
1.	Shri Prakash Chandra Kandpal	62	27-07-2024	26-07-2027	Banking, HR, Operations, Insurance and Mutual funds	Mr. Prakash Chandra Kandpal has been elected as a Shareholder Director of the Bank and assumed office of the Director of the Bank on 27/07/2024 till 26/07/2027. He retired as Deputy Managing Director (Retail business - Personal Banking and Real Estate) of SBI. Mr. Kandpal has held multiple leading responsibilities at SBI including MD & CEO of SBI General Insurance and ED&COO at SBI Funds Management Ltd. He has an in-depth expertise in Banking, HR, Operations, Insurance and Mutual funds space and has contributed immensely to the Banking and Financial Services Industry. He has led many renowned initiatives in HR, Training, IT, Business Process Re-engineering and Governance.

Corporate Governance Report

Sr. No.	Name	Age	Date of Appointment	Expiry date of current term	Nature of Expertise	Brief Profile
						Mr. Prakash Chandra Kandpal is currently serving on the Board of Tata AIG General Insurance Company Ltd., Nucleus Software Exports Ltd. HDFC Pension Management Company Ltd., Early salary Services Pvt Ltd and Social worth Technologies Pvt Ltd. Mr. Prakash Chandra Kandpal has been honoured by prestigious awards such as Business Leader of the Year Award, in 2021 and the Company with Great Managers Award on behalf of SBI GI, in 2021 and secured the Brandon Hall Award in 2018 for SBI for his pathbreaking initiatives in Learning and Development at SBI to name a few. Mr. Prakash Chandra Kandpal holds a M.A(Economics) degree from Kumaon University, Nainital and master's in financial management from Jamnalal Bajaj Institute of Management, Mumbai. He also has multiple professional certifications such as an Executive MBA program (curated for SBI) from ISB Hyderabad, and Global Advance Management Program-AIIMA with Berkley University, USA.

Cessations: The following members ceased to be the Directors during the financial year 2024-25:

Sr. No.	Name of Director	Designation	Date of Cessation	Reason
1.	Shri Jayadev Madugula	Shareholder Director (Independent Non-Executive)	27.06.2024	Completion of Tenure
2.	Smt. Priti Jay Rao	Shareholder Director (Independent Non-Executive)	28.07.2024	Completion of Tenure
3.	Shri Suraj Srivastava	Part-Time Non-Official Director (Non-Executive - Independent)	20.12.2024	Completion of Tenure
4.	Shri Laxman S Uppar	Part-Time Non-Official Director (Non-Executive - Independent)	20.03.2025	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 2024-25.

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 31st March, 2025 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
		3. Union Bank of India	SRC	Member
2	Ms. A. Manimekhalai Managing Director & CEO	1. General Insurance Corporation of India	ACB	Chairperson
			SRC	Chairperson
		2. 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 Ramasubramanian S Executive Director	Union Bank of India	SRC	Member
5	Shri Sanjay Rudra Executive Director	Union Bank of India	SRC	Member
6	Shri Pankaj Dwivedi Executive Director	Union Bank of India	SRC	Member
7	Shri Sameer Shukla Government Nominee Director	1. Union Bank of India	ACB	Member
			SRC	Member
		2. National Housing Bank	ACB	Member
8	Shri Prakash Baliarsingh RBI Nominee Director	Union Bank of India	ACB	Member
9	Shri Prakash Chandra Kandpal Shareholder Director	1. Tata AIG General Insurance Company Limited	ACB	Chairman
		2. Nucleus Software Exports Limited	SRC	Chairman
		3. Nucleus Software Exports Limited	ACB	Member
10	Ms. Priti Jay Rao Shareholder Director	1. Union Bank of India	SRC	Chairperson

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.

Corporate Governance Report

2.13 Details of Directors, their attendance in the Board and other Committee Meetings during 2024-25 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
1	Shri Srinivasan Varadarajan Since 07.11.2022	NEC	14	14	-	-	-	-	6	6	4	4	-	-	4	4	-	-	-	-
2	Ms. A. Manimekhalai Since 03.06.2022 till 02.06.2025	MD & CEO	14	14	31	31	-	-	6	6	4	4	5	5	4	4	3	3	4	4
3	Shri Nitesh Ranjan Since 10.03.2021	ED	14	14	31	29	-	-	6	4	-	-	5	4	-	-	-	-	-	-
4	Shri Ramasubramanian S Since 21.11.2022	ED	14	14	31	30	-	-	6	6	-	-	5	5	-	-	-	-	-	-
5	Shri Sanjay Rudra Since 09.10.2023	ED	14	14	31	28	-	-	6	6	-	-	3	3	-	-	-	-	-	-
6	Shri Pankaj Dwivedi Since 27.03.2024	ED	14	14	31	26	-	-	6	5	-	-	-	-	-	-	-	-	-	-
7	Shri Sameer Shukla Central Govt Nominee Since 08.11.2021	NED	14	6	-	-	6	6	3	3	-	-	5	3	4	2	3	3	-	-
8	Shri Prakash Baliarsingh RBI Nominee Director Since 14.07.2023	NED	14	13	31	30	13	12	-	-	-	-	-	-	-	-	3	3	-	-
9	Ms. Priti Jay Rao Since 29.07.2021	ID/SD	14	13	-	-	13	12	-	-	3	3	5	5	-	-	-	-	1	1
10	Shri Prakash Chandra Kandpal Since 27.07.2024	ID/SD	10	10	31	31	-	-	-	-	3	3	-	-	3	3	-	-	-	-
The following are the details of attendance of directors who were on the Board of the Bank during FY 24-25 prior to 31.03.2025																				
1	Dr. Jayadev Madugula Since 28.06.2018 till 27.06.2024	ID/SD	3	3	6	6	-	-	-	-	1	1	-	-	1	1	-	-	-	-
2	Shri Laxman S. Uppar Since 21.03.2022 till 20.02.2025	ID/NED	14	13	16	16	13	13	3	3	4	2	-	-	4	4	-	-	3	2
3	Shri Suraj Srivastava Since 21.12.2021 till 20.12.2024	ID/NED	9	9	-	-	9	9	5	4	3	3	4	4	3	3	-	-	3	3

* 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

2.14 Details of Directors, their attendance in the Board and other Committee Meetings during 2024-25 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		-	-	4	4	5	5	-	-	-	-	-	-	1	1
2	Ms. A. Manimekhalai Since 03.06.2022 till 02.06.2025		4	4	-	-	5	5	26	26	4	4	-	-	-	-
3	Shri Nitesh Ranjan Since 10.03.2021	ED	-	-	-	-	5	5	26	23	4	3	-	-	-	-
4	Shri Ramasubramanian S Since 21.11.2022	ED	-	-	-	-	5	4	26	25	4	3	-	-	-	-
5	Shri Sanjay Rudra Since 09.10.2023	ED	-	-	-	-	5	5	26	18	4	4	-	-	-	-
6	Shri Pankaj Dwivedi Since 27.03.2024		-	-	-	-	5	5	26	23	4	4	-	-	-	-
7	Shri Sameer Shukla Central Govt Nominee Since 08.11.2021	NED	-	-	-	-	5	1	-	-	4	0	-	-	1	1
8	Shri Prakash Ballarsingh RBI Nominee Director Since 14.07.2023	NED	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Ms. Priti Jay Rao Since 29.07.2021	ID/SD	-	-	-	-	5	5	-	-	-	-	-	-	-	-
10	Shri Prakash Chandra Kandpal Since 27.07.2024		1	1	-	-	-	-	-	-	-	-	-	-	-	-
The following are the details of attendance of directors who were on the Board of the Bank during FY 24-25 prior to 31.03.2025																
1	Dr. Jayadev Madugula Since 28.06.2018 till 27.06.2024	ID/SD	-	-	-	-	1	1	1	1	-	-	-	-	1	1
2	Shri Laxman S. Uppar Since 21.03.2022 till 20.02.2025	ID/NED	4	4	4	4	-	-	-	-	-	-	-	-	-	-
3	Shri Suraj Srivastava Since 21.12.2021 till 20.12.2024	ID/NED	3	3	4	4	4	4	-	-	-	-	-	-	-	-

* Number of meetings held during the tenure of the Director

Corporate Governance Report

3. ANNUAL GENERAL MEETING

The Twenty Second Annual General Meeting of the Shareholders of the Bank was held on **Friday, 26th July 2024** through VC/OAVM where the following directors were present:

Name	Designation
Shri Srinivasan Varadarajan	Chairman
Ms. A. Manimekhalai	Managing Director & CEO
Shri Nitesh Ranjan	Executive Director
Shri Ramasubramanian S	Executive Director
Shri Sanjay Rudra	Executive Director
Shri Pankaj Dwivedi	Executive Director
Shri Suraj Srivastava	Part-Time Non-Official Director
Shri Laxman S Uppar	Part-Time Non-Official Director
Ms. Priti Jay Rao	Shareholder Director

4. BOARD MEETINGS

Details of Board Meetings held during the Financial Year 2024-25:

The Board met 14 times during the year 2024-25 on 29.04.2024, 10.05.2024, 11.06.2024, 19.07.2024, 14.08.2024, 27.09.2024, 21.10.2024, 06.11.2024, 19.12.2024, 27.01.2025, 29.01.2025, 21.02.2025, 27-28.02.2025 and 19.03.2025.

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 of the Board for monitoring and follow-up cases of Frauds (SCBMF)
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 Committee – Vigilance/Non-vigilance (DPC)
11. Share Transfer Committee of the Board (STCB)
12. Review Committee of the Board for Willful Defaulters (RCBWD)

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 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 2024-25, 31 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 Laxman Uppar, 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 12 times during the year 2024-25 on 10.05.2024, 30.05.2024, 19.07.2024, 24.07.2024, 19.09.2024, 21.10.2024, 28.10.2024, 19.11.2024, 18.12.2024, 27.01.2025, 15.02.2025, and 17.03.2025.

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 4 times during the year 2024-25.

5.4 Special Committee of the Board for monitoring and follow-up cases of Frauds (SCBMF)

5.4.1 Composition:

Special Committee of the Board of Directors for monitoring of frauds of Rs. 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 Rs. 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

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Functions:

The major function of the Special Committee is to monitor and review all the cases of frauds of Rs 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 2024-25.

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 2024-25.

5.6 Human Resources Sub-Committee of the Board (HRSC)

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 4 meetings during the year 2024-25.

5.7 Stakeholders Relationship Committee of the Board (SRC)

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.

Dr. 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 5 meetings during the year 2024-25.

5.7.3 Name & Designation of Compliance Officer:

Pursuant to Regulation 6 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Shri Mangesh Mandrekar 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 2024-25:

A comparative chart showing number of complaints received, responded and pending for the financial year ended 31.03.2025 vis-à-vis 31.03.2024 is as under: -

Sr. No.	Particulars	For F.Y. ended 31.03.25	For F.Y. ended 31.03.24
a.	No. of shareholders complaints pending at the beginning of the year	0	0
b.	No. of shareholders complaints received during the year	15	10
c.	No. of shareholders complaints resolved during the year	15	10
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
- One Outside IT Expert
- Chief Information Officer (CGM/GM heading the IT function of the Bank)

Dr. 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

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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 advise, guide and monitor enhancing digital transactions of the Bank.

The Committee has held 5 meetings during the year 2024-25.

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.

Dr. Priti Jay Rao, Shareholder Director chaired the Committee.

The Committee met 4 times during FY 2024-25.

5.10 Disciplinary Proceedings Committee – Vigilance/Non-vigilance (DPC)

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 3 meetings during the year 2024-25.

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:

- 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 Committee met 4 times during FY 2024-25.

5.12 Review Committee of the Board for Willful Defaulters (RCBWD)

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 Willful 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 2024-25.

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 0 meetings during the year 2024-25.

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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 One meeting during the year 2024-25.

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 Rs.800 crore (in case of A & above externally rated accounts having valid rating) and up to Rs. 600 crore in case of other accounts and group exposure upto Rs. 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 31 meetings during the year 2024-25.

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
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 Rs. 8100 crore.
21 st Annual General Meeting	4 th August, 2023 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 Rs. 10,100 Crore. Appointment of Shri Laxman S Uppar (DIN: 02453845) as Part -

Nature of Meeting	Date & Time	Venue	Special Resolution
			Time Non-Official (Independent) Director of the Bank.
			Appointment of Shri Srinivasan Varadarajan (DIN: 00033882) as Part-Time Non-Official (Independent) Director and Non-Executive Chairman of the Bank.ww
22 nd Annual General Meeting	26 th July 2024 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 aggregate amount not exceeding ₹ 10,000 crore.
			To elect two Directors from amongst the shareholders of the Bank, other than the Central Government.

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 Rs.70,000 with effect from April 1, 2021 for attending per meeting of the Board and Rs.35,000 for attending per meeting of the committees of the Board. Additional fees of Rs.20,000 for chairing per meeting of the Board and Rs.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: <https://www.unionbankofindia.co.in/en/common/shareholders-information>

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

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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 2024-25, the Bank has neither raised equity capital nor issued any Basel III Compliant Additional Tier 1 Bonds / Tier 2 Bonds.

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/en/common/policies-and-disclosures>

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/en/common/policies-and-disclosures>

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/en/common/policies-and-disclosures>

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 2024-25.

7.9 Dividend Distribution Policy:

The Bank has formulated Policy for declaration of dividend for the year 2024-25. The said policy can be accessed via following link <https://www.unionbankofindia.co.in/en/common/policies-and-disclosures>

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
1 st April 2024 to 10 th May 2024	Declaration of Financial Results for the year ended 31 st March 2024.
1 st July 2024 to 19 th July 2024	Declaration of Financial Results for the quarter ended 30 th June 2024.
1 st October 2024 to 21 st October 2024	Declaration of Financial Results for the quarter ended 30 th September 2024.
1 st January 2025 to 27 th January 2025	Declaration of Financial Results for the year ended 31 st December 2024.

7.12 Management Discussion and Analysis:

The same has been given separately in the Annual Report.

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.

7.13 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.

7.14 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 Auditors during Financial Year 2024-25 is ₹ 68.47 Crore.

7.15 Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

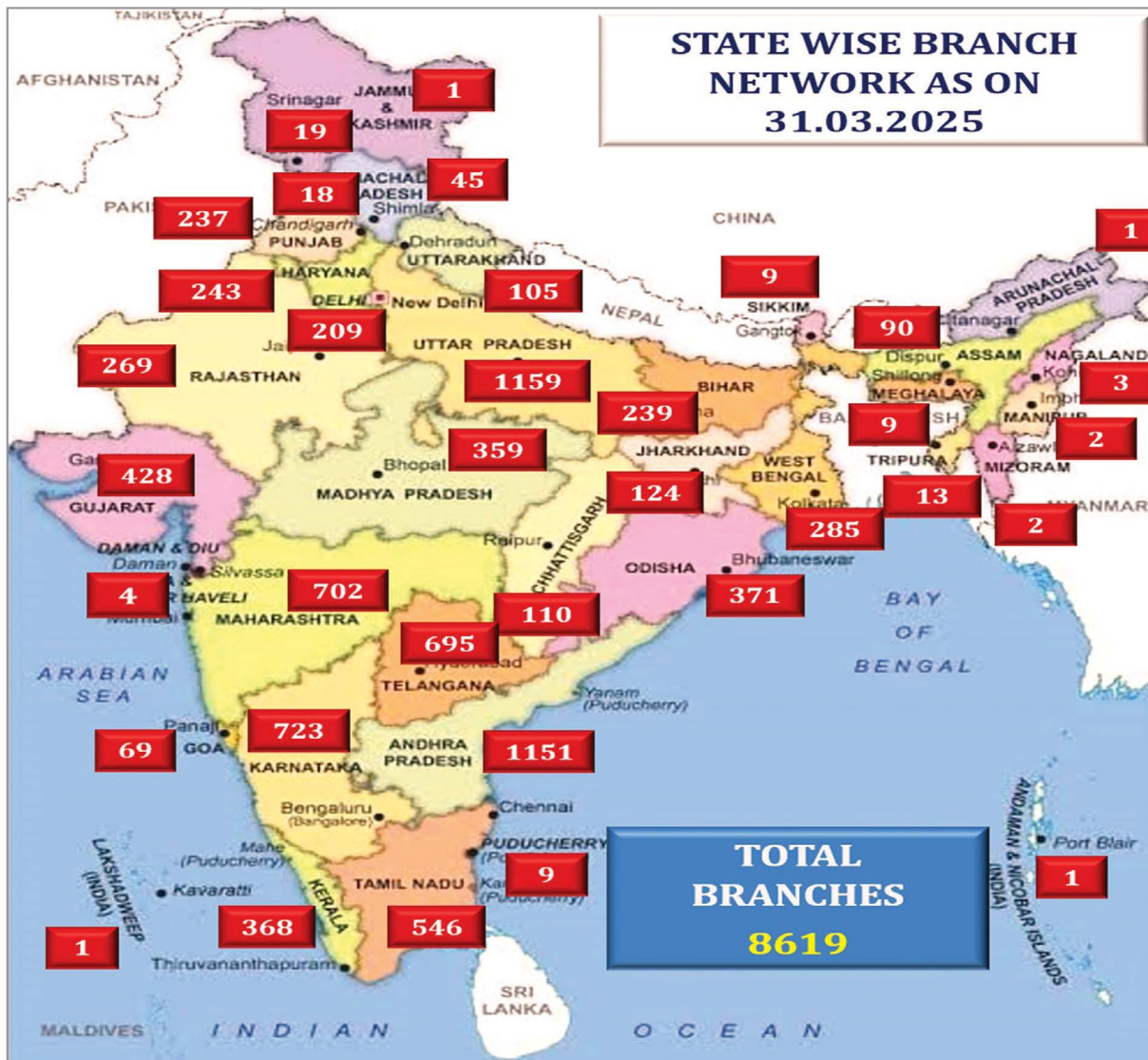
- number of complaints pending as on 31.03.2024: 1 (One)
- number of complaints filed during the financial year 2024-25: 13 (Thirteen)
- number of complaints disposed of during the financial year 2024-25: 10 (Ten)
- number of complaints pending as on end of the financial year 2024-25: 3 (Three)

7.16 Branch Network

The branch network of our Bank is widely spread across the country with 8619 branches and 2 overseas branches (Sydney, Dubai DIFC) as on March 31, 2025 out of these 59 percent of the branches are in rural and semi-urban centres. As on 31.03.2024 we were having total 8464 branches, during FY 2024-25 total 46 branches were rationalized and 201 new branches were opened.

ROW LABELS	RURAL	SEMIURBAN	URBAN	METRO	GRAND TOTAL
Total Branches as of 01.04.2024	2540	2436	1728	1760	8464
Rationalised during F.Y. 2024-25	-1	-13	-15	-17	-46
Opened During F.Y. 2024-25	53	95	31	22	201
Change in Category by RBI	-3	-3	-10	-1	-17
	+8	+6	+1	+2	+17
Total As of 31.03.2025	2597	2521	1735	1766	8619

State wise position of branches as on 31.03.2025 in India is shown in the Map Below.



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7.17 Credit Rating

List of all credit ratings obtained along with revisions during the financial year 2024-25, 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 AAA	-	Stable
CRISIL	CRISIL AA+	CRISIL AAA	-	Stable
CARE	CARE AA+	CARE AAA	-	Stable
India Ratings	IND AA+	IND AAA	IND A1+	Stable
ICRA Ltd	-	ICRA AAA	ICRA A1+	Stable

FITCH Ratings Ltd

Category	Rating
Long Term Issuer Default Rating (IDR)	"BBB-" Outlook Stable
Short Term Issuer Default Rating (IDR)	F3
Viability Rating (VR)	BB-

Standard & Poor's Global Ratings

Category	Rating
Issuer Credit Rating (Long term/ Short Term)	BBB-/Positive/A-3
SACP	BB+
Outlook: Positive	

7.18 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 2024 to 31st March 2025

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 2025-26 has been paid to both the Stock Exchanges on 28th April 2025.

The Bank has issued Unsecured Non-Convertible Bonds in the nature of Promissory Notes (Tier I & II capital) from time to time. The relevant details thereof as on 31.03.2025 are as under:

Sl 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	INE692A08045	Basel III Compliant Tier II	Bond Series XXII	750	24-Nov-16	24-Nov-26	7.74
11	INE112A08051	Basel III Compliant Tier II	Bond Series II	1,000	8-Nov-19	8-Nov-29	8.93
12	INE692A08094	Basel III Compliant Tier II	Bond Series XXV	1,000	16-Sep-20	16-Sep-30	7.42
13	INE692A08102	Basel III Compliant Tier II	Bond Series XXVI	1,000	26-Nov-20	26-Nov-35	7.18
14	INE692A08144	Basel III Compliant Tier II	Bond Series XXX	850	24-Jun-21	24-Jun-31	7.19
15	INE692A08151	Basel III Compliant Tier II	Bond Series XXXI	1,150	9-July-21	9-July-36	7.25
16	INE692A08219	Basel III Compliant Tier II	Bond Series XXXVI-A	1,500	29-Nov-22	29-Nov-37	7.85
17	INE692A08201	Basel III Compliant Tier II	Bond Series XXXVI-B	700	29-Nov-22	29-Nov-32	7.80
Total				17,638.00			

9.3 Dividend:

The Board of Directors has recommended a dividend of ₹ 4.75 per equity share of face value ₹ 10/- for FY 2024-25, after deducting applicable taxes (if any).

Corporate Governance Report

Particulars of AGM:

Board Meeting for considering Accounts	Thursday, 08 th May 2025
Date, Time & Venue of AGM	Friday, 01 st August 2025 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	Starts on Saturday, 26 th July 2025 and ends on Friday, 01 st August 2025 (both days inclusive)
Opening & Closing of E-Voting	Starts on Tuesday, 29 th July 2025 (9:00 a.m. IST) and ends on Thursday, 31 st July 2025 (5:00 p.m. IST)

9.4 Financial Calendar:

The tentative calendar for declaration of results for the financial year 2025-26 is given below:

Financial Results	Likely release of results
For the quarter ending June 30, 2025	By August 10, 2025
For the quarter ending September 30, 2025	By November 10, 2025
For the quarter ending December 31, 2025	By February 10, 2026
For the year ending March 31, 2026	By May 15, 2026

9.5 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

9.6 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 Bank sent Half-yearly Communication through email to all the shareholders whose email id is registered with the Bank / DP.

9.7 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 31.03.2025 are as under:

Category	No of Shareholders	No. of Shares	% of shareholding
Physical	78,910	1,47,70,798	0.19
Demat			
NSDL	3,40,851	1,66,50,99,635	21.81
CDSL	6,46,684	5,95,37,35,174	78.00
TOTAL	10,66,445	7,63,36,05,607	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.

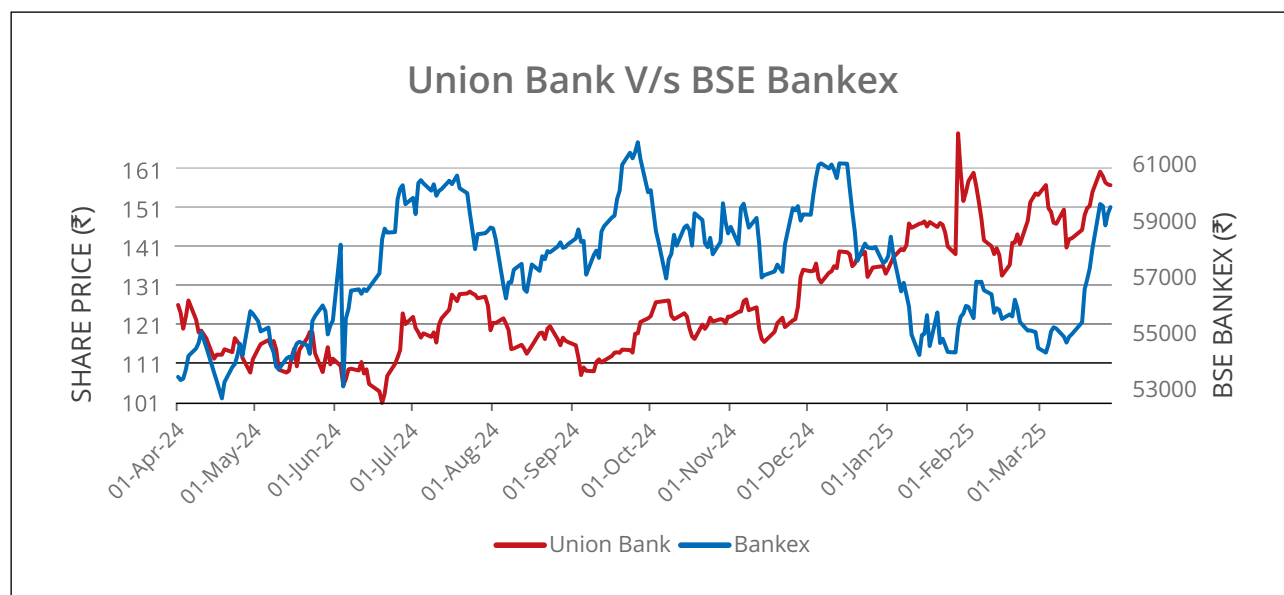
The Bank has sent various communications to its shareholders holding shares in physical form to dematerialize the same. As a result, 1710 shareholders dematerialized their 3,85,317 shares held in physical form during the year 2024-25.

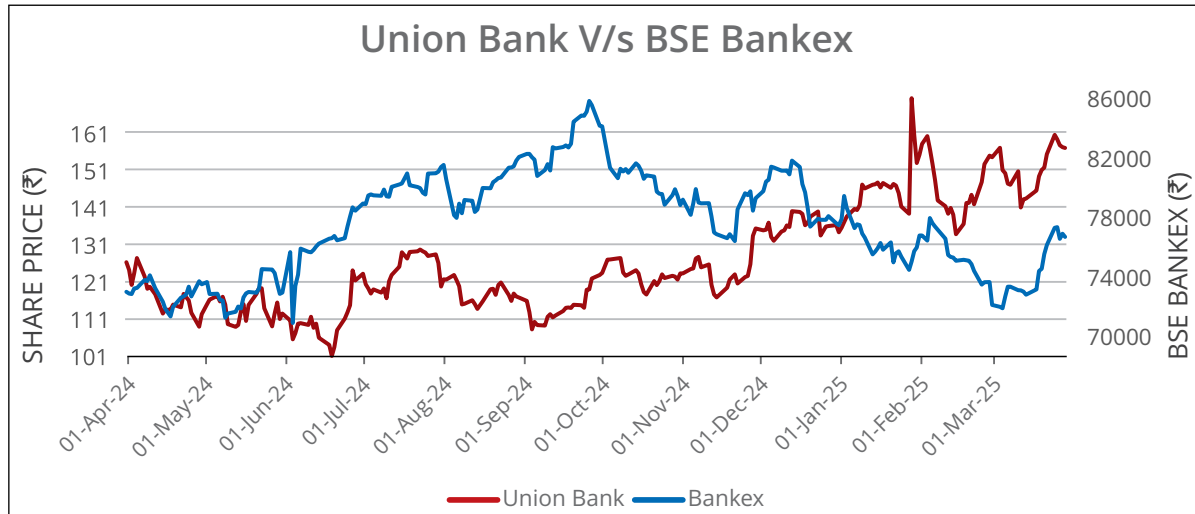
Corporate Governance Report

9.8 Market Price, Volume of shares traded in Stock Exchanges:

Months	BSE			NSE			BSE SENSEX	
	High (₹)	Low (₹)	Volume (Nos. in lakhs)	High (₹)	Low (₹)	Volume (Nos. in lakhs)	High	Low
Apr-2024	163.15	138.05	186.89	163.20	138.10	3,149.65	75124.28	71816.46
May-2024	161.65	130.4	263.63	161.80	130.35	4,523.30	76009.68	71866.01
Jun-2024	172.45	129.6	280.21	172.50	129.55	3,700.55	79671.58	70234.43
Jul-2024	142.7	129.3	196.17	142.74	129.10	2,697.80	81908.43	78971.79
Aug-2024	136.15	116.35	183.47	136.09	116.30	2,329.07	82637.03	78295.86
Sep-2024	128.6	117.15	110.11	129.00	117.11	2,380.30	85978.25	80895.05
Oct-2024	123.7	106.55	118.39	123.64	106.68	2,082.45	84648.4	79137.98
Nov-2024	126.25	112.1	108.62	126.20	112.00	1,698.83	80569.73	76802.73
Dec-2024	130.9	115.85	95.94	130.90	115.85	2,453.62	82317.74	77560.79
Jan-2025	126.85	100.75	136.45	126.85	100.81	3,521.28	80072.99	75267.59
Feb-2025	121.85	106.6	72.76	121.87	106.63	2,338.93	78735.41	73141.27
Mar-2025	128.65	107.6	61.25	128.59	107.60	2,208.89	78741.69	72633.54
Closing Price as on 31.03.25	126.20			126.18				
Market Cap	₹ 96,336 Crore			₹ 96,320 Crore				

* Source-BSE Website (www.bseindia.com)





9.9 Distribution of Shareholding:

Shareholding	As of 31.03.2025				As of 31.03.2024			
	No. of share-holders	% to total	No. of shares	% to total	No. of share-holders	% to total	No. of shares	% to total
Upto 500	907656	87.1962	938530740	1.2295	816175	87.22	84034404	1.10
501 to 1000	64032	6.1514	488358680	0.6397	56164	6.00	43117613	0.56
1001 to 2000	31785	3.0535	472253670	0.6187	27676	2.96	41599588	0.54
2001 to 3000	14502	1.3932	365167570	0.4784	13949	1.49	35238325	0.46
3001 to 4000	7188	0.6905	252336940	0.3306	6683	0.71	23420115	0.31
4001 to 5000	4321	0.4151	201615150	0.2641	4295	0.46	20190369	0.26
5001 to 10000	6702	0.6438	477526120	0.6256	6145	0.66	44170650	0.58
10001 & above	4749	0.4562	73140267200	95.8135	4713	0.50	7341834543	96.18
Total	1040935	100.00	76336056070	100.00	935800	100.00	76336056070	100.00

The face value of Bank's per Equity share is ₹ 10/-.

Corporate Governance Report

9.10 Shareholding pattern:

The Shareholding Pattern of the Bank's shares as of 31.03.2025 vis-a-vis 31.03.2024 is as follows:

Category of shareholder	As of 31.03.2025		As of 31.03.2024	
	No. of shares held	% to total holding	No. of shares held	% to total holding
Promoter				
Government of India	5,70,66,60,850	74.76	5,70,66,60,850	74.76
Public				
Institutional Investors				
Mutual Funds & UTI	28,43,86,885	3.73	28,50,70,855	3.73
Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions)	60,44,26,977	7.91	64,98,33,025	8.51
FIIs & Foreign Mutual Funds	54,26,92,426	7.11	51,58,27,515	6.76
OTHERS				
Private Corporate Bodies	2,18,81,598	0.29	2,81,77,462	0.37
Indian Public	44,50,82,581	5.83	42,40,96,910	5.56
NRIs/OCBs/Qualified Foreign Investor	2,84,74,290	0.37	2,39,38,990	0.31
Total	7,63,36,05,607	100.00	6,83,47,47,466	100.00

9.11 List of Top 10 Shareholders of the Bank:

The list of top 10 shareholders of the Bank as on 31.03.2025 is as follows:

Sr. No.	Name	Shares	% To capital
1	PRESIDENT OF INDIA	5706660850	74.76
2	LIFE INSURANCE CORPORATION OF INDIA	484800558	6.35
3	HDFC MUTUAL FUND	102046313	1.34
4	NIPPON LIFE INDIA TRUSTEE LTD-	61555610	0.81
5	ICICI PRUDENTIAL BLUECHIP FUND	52636032	0.69
6	HDFC Life Insurance Company limited	29671856	0.39
7	GOVERNMENT PENSION FUND GLOBAL	21959508	0.29
8	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	21624946	0.28
9	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	19665318	0.26
10	PINEBRIDGE GROBAL FUNDS-PINEBRIDGE INDIA EQUITY	19219697	0.25

9.12 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 31.03.2025 (₹)
1.	UBI	066221090000005	2021-22	₹ 1.90 per share	11-08-29	3,44,28,653.00
2.	UBI	317901090049834	2022-23	₹ 3.00 per share	15-09-30	5,08,13,482.00
3.	UBI	0662210900000026	2023-24	₹ 3.60 per share	01-09-31	7,97,68,086.00
TOTAL						16,50,10,221.00

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).

9.13 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 01.04.2024 lying in Demat Suspense Account	4	600
Shareholders approached for transfer during the financial year 2024-25	NIL	NIL
Shareholders to whom shares were transferred during the year 2024-25	NIL	NIL
Balance as on 31.03.2025 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 01.04.2024 lying in Demat Suspense Account	216	26414
Shareholders approached for transfer during the financial year 2024-25	3	605
Shareholders to whom shares were transferred during the year 2024-25	3	605
Balance as on 31.03.2025 lying in Demat Suspense Account	213	25809

Particulars (E-AB and E-CB)	No. of shareholders	No. of shares
Balance as of 01.04.2024 lying in Demat Suspense Account	168	13089
Shareholders approached for transfer during the financial year 2024-25	0	0
Shareholders to whom shares were transferred during the year 2024-25	0	0
Balance as on 31.03.2025 lying in Demat Suspense Account	168	13089

Particulars (UBI – Letter of Confirmation)	No. of shareholders	No. of shares
Balance as of 01.04.2024 lying in Demat Suspense Account	29	15,064
Shareholders approached for transfer during the financial year 2024-25	18	3,244
Shareholders to whom shares were transferred during the year 2024-25	34	5,326
Balance as on 31.03.2025 lying in Demat Suspense Account	45	17146

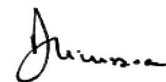
The voting rights on above- mentioned all shares shall remain frozen till the rightful owner of these shares claims the same to their respective Demat Account.

Corporate Governance Report

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: 25.06.2025

CEO & CFO CERTIFICATE

[As per proviso to Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended]

To,

The Board of Directors,
Union Bank of India

- 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 Bank 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 Bank 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 we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Bank's internal control system over financial reporting.



(Avinash Prabhu)
(Chief Financial Officer)



A. Manimekhalai
Managing Director & CEO

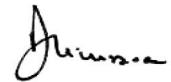
Place: Mumbai
Date: 08.05.2025

Corporate Governance Report**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 2024-25.

Place: Mumbai
Date: 25.06.2025

For and on behalf of the Board of Directors



(Srinivasan Varadarajan)
Chairman

Independent Auditor's Certificate

On Compliance with Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Members of
Union Bank of India

1. This Certificate is issued in accordance with the terms of our engagement letter dated September 30, 2024.
2. This certificate contains details of compliance of conditions of Corporate Governance by Union Bank of India ('the Bank'), for the year ended 31 March 2025, as stipulated in the regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations and of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") as amended.

Management's Responsibility

3. The Board of Directors and Management of the Bank is responsible for ensuring that the Bank complies with the conditions of Corporate Governance including preparation of Corporate Governance report as stipulated in the Listing Regulations. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Bank for ensuring the compliance of the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Bank.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Bank has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March, 2025.
6. We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes [Revised 2016] ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination as above and to the best of the information and explanations given to us and representations provided by the management, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Paragraphs C and D of Schedule V to the Listing Regulations during the year ended 31st March 2025 except that :
 - i. The Bank did not have on its Board one Director each representing the workmen and non-workmen of the Bank as provided under Section 9 (3) (e) and (f) respectively, a director who has been a Chartered Accountant for not less than fifteen years as provided under Section 9 (3) (g) and three directors as provided under section 9 (3) (h) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.
9. We 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.

Corporate Governance Report**Restriction on use**

10. The certificate is addressed and provided to the members of the Bank solely for the purpose to enable the Bank to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For G S Mathur & Co
Chartered Accountants
FRN 008744N

For Chhajed and Doshi
Chartered Accountants
FRN 101794W

CA Rajiv Kumar Wadhawan
Partner
Membership No. 091007
UDIN: 25091007BMMLYY5655

CA Nitesh Jain
Partner
Membership No.136169
UDIN: 25136169BMJFAQ2991

For P Chandrasekar LLP
Chartered Accountants
FRN 000580S/S200066

For V K Ladha & Associates
Chartered Accountants
FRN 002301C

CA Lakshmy Chandrasekaran
Partner
Membership No. 28508
UDIN: 25028508BMKZWN7905

CA Sunita Pandeya
Partner
Membership No. 076989
UDIN: 25076989BMLJYS8160

Place : Mumbai
Date : May 08, 2025

SECRETARIAL COMPLIANCE REPORT OF UNION BANK OF INDIA

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[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, 2025 ("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 listed entity during the Audit Period)**
- (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 listed entity during the Audit Period)**
- (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; **(To the extent applicable)** and circulars/ guidelines issued thereunder;

Corporate Governance Report

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations/circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action taken by	Type of action	Details of violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary (PCS)	Management Response	Remarks
1.	As per Section 9(3) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the Board of Directors of the Bank shall include: (e) One Director, from among such of the employees of the corresponding new bank who are workmen under section 2(s) of the Industrial Disputes Act, 1947, to be nominated by the Central Government; (f) One Director, from among the employees of the corresponding new bank who are not workmen under section 2(s) of the Industrial Disputes Act, 1947, to be nominated by the Central Government after consultation with the Reserve Bank; (g) One Director who has been a Chartered Accountant for not less than fifteen years to be nominated by the Central Government after consultation with the Reserve Bank; (h) subject to the provisions of clause (i), not more than six directors to be nominated by the Central Government	Section 9 (3) (e), (f) and (g) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970,	The Bank does not have on its Board a director representing the non-workmen of the Bank as provided under Section 9(3)(e) and (f), and a director who has been a Chartered Accountant for not less than fifteen years as provided under Section 9(3)(g) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.	None	None	None	None	During the financial year 2024-25, the Bank did not have on its Board a director representing the non-workmen of the Bank as provided under Section 9 (3) (e) and (f), a director who has been a Chartered Accountant for not less than fifteen years as provided under Section 9(3)(g) and subject to the provisions of clause (i), not more than six directors to be nominated by the Central Government under 9(3) (h), of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.	Our Bank is a Nationalised Bank constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. The composition of Board of Directors is governed by the provisions of Section 9(3) of the said Act. Pursuant to the said provisions, the Board of the Bank consists of 16 Directors, of which 2 Shareholder directors are elected by the shareholders among themselves, other than the Central Government. Except these 2 Shareholder Directors, all remaining i.e. 14 Directors (Whole-Time and Non-Executive) are either appointed or nominated on the Board by the Government of India and RBI. These appointments are beyond the powers of the Board and other Shareholders.	

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations/ Remarks of the Practicing Company Secretary (PCS) in the previous reports	Observations made in the Secretarial Compliance report for the year ended	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Details of violation / Deviations and actions taken /penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
1.	During the financial year 2023-24, the Bank did not have on its Board a director representing the workmen and non-workmen of the Bank as provided under Section 9 (3) (e) and (f), and a director who has been a Chartered Accountant for not less than fifteen years as provided under Section 9(3)(g) and (h) subject to the provisions of clause (i), not more than six directors to be nominated by the Central Government of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.	March 31, 2024	As per Section 9(3) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the Board of Directors of the Bank shall include: (e) One Director, from among such of the employees of the corresponding new bank who are workmen under section 2(s) of the Industrial Disputes Act, 1947, to be nominated by the Central Government; (f) One Director, from among the employees of the corresponding new bank who are not workmen under section 2(s) of the Industrial Disputes Act, 1947, to be nominated by the Central Government (g) One Director who has been a Chartered Accountant for not less than fifteen years to be nominated by the Central Government after consultation with the Reserve Bank. (h) subject to the provisions of clause (i), not more than six directors to be nominated by the Central Government	The Bank does not have on its Board a director representing the workmen and non-workmen of the Bank as provided under Section 9(3) (e) and (f), a director who has been a Chartered Accountant for not less than fifteen years as provided under Section 9(3)(g) and subject to the provisions of clause (i), not more than six directors to be nominated by the Central Government under section 9 (3) (h), of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.	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.	Hence Complied with.
2.	During the Financial Year 2023-24, the Bank could not comply with certain directions issued by RBI on 'Loans & Advances – Statutory and Other Restrictions'.	March 31, 2024	As per Section 47A (1) (c) read with Sections 46 (4) (i) and 51 (1) of the Banking Regulation Act, 1949, if any provision of this Act is contravened or if any default is made in complying with any requirement of this Act by any person such person shall be punishable with fine as prescribed thereunder.	Non – compliance with certain directions issued by RBI on 'Loans & Advances – Statutory and Other Restrictions'.	Bank has taken appropriate steps to avoid such further instances.	Bank is in cognizance and necessary steps are taken.

Corporate Governance Report

I. We hereby report that, during the review period the compliance status of the listed entity with the following requirements:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/Remarks by PCS
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI).	Yes	Union Bank of India is a corresponding bank constituted under Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. The provisions of the Companies Act, 2013 are not applicable to the Bank.
2.	Adoption and timely updation of the Policies: - 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.	Maintenance and disclosures on Website: - 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 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.	Disqualification of Director: None of the Director of the listed entity is disqualified under Section 164 of Companies Act, 2013	Yes	None
5.	Details related to Subsidiaries of listed entities have been examined w.r.t: (a) Identification of material subsidiary companies. (b) Disclosure requirements of material as well as other subsidiaries.	Yes	None
6.	Preservation of Documents: 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.	Yes	None
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

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/Remarks by PCS
8. Related Party Transactions:			
	(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions.	Yes	None
	(b) In case no prior approval obtained the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the audit committee.	NA	
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 thereunder (or) The actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges are specified in the last column.	Yes	None
12. Resignation of statutory auditors from the listed entity or its material subsidiaries:	In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	No	None
13. Additional Non-compliances, if any:	No additional non-compliances observed for any SEBI regulation/circular/guidance note etc. except as reported above.	No	None

Corporate Governance Report

(*) We Confirm that:

1. the company has a Structured Digital Database in place;
2. the control exists as to who can access the SDD;
3. all the UPSI disseminated in the previous quarter have been captured in the Database;
4. the system has captured nature of UPSI along with date and time;
5. the database has been maintained internally and an audit trail is maintained;
6. the database is non-tamperable and has the capability to maintain the records for 8 years.

We further, report that the listed entity is in compliance with the disclosure requirements of Employee Benefit Scheme Documents in terms of regulation 46(2) (za) of the LODR Regulations.

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 listed entity.
2. Our responsibility is to report 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 account of the listed entity.
4. This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For Ragini Chokshi & Co.
(Company Secretaries)

Place: Mumbai
Date: 28.05.2025

Ragini Chokshi
FCS No.: 2390
CP No.: 1436
UDIN: F002390G000466073
Peer Review No. 4166/2023
Firm Registration No. 92897

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the period 01-04-2024 to 31-03-2025

To,

The Members,
UNION BANK OF INDIA
 Union Bank Bhavan, 239,
 Vidhan Bhavan Marg,
 Nariman Point,
 Mumbai - 400 021

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 April 01, 2024 to March 31, 2025 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, 2024 to March 31, 2025 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 Union Bank of India (Shares and Meetings) Regulations, 1998;
- v. The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder;
- vi. 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;
- vii. 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;
 - 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.

Corporate Governance Report

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not applicable as the Bank is not incorporated under the Companies Act, 2013)**
- 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. except mentioned hereunder:

- During the financial year 2024-25, the Bank did not have on its Board a director representing the workmen and non-workmen of the Bank as provided under Section 9 (3) (e) and (f) and a director who has been a Chartered Accountant for not less than fifteen years as provided under Section 9 (3) (g) and (h) subject to the provisions of clause (i), not more than six directors to be nominated by the Central Government of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.*
- During the financial year 2024-25, the Audit Committee of the Bank did not consist of at least 2/3rd of Directors as Independent Directors.*

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.:

- Cessation of Shri Jayadev Madugula as Non-Executive - Independent Director, Shareholder Director w.e.f. June 27, 2024.
- Declaration & Payment of Final Dividend of Rs. 3.60/- on Equity Shares of Rs. 10/- each for the F.Y. 2023-2024.
- Election of Shri Prakash Chandra Kandpal as Non-Executive - Independent Director, Shareholder Director w.e.f. July 27, 2024.
- Cessation of Shri Suraj Srivastava as Non-Executive - Independent Director w.e.f. December 20, 2024.
- Cessation of Shri Laxman S Uppar as Non-Executive - Independent Director w.e.f. March 20, 2025.

For **Ragini Chokshi & Co**
Company Secretaries
Firm Registration Number: 92897

Place: Mumbai
Date: 25.06.2025

Ragini Chokshi
(Partner)
M. No.: F2390
COP No.: 1436
UDIN: F002390G000661510
PR No.: 4166/2023

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

Our Secretarial Audit Report for the Financial Year ended on March 31, 2025 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 are 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: 25.06.2025

Ragini Chokshi
(Partner)
M. No.: F2390
COP No.: 1436
UDIN: F002390G000661510
PR No.: 4166/2023

Corporate Governance Report

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 of
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, 2025 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 Director	DIN	Date of Appointment in Banks
1.	Srinivasan Varadarajan	00033882	07-11-2022
2.	A. Manimekhalai	08411575	03-06-2022
3.	Nitesh Ranjan	08101030	10-03-2021
4.	Ramasubramanian S	08747165	21-11-2022
5.	Sanjay Rudra	09650826	09-10-2023
6.	Pankaj Dwivedi	-	27-03-2024
7.	Sameer Shukla	06435463	08-11-2021
8.	Prakash Baliarsingh	10864760	14-07-2023
9.	Laxman S Uppar	02453845	21-03-2022
10.	Prakash Chandra Kandpal	06452437	27-07-2024
11.	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: 25.06.2025
 Place: Mumbai

Ragini Chokshi
 (Partner)
 M. No.: 2390
 COP No.: 1436
 UDIN: F002390G000661532
 PR No.: 4166/2023

Independent Auditors' Report

To

The President of India/

The Members of Union Bank of India

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 2025, the Profit and Loss Account and the Cash Flows Statement for the year then ended, and notes to the Standalone 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) The Head Office, 20 branches and 1 Treasury Branch audited by us;
 - ii) 2023 domestic branches audited by statutory branch auditors and
 - iii) 2 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 Cash Flows Statement are the returns from 7108 domestic branches (including other accounting units) which have not been subjected to audit. These unaudited branches account for 30.70 % of advances, 51.41 % of deposits, 22.26% of revenue, 23.17% of interest income and 45.85% 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, circulars and guidelines issued by the RBI, 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, 2025;
- 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 Standalone financial statements, prepared 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.

Key Audit Matters

3. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the year ended 31st March, 2025. 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 described below to be the Key Audit Matters to be communicated in our report.

Independent Auditors' Report

SN.	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 Loans & Advances and Investments are the largest class of assets forming 87.20% of the total assets as on March 31, 2025. 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. The Bank has system based identification of non-performing assets in accordance with IRAC Norms. Since the identification of Non-performing Advances and provisioning for Non- performing Advances requires considerable level of management estimation, application of various regulatory requirements and its significance to the overall audit, we have identified this as a key audit matter.	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. 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. This included evaluation and understanding of the following: • 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. • 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 • Further we have also reviewed the Bank's system of monitoring potentially weak and sensitive accounts which show a sign of stress.

SN.	Key Audit Matter	How it was dealt with in our report
		- On a test check basis, verified the accounts classified by the Bank as Special Mention Accounts ('SMA') in RBI's Central Repository of Information on Large Credits ('CRILC') - We have also reviewed the reports and observations of the Bank's internal audit/inspection reports and observations of the concurrent auditors and report on audit of automation of IRAC by external expert. - 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. We have test checked and assessed the efficacy of the system-based identification of NPA.
2	Information Technology (IT) and controls impacting financial reporting	
	Information technology (IT) systems used in financial reporting process The Bank's operational and financial reporting processes are dependent on IT systems run through Core Banking Solutions (CBS) and other integrated software with automated processes and controls large volume of transactions. The process and controls are to ensure appropriate user access and management processes in use. The Bank has an in-house Department of Information & technology (DIT) run under the supervision of the top management and with the support of expert consulting agencies, for maintaining IT services. Accordingly, our audit was focused on key IT systems and controls due to the pervasive Impact on the standalone financial statements and the same has been considered as Key Audit Matter in our audit.	We conducted an assessment and identified key IT applications, database and operating systems that are relevant to our audit and have identified CBS and Treasury System primarily as relevant for financial reporting. For the key IT systems pertaining to CBS and treasury operations used to prepare accounting and financial information, our areas of audit focus included Access Security (including controls over privileged access), application change controls, database management and network operations. In particular: - We obtained an understanding of the Bank's IT control environment and key changes during the audit period that may be relevant to the audit. - We tested the design, implementation and operating effectiveness of the Bank's General IT controls over the key IT systems that are critical to financial reporting including obtaining reports from independent experts. This included evaluation of Bank's controls to evaluate segregation of duties and access rights being provisioned/modified based on duly approved requests, access for exit cases being revoked in a timely manner. - We also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; including testing of compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the standalone financial statements, information other than the standalone Financial Statements and Auditors' Report thereon.

Independent Auditors' Report

SN.	Key Audit Matter	How it was dealt with in our report
3	Recognition and measurement of Deferred tax	
	The Bank has recognised a net deferred tax asset of ₹ 2,73,93,829 (in '000) as on March 31, 2025. 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.	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: • 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.
4	Provisions, Contingent Liabilities and Claims	
	Assessment of Provisions and Contingent Liability in respect of certain litigations on various claims filed by other parties not acknowledged as debt (Note No. 18 of Schedule 17 and Note No. 14 e of Schedule 18). There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgement, past experience, and advice from legal and independent experts wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in Balance Sheet. Contingent Liability is a possible obligation, outcome of which is contingent upon occurrence or non-occurrence of one or more uncertain future events. In the judgement of the management, such claims and litigations including tax demands against the bank would not eventually lead to a liability. However, unexpected adverse outcomes may significantly impact the Bank's reported financial results which is uncertain/unascertainable at this stage. Considering the uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law, this has been determined as a key Audit Matter.	We have obtained an understanding of Internal Controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances. We broadly reviewed the underlying assumptions and estimates used by the management for provisioning but as the extent of impact is dependent on future developments which are highly uncertain, we primarily relied on those assumptions and estimates, which are subject matter of periodic review by the Bank. We have relied upon the management note and legal opinions obtained by the bank regarding the claims and tax litigations and involved our internal team to review the nature of such litigations and claims, their current status, sustainability, examining recent orders and/or communication received from various tax authorities/judicial forums and follow up actions thereon and likelihood of claims/litigations materializing into eventual liability upon final resolution, from the available records and developments to date.

Information Other than the Standalone Financial Statements and Auditors' Report thereon

4. The Bank's Board of Directors is responsible for the preparation of Other Information. The Other Information comprises the Directors' Report including annexures in Annual Report, but does not include the Standalone Financial Statements and our Auditors' 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.

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 and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

5. 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 above mentioned 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 Standalone 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.

Those 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

6. Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone Financial Statements or, if such disclosures are inadequate,

Independent Auditors' Report

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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatements in the standalone financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

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 Standalone Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditors' 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

7. We did not audit the financial statements/information of 2025 branches and offices including 02 foreign branches included in Standalone Financial Statements of the Bank whose financial statements/information reflects total assets of ₹ 2,67,10,75,374.12 (in thousand) at March 31, 2025 and total revenue of ₹ 29,85,04,647.14 (in thousand)

for the year ended on that date, as considered in the Standalone Financial Statements. These branches and offices cover 30.10% of advances, 46.54% of deposits, 38.69% of Non – performing assets as on 31st March 2025 and 24.58% of revenue for the year ended 31st March 2025. The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of the above matter.

8. The audited standalone financial statements of the bank for the year ended 31st March 2024, included in this statement, were audited by five joint auditors of the bank, four of whom were predecessors audit firms, and they had expressed an unmodified opinion on standalone financial statements vide their report dated May 10, 2024.

Our opinion is not modified in respect of the above 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, 6 & 7 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) 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 expressing an unmodified opinion on the Bank's internal financial controls over financial reporting with reference to the Standalone Financial Statements as at 31st March 2025.

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 Cash Flow Statement 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 as per the provisions of 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 Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

For G S Mathur & Co
Chartered Accountants
FRN 008744N

For Chhajed & Doshi
Chartered Accountants
FRN 101794W

For P Chandrasekar LLP
Chartered Accountants
FRN 000580S/S200066

For V K Ladha & Associates
Chartered Accountants
FRN 002301C

CA Rajiv Kumar Wadhawan
Partner
Membership No. 091007
UDIN: 25091007BMMLYC6080

CA Nitesh Jain
Partner
Membership No. 136169
UDIN: 25136169BMJEZU3911

CA Lakshmy Chandrasekaran
Partner
Membership No. 028508
UDIN: 25028508BMKZVT3238

CA Sunita Pandeya
Partner
Membership No. 076989
UDIN: 25076989BMLJXY7800

Place: Mumbai
Date: May 08, 2025

Independent Auditors' Report

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 10(e) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) Report on the Internal Financial Controls over Financial Reporting with reference to Standalone Financial Statements as required by the Reserve Bank of India (the "RBI") Letter No. 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 with reference to Standalone Financial Statements of Union Bank of India ("the Bank") as of March 31, 2025, in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 with reference to standalone financial statements 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 with reference to standalone financial statements 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 system with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements

included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system with reference to Standalone Financial Statements.

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, 2025, 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 2025 branches and offices including foreign branches is based on the corresponding reports of the respective branch auditors of those branches.

Our opinion is not modified in respect of the above matter.

For G S Mathur & Co
Chartered Accountants
FRN 008744N

For Chhajer & Doshi
Chartered Accountants
FRN 101794W

For P Chandrasekar LLP
Chartered Accountants
FRN 000580S/S200066

For V K Ladha & Associates
Chartered Accountants
FRN 002301C

CA Rajiv Kumar Wadhawan
Partner
Membership No. 091007
UDIN: 25091007BMMLYC6080

CA Nitesh Jain
Partner
Membership No. 136169
UDIN: 25136169BMJEZU3911

CA Lakshmy Chandrasekaran
Partner
Membership No. 028508
UDIN: 25028508BMKZVT3238

CA Sunita Pandeya
Partner
Membership No. 076989
UDIN: 25076989BMLJXY7800

Place: Mumbai

Date: May 08, 2025

Standalone Balance Sheet

as on 31st March, 2025

(₹ in 000')			
Particulars	Schedule Number	As on 31 st March 2025	As on 31 st March 2024
CAPITAL AND LIABILITIES			
Capital	1	7,63,36,056	7,63,36,056
Reserves and Surplus	2	1,05,34,16,007	89,33,53,596
Deposits	3	13,09,74,95,178	12,21,52,83,740
Borrowings	4	27,34,17,880	26,94,83,682
Other Liabilities and Provisions	5	49,78,91,960	46,51,19,095
TOTAL		14,99,85,57,081	13,91,95,76,169
ASSETS			
Cash and Balances with Reserve Bank of India	6	89,50,34,824	52,89,75,024
Balances with Banks and Money at Call and Short Notice	7	41,83,04,946	66,40,53,736
Investments	8	3,54,38,13,963	3,37,90,35,284
Advances	9	9,53,51,33,435	8,70,77,60,894
Fixed Assets	10	9,78,18,765	9,22,27,802
Other Assets	11	50,84,51,148	54,75,23,429
		14,99,85,57,081	13,91,95,76,169
Contingent Liabilities	12	5,58,27,91,648	5,82,68,10,284
Bills for Collection		50,91,34,855	50,25,28,601
Significant Accounting Policies	17		
Notes to Accounts	18		

The Schedules referred to above form an integral part of the Standalone Balance Sheet

(Munish Kumar Chopra)
Deputy General Manager

(Hara Mohan Sahoo)
General Manager

(Avinash Prabhu)
Chief Financial Officer

For and on behalf of the Board of Directors

(Pankaj Dwivedi)
Executive Director

(Sanjay Rudra)
Executive Director

(Ramasubramanian S)
Executive Director

(Nitesh Ranjan)
Executive Director

(A. Manimekhalai)
Managing Director & CEO

(Srinivasan Varadarajan)
Chairman

(Sameer Shukla)
Director

(Prakash Baliarsingh)
Director

(Suraj Srivastava)
Director

(Priti Jay Rao)
Director

(Prakash Chandra Kandpal)
Director

As per our report of even date

For G S Mathur & Co
Chartered Accountants
FRN 008744N

For Chhajed & Doshi
Chartered Accountants
FRN 101794W

For P Chandrasekar LLP
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CA Lakshmy Chandrasekaran
Partner
Membership No. 028508
UDIN: 25028508BMKZVT3238

CA Sunita Pandeya
Partner
Membership No. 076989
UDIN:25076989BMLJXY7800

Place: Mumbai

Date: May 08, 2025

Standalone Profit & Loss Account

for the year ended 31st March, 2025

(₹ in 000')

Particulars	Schedule Number	For the Year Ended 31 st March 2025	For the Year Ended 31 st March 2024
I. INCOME			
Interest Earned	13	1,07,72,59,729	99,77,79,577
Other Income	14	19,81,29,144	16,08,01,941
TOTAL		1,27,53,88,873	1,15,85,81,518
II. EXPENDITURE			
Interest Expended	15	70,51,22,962	63,20,75,611
Operating Expenses	16	25,93,65,486	24,43,99,598
Provision and Contingencies		13,10,28,963	14,56,23,243
TOTAL		1,09,55,17,411	1,02,20,98,452
III. Profit/(Loss) for the period/year		17,98,71,462	13,64,83,066
Transfer from Investment Fluctuation Reserve		-	-
ADD: PROFIT/(LOSS) BROUGHT FORWARD		58,32,008	58,32,008
TOTAL		18,57,03,470	14,23,15,074
IV. APPROPRIATIONS			
Transfer To Statutory Reserve		4,49,67,865	3,41,20,766
Transfer To Capital Reserve		33,97,295	16,32,611
Transfer To Investment Fluctuation Reserve		-	2,84,440
Transfer To Revenue and Other Reserves		8,84,13,653	6,47,57,402
Transfer To Special Reserve u/s Sec 36(1)(viii)		68,33,022	66,79,000
Investment Reserve Account		-	15,27,866
Proposed Dividend		3,62,59,627	2,74,80,980
Provision for Div On PNCPS		-	-
Dividend Tax		-	-
Balance in Profit and Loss Account		58,32,008	58,32,008
TOTAL		18,57,03,470	14,23,15,074
EARNINGS PER SHARE (BASIC AND DILUTED) (FV ₹ 10)		23.56	18.95
Significant Accounting Policies	17		
Notes To Accounts	18		

The Schedules referred to above form an integral part of the Standalone Profit & Loss Account

(Munish Kumar Chopra)
Deputy General Manager

(Hara Mohan Sahoo)
General Manager

(Avinash Prabhu)
Chief Financial Officer

For and on behalf of the Board of Directors

(Pankaj Dwivedi)
Executive Director

(Sanjay Rudra)
Executive Director

(Ramasubramanian S)
Executive Director

(Nitesh Ranjan)
Executive Director

(A. Manimekhalai)
Managing Director & CEO

(Srinivasan Varadarajan)
Chairman

(Sameer Shukla)
Director

(Prakash Baliarsingh)
Director

(Suraj Srivastava)
Director

(Priti Jay Rao)
Director

(Prakash Chandra Kandpal)
Director

As per our report of even date

For G S Mathur & Co
Chartered Accountants
FRN 008744N

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Date: May 08, 2025

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Membership No. 028508
UDIN: 25028508BMKZVT3238

CA Sunita Pandeya
Partner
Membership No. 076989
UDIN: 25076989BMLJXY7800

Schedules Forming Part of the Standalone Balance Sheet

as on 31st March, 2025

(₹ in 000')

Particulars	As on 31 st March 2025	As on 31 st March 2024
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. 1,92,69,44,757 Equity Shares of ₹ 10 each, held by Public (Previous Year 1,92,69,44,757 Equity Shares)	1,92,69,447	1,92,69,447
Less: Calls unpaid	-	-
Add: Forfeited shares	-	-
TOTAL	7,63,36,056	7,63,36,056

(₹ in 000')

Particulars	As on 31 st March 2025	As on 31 st March 2024
SCHEDULE 2 - RESERVES & SURPLUS:		
I. Statutory Reserve:		
Opening Balance	20,14,92,862	16,73,72,095
Addition during the period/year	4,49,67,865	3,41,20,766
	24,64,60,727	20,14,92,861
II. Capital Reserve:		
i) Revaluation Reserve:		
Opening Balance	5,64,44,174	6,13,24,225
Addition during the period/year	2,06,150	81,343
Deduction during the period/year	19,97,709	49,61,394
	5,46,52,615	5,64,44,174
ii) Capital Reserve		
Opening Balance	6,15,02,911	5,98,70,300
Addition during the period/year	33,97,295	16,32,611
	6,49,00,206	6,15,02,911
iii) Capital Reserve - Treasury		
Opening Balance	-	-
Addition during the period/year	-	-
	-	-
iv) Amalgamation Adjustment Reserve	1,30,95,979	13,26,48,800
	1,30,95,979	13,10,43,064

(₹ in 000)

Particulars	As on 31 st March 2025		As on 31 st March 2024	
III. Share Premium:				
Opening Balance	25,51,31,787		18,34,11,800	
Addition during the period/year	-		7,20,11,419	
Deduction during the period/year	-	25,51,31,787	2,91,432	25,51,31,787
IV. Revenue and Other Reserves:				
i) Revenue Reserves:				
Opening Balance	21,18,22,302		14,48,53,976	
Addition during the period/year	9,37,08,232		6,69,68,326	
Deduction during the period/year	2,06,150		-	
Total	30,53,24,384		21,18,22,302	
ii) Revenue Reserves - Treasury:				
Opening Balance	-		-	
Addition during the period/year	1,59,33,407		-	
Deduction during the period/year	-		-	
Total	1,59,33,407		-	
iii) Special Reserve u/s Sec 36(1)(viii) of the Income Tax Act, 1961				
Opening Balance	7,29,77,789		6,62,98,789	
Addition during the period/year	68,33,022		66,79,000	
Total	7,98,10,811		7,29,77,789	
iv) Foreign Currency Translation Reserve				
Opening Balance	-21,15,587		-24,21,580	
Addition during the period/year	7,358		6,05,047	
Deduction during the period/year	4,55,303		2,99,054	
Total	-25,63,532		-21,15,587	
v) Investment Fluctuation Reserve				
Opening Balance	1,38,14,014		1,35,29,575	
Addition during the period/year	-		2,84,440	
Deduction during the period/year	-		-	
	1,38,14,014		1,38,14,015	
vi) Investment Reserve Account				
Opening Balance	32,96,872		17,69,006	
Addition during the period/year	-		15,27,866	
Deduction during the period/year	32,96,872		-	
	-		32,96,872	
V. Special Reserve Profit on FX Swap	58,485	41,23,77,569	58,485	29,98,53,876
VI. AFS RESERVE		9,65,116		-
VII. Balance in Profit and Loss Account		58,32,008		58,32,008
TOTAL		1,05,34,16,007		89,33,53,596

**Schedules Forming Part of
the Standalone Balance Sheet**

(₹ in 000')

Particulars	As on 31 st March 2025		As on 31 st March 2024	
SCHEDULE 3 - DEPOSITS:				
A.				
I. Demand Deposits				
i) From Banks	1,01,66,991		74,28,822	
ii) From Others	85,39,28,924	86,40,95,915	73,04,19,109	73,78,47,931
II. Savings Bank Deposits		3,39,91,58,683		3,36,34,89,147
III. Term Deposits				
i) From Banks	38,09,47,206		24,66,77,161	
ii) From Others	8,45,32,93,374	8,83,42,40,580	7,86,72,69,501	8,11,39,46,662
TOTAL		13,09,74,95,178		12,21,52,83,740
Deposits include Lien Marked deposits of ₹ 99,40,717 (Previous Year ₹ 96,10,358) in Lakhs				
B.				
i) Deposits of branches in India		12,71,75,04,355		11,99,19,73,942
ii) Deposits of branches outside India		37,99,90,823		22,33,09,798
TOTAL		13,09,74,95,178		12,21,52,83,740
SCHEDULE 4 - BORROWINGS:				
I) Borrowings in India				
a. Reserve Bank of India	-		-	
b. Other Banks	-		1,45,500	
c. Other Institutions and Agencies	6,16,19,425		4,81,69,788	
d. Perpetual Bonds- Tier I	9,68,80,000		9,68,80,000	
e. Subordinated Bonds - Tier II	7,95,00,000	23,79,99,425	7,95,00,000	22,46,95,288
II) Borrowings Outside India		3,54,18,455		4,47,88,394
TOTAL		27,34,17,880		26,94,83,682
Secured Borrowings included in I and II above		-		-
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS:				
I. Bills Payable		2,73,65,011		2,60,52,539
II. Interest Accrued		6,25,66,044		5,25,15,587
III. Others* (Including Provisions)		40,79,60,905		38,65,50,969
TOTAL		49,78,91,960		46,51,19,095
*includes provision for Standard Assets ₹ 604,27,264 (Previous Year ₹ 597,73,786)				

(₹ in 000')

Particulars	As on 31 st March 2025	As on 31 st March 2024
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand		
(Including Foreign Currency Notes and Gold)	1,73,93,979	2,27,16,899
II. Balances with Reserve Bank of India		
a) in Current Account	47,63,30,845	50,62,58,125
b) in Other Accounts	40,13,10,000	-
TOTAL	89,50,34,824	52,89,75,024
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY		
AT CALL AND SHORT NOTICE:		
I. In India		
i) Balances with Banks		
a) In Current Accounts	57,57,378	35,53,325
b) In Other Deposit Accounts	75	37,97,553
ii) Money at Call and short notice		
a) with Banks	-	-
b) with Other Institutions	49,95,224	34,51,28,862
Total (i and ii)	1,07,52,677	35,24,79,740
II. Outside India		
i) In Current Accounts	90,07,988	50,93,983
ii) In other Deposit Accounts	39,85,44,281	30,64,80,013
iii) Money at call & Short Notice	-	-
Total (i,ii and iii)	40,75,52,269	31,15,73,996
Grand Total (I and II)	41,83,04,946	66,40,53,736
SCHEDULE 8 - INVESTMENTS:		
I. Investments in India in		
i) Government Securities	2,83,07,39,588	2,73,25,02,480
ii) Other Approved Securities	-	-
iii) Shares	3,83,09,403	2,22,26,132
iv) Debentures and Bonds	55,03,64,850	56,24,84,247
v) Subsidiaries and joint ventures	52,68,212	38,88,095
vi) Others (Commercial Paper, Mutual Funds, Venture Capital, Security Receipt etc.)	7,99,30,598	2,73,38,680
Total	3,50,46,12,651	3,34,84,39,634

**Schedules Forming Part of
the Standalone Balance Sheet**

(₹ in 000')

Particulars	As on 31 st March 2025	As on 31 st March 2024
II. Investments outside India in		
i) Govt. Securities (Including Local Authority)	2,77,53,425	1,91,46,683
ii) Subsidiaries and Joint Ventures abroad	1,14,42,315	1,14,42,157
iii) Other Investments (Bonds)	5,572	6,810
Total	3,92,01,312	3,05,95,650
TOTAL (I and II)	3,54,38,13,963	3,37,90,35,284
III. i) Investments in India		
Gross Value	3,55,80,96,301	3,43,56,28,809
Provision for Depreciation	5,34,83,650	8,71,89,175
Net Value	3,50,46,12,651	3,34,84,39,634
ii) Investments outside India		
Gross Value	3,93,28,284	3,07,64,527
Provision for Depreciation	1,26,972	1,68,877
Net Value	3,92,01,312	3,05,95,650
TOTAL (III)	3,54,38,13,963	3,37,90,35,284

(₹ in 000')

Particulars	As on 31 st March 2025	As on 31 st March 2024
SCHEDULE 9 - ADVANCES (Net)		
A.		
i) Bills purchased and discounted	3,66,35,915	3,59,04,447
ii) Cash Credits, Overdrafts and Loans repayable on demand	4,84,73,49,758	4,33,95,85,805
iii) Term Loans	4,65,11,47,762	4,33,22,70,642
TOTAL	9,53,51,33,435	8,70,77,60,894
B.		
i) Secured by tangible assets*	7,87,40,16,588	7,21,91,31,031
ii) Covered by Bank/Government Guarantees	10,94,66,032	5,92,61,079
iii) Unsecured	1,55,16,50,815	1,42,93,68,784
TOTAL	9,53,51,33,435	8,70,77,60,894
*includes advances against book debt		
C. Sectorial Classification of Advances		
C.I. Advances in India:		
i) Priority Sector	3,16,37,65,065	3,19,08,13,692
ii) Public Sector	1,01,80,99,768	1,23,56,53,929
iii) Banks	1,29,342	8,66,18,664
iv) Others	5,02,63,01,981	3,90,54,46,869
TOTAL	9,20,82,96,156	8,41,85,33,154

(₹ in 000)

Particulars	As on 31 st March 2025	As on 31 st March 2024
C.II. Advances Outside India:		
i) Due From Banks	6,24,67,883	6,14,80,610
ii) Due from Others	-	-
a) Bills Purchased and Discounted	5,24,875	4,31,509
b) Syndicated loans	-	-
c) Others	26,38,44,521	22,73,15,621
TOTAL C.(I)+C(II)	32,68,37,279	28,92,27,740
TOTAL	9,53,51,33,435	8,70,77,60,894

(₹ in 000)

Particulars	As on 31 st March 2025		As on 31 st March 2024	
SCHEDULE 10 - FIXED ASSETS:				
I. Premises				
At cost as on 31 st March of the preceding year	9,41,07,688		9,58,10,991	
Additions during the year	14,35,351		13,61,467	
Deduction during the year	2,312		30,64,770	
	9,55,40,727		9,41,07,688	
Depreciation to date	3,14,52,020	6,40,88,707	2,95,87,143	6,45,20,545
II. Other Fixed Assets (including Furniture and Fixtures)				
A. Capital Work-in-Progress				
At cost as on 31 st March of the preceding year	3,47,034		2,05,438	
Additions during the year	5,58,797		3,10,576	
Deductions during the year	3,29,475	5,76,356	1,68,980	3,47,034
B. Land				
At cost as on 31 st March of the preceding year	35,19,663		36,34,968	
Additions during the year	1,90,177		-	
Deductions during the year	-		1,15,305	
	37,09,840		35,19,663	
Less: Amortisation till date	13,96,816	23,13,024	11,56,731	23,62,932
C. Assets given on lease				
At cost as on 31 st March of the preceding year	2,65,352		2,65,352	
Depreciation to date	2,65,352	-	2,65,352	-
D. Others				
At cost as on 31 st March of the preceding year	8,51,92,180		7,43,75,518	
Additions during the year	1,08,00,394		1,28,89,639	
Deductions during the year	26,18,526		20,72,977	
	9,33,74,048		8,51,92,180	
Depreciation to date	6,71,83,971	2,61,90,077	6,24,37,938	2,27,54,242

**Schedules Forming Part of
the Standalone Balance Sheet**

(₹ in 000')

Particulars	As on 31 st March 2025		As on 31 st March 2024	
E. Computer Software				
At cost as on 31 st March of the preceding year	1,23,36,473		1,18,10,459	
Additions during the year	37,59,686		17,41,470	
Deduction during the Year	4,27,130		12,15,455	
	1,56,69,029		1,23,36,474	
Less: Amortisation till date	1,10,18,428	46,50,601	1,00,93,425	22,43,049
Total (I and II)		9,78,18,765		9,22,27,802
SCHEDULE 11 - OTHER ASSETS:				
I. Inter-Office Adjustments (Net)		2,93,44,287		1,70,28,198
II. Interest Accrued		10,98,09,146		10,73,45,648
III. Tax Paid/Tax deducted at source (Net of provision)		3,45,56,335		7,10,21,069
IV. Stationery and stamps		64,823		61,852
V. Non-Banking assets acquired in satisfaction of claims		1,334		1,334
VI. Others *		30,72,81,394		31,49,60,381
VII. Deferred Tax Assets (Net)		2,73,93,829		3,71,04,947
VIII. MAT Credit Entitlement		-		-
TOTAL		50,84,51,148		54,75,23,429
*Includes Deposit placed with NABARD/SIDBI/NHB amounting to ₹ 660,62,870 (Previous Year ₹ 874,69,761)				
SCHEDULE 12 - CONTINGENT LIABILITIES:				
I. Claims against the bank not acknowledged as debts		10,67,392		2,06,75,020
II. Liability for partly paid Investments		-		-
III. Liability on account of outstanding Forward Exchange Contracts		3,68,03,02,111		3,71,46,30,000
IV. Guarantees given on behalf of Constituents				
a) In India	70,73,94,487		69,48,36,138	
b) Outside India	1,04,51,784	71,78,46,271	67,39,785	70,15,75,923
V. Acceptances, endorsements and other obligations*		84,54,50,523		1,06,65,96,474
VI. Other items for which the bank is contingently liable				
i) Disputed Tax demands under appeals		29,36,49,416		28,74,07,271
ii) Capital Commitments		35,74,605		13,26,533
iii) Amt. Transferred to DEA Fund Scheme 2014		4,09,01,330		3,45,99,063
TOTAL		5,58,27,91,648		5,82,68,10,284
* also includes Floating / Fixed Interest Rate Swap, Liability For Acceptances Securities, Liability For Currency Swap Receivable & Payables, Liability For Proprietary Currency Future Sold, Liability For Securities Short Sold and Liability For Securities Del.Under Rev.Repo.				
Bills for Collection		50,91,34,855		50,25,28,601

Schedules Forming Part of the Standalone Profit & Loss Account

for the year ended 31st March, 2025

(₹ in 000')

Particulars	For the Year Ended 31 st March 2025	For the Year Ended 31 st March 2024
SCHEDULE 13 - INTEREST EARNED:		
I. Interest/Discount on advances/bills	79,06,69,113	71,97,10,273
II. Income on Investments	23,18,41,928	22,46,74,253
III. Interest on balances with Reserve Bank of India & other Inter Bank Funds	5,08,83,686	4,85,48,649
IV. Others	38,65,002	48,46,402
TOTAL	1,07,72,59,729	99,77,79,577
SCHEDULE 14 - OTHER INCOME:		
I. Commission, Exchange and Brokerage	2,70,78,690	2,38,03,148
II. Profit on sale of investments (Net)	2,10,33,652	1,63,79,176
III. Profit on revaluation of Investments (Net)	1,17,54,139	29,23,962
IV. Profit/(Loss) on sale of land, buildings & other assets (Net)	22,124	21,653
V. Profit on exchange transactions (Net)	82,57,656	91,88,081
VI. Income earned by way of Dividends, etc from subsidiaries and/or joint ventures abroad/in India	20,419	15,314
VII. Miscellaneous Income	12,99,62,464	10,84,70,607
TOTAL	19,81,29,144	16,08,01,941
SCHEDULE 15 - INTEREST EXPENDED:		
I. Interest on Deposits	66,22,54,417	58,50,43,934
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	2,74,66,175	2,98,09,349
III. Others	1,54,02,370	1,72,22,328
TOTAL	70,51,22,962	63,20,75,611
SCHEDULE 16 - OPERATING EXPENSES:		
I. Payments to and provisions for employees	14,66,76,421	14,37,71,789
II. Rent, Taxes and Lighting	1,18,00,083	1,09,02,546
III. Printing and Stationery	13,35,117	12,56,808
IV. Advertisement and Publicity	12,38,412	14,21,651
V. Depreciation on Bank's property	1,07,10,161	89,09,763
VI. Directors' fees, allowances and expenses	20,465	20,219
VII. Auditors' fees and expenses (including branch auditors)	6,47,450	6,29,968
VIII. Law Charges	16,25,917	17,35,407
IX. Postage, Telegrams, Telephones, etc.	42,74,509	39,78,948
X. Repairs and maintenance	41,00,556	34,49,821
XI. Insurance	1,73,80,883	1,41,96,102
XII. Other expenditure	5,95,55,512	5,41,26,576
TOTAL	25,93,65,486	24,43,99,598

Significant Accounting Policy for 2024-25 on Standalone Basis

(For required disclosures under schedule 17 forming part of Balance Sheet)

Background

Union Bank of India (UBI or the Bank) is a banking and financial services statutory body engaged in providing a wide range of products and services to individuals, commercial enterprises, large corporates, public bodies, and institutional customers. The Bank is governed by the Banking Regulation Act, 1949. The following are the Significant Accounting Policies i.e., the specific accounting principles and methods of applying these principles in the preparation and presentation of financial statements of the Bank.

1. Basis of Preparation

The financial statements have been prepared and presented under the historical cost convention, accrual basis of accounting, unless otherwise stated and following the Going Concern concept. 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.

In case of foreign offices, the statutory provisions, and practices of the local laws of the respective foreign country are followed if they are more prudent.

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 the 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.

Significant Accounting Policies:

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 Letters of Credit (LC)/Bank Guarantee (BG), Deferred Payment Guarantee and Government Business are recognized on accrual basis proportionately over the period.

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 recognized on accrual basis for the following investments:

3.5.1. Government Securities, bonds and debentures of corporate bodies, where interest rates on these securities are predetermined and provided interest is serviced regularly and is not in arrears.

3.5.2. Shares of corporate bodies provided dividend has been declared by the corporate body in its Annual General Meeting and the owner's right to receive payment is established.

3.5.3. Income from units of mutual funds, alternative investment funds and other such pooled/collective investment funds is recognized on cash basis.

3.5.4. Subject to sub-clause (3.5.2) above, dividend income on equity investments held under AFS is recognised in the Profit and Loss Account.

3.5.5. Accounting for Broken Period Interest:

Bank is not capitalizing the broken period interest paid to the seller as part of cost and treats it as an item of expenditure under Profit & Loss Account in respect of investments in securities.

3.6. Sale of NPAs accounted in terms of extant RBI guidelines.

3.7. 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 are 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 is done as mentioned 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 Investments, recovery is 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 by investments.
- 5.3. Cash Flow from Financials Activities: This activity includes the cash flow generated from financial instruments.
- 5.4. Cash and cash equivalents include Cash and Balances with RBI, Balances with Banks and money at call and short notice.

6. Investments

6.1. Categorization of investments

- a) Bank classified the entire investment portfolio (except investments in their own subsidiaries, joint ventures and associates) under three categories, viz., Held to Maturity (HTM), Available for Sale (AFS) and Fair Value through Profit and Loss (FVTPL). Held for Trading (HFT) is a separate investment subcategory within FVTPL.
- b) Bank continue to present the investments in the Balance Sheet as set out in The Third Schedule to the BR Act (Form A, Schedule 8 - Investments) as under:
 - i. Government securities
 - ii. Other approved securities
 - iii. Shares
 - iv. Debentures & Bonds
 - v. Subsidiaries and/or joint ventures
 - vi. Others (to be specified)
- c) From the context of inputs used for valuation, the investments would be either of the following:
 - (i) "Level 1" in the context of inputs used for valuation of a financial instrument are those inputs which are quoted prices (unadjusted) in active markets for identical instruments that the bank can access at the measurement date. In reference to the valuation of an instrument, it refers to a valuation that is substantively based on Level 1 inputs and does not have any significant Level 2 or Level 3 inputs.
 - (ii) "Level 2" in the context of inputs used for valuation of a financial instrument are

Significant Accounting Policy for 2024-25 on Standalone Basis

those inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. In reference to the valuation of an instrument, it refers to a valuation that is based on Level 1 and Level 2 inputs and does not have any significant Level 3 inputs.

- (iii) "Level 3" in the context of inputs used for valuation of a financial instrument are unobservable inputs. In reference to the valuation of an instrument, it refers to a valuation in which there is a significant Level 3 input.

6.1.1. HTM

- a) Securities that fulfil the following conditions are classified under HTM:
 - (i) The security is acquired with the intention and objective of holding it to maturity, i.e., the financial assets are held with an objective to collect the contractual cash flows; and
 - (ii) The contractual terms of the security give rise to cash flows that are "solely payments of principal and interest" on principal outstanding ('SPPI criterion') on specified dates.
- b) Notwithstanding the intent with which the following securities are acquired, they would not meet the SPPI criteria and therefore would not be eligible for classification either as HTM or AFS:
 - (i) Instruments with compulsorily, optionally or contingently convertible features.
 - (ii) Instruments with contractual loss absorbency features such as those qualifying for Additional Tier 1 and Tier 2 under Basel III Capital Regulations.
 - (iii) Instruments whose coupons are not in the nature of interest as defined in clause 4(a)(xviii) of the RBI's "Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023" dated 12-09-2023 hereon mentioned as "RBI MASTER CIRCULAR".
 - (iv) Preference shares and Equity shares.
- c) Investments in the securitization notes, other than the equity tranche, is considered to meet the SPPI criteria if the tranche in which the investment is made meets all the following conditions:

- (i) The contractual terms of the tranche being assessed for classification (without looking through to the underlying pool of financial instruments) gives rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (ii) The underlying pool of financial instruments meet the SPPI criteria.
- (iii) The credit risk of the tranche is equal to or lower than the credit risk of the combined underlying pool of assets.

6.1.2. AFS

- a) Securities that meet the following conditions are classified under AFS:
 - (i) The security is acquired with an objective that is achieved by both collecting contractual cash flows and selling securities; and
 - (ii) The contractual terms of the security meet the 'SPPI criterion' as given in paragraph 6.1(a)(ii) of the RBI MASTER CIRCULAR.

Provided that on initial recognition, a bank may make an irrevocable election to classify an equity instrument that is not held with the objective of trading (i.e., not held for any of the purposes listed in paragraph 4 of Annex I of the RBI MASTER CIRCULAR) under AFS.
- (b) AFS securities inter-alia includes debt securities held for asset liability management (ALM) purposes that meet the SPPI criterion where the bank's intent is flexible with respect to holding to maturity or selling before maturity.

6.1.3. FVTPL:

- a) Securities that do not qualify for inclusion in HTM or AFS are classified under FVTPL, and inter-alia include:
 - (i) Equity shares, other than (a) equity shares of subsidiaries, associates or joint ventures and (b) equity shares where, at initial recognition, the irrevocable option to classify at AFS has been exercised.
 - (ii) Investments in Mutual Funds, Alternative Investment Funds, Real Estate Investment Trusts, Infrastructure Investment Trusts, etc.
 - (iii) Investment in securitisation notes which represent the equity tranche of a securitisation transaction. Investments in senior and other subordinate tranches

would need to be reviewed for their compliance with SPPI criterion explained in clause 6.1(c) of the RBI MASTER CIRCULAR.

- (iv) Bonds, debentures, etc. where the payment is linked to the movement in a particular index such as an equity index rather than an interest rate benchmark.
- (v) Securities referred to in sub-clause 6.1(b), subject to the exception for equity referred to in sub-clause (i) of the RBI MASTER CIRCULAR.

6.1.4.HFT:

Bank create a separate sub-category called HFT within FVTPL.

6.1.5.Investments in Subsidiaries, Associates and Joint Ventures

All investments in subsidiaries, associates and joint ventures are held sui generis i.e., in a distinct category for such investments separate from the other investment categories (viz. HTM, AFS and FVTPL).

6.2. Initial recognition

6.2.1.All investments are measured at fair value on initial recognition. Unless facts and circumstances suggest that the fair value is materially different from the acquisition cost, it would be presumed that the acquisition cost is the fair value.

Situations where the presumption are tested include where:

- a) The transaction is between related parties.
- b) The transaction is taking place under duress where one party is forced to accept the price in the transaction.
- c) The transaction is done outside the principal market for that class of securities.
- d) Other situations, where in the opinion of the supervisor, facts and circumstances warrant testing of the presumption.

6.2.2.In respect of government securities acquired through auction (including devolvement), switch operations and open market operations (OMO) conducted by the RBI, the price at which the security is allotted is the fair value for initial recognition purposes.

6.2.3.Where the securities are quoted or the fair value can be determined based on market observable inputs (such as yield curve, credit spread, etc.) any Day 1 gain/loss is recognised in the Profit and Loss

Account, under Schedule 14: 'Other Income' within the sub-head 'Profit on revaluation of investments' or 'Loss on revaluation of investments', as the case may be.

6.2.4.Any Day 1 loss arising from Level 3 investments is recognised immediately.

6.2.5.Any Day 1 gains arising from Level 3 investments is deferred. In the case of debt instruments, the Day 1 gain is amortized on a straight-line basis up to the maturity date (or earliest call date for perpetual instruments), while for unquoted equity instruments, the gain is set aside as a liability until the security is listed or derecognized.

6.3. Subsequent Measurement

6.3.1.HTM

(a) Securities held in HTM are carried at cost and will not be marked to market (MTM) after initial recognition. However, they are subject to Income recognition, Asset classification and Provisioning norms as specified in Chapter X of RBI MASTER CIRCULAR.

(b) Any discount or premium on the securities under HTM is amortised over the remaining life of the instrument. The amortised amount is shown in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.

6.3.2.AFS

(a) The securities held in AFS are fair valued at least on a quarterly basis, if not more frequently. Any discount or premium on the acquisition of debt securities under AFS is amortised over the remaining life of the instrument. The amortised amount is shown in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8:'Investments'.

(b) The valuation gains and losses across all performing investments, irrespective of classification (i.e., Government securities, other approved securities, Bonds and Debentures, etc.), held under AFS is aggregated. The net appreciation or depreciation is directly credited or debited to a reserve named AFS Reserve without routing through the Profit & Loss Account.

(c) Securities under AFS would be subject to income recognition, asset classification and provisioning norms as specified in Chapter X of the RBI MASTER CIRCULAR.

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- (d) The AFS-Reserve would be reckoned as Common Equity Tier (CET) 1 subject to clause 28 of the RBI MASTER CIRCULAR. The unrealised gains transferred to AFS-Reserve would not be available for any distribution such as dividend and coupon on Additional Tier 1.
- (e) Upon sale or maturity of a debt instrument in AFS category, the accumulated gain/loss for that security in the AFS-Reserve is transferred from the AFS Reserve and recognized in the Profit and Loss Account under item II Profit on sale of investments under Schedule 14-Other Income.
- (f) In the case of equity instruments designated under AFS at the time of initial recognition, any gain or loss on sale of such investments are not transferred from AFS-Reserve to the Profit and Loss Account. Instead, such gain or loss is transferred from AFS-Reserve to the Capital Reserve.

6.3.3.FVTPL

- (a) The securities held in FVTPL are fair valued and the net gain or loss arising on such valuation is directly credited or debited to the Profit and Loss Account. Securities that are classified under the HFT sub-category within FVTPL are fair valued on a daily basis, whereas other securities in FVTPL are fair valued at least on a quarterly, if not on a more frequent basis.
- (b) Any discount or premium on the acquisition of debt securities under FVTPL is amortised over the remaining life of the instrument. The amortised amount is credited in the Profit & loss account of the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.
- (c) Securities under FVTPL are subject to income recognition, asset classification and provisioning norms as specified in Chapter X of the RBI MASTER CIRCULAR.

6.3.4. Investments in Subsidiaries, Associates and Joint Ventures

- (a) All investments (i.e., including debt and equity) in subsidiaries, associates and joint ventures are held at acquisition cost, subject to the requirements of Chapter IV of the RBI MASTER CIRCULAR.
- (b) Any discount or premium on the acquisition of debt securities of subsidiaries, associates and joint ventures is amortised over the remaining life of the instrument. The amortised amount is shown in the Profit & loss account of the

financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned'.

- (c) In case, where there is already an investment in an entity which is not a subsidiary, associate or joint venture and subsequently the investee entity becomes a subsidiary, associate or joint venture, the revised carrying value as at the date of such investee entity becoming a subsidiary, associate or joint venture is determined as under:
 - (i) Where the investment is held under HTM, the carrying value less any permanent impairment is the revised carrying value.
 - (ii) Where an investment is held under AFS, the cumulative gains and losses previously recognised in AFS-Reserve is reversed and adjusted to the carrying value of the investment along with any permanent diminution in the value of the investment to arrive at the revised carrying value.
 - (iii) Where an investment is held in FVTPL, the fair value as on the date of the investee becoming a subsidiary, associate or joint venture is taken as the carrying value.
- (d) When an investee ceases to be a subsidiary, associate or joint venture, the investments are reclassified to the respective category as under:
 - (i) Where the investment is reclassified into HTM, there is no change in the carrying value and consequently no accounting adjustment per se is required.
 - (ii) Where the investment is reclassified into AFS or FVTPL, the fair value on the date of such reclassification is the revised carrying value. The difference between the revised and previous carrying value is transferred to AFS-Reserve and Profit and Loss account in case of reclassification into AFS and FVTPL respectively.
- (e) Any gain/profit arising on the reclassification/sale of an investment in a subsidiary, associate or joint venture is first recognised in the Profit and Loss Account and then appropriated below the line from the Profit and Loss account to the 'Capital Reserve Account'. The amount so appropriated is net of taxes and the amount is transferred to Statutory Reserves.
- (f) Bank evaluate investments in subsidiaries, associates or joint ventures for impairment at least on a quarterly, if not more frequent basis. A non-exhaustive list of indicators of potential impairment is as under:

- (i) The entity has defaulted in repayment of its debt obligations.
- (ii) The loan amount of the entity with any bank has been restructured.
- (iii) The credit rating of the entity has been downgraded to below investment grade.
- (iv) The entity has incurred losses for a continuous period of three years and the net worth has consequently reduced by 25 per cent or more.
- (v) There is a significant decline in the fair value vis-à-vis the carrying value for a period of six months or more. For the purpose of this sub-clause the term significant would be interpreted as at least 20 per cent. Banks, with the approval of their Boards, may apply even more conservative thresholds.
- (vi) Any or all of the entity's outstanding securities have been delisted, are in the process of being delisted, or are under threat of being delisted from an exchange due to noncompliance with the listing requirements or for financial reasons.

In the case of a new entity/project where the originally projected date of achieving the breakeven point has been extended i.e., the entity/project has not achieved break-even within the gestation period as originally envisaged.

- (g) When the need to determine whether impairment has occurred arises in respect of a subsidiary, associate or joint venture, the bank obtains a valuation of the investment by an independent registered valuer and make provision for the impairment, if any. Such diminution is provided by recognising it as an expense in the Profit and Loss account. It may be subsequently reversed through Profit and Loss Account, if there is a reversal of the diminution.

6.4. Reclassifications between categories

6.4.1. After transition to this framework, bank is not reclassifying investments between categories (viz. HTM, AFS and FVTPL) without the approval of their Board of Directors. Further, reclassification also require the prior approval of the Department of Supervision (DoS), RBI.

6.4.2. The reclassification should be applied prospectively from reclassification date.

6.4.3. When bank reclassifies investments from one category to another category, the accounting treatment is as given in the table below. The bank discloses the details of such reclassification including the reclassification adjustments in the notes to the financial statements:

No.	From	To	Accounting Treatment
a	HTM	AFS	The fair value measured at the reclassification date would be the revised carrying value. Any gain or loss arising from a difference between the revised carrying value and the previous carrying value would be recognised in AFS-Reserve.
b		FVTPL	The fair value measured at the reclassification date would be the revised carrying value. Any gain or loss arising from a difference between the revised carrying value and previous carrying value of the investments would be recognised in the Profit and Loss Account under Item (III): 'Profit on revaluation of investments' under Schedule 14: 'Other Income'.
c	AFS	HTM	The investments are reclassified at its fair value at the reclassification date. However, the cumulative gain/loss previously recognised in the AFS-Reserve would be withdrawn therefrom and adjusted against the fair value of the investments at the reclassification date to arrive at the revised carrying value. Thus, the revised carrying value would be the same as if the bank had classified the investment in HTM ab initio itself.
d		FVTPL	The investments would continue to be measured at fair value. The cumulative gain or loss previously recognised in AFS Reserve would be withdrawn therefrom and recognised in the Profit and Loss Account, under Item (III): 'Profit on revaluation of investments' under Schedule 14: 'Other Income'.
e	FVTPL	HTM	The carrying amount representing the fair value at the reclassification date remains unchanged.
f		AFS	

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6.5. Sale of investments

6.5.1. Gain/loss on sale of investments except AFS equity investments is recognised in the profit and loss account. The realised gain or loss on AFS equity investments is recognised in AFS reserve. Further, the profit from sale of HTM investments, investments in subsidiaries, joint ventures and associates and equity AFS investments, net of taxes and transfer to statutory reserve is transferred to "Capital Reserve" in accordance with the RBI Guidelines.

6.5.2. Any sales from HTM is as per the Board approved policy. Details of sales, out of HTM, is disclosed in the notes to accounts of the financial statements in the format specified in Annex II of Master directions of RBI dated 12th September 2023.

6.5.3. In any financial year, the carrying value of investments sold out of HTM is not exceeds five per cent of the opening carrying value of the HTM portfolio. Any sale beyond this threshold, require prior approval from DoS, RBI.

6.5.4. Sales of securities in the situations given below is excluded from the regulatory limit of five per cent prescribed in clause 20 of the RBI master directions:

- Sales to the RBI under liquidity management operations of RBI such as the Open Market Operations (OMO) and Government Securities Acquisition Programme (GSAP).
- Repurchase of Government Securities by Government of India from banks under buyback or switch operations.
- Repurchase of State Development Loans by respective state governments under buyback or switch operations.
- Repurchase, buyback or exercise of call option of non-SLR securities by the issuer.
- Sale of non-SLR securities following a downgrade in credit ratings or default by the counterparty.
- Sale of securities as part of a resolution plan under the Prudential Framework for Resolution of Stressed Assets for a borrower facing financial distress.
- Additional sale of securities explicitly permitted by the Reserve Bank of India.

6.5.5. Any profit or loss on the sale of investments in HTM is recognised in the Profit and Loss Account under Item II of Schedule 14 'Other Income'. The profit on sale of investments in HTM is appropriated below the line from the Profit and Loss Account

to the 'Capital Reserve Account'. The amount so appropriated is net of taxes and the amount required to be transferred to Statutory Reserve.

6.5.6. 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. "Government Guaranteed Security Receipts (SRs) shall be valued periodically by reckoning the Net Asset Value (NAV) declared by the ARC based on the recovery ratings received for such instruments as per RBI Circular no. RBI/DOR/2024-25/135 DOR.STR.REC. 72/21.04.048/2024-25 dated March 29, 2025 and as amended from time to time".

6.5.7. Interbank/RBI Repo and Interbank/RBI Reverse Repo transactions are accounted for in accordance with extant RBI guidelines.

6.5.8. Commission, brokerage, broken period interest etc. on securities is debited/credited to Profit & Loss Account.

6.5.9. Brokerage and STT paid on purchase and sale of Equity is accounted to price of the deal.

6.5.10. The Bank is following Weighted Average Price (WAP) for accounting of investment portfolio.

6.5.11. As per the extant RBI guidelines, the Bank follows 'Settlement Date' for accounting of investments transactions.

6.6. Non-Performing Investments (NPI)

(a) The criterion used to classify an asset as Non-Performing Asset (NPA) as per the extant Prudential Norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances is used to classify an investment as a Non-Performing Investment (NPI). Similarly, an NPI only be upgraded to standard when it meets the criteria specified in the IRACP norms.

(i) In respect of debt instruments such as bonds or debentures, an NPI is one where interest/instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.

(ii) Sub-clause (a)(i) above apply, mutatis mutandis to preference shares where the fixed dividend is not paid. If the dividend on preference shares (cumulative or non-cumulative) is not declared/paid in any year

it is treated as due/unpaid in arrears and the date of balance sheet of the issuer for that particular year is reckoned as due date for the purpose of asset classification. Such an investment can be upgraded subsequently on payment of dividend for the current period in the case of non-cumulative preference shares and payment of dividend in arrears and for current period in the case of cumulative preferences shares.

(iii) In the case of equity shares, in the event the investment in the shares of any company is valued at ₹1 per company on account of the non-availability of the latest balance sheet in accordance with clause 26.3 of the RBI MASTER CIRCULAR, those equity shares are reckoned as NPI. The NPI is upgraded subsequently on receipt of audited balance sheet.

(iv) If any credit facility availed by the issuer is NPA in the books of the bank, investment in any of the securities, including preference shares issued by the same issuer is also treated as NPI and vice versa. However, this stipulation is not applicable in cases where only the preference shares are classified as NPI, and in such cases, the investment in any of the other performing securities issued by the same issuer need not be classified as NPI and any performing credit facilities granted to that borrower need not be treated as NPA.

(v) In case of conversion of principal and/or interest into equity, debentures, bonds, etc., such instruments are classified in the same asset classification category as the loan and provision is made as per the norms. In case of post conversion, if the classification is standard or is subsequently upgraded to standard as per IRACP norms, the investment is categorised in HTM, AFS or FVTPL (including HFT) as per the requirements of Chapter III of the RBI MASTER CIRCULAR.

(b) Once an investment is classified as an NPI, it is segregated from rest of the portfolio and is not considered for netting valuation gains and losses.

(c) Bank is not accruing any income on NPIs. Income is recognised only on realisation basis Further, any MTM appreciation in the security is being ignored.

(d) Irrespective of the category (i.e., HTM, AFS or FVTPL (including HFT)) in which the investment

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has been placed, the expense for the provision for impairment is always recognised in the Profit and Loss Account. The provision held on an NPI is higher of the following amounts:

- (i) The amount of provision required as per IRACP norms computed on the carrying value of the investment immediately before it was classified as NPI; and
- (ii) The depreciation on the investment with reference to its carrying value on the date of classification as NPI.

In view of the above, no additional provision for depreciation is required over and above the provision for NPI as specified above.

Provided that, in the case of an investment categorised under AFS against which there are cumulative gains in AFS-Reserve, the provision required may be created by charging the same to AFS-Reserve to the extent of such available gains.

Provided further that in the case of an investment categorised under AFS against which there are cumulative losses in AFS-Reserve, the cumulative losses are transferred from AFS-Reserve to the Profit and Loss Account.

- (e) Upon an account being upgraded as per IRACP norms, any provision previously recognised is reversed and symmetric recognition of MTM gains and losses can resume.
- (f) Investments in Government securities and Government guaranteed investment:
 - (i) Investments in Central Government Securities and State Government Securities is classified as NPI.
 - (ii) Investments in Central Government guaranteed securities is not being classified as NPI until the Central Government has repudiated the guarantee when invoked. In respect of such securities held in AFS and FVTPL, bank continue to recognise MTM gains/losses in AFS-Reserve and Profit and Loss respectively. However, any income is recognised only on realisation basis.
 - (iii) Investment in State Government guaranteed securities, attracts prudential norms for identification of NPI and provisioning, when interest/instalment of principal (including maturity proceeds) or any other amount due to the bank remains unpaid for more than 90 days.

6.7. Investment Fluctuation Reserve

- (a) Bank creates an Investment Fluctuation Reserve (IFR) until the amount of IFR is at least two per cent of the AFS and FVTPL (including HFT) portfolio, on a continuing basis, by transferring to the IFR an amount not less than the lower of the following:
 - i. Net profit on sale of investments during the year.
 - ii. Net profit for the year, less mandatory appropriations.
- (b) IFR is eligible for inclusion in Tier II capital. The cap applicable on recognition of General Provisions and Loss Reserves as Tier II capital is not applicable on IFR.
- (c) Bank is permitted to draw down the balance available in IFR in excess of two percent of its AFS and FVTPL (including HFT) portfolio, for credit to the balance of profit/loss as disclosed in the profit and loss account at the end of any accounting year.
- (d) In the event the balance in the IFR is less than two percent of the AFS and FVTPL (including HFT) investment portfolio, a draw down is permitted subject to the following conditions:
 - i. The drawn down amount is used only for meeting the minimum CET 1/Tier 1 capital requirements by way of appropriation to free reserves or reducing the balance of loss.
 - ii. The amount drawn down should not be more than the extent the MTM provisions/ losses during the aforesaid year exceed the net profit on sale of investments during that year.

6.8. Derivatives

- 6.8.1. Bank complies with the requirements of the Guidance Note on Accounting for Derivative Contracts (revised 2021) issued by the Institute of Chartered Accountants of India except for paragraph 63 of the said Guidance Note. It presents their derivative asset and liabilities as separate line items under Schedule 11: 'Other Assets' and Schedule 5: 'Other Liabilities' respectively. Bank may make adjustments to the carrying value of their investments in compliance with the hedge accounting requirements of the said Guidance Note.
- 6.8.2. Bank categorize their derivatives portfolio into three fair value hierarchies viz. Level 1, Level 2, and Level 3 as defined in Clause 4 of the RBI MASTER CIRCULAR and disclose the same in the notes to accounts of

their financial statements as per template specified in disclosure template.

6.8.3. Bank does not pay dividends out of net unrealised gains recognised in the Profit and Loss Account arising on fair valuation of Level 3 derivatives assets and liabilities on their Balance Sheet. Further, such net unrealised gains on Level 3 derivatives recognised in the Profit and Loss Account is deducted from CET 1 capital.

6.9. Transition Accounting Adjustments:

6.9.1. At the time of transition to RBI directions (i.e., on April 1, 2024 Revised Framework), bank reclassified the investment portfolio as at March 31, 2024, as per the directions laid down in Chapter III of RBI Directions. The balance in provision for depreciation, as at March 31, 2024, has been reversed into the Revenue/General Reserve. The balances in Investment Reserve Account (IRA), as of March 31, 2024, has been transferred to the Revenue/General Reserve since the bank met the minimum regulatory requirements of IFR. The specific treatment for transition from the previous year to the revised framework is given in the table below:

Previous Framework	Revised Framework	Opening Accounting Adjustments on April 1, 2024
HTM	HTM	The acquisition cost adjusted for any premium/discount amortised between date of acquisition and March 31, 2024, is the revised carrying value. The difference between the revised carrying value and the previous carrying value is adjusted in Revenue/General Reserve.
	AFS	The difference between the revised and previous carrying value is adjusted in Revenue/General Reserve. Further, in the case of equity instruments designated under AFS difference between the revised and previous carrying value is adjusted in AFS-Reserve.
	FVTPL	The fair value as at March 31, 2024 is the revised carrying value. The difference between the revised carrying value and the previous carrying value is adjusted in Revenue/General Reserves.

Previous Framework	Revised Framework	Opening Accounting Adjustments on April 1, 2024
AFS	HTM	The acquisition cost adjusted for any premium/discount amortised between date of acquisition and March 31, 2024 is the revised carrying value. The difference between the revised carrying value and the previous carrying value is adjusted in Revenue/General Reserve.
	AFS	The difference between the revised and previous carrying value is adjusted in Revenue/General Reserve. Further, in the case of equity instruments designated under AFS difference between the revised and previous carrying value is adjusted in AFS-Reserve.
	FVTPL	The fair value as at March 31, 2024 is the revised carrying value. The difference between the revised carrying value and the previous carrying value is adjusted in Revenue/General Reserves.
HFT	HTM	The acquisition cost adjusted for any premium/discount amortised between date of acquisition and March 31, 2024 is the revised carrying value. The difference between the revised carrying value and the previous carrying value is adjusted in Revenue/General Reserve.
	AFS	The difference between the revised and previous carrying value is adjusted in Revenue/General Reserve. Further, in the case of equity instruments designated under AFS difference between the revised and previous carrying value is adjusted in AFS-Reserve.
	FVTPL	The fair value as at March 31, 2024 is the revised carrying value. The difference between the revised carrying value and the previous carrying value is adjusted in any Revenue/General Reserves.

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6.10. Bank made suitable disclosures of the transitional adjustment made, in their notes to the financial statements for the financial year ending March 31, 2025.

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/2024-2025/12 DOR. STR.REC.8/21.04.048/2024-25 dated April 02, 2024 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:	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	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. Additional Provisions:

After the COVID-19 Pandemic Impact and emerging economic scenario, the bank provides additional provisions against certain specific assets/portfolio of assets (Performing/Non-performing) on prudence basis, above the minimum stipulated as per the Regulatory Norms or as Bank May deem fit and will be reviewed on every quarter basis.

7.6. 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.

7.7. 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.

7.8. 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.

7.9. 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.

7.10. Amounts recovered against debts written off are recognized as revenue in the year of recovery.

7.11. 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/2024-2025/12 DOR.STR.REC.8/21.04.048/2024-25 dated April 02, 2024 and any subsequent circular issued from time to time.

7.12. 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:

Significant Accounting Policy for 2024-25 on Standalone Basis

S N	Capital Asset	Useful Life (Years)	Rate in %
1	Immovable Property – land	Not stipulated. Hence, no depreciation	NIL
2	Building with RCC frame structure (Both residential & Non-residential)	60	1.67
3	Fixtures	10	10.00
4	Furniture including Staff Furniture	5	20.00
5	Air-conditioning plants (Package & water/air cooled ductable)	10	10.00
6	Split & Window (individual units) 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	SDV Lockers, Strong Room, Cash safe, Gold Safe etc.	20	5.00
18	Computers & computer software forming integral part of hardware	3	33.33
19	Computers – End user devices such as desktops, laptops, Printer & Scanner etc.	3	33.33
20	ATM & Allied items	5	20.00
21	UPS and allied items	5	20.00
22	Servers & Networks	6	16.66

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 recognized 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 during the 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.

A. Accounting for Integral operations:

- 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.

- Income & Expenditure items are recognized at the exchange rates prevailing on the date of the transaction.
- 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.
- 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.

B. Accounting for Non-Integral operations

- Revenue Recognition:
Income and Expenditure are recognized/ accounted for as per the local laws of the respective countries.
- 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.
- Fixed Assets and Depreciation:
Fixed Assets are accounted for at historical cost.
Depreciation on Fixed Assets is provided as per the applicable laws of the respective countries.
- 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.
- Income & Expenditure are translated at the quarterly average closing rates notified by FEDAI at the end of respective quarters.
- All resulting exchange differences are accumulated in 'Foreign Currency Translation Reserve'.

12. Employee Benefits:

12.1. 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.

The Short-term employee benefits in the nature of Performance based Rewards are recognized as expenses in the year of award.

12.2. Long term Employee Benefits:

12.2.1. 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% 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.

12.2.2. 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.

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)
- 13.4. Other Banking Operations.

14. 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.

Significant Accounting Policy for 2024-25 on Standalone Basis

15. 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.

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

In accordance with AS-29, "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognizes provisions 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.

Provisions are determined based on management estimate required to settle the obligation at the Balance Sheet date, supplemented by experience of similar transactions. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

A disclosure of contingent liability is made when there is;

- a possible obligation arising from a past event, the existence of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets, if any, 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.

19. Debit and Credit Card Rewards Points:

The Bank is having a system of accrual and redemption of reward points on debit and credit card. The Bank estimates the probable redemption of debit and credit card reward points and cost per point using an actuarial method and provide for the liabilities on the outstanding reward points.

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, 2025.

a. Composition of Regulatory Capital:

(₹ in crore)

S. No.	Particulars	As at 31 st March 2025	As at 31 st March 2024
i.	Common Equity Tier 1 capital (CET 1) (net of deductions, if any)	1,05,464.73	90,693.16
ii.	Additional Tier 1 capital	8,871.18	8,928.65
iii.	Tier 1 capital (i + ii)	1,14,335.91	99,621.81
iv.	Tier 2 capital	12,489.05	13,066.90
v.	Total capital (Tier 1+Tier 2)	1,26,824.96	1,12,688.71
vi.	Total Risk Weighted Assets (RWAs)	7,03,919.88	6,64,188.12
vii.	CET 1 Ratio (CET 1 as a percentage of RWAs)	14.98	13.65
viii.	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	16.24	15.00
ix.	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.77	1.97
x.	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	18.02	16.97
xi.	Leverage Ratio	6.99	6.56
xii.	Percentage of the shareholding of		
a)	Government of India	74.76	74.76
b)	State Government	--	--
c)	Sponsor Bank	--	--
xiii.	Amount of paid-up equity capital raised during the year	--	8,000.00
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	--	--
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	--	--

Schedule 18 – Notes to Accounts

b Draw down from Reserves:

During the year 2024-25, the Bank has not drawn any amount from the reserves.

2. ASSET LIABILITY MANAGEMENT

a. Maturity pattern of certain items of assets and liabilities

As at 31st March 2025

(₹ 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	23,914.44	44,353.64	24,317.18	34,228.26	53,530.95	56,265.59	1,41,776.30	2,20,469.72	1,36,118.37	80,833.79	4,93,941.29	13,09,749.52
Advances	12,903.67	21,775.32	13,291.13	25,011.78	37,646.00	47,720.37	80,590.91	90,288.04	3,46,062.79	97,175.66	1,81,047.67	9,53,513.34
Investments	69,461.83	8,153.22	250.01	156.14	2,191.50	20,634.69	3,728.29	22,655.66	42,046.56	33,955.70	1,51,147.81	3,54,381.40
Borrowings	437.39	--	21.76	--	849.59	119.28	164.03	1,556.76	7,257.10	1,032.98	15,902.89	27,341.79
Foreign Currency assets	4,612.86	11,748.42	980.88	6,216.13	6,934.67	10,509.04	14,128.09	11,889.51	7,332.49	15,082.23	5,178.38	94,612.70
Foreign Currency liabilities	871.34	2,441.41	219.07	3,213.85	5,099.82	5,818.45	9,264.51	11,682.65	8,493.59	7,031.03	4,257.41	58,393.13

As at 31st March 2024

(₹ 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	19,410.10	33,208.26	22,143.36	25,751.19	42,907.50	51,874.76	1,03,759.29	2,16,081.39	1,45,106.60	78,448.20	4,82,837.71	12,21,528.37
Advances	13,285.99	14,564.07	8,913.90	30,508.21	5,135.11	32,215.53	61,063.28	1,15,928.51	3,74,856.25	90,661.97	1,23,643.26	8,70,776.09
Investments	79,848.28	12,924.06	1,247.76	2,707.86	6,481.38	24,894.11	7,995.66	12,778.18	39,693.86	33,590.35	1,15,742.03	3,37,903.53
Borrowings	448.60	670.18	41.18	12.95	936.64	60.47	1,148.71	209.15	6,509.99	15.07	16,895.43	26,948.37
Foreign Currency assets	3,475.74	3,916.55	425.06	2,638.65	1,989.97	8,240.88	21,408.96	11,856.16	17,711.70	6,975.90	2,492.31	81,131.87
Foreign Currency liabilities	805.73	3,088.91	160.77	555.08	2,440.51	3,365.04	8,360.78	8,613.80	10,801.49	3,503.01	3,027.12	44,722.23

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 daytime horizon under a significantly severe liquidity stress scenario specified by RBI.

LCR is the ratio of HQLA to Net Cash Outflow.

$$\text{LCR} = \frac{\text{High Quality Liquid Assets (HQLA)}}{\text{Net Cash Outflows over 30 days}}$$

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.

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.

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 are 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 up to Rs. 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 and Union Bank of India UK Ltd. The Bank during the three months ended 31st Mar 2025 maintained average HQLA of Rs. 2,84,439.29 Crore. Level 1 assets are the main drivers of HQLA for the bank. They contribute to 98% of the total stock of HQLA. Based on daily averages for the quarter ended 31st March 2025, Facility to avail Liquidity for Liquidity Coverage Ratio constitutes the highest portion to HQLA i.e. around 68% of the total HQLA. Level 2 assets which are lower in quality as compared to Level 1 assets, constitute 2% of the total stock of HQLA against maximum permissible level of 40%.

Bank's exposure is mainly in Indian Rupee. Unsecured wholesale funding constitutes major portion of total funding sources. Retail deposits and deposits from small business customers contributed around 20% and 4% of the total weighted cash outflows, respectively. Deposits from non-financial corporates contributed around 30% 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 75% of the total weighted cash inflows.

Bank has calculated LCR for all working days over the Mar 2025 quarter. The average of the daily observation of 68 data points is calculated. The average LCR for the quarter ended 31st Mar 2025 is 130.67% as against 130.61% for quarter ended 31st Dec 2024 and is well above the present minimum requirement prescribed by RBI of 100%.

Schedule 18 – Notes to Accounts

Movement of Average LCR during Financial Year 2024-25

Period	Quarters				Year	
	June 2024	September 2024	December 2024	March 2025	FY 2024-25	FY 2023-24
LCR Ratio	138.45	144.12	130.61	130.67	135.84	141.10

Quantitative Disclosure (Quarter wise)

(₹ in crore)

	Quarter ended 31 st March 2024		Quarter ended 30 th June 2024		Quarter ended 30 th September 2024		Quarter ended 31 st December 2024		Quarter ended 31 st March 2025	
	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)	2,76,525.16	2,75,225.07	285,796.43	284,638.08	299,634.15	298,539.12	282,911.73	281,873.01	2,85,488.99	2,84,439.29
Cash Outflows										
2. Retail deposits and deposits from small business customers, of which:	6,88,810.91	59,623.04	710,049.41	61,305.86	713,692.91	61,509.04	727,043.74	62,608.22	7,32,918.63	63,012.35
i. Stable deposits	1,85,160.97	9,258.05	193,981.66	9,699.08	197,204.99	9,860.25	201,922.99	10,096.15	2,05,590.31	10,279.52
ii. Less stable deposits	5,03,649.94	50,364.99	516,067.76	51,606.78	516,487.92	51,648.79	525,120.75	52,512.07	5,27,328.32	52,732.83
3. Unsecured wholesale funding, of which:	2,82,702.34	1,48,709.89	277,673.41	143,738.83	275,806.93	145,268.70	270,604.68	147,823.22	2,77,289.57	1,58,676.28
i. Operational deposits (all counterparties)	--	--	--	--	--	--	--	--	--	--
ii. Non-operational deposits (all counterparties)	2,82,702.34	1,48,709.89	277,673.41	143,738.83	275,806.93	145,268.70	270,604.68	147,823.22	2,77,289.57	1,58,676.28
iii. Unsecured debt										
4. Secured wholesale funding	8,195.96	--	2,805.00	--	192.99	--	1,582.76	29.13	3,075.97	5.04
5. Additional requirements, of which	2,31,221.16	26,709.58	167,955.38	19,093.06	175,366.00	22,076.15	221,751.51	28,875.20	2,00,018.74	24,388.14
i. Outflows related to derivative exposures and other collateral requirements	88.38	88.38	--	88.39	81.64	81.64	115.30	115.30	151.22	151.22

(₹ in crore)

	Quarter ended 31 st March 2024		Quarter ended 30 th June 2024		Quarter ended 30 th September 2024		Quarter ended 31 st December 2024		Quarter ended 31 st March 2025	
	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)
ii. Outflows related to loss of funding on debt products	--	--	--	--	--	--	--	--	--	--
iii. Credit and liquidity facilities	2,31,132.79	26,621.20	167,866.98	19,004.66	175,284.36	21,994.52	221,636.21	28,759.89	1,99,867.52	24,236.92
6. Other contractual funding obligations	4,227.18	4,227.18	15,987.64	15,987.64	13,381.05	13,381.05	12,572.04	12,572.04	13,615.25	13,615.25
7. Other contingent funding obligations	92,549.25	2,776.48	93,038.06	2,791.14	91,794.03	2,753.82	92,278.44	2,768.35	93,706.21	2,811.19
8. TOTAL CASH OUTFLOWS	13,07,706.80	2,42,046.16	12,67,508.90	242,916.52	12,70,233.90	244,988.76	13,25,833.16	254,676.17	13,20,624.37	2,62,508.25
Cash Inflows										
9. Secured lending (e.g. reverse repos)	3,346.50	--	7,680.29	--	10,219.04	--	2,954.05	--	3,375.17	--
10. Inflows from fully performing exposures	39,303.74	25,766.50	45,907.06	30,676.06	41,499.69	28,813.49	41,376.19	29,322.40	47,405.36	35,626.41
11. Other cash inflows	7,618.29	7,618.29	6,645.09	6,645.09	9,034.70	9,034.70	9,538.40	9,538.40	9,208.66	9,208.66
12. TOTAL CASH INFLOWS	50,268.53	33,384.80	60,232.43	37,321.15	60,753.44	37,848.20	53,868.64	38,860.80	59,989.19	44,835.07
13. TOTAL HQLA		2,75,225.07		284,638.08		298,539.12		281,873.01		2,84,439.29
14. TOTAL NET CASH OUTFLOWS		2,08,661.36		205,595.38		207,140.56		215,815.37		2,17,673.19
15. LIQUIDITY COVERAGE RATIO (%)		131.90%		138.45%		144.12%		130.61%		130.67%

Schedule 18 – Notes to Accounts

c. Net Stable Funding Ratio (NSFR)

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.

$$\text{NSFR} = \frac{\text{Available Stable Funding (ASF)}}{\text{Required Stable Funding (RSF)}} \geq 100\%$$

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 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 12%, retail deposits (including deposits from small sized business customers) formed 71% and wholesale funding formed 16% 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 89% 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 9% of the Required Stable Funding.

Bank has maintained comfortable stable funding buffers with Available Stable Funding at consolidated level of Rs.10,17,065.46 Crores against Rs.8,12,945.81 Crores of Required Stable Funding, resulting in a consolidated NSFR of 125.11% as on 31st March 2025.

Quantitative Disclosure: Current year

(₹ in crore)

Details	NSFR Disclosure - Consolidated March,2025				
	Unweighted value by residual maturity				
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
ASF Item					
1. Capital: (2+3)	1,08,430.91	--	--	18,602.11	1,27,033.02
2. Regulatory capital	1,08,430.91	--	--	964.11	1,09,395.02
3. Other capital instruments	--	--	--	17,638.00	17,638.00
4. Retail deposits and deposits from small business customers: (5+6)	3,43,565.17	1,87,586.21	1,60,183.72	96,579.75	7,18,218.95
5. Stable deposits	73,310.78	44,317.37	60,061.25	1,848.27	1,70,653.20
6. Less stable deposits	2,70,254.39	1,43,268.85	1,00,122.48	94,731.48	5,47,565.75

(₹ in crore)

Details	NSFR Disclosure - Consolidated March,2025				
	Unweighted value by residual maturity				
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
7. Wholesale funding:(8+9)	82,803.91	2,41,245.60	1,90,003.91	10,660.95	1,64,480.14
8. Operational deposits	--	--	--	--	--
9. Other wholesale funding	82,803.91	2,41,245.60	1,90,003.91	10,660.95	1,64,480.14
10. Other liabilities:(11+12)	68,561.20	1,592.05	1,556.76	6,554.97	7,333.35
11. NSFR derivative liabilities	--	--	--	--	--
12. All other liabilities and equity not included in the above categories	68,561.20	1,592.05	1,556.76	6,554.97	7,333.35
13. Total ASF (1+4+7+10)					10,17,065.46
RSF Item					
14. Total NSFR high-quality liquid assets (HQLA)					14,254.77
15. Deposits held at other financial institutions for operational purposes	1,503.05	--	--	--	751.53
16. Performing loans and securities: (17+18+19+21+23)	1,837.18	2,78,751.02	75,390.74	7,36,037.35	7,23,150.86
17. Performing loans to financial institutions secured by Level 1 HQLA	--	499.52	--	--	49.95
18. Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	--	1,61,066.20	17,204.84	82,089.12	1,08,831.82
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:	--	1,13,930.10	51,517.09	6,01,671.95	5,64,449.61
20. With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	--	29,611.69	2,119.77	1,46,712.09	1,11,228.59
21. Performing residential mortgages, of which:	--	0.96	7.78	--	4.37
22. With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	--	0.96	7.78	--	4.37
23. Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1,837.18	3,254.23	6,661.03	52,276.27	49,815.11
24. Other assets:(sum of rows 25 to 29)	33,046.90	36,732.45	157.42	291.36	59,821.68
25. Physical traded commodities, including gold	--				--

Schedule 18 – Notes to Accounts

(₹ in crore)

Details	NSFR Disclosure - Consolidated March,2025				
	Unweighted value by residual maturity				
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
26. Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		22,467.05	--	--	19,096.99
27. NSFR derivative assets		212.02	--	--	212.02
28. NSFR derivative liabilities before deduction of variation margin posted		138.04	--	--	138.04
29. All other assets not included in the above categories	33,046.90	13,915.34	157.42	291.36	40,374.63
30. Off-balance sheet items		3,37,064.13	--	2.19	14,966.97
31. Total RSF (14+15+16+24+30)					8,12,945.81
32. Net Stable Funding Ratio (%)					125.11%

Quantitative Disclosure: Previous year

(₹ in crore)

Details	NSFR Disclosure - Consolidated March,2024				
	Unweighted value by residual maturity				
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
ASF Item					
1. Capital: (2+3)	91,996.45	-	-	18,613.20	1,10,609.65
2. Regulatory capital	91,996.45	-	-	975.20	92,971.65
3. Other capital instruments	-	-	-	17,638.00	17,638.00
4. Retail deposits and deposits from small business customers: (5+6)	3,41,501.15	1,42,921.67	2,63,747.55	2,592.61	6,88,497.49
5. Stable deposits	44,165.68	35,474.14	1,71,391.45	1,948.16	2,40,427.87
6. Less stable deposits	2,97,335.47	1,07,447.53	92,356.10	644.45	4,48,069.63
7. Wholesale funding:(8+9)	64,140.06	1,87,731.33	2,13,924.89	8,095.20	2,01,296.88
8. Operational deposits	-	-	-	-	-
9. Other wholesale funding	64,140.06	1,87,731.33	2,13,924.89	8,095.20	2,01,296.88
10. Other liabilities:(11+12)	52,122.10	3,318.73	209.15	5,782.49	5,782.49
11. NSFR derivative liabilities	299.96	-	-	-	-
12. All other liabilities and equity not included in the above categories	51,822.14	3,318.73	209.15	5,782.49	5,782.49
13. Total ASF (1+4+7+10)					10,06,186.51
RSF Item					
14. Total NSFR high-quality liquid assets (HQLA)					13,698.71

(₹ in crore)

Details	NSFR Disclosure - Consolidated March,2024				
	Unweighted value by residual maturity				
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
15. Deposits held at other financial institutions for operational purposes	31.70	-	-	-	15.85
16. Performing loans and securities: (17+18+19+21+23)	1,051.84	2,06,640.59	70,297.20	7,20,266.39	6,85,413.95
17. Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18. Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	1,03,910.33	12,430.86	48,440.81	65,065.86
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:	-	1,00,942.14	55,664.22	5,36,577.45	5,16,020.79
20. With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	47,632.78	7,032.60	1,38,815.57	1,17,562.81
21. Performing residential mortgages, of which:	-	318.84	111.31	68,149.95	44,512.54
22. With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	318.84	111.31	68,149.95	44,512.54
23. Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1,051.84	1,469.28	2,090.82	67,098.19	59,814.75
24. Other assets:(sum of rows 25 to 29)	56,161.74	16,118.93	-	2,048.80	67,566.63
25. Physical traded commodities, including gold	-	-	-	-	-
26. Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	3,627.67	-	-	3,083.52
27. NSFR derivative assets	-	-	-	-	-
28. NSFR derivative liabilities before deduction of variation margin posted	-	53.87	-	-	53.87
29. All other assets not included in the above categories	56,161.74	12,437.38	-	2,048.80	64,429.24
30. Off-balance sheet items	-	2,54,595.66	52.00	-	10,878.67
31. Total RSF (14+15+16+24+30)	-	-	-	-	7,77,573.81
32. Net Stable Funding Ratio (%)	-	-	-	-	129.40%

Schedule 18 – Notes to Accounts

3. INVESTMENTS

a. Composition of investments portfolio as on 31.03.2025

(₹ in crore)

	Investments in India							Investments outside India				Total Investments (India +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	2,55,001.95	--	--	49,123.65	--	--	3,04,125.60	--	--	--	--	3,04,125.60
Less: Provision for non-performing investments (NPI)	--	--	--	(218.45)	--	--	(218.45)	--	--	--	--	(218.45)
Net	2,55,001.95	--	--	48,905.20	--	--	3,03,907.15	--	--	--	--	3,03,907.15
Available for Sale												
Gross	13,677.43	--	56.73	5,412.96	--	6,270.87	25,418.00	2,775.33	--	12.70	2,788.03	28,206.03
Less: Provision for non-performing investments (NPI)	--	--	(56.73)	(1,392.16)	--	(115.00)	(1,563.90)	--	--	(12.70)	(12.70)	(1,576.60)
Net	13,677.43	--	--	4,020.80	--	6,155.87	23,854.10	2,775.33	--	--	2,775.33	26,629.43
FVTPL/Held for Trading												
Gross	14,394.58	--	6,297.89	2,338.85	--	2,707.89	25,739.21	--	--	0.56	0.56	25,739.77
Less: Provision for non-performing investments (NPI)	--	--	(2,466.95)	(228.37)	--	(870.70)	(3,566.02)	--	--	--	--	(3,566.02)
Net	14,394.58	--	3,830.94	2,110.49	--	1,837.19	22,173.20	--	--	0.56	0.56	22,173.76
Total Investments	2,83,073.96	--	6,354.62	56,875.46	526.82	8,978.76	3,55,809.63	2,775.33	1,144.23	13.26	3,932.82	3,59,742.45
Less: Provision for non-performing investments (NPI)	--	--	(2,523.68)	(1,838.98)	--	(985.70)	(5,348.37)	--	--	(12.70)	(12.70)	(5,361.07)
Net	2,83,073.96	--	3,830.94	55,036.49	526.82	7,993.06	3,50,461.26	2,775.33	1,144.23	0.56	3,920.12	3,54,381.38

Note:

- Gross value of AFS and FVTPL portfolio is inclusive of Gain/Loss on Revaluation of Investments i.e. Fair Value of Investments, whereas HTM & Subs/JV book reflects only Book value.
- All investments in subsidiaries, associates and joint ventures are held in a distinct category separate from the other Investment categories (viz. HTM, AFS and FVTPL) as per RBI circular.

Composition of investments portfolio as on 31.03.2024

(₹ in crore)

	Investments in India							Investments outside India				Total Investments (India +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	2,29,580.78	--	--	44,183.32	393.81	335.18	2,74,493.09	--	1,148.71	0.40	1,149.11	2,75,642.20
Less: Provision for non-performing investments (NPI)	--	--	--	(218.45)	(5.00)	--	(223.45)	--	(4.50)	--	(4.50)	(227.95)
Net	2,29,580.78	--	--	43,964.87	388.81	335.18	2,74,269.64	--	1,144.22	0.40	1,144.62	2,75,414.26
Available for Sale												
Gross	43,684.76	--	4,997.56	15,141.69	--	4,843.90	68,667.91	1,914.67	--	12.67	1,927.34	70,595.25
Less: Provision for depreciation & NPI	(122.17)	--	(2,774.95)	(3,153.13)	--	(2,445.21)	(8,495.47)	--	--	(12.39)	(12.39)	(8,507.86)
Net	43,562.59	--	2,222.61	11,988.56	--	2,398.69	60,172.44	1,914.67	--	0.28	1,914.95	62,087.39
Held for Trading												
Gross	106.88	--	--	295.00	--	--	401.88	--	--	--	--	401.88
Less: Provision for depreciation & NPI	-	--	--	--	--	--	--	--	--	--	--	--
Net	106.88	--	--	295.00	--	--	401.88	--	--	--	--	401.88
Total Investments	2,73,372.42	--	4,997.56	59,620.01	393.81	5,179.08	3,43,562.88	1,914.67	1,148.71	13.07	3,076.45	3,46,639.33
Less: Provision for NPI	--	--	--	(218.45)	(5.00)	-	(223.45)	--	(4.50)	--	(4.50)	(227.95)
Less: Provision for depreciation & NPI	(122.17)	--	(2,774.95)	(3,153.13)	-	(2,445.21)	*(8,495.47)	--	--	(12.39)	(12.39)	(8,507.86)
Net	2,73,250.25	--	2,222.61	56,248.42	388.81	2,733.87	3,34,843.96	1,914.67	1,144.22	0.68	3,059.57	3,37,903.53

*Contingent Provision of ₹ 19.54 crores on account of RBI Circular RBI/2023-24/90 DOR.STR.REC.58/21.04.048/2023-24 dated 19.12.2023 is included in Provision Amount of ₹ 8,495.47 Crores.

- 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.

Schedule 18 – Notes to Accounts

b. Movements of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in crore)

Particulars	Current Year	Previous Year
i. Movement of provisions held towards depreciation on investments		
a. Opening balance	8,735.80	7,855.57
b. Add: Provisions made during the year	279.72	1,935.92
c. Less: Write off/Write back of excess provisions during the year [#]	1,643.70	1,055.69
d. Less: Reversal of Provision for Depreciation on Investment ^{##}	3,126.25	--
e. Closing Balance	4,245.57	8,735.80
ii. Movement of Investment Fluctuation Reserve		
a. Opening Balance	1,381.40	1,352.96
b. Add: Amount transferred during the year	--	28.44
c. Less: Drawdown	--	--
d. Closing Balance	1,381.40	1,381.40
iii. Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.70	2.00
iv. Movement of Investment Reserve		
a. Opening Balance	329.69	176.90
b. Add: Amount transferred during the year	--	152.79
c. Less: Drawdown	329.69	--
d. Closing Balance	--	329.69

Note for Current Year

It includes revaluation gain on investment in compliance with RBI Master Directions - Classification, Valuation and Operation on Investment Portfolio Sep 2023 and Reversal of NPI Provision.

In compliance with RBI Master Directions - Classification, Valuation and Operation on Investment Portfolio Sep 2023, the balance of provision for depreciation as at March 31, 2024, is reversed into the Revenue/General 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 2024-25 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:

- 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.
- Direct sale from HTM for bringing down SLR holding in HTM category consequent to a downward revision in SLR requirements by RBI.
- 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	Current Year	Previous Year
a.	Opening Balance	5,873.53	5,925.60
b.	Additions during the year since 1 st April	247.28	906.97
c.	Reductions during the above period	548.04	959.04
d.	Closing balance	5,572.77	5,873.53
e.	Total provisions held on above	5,348.37	5,597.16

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)

Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
a. PSUs	3,883.37	3,146.01	2,332.36	926.13	--	--	2,303.37	2,661.74	0.58	0.58
b. FIs	2,528.81	2,032.00	1,799.19	611.80	--	--	--	--	--	--
c. Banks	6,195.90	1,641.16	1,445.40	1,016.68	--	--	5.00	5.00	--	--
d. Private Corporates	12,588.01	15,070.88	9,591.64	12,946.07	24.34	18.45	226.80	426.91	369.45	125.70
e. Subsidiaries/ Joint Ventures	1,671.05	1,542.52	1,671.05	1,542.52	--	--	--	--	--	--
f. Others	49,801.34	49,834.33	45,611.23	46,438.30	--	--	--	--	--	--
g. Less: Provision held towards depreciation on non-SLR investments	(5,361.07)	(8,613.63)	--	--	--	--	--	(0.69)	--	(13.08)
TOTAL	71,307.43	64,653.27	62,450.87	63,481.50	24.34	18.45	2535.17	3,092.96	370.03	113.20

Schedule 18 – Notes to Accounts

e. Repo Transactions (in Face Value and Market 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).

Current year

(₹ in crore)

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily Average outstanding during the year		Outstanding as on 31.03.2025	
Securities sold under Repo								
a. Securities sold under Repo	MV	FV	MV	FV	MV	FV	MV	FV
i. Government securities	--	--	14,086.83	13,810.74	1,068.37	1,050.64	--	-
ii. Corporate debt securities	--	--	--	--	--	--	--	-
iii. Any other securities	--	--	--	--	--	--	--	-
b. Securities purchased under Reverse Repo	MV	FV	MV	FV	MV	FV	MV	FV
i. Government securities	--	--	30,377.14	30,377.14	3,743.38	3,799.22	--	-
ii. Corporate debt securities	--	--	49.99	50.00	1.05	1.05	--	-
iii. Any other securities	--	--	--	--	--	--	--	-

#MV stands for Market value

##FV stands for Face value

Previous year

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31.03.2024
Securities sold under Repo				
a. Securities sold under Repo				
i. Government securities	--	24,370.64	4,530.91	--
ii. Corporate debt securities	--	--	--	--
iii. Any other securities	--	10.33	0.17	--
b. Securities purchased under Reverse Repo				
i. Government securities	--	17,048.62	3,303.65	9,277.25
ii. Corporate debt securities	--	--	--	--
iii. Any other securities	--	--	--	--

f. Government Security Lending (GSL) transactions (in market value terms)
Current Year

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Total volume of transactions during the year	Outstanding as on 31.03.2025
Securities lent through GSL transactions	--	--	--	--	--
Securities borrowed through GSL transactions	--	--	--	--	--
Securities placed as collateral under GSL transactions	--	--	--	--	--
Securities received as collateral under GSL Transactions	--	--	--	--	--

Previous year

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Total volume of transactions during the year	Outstanding as on 31.03.2024
Securities lent through GSL transactions	--	--	--	--	--
Securities borrowed through GSL transactions	--	--	--	--	--
Securities placed as collateral under GSL transactions	--	--	--	--	--
Securities received as collateral under GSL Transactions	--	--	--	--	--

I) Profit of ₹ 605.32 Crore (previous year ₹ 290.89 crore) on sale of “Held to Maturity” category securities have been taken to profit and loss account initially.

II) In respect of “Held to Maturity” category, the excess of acquisition cost over face value of the securities amortized during the year amounted to ₹ 496.30 crore (previous year ₹ 684.19 Crore).

Note: During previous year, only excess of acquisition cost over face value of the securities amortised during the year. However, as per RBI Master Direction -Classification, Valuation and Operation on Investment portfolio Sep 2023, excess of face value over acquisition cost also need to be accrued in the books from 01.04.2024.

III) Total investments made in shares, convertible debentures and units of equity linked mutual funds/venture capital funds and also advances against shares aggregate to ₹ 3,837.56 crore (previous year ₹ 4,373.62 crore).

IV) Pursuant to the RBI circular RBI/2023-24/90 DOR.STR.REC.58/21.04.048/2023-24 dated December 19, 2023 and RBI/2023-24/140 DOR.STR.REC.85/21.04.048/2023-24 dated March 27, 2024, Bank has made a provision of ₹ 15.20 Crore in respect of investments in Alternate Investment Funds (AIF) as on March 31, 2025. And for the Previous Year Rs. 19.54 Crore was provided i.e. March 31, 2024.

g. Central Government vide Gazette Notification no. CG-DL-E07042025-262339 dated April 07,2025 notified amalgamation of Chaitanya Godavari Grameena Bank (Sponsored by Union Bank of India), Andhra Pragathi Grameena Bank (Sponsored by Canara Bank), Saptagiri Grameena Bank (Sponsored by Indian Bank) and Andhra Pradesh Grameena Vikas Bank (Sponsored by State Bank of India) into a single Regional Rural Bank, called as Andhra Pradesh Grameena Bank under the sponsor of Union Bank of India. Accordingly, Chaitanya Godavari Grameena Bank, sponsored by our Bank will be amalgamated into Andhra Pradesh Grameena Bank (with Union Bank of India as the sponsor Bank) w.e.f. May 01, 2025.

h. There is no material impact of changes in Significant Accounting Policies followed by the bank during the financial year ended March 31, 2025 as those followed in the preceding financial year ended March 31, 2024 except for the classification and valuation of investments which is as per the Master direction No. RBI/DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-

Schedule 18 – Notes to Accounts

24 dated September 12, 2023 on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 issued by Reserve Bank of India applicable from April 1, 2024.

The corresponding previous period and yearly previous figures in respect of March 31, 2024 and financial year ended March 31, 2025 respectively are not comparable. The directions of Reserve Bank of India issued vide RBI/DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24 dated September 12, 2023 have resulted in net increase in income due to revaluation of investments (including security receipts) categorized under Fair Value through Profit and Loss (FVTPL) and Fair Value Held for Trading (FVHFT) by ₹ 1,175.41 Crore and Increase in General Reserve and AFS Reserve by ₹1,593.34 Crore and ₹ 96.51 Crore respectively (net of taxes) as on March 31, 2025.

4. ASSET QUALITY

a. Classification of advances and provisions held

(₹ in crore)

Current Year	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	8,61,786.17	7,900.42	24,833.99	10,363.31	43,097.73	9,04,883.90
Add: Additions during the year					12,073.93	
Less: Reductions during the year*					19,821.28	
Closing balance	9,47,544.05	8,616.42	19,807.64	6,926.32	35,350.38	9,82,894.43
*Reductions in Gross NPAs due to:					19,821.28	
I. Upgradation					3,262.63	
II. Recoveries (excluding recoveries from upgraded accounts)					4,925.27	
III. Technical/Prudential Write-offs					8,792.52	
IV. Write-offs other than those under (III) above					2,840.86	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	5,977.38	2,181.45	21,392.83	10,214.69	33,788.97	39,766.35
Add: Fresh provisions made during the year	81.28				7,308.49	7,389.77
Less: Excess provision reversed/ Write-off loans	15.93				11,881.14	11,897.07
Closing balance of provisions held	6,042.73	3,355.94	18,965.70	6,894.68	29,216.32	35,259.05
Amount kept in Sundry Deposits-ECGC Claim received/Recovery in suit filed accounts/sacrifice in restructured NPA accounts					164.76	164.76
Net NPAs						
Opening Balance		5,702.09	3,287.83	-	8,989.92	8,989.92
Add: Fresh additions during the year					4,765.44	4,765.44
Less: Reductions during the year					7,786.07	7,786.07
Closing Balance		5,260.14	709.15	-	5,969.29	5,969.29

Classification of advances and provisions held

(₹ in crore)

Previous Year	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	

Gross Standard Advances and NPAs

Opening Balance	7,48,918.02	7,118.16	34,950.72	18,918.41	60,987.29	8,09,905.31
Add: Additions during the year					11,876.65	
Less: Reductions during the year*					29,766.01	
Closing balance	8,61,786.17	7,900.43	24,833.99	10,363.31	43,097.73	9,04,883.90
*Reductions in Gross NPAs due to:					29,766.01	
I. Upgradation					4,212.51	
II. Recoveries (excluding recoveries from upgraded accounts)					7,289.49	
III. Technical/Prudential Write-offs					15,457.95	
IV. Write-offs other than those under (III) above					2,806.06	

Provisions (excluding Floating Provisions)

Opening balance of provisions held	5,579.56	1,892.61	27,035.25	18,701.32	47,629.18	53,208.74
Add: Fresh provisions made during the year	700.73				6,387.29	7,088.02
Less: Excess provision reversed/ Write-off loans	302.91				20,227.50	20,530.41
Closing balance of provisions held	5,977.38	2,181.45	21,392.83	10,214.69	33,788.97	39,766.35
Amount kept in Sundry Deposits-ECGC Claim received/Recovery in suit filed accounts/sacrifice in restructured NPA accounts					318.84	318.84

Net NPAs

Opening Balance		5,199.52	7,727.92		12,927.44	12,927.44
Add: Fresh additions during the year					5,489.36	5,489.36
Less: Reductions during the year					9,426.88	9,426.88
Closing Balance		5,702.09	3,287.83		8,989.92	8,989.92

Floating Provisions

(₹ in crore)

Particulars	Current Year	Previous Year
Opening Balance	--	--
Add: Additional provisions made during the year	--	--
Less: Amount drawn down during the year	--	--
Closing balance of floating provisions	--	--

Schedule 18 – Notes to Accounts

Technical write-offs and the recoveries made thereon

(₹ in crore)

Particulars	Current Year	Previous Year
Opening Balance of Technical/Prudential written off accounts	79,837.43	72,791.95
Add: Technical/Prudential write-off during the year	8,792.52	15,458.72
Less: Recoveries made from previously Technical/Prudential written-off accounts during the year	13,214.98	8,413.24
Closing Balance	75,414.97	79,837.43

Asset Quality Ratios (in per cent)

Particulars	Current Year	Previous Year
Gross NPA to Gross Advances	3.60%	4.76%
Net NPA to Net Advances	0.63%	1.03%
Provision coverage ratio	94.61%	92.69%

b. Sector-wise Advances and Gross NPAs

(₹ in crore)

Sector	Current Year			Previous Year		
	Outstanding Total Advances	Gross NPAs	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
1. Priority Sector						
a. Agriculture and allied activities	1,68,978.17	13,914.93	8.23	1,73,138.68	15,031.40	8.68
b. Advances to industries sector eligible as priority sector lending	42,705.68	2,017.38	4.72	41,374.13	3,781.99	9.14
c. Services	96,414.80	3,698.75	3.84	94,445.45	7,720.82	8.17
d. Personal loans	28,386.55	1,030.89	3.63	30,772.63	1,684.84	5.48
Sub-total (1)	3,36,485.20	20,661.95	6.14	3,39,730.89	28,219.05	8.31
2. Non-Priority Sector						
a. Agriculture and allied activities	9,501.17	440.62	4.64	10,694.41	613.43	5.74
b. Industry	1,15,612.50	1,961.20	1.70	1,22,499.97	5,988.25	4.89
c. Services	2,86,940.85	4,736.72	1.65	2,46,442.97	2,179.82	0.88
d. Personal loans	2,34,354.71	7,549.89	3.22	1,85,515.66	6,097.18	3.29
Sub-total (2)	6,46,409.23	14,688.43	2.27	5,65,153.01	14,878.68	2.63
Total (1+2)	9,82,894.43	35,350.38	3.60	9,04,883.90	43,097.73	4.76

Details of industry wherein Sub-sector advances is more than 10% of the total advances of industry sector:

Sector-wise Advances and Gross NPAs

(₹ in crore)

Sector	Current Year		
	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to total Advances in that sector
I. Infrastructure	1,04,051.94	4,776.78	4.59
II. Food Manufacturing and Processing	26,209.14	1,605.32	6.13

Sector-wise Advances and Gross NPAs

(₹ in crore)

Sector	Previous Year		
	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to total Advances in that sector
I. Basic Metals and Metal Products	24,194.02	867.80	3.59
II. Infrastructure	98,816.34	3,752.19	3.80
III. Food Manufacturing and Processing	29,705.32	1,936.86	6.52

C. OVERSEAS ASSETS, NPAs AND REVENUE

(₹ in crore)

Particulars	Current Year	Previous Year
Total Assets	57,780.41	42,411.89
Total NPAs	2,353.28	2,329.15
Total Revenue	2,938.26	2,137.03

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 during the Current Year, Based on RBI June 2019 Circular -Pertains to Capital Market Exposures, investment in Para-Banking activities and intra-group exposure.	Nil	Nil	Nil

Note: The above data does not includes conversion of debentures into Equities.

e. Divergence in asset classification & provisioning

Based on the conditions mentioned in RBI Master Direction on Financial Statements - Presentation and Disclosures circular No. RBI/DOR/2021-22/83 DOR.ACC.REC. No.45/21.04.018/2021-22 August 30, 2021 (updated from time to time), 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, 2024.

f. Disclosure of transfer of loan exposure:

- i) The Bank has not transferred any loans not in default during FY 2024-25.

Schedule 18 – Notes to Accounts

ii) Details of loans not in default acquired through assignment are given below:

(₹ in crore)

Particulars	Current Year	Previous Year
Aggregate Amount of Loans acquired*	4,849.49	244.34
Weighted average residual maturity (in months)	156.79	126.34
Weighted average holding period by originator (in months)	29.00	11.26
Retention of beneficial economic interest by the originator	10%	10%
Tangible Security Coverage	180.70%	272.14%

*The loans acquired are not rated as these are to Non-corporate Borrowers.

Note: The rating of obligor accounts is not applicable as maximum exposure undertaken in the pool of obligors is less than ₹ 25 crores.

iii) The Bank has not acquired any non-performing assets during FY 2024-25.

iv) The Bank has not transferred any loans not in default or SMA category during FY 2024-25.

v) Details of non-performing loans transferred are given below:

(₹ in crore)

Current Year	To ARCs	To permitted transferees	To other transferees
No. of accounts	17*	1	--
Aggregate principal outstanding of loans transferred	1,544.02	9.14	--
Weighted average residual tenor of the loans transferred (months)	16.83	--	--
Net book value of loans transferred (at the time of transfer)	--	--	--
Aggregate consideration	773.50	14.74	--
Additional consideration realized in respect of accounts transferred in earlier years	--	--	--
SMA	--	--	--
Details of loans acquired during the year	--	--	--
Aggregate principal outstanding of loans acquired	--	--	--
Aggregate consideration paid	--	--	--
Weighted average residual tenor of the loans acquired	--	--	--

* 4 accounts transferred to NARCL with aggregate sale consideration amount of ₹ 76.91 crore

(₹ in crore)

Previous Year	To ARCs	To permitted transferees	To other transferees
No. of accounts	17	1	--
Aggregate principal outstanding of loans transferred	2,098.81	37.24	--
Weighted average residual tenor of the loans transferred (months)	12.80	1	--
Net book value of loans transferred (at the time of transfer)	8.16	--	--
Aggregate consideration	805.21	23.00	--
Additional consideration realized in respect of accounts transferred in earlier years	45.09	--	--

(₹ in crore)

Previous Year	To ARCs	To permitted transferees	To other transferees
SMA	--	--	--
Details of loans acquired during the year	--	--	--
Aggregate principal outstanding of loans acquired	--	--	--
Aggregate consideration paid	--	--	--
Weighted average residual tenor of the loans acquired	--	--	--

The quantum of excess provisions reversed to the profit and loss account on account of sale of stressed loans is ₹ 172.76 Crore in 5 accounts.

- vi) 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, 2025 are as under:

(₹ in crore)

Recovery Rating Band	Face Value	Market Value	Book Value	
	Current Year	Current Year	Current Year	Previous Year
RR1+	139.31	--	--	104.51
RR1	672.05	723.40	--	576.56
RR2	262.02	--	--	239.19
RR3	75.36	--	--	93.49
RR4	48.14	--	--	4.01
RR5	258.88	--	94.60	247.23
Unrated	984.57	64.00	776.10	974.15
Total	2,440.32	787.40*	870.70	2,239.14

As per RBI Guidelines post 8 years rating is not applicable. 100% provision has been made on the Book value of Security Receipts.

As per RBI Master Directions on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 dated 12th September 2023, Standard Security Receipts are controlled @ Re. 1.00 w.e.f. April 01, 2024.

*As per RBI circular no. RBI/DOR/2024-25/135 DOR. STR. REC. 72/21.04.048/2024-25 dated 29.03.2025, SRs backed by Government Guarantee shall be valued periodically by reckoning the Net Asset Value (NAV) declared by the ARC based on the recovery ratings received for such instruments w.e.f. 29.03.2025.

We further inform that Nine new security receipts have been added in the SR portfolio during the period April 01, 2024 to March 31, 2025.

g. Fraud Accounts

(₹ in crore)

Particulars	Current Year	Previous Year
Number of frauds reported	282	3,168
Amount involved in fraud [#]	4,598.71	2,321.61
Amount outstanding in fraud	2,784.20	2,126.93
Amount of Provision made for such frauds	2,784.20	2,126.93
Amount of Unamortized Provision debited from "other reserve" as at the end of Year	--	--

During FY 2024-25, only 187 fresh cases amounting to ₹ 885.40 Cr. are reported as fraud. (Remaining 95 cases amounting to ₹ 3,713.31 Cr. are the cases of Shared Credentials & re-examined cases)

Schedule 18 – Notes to Accounts

- h. Details of resolution plan implemented under Resolution framework for Covid 19 related stress as per RBI circular dated 6th August 2020 and 5th May 2021 are as below:

Current Year

(₹ in crore)

Type of borrower	(A) Exposure to accounts classified as standard consequent to implementation of resolution plan- position as at 30.09.2024	(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 31.03.2025
Personal Loans	3,555.76	67.33	--	312.65	3,175.78
Corporate persons*	1,747.05	--	--	1,494.61	252.44
Of which, MSMEs	120.70	--	--	64.67	56.03
Others	61.65	3.61	--	9.70	48.34
Total	5,364.46	70.94	--	1,816.96	3,476.56

Previous year

(₹ in crore)

Type of borrower	(A) Exposure to accounts classified as standard consequent to implementation of resolution plan- position as at 30.09.2023	(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 31.03.2024
Personal Loans	5,168.53	162.46	--	453.08	4,552.99
Corporate persons*	2,487.47	--	--	708.41	1,779.06
Of which, MSMEs	184.05	--	--	50.27	133.78
Others	147.89	15.75	--	15.73	116.41
Total	7,803.89	178.21	--	1,177.22	6,448.46

*Includes Investment exposure

#Includes net changes in exposure in the existing accounts, accounts closed and accounts which are out of restructuring during the period.

- 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:

(₹ in crore)

Year	No of Borrower Accounts restructured	Amount
2024-2025	72,485	2,027.16
2023-2024	1,01,642	3,704.38

- 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:

Current Year

(₹ in crore)

Sector	Position as of 31.03.2025		Position as of 31.03.2024	
	No. of borrowers	Amount	No. of borrowers	Amount
Personal & Small Business	20,425	3,223.60	28,057	4,128.02
Agri/Allied	1,858	120.06	2,658	198.82
Total	22,283	3,343.66	30,715	4,326.84

- 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, 2025 in accounts as detailed below:

Current Year

(₹ in crore)

Amount of loans impacted by RBI circular	Amount of loans to be classified as NPA	Amount of loans as on 31.03.2025 out of (B) classified as NPA	Provisions required for loans covered under RBI circular out of (A)	Provision held on 31.03.2025
(A)	(B)	(C)	(D)	(E)
4,463.18	4,459.50	4,459.50	784.90	784.90

- 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 ₹ 8,171.04 Crore (including Technically Written Off accounts of ₹ 8,171.04 crore) covering 100% of the total outstanding as on 31st March, 2025.

5. EXPOSURES

The Bank is lending to sectors which are sensitive to asset price fluctuations.

a. Exposure to Real Estate Sector

(₹ in crore)

Category	Current Year	Previous Year
a. Direct Exposure	1,19,445.31	1,05,212.15
i. Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; -Out of the above, individual housing loan eligible for inclusion in Priority Sector Advances. Exposures includes non-fund-based limits.	1,03,176.00 23,649.00	91,105.00 24,431.00
ii. 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 includes non-fund based (NFB) limits.	16,269.31	14,107.15
iii. Investments in Mortgage-Backed Securities (MBS) and other securitized exposures - a. Residential, b. Commercial Real Estate.	-- --	-- --
b. Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	34,547.14	39,321.31
Total Exposure to Real Estate Sector	1,53,992.45	1,44,533.46

Schedule 18 – Notes to Accounts

b. Exposure to Capital Market

(₹ in crore)

Category	Current Year	Previous Year
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;	974.34	1,189.35
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;	1.56	1.86
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;	292.39	292.53
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;	1,908.99	2,090.01
v. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	2,670.13	1,279.99
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**;	954.79	1,099.15
Total exposure to Capital Market	6,802.20	5,952.89

** Including undrawn capital commitments amounting to ₹ 318.81 crores.

The exposure to Capital Market of ₹ 6,802.20 crores is within the limit of ₹ 35,040.53 crore (i.e. 40% of Bank's Net worth of ₹ 87,601.32 crores as on March 31, 2024).

The direct exposure to Capital Market of ₹ 1,929.13 crores is within the limit of ₹ 17,520.26 Crores (i.e. 20% of the Bank's net worth of ₹ 87,601.32 crores as on March 31, 2024).

For restructuring of dues in respect of listed companies, lenders may be ab initio compensated for their loss/sacrifice (diminution in fair value of account in net present value terms) by way of issuance of equities of the company upfront, subject to the extant regulations and statutory requirements.

- If such acquisition of equity shares results in exceeding the extant regulatory Capital Market Exposure (CME) limit, details of the same is as under: Not Applicable.
- Details of conversion of debt into equity as part of a strategic debt restructuring which are exempt from CME limits as on 31.03.2025 are as under:

No. of accounts	Amount ₹ in Crore (Book Value as on 31.03.2025)
12	2,145.26

c. Risk Category - wise Country Exposure

(₹ in crore)

Risk Category	Current Year		Previous Year	
	Net Exposure	Provision held	Net Exposure	Provision held
Insignificant	41,393.64	--	33,279.81	--
Low	11,853.41	--	10,850.77	--
Moderately Low	1,423.78	--	655.20	--
Moderate	174.17	--	5.97	--
Moderately High	471.48	--	475.95	--
High	72.42	--	7.64	--
Very High	27.40	--	45.21	--
Total	55,416.30	--	45,320.55	--

As per Country Risk Policy 2024-25, 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. Accordingly, no provision for country exposure has been made.

d. Unsecured advances

(₹ in crore)

Particulars	Current Year	Previous year
Total unsecured advances of the bank	1,55,165.08	1,42,936.88
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. have been taken	--	--
Estimated value of such intangible collateral securities	--	--

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	Current Year	Previous year
TReDS Exposure in terms of DBR.No.FSD.BC.32/24.01.007/2015-16 dated 30 th July 2015 (Para 8).	1,408.72	1,018.86

f. Intra Group Exposure

(₹ in crore)

Particulars	Current Year	Previous Year
Total amount of Intra group exposure	653.72	624.98
Total amount of Top 20 Intra group exposure	653.72	624.98
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	--	--

Schedule 18 – Notes to Accounts

g. Un-Hedged Foreign Currency Exposures

In terms of guidelines issued by Reserve Bank of India with regard to UFCE, Bank has approved Credit Risk Management policy. 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 as on 31/03/2025 is ₹ 90.11 crores.

6. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs:

a. Concentration of Deposits

Particulars	Current Year	Previous year
Total Deposits of twenty largest depositors (₹ in Crore)	87,108.19	84,511.79
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank.	6.65 %	7.05 %

b. Concentration of Advances

Particulars	Current Year	Previous year
Total Advances of twenty largest borrowers/customers (₹ in Crore)	1,55,012.76	1,37,764.66
Percentage of Advances of twenty largest borrowers to Total Advances of the Bank	11.75%	11.59%

c. Concentration of Exposures

Particulars	Current Year	Previous year
Total Exposures of twenty largest borrowers/customers (₹ in Crore)	1,57,809.54	1,39,678.91
Percentage of Exposures of twenty largest borrowers/customers to Total Exposures of the Bank on borrowers/customers	11.31%	11.07%

d. Concentration of NPAs

Particulars	Current Year	Previous year
Total Exposures to top twenty NPA accounts (₹ in Crore)	7,690.61	6,079.06
Percentage of Exposures to the twenty largest NPA Exposures to total Gross NPAs	21.76%	13.38%

A DISCLOSURES IN TERMS OF THE RESERVE BANK OF INDIA LARGE EXPOSURE FRAMEWORK GUIDELINES.

Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the Bank;

(₹ in crore)

Sr. No	Borrower	Name of the Borrower	Exposure Ceiling (₹)	Total Exposure (₹)	Exposure as % of Capital Fund	Position as on 31.03.25	Position as % of Capital Fund
1.	Single Borrower	--	--	--	--	--	--
2.	Group Borrower	--	--	--	--	--	--

- As per RBI LEF guidelines dated 3rd June 2019, exposure limit for single and group borrower are defined as 20% and 25% respectively of Tier-1 capital fund of banks. In exceptional cases, Board of the banks may allow an additional 5 percent exposure (of the banks available Tier-1 capital Fund) to single borrower.
- As on 31.03.2025, No Single/Group borrower has/have not exceeded the prescribed limit.

7. DERIVATIVES

a. Forward Rate Agreement(FRA)/Interest Rate Swap(IRS)

(₹ in crore)

Particulars	Current Year	Previous Year
i. The notional principal of swap agreements	41,780.69	46,078.83
ii. Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	212.64	141.77
iii. Collateral required by the Bank upon entering into swaps	--	--
iv. Concentration of credit risk arising from the Swaps	--	--
v. The fair value of the swap book	1.02	4.51

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)

Particulars	Current Year		Previous Year	
	Buy	Sell	Buy	Sell
i. Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise) Interest Rate Future				
a. 726GS2032	--	--	198.14	26.12
b. 726GS2033	--	--	1,960.40	1,888.96
c. 718GS2033	--	--	878.70	682.50
d. 710GS2034	300.20	20.22	--	--
e. 718GS2037	50.00	50.00	--	--
f. 723GS2039	175.00	175.00	--	--
ii. Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 st March 2025 (instrument-wise)	--	--	--	--
iii. Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	--	--	--	--
iv. Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument wise)	--	--	--	--

Schedule 18 – Notes to Accounts

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.

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 client's 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.

- 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 considering 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)

S. No.	Particulars	Currency Derivatives		Interest Rate Derivatives	
		Current Year	Previous year	Current Year	Previous year
a.	Derivatives (Notional Principal Amount)				
	(i) For Hedging	6,665.31	6,778.84	380.00	2,644.94
	(ii) For Trading	3,70,271.28	3,79,564.88	41,400.69	43,433.90
b.	Marked to Market Position				
	(i) Asset (+)	2,145.05	641.93	212.64	141.77
	(ii) Liability (-)	2,010.67	(626.56)	(211.61)	(136.92)
c.	Credit Exposure	10,462.99	9,043.48	606.31	561.54
d.	Likely impact of one percentage change in interest rate (100*PV01)				
	(i) On Hedging Derivatives	(2.09)	(287.94)	(0.06)	57.80
	(ii) On Trading Derivatives	0.03	(2.52)	(0.01)	1.82
e.	Maximum and Minimum of 100*PV01 observed during the year				
	I. Maximum				
	(i) On Hedging	2.63	(169.41)	41.45	53.03
	(ii) On Trading	1.48	8.13	25.97	50.39
	II. Minimum				
	(i) On Hedging	(372.74)	(410.15)	0.32	21.71
	(ii) On Trading	(227.60)	(4.20)	0.03	0.12

Note:

1. Credit Exposure of Currency Derivatives & Interest Rate Derivatives also includes the exposure on Hedging deals

d. Credit Default Swaps:

Banks using a proprietary model for valuation of Credit default swaps (CDS) positions, shall disclose the valuation as per the proprietary model, including the rationale for using that model and an explanation of the valuation methodology in the Notes to Accounts in their financial statements. The disclosure shall also include the valuation as per the CDS curve published by Fixed Income Money Market and Derivatives Association of India (FIMMDA) or a benchmark recommended by FIMMDA. The Bank has not entered any Credit Default Swap transaction during the financial year 2024 - 25.

Schedule 18 – Notes to Accounts

8. DISCLOSURES RELATING TO SECURITIZATION: Nil

As on March 31, 2025, Bank does not have any special purpose Vehicle (SPVs) sponsored for securitization Transactions.

9. OFF – BALANCE SHEET SPVs SPONSORED BY THE BANK:

The bank has not floated any off-balance sheet SPV's.

10. TRANSFERS TO DEPOSITOR EDUCATION AND AWARENESS FUND (DEAF)

(₹ in crore)

Particulars	Current Year	Previous Year
Opening balance amounts transferred to DEAF	3,459.91	3,198.83
Add: Amounts transferred to DEAF during the Year	792.92	604.24
Less: Amount reimbursed by DEAF towards claims	162.70	343.16
Closing balance of Amount transferred to DEAF	4,090.13	3,459.91

The closing balance of the amount transferred to DEA Fund, as disclosed above, are also included under 'Schedule 12 - Contingent Liabilities - Other items for which the bank is contingently liable' or 'Contingent Liabilities - Others,' as the case may be.

11. DISCLOSURE OF COMPLAINTS:

a. Summary information on complaints received by the bank from customers and from the Offices of Ombudsman (OBOs)

(₹ in crore)

S.No.	Particulars	Current Year	Previous Year
Complaints received by the Bank from its customers			
1.	Number of complaints pending at beginning of the year (Including BO Complaints)	6,331	527
2.	Number of complaints received during the year (Including BO Complaints)	5,66,215	3,20,495
3.	Number of complaints disposed during the year (Including BO Complaints)	5,60,903	3,14,691
3.1	Of which, Number of complaints rejected by the Bank	99,083	964
4.	Number of complaints pending at the end of the year (Including BO Complaints)	11,643	6,331
Maintainable complaints received by the bank from OBOs			
5.	Number of maintainable complaints received by the bank from OBOs	6,081	6,373
5.1	Of 5, number of complaints resolved in favour of the bank by BOs	2,401	2,276
5.2	Of 5, Number of complaints resolved through conciliation/mediation/ advisories issued by BOs	3,673	4,097
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank.	7	0
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	5	0

Note:

- In terms of master directions on customer service, the complaints redressed within the next working day need not be included in the statement of complaints. Hence, the complaints received and resolved within T+1 day is excluded while analyzing the complaints.
- Awards were not accepted by the complainant and hence lapsed as per provisions of RBIOS Clause 15(7) which states that "The Award passed under sub-clause (1) shall lapse and be of no effect unless the complainant furnishes a letter of acceptance of the Award in full and final settlement of the claim to the Regulated Entity concerned, within a period of 30 days from the date of receipt of the copy of the Award".

- 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 scheme.

b. Top five grounds of complaints received by the Bank from customers (Including BO Complaints)

(₹ in crore)

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					
	01.04.2024	2024-25	31.03.2025	31.03.2025	31.03.2025
ATM/Debit Cards	1,744	3,34,069	58.19%	7,314	477
Internet/Mobile/Electronic Banking	1,160	66,490	44.50%	646	59
Levy of Charges Without prior Notice/Excessive Charges/Foreclosure Charges	189	8,130	11.19%	135	18
Cheques/Drafts/Bills	147	4,694	8.11%	137	15
Credit Cards	567	11,858	503.15%	439	4
Others	2,524	1,40,974	183.78%	2,972	655
Total	6,331	5,66,215	76.67%	11,643	1,228
Previous Year					
	01.04.2023	2023-24	31.03.2024	31.03.2024	31.03.2024
ATM/Debit Cards	98	2,11,184	3.80%	1,744	299
Internet/Mobile/Electronic Banking	50	46,013	96.37%	1,160	196
Levy of Charges Without prior Notice/Excessive Charges/Foreclosure Charges	1	7,312	89.43%	189	41
Cheques/Drafts/Bills	8	4,342	467.58%	147	40
Credit Cards	0	1,966	3.91%	567	219
Others	370	49,678	165.89%	2,524	502
Total	527	3,20,495	27.14%	6,331	1,297

12. DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATOR:

(₹ in crore)

Name of Regulator	Current Year		Previous Year	
	No. of Cases	Amount	No. of Cases	Amount
Banking Regulation Act, 1949	1	1.06	1	1.00
Other Regulators	1	0.54	0	0.00

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Corrective Steps taken to avoid recurrence of lapses by the bank as under:

RBI:

CRILIC reporting:

The Bank developed an appropriate MIS during October 2022, which considerably improved data quality. For further improvement in data quality and error free submission of CRILC return, the Bank onboarded M/s IRIS Business Services in the month of June-2023.

Risk Categorization:

Corrective steps taken by the Bank:

As against the erstwhile process of Branch Staff assigning the risk category, the Bank has implemented auto assignment of customer risk categorization at the time of onboarding of a customer. The same is live for newly onboarded customers.

FIU-IND:

Corrective steps taken by the Bank:

- > Conducting enhanced due diligence and ensuring KYC compliance.
- > Provision to capture beneficial owner made available in CBS of the Bank.
- > The Bank has established exclusive transaction monitoring vertical which consists of EFRMS, OTMS, AML for monitoring of transactions under various angles.

13. KEY MANAGEMENT PERSONNEL -REMUNERATION PAID

(₹ in crore)

Particulars	Current Year	Previous Year
CEO and Managing Director	0.63	0.40
Executive Directors	2.03	1.31
Total	2.66	1.71

14. OTHER DISCLOSURES

a. Business Ratios:

Particulars	Current Year	Previous Year
I. Interest Income as a percentage to Working Funds	7.57%	7.51%
II. Non-interest income as a percentage to Working Funds	1.39%	1.21%
III. Cost of Deposit	5.53%	5.22%
IV. Net Interest Margin (gross basis)	2.84%	2.99%
V. Operating Profit as a percentage to Working Funds	2.18%	2.12%
VI. Return on Assets	1.26%	1.03%
VII. Average Business (Deposits plus advances) per employee (₹ in Crore)	28.02	25.37
VIII. Net Profit per employee (₹ in Crore)	0.24	0.18

b. Bancassurance Business:

The breakup of income derived from bancassurance business is given here below:

(₹ in crore)

Nature of Income	Current Year	Previous Year
1. Life Insurance Policies	445.73	278.40
2. Non-Life Insurance Policies	36.24	29.75
3. Health Insurance	50.85	54.49

c. Marketing and distribution:

The details of fees/remuneration received in respect of the marketing and distribution function (excluding bancassurance business) are as follows:

(₹ in crore)

Nature of Income	Current Year	Previous Year
Distributing Mutual Fund Business	27.48	20.80
Merchant Banking Division	7.45	5.00

d. Priority Sector Lending Certificate

Other income of the Bank inter alia includes commission income of ₹ 955.08 Crore (PY ₹ 581.88 crore) from sale of Priority Sector Lending Certificate under PSLC-SFMF category and an expenditure of ₹ 236.70 Crore (PY ₹ 29.87 Crores) through purchase of Priority Sector Lending Certificate under PSLC - Agriculture, Micro and General category.

Traded value of PSCL certificate during the year are given below:

(₹ in crore)

PSLC-category	PSLC Sold	PSLC Purchased	Commission Earned	Commission paid
PSLC-SFMF	50,000	--	955.08	--
PSLC-Agriculture	--	39,000	--	231.43
PSLC-Micro	--	6,000	--	0.67
PSLC-General	--	41,000	--	4.59
TOTAL	50,000	86,000	955.08	236.70

e. Provision & Contingencies

(₹ in crore)

Break up of Provision & Contingencies, debited to Profit & Loss Account:	Current Year	Previous Year
Provision/(Reversal) for NPI on Investment	(101.28)	(354.75)
Provision towards NPA	7,308.49	6,387.29
Provision/(Reversal) towards Standard Assets	81.28	700.73
Net Provision made towards Income Tax (IT)/Deferred tax assets (DTA)	5,491.92	7,782.08
Other Provision and Contingencies:		
- Shifting Loss	--	--
- Restructured Advances	(26.61)	(3.94)
- Others	349.10	50.91
TOTAL	13,102.90	14,562.32

Schedule 18 – Notes to Accounts

f. Implementation of IFRS converged Indian Accounting Standards (Ind AS)

The RBI vide circular 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. Further RBI vide circular DBR.BP.BC.No. 29/21.07.001/2018-19 dated 22nd March 2019 deferred implementation of IND AS till further notice.

The Bank, accordingly, has appointed a Consultant to assist in implementation of the Ind-AS. Further, the Bank has procured the required software 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 2024 was submitted to RBI vide letter dated 29th November 2024.

g. Payment of DICGC Insurance Premium

(₹ in crore)

Particulars	Current Year	Previous Year
Payment of DICGC Insurance Premium (Inclusive of GST)	1,688.47	1,550.26
Arrears in payment of DICGC premium (Inclusive of GST)	--	--

h. Disclosure on amortization of expenditure on account of enhancement in family pension of employees of banks:

There is no amortised expenditure in the financial statements on account of family pension scheme.

i. Disclosure on Letters of Comfort (LOCs) issued by the Banks:

(₹ in crore)

Particulars	Current Year	Previous Year
Letter of Comfort outstanding at beginning of the year	--	--
Add: Issued during the year	--	--
Less: Expired during the year	--	--
Outstanding at the end of the year	--	--

In terms of RBI/2017-18/139 A.P. (DIR Series) Circular No. 20 dated March 13, 2018, issuance of Letter of Undertaking (LoUs) and Letters of Comfort (LoCs) for Trade Credits for imports into India has been discontinued.

j. Portfolio-level information on the use of funds raised from green deposits

Green Deposits

(₹ in crore)

Particulars	Current Year	Previous year	Cummulative*
Total green deposits raised (A)	29.05 #	--	29.05
Use of green deposit funds			
1. Renewable Energy	29.05	--	29.05
2. Energy Efficiency	--	--	--
3. Clean Transportation	--	--	--
4. Climate Change Adaptation	--	--	--
5. Sustainable Water and Waste Management	--	--	--
6. Pollution Prevention and Control	--	--	--

(₹ in crore)

Particulars	Current Year	Previous year	Cummulative*
7. Green Buildings	--	--	--
8. Sustainable Management of Living Natural Resources and Land Use	--	--	--
9. Terrestrial and Aquatic Biodiversity Conservation	--	--	--
Total Green Deposit funds allocated (B = Sum of 1 to 9)	29.05	--	29.05
Amount of Green Deposit funds not allocated (C = A – B)	--	--	--
Details of the temporary allocation of green deposit proceeds pending their allocation to the eligible green activities/projects	--	--	----

NOTE – Total Green Deposit raised during FY 24-25 is ₹ 29.05 crore. Total outstanding balance under Union Green Deposit Scheme ₹ 11.99 Crore as on 31.03.2025.

15. Disclosures as per Accounting Standards issued by The Institute of Chartered Accountants of India (ICAI)

a. NET PROFIT OR LOSS FOR THE PERIOD, PRIOR PERIOD ITEMS AND CHANGES IN ACCOUNTING POLICIES (AS 5)

- During the year there were no material and prior period income/expenditure items.
- There is no change in significant accounting policies adopted during the current Financial year as compared to those followed in previous Financial year.

b. 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.

c. 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. Protean eGov Technologies Limited (earlier known as National Securities Depository Limited) has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2024-25, the Bank has contributed ₹704.53 crores (Previous Year ₹644.84 crore) to NPS.

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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, 2025.

(₹ in crore)

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation as at 1 st April	31,555.91	29,170.59	3,602.00	3,225.86
Interest Cost	2,284.65	2,196.55	259.70	241.62
Current Service Cost	242.52	171.59	227.54	176.23
Past Service Cost (Vested Benefit Amortized)	--	--	--	--
Past Service Cost (Vested Benefit)	--	--	--	--
Liability Transfer in	--	--	--	--
Liability Transfer out	--	--	--	--
Benefit paid	(2,568.00)	(2,426.52)	(327.73)	(317.32)
Actuarial (Gain)/loss on obligation –due to change				
In the financial assumption	572.70	(1,890.74)	143.13	95.91
in demographic assumption	--	--	--	--
Actuarial (Gain)/Loss on obligations	1,275.89	4,334.44	76.74	179.70
Closing defined benefit obligation as at 31 st March	33,363.67	31,555.91	3,981.38	3,602.00
Table of Fair value of Plan Assets:				
Opening fair value of plan assets as at 1 st April	31,140.21	28,754.24	3,457.68	3,262.35
Expected return on Plan Assets	2,254.55	2,165.19	249.30	244.35
Contributions	2,240.99	2,223.33	574.37	238.96
Transfer from Other Company	--	--	--	--
Transfer to Other Company	--	--	--	--
Benefit paid	(2,568.00)	(2,426.52)	(327.73)	(317.32)
Actuarial (Gain)/loss on Plan Assets	278.76	423.97	41.13	29.34
Closing fair value of plan assets as at 31 st March	33,346.51	31,140.21	3,994.75	3,457.68
Actuarial (Gain)/loss on obligation for the period	1,848.59	2,443.70	219.87	275.61
Actuarial (Gain)/loss on Plan Assets	(278.76)	(423.97)	(41.13)	(29.34)

(₹ in crore)

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Total Actuarial (Gain)/loss to be recognized	1,569.83	2,019.73	178.74	246.27
Recognition of Transitional Liability:				
Transitional Liability at 1 st April	--	--	--	--
Transitional Liability recognized during the year	--	--	--	--
Transitional Liability at 31 st March	--	--	--	--
Actual return on Plan Assets:				
Expected Return on Plan Assets	2,254.55	2,165.19	249.30	244.35
Actuarial Gain/(Loss) on Plan Assets	278.76	423.97	41.13	29.34
Actual return on Plan Assets	2,533.31	2,589.16	290.43	273.69
Expenses recognized in the Income Statement:				
Current Service Cost	242.52	171.59	227.54	176.23
Interest Cost	30.10	31.36	10.40	(2.73)
Expected Return on Plan Assets	--	--	--	--
Past Service Cost (Vested Benefit Amortized) recognized	--	--	--	--
Past Service Cost (Vested Benefit) recognized (1/5 of enhanced family pension)	--	--	--	--
Recognition of Transition Liability	--	--	--	--
Actuarial (Gain) or Loss	1,569.83	2,019.73	178.74	246.27
Expenses Recognized in P & L	1,842.45	2,222.68	416.68	419.77
Balance Sheet Reconciliation:				
Opening Net Liability (Last year net amount recognized in the balance sheet)	415.70	416.35	144.32	(36.49)
Expenses as above	1,842.45	2,222.68	416.68	419.77
Transfer from other Company (Net)	--	--	--	--
Transfer to other Company (Net)	--	--	--	--
(Employer Contribution)	(2,240.99)	(2,223.23)	(574.37)	(238.96)
Net (Asset)/Liability Amount recognized in Balance Sheet	17.16	415.70	(13.37)	144.32
Other Details:				
Service of thirty-three years will qualify for the full Pension of 50%. In the case of an employee who has put in less than thirty-three years of service, pension will be payable on proportionate basis for the number of years of qualifying service.				
Gratuity is payable at the rate of 15 days salary for each year of service subject to maximum of Rs 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	17,644	19,218	73,945	75,866
Salary Per Month	183.07	185.19	621.38	584.18
Contribution for next year	258.97	600.03	199.04	371.87

Schedule 18 – Notes to Accounts

(₹ in crore)

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Category of assets:				
Government of India Assets	474.05	479.80	27.95	27.56
Corporate Bonds/FDR	3,408.03	2,773.66	445.02	297.23
Special Deposits Scheme	--	--	--	--
State Govt.	4,467.59	3,521.70	594.51	393.93
Property	--	--	--	--
Other	3,033.58	1,330.78	424.69	190.78
Insurer Managed Funds	21,963.26*	23,034.27*	2,502.58*	2,548.18*
Mutual Fund	--	--	--	--
Total	33,346.51	31,140.21	3,994.75	3,457.68

*Note: Return on investments in LIC is 8.11% & other insurance companies is expected at 7.50% while arriving Pension liability and Gratuity liability at the Fair Value of Plan Assets for the FY 2024-25.

(₹ in crore)

Surplus/Deficit in the Plan:	Gratuity Plans				
Amount recognized in the Balance-Sheet	31.03.2025	31.03.2024	31.03.2023	31.03.2022	31.03.2021
Liability at the end of the year	3,981.38	3,602.00	3,225.86	3,197.81	3,355.82
Fair value of Plan Assets at the end of the year	3,994.75	3,457.68	3,262.35	3,367.60	2,746.43
Difference	13.37	(144.32)	36.49	169.79	(609.39)
Unrecognized Past Service Cost	--	--	--	--	--
Unrecognized Transition Liability	--	--	--	--	--
Amount Recognized in the Balance Sheet	13.37	(144.32)	36.49	169.79	(609.39)

(₹ in crore)

Amount recognized in the Balance-Sheet	Gratuity Plans				
Experience Adjustment	31.03.2025	31.03.2024	31.03.2023	31.03.2022	31.03.2021
On plan liability (Gain)/Loss	76.74	179.70	29.55	30.86	752.31
On plan Assets (Loss)/Gain	41.13	29.34	(17.33)	53.31	34.41

(₹ in crore)

Surplus/Deficit in the Plan:	Pension Plans				
Amount recognized in the Balance-Sheet	31.03.2025	31.03.2024	31.03.2023	31.03.2022	31.03.2021
Liability at the end of the year	33,363.67	31,555.91	29,170.59	28,650.99	26,011.41

(₹ in crore)

Surplus/Deficit in the Plan:	Pension Plans				
Amount recognized in the Balance-Sheet	31.03.2025	31.03.2024	31.03.2023	31.03.2022	31.03.2021
Fair value of Plan Assets at the end of the year	33,346.51	31,140.21	28,754.24	27,043.50	26,720.88
Difference	(17.16)	(415.70)	(416.35)	(1,607.49)	709.47
Unrecognized Past Service Cost	--	--	--	1,521.62	--
Unrecognized Transition Liability	--	--	--	--	--
Amount Recognized in the Balance Sheet	(17.16)	(415.70)	(416.35)	(85.87)	709.47

(₹ in crore)

Amount recognized in the Balance-Sheet	Pension Plans				
Experience Adjustment	31.03.2025	31.03.2024	31.03.2023	31.03.2022	31.03.2021
On plan liability (Gain)/Loss	1,275.89	4,334.44	614.25	2,452.27	1,456.27
On plan Assets (Loss)/Gain	278.76	423.97	49.96	266.31	81.65

(₹ in crore)

Principal actuarial assumption used (%)	Current Year		Previous year	
	Gratuity	Pension	Gratuity	Pension
Discount Rate Prev.	7.21	7.24	7.49	7.53
Rate of return on Plan Assets Prev.	7.21	7.24	7.49	7.53
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	6.85	7.05	7.21	7.24
Rate of Return on Plan Assets Current	6.85	7.05	7.21	7.24
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)

Other Long-Term Benefits	Current Year	Previous year
Pension	--	--
Leave Travel Concession	0.33	(5.43)
Leave Encashment	343.33	350.14

Bank is having provision of ₹ 281.10 Crore towards Sick Leave on prudential basis though there is no pay-out.

Schedule 18 – Notes to Accounts

d. SEGMENT REPORTING (AS 17)

(₹ in crore)

Business Segment	Standalone	
	Current Year	Previous year
Segment Revenue		
Treasury Operations	32,848.45	30,682.09
Retail Banking Operations	45,091.87	40,076.17
(a) Digital Banking Operations	963.55	942.01
(b) Other Retail Banking Operations	44,128.32	39,134.16
Corporate/Wholesale Banking	46,021.85	42,224.34
Other Banking Operations	2,464.34	1,813.42
Unallocated	1,112.38	1,062.13
Total Segment Revenue	1,27,538.89	1,15,858.15
Less Inter-segment Revenue	-	-
Income from operations	1,27,538.89	1,15,858.15
Segment Results		
Treasury Operations	5,832.60	5,241.21
Retail Banking Operations	8,753.32	6,568.62
(a) Digital Banking Operations	735.45	749.60
(b) Other Retail Banking Operations	8,017.87	5,819.02
Corporate Banking	6,437.21	7,586.79
Other Banking Operations	1,343.55	971.64
Unallocated	1,112.38	1,062.13
Total Profit/(Loss) Before Tax	23,479.06	21,430.39
Provision for Tax	5,491.92	7,782.08
Net Profit/(Loss) after Tax	17,987.14	13,648.31
Segment Assets		
Treasury Operations	4,96,469.55	4,71,095.79
Retail Banking Operations	4,57,840.87	4,15,198.98
(a) Digital Banking Operations	3,228.60	2,602.62
(b) Other Retail Banking Operations	4,54,612.27	4,12,596.36
Corporate/Wholesale Banking	5,15,026.76	4,74,102.54
Other Banking Operations	-	-
Unallocated	30,518.53	31,560.31
Total	14,99,855.71	13,91,957.62
Segment Liabilities		
Treasury Operations	4,59,073.45	4,38,277.50
Retail Banking Operations	4,23,354.43	3,86,274.67
(a) Digital Banking Operations	2,985.40	2,421.32
(b) Other Retail Banking Operations	4,20,369.03	3,83,853.35

(₹ in crore)

Business Segment	Standalone	
	Current Year	Previous year
Corporate/Wholesale Banking	4,76,232.87	4,41,074.78
Other Banking Operations	-	-
Unallocated	28,219.75	29,361.70
Total	13,86,880.50	12,94,988.65
Capital Employed		
Treasury Operations	37,396.10	32,818.29
Retail Banking Operations	34,486.43	28,924.32
(a) Digital Banking Operations	243.19	181.32
(b) Other Retail Banking Operations	34,243.24	28,743.00
Corporate/Wholesale Banking	38,793.90	33,027.75
Other Banking Operations	-	-
Unallocated	2,298.78	2,198.61
Total	1,12,975.21	96,968.97

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 branches for the period are within the threshold limits stipulated as per AS-17 and hence the bank has only one reportable segment.
2. The Bank has disclosed 'Digital Banking' as a sub-segment of the Retail Banking segment as required by RBI guidelines.
3. Segment wise income and expenditure which are not directly allocable have been allocated to the reportable segments based on assumptions as considered appropriate by the management.
4. Segment Liabilities and Segment Capital are distributed in the ratio of their respective Segment Assets.
5. Figure of previous period have been regrouped/reclassified wherever necessary.

IV. 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 from time to time), 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,

Schedule 18 – Notes to Accounts

(₹ in crore)

Schedule	Item under the Sub Head	₹ in Crore	% of Total Income/ Assets as applicable
Schedule 5 – Other liabilities and provisions (IV- Others (including provision))	--	--	--
Schedule 11 – Other assets (VI- others)	--	--	--
Schedule 14 - Other Income (VII Miscellaneous Income)	Processing Charges for Advances	1,672.77	1.31
	Recovery in Write-Off	4,311.24	3.38
Schedule 16 – Operating Expenses (XII Other expenditure)	--	--	--

e. RELATED PARTY DISCLOSURES (AS 18)

I. List of Related Parties

a) Subsidiaries

1. Union Asset Management Co. Pvt. Ltd.
2. Union Trustee Company Pvt. Ltd.
3. Union Bank of India (UK) Ltd.
4. Andhra Bank Financial Services Ltd.
5. UBI Services Ltd.

b) Joint Venture

1. Star Union Dai-Ichi Life Insurance Co. Ltd.
2. ASREC (India) Ltd.
3. India International Bank (Malaysia) Berhad

c) Associate

1. Chaitanya Godavari Grameena Bank

d) Key Management Personnel

(₹ in crore)

Name	Designation	Remuneration paid for the Year ended 31 st March 2025
Ms. A. Manimekhalai	Managing Director & CEO	0.63
Shri Nitesh Ranjan	Executive Director	0.65
Shri Ramasubramanian S	Executive Director	0.59
Shri Sanjay Rudra	Executive Director	0.44
Shri Pankaj Dwivedi	Executive Director	0.35

Transactions and Balances of Related parties

(₹ in crore)

Related Party's	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total	Associates/ Joint Ventures	Key Management Personnel & their relatives	Total
Outstanding as at	Current Year			Previous year		
Borrowings	50.00	--	50.00	50.05	--	50.05
Deposits	--	--	--	--	--	--
Placement of deposits	53.30	--	53.30	--	--	--
Advances	--	--	--	--	--	--
Investments	--	--	--	13.99	--	13.99
Non-funded commitments	--	--	--	--	--	--
Leasing/HP arrangements availed	--	--	--	--	--	--
Leasing/HP arrangements provided	--	--	--	--	--	--
Maximum outstanding	Current Year			Previous year		
Borrowings	98.00	--	98.00	250.00	--	250.00
Deposits	--	--	--	--	--	--
Placement of deposits	697.00	--	697.00	--	--	--
Advances	--	--	--	--	--	--
Investments	80.00	--	80.00	49.00	--	49.00
Non-funded commitments	--	--	--	--	--	--
Leasing/HP arrangements availed	--	--	--	--	--	--
Leasing/HP arrangements provided	--	--	--	--	--	--
During the year	Current Year			Previous year		
Purchase of fixed assets	--	--	--	--	--	--
Sale of fixed assets	--	--	--	--	--	--
Interest paid	3.92	--	3.92	6.90	--	6.90
Interest received	13.64	--	13.64	2.36	--	2.36
Rendering of services	--	--	--	--	--	--
Receiving of services	--	--	--	--	--	--
Management contracts	--	--	--	--	--	--

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. Further, nationalised banks need not disclose their transactions with the subsidiaries as well as the RRBs sponsored by them. As per the RBI Master Direction on Financial Statements – Presentation & Disclosure, KMPs are construed to be the Whole Time Directors of the Bank.

Schedule 18 – Notes to Accounts

f. LEASES (AS 19)

PREMISES TAKEN ON OPERATING LEASE

The Bank has no non-cancellable operating lease during the FY 2024-25. 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 ₹ 886.04 crore (FY ₹ 818.04 crore).

g. 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	Current Year	Previous year
Number of Equity shares at the beginning of the year	7,63,36,05,607	6,83,47,47,466
Number of Equity shares issued during the year	--	79,88,58,141
Number of Equity shares outstanding at the end of the year	7,63,36,05,607	7,63,36,05,607
Weighted Average Number of Equity Shares used in computing Basic Earnings per share	7,63,36,05,607	7,20,31,48,214
Weighted Average Number of Shares used in computing diluted Earnings per share	7,63,36,05,607	7,20,31,48,214
Net Profit/(Loss) ₹ in Crore	17,987.15	13,648.31
Basic Earnings per share (₹)	23.56	18.95
Diluted Earnings per share (₹)	23.56	18.95
Nominal Value per share (₹)	10.00	10.00

h. PROVISION FOR TAXES (AS-22)

Deferred Tax Assets

(₹ in crore)

Particulars	Current Year	Previous year
1. Employee Benefits (Leave Encashment)	559.24	472.83
2. Depreciation on Fixed Assets	311.69	305.14
3. Provision on Non Performing Assets	4,264.21	5,584.95
4. Foreign Currency Translation Reserve	(79.82)	(68.54)
5. Other Provisions	268.66	203.82
6. Provision on Specific Standard Assets	445.97	--
Total	5,769.95	6,498.20
Deferred Tax Liability		
1. Accrued interest on securities	1,010.69	951.02
2. Special Reserves u/s 36(i)(viii)	2,008.68	1,836.70
3. AFS Reserves on Securities	11.20	--
Total	3,030.57	2,787.72
Net Deferred Tax Asset	2,739.38	3,710.48
Net Deferred Tax Liability	--	--

Direct Tax

(₹ in crore)

Particulars	Current Year	Previous year
Provision for Income Tax (Including Deferred tax)	5,491.92	7,782.08

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.

i. INVESTMENT IN JOINT VENTURES (AS-27)

Investments in joint ventures include ₹ 420.43 Crores (Previous year ₹ 286.88 Crores) representing Bank's interest in Star Union Dai-ichi Life Insurance Co., ASREC (India) Limited and India International Bank (Malaysia) BHD.

(₹ in crore)

Particulars	Current Year	Previous year
Joint Ventures (Equity)		
1. Star Union Dai-ichi Life Insurance Co.*	253.25	115.20
2. ASREC (India) Limited	28.40	28.40
3. India International Bank (Malaysia) BHD	138.78	143.28
Total	420.43	286.88

* During the year the bank has invested in the right issue of Star Union Dai-ichi Life Insurance Co at a price of ₹ 301/- (Equity shares of FV ₹10/- each issued at a premium of ₹ 291/-) for 45,86,378 number of equity shares amounting to ₹ 138.05 crores.

j. IMPAIRMENT OF ASSET (AS-28)

Management has assessed at balance sheet date i.e. as on 31st March 2025 that whether there is any indication that any of the fixed asset to be impaired and no such asset is identified/found where condition of impairment is attracted as specified in AS-28.

k. CONTINGENT LIABILITIES (AS-29)

Contingent liabilities referred to in Schedule-12 at S. No.(I) & (VI) (i) 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.

During the current year, there were no discontinued operations (as per AS 24).

l. Reward Points for Debit and Credit Cards:

During the year bank has carried out actuarial valuation of its liability towards the redemption of reward points for debit and credit cards holder which was earlier accounted for on actual redemption basis upto FY 2023-24. Accordingly, an amount of ₹ 63,26,71,344 has been booked under the head provision and contingencies.

16. REVALUATION OF PROPERTY

Land and Building have been last revalued as on 31.12.2022 at Fair Market Value as determined by approved valuer. As per AS-10 (revised), the depreciation on revalued portion is recouped from revaluation reserve resulting in decrease in revaluation reserve by ₹ 179.16 crore for the year ended 2024-25.

Schedule 18 – Notes to Accounts

17. CLIMATE CONTROL:

Union Bank of India has a policy in place in name of “Sustainable Development and Business Responsibility Policy” which is reviewed on annual basis. 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, Climate Risk Policy and Sustainable Financing Framework”. The Bank has formed ESG Steering Committee to formulate and implement ESG strategy and transition in the Bank.

18. 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 principal or interest due there on to micro, small and medium enterprises.

19. BALANCING OF BOOKS, RECONCILIATION OF INTER BRANCH/BANK TRANSACTIONS

Suspense Accounts, Sundry Deposits etc., and Inter Office Accounts between branches, controlling offices, Head Office and any other establishments are being reconciled on an ongoing basis and Management is of the opinion that, there is no material effect on the profit and loss account of the current year.

The figures of the previous year have been regrouped/rearranged wherever considered necessary to conform to current year classification. In cases where disclosure have been made for the first time in terms of RBI guidelines/Accounting Standards, Previous year figures have not been mentioned.

Signatories to Schedules 1 to 18

The Schedules referred to above form an integral part of the Standalone Balance Sheet

(Munish Kumar Chopra)
Deputy General Manager

(Hara Mohan Sahoo)
General Manager

(Avinash Prabhu)
Chief Financial Officer

For and on behalf of the Board of Directors

(Pankaj Dwivedi)
Executive Director

(Sanjay Rudra)
Executive Director

(Ramasubramanian S)
Executive Director

(Nitesh Ranjan)
Executive Director

(A. Manimekhalai)
Managing Director & CEO

(Srinivasan Varadarajan)
Chairman

(Sameer Shukla)
Director

(Prakash Baliarsingh)
Director

(Suraj Srivastava)
Director

(Priti Jay Rao)
Director

(Prakash Chandra Kandpal)
Director

As per our report of even date

For G S Mathur & Co
Chartered Accountants
FRN 008744N

For Chhajed & Doshi
Chartered Accountants
FRN 101794W

For P Chandrasekar LLP
Chartered Accountants
FRN 000580S/S200066

For V K Ladha & Associates
Chartered Accountants
FRN 002301C

CA Rajiv Kumar Wadhawan
Partner
Membership No. 091007
UDIN: 25091007BMMLYC6080

CA Nitesh Jain
Partner
Membership No. 136169
UDIN: 25136169BMJEZU3911

CA Lakshmy Chandrasekaran
Partner
Membership No. 028508
UDIN: 25028508BMKZVT3238

CA Sunita Pandeya
Partner
Membership No. 076989
UDIN: 25076989BMLJXY7800

Place: Mumbai

Date: May 08, 2025

Standalone Cash Flow Statement

for the year ended 31st March, 2025

(₹ in Lakh)

S.No.	Particulars	Year Ended 31 st March 2025	Year Ended 31 st March 2024
A	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit Before Tax	23,47,907	21,43,039
	Adjustments for:		
	Depreciation on Fixed Assets	1,07,102	89,098
	Provision for Investments	(3,23,672)	87,887
	Provision for Non Performing Assets (Net)	7,30,849	6,38,729
	Provision for Standard Asset	5,544	71,019
	Provision for Staff Related Expenditures	-	-
	Provision for other items (Net)	34,832	3,753
	(Profit)/Loss on Sale or Disposal of Fixed Assets	(221)	(217)
	Interest on Borrowings: Capital Instruments	1,45,104	1,64,704
	Dividend received from Investments	(2,809)	(2,541)
	Transfer to/from reserves	(1,98,090)	(2,98,441)
	Sub Total	28,46,544	28,97,030
	Adjustments for:		
	Increase/(Decrease) in Deposits	88,22,115	1,03,81,205
	Increase/(Decrease) in Other Liabilities and Provisions	5,62,157	6,25,016
	(Increase)/Decrease in Investments	(13,24,114)	51,665
	(Increase)/Decrease in Advances	(90,04,570)	(1,15,31,792)
	(Increase)/Decrease in Other Assets	(87,900)	(88,253)
	Direct taxes paid (Net of Refund)	(70,570)	(3,02,000)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)	17,43,663	20,32,870
B	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Assets	(1,64,149)	(1,61,342)
	Proceeds from Sale/Adjustment of Fixed asset	1,359	32,744
	(Increase)/Decrease in Investment in Subsidiary	-	-
	Dividend received from Investment	2,809	2,541
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(1,59,981)	(1,26,057)
C	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from issue of Equity Share Capital Including Share Premium (Net)	-	7,97,085
	Proceeds from issue of Capital Instruments	-	-
	Repayments of Capital Instruments	-	(2,00,000)
	(Decrease)/Increase in Borrowings other than Capital Instruments	39,342	(14,18,910)
	Interest Paid on Borrowings: Capital Instruments	(1,45,104)	(1,64,704)
	Dividend paid during the year	(2,74,810)	(2,05,042)
	NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(3,80,572)	(11,91,571)

Standalone Cash Flow Statement

(₹ in Lakh)

S.No.	Particulars	Year Ended 31 st March 2025	Year Ended 31 st March 2024
	Net Increase (Decrease) in Cash & Cash Equivalent (A)+(B)+(C)	12,03,111	7,15,242
	Cash and Cash Equivalents as at the beginning of the year	1,19,30,287	1,12,15,045
	Net cash and cash equivalents at the end of the year	1,31,33,398	1,19,30,287
	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)	52,89,750	50,25,427
	Balances with Banks and Money at call	66,40,537	61,89,618
	Net cash and cash equivalents at the beginning of the year	1,19,30,287	1,12,15,045
E	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Cash and Balance with RBI (including FC notes)	89,50,348	52,89,750
	Balances with Banks and Money at call	41,83,050	66,40,537
	Net cash and cash equivalents at the end of the year	1,31,33,398	1,19,30,287

The above Cash Flow Statement has been prepared under the Indirect method as set out in the Accounting standard -3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India.

Previous Year figures have been regrouped/recasted wherever considered necessary to correspond with the year ended classification/presentation.

(Munish Kumar Chopra)
Deputy General Manager

(Hara Mohan Sahoo)
General Manager

(Avinash Prabhu)
Chief Financial Officer

For and on behalf of the Board of Directors

(Pankaj Dwivedi)
Executive Director

(Sanjay Rudra)
Executive Director

(Ramasubramanian S)
Executive Director

(Nitesh Ranjan)
Executive Director

(A. Manimekhalai)
Managing Director & CEO

(Srinivasan Varadarajan)
Chairman

(Sameer Shukla)
Director

(Prakash Baliarsingh)
Director

(Suraj Srivastava)
Director

(Priti Jay Rao)
Director

(Prakash Chandra Kandpal)
Director

As per our report of even date

For G S Mathur & Co
Chartered Accountants
FRN 008744N

For Chhajed & Doshi
Chartered Accountants
FRN 101794W

For P Chandrasekar LLP
Chartered Accountants
FRN 000580S/S200066

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CA Rajiv Kumar Wadhawan
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Membership No. 091007
UDIN: 25091007BMMLYC6080

CA Nitesh Jain
Partner
Membership No. 136169
UDIN: 25136169BMJEZU3911

CA Lakshmy Chandrasekaran
Partner
Membership No. 028508
UDIN: 25028508BMKZVT3238

CA Sunita Pandeya
Partner
Membership No. 076989
UDIN:25076989BMLJXY7800

Place: Mumbai

Date: May 08, 2025

Independent Auditor's Report

To

The President of India /

The Members of Union Bank of India,

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"), its subsidiaries, associate and jointly controlled entities (collectively hereinafter referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2025, 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 4 Domestic Subsidiaries, 1 Regional Rural Bank (Associate), 1 Foreign Subsidiary, 1 domestic Joint Venture and 1 Foreign Joint Venture;
- c. Unaudited financial statements of 1 Domestic Joint Venture.

In our opinion and to the best of our information and according to explanations given to us, and based on our 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 associate 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, 2025;
- 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 for 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 in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Consolidated 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.

Key Audit Matters

3. 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:

Independent Auditors' 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	Loans & Advances and Investments are the largest class of assets forming 87.25% of the total assets as on March 31, 2025. 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. The Bank has system based identification of non-performing assets in accordance with IRAC Norms. Since the identification of Non-performing Advances and provisioning for Non- performing Advances requires considerable level of management estimation, application of various regulatory requirements and its significance to the overall audit, we have identified this as a key audit matter 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. 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. This included evaluation and understanding of the following: • 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. • 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. • Further we have also reviewed the Bank's system of monitoring potentially weak and sensitive accounts which show a sign of stress. • On a test check basis, verified the accounts classified by the Bank as Special Mention Accounts ('SMA') in RBI's Central Repository of Information on Large Credits ('CRILC').

Sr.	Key Audit Matter	How it was dealt with in our report
		- We have also reviewed the reports and observations of the Bank's internal audit/inspection reports and observations of the concurrent auditors and report on audit of automation of IRAC by external expert. - 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. We have test checked and assessed the efficacy of the system based identification of NPA.
2	Information Technology (IT) and controls impacting financial reporting Information technology (IT) systems used in financial reporting process The Bank's operational and financial reporting processes are dependent on IT systems run through Core Banking Solutions (CBS) and other integrated software with automated processes and controls large volume of transactions. The process and controls are to ensure appropriate user access and management processes in use. The Bank has an in-house Department of Information & technology (DIT) run under the supervision of the top management and with the support of expert consulting agencies, for maintaining IT services. Accordingly, our audit was focused on key IT systems and controls due to the pervasive Impact on the standalone financial statements and the same has been considered as Key Audit Matter in our audit.	We conducted an assessment and identified key IT applications, database and operating systems that are relevant to our audit and have identified CBS and Treasury System primarily as relevant for financial reporting. For the key IT systems pertaining to CBS and treasury operations used to prepare accounting and financial information, our areas of audit focus included Access Security (including controls over privileged access), application change controls, database management and network operations. In particular: - We obtained an understanding of the Bank's IT control environment and key changes during the audit period that may be relevant to the audit. - We tested the design, implementation and operating effectiveness of the Bank's General IT controls over the key IT systems that are critical to financial reporting including obtaining reports from independent experts. This included evaluation of Bank's controls to evaluate segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner. - We also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; including testing of compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the standalone financial statements, information other than the standalone Financial Statements and Auditors' Report thereon.
3	Recognition and measurement of Deferred tax The Bank has recognised a net deferred tax asset of ₹ 3,71,39,447 (in '000) as on March 31, 2025. 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.	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:

Independent Auditors' Report

Sr.	Key Audit Matter	How it was dealt with in our report
		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.
4	Provisions, Contingent Liabilities and Claims	
	Assessment of Provisions and Contingent Liability in respect of certain litigations on various claims filed by other parties not acknowledged as debt (Note No. 17 of Schedule 17 and Note No. 9.2 of Schedule 18). There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgement, past experience, and advice from legal and independent experts wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in Balance Sheet. Contingent Liability is a possible obligation, outcome of which is contingent upon occurrence or non-occurrence of one or more uncertain future events. In the judgement of the management, such claims and litigations including tax demands against the bank would not eventually lead to a liability. However, unexpected adverse outcomes may significantly impact the Bank's reported financial results which is uncertain/ unascertainable at this stage. Considering the uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law, this has been determined as a key Audit Matter	We have obtained an understanding of Internal Controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances. We broadly reviewed the underlying assumptions and estimates used by the management for provisioning but as the extent of impact is dependent on future developments which are highly uncertain, we primarily relied on those assumptions and estimates, which are subject matter of periodic review by the Bank. We have relied upon the management note and legal opinions obtained by the bank regarding the claims and tax litigations and involved our internal team to review the nature of such litigations and claims, their current status, sustainability, examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up actions thereon and likelihood of claims/litigations materializing into eventual liability upon final resolution, from the available records and developments to date.

Information Other than the Consolidated Financial Statements and Auditors' Report thereon

4. The Bank's Board of Directors is responsible for the other information The other information comprises the Directors' Report of the Bank including annexures in annual report, if any, 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 identified above 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.

When we read the Director's Report of the Bank, including annexures in annual report, if any, thereon, 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

5. The Bank's Board of Directors are responsible with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows 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 Section 29 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the abovementioned act 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 is responsible for assessing the respective Group Entity'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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors of the Group entities are also responsible for overseeing respective Group Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

6. 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 Consolidated 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.
- 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 Group Entity'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 Consolidated 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 Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been

Independent Auditors' Report

audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 Consolidated 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

7. We did not audit the financial statements of 5 subsidiaries and 2 Jointly controlled entities included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 36,94,95,512 (in thousands) as at March 31, 2025 and total revenues of ₹ 10,72,54,947 (in thousands) for the year ended on that date, net loss after tax amounting to ₹ 1,53,681 (in thousands) 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 amounting to ₹ 30,22,525 (in thousands) for the year ended 31st March, 2025 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 and our opinion 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 1 jointly controlled entity whose Financial Statements/Financial Results/ Financial information reflect Group's share of total assets of ₹ 26,42,652 (in thousands) as at 31st March 2025, Group's share of total revenue of ₹ 8,42,213 (in thousands) and Group's share of total net profit after tax of ₹ 3,89,713 (in thousands) for the year ended 31st March 2025, as considered in the consolidated Financial Results. These unaudited Financial Statements/Financial Results/ financial information have 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 jointly controlled entity 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.

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.

8. In the case of Star Union Dai-ichi Life Insurance Company Limited, a Joint Venture, the auditors, vide their Audit report dated April 29, 2025 have expressed an unmodified opinion and have reported in the 'Other Matter' section that "the actuarial valuation of liabilities for life policies in force and policies in respect of which premium has been discontinued is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2025 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with the IRDAI. We have relied on the Appointed Actuary's certificate in forming our opinion on the financial statement of the company."

Report on Other Legal and Regulatory Requirements

9. The Consolidated Balance Sheet and the Consolidated Profit & Loss Account have been drawn up in accordance with section 29 of the Banking Regulation Act, 1949.

Subject to limitation of the audit indicated in paragraph 5, 6 and 7 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.
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, 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 the reports of the other auditors 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.
- e) 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.

On the basis of the reports of the statutory auditors of subsidiaries, associate and joint ventures companies other than Government Company to the extent incorporated in India, none of the directors of the subsidiaries, associates & joint ventures companies incorporated in India is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.

- f) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
- g) The Bank's Internal Financial Controls over financial reporting is not applicable on the consolidated financial statement.

For G S Mathur & Co
Chartered Accountants
FRN 008744N

For Chhajed & Doshi
Chartered Accountants
FRN 101794W

For P Chandrasekar LLP
Chartered Accountants
FRN 000580S/S200066

For V K Ladha & Associates
Chartered Accountants
FRN 002301C

CA Rajiv Kumar Wadhawan
Partner
Membership No. 091007
UDIN:25091007BMMLYD4351

CA Nitesh Jain
Partner
Membership No. 136169
UDIN: 251336169BMJEZV3569

CA Lakshmy Chandrasekaran
Partner
Membership No. 028508
UDIN:25028508BMKZVU3666

CA Sunita Pandeya
Partner
Membership No. 076989
UDIN:25076989BMLJXZ9278

Date: 8th May 2025

Place: Mumbai

Consolidated Balance Sheet

as on 31st March, 2025

(₹ in 000')			
CAPITAL AND LIABILITIES	Schedule Number	As on 31st March, 2025	As on 31st March, 2024
Capital	1	7,63,36,056	7,63,36,056
Preference Share Capital Issued by Subsidiary Company	1A	10,40,035	10,40,035
Reserves and Surplus	2	1,06,09,64,691	89,86,00,469
Minority Interest	2A	-	-
Deposits	3	13,12,29,13,650	12,24,59,33,559
Borrowings	4	27,48,97,937	26,97,42,680
Other Liabilities and Provisions	5	57,71,41,863	52,83,06,310
TOTAL		15,11,32,94,233	14,01,99,59,109
ASSETS			
Cash and Balances with Reserve Bank of India	6	89,50,84,967	52,90,15,436
Balances with Banks and Money at Call and Short Notice	7	42,17,52,358	66,74,43,018
Investments	8	3,61,90,33,568	3,43,95,28,617
Advances	9	9,56,72,86,757	8,74,07,97,404
Fixed Assets	10	9,82,40,935	9,25,98,061
Other Assets	11	51,18,95,648	55,05,76,573
Goodwill on Consolidation		-	-
TOTAL		15,11,32,94,233	14,01,99,59,109
Contingent Liabilities	12	5,59,28,01,054	5,83,38,30,501
Bills for Collection		47,61,66,847	50,25,28,601
Significant Accounting Policies	17		
Notes to Accounts	18		

The Schedules referred to above form an integral part of the Consolidated Balance Sheet

(Munish Kumar Chopra)
Deputy General Manager

(Hara Mohan Sahoo)
General Manager

(Avinash Prabhu)
Chief Financial Officer

For and on behalf of the Board of Directors

(Pankaj Dwivedi)
Executive Director

(Sanjay Rudra)
Executive Director

(Ramasubramanian S)
Executive Director

(Nitesh Ranjan)
Executive Director

(A. Manimekhalai)
Managing Director & CEO

(Srinivasan Varadarajan)
Chairman

(Sameer Shukla)
Director

(Prakash Baliarsingh)
Director

(Suraj Srivastava)
Director

(Priti Jay Rao)
Director

(Prakash Chandra Kandpal)
Director

As per our report of even date

For G S Mathur & Co
Chartered Accountants
FRN 008744N

For Chhajed & Doshi
Chartered Accountants
FRN 101794W

For P Chandrasekar LLP
Chartered Accountants
FRN 000580S/S200066

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CA Rajiv Kumar Wadhawan
Partner
Membership No. 091007
UDIN:25091007BMMLYD4351

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Partner
Membership No. 136169
UDIN: 251336169BMJEZV3569

CA Lakshmy Chandrasekaran
Partner
Membership No. 028508
UDIN:25028508BMKZVU3666

CA Sunita Pandeya
Partner
Membership No. 076989
UDIN:25076989BMLJXZ9278

Date: 8th May 2025
Place: Mumbai

Consolidated Profit & Loss Account

for the year ended 31st March, 2025

(₹ in 000')

Particulars	Schedule Number	For the Year Ended 31st March 2025	For the Year Ended 31st March 2024
I. INCOME			
Interest Earned	13	1,08,41,72,650	1,00,37,55,708
Other Income	14	21,56,19,834	17,81,27,884
TOTAL		1,29,97,92,484	1,18,18,83,592
II. EXPENDITURE			
Interest Expended	15	70,73,33,117	63,36,37,017
Operating Expenses	16	28,04,41,964	26,50,58,274
Provision And Contingencies		13,28,05,780	14,60,98,815
TOTAL		1,12,05,80,860	1,04,47,94,106
iii. Consolidated Net Profit/(Loss) before Minority Interest and Share of Earnings in Associate		17,92,11,624	13,70,89,486
Add:-Share of profit in Associate		10,57,884	8,81,701
Consolidated Net Profit/(Loss) for the year before deducting Minority Interest		18,02,69,508	13,79,71,187
(Less):-Minority Interest		-	-
Consolidated Net Profit/(Net Loss) for the year attributable to the group		18,02,69,508	13,79,71,187
Transfer from Investment Fluctuation Reserve		-	-
Add : Profit/(Loss) Brought Forward		58,32,043	58,32,043
Amount Available for Appropriation		18,61,01,551	14,38,03,230
IV. APPROPRIATIONS			
Transfer To Statutory Reserve		4,49,67,865	3,42,85,266
Transfer To Capital Reserve		33,97,295	16,32,611
Transfer To Investment fluctuation Risk Reserve		-	2,84,440
Transfer To Revenue And Other Reserves		8,88,11,699	6,60,81,024
Transfer To Special Reserve [Sec36(I)(viii)]of the Income Tax Act,1961]		68,33,022	66,79,000
Transfer to Investment Reserve Account		-	15,27,866
Proposed Dividend		3,62,59,627	2,74,80,980
Balance in Profit and Loss Account		58,32,043	58,32,043
TOTAL		18,61,01,551	14,38,03,230
Earnings per share (Basic and Diluted in Rs.) of FV of Rs.10/- each		23.62	19.15
Significant Accounting Policies	17		
Notes To Accounts	18		

The Schedules referred to above form an integral part of the Consolidated Profit & Loss Account

(Munish Kumar Chopra)
Deputy General Manager

(Hara Mohan Sahoo)
General Manager

(Avinash Prabhu)
Chief Financial Officer

For and on behalf of the Board of Directors

(Pankaj Dwivedi)
Executive Director

(Sanjay Rudra)
Executive Director

(Ramasubramanian S)
Executive Director

(Nitesh Ranjan)
Executive Director

(A. Manimekhalai)
Managing Director & CEO

(Srinivasan Varadarajan)
Chairman

(Sameer Shukla)
Director

(Prakash Baliarsingh)
Director

(Suraj Srivastava)
Director

(Priti Jay Rao)
Director

(Prakash Chandra Kandpal)
Director

As per our report of even date

For G S Mathur & Co
Chartered Accountants
FRN 008744N

CA Rajiv Kumar Wadhawan
Partner
Membership No. 091007
UDIN:25091007BMMLYD4351

Date: 8th May 2025
Place: Mumbai

For Chhajed & Doshi
Chartered Accountants
FRN 101794W

CA Nitesh Jain
Partner
Membership No. 136169
UDIN: 251336169BMJEZV3569

For P Chandrasekar LLP
Chartered Accountants
FRN 000580S/S200066

CA Lakshmy Chandrasekaran
Partner
Membership No. 028508
UDIN:25028508BMKZVU3666

For V K Ladha & Associates
Chartered Accountants
FRN 002301C

CA Sunita Pandeya
Partner
Membership No. 076989
UDIN:25076989BMLJXZ9278

Schedules Forming Part of the Consolidated Balance Sheet

as on 31st March, 2025

(₹ in 000')

Particulars	As on 31st March 2025	As on 31st March 2024
SCHEDULE 1 - CAPITAL:		
I. Authorised:		
1000,00,00,000 Equity Shares of Rs.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 (Previous Year 570,66,60,850 Equity Shares)	5,70,66,609	5,70,66,609
ii. 1,92,69,44,757 Equity Shares of ₹ 10 each, held by Public (Previous Year 1,92,69,44,757 Equity Shares)	1,92,69,447	1,92,69,447
TOTAL	7,63,36,056	7,63,36,056

(₹ in 000')

Particulars	As on 31st March 2025	As on 31st March 2024
SCHEDULE 1A - PREFERENCE SHARE CAPITAL ISSUED BY SUBSIDIARY COMPANY :		
10,40,03,544 Participatory Non-Redemable Compulsorily convertible Preference Shares of Rs. 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 31st March 2025	As on 31st March 2024
SCHEDULE 2 - RESERVES & SURPLUS:		
I. Statutory Reserve :		
As per last Balance Sheet	20,21,90,115	16,79,04,849
Addition during the year	4,49,67,865	24,71,57,980
		3,42,85,266
		20,21,90,115
II. Capital Reserve :		
A) Capital Reserve :		
As per last Balance Sheet	6,15,11,311	5,98,78,700
Addition during the year	33,97,295	16,32,611
Deduction during the year	-	-
	6,49,08,606	6,15,11,311
B) Revaluation Reserve :		
As per last Balance Sheet	5,64,44,174	6,13,24,225
Addition during the year	2,06,150	81,343

(₹ in 000)

Particulars	As on 31st March 2025		As on 31st March 2024	
Deduction during the year	19,97,709		49,61,394	
	5,46,52,615		5,64,44,174	
C) Amalgamation Reserve				
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	13,26,57,200	1,30,95,979	13,10,51,464
III Capital Reserve on Consolidation				
As per last Balance Sheet	1,20,151		1,20,151	
Addition during the year	45,864		-	
Deduction during the year	-	1,66,015	-	1,20,151
IV. Share Premium :				
As per last Balance Sheet	25,59,48,045		18,42,28,058	
Addition during the year	13,34,636		7,20,11,419	
Deduction during the year	-	25,72,82,681	2,91,432	25,59,48,045
V. Revenue Reserves :				
i) Revenue and other Reserves :				
As per last Balance Sheet	21,32,94,527		14,49,84,457	
Addition during the year	9,44,36,325		6,83,15,558	
Deduction during the year	2,06,150		5,488	
	30,75,24,702		21,32,94,527	
Less:- Minority Interest				
	30,75,24,702		21,32,94,527	
ii) Revenue Reserves - Treasury :				
Opening Balance	-		-	
Addition during the period/year	1,59,33,407		-	
Deduction during the period/year	-		-	
Total	1,59,33,407			
iii) Special Reserve Sec 36(1)(viii)				
As per last Balance Sheet	7,29,77,789		6,62,98,789	
Addition during the year	68,33,022		66,79,000	
Deduction during the period/year	-			
	7,98,10,811		7,29,77,789	
iv) Special Reserve profit on Fx Swap				
As per last Balance Sheet	60,346		59,328	
Addition during the year	-		1,018	
Deduction during the year	1,861		-	
	58,485		60,346	

**Schedules Forming Part of
the Consolidated Balance Sheet**

(₹ in 000')

Particulars	As on 31st March 2025		As on 31st March 2024	
v) Investment fluctuation reserve				
As per last Balance Sheet	1,38,14,015		1,35,29,575	
Addition during the year	-		2,84,440	
Deduction during the year	-		-	
	1,38,14,015		1,38,14,015	
vi) Foreign Currency Translation Reserve				
As per last Balance Sheet	-16,273		-4,08,905	
Addition during the year	2,98,432		6,93,239	
Deduction during the year	4,55,314		3,00,607	
	-1,73,155		-16,273	
vii) Debenture Redemption reserve				
As per last Balance Sheet	31,375		31,375	
Addition during the year				
Deduction during the year	-		-	
	31,375		31,375	
Total		41,69,99,640		30,01,61,779
VI. Investment Reserve Account				
As per last balance sheet	32,96,872		17,69,006	
Addition during the year	-		15,27,866	
Deduction During The year	32,96,872	-	-	32,96,872
VII. AFS RESERVE				
As per last balance sheet	-		-	
Addition during the year	8,69,132		-	
Deduction During The year	-	8,69,132	-	-
VIII. Balance in Profit and Loss Account				
Balance in Profit and Loss Account		58,32,043		58,32,043
TOTAL		1,06,09,64,691		89,86,00,469
SCHEDULE 2 A Minority Interest				
Opening Balance		-		-
Add/(Less):- Increase/(Decrease) during the year		-		-
Total Minority Interest		-		-
SCHEDULE 3 - DEPOSITS:				
A.				
I. Demand Deposits				
i) From Banks	1,01,66,991		74,28,822	
ii) From Others	85,28,05,074	86,29,72,065	73,03,00,019	73,77,28,841

(₹ in 000)

Particulars	As on 31st March 2025		As on 31st March 2024	
II. Savings Bank Deposits		3,39,92,44,413		3,36,37,02,530
III. Term Deposits				
i) From Banks	38,09,47,206		24,66,77,161	
ii) From Others	8,47,97,49,966	8,86,06,97,172	7,89,78,25,027	8,14,45,02,188
TOTAL		13,12,29,13,650		12,24,59,33,559
Deposits of branches in India		12,71,41,24,689		11,98,98,18,547
Deposits of branches outside India		40,87,88,961		25,61,15,012
TOTAL		13,12,29,13,650		12,24,59,33,559
Deposits includes Lien Marked deposits of ₹ 99,40,717 (Previous Year ₹ 96,10,358) - ₹ in lakhs				
SCHEDULE 4 - BORROWINGS:				
A) Borrowings in India				
i. Reserve Bank of India	-		-	
ii. Other Banks	-		1,72,263	
iii. Other Institutions and Agencies	6,18,12,879		4,84,02,023	
iv. Perpetual Bonds- TIER I	9,68,80,000		9,68,80,000	
v. Subordinated Bonds - TIER II	7,95,00,000		7,95,00,000	
vi. 7 years infra bonds	-	23,81,92,879	-	22,49,54,286
B) Borrowings Outside India		3,67,05,058		4,47,88,394
TOTAL		27,48,97,937		26,97,42,680
Secured Borrowings included in (A) & (B)		-		-
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS :				
I. Bills Payable		2,75,02,187		2,64,14,133
II. Interest Accrued		6,36,11,186		5,24,76,353
III. Others (Including Provisions)		48,60,28,490		44,94,15,824
TOTAL		57,71,41,863		52,83,06,310
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA :				
I. Cash in hand				
(Including Foreign Currency Notes and Gold)		1,74,41,812		2,27,52,570
II. Balances with Reserve Bank of India In Current Account				
in Current Account		47,63,30,845		50,62,58,578
in Other Accounts		40,13,12,310		4,288
TOTAL		89,50,84,967		52,90,15,436

**Schedules Forming Part of
the Consolidated Balance Sheet**

(₹ in 000')

Particulars	As on 31st March 2025	As on 31st March 2024
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE :		
I. In India		
i) Balances with Banks		
a) In Current Accounts	65,14,241	37,61,219
b) In Other Deposit Accounts	4,16,522	44,34,026
ii) Money at Call & Short notice		
a) with Banks	-	-
b) with Other Institutions	49,95,224	34,51,28,862
	1,19,25,987	35,33,24,107
II. Outside India		
i) In Current Accounts	92,72,430	54,09,791
ii) In other Deposit Accounts	39,94,91,434	30,64,81,064
iii) Money at call & Short Notice	10,62,507	22,28,056
Total (i,ii and iii)	40,98,26,371	31,41,18,911
Grand Total (I and II)	42,17,52,358	66,74,43,018
SCHEDULE 8 - INVESTMENTS:		
I. Investments in India in		
i) Government Securities	2,85,79,96,563	2,75,55,86,019
ii) Other Approved Securities	1,67,97,932	1,51,16,121
iii) Shares	4,66,33,695	2,82,77,299
iv) Debentures and Bonds	56,94,91,559	57,90,91,160
v) Associate	68,22,233	43,83,850
vi) Others (Commercial Paper, Mutual Funds, Venture Capital, Security Receipt etc.)	8,81,97,269	3,16,62,055
Total	3,58,59,39,251	3,41,41,16,504
II. Investments outside India in		
i) Govt Securities (including Local Authorities)	3,04,57,290	2,20,01,139
ii) Shares	5,572	6,810
iii) Other Investments (Bonds)	26,31,455	34,04,164
iv) Associate	-	-
Total	3,30,94,317	2,54,12,113
TOTAL	3,61,90,33,568	3,43,95,28,617
III. Investments in India		
Gross Value	3,63,94,22,901	3,50,13,05,679
Less: Provision for Depreciation	5,34,83,650	8,71,89,175
Net Value of Investment in India	3,58,59,39,251	3,41,41,16,504

(₹ in 000')

Particulars	As on 31st March 2025	As on 31st March 2024
IV) Investments outside India		
Gross Value	3,32,21,289	2,55,80,990
Less: Provision for Depreciation	1,26,972	1,68,877
Net Value of Investment outside India	3,30,94,317	2,54,12,113
TOTAL	3,61,90,33,568	3,43,95,28,617

(₹ in 000')

Particulars	As on 31st March 2025	As on 31st March 2024
SCHEDULE 9 - ADVANCES (Net)		
I.		
i) Bills Purchased and Discounted	3,66,35,915	3,59,44,611
ii) Cash Credits, Overdrafts and Loans Repayable on Demand	4,84,90,14,895	4,34,16,74,091
iii) Term Loans	4,68,16,35,947	4,36,31,78,702
TOTAL	9,56,72,86,757	8,74,07,97,404
II)		
i) Secured by tangible assets*	7,90,12,05,263	7,24,72,22,868
ii) Covered by Bank/Government Guarantees	10,95,68,346	5,93,58,913
iii) Unsecured	1,55,65,13,148	1,43,42,15,623
TOTAL	9,56,72,86,757	8,74,07,97,404
*includes advances against book debt		
A. Advances in India		
i) Priority Sector	3,16,37,65,065	3,19,08,13,692
ii) Public Sector	1,01,80,99,768	1,23,56,53,929
iii) Banks	1,29,342	8,66,18,664
iv) Others	5,02,64,98,850	3,90,55,55,529
TOTAL	9,20,84,93,025	8,41,86,41,814
B. Advances Outside India		
i) Due From Banks	6,41,94,478	6,50,62,605
ii) Due from Others	-	-
a) Bills Purchased and Discounted	5,24,875	4,71,673
b) Syndicated Loans	-	-
c) Others	29,40,74,379	25,66,21,312
	35,87,93,732	32,21,55,590
TOTAL	9,56,72,86,757	8,74,07,97,404

**Schedules Forming Part of
the Consolidated Balance Sheet**

(₹ in 000')

Particulars	As on 31st March 2025		As on 31st March 2024	
SCHEDULE 10 - FIXED ASSETS:				
I. Premises				
At cost/valuation as on 31st March of Preceeding year	9,43,18,359		9,58,92,243	
Additions during the year	14,41,835		15,38,029	
Deductions during the year	7,522		31,11,913	
	9,57,52,672		9,43,18,359	
Less: Depreciation till Date	3,15,25,932	6,42,26,740	2,96,49,050	6,46,69,309
II. Other Fixed Assets (including Furniture and Fixtures)				
(A) Land				
At cost/valuation as on 31st March of Preceeding year	35,19,663		36,34,968	
Additions during the year	1,90,177		-	
Deductions during the year	-		1,15,305	
	37,09,840		35,19,663	
Less: Depreciation till Date	13,96,816	23,13,024	11,56,731	23,62,932
(B) Others				
At cost/valuation as on 31st March of Preceeding year	8,56,31,311		7,48,07,497	
Additions during the year	1,08,80,835		1,29,54,854	
Deductions during the year	26,30,469		21,31,040	
	9,38,81,677		8,56,31,311	
Less: Depreciation till Date	6,75,46,538	2,63,35,139	6,27,55,312	2,28,75,999
(C) Computer Software				
At cost/valuation as on 31st March of Preceeding year	1,27,43,864		1,21,64,227	
Additions during the year	39,34,823		18,50,275	
Deductions during the year	5,35,377		12,70,638	
	1,61,43,310		1,27,43,864	
Amortisation till Date	1,13,64,559	47,78,751	1,04,12,985	23,30,879
(D) Leased Assets				
At cost/valuation as on 31st March of Preceeding year	3,126		3,14,398	
Addition during the year	-		-	
Deductions during the year	-		3,11,272	
	3,126		3,126	
Less: Depreciation till Date	3,126	-	3,126	-
TOTAL (I and II)		9,76,53,654		9,22,39,119

(₹ in 000')

Particulars	As on 31st March 2025		As on 31st March 2024	
III. Capital Work-in-Progress				
At cost/valuation as on 31st March of Preceding year	3,58,942		2,21,629	
Additions during the year	6,23,640		3,58,196	
Deductions during the year	3,95,301	5,87,281	2,20,883	3,58,942
TOTAL (I,II and III)		9,82,40,935		9,25,98,061
SCHEDULE 11 - OTHER ASSETS:				
I. Inter-Office Adjustments (Net)		2,93,44,287		1,70,28,198
II. Interest Accrued		11,10,10,044		10,87,38,067
III. Tax Paid/Tax deducted at source (Net of provision)		3,48,23,414		7,12,98,680
IV. Stationery and stamps		64,823		61,852
V. Non-Banking assets acquired in satisfaction of claims		1,334		1,334
VI. Deferred Tax Assets (Net)		2,74,58,984		3,71,39,447
VII. Others		30,91,92,761		31,63,02,660
VIII. MAT Credit		1		6,335
TOTAL		51,18,95,648		55,05,76,573
SCHEDULE 12 - CONTINGENT LIABILITIES:				
I. Claims against the Bank not acknowledged as debts		11,14,957		2,06,76,800
II. Liability for partly paid Investments		68,322		41,101
III. Liability on account of outstanding Forward Exchange Contracts		3,68,98,53,083		3,72,06,07,588
IV. Guarantees given on behalf of Constituents				
i) In India		70,73,94,487		69,48,36,138
ii) Outside India		1,04,77,141		67,54,640
V. Acceptances, endorsements and other obligations*		84,54,59,699		1,06,71,64,155
VI. Other items of Contingent Liability				
i) Disputed Tax demands under appeals		29,39,57,431		28,77,80,965
ii) Capital Commitments		35,74,605		13,70,051
iii) Amt. Transferred to DEA Fund Scheme 2014		4,09,01,330		3,45,99,063
TOTAL		5,59,28,01,054		5,83,38,30,501
* also includes Floating / Fixed Interest Rate Swap, Liability For Acceptances Securities, Liability For Currency Swap Receivable & Payables, Liability For Propreitory Currency Future Sold, Liability For Securities Short Sold and Liability For Securities Del.Under Rev.Repo.				
Bill for Collection		47,61,66,847		50,25,28,601

Schedules Forming Part of the Consolidated Profit & Loss Account

for the year ended 31st March, 2025

(₹ in 000')

Particulars	For the year Ended 31st March 2025	For the Year Ended 31st March 2024
SCHEDULE 13 - INTEREST EARNED:		
I. Interest/Discount on advances/bills	79,25,58,271	72,15,62,942
II. Income on Investments	23,63,07,856	22,82,90,420
III. Interest on Balances with RBI & Other Inter Bank Funds	5,12,47,885	4,89,08,922
IV. Others	40,58,638	49,93,423
TOTAL	1,08,41,72,650	1,00,37,55,708
SCHEDULE 14 - OTHER INCOME:		
I. Commission, Exchange and Brokerage	2,64,94,745	2,34,13,734
II. Profit on Sale of Investments - (Net)	2,23,23,612	1,79,15,613
III. Profit on Revaluation of Investment (Net)	1,14,91,455	33,03,246
IV. Profit/ (Loss) on Fixed Asset - (Net)	22,124	21,690
V. Profit on Exchange Transactions - (Net)	82,59,537	91,90,006
VI. a) Lease Finance Income	-	-
b) Lease Management Fee		
c) Overdue Charges		
d) Interest on Lease Rent Receivables		
VII. Miscellaneous Income	14,70,28,362	12,42,83,595
TOTAL	21,56,19,834	17,81,27,883
SCHEDULE 15 - INTEREST EXPENDED:		
I. Interest on Deposits	66,37,46,134	58,62,99,268
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	2,75,39,511	2,98,97,025
III. Others	1,60,47,472	1,74,40,724
TOTAL	70,73,33,117	63,36,37,017
SCHEDULE 16 - OPERATING EXPENSES:		
I. Payments to and Provisions for Employees	14,99,63,027	14,59,32,289
II. Rent, Taxes and Lighting	1,20,08,086	1,10,42,764
III. Printing and Stationery	13,53,106	12,70,045
IV. Advertisement and Publicity	14,34,981	14,53,822
V. A) Depreciation on Bank's Property other than leased assets	1,08,38,813	89,59,332
B) Depreciation on Bank's Property on leased assets	-	-
VI. Directors' Fees, Allowances and Expenses	83,598	70,104
VII. Auditors' Fees and Expenses (including Branch Auditors)	7,09,580	6,94,964
VIII. Law Charges	18,92,973	18,57,131
IX. Postage, Telegrams, Telephones, etc.	42,91,758	39,88,329
X. Repairs and Maintenance	42,68,410	35,46,826
XI. Insurance	1,41,63,925	1,26,35,105
XII. Amortization of Goodwill, if any	-	-14,116
XIII. Other Expenditure	7,94,33,707	7,36,21,679
TOTAL	28,04,41,964	26,50,58,274

Significant Accounting Policy for 2024-25 on Consolidated Basis:

(For required disclosures under schedule 17 forming part of Balance Sheet)

Background

Union Bank of India (UBI or the Bank) is a banking and financial services statutory body engaged in providing a wide range of products and services to individuals, commercial enterprises, large corporates, public bodies, and institutional customers. The Bank is governed by the Banking Regulation Act, 1949. Following are the Significant Accounting Policies i.e., the specific accounting principles and methods of applying these principles in the preparation and presentation of financial statements of the Bank.

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 Joint Ventures (JV) 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).

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- 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 Letters of Credit (LC)/ Bank Guarantee (BG), Deferred Payment Guarantee and Government Business are recognized on accrual basis proportionately over the period.
- 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. Appropriation of Recovery:

Recoveries other than by way of OTS/NCLT shall be appropriated as under:

- 5.1. 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.

- 5.2. In case borrower stipulates terms of appropriation differently than above and if such different terms of appropriation are accepted by Bank then appropriation of recoveries will be as per the sanction terms.

- 5.3. 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.

- 5.4. 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

6. Investments

6.1. Categorization of investments

- a) Bank classified the entire investment portfolio (except investments in their own subsidiaries, joint ventures and associates) under three categories, viz., Held to Maturity (HTM), Available for Sale (AFS) and Fair Value through Profit and Loss (FVTPL). Held for Trading (HFT) is a separate investment subcategory within FVTPL. The category of the investment is decided by the bank before or at the time of acquisition and this decision would be properly documented.
- b) Bank continue to present the investments in the Balance Sheet as set out in The Third Schedule to the BR Act (Form A, Schedule 8 - Investments) as under:
 - i. Government securities
 - ii. Other approved securities
 - iii. Shares
 - iv. Debentures & Bonds
 - v. Subsidiaries and / or joint ventures
 - vi. Others (to be specified)
- c) From the context of inputs used for valuation, the investments are either of the following:

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- (i) "Level 1" in the context of inputs used for valuation of a financial instrument are those inputs which are quoted prices (unadjusted) in active markets for identical instruments that the bank can access at the measurement date. In reference to the valuation of an instrument, it refers to a valuation that is substantively based on Level 1 inputs and does not have any significant Level 2 or Level 3 inputs.
- (ii) "Level 2" in the context of inputs used for valuation of a financial instrument are those inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. In reference to the valuation of an instrument, it refers to a valuation that is based on Level 1 and Level 2 inputs and does not have any significant Level 3 inputs.
- (iii) "Level 3" in the context of inputs used for valuation of a financial instrument are unobservable inputs. In reference to the valuation of an instrument, it refers to a valuation in which there is a significant Level 3 input.

6.1.1 HTM

- a) Securities that fulfil the following conditions is classified under HTM:
 - (i) The security is acquired with the intention and objective of holding it to maturity, i.e., the financial assets are held with an objective to collect the contractual cash flows; and
 - (ii) The contractual terms of the security give rise to cash flows that are "solely payments of principal and interest" on principal outstanding ('SPPI criterion') on specified dates.
- b) Notwithstanding the intent with which the following securities are acquired, they do not meet the SPPI criteria and therefore is not eligible for classification either as HTM or AFS:
 - (i) Instruments with compulsorily, optionally or contingently convertible features.
 - (ii) Instruments with contractual loss absorbency features such as those qualifying for Additional Tier 1 and Tier 2 under Basel III Capital Regulations.
 - (iii) Instruments whose coupons are not in the nature of interest as defined in clause 4(a)(xviii) of the RBI's "Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023" dated 12-09-2023 hereon mentioned as "RBI MASTER CIRCULAR".

- (iv) Preference shares and Equity shares.

- c) Investments in the securitization notes, other than the equity tranche, is considered to meet the SPPI criteria if the tranche in which the investment is made meets all the following conditions:
 - (i) The contractual terms of the tranche being assessed for classification (without looking through to the underlying pool of financial instruments) gives rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
 - (ii) The underlying pool of financial instruments meet the SPPI criteria.
 - (iii) The credit risk of the tranche is equal to or lower than the credit risk of the combined underlying pool of assets.

6.1.2 AFS

- a) Securities that meet the following conditions is classified under AFS:
 - (i) The security is acquired with an objective that is achieved by both collecting contractual cash flows and selling securities; and
 - (ii) The contractual terms of the security meet the 'SPPI criterion' as given in paragraph 6.1(a)(ii) of the RBI MASTER CIRCULAR.

Provided that on initial recognition, a bank may make an irrevocable election to classify an equity instrument that is not held with the objective of trading (i.e., not held for any of the purposes listed in paragraph 4 of Annex I of the RBI MASTER CIRCULAR) under AFS.
- b) AFS securities inter-alia include debt securities held for asset liability management (ALM) purposes that meet the SPPI criterion where the bank's intent is flexible with respect to holding to maturity or selling before maturity.

6.1.3 FVTPL

Securities that do not qualify for inclusion in HTM or AFS is classified under FVTPL. This inter-alia includes:

- (i) Equity shares, other than (a) equity shares of subsidiaries, associates or joint ventures and (b) equity shares where, at initial recognition, the irrevocable option to classify at AFS has been exercised.
- (ii) Investments in Mutual Funds, Alternative Investment Funds, Real Estate Investment Trusts, Infrastructure Investment Trusts, etc.
- (iii) Investment in securitisation notes which represent the equity tranche of a securitisation transaction.

Investments in senior and other subordinate tranches would need to be reviewed for their compliance with SPPI criterion explained in clause 6.1(c) of the RBI MASTER CIRCULAR.

- (iv) Bonds, debentures, etc. where the payment is linked to the movement in a particular index such as an equity index rather than an interest rate benchmark.
- (v) Securities referred to in sub-clause 6.1(b), subject to the exception for equity referred to in sub-clause (i) of the RBI MASTER CIRCULAR.

6.14 HFT

Bank creates a separate sub-category called HFT within FVTPL. Banks comply with the requirements specified in Annex I of the RBI MASTER CIRCULAR for classifying investments under HFT.

6.15 Investments in Subsidiaries, Associates and Joint Ventures

All investments in subsidiaries, associates and joint ventures is held sui generis i.e., in a distinct category for such investments separate from the other investment categories (viz. HTM, AFS and FVTPL).

6.2. Initial recognition

6.2.1 All investments are measured at fair value on initial recognition. Unless facts and circumstances suggest that the fair value is materially different from the acquisition cost, it is presumed that the acquisition cost is the fair value.

Situations where the presumption would be tested include where:

- a) The transaction is between related parties.
- b) The transaction is taking place under duress where one party is forced to accept the price in the transaction.
- c) The transaction is done outside the principal market for that class of securities.
- d) Other situations, where in the opinion of the supervisor, facts and circumstances warrant testing of the presumption.

6.2.2 In respect of government securities acquired through auction (including devolvement), switch operations and open market operations (OMO) conducted by the RBI, the price at which the security is allotted is the fair value for initial recognition purposes.

6.2.3 Where the securities are quoted or the fair value can be determined based on market observable inputs (such as yield curve, credit spread, etc.) any Day 1 gain/loss is recognised in the Profit and Loss Account, under Schedule 14: 'Other Income' within the subhead 'Profit on revaluation of investments' or 'Loss on revaluation of investments', as the case may be.

6.2.4 Any Day 1 loss arising from Level 3 investments is recognised immediately.

6.2.5 Any Day 1 gains arising from Level 3 investments is deferred. In the case of debt instruments, the Day 1 gain is amortized on a straight-line basis up to the maturity date (or earliest call date for perpetual instruments), while for unquoted equity instruments, the gain is set aside as a liability until the security is listed or derecognized.

6.3 Subsequent Measurement

6.3.1 HTM

- (a) Securities held in HTM are carried at cost and are not marked to market (MTM) after initial recognition. However, they are subject to income recognition, asset classification and provisioning norms as specified in Chapter X of RBI MASTER DIRECTION.
- (b) Any discount or premium on the securities under HTM is amortised over the remaining life of the instrument. The amortised amount is shown in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.

6.3.2 AFS

- (a) The securities held in AFS is fair valued at least on a quarterly basis, if not more frequently. Any discount or premium on the acquisition of debt securities under AFS is amortised over the remaining life of the instrument. The amortised amount is shown in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.
- (b) The valuation gains and losses across all performing investments, irrespective of classification (i.e., Government securities, other approved securities, Bonds and Debentures, etc.), held under AFS is aggregated. The net appreciation or depreciation is directly credited or debited to a reserve named AFS Reserve without routing through the Profit & Loss Account.
- (c) Securities under AFS would be subject to income recognition, asset classification and provisioning norms as specified in Chapter X of the RBI MASTER CIRCULAR.
- (d) The AFS-Reserve is reckoned as Common Equity Tier (CET) 1 subject to clause 28 of the RBI MASTER CIRCULAR. The unrealised gains transferred to AFS-Reserve is not available for any distribution such as dividend and coupon on Additional Tier 1.
- (e) Upon sale or maturity of a debt instrument in AFS category, the accumulated gain/loss for that security in the AFS-Reserve is transferred from the AFS Reserve and recognized in the Profit and Loss

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Account under item II Profit on sale of investments under Schedule 14-Other Income.

- (f) In case of equity instruments designated under AFS at the time of initial recognition, any gain or loss on sale of such investments is not transferred from AFS-Reserve to the Profit and Loss Account. Instead, such gain or loss is transferred from AFS-Reserve to the Capital Reserve.

6.3.3 FVTPL

- (a) The securities held in FVTPL would be fair valued and the net gain or loss arising on such valuation is directly credited or debited to the Profit and Loss Account. Securities that are classified under the HFT sub-category within FVTPL is fair valued on a daily basis, whereas other securities in FVTPL is fair valued at least on a quarterly, if not on a more frequent basis.
- (b) Any discount or premium on the acquisition of debt securities under FVTPL is amortised over the remaining life of the instrument. The amortised amount is shown in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.
- (c) Securities under FVTPL is subject to income recognition, asset classification and provisioning norms as specified in Chapter X of the RBI MASTER CIRCULAR.

6.3.4. Investments in Subsidiaries, Associates and Joint Ventures

- (a) All investments (i.e., including debt and equity) in subsidiaries, associates and joint ventures is held at acquisition cost, subject to the requirements of Chapter IV of the RBI MASTER CIRCULAR.
- (b) Any discount or premium on the acquisition of debt securities of subsidiaries, associates and joint ventures is amortised over the remaining life of the instrument. The amortised amount is shown in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned'.
- (c) In case where there is already an investment in an entity which is not a subsidiary, associate or joint venture and subsequently the investee entity becomes a subsidiary, associate or joint venture, the revised carrying value as at the date of such investee entity becoming a subsidiary, associate or joint venture is determined as under:
- (i) Where the investment is held under HTM, the carrying value less any permanent impairment is the revised carrying value.
- (ii) Where an investment is held under AFS, the cumulative gains and losses previously

recognised in AFS-Reserve is reversed and adjusted to the carrying value of the investment along with any permanent diminution in the value of the investment to arrive at the revised carrying value.

- (iii) Where an investment is held in FVTPL, the fair value as on the date of the investee becoming a subsidiary, associate or joint venture is taken as carrying value.
- (d) When an investee ceases to be a subsidiary, associate or joint venture, the investments is reclassified to the respective category as under:
- (i) Where the investment is reclassified into HTM, there is no change in the carrying value and consequently no accounting adjustment per se is required.
- (ii) Where the investment is reclassified into AFS or FVTPL, the fair value on the date of such reclassification is the revised carrying value. The difference between the revised and previous carrying value is transferred to AFS-Reserve and Profit and Loss Account in case of reclassification into AFS and FVTPL respectively.
- (e) Any gain/ profit arising on the reclassification/ sale of an investment in a subsidiary, associate or joint venture is first recognised in the Profit and Loss Account and then appropriated below the line from the Profit and Loss Account to the 'Capital Reserve Account'. The amount so appropriated is net of taxes and the amount required to be transferred to Statutory Reserves.
- (f) Bank evaluates investments in subsidiaries, associates or joint ventures for impairment at least on a quarterly, if not more frequent basis. A non-exhaustive list of indicators of potential impairment is as under:
- (i) The entity has defaulted in repayment of its debt obligations.
- (ii) The loan amount of the entity with any bank has been restructured.
- (iii) The credit rating of the entity has been downgraded to below investment grade.
- (iv) The entity has incurred losses for a continuous period of three years and the net worth has consequently reduced by 25 per cent or more.
- (v) There is a significant decline in the fair value vis-à-vis the carrying value for a period of six months or more. For the purpose of this sub-clause the term significant would be interpreted as at least 20 per cent. Banks, with the approval of their Boards, may apply even more conservative thresholds.

- (vi) Any or all of the entity's outstanding securities have been delisted, are in the process of being delisted, or are under threat of being delisted from an exchange due to noncompliance with the listing requirements or for financial reasons.

In the case of a new entity/ project where the originally projected date of achieving the breakeven point has been extended i.e., the entity/ project has not achieved break-even within the gestation period as originally envisaged.

- (g) When the need to determine whether impairment has occurred arises in respect of a subsidiary, associate or joint venture, the bank obtains a valuation of the investment by an independent registered valuer and make provision for the impairment, if any. Such diminution is provided by recognising it as an expense in the Profit and Loss Account. It is subsequently reversed through Profit and Loss Account, if there is a reversal of the diminution.

6.4 Reclassifications between categories

6.4.1 After transition to this framework, bank does not reclassify investments between categories (viz. HTM, AFS and FVTPL) without the approval of their Board of Directors. Further, reclassification would also require the prior approval of the Department of Supervision (DoS), RBI.

6.4.2 The reclassification should be applied prospectively from reclassification date.

6.4.3 When bank reclassifies investments from one category to another category, the accounting treatment is as given in the table below. The bank discloses the details of such reclassification including the reclassification adjustments in the notes to the financial statements:

No.	From	To	Accounting Treatment
a	HTM	AFS	The fair value measured at the reclassification date would be the revised carrying value. Any gain or loss arising from a difference between the revised carrying value and the previous carrying value would be recognised in AFS-Reserve.
b		FVTPL	The fair value measured at the reclassification date would be the revised carrying value.

No.	From	To	Accounting Treatment
			Any gain or loss arising from a difference between the revised carrying value and previous carrying value of the investments would be recognised in the Profit and Loss Account under Item (III): 'Profit on revaluation of investments' under Schedule 14: 'Other Income'.
c	AFS	HTM	The investments are reclassified at its fair value at the reclassification date. However, the cumulative gain/ loss previously recognised in the AFS-Reserve would be withdrawn therefrom and adjusted against the fair value of the investments at the reclassification date to arrive at the revised carrying value. Thus, the revised carrying value would be the same as if the bank had classified the investment in HTM ab initio itself.
d		FVTPL	The investments would continue to be measured at fair value. The cumulative gain or loss previously recognised in AFS Reserve would be withdrawn therefrom and recognised in the Profit and Loss Account, under Item (III): 'Profit on revaluation of investments' under Schedule 14: 'Other Income'.
e	FVTPL	HTM	The carrying amount representing the fair value at the reclassification date remains unchanged.
f		AFS	

6.5 Sale of investments from HTM

6.5.1 Any sales from HTM is as per a Board approved policy. Details of sales out of HTM is disclosed in the notes to accounts of the financial statements in the format specified in Annex II of Master directions of RBI dated 12th September 2023.

6.5.2 In any financial year, the carrying value of investments sold out of HTM does not exceed five per cent of the opening carrying value of the HTM portfolio. Any sale beyond this threshold requires prior approval from DoS, RBI.

6.5.3 Sales of securities in the situations given below is excluded from the regulatory limit of five per cent prescribed in clause 20 of the RBI master directions:

- a) Sales to the RBI under liquidity management operations of RBI such as the Open Market Operations (OMO) and Government Securities Acquisition Programme (GSAP).

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- b) Repurchase of Government Securities by Government of India from banks under buyback or switch operations.
- c) Repurchase of State Development Loans by respective state Governments under buyback or switch operations.
- d) Repurchase, buyback or exercise of call option of non-SLR securities by the issuer.
- e) Sale of non-SLR securities following a downgrade in credit ratings or default by the counterparty.
- f) Sale of securities as part of a resolution plan under the Prudential Framework for Resolution of Stressed Assets for a borrower facing financial distress.
- g) Additional sale of securities explicitly permitted by the Reserve Bank of India.

65.4 Any profit or loss on the sale of investments in HTM is recognised in the Profit and Loss Account under Item II of Schedule 14: 'Other Income'.

65.5 The profit on sale of investments in HTM is appropriated below the line from the Profit and Loss Account to the 'Capital Reserve Account'. The amount so appropriated is net of taxes and the amount required to be transferred to Statutory Reserve.

65.6 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. "Government Guaranteed Security Receipts (SRs) shall be valued periodically by reckoning the Net Asset Value (NAV) declared by the ARC based on the recovery ratings received for such instruments as per RBI Circular no. RBI/DOR/2024-25/135 DOR.STR.REC. 72/21.04.048/2024-25 dated March 29, 2025 and as amended from time to time".

65.7 Interbank/RBI Repo and Interbank/ RBI Reverse Repo transactions are accounted for in accordance with extant RBI guidelines.

65.8 Commission, brokerage, broken period interest etc. on securities is debited / credited to Profit & Loss Account.

65.9 Brokerage and STT paid on purchase and sale of Equity is accounted to price of the deal.

65.10 The Bank is following weighted average Price (WAP) for accounting of investment portfolio.

65.11 As per the extant RBI guidelines, the Bank follows 'Settlement Date' for accounting of investments transactions.

6.6 Non-Performing Investments (NPI)

(a) The criterion used to classify an asset as Non-Performing Asset (NPA) as per the extant Prudential Norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances is used to classify an investment as a Non-Performing Investment (NPI). Similarly, an NPI is only upgraded to standard when it meets the criteria specified in the IRACP norms.

- i. In respect of debt instruments such as bonds or debentures, an NPI is one where interest/ instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.
- ii. Sub-clause (a)(i) above apply, mutatis mutandis to preference shares where the fixed dividend is not paid. If the dividend on preference shares (cumulative or non-cumulative) is not declared / paid in any year it is treated as due / unpaid in arrears and the date of balance sheet of the issuer for that particular year is reckoned as due date for the purpose of asset classification. Such an investment can be upgraded subsequently on payment of dividend for the current period in the case of non-cumulative preference shares and payment of dividend in arrears and for current period in the case of cumulative preferences shares.
- iii. In the case of equity shares, in the event the investment in the shares of any company is valued at ₹1 per company on account of the non-availability of the latest balance sheet in accordance with clause 26.3 of the RBI MASTER CIRCULAR, those equity shares is reckoned as NPI. The NPI can be upgraded subsequently on receipt of audited balance sheet.
- iv. If any credit facility availed by the issuer is NPA in the books of the bank, investment in any of the securities, including preference shares issued by the same issuer is also treated as NPI and vice versa. However, this stipulation is not applicable in cases where only the preference shares are classified as NPI, and in such cases, the investment in any of the other performing securities issued by the same issuer need not be classified as NPI and any performing credit facilities granted to that borrower need not be treated as NPA.
- v. In case of conversion of principal and / or interest into equity, debentures, bonds, etc., such instruments is classified in the same asset classification category as the loan and provision is made as per the norms. In case of post conversion, if the classification is standard or is subsequently upgraded to standard as per IRACP norms, the investment is categorised

in HTM, AFS or FVTPL (including HFT) as per the requirements of Chapter III of the RBI MASTER CIRCULAR.

- (b) Once an investment is classified as an NPI, it is segregated from rest of the portfolio and not considered for netting valuation gains and losses.
- (c) Bank does not accrue any income on NPIs. Income is recognised only on realisation of the same. Further, any MTM appreciation in the security is ignored.
- (d) Irrespective of the category (i.e., HTM, AFS or FVTPL (including HFT)) in which the investment has been placed, the expense for the provision for impairment is always recognised in the Profit and Loss Account. The provision to be held on an NPI is the higher of the following amounts:
 - (i) The amount of provision required as per IRACP norms computed on the carrying value of the investment immediately before it was classified as NPI; and
 - (ii) The depreciation on the investment with reference to its carrying value on the date of classification as NPI.

In view of the above, no additional provision for depreciation is required over and above the provision for NPI as specified above.

Provided that in the case of an investment categorised under AFS against which there are cumulative gains in AFS-Reserve, the provision required may be created by charging the same to AFS-Reserve to the extent of such available gains.

Provided further that in the case of an investment categorised under AFS against which there are cumulative losses in AFS-Reserve, the cumulative losses is transferred from AFS-Reserve to the Profit and Loss Account.

- (e) Upon an account being upgraded as per IRACP norms, any provision previously recognised is reversed and symmetric recognition of MTM gains and losses can resume.
- (f) Investments in Government securities and Government guaranteed investment.
 - i. Investments in Central Government Securities and State Government Securities is not classified as NPI.
 - ii. Investments in Central Government guaranteed securities are not being classified as NPI until the Central Government has repudiated the guarantee when invoked. In respect of such securities held in AFS and FVTPL, bank continue to recognise MTM gains/losses in AFS-Reserve and Profit and Loss respectively. However, any income is recognised only on realisation basis.
 - iii. Investment in State Government guaranteed securities, attract prudential norms for identification of NPI and provisioning, when interest/ instalment of

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principal (including maturity proceeds) or any other amount due to the bank remains unpaid for more than 90 days.

6.7 Investment Fluctuation Reserve

- (a) Bank create an Investment Fluctuation Reserve (IFR) until the amount of IFR is at least two per cent of the AFS and FVTPL (including HFT) portfolio, on a continuing basis, by transferring to the IFR an amount not less than the lower of the following:
- i. Net profit on sale of investments during the year.
 - ii. Net profit for the year, less mandatory appropriations.
- (b) IFR is eligible for inclusion in Tier II capital. The cap applicable on recognition of General Provisions and Loss Reserves as Tier II capital is not applicable on IFR.
- (c) Bank is permitted to draw down the balance available in IFR in excess of two percent of its AFS and FVTPL (including HFT) portfolio, for credit to the balance of profit/loss as disclosed in the profit and loss account at the end of any accounting year.
- (d) In the event the balance in the IFR is less than two percent of the AFS and FVTPL (including HFT) investment portfolio, a draw down is permitted subject to the following conditions:
- i. The drawn down amount is used only for meeting the minimum CET 1/Tier 1 capital requirements by way of appropriation to free reserves or reducing the balance of loss.
 - ii. The amount drawn down would not be more than the extent the MTM provisions/losses during the aforesaid year exceed the net profit on sale of investments during that year.

6.8 Derivatives

6.8.1 Bank comply with the requirements of the Guidance Note on Accounting for Derivative Contracts (revised 2021) issued by the Institute of Chartered Accountants of India except for paragraph 63 of the said Guidance Note. Banks would present their derivative asset and liabilities as separate line items under Schedule 11: 'Other Assets' and Schedule 5: 'Other Liabilities' respectively. Banks may make adjustments to the carrying value of their investments in compliance with the hedge accounting requirements of the said Guidance Note.

6.8.2 Bank categorize their derivatives portfolio into three fair value hierarchies viz. Level 1, Level 2, and Level 3 as defined in Clause 4 of the RBI MASTER CIRCULAR and disclose the same in the notes to accounts of their financial statements as per template specified in disclosure template.

6.8.3 Bank does not pay dividends out of net unrealised gains recognised in the Profit and Loss Account arising on fair valuation of Level 3 derivatives assets and liabilities on their Balance Sheet. Further, such net unrealised gains on Level 3 derivatives recognised in the Profit and Loss Account is deducted from CET 1 capital.

6.9 Transition Accounting Adjustments

6.9.1 At the time of transition to RBI directions (i.e., on April 1, 2024 Revised Framework), bank reclassified the investment portfolio as at March 31, 2024, as per the directions laid down in Chapter III of RBI Directions. The balance in provision for depreciation, as at March 31, 2024, has been reversed into the Revenue/ General Reserve. The balances in Investment Reserve Account (IRA), as of March 31, 2024, has been transferred to the Revenue/ General Reserve since the bank met the minimum regulatory requirements of IFR. The specific treatment for transition from the previous year to the revised framework is given in the table below:

Previous Framework	Revised Framework	Opening Accounting Adjustments on April 1, 2024
HTM	HTM	The acquisition cost adjusted for any premium/ discount amortised between date of acquisition and March 31, 2024, is the revised carrying value. The difference between the revised carrying value and the previous carrying value is adjusted in Revenue/General Reserve.
	AFS	The difference between the revised and previous carrying value is adjusted in Revenue/ General Reserve. Further, in the case of equity instruments designated under AFS difference between the revised and previous carrying value is adjusted in AFS-Reserve.
	FVTPL	The fair value as at March 31, 2024 is the revised carrying value. The difference between the revised carrying value and the previous carrying value is adjusted in Revenue/ General Reserves.

Previous Framework	Revised Framework	Opening Accounting Adjustments on April 1, 2024
AFS	HTM	The acquisition cost adjusted for any premium/ discount amortised between date of acquisition and March 31, 2024 is the revised carrying value. The difference between the revised carrying value and the previous carrying value is adjusted in Revenue/ General Reserve.
	AFS	The difference between the revised and previous carrying value is adjusted in Revenue/ General Reserve. Further, in the case of equity instruments designated under AFS difference between the revised and previous carrying value is adjusted in AFS-Reserve.
	FVTPL	The fair value as at March 31, 2024 is the revised carrying value. The difference between the revised carrying value and the previous carrying value is adjusted in any Revenue/ General Reserves.
HFT	HTM	The acquisition cost adjusted for any premium/ discount amortised between date of acquisition and March 31, 2024 is the revised carrying value. The difference between the revised carrying value and the previous carrying value is adjusted in Revenue/ General Reserve.
	AFS	The difference between the revised and previous carrying value is adjusted in Revenue/ General Reserve. Further, in the case of equity instruments designated under AFS difference between the revised and previous carrying value is adjusted in AFS-Reserve.

Previous Framework	Revised Framework	Opening Accounting Adjustments on April 1, 2024
	FVTPL	The fair value as at March 31, 2024 is the revised carrying value. The difference between the revised carrying value and the previous carrying value is adjusted in any Revenue/ General Reserves.

6.10 Bank make suitable disclosures of the transitional adjustment made, in their notes to the financial statements for the financial year ending March 31, 2025.

7. Advances

- i) 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 RBI Master Circular/RBI/2024-2025/12 DOR.STR.REC.8/21.04.048/2024-25 dated April 02, 2024. 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.

- 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.
- 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/2024-2025/12 DOR.STR.REC.8/21.04.048/2024-25 dated April 02, 2024 and any subsequent circular issued from time to time.
- Amounts recovered against debts written off are recognized as revenue in the year of recovery.
- 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.

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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:

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

S. No.	Capital Asset	Useful Life (Years)	Rate in percentage
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	Furniture including Items provided to staff (Furniture/Electrical and etc.)-In case of UBI	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 services are treated as short term and recognized during the period in which the employee rendered the service.

The Short-term employee benefits in the nature of Performance based Rewards are recognized as expenses in the year of award.

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

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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

- a) Treasury Operations,
- b) Corporate and Wholesale Banking,
- c) Retail Banking Operations and (w/w Digital Banking Segment)
- d) 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

The Bank reports the basic and diluted Earnings per Share in accordance with AS 20. 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

In accordance with AS-29, "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognizes provisions 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.

Provisions are determined based on management estimate required to settle the obligation at the Balance Sheet date, supplemented by experience of similar transactions. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

A disclosure of contingent liability is made when there is;

- a possible obligation arising from a past event, the existence of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets, if any, 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.

19. Cash Flow Statements:

Cash Flow statement of the Bank is prepared as per AS-3. Cash Flow statement is mainly classified as:

- Cash flow from Operating Activities: This activity includes cash flow generated from Operational activities.
- Cash Flow from Investing Activities: This activity includes cash flow generated from investments.
- Cash Flow from Financials Activities: This activity includes the cash flow generated from financial instruments.

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:

Particulars	Country of Incorporation	Proportion of Ownership by the parent as on 31.03.2025
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:

Particulars	Country of Incorporation	Proportion of Ownership by the parent as on 31.03.2025
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:

Particulars	Country of Incorporation	Proportion of Ownership by the parent as on 31.03.2025
Chaitanya Godavari Grameena Bank	India	35%

- 4 The value of the investment made by the Bank in Subsidiaries, Joint ventures and Associates is Rs.1,671.05 Crore (PY 2023-24 Rs 1,533.02 Crore) as on 31st March 2025 which is treated as long term investment.
- 5 Central Government vide Gazette Notification no. CG-DL-E07042025-262339 dated April 07,2025 notified amalgamation of Chaitanya Godavari Grameena Bank (Sponsored by Union Bank of India), Andhra Pragathi Grameena Bank (Sponsored by Canara Bank), Saptagiri Grameena Bank (Sponsored by Indian Bank) and Andhra Pradesh Grameena Vikas Bank (Sponsored by State Bank of India) into a single Regional Rural Bank, called as Andhra Pradesh Grameena Bank under the sponsor of Union Bank of India.
- Accordingly, Chaitanya Godavari Grameena Bank, sponsored by our Bank will be amalgamated into Andhra Pradesh Grameena Bank (with Union Bank of India as the sponsor Bank) w.e.f. May 01 ,2025.
- 6 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 2025 except for India International Bank (Malaysia) BHD for 31st December 2024.
- 7 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, Star Union Dai-ichi Life Insurance Company Limited, UBI Services LTD, Andhra Bank Financial Services Limited for the financial year ended 31.03.2025, India International Bank (Malaysia) BHD for the period ended 31.12.2024 and unaudited financials of ASREC(INDIA) Limited for the financial year ended 31.03.2025.
- 8 Suspense Accounts, Sundry Deposits etc., and Inter Office Accounts between branches, controlling offices, Head Office and any other establishments are being reconciled on an ongoing basis and Management is of the opinion that, there is no material effect on the profit and loss account of the current year.

Schedule 18 – Notes to Accounts

9 DISCLOSURES IN TERMS OF THE RESERVE BANK OF INDIA GUIDELINES

9.1 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 I).

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, 2025.

The computation of Capital Adequacy as per the framework is indicated below

(₹ in Crore)

S. Particulars No.	Current Year	Previous Year
i. Common Equity Tier 1 capital (CET 1) (net of deductions, if any)	1,06,203.65	91,205.93
ii. Additional Tier 1 capital	8,871.18	8,928.65
iii. Tier 1 capital (i + ii)	1,15,074.83	1,00,134.58
iv. Tier 2 capital	12,489.05	13,066.90
v. Total capital (Tier 1+Tier 2)	1,27,563.88	1,13,201.48
vi. Total Risk Weighted Assets (RWAs)	7,07,869.38	6,68,083.61
vii. CET 1 Ratio (CET 1 as a percentage of RWAs)	15.00	13.65
viii. Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	16.26	14.99
ix. Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.76	1.96
x. Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	18.02	16.94
xi. Leverage Ratio	7.03	6.58
xii i. Percentage of the shareholding of	74.76	74.76
a) Government of India		
b) State Government		
c) Sponsor Bank		
xiii. Amount of paid-up equity capital raised during the year	--	8,000.00
xiv i. 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		

xv	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	--	--

9.2 Provision & Contingencies

Break up of Provision & Contingencies. debited to Profit & Loss Account:

(₹ in Crore)

Particulars	Current Year	Previous Year
Provision / (Reversal) for NPI on Investment	(95.96)	(355.20)
Provision towards NPA	7426.40	6,409.60
Provision/(Reversal) towards Standard Assets	81.47	701.20
Net Provision made towards Income Tax (IT)/ Deferred tax assets (DTA)	5502.71	7,799.28
Other Provision and Contingencies:	365.95	55.00
TOTAL	13280.58	14,609.88

9.3 Counter Cyclical Provisioning Buffer / Floating Provision:

(₹ in Crore)

Particulars	Current Year	Previous Year
i. Opening Balance	--	--
ii. Additional provisions made during the accounting year	--	--
iii. Amount of drawdown made during the accounting year	--	--
iv. Closing balance	--	--

10 EMPLOYEE BENEFITS (AS 15 - REVISED) (Parent Bank)

10.1 Short Term Employment Benefits:

The undiscounted amounts of short-term employee benefits (e.g. medical benefits) payable wholly within twelve months of rendering the service are treated as short term and recognized during the period in which the employee rendered the service.

10.2 Long Term Employee Benefits:

1021 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% 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. Protean eGov Technologies Limited (earlier known as National Securities Depository Limited) has been appointed as the Central Record Keeping Agency for the NPS. During F.Y. 2024-25, the Bank has contributed Rs.704.53 crores (Previous Year Rs.644.84 crore) to NPS.

1022 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

Schedule 18 – Notes to Accounts

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, 2025.

(₹ in Crore)

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Change in the present value of the defined benefit obligation				
Opening defined benefit obligation as at 1st April	31,555.91	29,170.59	3,602.00	3,225.86
Interest Cost	2,284.65	2,196.55	259.70	241.62
Current Service Cost	242.52	171.59	227.54	176.23
Past Service Cost (Vested Benefit Amortized)	--	--	--	--
Past Service Cost (Vested Benefit)	--	--	--	--
Liability Transfer in	--	--	--	--
Liability Transfer out	--	--	--	--
Benefit paid	(2,568.00)	(2,426.52)	(327.73)	(317.32)
Actuarial (Gain)/loss on obligation –due to change				
In the financial assumption	572.70	(1,890.74)	143.13	95.91
in demographic assumption	--	--	--	--
Actuarial (Gain) / Loss on obligations	1,275.89	4,334.44	76.74	179.70
Closing defined benefit obligation as at 31st March	33,363.67	31,555.91	3,981.38	3,602.00
Table of Fair value of Plan Assets:				
Opening fair value of plan assets as at 1st April	31,140.21	28,754.24	3,457.68	3,262.35
Expected return on Plan Assets	2,254.55	2,165.19	249.30	244.35
Contributions	2,240.99	2,223.33	574.32	238.96
Transfer from Other Company	--	--	--	--
Transfer to Other Company	--	--	--	--
Benefit paid	(2568)	(2,426.52)	(327.73)	(317.32)
Actuarial (Gain)/loss on Plan Assets	278.76	423.97	41.13	29.34
Closing fair value of plan assets as at 31st March	33,346.51	31,140.21	3,994.75	3,457.68
Actuarial (Gain)/loss on obligation for the period	1,848.59	2,443.70	219.87	275.61
Actuarial (Gain)/loss on Plan Assets	(278.76)	(423.97)	(41.13)	(29.34)
Total Actuarial (Gain)/loss to be recognized	1,569.83	2,019.73	178.74	246.27
Recognition of Transitional Liability:				
Transitional Liability at 1st April	--	--	--	--
Transitional Liability recognized during the year	--	--	--	--
Transitional Liability at 31st March	--	--	--	--
Actual return on Plan Assets:				
Expected Return on Plan Assets	2,254.55	2,165.19	249.30	244.35
Actuarial Gain/(Loss) on Plan Assets	278.76	423.97	41.18	29.34
Actual return on Plan Assets	2,533.31	2,589.16	290.48	273.69

(₹ in Crore)

Particulars	Pension Plans		Gratuity Plans	
	Current Year	Previous Year	Current Year	Previous Year
Expenses recognized in the Income Statement:				
Current Service Cost	242.52	171.59	227.54	176.23
Interest Cost	30.10	31.36	10.40	(2.73)
Expected Return on Plan Assets	--	--	--	--
Past Service Cost (Vested Benefit Amortized) recognized	--	--	--	--
Past Service Cost (Vested Benefit) recognized (1/5 of enhanced family pension)	--	--	--	--
Recognition of Transition Liability	--	--	--	--
Actuarial (Gain) or Loss	1,569.83	2,019.73	178.69	246.27
Expenses Recognized in P & L	1,842.45	2,222.68	416.63	419.77
Balance Sheet Reconciliation:				
Opening Net Liability (Last year net amount recognized in the balance sheet)	415.70	416.35	144.32	(36.49)
Expenses as above	1,842.45	2,222.68	416.63	419.77
Transfer from other Company (Net)	--	--	--	--
Transfer to other Company (Net)	--	--	--	--
(Employer Contribution)	(2,240.99)	(2,223.23)	(574.32)	(238.96)
Net (Asset)/Liability Amount recognized in Balance Sheet	17.16	415.70	(13.37)	144.32
Other Details:				
Service of thirty-three years will qualify for the full Pension of 50%. In the case of an employee who has put in less than thirty-three years of service, pension will be payable on proportionate basis for the number of years of qualifying service.				
Gratuity is payable at the rate of 15 days salary for each year of service subject to maximum of Rs 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	17,644	19,218	73,945	75,866
Salary Per Month	183.07	185.19	621.38	584.18
Contribution for next year	258.97	600.03	199.04	371.87
Category of assets:				
Government of India Assets	474.05	479.80	27.95	27.56
Corporate Bonds/FDR	3,408.03	2,773.66	445.02	297.23
Special Deposits Scheme	--	--	--	--
State Govt.	4,467.59	3,521.70	594.51	393.93
Property	--	--	--	--
Other	3,033.58	1,330.78	424.69	190.78
Insurer Managed Funds	21,963.26*	23,034.27*	2,502.58*	2,548.18*
Mutual Fund	--	--	--	--
Total	33,346.51	31,140.21	3,994.74	3,457.68

*Note: Return on investments in LIC is 8.11% & other insurance companies is expected at 7.50% while arriving Pension liability and Gratuity liability at the Fair Value of Plan Assets for the FY 2024-25.

Schedule 18 – Notes to Accounts

(₹ in Crore)

Surplus/Deficit in the Plan:	Gratuity Plans				
Amount recognized in the Balance-Sheet	31.03.2025	31.03.2024	31.03.2023	31.03.2022	31.03.2021
Liability at the end of the year	3,981.38	3,602.00	3,225.86	3,197.81	3,355.82
Fair value of Plan Assets at the end of the year	3,994.75	3,457.68	3,262.35	3,367.60	2,746.43
Difference	13.37	(144.32)	36.49	169.79	(609.39)
Unrecognized Past Service Cost	--	--	--	--	--
Unrecognized Transition Liability	--	--	--	--	--
Amount Recognized in the Balance Sheet	13.37	(144.32)	36.49	169.79	(609.39)

(₹ in Crore)

Amount recognized in the Balance-Sheet	Gratuity Plans				
Experience Adjustment	31.03.2025	31.03.2024	31.03.2023	31.03.2022	31.03.2021
On plan liability (Gain) / Loss	76.74	179.70	29.55	30.86	752.31
On plan Assets (Loss) / Gain	41.13	29.34	(17.33)	53.31	34.41

(₹ in Crore)

Surplus/Deficit in the Plan:	Pension Plans				
Amount recognized in the Balance-Sheet	31.03.2025	31.03.2024	31.03.2023	31.03.2022	31.03.2021
Liability at the end of the year	33,363.67	31,555.91	29,170.59	28,650.99	26,011.41
Fair value of Plan Assets at the end of the year	33,346.51	31,140.21	28,754.24	27,043.50	26,720.88
Difference	(17.16)	(415.70)	(416.35)	(1,607.49)	709.47
Unrecognized Past Service Cost	--	--	--	1,521.62	--
Unrecognized Transition Liability	--	--	--	--	--
Amount Recognized in the Balance Sheet	(17.16)	(415.70)	(416.35)	(85.87)	709.47

(₹ in Crore)

Amount recognized in the Balance-Sheet	Pension Plans				
Experience Adjustment	31.03.2025	31.03.2024	31.03.2023	31.03.2022	31.03.2021
On plan liability (Gain) / Loss	1,275.89	4,334.44	614.25	2,452.27	1,456.27
On plan Assets (Loss) / Gain	278.76	423.97	49.96	266.31	81.65

(₹ in Crore)

Principal actuarial assumption used (%)	Current Year		Previous year	
	Gratuity	Pension	Gratuity	Pension
Discount Rate Prev.	7.21	7.24	7.49	7.53
Rate of return on Plan Assets Prev.	7.21	7.24	7.49	7.53
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	6.85	7.05	7.21	7.24
Rate of Return on Plan Assets Current	6.85	7.05	7.21	7.24
Salary Escalation Current	5.00	5.00	5.00	5.00
Attrition Rate Current	2.00	2.00	2.00	2.00

10.3 Other Long-Term Employee Benefits:

Details of Provisions made for various Long-Term Employees Benefits during the year are as follows:

(₹ in Crore)

Other Long-Term Benefits	Current Year	Previous Year
Pension	--	--
Leave Travel Concession	0.33	(5.43)
Leave Encashment	343.33	350.14

Bank is having provision of Rs 281.10 Crore towards Sick Leave on prudential basis though there is no pay- out. Unamortized family pension & gratuity liabilities-Nil.

10.4 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 from time to time), the following disclosures are required:

- 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,

Schedule	Item under the Sub Head	₹ in Crore	% of Total Income/ Assets as applicable
Schedule 5 - Other liabilities and provisions (IV- Others (including provision))	-	-	-
Schedule 11 - Other assets (VI- others)	-	-	-
Schedule 14 - Other Income (VII Miscellaneous Income)	Processing Charges for Advances	1,672.77	1.29
	Recovery in Write-Off	4,311.24	3.32
Schedule 16 - Operating Expenses (XII Other expenditure)	-	--	--

11 SEGMENT REPORTING (AS-17)

11.1. Business Segments:

(₹ in Crore)

Business Segment	Consolidated	
	Year Ended	
	(Audited)	(Audited)
	Current Year	Previous Year
A. Segment Revenue		
1. Treasury Operations	32,848.45	30,682.09
2. Retail Banking Operations	45,091.87	40,076.17
(a) Digital Banking Operations	963.55	942.01
(b) Other Retail Banking Operations	44,128.32	39,134.16
3. Corporate /Wholesale Banking	46,021.85	42,224.34
4. Other Banking Operations	2,464.34	1,813.42
5. Unallocated	3,552.74	3,392.33
Total Segment Revenue	1,29,979.25	1,18,188.35

Schedule 18 – Notes to Accounts

(₹ in Crore)

Business Segment	Consolidated	
	Year Ended	
	(Audited)	(Audited)
	Current Year	Previous Year
Less Inter-segment Revenue	-	-
Income from operations	1,29,979.25	1,18,188.35
B. Segment Results		
1. Treasury Operations	5,832.60	5,241.21
2. Retail Banking Operations	8,753.32	6,568.62
(a) Digital Banking Operations	735.45	749.60
(b) Other Retail Banking Operations	8,017.87	5,819.02
3. Corporate Banking	6,437.21	7,586.79
4. Other Banking Operations	1,343.55	971.64
5. Unallocated	1,057.19	1,139.96
Total Profit/(Loss) Before Tax	23,423.87	21,508.22
Provision for Tax	5,502.71	7,799.28
Net Profit/(Loss) after Tax	17,921.16	13,708.94
Add: Share of Profit in Associate	105.79	88.17
Consolidated Net Profit /(Loss)	18,026.95	13,797.11
C. Segment Assets		
1. Treasury Operations	4,96,469.55	4,71,095.79
2. Retail Banking Operations	4,57,840.87	4,15,198.98
(a) Digital Banking Operations	3,228.60	2,602.62
(b) Other Retail Banking Operations	4,54,612.27	4,12,596.36
3. Corporate/Wholesale Banking	5,15,026.76	4,74,102.54
4. Other Banking Operations	-	-
5. Unallocated	41,992.24	41,598.61
Total	15,11,329.42	14,01,995.92
D. Segment Liabilities		
1. Treasury Operations	4,59,073.45	4,38,277.50
2. Retail Banking Operations	4,23,354.43	3,86,274.67
(a) Digital Banking Operations	2,985.40	2,421.32
(b) Other Retail Banking Operations	4,20,369.03	3,83,853.35
3. Corporate/Wholesale Banking	4,76,232.87	4,41,074.78
4. Other Banking Operations	-	-
5. Unallocated	38,834.59	38,771.31
Total	13,97,495.34	13,04,398.26
E. Capital Employed		
1. Treasury Operations	37,396.10	32,818.29
2. Retail Banking Operations	34,486.43	28,924.32
(a) Digital Banking Operations	243.19	181.32
(b) Other Retail Banking Operations	34,243.24	28,743.00
3. Corporate/Wholesale Banking	38,793.90	33,027.75
4. Other Banking Operations	-	-
5. Unallocated	3,157.65	2,827.30
Total	1,13,834.08	97,597.66

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 branches for the period are within the threshold limits stipulated as per AS-17 and hence the bank has only one reportable segment.
2. The Bank has disclosed 'Digital Banking' as a sub-segment of the Retail Banking segment as required by RBI guidelines.
3. Segment wise income and expenditure which are not directly allocable have been allocated to the reportable segments based on assumptions as considered appropriate by the management.
4. Segment Liabilities and Segment Capital are distributed in the ratio of their respective Segment Assets.
5. Figure of previous period have been regrouped/reclassified wherever necessary.

12 RELATED PARTY DISCLOSURES (AS-18) (Parent Bank)**12.1 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

12.2 Key Management Personnel

(₹ in Crore)

Name	Designation	Remuneration paid for the Year ended 31st March 2025
Ms. A. Manimekhalai	Managing Director & CEO	0.63
Shri Nitesh Ranjan	Executive Director	0.65
Shri Ramasubramanian S	Executive Director	0.59
Shri Sanjay Rudra	Executive Director	0.44
Shri Pankaj Dwivedi	Executive Director	0.35

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.

Schedule 18 – Notes to Accounts

13 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	Current Year	Previous Year
Number of Equity shares at the beginning of the year	7,63,36,05,607	6,83,47,47,466
Number of Equity shares issued during the year	--	79,88,58,141
Number of Equity shares outstanding at the end of the year	7,63,36,05,607	7,63,36,05,607
Weighted Average Number of Equity Shares used in computing Basic Earnings per share	7,63,36,05,607	7,20,31,48,214
Weighted Average Number of Shares used in computing diluted Earnings per share	7,63,36,05,607	7,20,31,48,214
Net Profit/(Loss) Rs. in Crore	18,026.95	13,797.11
Basic Earnings per share (Rs.)	23.62	19.15
Diluted Earnings per share (Rs)	23.62	19.15
Nominal Value per share (Rs)	10	10

14 PROVISION FOR TAXES:

Deferred Tax (AS-22)

(₹ in Crore)

Sr. No.	Particulars	Current Year	Previous Year
Deferred Tax Assets			
1	Employee Benefits (Leave Encashment)	559.46	472.83
2	Depreciation on Fixed Assets	311.32	305.11
3	Provision for non-performing Assets	4270.51	5,588.40
4	Foreign Currency Translation Reserve	-79.82	(68.54)
5	Other Provisions	269.02	203.85
6	Specific Standard Assets	445.97	--
	Total	5776.47	6,501.65
Deferred Tax Liabilities			
1	Accrued interest on securities	1010.69	951.02
2	Special Reserves u/s 36(i)(viii)	2008.68	1,836.70
3	AFS Reserves on Securities	11.20	--
	Total	3030.57	2,787.72
	Net Deferred Tax Asset	2745.90	3,713.93

Direct Tax

(₹ in Crore)

Particulars	Current Year	Previous Year
Provision for Income Tax (Including Deferred tax)	5,502.71	7,799.28

15 IMPAIRMENT OF ASSET (AS-28)

Management has assessed at balance sheet date i.e. as on 31st March 2025 that whether there is any indication that any of the fixed asset to be impaired and no such asset is identified/found where condition of impairment is attached as specified in AS-28.

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.

The Management believes that there would not be any significant impact on Bank's performance in future and going concern assumptions.

The figures of the previous year have been regrouped/rearranged wherever considered necessary to conform to current year classification. In cases where disclosure have been made for the first time in terms of RBI guidelines / Accounting Standards, Previous year figures have not been mentioned.

Significant to Schedules 1 to 18

(Munish Kumar Chopra)
Deputy General Manager

(Hara Mohan Sahoo)
General Manager

(Avinash Prabhu)
Chief Financial Officer

For and on behalf of the Board of Directors

(Pankaj Dwivedi)
Executive Director

(Sanjay Rudra)
Executive Director

(Ramasubramanian S)
Executive Director

(Nitesh Ranjan)
Executive Director

(A. Manimekhalai)
Managing Director & CEO

(Srinivasan Varadarajan)
Chairman

(Sameer Shukla)
Director

(Prakash Baliarsingh)
Director

(Suraj Srivastava)
Director

(Priti Jay Rao)
Director

(Prakash Chandra Kandpal)
Director

As per our report of even date

For G S Mathur & Co
Chartered Accountants
FRN 008744N

For Chhajed & Doshi
Chartered Accountants
FRN 101794W

For P Chandrasekar LLP
Chartered Accountants
FRN 000580S/S200066

For V K Ladha & Associates
Chartered Accountants
FRN 002301C

CA Rajiv Kumar Wadhawan
Partner
Membership No. 091007
UDIN:25091007BMMLYD4351

CA Nitesh Jain
Partner
Membership No. 136169
UDIN: 251336169BMJEZV3569

CA Lakshmy Chandrasekaran
Partner
Membership No. 028508
UDIN:25028508BMKZVU3666

CA Sunita Pandeya
Partner
Membership No. 076989
UDIN:25076989BMLJXZ9278

Date: 8th May 2025
Place: Mumbai

Consolidated Cash Flow Statement

For The Year Ended 31st March 2025

		(₹ in Lakhs)	
S.No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
A	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit Before Tax	23,42,388	21,50,822
	Adjustments for:		
	Depreciation on Fixed Assets	1,08,388	89,593
	Provision for Investments	(3,37,474)	88,070
	Provision for Non Performing Assets (Net)	7,30,849	6,40,960
	Provision for Standard Asset	5,544	71,067
	Provision for other items (Net)	51,522	4,482
	(Profit)/Loss on Sale or Disposal of Fixed Assets	(221)	(217)
	Interest on Borrowings : Capital Instruments	1,45,104	1,64,704
	Share of Profit in Associate	10,579	8,817
	Transfer to/from reserve	(1,92,399)	(2,97,383)
	Sub Total	28,64,279	29,20,915
	Adjustments for:		
	Increase / (Decrease) in Deposits	87,69,801	1,04,27,144
	Increase / (Decrease) in Other Liabilities and Provisions	7,06,100	7,63,049
	(Increase) / Decrease in Investments	(14,33,192)	(1,01,844)
	(Increase) / Decrease in Advances	(89,95,743)	(1,16,21,266)
	(Increase) / Decrease in Other Assets	(92,736)	(93,029)
	Direct taxes paid (Net of Refund)	(70,570)	(3,02,000)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)	17,47,938	19,92,969
B	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed Assets	(1,66,917)	(1,64,880)
	Proceeds from Sale/Adjustment of Fixed asset	2,164	34,320
	(Increase)/ Decrease in Investment in Subsidiary/Associates	(24,383)	(8,817)
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(1,89,135)	(1,39,377)
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)	13,346	7,97,085
	Proceeds from issue of Capital Instruments	-	-
	Repayments of Capital Instruments	-	(2,00,000)
	(Decrease)/Increase Borrowings other than Capital Instruments	51,553	(13,76,233)
	Interest Paid on Borrowings : Capital Instruments	(1,45,104)	(1,64,704)
	Dividend paid during the year	(2,74,810)	(2,05,042)
	NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(3,55,014)	(11,48,894)

(₹ in Lakhs)

S.No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
	Net Increase (Decrease) in Cash & Cash Equivalent (A)+(B)+(C)	12,03,790	7,04,698
	Cash and Cash Equivalents as at the beginning of the year	1,19,64,584	1,12,59,886
	Cash and Cash Equivalents as at the end of the year	1,31,68,374	1,19,64,584
	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)	52,90,154	50,25,811
	Balances with Banks and Money at call	66,74,430	62,34,076
	Net cash and cash equivalents at the beginning of the year	1,19,64,584	1,12,59,887
E	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Cash and Balance with RBI (including FC notes)	89,50,850	52,90,154
	Balances with Banks and Money at call	42,17,524	66,74,430
	Net cash and cash equivalents at the end of the year	1,31,68,374	1,19,64,584

The above Cash Flow Statement has been prepared under the Indirect method as set out in the Accounting standard -3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India.

Previous Year figures have been regrouped/recasted wherever considered necessary to correspond with the year ended classification/ presentation.

The Schedules referred to above form an integral part of the Consolidated Balance Sheet

(Munish Kumar Chopra)
Deputy General Manager

(Hara Mohan Sahoo)
General Manager

(Avinash Prabhu)
Chief Financial Officer

For and on behalf of the Board of Directors

(Pankaj Dwivedi)
Executive Director

(Sanjay Rudra)
Executive Director

(Ramasubramanian S)
Executive Director

(Nitesh Ranjan)
Executive Director

(A. Manimekhalai)
Managing Director & CEO

(Srinivasan Varadarajan)
Chairman

(Sameer Shukla)
Director

(Prakash Baliarsingh)
Director

(Suraj Srivastava)
Director

(Priti Jay Rao)
Director

(Prakash Chandra Kandpal)
Director

As per our report of even date

For G S Mathur & Co
Chartered Accountants
FRN 008744N

For Chhajed & Doshi
Chartered Accountants
FRN 101794W

For P Chandrasekar LLP
Chartered Accountants
FRN 000580S/S200066

For V K Ladha & Associates
Chartered Accountants
FRN 002301C

CA Rajiv Kumar Wadhawan
Partner
Membership No. 091007
UDIN:25091007BMMLYD4351

CA Nitesh Jain
Partner
Membership No. 136169
UDIN: 251336169BMJEZV3569

CA Lakshmy Chandrasekaran
Partner
Membership No. 028508
UDIN:25028508BMKZVU3666

CA Sunita Pandeya
Partner
Membership No. 076989
UDIN:25076989BMLJXZ9278

Date: 8th May 2025
Place: Mumbai

Disclosures under Basel III Capital Regulations

In accordance with Reserve Bank of India's Master Circular on Basel III Capital Regulations dated 1 April, 2024 as amended, Banks are required to make Pillar 3 disclosures under Basel III capital requirements. The Bank has made these disclosures which are available on its website at the following link:

<https://www.unionbankofindia.co.in/pdf/Final-Disclosure-March-2025.pdf>



Business Responsibility and Sustainability Report

Business Responsibility and Sustainability Report as required by SEBI has hosted on the website of the Bank that is www.unionbankofindia.co.in Any member interested in obtaining physical copy of the same may write to Company Secretary of the Bank.



INDEPENDENT ASSURANCE STATEMENT

To,
The Board of Directors of
Union Bank of India,
Union Bank Bhavan,
239, Vidhan Bhavan Marg, Nariman Point,
Mumbai – 400021, India.

Union Bank of India (hereinafter referred to as "UBI" or Reporting Organization) engaged TUV India Private Limited (TUVI) to perform an independent external assurance of the Business Responsibility and Sustainability Report (hereinafter 'the BRSR') Core disclosures. UBI developed the Annual Report which also contains the disclosures of BRSR Core ("the 09 attributes") for the period April 01, 2024, to March 31, 2025. following frameworks and guidelines are refereed during assurance process:

- i. *The Industry Standards on Reporting of BRSR Core, as per SEBI circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177, dated 20 December 2024;*
- ii. *SEBI circular SEBI/HO/CFD/CMD-2/P/CIR/2021/562, dated 10 May 2021;*
- iii. *The SEBI notification SEBI/LAD-NRO/GN/2023/131, dated 14 June 2023, related to BRSR reporting requirements;*
- iv. *The BRSR Core – Framework for Assurance and ESG Disclosures for the Value Chain, as stipulated by SEBI circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12 July 2023;*

The assurance engagement for BRSR Core disclosures was conducted with reasonable assurance engagement, following the requirements of International Standard on Assurance Engagements ISAE 3000 (Revised).

Management's Responsibility

UBI developed its sustainability information forming part of the Annual Report (based on BRSR framework) and holds full responsibility for the collection, analysis, preparation, and disclosure of the information presented in the Annual Report, including its availability in both web-based and printed formats. This responsibility also extends to the maintenance and integrity of the website where the Annual Report is published. Management is responsible for ensuring the disclosed data is accurate, reliable, and free from material misstatements, as per the BRSR criteria. Additionally, UBI is responsible for the archiving and reproduction of the disclosed information and for ensuring that such data is made available to relevant stakeholders and regulatory authorities upon request. The Reporting Organization is responsible for complying with applicable laws.

Scope and Boundary

The scope of this assurance engagement conducted by TUVI covered the verification of BRSR core disclosures made by UBI in its Annual Report. The Annual Report represent key disclosures related to the organization's Environmental, Social, and Governance (ESG) performance, as mandated by the Securities and Exchange Board of India (SEBI). The assurance engagement included the following activities:

1. Review of General Disclosures, Management and Process Disclosures, and UBI's responses to all nine attributes specified under Annexure I – Format of BRSR Core, as disclosed in the BRSR;
2. Assessment of the quality, clarity, and completeness of the reported information; and Verification of supporting evidence on a sample basis, involving: Reasonable assurance for the nine attributes as per the BRSR Core framework.

This approach ensured an assessment aligned with the principles of ISAE 3000 (Revised), providing an independent and objective evaluation of the reliability and accuracy of UBI's ESG disclosures.

TUVI has verified the below [09 attributes as per Annexure I - Format of BRSR Core](#) disclosed in the BRSR

Attributes	KPI
Green-house gas (GHG) footprint	Total Scope 1 emissions (with breakup by type) - GHG (CO ₂ e) Emission in MT - Direct emissions from organization's owned- or controlled sources (estimated KPI)
	Total Scope 2 emissions in MT - Indirect emissions from the generation of energy that is purchased from a utility provider (estimated KPI)
	GHG Emission Intensity (Scope 1+2) - (Total Scope 1 and Scope 2 emissions (MT) / Total Revenue from Operations – Calculated
	GHG Emission Intensity (Scope 1+2) - (Total Scope 1 and Scope 2 emissions (MT) / Total Revenue from Operations adjusted for PPP - Calculated
Water footprint	Total water withdrawal by sources (in kL) (estimated KPI)
	Total water consumption (in kL) (estimated KPI)

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Energy footprint	Water consumption intensity – Water Consumption (kL) / Total Revenue from Operations – Calculated	
	Water consumption intensity – Water Consumption (kL) / Total Revenue from Operations adjusted for PPP – Calculated	
	Water consumption intensity – Water Consumption (kL) / Product or Service – Calculated	
	Water Discharge by destination and levels of Treatment (kL) – Reported NIL	
	Total energy consumed in GJ (estimated KPI)	
	% of energy consumed from renewable sources – In % terms (estimated KPI)	
	Energy intensity – energy consumed (GJ)/ Total Revenue from Operations – Calculated	
Embracing circularity - details related to waste management by the entity	Energy intensity – energy consumed (GJ)/ Total Revenue from Operations adjusted for PPP – Calculated	
	Energy intensity – energy consumed (GJ)/ Product or Service – Calculated	
	Plastic waste (A) (MT) – Reported as NIL	
	E-waste (B) (MT) – Reported	
	Bio-medical waste (C) (MT) – Reported as NIL	
	Battery waste (D) (MT) – Reported as NIL	
	Other Hazardous waste (E)(MT) – Reported as NIL	
	Other non-hazardous waste (F)(MT) – Reported as NIL	
	Total waste generated (A + B + C + D + E + F) (MT)	
	Waste intensity	
	• MT /Revenue from Operations – Reported • MT /Revenue from Operations adjusted for PPP – Reported • MT /Product or Service – Reported	
	Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (MT) – Reported	
	Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (Intensity)	
	✓ kg of Waste Recycled Recovered /Total Waste generated – Reported	
	For each category of waste generated, total waste disposed by nature of disposal method (MT) – Reported as NIL	
	For each category of waste generated, total waste disposed by nature of disposal method (Intensity)	
	✓ kg of Waste Recycled Recovered /Total Waste generated – Reported as NIL	
Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the co - In % terms – Reported	
	Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites)	
	1) Number of Permanent Disabilities – Reported as NIL	
	2) Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) – Reported as NIL	
Enabling Gender Diversity in Business	3) No. of fatalities – Reported as NIL	
	Gross wages paid to females as % of wages paid - In % terms	
	Complaints on POSH	1) Total Complaints on Sexual Harassment (POSH) – Reported
		2) Complaints on POSH as a % of female employees / workers – Reported
Enabling Inclusive Development		3) Complaints on POSH upheld – Reported
	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India - In % terms – As % of total purchases by value is not Reported	
	Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost – In % terms – As % of total wage cost – Reported	
Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events - In % terms – Reported as NIL	
	Number of days of accounts payable - (Accounts payable *365) / Cost of goods/services procured – Reported as not applicable	
Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties:	1) Purchases from trading houses as % of total purchases
		2) Number of trading houses where purchases are made from
		3) Purchases from top 10 trading houses as % of total purchases from trading houses
		1) Sales to dealers / distributors as % of total sales
		2) Number of dealers / distributors to whom sales are made
		3) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors

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	Reported as not applicable	Share of RPTs (as respective %) in
		• Purchases
		• Sales
		• Loans & advances
		• Investments

Greenhouse gas (GHG) and Energy footprint

- Emissions from Fuel Consumption (Diesel, Petrol, CNG): Fuel consumption was estimated using a spend-based methodology. Where specific fuel types were not specified, average emission factors and fuel prices were applied based on a blended mix of diesel, petrol, and CNG. Fuel prices were sourced from BRSR Industry Standards 2024.
- Emissions from CO₂ Fire Extinguishers: All fire extinguishers were assumed to contain CO₂ (GWP = 1) with an average charge of 3 kg per cylinder.
- Emissions from Refrigerants: For leased properties, cooling tonnage was estimated based on total area and standard sq. ft. per ton assumptions. For 84 owned sites, tonnage was based on employee count per site. A refrigerant charge of 1.35 kg per ton of air conditioning was assumed.
- Emissions from Electricity Consumption (Scope 2): Electricity usage was calculated using a spend-based approach per BRSR Core guidelines. The unit price of electricity was used to derive total consumption in kWh, from which Scope 2 emissions were calculated.

Water footprint: The raw water consumption is estimated based on the per day per employee water consumption as per CWGA guidelines.

The reporting boundaries for the above attributes include all the branches and offices of UBI in India. An on-site verification was conducted at UBI Corporate Office, Union Bank Bhavan, Nariman Point, Mumbai on 20th, 23th and 24th June 2025. The assurance activities were carried out together with a desk review as per reporting boundary.

Limitations

TUVI did not perform any assurance procedures on the prospective information disclosed in the Report, including targets, expectations, and ambitions. Consequently, TUVI draws no conclusion on the prospective information. During the assurance process, TUVI did not come across any limitation to the agreed scope of the assurance engagement. TUVI did not verify any ESG goals and claim through this assignment. TUVI has taken reference of the financial figures from the audited financial statements. UBI will be responsible for the appropriate application of the financial data. The application of this assurance statement is limited w.r.t [SEBI circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated Jul 12, 2023 and Industry Standards on Reporting of BRSR Core, circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177, dated 20/12/2024](#). TUVI disclaims liability for decisions or consequences arising from this assurance statement or from inaccurate data, relying on the completeness and accuracy of information provided by UBI. The responsibility for the authenticity of the data is confirmed by UBI. Any reliance placed by any person or third party on disclosed KPI is entirely at their own risk. This assurance statement does not validate any environmental or social claims, nor it's intended to mislead or contribute to greenwashing.

TUVI's Responsibility

TUVI's responsibility in relation to this engagement is to perform a reasonable level of BRSR Core assurance of Annual Report and to express a conclusion based on the work performed. Our engagement did not include an assessment of the adequacy or the effectiveness of UBI's strategy, management of ESG-related issues or the sufficiency of the Report against BRSR reporting principles, other than those mentioned in the scope of the assurance. TUVI's responsibility regarding this verification is in reference to the agreed scope of work, which includes assurance of non-financial quantitative and qualitative information disclosed by UBI. Reporting Organization is responsible for archiving the related data for a reasonable time period. The primary intended user of this assurance statement is UBI; however, the client may use it at their own discretion in accordance with their specific requirements. This assurance engagement is based on the assumption that the data and information provided to TUVI by UBI are complete and true.

Assurance Methodology

During the assurance engagement, TUVI adopted a risk-based approach, focusing verification efforts on disclosures and issues of high material relevance to UBI and its stakeholders. The objective was to assess the reliability and accuracy of the non-financial information disclosed, with emphasis on the robustness of data management systems, internal controls, and information flows. TUVI's assurance activities included:

1. Document and Data Review

- Examination of documents, datasets, and supporting evidence provided by UBI for Section A and B of the BRSR, covering all nine core attributes listed in Annexure I – Format of BRSR Core (non-financial disclosures).
- Evaluation of disclosures related to Management Approach and performance indicators.

2. Stakeholder Interviews

- Conducted interviews with key representatives, including data owners, process managers, and decision-makers across various departments.
- Reviewed UBI's approach to stakeholder engagement and materiality determination to validate qualitative statements included in the Annual Report.
- Interviews were conducted through both onsite visits and remote assessments, as applicable.

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3. Process and System Assessment

- i. Review of systems and processes for:
 - a) Implementing ESG and sustainability-related policies, as described in the BRSR; and
 - b) Collecting, managing, and reporting both quantitative data and qualitative information for the reporting period.
- ii. Assessment of the internal controls supporting data accuracy, traceability, and consistency.

4. Reporting Framework Adherence: Verified UBI's adherence to reporting requirements under SEBI's BRSR guidelines.

Action Plan

UBI is in the process of developing an action plan for the following focus areas, which are well-aligned with the management's existing objectives and programs. These areas have already been identified by UBI, and the assurance team confirm their continued implementation to help advance the organization's sustainability goals.

1. UBI may consider enhancing internal data tracking through periodic cloud-based systems for improved monitoring.
2. Data collection for parameters such as waste disposal (paper, plastic, food, metal, oil, etc.) can be further improved through strengthened engagement with relevant vendors and service providers.
3. UBI may explore implementing a formal system for managing key resources such as emissions and water.

Conflict of Interest

In the context of BRSR requirements set by SEBI, addressing conflict of interest is crucial to maintain high integrity and independence of assurance engagements. As per SEBI guidelines, assurance providers need to disclose any potential conflict of interest that could compromise the independence or neutrality of their assessments. TÜV diligently identifies any relationships, affiliations, or financial interests that could potentially cause conflict of interest. We proactively implement measures to mitigate or manage these conflicts, ensuring independence and impartiality in our assurance engagements. We provide clear and transparent disclosures about any identified conflicts of interest in our assurance statement. We recognize that failure to address conflict of interest adequately could undermine the credibility of the assurance process and the reliability of the reported information. Therefore, we strictly adhere to SEBI guidelines and take necessary measures to avoid, disclose, or mitigate conflicts of interest effectively.

Our Conclusion

In our opinion, and based on the scope of this assurance engagement, the disclosures related to the BRSR Core KPIs, as presented in the Annual Report along with the referenced information, provide a fair representation of the nine attributes and adequately meet the general content and quality requirements of the BRSR framework.

TÜV affirms its competency to conduct this assurance engagement in alignment with SEBI guidelines. Our team brings relevant expertise in ESG verification, assurance methodologies, and regulatory standards. We uphold the principles of independence, apply robust assurance processes, and are committed to continuous improvement to ensure the delivery of reliable and credible assessments.

Disclosures: TÜV is of the view that the reported disclosures broadly align with the requirements of the BRSR framework. UBI has provided contextual information under the General Disclosures, while the Management and Process section outlines the organization's approach to managing each of the nine attributes specified in Annexure I – Format of BRSR Core.

Reasonable Assurance: As per SEBI's reasonable assurance requirements—including defined scope, assurance methodologies (such as risk-based approach and data validation techniques), conflict of interest mitigation, evidence documentation, and communication of findings—TÜV is well-positioned to effectively validate the accuracy and reliability of the information disclosed in the BRSR. This process supports stakeholder confidence and enhances transparency and credibility in ESG reporting practices.

UBI BRSR complies with the below requirements

1. Governance, Leadership, and Oversight: The report appropriately presents top management's messages, the business model supporting inclusive growth, environmental strategies, risk management, and organizational priorities.
2. Connectivity of Information: UBI has disclosed the nine attributes as per Annexure I of the BRSR Core, along with their interlinkages and dependencies that influence long-term value creation.
3. Stakeholder Responsiveness: The report outlines mechanisms for stakeholder engagement, addressing key concerns and informing strategic planning. It also reflects the organization's awareness and responsiveness to the legitimate interests of its stakeholders.
4. Materiality: Material issues and corresponding KPIs within the nine attributes are identified and reported in line with BRSR Core requirements.
5. Conciseness: The report maintains clarity and brevity while ensuring continuity and completeness of information across disclosures.
6. Reliability and Completeness: UBI has internal systems for data aggregation and validation. Data provided to TÜV was reviewed by the concerned authorities and verified on a sample basis, and was found to be transparently reported and free from material misstatement.

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7. Consistency and Comparability: Information is consistently presented year-on-year, supporting reliable comparison and demonstrating adherence to this principle.

Independence and Code of Conduct: TUVI follows IESBA (International Ethics Standards Board for Accountants) Code which, adopts a threats and safeguards approach to independence. We recognize the importance of maintaining independence in our engagements and actively manage threats such as self-interest, self-review, advocacy, and familiarity. The assessment team was safeguarded from any type of intimidation. By adhering to these principles, we uphold the trust and confidence of our clients and stakeholders. In line with the requirements of the SEBI [circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12/07/2023](#), TUVI confirms that there is no conflict of interest with UBI. TUVI solely focuses on delivering verification and assurance services and does not engage in the sale of service or the provision of any non-audit/non-assurance services, including consulting.

Quality control: The assurance team complies with quality control standards, ensuring that the engagement partner possesses requisite expertise and the assigned team collectively has the necessary competence to perform engagements in reference with standards and regulations. Assurance team follows the fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behaviour. In accordance with International Standard on Quality Control, TUVI maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independence and Impartiality Statement

TUVI is an independent and neutral third-party provider of ESG assurance services, supported by a team of qualified environmental and social specialists. We affirm our independence and impartiality in conducting this assurance engagement and confirm that there is no conflict of interest with UBI. During the reporting period, TUVI did not undertake any assignments with UBI that could compromise the integrity, independence, or objectivity of our findings, conclusions, or observations. TUVI was not involved in the preparation of any content or data presented in the BRSR, other than this assurance statement. Throughout the assurance process, TUVI remained fully impartial and objective, including during all interviews conducted as part of the engagement.

For and on behalf of TUV India Private Limited



Manojkumar Borekar
Product Head – Sustainability Assurance Service
TUV India Private Limited



Date: 23/06/2025
Place: Mumbai, India
Project Reference No: 8123989000

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Shareholders holding Shares in Physical form are requested to

Send their consent by filling up and signing the Form ISR-1 together with relevant documents to our Registrar & Share Transfer Agent at their address Given hereunder:

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Union Bank of India
Selenium Tower B, Plot 31 & 32
Financial District, Nanakramguda
Hyderabad – 500032
Email: einward.ris@kfintech.com
Toll free: 1800 309 4001
Website: www.kfintech.com

The Said Form ISR-1 is available on the website of the Bank at: <https://www.unionbankofindia.co.in/en/common/shareholders-information>



QR Code is get Form ISR-1

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Shareholders holding Share in Physical form are requested to:

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