EXECUTIVE SUMMARY

This Organizational Analysis Report presents a comprehensive and structured study of Union Bank of India, one of India's prominent public sector banks, operating under the ownership of the Government of India. The report aims to analyze the bank's organizational framework, strategic positioning, operational practices, and overall performance within the rapidly evolving Indian banking sector.

The study begins with an overview of the Indian banking industry, highlighting its transformation driven by digitalization, regulatory reforms, financial inclusion initiatives, and increased competition from private banks and fintech companies. It then outlines the objectives, scope, need, and research methodology adopted for the study, which is primarily based on secondary data sources such as annual reports, official publications, and credible online resources.

A detailed organizational profile of Union Bank of India is presented, covering its historical evolution, merger developments, registered office, nationwide branch network, and international presence. The report elaborates on the bank's vision, mission, core values, and governance structure, offering insights into its leadership hierarchy and administrative framework. The bank's wide range of products and services—including retail banking, corporate banking, MSME financing, digital banking, agricultural loans, and treasury services—are examined to understand its diversified service portfolio.

Further, the report evaluates the bank's geographical coverage, major competitors, marketing strategies, distribution channels, and marketing mix (Product, Price, Place, Promotion). Special focus is given to digital transformation initiatives, customer relationship management practices, and branding strategies adopted to strengthen its competitive position. The functional departments of the bank, along with its Human Resource policies, recruitment and training systems, performance appraisal methods, employee engagement practices, and career growth opportunities, are analyzed to understand its internal operational efficiency.

The study also highlights Union Bank's Corporate Social Responsibility (CSR) initiatives, sustainability efforts, financial inclusion programs, and contribution toward national development goals. Additionally, the bank's financial performance indicators such as profitability, asset quality, capital adequacy, and growth trends are briefly assessed to evaluate its stability and long-term sustainability.

To provide a structured organizational evaluation, the report applies the McKinsey 7S Framework to assess the alignment between Strategy, Structure, Systems, Shared Values, Skills, Staff, and Style. This framework helps in identifying strengths, gaps, and areas requiring improvement to enhance organizational effectiveness.

The report concludes with key findings and practical suggestions aimed at improving strategic alignment, operational efficiency, customer experience, and long-term competitiveness. Overall, this study provides a clear and analytical understanding of how Union Bank of India operates, adapts, and sustains its position in the dynamic and competitive Indian banking industry.

BRIEF OVERVIEW OF THE PROJECT

This project presents a comprehensive organizational analysis of Union Bank of India, one of India's leading public sector banks operating under the ownership of the Government of India. The study is undertaken to understand the structure, functioning, strategies, and overall performance of the bank within the dynamic and competitive Indian banking sector.

The background of the study lies in the growing importance of financial institutions in supporting economic development, financial inclusion, and digital transformation. As a major public sector bank, Union Bank of India plays a vital role in extending banking services to urban, semi-urban, and rural populations while implementing government schemes and priority sector lending initiatives.

The primary objective of this project is to analyze the organizational framework of the bank and evaluate how effectively it aligns its strategy, structure, systems, and human resources to achieve sustainable growth. The study also aims to examine the bank's vision, mission, core values, product portfolio, marketing strategies, departmental structure, human resource practices, financial performance, and corporate social responsibility initiatives.

The need for this study arises from the increasing competition in the banking industry due to private sector banks and fintech companies. Understanding how a large public sector bank adapts to technological advancements, manages risk, improves profitability, and maintains customer satisfaction is essential for gaining practical knowledge of management concepts in real-world application.

The methodology adopted for this study is primarily analytical and descriptive in nature. It is based on secondary data collected from the bank's annual reports, financial statements, official publications, and relevant academic sources. Financial ratios and management frameworks have been used to evaluate performance, operational efficiency, and organizational effectiveness.

Overall, this project provides an in-depth understanding of Union Bank of India's organizational functioning, strategic direction, financial strength, and future growth prospects. It bridges theoretical management concepts with practical insights into the working of a large public sector financial institution.

CHAPTER 1

INTRODUCTION, BACKGROUND , NEEDS & SIGNIFICANCE AND MORE

FIG no : 1.1

1.1. INTRODUCTION

The banking sector plays a crucial role in the economic development of a country by mobilizing savings, facilitating investments, promoting financial inclusion, and supporting trade and industry. In India, public sector banks have historically contributed significantly to expanding banking services across urban and rural regions, thereby strengthening the financial system. Among these institutions, Union Bank of India holds an important position as one of the leading public sector banks operating under the ownership of the Government of India.

Union Bank of India provides a wide range of financial services including retail banking, corporate banking, MSME financing, agricultural credit, treasury operations, and digital banking solutions. With an extensive branch network and growing digital presence, the bank serves millions of customers across diverse socio-economic segments. Over the years, it has evolved by integrating modern technology with traditional banking values such as trust, transparency, and customer-centric service.

In today’s competitive banking environment, organizations must continuously adapt to regulatory changes, technological advancements, and changing customer expectations. Public sector banks, in particular, face increasing competition from private banks and fintech companies that emphasize speed, innovation, and digital experience. Therefore, analyzing the organizational structure, management practices, operational systems, and strategic alignment of a major public sector bank like Union Bank of India becomes essential.

This organizational study aims to examine how Union Bank of India functions as a structured institution, how it manages its resources and workforce, and how it sustains growth while fulfilling its social and economic responsibilities. Understanding its organizational framework provides valuable insights into the practical application of management principles in the banking industry.

1.2. BACKGROUND OF THE STUDY

The Indian banking sector has undergone significant transformation over the past few decades due to economic reforms, technological advancements, regulatory developments, and increasing competition. Liberalization and globalization have reshaped the financial landscape, leading to the emergence of private sector banks, foreign banks, and fintech companies that offer innovative and technology-driven financial solutions. In this evolving environment, public sector banks have been required to modernize their operations while maintaining their commitment to financial inclusion and national development.

Union Bank of India, established as a public sector bank, has played a key role in strengthening India's banking infrastructure. With its extensive branch network and diversified product portfolio, the bank has contributed to deposit mobilization, credit expansion, rural banking, MSME financing, and implementation of government-sponsored schemes. Over time, the bank has integrated digital banking platforms, core banking systems, and automated service channels to enhance operational efficiency and customer convenience.

The merger and consolidation initiatives in the Indian banking sector have further increased the scale and responsibilities of large public sector banks. As competition intensifies and customer expectations evolve, it becomes essential to evaluate how well-established institutions like Union Bank of India adapt to change, manage risks, improve profitability, and maintain service quality.

This background provides the foundation for conducting an organizational analysis of Union Bank of India. The study seeks to understand the bank's structural framework, strategic direction, operational systems, and overall effectiveness within the broader context of the modern Indian banking industry.

1.3. OBJECTIVES OF THE STUDY

The primary objective of this organizational study is to analyze the structure, functioning, and overall performance of Union Bank of India in order to understand how it operates within the Indian banking sector.

The specific objectives of the study are:

1. To examine the organizational profile of Union Bank of India, including its vision, mission, core values, and governance structure.

2. To study the organizational hierarchy and departmental framework to understand the distribution of authority and responsibilities.

3. To analyze the bank's product portfolio, marketing strategies, and distribution channels.

4. To evaluate the human resource policies, people philosophy, and employee development practices followed by the bank.

5. To assess the financial performance of the bank using key financial ratios and performance indicators.

Through these objectives, the study aims to gain a comprehensive understanding of how Union Bank of India maintains its competitive position while fulfilling its economic and social responsibilities.

1.4. NEED FOR THE STUDY

The banking sector plays a critical role in economic development by channeling funds from savers to borrowers, promoting financial inclusion, and supporting industrial and agricultural growth. With rapid technological advancements and increasing competition from private banks and fintech companies, public sector banks must continuously improve their operational efficiency and strategic positioning. In this context, studying a leading public sector bank like Union Bank of India becomes highly relevant.

The need for this study arises from the importance of understanding how a large financial institution manages its organizational structure, human resources, financial performance, and technological transformation. Public sector banks face unique challenges such as regulatory compliance, asset quality management, digital adaptation, and maintaining customer trust while achieving profitability.

This study helps in evaluating how Union Bank of India balances commercial objectives with social responsibilities such as priority sector lending and financial inclusion. It also provides insight into how management theories and frameworks, such as the McKinsey 7S Model, are applied in real-world organizational settings.

Furthermore, the study is important from an academic perspective as it bridges theoretical knowledge gained in management courses with practical application in the banking industry. Understanding the functioning of a structured financial institution enhances analytical ability, strategic thinking, and practical awareness of organizational dynamics.

Thus, the study is necessary to gain a comprehensive understanding of the operational, strategic, and financial aspects of Union Bank of India within the competitive Indian banking environment.

1.5. SCOPE OF THE STUDY

The scope of this study is limited to the organizational analysis of Union Bank of India with a focus on its structure, management practices, operational systems, and financial performance. The study covers various aspects of the bank's functioning, including its vision, mission, objectives, organizational hierarchy, departmental structure, product portfolio, marketing strategies, and human resource policies.

The study also includes an evaluation of the bank's financial performance using key financial ratios and performance indicators derived from recent financial statements. Additionally, the McKinsey 7S Framework is applied to assess internal alignment and organizational effectiveness.

The analysis is primarily based on secondary data collected from annual reports, official publications, financial statements, and other publicly available sources. The study focuses on understanding overall organizational functioning rather than examining branch-level operations in detail.

Geographically, the study considers the bank's operations within India, as Union Bank of India primarily functions as a domestic public sector bank with a nationwide presence.

While the study provides a comprehensive overview of the organization, it does not include primary data collection such as employee interviews or customer surveys. Therefore, conclusions are based on available documented information and analytical interpretation.

1.6. RESEARCH METHODOLOGY

Research methodology refers to the systematic approach adopted for collecting, analyzing, and interpreting information for the purpose of the study. The present study on Union Bank of India is descriptive and analytical in nature, as it aims to examine the organizational structure, operational framework, and financial performance of the bank.

Nature of the Study

The study is primarily descriptive, as it explains the organizational profile, management practices, and functional areas of the bank. It is also analytical because financial ratios and management frameworks have been used to evaluate performance and effectiveness.

Sources of Data

1. The study is based mainly on secondary data, which has been collected from:
2. Annual Reports of Union Bank of India
3. Consolidated financial statements
4. Official website publications
5. Reports and guidelines issued by the Reserve Bank of India
6. Academic textbooks and reference materials related to financial management and organizational analysis
7. No primary data such as surveys or interviews has been conducted for this study.
8. Tools and Techniques Used

To analyze the performance and organizational effectiveness of the bank, the following tools were used:

- Financial Ratio Analysis (Liquidity, Profitability, Solvency, and Efficiency Ratios)
- McKinsey 7S Framework for organizational analysis
- Comparative year-wise financial evaluation
- Limitations of the Study
- The study is based only on secondary data.
- The analysis is limited to available published information.
- It does not include detailed branch-level or customer-level analysis.
- Findings are subject to the accuracy of publicly available data.
- Despite these limitations, the methodology adopted provides a structured and reliable framework for evaluating the organizational functioning and financial performance of Union Bank of India.

CHAPTER 2

ORGANIZATIONAL PROFILE OF UNION BANK OF INDIA

2.1. INTRODUCTION: -

Profile of the Organization

Union Bank of India is one of the leading public sector banks in India, operating under the ownership of the Government of India. Established with the objective of promoting financial inclusion and supporting economic development, the bank has evolved into a large financial institution serving millions of customers across the country. It provides a wide range of banking and financial services to individuals, businesses, corporate entities, agricultural sectors, and government organizations.

The bank plays a significant role in implementing government schemes, extending credit to priority sectors, and promoting inclusive growth. Its strong institutional framework, combined with technological advancements and customer-centric initiatives, has enabled it to remain competitive in a rapidly changing banking environment.

Organizational Profile

Attribute	Details
Company Name	Union Bank of India
Type of Organization	Public Sector Bank
Founded	1919
Founder	Seth Sitaram Poddar
Headquarters	Mumbai, Maharashtra, India
Ownership	Government of India (Majority Stakeholder)
Company Status	Publicly Listed Company
Stock Exchange	BSE & NSE (India)
Industry	Banking & Financial Services
Registered Office	Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai – 400021

Corporate Identity Number (CIN)	L99999MH1919GOI000067
Core Values	Integrity, Transparency, Customer Centricity, Innovation, Excellence
Products & Services	Retail Banking, Corporate Banking, MSME Loans, Agricultural Finance, Digital Banking, NRI Services, Treasury Services
Target Customers	Individuals, SMEs, Corporates, Government Institutions
Geographical Presence	Pan-India network with overseas branches
Number of Employees	70,000+ (Approx.)

2.2. REGISTERED OFFICE / AREA / NUMBER OF BRANCHES

The registered office of Union Bank of India is located in Mumbai, Maharashtra, which serves as the central hub for strategic planning and corporate decision-making. From this headquarters, the bank supervises its nationwide operations through a structured administrative network.

Union Bank has an extensive geographical presence across India, covering metropolitan cities, urban centers, semi-urban regions, and rural areas. This wide reach ensures that banking services are accessible to diverse population groups, thereby supporting financial inclusion.

The bank operates thousands of branches and ATMs across the country, enabling efficient service delivery. In addition to physical branches, it has strengthened its presence through digital platforms, allowing customers to access banking services conveniently.

Union Bank of India also has subsidiary and associate entities that support specialized financial services, contributing to the bank's diversified operational capabilities.

Business & Regulatory Details

Attribute	Details
Branch Network	8,500+ branches (Pan-India)
ATMs	11,000+ ATMs

Overseas Presence	Hong Kong, Dubai, Sydney (Representative Offices)
Total Business	₹20+ lakh crore (Approx.)
Revenue (Latest FY)	Refer to latest Annual Report
Net Profit (Latest FY)	Refer to latest Annual Report
Major Markets	India – Urban, Semi-Urban & Rural Regions
Website	https://www.unionbankofindia.co.in
CSR Focus Areas	Education, Healthcare, Financial Inclusion, Rural Development
Legal Structure	Public Sector Bank under Banking Regulation Act, 1949
Regulatory Body	Reserve Bank of India (RBI)
Major Competitors	SBI, Bank of Baroda, Punjab National Bank, HDFC Bank, ICICI Bank

2.3. VISION, MISSION, AND CORE VALUES OF UNION BANK OF INDIA

Like all large organisations, Union Bank of India defines its long-term aspirations and guiding principles through its vision, mission, and core values. These statements reflect what the bank wants to achieve and how it intends to conduct its operations.

The bank's vision can be understood as the desire to be a leading, progressive, and customer-centric public sector bank that is strong, efficient, and respected in the domestic and global banking community. It aspires to combine financial strength with modern technology and high service quality.

The mission of Union Bank of India focuses on providing comprehensive banking and financial services to all segments of society in a fair, transparent, and efficient manner. It emphasises financial inclusion, support for national development priorities, responsible lending, and value

creation for customers, shareholders, employees, and society**. The mission also underlines the importance of sound risk management, ethical standards, and compliance with regulations.**

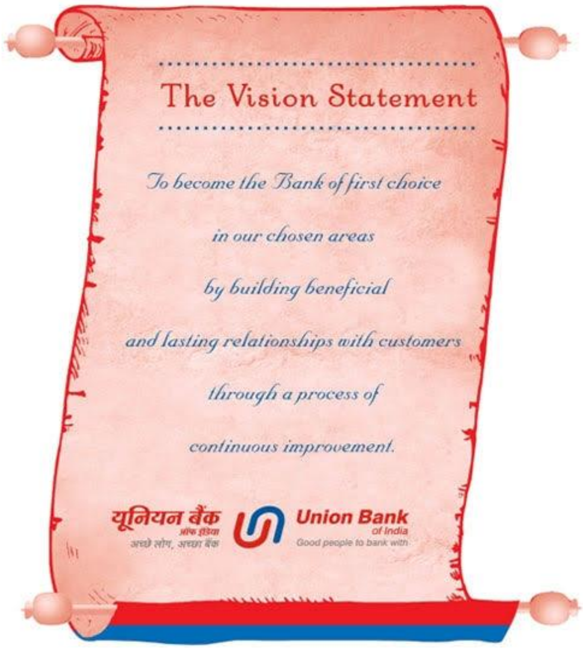


FIG no : 2.1

The **core values** typically associated with Union Bank of India include:

- Integrity: Conducting all activities honestly, ethically, and transparently.
- Customer Orientation: Placing the needs and satisfaction of customers at the centre of all decisions.
- Transparency and Fairness: Ensuring clear communication, fair dealings, and non-discriminatory practices.
- Professionalism: Maintaining high standards of competence, discipline, and responsibility in all operations.
- Innovation and Adaptability: Being open to new ideas, technologies, and methods to improve services.
- Teamwork: Encouraging cooperation, mutual respect, and collective effort among employees.

These values shape the internal culture of the bank and guide the behaviour of its employees in their interactions with customers, colleagues, regulators, and other stakeholders.

2.4. CODES AND POLICIES

Union Bank of India operates within a well-defined framework of codes and policies that guide employee behavior and organizational practices. These policies promote accountability, ethical conduct, and regulatory compliance.

The bank follows a strong code of ethics that emphasizes integrity, transparency, and fairness in all dealings. Policies related to risk management, credit appraisal, customer service, data protection, and internal controls ensure that operations are conducted responsibly.

Additionally, the bank adheres to guidelines issued by the Reserve Bank of India and other regulatory authorities, reinforcing its commitment to maintaining financial discipline and protecting stakeholder interests.

2.5. OBJECTIVES OF THE ORGANIZATION

The objectives of Union Bank of India are centered on achieving sustainable growth, delivering high-quality financial services, maintaining financial strength, and adapting to technological advancements in the banking sector. As a major public sector bank, the organization focuses on balancing profitability with its responsibility toward economic development and financial inclusion.

Growth Objectives:

Union Bank of India aims to strengthen its position in the Indian banking industry by expanding its customer base, increasing market share, and enhancing its portfolio of financial products. The bank focuses on steady business growth through the expansion of retail, corporate, MSME, and agricultural lending while ensuring responsible credit practices. Strategic initiatives such as branch rationalization, digital outreach, and participation in government-backed financial programs further support its long-term growth.

Customer Service Focus:

Providing efficient, reliable, and customer-centric services is a key objective of the bank. Union Bank of India strives to enhance customer satisfaction by offering accessible banking solutions, simplified processes, and responsive grievance redressal systems. The bank continuously works toward improving service quality across physical branches and digital platforms to ensure convenience, transparency, and trust in all customer interactions.

Financial Stability:

Maintaining strong financial health remains a core objective of Union Bank of India. The bank emphasizes prudent risk management, effective credit appraisal, and regulatory compliance to safeguard the interests of depositors and stakeholders. By focusing on asset quality, capital adequacy, and profitability, the bank aims to ensure long-term stability while supporting economic activities across various sectors.

Digital Expansion:

In response to the evolving financial landscape, Union Bank of India prioritizes digital transformation to enhance operational efficiency and customer experience. The bank actively promotes internet banking, mobile banking, digital payments, and automated services to provide faster and more secure transactions. Continuous investment in technology enables the bank to remain competitive, improve service delivery, and meet the changing expectations of modern banking customers.

Through these objectives, Union Bank of India seeks to operate as a progressive, customer-oriented, and financially sound institution while contributing to the broader development of the economy.

2.6. QUALITY INITIATIVES

Maintaining service quality is a key priority for Union Bank of India. The bank continuously undertakes initiatives aimed at improving customer satisfaction and operational excellence.

It has implemented technology-driven service mechanisms such as core banking solutions, automated processes, and digital transaction platforms to reduce waiting time and enhance accuracy. Customer grievance redressal systems and feedback mechanisms help the bank identify areas for improvement.

Regular staff training programs further ensure that employees are equipped with the skills necessary to deliver high-quality service. Through these initiatives, the bank strives to build long-term customer trust and loyalty.

2.7. INNOVATION AND TECHNOLOGICAL DEVELOPMENT (R&D)

Innovation and technological development play a vital role in enhancing the operational efficiency and service quality of Union Bank of India. In today's rapidly evolving digital financial landscape, banks must continuously adapt to technological advancements to remain competitive and customer-focused. Union Bank of India has proactively embraced modern banking technologies to improve service delivery, strengthen security systems, and streamline internal operations. By integrating advanced digital solutions into its core functions, the bank not only enhances customer convenience but also ensures transparency, speed, and reliability in its services. These initiatives clearly demonstrate the bank's commitment to innovation, sustainability, and long-term growth in an increasingly technology-driven environment.

Key Technological Initiatives and Innovations:

1. Core Banking Solutions (CBS):

Union Bank of India has implemented Core Banking Solutions, enabling customers to access their accounts and perform transactions from any branch across the country.

This centralized system improves transaction speed, operational accuracy, and transparency across branches.

2. Digital Banking Platforms:

- The bank offers comprehensive internet banking and mobile banking services.
- Customers can transfer funds, pay utility bills, monitor account activity, and access various financial services anytime and anywhere.

3. Digital Payment Systems:

- Introduction of Unified Payments Interface (UPI), Immediate Payment Service (IMPS), and mobile wallets.
- These platforms facilitate quick, secure, and cashless transactions, supporting the growth of the digital economy.

4. Automated and Self-Service Channels:

- Deployment of ATMs, cash deposit machines, passbook printing machines, and customer service kiosks.
- These technologies reduce waiting time at branches and enhance overall service efficiency.

5. Data-Driven Banking and Advanced Analytics:

- Utilization of data analytics to understand customer behavior and preferences.
- Supports personalized product offerings and informed strategic decision-making.
- Technology-driven tools are used for credit appraisal, fraud detection, and risk management.

6. Cybersecurity Measures:

- Implementation of multi-factor authentication and encryption technologies.
- Real-time monitoring systems help prevent digital fraud and protect sensitive customer information.

7. Process Automation and Paperless Workflows:

- Adoption of automation tools to reduce manual work and operational costs.
- Paperless banking initiatives improve productivity and environmental sustainability.

8. Employee Training and Digital Adaptation:

- Regular training programs to help employees adapt to emerging technologies.
- Ensures smooth implementation and effective utilization of digital systems across the organization.
- Through continuous investment in research, innovation, and technology, Union Bank of India is steadily transforming into a modern, customer-centric financial institution capable of sustaining growth in a highly competitive banking sector.

2.8. PRODUCTS / PRODUCT DIVERSIFICATION

Core Banking System

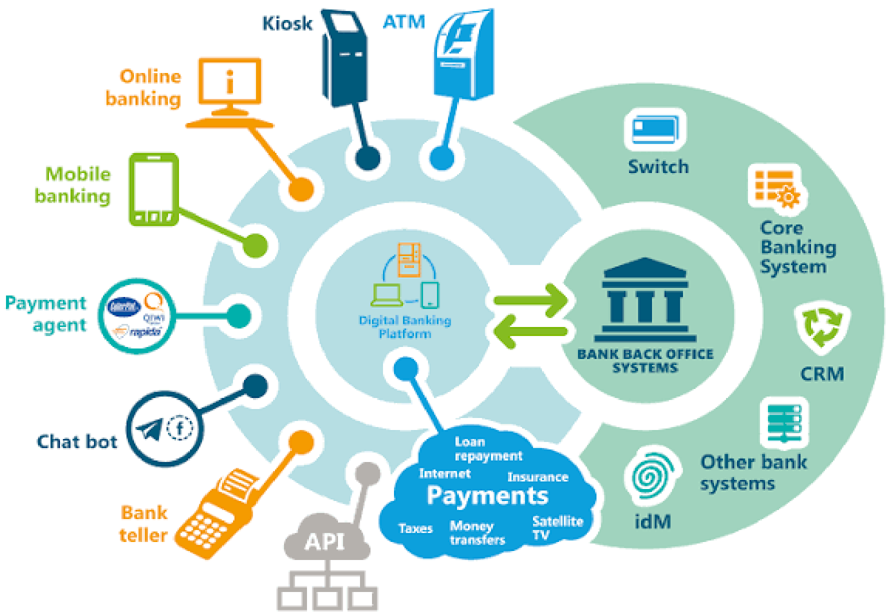


FIG no : 2.2

At the heart of Union Bank of India's operations is its core banking system (CBS), which connects all branches and delivery channels to a central database. The CBS handles account data, transaction posting, interest calculations, and many other automated functions. It allows real-time updating of customer accounts and enables any-branch and any-channel access to banking services.

The core banking system is supported by data centres, backup servers, and communication networks that ensure uninterrupted availability. System maintenance, updates, and performance monitoring are carried out by the bank's IT department and technology partners.

Digital Platforms and Integration

Union Bank of India's digital platforms, including internet banking, mobile banking, and UPI interfaces, are integrated with the core banking system. This integration ensures that transactions done through digital channels are reflected immediately in customers' accounts. The bank may also integrate with external systems such as government portals, payment gateways, and financial market platforms to facilitate services like direct benefit transfers, tax payments, utility bill payments, and investment transactions. This interconnected network makes operations more efficient but also requires careful management and security.

FIG no : 2.3

Cyber Security and Data Protection

As digital transactions increase, cyber security becomes a crucial operational priority. Union Bank of India implements various security measures such as firewalls, encryption, multi-factor authentication, secure login procedures, and regular security audits. Systems are monitored for suspicious activity, and alerts are generated in case of potential threats.

The bank also focuses on protecting customer data and complying with data privacy regulations. Employees are trained not to share confidential information, and customers are educated about safe usage of passwords, PINs, and digital channels. Incident response plans are prepared to deal with cyber attacks or system disruptions, ensuring that services can be restored quickly and damage is minimised.

Product Portfolio and Business Segments

Retail Banking

Retail banking is a major part of Union Bank of India's operations. It includes services provided to individual customers such as savings accounts, current accounts, fixed deposits, recurring deposits, personal loans, housing loans, education loans, vehicle loans, and credit cards (if offered).

The bank designs different schemes to suit various customer segments such as salaried employees, self-employed individuals, students, senior citizens, and pensioners. Retail products are often distributed through branches, digital channels, and marketing campaigns. Retail banking helps the bank build stable low-cost deposits and diversify its loan portfolio.

FIG no : 2.4

MSME and Agriculture

Union Bank of India plays a significant role in financing Micro, Small and Medium Enterprises (MSMEs) and agricultural activities. It provides working capital loans, term loans, and specialised schemes for traders, manufacturers, service providers, and small entrepreneurs. In agriculture, it offers crop loans, term loans for farm equipment, dairy, poultry, and allied activities, as well as loans for agri-processing and agri-infrastructure.

These segments are important not only for business growth but also for meeting regulatory targets on priority sector lending. The bank often implements

government-sponsored schemes for MSMEs and farmers, which may involve interest subsidies, credit guarantees, or other support mechanisms.

FIG no : 2.5

Corporate and Institutional Banking

Union Bank of India also operates in the corporate and institutional banking segment. It provides various services to large corporate clients, public sector undertakings, government departments, and institutions. These services may include working capital finance, term loans, project finance, trade finance, bank guarantees, letters of credit, cash management services, and foreign exchange services.

Corporate banking contributes significantly to the bank's loan book and fee income. However, it also involves higher ticket sizes and requires strong credit appraisal and monitoring systems to manage risk.

Treasury and Investment Operations

The bank's treasury operations involve managing its investments in government securities, bonds, money market instruments, and other approved securities. Treasury also handles liquidity management, interest rate risk, and foreign exchange operations.

Through careful treasury management, the bank ensures that it meets regulatory requirements such as the Statutory Liquidity Ratio (SLR) and Cash Reserve Ratio (CRR), while also generating income from its investment portfolio. Treasury operations are generally centralised and handled by specialised teams.

2.9. GEOGRAPHICAL COVERAGE & COMPETITORS

Corporate Identity & Market Position

Union Bank of India's corporate identity is shaped by its status as a public sector bank, its historical role in social banking, its large branch network, and its ongoing digital transformation. The bank positions itself as a trustworthy, government-backed, full-service bank that caters to the financial needs of various segments of society. Its brand is closely associated with safety of deposits, wide accessibility, and support for government initiatives.

In the competitive landscape, Union Bank of India operates alongside other public sector banks, large private sector banks, small finance banks, regional rural banks, cooperative banks, and new-age fintech players. Its key strengths include government ownership, strong rural and semi-urban presence, experience in handling large volumes of business, and the ability to implement government schemes on a large scale.

At the same time, the bank faces competition in areas such as customer service, digital experience, product innovation, and speed of operations. To strengthen its market position, Union Bank of India is focusing on enhancing customer experience, upgrading technology, improving asset quality, and offering customised products for different customer segments.

The corporate identity of Union Bank of India thus lies in its combination of tradition and modernity: it retains the trust and stability associated with a long-established public sector bank while striving to adopt the efficiency and innovation associated with modern commercial banking.

2.10. MARKETING STRATEGIES, DISTRIBUTION CHANNELS AND MARKETING MIX

Marketing plays a vital role in the growth and sustainability of Union Bank of India by helping the institution attract new customers, retain existing ones, and strengthen its brand presence in a competitive banking environment. As a public sector bank, Union Bank adopts a customer-centric marketing approach that focuses on understanding the financial needs of different customer segments and delivering appropriate banking solutions efficiently.

Customer-Centric Approach

Union Bank of India places strong emphasis on building long-term relationships with its customers by offering reliable, transparent, and accessible banking services. The bank continuously works toward improving customer experience through simplified procedures, responsive grievance redressal mechanisms, and personalized financial products. By analyzing customer preferences and market trends, the bank is able to design products that cater to individuals, small businesses, corporate clients, farmers, and entrepreneurs.

Distribution Channels

The bank utilizes a multi-channel distribution strategy to ensure that its services are widely accessible. Its extensive branch network remains a key strength, enabling face-to-face interaction and supporting customers who prefer traditional banking methods. At the same time, Union Bank has significantly expanded its digital presence through internet banking, mobile banking applications, ATMs, cash deposit machines, and self-service kiosks.

Digital platforms allow customers to perform transactions anytime and anywhere, reducing dependency on physical branches while improving operational efficiency. This combination of physical and digital channels helps the bank reach customers across urban, semi-urban, and rural areas, thereby promoting financial inclusion.

Promotional Strategies

Union Bank of India promotes its products and services through a variety of communication channels such as print media, digital advertisements, social media platforms, SMS alerts, and email campaigns. The bank also participates in financial awareness camps, trade fairs, and community outreach programs to enhance visibility and engage directly with potential customers.

Special promotional campaigns are often launched during festive seasons or for newly introduced products, helping the bank attract deposits and expand its lending portfolio. These initiatives not only increase product awareness but also reinforce the bank's brand image as a trustworthy financial institution.

Financial Literacy Initiatives

As part of its social commitment, Union Bank actively conducts financial literacy programs aimed at educating the public about savings, responsible borrowing, digital banking, and fraud prevention. These programs are particularly beneficial in rural and semi-urban regions, where awareness of formal banking services may be limited.

By improving financial knowledge, the bank empowers customers to make informed financial decisions while simultaneously expanding its customer base.

Product Awareness and Market Positioning

Union Bank focuses on promoting a diversified range of products including savings accounts, term deposits, home loans, education loans, agricultural finance, MSME credit, and digital payment solutions. Clear communication regarding product features, benefits, and eligibility criteria helps customers choose services that best suit their needs.

The bank positions itself as a dependable, government-backed institution that combines stability with modern banking technology. Its marketing efforts therefore emphasize trust, accessibility, service quality, and innovation.

Marketing Mix (4Ps)

1. Product

Union Bank of India offers a wide range of banking and financial services designed to serve individuals, farmers, MSMEs, corporates, and NRIs. The bank emphasizes financial inclusion, digital innovation, and customer-centric solutions.

Deposit Products

Savings Accounts (Regular, Salary, Senior Citizen, Women-focused)

- Current Accounts
- Fixed Deposits (FD)
- Recurring Deposits (RD)
- Tax Saver Deposits
- NRI Accounts (NRE, NRO, FCNR)

These products ensure safety of funds, liquidity, and steady returns, helping customers manage their savings effectively.

Loan Products

- Home Loans
- Vehicle Loans
- Education Loans
- Personal Loans
- Gold Loans
- MSME and Working Capital Loans
- Agricultural Loans and Kisan Credit Card (KCC)

The bank actively supports priority sectors such as agriculture, education, and small businesses, strengthening its public sector role.

Digital and Other Services

- Internet Banking
- Mobile Banking (Vyom App)
- UPI and Digital Payment Services
- Debit and Credit Cards
- Insurance and Mutual Fund Distribution
- Demat and Forex Services

Union Bank combines traditional banking services with modern digital solutions to enhance accessibility and convenience.

2. Price

Union Bank of India follows a competitive and transparent pricing strategy in accordance with Reserve Bank of India (RBI) guidelines. The bank balances profitability with affordability, particularly for priority sectors.

Deposit Pricing

- Competitive interest rates on Savings Accounts
- Attractive Fixed Deposit rates based on tenure
- Additional 0.50% interest benefit for senior citizens

Loan Pricing

- Interest rates linked to Repo Linked Lending Rate (RLLR)
- Concessional rates for education and agriculture loans
- Subsidized schemes under government initiatives such as Mudra and PMAY

Service Charges

- Nominal processing fees
- Affordable locker charges
- Limited charges for additional ATM transactions
- The pricing policy promotes fairness, transparency, and financial inclusion.

3. Place

Union Bank of India has a strong distribution network that ensures banking services are accessible across the country.

Headquarters

- Head Office located at Nariman Point, Mumbai, Maharashtra

Branch Network

- Over 8,000 branches across India
- Strong presence in urban, semi-urban, and rural areas
- Specialized branches for MSME and corporate clients

ATM and Digital Network

- 11,000+ ATMs and Cash Recycler Machines
- Internet Banking and Mobile Banking services
- UPI and Micro-ATM facilities

International Presence

- Overseas branches in Hong Kong, Dubai, and SydneyThe bank follows a hybrid distribution model combining physical infrastructure with digital platforms to ensure nationwide accessibility.

4. Promotion

Union Bank of India adopts integrated marketing communication strategies to build brand awareness and customer trust.

Traditional Promotion

- Television advertisements
- Newspaper and magazine advertisements
- Radio campaigns
- Outdoor hoardings
- Financial literacy camps

FIG no : 2.6

Digital Promotion

- Social media marketing (Facebook, Instagram, LinkedIn)
- Email and SMS campaigns
- Website and mobile application promotions

Government and CSR Initiatives

- Participation in Jan Dhan Yojana
- Mudra Yojana awareness campaigns
- Digital India initiative
- Rural financial awareness programs

Through a combination of traditional outreach and digital engagement, the bank strengthens customer relationships and expands its market presence.

Conclusion

The Marketing Mix of Union Bank of India reflects a balanced strategy focused on diversified products, competitive pricing, widespread distribution, and effective promotional activities. By integrating traditional banking strengths with digital innovation, the bank continues to enhance customer satisfaction, promote financial inclusion, and maintain sustainable growth in the Indian banking sector.

2.11. DEPARTMENTS AND SECTIONS

Union Bank of India operates through a well-defined departmental structure that supports efficient management, operational control, and effective service delivery. Each department performs specialized functions while working in coordination with other units to achieve the bank's overall objectives. This structured approach enables the bank to handle large volumes of transactions, manage risks, and respond effectively to customer needs.

Retail Banking Department:

The retail banking department focuses on providing financial products and services to individual customers. Its offerings include savings and current accounts, fixed deposits, personal loans, home loans, vehicle loans, education loans, and debit and credit card services. The department plays a significant role in deposit mobilization and revenue generation while strengthening customer relationships through accessible and personalized banking solutions.

Corporate Banking Department:

The corporate banking department caters to the financial requirements of large businesses, public sector undertakings, and corporate clients. It provides services such as working capital finance, project financing, trade finance, and cash management solutions. By supporting business expansion and industrial development, this department contributes substantially to the bank's credit portfolio and profitability.

Treasury Department:

The treasury department is responsible for managing the bank's investments, liquidity, and financial risk. It handles activities related to government securities, foreign exchange operations, money market instruments, and capital market investments. Effective treasury management ensures optimal utilization of funds, maintains liquidity, and supports the bank's financial stability.

Human Resource Department:

The human resource department oversees recruitment, training, performance management, employee welfare, and career development. It focuses on building a skilled and motivated workforce capable of adapting to technological advancements and changing industry requirements. By fostering a positive work environment, the department enhances employee productivity and organizational effectiveness.

Risk Management Department:

Risk management is a critical function in the banking sector. This department identifies, assesses, and monitors various risks including credit risk, market risk, operational risk, and compliance risk. Through well-established policies and control mechanisms, it helps safeguard the bank's assets and ensures adherence to regulatory guidelines.

Information Technology (IT) Department:

The IT department supports the technological infrastructure of the bank by maintaining core banking systems, digital platforms, cybersecurity measures, and data management processes. It plays a vital role in enabling online banking services, automating operations, and protecting customer information from cyber threats.

Through the coordinated functioning of these departments, Union Bank of India is able to maintain operational efficiency, deliver high-quality services, and sustain its position in the competitive banking industry.

2.12. PEOPLE PHILOSOPHY / HR POLICY

Recruitment and Staffing The bank follows a systematic recruitment process to attract talented individuals through competitive examinations and specialised hiring. Employees are deployed across branches and administrative offices based on organisational requirements. A structured transfer policy ensures that employees gain multi-functional experience, which helps build managerial capability and operational understanding.

Training and Development

Continuous learning is a priority at Union Bank of India. Training institutes and regional centres conduct programmes on banking operations, credit analysis, compliance, digital platforms, leadership, and customer relationship management.

The bank increasingly utilises e-learning platforms and workshops to ensure that employees remain updated with technological advancements and regulatory changes.

This investment in training enhances productivity and prepares employees for future challenges.

Performance Management and Promotions

A structured appraisal system evaluates employees based on business performance, efficiency, service quality, and adherence to organisational values. Promotions are granted through a balanced approach that considers merit, experience, and professional qualifications.

FIG no : 2.7

This transparent system motivates employees to achieve higher performance levels while supporting career advancement.

Employee Welfare and Industrial Relations

The bank provides comprehensive welfare benefits including retirement schemes, medical coverage, leave facilities, and concessional loans. Such benefits improve employee satisfaction and organisational loyalty.

Constructive dialogue with employee unions and associations helps maintain harmonious industrial relations. By addressing grievances promptly and ensuring fair practices, the bank fosters a positive work environment.

Diversity and Inclusion

Union Bank of India promotes diversity by providing equal opportunities regardless of gender, region, or socio-economic background. The bank follows government guidelines on reservation policies and encourages participation from all sections of society.

Efforts to improve gender diversity, ensure workplace safety, and support work-life balance contribute to an inclusive organisational culture.

FIG no : 2.8

Human Capital Strategy and Workforce Analytics

Effective workforce management is essential for a large banking network. The bank adopts strategic human capital planning to ensure that the right talent is available to meet evolving business demands. Planning considers factors such as retirements, branch expansion, technological transformation, and emerging financial services.

Workforce analytics enables the bank to monitor employee productivity, training effectiveness, skill gaps, and staffing trends. These insights support data-driven HR decisions, helping the bank build a competent, adaptable, and future-ready workforce.

2.13 SWOT Analysis of Union Bank of India

A SWOT analysis helps summarise the internal strengths and weaknesses of Union Bank of India and the external opportunities and threats it faces.

Strengths

- Strong government backing and public sector identity, which inspires trust among depositors.
- Extensive branch network across urban, semi-urban, and rural areas, enabling wide reach.
- Experience in implementing government schemes and handling large volumes of transactions.
- Diversified product portfolio covering retail, MSME, agriculture, and corporate banking.
- Ongoing digital transformation with internet banking, mobile banking, and UPI services.

Weaknesses

- Public sector procedures can sometimes be slower and less flexible compared to private banks.
- Legacy systems and processes in some areas may reduce operational agility.
- Higher level of stressed assets or NPAs in certain segments can affect profitability.
- Intense internal bureaucratic layers can delay decision-making.

Opportunities

- Growing demand for digital banking and cashless payments across India.
- Expansion of MSME and retail credit as the economy grows.
- Government's focus on infrastructure, housing, and priority sectors, creating new lending avenues.
- Scope to cross-sell multiple products to existing customers using data analytics.
- Potential to strengthen international operations by serving NRI and trade finance clients.

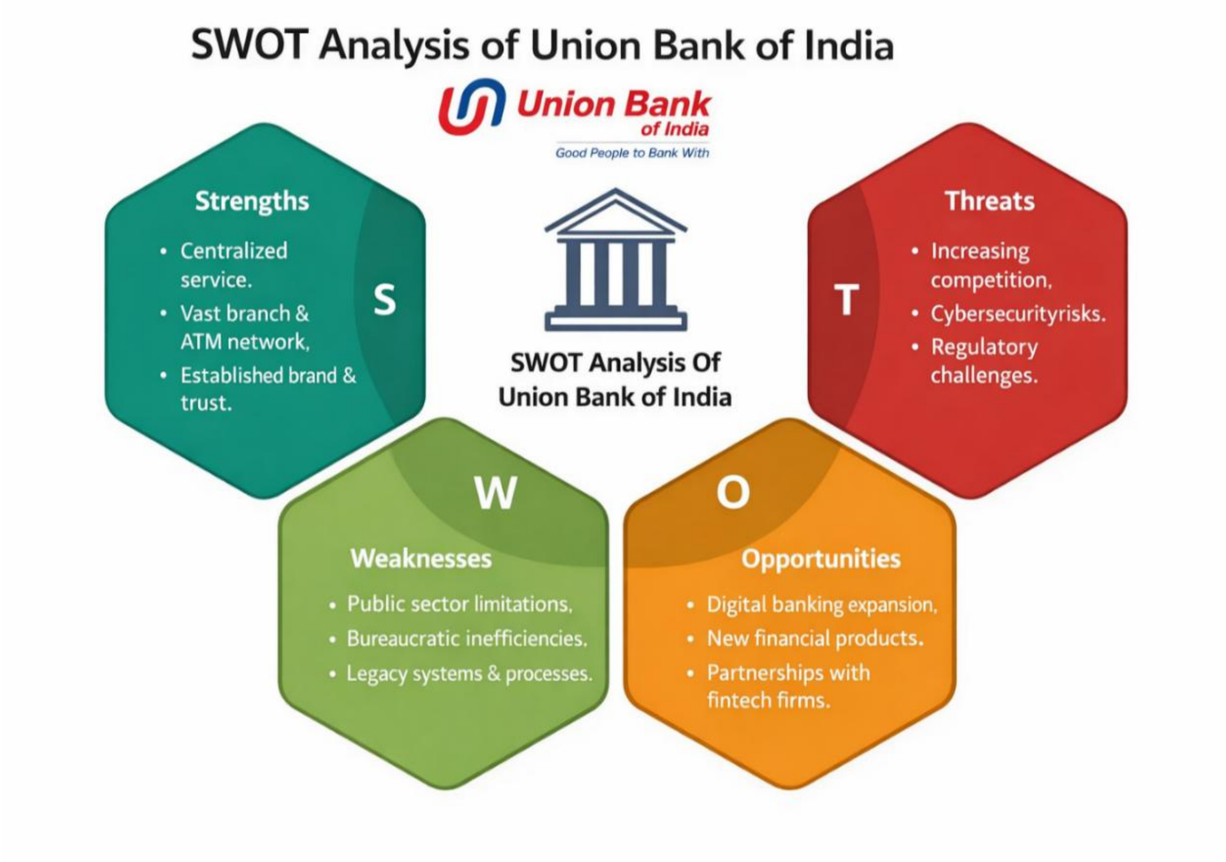


FIG no : 2.9

Threats

- Strong competition from private sector banks and new-age fintech companies.
- Changes in regulatory norms and capital requirements increasing compliance burden.
- Economic slowdowns or sector-specific crises leading to higher NPAs.
- Cyber security threats and technology disruptions.
- Rising customer expectations for faster, more personalised service.

2.14. FINANCIAL ANALYSIS

Financial performance is a key indicator of the stability, growth, and operational strength of a banking institution. Union Bank of India has demonstrated consistent progress in expanding its business while maintaining regulatory compliance and financial discipline. The bank's financial strategy focuses on balancing growth with prudent risk management to ensure long-term sustainability.

Deposit Growth:

Union Bank of India has experienced steady growth in deposits over the years, reflecting strong customer trust and confidence in the institution. The bank mobilizes funds through a diversified mix of savings accounts, current accounts, and term deposits. Its extensive branch network, combined with digital banking facilities, has enabled it to attract deposits from urban as well as rural customers. Stable deposit growth provides the bank with a reliable source of funds for lending activities and supports overall financial stability.

Loan Growth:

The bank has expanded its lending portfolio by extending credit to multiple sectors including retail, agriculture, MSMEs, and large corporate enterprises. Retail loans such as housing, education, and vehicle financing have contributed significantly to credit expansion, while support for priority sectors aligns with national economic objectives. Union Bank emphasizes responsible lending practices supported by systematic credit appraisal and monitoring processes, ensuring that growth in advances is achieved without compromising asset quality.

Profitability:

Union Bank of India continues to focus on improving profitability through increased business volumes, better interest margins, and enhanced operational efficiency. Cost-control measures, process automation, and digital initiatives have helped optimize resource utilization. The bank also works toward diversifying its income sources by strengthening fee-based services such as trade finance, wealth management, and digital transactions, thereby improving overall financial performance.

Asset Quality:

Maintaining healthy asset quality remains a major priority for the bank. It has implemented structured recovery mechanisms, strengthened risk assessment procedures, and enhanced monitoring systems to manage non-performing assets (NPAs). Continuous efforts to improve credit evaluation and recovery practices have contributed to greater financial resilience and reduced exposure to potential losses.

1. Current Ratio Analysis – Union Bank of India

Current Ratio:

The Current Ratio is a financial metric used to assess a company's ability to meet its short-term obligations with its short-term assets.

Formula:

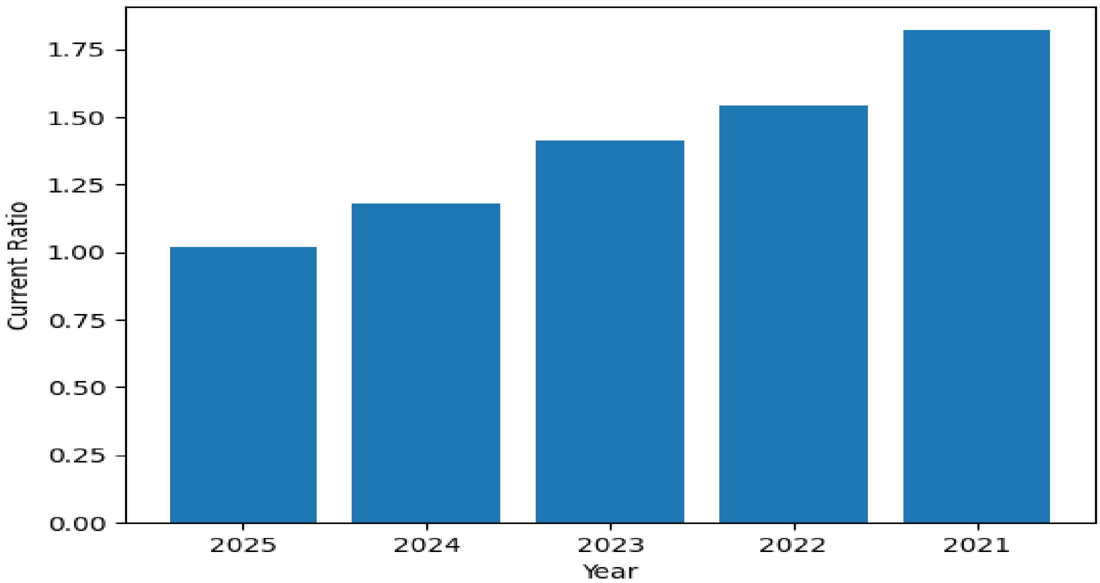
2.1 Current Ratio = Current Assets / Current Liabilities

Year	Current Assets (₹ Crores)	Current Liabilities (₹ Crores)	Current Ratio
2025	93333.98	91500.0	1.02
2024	91302.88	77500.0	1.18
2023	88150.45	62500.0	1.41
2022	86500.36	56000.0	1.54
2021	84410.35	46511.91	1.82

Analysis:

The current ratio of Union Bank of India shows a declining trend from FY2021 to FY2025, indicating a gradual reduction in short-term liquidity. However, a ratio close to 1 is generally acceptable in the banking sector. Overall, the bank maintains an adequate ability to meet its short-term obligations.

2.1 Bar Graph:



Interpretation:

The data suggests that the bank's liquidity position has slightly weakened during the period. Despite the decline, the ratio remains within a manageable range for a banking institution. This reflects balanced management of current assets and liabilities, supporting financial stability.

2. Net Profit Ratio Analysis – Union Bank of India

Net Profit Ratio:

The Net Profit Ratio measures the percentage of net profit generated from total revenue. It indicates the efficiency of a bank in converting its income into actual profit.

Formula:

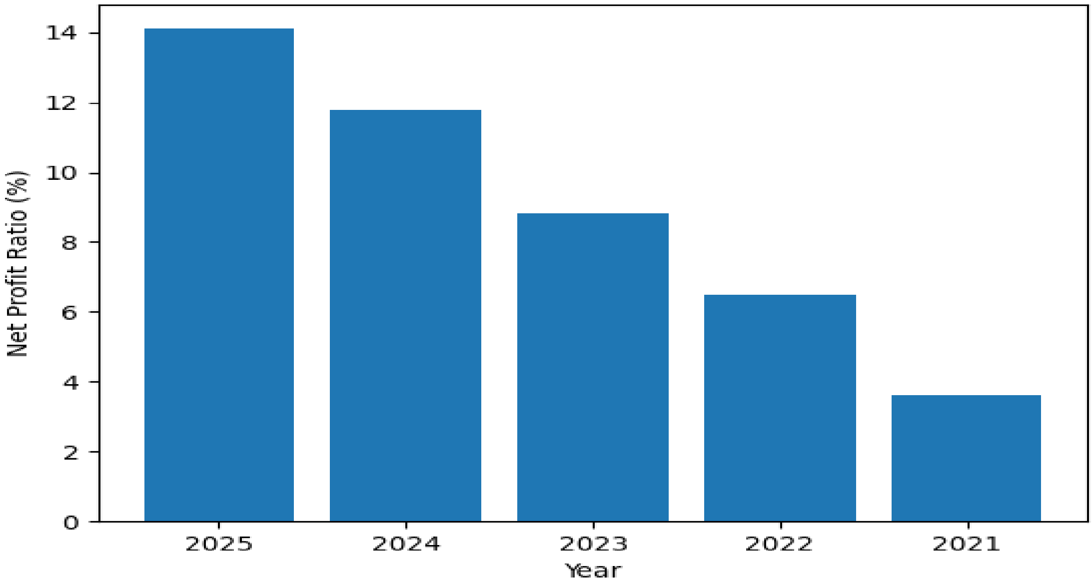
2.2 Net Profit Ratio = (Net Profit / Total Revenue) × 100

Year	Net Profit (₹ Crores)	Total Revenue (₹ Crores)	Net Profit Ratio (%)
2025	17987.15	127538.89	14.1
2024	13648.31	115858.15	11.78
2023	8433.28	95376.49	8.84
2022	5232.1	80468.77	6.5
2021	2905.97	80511.83	3.61

Analysis:

The net profit ratio of Union Bank of India shows a steady increase from 2021 to 2025. This indicates significant improvement in profitability and operational efficiency. The bank has been able to convert a higher portion of its revenue into profit each year, reflecting strong financial performance.

2.2 Bar Graph:



Interpretation:

The rising trend in the net profit ratio suggests that the bank's overall financial health has strengthened. Improved profit generation demonstrates effective cost control and revenue growth. If this trend continues, it will enhance investor confidence and support long-term stability.

3. Proprietary Ratio Analysis – Union Bank of India

Proprietary Ratio:

The Proprietary Ratio measures the proportion of shareholders' funds to total assets. It indicates the financial strength and long-term stability of a bank.

Formula:

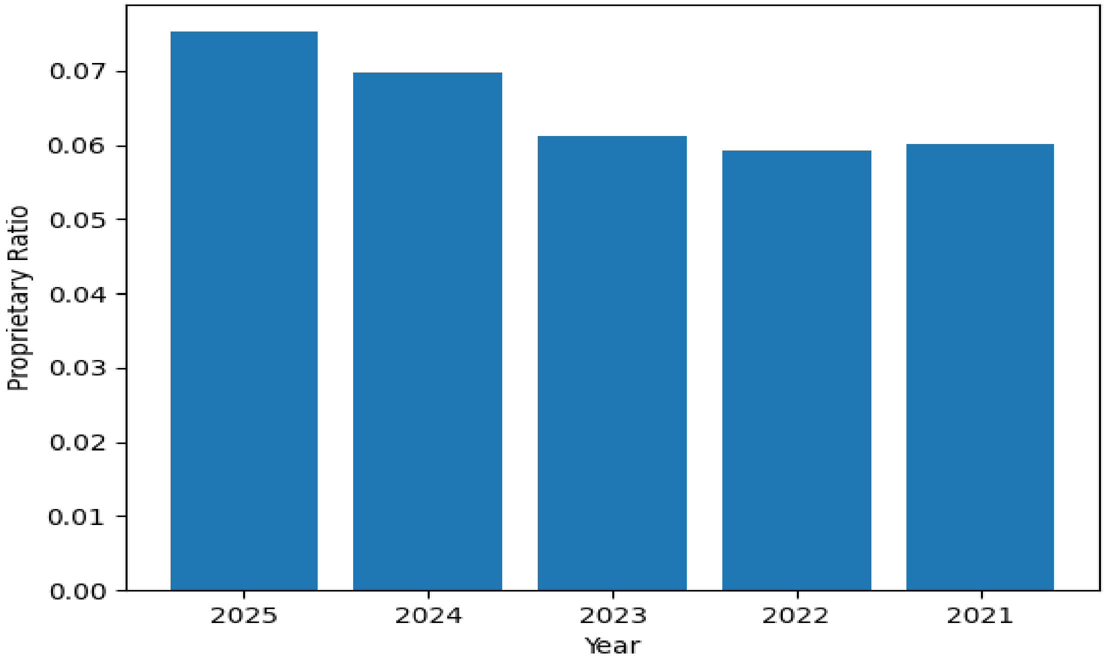
2.3Proprietary Ratio = Shareholders' Funds / Total Assets

Year	Shareholders' Funds (₹ Crores)	Total Assets (₹ Crores)	Proprietary Ratio
2025	112976.0	1499856.0	0.0753
2024	96969.0	1391958.0	0.0697
2023	78334.0	1280752.0	0.0612
2022	70576.0	1187591.0	0.0594
2021	64477.0	1071706.0	0.0602

Analysis:

The proprietary ratio of Union Bank of India shows an overall increasing trend from 2021 to 2025. This indicates growth in shareholders' funds compared to total assets. The improvement reflects a stronger financial base and enhanced long-term solvency.

2.3 Bar Graph:



Interpretation:

The rising proprietary ratio suggests that the bank is becoming financially stronger with greater reliance on equity. This provides a better cushion against financial risks and supports long-term stability. Overall, it reflects a positive trend in the bank's financial health.

4. Debt-Equity Ratio Analysis – Union Bank of India

Debt-Equity Ratio:

The Debt-Equity Ratio measures the proportion of total debt to shareholders' equity. It indicates the level of financial leverage and the extent to which a bank relies on borrowed funds.

Formula:

2.4 Debt-Equity Ratio = Total Debt / Shareholders' Equity

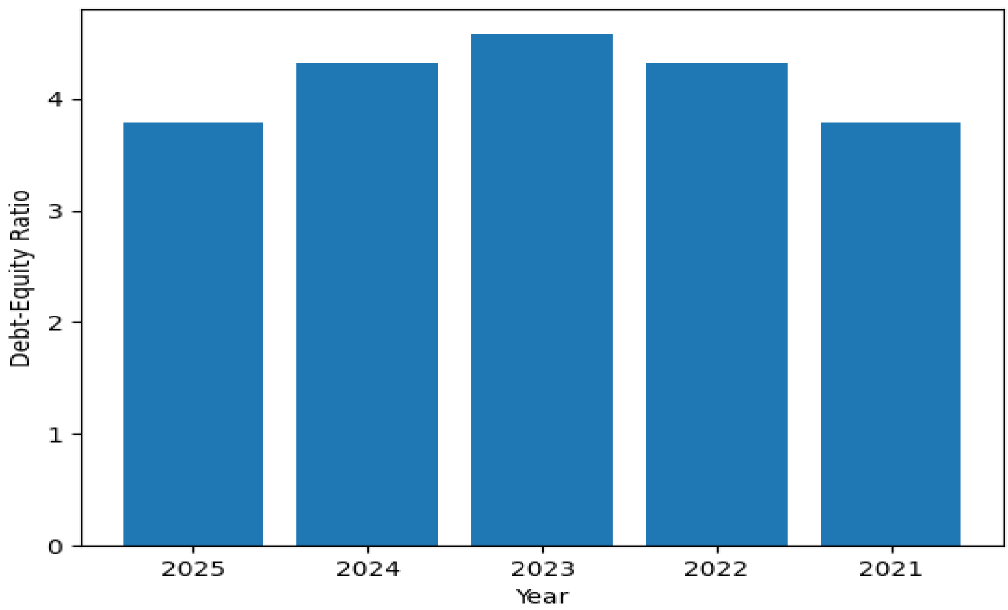
Year	Total Debt (₹ Crores)	Shareholders' Equity (₹ Crores)	Debt-Equity Ratio

2025	428000	112976	3.79
2024	419000	96969	4.32
2023	359000	78334	4.58
2022	305000	70576	4.32
2021	244000	64477	3.79

Analysis:

The debt-equity ratio of Union Bank of India shows fluctuations over the five-year period. It increased up to 2023, indicating higher reliance on borrowed funds, and then declined by 2025. This suggests an improvement in the bank's equity position and financial structure.

2.4 Bar Graph:



Interpretation:

The recent decline in the debt-equity ratio indicates strengthening financial stability. A balanced ratio reflects prudent financial management and reduced financial risk. Overall, the bank appears to be maintaining a stable capital structure.

5. Return on Equity (ROE) Analysis – Union Bank of India

Return on Equity (ROE):

Return on Equity (ROE) measures the profitability of a bank by indicating how efficiently shareholders' funds are utilized to generate net profit.

Formula:

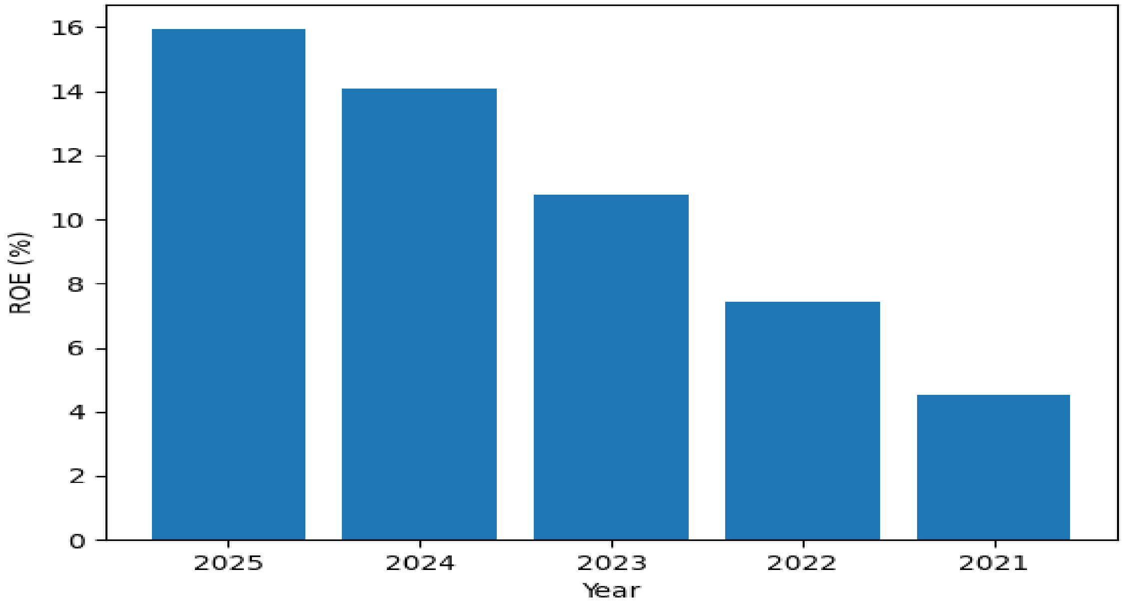
2.5 ROE = (Net Profit / Shareholders’ Equity) × 100

Year	Net Profit (₹ Crores)	Shareholders’ Equity (₹ Crores)	ROE (%)
2025	17987.15	112975.21	15.92
2024	13648.31	96968.97	14.07
2023	8433.28	78334.21	10.77
2022	5232.1	70576.13	7.41
2021	2905.97	64476.74	4.51

Analysis:

The return on equity of Union Bank of India shows a consistent upward trend from 2021 to 2025. This indicates improved profitability and efficient utilization of shareholders’ funds. The steady rise reflects the bank’s strengthening financial performance.

2.5 Bar Graph:



Interpretation:

The increasing ROE suggests that the bank is generating higher returns for its shareholders. This demonstrates strong financial management and growing investor confidence. Overall, the trend indicates a positive outlook for the bank’s profitability.

6. Return on Assets (ROA) Analysis – Union Bank of India

Return on Assets (ROA):

Return on Assets (ROA) measures how efficiently a bank utilizes its total assets to generate net profit. It indicates the bank's ability to convert investments in assets into earnings.

Formula:

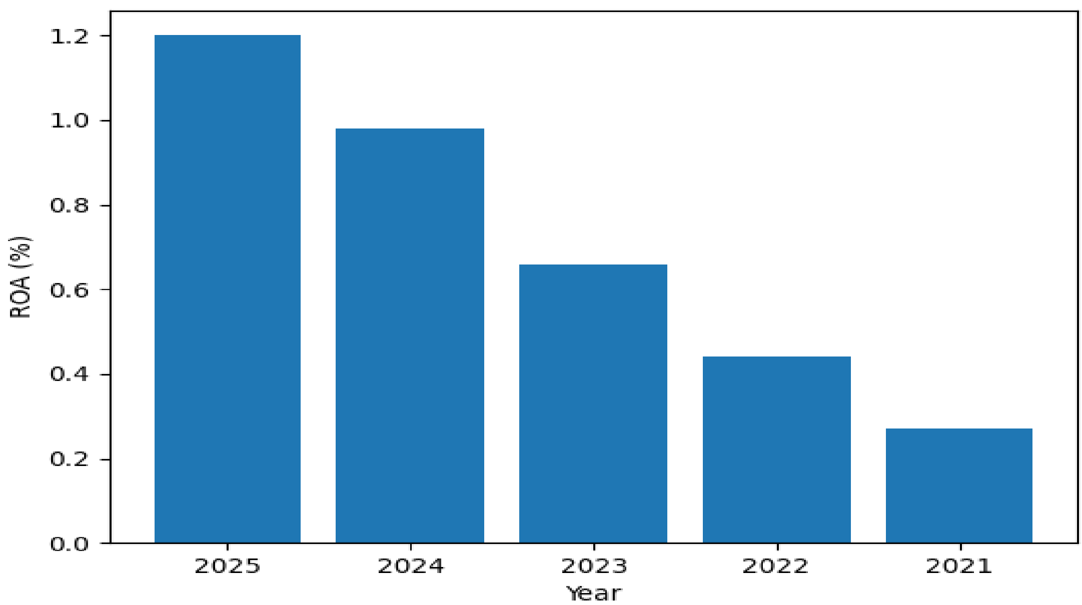
2.6 ROA = (Net Profit / Total Assets) × 100

Year	Net Profit (₹ Crores)	Total Assets (₹ Crores)	ROA (%)
2025	17987.15	1499855.71	1.2
2024	13648.31	1391957.62	0.98
2023	8433.28	1280752.45	0.66
2022	5232.1	1187591.06	0.44
2021	2905.97	1071705.84	0.27

Analysis:

The return on assets of Union Bank of India shows a steady increase from 2021 to 2025. This indicates improved efficiency in utilizing assets to generate profit. The upward trend reflects stronger operational performance and better asset management.

2.6 Bar Graph:



Interpretation:

The rising ROA suggests that the bank is becoming more effective in generating earnings from its assets. Higher ROA indicates improved financial health and operational efficiency. Overall, the trend highlights a positive growth trajectory for the bank.

7. Fixed Assets to Net Worth Ratio Analysis – Union Bank of India

2.7 Fixed Assets to Net Worth Ratio:

The Fixed Assets to Net Worth Ratio measures the proportion of shareholders' funds invested in fixed assets. It indicates the extent to which equity is utilized for long-term investments.

Formula:

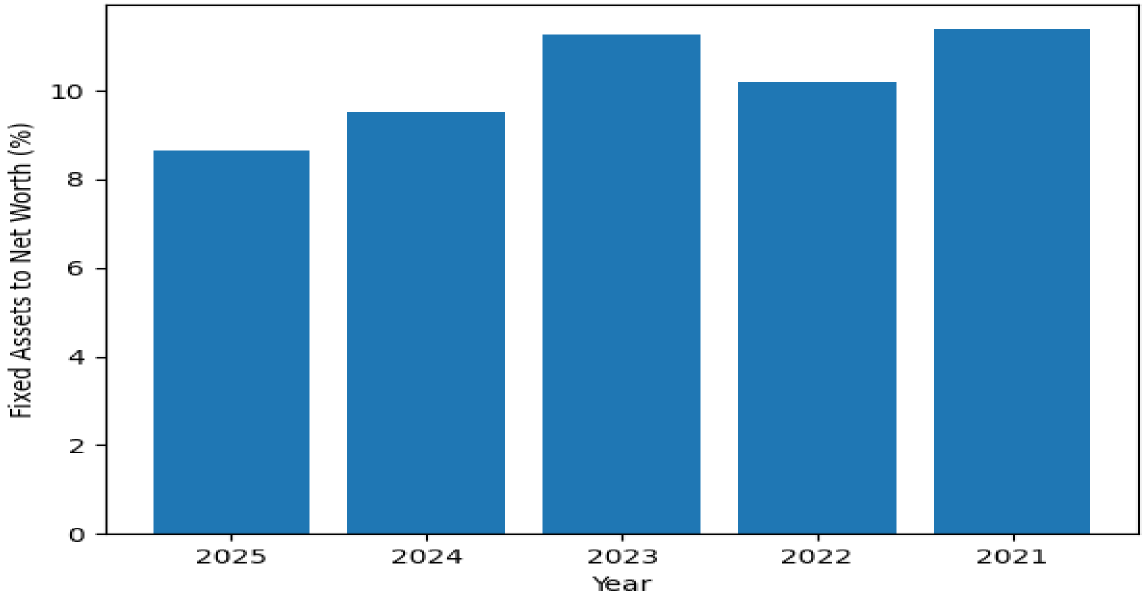
Fixed Assets to Net Worth Ratio = (Fixed Assets / Net Worth) × 100

Year	Fixed Assets (₹ Crores)	Net Worth (₹ Crores)	Ratio (%)
2025	9781.88	112975.21	8.66
2024	9222.78	96968.97	9.51
2023	8825.61	78334.21	11.27
2022	7191.3	70576.14	10.19
2021	7343.87	64476.74	11.39

Analysis:

The ratio shows a slight increase from 2021 to 2025, indicating gradual growth in investment in fixed assets. However, the ratio remains low, suggesting that only a small portion of net worth is tied up in fixed assets. This reflects efficient utilization of funds.

2.7 Bar Graph:



Interpretation:

A low but stable ratio indicates that the bank maintains adequate funds for operational flexibility. Limited investment in fixed assets reduces financial risk and supports liquidity. Overall, the trend reflects a balanced investment strategy.

8. Interest Coverage Ratio Analysis – Union Bank of India

Interest Coverage Ratio:

The Interest Coverage Ratio measures the ability of a bank to meet its interest obligations from its operating earnings. It indicates how comfortably the bank can pay interest on its outstanding debt.

Formula:

2.8 Interest Coverage Ratio = Earnings Before Interest and Taxes (EBIT) / Interest Expense

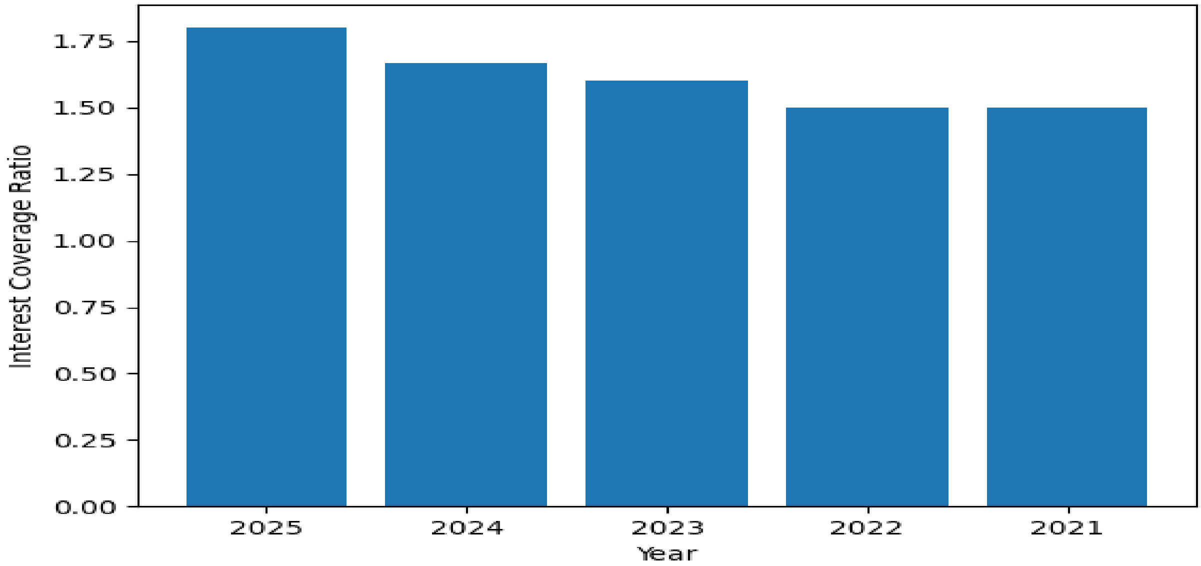
Year	EBIT (₹ Crores)	Interest Expense (₹ Crores)	Interest Coverage Ratio
2025	18000	10000	1.8
2024	15000	9000	1.67
2023	12000	7500	1.6
2022	9000	6000	1.5

2021	7500	5000	1.5

Analysis:

The interest coverage ratio of Union Bank of India shows a gradual improvement from 2021 to 2025. This indicates that the bank is increasingly capable of meeting its interest obligations. The upward trend reflects stronger earnings and improved financial stability.

2.8 Bar Graph:



Interpretation:

The increasing ratio suggests reduced financial risk and better debt-servicing capacity. A higher interest coverage ratio demonstrates sound financial management and operational strength. Overall, the trend indicates a positive outlook for the bank.

9. Credit-Deposit Ratio Analysis – Union Bank of India

Credit-Deposit Ratio:

The Credit-Deposit Ratio measures the proportion of deposits that a bank utilizes for lending. It indicates how efficiently the bank is using its deposits to generate income through advances.

Formula:

2.9 Credit-Deposit Ratio = (Total Advances / Total Deposits) × 100

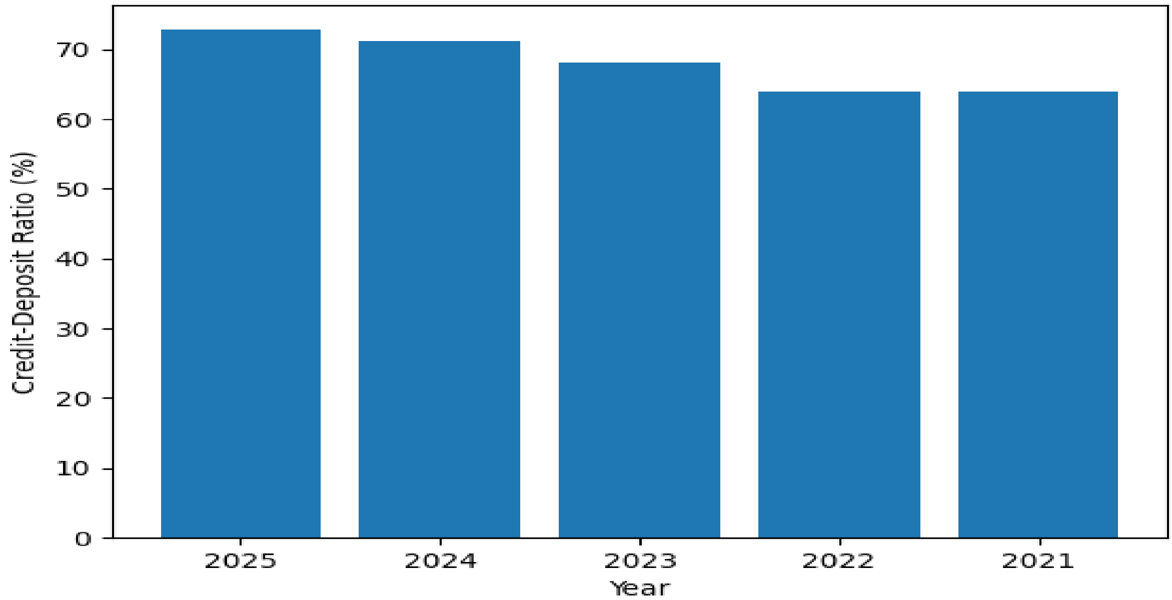
Year	Total Advances (₹ Crores)	Total Deposits (₹ Crores)	Credit-Deposit Ratio (%)

2025	953513.34	1309749.52	72.8
2024	870776.09	1221528.37	71.29
2023	761845.46	1117716.32	68.16
2022	661004.66	1032392.63	64.03
2021	590982.88	923805.34	63.97

Analysis:

The credit-deposit ratio of Union Bank of India shows a steady increase from 2021 to 2025. This indicates improved utilization of deposits for lending activities. The upward trend reflects stronger credit growth and efficient fund management.

2.9 Bar Graph:



Interpretation:

The rising ratio suggests that the bank is effectively converting deposits into earning assets. A higher credit-deposit ratio supports profitability but requires careful risk management. Overall, the trend indicates positive operational performance.

10. Liquid Ratio Analysis – Union Bank of India

Liquid Ratio:

The Liquid Ratio measures the ability of a bank to meet its short-term obligations using its most liquid assets. It reflects the bank's immediate liquidity position.

Formula:

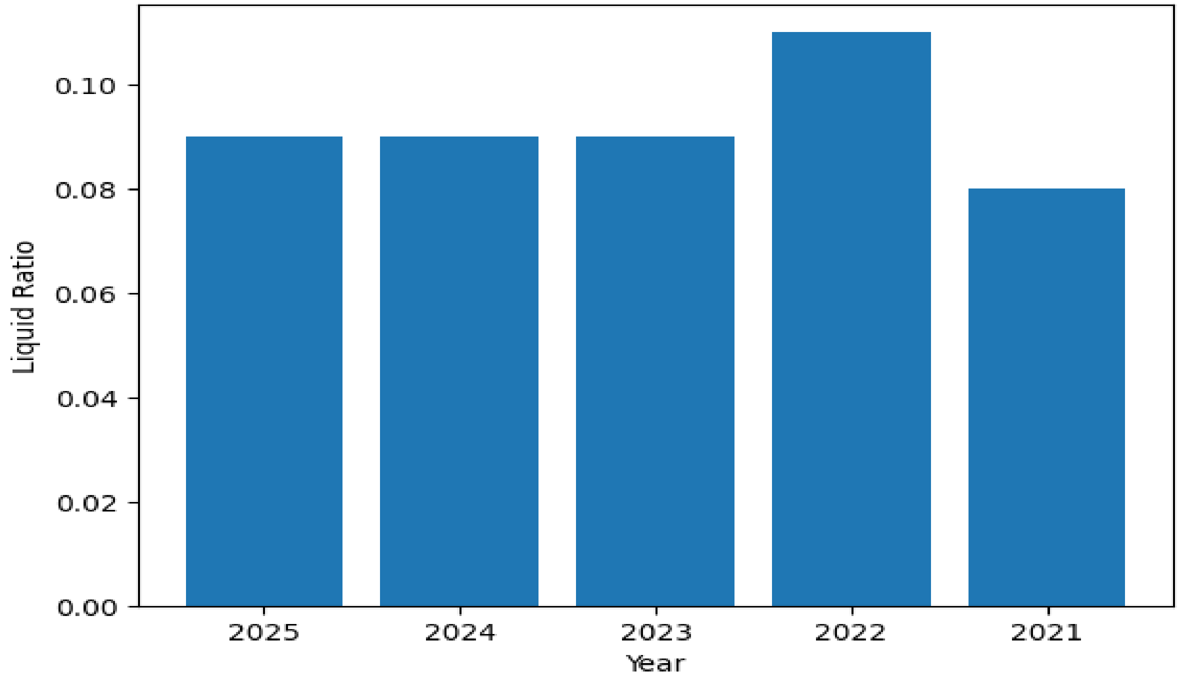
2.10 Liquid Ratio = Liquid Assets / Current Liabilities

Year	Liquid Assets (₹ Crores)	Current Liabilities (₹ Crores)	Liquid Ratio
2025	131333.97	1386880.51	0.09
2024	119302.87	1294988.65	0.09
2023	112150.45	1202418.24	0.09
2022	119500.36	1117014.92	0.11
2021	84410.35	1007229.11	0.08

Analysis:

The liquid ratio of Union Bank of India remains relatively stable over the five-year period. This indicates that the bank maintains sufficient liquid assets to meet its short-term obligations. The consistency reflects prudent liquidity management.

2.10 Bar Graph:



Interpretation:

A stable liquid ratio suggests that the bank is capable of handling immediate financial commitments. Adequate liquidity strengthens depositor confidence and supports operational stability. Overall, the bank demonstrates a sound short-term liquidity position.

11. Absolute Liquid Ratio Analysis – Union Bank of India

Absolute Liquid Ratio:

The Absolute Liquid Ratio measures the ability of a bank to meet its immediate liabilities using the most liquid assets such as cash and bank balances. It provides insight into the bank's instant liquidity position.

Formula:

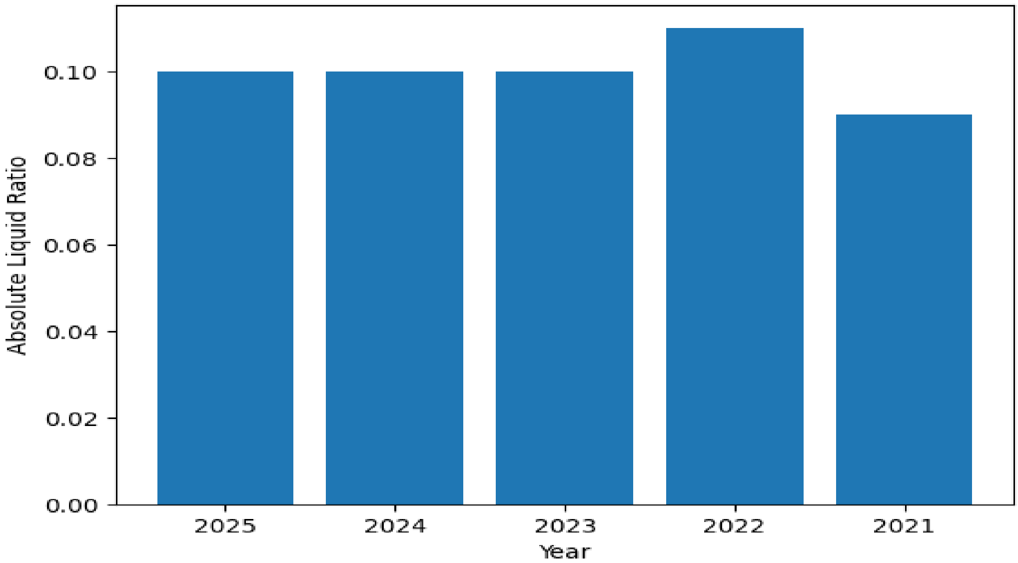
2.11 Absolute Liquid Ratio = Absolute Liquid Assets / Current Liabilities

Year	Absolute Liquid Assets (₹ Crores)	Current Liabilities (₹ Crores)	Absolute Liquid Ratio
2025	131333.97	1337091.31	0.1
2024	119302.87	1248476.74	0.1
2023	112150.45	1160853.79	0.1
2022	119500.36	1083571.73	0.11
2021	84410.35	975642.45	0.09

Analysis:

The absolute liquid ratio of Union Bank of India shows moderate fluctuations during the five-year period. This indicates variations in the bank's immediate liquidity position. However, the bank continues to maintain sufficient highly liquid assets.

2.11 Bar Graph:



Interpretation:

The ratio suggests that the bank is capable of meeting its short-term obligations using highly liquid resources. Maintaining adequate absolute liquidity strengthens financial resilience and depositor confidence. Overall, the bank demonstrates a stable immediate liquidity position.

12. Net Profit Margin Analysis – Union Bank of India

Net Profit Margin:

The Net Profit Margin measures the percentage of revenue that remains as net profit after all expenses. It indicates the efficiency of a bank in converting its total income into profit.

Formula:

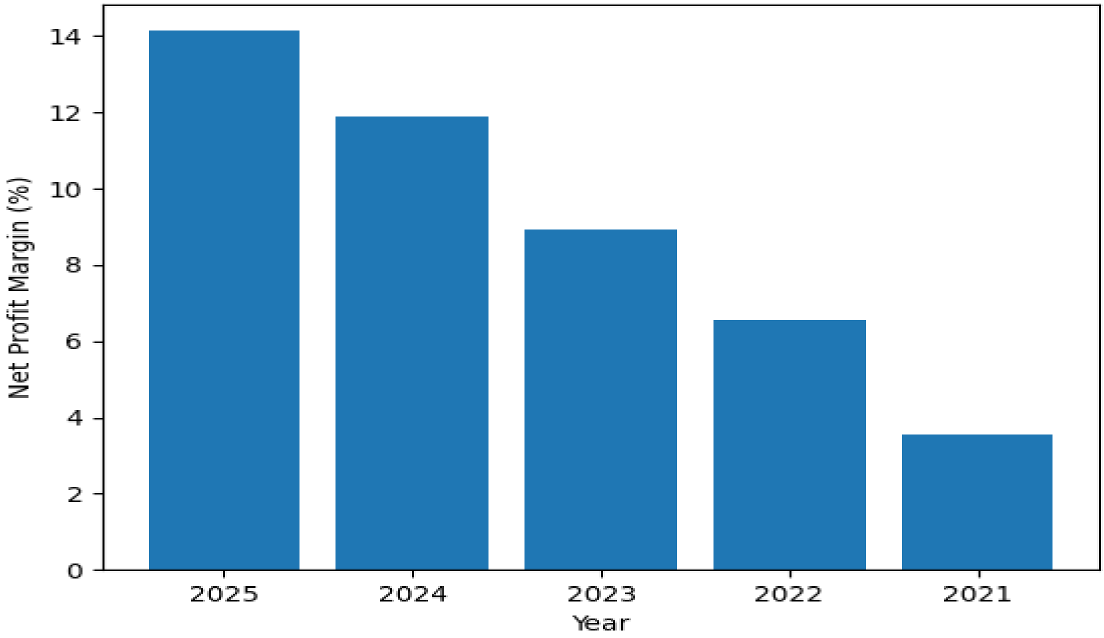
2.12 Net Profit Margin = (Net Profit / Revenue) × 100

Year	Net Profit (₹ Crores)	Revenue (₹ Crores)	Net Profit Margin (%)
2025	18027	127539	14.13
2024	13797	115858	11.91
2023	8512	95377	8.92
2022	5265	80469	6.54
2021	2863	80512	3.56

Analysis:

The net profit margin of Union Bank of India shows a consistent rise from 2021 to 2025. This indicates improved profitability and better cost management. The upward trend reflects strong operational efficiency.

2.12 Bar Graph:



Interpretation:

The increasing margin suggests that the bank is generating higher profit from its revenue. This strengthens overall financial performance and long-term sustainability. Overall, the trend indicates a positive growth outlook.

13. Operating Profit Margin Analysis – Union Bank of India

Operating Profit Margin:

The Operating Profit Margin measures the percentage of revenue that remains after covering operating expenses. It indicates the efficiency of a bank in managing its core business operations.

Formula:

2.13 Operating Profit Margin = (Operating Profit / Revenue) × 100

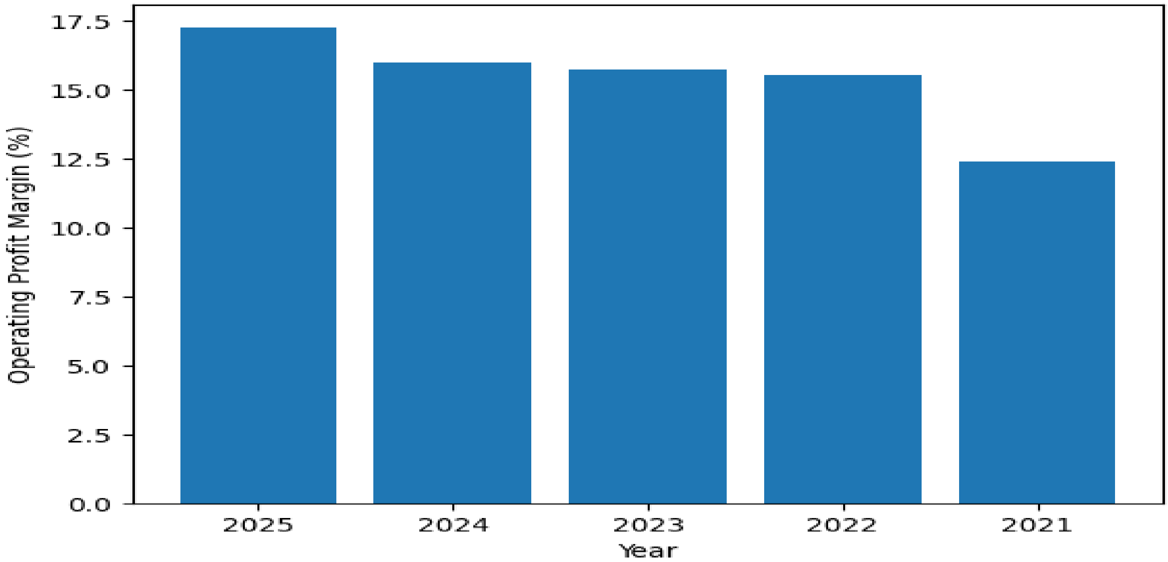
Year	Operating Profit (₹ Crores)	Revenue (₹ Crores)	Operating Profit Margin (%)
2025	22000	127539	17.25
2024	18500	115858	15.97
2023	15000	95377	15.73
2022	12500	80469	15.53

2021	10000	80512	12.42

Analysis:

The operating profit margin of Union Bank of India shows a gradual increase from 2021 to 2025. This indicates better control over operating expenses and improved operational efficiency. The upward trend reflects strengthening core performance.

2.13 Bar Graph:



Interpretation:

The rising margin suggests that the bank is generating higher operating profit from its revenue. This enhances overall profitability and supports long-term financial stability. Overall, the trend indicates positive operational growth.

14. Investment to Total Assets Ratio Analysis – Union Bank of India

Investment to Total Assets Ratio:

The Investment to Total Assets Ratio measures the proportion of a bank's total assets that are invested in securities. It indicates the bank's investment strategy and asset allocation.

Formula:

2.14 Investment to Total Assets Ratio = (Total Investments / Total Assets) × 100

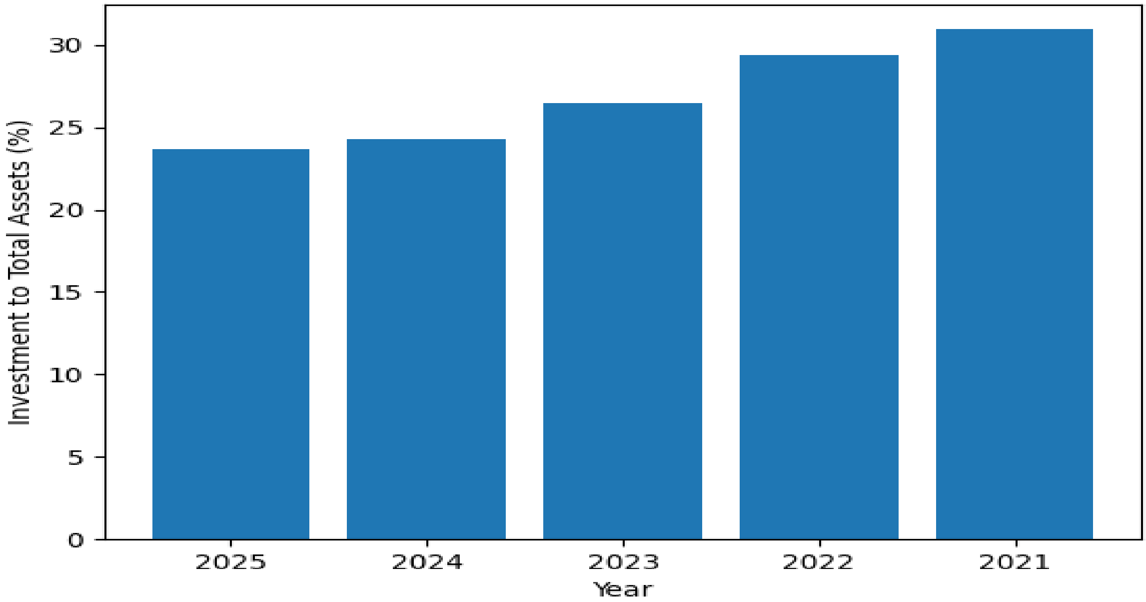
Year	Total Investments (₹ Crores)	Total Assets (₹ Crores)	Ratio (%)
2025	354381.4	1499855.71	23.63

2024	337903.53	1391957.62	24.28
2023	339299.05	1280752.45	26.49
2022	348507.39	1187591.06	29.35
2021	331511.79	1071705.84	30.93

Analysis:

The investment to total assets ratio shows a relatively stable trend from 2021 to 2025. This indicates consistent allocation of assets towards investments. The slight fluctuations reflect balanced asset management.

2.14 Bar Graph:



Interpretation:

A stable ratio suggests that the bank maintains a diversified asset portfolio. Adequate investment levels help ensure liquidity and income generation. Overall, the trend reflects prudent financial management.

15. Advances to Total Assets Ratio Analysis – Union Bank of India

Advances to Total Assets Ratio:

The Advances to Total Assets Ratio measures the proportion of a bank's total assets that are deployed as loans and advances. It indicates the bank's effectiveness in utilizing its assets to generate interest income.

Formula:

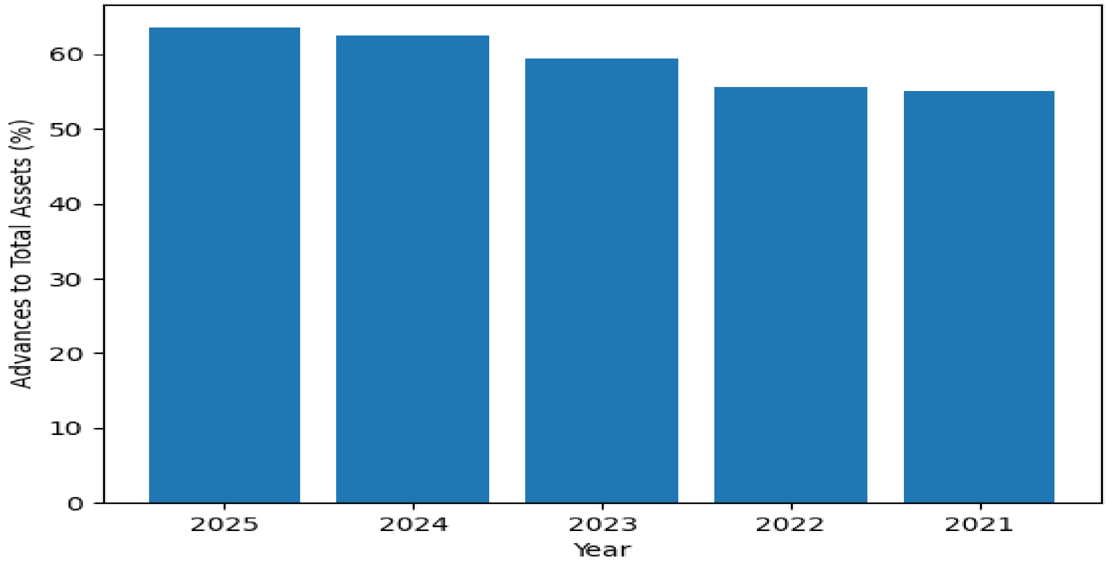
2.15 Advances to Total Assets Ratio = (Total Advances / Total Assets) × 100

Year	Total Advances (₹ Crores)	Total Assets (₹ Crores)	Ratio (%)
2025	953513.34	1499855.71	63.57
2024	870776.09	1391957.62	62.56
2023	761845.46	1280752.45	59.48
2022	661004.66	1187591.06	55.66
2021	590982.88	1071705.84	55.14

Analysis:

The advances to total assets ratio shows a gradual increase from 2021 to 2025. This indicates that a larger portion of the bank's assets is being utilized for lending activities. The upward trend reflects stronger credit expansion.

2.15 Bar Graph:



Interpretation:

The rising ratio suggests effective deployment of assets into income-generating advances. Higher lending supports profitability but requires careful risk management. Overall, the trend indicates positive growth in the bank's lending operations.

2.15. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

Union Bank of India actively undertakes Corporate Social Responsibility initiatives to contribute to social and economic development. The bank allocates funds to programmes that support education, healthcare, rural infrastructure, environmental sustainability, and social welfare.

CSR activities often include scholarships, skill development programmes, medical camps, sanitation projects, tree plantation drives, and support for disadvantaged communities. These initiatives reflect the bank's commitment to inclusive growth and reinforce its role as a socially responsible financial institution.

FIG no : 2.10

Corporate Social Responsibility (CSR) Activities of Union Bank of India

Corporate Social Responsibility (CSR) is an integral part of Union Bank of India's organizational philosophy, reflecting its commitment to inclusive growth and sustainable development. As a leading public sector bank, Union Bank of India actively participates in initiatives that contribute to social welfare, environmental protection, and community development while aligning with national priorities. The bank undertakes structured CSR activities through its dedicated CSR arm, the Union Bank Social Foundation Trust (UBSFT), ensuring systematic planning and implementation of projects across India.

Union Bank of India allocates up to 1% of its net profit of the previous financial year towards CSR and related community development activities.

In FY 2023–24, the bank approved approximately ₹23.38 crore for CSR activities across 51 projects.

In FY 2024–25, through UBSFT, the bank approved ₹37.70 crore for 89 CSR projects, out of which ₹25.47 crore was disbursed to support 70 projects during the year. Additionally, the bank contributed ₹121.40 crore to the Union Bank Social Foundation Trust to strengthen its CSR corpus for future initiatives.

Major CSR Focus Areas and Expenditure

1. Education Development

- Significant portion of CSR funds allocated to improving educational infrastructure.
- Funding for construction and renovation of school buildings, classrooms, libraries, and sanitation facilities.
- Provision of computers, digital learning tools, and educational equipment to government and rural schools.

2. Healthcare Initiatives

- Financial assistance to hospitals and primary health centers.
- Support for medical camps and rural healthcare outreach programs.
- Funding for essential medical equipment such as ambulances, oxygen plants, diagnostic machines, and other healthcare infrastructure.

3. Rural and Community Development

- Investment in drinking water facilities, sanitation systems, and community centers.
- Support for livelihood generation programs and skill development initiatives.
- Promotion of economic self-reliance among weaker sections of society.

4. Environmental Sustainability

- CSR spending on tree plantation drives and environmental awareness campaigns.
- Support for renewable energy initiatives and waste management projects.
- Promotion of green banking practices and reduction of paper usage through digital processes.

5. Disaster Relief and Rehabilitation

- Financial contributions toward disaster relief funds.

- Assistance in providing essential supplies and rehabilitation support during natural calamities and emergency situations.

Through structured CSR allocation, measurable financial commitments, and diversified social initiatives, Union Bank of India demonstrates that its role extends beyond financial services to active participation in nation-building. Its CSR investments strengthen community welfare, enhance corporate reputation, and reinforce its commitment to sustainable and inclusive growth.

2.16. SUSTAINABILITY

- **Sustainability**

Sustainability has become an important focus area in the banking sector as financial institutions increasingly recognize their responsibility toward environmental protection and long-term economic stability. Union Bank of India integrates sustainable practices into its operations by promoting environmentally responsible banking while supporting national and global sustainability goals.

- **Green Banking Initiatives:**

Union Bank encourages green banking practices aimed at reducing the environmental impact of its operations. The bank supports eco-friendly projects by extending finance to renewable energy initiatives such as solar and wind power, as well as other environmentally sustainable ventures. By funding such projects, the bank contributes to the transition toward a low-carbon economy.

- **Paperless Operations:**

The bank actively promotes paperless banking through digital documentation, electronic statements, and online transaction facilities. Customers are encouraged to use internet and mobile banking platforms instead of traditional paper-based processes. This shift not only improves operational efficiency but also significantly reduces paper consumption, supporting environmental conservation.

- **Renewable Financing and Responsible Lending:**

Union Bank incorporates environmental considerations into its lending decisions by supporting industries and projects that follow sustainable practices. Responsible financing ensures that economic development is achieved without causing undue harm to natural resources. This approach reflects the bank’s commitment to balancing profitability with environmental stewardship.

- **Energy Efficiency and Environmental Awareness:**

The bank undertakes initiatives to improve energy efficiency across its offices and branches by adopting energy-saving equipment and promoting responsible resource usage. Awareness programs and internal policies encourage employees to participate in environmentally responsible practices such as minimizing waste and conserving energy.

Through these sustainability efforts, Union Bank of India demonstrates its commitment to responsible banking and sustainable development. By integrating green practices with financial operations, the bank not only enhances its corporate reputation but also contributes positively to environmental protection and long-term societal well-being.

2.17. FUTURE PLANS

Union Bank of India is committed to strengthening its position in the banking sector by focusing on innovation, technological advancement, and customer-oriented services. As the financial environment continues to evolve, the bank aims to adopt forward-looking strategies that support long-term growth and operational excellence.

- **Digital Expansion:**

The bank plans to enhance its digital infrastructure by upgrading mobile and internet banking platforms, expanding digital payment systems, and increasing the availability of self-service channels. Greater reliance on digital processes is expected to improve efficiency, reduce operational costs, and provide customers with seamless banking experiences.

- **Adoption of Artificial Intelligence and Advanced Technologies:**

Union Bank is gradually integrating advanced technologies such as artificial intelligence, machine learning, and data analytics into its operations. These technologies can improve fraud detection, strengthen risk management, support faster credit appraisal, and enable personalized financial services based on customer behavior. The adoption of intelligent systems will help the bank make data-driven decisions and remain competitive in a technology-driven industry.

- **Enhancing Customer Experience:**

Improving customer satisfaction remains a central focus of the bank's future strategy. Efforts are expected to concentrate on simplifying procedures, reducing waiting times, and offering customized products tailored to diverse customer needs. By combining digital convenience with relationship-based banking, the bank aims to build stronger customer loyalty and trust.

- **Strategic Growth and Business Expansion:**

Union Bank of India seeks to expand its market presence by increasing its customer base, strengthening lending to priority sectors such as agriculture and MSMEs, and exploring new business opportunities. The bank also intends to focus on improving asset quality, optimizing operational efficiency, and diversifying revenue sources to ensure financial stability and sustainable growth.

Through these initiatives, Union Bank of India demonstrates its preparedness to adapt to emerging trends while maintaining its commitment to responsible banking. Its future plans reflect a balanced approach that integrates technological progress, customer-centric practices, and strategic expansion to achieve long-term organizational success.

2.18. CONCLUSION (Of 2nd Chapter)

This chapter presented a comprehensive overview of the organizational profile of Union Bank of India, highlighting the key elements that support its effective functioning as a major public sector bank. The discussion covered the bank's vision, mission, and core values, which provide strategic direction and guide its commitment to ethical practices, customer service, and sustainable growth. The objectives of the organization reflect its focus on financial stability, technological advancement, and expanding access to banking services for diverse segments of society.

The chapter also examined the bank's organizational structure, leadership framework, and corporate governance practices, demonstrating how responsibilities are systematically distributed to ensure efficient decision-making and operational control. Strong leadership, supported by an experienced Board of Directors and senior management team, enables the bank to respond effectively to regulatory requirements and evolving market conditions.Further, the analysis of human resource management

and human capital strategy emphasized the bank's investment in employee development, performance management, and inclusive workplace practices. These efforts contribute to a motivated workforce capable of supporting the bank's long-term objectives. The bank's corporate identity and market position reflect a blend of trust, stability, and modernization, allowing it to remain competitive in a rapidly changing banking environment.

Finally, the chapter highlighted Union Bank of India's commitment to Corporate Social Responsibility, showcasing its contributions toward education, healthcare, rural development, environmental sustainability, and community welfare. These initiatives reinforce the bank's role not only as a financial institution but also as a responsible participant in national development.

Overall, the organizational strengths discussed in this chapter provide a foundation for understanding the bank's operational capabilities and strategic direction. This understanding will support the analytical evaluation presented in the subsequent chapter, enabling a deeper assessment of the bank's performance, challenges, and future prospects.

CHAPTER 03

ORGANIZATIONAL ANALYSIS THROUGH MCKINSEY 7S FRAMEWORK

The McKinsey 7S Framework is a widely recognized management model used to analyze the internal environment of an organization. Developed by consultants at McKinsey & Company, the framework identifies seven key elements—Strategy, Structure, Systems, Shared Values, Style, Staff, and Skills—that must be aligned for an organization to function effectively. The model emphasizes that organizational success depends not only on strategy and structure but also on human and cultural factors.

Applying the McKinsey 7S Framework to Union Bank of India helps in understanding how the bank integrates its resources, leadership, technology, and workforce to achieve operational efficiency and long-term growth in a competitive banking environment.

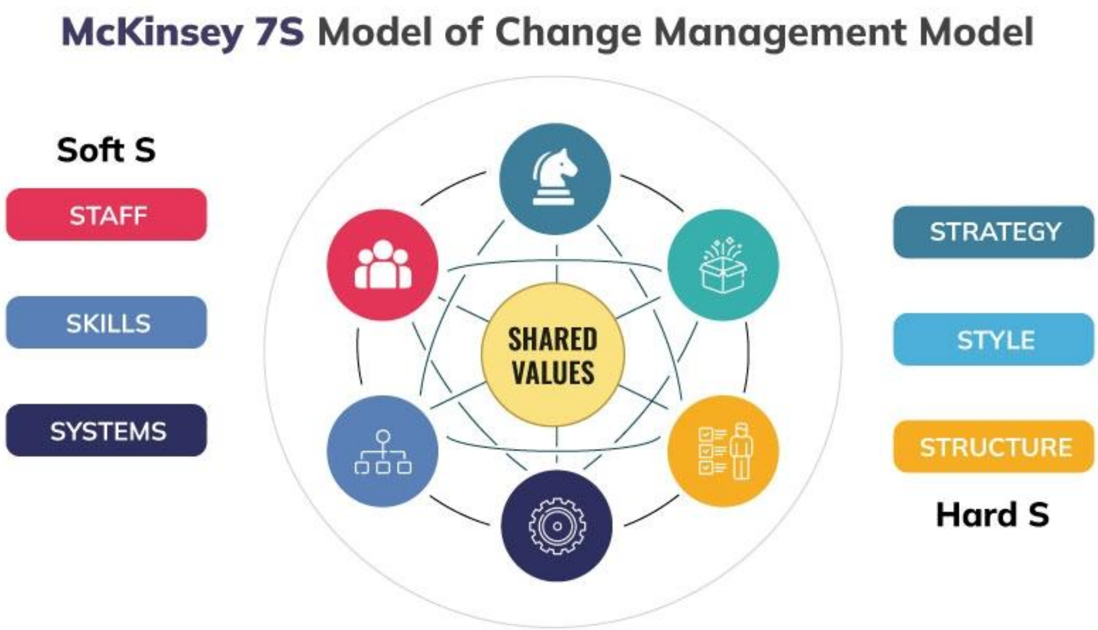


FIG no : 3.1

3.1. STRATEGY

Strategy refers to the long-term plan adopted by an organization to achieve sustainable growth and maintain competitiveness. Union Bank of India follows a growth-oriented strategy that focuses on expanding its customer base, strengthening digital capabilities, improving asset quality, and enhancing profitability.

A key component of the bank's strategy is financial inclusion. As a public sector bank, Union Bank actively supports government initiatives by extending banking services to rural and semi-urban populations and promoting access to formal financial systems. At the same time, the bank is strengthening its presence in retail, MSME, and corporate lending to diversify revenue sources.

Digital transformation is another major strategic priority. The bank continues to invest in mobile banking, internet banking, automated service channels, and data-driven decision-making tools to improve customer convenience and operational efficiency. Additionally, risk management and regulatory compliance remain central to its strategy, ensuring financial stability while supporting responsible credit growth.

Through these strategic initiatives, Union Bank aims to balance modernization with its traditional strengths of trust, accessibility, and service reliability.

3.2. STRUCTURE

Structure defines how responsibilities and authority are distributed within an organization. Union Bank of India follows a hierarchical and well-coordinated structure that facilitates effective governance and operational control.

At the top is the Board of Directors, responsible for policy formulation and strategic oversight. Senior management translates these policies into actionable plans, while functional departments manage specialized activities such as credit, treasury, risk management, marketing, and human resources.

The bank operates through a network of zonal and regional offices that supervise branch operations across different geographical areas. Branches act as the primary service centers, interacting directly with customers and implementing organizational policies at the operational level.

This structured arrangement ensures clarity in reporting relationships, promotes accountability, and enables efficient decision-making across the organization.

3.3. SYSTEMS

Systems refer to the formal processes and procedures that support daily operations. Union Bank of India has implemented robust systems to enhance service delivery, maintain compliance, and improve operational accuracy.

The bank operates on a Core Banking Solution (CBS), allowing customers to access their accounts from any branch and perform transactions seamlessly. Digital platforms such as mobile banking and internet banking provide convenient access to financial services, while automated systems support loan processing, fund transfers, and account management.

Risk management systems help monitor credit exposure, detect irregularities, and maintain asset quality. Internal audit mechanisms and compliance procedures further ensure adherence to regulatory standards. Additionally, customer grievance redressal systems enable the bank to address complaints efficiently, thereby improving service quality.

These integrated systems contribute to operational consistency and support the bank's digital transformation journey.

3.4. SHARED VALUES

Shared values represent the core beliefs and guiding principles that shape organizational culture. At Union Bank of India, values such as integrity, transparency, professionalism, customer orientation, and social responsibility form the foundation of its operations.

The bank emphasizes ethical conduct and fairness in all transactions, reinforcing trust among customers and stakeholders. Its commitment to financial inclusion and community development reflects a strong sense of social responsibility, consistent with its role as a public sector institution.

Teamwork and collaboration are encouraged across departments to ensure smooth coordination and knowledge sharing. These shared values influence employee behavior, support decision-making, and create a cohesive organizational environment aligned with the bank's mission and vision.

3.5. STYLE

Style refers to the leadership approach and management culture within an organization. Union Bank of India demonstrates a professional and participative management style that combines regulatory discipline with adaptability.

Leadership focuses on strategic growth, technological advancement, and customer-centric practices while ensuring compliance with banking regulations. Decision-making typically follows a structured process supported by data analysis, risk evaluation, and policy guidelines.

The management promotes transparency and accountability, encouraging employees to adhere to ethical standards and organizational policies. At the same time, there is growing emphasis on innovation and continuous improvement to help the bank remain competitive in a rapidly evolving financial landscape.

This balanced leadership style supports stability while enabling progressive change.

3.6. STAFF

Staff refers to the human resources that drive organizational performance. Union Bank of India employs a diverse workforce deployed across branches, administrative offices, and specialized departments.

The bank follows structured recruitment processes to attract qualified professionals and provides continuous training to enhance employee competencies. Development programs focus on areas such as digital banking, risk management, customer relationship management, and leadership skills.

Employee welfare initiatives, performance appraisal systems, and career advancement opportunities contribute to higher motivation and job satisfaction. The bank also promotes diversity and inclusion by providing equal opportunities and maintaining a supportive work environment.

A skilled and committed workforce enables the bank to deliver quality services while adapting to industry changes.

3.7. SKILLS

Skills refer to the distinctive capabilities that give an organization a competitive advantage. Union Bank of India possesses strong expertise in retail and corporate banking, credit management, financial advisory services, and priority sector lending.

The bank has developed technological capabilities that support digital transactions, automated operations, and secure financial services. Its experience in implementing large-scale government programs demonstrates operational strength and administrative competence.

Additionally, the bank's risk assessment skills and regulatory knowledge help maintain financial stability. Continuous employee training ensures that these competencies evolve in response to emerging industry trends.

These organizational skills collectively enhance the bank's ability to sustain growth and maintain its position in the banking sector.

3.8. CONCLUSION (Of 3rd Chapter)

The McKinsey 7S analysis highlights that Union Bank of India maintains a strong alignment among its strategy, structure, systems, and workforce. Its clear strategic direction, supported by a structured hierarchy and robust operational systems, enables the bank to function efficiently in a competitive environment.

Shared values rooted in integrity and customer focus guide organizational culture, while leadership style promotes accountability and gradual innovation. The bank's skilled workforce and technological capabilities further strengthen its operational resilience.

Overall, the analysis indicates that Union Bank of India is well-positioned to navigate future challenges by leveraging its institutional strengths while continuing to modernize its processes. Maintaining alignment among the seven elements will remain essential for sustaining growth, enhancing service quality, and reinforcing its role as a leading public sector bank.

CHAPTER 4

KEY FINDINGS, SUGGESTIONS, LEARNING EXPERIENCE, OUTCOMES, AND CONCLUSION

INTRODUCTION

This chapter presents the major findings derived from the organizational study of Union Bank of India and provides practical suggestions for enhancing its operational effectiveness and strategic positioning. It also outlines the learning experience gained through the study and the outcomes achieved from analyzing the bank's organizational structure, management practices, and strategic framework. The chapter concludes with an overall summary of the project.

4.1. KEY FINDINGS

The organizational study of Union Bank of India reveals that the bank possesses strong institutional capabilities supported by structured governance, technological advancement, and a customer-centric philosophy. With a clearly defined hierarchical framework linking the corporate office, zonal and regional offices, and branch networks, the bank ensures accountability, transparency, and efficient decision-making across all operational levels. Its strategic adoption of Core Banking Solutions (CBS), digital payment platforms such as UPI and IMPS, mobile and internet banking services, and automated self-service channels reflects a firm commitment to digital transformation and operational excellence.

The bank's emphasis on financial inclusion, particularly in rural and semi-urban regions, and its support to priority sectors like agriculture and MSMEs, demonstrates its alignment with national development goals. Strong human resource practices—covering structured recruitment, performance evaluation, continuous training, and employee welfare—further strengthen organizational stability and adaptability.

The McKinsey 7S framework indicates effective alignment between strategy, structure, systems, skills, staff, style, and shared values, reinforcing a culture built on integrity, transparency, and customer trust. While increasing competition from private banks and fintech firms presents challenges in digital innovation and service speed, Union Bank of India remains a stable, growth-oriented institution with the resilience and technological foundation necessary to sustain long-term competitiveness.

Key Findings

1. Well-defined hierarchical structure ensures clear authority and streamlined coordination.
2. Strong governance framework promotes transparency and accountability.
3. Centralized Core Banking System enhances operational accuracy and efficiency.
4. Robust digital ecosystem supports seamless customer transactions.
5. Advanced payment platforms accelerate cashless banking adoption.
6. Data-driven analytics strengthens credit appraisal and risk management.
7. Focus on cybersecurity safeguards customer information and digital assets.
8. Expansion into rural markets advances financial inclusion objectives.
9. Priority sector lending supports agriculture and MSME development.
10. Structured HR policies ensure systematic recruitment and performance management.
11. Continuous employee training enhances technological adaptability.
12. CSR initiatives reinforce social responsibility and brand reputation.
13. Process automation reduces operational costs and improves productivity.
14. Strong alignment of McKinsey 7S elements sustains organizational coherence.
15. Competitive pressure necessitates continuous innovation and service enhancement.

4.2. SUGGESTIONS

Strategic recommendations for Union Bank of India should be closely aligned with its improving financial performance indicators such as rising Net Profit Ratio, ROE, ROA, Credit-Deposit Ratio, and strengthening proprietary ratio, while carefully addressing liquidity moderation and leverage management. The bank has demonstrated strong profitability growth, improved asset utilization, and enhanced shareholder returns in recent years. However, maintaining sustainable growth requires continuous monitoring of liquidity, capital structure, asset quality, and operational efficiency through systematic financial ratio analysis. A balanced strategy integrating digital expansion with disciplined financial management will reinforce long-term stability and competitiveness.

Financially Strengthened Strategic Suggestions

1. Maintain ROE at consistently high levels to maximize shareholder value creation.
2. Sustain ROA growth by improving asset productivity and reducing idle assets.
3. Stabilize liquidity ratios through stronger short-term asset-liability management.

4. Keep the Credit-Deposit Ratio within an optimal range to balance growth and risk exposure.
5. Improve Net Profit Margin through strict cost control and higher fee-based income.
6. Strengthen capital base to improve the Proprietary Ratio and long-term solvency.
7. Gradually reduce leverage to maintain a healthy Debt-Equity balance.
8. Enhance Interest Coverage Ratio by increasing operating earnings.
9. Monitor Advances-to-Total Assets Ratio to ensure productive asset deployment.
10. Maintain a balanced Investment-to-Total Assets Ratio for stable income generation.
11. Improve operating efficiency to sustain rising Operating Profit Margins.
12. Link branch-level targets with profitability, ROA, and asset quality metrics.
13. Strengthen credit appraisal systems to protect improving financial ratios.
14. Focus on retail and MSME lending to diversify income streams.
15. Increase non-interest income to reduce dependency on spread income.
16. Use predictive analytics to minimize slippages and control NPAs.
17. Optimize cost-to-income ratio through digital process automation.
18. Implement real-time financial ratio dashboards for strategic decision-making.
19. Enhance treasury performance to manage liquidity and interest rate risk effectively.

4.3. LEARNING EXPERIENCE

The organizational study of Union Bank of India provided practical exposure to the functioning of a large public sector financial institution and strengthened the understanding of how management theories are implemented in real-world banking operations. The project enhanced analytical ability, strategic thinking, and the application of academic concepts to institutional performance, governance, and financial management practices.

Key Learning Outcomes

1. Gained practical understanding of organizational structure, governance, and leadership systems.
2. Improved analytical skills through application of the McKinsey 7S Framework.
3. Enhanced knowledge of digital banking, risk management, and financial analysis.
4. Strengthened research, report-writing, and structured evaluation skills.
5. Developed ability to connect management theory with real-time business practices.

4.4. OUTCOMES OF THE STUDY

The study successfully fulfilled its objective of developing a comprehensive understanding of Union Bank of India and its organizational functioning. It provided meaningful insights into the bank's management systems, operational strategies, financial performance, and technological initiatives, while highlighting the importance of strategic alignment and adaptability in a competitive banking environment. The project also broadened perspective on the role of public sector banks in driving financial inclusion and economic development.

Key Outcomes

1. Developed clear understanding of organizational structure and governance mechanisms.
2. Gained insights into modern banking operations and digital transformation.
3. Understood the importance of strategic alignment for long-term sustainability.
4. Enhanced ability to analyze financial and operational performance.
5. Improved research, analytical, and professional reporting skills.
6. Strengthened understanding of risk management and regulatory compliance practices.
7. Developed a broader perspective on competitive challenges in the banking sector.

4.6. OVERALL CONCLUSION

The overall organizational analysis of Union Bank of India demonstrates that the bank is a structurally sound, financially strengthening, and strategically aligned public sector institution operating within a highly competitive and technology-driven banking environment. The study across all chapters highlights the bank's strong governance framework, diversified product portfolio, expanding digital ecosystem, disciplined financial management, and commitment to financial inclusion. Through the integration of structured hierarchy, robust systems, skilled workforce, and improving financial ratios such as ROE, ROA, Net Profit Ratio, and Credit-Deposit Ratio, the bank reflects both operational stability and progressive growth.

The McKinsey 7S analysis further confirms alignment between strategy, structure, systems, shared values, skills, staff, and leadership style, indicating organizational coherence and adaptability. Despite competitive pressure from private banks and fintech companies, the bank's strong capital base, improving asset quality, digital transformation initiatives, and government backing provide a solid platform for sustainable long-term development.

Overall Conclusion – Key Highlights

1. Strong governance and hierarchical structure ensure accountability and efficient decision-making.
2. Clear strategic focus on digital expansion, financial inclusion, and profitability improvement.
3. Diversified product portfolio strengthens revenue stability across retail, MSME, agriculture, and corporate segments.
4. Extensive branch and ATM network enhances nationwide accessibility and deposit mobilization.
5. Continuous digital transformation improves operational efficiency and customer convenience.
6. Financial ratio analysis reflects improving profitability, asset utilization, and shareholder returns.
7. Strengthening proprietary ratio and declining debt-equity ratio indicate enhanced capital stability.
8. Rising ROE and ROA demonstrate efficient utilization of equity and assets.
9. Improving Credit-Deposit Ratio reflects better fund deployment and credit growth.
10. Structured risk management systems support asset quality and regulatory compliance.
11. HR policies and workforce analytics promote skill development and organizational adaptability.
12. Strong shared values rooted in integrity and transparency reinforce stakeholder trust.
13. Balanced marketing mix and multi-channel distribution strengthen competitive positioning.
14. CSR and financial literacy initiatives highlight commitment to social and economic development.
15. Organizational alignment across all functional areas positions the bank for sustainable future growth.

4.7. BIBLIOGRAPHY

• Union Bank of India. Annual Reports and Official Publications. Retrieved from https://www.unionbankofindia.co.in

• Reserve Bank of India. Banking Statistics and Regulatory Guidelines. Retrieved from https://www.rbi.org.in

• Government of India, Ministry of Finance. Public Sector Bank Policies and Notifications. Retrieved from https://www.finmin.nic.in

• Moneycontrol. Financial Data and Performance Indicators of Union Bank of India. Retrieved from https://www.moneycontrol.com

• Pandey, I. M. Financial Management. Vikas Publishing House.

• Chandra, Prasanna. Financial Management: Theory and Practice. McGraw Hill Education.

• Robbins, Stephen P., & Coulter, Mary. Management. Pearson Education.

• Kotler, Philip & Keller, Kevin Lane. Marketing Management. Pearson Education.

4.8 Annexure

Union Bank of India - Consolidated Profit & Loss Account (₹ Crores)

Particulars	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Mar 2025
INCOME					
Interest / Discount on Advances / Bills	45,834.47	45,293.33	56,874.57	72,156.29	79,255.83
Income from Investments	21,035.42	20,159.47	21,635.65	22,829.04	23,630.79
Interest on Balances with RBI and Other Inter-Bank Funds	2,118.98	2,143.95	2,131.79	4,890.89	5,124.79
Others	322.60	632.91	521.17	499.34	405.86
Total Interest Earned	69,311.46	68,229.66	81,163.18	100,375.57	108,417.27
Other Income	13,899.08	13,524.41	15,915.35	17,812.79	21,561.98
Total Income	83,210.54	81,754.07	97,078.53	118,188.36	129,979.25
EXPENDITURE					
Interest Expended	44,112.40	40,178.47	48,032.84	63,363.70	70,733.31
Payments to and Provisions for Employees	9,230.79	10,263.67	12,524.00	14,593.23	14,996.30
Depreciation	908.15	744.81	744.57	895.93	1,083.88
Operating Expenses	9,612.58	8,694.13	10,218.74	11,016.67	11,964.01
Total Operating Expenses	19,751.52	19,702.61	23,487.31	26,505.83	28,044.20
Total Expenditure	80,382.52	76,545.57	88,648.20	104,479.41	112,058.09
PROVISIONS AND CONTINGENCIES					
Provision Towards Income Tax	-500.84	3,357.84	3,716.20	7,799.28	5,502.71

Other Provisions and Contingencies	17,019.44	13,306.65	13,411.84	6,810.60	7,777.87
Total Provisions and Contingencies	16,518.60	16,664.49	17,128.04	14,609.88	13,280.58
NET PROFIT					
Net Profit / Loss for the Year	2,828.02	5,208.50	8,430.34	13,708.95	17,921.16
Share of Profit/Loss of Associates	35.38	56.82	81.32	88.17	105.79
Consolidated Profit/Loss After MI and Associates	2,863.40	5,265.32	8,511.66	13,797.12	18,026.95
APPROPRIATIONS					
Transfer to Statutory Reserve	733.57	1,319.40	2,108.32	3,428.53	4,496.79
Transfer to Revenue and Other Reserves	-49.64	247.18	3,481.46	6,608.10	8,881.17
Equity Share Dividend	0.00	1,298.60	2,050.43	2,748.10	3,625.96
Balance Carried Over to Balance Sheet	0.00	0.00	583.20	583.20	583.20
Total Appropriations	2,863.40	5,265.32	8,511.66	14,380.32	18,610.16
EARNINGS PER SHARE					
Basic EPS (₹)	4.00	8.00	12.00	19.00	24.00
Diluted EPS (₹)	4.00	8.00	12.00	19.00	24.00

Union Bank of India - Consolidated Balance Sheet (₹ Crores)

Particulars	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Mar 2025
EQUITY AND LIABILITIES					
Equity Share Capital	6,406.84	6,834.75	6,834.75	7,633.61	7,633.61
Revaluation Reserve	4,898.48	4,757.07	6,132.42	5,644.42	0.00
Reserves and Surplus	53,171.41	58,984.31	65,367.04	83,690.94	105,341.60
Total Shareholders' Funds	64,476.74	70,576.14	78,334.21	96,968.97	112,975.21
Deposits	923,805.34	1,032,392.63	1,117,716.32	1,221,528.37	1,309,749.52
Borrowings	51,837.11	51,179.10	43,137.47	26,948.37	27,341.79
Other Liabilities and Provisions	31,586.66	33,443.19	41,564.45	46,511.91	49,789.20
Total Capital and Liabilities	1,071,705.84	1,187,591.06	1,280,752.45	1,391,957.62	1,499,855.71
ASSETS					
Cash and Balances with RBI	37,880.46	46,112.59	50,254.27	52,897.50	89,503.48
Balances with Banks & Money at Call	46,529.89	73,387.77	61,896.18	66,405.37	41,830.49
Investments	331,511.79	348,507.39	339,299.05	337,903.53	354,381.40
Advances	590,982.88	661,004.66	761,845.46	870,776.09	953,513.34

Fixed Assets	7,343.87	7,191.30	8,825.61	9,222.78	9,781.88
Other Assets	57,456.96	51,387.34	58,631.88	54,752.34	50,845.11
Total Assets	1,071,705.84	1,187,591.06	1,280,752.45	1,391,957.62	1,499,855.71