TOGETHER IN PURPOSE

GROWING TOGETHER, CARING TOGETHER

Union Bank Officers Association (Kerala State)

Affiliated to **AIUBOF** & **AIBOC**, Reg. No. **124/87** **(Re-Reg. No. TU19457)**

Preface

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This white paper is a testament to what is possible when business growth is pursued not through pressure or intimidation, but through partnership, respect, and shared responsibility. It reflects the experience of Union Bank of India in Kerala during the last financial year-a journey of growth, sustainability, and dignity, achieved without sacrificing work-life balance or industrial harmony.

In a sector often driven by relentless targets and unforgiving metrics, we, the Union Bank Officers' Association Kerala State-a recognized majority trade union affiliated with AIBOC-chose a different path. With just under 1600 officer members, we played a critical role in enabling the Bank's regional business achievements while preserving the rights, dignity, and mental well-being of our officers. This white paper documents that success-not just in terms of numbers, but in how it was achieved.

We stood firm on principles: no holiday working, no late sitting, no humiliation, no harassment, and no erosion of officer dignity. Even as the number of officers in the state sharply declined, even as more branches opened and officer responsibilities were realigned to meet expanding verticals, we ensured that no one was left behind. Officers who struggled were supported-not punished. No memos, no demi-officios, no vindictive transfers. Instead, with full cooperation from management, we restructured roles, reassigned responsibilities, and worked collectively to bring the best out of every officer.

Kerala has long been seen as a conventionally deficit zone with acute staffing shortages. Despite this, we not only met our targets across six regions-we also protected our people. This paper highlights the strong performances of each region, acknowledges the gaps where we fell short, and offers a clear roadmap to improve. It shows that performance can coexist with empathy. Growth can happen with pride, not pressure. Targets can be met without threatening the balance between work and family life.

We are proud to say: there was no industrial unrest. We handled the added weight of business expansion, staffing constraints, and rising expectations-without compromising industrial peace or officer well-being. That's not by accident. That's by design.

This document is a declaration that in an officer-driven industry like banking, the role of officer trade unions is not just relevant-it is indispensable. There can be no Union Bank Officers' Association without Union Bank, and there can be no sustainable Union Bank without empowered, respected officers.

As we move forward, our commitment remains strong: to support business growth with responsibility, to maintain harmony with integrity, and to ensure that every officer continues to find dignity, joy, and purpose in their work.

Let this be a blueprint—for growth with grace.

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Disclaimer

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The contents herein are based on a compilation of pre-audit figures and are not intended for public dissemination or circulation beyond the designated internal audience. This work is an initiative of a trade union body and is intended exclusively for internal deliberation, study, and awareness within the said circle. Any unauthorized access, use, disclosure, publication, or reproduction of this document or any part thereof is strictly prohibited and may attract legal consequences.

INTRODUCTION

Union Bank of India, the fifth-largest public sector bank in the country, reported a total business mix of Rs. 22,92,625 crores as of March 2025. With a vast network of over 9,300 branches, the Bank maintains a strong and widespread customer base across India. Notably, Union Bank of India enjoys a robust presence in South India, which significantly contributes to the Bank's overall business performance.

Until the last financial year, the Bank operated five zones in the southern region, one of which was the Mangaluru Zone. This zone encompassed the Mangaluru and Udupi regions of Karnataka, along with all regions of the Kerala State. Mangalore Zone has achieved a total business mix of Rs. 81641 Crores from Rs.74959 crores, a percentage growth of 8.91%. Recognizing the immense potential and growing contribution of Kerala to the Bank’s business, the top management has decided to establish a separate zone exclusively for Kerala. Accordingly, a new zone headquartered at Ernakulam will become operational from 1st April 2025.

This paper highlights how Kerala, with its six regions, has played a pivotal role in the growth and success of the erstwhile Mangaluru Zone, substantiated through the following key points.

Introduction to Kerala State

As noted earlier, the Mangaluru Zone of Union Bank of India comprised six regions from Kerala State-Kozhikode, Thrissur, Ernakulam, Kottayam, Kollam, and Thiruvananthapuram-along with two regions from Karnataka. In addition to these six key regions, Kerala hosts a number of specialized branches and centralized processing centres, including units such as UMFB, RLP, ALP, MLP, LCB, ARB, and a Forex-enabled branch. These specialized establishments further enhance the state's operational and service capabilities.

While the Bank as a whole recorded a total business growth of 7.82% in the financial year 2024–25, the Mangaluru Zone faired better by achieving an 8.91% growth rate. This performance is a testament to the significant contribution made by the Kerala regions. The following sections explore how each of these six regions has played a vital role in propelling the growth of the Mangaluru Zone, thereby establishing it as one of the most prominent zones within the Bank.

What is particularly noteworthy is not just the quantum of growth achieved by the Kerala regions, but the sustainable and ethical manner in which this growth has been realized. The progress was not driven at the cost of compliance lapses, disruption of officers' work-life balance, creation of toxic work environments, threats, undue pressure, or unwarranted transfers. Rather, it was the result of a balanced and healthy approach to business development-where employee well-being and industrial harmony were prioritized alongside corporate objectives.

This paper provides a comprehensive overview of how the Kerala State unit of the Union Bank Officers' Association, representing 97% of the Bank's officers in the region, has aligned its efforts with the Bank's goals. It highlights how the association has actively contributed to fostering discipline, facilitating business growth, and maintaining a peaceful and cooperative work environment-thereby exemplifying a model of harmonious industrial relations that supports long-term institutional success.

As of March 2025, the total business of the Mangaluru Zone stood at Rs. 81,641 crores. Of this, Kerala's contribution was Rs. 50,126 crores, broken down region-wise as follows:

Name of the Region	Total Business as on March 2025 (Rs. in Crores)
Thiruvananthapuram	7,902.00
Kollam	7,089.00
Kottayam	5,773.00
Ernakulam	14,774.00
Thrissur	7,807.00
Kozhikode	6,781.00
Total	**50,126.00**

With the formation of a new Kerala Zone from 1st April 2025, the zone begins its operations with a solid business base of Rs. 50,000 crores.

For this study, the core parameters considered for assessing business growth include Total Deposits, CASA Deposits, Retail Term Deposits, Total Advances, and advances under Retail, Agriculture, and MSME segments. To gain a clearer perspective on the nature and quality of growth, the performance of Kerala regions is compared with the Bank's overall performance across the quarters ending September, December, and March of FY 2024–25. This comparative analysis provides a well-rounded benchmark to understand the pattern, consistency, and sustainability of growth across these key business dimensions.

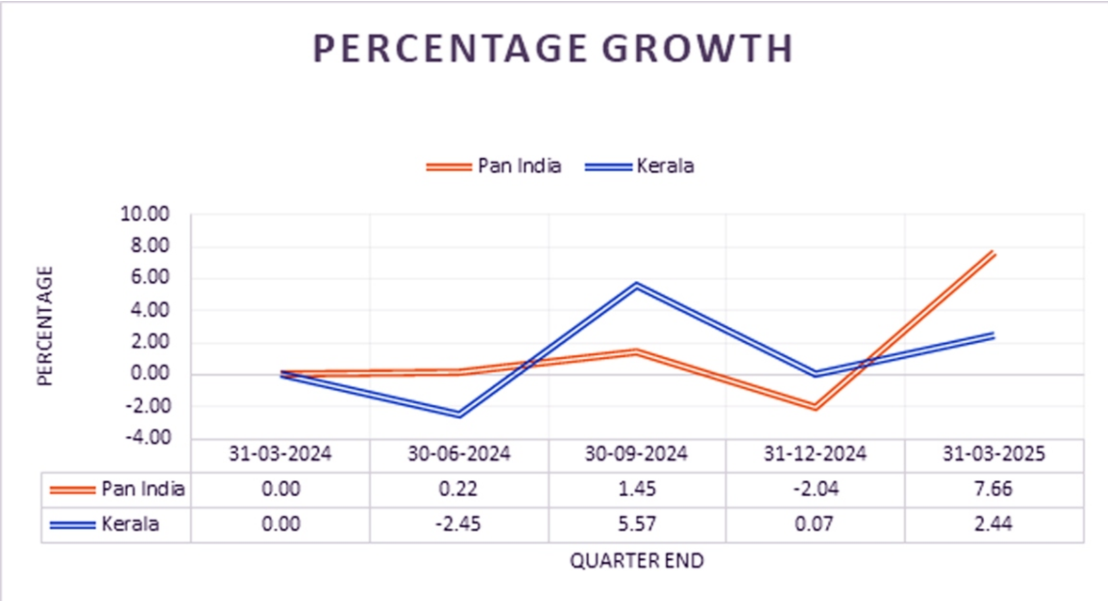
All the figures taken for the study are pre audited figures and are subject to change after the completion of audit of the financial year.

Total Deposit

Region wise performance in the parameter- 'Total Deposit' is as under:

SL No	Name of the Region	June Qtr Actual	June Qtr Target	Sept Qtr Actual	Sept Qtr Target	Dec Qtr Actual	Dec Qtr Target	Mar Qtr Actual	Mar Qtr Target
		(Rs. in Crores)							
1	Thiruvananthapuram	3949.00	3951.00	4111.00	4138.00	4250.00	4171.00	4139.00	4333.00
2	Kollam	4268.00	4315.00	4411.00	4504.00	4401.00	4540.00	4523.00	4694.00
3	Kottayam	2207.00	2207.00	2315.00	2312.00	2374.00	2330.00	2459.00	2433.00
4	Ernakulam	8348.00	9599.00	9142.00	10024.00	8986.00	10103.00	9281.00	10451.00
5	Thrissur	4452.00	4511.00	4584.00	4705.00	4575.00	4742.00	4662.00	4894.00
6	Kozhikode	3569.00	3560.00	3723.00	3727.00	3721.00	3758.00	3933.00	3919.00

Note:- The figures highlighted in Green represents the figure achieved by the respective region by surpassing the target allotted in the respective quarter.



When analysing the growth in Total Deposits at the pan-India level for Union Bank of India across all four quarters of FY 2024–25, a mixed trend is observed. In the June quarter, the Bank recorded a modest growth of 0.22%, while the Kerala regions experienced a decline of -2.44%. However, in the September quarter, the trend reversed significantly-while the Bank registered a growth of 1.45%, the Kerala regions faired better with an impressive growth of 5.57%.

In the third quarter (Q3), the Bank witnessed a quarter-on-quarter (Q-o-Q) decline of -2.04%, and the Kerala regions too recorded a corresponding dip. In the last quarter (Q4), Kerala Regions has increased their growth by 2.44% in line with the growth registered by the Bank.

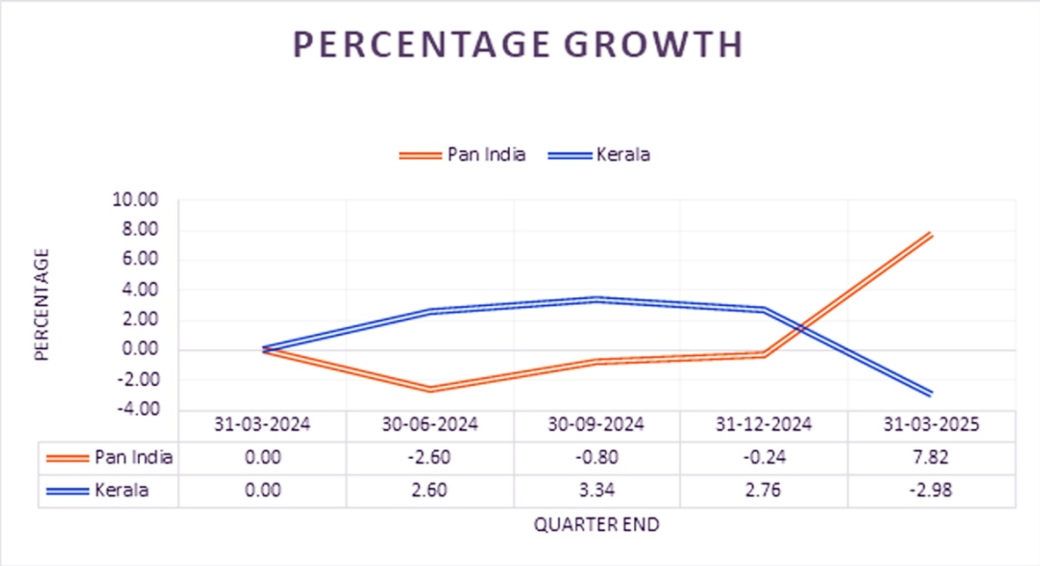
This pattern reflects Kerala's ability to recover quickly and sustain positive momentum even amid broader fluctuations at the national level.

CASA Deposit

Region wise performance in the parameter- 'CASA Deposit' is as under:

SL No	Name of the Region	June Qtr		Sept Qtr		Dec Qtr		Mar Qtr	
		Actual	Target	Actual	Target	Actual	Target	Actual	Target
		(Rs. in Crores)							
1	Thiruvananthapuram	1006.00	1030.00	1078.00	1071.00	1158.00	1088.00	1014.00	1122.00
2	Kollam	1280.00	1292.00	1320.00	1340.00	1291.00	1359.00	1307.00	1401.00
3	Kottayam	1027.00	1030.00	1068.00	1065.00	1101.00	1076.00	1127.00	1105.00
4	Ernakulam	2615.00	5175.00	2720.00	2679.00	2881.00	2720.00	2709.00	2805.00
5	Thrissur	1352.00	1350.00	1371.00	1399.00	1386.00	1420.00	1379.00	1462.00
6	Kozhikode	1544.00	1532.00	1590.00	1586.00	1582.00	1606.00	1583.00	1651.00

Note:- The figures highlighted in Green represents the figure achieved by the respective region by surpassing the target allotted in the respective quarter



Unlike in Total deposit, the Kerala regions have consistently faired better than the Bank's pan-India averages in CASA (Current Account Savings Account) deposit growth, demonstrating both resilience and proactive engagement at the ground level.

In the June quarter of FY 2024–25, while the Bank recorded a negative growth of -2.60% in CASA deposits, Kerala regions posted a positive growth of 2.60%. This trend continued in the September quarter, where the Bank reported a dip of 0.80%, whereas Kerala regions achieved a significant CASA growth of 3.34%.

The momentum was sustained in the December quarter as well. While the Bank registered a drop of -0.24%, the Kerala regions again stood out with a robust growth rate of 2.76%. In the last quarter, even though Kerala regions has grown in total deposit a dip of 2.98% growth from previous quarter is observed.

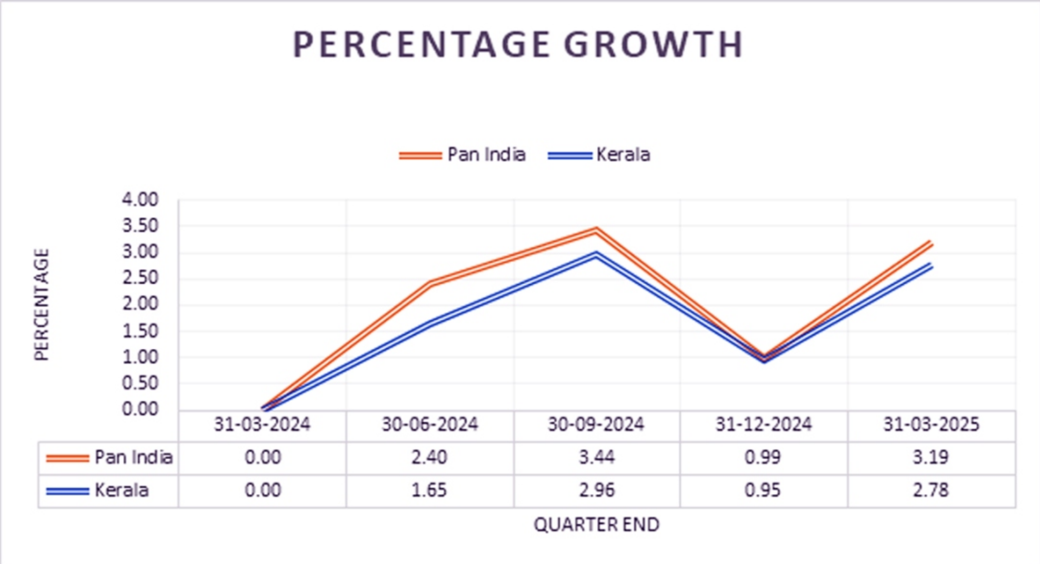
These figures clearly highlight Kerala's strong performance and its ability to drive core deposit growth, particularly in the CASA segment, which is critical to the Bank's low-cost deposit strategy. The sustained upward trend reflects focused efforts on customer engagement, retention, and high-quality service delivery at the branch level.

Retail Term Deposit:

Region wise performance in the parameter- 'Retail Term Deposit' is as under:

SL No	Name of the Region	June Qtr		Sept Qtr		Dec Qtr		Mar Qtr	
		Actual	Target	Actual	Target	Actual	Target	Actual	Target
		(Rs. in Crores)							
1	Thiruvananthapuram	2726.00	2738.00	2813.00	2876.00	2853.00	2904.00	2900.00	3018.00
2	Kollam	2959.00	3008.00	3062.00	2474.00	3076.00	3179.00	3163.00	3279.00
3	Kottayam	1166.00	1169.00	1240.00	1240.00	1265.00	1252.00	1324.00	1320.00
4	Ernakulam	5133.00	5175.00	5239.00	5445.00	5321.00	5497.00	5464.00	5740.00
5	Thrissur	3040.00	3064.00	3137.00	3203.00	3146.00	3234.00	3240.00	3329.00
6	Kozhikode	1876.00	1915.00	1909.00	2026.00	1904.00	2045.00	1962.00	2152.00

Note:- The figures highlighted in Green represents the figure achieved by the respective region by surpassing the target allotted in the respective quarter



In the **Retail Term Deposit (RTD)** segment, the growth trends of Kerala regions closely mirrored the overall performance of the Bank at the national level, reflecting consistency and alignment with the Bank's broader deposit mobilisation strategy.

In the **June quarter** of FY 2024–25, Union Bank of India recorded a growth of **2.40%** in RTDs, while the Kerala regions registered a comparable growth of **1.65%**. The pattern continued in the **September quarter**, with the Bank achieving **3.44%** growth and Kerala slightly trailing at **2.95%**.

In the **December quarter**, when the Bank experienced a marginal decline by recording the growth at **0.99%** in RTD, the Kerala regions reflected a similar trend, by reporting the growth at **0.95%**. In the last quarter, bank has show-cased a tremendous growth of **3.19%**, for which Kerala Region's also performed equally by showcasing a growth of **2.78%**.

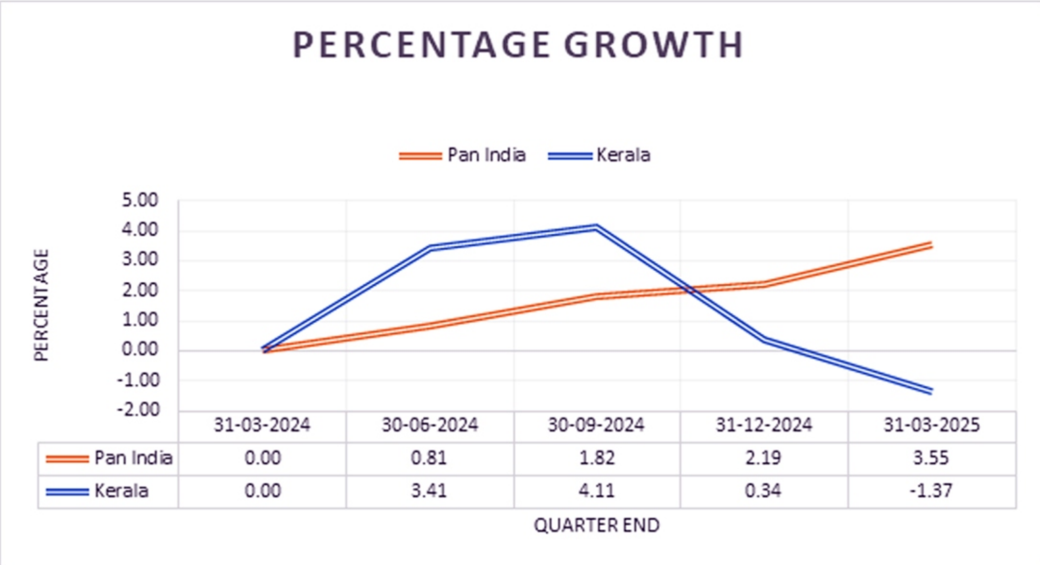
These figures suggest that Kerala's performance in RTDs has been stable and in tandem with the Bank's overall trajectory, contributing positively and steadily to the Bank's time deposit base.

Total Advance:

Region wise performance in the parameter- 'Total Advance' is as under:

SL No	Name of the Region	June Qtr		Sept Qtr		Dec Qtr		Mar Qtr	
		Actual	Target	Actual	Target	Actual	Target	Actual	Target
		(Rs. in Crores)							
1	Thiruvananthapuram	4058.00	4034.00	4095.00	4333.00	4139.00	4501.00	3762.00	4709.00
2	Kollam	2438.00	2437.00	2544.00	2637.00	2518.00	2687.00	2566.00	2796.00
3	Kottayam	3104.00	3076.00	3245.00	3340.00	3270.00	3423.00	3314.00	3574.00
4	Ernakulam	5282.00	5256.00	5541.00	5700.00	5523.00	5822.00	5493.00	6068.00
5	Thrissur	2905.00	2864.00	3091.00	3102.00	3135.00	3164.00	3145.00	3295.00
6	Kozhikode	2718.00	2730.00	2832.00	2963.00	2836.00	3014.00	2848.00	3140.00

Note:- The figures highlighted in Green represents the figure achieved by the respective region by surpassing the target allotted in the respective quarter



In the Total Advances segment, Kerala regions demonstrated a strong growth trajectory during the first half of the financial year, consistently outperforming the Bank's national average.

In the **June quarter** of FY 2024–25, while the Bank recorded a growth of **0.81%**, Kerala regions achieved a significantly higher growth of **3.41%**. This positive trend continued into the **September quarter**, with the Bank reporting **1.82%** growth, and Kerala once again surpassing expectations with **4.11%** growth.

However, in the **December quarter**, the pace of growth in Kerala moderated. While the Bank continued its upward trend with a growth of **2.18%**, Kerala regions posted a more modest increase of **0.34%**. In the last quarter, a dip is observed in Kerala Region's performance, where as bank has recorded a growth of 3.55%.

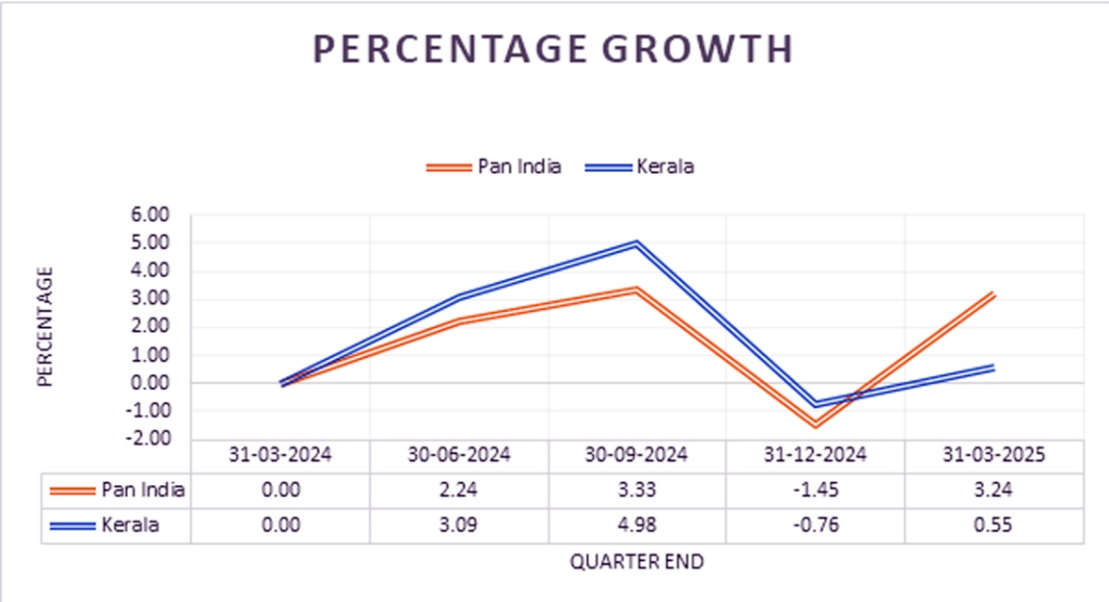
This shift indicates that while Kerala showed strong momentum in the initial quarters, the latter part of the year saw some stabilization - possibly reflecting a focus on portfolio quality, risk assessment, or market saturation in certain segments. Nonetheless, the overall contribution from Kerala in the advances portfolio remained significant.

RAM Sector:

Region wise performance in the parameter- 'RAM advance' is as under:

SL No	Name of the Region	June Qtr		Sept Qtr		Dec Qtr		Mar Qtr	
		Actual	Target	Actual	Target	Actual	Target	Actual	Target
		(Rs. in Crores)							
1	Thiruvananthapuram	2204.00	2198.00	2307.00	2388.00	2286.00	2445.00	2287.00	2553.00
2	Kollam	2274.00	2282.00	2378.00	2474.00	2518.00	2532.00	2365.00	2641.00
3	Kottayam	2890.00	2866.00	3032.00	3118.00	3030.00	3199.00	3079.00	3343.00
4	Ernakulam	4994.00	4978.00	5227.00	5408.00	5154.00	5544.00	5133.00	5789.00
5	Thrissur	2765.00	2732.00	2950.00	2963.00	2984.00	3032.00	2995.00	3163.00
6	Kozhikode	2577.00	2597.00	2691.00	2822.00	2667.00	2880.00	2686.00	3005.00

Note:- The figures highlighted in Green represents the figure achieved by the respective region by surpassing the target allotted in the respective quarter



In the **RAM sector**-comprising Retail, Agriculture, and MSME-Kerala regions have consistently delivered superior performance when compared to the Bank's overall growth at the national level.

During the **June quarter** of FY 2024–25, while the Bank registered a growth of **2.24%** in the RAM segment, Kerala regions faired better with a higher growth of **3.09%**. This trend continued into the **September quarter**, where the Bank recorded **3.33%** growth, and Kerala again exceeded expectations with a robust **4.98%** growth rate.

However, in the **December quarter**, both the bank as well as Kerala regions has shown a dip in growth on (Q-o-Q) basis. When the Bank has reported a dip of 1.45%, the Kerala regions has shown a dip of 0.76%, showcasing resilience and effective business engagement across the RAM vertical. In the March Quarter, Kerala Region's and Bank has recorded a growth in positive scale. Bank has recorded a growth of 3.24% and Kerala Region's has recorded a growth of 0.55%.

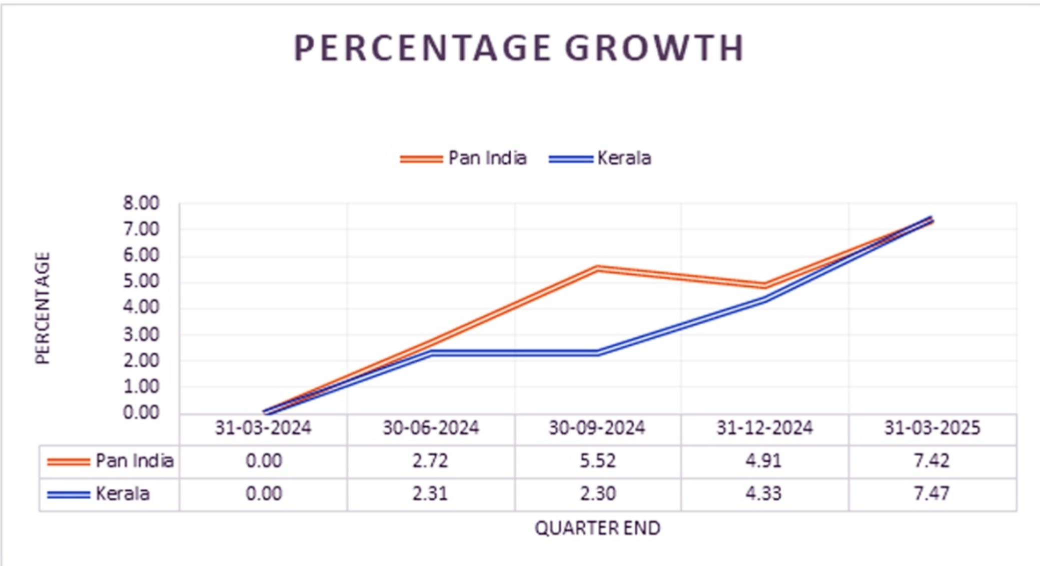
This consistent outperformance reflects the Kerala regions' strategic focus on quality lending, customer-centric outreach, and robust portfolio management across all three sub-segments : Retail, Agriculture, and MSME.

Retail Advance

Region wise performance in the parameter- 'Retail Advance' is as under:

SL No	Name of the Region	June Qtr		Sept Qtr		Dec Qtr		Mar Qtr	
		Actual	Target	Actual	Target	Actual	Target	Actual	Target
		(Rs. in Crores)							
1	Thiruvananthapuram	961.00	969.00	975.00	1052.00	1036.00	1075.00	1130.00	1119.00
2	Kollam	1000.00	1017.00	1016.00	1107.00	1043.00	1133.00	1109.00	1182.00
3	Kottayam	927.00	945.00	950.00	1042.00	982.00	1078.00	1064.00	1133.00
4	Ernakulam	2307.00	2322.00	2363.00	2541.00	2458.00	2611.00	2582.00	2732.00
5	Thrissur	987.00	986.00	1021.00	1074.00	1078.00	1100.00	1184.00	1148.00
6	Kozhikode	1171.00	1170.00	1197.00	1271.00	1251.00	1298.00	1365.00	1351.00

Note:- The figures highlighted in Green represents the figure achieved by the respective region by surpassing the target allotted in the respective quarter



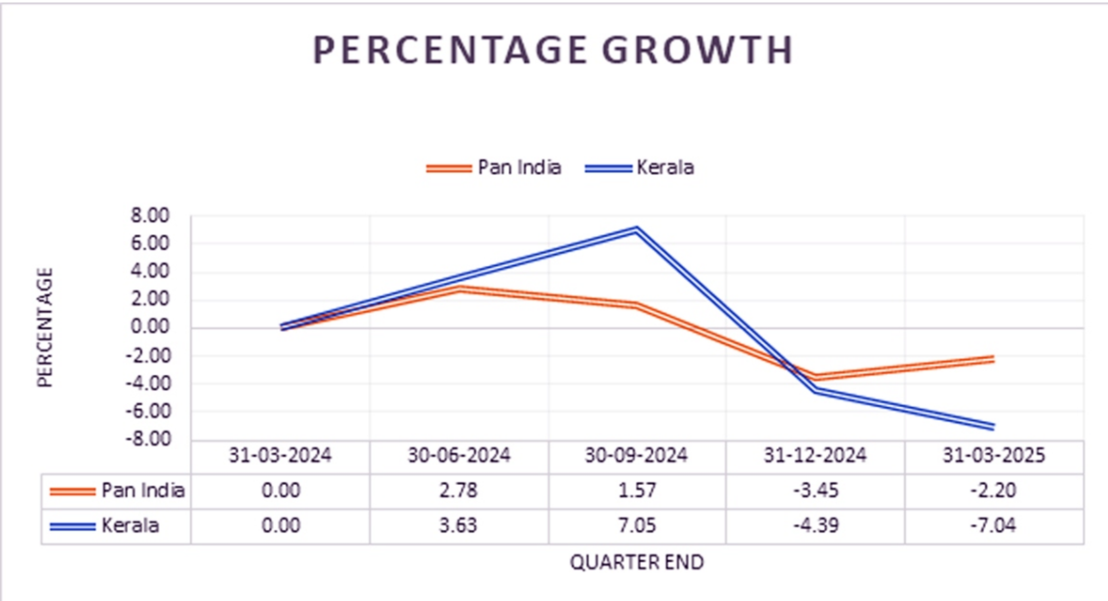
The growth trajectory of the Bank and the Kerala Region under the retail segment has shown a consistent increase. In the June quarter, the Bank recorded a growth of 2.72%, while the Kerala Region's growth of 2.31%. Moving into the September quarter, the Bank's growth accelerated to 5.52%, while the Kerala Region's growth remained stable at 2.30%. In the December quarter, both experienced further growth, with the Bank achieving a notable increase of 4.91%, and the Kerala Region following with a growth of 4.33%. In the last quarter, growth of the Bank as well as Kerala Region's are in same pace. When the bank has grown to 7.42%, Kerala Regions has recorded a growth of 7.47%. This steady progression indicates a strong correlation between the performance of the Bank and the Kerala Region within the retail segment.

Agri Advance

Region wise performance in the parameter- 'Agri Advance' is as under:

SL No	Name of the Region	June Qtr		Sept Qtr		Dec Qtr		Mar Qtr	
		Actual	Target	Actual	Target	Actual	Target	Actual	Target
		(Rs. in Crores)							
1	Thiruvananthapuram	830.00	828.00	880.00	896.00	791.00	931.00	684.00	973.00
2	Kollam	895.00	896.00	968.00	964.00	921.00	996.00	847.00	1038.00
3	Kottayam	1500.00	1476.00	1593.00	1579.00	1596.00	1622.00	1554.00	1683.00
4	Ernakulam	1725.00	1712.00	1841.00	1845.00	1730.00	1909.00	1597.00	1990.00
5	Thrissur	1281.00	1262.00	1393.00	1355.00	1367.00	1398.00	1303.00	1454.00
6	Kozhikode	850.00	850.00	905.00	914.00	842.00	944.00	752.00	983.00

Note:- The figures highlighted in Green represents the figure achieved by the respective region by surpassing the target allotted in the respective quarter



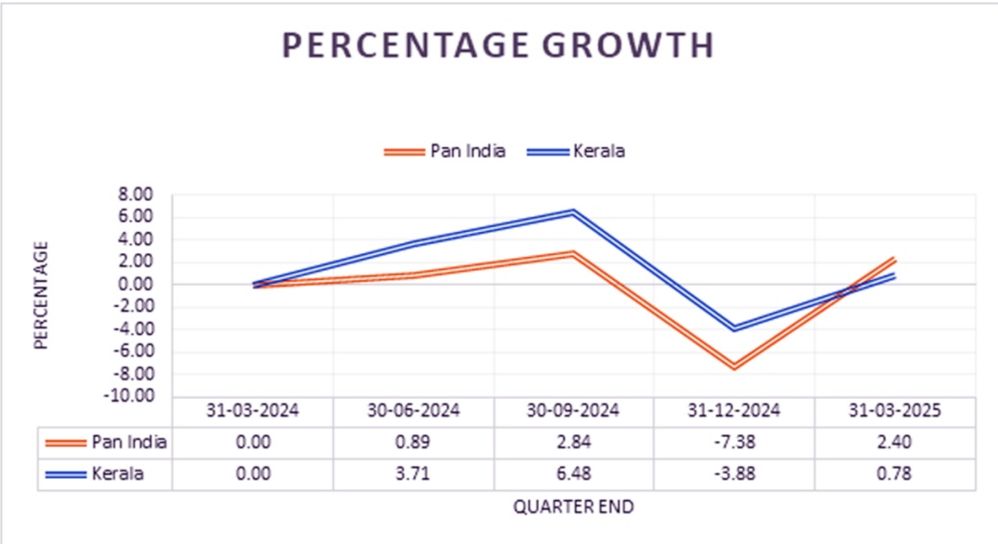
In the Agri portfolio, the Kerala has consistently faired better than the Bank's overall growth. In the June quarter, while the Bank recorded a growth of 2.78%, the Kerala Region achieved a higher growth rate of 3.63%. However, in the September quarter, despite the Bank experiencing a decline of 1.57%, the Kerala Region exhibited a significant positive growth of 7.05%. In the December Qtr, both the Bank and the Kerala Region saw a downturn, with the Bank recording a decline of -3.45%, while the Kerala Region's growth has shown a dip of -4.39%. The decline trend continued in the last quarter also by showing a 7.04% dip in Kerala Region's growth and 2.20% dip in Pan India Growth. This performance highlights the Kerala Region's stronger growth in comparison to the Bank in the Agri segment, despite some challenges in the later part of the year.

MSME Advance

Region wise performance in the parameter- 'MSME Advance' is as under:

SL No	Name of the Region	June Qtr		Sept Qtr		Dec Qtr		Mar Qtr	
		Actual	Target	Actual	Target	Actual	Target	Actual	Target
		(Rs. in Crores)							
1	Thiruvananthapuram	413.00	401.00	451.00	439.00	459.00	440.00	473.00	461.00
2	Kollam	379.00	369.00	394.00	402.00	358.00	403.00	409.00	421.00
3	Kottayam	463.00	446.00	489.00	498.00	452.00	499.00	461.00	527.00
4	Ernakulam	963.00	944.00	1023.00	1023.00	966.00	1024.00	954.00	1067.00
5	Thrissur	497.00	485.00	537.00	534.00	539.00	534.00	508.00	561.00
6	Kozhikode	556.00	577.00	589.00	638.00	574.00	638.00	569.00	671.00

Note:- The figures highlighted in Green represents the figure achieved by the respective region .by surpassing the target allotted in the respective quarter



In the MSME segment, the Kerala Region has once again faired better than the Bank's overall growth. During the June quarter, while the Bank grew by 0.89%, the Kerala Region achieved a significantly higher growth rate of 3.71%. In the September quarter, Bank has recorded a growth of 2.84%, the Kerala Region surpassed this with a growth of 6.48%. In the December quarter, both the Bank and the Kerala Region experienced a decline, with the Bank recording a reduction of 7.38% and the Kerala Region recording a decline of 3.88%. However, in the last quarter both the bank and Kerala Region's has improved their growth position. When the bank has grown by 2.40%, Kerala Region's recorded a growth of 0.78%. This demonstrates that, despite the downturn in the later part of the year, the Kerala Region has consistently outpaced the Bank's growth in the MSME segment.

Fee based Income:

Every region of Kerala state has showcased a positive growth trend in garnering the fee-based income. All the six regions put together has earned a total fee-based income of Rs. 165.95 crores by March 2025 which comes out to be 66.15% of the total fee-based income contributed by Mangalore zone to the bank by March 2025.

Region	Jun-24	Sep-24	Dec-24	Mar-25
Thiruvananthapuram	4.11	9.61	15.16	20.36
Kollam	4.31	10.44	15.83	21.26
Kottayam	5.14	13.22	20.18	27.21
Ernakulam	10.81	25.27	38.67	50.51
Thrissur	4.73	11.67	17.96	23.99
Kozhikode	4.31	10.95	16.54	22.62
Total	33.41	81.16	124.34	165.95

(All the value in the above table is Rs. in crores)

Positive and consistent growth in core business parameters:

From the above sector wise growth study, it can be concluded that in many of the major core parameters, Kerala Region has showcased an outstanding growth percentage when compared to the growth of bank as a whole. There are areas where the Bank has declined its growth to negative, Kerala Regions have stood positive. Further the Kerala Regions are in positive in every parameter on YTD basis as on 30-12-2024.

Minimal Incidence of Frauds and Preventive Vigilance

In the entire financial year,3 frauds were reported from the state of Kerala.

Quarter (FY 2024-25)	No of frauds
June 2024	1
September 2024	2
December 2024	0
March 2025	0

An analysis of the data clearly indicates that the incidence of fraud classification in the Kerala Region remains **exceptionally minimal**. This commendable record can be attributed to the **utmost diligence, integrity, & professionalism** consistently demonstrated by the officers and employees, despite the challenges posed by **acute staff shortages**.

This achievement has been made possible not only due to the commitment of frontline staff but also due to the **proactive support, guidance, & oversight** provided by both **management and the trade union**. A collective culture of responsibility and ethical conduct has been fostered across the region.

To ensure continuous awareness and reinforcement of ethical banking practices, the Association regularly organizes training sessions & awareness initiatives-most notably under the **B-Wise (Bankers Work Safety Engagement Initiative)**. These sessions aim to instill the values of **honesty, integrity, and regulatory compliance**, while also educating officers about **the service conditions, conduct regulations, and risks associated with fraudulent practices**.

In addition, a robust framework of **preventive vigilance** is actively maintained. The union and management jointly monitor branch operations, provide timely advisories, and keep employees informed about the **serious criminal implications** of fraudulent conduct. Every effort is made to ensure that officers perform their duties with **caution, due diligence, and a strong ethical foundation**, thereby upholding the reputation and operational strength of the Bank in the region.

Grievance Management, Compliance, and Audit Observations

Regions	June Qtr		Sept Qtr		Dec Qtr	
	Total Complaints	Resolved	Total Complaints	Resolved	Total Complaints	Resolved
THIRUVANANTHAPURAM	69	69	108	108	107	80
KOLLAM	69	69	97	97	127	96
KOTTAYAM	72	72	146	146	135	90
ERNAKULAM	141	141	289	289	304	216
THRISSUR	94	94	125	125	144	117
KOZHIKODE	90	90	180	180	157	121

The **Kerala Region has consistently maintained a highly disciplined and compliant operational environment**, as reflected in multiple indicators of internal control, grievance redressal, and audit outcomes.

Minimal Complaints and Efficient Redressal

The number of complaints received from Kerala Region remains minimal, both in absolute terms and relative to other regions on a **pan-India basis**. Importantly, **none of the complaints received carried any vigilance angle**, highlighting the transparent and ethical functioning of the branches and offices. Every complaint raised was **addressed and resolved promptly**, with an **impressive Turnaround Time (TAT)** that reinforces the region's commitment to customer satisfaction and operational accountability.

Low Incidence of Banking Ombudsman Cases

In line with the above, **complaints against the Bank with the Banking Ombudsman (BO)** arising from Kerala are also **negligible**. Additionally, the **penalties or advisories** issued by the **Reserve Bank of India (RBI)** to branches or Centralised Centres in the Kerala Region are among the **lowest in the country**, further validating the region's **strong compliance culture and procedural discipline**.

Clean Record in Special Audit of Gold Loan Portfolio

It is a well-known fact that **Kerala is the largest consumer of gold in India**, and consequently, the region offers tremendous potential for gold loan business. Recognizing this opportunity, the Bank placed renewed focus on expanding the **gold loan portfolio** during FY 2023-24. Kerala Region responded with remarkable agility and responsibility, **enhancing the gold loan portfolio while ensuring full compliance with all regulatory and internal norms**.

To validate this, the Bank conducted a **special focused audit** on the gold loan portfolio across the country. In Kerala, a total **of 386 branches were audited**, and notably, **no adverse remarks were reported** from any branch. This outcome speaks volumes about the **high standards of diligence, documentation, and procedural adherence** maintained by the region, even while driving strong business growth.

Special Reports and Audits

Further reflecting Kerala's operational excellence, **no special reports were generated** from the state during the last financial year. Moreover, **only two special audits** were conducted for the entire Kerala Region-an **exceptional record** when benchmarked against the volume of audits and reports emerging from other parts of the Bank nationwide.

Compliance Audits and Vigilance Culture

Compliance Audit of RBIA Observations

To curb instances of **false compliance reporting** by branches in response to **Risk-Based Internal Audit (RBIA)** findings, the **Central Audit and Inspection Department** has introduced a new layer of oversight through **post-audit compliance audits**. This initiative aims to validate whether branches have genuinely rectified the irregularities pointed out during the RBIA process.

In Kerala, out of **19 branches** that underwent this compliance audit, only **three branches** were found to have submitted **false compliance exceeding 30%**, a number significantly lower when compared with trends in other regions. This low incidence of false reporting reflects the positive intent, **accountability, and willingness of branch teams to address and rectify audit observations** in a timely and sincere manner.

Status of Compliance Audit for FY 2024-25

Total No of branches having compliance audit	No of branches having % of false compliance between 0>5	No of branches having % of false compliance between 5>15	No of branches having % of false compliance between 15>30	No of branches having % of false compliances more than 30
19	6	5	5	3

Vigilance Perception Index (VPI)

The **Vigilance Perception Index (VPI)** is a key metric that captures the overall vigilance and compliance posture of a region. It evaluates adherence to internal policies, regulatory guidelines, ethical conduct, and the absence of deviations from standard procedures.

In this regard, **all Kerala regions have consistently scored an average of around 90%**, which is **among the highest across the Bank**. Such a high index value is a strong testament to the **robust compliance culture**, internal discipline, and operational integrity that has been institutionalized across branches in Kerala. It also demonstrates the collective effort of officers, management, and trade unions in upholding transparency and governance within the region.

Sr. No	Name of ZO/RO	VPI Score (for June Qtr.)	VPI Score (for Sept Qtr.)	VPI Score (for Dec Qtr.)
		Revised Parameters		
ZO		**92.22%**	**91.92%**	**91.19%**
1	Trivandrum	96.25%	91.49%	92.89%
2	Kollam	91.99%	93.08%	94.84%
3	Kottayam	92.41%	91.68%	87.93%
4	Ernakulam	88.77%	90.26%	92.68%
5	Thrissur	90.77%	89.97%	92.70%
6	Kozhikode	89.49%	91.84%	90.53%

Customer Service Excellence: National Rankings

Sl. No	Name of Region	Oct-24	Nov-24	Dec-24	Jan-24	Feb-24
1	Thiruvananthapuram	57	1	4	4	1
2	Thrissur	20	67	5	7	7
3	Kozhikode	53	7	10	26	16

To evaluate the quality of customer service and benchmark performance across the country, Union Bank of India introduced a **Customer Service Excellence Ranking System in September 2024**. This initiative ranks **branches and regional offices** on a monthly basis, based on key service parameters and customer satisfaction metrics. Rankings have been published regularly since **October 2024**, providing a clear picture of regional performance in this critical area.

Kerala has consistently emerged as a **top-performing state** in these rankings, with **three of its regions securing positions in the Top 10** at the national level:

- **Thiruvananthapuram Region** was ranked **No. 1 in India** for the months of **November 2024** and **February 2025**.
- **Thrissur Region** achieved a ranking of **No. 5 in December 2024**, followed by **No. 7 in both January and February 2025**.
- **Kozhikode Region** was ranked **No. 7 in November 2024.**

These consistent high rankings are a strong endorsement of the **dedication, efficiency, and customer-centric approach** adopted by the Kerala regions. What makes this achievement even more noteworthy is that it has been accomplished **despite challenges such as limited staffing**, further highlighting the exceptional commitment and service orientation of the teams involved.

Discipline & Compliance-Oriented Business Practices

Disciplinary Proceedings contemplated in FY 2024-25

SL No	Name of Region	June Qtr.	Sept Qtr.	Dec Qtr.
1	Thiruvananthapuram	Nil	Nil	Nil
2	Kollam	Nil	2	1
3	Kottayam	2	1	Nil
4	Ernakulam	3	Nil	Nil
5	Thrissur	Nil	Nil	Nil
6	Kozhikode	Nil	Nil	4

The data clearly reflects that the **number of disciplinary cases initiated against staff in the Kerala Region is minimal**, indicating a **high standard of professional conduct** across branches. Business operations are carried out in strict adherence to **regulatory norms and internal compliance guidelines**, showcasing the region's commitment to ethical banking practices.

Instances involving the issuance of **memos, charge sheets, or the contemplation of disciplinary proceedings** are notably rare. This not only highlights the **discipline and integrity** maintained by officers and staff but also underscores the effectiveness of proactive **counseling, preventive vigilance, and structured guidance** provided by both management and the trade union.

Such an environment, built on mutual respect, responsibility, and awareness, has contributed significantly to maintaining **industrial harmony** and achieving business growth **without compromising on governance or compliance**.

Expanding Union Bank's Presence in Kerala

In recent years, private sector banks have been aggressively expanding their footprint across semi-urban and rural areas, with Kerala emerging as a key focus region for such growth. In response to this trend-and in alignment with the Bank's strategic objectives-the Union Bank Officers' Association, Kerala State, has launched a mission-mode initiative to significantly increase the Bank's physical presence in the state.

This proactive effort has already translated into tangible progress over the past year, with several new branches opened across different regions of Kerala. The Association has set a clear and ambitious target: to open a minimum of 10 to 15 branches from each region, culminating in the addition of 90 to 100 new branches in the coming year.

This initiative is not just about expansion, but about reinstating the Bank's strong presence in Kerala to the levels seen prior to the amalgamation. The Association remains committed to sustaining this momentum, ensuring that Union Bank continues to lead in accessibility and outreach, especially in regions where banking services are most needed.

Sl. No	Region	No of branches opened during the FY	No of branches where license received, yet to open	No of branches for which approval sought from CO	W/w URC Branches	Total
1	Thiruvananthapuram	2	3	20	0	25
2	Kollam	0	5	8	0	13
3	Kottayam	1	3	6	3	10
4	Ernakulam	2	2	0	0	4
5	Thrissur	0	16	6	12	22
6	Kozhikode	6	3	16	3	25
Total		11	32	56	18	99

NPA Recovery - Performance of Kerala Regions

The **Recovery performance of Kerala Regions** during the financial year 2024 -25 has been **exceptional and noteworthy**. Every region within the state has successfully **achieved more than 100% of their assigned recovery targets**, underscoring a robust and result-oriented approach towards reducing non-performing assets.

In addition, there has been a **significant year-on-year reduction in the NPA (Non-Performing Asset) percentages** across all Kerala regions. This consistent improvement in asset quality stands as a testament to the **diligence, strategic follow-ups, and efficient execution** carried out by the teams, despite the **limited staff strength available to them**.

Such a remarkable recovery performance highlights not only the **commitment and capability of the workforce, but also the effective coordination between the management and the officers' association**, which has ensured that recovery processes remain streamlined, ethical, and focused.

RECOVERY PERFORMANCE FY24-25							
REGION	TARGET	ACHIEVED	GAP TO TARGET	% ACHIEVED	NPA AS ON 31.03.2025	TOTAL ADVANCES	% TO ADVANCES
THIRUVANANTHAPURAM	25.24	38.93	13.69	154.23	104.95	3762.27	2.79
KOLLAM	56.13	57.18	1.05	101.87	203.15	2566.30	7.92
KOTTAYAM	50.31	51.07	0.76	101.51	180.05	3314.40	5.43
ERNAKULAM	41.36	72.48	31.12	175.23	218.02	5492.82	3.97
THRISSUR	30.57	45.85	15.28	150.00	146.07	3145.03	4.64
KOZHIKODE	26.84	52.18	25.34	194.42	98.73	2847.71	3.47

Recognition for the performance of Kerala:

Officers who were promoted	
Scale	**No of promotees**
DGM to GM	1
AGM to DGM	2(1 in waiting list)
CM to AGM	4
SM to CM	8
Mgr to SM	48
Asst.Mgr to Mgr	54

For the above-mentioned performance showcased by the Kerala Region, Kerala Region employees were rewarded with ample number of promotions. Of the 6 Regional Heads of Kerala Regions, 3 were elevated to their next scale in which 1 DGM to GM and 2 AGM to DGM (1 in waiting list). Further we have 4 CMs to AGM promotes, 8 SMs to CM, 48 Manager to Senior Manager and 54 Asst. Manager to Manager. This shows the success of the business model adapted by Kerala Regions.

EKAM Ranking - Excellence Rooted in Resilience

Kerala, though not traditionally regarded as an industrial powerhouse, continues to defy conventional expectations through its consistent banking performance. The state's industrial landscape remains relatively modest, with a limited manufacturing base. Compounded by natural constraints-flanked by the Western Ghats to the east, the Arabian Sea to the west, and interspersed with ecologically sensitive wetlands-Kerala faces undeniable geographical and infrastructural challenges that restrict the scale and spread of large-scale commercial activity.

Yet, amidst these limitations, the Regions in Kerala have delivered a stellar performance under the Bank's data-driven performance evaluation framework-EKAM. Introduced in the previous financial year, the EKAM Portal employs robust scientific methodologies and statistical modeling to objectively assess regional performance across multiple business and operational dimensions. This structured and transparent ranking system reflects not just outcomes but the overall health and discipline of a region's functioning.

From April 2024 to February 2025, Kerala's Regions have consistently ranked among the top performers nationally. With an average EKAM ranking of 28 during this period, the performance is a resounding testament to the commitment and competence of the teams working on the ground. Notably, the Regions of Kottayam, Thrissur, and Thiruvananthapuram have emerged as shining examples, breaking into the Top 10 rankings despite severe staffing constraints. Their achievements have earned recognition and appreciation from the highest levels of the Bank's management.

What makes this success even more commendable is that it has been achieved n an environment where industrial limitations and resource shortages could have easily hindered progress. The determination of officers, guided by a spirit of collaboration and bolstered by the strong and constructive role played by trade union leadership, has transformed these challenges into opportunities for innovation and excellence.

The EKAM performance of the Kerala Regions stands not just as a benchmark in business achievement but as a celebration of how harmonious industrial relations and employee-centric practices can drive extraordinary results. It reflects a model where performance, people, and partnership converge-and where challenges, rather than becoming obstacles, are transformed into milestones of progress.

The details of region-wise EKAM Ranking is given below:

Region	Apr -24	May -24	Jun -24	Jul -24	Aug -24	Sep -24	Oct -24	Nov -24	Dec -24	Jan -25	Feb -25	Avg
Kottayam	76	18	9	10	10	11	16	11	12	11	11	18
Kollam	20	18	60	12	12	31	19	44	89	71	56	39
Thiruvananthapuram	4	8	18	6	7	9	12	17	22	25	32	15
Ernakulam	77	16	62	23	25	47	37	48	93	103	87	56
Thrissur	2	1	7	2	6	4	4	6	6	8	13	5
Kozhikode	38	42	47	15	16	24	29	30	53	51	51	36
Average	36	17	34	11	13	21	20	26	46	45	42	28

Staff Strength and Productivity in Kerala Regions

It is important to highlight that **Kerala Regions have achieved exceptional business performance despite significant staffing constraints.** Over the past year, there has been a **notable reduction in officer strength**, and the **clerical cadre continues to face an acute shortage** across the state.

What makes the achievement of Kerala Regions particularly commendable is that these **milestones were attained without promoting a culture of holiday working** or placing undue pressure on staff. Instead, growth was driven through **ethical business practices, strict compliance, and efficient resource management.**

Due to the prevailing staff shortage, the **per capita business handled by employees in Kerala is among the highest** in the Bank. This reflects not only the **dedication and efficiency of the workforce**, but also the effectiveness of leadership and the support extended by the **Union Bank Officers' Association, Kerala State**, in maintaining a harmonious and performance-driven work environment.

	AS OF 31/03/2024				AS OF 31/03/2023				AS OF 31/03/2022			
Region	Scale 1	Scale 2	Scale 3	Total	Scale 1	Scale 2	Scale 3	Total	Scale 1	Scale 2	Scale 3	Total
TRIVANDRUM	103	60	31	194	108	61	33	202	128	54	26	208
KOLLAM	152	60	35	247	155	59	42	256	129	56	34	219
KOTTAYAM	110	85	40	235	135	69	37	241	156	78	42	276
ERNAKULAM	194	117	60	371	203	117	61	381	135	88	45	268
THRISSUR	104	66	33	203	116	61	37	214	112	53	37	202
KOZHIKODE	115	56	30	201	105	65	36	206	153	87	52	292

Major Setbacks and Strategic Gaps

Like in other parts of the country, Kerala too has faced certain challenges that, if addressed in a timely manner by the competent authorities, **could have been mitigated**. These setbacks have had a **notable impact on the Bank's performance and reputation** in the region.

One of the most significant developments was the **loss of Lead Bank status** in the **Idukki and Ernakulam districts**, where Union Bank of India previously held the lead role. This unfortunate shift occurred due to **severe staff shortages** and the **absence of a Zonal Office within Kerala**, ultimately resulting in the **transfer of this responsibility to the State Bank of India.** This has adversely affected both the Bank's **visibility and credibility** in these critical districts.

Furthermore, despite **Thiruvananthapuram being the state capital**, the Bank has yet to establish a **dedicated Government Business Cell** there. This strategic oversight has led to the **loss of valuable State Government accounts** to local private sector competitors such as **South Indian Bank and Federal Bank.** These accounts are a crucial source of **low-cost CASA deposits**, and their outflow has affected the Bank's financial positioning in the state.

Currently, the entire state operates under a **Centralised Business Centre (CBC)** headed by an AGM at Kochi, which also oversees the **CAPS Team** and the **Current Account Business Centre (CABC)**. However, the CBC lacks a **liaison mechanism at the regional level**. The **appointment of dedicated CBC Nodal Officers in each region**-especially in Thiruvananthapuram-is essential to ensure **effective coordination**, facilitate **government business development, boost CASA mobilization**, and enhance **digital banking penetration**.

Additionally, the establishment of an **SLBC (State Level Bankers' Committee) Cell at Thiruvananthapuram** is urgently needed to maintain strong coordination with **peer banks and regulatory bodies**. These institutional mechanisms are vital to reinforcing the Bank's presence, performance, and partnerships in Kerala.

WAY FORWARD FOR THE ZONE -STRATEGIC VISION AND CORRECTIVE MEASURES

Current Challenges and Strategic Direction for FY 2025-26

In our journey towards sustained business growth, service excellence, and enhanced employee welfare, it is imperative that we address key structural and operational gaps that constrain the Zone's performance. As we continue to uphold harmonious industrial relations and a progressive work culture - jointly nurtured by the management and trade union leadership - the following areas demand focused attention to realize the full potential of the Zone.

1. Geographical Footprint and Branch Network Expansion

Our Bank's physical presence in Kerala remains considerably limited compared to peer banks. As of December 2024:

Bank	No. of Branches/Outlets as of Dec2024
Union Bank of India	364
State Bank of India	1194
Canara Bank	682
Federal Bank	622
South Indian Bank	501
HDFC Bank	403

This under-penetration significantly hinders our competitive positioning. To emerge as a key banking player in the state, the following strategic steps are essential:

- Expansion of Branch Network across untapped and high-potential geographies.
- Concurrent Recruitment and Deployment of adequate staff to ensure service delivery excellence and regulatory compliance.
- Ensuring all branch additions are matched with employee well-being initiatives and proper HR support systems, keeping staff welfare central to growth.

2. Strengthening Forex Capabilities

Despite Kerala's strong diaspora base and export-oriented economy (especially in spices, food processing, and remittances), our forex service footprint is severely restricted:

- There is inadequate distribution of forex - enabled branches.
- Specialist staffing in forex operations remains insufficient.
- The upcoming Vizhinjam International Seaport and four operational international airports necessitate a comprehensive upgrade of our forex infrastructure.

Action Points:

- Establish more dedicated forex branches with trained officers.
- Decentralize forex operations to enhance customer convenience and reduce turnaround time.
- Launch targeted products for exporters, NRIs, and MSMEs, integrated with employee training modules to enhance staff capabilities.

3. Institutional Engagement and Government Laisoning

Currently, the Zone lacks a dedicated liaison office at Thiruvananthapuram, the State Capital. This restricts our ability to effectively engage with:

- Government departments
- State PSUs and missions
- Quasi-government bodies

Trivandrum being the capital of Kerala offers a huge potential in govt business. Despite the state govt facing a financial crunch there is a huge opportunity on the assets and liability side. Despite the financial struggles state govt entities like KIIFB, KSEB, KSIDC, etc have good ratings and excellent track records in their payments. Our share in govt lending has remained stagnant or decreased in the last 2 years. The govt is also supporting only those entities in the liability side, who are supporting them on the credit side. SBI, Canara and Bank of Baroda have seen their govt business portfolio increase in the last few years. Scheduled banks like Federal and South Indian bank are also among the most preferred banks for the govt owing to them being a local bank and also because they give a good amount of CSR fund support. Canara bank being the SLBC convenor also gets a majority of the new schemes launched by the govt. We had offered salary packages for the state police dept and Excise dept. During the assessment by the respective departments, it was found that Bank of Baroda and State Bank offers were better than peer banks and hence Union Bank of India's proposals were rejected. Our salary package didn't have term insurance ,credit card and e- commerce offers which were offered by these banks. The peer banks are able to harness this opportunity and have a good chunk of state govt salary accounts. There are approximately 5.80 lakhs government employees in Kerala employed along various state govt and central govt dept like ISRO and Railways. During 2023-24 when CRC was set up in Trivandrum, they were able to make several break throughs in the Govt and corporate market and canvassed various accounts like KSMART, Co-operative Examination board etc

In contrast, peer institutions have strategically placed liaison offices enabling them to:

- Drive CASA mobilization
- Facilitate infra-project financing
- Operationalize MOUs and state-led cluster initiatives

Way Forward:

- Set up a State Capital Liaison Office with competent officers.
- Streamline Government Business processes, especially with schemes such as Kudumbashree, which offers substantial credit linkage opportunities through SHGs and JLGs.
- Remove delays in scheme approvals and introduce time-bound ROI and service charge concessions to remain competitive.

VIZHINJAM INTERNATIONAL TERMINAL

Vizhinjam project which is a game changer for India due to the fact that it's the largest transhipment port in the country offers huge business potential. Even before the port has been commissioned, various multinational and domestic logistics companies like MAERSK have opened their offices in Trivandrum. The last 6 months has also seen a number of custom house agents starting in Trivandrum. Since corporate tie ups are needed to get a slice of this business ,it's observed that we need to concentrate more on these business oppurtunities. Though we have a branch at Vizhinjam town its almost 3 km away from the port and caters only to local population for their retail/agricultural business. Last year we had also send a proposal for setting up a branch in the port premises as it would help in catering to the upcoming business oppurtunities. But the same was rejected at Central office stating that its not viable. Private banks like HDFC are already trying to set up branches within the premises of the port and become sole bankers for the port related activities. At this juncture we have to promote and push for some facilities which will give us a foothold in this market. With a forex branch at Kazhakoottam, we will have a good opportunity to tap into export /import oriented businesses

RETAIL AND MSME BUSINESS

Kerala has historically been a service oriented region with very few manufacturing hubs .An area of development in Kerala State is the thriving IT sector in Trivandrum and Ernakulam districts. Kerala govt setting up TECHNO-PARK housing with more than 300 major companies. Companies like TCS,TATA ELXI,UST,INFOSYS etc have their own campuses. We have been unable to break into the service industry with our MSME products. FEDERAL bank and South Indian bank have been market leaders along with SBI in this segment. A major chunk of our business have been in the Retail sector. Trivandrum, Ernakulam, Thrissur and Kozhikode are the major hub for this retail business in Kerala. Since a majority of the upcoming residential units are flats and apartments we are facing a huge challenge. The project finance for these are given mostly by SBI and they are insisting for maximum Retail housing loans to be routed through their banks. Additional concessions are also given for the project finance loans for attaining various thresholds of Retail business. Having builder tie ups alone is not sufficient in garnering Retail home business. This has a huge impact on our Home loan business especially in Urban areas. It is required that we improve our salary account features and increase our Corporate tie ups so that we become a major player in retail business. Since most of the peer banks have similar products and similar rate of interest, we will be able to pitch for retail products only if salary accounts are with us.

4. Strategic Presence in Key Sectors of the State Economy

a. Tourism and Hospitality

Kerala's globally recognized tourism sector presents a vast lending opportunity in hospitality infrastructure. However, our presence is marginal.

Strategic Actions:

- Launch Cluster-Specific Schemes for tourism with competitive ROI, flexible collateral norms, and service charge waivers.
- Partner with industry bodies for project pipeline identification and co-branding initiatives.

b. Renewable Energy and Infrastructure

The state offers promising opportunities in:

- Hydroelectric, solar, and wind power projects
- Micro-infrastructure and floating solar units

Our current exposure is limited. A dedicated focus on green finance & project-based lending will position us as a sustainability - driven banking partner.

c. Agri Commodity Trading and Food Processing

Kerala is a key hub for spices and plantation crops, with a growing base in export-oriented food processing.

Recommended Initiatives:

- Design customized financial products for exporters and commodity traders.
- Strengthen forex and trade finance offerings to support global transactions.

d. Gold Manufacturing and Trade

Kerala is a national leader in gold manufacturing and jewelry trade. However, we lack tailored schemes and monitoring SOPs.

Way Forward:

- Launch a Cluster Financing Scheme for the gold sector.
- Develop robust credit assessment frameworks to compete with peer banks servicing MSMEs and corporates in this space.

e. Healthcare Sector

Kerala's reputation for high-quality healthcare and presence of pharma and medical equipment manufacturers presents significant credit opportunities.

Corrective Steps:

- Revise existing schemes to allow more flexible collateral terms.
- Introduce healthcare-specific financial products for hospitals & suppliers.

f. Automobile and Allied Industries

With high per capita vehicle ownership, Kerala is a key automotive market. Peer banks dominate the EDFS and channel financing segments.

Recommendations:

- Forge dealer-level tie-ups for inventory and channel financing.
- Offer attractive terms for used vehicle financing, a fast-growing segment in the state.

The Role of UBOA (Kerala State) Championing Business and Industrial Harmony

The Union Bank Officers' Association (Kerala State), an affiliate of AIUBOF and AIBOC, stands as the majority officers' trade union in Kerala, representing 97% of the officers working with Union Bank of India in the state. Guided by the philosophy, *“There is no Trade Union without the Trade,”* UBOA(K) has consistently positioned itself not merely as a voice of employee welfare but as an active contributor to the business, compliance, and institutional reputation of the Bank.

In Kerala, UBOA(K) has maintained a constructive and participative engagement with the Bank's leadership. The trade union office bearers across the state have been deeply involved in supporting a business-friendly environment while ensuring that compliance standards and operational discipline are upheld. The very foundation of this approach paper-which highlights the sustainable and commendable business performance of Kerala Regions—attests to the positive role played by the officers' union. Contrary to unfounded perceptions, the relationship between the union and the management in Kerala has been one of cooperation, mutual respect, and shared objectives.

The business growth achieved in the state is especially significant as it has been accomplished in an atmosphere free from industrial unrest or employee management friction. HR and employee relations matters have been handled with dignity and dialogue, thanks to the sincere efforts of both the management and the UBOA(K). Employee Relations (ER) meetings across regions are conducted in a cordial and solution-oriented environment, ensuring that genuine concerns are addressed amicably and operational bottlenecks are removed swiftly.

UBOA(K) has played a vital role in supporting Bank-organized events and programs. The office bearers coordinate closely with regional authorities to ensure seamless execution of all major initiatives. Their active involvement underscores the association's commitment to aligning employee welfare with institutional progress.

The trade union movement in Kerala's banking sector has a rich legacy rooted in social progress, democratic values, and service excellence. UBOA(K), as part of this heritage, continues to advocate for better working conditions, improved customer service, and responsible banking practices. Alongside these efforts, it has made significant contributions in equipping officers with modern skills. Recognizing the technological transformation in banking, the union has proactively pushed for training modules to upskill officers in areas such as digital banking and cybersecurity-especially crucial for a digitally savvy but diverse clientele in Kerala.

Notably, UBOA(K) has designed and implemented its own training module titled B-WISE, focusing on business, compliance, and monitoring. This program is conducted annually across all regions, empowering officers to execute their delegated responsibilities ethically, confidently, and in strict adherence to regulatory guidelines. In November 2024, a residential leader ship development program, CATALYST, was conducted at Marian College, Kuttikkanam, exclusively for office bearers. This initiative focused on fostering team spirit and enhancing leadership skills, reflecting the union's forward-thinking approach.

One of the most significant achievements of UBOA(K) lies in preserving work-life balance while ensuring exceptional business results. The association has strongly advocated against holiday working and excessive late sitting, and has succeeded in cultivating a self-disciplined officer cadre that achieves business targets without compromising personal well-being. While occasional digital infrastructure constraints and staff shortages may necessitate additional efforts, such instances are promptly escalated by the union through appropriate forums. UBOA(K) firmly believes that work-life balance is not a privilege, but a right—a stance that has greatly contributed to Kerala's stress-free and harmonious workplace environment.

Importantly, Kerala's regions have maintained a remarkable record: no incidences of workplace toxicity, no harassment, no humiliating reviews, and no punitive actions such as unjustified memos or transfers. Officers are not compelled to work on holidays or sit late unless necessitated by genuine exigencies. There are no unwanted or intimidating video conferences, and no pressure through social media channels. Interestingly, the officers in Kerala

Regions have achieved impressive business growth without reliance on WhatsApp groups, frequent virtual meetings, or coercive practices. This stands as a powerful testament that respect, trust, and positive reinforcement are far more effective than threats or intimidation.

The leadership teams at the Regional and Zonal levels have demonstrated exceptional sensitivity and support towards officers. Management has remained accessible, empathetic, and inclusive-hand-holding officers when needed and ensuring that the workplace remains dignified and conducive to performance. The absence of vindictive transfers, coercive supervision, or fear-driven performance culture in Kerala reflects a matured and compassionate administrative environment.

A thorough analysis of key performance indices such as **EKAM, EASE Agenda, and Vigilance Perspective Index** paints an optimistic picture of Union Bank's operations in Kerala. These metrics further invalidate the misplaced narrative that Kerala's officer trade union is aggressive or confrontational. Instead, they reveal a story of strategic collaboration and shared responsibility between the Bank's leadership and UBOA(K).

In every sense, UBOA(K) has proven itself to be a *“Trade Union for the Trade,”* committed equally to business excellence and employee well-being. Through its measured activism, institutional participation, and progressive vision, the union has helped craft a banking culture in Kerala where growth and dignity walk hand in hand.

SWOT ANALYSIS

THIRUVANANTHAPURAM REGION

(Thiruvananthapuram Region is comprised of Thiruvananthapuram district only.)

The business growth in actual terms, as at 31/03/2025 over 31/03/2024 was modest at 153 Cr. Although the Retail and MSME segments grew by 188 Cr & 83 Cr respectively Y-O-Y, the negative growth in Agri (owing to restrictions to Urban Branches) to the extent of 119 Cr, shifting of M/s Muthoot Housing Finance (Rs 129 Cr, in the month of March 2025) and Bulk repayment of KSEB limits (Rs 200 Cr in March 2025) impacted the Advances growth negatively.

Though the Region consistently achieved 5 parameters in all months and had a good Ekam Scores, the float maintained by M/S KSBC (Avg 15-20 Cr), Treasury Account (Rs 30-35 Cr) and M/s HLL (nearly 45 Cr) were withdrawn in the last two weeks of March 2025, leading to fall nearly 70 Cr in CASA.

However, the Region has consistently maintained average SB portfolio of Rs 840 Cr and CA portfolio of Rs 235 Cr through out the previous 11 months. RTD portfolio grew by Rs 269 Cr Y-O-Y.

Region achieved all quarterly recovery targets and the final achievement was 154% of the target. Slippage was within the ceiling for the FY and Stress % was around 5%. Region has achieved more than 98% of Fee based income in the previous Financial Year.

Towards building up CASA portfolio, Region has focused on Govt Accounts and used the Payment Gateway Facility as an important tool for business accretion.

K-SMART project of IKM onboarded our Bank as one of the 4 approved Banks and the float in the linked accounts in Trivandrum as on 31/03/2025 was nearly 35 Cr. Additional accounts are being linked since. Even the Rural Bodies are included under the project now.

Region opened 3 SNAs during the last FY and the expected inflow in SB in these accounts is expected to be Rs 100 Cr. NORKA Payment Gateway expected to generate good SB float in the current FY. MSME was the focus are for business growth and usage of delegation at the Branch level and generation of leads to higher delegation has resulted in growth of nearly 21%.

STRENGTHS

- Business growth of Rs.153 Cr YoY; Retail up Rs.188 Cr, MSME up Rs.83 Cr.
- Achieved 154% of recovery target.
- Slippages within FY ceiling; stress around 5%.
- 98%+ fee-based income achievement.
- Opened 3 SNA accounts; Rs.100 Cr expected SB inflow; MSME growth from branch-level delegation.
- Strong staff team spirit and cooperation.
- Good rapport with Regional Office and branches.
- Consistent rise in EKAM rankings.

WEAKNESSES

- CASA decline of Rs.70 Cr due to key account withdrawals in March.
- Over-reliance on State Govt entities; reduced exposure due to credit crunch.
- Low exposure in hospitality, tourism, and education sectors.
- Retail-focused; large loans diverted to major banks due to account relationships.
- Stagnant Govt and corporate/ MSME lending while peer banks grow.
- Weak MSME and corporate base; limits CASA.
- NRI base and CNA/SNA shares are low despite presence of an NRI branch.
- Difficulty in converting salaried accounts; proposals out competed by peer banks.
- Inefficient account opening process vs fast, user-friendly modes by competitors.
- Limited third-party products; no dedicated wealth managers unlike peers.

OPPORTUNITIES

- Consistent SB avg Rs.840 Cr and CA avg Rs.235 Cr across 11 months.
- RTD portfolio up Rs. 269 Cr YoY; expected to continue growing.
- CASA growth via Govt accounts & Payment Gateway initiatives.

THREATS

- Agri business saw Rs. 119 Cr drop due to gold loan policy; risk of continued decline.
- Agri heavily dependent on gold loans; policy shifts affect growth.
- SNA fund inflows uncertain.

K-SMART project onboarded; Rs.35 Cr float from linked accounts; rural bodies added.	CASA balance could be impacted by growth in RTD.
3 SNAs opened; NORKA Gateway and MSME delegation to boost business and float funds.	Maintaining average float in major Govt accounts is a challenge.
	Retail housing loans need more focus over gold-based lending.
	MSME sourcing must improve both locally and through higher authority support.
	Govt deposits shifting to peers due to better asset-side support.
	Absence of CBC in Trivandrum hinders new Govt/Corporate business opportunities.
	SBI dominance in residential financing limits market share.
	Heavy competition from other banks and NBFCs for deposits.
	Existing digital platform and products less attractive to younger demographic.

STRENGTHS

1. Business Growth - The business growth in actual terms, as at 31/03/2025 over 31/03/2024 was modest at 153 Cr. Although the Retail and MSME segments grew by 188 Cr and 83 Cr respectively Y-O-Y

2. Recovery Target Achievement - Region achieved all quarterly recovery targets and the final achievement was 154% of the target.

3. Slippage was within the ceiling for the FY and Stress % was around 5%.

4. Fee Income - Region has achieved more than 98% of Fee based income in the previous Financial Year.

5. SNA Accounts - Region opened 3 SNAs during the last FY and the expected inflow in SB in these accounts is expected to be Rs 100 Cr. NORKA Payment Gateway expected to generate good SB float in the current FY. MSME was the focus are for business growth and usage of delegation at the Branch level and generation of leads to higher delegation has resulted in growth of nearly 21%.

6. Very good team spirit and cooperation among staff in the region.

7. Connect with Regional Office and Branches are very good.

8. Consistent growth in **Ekam rankings.**

WEAKNESSES

1. CASA Degrowth -Though the Region consistently achieved 5 parameters in all months and had a good Ekam Scores, the float maintained by M/S KSBC (Avg 15-20 Cr), Treasury Account (Rs 30-35 Cr) and M/s HLL (nearly 45 Cr) were withdrawn in the last two weeks of March 2025, leading to fall nearly 70 Cr in CASA.

2. Major share of our Business has been with State Govt entities and due to the credit crunch faced by the State Govt, our exposure has reduced both on Asset and Liabilities side. Govt has also shifted its share through Govt Treasury.

3. Our exposure in both assets / liabilities towards this sector which comprises of hospitality, tourism, educational institutions etc is very low compared to other Banks.

4. Trivandrum is mainly having a retail customer base with our main business being retail loans, gold loans etc. Now, being a developing city, large number of **residential projects** are coming up. But the majority of the business goes to SBI, HDFC, ICICI etc as most of the salaried employees are having the accounts with these Banks.

5. Lending towards Govt Sectors has reduced or remained stagnant while the other peer banks have increased their portfolio.

6. Even though the MSME Target has been achieved by the region, **MSME base** of the region is very low.

7. Corporate advances has reduced or remained stagnant while the other peer banks have increased their portfolio.

8. Private Sector banks like South Indian Bank and Federal Bank have majority market share mainly due to better rates and high end customized service.

9. Govt Deposits are mainly routed through treasuries

10. Though we have an **NRI Branch,** NRI base is very low in the region. Other Banks have come up with various innovative schemes and products for attracting the NRI customers.

11. Our Shares in CNA & SNA Accounts are very low compared to peer banks.

12. Salaried customer base in the region refers to employees of State Govt, various Central Govt institutions like ISRO, Technopark employees etc. Our efforts to breakthough this sector have met limited success. Most of these customers have salary accounts under Corporate tie up and hence we are not able to shift those customers to our Bank. We had proposed for customized salary package with Railways as well as State Police Department but peer banks like Bank of Baroda and State bank offered better packages and our proposal was rejected stating it as non competitive.

13. As **Corporate/MSME customers are very low** in number, our CASA base is very limited.

14. Last year A**ccount opening processes were complicated** while peer banks have come up with faster and user friendly mode for the same.

15. Other Banks have **dedicated Third party Banking Channels** and Portfolio Managers for managing Insurance, mutual funds, share market etc while our exposure to the same is limited.

16. Manpower Shortage: Eight of the Branches in the region are having an officer other than BM. Acute shortage of Manpower position in Clerical as well as Officer cadre resulting in over workload to employees. Region has sent for approval of opening of 20 new branches in addition to the 3 already license obtained branches which will further worsen the situation in Thiruvananthapuram Region.

17. Thiruvananthapuram being the state capital, the Bank has yet to establish a dedicated Government Business Cell/ SLBC cell in the State capital which is adversely affecting the Liaoning with the Government and regulatory bodies.

OPPORTUNITIES

1. Consistency in SB - Region has consistently maintained average SB portfolio of Rs 840 Cr and CA portfolio of Rs 235 Cr through out the previous 11 months.

2. RTD portfolio grew by Rs 269 Cr Y-O-Y. The trend will be continuing this FY

3. CASA Growth - Towards building up CASA portfolio, Region has focused on Govt Accounts and used the Payment Gateway Facility as an important tool for business accretion.

4. K-SMART project of IKM onboarded our Bank as one of the 4 approved Banks and the float in the linked accounts in Trivandrum as on 31/03/25 was nearly 35 Cr. Additional accounts are being linked since. Even the Rural Bodies are included under the project now.

5. SNA Accounts - Region opened 3 SNAs during the last FY and the expected inflow in SB in these accounts is expected to be Rs 100 Cr. NORKA Payment Gateway expected to generate good SB float in the current FY. MSME was the focus are for business growth and usage of delegation at the Branch level and generation of leads to higher delegation has resulted in growth of nearly 21%.

THREATS

1. The negative growth in Agri (owing to restrictions to Urban Branches) was to the extent of 119 Cr in the last FY. The trend may be continuing if there is no change in the Gold Loan policies.

2. Agri lending is mainly depending on Gold Loans and hence changes in Gold loan policies are affecting the Agri Business in the region. Reversing the Negative trend in Agri and Gold Loan Portfolio is a big task ahead.

3. Ensuring receipt of funds in **SNA.**

4. Retail Term Deposit growth without compromising in CASA.

5. Ensuring Average float in important Govt Accounts.

6. Housing loan growth to be of more focus rather than Retail loans 'per se', since Gold Loans add to Retail Advances.

7. MSME growth both at the Branch level and at higher delegation

8. More liability support from the Govt bodies can be expected if the Asset side demand, atleast for Good performing entities is considered. Many PSBs and PVBs are reaping the benefit of higher CASA and Deposit growth on account of the same.

9. Our **CBC** is located at Ernakulam which is almost 6 hours away. When CBC was located at Trivandrum, they had made various inroads to Govt/Corporate Business. Lack of dedicated Corporate Business Cells for this capital city has also affected new business aquisitions.

10. In most of the **residential projects** coming up, financing is done by SBI and hence, and SBI puts Sanction conditions for routing residential units loans through SBI only. Hence we miss a major chunk of the loans taken by apartment owners.

11. Trivandrum has high **concentration of public/pvt sector banks** and NBFCs and there is heavy competition for deposits.

12. Unable to attract the younger generation customers with the existing products and available digital platform.

SWOT ANALYSIS

KOLLAM REGION

(Kollam region comprises of Kollam, Alappuzha and Pathanamthitta districts)

STRENGTHS

- Total Business crossed Rs.7,000 Cr Rs.7,088 Cr as of March 2025 (7.52% growth YoY).
- Advances grew by 8.13%, Deposits by 7.17%; overall steady growth.
- All business segments showed growth except Agri portfolio.
- Quality growth in retail education loans, especially abroad and premier institutions.
- Onboarded two major Channel Finance accounts mitigating MSME portfolio degrowth.
- Excellent performance in recovery Met targets in all 4 quarters and campaigns like Rin Wapsi, Mission 3000.
- Slippages well contained; region risk rating remains LOW since inception.
- 61 branches across 3 districts; 5 new licenses in hand with semi-urban focus and good RAM potential.

WEAKNESSES

- Manpower shortage : 8 branches operate without dedicated officers; situation may worsen with new branches.
- Only 6 RDOs for 13 Agri-focused branches; inadequate for upcoming ALP rollout.
- Low branch presence in Pathanamthitta district limits outreach to HNI/NRI customers.

OPPORTUNITIES

- New branches (5 licenses + 8 new survey proposals) - major scope in semi-urban areas.
- High RAM potential: education, housing, vehicle loans for young salaried clientele.

THREATS

- Degrowth in gold loans due to agri gold loan restrictions; affects overall Agri portfolio.
- Persistent stress in retail housing loans post-COVID due to NRI job losses and repatriation.

SHG lending via Kudumbasree tie-up with zero processing and attractive ROI - potential for expansion.
Vizhinjam-Kollam-Punalur Industrial Triangle project brings future potential in logistics, exports, IT/ITES, tourism, etc.
Smart industrial ecosystem and sectoral growth (marine, agri, renewable energy, medical ourism) supports business expansion.
Business growth target of Rs.700 Cr (10%) for FY 2025-26 aligned with planned network expansion.

STRENGTHS

Total Business Crossed Rs.7000 Crores:

- Total Business Mix of the Region stood at Rs. 7088 Cr as of March 25 recording a growth of 7.52% over March 2024. Advances recorded growth of 8.13% and Deposits recorded growth of 7.17% over March 2024.
- All the Business Parameters recorded sustained growth over March 2024 except Agri portfolio.
- Region's EKAM Rankings were good till Oct 24 and lost the positions wef Nov 24 after Gold degrowth.
- Growth of Education Loan portfolio in Retail segment was notable; region could garner quality abroad and premier education loans. Overall growth under Retail segment was also notable in FY 2024-25.

Region could onboard two Channel Finance accounts with sizeable limits and could mitigate the degrowth due to Declassification in MSME segment.

Compliance & Recovery:

- Region performed extremely well under Recovery Segment and achieved Targets in all four quarters consistently; Targets under various recovery campaigns like Rin Wapsi & Mission 3000 were also achieved.
- Region could contain slippages within the allotted targets in first 3 quarters.

Risk Rating of the Region is LOW since roll out of the region.

Branches located in 3 Districts:

- Our 61 Branches are in 3 Districts with a business scope in Retail, MSME and NRI business. Region already having 5 licenses for new Branches in hand; of which one Branch (Ayathil Branch) is ready for full-fledged operation & two more Branches (Valanjavazhi-Ambalappuzha, RUSU Mavelikara) will be ready for roll out in May 2025.

Out of 5, four are coming under Semi Urban category and having huge potential for scouting good business in RAM sector.

WEAKNESSES

Manpower Shortage:

- Eight of the Branches in the region are having an officer other than BM. Manpower position expected to worsen once the new Branches are getting rolled out.
- 13 Branches are being designated as Agri focussed Branches whereas six RDOs only posted in the region. Requirement of RDOs will be increased once ALP gets rolled out.

Low Branch Presence in Pathanamthitta District:

Branch presence in Pathanamthitta District is less compared to other two Districts which impacts acquisition of new HNI/NRI clients.

OPPORTUNITIES

New Branches:

- -Region already having 5 licenses for new Branches in hand; most of them are coming under Semi Urban category and having huge potential for new client base & RAM sector.
- Region already submitted eight surveys in FY 2024-25 to Central Office for new Branches in three districts.

Federal Bank is having more than 50 Branches in Kollam District itself. Kollam being the Aspirational District of the Bank having ample scope for opening new Branches and scouting new business.

Potential for RAM segments:

- Region can focus on quality Education, Housing, Vehicle Loans by targeting young salaried customers.
- Region could garner sizeable amount of loans under SHG portfolio in FY 2024-25 via Kudumbasree Tie Up with zero processing charges and attractive Rate of interest. By timely renewal of this tie up, we can garner more business under Agri portfolio.

After successful commissioning of Vizhinjam International Port, a new Industrial and economic Growth Triangle is being announced by Govt of Kerala connecting Vizhinjam -Kollam- Punalur with Vizhinjam Port. This project envisions the development of a port based smart industrial eco system through seamless integration of transportation, logistics and industrial parks. Seven key sectors considered as vital for the development have been included in the project: marine products processing and export, agri based industries, IT/ITES and space sector, transportation and logistics, renewable energy, assembling units and the medical tourism/hospitality industry. Region can plan more Branches in these Triangle and reap the benefit of this initiative.

Business Growth:

Region expects a reasonable target of business growth (10% growth over March 2025) of Rs.700.00 Cr in FY 2025-26 with planned network expansion.

THREATS

Degrowth in Gold Loans:

Restrictions in agri based Gold loan schemes contributed in degrowth of Gold Loan portfolio and the continuing trend may impact the Agri portfolio.

Stress in Retail Home Loans:

Stress and slippages in Retail Housing Loans are higher in the Post covid period and expected to continue in the coming FY too. Repatriation & Job loss of NRIs are the main reasons for this trend.

SWOT ANALYSIS

KOTTAYAM REGION

(Kottayam region comprises of Kottayam and Idukki districts)

Kottayam Region is comprised of two major districts of Central Travancore viz. Kottayam & Idukki.Kottayam, the land of Letters & Latex, is flanked by the Western Ghats in the east and the Vembanad Lake and paddy fields of Kuttanad on the west. Idukki is a mountainous district with lush green forests, wildlife sanctuaries, tea & spices plantations. The economy of both areas is driven by agriculture, trading, tourism and other business enterprises.

STRENGTHS

- Strong business growth: 13.44% overall growth despite manpower disruptions.
- Achieved 6/11 performance parameters; deposits grew 15.60%, advances by 11.90%.
- Consistent Top 20 EKAM ranking since May 2024.
- Robust HR environment with cordial ER atmosphere and proactive trade union involvement.
- Cluster schemes for planters, traders, and homestays driving agri and tourism lending.
- Rs. 142.35 Cr sanctioned under MSME campaigns; large account onboarding (e.g., Central Bazaar).
- Successful local outreach campaigns boosting visibility and goodwill.
- Strong SHG/JLG and Kudumbasree presence aiding financial inclusion and rural market access.

WEAKNESSES

- High NPA in education loans, especially in Idukki (nursing sector).
- No Forex officers despite being an export hub; loss of Forex business.
- Takeover threat from Govt Contractor segment due to procedural delays in BDS sanction.
- No pricing flexibility for existing customers facing takeover threat; peer banks offer better deals.
- Gold loan growth slowed due to lower LTV caps; peer banks offer higher limits.
- MSME portfolio declassification due to non-updated URNs.
- Low housing loan ticket size; limited construction approvals in Idukki.

OPPORTUNITIES

- Cluster-based schemes in agri and allied sectors (Spices, Pineapple, Cardamom).
- Export finance potential from growing spice & food processing industry.
- Tie-up with Kudumbasree offering zero processing and attractive ROI.
- High literacy supports digital banking and cost-efficient operations.

THREATS

- Price volatility in rubber and cardamom impacts income and savings.
- Aging population and youth migration shrinking retail loan base.
- Geographic limitations and low manufacturing presence hinder collateral and large-scale lending.
- Seasonal and tourism-dependent economy vulnerable to external shocks.

Kottayam's status as an education hub opens scope for student loans, incl. foreign education.

Tourism sector financing potential via schemes for hotels, homestays, operators.

Renewable energy and infra projects (hydro, solar, wind) in Idukki offer future lending scope.

Strong NRI remittance flow driving deposits and MSME investments.

Improving road and connectivity infrastructure enhances business potential.

Environmental risks like land-slides/floods threaten rural banking and infrastructure.

STRENGTHS

1. Performance

The region has achieved 6 parameters (SB, Casa, RTD, Recovery, Slippage, Fee based income) out of 11 parameters. In spite of huge disruptions in the staff structure and reduction in manpower owing to the transfer exercise in the previous FY, total business grew by 13.44%.

- The parameter wise business growth during FY 2024-25 is given below:

Parameter	24-Mar	25-Mar	Growth during the year	% Growth
Total Deposit	2126.78	2458.64	331.86	15.60%
SB	895.09	1014.52	119.43	13.34%
CD	109.73	112.22	2.49	2.27%
CASA	1004.82	1126.74	121.92	12.13%
RTD	1103.73	1324.27	220.54	19.98%
Gross Advance	2961.91	3314.40	352.49	11.90%
Agri	1430.59	1553.72	123.13	8.61%
Retail	902.17	1064.2	162.03	17.96%

MSME	426.27	461.00	34.73	8.15%
Gold	655.67	743.72	88.05	13.43%

- The region posted a growth of 15.60% in deposit portfolio and the major portion was contributed by SB deposits and Retail Term Deposits.
- Gross Advances grew by 11.90% during the year.

2. EKAM Rankings

The region displayed consistency in Performance and always stood in Top 20 EKAM Rankings since May 2024.

3. HR Initiatives & ER Atmosphere

ER meetings of the region are conducted periodically in an extremely cordial atmosphere. HR issues are being amicably settled wherever possible. Genuine HR issues and other operational concerns are presented with conviction and a solution-oriented approach has been embraced by the functionaries. There has been a deliberate and active involvement by the Trade Union office bearers in the Region to facilitate a better business environment and ensure high standards of compliance and monitoring.

4. Cluster Schemes for Agri Commodity Traders, Wholesale Traders, Homestays etc

Idukki is the largest producer of Cardamom in India and is also a hub for cultivation of a large variety of spices and other agri products. Trading of Cardamom and other Agri-commodities is the major MSME Activity in Idukki and close vicinity to Idukki has also resulted in Kottayam too being a hub of Spice Traders and exporters. Kottayam is also the largest rubber producer in the country and Manufacturing units and Trading units linked to rubber and rubber-based products have always been the backbone of Kottayam's Industrial milieu. Vazhakkulam, the Pine-apple Capital of Asia is also in the close proximity of Kottayam and Idukki districts and we have many customers who are into cultivation and trading of Pineapple in and around the area.

We have two cluster schemes for Planters viz. Area Specific Scheme for financing to Cardamom and Pepper Growers, Area Specific Scheme for financing to Pineapple Growers. The portfolio under both the schemes have been traditionally aiding the Region in achieving the Agri Targets and building a solid customer base, contributing towards auxiliary business as well. Further, recently our CO has approved the activation of Cluster Specific Scheme for Financing Agri-Commodity Traders and Arahtiyas in the Region which would benefit Spices and other agri commodity traders.

Both the districts are also known for their World-famous tourist destinations like Kumarakom, Munnar, Thekkady, Vagamon etc. The list of destinations and Go-to spots in the region is endless with a wide variety of options catering to the taste of all leagues of travellers and tourists. The options include adventure tourism (trekking, paragliding, adventure parks, glass bridges, ziplines, hot air balloons etc), wildlife & national parks, farm tourism (Spices Parks, Tea Estates, Theme Based Parks like Mango Meadows), village tourism, ecoparks, Dams and Hydro Power Projects, Historical sites, Off-road routes, numerous waterfalls etc. Catering to the demands of tourism, Kottayam and Idukki districts have a robust network of Hotels & Resorts and some of the top players in the Hospitality Industry have their presence in the Region at places like Kumarakom, Munnar and Thekkady.

Furthermore, Cluster specific scheme for financing Homestays and allied activities associated with Homestays has also been activated in Region, which would enable to garner further business in the Tourism & Hospitality sector.

The historically high price of Cardamom has been a significant factor in aiding the region to achieve its SB and CASA Targets due to high inflow of funds in Savings accounts of farmers and traders in the form of profits.

5. Generation of Big Ticket Leads in Various Credit Campaigns like Empower MSME/Quantum MSME etc and Onboarding of large accounts

Region has generated more than Rs. 100 Cr worth leads in various MSME and other campaigns. A total amount of Rs. 142.35 Cr was sanctioned in the MSME Sector alone in FY 2024-25 by MLCC, RLCC and ZLCC, excluding the branch level sanctions.

An MSME limit of Rs. 36.22 Cr was sanctioned to M/s Centreal Bazaar India Limited by ZLCC in March 2025 and stage wise disbursement is expected in the current FY.

6. Initiates Undertaken

Region has successfully conducted various campaigns and outreach programs in line with the Management calls and also designed locally and generated good number of leads and goodwill in the two districts:

- K2 Carnival (Outreach Campaign)
- Sankranthi Festive Campaign (Outreach Campaign)
- God is Great (E Hundi Campaign)
- Pravasi Hamara Gourav (NRI Meet)
- Subhashree Sekhram (Campaign for mobilizing institutional accounts and Panchayath accounts)

- Outreach campaigns organized by RLP at various expos (Parpidam, Veedu, Onam Expo)
- Various MSME outreach campaigns
- Agri outreach campaigns (Karshakashree)
- Pensioners meet at RO and at branches
- Salary account holders meet at Kattapana
- Vehicle dealers meet
- Coordinated with and actively participated and contributed to various programmes initiated by Central Government and State Government like EDP (Entrepreneurship Development Programme conducted by DIC, Industries Dept) , RAMP (Raising and Accelerating MSME Performance – a World Bank Supported Initiative by GoI), Karshakasabha (Conducted by Malayala Manorama) and various other initiatives of DIC, Export Council, Spices Board etc.

7. Strong Presence of Kudumbasree and SHG/JLG Groups augmenting the Financial Inclusion and Priority Sector Lending and an Untapped Rural Market

Kerala is known for its Kudumbasree Mission and it has been historically successful in poverty eradication and women empowerment and has been appreciated and emulated globally. Kottayam and Idukki districts have a good network of SHGs/JLGs contributing to the community development of the region and Banks play a vital role in their credit linkage. We have a tie-up scheme with Kudumbasree Mission in Kerala state, thereby acting as a credit enabler and goodwill vehicle. Idukki district also has a significant rural population with limited access to banking services. Our Bank can penetrate these unserved areas through our banking infrastructure. We have already served unbanked areas like Edamalakudy etc.

WEAKNESSES

1. High NPA percentage in Education Loans in Idukki

Idukki has one of the highest NPA percentage in Education Loans in India, especially in the Nursing education sector.

2. Lack of Branches with Forex facilitation

In spite of being a major Spices and Food Processing hub with focus on Export, the region doesn't have any forex officer posted in any branches.

3. Takeover Threat from Govt Contractor Customers

We have many Customers under Govt Contractor Sector and they have consistent requirement for BDS Limits. Regions in the state Kerala have been sanctioned with a cluster specific scheme for Bill Discounting of Government Contractors in Kerala State.

However, each time a Contractor approach for BDS facility, Internal Rating, RBRCA and other applicable sanction related procedures have to be repeatedly carried out and sent to the Sanctioning authority. The Customer expects swift disposal of the BDS Facility, while the procedural delay will result in increasing the TAT for the same.

BDS is extended against Promissory Note issued by Govt of Kerala and is similar to an Advance against Government Security. There is no collateral prescribed for the facility as per approval agenda. The scheme is of self-liquidating nature and once entered in the BDS Portal, Govt of Kerala will pay the amount to Bank within 6 Months. There has been no history of default in the scheme.

Many of the peer banks are doing sanction of BDS limits within one day.

Based on the above points, Internal Rating, RBRCA and Financial ratios should not be made applicable for the same.

Further, the scheme must be permitted to be sanctioned at RLCC level irrespective of Delegation, based on the minimal risk associated with the same.

The current hiccups are causing Takeover Threat in the case of major Contractor customers.

4. Loss of Export/Forex Business

There are no Forex officers posted in Kottayam and all transactions and forex related processing is facilitated through Alappuzha Branch in Kollam Region.

With increase in Spices export, more customers are preferring banks with better forex facilities and access to the same.

Further, Export customers must be provided direct application of reduced interest rate after discounting interest equalisation 3% instead of reimbursement of the same (many Other Banks are already providing this facility).

A forex officer may be posted in the Region with special focus on Export Customers.

5. Pricing for ETB Customers – Takeover Threat

No concessions can be offered for accounts facing takeover threat at RO/ZO level. Under MSME Campaign based lending in Empower MSME, Quantum MSME etc., only NTB Customers are considered. So, if any customer decides to stay with us, there is no incentive for them, while the same customer if comes back after having been taken over by another bank, we offer low rates under the respective campaigns.

Customer relationship-based pricing to be considered for retaining existing customers. Delegation for additional concession to be permitted to RLCC and above for retaining the good customers. Many Peer banks are giving straight away concession to their good accounts at Region/ZO level to retain the customers in their fold, if they are going to other banks.

6. Gold Loan Portfolio - Challenges

During the FY 2023-24, Gold loan portfolio of the region had grown by 250.34 Cr (61.74%), but the growth was limited to 88.05 Cr (13.43%) during the FY 2024-25.

The reduction was caused by the LTV reduction in various gold loan schemes. Maintaining the growth rate while the peer offering better LTV rate will be a challenge for the current year.

7. Declassification in MSME Portfolio

Major challenge in our Region during last year was Declassification of MSME loans. Small ticket loans like MSME Gold loan, PM Svanidhi etc constituting around 12.00 Cr are continuing under other Sectors due to non-updation of URN.

8. Low Ticket Size of Retail Proposals

Also, ticket size of the proposals is very low and 70 % of the housing loan proposals are under Union Awas scheme and average ticket size of the housing loan from both districts is Rs.8.00 lakhs. Permission for new flat construction is not being extended in Idukki district; maximum construction up to two floors are permitted in Idukki district with lot of restrictions. Also, flat culture is not that prominent in both districts.

OPPORTUNITIES

1.Agriculture and Allied Sector Financing

The dominance of rubber, spices and plantation crops in the region presents opportunities for banks to offer specialised loan products & various govt scheme-based products like AIF, PMFME etc.

We already have two cluster schemes for Planters viz. Area Specific Scheme for financing to Cardamom and Pepper Growers, Area Specific Scheme for financing to Pineapple Growers.

Further, recently our CO has approved the activation of Cluster Specific Scheme for Financing Agri-Commodity Traders and Arahtiyas in the Region which would enable us to generate more leads of Spices and other agri commodity traders and auction companies.

2. **Export Hub for Spices and other Food Products**

   Idukki is gradually evolving into a major spices export hub and Kottayam and Idukki have many food processing units focusing on export with the significant diaspora population in focus. This provides ample opportunities for Export Financing and allied facilities. However, no forex officers have been posted in the Region and liaisoning with Alapuzha Branch in Kollam Region or LCV Branch Ernakulam is required currently for Forex facilities.

3. **Tie-up with Kudumbasree Mission**

   The tie-up with Kudumbasree Mission providing zero processing charges and attractive Rate of interest would enable the region to garner sizeable business in the SHG & Agri portfolio.

4. **Digital Banking Penetration**

   High literacy rate and growing urban population would aid in pushing digital products like UPI, Mobile Banking, Internet Banking, STP Loans etc and enable in reducing operational costs and increasing the goodwill of the bank amongst young customers.

5. **Education Loan Market**

   Kottayam is an educational hub with numerous schools, colleges and professional institutions. Further, The Brilliant Study Centre Pala known across the state for Coaching for various entrance exams and Civil Service exams is located in Kottayam. Further, it is also a hub for various consultancies facilitating foreign education. Hence, the region offers excellent opportunities for marketing education loan products including Foreign education loans and enables the bank to build a long-term customer base.

6. **Tourism and Hospitality Sector**

   Kottayam and Idukki have a thriving Tourism Industry acclaimed globally and offers us opportunities to finance hotels, homestays, tour operators and infra projects.

   Catering to the demands of tourism, Kottayam and Idukki districts have a robust network of Hotels & Resorts and some of the top players in the Hospitality Industry have their presence in the Region at places like Kumarakom, Munnar and Thekkady.

   Currently, our Bank's presence in the Hospitality Sector of Kottayam and Idukki is paltry as many a times, we are falling behind due to the better packaged products of peer banks in terms of ROI & Service charges. Hence, the Cluster Specific Scheme for Financing Hotels and Restaurants with competitive rate of interest, discount in service charges and flexibility in Security Coverage can be the Silver Bullet at our disposal, with immense possibilities.

We have already sent recommendation for activation of Cluster Scheme for Hotels and Resorts through ZO Mangaluru. The activation of the scheme and offer of better ROI would enable us to canvass more projects under the same.

CO has already activated the Cluster scheme for Home stays in Kottayam Region, which would enable us to fund relatively smaller Homestay projects as well.

7. Renewable Energy and Infra Projects

Idukki houses major hydroelectric projects and dams in Kerala. It has major potential for solar or small-scale renewable energy installations including floating solar projects. Further, Idukki also houses wind power projects in various areas like Ramakkalmedu, Kuruvikanam etc and can be a source of Infra projects in future for Renewable Energy Infra Projects.

8. Robust NRI Remittance Flow

Kottayam and Idukki districts have a significant NRI population in Middle East as well as Europe, US, Canada, Australia etc constributing to substantial remittance inflows. This augments the region's deposit & TPPD growth, retail advances. The funds also get converted as investments in MSME sector.

9. Stable Socio-Economic Environment

Both the districts have a relatively high HDI, Political stability and community trust in government institutions including PSU Banks fostering a conducive environment for banking operations.

10. Improvement in Road Connectivity & Infra Projects in the Region

The Malayora Highway project and various Road and Bridge projects of PWD and KIIFB have drastically improved the accessibility and connectivity of the Region.

THREATS

1. Volatility in Prices of major Agri Crops like Cardamom and Rubber

The prices of Rubber and Cardamom are subject to global demand & price fluctuations.

2. Aging Population and Migration

The region has an aging demographic due to high life expectancy & significant migration of youth to urban centers or abroad. This reduces the working-age population for MSME and other Loans and may shrink retail lending opportunities over time. However, remittances and investments have still remained intact and there is also an inward migration for unskilled labor from northern and eastern states and a reverse migration of highly skilled entrepreneurs from middle east and western countries.

3. Geographical Constraints and Limited Manufacturing Sector

Kottayam Region is flanked by Western Ghats on one side and wetlands on the other side. Hence, land use is highly restricted and becomes a hindrance in considering many properties as collateral. Population distribution in the hilly terrain of Idukki makes it difficult to maintain bank branches and ATMs cost effectively in the district. Cost-per-customer is high in the region, challenging the profitability. Also, the region doesn't have a large-scale manufacturing sector or Corporate activity.

4. Seasonal and Tourism Dependence of Economy

Tourism Sector is seasonal and sensitive to external factors like weather, pandemics etc.

5. Environmental Vulnerabilities

Idukki and some parts of Kottayam are prone to natural disasters like landslides and floods exacerbated by climate change. These types of events can cause sudden disruptions in rural economy.

SWOT ANALYSIS

ERNAKULAM REGION

(Ernakulam region comprises of Ernakulam district only)

STRENGTHS	WEAKNESSES
Strong growth in retail loans, especially independent housing and education loans (high NRI/ student migration demand)	Limited success in builder tie-ups – only 1 home loan mobilized per tie-up despite 13 sanctioned
Agri business supported by 16 dedicated branches and coastal exports (seafood processing clients)	Higher gold loan rate per gram and LTV restrictions reduce competitiveness; significant decline in Agri Gold portfolio (Rs. 916.51 Cr - Rs. 857.54 Cr)
Presence of large corporate clients (Cochin Shipyard, KMRL, CIAL, Synthite, Plant Lipids) with scope for expansion financing	Inability to match peer bank ROI (7.2–7.5% vs. bank's 8%) led to loss of long-standing clients

- MSME lending strong: Rs. 226.53 Cr sanctioned, Rs.183.19 Cr disbursed in FY25
- Kochi is a key hub for gold lending due to NRI inflow and proximity to major gold players
- Diverse sectoral exposure: plywood, coir, seafood, construction, IT/SmartCity, etc.
- Efficient schemes like MSME Suvidha and Superfast, Quantum Leap, Empower campaigns
- High MSME O/s in clusters like Perumbavoor, Arakkapady, Kothamangalam (e.g., Rs. 72 Cr out of Rs.90 Cr in plywood)
- Well-established RSETI enabling Agri/self-employment linkages and financing

- No flexibility for ROI concessions at RO/ZO level for retention of takeover-threatened accounts
- Rigid procedural norms (e.g., Kerala BDS delays, financial ratio dependency, long sanction cycles) limit competitiveness in quick-financing areas
- Plywood Cluster losing appeal due to outdated terms and peer bank advantages; revision still awaited
- Delay in builder commission, limited manpower in tie-up teams vs. SBI's dedicated 10–15 staff cell
- Only 1 sanction under Wholesale Mandi scheme due to restrictive eligibility norms
- No concessional ROI renewal scheme for existing MSME customers, unlike retail business retention model

OPPORTUNITIES

- NRI-focused retail: strong foreign remittance inflow, home purchase potential
- SPARK software mandate relaxed - opportunity to onboard State Govt. salary accounts
- Major urban development: IT Parks, industrial estates, and expanding skyline fueling retail credit demand
- Potential in SHG lending (Rs.116 Cr), pineapple & cardamom clusters
- UMFB opening in Perumbavoor-Arakkapady-Kothamangalam belt for MSME support

THREATS

- Intense competition from SBI, Canara Bank (offering CDS incentives for SHG leads)
- Declining Agri Gold Loan portfolio due to structural restrictions in urban branches
- No business retention flexibility in MSME may lead to loss of good borrowers
- High slippage (Rs.35 Cr+) and declassification (Rs. 50 Cr) in MSME loans
- Upcoming expiry of cluster schemes (plywood & Kerala BDS) by 31.03.2025 threatens continuity

Kerala Govt. bill discounting, promissory notes – scope for fast and secure MSME lending	Delay in sanctioning loans against govt. notes due to procedural dependencies
Scope in niche MSME sectors: coir, spices, solar, traders, contractors, hospitality	Peer banks offering ROI concessions, takeover incentives, and quicker processing, threatening customer retention

STRENGTHS

Retail : There has been a consistent rise in financing for independent housing projects. With steep increase in aspiration of better living conditions and employment prospects, there has been spike in the exodus of students to foreign countries for higher education which mostly can be materialized by way of financial assistance. We are excelling in this segment.

Agri : There are 16 Agri focused branches .The main composition Agri portfolio of Ernakulam region is KCC, SHG, Agri loan, Gold Loan and other term loans.

Being a coastal state there are a lot of sea food processing and export units some of which are our customers such as SLS Exports, Geo Aquatic Products Private Limited, Kay Kay Exports etc.

Gold : Kochi is the touch down point of several NRK (non-resident Keralites) from middle east and other countries abroad. Major jewellery magnates like Kalyan, Malabar, Bhima are based out of Kerala having several showrooms in Kochi. NBFCs financing against gold such as Muthoot Fincorp, Kosamattom Finance, Mannappuram, Shriram Finance etc. are our major competitors in the gold loan lending space which is the major component of Agri business of our branches.

MSME :

- Ernakulam district is the industrial hub and houses majority of the MSME units of the state.
- MSME Suvidha & MSME Superfast scheme
- Out of Rs.226.53 crores MSME sanctions in FY 2024-25, Rs.183.19 crores has been disbursed as on 31.03.2025.

Corporates : Mini Ratna – Cochin Shipyard Limited, KMRL (Kochi Metro Rail Limited), CIAL (Cochin International Airport Limited). Large scale food processing units such as Plant Lipids (oleoresins), Synthite (condiments) are customers of our bank and scope exists for sanction of loans for the purpose of the diversification/expansion of their units.

WEAKNESSES

In FY 2024-25, 13 builder tie ups initiated by RLP Ernakulam have been sanctioned by CO. However, only 1 HL could be mobilized per tie up. As against the same, SBI is having 4 RASMECs in Ernakulam District viz. Panampilly Nagar, Palarivattom, Aluva and Muvattupuzha.

For EOUs (export oriented units), peer banks are offering ROI of 7.2-7.5% against which our bank's minimum pricing is 8% due to which we lost the business of one of the major sea food exporter of Kochi i.e; ABAD Fisheries which had banking history of more than 5 decades with our bank.

In Gold per gram rate offered by our bank is higher than the peers. The prescribed LTV ratio is higher.Out of total 86 gold lending branches in Ernakulam Region, 28 branches fall under Urban category wherein Agri Gold Loans cannot be sanctioned. In the remaining 58 branches which are semi-urban/rural, the starting ticket size of gold loan that can be sanctioned is above Rs. 2.00 lakhs. However, considering the demography around the said branches, the average ticket size of gold loans were Rs.0.75 Lakhs to Rs.1.00 Lakhs. With issuance of revised gold portfolio guidelines, the said business in 58 branches has also taken a back seat. The total Agri Gold Loan portfolio of RO Ernakulam as on 31.03.2024 stood at Rs.916.51 crores which declined to Rs.857.54 crores as on 12.03.2025. It is pertinent to note that major share in the said decline is attributed to decrease of Rs.88.38 crores in Agri Gold Loan business of the aforesaid 28 urban category branches.

Rigidity in ROI - As of now General ROI is not in line with peer banks: There are 353+ bank branches in Ernakulam district. Hence to compete with peer banks competitive pricing is a must. Peer banks MSME rates are 8.50-8.75% for general advances. Presently we can offer best ROI is 9.35% for CR 3 Suvidha Customer, with 150% security coverage.MLP/RO sanctioned Rs. 100.00 Cr + under Union MSME EMPOWER /QUANTUM LEAP Campaign as we were able to offer competent rate to the market. And the scheme is continuing till 30.06.2025, we are hopeful in scouting & conversion of good numbers of proposals. However, existing customers are requesting for reduction in ROI, which may taken up for retention of existing portfolio, on a relationship based pricing.

Flagship Cluster Scheme, Plywood Cluster, is now lacking the market interest due to competitor's concessions: This is one of area which contributes significantly to regions MSME Portfolio. We have formulated cluster Scheme for Plywood Manufactures way back in 2011, where no bank has entered in this area. The scenario has changes and most of the banks are now opened in Perumbavoor with attractive schemes and spot reduction of ROI from 0.25-0.50% from other bank offers to take-over threat customers. We have requested for revised cluster scheme with inclusion of traders, flexible financial ratios, increase in per party exposure, spot concession for longstanding customers to mitigate take over threat, which is hope will include in the renewal of the cluster for the current FY.

Kerala Bill discounting Scheme: This is advance against promissory note of Govt, ensured payment of 90 days. Internal Rating & Financial ratios should be made not applicable. Peer banks are giving one day sanction. We are unable to do so as delay in obtention of financials, Provisionals etc. This should be treated as a standalone facility as these are self-liquidating in nature.

Managing takeover penalty imposed by other banks: Takeover penalty is major financial constrain of the party. Though the parties are filing complaints for refund, it is taking 2-3 months, as reported by many and during this time other banks are matching our terms and retaining the customers.

No concessions can be offered for accounts facing takeover threat at RO /ZO level: Customer relationship -pricing to be considered for retaining existing customers. Delegation for addition concession to be permitted to RLCC and above for retaining the good customers Peer banks are giving straight away 0.05% concession to their good accounts and retain the customers in their fold, if they are going to other banks.

OPPORTUNITIES

RETAIL:

NRIs:- Large portion of demography are NRIs which repatriate foreign currency to their folks back home. NRI focused products and services can be a major focus. NRIs can be lured for house purchases as part of investments

State Govt. Departments: The payment of employees of State Govt. Departments is through SPARK software (Service and Payroll Administrative Repository for Kerala) vide which the salary accounts were mandated to be opened in SBI. However recently, the said mandate has been relaxed which opens the scope to onboard a large no. of salary accounts of the said employees to our bank by speedy account opening and allied concession in non-advance service charges. The same will be augment huge scope of retail business from the said employees.

Ernakulam District: Ernakulam district has a population of 32.82 lakh having 7 Taluks, 82 Panchayats, 1 Corporation, 13 Municipalities, 30 Police stations, 188 schools, 13 convention centres, 34 colleges and medical hospitals.

Specialized Areas: IT Park/SmartCityKochi in Kakkanad, industrial estate /KINFRA in Kalamassery shall attract white collar and blue collar employments which in turn will increase surrounding settlements and hence the scope of retail loans.

Flat construction:- The skyline of Kochi is full of high rise buildings of different segments. Thus a huge scope exists to tap into different economic strata to fulfill their dream of owning a home/car and other personal needs.

<u>AGRI:</u>

The state of Kerala is known for its Kudumbasree concept, which enhances the scope of SHG and hence Agri Business. The major potential in Agri Business in Ernakulam district are lending to SHGs. As per analytical data received from CO, Ernakulam region has potential Rs.116 crores.

The outlay of cluster specific scheme for Pineapple cultivation is Rs.70.00 crores out of which present O/s is Rs.54.25 crores

The outlay of cluster specific scheme for Cardamom cultivation is Rs.15 crores out of which O/s is Rs.12.46 crores

There is a well-established RSETI with fully equipped premises and staff which is annually conducting several self-employment programs some of which are mushroom cultivation, microgreen cultivation, home-made snack/pickle manufacturing, cake & confectionary business etc. which can be classified as Agri and some of which can be sanctioned under PMFME. The RSETIs conduct EDPs and ensuring hand holding for up to 2 years and assist the participants to seek finance and hence are a scope for Agri business lead.

<u>GOLD:</u>

Operational strengthening such as time-bound payment to appraisers, turn-around time of minutes to gold loan customers, full time availability of appraisers and dedicated staff for the same will enable our branches to compete with the peer NBFCs which are having the sole business of gold loans.

A large portion of the population is dependent inherited/accumulated gold over a period of time and land tax receipt (owned/leased land) to avail gold loan for instantly meeting its cash deficit.

<u>MSME:</u>

Plywood cluster - Perumbavoor, Arakkapady, Koovapady, Muvattupuzha, Kothamangalam Major Contributors of MSME in the region. Arakkapady & Perumbavoor belts are having more than 600 plywood units out of which more than 100 units are banking us with cater to which Plywood cluster scheme with an outlay of Rs.150.00 crores was sanctioned for specific districts of Kerala. The total outlay for Ernakulam district was Rs.90.00 crores and present O/s is Rs.72 crores.

Moreover, government approvals are in place for starting plywood units in Kothamangalam and Elanji.

In view of the above, opening of UMFB is recommended to be opened for the huge MSME potential in the Arakkapady-Perumbavoor-Kothamangalam -Elanji belt.

1. Union Contractors- All branches with major focus on the areas of Kumarapuram, Thrikkakara, Ernakulam, Kothamangalam
2. Equipment finance- All Branches
3. Solar- All Branches
4. Traders- mandi Scheme- Ernakulam, Kothamangalam,
5. Hotels & Homestay- Agathi and Fortkochi
6. Kerala Government has introduced the concept of issuing promissory notes to Govt. approved contractors against which bank can finance for which Kerala specific bill discounting cluster scheme with an outlay of Rs.120.00 crores was sanctioned for specific districts of Kerala. The total outlay for Ernakulam district was Rs.30.00 crores and present O/s is Rs.7.3 crores.
7. Kochi/Ernakulam is having one of the largest in South East Asia and India's first transshipment container terminals in SEZ, which can be tapped into to garner export business.
8. Wholesale Mandi scheme to be made more generalized in the sense of not insisting for a conglomeration of 100 shops in a particular geographical extent to be eligible to be covered under Wholesale Mandi scheme. Due to the said criteria, our region has been able to sanction only 1 loan in the said scheme.
9. Moreover Kerala is know for its spices (Spiceboard), coir (Coirboard, Kerafibretex & Palmfibre being few of our customers), Coconut Oil (Kerafed being one of our customers) and scope for garnering MSME business exists in the said segments.
10. Schemes like MSME Bonanza, Quantum Leap, Empower MSME etc. should be available for a longer duration so that we can give a competitive pricing to the customers

THREATS

SBI builder tie up cell is headed by Chief Manager having staff strength of 10-15. In line with the same, an independent builder tie-up cell is recommended which will streamline the follow-up & improve the commission payment and lead conversion rate.

Although our bank is offering competitive ROIs are compared to peer banks, it has been gathered that SBI, Canara Banks are offering incentives to the CDS staff for providing SHG leads due which our probability in terms of no. of leads garnered visa vis the peer banks is lean.

Out of total 86 gold lending branches in Ernakulam Region, 28 branches fall under Urban category wherein Agri Gold Loans cannot be sanctioned. In the remaining 58 branches which are semi-urban/rural, the starting ticket size of gold loan that can be sanctioned is above Rs.2.00 lakhs. However, considering the demography around the said branches, the average ticket size of gold loans were Rs.0.75 Lakhs to Rs.1.00 Lakhs. With issuance of revised gold portfolio guidelines, the said business in 58 branches has also taken a back seat.

The total Agri Gold Loan portfolio of RO Ernakulam as on 31.03.2024 stood at Rs.916.51 crores which declined to Rs.857.54 crores as on 12.03.2025. It is pertinent to note that major share in the said decline is attributed to decrease of Rs.88.38 crores in Agri Gold Loan business of the aforesaid 28 urban category branches

In FY 2024-25, there was slippage of over Rs.35 crore and loans to the tune of Rs.50.00 crore were declassified from MSME. Moreover, about 51% of portfolio comprises term loans, repayment in which is huge. However, we were able to maintain the same level of MSME as compared to PFY.

The plywood and Kerala BDS cluster specific schemes are due for renewal since 31.03.2025.

There is no scheme for granting concessional ROI for existing limits like the business retention option available in retail loans.

Depending on financial ratios for assessment and restricting delegation of sanction to RLCCs is an impediment for immediate sanction of loan against promissory note issued by Kerala Govt. which is fully backed by a negotiable instrument issued by State Govt. and hence is as good as an LAD.

SWOT ANALYSIS

THRISSUR REGION

(Thrissur Region comprises of Palakkad, Thrissur Districts & part of Ernakulam District)

Union Bank Thrissur Region consisted of 58 branches spread around 3 districts viz, Thrissur, Palakkad and Malappuram. After 2025 April 1st 11 branches have become part of Kozhikode Region and another 15 branches from Ernakulam Region has joined to Thrissur Region making the total number of branches to 62. The region, has consistently demonstrated strong performance despite challenges such as manpower shortages, operational hurdles, and intense competition. This report presents the strengths, weaknesses, opportunities, and threats faced by the region. Additionally, it includes a key concern regarding the decline in MSME proposals and its potential impact on future business development.

STRENGTHS	WEAKNESSES
Strong teamwork and staff efficiency despite manpower shortages	Manpower shortage leading to branch workload issues
Business growth from Rs. 7,384.51 Cr to Rs. 7,953.01 Cr	Procedural and technical hurdles slowing operations
Retail loan growth: Rs. 219.42 Cr (+22%) in Home, Education, Mortgage loans	Communication barriers due to non-linguistic officers affecting CRM
Gold loan growth: Rs. 98.22 Cr (+11.38%)	Frequent changes in operational structure affecting efficiency
RAM segment growth: Rs 283.74 Cr (+10%) – strong core focus	Tech infrastructure lags behind competitors
Consistent Top 10 Prerna ranking throughout FY	Limited branch presence reducing outreach
19 officer promotions boosting morale and performance	
Ethical, pressure-free work culture driving motivated performance	

OPPORTUNITIES

- Palakkad industrial corridor – new MSME lending potential
- Strong base in gold, healthcare, and hospitality sectors
- Digital banking to expand customer engagement
- NRI banking and remittance focus
- Process optimization for quicker loan turnaround

THREATS

- Competition from 3 major bank HQs in Thrissur
- Faster competitor loan processing impacting new business
- Staff burnout from increased workload threatening work-life balance
- Decline in MSME proposals may hinder business growth

STRENGTHS

- Strong teamwork and staff efficiency despite manpower shortages.
- Business growth from Rs. 7,384.51 Cr to Rs. 7,953.01 Cr. **Retail Loans (+Rs. 219.42 Cr, +22%) Home, Education, Mortgage Loans. Gold Loans (+Rs. 98.22 Cr, +11.38%) - RAM (Retail, Agri, MSME) (+Rs. 283.74 Cr, +10%)** – Core focus area performing steadily.
- Consistency in performance. Region stood in top 10 position in Prerna rankings for the whole financial year.
- 19 staff promotions occurred to higher scales enhancing the morale and showcasing the performance capabilities of officer squad.
- The performance was reaped through Ethical work culture without undue pressure with the commitment and self-motivation of employees.
- Even without peer pressures triggered from social media groups the region has stood first in the Prerna Ranking in zone for three consecutive quarters.

WEAKNESSES

Workload issues due to manpower shortages in branches.

- Overly strict procedural and technical hurdles slowing down operations.
- Communication gaps due to a high number of non-linguistic officers in the region. This is causing hindrance to smooth customer relation up to a limit.

- Frequent changes in operational structure creating inefficiencies.
- Technological infrastructure lags behind competitors.
- Limited branch penetration reducing customer reach.

OPPORTUNITIES

- Industrial corridor in Palakkad opening new MSME lending opportunities.
- Thrissur's strong business sectors in gold, healthcare, and hospitality.
- Digital banking expansion to improve customer engagement.
- Targeting NRI banking and remittance services.
- Faster loan processing to enhance customer retention.

THREATS

- Intense competition from major banks headquartered in Thrissur. (We have HQs of three major scheduled Banks in Thrissur)
- Faster loan approvals by competitors affecting business.
- Staff burnout due to increasing workload and posing a great threat to job to life parity.
- Decline in MSME proposals affecting future business development.

SWOT ANALYSIS

KOZHIKODE REGION

(Kozhikode Region comprises of Kasargod, Kannur, Wayanad, Kozhikode and Malappuram)

STRENGTHS

- Robust business growth of 10.66% (Deposits:13.36%, Advances:7.15%)
- Expansion from 52 to 66 branches after inclusion of Malappuram branches
- 10 new branch licenses allotted, to be opened by Q1 FY26
- Pan-India 1st rank in education loans (notably to IIM students)
- Strong recovery performance (180% of target achieved); slippages controlled
- Met key Financial Inclusion targets (PMSBY, PMJDY)
- Low regional risk rating consistently maintained
- Wide geographic coverage across 6 districts

WEAKNESSES

- Staff shortage: Only 9 RDOs for 17 Agri-focused branches
- Overdependence on gold-based Agri loans (75% secured by gold)
- Staff reduction from 427 to 409; officer count dropped from 238 to 222
- Low branch presence despite coverage of 6 districts

OPPORTUNITIES

- 10 new branches to be opened, increasing total to 72
- Scope to grow in retail (housing, personal, vehicle loans) targeting youth
- Digital campaigns to attract tech-savvy customers
- Ambitious business growth target of Rs.950 Cr in FY 25' – 26'

THREATS

- Decline in gold loan portfolio due to policy changes (Rs. 153 Cr drop in 6 months)
- Faster competitor loan processing impacting new business
- Agri portfolio lacks diversification; urban gold-based loans dominate
- Wide geographic spread vs. limited staff may affect service and monitoring

STRENGTHS

Robust Business Growth: The region recorded an impressive overall growth of 10.66%, significantly better than the previous year's 4.55%. Deposit growth was 13.36%, and advance growth was 7.15%, showing strong traction in both liability and asset products.

Branch Expansion: The number of branches increased from 52 to 66 with the inclusion of 14 existing branches from Malappuram district after regional restructuring. Additionally, the region has been allotted 10 new branch licenses, expected to become operational before the June quarter of FY 2025-26. This is a strategic gain, expanding the region's footprint and potential customer base.

Campaign Success : Well-executed business campaigns led to a solid performance in retail loans and MSME segments. Notably, the region achieved Pan-India first rank in educational loans sanctioned to IIM students, show-casing strong retail loan management.

Recovery & Compliance : The region overachieved recovery targets at 180%, kept slippages within control, and met key Financial Inclusion goals like PMSBY and PMJDY, reflecting both good risk management and compliance culture.

Wide Geographic Reach: The region now spans 6 districts, covering nearly half of Kerala, providing strategic advantage in customer outreach & market presence.

Low Regional Risk Rating: The Region has maintained a consistently low risk rating over the last two financial years, reflecting strong operational and credit discipline.

WEAKNESSES

Staff Shortage: Out of 17 agri-focused branches, only 9 RDOs (Rural Develop ment Officers) are available (2 of them at RO level), limiting focused lending in core agriculture sectors.

Overdependence on Gold Loans: 75% of agricultural advances are secured by gold, mostly concentrated in urban branches. This creates vulnerability to policy shifts and market fluctuations in gold.

Reduction in Staff: The total staff strength reduced from 427 to 409, and officer strength dropped from 238 to 222, impacting operational efficiency at a time of expansion.

Low Branch Presence: Even though the region covers 5 major districts, the number of branches is still less compared to other districts Kerala, limiting deeper market penetration and visibility.

OPPORTUNITIES

New Branches: With 10 new branches planned and increased total to 72 branches, the region has scope to capture untapped markets, especially in growing suburban and semi-urban areas.

Growing Retail Segment: Following the success in educational loans, the region can focus more on personal, housing, and vehicle loans, particularly targeting young salaried customers and professionals.

Digital & Campaign Drives: Focused campaigns and digitization efforts can help attract tech-savvy customers and improve customer experience, especially in ompetition with fintech players.

Estimated Business Growth: Rs. The region has set a realistic and ambitious Rs. 950 Cr business growth target for the upcoming financial year, with 14% in deposits and 10% in advances, aligned with its expanding network.

THREATS

Decline in Gold Loans: Due to policy changes in Oct 2024, gold loan-based agri lending has dropped by Rs. 153 Cr in just six months, and the trend may continue, reducing overall agri loan share.

MSME Stress: Around Rs. 35 Cr worth of MSME accounts are currently under stress, and chances of revival appear bleak. This could lead to increased NPAs if not addressed.

Agri Diversification Lacking: Heavy concentration in urban gold-based loans under the agri portfolio.

Spread vs. Resources: The current staff strength may not be sufficient to serve a wide geographic area, affecting quality service delivery, monitoring, and recovery efforts

Conclusion

As we draw the curtains on this pioneering effort, it gives us immense pride to present this comprehensive volume compiled by the Union Bank Officers' Association (Kerala State), the foremost officers’ trade union movement in Kerala. This book is more than a mere documentation of numbers and achievements - it is a statement of intent, a testimony of values, and a roadmap for the future.

The financial year 2024–25 has been both challenging and transformative. Through a meticulous analysis of the business growth and operational performance of the newly formed Kerala Zone, we have attempted not only to highlight our accomplishments but also to honestly reflect on areas that demand improvement. The strength of this document lies in its authenticity - it does not shy away from pointing out where we’ve faltered, but more importantly, it provides a clear and strategic vision for course correction, sustainable growth, and the enhancement of compliance culture.

In this journey of growth, what stands out is our unwavering commitment to integrity. We have proved, beyond doubt, that robust business performance need not come at the cost of compliance. We have upheld every guideline, respected every regulation, and ensured that fair practices are the foundation of our progress. Our growth story is not marred by shortcuts or ethical compromises - it is enriched by professionalism, vigilance, and accountability.

What truly makes this endeavour historic is the fact that it is the first of its kind - a trade union-led initiative that seamlessly blends business analysis with human-centric values. We have conducted a detailed SWOT analysis of all six regions, providing deep insights that will be invaluable for the Zonal and Regional Offices in planning their future course of action. This book serves not only as a mirror to the past year but also as a compass for the years ahead.

We have also debunked long-standing myths - that efficiency requires late sittings, holiday work, or toxic work environments. On the contrary, our performance is a testament to the fact that respect, work-life balance, and dignified treatment of officers create the most fertile ground for growth. Efficiency does not bloom under pressure and fear; it thrives in trust and harmony.

The role of the Union Bank Officers’ Association (Kerala State) has been central to this success. Our proactive engagement with management, our commitment to protecting officers from unjust practices, and our consistent efforts to maintain industrial harmony have all contributed to an ecosystem where both the institution and its people flourish together. We have shown that a progressive trade union does not merely resist-it leads, it collaborates, and it innovates for the collective good.

Despite challenges like acute manpower shortage, limited branch presence, and resource constraints, Kerala Zone has delivered commendable results. Parameters such as fraud prevention, audit compliance, customer service rankings, EKAM scores, and productivity metrics all point towards a zone that is moving forward with strength, clarity, and purpose.

In essence, this book is a blueprint for a new paradigm in banking - one that balances ambition with ethics, growth with compliance, and performance with human dignity. Let this be a guiding light for the future, a reference for policy makers and practitioners alike, and a proud declaration that when unions and management walk together, banks can truly soar.

Together, we have grown. Together, we will lead.

Compiled by,

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