



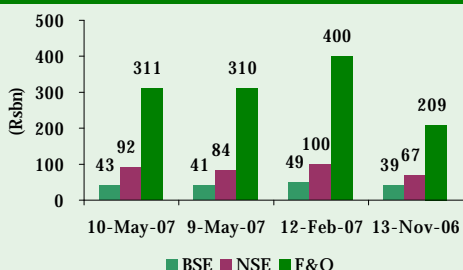
11 May 2007

Indices	%Change			
	10-May-07	1mth	3mth	6mth
Sensex	13,771	4.5	(3.0)	2.8
Nifty	4,067	5.3	0.2	6.1
CNX Midcap	5,278	6.5	3.7	(5.7)
Banking	6,864	4.7	(6.8)	1.0
Capital Goods	9,874	6.9	4.8	11.8
IT	4,878	1.5	(10.1)	(0.3)
Healthcare	3,697	0.5	(1.2)	(2.3)
NASDAQ	2,534	3.0	3.4	6.0
Dow Jones	13,215	5.9	5.3	9.1

Net Inflows

R\$bn	9-May-07	8-May-07	MTD	YTD
FII	(2)	1	(2)	131.7
Mutual Fund	(1)	0	3	82.2
FII - F&O	(2)	(1)	1.7	128.4

Turnover



Commodity & Currency % Change

	10-May-07	1mth	3mth	6mth
Crude (US\$/barrel)	61.8	0.1	3.5	3.7
Gold (US\$/Oz)	665.7	(1.8)	0.7	5.9
US\$	41.0	(4.3)	(7.2)	(7.8)
Euro	55.6	(3.4)	(3.4)	(2.7)

Debt

%	10-May-07	1mth	3mth	6mth
RBI Reverse Repo	6.0	6.0	6.0	6.0
10 yr G-Sec yld	8.1	8.1	7.8	7.6
Spread 1 & 10 yr G-Sec	0.8	0.8	0.4	0.5
US 10 yr treasury	4.6	4.7	4.8	4.6
Surplus liquidity (Rsbn)	(30.0)	(30.0)	(21.6)	(28.2)

Union Bank of India (Rs113) - Result Review

BUY - Target Price: Rs150

Rakesh Kumar

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In 4th quarter FY2007, Union Bank reported 58% growth in net profit to Rs.2.28 billion as compared with our estimate of Rs.1.7 billion. The Bank reported higher interest income and decline in operating expenses. **We increase our price target to Rs.150 from Rs.139 due to strong core performance and improvement in asset quality in FY2008.**

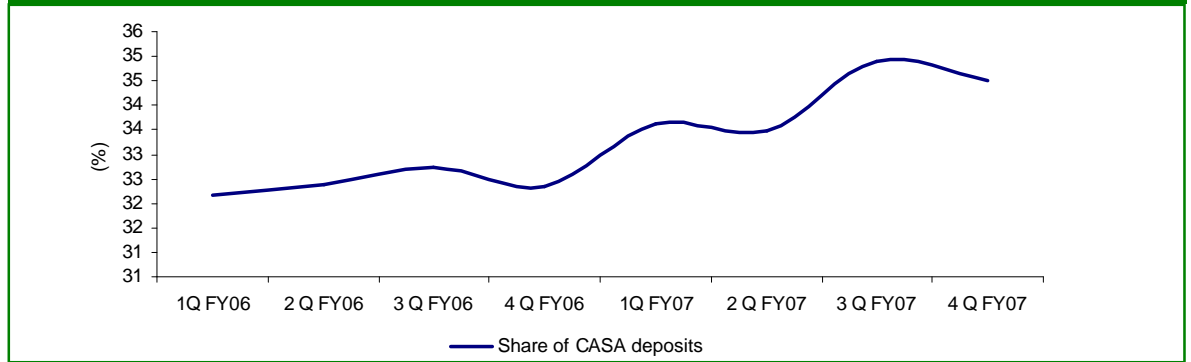
Growth in total interest income and NII: Interest on advances grew by 40% to Rs.14.3 bn due to 16.5% quantum growth in credit portfolio and successive hikes in prime lending rate (PLR) to 13.25%. NII's growth was higher than our expectation mainly due to much higher interest income and deposit cost containment due to improvement in CASA. NII grew by 41% to Rs.8.4 bn.

	4 Q FY06	3 Q FY07	4 Q FY07	QoQ (%)	YoY (%)	FY2006	FY2007	YoY (%)
Interest on Advances	10,250	12,939	14,305	11	40	37,598	50,718	35
Interest on Investments	4,980	5,272	5,386	2	8	19,542	21,133	8
Interest on inter-bank funds	315	195	668	244	112	925	1,262	37
Other Interest	178	87	591	576	233	573	709	24
Total Interest Income	15,723	18,492	20,949	13	33	58,637	73,822	26
Total Interest Expenditure	9,744	11,633	12,526	8	29	34,894	45,920	32
Net interest income	5,979	6,859	8,424	23	41	23,743	27,902	18
Total other operating income	1,732	2,052	2,418	18	40	4,945	6,865	39
Total Net Income	7,711	8,911	10,841	22	41	28,688	34,768	21
Overheads	3,515	3,860	3,259	(16)	(7)	14,024	14,759	5
Operating profit	4,196	5,051	7,583	50	81	14,664	20,008	36
Tax	755	1,067	2,144	101	184	2,195	5,350	144
Provisions	1,995	1,420	3,153	122	58	5,717	6,204	9
Net profit	1,446	2,564	2,286	(11)	58	6,752	8,454	25
Equity Capital	5,051	5,051	5,051			5,051	5,051	
EPS (in unit INR)	2.9	5.1	4.5	(11)	58	14.6	16.7	15
Gross Non Performing Assets	20,980	19,061	18,726	(2)	(11)			
Net Non Performing Assets	6,412	6,411	6,012	(6)	(6)			
(%) Gross Non Performing Assets	3.8	3.3	2.9					
(%) Net Non Performing Assets	1.6	1.1	1.0					

Union Bank of India		(Rs mn)	FY2005	FY2006	FY2007	FY2008E	FY2009E
Bloomberg/Reuters Code	UNBK IN/UNBK	Total Net Income	28,306	29,994	34,768	41,961	48,551
Market Cap	R\$bn	56 Profit before provisions	15,732	15,970	20,008	24,501	29,419
Market Cap	US\$m	1,368 NIM (%)	3.3	3.1	3.1	3.0	3.0
52-week ran	Rs	142/81 Net Profit	7,190	8,058	8,454	14,499	18,302
Shares in is	mn	505 EPS (Rs)	15.6	14.4	16.7	25.3	32.6
FII limit	%	20 EPS Growth (%)	1.0	(7.9)	16.3	51.4	28.5
		P/E (x)	7.1	7.7	6.6	4.4	3.4
		Price/Book Value (x)	1.6	1.4	1.2	1.0	0.8
		Price/Adjusted Book Value (x)	2.8	1.5	1.2	1.0	0.8
Promoters	55.4	Dividend Yield (%)	3.15	3.15	3.15	3.42	4.05
Banks/FIs/MFs	9.0	Cost-to-income (%)	44.4	48.9	42.5	43.4	41.0
Pvt. Corp. Bodies	2.4	ROA (%)	1.10	1.00	0.92	1.28	1.36
Public	13.6	ROE (%)	25.0	18.7	17.9	24.4	25.7
FIs/NRIs/OCBs	19.7	Tier-1 Capital (%)	6.07	7.32	7.79	7.11	7.44

Source: Company and Karvy Estimates

Low cost deposits



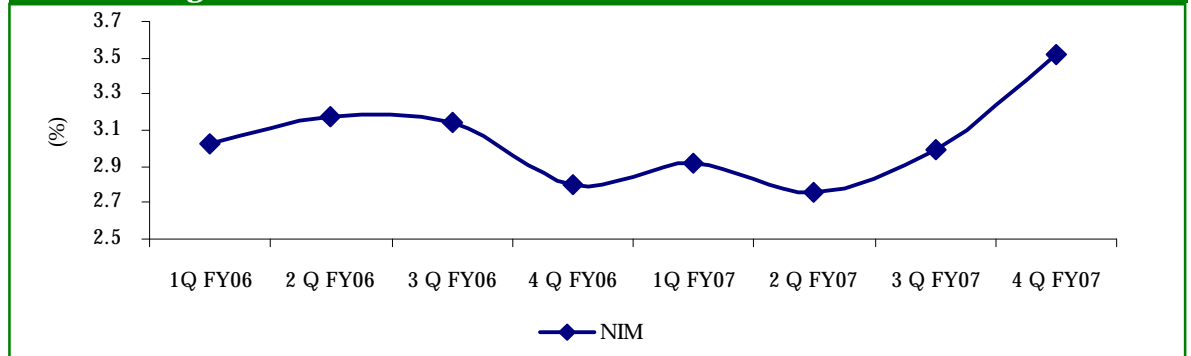
Growth in fee based income and non-interest income: During the 4th quarter FY07, total non-interest income grew by 31.4% to Rs.2.8 bn (without amortization loss) and by 39% to Rs.2.4 bn against our expectation of Rs.2.7 bn. CXB, profit on foreign exchange reported 39% and 37% growth. Robust other income performance was on the back of bank's serious initiatives to venture and develop new revenue sources of fee based income.

Overheads under control: Employees' expenses declined by 27% to Rs.1.5 bn resulting into de-growth in total overheads by 7% to Rs.3.2 bn against our expectation of Rs.3.8 bn. Decline in overheads and strong growth in other income pushed operating profit to grow by 80% to Rs.7.6 bn.

Improvement in asset quality: The bank reported 11% and 6% de-growth in gross NPA and net NPA to Rs.18.7 bn and 6 bn respectively. In percentage terms GNPA and NNPA drifted down to 2.94% and 0.96% respectively. Provision coverage came down to 68% from 69%.

Enhancement in low cost deposits' (CASA) share: The bank reduced its high cost bulk deposits share from 25% to 21.7% resulting into increase in CASA share to 34.5% from 32.4% in 4 Q FY06. Increase in CASA share contained cost of deposits to the extent reflecting into increase in margin.

Net interest margin



BULK DEALS ON NSE - 10 May 2007

Symbol	Script Name	Client Name	Buy/Sell	Quantity Traded	Price
BROADCAST	Broadcast Initiatives Lim	PRASHANT JAYANTILAL PATEL	BUY	147,258	77
CINEMAX	Cinemax India Limited	MANISH VRAJLAL SARVAIYA	BUY	169,098	151
CINEMAX	Cinemax India Limited	MERRILL LYNCH CAPITAL MARKETS ESPANA S.A. SV	BUY	202,000	152
CINEVISTA	Cinevistaas Limited	ASTUTE COMMODITIES & DERIVATIVES Pvt Ltd	BUY	46,740	55
CINEVISTA	Cinevistaas Limited	PRASHANT JAYANTILAL PATEL	BUY	81,618	52
GDL	Gateway Distriparks Limit	PRISM INTERNATIONAL PVT LTD	BUY	846,941	190
IBREALEST	Indiabulls Real Estate Li	GOLDMAN SACHS INVESTMENT MAURITIUS 1	BUY	990,000	375
IVRCLINFRA	IVRCL Infra & Proj Ltd	NORTHW MUTUAL LIFE FOUNDATION INC	BUY	1,437,200	304
NAGARFERT	Nagarjuna Fert & Chem	JAYPEE CAPITAL SERVICES LTD.	BUY	5,216,736	20
ORBITCORP	Orbit Corporation Limited	PRASHANT JAYANTILAL PATEL	BUY	288,246	210
PAGEIND	Page Industries Limited	B K SHAH CO KETAN BHAILAL SHAH	BUY	61,860	411
PAGEIND	Page Industries Limited	GHALLA BHANSALI STOCK BROKERS PVT. LTD.	BUY	94,551	414
PAGEIND	Page Industries Limited	HARBUX SINGH SIDHU	BUY	66,280	414
PAGEIND	Page Industries Limited	HDFC TRUSTEE CO.LTD. A/C HDFC EQUITY FUND	BUY	101,981	429
PAGEIND	Page Industries Limited	LATESH M CHHEDA	BUY	58,066	408
PAGEIND	Page Industries Limited	MANIPUT INVESTMENTS PVT LTD	BUY	111,328	412
PAGEIND	Page Industries Limited	MITESH M. DESAI	BUY	74,498	411
PAGEIND	Page Industries Limited	PRASHANT JAYANTILAL PATEL	BUY	102,751	391
PAGEIND	Page Industries Limited	SHAH HEMANG DINESH	BUY	106,717	409
PAGEIND	Page Industries Limited	SUNDARAM MF A/C SUNDARAM SMILE FUND	BUY	57,500	382
SUNILHITEC	SUNIL HITECH ENGR. LTD	MANISH VRAJLAL SARVAIYA	BUY	123,367	119
TELEDATAIN	Teledata Informatics Limi	VIJIT RAMAVAT	BUY	989,106	62
BROADCAST	Broadcast Initiatives Lim	PRASHANT JAYANTILAL PATEL	SELL	147,258	77
CINEMAX	Cinemax India Limited	MANISH VRAJLAL SARVAIYA	SELL	169,098	152
CINEVISTA	Cinevistaas Limited	ASTUTE COMMODITIES & DERIVATIVES Pvt Ltd	SELL	50,719	54
CINEVISTA	Cinevistaas Limited	Gandiv Investment Pvt Ltd	SELL	83,604	53
CINEVISTA	Cinevistaas Limited	Minal Patel	SELL	55,744	53
CINEVISTA	Cinevistaas Limited	PRASHANT JAYANTILAL PATEL	SELL	90,515	52
GDL	Gateway Distriparks Limit	PRISM INTERNATIONAL PVT LTD	SELL	846,941	184
NAGARFERT	Nagarjuna Fert & Chem	JAYPEE CAPITAL SERVICES LTD.	SELL	5,216,736	20
ORBITCORP	Orbit Corporation Limited	PRASHANT JAYANTILAL PATEL	SELL	288,246	211
PAGEIND	Page Industries Limited	B K SHAH CO KETAN BHAILAL SHAH	SELL	61,849	408
PAGEIND	Page Industries Limited	GHALLA BHANSALI STOCK BROKERS PVT. LTD.	SELL	94,551	415
PAGEIND	Page Industries Limited	HARBUX SINGH SIDHU	SELL	66,280	415
PAGEIND	Page Industries Limited	LATESH M CHHEDA	SELL	58,066	409
PAGEIND	Page Industries Limited	MANIPUT INVESTMENTS PVT LTD	SELL	111,328	412
PAGEIND	Page Industries Limited	MITESH M. DESAI	SELL	73,498	411
PAGEIND	Page Industries Limited	PRASHANT JAYANTILAL PATEL	SELL	102,751	396
PAGEIND	Page Industries Limited	SHAH HEMANG DINESH	SELL	106,719	409
SUNILHITEC	SUNIL HITECH ENGR. LTD	MANISH VRAJLAL SARVAIYA	SELL	123,367	120
TELEDATAIN	Teledata Informatics Limi	MADHU SUDHIRKUMAR JHUNJHUNWALA	SELL	900,000	58
TELEDATAIN	Teledata Informatics Limi	VIJIT RAMAVAT	SELL	783,924	63

Source: NSE

BULK DEALS ON BSE - 10 May 2007

Symbol	Scrip Name	Client Name	Buy/Sell	Quantity Traded	Price
531686	ADVIK LABORT	BETA STOCK BROKER	B	90,000	9
531591	BAMPSL SECUR	LILAC FARMS PRIVATE LIMITED	B	325,000	1
531337	CHAN GUIDE I	JAYKARAN JAIN	S	42,000	9
512624	CHANDRIK TRA	BHAGYA SHREE LEASING AND FINANCE LTD	S	21,050	4
532807	CINEMAX IND	MBL AND COMPANY LIMITED	B	149,603	151
532807	CINEMAX IND	MBL AND COMPANY LIMITED	S	149,603	151
504351	EMPOWER INDS	DIKUL MAHENDRA SHAH HUF	S	26,409	18
500147	FLAP PROD EQ	OWN	B	25,000	314
523277	GV FILMS LT	SIMRAN SUNIL RAHEJA	S	952,222	7
523277	GV FILMS LT	LOTUS GLOBAL INVESTMENTS LIMITED ACCOUNT GDR	S	1,100,000	7
532181	GUJ MIN DEVL	KSK ENERGYVENTURES PVT LTD	B	380,000	644
532181	GUJ MIN DEVL	MONEY MATTERS ADVISORY SERVICES LTD.	S	380,000	644
532835	ICRA	NIRMAL KUMAR AGARWAL HUF	B	78,525	928
532835	ICRA	NIRMAL KUMAR AGARWAL HUF	S	78,525	928
590036	KALPTARU	ASHLESH GUNVANTBHAI SHAH	B	238,502	49
590036	KALPTARU	N C JAIN	B	68,666	50
590036	KALPTARU	ASHLESH GUNVANTBHAI SHAH	S	225,013	50
590036	KALPTARU	N C JAIN	S	61,916	50
511760	KOSIAN INDUS	CHETAN DOGRA	B	18,685	18
504823	MAHIN UGIN	STATE BANK	B	1,000,000	92
504823	MAHIN UGIN	HSBC FINANCIAL SERVICES MIDDLEEAST LIMITED	S	1,064,799	92
532408	MEGASOFT LTD	MANULIFE GLOBAL FUND INDIA EQUITY FUND	S	200,000	124
526415	OK PLAY INDI	ABHA AGGARWAL	B	37,659	153
532827	PAGE INDUSTR	B K SHAH CO	B	56,682	404
532827	PAGE INDUSTR	B K SHAH CO	S	56,682	405
514300	PIONER EMBRO	LEHMAN BROTHERS ASIA LTD	S	71,107	192
531583	RAP MEDIA	MAVI INVESTMENT FUND LTD	B	50,000	232
531583	RAP MEDIA	PARAGRAPH SECURITIES PRIVATE LTD	S	49,819	232
521240	SAMBAND SPIN	VINODCHANDRA M PAREKH	B	29,428	137
521240	SAMBAND SPIN	VINODCHANDRA M. PAREKH	B	25,000	136
524336	SH HARI CH E	MADHU SUDHIRKUMAR JHUNJHUNWALA	S	25,000	50
527005	SHREE PACETR	EMERGENT MEDITECH INDIA PVT. LTD.	B	23,300	29
532711	SUNIL HITECH	MANISHVRAJLAL SARV	B	56,095	119
532711	SUNIL HITECH	MANISHVRAJLAL SARV	S	56,095	119
512167	YASHRAJ SECR	SUBHASH BABULAL JAIN	S	9,000	355

Source: BSE

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Stock Ratings	Absolute Returns	Stock Ratings	Absolute Returns
Buy	: > 25%	Market Performer	: 0 - 15%
Out Performer	: 16 - 25%	Under Performer	: < 0%

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