TRANSCRIPT

FINANCIAL RESULTS – Q1 FY27

Post Earnings Call with Analysts

Date	23.07.2026
Time	03:30 pm
Mode	Virtual (Webex)

Bank's Senior Management is represented by :

1. **Mr. Rajendra Kumar Saboo, Managing Director & CEO (I/C) and Executive Director**
2. **Mr. Vijay N Kamble, Executive Director**

Moderator : M/s Antique Stock Broking Limited

- **Moderator:**

  Good afternoon, everyone and welcome to the UCO Bank Q1 FY27 Earnings call. Today from the management side, we have with us:

  - Mr. Rajendra Kumar Saboo – Managing Director & CEO (I/C) and Executive Director
  - Mr. Vijay N Kamble - Executive Director

- With this I hand over the call to MD sir for his opening remarks, post which we will have a Q&A session. Thank you and over to you, sir.

- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**

- Thank you for arranging this call with all our esteemed analysts and investors. Good afternoon to all of you.

- So you all know that we have announced our quarterly financial results for the quarter ended 30th June 2026. We have already uploaded our presentation, detailed results, with key highlights. I will just summarize the key performance highlights for the quarter for ready reference of all of you.

- So, business growth of the bank has been very well and quite diversified also. So, as we know, the total business of the bank has reached 6,05,000 crores on 30th June. This growth comes to 15.53% year-on-year growth in June, supported by Advances growth of 21.18% and Deposit growth of 11.28%. So thereby our total Advances, global Advances have reached to 272,768 crores and Deposits have reached 3,32,315 crores.

- Deposit growth has been supported by CASA growth where our growth year-on-year has been 12.34%. Our total CASA stood at 1,16,136 crores. This is with the support of Current Deposit growth of 16.23% and Savings Deposit growth of 11.78%. Our CASA ratio as on 30th June has been at 36.94%. Our Advances growth has been contributed by all the sectors. RAM growth has been 25.27%, and within the RAM, retail growth has been 27.32%. Our Agriculture Advances have grown by 30% and our MSME Advances have grown by 18.79% year-on-year. So this is the growth in the business, Advances in Deposit.

- With the support of this growth in business, our profitability has also improved. So our Operating Profit has grown by 79.8% to Rs. 2,810 crores in this quarter. This Operating Profit growth has been supported by core income growth where our NII income has grown by 16.85%. Then our fee-based income has also grown 35%, and then there is a recovery from TWO accounts that is about Rs. 1,018 crores; that has also supported us in our Operating Profit growth.

- While the Operating Profit growth has been good, our Net Profit growth has been 8% year-on-year to Rs. 656 crores. So there is in between provision, and our taxation provision have increased, so we have provided for tax Rs. 1,919 crores. So that is the maximum provision provided. Out of this Rs. 1,919 crores, there is a one-time DTA charge. So basically, earlier in the old tax regime, we were calculating DTA at the rate of around 35%. Now in this financial year, we have moved to the new tax regime where the tax rate is at around 25%. So now with this change, the DTA has been recalculated, remeasured, and due to this remeasurement, Rs. 1,237 crores one-time DTA charge has been provided in the profit & loss account. So thereby, our regular DTA means…regular tax provision is around Rs. 625 crores or so, and addition this Rs. 1,237 crores, total tax provision has been Rs. 1,919 crores. Had it not been there, our Net Profit could have been more. So that is the reason why the Net Profit is at Rs. 656 crores.

- Then with this profitability, our asset quality has also improved. So we have seen reduction in Gross NPA by 55 basis points year-on-year. So our GNPA as on date is 2.08%. Same way, our Net NPA has also reduced by 20 bps year-on-year and our Net NPA is today 0.25%. And we have Provision Coverage Ratio of 97.85%. If we go by the guidance given in the beginning of the current financial year, we have surpassed most of the guidance, like Deposit growth, we were at 11.28% against the guidance given 10 to 12%. Same way, in credit growth, our growth is 21% plus against the guidance of 12 to 14%. We have maintained CASA ratio within the guidance, just below 37%. RAM sector Advances constitute 64.5%, is against our guidance of 62 to 65%. Our CD ratio stood at 82%. Credit cost has been controlled. We have given guidance to maintain the credit cost below 0.75% against which in the 1st Quarter, our annualized credit cost is 0.39%. Same way, our Slippage Ratio, we have given guidance of 1%, less than 1% and our actual Slippage Ratio annualized for the quarter is 0.63%. So thereby, we have maintained it, our GNPA, NNPA, NIM also we have maintained as per the guidance given. So overall, this financial performance has been encouraging.

- Other than the financial performance, if I talk about the various initiatives taken by the bank, during this quarter also, we have taken many new steps and we have launched many new products as well:

  - Like in digital Project Parivartan, we have started Project Parivartan 2.0, wherein we are working to create our call centre as a profit centre. So many journeys we have been bringing on the call centre also. So thereby, in IVR, we are offering many more services to our customers and many new customers are connecting for their services through IVR and the Call centre. Their fulfilment rate has also improved.

- We have launched STP Home Loan Journey in the digital drive.
- We have also started our digital marketing solution, wherein the marketing of various products is being done through the digital channel.
- We have integrated with the ULI of RBI, that is Unified Lending Interface for STP Home Loan Journey and STP Ashray Loan Journey. So they provide the backend solution and backend validation of various KYC and other things.
- Then we have also implemented our CBDC and we have started our CASA back office, where all the current account and saving accounts are being opened.
- We have implemented our DMS solution, Documents Management solution, which is helping us in working better in CASA back office as well as in our credit hubs like Retail Hub and Agri and MSME hubs.
- We have launched many new products also, like for CASA and Deposits, we have launched UCO Rising Star for children. We have launched UCO Gig Scheme for gig workers in savings. Then we have started a UCO Business Aarambh Current Account product, which is for the startups. And then we have recently launched UCO 3-in-1 product for younger generations who have an interest in investment or equity investment. So therein we are proposing and providing our savings account and Demat account with UCO Bank, along with the trading account, stock trading account, with collaboration with our channel partner, Aditya Birla Money.

– So these have been the initiatives.

– In the IT front also, we have taken many initiatives, like I told:

- We have upgraded our IVR.
- We have UDAY chatbot, which is based on the AI.
- And then for Customer Delight team, we have created to connect with the customers to understand their requirements and better our propositions for their fulfilment.
- Then many new projects also we are having in pipeline, like Omni-Channel is one project which is going on. Very soon we will be launching the Omni-Channel.
- And Cash Management Service for our corporate customers, that is also in pipeline; that will come very soon.

- Then we are going to launch many new STP digital journey, like for MSME.
- We have a GST smart product that is up to 25 lakhs. We are very soon going to launch for up to 1 crore; that we are increasing.
- Then pre-qualified personal loan journey, digitally available. Now we are going to launch it to our call centre as well. That is also in pipeline.
- We are very soon going to open our GIFT City branch. In the next month we will be opening. We have all approvals in place. Our IT implementation is in process and we will be opening the branch very soon.
- And we will enhance our propositions and offerings on CBDC as well.

– So these are a few of the important initiatives which we have already planned and are in pipeline.

– So I think with this, I have provided the oversight about the results, as well as the activities happening in the bank. Now I welcome any questions from the investors and analysts. We will reply to those questions.

– **<u>Question & Answer Session:</u>**

– **Moderator:**

– Participant, those who have any questions, please raise your hand. We will take the first question from the line of Sushil Choksey. Sushil sir, your line has been unmuted. Please go ahead.

– **Mr. Sushil Choksey – Participant:**

– Congratulations to team UCO, Saboo ji and Mr. Kamble for an excellent performance for the quarter. And I heard your television interview; I think it was a very stable guidance.

– Sir, my first question is, can you give me some guidance for the year in terms of cost of funds, cost of deposit, cost-to-income, which is dramatically improved year-on-year and quarter-on-quarter? On RAM and Corporate Advances, return on equity, return on asset, some kind of guidance on all these features.

– **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**

– Thank you. Thank you, Sushil ji. And yes, we have already given a few guidance in our presentation itself. Those are the guidance which were given in the beginning of the year. We are continuing with that guidance. But still, as you have asked on many other profitability and efficiency parameters, let me speak on that.

- So, first of all, cost of funds and cost of deposits you have asked. So, we have seen some moderation in our cost of funds. So, our cost of funds has come down to 4.36%. So, with the last year's Repo cut, our deposits repricing has also completed. I think that was a lagging effect, but now, I think most of the deposits have repriced to the latest new rates. So, the deposits post, I think, will be stable at this level going forward. And because of various channels, other channels, other than the deposits, like we are raising funds through borrowing, through refinance, through other channels, so our cost of funds that has improved in the last quarter, I think that will also be remaining stable at that level only. So, we expect that now we have repriced all the deposits, and with the support of all other products, we will maintain the cost of funds as well.

- And then NIM will automatically… since, we have not given any guidance, but yes, in NIM we have given guidance of 2.8 to 2.9, and we have reached 3.05% with the support of lower cost of funds. And our Yield on Advances have remained stable. So, only 3 basis points, all is there in the Yield on Advances. Maybe we will be keeping in the same range, Yield on Advances going forward. So, our NIM will be 2.8 to 2.90; the guidance will be the same, but we will try to keep it above that only. So, this is about the NIM and margin.

- One point you have asked about the cost-to-income ratio. So, yes, cost-to-income ratio, we know that in our bank, our cost-to-income ratio was around 54%. Last year it was 54.06%. In March also it was 52.66%. This year, because of the high Operating Profit we have earned, it has come down to 37.49%. But because as I told you, our Operating Profit consists a recovery from technical written off accounts, so in the 1,018 crores of technical written off recovery, there is a major part, which is around 800 crores, which is from few accounts, which we don't expect to repeat in the quarters going ahead. So, the recovery of TWO will be normalized. And in the normalized scenario, our cost-to-income ratio will not be at this level; it will further increase. But we expect that yes, with the improvement in the other financial parameters and profitability for the year 2026-27, we will be able to maintain our cost-to-income ratio below 50% or around 50% only; not much above that. So, that is our expectation from cost-to-income ratio.

- And I think credit growth, already we have told that we have given guidance of 12 to 14%. We have a good pipeline of credit sanctions, that is around 15,000 crores of pipeline we are still holding, which may be disbursed in due course of time after the formalities are completed. So, the credit growth will be maintained.

Though we have the guidance of 12 to 14%, we will try to maintain it above that only. So, this is our view on the various parameters.

- **Mr. Sushil Choksey – Participant:**

- Sir, on Advances, are we giving up IBPC and low yielding government Advances towards other sectors like RAM or Home Loans or any other products? So, how is the rebalancing happening in the portfolio?

- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**

- Yes. So, as we have seen, our Advances growth is coming majorly from the RAM sector growth. Our RAM sector growth is more than 25%. And within the RAM also, the growth is coming from all the sectors. Retail has grown 27.3%, Agri has grown 30% and MSME has grown 19%. So, this growth is coming from these sectors, diversified sectors. So, that will continue.

- And I think the Corporate Advances have also shown good growth, about 17%. But we are not in the IBPC; we don't have any IBPC exposure as of now. And we are trying to curtail any other low yielding Advances like maybe the PSUs or other government sector companies. That is very, very limited, but still we are working as to how we can improve our yield further through various other sectors exposure or maybe other corporates and group exposures. So, that we are working on. But majorly the growth is coming from RAM sector where the yield is okay and can be maintained also.

- **Mr. Sushil Choksey – Participant:**

- Sir, in the current round… I will ask my last question. Post election in West Bengal, the investment climate is likely to improve and you are the only surviving PSU bank in East as of today. What happens in future, I don't want to speculate. But in that scenario, what kind of CapEx, what kind of meetings, because I see that Chief Minister is driving lot of growth and prospects, lot of policies are being replicated and lot of minerals and many engineering companies are based in Calcutta. Eastern belt is also doing well led by lot of agri-related, whether it's bamboo, tea and various other segments. If these sectors and state, both are reviving on a very high growth path led by schemes, are we getting any sense that UCO should benefit sitting in Calcutta?

- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**

- Yes. So, yes, you have rightly said that UCO Bank is now the only bank having head office in Calcutta in the public sector space, and we have our presence in West Bengal state; very good presence. We have around 400 branches in the state, controlled by our five zonal offices. So, we have very good presence already in the state and we are participating in the growth journey of the state. Maybe yes, with this change in the regime, we can expect many more means project development aspects coming for our financing. We see many opportunities in infrastructural as well as in industrial aspect. So, we are trying to connect with various corporates in West Bengal, and particularly in Calcutta, in various sectors, like the steel sector and then maybe railway related sectors and then other infrastructure sectors. So, we see good opportunity going forward in the state also. While we are open for opportunities everywhere in the country (as we have 3,421 pan India branch network), but we are mindful of the situation in our own home state and we are fully aware and fully prepared to take this opportunity and increase the growth in various business segments.

– **Mr. Sushil Choksey – Participant:**

– Thank you for answering all my questions. Good luck for the year and I will come back if time permits.

– **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**

– Thank you.

– **Moderator:**

– Thank you so much. We will take question from Niteen S. Niteen, please go ahead.

– **Mr. Niteen S. Dharmawat – Participant:**

– Yeah. Am I audible sir?

– **Moderator:**

– Yes. Please go ahead. Yeah.

– **Mr. Niteen S. Dharmawat – Participant:**

– Thank you for the opportunity. My question is related with this change in the tax regime, that we have gone in the new regime. So, what would have been our ROA had we remained in the older regime? So, can you please put that number? It was not there in the presentation, or I think I missed that.

– **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**

– Okay. So, actually, this is a statutory requirement.

- **Mr. Niteen S. Dharmawat – Participant:**
- Yeah, yeah. I understand.
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- From the year 2026-27, we have to shift to the new regime. So, we do not have any option. But hypothetically, if we see that 1,237 crore is a one-time charge. Had not been there, then it could have been added into the profit. So, simply saying we could have more profits and then we can calculate the ROA, that could have been more than 1% also. That is our rough estimate, but we have not calculated by that way, because ultimately, this is the situation and this is the final number, which we have.
- **Mr. Niteen S. Dharmawat – Participant:**
- No, no, I understand sir, because from the comparison perspective, I wanted to understand that; had we not moved what would have been ROA, because that would have given a better picture to us from the comparison perspective.
- Sir, what would be our guidance for NIM, ROA, EBITDA growth for the current quarter and the financial year?
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- So, in the financial year, we have already given NIM guidance i.e. 2.8 to 2.9%. We will be trying to keep the NIM around that level; maybe more than 2.9% slightly, and that will help us in improving our profitability. And ROA, we have not given any guidance as of now, but we have seen our ROA 0.68% annualised, with this profitability which we have declared. But I think going forward, with this DTA thing going behind us, and already we have sufficient provisions in NPA… as you can see that our net NPA is 0.25% only. And even if we exclude the TWO, our provision coverage ratio is 88%. So, on the NPA front, we don't have to provide much. So, our credit cost will remain controlled, like we have given the credit cost guidance i.e. 0.75% below than that, and our actual credit cost is 0.39%. So, our credit cost will remain within that range of the guidance. Then we will have better profitability in the Net Profit level also, that will help us to improve our ROA. ROA may be at 0.68% today, we see at the year end, maybe slightly near to 1%.
- **Mr. Niteen S. Dharmawat – Participant:**
- I understand, sir. My next question is, where are we getting the competition from? From the public sector bank only or from the private sector or NBFCs?

Where is the competition coming from, considering the sectors that we are involved with?

- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**

- So in the banking space, we know that for competition, there are many players in the financial markets. So public sector banks are there, private sector banks are there, then in some pockets like rural and other pockets, some RRBs are also there, then NBFCs are also nowadays providing credit support to people. So means financial market is full of all these various types of players. So we don't see this as a competition only, we see this as an opportunity also. Because as the financial market also expands with more and more players coming into the picture… so, people are means migrating, they are graduating… maybe people start with the financial inclusion system, they open a bank account and then they take the insurance products, social security and then they take some small loans like in various government schemes, and then they expand and they move ahead and up the ladder of wealth creation also. So having many players in the system, this expands the market. This brings more and more new customers into the system, and then the customer graduates from NBFCs, MFI to NBFC, NBFC to bank, like that it happens.

- So whatever the competition is there, we are focusing on our own business strategy. And as a business strategy, we have all the products in place which caters to most of our customers' variety: for Retail, for Agriculture, for MSME, for youth, for women power, for corporates. So we have all variety of products on Liability side, Deposit side, as well as on the Asset side.

- And we are running Project Parivartan for digital transformation of the bank and we are providing, as of now, 31 STP journey on digital platform. So our digital platform has taken up very well and we are onboarding the customers through digital journey. I can share, that we have around 35,000 crores of digital business balance sheet as on 30th June. It was 25,000 crores in 31st March 2026. So we are growing our digital balance sheet through the digital products.

- As of now, I can share that Fixed Deposit making… earlier this was happening in the branches only, physically. But now our customers, say 70% of fixed deposits are being made through the digital channel only. So that is the shift from manual working to digital working. And with this digital offering, we are providing hassle-free, seamless services to our customers. And with good customer service and bundled product offerings and digital system, I think we can acquire more and more customers, and then also we can service customers with many other products also. So, more products per customer also we are working on.

- So this is our strategy to grow in all the business parameters.
- **Mr. Niteen S. Dharmawat – Participant:**
- Thank you for this elaborate answer, but you have ducked my question, because I was looking specifically where the competition is coming from, if any private sector specifically, say for example? Because, the private sector is saying that they have a severe competition coming in from public sector banks. So just from that perspective, I wanted to know.
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- See all these are competitors in the market, so everybody is facing competition from each other. So we can't quantify as to how much competition I am getting from the private or from the public sector. We are getting good growth, you can see the numbers.
- **Mr. Niteen S. Dharmawat – Participant:**
- Yes.
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- So even though the competition is there, we are growing.
- **Mr. Niteen S. Dharmawat – Participant:**
- My final question is, which are the areas… you talked about some areas in the previous question, where we are getting the maximum growth from? And where do we see risk? In which customer segment we see the risk coming from?
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- So growth area, as I told you that we continue to grow in the Deposit side also. Now, as we have raised 82% of CD ratio, we will increase our Deposit growth rates, particularly CASA. So we have offered many new products and we are working on bundled products, digital offerings; so that will be increasing CASA. Then on the credit side, our focus will continue to be on RAM sector, Retail, Agri and MSME. Our share of RAM is 64.52%. We will continue to maintain that share of around 65% of RAM in our total Advances book.
- In Retail segment, we have majorly two products. Basically, one is Home Loan and other is Vehicle Loan. So our Home Loan growth is also around 20% year-on-year. And then our Vehicle Loan growth is 65% year-on-year. Maybe the 65% is on higher side due to the lower base. Even though we take the base to higher

level going forward, I expect that around 30% growth in Vehicle Loan can be maintained, even if with a higher base, and 20 to 25% growth can be maintained in Home Loans because the demand is there and we can continue that.

- And then MSMEs, of course, is a new sector where we see good growth. Though we have grown 19-20% in the past few quarters, and we will continue to grow in that range only in MSME sector as well.

- So these are the sectors where we have focus in Agriculture also, particularly in Gold Loan also, we are seeing good growth and that will also continue in Gold Loan. And I think majorly these are the sectors.

- If you talk about the Corporate sector, then yes, there are certain sectors where we see good traction like infrastructure and projects; still, we are getting good number of projects. Then there is the Renewable energy sector where we get good projects, good proposals. And then transmission lines in infrastructure, that is also a good sector that is coming up. And maybe the traditional sectors also like steel and cement, ports and other things. So we are open to these all sectors to finance and find any opportunities there.

- **Mr. Niteen S. Dharmawat – Participant:**

- And any areas where do you see the risk coming from? Any stress you see in any of the areas?

- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**

- As of now, we have not seen any risk from any sector. As of now, we have not seen any such risk. No stress we have seen.

- **Mr. Niteen S. Dharmawat – Participant:**

- Thank you, sir. Thank you very much and over to you.

- **Moderator:**

- Thank you. We will take the next question from the line of Ashok Ajmera. Please go ahead.

- **Mr. Ashok Ajmera – Participant:**

- Compliments to you, sir, Saboo sir and Kamble sir for very good set of numbers. And it is nice to see you, Saboo ji and both of you sharing this meeting. Sir, very good set of numbers, good profitability, very good asset quality maintained, good business growth.

– So going forward now, sir, you have given your credit growth target of only 12 to 14%. But what we see on an annual basis is 20-21%. So don't you think that you should revise your target to maybe 16-18%, because otherwise also, the credit business is growing very well. If you see the other banks' results also, this year I think everybody is very enthusiastic to increase that growth. And with both of you being there, with a strong top management type lineup and very good staff, I think our bank should do well on the credit front and overall business front. So what do you have to say, sir, on that?

– **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**

– Thank you, sir. Thank you for your compliments and being optimistic on our bank. So I agree with you that yes, credit growth is happening. And in the industry also, we are seeing very good credit growth happening. Though we have kept our guidance in the beginning of the year somewhat conservatively at 12-14%, actually we have grown 21%. Going forward also, we see that good growth may happen. And our endeavour is that we should grow… as a small bank, we should grow more than the industry growth. So that is our endeavour. But we have kept the guidance as of now the same level. We will review the guidance after the 2nd Quarter numbers, because in the midterm, we can review. Immediately within the 1st Quarter, it is not proper to review this guidance. So we will continue with this guidance in the 2nd Quarter itself, and then we will review after the 2nd Quarter number whether we need to change the guidance. Maybe, hopefully, we can better the guidance further.

– Your voice is not coming, sir. You are on mute. Please unmute. Ajmera ji, please unmute.

– **Moderator:**

– Hello, Ajmera ji, can you hear us?

– **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**

– I think he is…

– **Mr. Ashok Ajmera – Participant:**

– Hello, hello. Can you hear me now, sir? I was muted actually, after the first question. Sir, now some of the other banks have also said that, in spite of whatever is happening globally, and especially this geopolitical situation, this war between Iran and US, and there is no impact so far seen in any of the MSME account or this thing... But if you look at ECLGS, people are availing that. So in our bank, what is the actual sanction figure of ECLGS? How much is disbursed?

And are you also sure that there is no impact? There is no impact of this stress today in your accounts?

- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- Yes, sir. So as far as ECLGS is concerned, we have opened this scheme for our customers. And as of yesterday, we have sanctioned around 2,150 crores in ECLGS. Out of these 2,150 crores, we have disbursed around 1,700 crores; so that is the disbursement. Even though we have sanctioned 2,150 crores, this is not even 50% of the eligible customers loan sanctioned under ECLGS.
- So ECLGS is a good support, good scheme given by the government. As we remember in the COVID era also, the government came out with ECLGS, and this ECLGS scheme was very, very supportive, particularly for the MSME sector, and they could address the liquidity issue at that time, and then come out of the problem with the support of ECLGS. And then, most of the GCL given in the COVID time has already been adjusted; very few amount is outstanding.
- So same way, I expect that this time also this ECLGS 5.0 will support the MSME units wherever they are facing any liquidity issues, and they will come out of the issue very soon with the support of ECLGS. We don't see any stress or any issue in any of our segment of any lending book. So that's why our slippages are contained. Our Slippage Ratio has been lower than our expectation and guidance i.e. only 0.63% annualized. So our slippages are also contained. And you can see our SMA book, 1 crore and above, we have declared, that is also very much contained. Even it has declined from March; in March, it was 1,125 crores, which was 0.43% of our Advances. Now this is only 1,009 crores, which is 0.36% only of our total Advances. So thereby, SMA book has also improved, and our slippage has also been under control.
- **Mr. Ashok Ajmera – Participant:**
- Thank you. Your point well taken. Sir, on the ECL front, how much provisioning we require, and how much ECL provision is already made in the buffer provisions, which we have?
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- So we have done a preliminary assessment exercise for ECLGS.
- Kamble:
- ECL.

– **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**

– Sorry, ECL… For Expected Credit Loss, we have done our preliminary assessment exercise, and there are two parts. One part is to arrive at the ECL means numbers and to have the proper system in place. So already we have our IT partner in place; they are working on the IT systems. And then we also have our knowledge partner in place. So we are combinedly working on our models for ECL, like PD and LGD and all those things.

– On the financial front, we have assessed our requirement on the transition date i.e. 1st April, 2027. So in the transition day, what requirement we have assessed, we have already created a buffer of around 60% of that requirement. So already we have 60% requirement that we have provided for. That is over and above the minimum required mandatory provisions; so we have created extra provisions already. And remaining 40% provisions which we require for the transition date, that we plan to create in the next 4-5 quarters before this ECL calculation comes into the picture. That is our plan, basically.

– **Mr. Ashok Ajmera – Participant:**

– Okay, sir. Thank you very much, sir. And all the very best. Thank you.

– **Moderator:**

– Thank you. We will take the next question from the line of Ashlesh. Please go ahead. Ashlesh, your line has been unmuted. Please go ahead.

– **Mr. Ashlesh – Participant:**

– Hello. Hi, sir. Good afternoon. So a few questions from my side. Firstly, just a qualitative one. Can you speak about what are the trends that you are seeing on loan pricing and competition in the last few months, specifically in the Corporate Loan segment and in Retail segments like Housing and Auto?

– **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**

– So yes, so in loan pricing, we can say that in the Retail segment, there is no such pressure. Already we have our best rates in offering for Home Loan and for Car Loan, and we are maintaining those rates. That's because retail segment loans are linked with the Repo rate, which is an external benchmark lending rate. So these rates are quite stable for last 1-2 quarters till that last Repo rate happened. After that, the rates are being maintained and we are not in a hurry to increase that. Maybe a little bit MCLR has been increased. Maybe in this current month, we have increased our MCLR by 0.05%. So it was 8.75% for quite a few months. And then this month, we have increased it to 8.80%; slight increase is there. But otherwise, the Retail segment and other segment's rate of interest is holding as it is.

– As far as Corporate lending rates are concerned, I think one quarter, we have seen certain categories where we have seen improvement in the yield from the Corporate Advances also, wherever. Hence, you can see that Corporate Advances and Corporate Bonds, that yield comes in combined way. So people take the advantage or trade-off between the bonds rate in the market and the credit rate at the banks. So if the bonds rate is increasing, then of course, the credit rates are cheaper than the bond rates. Then demand comes… slight demand slips into the corporate credit and vice versa also. So with the demand coming in the Corporate credit, yes, pricing is also moderate, reasonably at good level. We don't see much cut in the pricing as of now in the Corporate segment also. We are maintaining the pricing basically.

– **Mr. Ashlesh – Participant:**

– Understood, sir. So second one is on the TWO recovery, which you have reported. In your interest income line, was there any benefit of interest recovery from the JP Associates resolution?

– **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**

– I don't think. There is no such recovery of this particular account.

– **Mr. Ashlesh – Participant:**

– Okay, nothing from the SRs for this account, right?

– **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**

– No.

– **Mr. Ashlesh – Participant:**

– Okay. Sir, thirdly, can you explain why the cost of deposits has increased quarter-on-quarter? And also on the Corporate Loan book, you said that you're trying to be selective, but that book has grown quite well on a QoQ basis. So what is the strategy over there?

– **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**

– So yes, Cost of Deposits slightly has increased. As in the last quarter, we have done certain reclassification of Deposits and borrowings. So that has been reclassified in the international book also and in the Indian books because of certain requirements. So that has affected a little bit, but otherwise, the Cost of Deposits are stable. And our overall cost of funds has even declined with the support of lower cost on the borrowings. So that was a small issue, which has been addressed.

- And now this corporate loan book, quarter-on-quarter, as you have told, so we have grown equally in the RAM sector as well as in the Corporate sector also. And as I mentioned, in various sectors there is demand coming. In Corporate book also, we are seeing demand in working capital availment also. So few limits which were already sanctioned have been availed in this quarter, and thereby we have been able to show reasonably good growth in the Corporate Loan book also.

- And I think this demand will continue. As I told you, like in the, there is a trade-off between the corporate bond market and the corporate loan market. So we see that because of the rate of interest in the bond market being at a limited level, so the demand in Corporate Loan book will also continue, and we will see good opportunity going forward.

- **Mr. Ashlesh – Participant:**

- Understood, sir. Friend, just if I can squeeze one more question. If I look at the fee income from loan processing, that has declined this time. So if you can just explain why that has happened? Whereas, the charges and commission from other sources that has increased by some 70% YoY. If you can explain those line items, please?

- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**

- So, yes. In the fee-based income breakup, actually for the charges and commission from Advances side, the main issue was… means it was a small… again, recalibration or reclassification. Earlier we were recovering the renewal charges upfront for the year, and then we used to allocate quarter-wise, as per the accounting norms. So that was a lumpsum amount. But now, this year, we have started charging on an actual basis. And this quarter we have charged on an actual basis. And mostly what happens in Q1 is, sanctions are very less, so renewals are also very less. So thereby, a little bit effect is there, and we have seen lesser amount of commission from Advances with the lesser renewal charges. Going forward, I think it will normalize. And for full year, it will be a normal; total commission will be in line with the previous year as well.

- As far as commission from others is concerned, there is growth in Other Commission Income. And particularly the growth comes from one segment, like we have also given in our notes on accounts that we have sold PSLC; PSLC of around 2,000 crores, and we have earned a commission of 55 crores into the PSLC. So that has helped us to grow our Other Commission Income, along with their… means, normal commission growth is there in other heads. So this is the reason for growth in Others.

- **Mr. Ashlesh – Participant:**

- Understood, sir. Thank you for patiently answering my questions.

- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**

- Thank you.

- **Moderator:**

- Thank you. Participants, those who have any questions, please raise your hand. As there are no further question, I'll hand over the call to MD sir for his closing remarks.

- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**

- So thank you. Thanks to all our investor friends and analysts for showing their interest in UCO Bank and attending this concall. And we have tried to reply to your queries. Even if still there are any queries, you please feel free to connect with our Department of Investor Relations and send us your queries. We will try to answer that also. And I again thank all of you and assure you the performance continuity of the bank. Thank you so much.

- **Moderator:**

- Thank you. That concludes UCO Bank Q1FY27 Earnings Conference Call. You may now disconnect your line. Thank you.

- ***END OF TRANSCRIPT***