



## **TRANSCRIPT**

### **FINANCIAL RESULTS – Q2 FY26**

#### **Post Earnings Call with Analysts**

|      |                 |
|------|-----------------|
| Date | 17.10.2025      |
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**Bank's Senior Management is represented by :**

- 1. Mr. Ashwani Kumar, Managing Director & CEO**
- 2. Mr. Rajendra Kumar Saboo, Executive Director**
- 3. Mr. Vijay N Kamble, Executive Director**

**Moderator : M/s Antique Stock Broking Limited**

– **Moderator:**

- Good afternoon, everyone. Welcome to UCO Bank Q2FY26 Earnings Conference Call. It is my pleasure to introduce to you the senior management of UCO Bank. We have with us today Mr. Ashwani Kumar - MD and CEO; Mr. Rajendra Kumar Saboo - Executive Director; Mr. Vijay N. Kamble - Executive Director; and other members of the management team from UCO Bank. We will have the opening remarks from the MD sir, post which we will be open to questions. Over to you, sir.

– **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**

- Thank you. I welcome you all analysts and investors, to this post-September quarterly results call of UCO Bank. Along with me, I have our EDs, Mr. Saboo and Mr. Kamble; the top management team, including CFO, CRO, and all other executives.
- First of all, I welcome you all to this Analyst Meet. Just to give you a brief on the bank's performance in this quarter and half-year ended September '25: Business of the bank grew by 13.23%, of which deposit growth was 10.85% and credit growth was 16.56%. CASA Deposit grew by 9.53%, Savings growth was 7.50%, and Current deposit growth was 23.94%. We were able to maintain CASA at 38.11%, and the guidance for CASA given was 37-38%. Consistently, our CASA has been in the range of 37-38% for the last almost 2 years.
- When we look at our credit growth, within the credit, our RAM growth, Retail, Agri, MSME put together, grew by 22.87%. Within the RAM, Retail growth was 25.4%, and Retail growth was supported by housing loan growth of 18.94%, vehicle loan growth of 72.87%, and agriculture was 17.28% growth, and MSME grew by 23.8%. Our RAM percentage increased to 65.23% of the total advances.
- Now, coming to the profitability parameters, our Operating Profit for the quarter ended September '25 stood at Rs. 1,613 crore, registering a growth of 12.64%. Net Profit stood at Rs. 620 crores with a growth of 3% on a YoY basis. Our Operating Profit growth and Net Profit was supported by growth in Net Interest Income the growth of which was 10.08% for the quarter ended September '25 and fee-based income growth was also more than 10% on Q-o-Q basis.
- Our Net Interest Margin, global, stood at 2.90%, and domestic NIM stood at 3.08%. This NIM is calculated excluding one-time interest income of Rs. 107 crores, which was realized in a TWO account. This was an exceptional item, so that has been excluded. If that is included, our global NIM and domestic NIM improves by more than 15 bps.

- Now, coming to asset quality, our Gross NPA has reduced by 62 bps on a YoY basis to 2.56%, and Net NPA has reduced by 30 bps on a YoY basis to 0.43%. Our PCR further improved to 96.99%; tangible PCR excluding TWO improved to 83.68% as against 77.65% the year before.
- Total recovery and upgradation for the quarter ended was Rs. 792 crores, and previous quarter it was Rs. 756 crores. For the half-year ended, total recovery and upgradation was Rs. 1,548 crores against a full-year target of Rs. 2,200 to Rs. 2,700 guidance we had given.
- Now, coming to the slippage ratio, the slippage ratio for the quarter ended September '25 was 0.26%; annualized, it was 1.05%. It is again within the guidance given of 1% to 1.25%. When we look at the slippage, slippages are mainly this quarter from agriculture, Rs. 238 crores, basically because of the KCC portfolio. Half-yearly there is a phenomenon; last year also, same quarter it was Rs. 206 crores; this quarter it is Rs. 238 crores. Apart from that, the slippages are under control, and overall slippage ratio remains within the guidance given by the bank.
- When we look at SMA position more than Rs.1 crore, and all three categories SMA 0, 1, and 2 more than 1 crore, put together is Rs. 1,790 crores, and that works out to 0.77% of our total advances.
- When we look at restructured portfolio, our restructured portfolio has been consistently coming down. Normal restructured portfolio as per RBI guidance, September '24, it was Rs. 2,786 crores; now it has come down to Rs. 1,501 crores, which works out to be 0.65% of the total advances. Apart from that, COVID-19 restructured portfolio, that was Rs. 1,718 crores in September '24; it has come down to Rs. 1,283 crores in September '25, that is again substantial reduction is there. So, overall restructured portfolio, both the schemes put together, is Rs. 2,784 crores only.
- Then, coming to our key financial ratios, our cost of deposit has been contained, and it has come down from 4.88% in September '24 to 4.73% in September '25. Though our CASA is around 38%, but we are able to manage our cost of deposit well by managing our liquidity on an ongoing basis.
- Similarly, our cost of fund also has come down by 22 bps over one year from 4.79% to 4.57%. Cost-to-income ratio, which used to be very high at once upon a time at around 61%, has been consistently coming down; now it is 52.79% in this quarter.

- Our yield on advances on domestic is now at 8.39%; yield on investment is 6.85%; it has improved from the last quarter.
- Our business per employee has also improved from Rs. 22 crores a year before to Rs. 25 crores. Business per branch has also improved from Rs. 145 crores to Rs. 161 crores in this year. If we include the exceptional income of Rs. 107 crores i.e. one-time interest income of Rs. 107 crores in this, while calculating our yield on advances or NIM, our yield on advances stood at 8.25% as against 8.06%, and NIM global would stand at 3.03% as against 2.90%, and yield on advances domestic would stand at 8.60% as against 8.39%, and NIM domestic would stand at 3.23% as against 3.08%. So, in all these parameters there's a considerable improvement.
- Now, coming to the capital adequacy ratio of the bank, capital adequacy ratio of the bank has been consistently strong, and this quarter also without adding profitability for the half year ended September '25, our capital adequacy ratio stood at 17.89%, and with tier 1 capital of 15.90%.
- CD ratio has improved to 75.47% as against 71.77% a year before. So there is an improvement in the CD ratio as well, and this CD ratio is again within the guidance we have given at the start of the year.
- Most of the parameters, whatever guidance we have given at the beginning of the year in business performance, as deposit growth, target guidance was 10% to 12%; our achievement is 10.85%. Credit growth our guidance was 12% to 14%; achievement is 16.56%. CASA percentage was 37% to 38%; achievement is 38.11%. RAM percentage we projected 61% to 63%; we have achieved 65%. CD ratio was in the guidance of 75% to 77%; we had 75.47%. Credit cost less than 1%; our credit cost is 0.72%. NIM global was 3% to 3.10%, which we have revised to 2.8% to 2.9% in view of the sharp reduction in repo rate by Reserve Bank of India; that now we started 2.90%. Gross NPA our year-end projection is at 2.50%; we have already reached 2.56%, and we are poised to improve to below 2.50% by the year-end. Net NPA our guidance was less than 0.35%; we have already reached 0.43%. We are still two quarters, and we are confident that we will be achieving this Net NPA ratio also. Total slippage ratio was also 1% to 1.25%; now our ratio is 1.05%. Recovery and upgradation our guidance was 2,200 to 2,700; achievement is 1,548 crores. So, these all are the financial performance parameters of the bank which I wanted to highlight in this forum.
- Now, I will come to the various initiatives the bank has taken and which are under pipeline. And you all know that we started Project Parivartan, a digital transformation in last year September, and till now we have already digitized 27

digital journeys across Retail, MSME, Agri, and all liability products. 5 more journeys are in pipeline. The bank's total digital business has reached Rs.10,554 crores as on 30<sup>th</sup> September 2025. Our mobile banking users have increased from 14 lakh in March '23 to 57 lakh in September '25. Our mobile banking rating, mobile banking app rating on Google Play Store has improved, and it is consistently now at 4.8. Our mobile banking channels are available 24x7 for all activities with regard to transfers or payment or liquidation of FDR or premature FDR or payment of FDRs—anything.

- We introduced tab banking in the last financial year in March to all the branches. Today, around 57% of our accounts are opened through tab banking in the branches. WhatsApp banking was also launched last year. Today, when we speak, WhatsApp banking user base has increased to 15 lakh, and now we are offering 46 services in five languages: Hindi, English, Bengali, Assamese, and Odiya to our customers. Many new features have been added: positive pay system, re-KYC, Aparajita debit card issuance, account balance in Sukanya Samriddhi, and STP journey lines. Many more features are planned in WhatsApp banking in the near future.
- In mobile banking, we have launched beneficiary lookup, and for the convenience of our customers to book slot. So, slot booking option has been given in the mobile banking also. Re-KYC has also been introduced through ATMs also. We have introduced Eterna Metal Card for HNI customers. 250 new ATMs have been installed, and 59 recyclers have been installed. We have started API gateway and API integration with number of corporates. Last year, we started with CBDC, which has now become operational, and now CBDC app for the Android customers is already launched. And we have also migrated to the new website to the new domain i.e. .bank.in as per the direction of the Reserve Bank of India.
- In IT, number of new initiatives are also planned which are underway in this half-year, coming half-year, and the next year, like performance monitoring software, cyber security vault, near DR at Kolkata, robotic process automation, omni-channel interoperable credit, cardless cash withdrawal, and Android ATMs. More functionalities will be added in the CBDC. Face authentication for quick reset that will be added. So, against that budget of around Rs.1,000 crores which we have kept for the IT enhancement, Rs.270 odd crores has already been spent; another 300-odd crores is in pipeline; may be by December, we will be spending that also. So that is also on track.
- Now, various other initiatives are being planned which are underway: that is Murex Treasury solution, which we started last year; now it is going to be live in

the next quarter by December. We have also planned to launch our CASA back office for onboarding of new customers. DMS is already on way. Consolidation of data centre is already in process. Video KYC will be launched soon. We are also launching Capital Market Cell for various activities. Tie-up with various mutual funds are being explored to the boost our fee-based income. Branch expansion plan which is approved by a board, we are now planning to have 150 more branches by March. We are aggressively working for the improvement of our branch ambience and tie-up with various OEMs to boost our Retail, Agri, and MSME outreach. Omni-channel experience, omni-channel project is also underway, and maybe by next year that should be up and running to give a uniform experience across channels to our customers.

- Plus, on that employee side also, a lot of initiatives are being taken. Bank is recruiting more and more skilled manpower to support the new realities of today's world, like in IT, digital, and also in cyber security. AI/ML-driven grievance redressal system is being introduced; we have already created AI/ML cell, and now we are exploring use cases where we can use AI/ML in a big way. To enhance our customer service, we have revamped our Uday chatbot also with live agent and balance inquiry, mini statement, etc. IVR system has been upgraded to 35 services with priority option for senior citizens, NRI, CKYC information. Employee-specific feedback has been introduced to understand the behavior or the services rendered by our staff members. Priority services have been flagged for *divyangjan* customers. We have also integrated with the RBI MuleHunter to combat this mule account problem. Integration with I4C has also been completed. We have already launched 8-digit toll-free number in line with RBI guidelines, government guidelines. Integration has been completed with the suspect registry also. API has been linked with DoT for MNRL and FRI usage. Enhanced enterprise fraud risk management for proactive transaction monitoring has been done.
- So, these are the number of initiatives which the bank has already initiated and are in pipeline, which we will be seeing light of the day in the next quarter and next year also. So, these were the few thoughts I thought before we open up, I must share with you all. So, now we are open for your question-answer or your observations, which our team is there to respond to your queries. Thank you very much.
- **Question & Answer Session:**
- **Moderator:**

- Thank you, sir. Participants who wish to ask a question, please raise your hands. The first question that we have is from Ashok Ajmera.

– **Mr. Ashok Ajmera – Participant:**

- Good afternoon, sir. Ashwani sir, Vijaykumar sir, Saboo sir, and the entire top management team sitting there. First of all, yes, compliments for yet another good quarter. Both on the profitability front as well as the asset quality front, there are a lot of improvements. Having said that, and of course you have maintained even that little bit of CASA has also gone up, which is under pressure in some of the other banks, even this percentage-wise. So they are all very good points. My major point which generally comes to my attention is, number one is the credit growth. Though on annualized basis you are talking about 16.56%, but if you look at the current FY26, now 6 months have already gone, and we are still at about, I think, 10,000 crores or something. Only plus 30,000 crore more is required to be sanctioned and disbursed to meet your target of 14% on this. So, on the credit front, this half-year has been comparatively slower if you talk about the entire FY26 end results. So, your views on that. And what is the sanction pipeline, and how are we going to meet, and whether we are going to... Because in our corporate book also there is a fall in this quarter by about, I think, 4,000 crores.

– **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**

- Yes.

– **Mr. Ashok Ajmera – Participant:**

- Are we again looking at rebuilding the corporate from here to meet the shortfall as well as also to increase the Corporate book, or you are going to continue to have the Retail book only? So, your thoughts and planning on that.
- My second question is on the SMA 1 and 2: you have made a provision of Rs.462 crores. So, what has gone into this calculation? Because SMA 1 and 2 is around Rs.970 crores something. So, on that, the provision you have made is Rs.462 crores as per your note in the accounts, above 1 crore. So, on the overall picture on the ECL, what kind of calculations have you done, and what will be required to be to meet these guidelines, and whether we are within the comfortable zone for that? So, some light if you can throw on that.
- Another one is on the income and expenditure front: our income in this quarter has gone down; non-interest income has gone down because mainly the Treasury income has gone down from 198 crores to 104 crores this quarter, and the

recovery from written-off account is also about 45–50 crores lower than the last quarter. Because of that, I think the non-interest income is under pressure in this quarter.

- Another thing which I would like to know is that we have a recovery through the NCLT resolution of 104 crores in this quarter. So, can you throw some light on that also, and what are the recovery prospects in the remaining two quarters on that?
- And similarly, on that one SR, there is a note of the government security NARCL that 274 crore applied revised norms. So, on 274 crores SR, you have applied the revised norms. So, how much in absolute terms, any effect has come into P&L in this quarter because of that? That is note number 19.
- So, these are some of my data points at which I ask, and some of the observations on which I seek your comments.
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Thank you, Ajmera ji. I think most pertinent and relevant observations made by you. See, so far as credit growth is concerned, you will find that our Retail, Agri, MSME is growing well. In Corporate, we have de-grown. And if you look at our Corporate where we have de-grown, if you go a little deeper into that, more than Rs.2,000 crores is from PSU segment. So, basically that is because of the yield pressure. So, when we wanted to give them at a higher price, they had the option of taking it at a lower price from some other competitive banks or peer banks. So, we did not agree to the lower pricing, and we thought that instead of bringing our NIMs under pressure, it is better to not go for a top-line growth without having any margins in the yield. So, that was the intent, and because of that only... and there were certain IBPC which were there, which became due for payment, but we did not agree for the pricing which they were offering. So, now the balance sheet is totally free of IBPC; there is no IBPC outstanding as on date. So, because of this only, there was a de-growth. But if you look at previous quarters, every time there was a growth in Corporate credit book also.
- And so far as the next half-year is concerned, let me also tell you that around 17,000 to 18,000 crores sanctioned pipeline is there. It is again subject to agreement on the pricing. If we agree to the pricing or corporates agree to the pricing, we will be able to lend them. Otherwise, we look for more and more new opportunities, which are now, I think, available in the market in various renewable segments, your data centre, your battery swap segment, this smart metering. So, a number of opportunities are there in the market where we are targeting new business opportunities.

- The second was about the ECL. See, if you look at our June, we have already made some provision on SMA 1 and 2 book of 189 crores, and 190 crores of forward-looking provision was there. So, it is nothing, but we have clubbed that towards ECL. We have not done any calculation. It is same thing. Some additional provision has been made on the book. So, next quarter, we'll be doing a detailed exercise, and then we'll be allocating it to different segments like Stage 1 and Stage 1, like that we will be doing in the next quarter. We'll start doing. But our intent is that before the new norms kick in, we'll have at least baseline provisioning required, baseline provisioning for different, different... So, that baseline provisioning should be available within the bank.
- If you look at our SMA 1 book, it's more than 1 crore. More than 1 crores, one book is around 1,700 crore only more than 01 to all. So, 01 to 1,790 crores, I think this much is only...
- **Mr. Ashok Ajmera – Participant:**
- Yes.
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Yeah, Rs.1,720 crore. So, per se, this provision is applicable to the entire portfolio, and even below 1 crore also we'll be spreading it, so that next quarter we'll be doing a detailed exercise. This quarter we have just clubbed it and marked it towards ECL going forward.
- Yes, Treasury non-interest income, if you look at fee-based income, there is a growth in fee-based income. But because of Treasury and write-off recovery, you can see. Every quarter we cannot have same set of recoveries, that whatever we recovered. If you remember in March, we had a bumper recovery from one account, and that helped us to register a good amount of total overall recovery and a good amount of profitability also. So, that is the reason we have already reduced our target of recovery because that was expected in this last quarter.
- But if you look at overall recovery, including upgradation, recovery, and written-off, we are well within our guidance given, right? In spite of our slight reduction in Treasury income and in non-interest income, our Operating Profit has grown. So, that clearly shows that other channels have participated maybe NII or fee-based income. That's what led to the growth in our operating profit also.
- Regarding that SR note, I think if you can explain.

– **Management - UCO Bank:**

– This SR is basically a government-guaranteed line with the RBI guidelines. This 275 crore pertaining to government-guaranteed SRs has been deducted from the capital. So, accordingly, the capital positions has been reduced.

– **Mr. Ashok Ajmera – Participant:**

– So, no impact during the quarter on anything in P&L? No, nothing in P&L.

– **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**

– No, no impact on P&L. Yeah.

– **Mr. Ashok Ajmera – Participant:**

– And that NCLT recovery of Rs.104 crore through the resolution has come this time.

– **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**

– Yes. Yes, that is, I think in a few accounts it has come, and two accounts are already in pipeline where maybe in the next quarter, we'll get some recovery. It's five accounts, and through resolution, it has come Rs.104 crores. Other than Rs.104 crores, it is through a SARFAESI action or normal recovery or upgradation. So, out of total recovery of Rs.758 crores, which we have reported as Rs. 792 crore. Out of Rs.792 crore, only Rs.104 crore is through NCLT. Other recoveries are through SARFAESI actions or recovery and upgradation efforts by the branches.

– **Mr. Ashok Ajmera – Participant:**

– And sir, one point on this, our DTA. Because of the carry-forward losses, and we have a huge DTA even now also, I think of Rs.5,258 crores as reported in note no 7.

– **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**

– Yes.

– **Mr. Ashok Ajmera – Participant:**

– But with this kind of profitability, which we are having 620-650 crores per quarter, means maybe around 2,800 or 3,000 crores maybe for the whole year. So, is there any calculation done that by what time we can go under the new regime of taxation by setting off the entire DTA available to us?

- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- I think, we have another two years. 2027, 2028, we should be going into the... Because now as we are going forward, 83% of the portfolio is already provided for our tangible PCR. So, that provisioning requirement will come down. So, once the provisioning requirements are coming down, naturally we will have an opportunity to declare more profits. And then as you declare more profits, more reversal will be there. So, hopefully in the next two years, we will be consuming it.
- **Mr. Ashok Ajmera – Participant:**
- All right, sir. Thank you very much. I'll come back again if time permits. And all the best.
- **Moderator:**
- Thank you. The next question that we have is from Sushil Choksey. Sushil, you can unmute yourself.
- **Mr. Sushil Choksey – Participant:**
- Happy Diwali to all UCO Bank team and congratulations for a very stable number.
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Thank you. Thank you. Happy Diwali, Sushil ji and to all of you. Thank you.
- **Mr. Sushil Choksey – Participant:**
- Sir, my first question is, you are showing very good growth on some new segments which have started, specifically car loans. Means we always had a product, but some new initiatives are there. We are talking about Retail loan growth. Now with the new credit... new guidance come from RBI, co-lending and other verification, new policies, CLM 1 and 2, what kind of initiatives are we taking to energize our RAM sector on a higher trajectory?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- See, Sushil ji, you are right that car loan has been growing well. We have revamped our product in housing loan, car loan also. And that segment is growing well now. In light of new RBI guidelines on co-lending, we have started looking at certain tie-ups with certain NBFCs to enter into some relationship with them so that this co-lending thing can be taken further. As far as at present

is concerned, we have a co-lending exposure. Currently, we have a co-lending exposure of Rs.2,100 crores. And we expect that in light of the new guidelines, we should enter into relationship with more and more NBFCs and take it forward. Pool exposure is around Rs.10,700 crores. But the target will be that we enter into a co-lending where we have more control and visibility about the customers to whom we are onboarding.

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

- Sir... in the market activities, where M&A financing is at boom, you also have an international position from Singapore, Hong Kong. Do you see that this year the traction will come from that segment too? And in the Retail product, share advances and a new IPO financing?

– **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**

- See, this new announcement made by RBI, I think it is definitely going to open up a new stream for the banking sector as such. So once the guidelines are in place, I think we should be open to looking at the opportunities for participating in those M&A activities, having our presence in Singapore and Hong Kong. We should be very keenly looking at those opportunities.

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

- We can set up from GIFT City also, no, sir?

– **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**

- Yeah, GIFT City. We have already got approval from Reserve Bank of India to open GIFT City branch. And now we are getting all the infrastructure in place. So once the GIFT City comes into play, at that time, GIFT City will be a major contributor to this segment.
- And then third one? Capital market. Capital, yeah. IPO financing, yes, definitely this is an area which is, I think, a very interesting area. We should be looking at getting into this area. We have not yet ventured into this, but definitely we will be looking into this area now.

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

- Sir, my question is more pertaining to... because cross-sell of mutual fund, car insurance, car loans, share advance, new IPO financing will attract a lot of customers from CASA point of view, which would help the bank's margin to improve.

- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Definitely mutual fund. I tell you, although we have already a platform through which the customers can onboard on the mutual fund, but we are also exploring direct tie-up with the mutual funds. The benefit is that we will have a more percentage as a commission than a shared commission. So we are exploring that also. We have already taken the ARN. Now we'll be going for adding... entering into a partnership or MOU with the mutual fund so that we onboard through that some channel, and bank gets more commission. Because many of our customers are directly getting into that mutual fund. SIPs are there or one-time mutual fund investments are there. So that also we are exploring. Definitely that will... as we engage more with the customers, stickiness of the customers improve. It will have a positive impact on our CASA also, apart from our fee-based income. It will give us more cross-sell opportunities for car, housing, whatever we think. So that is another area where we are working on.
- **Mr. Sushil Choksey – Participant:**
- Sir, what is your outlook on global NIM and domestic NIM, and also on balance between Corporate and RAM?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- See, Corporate and RAM, we have given a guidance of 61% to 63% in RAM and 37% Corporate. We'll continue to have that guidance of 61% to 63%, though we are at 65%. The 65% is basically because of some reduction in our Corporate by 4,000 crores this quarter, otherwise we were at around 63%. And second...
- **Mr. Sushil Choksey – Participant:**
- Those advances must be low-yielding ones. That's why you have faded, no?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Yes, yes, yes. That was low-yielding advances. And second, on global NIM and domestic NIM. Earlier, global NIM, we have given a guidance of 3% to 3.10%, but subsequently in June, there was a sharp reduction in repo cut by RBI. So we have revised our guidance to 2.80% to 2.90% for global NIM and 3% to 3.10% for our domestic NIM.
- **Mr. Sushil Choksey – Participant:**
- Sir, what is our digital spend and what is your outlook on Treasury for the year?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**

- See, digital, I've already told, our target is around Rs.1,000-odd crores in this year, out of which Rs.275 crores is already spent, and another Rs.370-odd crores projects are in pipeline, which are under ordering stage or RFP stage. Further, new projects will come. So I believe that by the year-end, we'll be spending around Rs.800 to 900 crores in the digital spend. That is one.
- Number two, in the Treasury, if you look at Treasury, we have slightly built our book in this quarter. Earlier, our total book was around... the investment book was around Rs.91,000-odd crores, and now it is Rs.94,000 or 95,000 crores. So to take advantage of the slightly higher yield during this quarter, we have built some portfolio. And hopefully, whenever there is an opportunity in the times to come, either some repo cut is coming or some other treasury yields are falling, that time we'll have an opportunity to make use of those securities and to book some profit on those securities.
- **Mr. Sushil Choksey – Participant:**
- Okay. Second thing, sir, I hear that you are also getting good capital market gains. Is that to be assumed that it's a sustainable profit to your Treasury?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Treasury gains, okay. See, Treasury gains are depending upon again the market situation and transaction to transaction.
- **Mr. Sushil Choksey – Participant:**
- No, no, no. So, sir, you are assuming only on bond. I understand equity is also contributing well. That's what I'm asking.
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Okay, IPO. IPO opportunities are always there, and we are regularly participating in IPO opportunities also. That we are already in. Recently also there were 2-3 good IPOs we participated in, and definitely we had a good gain in those IPOs. So that opportunity base wherever is there, we'll continue to encash on those opportunities. We are very active in it.
- **Mr. Sushil Choksey – Participant:**
- Yes, yes. Second thing, sir, how are you positioning yourself that there is a commodity boom likely because hard assets are under more likelihood. You've seen what has happened in gold, silver. Now, I understand minerals are the next phase. Are we capitalizing because we are based in East where a lot of

headquartered companies are in this business? Are we seeing any green shoots in that business where mineral mining and all is concerned?

- And second thing on green energy i.e. green financing, if you have taken any steps.

– **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**

- First, let me tell you green financing, we have a very good appetite for green financing. I think in last two years we have already done around Rs.3,000 crores of sanctions, and Rs.3,000 is outstanding. So this is again done in last almost two years. But two years prior, we don't have much exposure. We are into that Surya Ghar Yojana also, EV financing also. These are the small chunks which are adding to the renewable segment.

- And now coming to minerals, I'll say though we are there, we have customers who are dealing in all those commodities. So we are ready to explore the funding opportunities in those commodities to those customers who are into manufacturing lines, and we'll try to avoid the customers who are into speculative trade in these commodities.

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

- Sir, thank you for answering all my questions and good luck for the year.

– **Moderator:**

- Thank you, sir. The next question that we have is from Mr. M.B. Mahesh. You can unmute yourself.

– **Mr. M.B. Mahesh – Participant:**

- Hey, hi. Yeah. Hi, just one question sir. Can you give us the SMA 0,1 and 2 for the overall bank as well? What you've given is only 1 crore. You've given us for 1 crore and above. Can you give us for the entire portfolio?

– **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**

- I think more than... if I have to give one full number, it should be in the range of 5,000 crores. It should be in the range of 5,000 crores.

– **Mr. M.B. Mahesh – Participant:**

- Can you split this between SMA 0,1 and 2?

– **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**

- See, SMA 0,1,2, if you asked me, SMA 0 should be... more than 50% should be in the SMA 0, and around 50% should be in SMA 1 and 2.
- **Mr. M.B. Mahesh – Participant:**
- And the number which you said, sir, sorry, just, kind of... What is the number that you said? The overall number, Rs.5,000 crores?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Overall number should be... I don't have an exact number. It should be in the range of, I think, Rs.5,000 or 6,000 crore. It should be in this range only.
- **Mr. M.B. Mahesh – Participant:**
- 5,000, okay. Okay, and the second question, sir, on this itself. As per your understanding, the movement of this provisions on the... when it's implemented in 2028..
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Sorry, we are not able to hear you, sir. Volume, can you increase volume?
- **Mr. M.B. Mahesh – Participant:**
- Sir, just checking on the provisions that you're creating today and if there is any shortfall, the provision goes through the P&L or it goes through the net worth?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- **Mr. M.B. Mahesh – Participant:**
- No, which provision? When you're doing this one-time transition.
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- If we make provision, it goes to the P&L. If we make provision, it goes to the P&L. On advances and wherever we make the provision.
- **Mr. M.B. Mahesh – Participant:**
- See, the Regulator has given a time period of close to about four years for implementation.
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Yes.

- **Mr. M.B. Mahesh – Participant:**
- But the question that we are asking is, if there is a shortfall, do you have to charge it to the P&L when the balance sheet opens in '28, or does it go through the net worth as an adjustment on reserves?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Okay, during that time? Entire amount will not go to the P&L.
- **Management - UCO Bank:**
- Entire amount will go to the P&L, and it will be adjusted to the capital. A little bit of capital will be used.
- **Mr. M.B. Mahesh – Participant:**
- Okay, and the last question, sir, do you have any excess provision outside of this? Outside of standard assets and...
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Yeah, excess provision we have kept. See, in total, we have around Rs.1,000 crores of excess provision, which is by way of a COVID-19 Rs.530 crores and around Rs.462 crores towards ECL, which we have captured this time in our notes also. So it is declared in our notes that around 1,000 crores is additional provision, over and above RBI-mandated provision that is lying in our books.
- **Mr. M.B. Mahesh – Participant:**
- Okay, perfect. And last question on the... what will be the outstanding stock of written-off or technically written-off? And your current expectation of recovery from that book?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- See, it's total written-off, it's in a?
- **Management - UCO Bank:**
- 24,000 crore – 25000 crore
- **Mr. M.B. Mahesh – Participant:**
- And your expectation of recovery from this?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**

- See, recovery is very... a number giving out of that number will be difficult because recovery number we are giving every year based on our assessment at what level of resolution that asset is. So when we look at our... technical write-off is around 26,000 crore.
- **Mr. M.B. Mahesh – Participant:**
- Perfect, sir. Thank you.
- **Moderator:**
- Thank you, sir. Ladies and gentlemen, that was the last question for the day. Now, I would like to hand over the call to the management for their closing remarks.
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Thank you very much to all of our analysts and investors who have taken out time to join our conference call post half yearly results for September '25. And wish you all Happy Diwali and I can again ensure to all of you that UCO Bank is doing well. We have been improving our performance in various parameters on a quarter-on-quarter basis. Maybe business growth in various segments. It is very proportionate across all segments. Deposit growth, bank has started improving. And also in asset quality parameters, considerable improvement is there, and it is a sustained improvement on a quarter-on-quarter basis.
- Our team will continue to work towards further improvement in the coming quarters. Thank you very much.
- **Moderator:**
- Thank you, sir. On behalf of Antique Stock Broking, we would now like to conclude the call. You may all now disconnect the call. Thank you.
- **END OF TRANSCRIPT**