यूको बैंक UCO BANK
(भारत सरकार का उपक्रम) (A Govt. of India Undertaking)
सम्मान आपके विश्वास का Honours Your Trust

TRANSCRIPT

FINANCIAL RESULTS – Q2 FY27

Post Earnings Call with Analysts

Date	15.10.2026
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 Q2 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:**

- Good afternoon to all, and welcome to all analysts and investors in this Analyst Meet Concall for the financial results of UCO Bank for the quarter ended 30th September, 2026. Already the results have already been published on the websites of the stock exchanges. This release has also been published, and the detailed presentation has also been placed on the websites of BSE and NSE, as well as on our bank's website. I hope that you must have gone through that. Still, I will give a brief of the various highlights of our results for the Quarter and Half Year ended 30th September, 2026.

- The total business of the bank has reached to Rs.6,37,280 crore, registering a growth of 18.81% year-on-year. In this, the gross advances, the global advances of the bank, have grown by 24.70% year-on-year, reaching to Rs. 2,87,690 crore. And our total deposits have grown by 14.36%, reaching to Rs.3,49,590 crore for the period.

- Out of this deposit, CASA growth has been 10.59% year-on-year, reaching to Rs.1,22,259 crore, in which savings deposits have grown to Rs.1,37,736 crore with a growth rate of 9.10%, and current deposits have grown to Rs.18,523 crore with a growth rate of 19.70% year-on-year. Thereby, our CASA ratio has been maintained at 36.77%. This is slightly lower than the June quarter.

- Whereas, the advances have grown by 24.70%, the growth has come from all the sectors, like Retail, Agri, MSME and Corporate. So, the Retail advances have grown by 30.23%, and Agriculture has grown by 29.59%, and MSME has grown by 20.32%. And overall RAM sector growth has become 26.92%. And the total RAM portfolio stands at Rs.1,68,736 crore.

- With this growth in advances and deposits, our profitability has also improved. So, our operating profit is Rs.1,872 crore for the quarter, with a growth of 16.04%. Net profit has grown to Rs.786 crore, a growth of 26.77% year-on-year, as against

Rs.620 crore in the last year, September 2025. The NIM has been maintained at 3% for the global, and the domestic NIM has been maintained at 3.19% for the quarter.

- This profitability is also coupled with asset quality improvement as well. So, our gross NPA ratio has reduced year-on-year by 60 basis points to 1.96%, and the net NPA ratio has improved by 25 basis points year-on-year. The net NPA ratio stands at 0.18% as on 30th September, 2026.

- If you see these growth rates, profitability and NPA position, the actuals are exceeding the guidance which we gave at the beginning of the year, except for the CASA ratio. So, while we had given growth guidance in deposits of 10 to 12%, our growth has been 14% plus. We had given guidance in advances growth of 12 to 14%; the growth has been 24.70%. Our guidance on the GNPA was to make it less than 2% by 31st March, 2027; we have already, in the half year, brought it down to below 2%, and our GNPA ratio is 1.96%. In the same way, our guidance for the net NPA ratio was to bring it down below 0.25% for the year, but in the half year itself we have brought it down to below 0.20%, that is 0.18%.

- Our capital adequacy ratio stands at 18.85%, with a Tier 1 ratio of 17.27%. Our CD ratio has improved to 82.29%, as against 75.47% in the previous year. Our total provision coverage ratio, including TWO has increased to 98.36%.

- Then, our net interest income, if you go deeper into the profitability, has grown by 13.96% year-on-year to Rs. 2,886 crore. Our cost of funds has increased somewhat, a little bit, to 4.44%. Our yield on advances is 8.11% for the domestic and 7.79% for the global for the quarter.

- Our cost-to-income ratio is 50.39% for the quarter ended 30th September 2026. Return on assets is annualised at 0.80%, which was 0.71% last year. And out of the non-interest income, our fee-based income has grown 34.66% to Rs.558 crore in the quarter.

- On our slippage ratio we had also given guidance to keep it below 1%, and for the quarter it is 0.85%. So, thereby, we have also maintained our slippage ratio and our slippage ratio is also below the given guidance.

- The productivity has also improved. Business per employee of the bank stands at Rs.30 crore, which was Rs.25 crore last year. In the same way, business per branch has also improved to Rs.185 crore, as against Rs.161 crore last year. We have a branch network of 3,439 branches, and we have added 27 branches. We

have three international branches, Hong Kong, Singapore, and we have opened our GIFT City IBU also in this quarter only.

- So, mainly this is the highlight of the business, profitability and asset quality. I will quickly present a few initiatives we have taken during the last quarter, which have helped us in growing the business as well as improving profitability and asset quality.

- As we all know, CBDC is also a very important development in the Indian economy, so our bank is also working to bring a CBDC offering to the customers. In the last quarter we have launched two special features on CBDC. One is the UCO Digital Rupee marketplace, where the CBDC can be utilised through the CBDC wallet. The marketplace has been connected, and many types of payments, like ticket booking, gift cards and all those things, can be made through CBDC as well. We have also launched our CBDC IVR services, whereby customers can utilise the CBDC offline also.

- We have started our robotic process automation, wherein seven processes have been automated through RPA.

- We have implemented a digital marketing solution so as to do digital marketing for our products. As we know, the bank has undertaken Project Parivartan, wherein our digital business balance sheet has grown to Rs.48,000 plus crore as on 30th September, 2026. To increase the digital business balance sheet size further, we have onboarded the digital marketing solution as well, which will help us in this.

- We all know that UPI is also a very, very important payment channel, and constantly there are many, many improvements in the features of UPI. Recently, at the Global Fintech Forum in Mumbai, many new features were launched, and UCO Bank has also been participating in this. We have launched UPI Tap and Pay. We have launched UPI Help 2.0. And we have also launched a UPI automatic surveillance system, wherein any VPA or any QR code to which the customer wants to make a payment can be checked for its authenticity or genuineness.

- In the same way, we have also launched an online self-service module, where customers can book certain services from the website of the bank.

- We have also started a customer 360-degree portal in our branches, wherein the customer's entire 360-degree view is available to the branch. This helps branches to do cross-sell and provide better customer service.

- I already told you that we have opened a GIFT City branch in the last quarter, which has been doing good business as well. And we have launched many new products in Agri, Retail and MSME to take it ahead, as well as some products on the deposit side. We have done a launch for eFDR under MCX. We are already live for eFDR on BSE and NSE. Now we have added MCX also, the Multi Commodity Exchange, where brokers can make eFDR through our bank.
- To strengthen our CASA position, we have done many MOUs with various government departments and large institutions. For example, we have entered into an MOU with the Government of Bihar for their employees' salary accounts. We have been empanelled by the state government of Rajasthan as well for the salary account package for their employees.
- In the same way, in HR also, we have been doing recruitment wherever needed. In the current financial year we have recruited some specialist officers, which are data analysts, CAs, Trade Finance officers, etc., and for the next year also we have started some recruitment process for our professional officers and other customer service associates.
- So, I think these are the major developments in the last quarter that we have undertaken to improve our service offering for the customers. And now, I open the floor for all the analysts and investors for their queries. We will try to reply to those queries.
- **Question & Answer Session:**
- **Moderator:**
- Thank you, sir. We will start with the Question & Answer session. Participants who have any question, please raise your hand. We will take the first question from the line of Ashok Ajmera. Please go ahead.
- **Mr. Ashok Ajmera – Analyst:**
- Good evening, and good evening, Saboo sir, Kamble sir and the entire team of UCO Bank. And for yet another good quarter of very good performance, especially, but for that one-time one-off recovery in the last quarter, our operating profit otherwise is better than Q4 of FY26. Also, on asset quality, the gross NPA has also come down, the net...
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- Sir, we are losing you.

- **Moderator:**
- There is a voice break in between. Please repeat.
- **Mr. Ashok Ajmera – Analyst:**
- So, is it a normal…
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- Sir, we are not getting your voice.
- **Moderator:**
- Ashok Ajmera, we are losing you, your line in between. Can you please come back in a good network area? Yes, now we can hear you. Can you please repeat your question?
- **Mr. Ashok Ajmera – Analyst:**
- Hello. Hello.
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- Yes, sir.
- **Mr. Ashok Ajmera – Analyst:**
- Yes. Yeah, can you hear me now?
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- Yeah, yeah, it is better. Hello.
- **Moderator:**
- Yeah, it is better now.
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- Yes, yes, sir, please go ahead.
- **Mr. Ashok Ajmera – Analyst:**
- Okay, sir. So, what I was in fact telling, I think you must have heard my initial message, congratulations to you. I have only a few pointers. Number one, the recovery from the written-off accounts was Rs.301 crore in this quarter against

Rs.1,018 crore. Is it a normalised rate of recovery, or was this quarter a little passive, as far as recoveries are concerned?

- Similarly, on the treasury also, everybody knows there is a pressure on the treasury because of the yields hardening. Going forward, what do you see on the treasury front also?

- And connecting with this, sir, the slippages have gone up a little bit in this quarter, from 428 crore to 538 crore, and likewise the SMA 1 numbers have also gone up, from 228 to 437 crore. So, some colour on that, and then I will ask my second question, sir.

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

- Okay, thank you, sir. Coming to the first question, on TWO recovery, I want to say that in the last quarter, the June quarter, yes, there was a one-off TWO recovery in one big account, which was around 785 crore. If we remove that 785 crore from that recovery, the net recovery in the last quarter was, I think, 233 crore. Against 233 crore of TW recovery in the last quarter, our normalised recovery is 301 crore in this quarter. So, this is the normal recovery, and this quarter we don't have any such big recovery account, which was a one-off in the last quarter. So, I think going forward, yes, as you know, most of the bigger accounts' recovery has already happened, so now the TW recovery will be normalising. This is the normalised recovery only, around 300, and we will be trying to keep it going forward also.

- Then the second point of your question was about treasury yields. We all know that the yields have been hardening, not only in India but across the world also, and that has impacted the treasury profitability. I think going ahead, it will depend again on the yields, on how the yields will behave. We all know that there has been a rate hike by RBI also, a 0.25% repo increase has been there. We don't know, we have to see how this pans out going ahead, how the inflation data and growth data come, and, basis that, what action is taken. But as of now the yields are hardened, so in a hardening yield scenario, we all know that the treasury profitability is under pressure. But, yes, on the other side, we see good interest income from the advances, because, as you know, the repo rate hike has already been passed on immediately, and we have around 66% of our advances portfolio linked with the repo rate, the external benchmark lending rate. So, we will see an improvement in the yield as well as in net interest income with this repo hike. So, this will more or less compensate for the treasury losses, if you see any, going ahead. That is the situation there. But because we have a very limited amount of book in FVTPL under treasury also, any treasury losses are very, very

curtailed, not that much, which may be of concern. So, that is a normal thing, and we have a very, very controlled portfolio in FVTPL and under treasury. So that is not a concern.

- And then slippages. You have said rightly that, yes, slippages have been higher in this September quarter, and we all know that in the September quarter there is a classification exercise due for agriculture advances. Agriculture advances, crop loans particularly, are classified only on a half-yearly basis. So this quarter as well in September, this has become due, and the higher slippages are only due to the agriculture marking. If you see half year to half year, March to last year's September to this year's September, then we can compare it very well, and we will see that the gross NPA slippage has even come down from the previous year to this year's September quarter. So, overall, the asset quality has been maintained. As you can see, in last September 2025 the overall slippage was 629 crore, which has now come to 549 crore. So, this is the position on slippages.

- As far as SMA is concerned, you have said that, yes, there has been a little rise in SMA 1 and 2, but, yes, it is still under control, because SMA, we all know, depends on the position of demand and recovery as on the date. So, it moves back and forth a little bit, but we are still maintaining an SMA level of 0.42% only, that is for 1 crore and above. We always declare SMA of 1 crore and above, and that is 0.42%. If we compare it on a year-on-year basis, there is an improvement, from 0.77% to 0.42%. And maybe, yes, quarter-on-quarter there is a little spike, but that is also manageable and normal. Nothing is abnormal in this SMA position also. This is my position in this regard. I think I have satisfied your queries.

- **Mr. Ashok Ajmera – Analyst:**

- Yes, sir. Yes, sir, you have very well satisfied me, sir. Sir, on this rate hike which is there, you said that 67% of the portfolio is repo-rate linked, and the rates have immediately gone up there. Similarly, now, what is our exercise going to be for the deposit rate hike? Is there any time lag which will give us the benefit in this quarter, especially the October to December quarter, and maybe the lag effect of that might come in a little later? Can you just give a little bit of colour on that, sir? When are we going to do the exercise to increase the deposit rate, and to what extent will the deposit rate increase take place?

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

- Yes, sir, you rightly said that there is always a lag effect in the rate of interest on deposits relative to the rate of interest on advances. Immediately, because of the external benchmark lending rate, we usually pass it on, so advances linked to the

repo rate are already increased. But deposits, you know, whenever the situation arises that, yes, we have to mobilise the deposits and we need to increase the rate of interest, then we will increase it, and then gradually, whenever the renewal of the deposit falls due, that will be applied, because the increased interest rate on deposits will apply only on the new deposits. So that is the case there. But as of now we don't see that an immediate need is there for increasing the interest rate on deposits. As of now we are maintaining whatever rate of interest is already there on the term deposits in our bank. Going forward, we will see the situation, how the requirement of deposits is, how the supply comes, and whether we need to increase it. We will take an appropriate call in due course of time.

- **Mr. Ashok Ajmera – Analyst:**
- Sir, on the credit growth, our growth is good, but our major growth is still coming from the RAM sector only, Retail, Agriculture, a little bit of MSME. On the corporate front, is there any change in our stance? Have we now started looking at some good corporate accounts, good credit, so that from there also the credit growth may come, and you might increase your target of the overall credit growth for the current year, because you have been doing very well, even in this quarter also? I think the credit growth is 5.47% overall. So, from the corporate book, where do we stand, and what kind of sanctioned pipeline and projects in the pipeline do we have on that front?
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- So, as I told you in my opening remarks also, our advances growth has come from all the sectors. Our retail advances have grown 30%, agriculture advances have gone up around 30%, MSME 20%, even corporate advances, which you are talking about, have also grown 24% year-on-year. So, it is not that we are not looking at corporate advances. We are looking at corporate advances as well. That's why we have grown by 24.15% year-on-year in corporate advances as well. But, yes, our guidance was that the RAM share will be 62 to 65%. So we have reached 65%; we have already crossed 65% in this quarter in RAM share, so we will be maintaining around 65% only, and maybe the growth will be evenly spread and we will be maintaining this ratio. So, the corporate growth will also be there and the RAM sector growth will also be there.
- As far as the sanction pipeline is concerned, we already have around 10,000 crore of sanction pipeline in corporate advances. And sometimes, you know, in corporate advances the disbursements are subject to the yield on advances available, the rate of interest the corporates are ready to pay. So, I also think that with the hike in the repo rate and the overall scenario in the market, whenever

corporates need to avail credit lines, if the rate of interest offered meets our requirement, we will definitely go for that also, further enhancing our corporate advances portfolio.

- **Mr. Ashok Ajmera – Analyst:**
- Sir, just a last small question, sir. Other operating expenses in this quarter have gone up a little bit, by 160 crore. So, is it normal, or is there also some one-off, maybe 50 crore or 100 crore, in some one-off account, or is it going to be there in the remaining quarters, sir?
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- So, actually, if we see, when the business is growing and when we are expanding our network, and when we are expanding our IT solutions also, the investments are happening in IT solutions, in physical infrastructure, in other things as well. So, normally, the operating expenses will also grow. But I think there has been a lag effect in operating expenses growth as well. We had been maintaining this growth for a few quarters in the last year, but I think this quarter's operating expenses reflect the true picture of our growth as well as our expansion plans. So, this is normal, nothing is abnormal there. Normal growth is there, depending upon the number of transaction volumes we are undertaking, so that will be in the same range going forward.
- **Mr. Ashok Ajmera – Analyst:**
- Okay, Sir. Thank you very much, both of you, Sir. If time permits, I will come again.
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- Thank you, Sir.
- **Mr. Ashok Ajmera – Analyst:**
- Okay. Thanks a lot. And all the best to you, sir.
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- Yes. Thank you, Sir.

- **Moderator:**
- Thank you. We will take the next question from the line of Ashlesh. Please go ahead.
- **Mr. Ashlesh – Analyst:**
- Hi, Sir. Good afternoon.
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- Good afternoon.
- **Mr. Ashlesh – Analyst:**
- Sir, just two quick questions from my side. Firstly, on the ECL estimate, what is the impact estimate you expect on the one-time transition in April'2027? And is there any change to that estimate because of the changes in bond yields? That is question one.
- Secondly, on the gold loan portfolio, I wanted to check if there has been any change in the yield on that portfolio over the last quarter?
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- Yes, to your first question, ECL. So, we have done a rough estimate so far, and our ECL estimate on the first time, that is transition date, April 1, 2027, it is calculated around ₹2,500 crore requirement we will have. And you can see from our results also, today also in the quarterly results we have provided for ECL provisioning beforehand. We have, over and above, whatever is the requirement. Actually, we have covered at least, I think, 70% of our requirement of ECL transition provisioning, basically. So, I think we have already maintained over and above provision of 2,500 crores as against the requirement of ECL of around ₹3,200 crore plus. So, we do not have much gap there. We will be providing maybe in the next few quarters also, as and when the profitability permits us.
- So, against the requirement, assessed around 3,200 plus, we have already a provision of 2,500, out of which 530 crore is the provisioning kept for the COVID, so that we are continuing. That we can also use. There are certain other provisions, around ₹341 crore is some extra provisioning we have done. That is also there. Then we have around ₹1,600 crore plus provision in the ECL, for ECL as well specific. So, total ₹2,500 crore provisions we have already made over and above the required one. That is the situation there.

- Then the next point, gold loan, you have asked. Gold loan yield, we have not seen any significant change in the gold loan yield. That is maintained as was in the last quarter also.

- **Mr. Ashlesh – Analyst:**

- Understood. Sir, just a few clarifications there. This 3,200 crore number for ECL transition, was the estimate different when you did the calculation 3 months ago?

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

- I think it is not materially different, maybe slightly changed because of our increased Advances book and these small factors. There is a slight change, not much.

- **Mr. Ashlesh – Analyst:**

- Understood. And, Sir, if you can just call out what is the gold loan yield as of now?

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

- Gold loan yield, we have not separately calculated, but there is no change in the gold loan rate of interest in the last quarter. We have not made any changes. But, yes, if there are any gold loans which are linked to the EBLR, then that is automatically means with the Repo rate hike, the EBLR rate also will be increasing. So, yield on gold loan portfolio otherwise is around 9%, slightly less than 9%.

- **Mr. Ashlesh – Analyst:**

- Understood. Perfect, Sir. Those were all the questions I had. Thank you very much.

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

- Yeah.

- **Moderator:**

- Thank you. Participants, please raise your hand for the question.

- We will take the next question from the line of Amit Mishra. Please go ahead. Amit, your line has been unmuted, please go ahead with your question.

- As there is no response, we will move to the next participants. We have next question from the line of Sushil Choksey. Please go ahead with your question. Sushil Sir, please go ahead with your question.

- Meanwhile, we will take the next question from the line of Rusmik Oza. Please go ahead.

- We have a next question from the line of Amit Mishra. Please go ahead, your line has been unmuted.

- We have a next question from the line of Sushil Choksey. Please go ahead.

- **Mr. Sushil Choksey – Analyst:**

- Sir, congratulations on excellent performance in the current condition.

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

- Thank you.

- **Mr. Sushil Choksey – Analyst:**

- Sir, you have answered quite a few questions to the previous questioners. Sir, you are well capitalized, you have good deposit growth, the interest rate cycles are always favorable to banks on lend. Would you like to accelerate your growth, be it in RAM or corporate, or what is your outlook base? You have said that corporate book is ₹10,000 crore book is sanctioned, how is the pipeline looking for Q3 and Q4 from both the sectors, RAM as well as foreign? And if there is any slowdown which you are impacting led by agriculture or anything, whatever comment you have on that, Sir?

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

- So, yes, as you know, Sir, we have already given a guidance of Advances growth. We have given guidance of 12%-14% growth in advances but, actually, we have grown by 24.7% in this quarter. So, already we have surpassed the guidance given, and we have seen this growth coming from all the sectors, as I have told, from Retail, Agri, MSME, Corporate; all. And depending upon the situation in

the market, as you have rightly pointed out that, the scenario is good and credit growth is happening in the economy as well. So, we will be keeping this pace maintained. Our target is to keep our growth more than the guidance we have given already, and we will continue to maintain that and the growth will continue to come from all the sectors like Retail, Agri, MSME, and Corporate.

- And as I told, we have around ₹10,000 crore pipeline in the Corporate Credit, which is already sanctioned, but not yet disbursed or not yet availed. It will depend on the market situation. And as I told, what the rate of interest scenario pans out and how the corporates go for availment and also on the CapEx plan of the corporates, we will see and, accordingly, we will respond. We are ready to take up the growth, whatever the credit growth we can take up in all the sectors. Also in the Retail Agri, we are growing with a good pace. In MSME, yes, there is little more scope for growing. We will see onto that also, and we will maintain the growth as we have already guided.

- **Mr. Sushil Choksey – Analyst:**

- Yes, if…

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

- Yes, Sir. We can't hear you, Sir.

- **Moderator:**

- Sushil Sir, there is some disturbance from your line. Can you please repeat?

- **Mr. Sushil Choksey – Analyst:**

- Sir, if your corporate book is showing ₹10,000 crore pipeline, RAM should be showing on a 2/3rd, 1/3rd basis, much higher number at ₹15,000-₹17,000 crore. Are we working with that kind of a number, or you may be conservative in your guidance at 12%-14%, but actual number you may deliver at 50%, 70% higher, which means, there is absolute reason that the bank should revise the guidance upwards.

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

- Yes, you have rightly pointed out, Choksey ji, but you know that the guidance is approved by the Board in the beginning of the year and normally we continue

with that guidance only, and we don't change during the year. Normally, we don't change. But, yes, last year also the guidance was like that only, but we grew more than that. And this year also, we hope that, yes, guidance is 12%-14%. That was given in the beginning of the year, keeping in view the scenario at that time. But, yes, as we move ahead in the year, we will see and we will try to grow more than that, of course.

- And as you have seen the rate of growth in this quarter, 24.7%, so it is nearly 25% growth. So, it has come handy in this quarter. So, maybe not up to that level, 25% is very high growth but still, yes, we will be maintaining good growth and more than the guidance given. But I will not take any guess on the future growth rates as of now. But, yes, we are in the trend of good growth.

- **Mr. Sushil Choksey – Analyst:**
- Sir, I would ask a question on your, specifically retail. We all know that housing market rates are higher in terms of percentage of ticket, cars are not being bought on a normal, small but SUV and gold loan. So, the average ticket per lending is going up by 30%, 50% or number of customers you have increased?
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- So, this is comprehensive growth. So, number of customers also grows. We are onboarding more borrowers, more customers on the housing loan and vehicle loan and as well as the ticket size is also improving. So, both ways we are seeing good growth. And you see that housing loan growth has been 20% plus year-on-year this quarter. This is helped by volume as well as enhancement in value.

- **Mr. Sushil Choksey – Analyst:**
- Sir, how much would be value and how much would…

- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- So, this analysis we have to do actually as to how it is bifurcated. But, yes, of course. Yeah. So, the average ticket size has grown. I think this was around ₹35 lakh earlier, average ticket size, which has also grown to around 30%, by 30%, to around ₹45 lakh. And number of home loan borrowers have also increased. So, I think both are mixed way. We can't bifurcate exactly as to how much growth is from whom. But, yes, both are contributing.
- **Mr. Sushil Choksey – Analyst:**
- Sir, you were one of the-

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

- Sir, not audible.

- **Mr. Sushil Choksey – Analyst:**

- …and since last year I have been asking this question. The second-hand car financing, you have been pioneer, ahead of other PSU banks. How is that business looking? Because that market is growing leaps and bounds. Are we garnering more market share? Are we tying up with many platforms? Even listed companies are doing where the partnerships are visible, do you see faster growth in that segment or that is stagnant?

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

- So, yes, we have the product but, as such, we have not analyzed it separately because we see vehicle loan growth in a consolidated manner only because this is a product for the customer's requirement as to whosoever customer wants to avail the loan on second-hand or resale car market. So, that is also available, but we have not yet analyzed in that way. I don't think that this is a very big amount. This is still a very small amount in the overall portfolio of our car loan.

- But, yes, numbers, of course, we will work out, and we will come to you with the exact position as to how this is growing and how the new vehicle market growth, loan growth, is happening.

- **Mr. Sushil Choksey – Analyst:**

- Sir, the yield on second-hand car will be 100-150 bps higher than a normal car loan. That is why I am asking that question.

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

- Yes-yes. Yeah, that is correct. Yield will be higher. But, yes, we have to see it like in your perspective that is a good thing, we will analyze.

- **Mr. Sushil Choksey – Analyst:**

- Sir, if I am not mistaken, you have answered this to Ajmera ji, that external benchmark percentage of your loan is 62%. So, am I to assume that your NII

growth will be far greater than any impact which comes from treasury, which you are holding for AFS category?

- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- Yes, Sir. Yes, Sir. I told that our 66% portfolio is linked to Repo, means EBLR, right.
- **Mr. Sushil Choksey – Analyst:**
- That's right.
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- So, NII growth will more than compensate, I have told, the treasury stress, if there is any. But I also told that we do not have much in the FVTPL portfolio of treasury. I am talking about only FVTPL portfolio for which we have to do the MTM in the Profit and Loss account. That is also very small portfolio. So, we cannot compare it but, yes, we can say that is under control. And hike in Repo rate will yield us higher Net Interest Income going forward.
- **Mr. Sushil Choksey – Analyst:**
- Sir, how do you see your NIM on a domestic basis and a global basis in the second half of the year?
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- Our global NIM is 3%. We have given guidance of 2.80%-2.90%, and we are maintaining our global yield beyond that. So, the latest quarter, the global NIM has been 3%, and domestic NIM has been 3.19%. I think with the Repo rate hike get pass on in the EBLR linked portfolio, we will be able to sustain this NIM beyond whatever guidance we have given. So, we will be maintaining our guidance as well as our performance.
- **Mr. Sushil Choksey – Analyst:**
- How is your recovery looking in the second half from the written-off assets?
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- So, as I told that, written-off assets, now the big accounts, mostly big accounts have been taken care of. Whatever the recovery we were expecting, that has mostly come. And now the focus is on the remaining residual portfolio, TWO which are smaller accounts, even may not be through NCLT. Maybe other

recovery measures we will utilize, like maybe SARFAESI, maybe OTS. And we have good NDND, Non-Discretionary and Non-Discriminatory OTS scheme also. So, through these various measures, we will try to recover from the smaller size, ticket size, portfolio of TWO. And as I told that our recovery from TWO this quarter has been ₹300 crore. So, we expect that we will maintain within this range in TWO recovery going forward as well.

- **Mr. Sushil Choksey – Analyst:**

- Sir, my last question is, you've been doing well in Singapore, Hong Kong and GIFT City has also started. Do you see there's going to be a meaningful impact because of very established relationship with global companies other than Indian corporates in the overseas market? And utilizing GIFT City, the international book can contribute meaningfully?

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

- Exactly. Sir, we have been running these 2 branches earlier, Hong Kong and Singapore, so both the branches are doing well. And now the GIFT City branch has also started functioning, and I think we will be taking advantage of the GIFT City. We all know the taxation benefit and other benefits in the GIFT City as well. So, we will be keeping a balance between the 3 branches. And I think the opportunities are enough, and potential is there for every branch to grow.

- So, I hope and I expect that we will be growing in all 3 centers reasonably well going ahead as well. It is not like that we have opened GIFT City, so Singapore or Hong Kong will not be growing. I think overall overseas business, we will be seeing reasonable growth with contribution from all 3 branches.

- **Mr. Sushil Choksey – Analyst:**

- Sir, you may reply to my next question or not, I don't know, but looks like all PSU banks have accelerated their result in this quarter. Do you think the current government is likely to do a *dhamaka* in Diwali for some merger?

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

- See, result acceleration, I don't see at any point. Means declaration of results is purely on the basis of our internal arrangements because this is subject to limited review and availability of auditors and all those audit and limited review

exercise completion. Depending on that, we decide the date, maybe little bit here and there. That is the situation we have declared today. And I don't think there is anything, means I can't reply to you. For this question you already expected no reply from me. Nothing like that is there as of now.

- **Mr. Sushil Choksey – Analyst:**
- Sir, good luck to UCO Team.
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- Thank you.
- **Mr. Sushil Choksey – Analyst:**
- You've done a good job and, hopefully, we'll see better numbers in the second half with your existence.
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- Thank you, Sir.
- **Moderator:**
- Thank you, Sir. We will take the next question from the line of Amit Mishra. Please go ahead.
- **Mr. Amit Mishra - Analyst:**
- Hi, Sir. Good evening, and thanks for the opportunity.
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- Yes.
- **Mr. Amit Mishra - Analyst:**
- Few questions. First of all, can you give me the breakup of slippages due to Agri marking and Non-Agri marking this quarter?

- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- Agri and Non-Agri? Okay. So, we have in our presentation also given the numbers. I will just repeat for your information, ready reference. So, our agriculture slippage is ₹205 crore out of ₹549 crore. And this was only ₹73 crore in the previous quarter, June'26. So, there is an increase of ₹132 crore in the agriculture slippages, quarter-on-quarter, if you see. But it is still below the previous year's slippage. Last year, September'25, agriculture slippage was ₹238 crore, which is now ₹205 crore only. So, year-on-year, there is an improvement in the slippage.
- But, yes, because I told that agriculture marking happens in September and March, so in September, there is a marking in the crop loan in agriculture, and that's why there is an increase in agriculture slippages; that is ₹205 crore out of ₹549 crore.
- **Mr. Amit Mishra - Analyst:**
- Okay. And, Sir, this quarter's overall provisioning is higher. Out of that, you mentioned some portion is ECL provisioning. So, how much would be that? And what would be your credit cost for the whole year? Do you expect around 60 basis point or higher? Like last year's was around 60 basis points.
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- Yes, as I told, we have made some ECL provisioning also, forward-looking provisioning for ECL. And in this current quarter, our ECL related provision has been ₹570 crore. NPA provisioning because, you see, that our Net NPA has come down to 0.18% now. That is within our guidance of 0.20%. So, we have done accelerated provisioning to achieve the guidance, and that is why our NPA provision has increased.
- And our Credit Cost is 0.65%. Again, we have given a guidance of Credit Cost to maintain below 0.75%. So, this is well within the guidance of 0.75%; it is less than that. And we expect to maintain it below the guidance, 0.75%, going forward also for the current financial year.
- **Mr. Amit Mishra - Analyst:**
- Okay. Sir, my last question is on Credit Cost. What would be your normalized Credit Cost for the full year? How much you expect? Because from past, if you see quarter-on-quarter, every quarter our Cost to Income is around 52%, 53%. For this year, how much are we expecting? Because Q1 it was 30%.

- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- Cost to Income ratio…
- **Mr. Amit Mishra - Analyst:**
- Yeah, continue Sir.
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- Yeah. Cost to Income ratio, you are asking, Sir?
- **Mr. Amit Mishra - Analyst:**
- Right-right-right.
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- So, Cost to Income ratio in the September quarter is 50.39%. Actually, in June, we had a one-time recovery which contributed more income and thereby the Cost to Income ratio was less. If we remove that effect, it was around 45%, and this quarter it is 50.39%. So, we expect that we will be maintaining around this only. For the full year also, we will be maintaining around 50%. We will be trying to bring it below 50%, but maybe we will have to see. But definitely it will be less than the previous year's level. Like in the September'2025 it was 52.79%, so we are improving this towards 50%, and then we will be taking it below 50% maybe the next year.
- **Mr. Amit Mishra - Analyst:**
- Okay. Thank you, Sir, and all the best for future.
- **Moderator:**
- Thank you. That was the last question for the day. I 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. Thank you for all your support and arranging this con-call with all our esteemed analysts and investors. I think we have already given the overview of the results as well as addressed the queries raised.
- I think the detail is already given in the presentation as well as in the results and press note. I think whatever the guidance we have given in the beginning of the

year, we are mindful of those guidance levels in the various business parameters, and we are trying to maintain that guidance. We will see that maybe going forward also, we will continue to maintain that guidance.

- Thank you for all your support. And if there is any further query, you are always welcome, if you need any further interaction as well. Thank you so much.
- **Moderator:**
- Thank you. That concludes the UCO Bank Q2 FY27 Earnings Conference Call. You may now disconnect your line.
- **Mr. Rajendra Kumar Saboo - MD & CEO (I/C) and ED, UCO Bank:**
- Thank you.

END OF TRANSCRIPT