



TRANSCRIPT

Q3 FY25 RESULTS

Post Earnings Conference Call with Analysts/Investors

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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, Q3FY25 Earnings Conference Call. It is my pleasure to introduce to you the senior management of UCO Bank with us. We have Mr. Ashwani Kumar - MD & CEO, Mr. Rajendra Kumar, Saboo - Executive Director. Mr. Vijay N. Kamble - Executive Director.
- We'll have opening remarks from the MD, sir, post which we'll open the floor for questions and answers. Thank you and Over to you MD Sir.

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

- Thank you. I welcomed. First of all, I would like to share the business performance of the Bank in Q3, our guidance, initiatives taken and plans then we will have your observations and our comment on your observations.
- See, Bank's business has grown by 12.28% in Q3 for the year 2024-25 of which deposit 9.36%, Advances grew by 16.44%. In the deposit, saving grew by 6.23% and current grew by 25.74%. Our CASA ratio maintained at around 37.97% as against 37.61% a year ago. Our CASA growth was around 8.24% on a YoY basis. In advances, our retail grew by 31.01%. Within retail, home loan grew by 19.36% and vehicle loan grew by 51.93%. Agriculture grew by 20.04%. Within agriculture, our focus was on SHG and gold loan, Agri allied activities. So, these are the three components which growth was there. In MSME, the growth was around 12.75%. If I come to asset quality banks NPA, gross NPA has come down to 2.91%. There is a 94 bps improvement over last year. Net NPA improved by 35 bps to 0.63%. Our PCR improved by 95 bps to 96.16% and our tangible PCR excluding TW also improved to 78.90% that is 351 bps improvements over last year.
- Profitability Parameters - Our net interest income grew by 19.62% on a YoY basis. Our noninterest income grew by 37.75%. NIM domestic improved by 36 bps on a YoY basis to 3.38%. NIM global also improved by 33 bps on a YoY basis to 3.17%. Our yield on advances domestic also improved by 25 bps to 9.06%. Our yield on advance is global also improved by 22 bps to 8.70%. Our operating profit for the quarter improved by 41.73% on a YoY basis to 1586 crore and net profit improved by 27.04% on a YoY basis to 639 crore.
- I'll now go to the guidance which we have shared at the start of the year. Our guidance was domestic, our deposit growth 8% to 10%, we have achieved 9.36% in this quarter. CASA growth guidance was 8% to 10%, our achievement is

8.24%. Credit growth was 12% to 14%, achievement is 16.44%. CASA 37% to 38%, we are at 37.97%. RAM mix was 60%-62%, we are at 62.36%. CD ratio we had planned for year 74% to 75%, we have achieved 74.45%. Credit cost was less than 1%, now for this quarter, credit cost is 0.49%. NIM Global was 3% to 3.10%, we have achieved 3.17%. GNPA less than 3%, we have achieved 2.90% and net NPA less than 0.65%, our achievement is 0.63% in this quarter itself. Slippage ratio was 1% to 1.25%, in this quarter it is 0.92%. So, all guidance parameters have been achieved in this quarter performance.

- Our CD ratio, which was around 69.93% a year ago, has improved to 74.45% in this year. Business growth I have already spoken. Priority sector all targets have been achieved for the priority sector lending. If you look at our rating mix, 81% of our portfolio is - 78% of our portfolio is Triple B and above. Now coming to fee-based income, noninterest income. It improved from 861 crore to 1186 crore. That was more than around 100 crore improvement in the recovery in return of accounts and in our fee charges and Commission for advances around from 106 to 130 crore, charging Commission from others 145 to 180 crore and treasury income also improved from -25 to 145 crore. So, that was the reasons for our improvement in our noninterest income.
- If you look at our cost of deposit, our cost of deposit in December 23 was 4.91%. Now, it has improved to 4.90 %. Cost of funds was 4.78%, has improved to 4.75. Cost to income ratio, it was 60.72% a year ago, now it is 55.50% sequentially quarter-on-quarter it is coming down. Our business per employee, which was around 20 crore a year ago, it has touched now 23 crore. Similarly, business branch has also improved from 135 crore to 150 crore. So, operational efficiency parameters there is a good improvement in the bank. We had slippage of around 418 crore in this quarter vis-à-vis 864 in the previous quarter and 483 crore in December 23 quarter. Last quarter, we had one big account that slipped, we discussed that account last quarter, but this quarter the slippages are across segments, it is not that in one segment, it is lopsided. Slippages are there in retail, agri, MSME, and corporate also, but our overall recovery and upgradation in this quarter was 1064 crore and against cash recovery and upgradation 309, return of 1064 crore in this quarter and total slippage was 418 crore only and at quarter-on-quarter basis, we are seeing that our slippages are lower than our overall cash recovery upgradation in our advances NP accounts.
- If we look at our segment NPA, our segment NPA retail credit NPA ratio is 0.74 only and, in our agriculture, NPA ratio is coming down on quarter-on-quarter basis from 14.44% in December 23 to 11.70% in December 24. Similarly, in

MSME it was 7.46%. it has improved to 5.78% in December 24. Now, the SMA stress account more than 1 crore, we declare every quarter SMA accounts more than 1 crore. The amount of SMA is 0, 1, 2 in all three categories more than 1 crore has come down to 1468 crore. This is 0.70% of the total advances. Previous quarter it was 0.79 and prior to that a year ago, it was 1.04. So, the asset quality has been improving on a quarter-on-quarter basis. Our restructured portfolio is also coming down with repayment on a quarter-on-quarter basis. Our total restructured advances as on December 23 was 3663 crore has come down to 2706 crore. So, that is a good improvement, but let me also share that on restructured advances whatever RBI mandated provision is required that is already there. In addition to that, we have already made additional COVID looking provision of 530 crore though the portfolio is coming down on a quarter-on-quarter basis, but we are holding on to that additional provision in our books.

- Capital adequacy of the bank is 16.25%, but if we look at nine months profitability and we add nine months profitability into our network, then our CRAR will be 17.5%. We have 3298 branches as of today. As on December, it was 3263, but as of today 3298 branches are there. Our average age of our employees is 38 years and 74% of our employees are less than 40 years of age. Bank and our team has been working in digital parameters. Our active mobile banking users have doubled in a years' time with the growth of 97%. Active mobile banking users have also increased by 82% in a year's time and our digital business that is opening of RD and FD digitally has also increased by 81% in one year. UPI transaction volume has also improved by 36% in one year and 10% in one quarter.
- WhatsApp banking users have also improved by 304%. We introduced WhatsApp banking a year ago, now around 5 lakh customers are using our WhatsApp banking and one quarter improvement is 71%, but in one year it is 304%. Now, the initiative taken by the Bank, Bank has launched the last quarter, last to last quarter, bank has launched digital transformation Project Parivartan where we have planned digitization of at least 25 journeys across various liability and asset segments of which 9 journeys have been made live till now and many more journeys are under plan. Every month will be coming out with a digital journey. We had planned for a 6000 crore of digital business in this financial year and I am happy to share that on asset side, we have crossed around 1300 crore of digital business and in liability side we have crossed around 7000 crores of digital business that is opening FD, RD, and other deposit products and current outstanding is around 5000 crore in all those digital business parameters.

- We have also introduced various enhancements in our mobile app and Internet banking, which as a result our corporate mobile banking app which is one of the unique mobile banking app for our current account holders that rating is also raised to 4.7 and for retail customers Mobile banking app rating is also 4.7.
- We have also launched various partnership in our digital marketing space, that is our discounts with Pluto's using UCO debit card, Zomato discounts using UCO debit cards, Book My Show buy one, get one offer, positive pay features on WhatsApp. On Swiggy, debit card offers are there and we have also exclusive banking partner with Bali Yatra Utsav, Asia's largest open trade fair in Odisha. On ESG initiatives, Bank has been taking various initiatives. We have launched a special concessional rate of interest on EV schemes. We have launched PM Suryodaya Scheme and as announced by honorable Prime Minister. We have also launched Green Deposit Scheme where we offer high rate of interest to our customers than the normal rate of interest. We have also obtained green certificate from CESC for purchasing 25% of renewable energy. We have planted over 22000 trees across India and our renewable energy portfolio is also increased to around 3700 crore in this quarter.
- So, these were the few initiatives which we have taken in this quarter. One more thing. We have given a guidance around 3000 crore of recovery in this financial year out of which around 2700 crore has already been recovered in nine months and further initiatives have been taken for enhancing the customer service, digital queue management system has been introduced in high traffic branches for quick and secure and seamless customer experience. WhatsApp banking has been launched wherein we are providing 35 services in five languages; Hindi, English, Bengali, Asami and Oriya. Multichannel feedback system has been introduced in branches, website, mobile banking, IVR, QR code, queue management system to enhance customer satisfaction. For our retail customers, we have launched UCO Utkarsh, a preferential financial support to students admitted to premier institutes. ASPIRE 2.0, this is enhanced education loan scheme for financing meritorious students studying abroad. For female customers, UCO Udaan Scheme, special concession rate of interest has been given. Women centric policy has been introduced in the bank.
- Policy on learning and development, policy on local bank officer also been introduced. Bank has advertised around 250 local bank officer post and which has just gone live last week. Bank is also planning to bring talent by inducting specialist officers in IT, CAs, law in risk, security Officer, HR, Fire Officer, and economist. For women customers, special incentives have been given in home

loan scheme of 0.05 rate of interest. In MSME, 0.25% concession for woman's under MSME. Education loan 0.5% concession in IBA model scheme. Special scheme has been launched for MSME and women entrepreneurs. UCO MSME Nari Samman special scheme for women entrepreneurs. Similarly for women customers, UCO Aparajita debit card has been launched. That is exclusively for women with enhanced benefits. Exclusive product for saving, current, and flexi RD for women under the umbrella bar, a Pink Basket has been introduced which is loaded with accidental insurance plus attractive discounts on our lockers and other services.

- In IT and cyber security, number of things has been implemented. We have established Gen Next Network Operation Center. We have net operated bandwidth of our branches. We have introduced re-KYC through phone banking. Tab Banking has been introduced and more than around 50% branches are opening account through tab banking. Other branches have also been provided with the tab and hopefully by this next month end, all branches will be equipped with the tab banking and opening accounts with the tab banking. We are also planning to launch CBDC and Eterna card for HNI customers that are a RuPay debit card with premium privileges for HNI customers. We are also planning to launch slot booking through mobile banking, so that the customer need not to wait. We are also launching now MSME Yuva Shakti for young entrepreneurs, supply chain finance, Forex PC. So, many things are in pipeline. Hopefully in this quarter things will be getting launched and next year we will see the operation of all these things going live.
- We have embarked on a branch expansion plan of 130 branches at the time of start of the year. Happy to share that in our 82nd year of Foundation Day from 82nd year to 83rd year that is on 6th of January 2025, we have already opened around 82 branches and the remaining branches are under process and hopefully by March, we should be completing those another 20-30 or maybe 40 branches by March. So, that was on expansion plan. So, these are the highlights which I wanted to share with you. I will now pause here and will be available for your questions and answers and queries. Thank you.
- **Moderator:**
- Thank you, Sir. We'll start with Q&A. participants who have any question, please raise your hand. We will take the first question from Divya Pandey. Please unmute yourself and go ahead with your question.
- **Ms. Divya Pandey – Participant:**

- Yeah, Sir. Thank you for taking my question. What is your total gold loan portfolio including Agri and non-Agri gold loan, and how is the growth in that segment?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- See gold loan, yeah. Please go ahead. Go ahead please.
- **Ms. Divya Pandey – Participant:**
- Yeah. Sir, you can answer this and I'll ask the next one.
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Okay, okay. So, gold loan portfolio is around 8900 crore currently.
- **Ms. Divya Pandey – Participant:**
- Okay.
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Sorry, 9600 core. So, we have a very small gold loan portfolio of 9600 crore and our growth in Golden portfolio is how much, 25%?
- **Ms. Divya Pandey – Participant:**
- And also Sir, could you tell the agri and non-agri split?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Yes, yes, I can give you. Out of 9600 crores, Agri is around 5581 and retail is around 2000 and MSME is around 2000. So, agri is around 50%.
- **Ms. Divya Pandey – Participant:**
- Okay, okay. and Sir my next question would be, so the personal loan segment has grown very sharply this quarter, though the total portfolio is very small at 2000 crore, but growth looks much higher. Could you just throw some light on that?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**

- See, we have started it digitization program called Parivartan under which PQPL was one product which we launched and this product is backed by our transactions in the account, customers having salary accounts, customer having regular flow of income into their accounts for last nine months. This is those BRE eligible customers were given offer and they availed that offer. Here I would like to specifically mention that these are the customers who are maintaining salary account with us or pension loan account with us or are having regular transaction for last nine months. So, basis that, this offer is given. It is hardly 1% of our total portfolio.
- **Ms. Divya Pandey – Participant:**
- Okay, Sir. Thank you.
- **Moderator:**
- Thank you. we will take the next question from Mr. Sushil Choksey. Please unmute yourself and go ahead with your question.
- **Mr. Sushil Choksey – Participant:**
- Sir, congratulation on stable numbers.
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Thank you. Thank you, Sushil ji.
- **Mr. Sushil Choksey – Participant:**
- Sir, I have a couple of questions on both part of the bank. Do you think you are off the guidance or you maintain the guidance?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Sorry, Sushil ji I was not able to hear.
- **Mr. Sushil Choksey – Participant:**
- Your guidance through credit growth this year, looking at the numbers, will you exceed the target or you would maintain the target?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**

- See our guidance was 12% to 14% and in last nine months, we have already achieved around 11½% growth on YTD basis. On quarter-on-quarter basis if we look, this quarter our growth was around 5.42%, last quarter 2.42, previous June quarter 3.41. So, our guidance is 14%. Guidance now looks to be on a conservative basis. We will definitely surpass the guidance going by the current trend.

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

- Sir, my next question is on your NIM is concern and your guidance on ROE, ROA, NIM, can you elaborate what is likely to involve in the Q4 or there is any changes likely to happen there?

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

- See our NIM guidance was around 3 to 3.10 and happy to see that we have achieved our guidance in this quarter and previous quarter and our NIM has been improving on quarter-on-quarter basis. On 31st March, we had 3.03, then 3.09, 3.10, and now 3.17, that is global NIM. Domestic also, we have improved from 3.02 in December 23 to 3.38. So, 36 bps improvement in our NIM in last one year on domestic basis and 33 bps improvement in our global. So, our guidance continues to be 3 to 3.10, but we will continue to work in improvement of our NIM on a quarter-on-quarter basis as we have been doing last five, six quarters and ROA, ROE, if you see our ROA has been improving. If you look at from June 23, it was 0.28, then 0.54, 0.67, 0.69, 0.7, 0.73, now 0.79. So, quarter-on-quarter basis, we will see ROA and ROE continues to improve in every quarter.

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

- Where do you see your gross NPA and net NPA number at the year end?

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

- Our guidance was less than 3%. We have already achieved 2.90%.

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

- I am happy with 2.9, I am asking whether you will go to 2.5 or 2.4 by the year end, and 0.63 at 0.5?

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

- Choksey ji, *dil maage more*. So if everything goes right then we will further reduce it from 2.90, maybe 2.80 or something like that.
- **Mr. Sushil Choksey - Participant:**
- So my intent of question was, if your profitability is rising, will you provide more and bring the NPA numbers down, or there is... ? Like it seems that you had a smart recovery in this quarter also. So the recovery path is going to help, or is the telecom account having some resolution which I am sure some other analysts will ask you later in elaborate. But where is the recovery coming from? Technically written off assets or some other recovery, some elaboration, because I see the number of recovery is better than previous quarters.
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Sir, recovery has come from recovery in written off accounts in this quarter also, previous quarter also. We expect the trend to continue. But magnitude may be here and there, but the trend of recovery will come because many customers are coming forward for resolution also, for OTS also. So, on case-to-case basis we are taking a call to accept the resolution or to accept the OTS amount. Where we get a value for money, there we will accept. So that is one on recovery front.
- On our MTNL telecom, we are yet to get any final offer or final... There were certain discussions which JLM has not yet agreed and final resolution plan is yet to be put in place. So once that is in place, that time we will have some good amount of recovery. But to share with you, we are 100% provided for in that account itself in this quarter.
- **Mr. Sushil Choksey - Participant:**
- Sir, how are your efforts working towards digitization and CASA growth?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- See, if you look at my CASA, we have taken a lot of initiatives, I explained in earlier quarters also. What we have done in this quarter, we have strengthened our Zonal Resource team. Earlier our focus was on Central Office and Corporate Office Resource team. We have strengthened. Now we have given tab to all branches; earlier it was around 1,700 branches. Now the configuration of the tab with biometric is going on. I think by next month end, all tabs will be up and running. So that will help me in getting quality CASA customers' acquisition when our people go in the market. But with these little efforts, whatever we have taken in last one year, if you see, our CASA ratio has been maintained in 37 to

38% range. We have not seen major decline in our CASA ratio. CASA ratio continues to be around 37 to 38%. And that was our guidance also, that it will be our endeavour. Going forward also, our focus will be on quality CASA customer acquisition through tab banking, through various salary saving account tie-ups. We have already done few tie-ups in last quarter. Our teams are giving... Zonal Resource team and Head Office Resource team are giving presentation to various PSUs, MNCs to open salary account of their customers; some are clicking, some are not clicking. So efforts are on and efforts will continue in this financial year also to see that we are able to maintain our CASA ratio.

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

- Sir, every bank is aspiring that I will become a consumer bank among PSU banks. Numbers are looking good on many fronts. What are the new products which you have launched as a consumer finance in our bank, other than home loans which everybody talks about? What are the other products? I understand you have done something on autos. I am specifically asking what product have you launched which is yielding good results?

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

- See, recently, looking at the interest of our customers, we have revamped the entire education loan scheme for our students studying in India, studying abroad, studying in premier institutes, and also for women customers who want to study abroad. So the entire product portfolio has been revamped. In MSME basis, the request received from various zones, we have launched cluster specific schemes for the women customers. MSME has launched a MSME Nari Samman scheme for women entrepreneurs with attractive features. For young generation, MSME Yuva Shakti scheme has been launched. That is also to attract young entrepreneurs to our scheme of things. As announced by Hon'ble FM, towards digital push to MSME, basis their digital footprint, MSME Smart Finance scheme has already been launched with digital MSME loans up to 25 lakhs. Then GST Smart Finance scheme has also been launched. So that is also attracting a good traction amongst the customers.
- And apart from that, we are working on bringing pre-approved vehicle loan to our existing customers basis their transaction history. Bank has implemented EDW project where 360° view of the customer is available. And basis our AI-ML, we are able to generate leads and push those leads to our branches. Branches are connecting to those customers and giving special offer to those segmental customers either for education loan, housing loan, vehicle loan. So that effort is

also started yielding some result in this quarter. For our HNI customers. We are launching a special metal card, Eterna metal card for our HNI customers with various inbuilt benefits to our HNI customers. For women, we are launching a special card, Aprajita debit card, UCO Aprajita debit card to attract our women customers with a special benefits to those customers.

- We are also planning to launch UCO Wealth Corner at our branches, specific branches, maybe 40 to 50 branches across India, because what we analyse that many of our customers are using our account and they are making some investments in various mutual funds, various share brokings. So we want to offer those services to our customers, specialized services. We are planning but we are yet to finalize what will be the *modus operandi*, how it will operate, which branches, which customers. So that is also in the pipeline. Yes, please go ahead.

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

- So this will be all done digitally, right?

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

- Yes, yes, digitally.

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

- So our app expenditure and what is the outlook on the app which we are trying to enhance the visibility of the app?

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

- Our mobile app?

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

- Yes.

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

- Mobile app, if you look at our numbers we have given in our presentation also, our mobile active users we have started tracking in last one year. Earlier we used to track registered users. Now we have started tracking active users. In last one year our active users have improved by around 80 to 90%. Our daily logins have also improved by almost double.

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

- Can you say the number what was there last year and what is the number today?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- See today our active mobile users are around 38 lakhs. A year before it was around 17 to 18 lakhs only.
- **Mr. Sushil Choksey - Participant:**
- Sir, second thing I understand, you are doing specific product on second-hand car finance on the luxury segment. This is what I hear from a customer who has done some transaction. What average ticket are we doing and what rate is this finance? Because you are trying to differentiate yourself from other banks who are not doing these products. That's the reason I am asking that question.
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- See, we have a product where we finance these vehicles, may be luxury or not luxury. And we get a... How much rate are you taking on that? 11%? What are we taking on car finance? No, on car, on the second-hand luxury. So, that is giving us a good yield in the range of 10 to 11%. In the range of 11%.
- **Mr. Sushil Choksey - Participant:**
- What LTV (Loan to Value) will be this?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Loan to Value will be around 75, 30:70 or 25:75?
- **Mr. Sushil Choksey - Participant:**
- Second thing sir, my last question in this round. Provision and contingency, quarter-on-quarter we have grown up. I think last quarter we had income tax write back. This quarter we have made some additional provision. Can you highlight what is that for?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Which was additional provision?
- **Mr. Sushil Choksey - Participant:**
- Sir, provision for NPA has reduced and others is increased from -156 to 320. Sir, I assume there was income tax write back.

- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Okay. See, provisions, on some of the other assets we have kept a provision of around 300 crore.
- **Mr. Sushil Choksey - Participant:**
- Are we doing some accelerated provision for ECL loan or what is this? Floating loan?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- See, this is a forward-looking provision. I will not say that ECL is an accelerated program. This is a forward-looking provision we are building in within the system.
- **Mr. Sushil Choksey - Participant:**
- Sir, my last question to Saboo ji. Sir, what is the outlook on your treasury?
- **Mr. Rajendra Kumar Saboo - Executive Director, UCO Bank:**
- Good afternoon. Treasury outlook, we all know that the yields are moving in a range. Earlier we saw the yields falling and then again picking up due to various geopolitical and other issues. So, I think the yields will continue in this. Our estimate and our anticipation is, that the yield will continue to fall, remain in this range. Maybe if we see some good news going ahead in Indian economy and financial market and liquidity position, we can see a 660 type of level. Maybe, we don't know. But broadly the range 660 to 680 will continue, that is our view as of now.
- **Mr. Sushil Choksey - Participant:**
- Sir, in last quarter, the quarter which we are reporting, 710 is the recovery of written off assets. Can we sustain this number in this current quarter? It will be higher or lower?
- **Mr. Rajendra Kumar Saboo - Executive Director, UCO Bank:**
- Recovery in TWO...
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- See, recovery... we have given a guidance of around 3,000 crore of recovery in this financial year. And there were certain accounts which we are pre-empting

that will come in 4th Quarter, but the recovery came in 3rd Quarter also. So, recovery will be in this range, but little bit of here and there in this quarter also, because certain accounts which were expected in Q4, that recovery came in Q3. So, that is the reason that our recovery in Q3 is on a higher side.

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

- Thank you. Congratulations and best wishes for the year.

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

- Thank you Sushil ji.

- **Moderator:**

- Thank you. We will take the next question from Ashish. Please unmute yourself and go ahead with the question.

- **Mr. Ashish – Participant:**

- Thank you for the opportunity. Sir, my question is regarding the loan growth. Sir, the loan growth in corporate segment was quite healthy at 5% quarter-on-quarter. So, which segment is driving this and how is the demand outlook on this segment? And what are the total sanctions you have as on date? And which sector contributes to it most? So, I want to know on this.

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

- See, if you look at our corporate growth, there were certain segments like road and infrastructure, where there was a growth in this quarter around. I think 1,000 odd crore growth in road and infrastructure. That was a completed road project. That also I can tell you. And then in metals, there was a growth in this quarter. Certain ethanol projects, iron and steel projects, cement, renewables. So, these are the projects where we saw some interest coming in.
- There are many sanctions which are in pipeline and under disbursement also. Maybe around 10,000 crores of sanctions are there which are under disbursement. That will take little longer because gestation period or moratorium period for implementation of the project is there.
- Second, demand is also coming from the data centre. We have already done one. Another data centre project is also under process. This is not from one sector, from various sectors we are getting interest across the sectors.

- **Mr. Ashish – Participant:**

- My second line is on, so company is marching towards sustainability and having a lot of sustainability initiatives as of now. What is the company's way forward towards having a green portfolio or investing in companies with green projects?

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

- See, if you look at our initiatives which we have started, first we have started from the liability side. We have started raising green deposit by offering additional interest over normal deposit rate of interest, number one. Number two, we have introduced asset product which encourage customers to buy EVs or solar products, and we are offering them an attractive rate of interest. Third, our focus is on renewable projects also, and our portfolio has improved and increased in this quarter. This quarter we had around... outstanding is around 3,700 crores of renewable energy portfolio. Our focus in the coming quarters will continue to enhance our green financing portfolio by bringing one or the other initiatives, whatever is there. We have also introduced this in our credit rating product also, the initiatives which customers are taking for building their companies as a green company. We have also obtained certification from Calcutta Electricity Supply Corporation for 25% of our Renewable Energy Certificate. And then, we have also tied up with PCAF for assessment of our portfolio. So that will also give us some indication where we are moving, where we need to go and how we need to go.

- **Mr. Ashish – Participant:**

- Thank you so much. That's it from me.

- **Moderator:**

- Thank you. Participants who have any questions, please raise your hand. We will take the next question from Anmol Das. Please unmute yourself and go ahead.

- **Mr. Anmol Das – Participant:**

- Good afternoon, sir. So my question was related to the corporate segment because we have been seeing the banking sector not lending out very easily towards the corporate segment like they used to. So are we seeing that it has already been overplayed? And now especially the PSU banks are going to lend more heavily towards the corporate segment in the coming medium term, this next fiscal year?

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

- See, if you look at corporate, our growth in corporate on a quarter-on-quarter basis is sustainable. Our corporate book continues to be in the range of 31 to 32% of our... sorry, 37 to 38% of our total advances. Our RAM segment continues to be in the 61 to 62%. And if you look at this quarter also, our corporate book growth is around 14%, wherever our RAM portfolio growth is around 20%. So it's not like that the banks were not giving credit to the corporates. Banks have been giving credit to the corporates on a quarter-on-quarter basis and a year-on-year basis also. And we'll continue to keep lending to all bankable projects which come to us in corporate segment. And as I already told in the question before you asked, that we have... in the last quarter we have funded to basic metal also, we have funded to road project also, that is a completed road project. We have funded to ethanol projects also, we have funded to textile also, we have funded to iron and steel also, data centre also. So wherever bankable project where cash flow feasibility is there, promoter standing is there, our bank has been funding those projects and we'll continue to fund those projects.

- **Mr. Anmol Das – Participant:**

- Understood, sir. And on the retail mix, if I say, so retail loan growth has been faster than the corporate. So will you be going ahead with your guidance regarding RAM mixture and go beyond 62 or 65% of your portfolio in the RAM side?

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

- See, our guidance is around 61 to 62 RAM portfolio. That will continue with 61 to 62%. And if it improves, it is so far and so good. What we have done is, we have activated our branch network from where we are getting leads generated. We have introduced hub structure where they are sending leads. And as a result, TAT has improved a lot for housing loan, car loan, MSME loans. As a result, we see a good amount of growth in our retail segment. And we will continue to grow in retail and in corporate also. And, healthy mix of 62% will... I think it's a healthy mix we need to continue to maintain. Okay, sir. Understood.

- **Mr. Anmol Das – Participant:**

- Thank you. And good set of numbers. Congratulations.

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

- Thank you, Anmol.

- **Moderator:**
- Thank you. We'll take the next question from Ashish. Please go ahead with your question.
- **Mr. Ashish – Participant:**
- Hi, sir. Good afternoon and congratulations. Yes, sir. Firstly on the recovery from written off accounts, that number has increased Q-Q quite sharply. Was there any lumpy recovery here? And if you can give more details about this?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Yeah, I already shared that there was a recovery in one big account in this quarter, which we were expecting in Q4. And fortunately, that came in Q3 itself. So that is the reason that recovery in Q3 is substantially high than the earlier quarters. And that was a good recovery, I think. I can't tell you the name. But that has come. That is true.
- **Mr. Ashish – Participant:**
- Which sector has this come from?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- That is from infrastructure sector. That was from infrastructure sector. There are 2-3 accounts. And one we were expecting in this Q4, but it came in Q3.
- **Mr. Ashish – Participant:**
- Okay, got it. Under the Retail Loans category, you have a sub-segment called Other Retail Loans. What is classified under that line?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- See, under Other Retail Loans, we classify our staff loans, loans against FDR, gold loans, co-lending, and any LAP, plus any portfolio which we purchase from some other, under DA purchase. So that also comes under Other Retail Loans.
- **Mr. Ashish – Participant:**
- Major portfolios here would be which one?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**

- Major portfolio is staff loans and pool, which we have purchased loan against FDR. So these are the three. And education loan. So the other 3-4 loans. Gold loan. So gold, staff loan, against FDR, pool and education. These are the five components of this Other Loans.
- **Mr. Ashish – Participant:**
- Thank you, sir.
- **Moderator:**
- Thank you. Participants, if you have any questions, please raise your hand. We'll take the next question from Sushil Choksey. Please go ahead, sir.
- **Mr. Sushil Choksey – Participant:**
- Sir, what is the update on the equity front? We have hired merchant bankers, which is visible in public domain. There is a rumour that there is OFS slightly also for 4-5 banks, which are in the category; the government has to dilute equity as per SEBI norms. And there is a rumour that you may have to be forced to do a QIP also. So what is the update between two?
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- See, as far as OFS is concerned, we are not aware of any such development. What we have approached to the government is for approval of QIP, which we have got the approval in previous quarter. And we have already gone ahead with the selection of VRLMs, legal counsel, everything. We have started meeting investors also. Last quarter also, this quarter also we have met in the first week of January, and we'll continue this journey after these results also. And hopefully, any time after these results, we'll come for QIP.
- **Mr. Suhshil Choksey – Participant:**
- Okay, sir. Thank you and good luck on the same.
- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Thank you.
- **Moderator:**
- Thank you. As there are no further questions, I hand over the call to MD sir for his closing remarks.

- **Mr. Ashwani Kumar - MD & CEO, UCO Bank:**
- Thank you, all the analysts and investors for taking interest and sparing time to attend the Post Results Con call with the investors. We have given a guidance on various parameters, and we will try to make sure that we achieve our guidance, whatever we have given. And as we have been improving our performance in various parameters on a quarter-on-quarter basis, our team will continue to improve on all those parameters regularly. And we'll try our level best to give the best of the results on a quarterly basis. Thank you very much.
- **Moderator:**
- Thank you for joining UCO Bank's Earnings Call.
- ***END OF TRANSCRIPT***