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सम्मान आपके विश्वास का

UCO BANK
Honours Your Trust

HO/Finance/Share/136/2026-27 Date: 04.11.2026

National Stock Exchange of India Ltd.
"Exchange Plaza"
Plot no. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051
NSE Scrip Symbol: UCOBANK

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,Fort,
Mumbai – 400 001
BSE Scrip Code: 532505

Madam/ Dear Sir

Sub: Assignment of Credit Ratings by S&P Global Ratings

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we inform that S&P Global Ratings has assigned the following issuer credit ratings to the Bank:

Particulars	Rating
Long-Term Issuer Credit Rating	BBB
Short-Term Issuer Credit Rating	A-2
Outlook on Long-Term Rating	Stable

The rating rationale issued by S&P Global Ratings dated 04.11.2026, is enclosed herewith for information.

The above is submitted for your information and record.

Yours sincerely,
For UCO Bank
Vikash Gupta
Digitally signed by Vikash Gupta
Date: 2026.11.04 18:42:10 +05'30'
(Vikash Gupta)
Company Secretary

S&P Global
Ratings

Research

UCO Bank Assigned 'BBB/A-2' Ratings; Outlook Stable

November 4, 2026

- We believe UCO Bank has a very high likelihood of receiving support from the Indian government, if needed.
- Sufficient capitalization, solid funding, and healthy liquidity will underpin the bank's credit quality over the next two years.
- We assigned our 'BBB' long-term and 'A-2' short-term issuer credit ratings to UCO Bank.
- The stable outlook on the long-term rating reflects our view that the India-based bank will maintain its good capitalization and funding and liquidity profile over the next two years.

SINGAPORE (S&P Global Ratings) Nov. 4, 2026--S&P Global Ratings today assigned its 'BBB' long-term and 'A-2' short-term issuer credit ratings to UCO Bank. The outlook on the long-term rating is stable.

Our ratings on UCO Bank reflect a very high likelihood of extraordinary support from the government of India, if needed. The long-term rating on the bank is one notch above our assessment of its stand-alone credit profile (SACP). We believe the Indian government will provide the bank with timely and sufficient extraordinary support in the event of financial distress.

We base our view on UCO Bank's very important role as a public sector bank in promoting financial inclusion through increased access to deposits and lending. The bank has very strong links with the government, which has majority ownership and control.

The starting point for our rating is 'bbb-', the same as for any bank operating predominantly in India. UCO Bank makes about 90% of its loans in India. We expect asset quality in the Indian financial sector to remain healthy. Our opinion reflects structural improvements in operating conditions and the country's good economic prospects over the next few years.

Nonetheless, some emerging strains, such as global geopolitical tensions, could pose risks. A weak monsoon could also weigh on weaker borrowers.

The bank has an established franchise, particularly in eastern India. Solid deposits backed by high customer confidence, owing to its government ownership, and ample liquidity underpin its creditworthiness.

Profitability and asset quality lag industry averages, tempering these strengths. We expect UCO Bank to continue improving its risk management and asset quality over the next two years. The

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bank's capitalization should also remain sufficient to support credit growth above the industry average.

UCO Bank is a small public sector bank with a gradually growing market share. While the bank maintains a solid regional presence in eastern India, it remains a niche player in a highly fragmented banking sector. As of March 2026, it had 1%-2% market shares in loans and deposits. It ranks closely with Bank of Maharashtra but is significantly behind larger public sector peers such as State Bank of India, Bank of Baroda, and Indian Bank.

Although we expect UCO Bank to gain market share by growing faster than industry averages, it will likely remain a small player over the next two years. The bank will likely expand its pan-India branch network with a higher focus on southern India for balanced growth.

Drivers for credit growth will primarily be the retail, agriculture, and micro, small and midsize enterprise (MSME) segments. This is as UCO Bank continues to prioritize improved loan yields and portfolio granularity.

UCO Bank will focus on secured lending in the retail segment, specifically residential mortgages and gold loans. In the corporate segment, the bank will focus on large corporations and public sector undertakings.

UCO Bank will also maintain geographical diversification with a presence in Singapore, Hong Kong, and a newly established branch in Gujarat International Finance Tec-City (GIFT City). Overseas loans accounted for about 11.0% of the bank's total advances as of end-September 2026.

UCO Bank will maintain sufficient capitalization to support growth. We expect the bank's risk-adjusted capital (RAC) ratio to climb above 10% as the bank raises Indian rupee 27 billion of core equity capital, as approved by the board. We believe it could raise this capital by fiscal 2028.

UCO Bank's RAC ratio was 9.5% as of March 31, 2026. The bank could also maintain a common equity Tier-1 (CET1) ratio higher than that of the sector. It had a CET1 ratio of 16.4% as of end-March 2026, above the industry's 15.3%. UCO Bank intends to maintain a CET1 ratio of over 15% as part of its capital management strategy.

We expect profitability to improve over the next two years to about 1.2% by end-fiscal 2029 (year-end March 31), narrowing the gap with domestic peers. Stable net interest margins (NIMs), strong loan growth, and an improved cost-to-income ratio will support this.

UCO Bank's reported return on assets was 0.79% as of end-March 2026. That remained below the system average of about 1.3%. The bank's NIM was also lower than peers as it keeps lending rates lower to gain market share in a highly competitive environment. In addition, most of UCO Bank's corporate loans are made to public sector entities and large corporates, where margins are thinner.

We expect UCO Bank's credit costs to remain below the industry average due to recoveries in its loan book. Still, credit costs could rise to 0.4%-0.5% of customer loans in fiscal 2028-2029, from 0.3% in fiscal 2026. The uptick reflects an increase in steady-state credit costs under the Reserve Bank of India's expected credit loss framework and tapering recoveries from the bank's written-off accounts.

Above-average loan growth and some loan concentration expose UCO Bank to asset quality risk. The bank's high loan growth in the past five years has resulted in an unseasoned loan book, particularly in its retail, agriculture and MSME loan portfolio.

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The bank's improving risk management should limit any significant weakening of asset quality, although external uncertainties remain a risk, particularly on its agriculture and MSME portfolio.

UCO Bank also has borrower concentration. The bank's top 20 borrowers account for about 16% of its total advances, higher than for many domestic peers. Most of its top borrowers are public sector companies and large, highly rated corporates.

We anticipate UCO Bank's nonperforming assets ratio will hover at 2.5%-3.0% over the next two years, compared with 2.4% as of end-September 2026. This primarily reflects heightened risk across several key segments such as agriculture and MSME.

While UCO Bank's 14% exposure to the agriculture sector by total advances is on par with the industry, the bank has some geographical concentration in states such as Odisha and Tamil Nadu.

Although UCO Bank's nonperforming asset ratio in this segment is higher than the sector's, financial collateral covers about 40% of the bank's agriculture loans. This partly mitigates risks.

We believe UCO Bank's risk of financial sanctions is not material. The bank has established internal controls to monitor all transactions to ensure compliance with regulations. Iran-related deposits account for an insignificant amount of its deposits, and it does not have any exposure on the assets side of its balance sheet.

Like its public sector peers, UCO Bank has a strong funding profile. A solid deposit base supports this. Being government owned, the bank has a high level of customer confidence. Deposits are its main source of funding, at 92%-93% of total funding in the past five years.

Notwithstanding competition, UCO Bank will likely maintain a stable current accounts and savings accounts ratio of 36%-38%. The bank's expanding physical and digital networks will support this, together with a lower cost of deposits than peers.

UCO Bank has some concentration in deposits, with its top 20 depositors holding about 13% of total deposits. However, most are from the public sector, with stable and sticky deposits.

Like its peers, UCO Bank's loan-to-deposit ratio could increase as its loan growth outpaces deposit growth. The ratio was about 80.2% as of end-March 2026, better than that of most private sector peers and in line with public sector peers.

UCO Bank also has a better stable funding ratio than several private sector peers, at an average of 127% in the past five years. The bank also maintains an ample pool of liquid assets to support its liquidity needs. It has limited reliance on short-term wholesale funding.

The stable outlook on the long-term rating reflects our view that UCO Bank will improve its risk management and asset quality, while maintaining a good funding and liquidity profile over the next two years.

We also assess a very high likelihood of government support, if needed, over the next two years.

We could downgrade UCO Bank if we lower our sovereign ratings on India, or if we revise downward our assessment of the bank's SACP. We may revise down the SACP if the bank's:

- RAC ratio declines below 9.5% on a sustained basis. This could happen if the bank grows faster than our expectations or its earnings do not improve to be in line with domestic peers; or
- Funding profile deteriorates, based on a sustained drop in low-cost deposits or an increase in the loan-to-deposit ratio such that the ratio is no longer superior to that of rated peers. This could happen if it raises high-cost deposits to fund its loan growth.

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We could upgrade UCO Bank if we raise the sovereign ratings on India and revise the bank's SACP upward.

Related Criteria

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, May 5, 2026
- General Criteria: Hybrid Capital: Methodology And Assumptions, Oct. 13, 2025
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

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