

बीएसई लिमिटेड BSE Ltd. बीएसई लिस्टिंग सेंटर BSE Listing Centre स्क्रिप कोड Scrip Code - 532 477	नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड National Stock Exchange of India Ltd. निप्स NEAPS स्क्रिप कोड Scrip Symbol-UNIONBANK-EQ सिक््योरिटी Security - UBI-AT/BB
---	---

महोदया Madam/महोदय Sir,

विषय Subject: पोस्ट अर्निंग्स कॉल के प्रतिलेख Transcript of Post Earnings Call

<p>यह सूचित किया जाता है कि 31 मार्च 2026 को समाप्त तिमाही/वर्ष के लिए बैंक के लेखा परीक्षित (स्टैंडअलोन और समेकित) वित्तीय परिणामों के लिए 23 अप्रैल 2026, को आयोजित पोस्ट अर्निंग कॉल के ट्रांसक्रिप्ट को एतद्वारा सर्वेबल पीडीएफ संलग्नक के रूप में प्रस्तुत किया गया है।</p> <p>इसे बैंक की वेबसाइट पर निम्नलिखित वेब लिंक के माध्यम से भी उपलब्ध कराया जा रहा है:</p> <p>https://www.unionbankofindia.bank.in/en/common/financial-results</p> <p>यह जानकारी सेबी (सूचीबद्धता दायित्व और प्रकटीकरण आवश्यकताएँ) विनियम, 2015 की अनुसूची III, भाग ए, पैरा ए, 15 (बी) के साथ पठित विनियम 46(2) (ओए) और विनियम 30 के संदर्भ में प्रस्तुत की गई है।</p>	<p>This is to inform that transcript of Post Earnings call held on April 23, 2026, for Audited (Standalone and Consolidated) Financial Results of the Bank for the Quarter/year ended on March 31,2026 is submitted herewith as a PDF searchable attachment.</p> <p>The same is also being made available in the Bank's website under the following web link:</p> <p>https://www.unionbankofindia.bank.in/en/common/financial-results</p> <p>This information is furnished in terms of Regulation 46(2) (oa) and Regulation 30 read with Schedule III, Part A, Para A, 15(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p>
---	--

भवदीय Yours faithfully,

(आशीष मिश्रा Ashish Mishra)
कंपनी सचिव Company Secretary

Encl.: As above



“Union Bank of India

Earnings Conference Call for the period ended March
31, 2026”

April 23, 2026



**MANAGEMENT: SHRI ASHEESH PANDEY – MANAGING DIRECTOR AND
CEO
SHRI NITESH RANJAN – EXECUTIVE DIRECTOR
SHRI RAMASUBRAMANIAN S – EXECUTIVE DIRECTOR
SHRI SANJAY RUDRA – EXECUTIVE DIRECTOR
SHRI AMRESH PRASAD – EXECUTIVE DIRECTOR
SHRI DHIRENDRA JAIN – CHIEF FINANCIAL OFFICER**

Moderator: Ladies and gentlemen, good day and welcome to Union Bank of India Earnings Conference Call for the period ended March 31st, 2026. The bank is represented by the Managing Director and CEO, Shri Asheesh Pandey, Executive Directors Shri Nitesh Ranjan, Shri Ramasubramanian S, Shri Sanjay Rudra, Shri Amresh Prasad, and other members of the top management.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ajay Bansal, Deputy General Manager. Thank you and over to you, Mr. Bansal.

Ajay Bansal: Thanks, sir. Good afternoon, ladies and gentlemen. I, Ajay Bansal, Head of Investor Relations, welcome you all for Union Bank of India earning con call for the period ended March 31st, 2026. The structure of the con call shall include a brief opening statement by respected MD and CEO sir, and then the floor will be open for interaction.

Before getting into the con call, I will read out the usual disclaimer statement. I would like to submit that certain statements that may be discussed during the investor interaction may be forward-looking statements based on the current expectations. These statements involve a number of risks, uncertainties, and other factors that cause the actual results to differ from the statements. Investors are therefore requested to check this information independently before making any investment or other decision.

With this, I now request our respected MD and CEO sir for his opening remarks. Thank you and over to you, sir.

Asheesh Pandey: So thank you so much, Mr. Bansal. And good afternoon and welcome to all the analyst, investors, and to this analyst call, analyst meeting. And we had today board, audit committee and the board, and the results are adopted by the board and we had a press meeting, and just now from press meeting, we have switched to analyst meeting.

Now as you know the current scenario, which was from January, February onwards, macroeconomic environment has been influenced by ongoing global conflicts and war-related disruptions and other things. But at the same time, the Government of India, RBI has come forward to put up a cushion so that the impact is not much of that. So we have seen various measures the RBI has come and also various measures the Government of India has come, and which has well taken in the market.

Now similarly if we come to Union Bank of India, all of you are aware that initial in the last September when we had a con call on 28th or 29th of October, and 13th January we had for December quarter. And I think the third time we are meeting right now. So from there we have moved a lot.

We also placed our provisional numbers on 3rd of April to the stock exchanges. So initially yes, we had a muted. Not so many questions were also there from our analyst and press and investors on the growth side. So certainly this last six months we have made a good stint on the business

front, whether it is a CASA, whether it is even a deposit or a retail term deposit I should say, or maybe advances on all retail and MSME and the large corporate.

And if you see the business of last six months, it has increased by INR 1,71,000 crores. So the growth was around 6.56%, if you analyse it comes about 25%. Sorry, it is almost 13%. So we could make it and even our strategy was very clearly that we wanted to be more on CASA. So yes, CASA is increased. You can see around if you see half and half year basis, it is around 2.7%, which has increased.

And the second one is that when we talked about the retail term deposit because we were purposefully shifting from bulk deposit to retail term deposit. So put together it is INR 1,10,000 crores we could garner. And here if you see on the growth, the figures which I we will be giving to you, the global deposit certainly you may feel around 2.72%. But then around INR 46,000 crores we raised alternatively in which INR 25,000 crores odd amount which came we shrink the treasury book, so that it moved to lending book, number one. Number two, on the refinance and other things around INR 18,000 crores and INR 3,000 crores for infrastructure bond. So if we add that INR 46,000 crores with the actual increase in the deposit, so I believe there it gives a INR 1.29 lakh crores, which is almost above 9%.

The thing is that we are very cautious about our cost, we are cautious about NIM, we are cautious very clearly about profitability, and that is why we are working on the efficiency parameter. So you may see that we are above 80% CD ratio, much comfortable. LCR 114%, much comfortable. And NSFR also much comfortable. So maintaining all regulatory and the liquidity and other guidelines, we are on the good footing.

Now this six months we could have a very good increase in business. So if quarter-to-quarter only if you take, it is 6.52%, if we take global business. Then certainly in totality, putting together asset and liability side, it is into four if you analyse, I think it is coming around 13%. So I think we could make it the headway in the last six months.

So with this background, we will come to the figures. And first of all, the Board of Directors have recommended a dividend of INR 5 per equity share, 50% of the face value for year ended 31st March 2026, subject to the requisite approvals. Net profit of the bank stood at INR 18,697 crores. And interest income of the bank stood at approximately INR 1.06 lakh crores.

The business growth is around 5.78% Y-o-Y, wherein gross advances increased by 9.74%. And total deposit grew by 2.72% Y-o-Y, for which I have already told if we take INR 46,000 crores the additional one which we have raised alternatively. Then the total business grew to INR 23.85 lakh crores. So with this, the RAM segment which we were focusing on, it is 12.56% Y-o-Y, in which 16.75% growth in retail, 18.75% in MSME. And in domestic advances, RAM advances are 57.49%.

The gross NPA is reduced by 78 bps on Y-o-Y basis to 2.82%, and net NPA reduced by 15 bps on Y-o-Y to 0.48%. The strong capital ratios, the capital adequacy CRAR stood at 18.10%, increased from the earlier one, and the CET1 ratio which is important, its own money, is improved from 14.98% to 15.69%. And if we take the return on asset and the return on equity,

so return on asset is Y-o-Y is flat, 1.25% to same almost levels. But if you take the quarterly, the last quarter we were at 1.35%, this quarter we are at 1.36%.

And one more highlight which I would like to give to you that this time apart from this, we have kept INR 700 crores of an additional provision, general provision sort of, just you know as a when good time is there, it is always better to keep aside. But this INR 700 crores is not impacting either the net profit or the capital. So this we have kept and depending upon the situation whether ECL framework comes or whether West Asia or anything, any eventuality.

Last time our profit was INR 5,017 crores. And now it is better, much better than that. And secondly, the dividend also last time it was 4.75%, this time it is 5%, and if we take the payout ratio, it is 20.61% or 20.65% levels. So I think we have maintained all and with this I hand over to the coordinator for Q&A for all of us. Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of CA Dr. Ashok Ajmera, Chairman from Ajcon Global. Please go ahead.

Ashok Ajmera: Yes, thank you for giving me the opportunity. First, congratulations Mr. Pandey and the entire team, Asheesh sir, for a very good quarter. Because or rather I would say the last six months have been good for the bank comparatively as compared to the previous four quarters before that. And at least to a great extent we have covered as far as the credit growth is concerned, 6.07% only in one quarter and 9.74% for the whole year, respectable figure.

Having said that sir, but on deposit front, even though in this quarter we have performed very well, 6.87%, but the overall for the year the deposit is 2.72%. So now the going forward in order to, though presently we are good at CRAR, but going forward with the kind of the growth, I would like to know the credit growth target also, as well as how are we going to match the asset liability if our deposit growth do not match with the credit growth sir, going forward?

Asheesh Pandey: Okay. Thank you, Mr. Ajmera. Let us understand banking that we raise resources and we deploy resources to productive investments. And we invest it whether in the treasury or in the loan book. And then we earn the interest income and the fee-based income related to the transactions happening.

Now coming to that if you see we have raised INR 46,000 crores, in which the treasury, I am saying not raised but the resources which we have tried to build. So our treasury book was reduced by INR 25,000-odd crores which we shifted. So if you see the last year, the March '25 levels, at that point of time the CD ratio was around 77% and now it is around 3.5% up. In CD ratio we are very, very comfortable; comfortable in the sense very nicely regulatory but at the same time very efficient, above 80 levels, number one.

Number two is that our LCR and NSFR, all liquidity ratios are very comfortable range. Comfortable in the sense again very efficient because last time our LCR was average 123, but this time it is around 114. So we could reduce by 10 basis points on the LCR which was on the excess side. So I think that what was the challenge, not the total deposit, but the challenge is on the CASA front and on the retail term deposit. Now if you see, these two figures as far as Union Bank is concerned, we have made a very good stride in that.

Now put together, I think more than INR 1,10,000 crores which we have increased during this period. Now the CASA, if you see Y-o-Y, then certainly at March '25 level, it was more and September it was only 32.51. From 32.51, we have come up to 35.21, so 32.51 to 35.21. So there is increase of 2.7 percentage points, I am not saying basis point. So that is the first key thing which is very clear from the working which has been done by the entire team of Union Bank that we have tried and focused a lot on the CASA and we could achieve that. That is point number one.

Second is we were very cautious to increase our retail term deposit because that is stable, point number one. Point number two, it has an LCR impact also. And that is the reason during the entire year now if you see our bulk deposit, we have shed off by ~ INR 70,000 crores. So that is a very clear thing how we want to churn. So basically, exactly what we are doing is just churning a portfolio towards a better one.

And if you take the cost, so if I take this INR 70,000 crores, then certainly I can say that they must be having the weighted average above 7. But when we talk of converting this to retail term deposit and CASA, my average cost would be somewhere 4.5 or maybe 4.75 levels. And again, now I am just linking this with the February 2025, where from there and up till now the repo has been reduced by 1.25 percentage points.

But if you see, the NIM of our bank which was 2.91 is right now at 2.70, that is only 21 bps. So I think this is the only thing which is helping us. And we always say that we want to defend our NIM, we want to defend, we continued saying that. And that is what we tried. But then I think the last moment when there was an increase in the G-sec yield and there was increase in the deposits as well, and that was the reason.

But then from here onwards, if you see the last cut which has happened in December, the entire 50 basis points was conveyed for the entire quarter. But then also if you see our NIM from 2.76 to 2.64, it is only 12 basis points. So this is the reason that cautiously we worked upon each parameter of the balance sheet, each parameter of our asset and liability.

And even on the credit side though you are saying 9% good, but then there is one thing which is not coming forth is on the large corporate we have INR 35,000 crores of IBPC which is zero now, number one. Number two is around INR 30,000 crores which we had at below 6% levels, which almost is not there.

Now somewhere it has churned up with the new business. When it has gone out, new business has come. Now if you add that, so the team has worked and team has worked well. And actually if you see these figures, we have worked better than the industry average.

But yes, the figure is figure. If you see the year-on-year basis, certainly you see somewhere this dip, but then we are working upon the average, whether it is CASA, whether it is deposit, whether it is advances, whether it is RAM. Now that's the reason our profitability has continued towards an upward trend, and that's the reason that even recovery we are trying hard to improve, and that's the reason that we are having the profit of more than INR 5,300 crores.

And even then, we have kept INR 700 crores aside for anything contingency or anything. It is not like any dent or any suspicion on the book. We have already given in our presentation that

our more than 99% I think is more than 700 CIBIL score in retail and other portfolio. And more than 95% in BBB and above. So I think that gives a color of the business also last six months which we have done.

So I think with this background I think I could answer that going forward you can expect the industry trend, we will be meeting it, and we will like to be better than a bit more than that going forward in the coming years.

Ashok Ajmera: Can we expect it 13%-14% growth in the credit sir in FY27?

Asheesh Pandey: Yes, certainly, I think we are on that line. Yes.

Ashok Ajmera: Sir, now coming to the profit and loss account, I mean our profitability, you have clarified that the profitability would have been much higher but for this INR 700 crores other standard provision which you have done, which according to you is just to take care of any provisions or ECL or other things, and nothing is to take care of any known account, so that is good point well taken.

Sir, one other reason of the profit being a little high is there is a reduction in the employee cost in this quarter by almost about INR 600 crores. So the employee cost reducing in this quarter which is also actually a March quarter, what could be the reason? And going forward, are we going to maintain that INR 3,700 crores-3,800 crores per quarter or is it going to be lower in the in the coming year?

So that because INR 586 crores our wage bill is, employee cost is lower in this quarter. This along with another point is that the operating expenses have gone up in this quarter by INR 522 crores, so offsetting each other to some extent. And another point is that income going up is there is a handsome recovery from the written-off account, very good recovery of INR 1,567 crores as against INR 667 crores in the last quarter. So can we have the individual explanation or some details on these 3-4 numbers on the profit and loss account to have the clear idea going forward where do we stand?

Dhirendra Jain: Ajmera sir, Namaskar. This is Dhirendra Jain. Sir, as you observed, there is a reduction in my operating expenditure, particularly establishment expenditure. So this is due to the discounting rate factor, sir. Last year, 31st March 2025 discounting rate was 7.07 and this year it was 7.87. So due to that, the overall liability we estimated earlier was provided higher in the earlier quarter and due to that, the final liability which was on a lower side. So this was the impact of establishment expenditure, sir.

Now as far as the TW recovery which is close to INR 1,600 crores in the quarter as compared to INR 666 crores in the last quarter, we have that Sterling Biotech group account sir, which was settled during this quarter and the income of INR 658 crores was booked during this particular quarter. So, these two factors. And what was the third one, sir, you asked?

Ashok Ajmera: Sir, employee cost has reduced, and operating expenses have increased? Other operating expenses have increased?

Dhirendra Jain: Sir, in Q4 this trend is always there sir. Operating expenditure, the budget which was allocated and the provisions which are made in the year-end, there is a gap of INR 200 crores-300 crores, it is always there in Q4 sir. This is a normal trend if you look at quarter-wise analysis sir.

Ashok Ajmera: All right sir. Sir, now looking at the current geopolitical situation and the West Asia war situation, Pandey sir, is there any stress again already started building up or in this first quarter do you feel that there will be some stress? Because even in this quarter also the fresh slippages have increased to INR 2,023 as against INR 1,660 in the last quarter.

And secondly, even though SMA-2 numbers have come down, but SMA-1 numbers have almost doubled. So, do you see that any kind of this aberration, I mean this war effect may be there in this coming quarter or the running quarter?

Asheesh Pandey: Sir, actually you know we are very closely monitoring the entire West Asia crisis, all these things. And as such we have not seen anything very unusual up till now. And we are also monitoring what is the inward remittances flow last year and this year, we are also monitoring import numbers and remittances, total remittances, import remittances.

We are also monitoring where it is hedged, not hedged and other things. So what we have seen is that there are two things, two, three things are impacted like one is the energy sensitive sectors where gas, commercial gas and all.

So those particularly industries they suffered a bit like Morbi and all. And few more places are there which were actually based upon the energy, these energy sectors. The second one is that remittance overall also has come down. But up till now we have not seen anything and at the same time when this all these things happening, the let me share with you the Government of India and Reserve Bank both have come forward and tried to put cushion with the initiatives which they have taken.

Now we are in that and even let me share with you we have a data also, which I can part with you on the scheme, JanSamarth Portal we got around 306, this I am saying that status of CGSE application, that is Credit Guarantee Scheme for Exporters to provide 100% credit guarantee coverage. In that 210 are sanctioned and 180 is disbursed, around INR 700 crores.

And on the other side where you know the RBI also came with the trade relief measures, extension of PC, extension of post-shipment, and conversion of accrued interest. So, 59 people only applied. 35 applications in PC extension, post-shipment only 3, and FITL which is only 14. So we have not seen anything. So, the preliminary figures what we are observing that as of now is not you know giving any very adverse or very critical signals to us.

Actually, SMA-2 we have moved a lot portfolio to SMA-1. So I think it is a better signal that from SMA-2 we have moved to quite a lot by recovering the installment and we have moved to a better proposition of the stage one, I think with the 30 to 60 days. So it is a better proposition and over to you.

Ashok Ajmera: Yes sir, thank you very much sir.

Moderator: Next question comes from the line of Maruk Adajania with Tara Capital. Please go ahead.

Maruk Adajania:

Hello, good afternoon, sir. Sir, I had a couple of questions. Firstly, there our corporate loans have grown 9% Q-o-Q. And then if you see the sector corporate the certificate of deposit data which is available for all banks, then our CD mobilization was also very high compared to other banks during the quarter. And our LCR is now amongst the lowest. And margins have also fallen more than what we had guided for?

So, what would be the strategy going ahead? Would you continue to pursue corporate growth even if it's low yielding? What about deposit mix? And given where LCR is, would you rather focus on margins or would you from now on focus on growth if you have to choose one of the two?

Asheesh Pandey:

See, we are choosing growth with quality, number one, and with profitability. Now I think in my initial address and I think when Mr. Ajmera was asking I have made it very clear that though you cannot see those growth in these numbers, but INR 35,000 crores of IBPC at a very lower rate which we have shed off. Number one.

Then around INR 30,000 crores, so almost INR 60,000-65,000 crores of such advances which were low yielding. Otherwise how we would have shielded the entire NIM which was 2.91% to 2.70%, which is only 21 basis point reduction is there. It would not have been possible if in case what you are saying it would have been correct.

So, we have actually tried, now coming to the CD, the CD is almost in the same range which we had the earlier years. So you have seen like you know the CDs which are raised, but then there were maturities also. So which has to be replaced. For a bank we have an internal sort of a ceiling limit where we keep you know CDs and FDs and other things in a same fashion. So that is the reason we will we have gone with the CDs.

So, we have gone within that range and that was actually we were getting a better rate during those days. You know otherwise actually if you see we have mopped up most of our requirement during the January, February onwards. Not much in March. And there we could get, otherwise March was really heated up market if you take the deposit rate or CD rate.

So that is why we are very cautious about the NIM, about the profitability, and about the quality of the asset. And like going forward we would like to maintain around 13% to 14% credit growth and also one thing when you asked about the we have raised in between I am sure you must be aware around INR 3,000 crores of infra bond.

And that is also it is a part and parcel and actually the subscription was very huge, but then we were cost conscious. So, we have not gone beyond a certain acceptable range and we have cut off at INR 3,000 crores only.

So probably in the coming year once everything stabilizes, we will be finalizing internally going to the board and AGM and other things, and then we will be coming up with the entire capital and bond issuance and the plan with the market. So, I think it was like you know growth certainly we like to grow industry plus something, number one.

Profitability even in last six months, sorry, quality, you will see that we are continuing the same quality of the whether corporate book or a retail book, which we have given in our investor

presentation. On 700 and above, though the bureau says 680 and above is a prime customer, but we have continued with 700 and above.

And the BBB and above also we have given the figures. So, we are continuing that. We also have around INR 50,000-60,000 crore of a book pipeline with the us in the large corporate. So I think with that we are sure of going forward, but then we would not be compromising on the quality and also on the profitability.

Maruk Adajania: Got it sir. So sir, any margin outlook you would have for Q1 and for the full year?

Asheesh Pandey: Yes, see now we have seen the last MPC also and the stance has been continued in the in the same levels. Now keeping in view the macroeconomic scenario and and the stance which has taken if we continue like this, so last I think December midway somewhere this 0.25% cut was there. So, which has if you see has not been reflecting in our figures, though around 53%-58% is based on the T-bill and the repo rate benchmark.

But even then, if you see the NIM, it has been quarter-to-quarter I am saying, it has been from 2.76% to 2.64%, only 12 basis points, not the entire. So I think from here keeping in view the same things, we expect that we will be moving positive from here and we will be defending this point of level.

Maruk Adajania: Okay, so you will be able to maintain margins at 2.64%?

Asheesh Pandey: Yes, we would like to even better it.

Maruk Adajania: Okay, and that would be driven by sir?

Asheesh Pandey: See, if you see very clearly that in the last quarter also CASA is increased from 32.51% which was our CASA percentage in the month of September, and which have increased to 35.21% as of March. So certainly when you shift bulk deposits to the CASA and you shift your bulk deposit to retail term deposit, and you can see the growth in both the factors, both the parameters. So certainly, it will help you to build on the positive side on the NIM.

And then not only this, but there are other factors also you know when you better talk, negotiate, discuss and you make a relationship management, the quality of asset you write. So those things also help you.

And what we have underwritten the quality is there, but certainly the rate and other things which we were charging, I think that has also helped us. So going forward we will be banking upon this and the deployments of funds in most effective way. I think that is the main thing which we would like to tell.

Maruk Adajania: Got it sir, that's very useful. And also, if you could explain the increase in MSME slippage in the fourth quarter, and if that's just a one-off and nothing and you know how it will pan out in the next few quarters?

Asheesh Pandey: So I think if MSME you see the almost it is sort of a flat only I think to 4.2% something levels I think some 10 bps-15 bps only. So it is almost flat, but then there were like the few cases only which has impacted. Otherwise up till now whether it is a West Asia or in general our book, we

have not seen any much of the impact on our book and quality. So going forward we actually we would like to reduce with the recoveries which are already NPA in either of these four sectors.

And that is why we have built a centralized team, that even below INR 1 crores sort of in portfolio we will be monitoring from the central office level. So I think the core recovery I would talk about, we will be trying to improve it much ahead, much further from here onwards.

Moderator: Next question comes from the line of Jai Mundhra with ICICI Securities.

Jai Mundhra: Sir, my question is also broadly similar. I heard you that you said that we will focus more on growth along with quality and profitability. The profitability focus is clear. I mean we have defended elevated ROA, so that is well appreciated. But sir, what I wanted to know is when you assumed charge, Union Bank was one of the few banks which was not too much concerned on the loan growth, but they were defending NIM or consolidating liability franchise.

And hence NII growth was very minuscule because you were not growing as much also. Then you put a shift in the loan growth trajectory. But still the NII growth is similar, third quarter was a good quarter in the sense that NII increased 5% -6% Q-o-Q. But this quarter again while the growth has been 6%, but NII growth has been flat.

So is there any thought out strategy or this is just market force driven that you will keep going on the loan growth on quality and the NII outcomes will be dependent on the market competitiveness? Or you have some visibility on the NII growth also sir? Thank you, that is the first question?

Asheesh Pandey: Yes. Actually we would like to. So what has happened, around 25 basis point, there was a cut I think in the midway of the December, which has conveyed along the entire benchmark rate linked loans. So, that is what you have seen a bit dip on from 2.76% to 2.64% on a quarter-to-quarter basis. And that is where you are seeing flat. But then we are doing 2-3 things.

One is the work upon the average advances and average figures on both asset and liability side. And that's the reason we are reaching towards that. It has to be better than the earlier ones. So, I think there we are thinking that how to build the NII growth also and also to keep the quality as well as the profitability intact.

So, it is not like that we are maybe writing, underwriting -- maybe good quality. But maybe underwriting a very low margin loans or maybe the second one, if I would say that we are underwriting a bit lesser one and then charging more. No, that's why I said that growth, yes, that is the first key thing. But at the same time, profitability and the quality. We would like to maintain and grow in this way.

But then, going forward we would like to have. Because as of now, everything is settled, like till we have a further scenario on inflation and further scenario on rate cut and other things. So from here again, we would like to defend and move it better that you will be seeing in the further quarters.

Jai Mundhra: Okay, sure, sir. And sir, you have given a decent disclosure on the bulk deposit. And so in the December quarter or in the March quarter, there was a lot of -- there was a sharp spike in the bulk deposit rates. So, could you quantify, sir, what was your blended bulk deposit rate? A ballpark number will also do. And has that started to come off in a significant way?

Asheesh Pandey: Yes. See, like when we touched upon the last quarter then I said that treasury, we have shrunk by I think I told around INR 15,000 crores or so. And now you see it is INR 25,000 crores. So, what happens is that you start trying to reallocate the portfolio.

So it is shifting from one to another. And in between the portfolio also you try to build it from low to better yielding portfolio like IBPC which we have shared off and other things. So what we did that certainly when you are having a good growth in the advances side. So certainly you need to raise deposits.

So, we raised in between INR 3,000 crores Infra Bond. And the other things which I shared with you. Along with that we needed deposits so that we are comfortable range. A good range on the LCR and NSFR and CD ratio. So, that was the key thing in mind. And that is why most of the deposit we raised during the January itself.

And so that we knew that probably going forward in the month of March, nobody was aware that how it will behave, market will behave, West Asia crisis, how it will deepen and not deepen and the other issues.

Omprakash Karwa: So on a bulk side, the blended rate for the quarter was a little less than 7, around 6.9 or so.

Asheesh Pandey: So, around 7 we can say.

Jai Mundhra: And that has come down significantly sir as we speak?

Omprakash Karwa: So it is all dependent upon the market. Currently the April month, there are not a lot of activities happening in the market on the CD front as such. So current levels are a little lower than the March that is there.

Jai Mundhra: Okay. So, sir, the reason why I was asking was this, if I tally. Let's say, a bulk deposit rate on an average at 6.90. Our yield on advances is 7.98 which is the total. The corporate would be even lesser. So does it make sense to do this corporate lending when we have to raise bulk at 6.90. And maybe lend at 7.50, 7.20, 7.30. I do not know which, whatever the lower than 7.98 number, because that increases absolute amount of NII but decreases the margin. So, that is the question.

Asheesh Pandey: Yes. I think I would give you a very good scenario. Not scenario, the actual scenario. See you are thinking that the entire which is raised at 6.90. So if you ask what is your blended rate on the bulk deposit, you asked only the bulk deposit. So, we have told only on the bulk deposit, not entire. Now, there is a CASA and retail term deposit increase is huge. I think around INR 1,10,000 crores.

And then if you see the blended cost to me on that must be around 4.7 levels. So this is I think, incremental. I am not saying it is total. Now, there is a total huge portfolio. So, my CASA itself stands around 35.21. Now, if you add the retail term deposit, my RTD and CASA is around 79%. So, certainly I save the cost there.

But to maintain the growth and maintain everything, it has to be blended with the fixed deposit. And maybe sometimes in that there will be different scenarios. There may be between INR 3 crores to INR 10 crores because retail term deposit we say only below RBI guidelines of below INR 3 crores.

Now there will be various deposits which are LC margin, BG margin and all those for 3 months, 9 months, 10 months period, 1 year period which may be at 550 or around 6%. So I think how you correlate to the mean is on the total portfolio. And that is what I just wanted to put forward that this particular quarter, which we took from 1st of January to this.

This is somewhere coming the blended rate. But the deposit which we have shared off around 70,000, then again, it was a different rate. But the March particular piece, which we have to the maturity was around 7.70 levels as a blended rate.

Jai Mundhra: Right. Understood, sir. And if you can share sir, the few data points. If you can help with the loan mix by benchmark. EBLR, MCLR, T-bill, and AFS reserves. And how much is the change versus last quarter?

Asheesh Pandey: Which reserves?

Jai Mundhra: AFS reserves sir.

Dhirendra Jain: Mundhra ji, 54% is my external benchmark linked portfolio sir.

Jai Mundhra: And the T-Bill and MCLR is how much sir?

Dhirendra Jain: 36% is MCLR.

Jai Mundhra: Okay. And sir AFS reserves, AFS reserves movement?

Asheesh Pandey: What is AFS reserve? Can you clarify AFS is what exactly you want?

Jai Mundhra: Sir, under this new investment classification, the MTM hit on AFS has to be adjusted in the AFS reserve.

Asheesh Pandey: Okay, okay got it.

Omprakash Karwa: So from December it was around INR 800 crores or so increase in AFS reserve in this quarter.

Jai Mundhra: Now you have seen an accretion sir, is it?

Omprakash Karwa: No, no it's a negative figure sir.

Jai Mundhra: Right. Alright sir.

Asheesh Pandey: It is a reduction of INR 800 crores, correct?

Omprakash Karwa: Yes.

Jai Mundhra: And how much is the outstanding amount now sir, it's in the balance?

Omprakash Karwa: Outstanding is negative 1,008.

- Jai Mundhra:** Okay, sure. Sir I have few questions if you want I can ask them now or I can back in the queue.
- Asheesh Pandey:** You can send us.
- Jai Mundhra:** Sir, I wanted to check this LCR new guidelines, have you calculated the new LCR under the new guidelines as in what would be your LCR, let's say, 1st April or what is your sense?
- Asheesh Pandey:** Yes, we have calculated, and the negative impact is around INR 14,000 crores and positive impact is around INR 21,000 crores. So, INR 7,000 crores is a positive impact.
- Moderator:** Thank you. Mr. Mundhra, sorry for interrupting, please re-join the queue for more questions.
- Jai Mundhra:** Thank you.
- Moderator:** Thank you. Next question comes from the line of Param Subramanian with Investec. Please go ahead.
- Param Subramanian:** Yes, hi sir. Thanks for taking my question. Firstly, I wanted to ask just to clarify once again on NIM. Is there any one-off or seasonality or any such thing in the margin quarter-on-quarter or you are just saying it is mainly the mix and the December rate cut?
- Asheesh Pandey:** It is basically December rate cut, but then the impact is much lesser than the rate cut.
- Param Subramanian:** Okay. Sir, one thing I can see is the interest on Reserve Bank of India balances that is down, that is mainly the decline in LCR, is it? Just clarifying on that number. So that number is down INR 500 plus crores on a Y-o-Y basis.
- Asheesh Pandey:** I think I am not very sure on that sir.
- Param Subramanian:** Okay, I'll take that offline sir. So there is no impact of the RBI NOP circular at all for you either on interest or other income?
- Asheesh Pandey:** Yes, actually we had kept ourselves very cautious during this disruptive time. So we were not taking long range calls. So our exposure was only 30 million. So we were much below 100 million what that circular was.
- Param Subramanian:** Okay, great.
- Asheesh Pandey:** Zero impact on that.
- Param Subramanian:** Perfect. Okay. Sir, and then on the PSLC and also your credit cost. Since I am just clubbing two questions together. Sir, on the PSLC, see this year has been soft, PSLC fee income. But you used to accrue close to INR 1,000 crores, right, on an annualized basis. Should we get back to that run rate next year?
- Asheesh Pandey:** So, see that last time actually we had a complete period of that, that is why the amount is also INR 800 plus crores. This time we started PSLC in the month of Q3. So, we could book I think INR 130 crores something like that. And then this quarter it was very hardly any period left for 31st of March. So we already booked this time also, but then the total amount was less, so that is

the reason because number of days that functionality is there. So that's the reason, but then we would like to continue on that.

Param Subramanian: So, we should be able to do INR 1,000 crores plus which was your number say last year?

Asheesh Pandey: Right now it is not. We will assess it because the entire portfolio has to be seen on SMF and other things and then we will take a call. But yes, we would like to deploy in this year also.

Param Subramanian: Okay sir, perfect. And lastly on credit cost, I think very good number there, so 23 basis point for the year. Do you think it is sustainable, right?

Asheesh Pandey: So right now coming to the credit cost, we are not seeing anything very adverse on because of disruptive situations. But if you see the credit quality, the SMA is same level at 3,800 levels, SMA 1 and 2 of the entire portfolio. And also, if you see INR 25 crores and above, almost more than 95% is the BBB and above.

And if you see the prime customer which is taken 680, but we have taken 700 and above CIBIL score, our TransUnion and other bureau score, which is around 99%. So I think the quality wise like this score matrix and the other way it is the quality is in front of you. So we are not seeing anything go rise, but then we say for comfortably because we don't go aggressive, it is better to get the better figures, but then we say around 1% we keep as a in general guidance for the year.

Param Subramanian: Okay sir. And this INR 700 crores has nothing to do with any pressure you are seeing that you have made this. It is primarily for ECL transition, is it?

Asheesh Pandey: Yes, maybe see always the regulator and everybody says that in good times you if you have money to you keep aside and save it. So simply we have kept aside not in profit, not in capital and see it may not be used for years together also absolutely. So, but then it is kept as a cushion, it is kept because we do have because other than that also our net profit is in comfortable range and we are giving dividend of 5%, that is INR 5 per share, 50%. Then I think that is the reason we have kept it aside for a better strengthening the balance sheet of the bank.

Param Subramanian: Perfect sir. Thank you so much and congrats on the quarter. Thank you.

Moderator: Thank you. Next question comes from the line of Jayant Kharote with Axis Capital. Please go ahead.

Jayant Kharote: Thank you for the opportunity, sir. Just one question what level of LCR are you comfortable with if it falls below 110 are you okay to offer at that level?

Asheesh Pandey: See actually what happens like the Reserve Bank guidelines is of 100 and then Board fixed guidelines are there for each and every bank. For us also there is Board fixed trigger. First is trigger and then the breach. See we would not like to breach these two figures. So we are above that 7%-8% levels and we actually on a rolling basis we can plate for next 1 or 2 months and then we take the deposits and raise the resources accordingly.

Jayant Kharote: How much INR 7,000 crores add to the LCR?

Asheesh Pandey: So around 3% it works out for an LCR for our bank.

Jayant Kharote: So which means that the pace which you are consuming if you are not able to match deposit growth in a quarter or two you will have to slow down on loan growth?

Asheesh Pandey: No, there is no question of not matching the deposit growth. See what happens suppose if you have a money in your pocket why you will go to ATM and withdraw further. You will first use what you have in your wallet and what you have in your pocket. So the same thing we did, that is what actually since beginning we are sharing with all the press.

See, I will give you only four figures. Our March-25 CD ratio was around 74. Now we are at 80.4. So, it means 6.4 up, number one. And number two is that our LCR requirement was a bit more earlier because we have actually seen each of the items and then we could move from LCR, the items like financial institutions, runoff factor was straight away 100%. So, that we have moved from financial to non-financial, even if we have taken the bank deposit.

So, that has reduced our LCR, that has moved to loan side. Now, the third comes the treasury. We had now you can see in our presentation also, non-SLR portfolio has reduced. So, certainly we have moved on a better opportunity on the loan growth. This is the third point. Fourth point is, then again, you have a infrastructure bond and other revenues.

We have raised INR 3,000 crores. Then again, we have revenues of refinance wherever possible within our portfolio. So, the thing is that suppose now with this 2.67 growth, there is no breach in LCR, there is no breach in NSFR and then my CD ratio is very good. Now, suppose, listening to all, if we increase by 5% basis point and we take 50,000 crores, where it will go?

It will straight away impact my CD ratio to 74%-75%. So, the question is very, very simple, that when need be, take it. When need not be, so I think no need to, but now again you see in the third quarter, we have not taken, we have shed off much more. But in fourth quarter, we needed, because of the growth happening in credit side.

Though we have taken INR 3,000 crores infra bond, because the growth was good, which is evident in our figures in the Q4. So, then we have generated. So, actually, there are three things. One is the offer the rate. So, people have offered even 8%, 7.90% and above also during the Q4. So, they have got it.

But then we tried to take the deposit during January, February itself and then we continued, because we were very confident on the retail term deposit growth and the CASA growth and we could achieve it. So, rather than going to bulk deposit, we could achieve this side of the story. So, now going forward, this cannot be every time.

So, certainly, you will see the growth in the total deposit. It may come from CASA, it may come from retail term deposit and it may come from the bulk deposit. So, I think in the going forward, every time you cannot manage the book and allocation and other things. So, the thing is that at least first are you aware of from where it is raised and where it is deployed? So, now, with this, that is why the last March 26, you can see, we have raised the deposit, we have raised the CDs. So, we have raised the resources.

Jayant Kharote: Thank you, sir. And just to re-confirm, you have 7%-8% above your comfort level on LCR?

- Asheesh Pandey:** Yes.
- Jayant Kharote:** Thank you very much and all the best.
- Asheesh Pandey:** Thank you.
- Moderator:** Thank you. Next question comes from the line of Ashlesh Sonje with Kotak Securities. Please go ahead.
- Ashlesh Sonje:** Hi, team. Good afternoon. Sir, firstly, on this prudent provision which you have created, can you just highlight that after the creation of these prudent provisions, where are you on the ECL shortfall number now? Last quarter, you had shared a number of about INR 4,200 crores roughly. That is one.
- Asheesh Pandey:** So, we are on the same INR 4,300 crores, and that last time also we said we will be comfortable on that. And what so our guidelines come at appropriate time, we will decide in the Board. And accordingly, we will go ahead with the approach. But then since this figure is with us, this amount was with us, we thought of keeping aside for maybe ECL, maybe any other circumstances, as per the regulatory guidelines and as per the Board decision, we would like to then use it. Otherwise, we would like to keep it as a strengthening of the balance sheet.
- Ashlesh Sonje:** Understood, sir. But after the creation of this INR 700 crores buffer, the ECL shortfall number should decline ideally, right?
- Asheesh Pandey:** It will not decline because this is separate. So, we have made it very clear, it is not impacting your Tier 1 or Tier 2 or capital or net profit. It is just simply kept. We have just kept it for any eventuality, any circumstances like that.
- Ashlesh Sonje:** Understood. Sir, just one follow-up on that. What is the total outstanding buffer of standard asset provision that you are carrying now? If you have it handy.
- Dhirendra Jain:** Total standard asset provision is close to INR 2,000 crores.
- Ashlesh Sonje:** Second question. Last one from my side.
- Asheesh Pandey:** Yes, please go ahead.
- Ashlesh Sonje:** Yes. Sir, second one on the, sorry to harp on the loan growth and margin side. If I look at the credit rating mix of your corporate advances, which you have shared on Slide number 8, it seems like the share of A and above advances has increased by 2% Q-o-Q. So, it is clear that you have not only grown the corporate advances, you have also grown in better quality corporate advances.
- However, this seems to be different from the stance which you had conveyed last time that you are shedding lower yielding advances. How should we understand this change, this shift in stance?
- Asheesh Pandey:** No, I could not get it, actually. See, low yielding means, we had IBPC of around INR 35,000 crores, which is not there. So, that is point number one. And then we had, when you sanction, you have STLs, you have long-term loans, you have short-term loans, then sometimes, like, you

will give for 7 days, 10 days, and it will range about 5.50, depending upon a corporate, and to 6.10, 6.25.

There we have reduced, these two we have reduced. So, we have now tried to convert short-term into long-term and other thing, and from that we have to build in, so that we become more profitable, but at the same time, not to compromise on the quality.

Ashlesh Sonje: Okay. Sir, to just ask the same question differently, would you look to shed some more of your low yielding advances going forward?

Asheesh Pandey: It is a regular phenomena and we are doing day in, day out, and wherever we are in a position to get the opportunity. So, that is the reason that actually we have sanctioned more, disbursed more, but in the portfolio since churning is happening, you will not see that much big growth there, but then the things are on good, and certainly, it is a normal, every bank will do, wherever possible.

Ashlesh Sonje: Understood, sir. And just one last clarification, do you deduct the dividend payout from the net worth in the March quarter itself?

Dhirendra Jain: Yes. The remaining portion is only taken in net worth.

Ashlesh Sonje: Sorry, come again, sir. I could not hear you.

Dhirendra Jain: So, the amount of dividend proposed was deducted around 3,800, we have deducted, and the remaining amount is only taken into my capital portion.

Ashlesh Sonje: Understood, sir. Thank you very much. Those were all the questions I had.

Moderator: Thank you. Next question comes on the line of Parth M. Gutka with 360 One Capital. Please go ahead.

Parth Gutka: Hi, sir. Thanks a lot for the opportunity. Sir, can you just let me know what is the portion of the MSME book which is covered under CGTMSE?

Dhirendra Jain: We will come back to you on this, sir.

Parth Gutka: Okay. Okay, sir. And my second question is, sir, while a large part of the growth within MSME would have happened in the second half of February and March, what were the conversations with the borrowers because at that time the war had already started. So, what were the conversations in terms of order inflows or cash inflows at that point in time? Yes, that's my question.

Ramasubramanian S: See, always there will be some people who are asking for some extension of bills which has been sent because everybody was only -- the war was only developing actually. So, everybody was also waiting for that. So, essentially the discussions are going on. Wherever it is there, we are also handholding them. And we are trying to support those MSMEs with higher period for bills. Those things we are doing it.

Parth Gutka: Okay. Okay, sir. And this is my last question. Have you changed any of your risk filters in March for the MSME?

- Ramasubramanian S:** Which one?
- Parth Gutka:** Have you changed any of your risk filters?
- Ramasubramanian S:** No, no. We have not yet, sir.
- Parth Gutka:** Okay, okay, sir. Thanks. Thanks a lot.
- Moderator:** Thank you. We will take the last question that is from the line of Dixit Doshi with Whitestone Financial Advisors Private Limited. Please go ahead.
- Dixit Doshi:** Yes, thanks for the opportunity. Just couple of things. Firstly...
- Moderator:** Mr. Doshi, can you speak a little louder? We cannot hear you.
- Dixit Doshi:** Yes, so firstly, what is our written off pool now? And if we see this year, the recovery from written off account was INR 4,000 crores. So, what kind of recovery? Will this number sustain next year as well?
- Ramasubramanian S:** Written off pool, if you are looking at it, is around INR 71,000 crores actually. And most of them, around 45,000 to 46,000 are under in the NCLT. It is there pending. As regards to recovery in return of accounts, we are trying it. Whatever is available, we are just seeing that. And most probably, the same trend will be continuing in the current year.
- Dixit Doshi:** Okay, so whatever we have done this year is sustainable next year as well?
- Ramasubramanian S:** Yes.
- Dixit Doshi:** Okay. And one last thing, so whatever you have communicated throughout the call, is it fair to assume that kind of the NIM has bottomed out in this quarter and with 13%-14% loan book growth, what we are targeting for next year, the NII growth will be similar to the loan book growth?
- Ramasubramanian S:** Definitely, our endeavor is the same.
- Dixit Doshi:** Okay. So, we can grow our NII as well in line with the advances growth because this quarter, it was lagging?
- Asheesh Pandey:** Yes, it was lagging because of the rate cut.
- Dixit Doshi:** So yes, so considering that as of now the rate, rate cycle is let's say, a status quo, our NII growth should be similar to the advances growth?
- Asheesh Pandey:** Yes.
- Dixit Doshi:** Okay. Okay, that's it from my side. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of question-and-answer session. I now hand the conference over to the management for closing comments.

Asheesh Pandey:

So thanks to all the analyst participants on this call and certainly we hear to you a lot, we work upon your questions and even if you can see what sort of things we are doing depending upon the queries and wherever you have a concern and we try to inform you what we have done and how. So that's the reason that we think of keep on improving day by day, week by week, month on month.

So that is the total endeavor and thanks to all of you for participating in this analyst call. And yes, going forward we would like to better it like we said in the earlier quarters and we continued so. And going forward also we'll continue to make it better. Thank you.

Moderator:

Thank you. On behalf of Union Bank of India, that concludes this conference. Thank you for joining us. You may now disconnect your lines.