“Union Bank of India

Earnings Conference Call for the period ended September 30, 2026”

October 19, 2026

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SHRI NITESH RANJAN – EXECUTIVE DIRECTOR
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Moderator: Ladies and gentlemen, good day and welcome to Union Bank of India Earnings Conference Call for the period ended September 30th, 2026. The bank is represented by the Managing Director and CEO, Shri Asheesh Pandey; Executive Directors, Shri Nitesh Ranjan, Shri Ramasubramanian S., 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. V. B. Sahay, Deputy General Manager. Thank you, and over to you, Mr. Sahay.

V. B. Sahay: Thank you, sir. Good afternoon, ladies and gentlemen. I, V. B. Sahay, Head of Investor Relations, welcome you all to the Union Bank of India Earnings Con call for the period ended September 30th, 2026. The structure of the con call shall include a brief opening statement by our 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 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 investments or other decisions.

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

Asheesh Pandey: Am I audible to the coordinator?

Moderator: Yes, you are. Please go ahead.

Asheesh Pandey: Thank you. Thank you. Thanks to Mr. Sahay and the coordinator. Good afternoon, everyone, and it gives me great pleasure to welcome all of you to Union Bank of India, your bank's financial results announcement for the quarter ended 30th September 2026.

With this, I have also concluded my first year in the bank and happy to interact with you for the last four, five quarters. Before I take you through our performance, first of all, my all best wishes on the today Durga Ashtami, Navami, and all festivities which are lined up in the month of October and November.

With this, let me briefly set the context and share a few remarks. Let me begin by saying that in Q2 FY2026-27, our country, our Bharat, our economy, and the banking sector have continued to demonstrate remarkable resilience despite persistent global headwinds. This is supported by strong domestic fundamentals, prudent macroeconomic management, and timely policy interventions.

We need to acknowledge that the half-year 2026-2027 was deeply affected by West Asia conflict, apart from El Nino effects and AI-led disruptions, with varied channels of impact on

our macros and market via oil prices, overall inflation, trade linkages, logistics, capital flows, and market movements.

I would like to acknowledge the consistent support extended by the Government of India, as well as our regulator, Reserve Bank of India, both mitigating the impact of external disruptions. Measures aimed at safeguarding and supporting businesses, particularly MSMEs, have helped preserve confidence across the country and the financial system.

The RBI's policy measure to attract dollar flows, including the FCNR and ECB scheme, bolstered liquidity within the banking system. As a result, the banking sector continues to demonstrate strength with credit, system credit, and deposit growth standing at around 19.4% and 17.8% YoY respectively. Against this backdrop, your bank, Union Bank, has also shown a sustained pickup in business growth.

We continue to execute the strategic priorities that we have consistently highlighted in our previous various interactions, with a sharp focus on aligning our advances growth with the overall banking system, while staying cognizant of long-term business sustainability, profitability, and stakeholder value creation in an uncertain macro environment.

Friends, as we have interacted earlier, we have very clear five defined strategic pillars: efficiency, robustness, quality, sustainable growth, profitability and customer-centricity with ease of doing business for both customers and employees.

Let me dwell in between on these five pillars. With the efficiency, we clearly mean the proper capital deployment, technology deployment, the human resource deployment, building efficiencies in banking operations. Creating efficiencies in whatever we do, how we can create the efficiencies.

When we talk about robustness, it is a good compliance culture in a bank, not an instance-based, and strong cyber security posture, resilient monitoring systems, quality credit book, and so forth, so on.

Third is the quality and sustainable growth, so we pursue, and we have been talking on this topic that how, when growth will couple with Union Bank business, how the quality will be maintained. I think this result gives some colour on that as well.

The next point is profitability. Yes, when we talk about profitability, interacting with various press people, investors, analysts, we come to know that there are various points which we can showcase. One was the core ROA, so this time, our presentation clearly shows what is the core return on asset that is excluding the TWO and the treasury income. Similarly, RoRWA, which is one of the good parameter to discuss upon, is also to showcase.

If you see, the last pillar is customer-centricity with ease of doing business for customers and employees both. So, when we are combining all these five pillars, we are working upon the same, and today's result is in line with those pillars.

So while maintaining, as far as the various things which are the best as far as the Union Bank is concerned, like profit, like ROA, like the stressed SMA level, which is the lowest in the bank up

till now in the history after amalgamation. Similarly, your ROE and NIM, which has rebounded well from 2.64 level to 2.86.

So I think we have given a very clear picture that how things. There are certain initiatives which were taken last quarter, which we have also showcased. Probably I am very sure that the presentation you all are having with you.

So at Union Bank of India, our commitment remains anchored in our guiding principle business first and compliance always. We aspire to remain a trusted partner for our customers, investors, regulators, and all stakeholders while contributing meaningfully to the Indian banking ecosystem.

Equally important, our workforce of over 74,000 employees continues to embody our enduring philosophy, 'Achhe Log, Achha Bank', good people to bank with. In fact, some of the transformational initiatives we undertook this year, such as Union SUDARSHAN, they are all developed in-house. So I think this is very, very important.

It is state-of-the-art, unique in the industry and at a minimal cost and I think the shortest period of time within six to seven months, this entire infrastructure and the unit is built. I will detail it shortly.

I am also pleased to share that during the quarter, the bank received several prestigious recognitions. One is in the Rajbhasha Kirti Puraskar, our Union Bank has got the prize from the honorable Home Minister's hands in the event held in mid-September in Navi Mumbai.

Another is we secured third rank in the overall EASE 9.0 Q1 FY26-'27 performance ranking amongst all 12 public sector banks, reflecting our continued focus on customer-centricity, operational excellence, and digital transformation.

Let me, in a brief, cover up on the financial performance. So profitability, net profit for Q2, INR5,537 crores, registering a growth of 30.31 Y-o-Y. OP is INR8,108 crores, reflecting a robust growth of 19% almost, 18.99 precisely.

As consistently communicated to investors, and there was question that if you grow and to take deposits, or maybe various questions that whether NIM will sustain. We improved further from the last quarter of 2.80 to 2.86 and remained above the full year FY25-'26 level of 2.70. With the initiation of rate hike cycle, certainly we believe it will be constructive to the banking industry and to us also, which we can deliberate further.

Additionally, the FCNR (B), let me acknowledge, compliment the Reserve Bank of India, who came with this perspective, and it is not only the liquidity or maybe the dollar inflows to the Indian economy, but I think the major benefit is the ALM because almost 70% is the 5-year term, so it is giving a very good, sustained resource for next 3 to 5 years.

So coming to our profitability, return on assets is 1.38%, which we have inched further up; return on equity at 17.21%; capital position, we stand at 17.94%; CET-1 is 16.05%. I think now almost most of the part of CRAR is based upon CET-1. These levels provide significant growth headroom while maintaining strong resilience against any external shocks.

Asset quality: Gross NPA declined by 87 bps Y-o-Y to 2.42%; net NPA improved to 0.42%, down by 13 basis points Y-o-Y; PCR remained strong at 95.20%. Credit cost contained at 21 basis points, reflecting discipline in underwriting standards, effective recovery efforts despite persistent geopolitical volatility.

The improvement was supported by a sustained moderation in slippages. The slippage ratio improved to 0.72% compared with 0.91% in the corresponding period last year. Yes, the gross slippage during the quarter stood at INR1,909 crores, which were more than offset by reduction of INR3,086 crores by the recoveries and upgradations.

Coming to the deposits and liability franchise, our deposit grew by 6.87% Y-o-Y basis, and the CASA ratio stable at 35, improving significantly from 32.56 a year ago, demonstrating the success of our ecosystem banking initiative, which we have talked many a times during our interaction.

On a year-on-year basis, our combined RTD and CASA, this is what we say is our first priority, is nearly grown by INR1.11 lakh crores, registering growth of 11.41 percentage. Also, if we take the color of our deposit, the share of various components; so CASA, retail term deposit increased to 80.3 from 77 in September '25.

Let us talk about average-to-terminal deposit ratio, which remained at 99%, and which is very, very good, and corresponding if we take CASA to terminal, average to deposit is around 95%-96%. So let me say that the bank which we told to build efficiency, we are working on average figures. Let me again reiterate that, yes, your bank, Union Bank, is working upon the average figures rather than much of the terminal figures.

Our global advances continue to witness healthy momentum at 18.53% Y-o-Y, domestic advances grew by 17.36%. Coming to the RAM, it is global level 55.45, where domestic is 57.43%. If we take the impact of shedding off INR33,000 crores of IBPC, which shed off, and also some of the low-yielding assets, I think the actual growth is more than 20%-21% in that range. Retail advances grew by 11.24%, MSME by 22.39%, and this is the way in which we are going for a sustainable growth in various quarters-to-quarters.

As a green shoot in private sector capex, we are seeing the next phase of credit growth in economic activity, whether it is data centers, or AI infrastructure, nuclear, renewable power, and certain conventional sectors like steel, manufacturing, I think these are picking up, including pharmaceuticals. This is giving a good sort of a comfort to we bankers that the going ahead as well, there is a good phase of credit growth in economic activity.

Coming to the vision ahead for Union Bank of India, the journey ahead is not only about growth, it is equally about transforming the way we operate and serve our customers. As we navigate short-term uncertainties, our focus remains firmly on long-term sustainable growth and strategic transformation. We are pursuing this transformation through a balanced combination of intelligence, automation, and human oversight.

Various initiatives are detailed in a comprehensive, actually to all my friends who have joined, my request is in our website and various GeM portal and all, you will find an RFP, a Project Muskaan, known as Project Muskaan, which encompasses I think nine pillars. I think very, very

different from last 15-20 years which you would have seen any bank coming with various RFPs. This RFP is covering nine pillars, and what sort of five pillars we are talking, the same sort of pillars are being talked in this RFP as well. It is unique in its sense, and certainly it will create a lot much impact.

But let me tell you, friends, we are already working on this, which we have showcased in our analyst presentation, and two of the pillars which we thought initially are already completed, in which Union SUDARSHAN is one. Other pillars, which even shown 90%, sorry, nine pillars, there is the work already done. It is not that we are waiting for any consultant or any to come and start the program. From moving from one pillar to nine, in many of them, we are somewhere from 20% to 40% of the work is already done.

So, actually, we are well-poised to complete that project, which is I think I would request all of you to please see Section 3 of Page 30 to 35 in that RFP. The objective is straightforward: to move from reactive management to proactive and intelligence-led banking and managing the things.

Another important pillar of our transformation journey is robotic process automation, and where a high volume, repetitive, and rule-based activities to be executed automatically with greater speed, consistency, and accuracy. We are now close to 100. We started this, and now we are almost close to 100, but by March '27, we expect to cross maybe near around 200, and by next March, not this, but 2028, we want to cross somewhere between 400 to 500 processes. I think that will give lot of ease of doing business, lot of accuracy, consistency, and customer service. I think that is the whole purpose of this.

We also have a cross-functional team in the concept of garage, which is prioritizing various operational, technology-related issues faced by field functionaries, and we are improving day-to-day processes.

We also have established central reconciliation, actually it is also part of an RFP, but let me brief you that it is headed by a CGM at Hyderabad, almost more than 200, 300 people working over there, our in-house, and also some of the outsourced. But, the entire reconciliation, because once we become robust, it will yield to business. That is what correlation we have seen in our bank, that if we improve in the compliance and assurance function, it has a direct impact on the business growth.

So, I think that is where we are moving to that direction. I would therefore say that Union Bank of India is steadily building the necessary capabilities, strengthening our data architecture, enhancing workforce skills, and creating the right balance between technology adoption and human oversight.

In conclusion, I would like to express my sincere gratitude to our customers, shareholders, investors, board members, my board has really helped us, regulators, and all other stakeholders for their continued trust and support. I would also like to express my gratitude to all our investors.

Whenever we had interaction, you have always gave a suggestion to include that in our to-do list, where we from quarter-to-quarter, month-to-month, we have tried to improve upon those. My gratitude to all of you for being with us and giving us lot of suggestions for improvement.

As our India, our Bharat enters into next phase of economic growth, the banking sector is well-positioned to support this transformation, and your bank, Union Bank of India, is determined to play a much meaningful role in this journey. We will continue to combine resilience with innovation, scale with efficiency, and technology with human judgment. Thank you, and over to you, Sahay ji, and thanks and over to coordinator and all the investors for the interaction, please.

V. B. Sahay: Thank you, sir.

Moderator: Shall we open the line for questions?

V. B. Sahay: Yes, please.

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. Please go ahead.

Ashok Ajmera: Thanks for giving me the opportunity. Congratulations, Asheesh sir and the entire team of the Union Bank of India for the fantastic set of numbers, sir. In fact, your this presentation, beyond the numbers and the presentation, your verbal communication of more than 20 minutes now has really given the great highlights about the bank and what the bank is going to do even in the future also, which is one of the best opening remarks so far in the four, five banks whoever has declared the results. My compliment to you, sir, for the same.

And you have, in fact, clarified most of the questions which were there in the minds of analysts like me. I have a few observations and some few data points and some information and some action plans on some of the items which I will just narrate.

Sir, the credit growth has come back now in the bank in last 1 year of your tenure. Before that, the 4-5 quarters, all those shortcomings you have removed, and the bank has again come back and brought in the old glories.

Going forward, and even looking at these numbers also, the deposits are still a little bit lagging, in spite of the opportunity of raising the deposits by way of this US dollar dispensation by the RBI, FCNRs, and other things. That is making our CD ratio also very, very high, one of the highest, 88.13%.

On that front, what do you think? This kind of CD ratio is okay, or it may go to even 90% or whether you still feel that the deposit growth needs to be accelerated to match your credit growth? This is my just first question, and I would welcome your answer, sir.

Asheesh Pandey: Sure. Thanks a lot, Ajmera Sahab, for your queries. We always take your queries, as an improvement, and to further how to make the bank more better. Coming to the deposits, as you said, in our case, is lagging, certainly, this last 2-3 quarters we are in the discussion. Let me tell you that earlier our deposit growth used to be either negative, or it was below 3%, and now this time, it is 6.8% and almost 7%.

We are not averse to deposit. I will give your reply into 2-3 pillars. One is our first priority is CASA and RTD, no doubt in that. We have actually garnered INR1.11 lakh crores of in this two. This is our priority for sure, and we are maintaining 35% around.

Even from June to now, INR10,000 crores of CASA is there. Which is a sluggish period, if you see, June and September. From December and the March, it is a period where the most of the funds are released as far as the various budgets are concerned. We have taken.

Now the question is that with resources, we are sitting at almost 18% of the CRAR and more than 16% of the CET1. We do have a very good leverage. The most important, I believe, the parameter to see the deposit and credit growth is the LCR and the NSFR. LCR, if you see our presentation, is 120% average we have maintained in the entire quarter. Which clearly shows that we are 20% more than the prescribed regulatory guidelines. NSFR is also on a much, much comfortable side.

Absolutely we have not faced any issues on the liquidity. We have maintained very well. The next is what other resources are available to the bank for raising the funds for deploying into the credit? Those are refinances from various refinances, the infrastructure bond, the ESPS, certainly we are not looking for a QIP as such, and the third is the green bond, and the other things, Tier-1 and Tier-2 capital. These are also the funds which are subscribed, but will not come into the deposit, which will remain into the system, and which you can deploy for a better quality of the credit growth.

Now, I think when we required, we increased from 2.5% to 6.8%-7% range. Certainly, I will assure all that absolutely that is not an issue. When we increased from 2% to 2.5% to 7%, then also we have maintained our NIM and all the efficiency ratios.

Now coming to the US dollar, since beginning the last quarter as well, when it was asked to us, we were very clear that we aimed at 2 billion to garner under the special window scheme of RBI of US dollar FCNR. We actually garnered 2.25. Absolutely that is not an issue.

Our total all-in cost, including everything, is around 7, and 43 bps is the margin, 40-plus bps is the margin with our foreign branches. I think we are well within cost into that. Coming to the CD ratio, we always said that for let us see that domestic CD ratio or loan to deposit ratio is something different, and the global is something different. Global is always higher and the domestic is always lower.

If you take the domestic, we are at around 84%. We always believe that somewhere between 80% to 84%-85% is a quite comfortable range, subject to it is not very specific some range for every one fits size for all. It is for the various banks to banks, and their capital structure, their other efficiency ratios.

We have well within the range of all the ratios, all the liquidity ratios. We are well within the range of say 84%. That's the reason that you can see that this time, only after listening to the analyst, which all of you, they subjected, they guided us, that why don't you come with a core ROA?

Because the treasury income has gone down like anything, almost 50%, 46% precisely, has gone down because of the market condition. You all know much better than me. I believe that the core ROA is more 41-42 basis points to 1.03%, and the ROA in general is 1.38%. RoRWA is also one of the figure which generally people told that why Union Bank is not showing, where you are having the very good. It is a 2.48% level.

So, I think that all the investors, that we are in the credit growth, and to support that credit growth, whatsoever deposit growth is required, or maybe the raising the money in terms of infrastructure bond, or a green bond, or a Tier-1, Tier-2, or anything, we will be going for it to fund that, and we'll be substantially covering the liquidity ratios as desired by any of the participant in the industry.

Ashok Ajmera: Point well taken, sir. You very well explained it. My second question is on the total impact of the ECL provisioning, and especially with the yield hardening and there will be I think HTM mark-to-market also will have to be provided for.

What is the revised number of the ECL and the impact of the ECL overall in the how many basis point it can be over a period of time? Coupled with that, the benefit of the rate hike or recent rate hike by the RBI, how many basis that can offset the overall ECL impact?

Like maybe the profitability may increase by 7, 8 bps point because of the rate hike which is going to be factored in. And already whatever the repo-linked credit, loans are there, the rates must have already gone up, whereas the deposit rates are not going to go up matching soon. Overall, what will be the impact, and how are we prepared for the ECL provisioning, sir?

Nitesh Ranjan: Yes, Ajmera ji. Earlier also, we had shared the ECL impact on us. And somewhere in the range of 5,500 crores, we had said will be the impact of ECL on Union Bank of India. But I will also like to add here that since the quarter of March, we have till now added around 1,000 crores of additional buffer in provisions.

700 crores we did in March, 100 crores in the quarter of June, and this quarter also 200 crores we have kept as an additional provision, which, as of now, appears to be that we'll be able to use for the ECL provision. So that is 5,500 crores is our total estimate. Of that, 1,000 crores we have already provided for right now. 5,500 crores if you look at from the impact on the ROA, we have around I think 8 lakh crores of RWA.

So from that perspective, 70% -- 70 basis point is the impact on CET if we absorb separately, but you are also looking at our profitability numbers per quarter. One-quarter profit itself is quite sufficient to bear this ECL provision despite RBI having given multiple years.

The second part that you asked about the impact of the bond yield, I think these are very moving parts. First is that, as on date, the balance sheet, what is the impact on ECL, which I have shared. Remaining things are moving part. Something will be positive. Something will be negative.

For example, as you said, that the bond yield obviously, it impacts the valuation of the bonds, but at the same time, when the interest rates are rising, and you are very much aware that it will first give us, in a way, advantage in terms of increase in the net interest margin. So I think these moving parts, they offset each other generally. We should be, at this point of time, should be taking 5,500 crores as the possible impact of ECL, of which bank has already created a buffer of around 1,000 crores.

Asheesh Pandey: Just to supplement, Ajmera Sahab, we talked about in my address, we talked about five pillars. Actually, what our Nitesh sir is saying is absolutely true. In today's dynamic world, disruptive world, all these things will be happening somewhere or the another in bits and pieces.

So certainly, if you have to be robust enough to absorb this shocks and keep moving your business and profitability with robustness and sustainability. So, in a sustainable way, probably I think we need to work upon those five pillars which we are working. That is what actually he also mean to say, that these are the things which will keep on happening. Sometimes it will come down, it will move up.

But the thing is that now if you see our presentation today, the treasury income has gone down by almost 45%, 46%. But our scope, the income has increased by 22.90, that is almost 23%. We are actually concentrating on very, very core business of the bank and to build the robustness within the efficiency from the core business itself.

Ashok Ajmera: Yes, sir. Hello? Hello?

Asheesh Pandey: Yes, sir.

Ashok Ajmera: I think there is some disturbances. Hello?

Asheesh Pandey: Yes, we are there. Over to you.

Ashok Ajmera: Sir, your views on this drought impact, sir, now the conditions are deteriorating on the rains monsoon front, and the droughts are being declared in every state, drought conditions. So how do you see, have you taken that into consideration, started working on it, that how may it may impact our business either from the normal recovery front or from the additional credit expansion front? So did drought conditions are going to affect, and how are we going to tackle this situation, sir?

Amresh Prasad: Actually, drought will not only affect our bank, but will affect the entire banking industry. So it is -- right now we are not seeing any -- we are not seeing any adverse impact on that case. Let's see what happens in the next quarter, but yes, the government is also very proactive and they are taking the measures for protecting that case.

So whatever the government initiative will be taken, we will be participating in that, and previously also, whatever the debt waiver or whatever the government initiative has been taken, we have actively participated in that case, sir. As such, we do not see any adverse impact on our balance sheet, sir.

Ashok Ajmera: Okay, sir. Thank you very much for answering all my questions and giving such an elaborate presentation, sir. All the best to you all, and yes, I'll come back again if the time permits. Okay. Thank you very much, sir.

Asheesh Pandey: Thank you. Thank you.

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

Maaruk Adajania: Yes. Hello, sir. Congratulations. Sir, I had a couple of questions. Firstly, on savings deposits, the growth has been very good. Are there any institutional deposits here, or they are all retail? Are there any bulk or institutional deposits?

Asheesh Pandey: Yes, it is mixed, but we are actually much targeting on the premium saving account and the salary accounts. We have seen almost 1.8x sort of an increase in these two, three parameters. Institutional, I would say that there are some government accounts which are to be opened on a large scale in the saving bank only.

It is as per the mandate of the various state and central governments, so comprised that as well. That it includes both on the retail part in saving as well as on the institutional part. But in institutional, we do not have the bigger chunk, say some 5,000, 10,000 crores in saving of some distributor, like that. We do not have. Basically, for your query, I believe you should take that mostly it is retail, and even if it is institutional, it must be in a lower range of amount only, not the higher, very higher range.

Maaruk Adajania: Got it. But any quantification, how much is institutional?

Amresh Prasad: As of now, we are not keeping that data. So if you want it, we can interact offline. But overall, saving bank deposit growth was 12% and overall CASA growth was 14.7% Y-o-Y. So, I think we can give separately.

Asheesh Pandey: Yes, that is See, I would tell you that there are certain the Panchayat accounts and all that rural development, ground-level block accounts, and all those are there, which we are saying as an institutional.

Maaruk Adajania: Got it. Got it. That's so helpful, sir. Sir, just one more question. I know it was asked earlier, but because bond yields are sticky, what will be the one-time impact of valuation of HTM, when you transit to ECL? Right? Because that impact one-time is irreversible, that's why we want to know the quantum. I know for that, bond yields have to stay high. If they come off, then there's no impact, but just asking.

Asheesh Pandey: Yes. See, we have worked out something. First is that on the stage one, stage two, stage three, that that around INR5,500 crores-odd amount is going to come. Now there are two other parts. One is on the staff, and other is on the this HTM. But see, there are certain clarifications and other things are there which are in under discussion at various, some workshops are also happening. We have also kept some advisor or consultant on this ASBA and ECL and all those things.

We are working upon, and all the banks are in discussion with that, but one thing which I would, Madam Maaruk, I would like to give a comfort to you that what sort of things will come, now bank is in a position right now to I would not say they, absorb it or something, but let us understand that the way in which the banks, the industry itself is generating the profit and the sound business in terms of GNPA, NNPA, ROA, and all those things.

Particularly, if I take your Union Bank, then the all the things are on a very positive front, positive side. I think we are in a position to absorb those things without any much hiccups. That is what comfort level. But if specifically if you are asking, we have worked out. -- We have worked out on various permutation, combination as far as the various interpretation and understanding, but it is not prudent right now to come up with those figures because still it is under discussion, and there are some workshops happening, and also all the banks and IBA, we all are discussing.

But at the same time, as an investor, I certainly feel that you should have a comfort level on your bank that whatsoever even the other side of the scenario also, we are in a position to absorb it very swiftly going forward.

Maaruk Adajania: Got it, sir. Sir, and my final question is that would you have any comments to offer on potential M&A in PSU banks?

Asheesh Pandey: That is the same I am hearing like you are hearing. I also don't know much. Sometimes I also ask investors what exactly are you hearing? So, I don't have anything. But when we talk, in my address, you would have heard the five pillars. The thing is that our total focus is that quarter-to-quarter, how to take the bank into the next level of robustness. Robustness in terms of all the five pillars. Now I am not restricting that robustness only on the compliance and assurance and other things, but on all five.

If you build really on those five pillars, certainly, maybe this year, next year, next to next year, five years, we do not know the disruptive, the world which we are living in, what is going to happen when. At the same time, we know one thing, that how to make the bank more better and robust so that any eventuality, any disruption, any shocks, any adverse shocks, we'll be in a position to diffuse it swiftly.

Maaruk Adajania: That's so perfect, sir. Thank you so much. Thanks.

Amresh Prasad: Maaruk, in the meantime, I have got the break-up of the saving portfolio. Overall, the growth Y-o-Y was 40,278, out of which 75% retail saving growth, 30,027, and only 25% was institutional saving growth, 10,249. The growth is very sticky because majority comes from the retail portfolio.

Maaruk Adajania: Okay, sir. Thank you. Thanks so much.

Moderator: Thank you. Next question comes from the line of Jai Prakash Mundhra with ICICI Securities. Please go ahead.

Jai Prakash Mundhra: Yes, hi. Good afternoon and thanks for the opportunity, sir. I have a few questions. First is, sir, on core ROA, right? You've given core ROA for the first time. I believe have you you've removed treasury and TWO recovery, but it looks like the interest on IT refund, you have also deducted that. Is that the understanding correct, or I mean, apart from treasury and TWO, is there anything else also which is not there?

Dhirendra Jain: Mundhra, only TWO recovery and treasury, these two things we have removed.

Jai Prakash Mundhra: Okay, sure. And sir, now on write-off amount, actually, sir, if I see our last 2, 3 years, slippages have reduced materially. The write-off amount we have done at around INR3,800 crores in first half.

I just wanted to check, sir, how much of would this be, let us say, management-driven, and how much is because of the timing or regulatory timeline? I mean, how much is prudential, and how much is timeline-driven?

And the reason why I'm asking is if, let us say, if you're focusing on core ROA, then bank can actually reduce the write-off amount because the recovery from write-off anyway is not getting accounted in core ROA. And if you reduce write-off, then actually you can save on credit cost. So that is what I was trying to understand, of this first-half write-off, how much is prudential and how much is time-driven?

Asheesh Pandey: Yes, let us understand, Mundhra-ji, that how, various parameters mean to us and mean to others. Here, when we are saying core ROA, now actually we are trying to -- when you start building the efficiencies, you want to be more robust, resilient, and so you create and try to benchmark again your own standards.

So when core ROA we have taken, it is not like to write-off or not to write-off and all those things. It is very, very clearly that we are continuing with the same run rate which we are continuing the last half year, not this one.

The last we had a one bigger account, that is why the amount was more, but if you see the last 2 quarters, we are continuing with the same run rate. And we have told very clearly that our target is around INR3,000 crores as far as the TWO write-off is concerned, recovery in TWO is concerned for the full year.

And the total recovery we want to be more than slippages. So certainly, in that range of INR10,000 crores to INR12,000 crores, certainly we are aiming, and this written off also we are aiming in the same range. The treasury income which has fluctuated a lot, and probably will continue, so that is the reason that the ROA is 1.38%, which is increased even there is a decrease of 46% in treasury income, and the 1 or 2 account which we got resolved through NCLT route in the last half year of 2025-'26.

But in the same time, all the 3 ROA now we are monitoring, that is core and the general ROA and the ROA RWA. So I think that is not an issue that where we have to write-off or not to write-off. The things of cleaning the balance sheet, once you are good enough on the -- now, you can see that almost all the parameters in Union Bank particularly, we are at the highest levels, whether the net profit, or operating profit, or NII, whether it is ROE, ROA, and all the other things.

So even then, after that only, so not impacting anywhere, we have taken out INR200 crores this quarter and added to additional provision. It is now INR1,000 crores standing strong in our balance sheet. If I take that, the GNPA comes around 0.31 levels, and the PCR moves to more than 96%.

So I think there where we are coming from, and that is what we are depicting, and we are discussing it here, that our purpose of benchmarking ourselves is a bit different and trying to improve from there. Over to you, Mundhra-ji.

Jai Prakash Mundhra: Right, sir. Sir, okay. So let me ask you, sir, this credit cost we have given is 21 basis point, which is a reasonably stable number and a benign number. But going ahead under ECL, you will have a little bit bump up in standard assets provisioning. Would you believe that, I mean, could that jeopardize the core ROA of 1% level? How do you see, A, the rise in standard assets provisioning because under ECL, and could that have a bearing on 1% core ROA that we have shown?

Asheesh Pandey: Yes, see, ECL, which we talked about, is around INR5,500 crores, which we are now discussing and talking about last one or two quarters, and we told we are comfortable in that INR5,500 crores. Now other two things I think let us see other two parameters. One is the lowest of the SMA figures in Union Bank history after amalgamation. It is I think 2282. Above INR5 crores. So I think that is the where it is the lowest. The credit cost, slippages cost, both are lowest. And let us see one more thing, that there is a good credit growth. Now your credit growth, you are seeing in the terminal figures, because now most of the churning we have done, and we are doing, still we are doing, but then most of it we have done.

If we take that churning, that is IBPC, INR33000 crores, INR36,000 crores taken out, then some almost INR50,000 crores, INR60,000 crores, INR70,000 crores low-yielding assets we have taken it out and all those things, the credit growth is quite good, more than 20%, 21%. But at the same time, if you see the figures on the retail side, our 700 and above CIC score has moved up from last. So, I think I am only saying last one quarter, but you can see last four quarters, it has moved quite up.

Now coming to INR25 crores and above external rating, so almost 94%, 95%, I think that is also improved last quarter. So, these two figures shows that we are writing quality assets, number one. Number 2, the monitoring is really very good using technology, analytics, and feet on street, and building the culture where we create a good quality assets and at the same time, profitable assets.

That is the reason that again, it is improved, core ROA has improved from I think 41 basis point or 42 basis point from last quarter. And now we have started monitoring it. Now coming to the impact of ECL, even if it comes, we will be in a position to take care of it. That is where and still we have two more quarters left. I think we are in a right direction, we are in a right track, and we will be in a position to swiftly handle all those situations.

Jai Prakash Mundhra: Sorry, sir. Actually, my question was not very clear. Sir, this INR5,000 crores is actually no problem at all when you transition. My question is, sir, on a recurring basis, right now credit cost is 21 basis point. Under ECL, because now the Stage 2 assets will need more provisioning than under IRAC, standard assets provisioning will go up. Do you suspect that core ROA can…

Asheesh Pandey: You are asking on ongoing basis incremental, correct?

Jai Prakash Mundhra: Yes, sir.

Asheesh Pandey: Yes, so actually that is all that are in discussion and in working. As we move close to the March, I think we will be knowing all those figures. But by chance that the first itself on a transition date, say 5,500-odd. Odd I am using, can be plus, minus something here and there. Even that, we are in a position to take it forward swiftly.

I think ongoing also will not be much issue because even ongoing will depend upon on the actual SMA figures, restructuring book figures, and all these figures only. That is why I was trying to tell you that even ongoing, incremental as well, in a position, but the actual figures is still to be worked out, and these are discussions happening at the industry level and the IBA level.

That is what I told when Ajmera Sahab, I believe he was asking me, or Madam Maaruk, I think I'm not very sure. I think Ajmera Sahab, when he asked, there are various discussions happening, and once clarity comes, then I think figures will be in front of you. At the same time, I think we are in a position to move swiftly where the one-time, as well as we believe that with this figures, ongoing will not have much of the impact.

Jai Prakash Mundhra: Right. Understood, sir. So that that is clear. We will await as and when we get more clarity. And sir, secondly on growth, right? Now we are doing reasonably well. We have stepped up on growth. What is your sense, sir? Where would we be ending the year? Would it be -- last time I think you said we will be slightly above system. Does that still continue or, what is your outlook on growth in with respect to industry? Industry is also now 18%, 19%. We are also 18%, 19%. What is your sense? Where should we end the year?

Asheesh Pandey: As per system credit growth, we will be moving as per that only.

Jai Prakash Mundhra: Right. And sir, anything on the bulk side? We have seen slight increase in the bulk deposits. Now this is the entire book has been reset, right? You do not have any material issue in growing the bulk deposit because previous to this quarter, we were actually shedding a little bit of bulk. Now should bulk deposit be business as usual? Is that the understanding? Or there was some opportunity wherein you increased bulk, and going ahead, bulk may still be lower? What is your thought process?

Asheesh Pandey: See, the bulk, as per definition, is known above INR3 crores. Correct, Nitesh? Above INR3 crores. That we generally term it as a bulk deposit, and below INR3 crores as per RBI prescription, it is a retail term deposit. Bulk deposit even in today's world, when you finance infrastructure project, and within which you give an LC, say 60%, 70% of the total term loan, there also LC 10%, 15% margin is there, various bank guarantees are there, it is in that.

Generally, let me tell you, bulk doesn't mean that you are going for a high cost or maybe a differential rate and all those things. It means above INR3 crores. We are going to accrue, and certainly when we say the credit growth to be in line with the industry, we will fund it first through retail and term deposit, CASA and retail term deposit, then various other channels, and certainly bulk deposit.

Now comes the bulk means that say above INR50 crores, INR100 crores, INR200 crores. We are also taking that, but at the same time, earlier we used to take even INR2,000 crores, INR4,000 crores, INR5,000 crores from single party, but that we have reduced. Now we have bifurcated, so sometimes we take 300, 400, 400, 500, various maturities.

And certainly, I am going back to my earlier commentary where the financial institution we were trying to avoid. Still we are continuing with that, that financial institution we don't prefer much, but non-financial institution, we take it. From 2%, 2.5%, we have moved to 6.8%, 7% growth, so we'll be moving in that line only as far as the deposit is concerned.

Jai Prakash Mundhra: All right. Thank you, sir. I have a few more questions. I'll come back in the queue. Thank you.

Moderator: Thank you. Next question comes from the line of Sushil Choksey with Indus Equity Advisors. Please go ahead.

Sushil Choksey: Congratulation to team Union Bank of India for excellent performance and greetings for the festive season. Sir, my question is India -- Prime Minister's call is Viksit Bharat 2047. Union Bank and Indian banking system needs to transform for the new initiatives, new businesses which are emerging in the globe, and India also needs to catch up.

The trade businesses for the new initiatives led by hydrogen, maybe AI, GPUs, data center, and many such, EV mobility value chain, solar value chain, I'm not talking about module, but value chain, such businesses.

Some of these businesses are commenced by PE or new entrepreneurs who have technology and they are backed by PE or financing which is coming from certain individual investors who have given the initial capital. Such transformation of businesses are emerging well. How are we placed to garner business in such segments, and what initiatives will we take to understand this business to grow well along with that?

Asheesh Pandey: Yes, I think very pertinent question, Sushil-ji, and certainly, when we have to meet all of us the Viksit Bharat dream of 2047, we need to be in that league, and that moving into that league needs understanding of the new lines, new initiative, new businesses. Certainly, as of now, Union Bank is quite good player in terms of renewable energy, solar, BESS, that is Battery Storage Systems, and all, and the data centers and other things, we are already on.

We have even underwritten some good sort of papers, and we have even downsold. Almost I can give a color to you that almost I think last 9 to 10 months or 11 months, we have underwritten almost 90,000-95,000, 1 lakh crores of a good papers, and we have downsold. That is the way in which we are moving.

Now coming to the some more new streams which are coming in, like hydrogen, like the nuclear. These are the new things which are coming in, and we are also doing employee skill development plan. So, certainly, we are trying to engage with the various rating agencies, because they are somewhere better in understanding the risk, understanding the models, understanding the projections, and understanding the various other factors to underwrite.

We are also working upon this automation. It will take some time, obviously, that how we can have external data, so still we are using, but mostly it is not very automated, but then we are going through AI and other things where we can use all this data points across world to do the proper assessment of the proposals.

Most of the things which you said, we are into those lines of underwriting which other banks are also doing, but then our bank is also doing it nicely. But coming to the hydrogen, nuclear, and few other more things, we are analyzing. Actually, we are in discussion with some of the partners.

Even in this line of business, we are also in discussion with some of the rating agencies of the world class, that how they see these businesses, how they rate these businesses, because they also rate having the same parameters, and we also do the appraisal, assessment on the same basis. So, jointly, we are trying to have some idea and some models with them.

So I believe your question, and I would not only say, Sushil-ji, when we talk about 2047, we only will not talk about the corporate, but let me tell you, the businesses, particularly commercial banks, scheduled commercial banks, public sector banks, we maybe probably you will see the UPI and ULI joining hands and moving into the automated system of analytics, automated system of the cash flow system of, the credit dispensation and the monitoring, and otherwise, having the growth rate particularly to meet the 2030, 2035, and 2047 objectives would not be that much easy.

That is why again that SUDARSHAN which we told you, that and not only to you, but I would invite all the investors who are listening to this con-call, that in Bombay, you are invited to see this Union SUDARSHAN stream. Now we are also working upon many things, and one RFP is already there, which you can see, but we are working upon some more things.

I would not divulge right now, but as we move forward by next 1 or 2 months, 3 months, you will be seeing some initiative where we are working to build the capabilities in, the credit administration, I will use the word, rather than credit sanction, credit appraisal, and credit disbursement, and credit monitoring.

I would use a better word as a credit administration, how we can better entire ecosystem so that the disbursement happen fast, credit growth happens fast to meet 2047, but at the same time, quality is maintained, which is most important for any of the regulated entity.

Sushil Choksey: Basically, you are indicating that long-term financing for nuclear, power infrastructure, data center, construction may not take much time for data center, but lease rental discounting, 15, 19-year kind of project financing, you are open to. Am I to understand…

Asheesh Pandey: Yes, we have already done. We have already done.

Sushil Choksey: Okay. Sir, now my next question is, you know India is growing, lot of Indian corporates are growing globally, and domestic also, M&A will start. In one of our peer larger bank's call, they said they're aligning with some foreign banks on financing for M&A. What is our vision on M&A financing, sir?

Asheesh Pandey: Yes, see, we have done a few deal on M&A, and we are already in talk with some of them, and also our You know this requires actually creating a desk within the large corporate vertical and risk management with a proper skill set to underwrite or maybe to assess the proposals which are coming under the hydrogen, or a nuclear, or maybe they're on the merger and acquisition, which we are already.

That is where I said that we need one or two months more along with, some RFPs to build in technological as well as human capabilities to underwrite and create this. So, we are working upon that, and I believe that the things will move in a right direction, and already most of the things which we have talked.

Actually, if you have talked about data centers, I think we have already underwritten some six, seven good proposals, good-quality papers, AA, AAA sort of papers in the data center. So, we have that capabilities, so we have to further skill it to hydrogen and other sort of energy or maybe the other business lines which are going to come.

Coming to this that is why I said this FCNR (B) will help 3 years, 5 years for the asset and liability and let me tell all the investors and Sushil ji to you as well that we have issued this bond, foreign currency bond of 600 million and now we are listed in the stock exchange, GIFT City, NSE, GIFT NSE stock exchange and it is a traded.

So certainly now we have already opened a way to take the money for a longer term through that route. So that is actually not an issue. When we talk about this foreign currency bond, so it is like MTN program which we can always enhance and go forward as a along with the some more batches of 200, 300 million.

Also, we will not like to right now much discuss, but already we are in talk with some of the very good worldwide agencies for some the funding lines in a very good perspective on the green energy side. But then not a right time right now to discuss more upon that, but we are in discussion and certainly when we move towards this sort of an appraisal systems, we will be needing that and we will be utilizing those opportunities to capitalize on that.

Sushil Choksey: My last question in this round, based on whatever I could sense from your conversation, we have a good credit pipeline where large-ticket corporate book is concerned. Can you indicate what kind of growth will you do in RAM?

Asheesh Pandey: Amresh ji will tell on the on the pipeline.

Amresh Prasad: We are having more than 1 lakh crores in pipeline, sir, for the large corporate, which is basically into the infrastructure and likely to be disbursed in next 1.5 year. We don't have any problem in building further pipelines and all. We are having a good credit proposals in hand also. These are what I'm saying, these are the sanctioned, sanctioned pipelines.

Ramasubramanian S: So Sushil ji, just to add on to what Amresh ji has said. So we are across the field as sir is also mentioning, we are trying to go into different fields, including the EV mobility. You have spoken about the EV mobility and other areas. And today also what we see that we have got around a good amount of proposal which is under pipeline, which is around 64,000 crores.

So 1,20,000 crores, 1,25,000 crores of sanction that we are holding for disbursement and around 64,00 crores, 68,000 crores of sanction, in proposals in pipeline, which are going to be sanctioned over maybe within a month's time. So in a pipeline side, we are comfortable with the sanction that we are getting. Across the sector, we are getting. So we don't find much challenge in getting the good amount.

And as sir was also mentioning about the underwriting. So we have done many underwritings and after doing the underwritings, the capability, that capability is there with us. So even the other banks are also taking exposure from us. So we have down sold many of the proposals after getting the sanctions. Right now, that is the position.

Sushil Choksey: Thank you for answering all my questions and good luck for the year to team Union Bank of India.

Asheesh Pandey: Thank you. Thank you, Sushil ji.

Moderator: Thank you. Next question comes from the line of Arjun Kumar with OneOOne. Please go ahead. Mr. Kumar, please go ahead.

Arjun Kumar: Yes. Sir, I want to know in the other income, why there is a fall in 10% Y-on-Y and 5% Q-on-Q?

Dhirendra Jain: See there was a reduction on account of reduction in treasury and technically written-off recovery. INR545 crores on these counts were on a Y-o-Y basis and on a sequential basis the other fee income, non-interest income got reduced because of booking of PSLC commission in Q1 of INR217 crores, which was not there in Q2.

Moderator: Thank you. Mr. Kumar, please rejoin the queue for more questions. Next question comes from the line of Param Subramanian with Investec. Please go ahead.

Param Subramanian: Yes, hello, sir. Thanks for the opportunity and congrats on a great quarter. Sir, just wanted to understand on firstly on PSLC fees, why is there no PSLC fee in this quarter? Because we understand I think some of the large private banks are still reporting big shortfalls in PSL, so the opportunity is there. That's my first question, sir, if I can come back?

Dhirendra Jain: See PSLC income we book depending upon our priority sector portfolio and we keep on working on it, assessing the portfolio going forward and wherever the room is available we sell our portfolio and book the income like we did it in Q1. And if the situation permits, we will be doing it in this quarter or the quarter going forward.

Asheesh Pandey: Yes, we have an excess also this time, but we wanted to be more comfortable on the excess side of the PSL and then move forward. And earlier quarter also we have already if you see the SMF, that is small and marginal farmers and agriculture, both portfolio we have sold earlier. So absolutely that is not an issue. We are already. This time also, even now also that issue is not there, but then we wanted to assess properly and then move ahead.

Moderator: Thank you**.** Mr. Subramanian**,** please rejoin the queue for more questions. Next question comes from the line of Amansingh Sahajsinghani with ICICI Securities. Please go ahead.

Amansingh Sahajsinghani: Hi, sir. Thank you for the opportunity. I wanted to understand in the PW recovery part, is there any one-off lumpy recovery from Maharashtra State Government PSU or something like that, or is it all organic? Is it all small recoveries only?

Asheesh Pandey: No major, no lumpy recovery. One minute. TWO recovery, Maharashtra State Government debt waiver is not the part of that recovery. These are all small-small accounts, and one INR150 crores we received in this TWO.

Asheesh Pandey: So, no major bigger chunk. All is small only we are doing.

Amansingh Sahajsinghani: Maharashtra Government accounts were not written off?

Asheesh Pandey: Yes, that is what they wanted to know.

Moderator: Thank you. Mr. Sahajsinghani, please rejoin the queue for more questions. Next question comes from the line of Ashlesh Sonje with Kotak Securities. Please go ahead.

Ashlesh Sonje: Hi, sir. Good afternoon. Sir, first question is what is the crop loan exposure that you have in the states of Maharashtra and Karnataka? Second question, sir, the growth in gold loans seems to have slowed quite a bit now. It's growing at only about 7% Y-o-Y. Any reason for that? Along with that, if you can share the break-up of gold loans between retail and agri?

Asheesh Pandey: So, I think this what was the question of Maharashtra and Karnataka? Crop loan, I think we need to work it out and give, but not much, because the Andhra Bank was actually merged with us, and we had a very good portfolio in AP and Telangana. It is more of an SHG, almost I think our SHG portfolio itself is more than INR35,000 crores approximately. So, that is why, various questions were asked about drought and all those things, so we have not faced any oof the issue on those lines as far as the agriculture is concerned up till now.

Coming to the gold, actually, yes, very, objectively and purposefully, we have not, grown aggressively in the gold. The purpose is not any negative, because our LTV purposefully the LTV we have kept not so good, conducive to the market, and the rate of interest also.

And we wanted actually to digitize the entire journey, including the assessor's role, and the audit role, and how everything can be digitized, how inspection can take place, and the gold pouch and everything. So, that's the reason that we tried to build. We are actually building it very properly. It may take one or two months more before embarking upon the next phase of a growth.

Because if you see the Union Bank per se, earlier years, we have grown very fast. Always there is a better to have some consolidation phase and to move to the next with all those sort of a robustness. Until unless you build technology both in assessment and monitoring, probably I feel that it will not be prudent to scale up the business in a very nice manner. So, that's the reason that we have not grown much, but yes, we are in the business. You asked about retail and agri. Probably, I think we can take safer side, 55 and 34 and 55, 34 retail, 55 agriculture.

Moderator: Thank you. Mr. Sonje, please rejoin the queue for more questions. Next question comes from the line of Rohan M. with Equirus Securities. Please go ahead.

Rohan M.: Good afternoon, sir, and thanks for the opportunity. Congrats on a good set of numbers. Sir, just wanted some clarity on the one-offs in opex, if there is something there. Also, in 1Q on-call on ECL, you had mentioned that the total ECL impact will be INR11,300 crores, of which INR5,500 was provided. When in this quarter, we are talking about INR4,500 crores of residual provision, the total INR1,000 crores that has been provided from 4Q, 1Q, and 2Q, that is what you are adding in INR5,500 crores, or is there a change in that total number of INR11,300 crores? Just wanted to clarify that.

Nitesh Ranjan: No, so actually what you're asking is not very clear, but second part, I think I can understand and clarify again that, as per our estimate, the ECL impact will be INR5,500 crores when we transition, and to take care of that impact since the March quarter, including the current quarter, we have created additional provision buffer of INR1,000 crores to take care of the requirement of INR5,500 crores transition amount. The first part, what you asked, is not very clear, if you can repeat.

Rohan M.: On the second part also, I was asking that in 1Q, you had said that total ECL impact will be INR11,300-odd crores, of which you had already provided INR5,500 crores….

Nitesh Ranjan: No. That is not See, again, whatever we have been saying since March is the same thing, that around INR5,500 crores of transition impact. And to take care of that, since March quarter, we have been creating additional buffer…

Asheesh Pandey: Okay. I think now I understood. Probably there is some miscommunication. So, first we build INR600 crores additional…

Nitesh Ranjan: INR700 crores.

Asheesh Pandey: INR700 crores, then INR100 crores, then INR200 crores this quarter. Total INR1,000 crores, and it is not part of your profit, it is not part of your PCR, not part of your any CRAR. We have kept this INR1,000 crores while maintaining the best of the profit and the other ratios for the Union Bank.

I think that some miscommunication. Our transition will be for INR5,500 crores, and as Mr. Mundhra was asking, ongoing, still that all work has to be done. It is under discussion. Some interpretational issues are there. That is the reason that even the advisors and the consultant are put by all the banks into ECL, and the industry body, we all are in discussion. That will take time.

As far as your question is concerned, it is INR5,500 crores, our approximate working, plus minus maybe INR100 cores, INR200 crores here and there, but INR1,000 crores we have kept aside since last three, four quarters to meet out this ECL only going forward.

Moderator: Thank you. Mr. Rohan, please rejoin the queue for more questions. Next question comes from the line of Vansh Solanki with RSPN Ventures. Please go ahead.

Vansh Solanki: Yes, good evening to the management. So, my question is that you told that you have had $2.25 billion of FCNR deposit. How much of the FCNR advances we have given against this deposit? What's the number? Leverage.

Asheesh Pandey: Leverage, yes.

Vansh Solanki: How much?

Nitesh Ranjan: Approximately 70% is through leveraging.

Vansh Solanki: Okay. And also, one last suggestion from my side that you was giving the bifurcation of other income as a processing fees and commission and all, but from last two quarters, maybe you have stopped the bifurcation of other income. So please, if you can restart the same? That's from my side.

Nitesh Ranjan: Okay, we will consider…

Asheesh Pandey: LC, BG, and all those things. Yes. Next.

Moderator: Thank you. Mr. Solanki, please rejoin the queue for more questions. Next question comes from the line of Niteen S. Dharmawat with Aurum Edge. Please go ahead.

Niteen S. Dharmawat: Yes, thank you for the opportunity, and congratulations for good set of numbers. Also thank you for patiently answering for almost 1.5 hours now. My question is about the guidance, considering the fact that there is an interest tightening cycle which has started now. So, will there be any impact on our ROA and NIMs going forward? And what do you see where the trajectory is heading towards the end of the financial year?

Asheesh Pandey: See, with the increasing rate cycle, always it is constructive, as you have seen. So let me come back to the December when the repo was cut by 25 basis point, and March we suffered by almost 16, 17, which came down to 2.64. And after that, there was no change stance in the repo. But from there, we built 22 basis point up till now, and we are sitting at 2.86. So without any rate stance change, now only it has changed, and the impact has to come in the coming quarters.

So coming to the first thing is that since we could manage improving the NIMs and ROA without any stance change for last I think 9 months, from 1st of January till 30th of September, so we always believe to work hard and then come back with some good set of improvements in the efficiency. That is what we touched in my address also on the five pillars.

Now, since rate hike is there, we are confident that it will be have a positive constructive role in the NIM and ROA going forward. But at the same time, it also because our repo-linked book is almost 53%, 55%. So, it has to be conveyed, and it is conveyed, but at the same time, to make the asset quality, to keep the asset quality right, and have the competitiveness in the market at the right product level and the product range level.

Two things are different. Product is different. Product range is different which is scoring. So we have kept improving our rating above INR25 crores external rating, which you have seen, above 94%, 95%, and CIC score, which we have further improved by 1% this time. So, I think keeping in view all these things we are hopeful --not hopeful, so certainly we will be in a position to inch up on a better side on the NIM and the ROA side, on all efficiency ratio, let me put differently.

So, we expect that what sort of ratios and figures we have shown this time, we would like to defend and improve it further. So, I think this small sentence we keep on saying since January, that we would like to defend and keep on improving from here onwards. So, we still adhere to it.

Moderator: Thank you. Mr. Dharmawat, please rejoin the queue for more questions. Thank you. 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: Okay, so thanks a lot. The last quarter was a happening sort of a quarter for the entire banking industry, entire economy, as such, as far as our country, our Bharat, our Indian economy is concerned. We saw the advent of FCNR, so we saw various things coming into play. Even there were negative side, geopolitical conflicts, West Asia conflict, and the oil prices coming down, moving up, then again, the rate hike cycle being towards moved.

I think these are happening things, and but at the same time, with the due interventions at the right time with the right perspective by both government and Reserve Bank of India, I think as in economy, we could sail through, and the entire banking industry, we could sail through. And

As a Union Bank, certainly, the numbers are in front of you, and we could adhere to what we said. It's a very simple thing.

And here again, when we move to the next quarter and move towards M27, we certainly believe that keeping in view the same set of circumstances going ahead, the team is doing good, team is working well, and we still say that the numbers which we have shown, we'll like to defend it and move it further better. So, with this, thanks to all of you for giving your precious time for this meeting.

And we always welcome our investors that you give suggestions to us. And with your suggestion, we note it down actually, and we try to work upon that too, so that we come with some more improvement next time. And as I said, I invite all of you for our unit, Union SUDARSHAN. It is very unique of its kind in near next to Bombay Stock Exchange. It is one of its kind to see.

It is very pervasive, and probably what we are saying here, you will be in a position to understand. And Our RFP, which I shared with you, is already in our website, Section 3, Page Number 30 to 35 in Project Muskaan. I think that also gives some color, and there is something in pipeline the next quarter on the new initiatives. But still, we are waiting for some more connections to happen from the various economic participants, and we will be in a position to share with you in between as well whenever the things happen or maybe next quarter when we meet you. Till then, we are thankful to you, we are grateful to you, and we are obliged. Jai Hind, Jai Bharat. 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.