"Union Bank of India

Earnings Conference Call for the period ended June 30, 2026"

July 15, 2026

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**Moderator:** Ladies and gentlemen, good day and welcome to the Union Bank of India Earnings Conference Call for the period ended June 30, 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 touchtone phone. Please note that this conference is being recorded.

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

**Ajay Bansal:** Thanks, ma'am. 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 June 30, 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, uncertainty, and other factors that cause the actual result to differ from the statement. 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, thank you Mr. Bansal, and with great pleasure, I welcome all our analysts and the investors on this con call to Union Bank of India, your bank, financial results announcement for the quarter ended 30th June 2026. So to have a more Q&A and understanding, I would not go much, but as of, you know, all of you know, so to just set a context that what the economy we are in and what are the disruptive situations happening across world and how it is impacted, the Russia-Ukraine conflict.

So but at the same time, our country is well-poised with the various proactive efforts taken by the policymakers, the Government of India, all the regulators, Reserve Bank, and the various state governments as well. So, I think we are resilient, and we are in a position to navigate the impact of oil prices, trade linkages, logistics, currency, and rate movements.

So I think with this, the analyst or press meet for last three quarters. So we were very clear in communicating that your bank is working upon five pillars. The first is Efficiency, second is Robustness, third is Quality and Sustainable Growth, fourth is Profitability, and fifth is Customer Centricity and ease of doing business for staff.

And equally, we are having weightage to all these five parameters. And I think the improvements which you must be observing quarter-to-quarter from December 2025 onwards, are aligning to these five pillars only.

So we had also informed you that your bank has done like, you know, the bank is now various structural changes also taken place in some of the things like on technology, on operations. Project Muskaan we are running, we have which has now we are getting the real good green shoots of it. Meanwhile, we have created certain verticals like ecosystem banking.

So public sector banking, I think we could achieve within last six to seven months is now that entire sourcing of business is separate where we are having 1,200 plus people as a ecosystem banking vertical headed by CGM and then he is having seven-eight GMs and then 14 DGMs and then around 1,200 people, 118 centers and 12 hubs.

So these people are neither related to administrative work or nor related to the branch work. They are totally in the relationship management and that is why the CASA we are in a position to sustain from June 2025 or March 2025 or September 2025 levels.

And if we speak certainly even for the June quarter very well that we when we talk about, you know, the low-cost deposit, we talk about CASA plus RTD. So CASA even in the June quarter, I can give you the average figures is around INR24,000 plus crores average CASA we have maintained during the quarter and RTD we have maintained average as a INR17,000 crores, total put together INR41,000 crores.

Around we have shed off around INR18,000 to INR20,000 crores of bulk deposit, but shed off doesn't mean that we are not taking the deposit. We are taking the deposit, but in the last—the first thing is that we have a capital base of 18.46%, a robust capital, and March 2025 somewhere in that we were at 74% level and today we are at 86% level, it means around 12% growth. So it gives a good sort of a leeway, that is why efficiency is maintained and we are in a position to come with some better figures as we promised to all our investors earlier.

So even now, I would not like to give figures, but even today our average CASA figures are better than the June 30th CASA figures because that is what I am saying about the about the vertical which we have created. The NACH registration which we were doing around 12,000 to 13,000 per day is increased to 18,000. So there you can think of because the fee-based income and other things are generated through all these activities.

And almost in a quarter more than 200, if I am not wrong, corporates we are integrating so that our stickiness, as in the press meet told by our CFO, he will again in brief he will tell, but it is around 95% somewhere to 99% stickiness in advances, in saving, and the current. So I think that is a good color which gives that we are the bank is now what they said is working upon the average figures.

Now in this quarter, we also got excellence some award, IIBF excellence in governance and compliance, TransUnion CIBIL award for best data quality bank, IBA award for cybersecurity team, and Economic Times Enterprise Security winner for data privacy. So I think these are the something because we believe that business first and compliance always.

If we plan to grow another INR5,00,000-INR6,00,000 crores from here, so we should have been on the various robust base rather than only on the superficial foundation. So that is the reason we are working a lot. Our presentation is very clear on the things which we have done last six-seven-eight-nine months, and we have told in each of our analyst and presentation call that what we have steps we have taken. And we also said that it may take nine months to one year time to get into it.

And the first thing is that this is the highest ever profit, even in March we told highest ever profit, highest ever dividend. And even the Q4 ROA was 1.36. So last three quarters we are maintaining the ROA of 1.36. This time, yes, cost-to-income we told we are working hard on it and almost 500 basis points, 5 percentage points we have come down.

OP is almost high for the bank for this crossing INR8,000 crores. Even the NIM is the highest level crossing INR10,000 crores. And the other ratios certainly you have our presentation, the GNPA, NNPA levels are again one of the best. So now I can say that your bank has come to a real foundation where we are now in a position to take forward very nicely.

Coming to the growth in advances and other places, you have seen we have clocked a good growth. First quarter is slightly sluggish for everybody, but the first quarter is also in banking industry generally gives a negative color on the slippages and the SMA position. But then your bank is I think the best of the numbers, even INR1,000 crores less than the March figures, around INR2,800-odd in SMA 0, 1, 2 above INR5 crores.

I think that's also one of the good color which gives 99% around CIBIL score. So we are shifting from lower CIBIL score to upper CIBIL score. That is what you will see in the presentation. Even INR25 crores and above when we talk about the external rating, so we are maintaining that. So we do not want to compromise on the quality at any of the cost.

But at the same time, the industry level growth plus 1% we aim forward and certainly we look for now up to now we said we would like to defend NIM, but then from here we would like to improve upon the NIM. So defending is for sure and improving is the aspiration from here further more.

And coming to the deposit, it is not like deposit we are not taking because there are various maturities over the year, spread over the year. This time also we have taken INR30,000 crores-INR40,000 crores of deposit, but our first choice is CASA and RTD. So this is where we are trying to build because -- actually because of this strategy only the deposit cost has reduced by 18 bps.

I think that is the notable feature for this quarter which has also helped the NIM and other important parameters. So I think with this, I would like to give the platform to all the investors, and you may ask the queries, your, and will like to answer that during the con call itself. So over to you, Mr. Bansal.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. We'll take our first question from the line of Mahrukh Adajania from Tara Capital. Please go ahead.

**Mahrukh Adajania:** Hello, sir. Congratulations. Sir, my first question is on deposit growth. So you explained very well on how you've been shedding bulk deposits, but the gap between deposit and loan growth is quite wide for us now. So when do you see a pickup in deposit growth? Because the gap has to be bridged, right, at least to the sectoral level. So that's my first question. And my second question is on FCNR mobilization. How much do you think you can mobilize and what's been the mobilization so far?

**Asheesh Pandey:** Okay. So thank you so much because it is your bank, you are the investor. We are the custodians. So always I say to you, I know you for very long and I always say like that. See, the deposit growth is not at all an issue if we ask. The CASA and RTD is an issue. So, I think we are actually hitting on the grassroots level of the issue. And there itself, it is not like, if we talk about bulk deposit shedding, it may not give a good color.

The right set of colors is that first our own capital we are sitting at 18.46% levels today. And if you see the June '25 or March '25, the CD ratio was 74% and today 86%. So 12% and how much 1 percentage it caters to? 10,000. So you can think of around 1,00,000 we could build straight away from our capital itself. So that is the first moot point. The second one is that we are also in my commentary or introductory brief, we have told we are working a lot hard on the CASA and RTD and stickiness, which we have answered. So that is also now not an issue. And the bulk deposit, it is not like we are not taking. So we are taking it, but the thing is that our first priority is very clearly the CASA and RTD. But yes, going forward, as we grow, we need to we will be taking.

So already we are taking, we will be taking, but then we'll be taking where our -- the CASA and RTD to an extent that supports over and above we will be taking bulk deposit. And because the bulk deposit to the total deposit ratio was around 27%-odd which has come down to 19%-odd something. So it means around 7.5% to 7.9% we have reduced and that's the reason the efficiency is coming on.

And going forward, it is not -- see, we have to see the total deposit. So, going forward our aspiration maybe it may take one year, two year, three year down the line, but to bring below bulk deposit to 1.15 percentage points. So that will give more stability to the bank on the funding part, on the pricing part, on the cost of deposit part.

And certainly, let us look the most important pillar madam, which is LCR and NSFR. LCR our stands at average 121 basis points and our board approved is 107, RBI threshold is 100%. And 1 basis point means INR2,000 crores approximately, roughly. So 21% means around INR42,000 crores we are in a liquidity position comfortably.

So we are sound enough on that. So certainly we have gone with the level where we required, we have taken the deposit. But going forward certainly because now CD ratio has also I think almost it has optimized. So going forward we will be taking the deposit and certainly it will be when we say the advances it will continue 12% to 13% or plus some levels because we would like to grow with industry plus something on the credit growth.

So certainly in the similar range minus 2% somewhere deposit growth will continue. Coming to FCNR, I think this is also core related question to the first one. The FCNR we have already done 106 million up till now and we have not done any leveraging up till now, but we are in talk and we'll be going forward with that.

And we aspire to not aspire, but it is an achievable we will be in the position to garner 1.5 to 2 billion going forward till September. So this is the color on the FCNR and OFCB around 200 to

300 million we plan on that route. So this is the total plan on the scheme given by the Reserve Bank of India and the government.

**Mahrukh Adajania:** Okay, sir. Thank you. Thanks a lot.

**Moderator:** Thank you. Next question is from the line of CA Dr. Ashok Ajmera from Ajcon Global. Please go ahead.

**Ashok Ajmera:** Yes, thank you for giving this opportunity and compliments to you, sir, Asheesh sir and the entire team for a good set of numbers, especially on the profitability front. Even in the first quarter also you have matched the profit, rather improved it by about INR100 crores, which is good, heartening to note.

And even the NIM is also is very healthy as compared to the last quarter and even otherwise also. So my compliments on them. Sir, having said that, I have got a again the same one major concern is about the business growth, overall business growth and especially which is linked with the deposit and the credit growth.

So the same question which Mahrukh had asked about deposit front. You said you are comfortable on capital adequacy wise, but sir if we compare with the even industry also, I think in the overall business growth as well as the credit, I think we are little bit lacking which was never used to be a phenomena 1.5 years 2 years, 3 years back in the Union Bank.

So having said that, what can I mean what can be done to increase the number because now you see even in the first quarter also some of the banks which have declared the results have given very healthy numbers of the credit and overall businesses also. So on this, little more elaboration, little more like kind of a foresight from you would help in understanding the future of this bank. So this is my first question, sir?

**Asheesh Pandey:** Okay, thank you so much Ajmera on both the things. We have already answered on the deposit growth to madam Mahrukh and to all the investors. And let me tell you when we talk about 1.5 to 2 billion on the FCNR front, how much it comes to Indian rupees approximately? Around INR20,000 crores.

So when certainly you have a roadmap for this quarter itself because this scheme is for September only. But then our main focus is the CASA and I think let us understand in total deposit there are three factors.

One is the CASA, another is the retail term deposit, then bulk deposit. So I think in CASA and retail, there is a huge growth in Union Bank of India. So I think that is one notable remarkable feature quarter-to-quarter. You can compare from the March to June to September to December and to March and again to June.

So even in the average you can see there is a lot of improvement. So and stickiness in the press meet certainly our CFO has told stickiness in saving, that is stickiness means the average figures to terminal figures of the quarter end. And again I will request him to inform all the investors on that count.

But let me tell you that all these things are to manage structurally manage efficiently our funds. But then it cannot be endless. So going forward we are taking deposit, we will take and certainly you will see like see this was actually the anomaly which was there which we have tried to rectify and improve upon the efficiency.

Now when you talked about the other banks also or maybe the other organizations and we compare to Union Bank. So like the cost-to-income like the cost of deposit, like the NII now and ROA. So there we could build the efficiencies. But then certainly going forward as we grow move from quarter-to-quarter till this year end you will see the same because we are in the industry from somewhere money will not come.

Money will come in the market only and certainly we are there to cater it. And when we say and when you talked about credit growth and certainly the Q4 growth you have seen is one of the best. It was around 7%. So there is no doubt in the growth on the credit front. And certainly the first quarter remains a bit.

But going forward, even we have almost more than INR1,00,000 crores of a sanctioned, but not disbursed pipeline in the corporate itself. And RAM sector we have now come up with the cluster scheme, we have come with the Agri Unnati scheme. So we are come up with the various schemes in the MSME and agriculture and retail.

So, we are very sure that not only 11% to 12% or 14%, but we aim to move better than 18% to 20% in these three sectors going forward. And that's the reason we were surplus, earlier we were in deficit in Agri and all. But last quarter we have sold very good IBPC and we have booked good income. So certainly this all this shows that we are we are in a position to make a growth and we have good visibility on the growth. So certainly with that credit growth, the deposit will follow in line with that.

**Ashok Ajmera:** Sir, quite well taken, sir. We are well-wishers of the bank and would definitely like it to be in line with on every parameter as the other banking industry on the whole or rather do better. Having said this, sir, there is a little concern on the recovery side because our recovery from the written-off account in this quarter is almost half of the March quarter, which generally the good quarter, I understand.

And secondly, the provision NPA provision has also gone up substantially, INR2,020 crores from INR420 crores in the March quarter. And similarly, if you see the SMA 2 numbers, overall SMA numbers have come down as you said and as we can see, but the SMA 2 has gone up by almost INR350 crores.

So overall do you see some kind of little stress in the some of the MSME accounts or some other accounts? And something if you can give the information on the ECLGS, this new ECLGS, how much is the entitlement of your all the customers and how much money has already been disbursed on that?

**Ramasubramanian S:** Yes, namaste sir, Ajmera sir. Regarding the recovery, if you are looking at it, March quarter and this quarter if you are looking at, in March quarter there was one bulk was there, I think everybody knows it, the Supreme Court order for one of the account where we got a good recovery.

If you remove that, more or less we are in tune with that because as already also we have explained, the bigger cases are not coming out actually, there is nothing much in the NCLT has more or less dried up. Everything now we see being done through OTS, we also having a SARFAESI, Lok Adalat like that only there is new things only we are trying to see that the how to recover the remaining amounts.

So recovery the city itself has been coming down. The slippages is not happening to the large extent. Slippages also we have been controlling the slippages to the great extent and there was not much slippages. So the recovery whatever it is there, we our there is a good team which is taking care of that. That is number one.

Regarding the stress in MSME, yes, it was there -- it is there and it's going to be there because the MSME are depending on mainly on our economy. When the economy is very, very in a very unstable condition, automatically there will be stress on the MSME portfolio. But one thing is it's been quite well managed by the bank overall and government also has helped us with this ECLGS scheme where they will be able to get able to help the MSME sector to a large extent.

And if you look at it, our stress in MSME sector also it is on the low value ticket, not on a very medium or high value ticket there is not much stress. The low value ticket which is more of a state-sponsored or schemes only we have it, which are all quite covered with the guarantee cover from the government also.

And regarding ECLGS, if I can say that we are expected to disburse around INR14,000 crores to INR15,000 crores on the overall and already we have completed around INR10,000 crores disbursement in that.

**Asheesh Pandey:** So, I think when we are talking about SMA figures, see, we are INR1,000 crores less than the March figure. Generally you will see heightened stress and slippages in the June quarter, Ajmera sir. But fortunately, and with all good hard work and strategically, managed this entire portfolio on asset quality, we are the actually lowest on the SMA, which INR2,800 crores odd amount. So that is point number one.

Point number two, our recovery is more than the slippages. I think that is also quite important point, second point, in the first quarter itself. The second is that even though if you, reduce that the major one which came and in the last quarter, last year and last quarter Q4, and straight away, not only that by putting our own money we have put INR700 crores of the additional provision, which is nowhere part of Tier 2 or part of your profit or part of your PCR.

And this time also again we have put INR100 crores. So it means total INR800 crores and I think any shareholder, investor, or any stakeholder for that, whether regulator or Government of India, will feel good that when ECL guidelines are in place and we are going to move, now already four months are over, and the bank has kept INR800 crores aside today itself. I think that is a very good sort of a clue to each one of the stakeholders.

Like, one more thing I would like to because the MSME is a very important part of the economy and we take this very seriously. And Ajmera sir, what we have done this for information to all the investors here listening to us, because the government was also keen to know the impact of

West Asia and other things happening on this MSME and also the Reserve Bank was also very, cautious.

So we have done all the 140 regional offices, we have conducted MSME customer meets. And for almost 1 to 2 hours, ranging from customers from 15 to around 30. And in all those meets, our people virtually has joined Chief Economist of the bank and GM MSME. And one-to-one as per their business we asked them that what heat they are facing, whether on the input cost or on the fuel cost or maybe on the logistics cost or orders or delayed what not.

And we have compiled that actually book and we are working upon each account, whether we have to make to give ad hoc to them, whether we have to do fast review renewal for them for delayed, where RBI relief measures has to be given immediately to them, ECLGS. So ECLGS when you asked INR12,000 crores is our sanctioned book and disbursed is INR10,000 crores and certainly it is currently the time period, it is there, so we'll be in a position to cross going forward a good amount.

So that is the reason we did this study and this study we have done for two months and it was like our regional head, zonal head, MLP means that MSME loan point head and their team, all have we have set these people and then we have tried to get the clues. And we are trying to handle those MSMEs with this.

So the thing is that if there is a maybe a stress it may come, but proactively we are engaging with our customers and ensuring that does not creep in into our Union Bank business. Over to you, Ajmera saab.

**Ashok Ajmera:** Yes, sir, no, this INR10,000 crore figure because I was in fact I am driving to that point only that out of the total about INR18,000 crore total credit growth, net credit growth in this quarter, I mean INR10,000 crores according to you has gone in ECLGS disbursements only.

**Asheesh Pandey:** No, I think that is not correct, because ECLGS disbursement happens in the CC account. And it reduces your CC. So we have done a great analysis. Let me also tell you that not only MSME or small people, even the big corporates have taken ECLGS. And why they have taken that, you know, they want to sit on cash. It is not that they are in stress. It doesn't mean that this INR10,000 crores or maybe any other bank who has sanctioned more or less than this amount, it means it is going to stressed amount.

But the thing is that today we are in a society which is much more informed, much more calculated, and they don't want to take risk which has happened during COVID and other period. Now when this scheme came and when they saw the heat on the input and other cost, they immediately took the benefit of this and took this disbursement in all the CCs. As per the rule also it was to go in CC.

So it reduced the balance on the CCs rather than -- so that calculation probably mathematics would not work here that if 18,000 crore growth is here particularly, then ECLGS 8,000 crore or 9,000 crore has actually set off. It reduced our CC balances and most of them are sitting on it so that in case of any eventuality, they will be in a position to make good of themselves. And also, they don't want to leverage much, taking ECLGS on one hand and then utilizing that money for some other hand and then coming into problem.

So, most of them, we also discussed independently when we did this exercise, means we did this exercise wholeheartedly across the customer base, across India. So I think 2,500 plus MSMEs we have done this exercise. So outcome is very clear, it is not that equation that as we are thinking it has gone to CC and it has reduced the CC. It is on the infra also there were some repayments because everybody, you know, that after March quarter it comes as a repayment from and it is a bigger balance sheet it comes.

So it is across, but yes, gold we have not grown and cautiously we have not grown and that dent has actually done around INR2,500 crores to INR3,000 crores.

**Ashok Ajmera:** Yes.

**Asheesh Pandey:** And now we are building because we wanted to abide by the regulatory guidelines, we don't want to do the business in in hurry and then become a non-compliant. So we have worked a lot last two months on the gold loan, agriculture, and what other prescriptions, regulatory prescription and how to go about it.

**Moderator:** Sorry, Mr. Ajmera, I request you to join back the queue please as we have participants waiting for their turn. Thank you.

**Ashok Ajmera:** Okay. All right, thank you.

**Moderator:** Next question is from the line of Kunal Shah from Citigroup. Please go ahead.

**Kunal Shah:** Yes, thanks for taking my question.

**Moderator:** Kunal, sorry your audio is not clear. Please use your handset.

**Kunal Shah:** Yes, is it better now?

**Moderator:** Yes, please go ahead.

**Kunal Shah:** Yes, so the question was on provisioning again, maybe almost like INR1,000 odd crores of NPA and coverage has also dropped and we see a much higher write-off as well. So is that number more to do with the write-off, maybe the provisioning towards the write-off and then the account getting written off because that quantum appears to be slightly higher as slippages have just been flat, but still we have seen almost INR1,000 crores of NPA provisions?

**Dhirendra Jain:** So slippages as you must be observing, the slippages are almost flat Q-o-Q, but the write-off is higher and to maintain the gross NPA and to have the proper tax planning, we need to write off. If you look at my Q1 number of write-off, it is almost in this quarter Q1 previous quarter previous year Q1, the write-off amount is almost aligned.

**Kunal Shah:** So this is just a quarter phenomena, it will not continue.

**Asheesh Pandey:** No, it will not continue, Kunal. I would put it differently. If you see all our ratios, it is all one of the best. And also the profit is the one of the highest levels. So now when everything is there and certainly, you know, we need to clean the balance sheet. So wherever possible, we take that stance of cleaning the balance sheet. Even that INR100 crores we have put additional, so now it is earlier last quarter was INR700 crore and this time INR100 crore plus means INR800 crores we have put set aside for the eventuality of the ECL going forward.

So I think this gives a very good colour that you know, yes, if provisioning would have impacted the profit and the ratios, probably it would have been correct, that apprehension would have been correct. But the question here is that we are at 1.36 and the NIM has improved to 2.80, all the ratios are better and highest particularly for the Union Bank of India. So I think keeping those in view, we also need to clear the balance sheet.

And then certainly when we clear the balance sheet more and more and we become more stronger, I think. And when we do recoveries, so recovery if I take which is very bare minimum which we have done this time is INR750 crore. So 750 into 4 it comes 3,000. So certainly it will be more around INR4,500 crores to INR5,000 crores in the entire year, which is again much more than the last year, though there was a TWO recovery I am saying. But as far as total recovery is concerned, it's much more than the slippages. Even our tax provision we have doing fully, so it is around INR1,691 crores. So, it is INR1,691 crores of tax provision also we have done on the operating profit because we are at highest operating profit of INR8,003 crores. So on that basis around 21% we have taken and provided for.

**Kunal Shah:** Got it. And the second question was when we look at cost of deposits because of the run-down in the bulk which is down by almost like 20,000 odd crores, there is some savings on cost of deposits, it's down by almost 18 odd basis points. But cost of funds is still steady. So we don't have that borrowing number, so was there anything on the borrowing side wherein cost of funds are still remaining generally flat at 4.37 during the quarter?

**Asheesh Pandey:** See, there are certain Tier 2 bonds which are of prior period which are at higher cost. One we have shed off during this quarter at INR850 crores. And in this quarter again I think we have INR2,500 crores and some of them are at even 9%. So, I think going forward you will see that, 8.7% is the blended rate and we are already sitting on 18.46 of capital. So certainly, we want to reduce and I think going forward you will see both, getting reduced.

**Kunal Shah:** So INR2,500 crores raised at the blended rate of 8.7 during the quarter?

**Asheesh Pandey:** Yes, it is that call option we will exercise.

**Kunal Shah:** Okay, got it. Thank you.

**Moderator:** Thank you. Next question is from the line of Dixit Doshi from Whitestone Financial Advisors. Please go ahead.

**Dixit Doshi:** Yes, thanks for the opportunity. So, my first question is, last year we had zero PSLC income. This year there is a sharp increase in the fee-based income, so if you can mention how much we have done in the PSLC this quarter? That's my first question. And can you give some estimate about the ECL provisions requirement from next year?

**Dhirendra Jain:** So PSLC last year this quarter was zero, this year this quarter is INR217 crores.

**Asheesh Pandey:** Actually, we did PSLC in the last quarter, not corresponding. So, it was INR100 crores, but then in a year it will come. But this time we since we December quarter and March quarter we worked a lot, so we had excess, so that is where agriculture, SMF we have sold it around INR217 crores.

The second one, ECL is around INR6,000 crores total, the total requirement is around INR11,300 crore, but we are carrying INR5,500 crores of additional provision. INR6,000 crore is additionally required which I think which even if we take on one -- it will be decided in the board and other things, but then one quarter I think, but then there is a regulatory, forbearance for I think many quarters, so we can decide over there and go. INR800 crores already we have put in the balance sheet is an even today.

**Dixit Doshi:** Okay, so this INR11,500 crores is total requirement, and you are saying that INR5,500 crores we have already done. So that INR5,500 crores include this INR800 crores, right?

**Asheesh Pandey:** So, around INR6,000 crores is remaining.

**Dixit Doshi:** Around 6,000 crore. So, are we planning to do more in the remaining three quarters this year itself? Because you are saying that, provision for NPA was a Q1 phenomena and maybe next three quarters provisions for NPA would be slightly lesser?

**Asheesh Pandey:** See, I would not go for it because now we require is only INR6,000 crores approximately. And INR800 crores we already have. But we would like sustainable business growth, sustainable profitability and sustainable all efficiency ratios, this is our first priority. And after that even if we are remaining with something, we will keep on building, but now nothing is remaining, only three quarters are there.

And not even three, two quarters are there because this has to be done somewhere in the 31st of March before that, no? Because from 1st it is applicable. So, all the banks' board will decide upon the approach they are adopting to handle this. So, I think we are very comfortable on that.

**Moderator:** Mr. Dixit, I request you to join back please. Thank you. Next question is from the line of Anand Dama from Nuvama. Please go ahead.

**Anand Dama:** Sir, thank you for the opportunity and very good set of numbers. Sir, my first question is that, I think you talked about the ECL impact of about INR11,500 crores, but what would be the annual run rate that we should see once I think we have implemented on the 1st April 2027?

There will be an annual impact as well, whether that will be 5 basis points, 10 basis points, 15 basis points, how much have you assessed that's going to be the annual credit cost that you're going to just see only because of ECL?

**Asheesh Pandey:** The thing is that what we are saying INR11,300 crore, this putting on both treasury and as well as on the credit side, putting both, one-time. And then ongoing it will be like, the stages where we can add each month. So, it will have both positive and negative depending upon your portfolio. So, the thing is that we are actually right now we are working upon that and that is why we could contain our stress level at this even June, INR2,800 crore.

**Sowmya Sridhar:** Even if we even if we absorb the entire thing in the year one, which is the 2027, from 18.10 which was our 31/3 CRAR, it would just go down to 17.54. So even then we would be very comfortable. And going forward of course we have a provision of adding back each year and we can phase it out over the next four years. So, in any case we will not be not much bothered about it.

**Asheesh Pandey:** That model we are configuring and we have taken EY and OFSA from Oracle. I think that figure we are working, but that we are not finding very I think sizable and difficult for that. Anandji.

**Anand Dama:** Okay, sir, I think you can, yes, certainly you can work around and let us know what is the final amount because there was so much of disturbance I could not get if you said any figure what will be the annual run rate of incremental credit cost that you should have because of ECL.

Nevertheless, sir, second, my question was that we have seen farm loan waiver in the state of Maharashtra, we have sizable exposure on the Agri front in Maharashtra. Then there is an ongoing stress which is there in MSME, I'm sure part of that ECLGS possibly would have taken some part of that stress out.

But still do you see some asset quality issues on the go and because of which you made some additional provisions during the quarter? What is your broader sense on the asset quality outlook, particularly in MSME and the Agri sector?

**Asheesh Pandey:** See, one good thing is that as far as agriculture is concerned, in our bank it is totally spread-out Pan India. And because of the e-Andhra Bank and e-Corporation Bank, we also have a good sort of an exposure in Andhra Pradesh, Telangana and Karnataka and certainly for Union Bank in Bihar, UP and MP and those states which are more agriculture driven. So, I think, you know, Maharashtra we did not actually felt any impact up till now. But yes, the date is fixed and finalized, and the data is submitted.

So, I think it is going to give a positive sort of, you know, because whatsoever we wanted to we have already done it, provided for. So, it will give a positive impact going forward when it is being reimbursed. So, on agriculture front here in this case we are not worried.

**Anand Dama:** And on MSME front?

**Asheesh Pandey:** MSME I briefed, I think a too lengthy discussion that we have carried out, 140 MSME customer meets pan India and it's a very big report, huge report, and actual report. So, it has really given a very good insight, and we are dealing with now, actually many banks you will see that generally like, you know, the Paracetamol given to every patient.

But then we have discussed, we have done this exercise for two months and our Chief Economist herself has sat with GM MSME. So, we are giving wherever Ad-Hoc is required, wherever RBI relief measure is to be given, ECLGS to be given. So, we are actually deploying this course of action and we are monitoring centrally. So MSME also we have not seen anything negative up till now. Let us see going forward.

**Moderator:** Thank you. Next question is from the line of Jai Mundhra from ICICI Securities. Please go ahead.

**Jai Mundhra:** Yes, hi, good afternoon, sir, and thanks for the opportunity. Sir, I wanted to check on the overall growth, right? So how do you see overall growth panning out and within which, you know, corporate do we still maintain the policy of zero IBPC or, you know, you see a bit of an opportunistic opportunities there? Overall growth and within which corporate.

**Asheesh Pandey:** So certainly, the industry whatsoever is going plus 1% is minimum what we are thinking and we'll grow with that. And we are in that line, already corporate book we have INR1,00,000 crores plus sanctioned not yet disbursed. And in stages it has been happening. And so that is not an issue. We told we are at - domestically I am talking - 57 to 43 levels and we'll continue with that. IBPC, we do not want to even hear it.

So, there is no question of going for an IBPC. And we are self-sustained, let me tell you that I think last eight-nine months we would have underwritten more than INR70,000 crores of corporate book. I think you can give some color on the corporate.

**Amresh Prasad:** No, sir, IBPC is not we are not thinking, we are thinking not thinking of buying it, we are selling it. That is what I wanted to add and that is what has been done in the first quarter.

**Jai Mundhra:** Right. Sir, the industry is now growing at 18%, 19%, right? So, we are currently at 13%, 14%. So that would mean that you will you aim to grow faster, 100 basis point higher than industry, right? Did I understand correctly?

**Asheesh Pandey:** So certainly, in the entire credit growth, if you take, we'll like to grow with the industry whatsoever is going plus 1%.

**Jai Mundhra:** Sure. That is very helpful, sir. And secondly, sir, on ECL you have given the estimate. I also wanted to check, sir, what is your all-inclusive, all-ticket size bank-level SMA-0, 1, and 2 numbers in rupees crore? Yes, sir.

**Asheesh Pandey:** So, it is given in the above INR5 crores we have already given I think INR2,382 crore amount which is the lowest as of now in our bank. And even it is lower than the 31st of March figures. And we have given both SMA-0, 1, and 2 in that.

**Jai Mundhra:** No, sir, I was checking at the bank-level number, so including below INR5 crores loans also.

**Asheesh Pandey:** Okay, we'll ensure. Sure.

**Moderator:** Thank you. Next question is from the line of Antariksha Banerjee from ICICI Prudential AMC. Please go ahead.

**Antariksha Banerjee:** Yes, hello, sir. I'm audible, right?

**Moderator:** Your volume is very low.

**Antariksha Banerjee:** Is this better?

**Moderator:** A little better. Please go ahead.

**Antariksha Banerjee:** Yes, just two things to clarify. One is this income-on-income tax refund that you have booked about INR532 crores this quarter. Can you give us the quantum that you had in last quarter and Q1 of last year as well?

**Dhirendra Jain:** It was INR562 crores in the March 2026, and you asked about June 2025?

**Antariksha Banerjee:** Yes.

**Asheesh Pandey:** It was INR14 crores only. June 2025 INR14 crores, March 2026 INR562 crores, this quarter it is INR532 crores. Yes, but one thing like June 2025 we had treasury income of INR1,439 crores which has actually come down to last two quarters which has come to 630, 640 level.

**Antariksha Banerjee**: Right, right. Sure. And the second point I wanted to ask is on PSLC. So, this INR217 crores of PSLC fee income that we have booked this quarter, how does the outlook look for the rest of the year? Do you think you'll be able to make that INR800 crores -INR900 crores for the full year or this is going to be the lumpy quarter?

**Asheesh Pandey:** Depending upon, you know, how we grow in the agriculture, particularly SMF, because SMF is more lucrative than any other portfolio. So, there are not many givers on that. So, we are planning on that, we already have implemented certain things, we are waiting for offshoot. So, we will see as we go ahead during quarter, because initially itself booking good numbers is also, I think a positive approach we have taken.

**Antariksha Banerjee:** So, is SMF most likely linked to gold loans, Agri gold loans, and therefore it is dependent on where gold price moves or is that not the case?

**Asheesh Pandey:** No, no, no. Actually, gold loan portfolio because we want to be very compliant, so we have done lot many changes in our portfolio. And if you see the gold loan portfolio March and this time, actually there is a de-growth of around INR2,500 crores to INR3,000 crores. So that is not. Actually, with real our growth in SMF and other parameters, we are going with that only.

**Antariksha Banerjee:** Correct.

**Moderator:** Antariksha, I request you to join back the queue please. Thank you. Next question is from the line of Param Subramaniam from Investec. Please go ahead.

**Param Subramaniam:** Yes, hi, sir. Thanks for the opportunity and congrats on the quarter. Sir, a question on the NIM, I think you mentioned that the NIM will improve from here. Firstly, I wanted to understand why did the yield on advances decline in this quarter, because I thought the rate cut transmission had happened? And secondly, what is the driver for NIM to expand further from here? Will it mainly be funding cost declines? Yes, that's my question.

**Asheesh Pandey:** Yes, see, it is actually domestic our yield on advances is 8.01%. I think, and the global yield on advances is 7.90%. So, I think that is where you are coming from. So domestic actually, we are working in a fashion which we have told, that many of our portfolio which was lower yielding, we have converted to higher yielding. So that's the reason we are actually thinking to improve upon the domestic NIM.

Foreign branches as you know more are syndicated and the down-selling is there. It varies from sometimes 100 to 130-140 levels. So there does not have come much. So, yield on advances going forward, certainly we think that it will bottom out going forward. And the NIM as we said because we were taken so many measures because NIM is the correspondingly parameter - related parameters are many. We have to act upon so many things.

So that is where we were saying we will defend and then the last quarter when we saw 2.64, we said it is bottomed out and we have come with 2.80. So, I think going forward you will see better than this position. This is what we aspire for. So, I would not say only defend, but you may see the positivity again from here.

**Param Subramaniam:** Sir, this 8.01, what was it last quarter, domestic yield?

**Asheesh Pandey:** That we'll provide. We'll get back on that.

**Param Subramaniam:** Sure, sir, if you could get back on that. Secondly, sir, very short question, your AFS reserve from -INR800 crores I think as of last quarter, where is it now, broadly?

**Omprakash Karwa:** It is at around -INR345 crores, so reduction of around INR438 crores.

**Param Subramaniam:** Okay, thank you.

**Moderator:** Thank you. We'll take our next question from the line of Nitin Aggarwal from Motilal Oswal. Please go ahead.

**Nitin Aggarwal:** Yes, hi, thanks for the opportunity. So, first question is on the LCR ratio. There is good improvement that we have seen this quarter. So, is it possible for you to quantify how much of this benefit came from the new guidelines?

**Asheesh Pandey:** Yes, if I remember correctly, there were three major things: one is through the internet, and means on the saving bank and all. I think you made it. So, there was some benefit of I think INR5,000 crores around some benefit I remember because last time there was a question on this which we answered. I think it was around 3%, and if I recall correctly then the amount turns which was around INR4000 crores - INR5000 crores. We will give you exact figure because there were three pillars which impacted. One pillar was negative, two pillars were positive and the net was positive to us. And there it also helped somewhere. Society, trust was one issue and another was decrease in run off factor.

**Sowmya Sridhar:** On society, trust AOPs there was a reduction from 100% run-off to 40% run-off. So, net it was around INR4,500 -- 2.5% to 3%. That was the net.

**Asheesh Pandey:** Nitinji, we got 2.5% to 3% of the net gain from that.

**Nitin Aggarwal:** Got it, got it, sir. Thanks for that. And the second question is on credit-deposit ratio. Over last one year, we have seen a 700 basis point odd increase in credit-deposit ratio. While you are guiding for a higher than the system growth, how do you watch out for this number? What is a comfortable range that you will want to operate at?

**Asheesh Pandey:** See, it was around March, 74 levels which is around 85-86 levels now. So, it is almost 10 to 11 basis point, percentage basis it has increased. So, I think this is a good comfortable range. We will not go much beyond that. And that is why we said we wanted to build efficiency. We have tried and I think we are successful in that.

And then going forward, our aim is to build the deposit, first is the internal from the CASA and retail and secondly from the bulk. But at the same time to contain cost as we have done this time, 18 basis point we could reduce this time and to improve the NIM. So, this is the three triangle I think which we are working upon that.

**Nitin Aggarwal:** Sure, sir. Got it. Thank you so much, sir.

**Moderator:** Thank you. Ladies and gentlemen, we will take that as a last question for today. And now hand the conference back to management for closing comments. Over to you, sir.

**Asheesh Pandey:** So, I think first of all I am grateful and thankful to all the analyst, all the people in the analyst call and your queries. Actually, your queries gives us some color, to improve upon. You may not say directly, but then asking on that and that is where we write it down and we work upon that. And I always in any of the last I think six years, I always ask the analyst to give us their feedback so that where we have to improve where we can.

So, I think if we see the credit growth in the Q4 also, we were at around 7%. So, if we take annualized it is very huge. And even now when we have said that we have underwritten INR60,000 crores to INR70,000 crores and we are down-selling it. So, we are comfortable, so the credit growth we are not bothered anyway.

The deposit, yes, we are bothered only on the retail and CASA because we do not want to go down from here. We want to sustain the CASA growth whatsoever we have achieved. 2% is not an easy thing for within nine months to one year. And the retail term deposit as I had given the average figures also. So INR41,000 crores average we have increased from March 31st to June 30th.

I think these are the positive sign. And certainly, going forward as I said to one of the analyst that the triangle is that we want to improve NIM, the second is we want to reduce cost of our funds, and the third is that whatsoever deposit is required or the resources is required, it continues to fuel the credit growth, but certainly while maintaining CD ratio in the acceptable range and LCR in the acceptable or comfortable range, that is 121, it is quite good, and NSFR.

I think these points which I am saying is again yielding to the five pillars on which I started: Efficiency, Robustness, Quality and Sustainable Growth, Profitability, and Customer Centricity and ease of doing business for staff equally given weightage by the board of the bank and all WTDs is sitting in front of you and the entire senior management sitting in front of you.

With these words, we are thankful to you for having not only trust but belief in Union Bank that what we say we come out with that and we want to strengthen, make the bank more robust so that if any hiccups comes because of any external shocks, we are in the position to sail through very nicely and very quietly. With this, thanks to all of you for joining this investor call and any query you are please feel free to mail us and whatsoever we have told to give you the figures, we will be giving you after this meeting. Thank you so much.

**Moderator:** Thank you members of the management team. On behalf of Union Bank of India, that concludes this conference. Thank you for joining us and you may now disconnect your lines.