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महोदया Madam/महोदय Sir,

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

<p>यह सूचित किया जाता है कि 30 जून, 2025 को समाप्त तिमाही के लिए बैंक के अलेखापरीक्षित समीक्षित (स्टैंडअलोन और समेकित) वित्तीय परिणामों के लिए 19 जुलाई 2025, को आयोजित पोस्ट अर्निंग्स कॉल के ट्रांसक्रिप्ट को एतद्वारा सर्वेबल पीडीएफ संलग्नक के रूप में प्रस्तुत किया गया है।</p> <p>इसे बैंक की वेबसाइट पर निम्नलिखित वेब लिंक के माध्यम से भी उपलब्ध कराया जा रहा है:</p> <p><a href="https://www.unionbankofindia.co.in/en/communication/financial-results">https://www.unionbankofindia.co.in/en/communication/financial-results</a></p> <p>यह जानकारी सेबी (सूचीबद्धता दायित्व और प्रकटीकरण आवश्यकताएं) विनियम, 2015 की अनुसूची III, भाग ए, पैरा ए, 15 (बी) के साथ पठित विनियम 46(2)(ओए) और विनियम 30 के संदर्भ में प्रस्तुत की गई है।</p>	<p>This is to inform that transcript of Post Earnings call held on July 19, 2025 for Reviewed Unaudited (Standalone and Consolidated) Financial Results of the Bank for the quarter ended on June 30, 2025 is submitted herewith as a PDF searchable attachment.</p> <p>The same is also being made available in the Bank's website under the following web link:</p> <p><a href="https://www.unionbankofindia.co.in/en/communication/financial-results">https://www.unionbankofindia.co.in/en/communication/financial-results</a></p> <p>This information is furnished in terms of Regulation 46(2)(oa) and Regulation 30 read with Schedule III, Part A, Para A, 15(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p>
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भवदीय Yours faithfully,

(Mangesh Mandrekar)  
Company Secretary

Encl.: As above



## “Union Bank of India Earnings Conference Call for the Period Ended June 30<sup>th</sup> 2025”

**July 19, 2025**



**MANAGEMENT: SHRI NITESH RANJAN – EXECUTIVE DIRECTOR  
SHRI RAMASUBRAMANIAN S. – EXECUTIVE DIRECTOR  
SHRI SANJAY RUDRA – EXECUTIVE DIRECTOR  
SHRI. AVINASH PRABHU – CHIEF FINANCIAL OFFICER**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Union Bank of India Earnings Conference Call for the period June 30<sup>th</sup>, 2025.

The Bank is represented by the Executive Directors; Shri Nitesh Ranjan, Shri Ramasubramanian S, Shri Sanjay Rudra, and other members of the top management.

As a reminder, all participants' 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 '\*' then '0' on your touchtone phone. Please note that this conference is being recorded.

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

**Ajay Bansal:** Thanks ma'am. Good afternoon, ladies, and gentlemen. I, Ajay Bansal, Head of Investor Relations, welcome you all to the Union Bank of India earnings conference call for the period ending June 30, 2025. The structure of conference shall include a brief opening statement by respected ED sir and then the floor will be open for interaction.

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

With this, I now request our respected ED sir for his 'Opening Remarks.' Thank you and over to you.

**Nitesh Ranjan:** Good evening, everyone. Thank you for joining this con-call for Union Bank's Q1 FY'26 Results.

**To begin with, let me just give a backdrop of the operating environment for the quarter-ended June 2025:**

As you are aware, on the global front, there were significant economic uncertainties coming from geopolitical tensions as well as trade dynamics and which is posing risks to the global growth. While at the same time, the macroeconomic fundamentals of the country remain quite strong, and India is expected to remain among the highest growing economy in the world during the current year also.

On the monetary policy front, RBI front loaded policy repo rate and also in the last policy we have announced the roadmap for further reduction in cash reserve ratio by 100 basis points which will kick in during the current quarter.

**With this backdrop, let me also share some of the key highlights of the performance for quarter-ended June 2025:**

As of June, Bank's overall credit grew by 6.8% and within that the RAM segment registered a growth rate of 10.3%, Retail loan book grew at 26% and MSME at 18% reflecting a strong momentum in our focus in the priority areas. On the deposit front, growth was a bit moderated and that was our strategic call for reducing the bulk deposits. You will notice that from March to June 2025, we have reduced our bulk deposits by close to 7% while we continue to operate at a comfortable CD ratio of around 76%. Within deposits, retail term deposits showed very good growth rate of around 12% YOY for 30<sup>th</sup> June 2025. CASA ratio remains stable at 32.5% and CASA plus retail term deposits share in the overall deposits again remained steady at 74% and on the asset side, the RAM portfolio contribution stood at 56% in line with our guided range.

**For the financials:**

Net profit for Q1 FY'26 grew at a rate of 12% amounting to Rs. 4,116 crores. On the return on assets, we have continued to perform more than 1% i.e. 1.11% for Q1 which is again better than 1.06% in the same quarter last year and return on equity also stood over 15%. There has been some moderation in the net interest margin which we also guided through in the last earnings call.

For Q1, the net interest margin has been 2.76% which is about 11 basis point moderation from Q4 FY'25. Capital adequacy ratio remains quite strong at 18.3% with common equity at 15.3%. We have also seen marginal reduction in gross NPA ratio and net NPA ratio and it's moving towards our guided range. At the same time, provision cover ratio improved by 116 basis points to close to 95%. There has been reduction in the credit cost. Now it was 47 basis points for Q1. Also, the slippage ratio was less than 1% for Q1 FY'26 which is a continuing downward trend over the last many quarters.

Gross recoveries again outpaced the total slippages in Q1 FY'26 and we expect the same trend to continue. At the same time, Bank has been taking several initiatives in the area of digital banking, HR initiatives as well as participating in the overall PSB reform agenda. As we have said earlier, there is an EASE program running for all the 12 PSBs and for the EASE of last year that is full year ended March 2025, Union Bank stood at third rank amongst all the public sector banks and we continue to remain top 3 amongst many of the sub-segment of the EASE.

With this, I will just take a pause, and we will open for the Q&A. Thank you.

**Moderator:** Thank you very much, sir. We will now begin with the question-and-answer session. The first question is from the line of Ashok Ajmera from Ajcon Global. Please go ahead.

**Ashok Ajmera:** Thank you for this opportunity. Thanks for your opening remarks, sir. In the opening remark, you yourself said that Indian economy is the highest growing economy and we are doing well on the economic front. But if you look at the performance of the Bank, we are contradicting the

positive statement as the Bank is continuously going in the negative zone. There is total de-growth everywhere. If you see, even yearly numbers have come down to 6.83% in the credit growth. And when you look at quarterly, you have degrown, actually. Either we have become too risk-averse, our credit appraisal and everything has become too risky because in spite of having a good pipeline of the disbursement and sanctions, still we are not growing. This is a major concern of the Bank that we need to do banking. Similarly, on the recovery front also, this quarter has been very dismal. Sir, whether you talk about the cash recovery, which has gone down substantially from last quarter of Rs. 1,600 crores to only Rs. 790 crores. Even the upgradation, Rs. 519 crores again Rs. 924 crores. And even if you take the recovery from written off account, it has also gone down tremendously than the last quarter. Many other banks are taking comfort at least from the treasury profits if the real profits are not there. But here on the treasury also, if you look at the segment-wise, our profits are less than even the last quarter. So, I would just like to know sir where are we heading? Are we still maintaining those targets or we are lowering them down towards de-growth? And somehow the profitability is a little bit maintained, though it is lower than the last quarter by almost about Rs. 900 crores. Really, in a realistic way, I would like to know what is actually wrong with Union Bank now for some time?

**Ramasubramanian S:**

Yes, thank you, Ajmeraji. I have to assure you that there is nothing wrong with Union Bank of India. If you are looking at it, as the initial remarks Mr. Nitesh has told, it is about the margin, protecting the margin also has to be looked into. So, as we are seeing that there was a large rate cut that has been given and which has been immediately passed on to around 46% of our loan book, which we have covered under the EBLR. So, certainly, also to protect the margin of the Bank to an extent, we have to see that our low-cost advances, we are not renewing or again replenishing them with low-cost advances. We are not doing it. If you look at our RAM growth, RAM growth is quite healthy. If you see that our MSME has grown by around more than 17%. Our retail has grown, though it is aided by the gold loans, which is around 25%. So, we are growing in that area. Only thing is, as you are correctly told, the rate of interest is very competitive. Because of that, we have to see that what best we will be able to do. We have to trade-off between the margin and your growth. We are trying to manage both the things. So, we are in the same position, sir, actually speaking. When the things have been settled and when the rate cuts have been passed and we are able to reduce our cost of deposit to a large extent, certainly we will be back in the market of corporate credit where we will be able to show a good growth, sir.

**Nitesh Ranjan:**

Yes, Ajmeraji, one thing which I would like to tell you about, which you said about the treasury income, has declined. Basically, if you see the real treasury income is one of the best in the last many quarters. The treasury has booked a profit of Rs. 1,418 crores in June '25 as compared to Rs. 1,646 crores of March '25. And June '24, it was Rs. 1,026 crores. Basically, March '25, if you remember, there was a SR provisions was there to the extent of Rs. 793 crores as per the RBI guidelines, write back was taken. So, the profit was Rs. 1,646 crores. So, if I exclude that Rs. 793 crores of SR provisions, then the profit was actually Rs. 853 crores. That's a substantial improvement in the treasury. But again, as you know, this treasury profit is basically dependent on the market, how the market behaves, accordingly the profit is good. Second thing about the

overall, you said about the operating profit that has gone down by Rs. 950 crores. Basically, last June '24, we had a PSLC income to the extent of Rs. 950 crores. So, that was a major income, one of the incomes which has happened in the last year. And this year, since the opportunity was not available, so that profit is not added here. That is why the operating profit is slightly lower than the June '24 quarter. Otherwise, on the profit front, I feel that the Bank has done very well. And as Ram sir was saying about the protecting the income, because you know that the rate war is going on in the market. And what sort of portfolio we should take, at what pricing we should take, that's a challenge and is always a challenge. And we have taken a conscious call on the portfolio also. And we don't want to take any advances where the Bank may incur a loss in future. That is why the growth is slightly muted.

**Ashok Ajmera:**

From the recovery front, and if you look our SMA numbers also, SMA-2 has gone up from Rs. 1,200 crores to Rs. 2,600 crores. That is SMA-2, which might slip to NPA also. Our overall SMA in this quarter has gone to Rs. 4,917 crores as against Rs. 3,835 crores. And even on the recovery front, the cash recovery is half than the last quarter. So, I can understand on the treasury what explanation you have given. But what is about SMA and recovery?

**Nitesh Ranjan:**

In SMA also, there are a few accounts where the impact is there. But the past trend also say that these accounts repayments are coming, though due to certain reasons, these accounts are appearing under the SMA-1 and 2. But then again, the recovery is coming because these are having a good support of the government also. So, I don't think there is any problem as far as the SMA numbers. I understand that there is a marginal increase in the SMA. The first quarter is always of the muted recovery, but Bank is making all-out effort and some of the recovery which was supposed to come in the quarter of June because of some of the NCLT decisions were pending, and that has not materialized in the June. And most likely it will come, that will materialize in September. So, on recovery front also, the Bank is very active and doing well. Some of the results which was not seen in June quarter will definitely be seen in the September quarter. Thank you.

**Moderator:**

Thank you. We will take the next question from the line of Mahrukh Adajania from Nuvama. Please go ahead.

**Mahrukh Adajania:**

I had a couple of questions. Firstly, how much of your deposit, retail deposits would have already repriced? I know it's over a year of repricing, I mean the repricing cycle, but how much? 15%, 16%? How much of your term deposits would have already repriced? That's my first question. And related to that, where do you see the bottom of your margin? I know that you may have a full year margin guidance, but they may fall and then they may rise. So, where will the fall settle? That's the second question in your assessment. And then again related to that, so the current account deposits have declined very sharply. I know there has been some reclassification as was evident by the business update you gave a few days ago. So, is it fair to assume that it was these deposits which caused the March '25 numbers to change in the Quarterly business update? So, were the current account deposits reclassified as borrowing? So, that's the spread related question. And then I have one PSLC question. If you could explain why the PSLC income fully

disappeared and then with the new clarification on the gold loan circular, in what quantum do you see it coming back and when? So, these were my questions.

**Sanjay Rudra:**

Yes, so I think roughly if I take on the base of March 25, close to 20% of the retail term deposits would have got repriced as of now, because roughly 80% to 85% of repricing is happening during the year given the average duration of the retail term deposit is around 1.2, 1.25 years. That is number one. On the reclassification, it is more on the deposits in the foreign branches and which was disclosed also while we disclosed the provisional numbers. So, far as the current deposit is concerned, while you are comparing with the March numbers, in March, there is some flow also into corporate and government accounts. Because of that, the number is high, which is not with a similar extent during the June quarter. So, that is the usual thing. March numbers are generally high in the current account. Yes, as I said, on the margins for the full year, we are expecting 20 to 25 basis point impact on the margins. 11 basis point we have already witnessed in Q1. And in the roadmap wise, if I look at what could be the minimum that we can hit, maybe somewhere between 260 to 265 is the range where we can hit at the minimum level. And from there, we should be able to bounce back effectively around 20-25 basis point for the year. And on the PSLC, this quarter, we have not done any PSLC. We are aware of the guidelines of Reserve Bank of India, and we are evaluating it as a part of our business strategy. And going forward, if the opportunity comes and we feel is good income to book, we will be doing that.

**Moderator:**

Thank you. The next question is from the line of Jay Mundra from ICICI Securities. Please go ahead.

**Jay Mundra:**

Yes. Hi. Good evening, sir. Two questions. First is, there is a standard assets provisioning of Rs. 446 crores, while the loan book growth has not been that high. If you have any, is there any chunky loan or is this something specific, if you can elaborate this?

**Nitesh Ranjan:**

Good evening, Jay Mundra. This particularly because some of the assets which we felt that where the ECL was not implemented, there is no overdue as on date, but we were required to maintain a higher provision. So, these accounts where we have made some provisions as per the ECL guidelines. So, that is why our standard provision has gone up.

**Jay Mundra:**

Okay. And sir, these are private accounts, right? Not the state government or quasi-PSU accounts?

**Nitesh Ranjan:**

These are not private companies.

**Jay Mundra:**

Sir, I was asking about these specific accounts, these are private entity or these are PSU, state government, just to assess the riskiness?

**Nitesh Ranjan:**

So, these are not private entities.

**Jay Mundra:**

Okay. And sir, related to this, I mean, on standard account, in the last, have you done any OTS or can we do an OTS in the standard account?



- Nitesh Ranjan:** Which accounts you are talking about?
- Jay Mundra:** OTS in a standard account.
- Nitesh Ranjan:** Yes, as per the present policy, we don't go for any settlement with the standard account.
- Jay Mundra:** This was not very clear. You said, as per your policy, you don't do?
- Nitesh Ranjan:** Yes.
- Jay Mundra:** And lastly, Rudra sir, I think you mentioned about this PSL and now that the norms have been changed, whatever issues that you had, you can resume the PSL fee transaction or it could still be some time away before you resume the PSLC income?
- Sanjay Rudra:** Yes. We can definitely book some, in days to come, we can book some profit, but major income of PSLC comes if we do it on the first quarter of the year, because at that time, the commissions and premiums are highest. In the subsequent quarter, it comes down slowly and second quarter, third quarter onwards there. So, if there is some further improvement happens in our portfolio, then definitely we will be able to book some profit on account of the PSLC.
- Jay Mundra:** And sir, lastly, on the yield, if you can share the mix of MCLR, EBLR and TD Linked portfolios and in your assessment, how should one look at the residual impact of June rate cut on the yields on advances? So, this quarter yields on advances are down by 22 basis points, should this decline by similar quantum or higher quantum or lower quantum?
- Nitesh Ranjan:** We have almost 48% of our portfolio is under EBLR. So, their complete rate transmission has already happened and remaining 42% we have our MCLR linked rate and 10% other rates are there. So, in the case of the EBLR, transmission has already happened and that has given the impact of around 11 basis points. We have already reduced our MCLR by 15 plus 10 basis points. So, total reduction in the MCLR also has happened to the extent of 25 basis points. Subsequently, I don't think there will be much reduction on the MCLR side. Even if the MCLR happens, then also our maximum impact on the NIM will be to the extent of not more than 20 basis points for the September quarter. But as you know that there is 100 basis points CRR cut is already announced by RBI in the second half. So, that will compensate our interest loss and most likely you will be able to manage between 10 to 15 basis points of reduced NIM as compared to our March '25.
- Jay Mundra:** Thank you so much.
- Nitesh Ranjan:** Thank you.
- Moderator:** Thank you. We will take the next question from the line of Rakesh Kumar from Valentis Advisors. Please go ahead.



- Rakesh Kumar:** Yes, hi. Thank you, sir. So, firstly, sir, from PSLC, just clarification that last year we had sold around Rs. 50,000 crore of small and marginal farmer PSLC and we could get the income of Rs. 1,100 crore kind of number. And it was kind of in the first quarter itself I think. So, one thing is that because of Agri Gold, does it really impact your SMF PSLC thing?
- Nitesh Ranjan:** Most of the Agri loans are below Rs. 2 lakh actually and given to small and marginal farmer, but subsequently the RBI came out with a guideline that up to Rs. 2 lakh loan cannot have any collateral security and Gold is also, considered to be the collateral security in that case. This guideline has been revised by the RBI just recently and that is why that small and marginal farmers in Agri was reduced and overall portfolio of the Agri has come down by 9%. Because of that we were not able to sell any PSLC in the 1st quarter.
- Rakesh Kumar:** Probably, looking at Indian Bank, Canara Bank, they also, do a lot of PSLC income and generally in the 1st quarter and sometime in the 4th quarter also. So, considering what peers are doing on the PSLC front and yourself, it gives us a feeling that kind of income might not come in this full entire year?
- Nitesh Ranjan:** Yes, if you say whether we will be able to get the Rs. 950 crores of income through PSLC, considering the present situation and the available portfolio, we don't foresee the same type of income, but definitely going forward there may be some income that will be generated on PSLC itself. What will be the exact amount and all, these are again the market determined rates and these rates are not fixed at any point of time. So, based on the market, we will be able to book some profit.
- Rakesh Kumar:** Very good. And sir, this interest income on tax refund which was not there in the 1st quarter previous year, this quarter also, we have very small number and full year we had around again Rs. 1,000 crore kind of a number in the previous fiscal year. So, could we achieve that kind of number in the rest of the fiscal year FY '26? Is it possible or that number would also, remain kind of weak or absent in the remaining quarters?
- Nitesh Ranjan:** Yes, our CFO will reply to this.
- Avinash Prabhu:** So, as far as that is concerned, we do have estimation that there will be interest on income tax refund during this year and we are quite comfortable in terms of being close to Rs. 500-Rs. 1,000 crores mark. So, that is fine and as far as your early question on PSLC is concerned, while that may not materialize, but we have looked at alternatives available. So, we will be able to make up that fee income from other streams, So, we do have a plan in place for that.
- Rakesh Kumar:** So, from PSLC itself you will make up because you are?
- Avinash Prabhu:** Not from PSLC. We will be able to make it up through other avenues of non-interest income.
- Rakesh Kumar:** Got it. And one thing like when we do the recovery of written-off accounts and whatever the interest income we get from, that proportion has been coming down as the number of total

recovery being done on the written-off book, So, that number progressively has been coming down. So, what is the structural change that is happening in interest income on the written-off recovery number? Why that ratio is falling?

**Sanjay Rudra:** That is not the interest on written-off account. Basically, that is the interest on the NPA account as per which is recovered. So, whenever the settlement is happening towards the principal amount and if the recovery is coming through settlement, then interest recovery will be less. And if recovery is through without settlement, in the sense if part amount is paid by the borrower, then that will be adjusted towards the interest and if the recovery is coming through the SARFAESI actions, then again it will go towards the interest. But since in that case what is happening actually if you see, the recovery is getting delayed. So, what bank also, decided to go for some OTS settlement, it is the best recovery mechanism where the percentage of recovery is also, good. So, instead of waiting for a long period, we are going for the settlement and where the recoverability is better. So, that is where the interest income on NPA is coming down. However, bank is still working on that for improving that income also.

**Rakesh Kumar:** But just correct me if I am wrong, whether interest income recognition from the recovery would include the written-off as well as the NPA. It will not be only the NPA?

**Nitesh Ranjan:** See there is a difference. If you recover interest from a written-off account, it will go to other income. If you recover interest from NPA account, it will go to interest income.

**Rakesh Kumar:** Correct. Because why I am asking because in absence of all these non-recurring numbers, the ROA is looking quite weak, So, as compared to 1.25% ROA number last fiscal year, how do we see that number now in this FY '26?

**Nitesh Ranjan:** No, So, even last year which is for '24-25, we have given guidance that our ROA will be above 1% and this year also, we will aim to have an ROA which is above 1%. That is something that we have also, conveyed to our investors and analysts in the 1st quarter.

**Rakesh Kumar:** Got it, sir. Thank you So, much, sir.

**Moderator:** Thank you. The next question is from the line of Ashlesh Sonje from Kotak Securities. Please go ahead.

**Ashlesh Sonje:** Hi team, good afternoon. Sir, firstly you have taken savings account rate cuts in the month of July. Can you tell us what is the effective cut in your overall SA deposits because of this cut?

**Nitesh Ranjan:** In SA, we have reduced by 25 basis points.

**Ashlesh Sonje:** Sorry, sir, you are saying the overall SA rate would be down by about 45 basis points?

**Nitesh Ranjan:** 25 basis points.

- Ashlesh Sonje:** 25. Understood. And secondly, if I look at your slippages in the MSME segment, they have remained elevated this quarter as well? Last quarter, you had indicated that they were high because of some logic changes, but they have not declined in this quarter either. Can you give more details?
- Nitesh Ranjan:** This quarter, overall slippages number has come down as compared to the previous quarter. But yes, as you say, there is a marginal increase in the MSME NPA percentage has increased from 4.14 to 4.39. But overall slippages has come down and we are able to manage the large corporate also, there is a decline and the retail also, there is a decline. But in MSME also, large slippages are not there, nominal slippages have happened only.
- Ashlesh Sonje:** Understood. And sir, on your MCLR linked loan book, I understand that you have taken cuts in the MCLR rate now, but would there be any part of the book which would still be repricing upward in the June quarter?
- Nitesh Ranjan:** No.
- Ashlesh Sonje:** Thank you.
- Moderator:** Thank you. The next question is from the line of Gaurav Jani from Prabhudas Lilladher. Please go ahead.
- Gaurav Jani:** Thank you for taking my question. I just had a question on the yields and related to the kind of sequential loan growth that you guys have seen. So, on a sequential basis, we have seen a sharp decline in corporate while retail has grown well. Having said that the yields have come up to about 25% quarter, So, what would explain this sharp reduction of yields despite of a decent growth in retail? And corresponding to that, there is another component of retail which has been growing pretty sharply, So, what would constitute that? That is my first question.
- Nitesh Ranjan:** The second question I could not get if you can repeat. But let me first respond to the first one. See, that 20 odd basis points reduction in yield that you are talking about is basically reflective of EBLR change which is by the 100-basis point and as we shared that close to 50% of the loan portfolio is on EBLR where the pass-through has been immediate. And in fact, also, on the MCLR loan book in phases, till now we have already done 25 basis point of reduction. That is the key reason of fall in the yield on advances. And you are very much aware that in the declining rate scenario, the first impact is on the asset side and then with the lag it comes on the deposit side. Second one, can you please repeat?
- Gaurav Jani:** Yes, sir, just to hop back on the previous one. So, my sense is, I agree with you that there will be a yield reduction because of EBLR repricing that will be cushioned by the mix change, right?
- Nitesh Ranjan:** Cushioned by?
- Gaurav Jani:** The loan mix change.

- Nitesh Ranjan:** Yes. There has not been a significant loan mix change. That does not happen within a quarter. So, if you look at our retail book, RAM book total, it continues to be around 55%-56% of the total portfolio. We are trying to introduce some loan mix change, but that will take some time.
- Gaurav Jani:** Sure. And sir, your second question was, the average part of retail has been growing pretty strongly. A year ago it was almost half, right, Rs. 32,000 crores-Rs. 76,000 crores. So, what contributes to this growth?
- Nitesh Ranjan:** No, see, some of the gold loan is also, happening in the retail loan portfolio. That is what is reflective in the other segment of the retail loans.
- Gaurav Jani:** Can you quantify the gold book, sir, right now versus a year ago?
- Nitesh Ranjan:** Today, we have around Rs. 83,700 crores in the gold loan book as of 30th June.
- Gaurav Jani:** And what would that number be a year ago?
- Nitesh Ranjan:** June 24 it was around Rs. 78,000 crores and now it is Rs. 83,700 crores.
- Gaurav Jani:** Understood. Last question, sir, on the EBLR side, right, So, we have an immediate reprice, that is T plus 1 or is it T plus 30 or T plus 90, how does it happen, sir?
- Nitesh Ranjan:** No, sir, you can say it is immediate. It is a matter of 2-3 days kind of thing because there is an internal ALCO date and the policy date. That differential could be 2-3 days. That is the only thing.
- Gaurav Jani:** Understood. That is it from us. Thank you So, much.
- Moderator:** Thank you. The next question is from the line of Vansh Solanki from RSPN Ventures. Please go ahead.
- Vansh Solanki:** Hello, sir. I have 2 questions mainly. The first one is on the income side that what is the recovery target from the write-off for the full year 2026? Can you guide us?
- Nitesh Ranjan:** Total recovery target for this year is, see, we have not given guidance. But as I said in my opening remarks also, that the gross recovery for the quarter has been higher than the slippages and this is a continuing trend, and we expect to maintain this trend. I also, said that the delinquency ratio has come down below 1% and it is again on a downward trend for past many quarters. So, I think without giving guidance, you can make out the direction where we are moving.
- Vansh Solanki:** And another one is that if we see the cost-to-income ratio, it is increasing from the last 2 quarters. So, is there any change? Is it the same as Quarter 4, it should be declined because Quarter 4 has some one-off expenses. So, it should be declined, but it is still the same and still increasing?

- Nitesh Ranjan:** The cost-to-income ratio is also, influenced by the net interest income. And since we are already telling that there is an impact on NIM and the net interest income because of the changing interest rate scenario, because of that, cost-to-income ratio has little increased to around 49%. But given the rebalancing which will happen over the period of a year or so, I think we should move back to a lower level. But this is greatly affected by the current interest rate scenario and its pass-through.
- Vansh Solanki:** And the last one that you have mentioned, the MCLR rate is cut by 25 bps, right?
- Nitesh Ranjan:** Yes.
- Vansh Solanki:** So, is there any future in Quarter 2 or Quarter 3? How much do you expect that MCLR will fall down? Is there any future expectation by management?
- Nitesh Ranjan:** MCLR is based on the changes in the marginal cost of funds, So, expecting that there will be further reduction in the deposit rate if the market scenario permits that. We can expect it, maybe over the next 6 months, 25-35 basis points, further reduction in MCLR is possible. But it all depends on how the competitive interest rate moves in the system.
- Vansh Solanki:** Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Rohan from Equirus Securities. Please go ahead.
- Rohan:** Good evening, sir. Thanks for the opportunity. Sir, I am not sure if this was given, but if you could share your loan and deposit growth guidance for the current year? And also, the NIM guidance that you have mentioned for 2026, you indicated around 20-25 basis points decline whereas for 2Q, you are guiding for around 10-12 bps sequential decline and then improvement in NIMs. So, was not able to correlate these two guidance?
- Nitesh Ranjan:** Yes, the interest rate, as I said in my opening remarks, that Q1 operating environment was more characterized by the sharp reduction in the policy repo rate and now that pass-through is happening. So, at this point of time, giving any guidance will be a little difficult. For this year, we have not given the guidance. Our Loan growth rate is around 6.8% in this quarter. But within that, RAM growth is in double digits. And directionally, we expect that this double digit RAM growth rate should be possible over the next few quarters also.
- Rohan:** And on NIMs?
- Nitesh Ranjan:** NIMs also, I said that around 20-25 basis points moderation in NIM over March 25 is expected during the current year.
- Rohan:** Sure. And sir, look at the HTM portfolio. That thing has declined by 9%-10% sequentially. And if I understand it right, after the change that happened on the regulations last year, one can sell

up to 5% of HTM. So, is that understanding correct? Or if you can explain what is that and what is the outstanding area of reserve as of June end?

**Nitesh Ranjan:** That is true what you are saying 5%. But this may be also, possible because of the OMOs. Let the Treasury Head explain.

**Abhijit Basak:** So, I think HTM, you are right in saying that in the HTM book, because of the OMOs, we have participated, and you have seen that that profit was there in our book. So, this is because of OMO, there is a reduction in the HTM book.

**Rohan:** Sure. And sir, outstanding AFS reserve?

**Abhijit Basak:** So, today by outstanding in, I have to make sure it is, one minute, 228 crores.

**Rohan:** No, sir. Outstanding AFS reserve. The MTM gains which is unbooked.

**Abhijit Basak:** It will be around Rs. 1,500 crores.

**Rohan:** Sure, sir. Thanks.

**Moderator:** Thank you. The next question is from the line of Sushil Choksey from Indus Equity Advisors. Please go ahead.

**Sushil Choksey:** Good evening. Good luck for the year. My first question is to defend the NIM guidance, besides RAM, how do you see you will protect the margin? Because I am sure that low-yielding advances you have shredded, which means government accounts like NABARD, NABFID, SIDBI, PFC, REC is not of our interest.

**Nitesh Ranjan:** Yes, Chokseyji, if you are looking at it, other than RAM also, if you are looking at, we are already having proposals sanctioned under disbursement stages, projects to the extent of around Rs. 51,000 crores are there, where the projects are going up and the disbursements are happening, which this all will be under the MCLR, which will be giving a better yield for the bank. Number two is we also, are in the pipeline where around Rs. 20,000 crores are there, which are in the various stages of sanction. So, we find that this will be always giving a stable income. And that is what I am saying, whatever, even if it comes also, this is what we are doing it. We are only substituting that with the lower advances actually. Whenever any opportunity comes, we try to run down the lower yield advance.

**Sushil Choksey:** Sir, our biggest concern in the balance sheet, where profit margin or credibility of Union Bank can rise, is by strengthening our CASA franchise. And that is a problem which we are trying to address over the last 2-3 years post-merger. How do you see this will shape up over the period of 2-3 years? I am not saying that this year CASA will increase or not increase, but if I take a outlook for FY '27-'28, how do you see that will strengthen our measures that we substantially gain in the market?

- Nitesh Ranjan:** As you know, in CASA, not only now, not today, we have been last 1-1/2 years, we have been working on the CASA front with So, many new initiatives have been taken. We are connecting to the customers who have reduced their balance. We try to recover that. It is on an ongoing basis. There are many initiatives which have been taken by the bank and are going on. We also, have 1,500 Relationship Managers in various places, where around each one of them has been mapped with around 400 high-value clients. We are trying to see that this CASA, whatever it is going to be there, growth for the bank, it should be on a consistent basis, and the bank should be able to, in the coming days get more CASA. But the problem when we started all these things, the CASA market itself became a little tough and competitive for the bank. But despite that, we are continuing those initiatives, and we hope to get many more benefits out of that.
- Sushil Choksey:** Sir, what is our digital spend likely to be this year? Second is our treasury income and how are you seeing the FX income, which we have shown in the previous 24 months, likely to shape up for this year and what are we doing to strengthen our HR?
- Nitesh Ranjan:** Yes, on the digital and tech expend, this year's budget is close to Rs. 1,500 crores. Last year, we have utilized around Rs. 1,000 crores. And on the HR side, multiple initiatives are underway, in terms of employee re-skilling, training, performance management, grooming, all these things are being taken care of.
- Sushil Choksey:** And on the treasury and FX?
- Nitesh Ranjan:** Treasury part particularly, Q1 was very different because of the RBI actions and initiatives. That trend, I don't think we will be able to see in the remaining part of the year. So, the treasury income should moderate significantly going forward.
- Sushil Choksey:** And the FX income, which we used to make in the arbitrage?
- Nitesh Ranjan:** FX should remain stable around this level.
- Sushil Choksey:** Do you see that Rs. 1,250-Rs. 1,500 crores of run rate still visible over a period of time? I am not saying from this quarter, but historically, we have seen that number?
- Nitesh Ranjan:** Yes, as of now, I think Rs. 1,500 crores run rate quarterly would be difficult. Let us see. We expect more from RBI, then it is possible.
- Sushil Choksey:** Good luck to the team and best for the year to come.
- Nitesh Ranjan:** Thank you. Thank you So, much.
- Moderator:** Thank you. Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference over to the management for closing comments. Thank you and over to you, sir.



**Nitesh Ranjan:**

Yes, thank you very much. We appreciate the feedback from all the investors and analysts. In a very evolving scenario, we continue to monitor it and take corrective actions. We are focused on having a good tradeoff between the top-line growth and the bottom-line. And we will continue to ensure that the overall return on assets and return on equity remains as strong as we have done in the past. Thank you very much once again.

**Moderator:**

Thank you. Ladies and gentlemen, on behalf of Union Bank of India, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.