

Earning Call Transcripts of Analyst Meet held in Mumbai on 11/02/2020

An analyst's meet was held on Tuesday 11th of February, 2020 in Mumbai to present the third quarter financial highlights of the Bank. Shri H K Arora, Dy. General Manager, Zonal Office, Mumbai welcomed all the investors/analysts present at the meeting. Investors were informed about the history of the Bank and introduced Shri Atul Kumar Goel, MD & CEO, Shri Charan Singh, Executive Director and Shri Shashi Kant Kumar, CFO to the investors present at the meeting.

The transcript of the Analyst meet was as under:

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| <p>Mr. Charan Singh, Executive Director</p> | <p>Shri Atul Kumar Goel, MD & CEO, Shri Shashi Kant Kumar, CFO and the Analysts present here, I extend a warm welcome and good evening to you. As far as financial performance for the third quarter, the financial results are already with you and you might have analysed by now. Basically we are here to present before you about the direction of the Bank. You must have seen that the results are indicating better future for the Bank. There are many things that are happening in the Bank which financial results do not capture. Our MD & CEO and CFO will explain them in detail. Let me bring to your notice that few products that we have introduced for improving CASA. The first one is UCO Suvidha Salary Account. We have improved this account to attract salary accounts of employees of Corporate, Schools, Colleges etc. Another product developed is collection module which can be customised to Corporates/Schools for fee collection, revenue collection etc. The module can be customised to the requirement of individual corporates. We have implemented this module in various Schools/Colleges, Universities and State Governments also. I hope these two products will boost growth of CASA.</p> <p>As far as asset side is concerned, our emphasis is on improving Retail, Agriculture and MSME (RAM). You might have observed that our Retail and MSME are growing. We are bringing in changes in loan processing with introduction of technology driven loan origination system which will be rolled over in couple of months. This will completely change the scenario of loan appraisals. This measure will boost retail portfolio of the Bank.</p> |
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| | <p>Coming to the very important area for any Bank, Customer Convenience, we have taken several initiatives by making best use of technology. We are migrating to upgraded CBS operating system i.e. Finacle 10, improving software of mobile banking, internet banking and phone banking. These technology initiatives in customer convenience will give good results in coming months and puts the image of the Bank as Top Class Technology Bank.</p> <p>Bank has taken various initiatives taken in Human Resources segment of Bank to improve efficiency.</p> | | | | | | | | | | | | | | | | | | | | | |
|--|---|--------|--------|--------|--------|--------|--------|--------|----|-----|-----|-----|------|------|------|-----|-----|-----|------|------|------|------|
| <p>Mr. Atul Kumar Goel, MD and CEO</p> | <p>Very good afternoon to everybody. It is a pleasure and honour to me to address the Analyst for the first time after joining the UCO Bank as MD & CEO. I extend my warm welcome to every analyst present here and those who could not attend the meeting. Analyst is an important fraternity for any organisation as his analysis provides insights to any organisation how it is performing and in which direction it is moving.</p> <p>You might have analysed the Bank's financial performance which is made available on Bank's website and on BSE & NSE Stock Exchanges. The presentation is already circulated to you and the same was hosted on website of our Bank.</p> <p>Here I would like to mention that UCO Bank is on the recovery path as well as on growth path. Our CFO will make detailed financial presentation. We will clarify any questions on the presentation.</p> <p>As a Banking analyst, you may be interested in Operating profit and Net Interest Income as these two parameters indicate operational efficiency of the Bank. Next comes, Asset quality of the Bank and provisions towards Non-Performing Assets. I would like to present the data relating to Operating Profit (OP) and Net Interest Income.(NII)</p> <table border="1" data-bbox="587 1890 1401 2011"> <thead> <tr> <th></th> <th>Sep 18</th> <th>Dec 18</th> <th>Mar 19</th> <th>Jun 19</th> <th>Sep 19</th> <th>Dec 19</th> </tr> </thead> <tbody> <tr> <td>OP</td> <td>506</td> <td>381</td> <td>691</td> <td>1201</td> <td>1207</td> <td>1210</td> </tr> <tr> <td>NII</td> <td>965</td> <td>827</td> <td>1297</td> <td>1335</td> <td>1266</td> <td>1236</td> </tr> </tbody> </table> | | Sep 18 | Dec 18 | Mar 19 | Jun 19 | Sep 19 | Dec 19 | OP | 506 | 381 | 691 | 1201 | 1207 | 1210 | NII | 965 | 827 | 1297 | 1335 | 1266 | 1236 |
| | Sep 18 | Dec 18 | Mar 19 | Jun 19 | Sep 19 | Dec 19 | | | | | | | | | | | | | | | | |
| OP | 506 | 381 | 691 | 1201 | 1207 | 1210 | | | | | | | | | | | | | | | | |
| NII | 965 | 827 | 1297 | 1335 | 1266 | 1236 | | | | | | | | | | | | | | | | |

It is evident from the Operating Profit and Net Interest Income which has shown good increase and stabilised at around from Rs.1200 Crore from the level of Rs.800 Crore. Bank is doing well under Operating efficiency front.

Major concern for the analysts is Asset Quality. I would like to inform you that we have completed recognition part of NPAs. In respect of divergence in NPAs pointed out by RBI, entire provision has been made in December quarter though we were given dispensation for two quarters.

You can observe from quarter to quarter figures of Non-performing Assets indicated in the presentation, gross NPA and Net NPAs of the Bank are declining. During the December quarter, Bank has recovered Rs.950 Crores from 4 large NPA accounts. In respect of cases referred to NCLT, resolutions approved in 17 accounts. We have recovered Rs.32 crores during December quarter and are expecting a recovery of Rs.725 crores from these accounts either in the last quarter or in June quarter. In respect of another 5 cases where both COC and NCLT approved resolutions, we are expecting recovery of another 137 Crore.

Another parameter which Banking analysts would like to know is Provision Coverage Ratio (PCR) which was 83.71% as on 31.12.2019. High percentage of PCR indicates provisioning requirements on account of aging in times to come will be reduced drastically.

With regard to our guidance for March 2020, our Bank will reduce its Net NPAs below 6%, further improvement in PCR and Net Interest Margin will be around 2.75%.

Apart from improvement on financial performance, we have focused on improvement of processes. We have made root cause analysis of Non-Performing Assets and found that processing, monitoring and recovery lapses are attributed to the issue of non-performing assets. To improve the processes, we have come out with loan origination system which is an end to end technology driven system. The proposals received by the branches move in paperless mode to Retail hubs/Zonal Offices



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| | <p>and Head Office. We have sought approval of the Board for introduction of this system.</p> <p>We will take on board in our system few Fintech firms who are having expertise in evaluation of GST & IT returns, analysis of financial statements, Bank statements, customer information including his behavioural pattern and also credit rating agencies to ascertain his rating. We have also developed a mobile app to get credit worthiness of a customer with minimum information like PAN, date of birth. With technology driven loan origination system, we will minimise the accounts becoming Non-performing Assets. For better monitoring, Bank has developed an app to through Early warning Signals. The app reviews 84 parameters and alerts through red flags are given to branches for taking appropriate steps.</p> <p>In the direction of customer convenience, we have introduced facility to draw cash from ATMs without using debit card. Through mobile banking one time PIN can be generated and by sharing the PIN, the customer or any of his relatives or his known persons located at any place in India can take money from any of UCO Bank ATMs. Very few banks have this facility.</p> <p>We have improved our mobile banking application through which the customers can open Fixed deposit, submit 15G, get TDS certificate, make nominations, view passbook etc.</p> <p>With all these initiatives, we hope that future of UCO Bank is bright and the year 2019-20 witness turnaround and 2020-21 will be the golden year for UCO Bank. Our dream is that when we are celebrating 100th year, UCO Bank to be the best bank in India.</p> |
| <p>Mr. Shashi Kant Kumar, CFO</p> | <p>Presented the financial highlights of Banks quarterly performance for the quarter ended 31.12.2019. Hand-outs of the presentation is made available to the investors/Analysts present at the meeting. The presentation made to the investors was made available on Bank's website.</p> |

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| Ms. Neelam Bhatia. EMKAY Global | What is the status of DISCOM Bonds issued by State Government under the UDAY scheme to revive loss-making power distribution companies? What is Bank's exposure under DISCOM Bonds? |
| Mr. Atul Kumar Goel, MD and CEO | Three to four years back, Bank has restructured the loans given to Power Distributions Companies having guarantee from State Governments. As a part of restructuring certain loan component is converted into DISCOM Bonds issued by State Governments under UDAY Scheme. The exposure of Bank in DISCOM Bonds was around Rs.4000 Crore under UDAY Scheme. No fresh exposure was taken in DISCOM Bonds. The Bonds are yielding around 9% which is well above the G-sec rates. |
| Ms. Neelam Bhatia.. EMKAY Global | What are the prospects of recovery in infrastructure exposure like Bhushan Power, SREI Infrastructure, SREI Equipment's etc? |
| Mr. Atul Kumar Goel, MD and CEO | We are hopeful of resolution of Bhushan Power during the last quarter of current financial year or in the first quarter of next financial year. In respect of SREI group, Bank is having much exposure in SREI Equipment as compared to SREI Infrastructure. There is no issue in the exposures related to SREI Equipment. |
| Analyst | What is the status of bilateral agreement with Iran relating to Petrol payments through UCO Bank? |
| Mr. Atul Kumar Goel, MD and CEO | The bilateral agreement with Iran has been renewed during the month of November 2018. However, there are no Oil imports from Iran from May, 2019. Existing balance in the account is being utilised for payment of exports. |
| Mr. Ramesh Kochwani, Mehta Vakil & Co. | You have made all encompassing presentation. Your presentation not only you have explained the matter of facts which are existing today but also the performance of Bank during the last nine months. Bank has really put in Blood and sweat in the recovery and resolution of NPAs and you don't intend to stop. It is very correct that Bank can come out of PCA by March 2020. There few interesting observations in your presentation. One was Recovery in Written off accounts is projected at Rs.448 Crore and non-interest income is projected at 60% increase. You have projected 66% increase in RAM. You |

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| | <p>have exposure in Corporate Advances including NBFCs and Priority Sector advances is at 40% and all other sectors. How are you looking at the situation across all the sectors (i) in terms of recovery in all sectors (ii) Is there any green shoots in economy turn around, please elaborate your views in specific sector wise. (iii) RBI Monetary Policy has brought in three to four important aspects like LTRO facility is extended to Banks where by Banks can avail funds from RBI at Repo rates, Banks were given exemption of CRR on incremental exposure to Retail & MSME and dispensation was given for Banks in classification of MSME advances as NPAs. Can you elaborate impact of these measures at macro level and at Bank level.</p> |
| <p>Mr. Atul Kumar Goel, MD and CEO</p> | <p>In respect of recovery in written off accounts, I would like to furnish following data. The recovery in written off accounts during Dec 2018 quarter was Rs. 40 Cr, in Sep 2019 quarter was Rs. 158 Cr and in Dec 2019 was Rs.436 Cr.</p> <p>As on date the balance in Prudential Written off account is around Rs.15000 Crore.</p> <p>Considering a minimum 10% of recovery under prudentially written off accounts, Bank will recover at least Rs.400 crore per quarter under this category. Secondly, Bank has set a recovery target of Rs.2000 Crore per quarter in addition to the recovery amount to the extent of addition of NPAs. Bank has accorded sanctioning powers to the branches for One time Settlements in the accounts under Rs.1 Crore through introduction of Non-discretionary/ Non-discriminatory Scheme . More than 6,00,000 accounts having securities are covered under this scheme. With the slew of recovery measures including enforcement of action under SARFEASI Act, we are hopeful of achieving recovery target. You can also observe that recovery including recovery in written off accounts for nine months period ended December 2018 was Rs.2600 Crore and for the nine months period ended December 2019 was Rs.3071 Crore. There was a jump in recovery more than Rs.400 Crore.</p> |

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| | <p>In respect of question on economy, there is a huge demand available for Retail, MSME and agriculture. In respect of agriculture we are focussing on such type of lending which will improve income of the farmer. There is no liquidity constrain.</p> <p>In respect of question on LTRO , it is a very good move by RBI. Bank is having securities in excess of SLR. Bank can have a scope for arbitrage through by availing LTRO facility. Facility of LTRO enables the Bank to reduce its rate of lending.</p> <p>In respect of question on MSME, it is very important to note that MSMEs are contributing more than 30% of GDP and also a significant contribution towards exports. More than 12 crore people are getting employment through MSME. In view of the same, it is essential for us to extend all-round support to MSMEs.</p> <p>In supporting credit growth to MSMEs, RBI has allowed the Bank to deduct from NDTL for the purpose of computing CRR an amount equivalent to incremental credit outstanding in MSMEs from the fortnight beginning January 31, 2020 and up to the fortnight ending July 31, 2020 for a period of five years from the date of origination of the loan or the tenure of the loan, whichever is earlier.</p> <p>A scheme of one-time restructuring without an asset classification downgrade was permitted to GST registered MSME accounts which were in default as on 01.01.2019 but are standard assets. This dispensation has been extended till 31.12.2020. This was a very good move by RBI considering importance of MSME in Indian economy.</p> |
| <p>Mr. Ramesh Kochwani, Mehta Vakil & Co.</p> | <p>Sir, you have exposure to NBFC to the tune of Rs.22000 Crore. What is the health of the NBFC portfolio?</p> |
| <p>Mr. Atul Kumar Goel, MD and CEO</p> | <p>It is not Rs.22000 Crore. Our exposure limit to NBFC is 15% which comes to around Rs.13000 Crore. Besides this we have pool purchase which is around Rs. 3095 Crore as on</p> |

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|------------------------------------|-----|--|
| | | 31.12.2019. The exposure to NBFC during the last one year is only to AAA rated companies with group support. Barring 2-3 accounts, like IL&FS, DHFL etc., the health of NBFC portfolio is good. Few accounts are categorised as NPAs and adequate provision has been made. |
| Mr. Pranoy, Securities: | BMK | We had slippages to the tune of 20 billion during Q3 quarter. Can you highlight segment wise slippages? |
| Mr. Atul Kumar Goel, MD and CEO | | During the December Quarter, the slippages under the Retail was Rs.270 Crore, under MSME : Rs. 327 Crore, under Agriculture Rs. 220 and remaining in Corporate Sector. |
| Mr. Pranoy, Securities: | BMK | Sir, We have noticed in newspapers that two major players in Telecom Sector may likely turn into NPAs. Do you have any exposure Telecom Sector? |
| Mr. Atul Kumar Goel, MD and CEO | | Bank do not have much exposure in Telecom Sector except in very few cases which are AAA rated companies. |
| Mr. Pranoy, Securities: | BMK | Sir, It is reported in the presentation that capital adequacy as on 31.12.2019 is 7.27%. Whether you have any capital raising plans? |
| Mr. Atul Kumar Goel, MD and CEO | | The capital adequacy of the Bank is 9.27% and not 7.27%. Bank has already received Rs.2142 Crore from Government of India. If required, Bank will approach the fund managers for QIP for which Board approval was already obtained. Hopefully, Bank will get into profits in March Quarter and Net NPA and other parameters will be better in June and September quarters. Once the parameters improved, Bank will plan for further issue. |

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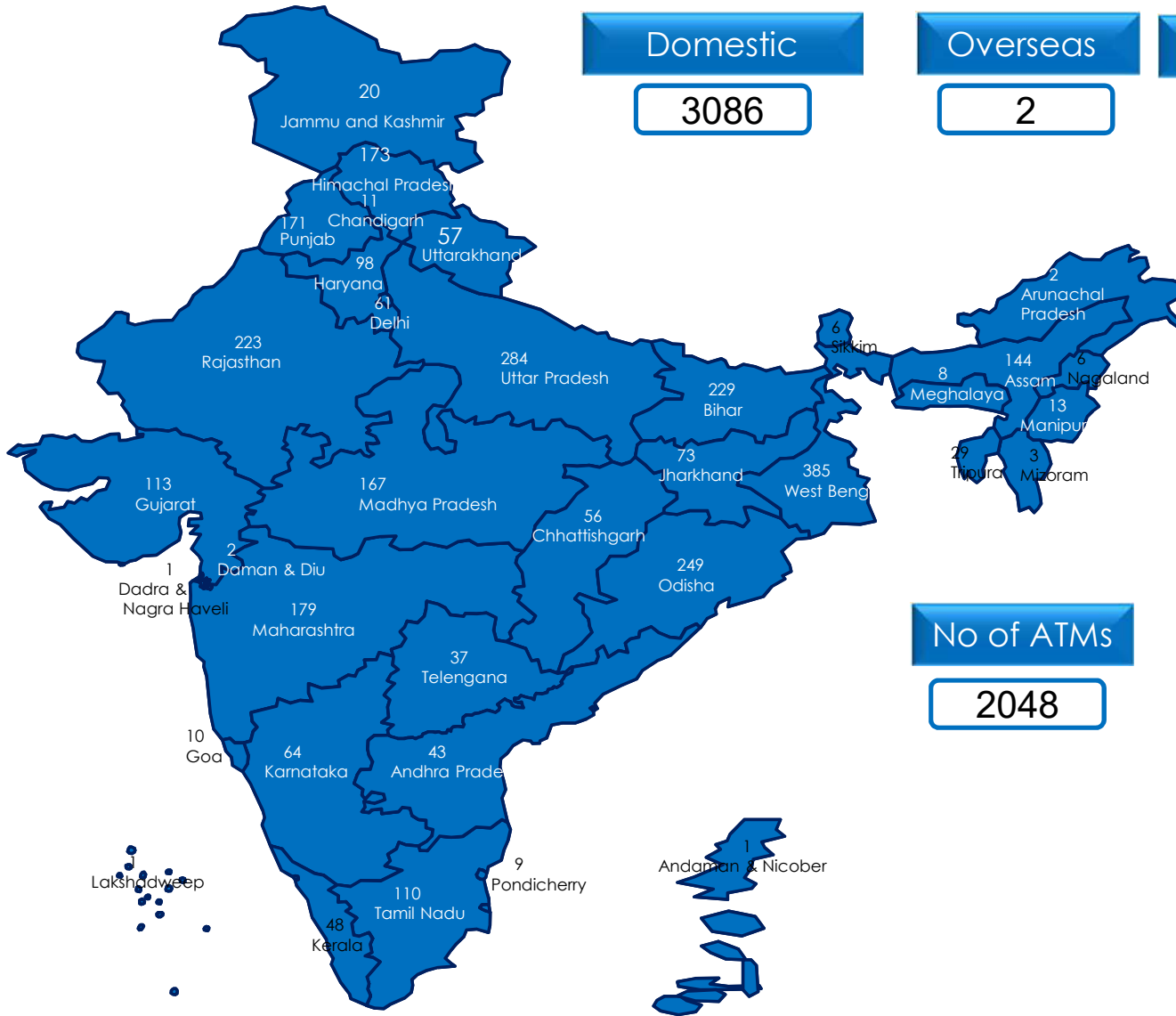
(A Govt. of India Undertaking)



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Financial Results

**Q3 & 9 Months Ended
(FY 2019-20)**



Domestic

3086

Overseas

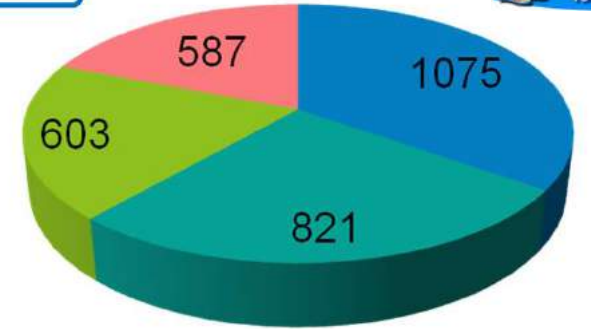
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Total Branches

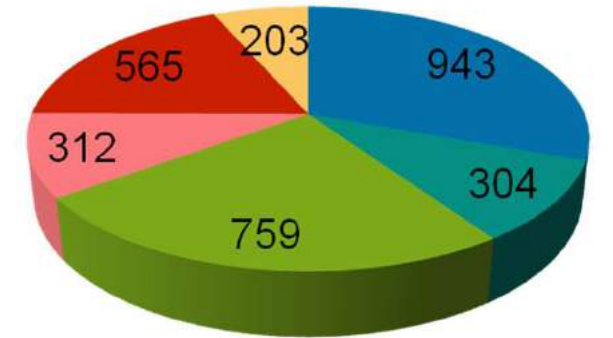
3088

No of ATMs

2048



■ Rural ■ Semi Urban
■ Urban ■ Metro



■ Eastern ■ Western ■ Northern
■ Southern ■ Central ■ North East

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Business Segment Performance

Assets Quality

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Highlights: Q3 FY 2019-20

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Highlights Q3 2019-20



**TOTAL
BUSINESS**

₹ 3,02,242 Cr.



LOANS

₹ 1,13,805 Cr.



**OPERATING
PROFIT**

₹1,211 Cr.



NII

₹1,237 Cr.



CASA

40.16%



CRAR

10.27%



PCR

83.71%



NET NPA

6.34%

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Performance at a glance-Business



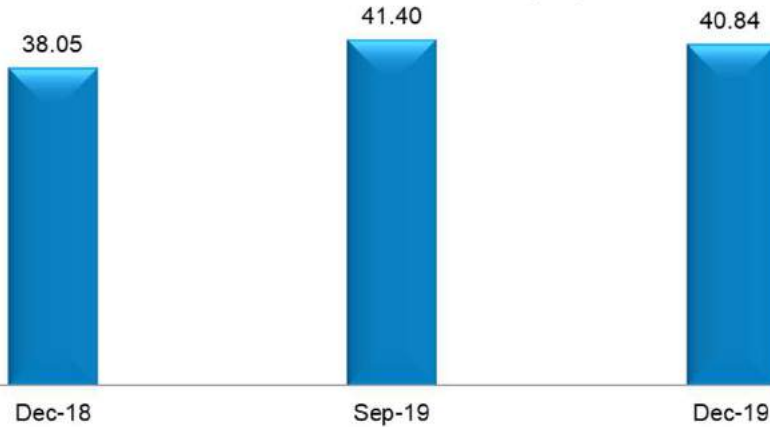
| | | | | | ₹ in (Cr) |
|---|---------------|---------------|---------------|---------------|-----------------|
| Business Mix (Deposits + Advances) | Mar-19 | Dec-18 | Sep-19 | Dec-19 | Y-O-Y(%) |
| Global Business | 317480 | 291516 | 306914 | 302242 | 3.68 |
| Domestic | 304017 | 279951 | 292254 | 289872 | 3.54 |
| Overseas | 13463 | 11565 | 14660 | 12370 | 6.96 |
| Global Deposits | 197907 | 177905 | 189585 | 188437 | 5.92 |
| Domestic | 192278 | 172891 | 184667 | 184263 | 6.58 |
| Overseas | 5629 | 5014 | 4918 | 4174 | -16.76 |
| Global Advances (Gross) | 119573 | 113610 | 117329 | 113805 | 0.17 |
| Domestic | 111739 | 107060 | 107587 | 105609 | -1.36 |
| Overseas | 7834 | 6550 | 9742 | 8196 | 25.12 |
| CD Ratio (%) | 60.42 | 63.86 | 61.89 | 60.39 | - |



Performance Highlights

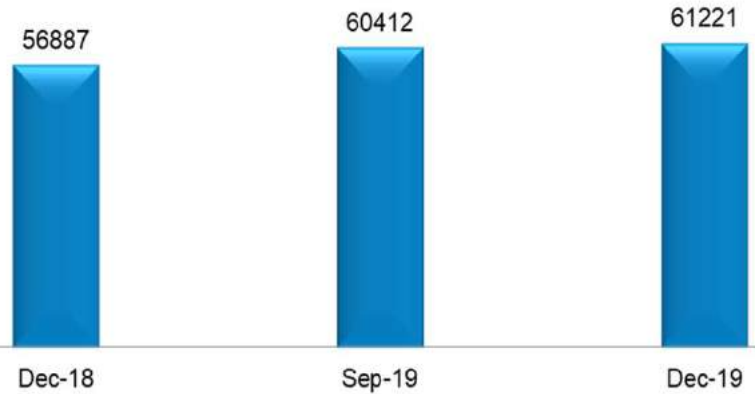


CASA Domestic (%)



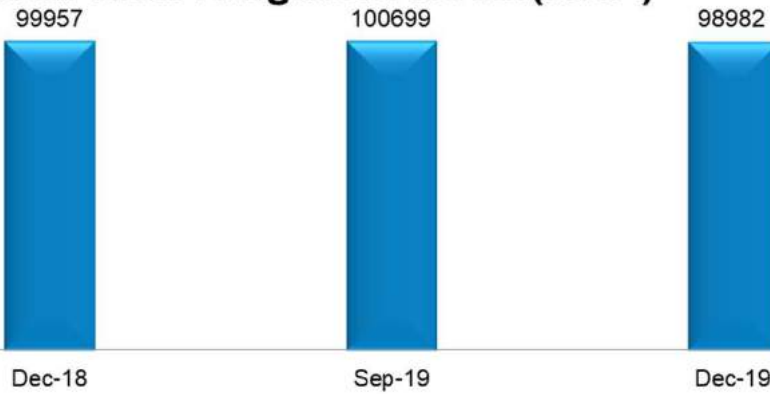
Savings Deposit

₹ in (Cr)



Total Risk Weighted Assets(RWA)

₹ in (Cr)



CRAR (%)

■ Tier 1 ■ CRAR

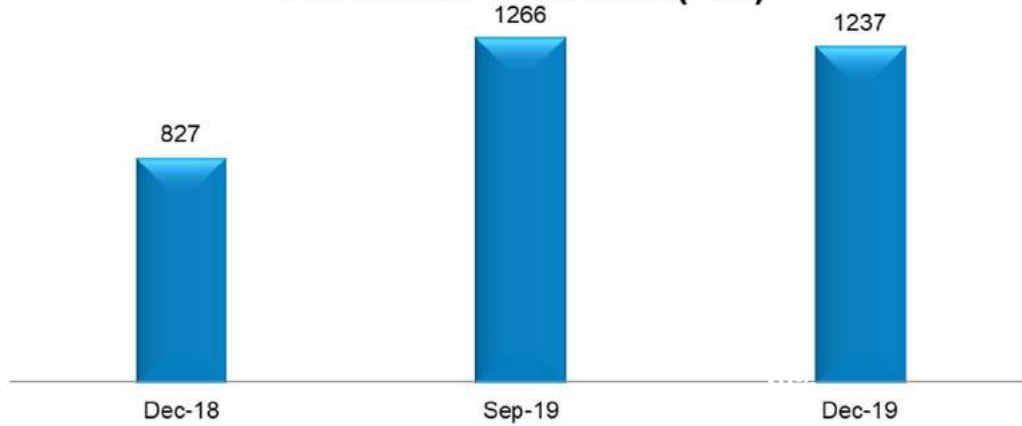


Performance Highlights



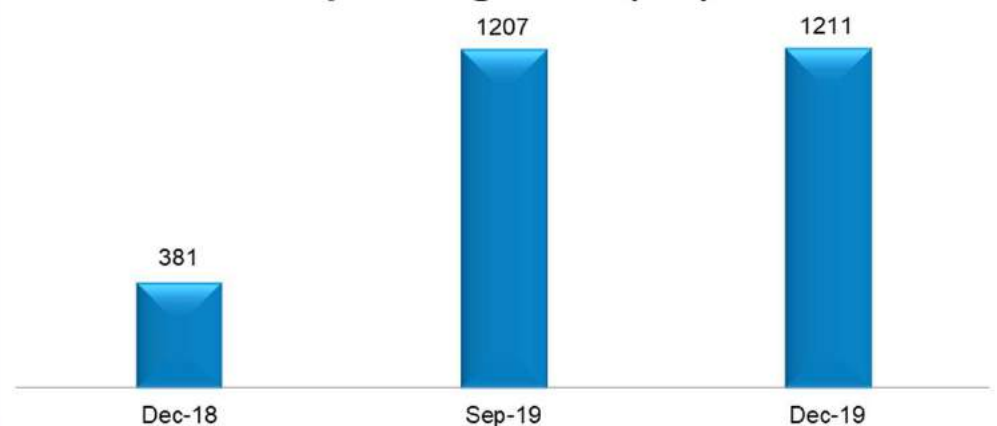
Net Interest Income (Qtr)

₹ in (Cr)



Operating Profit (Qtr)

₹ in (Cr)



Non Interest Income (Qtr)

₹ in (Cr)

■ Fee Based Income ■ Trading Profit ■ Other Income



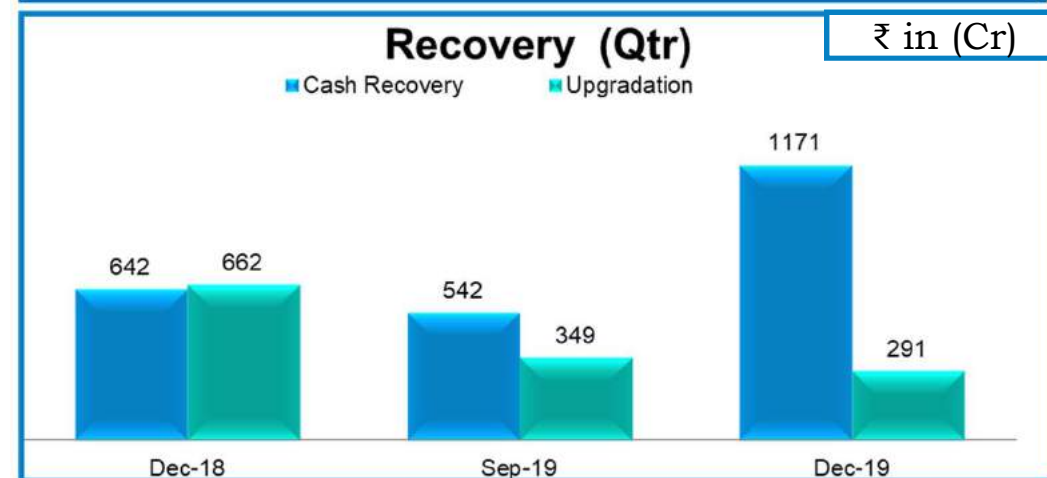
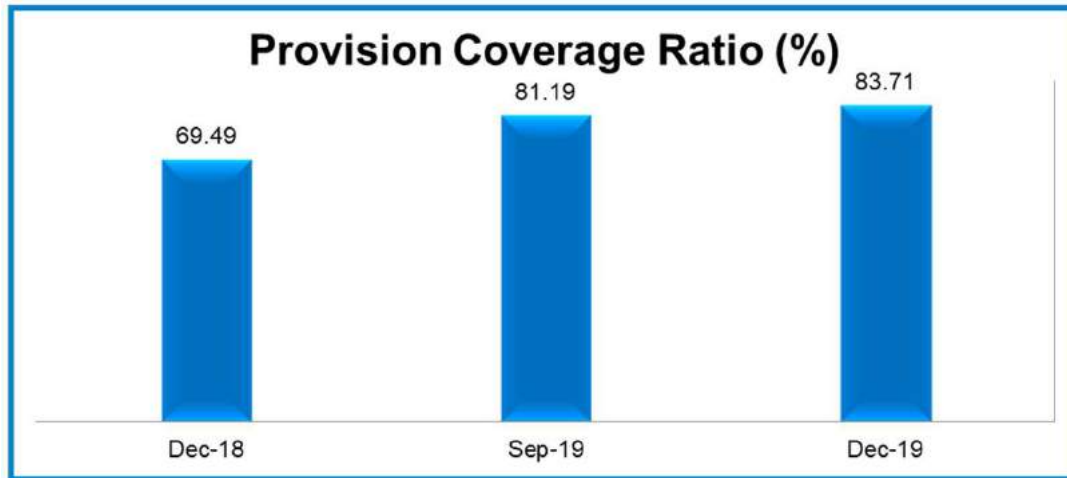
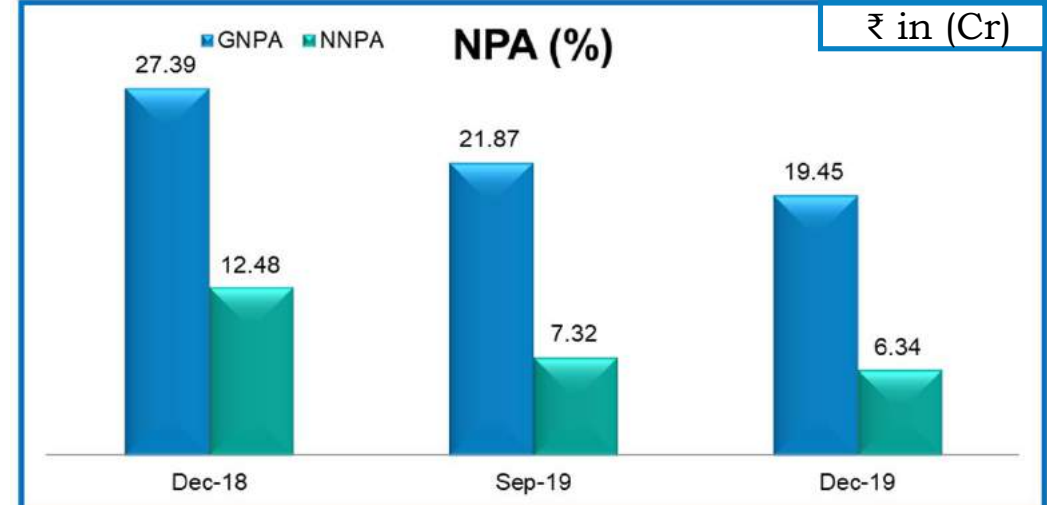
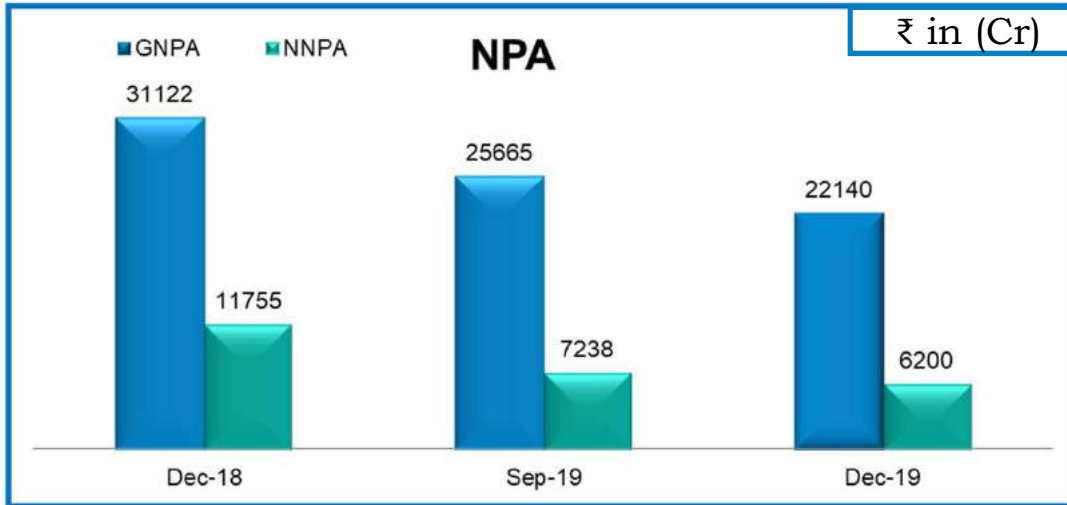
Credit Quality

₹ in (Cr)

■ Credit Risk ■ Advances



Performance Highlights





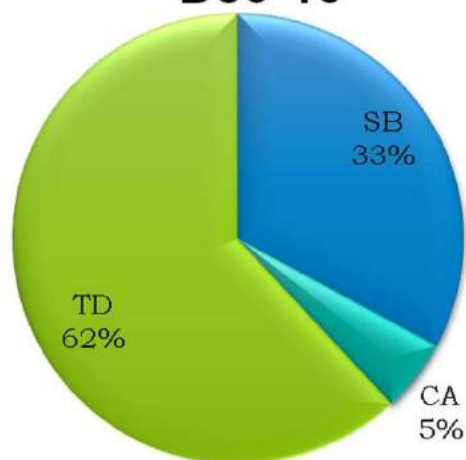
Business Segment Performance

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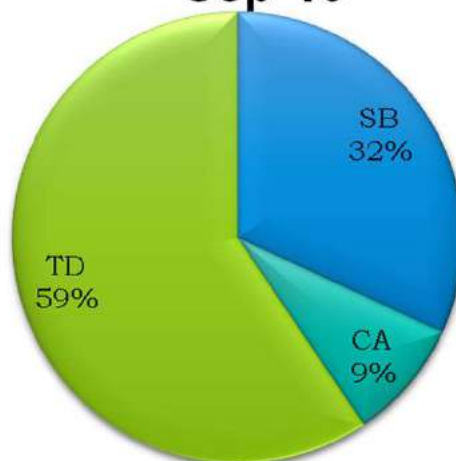
Global Deposits



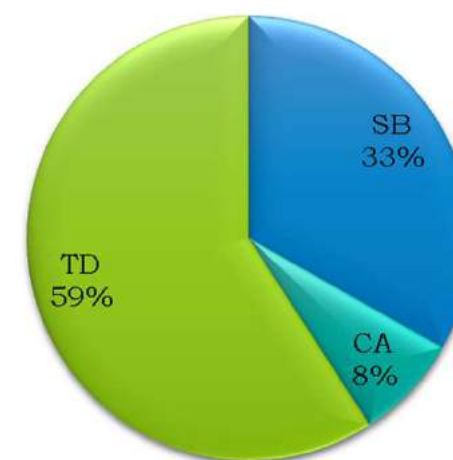
Dec-18



Sep-19



Dec-19



₹ in (Cr)

| Particulars | Dec-18 | Sep-19 | Dec-19 |
|--------------------------|--------------|--------------|--------------|
| Saving Deposits | 56820 | 60346 | 61154 |
| Current Deposits | 8968 | 16104 | 14101 |
| CASA | 65788 | 76450 | 75255 |
| Term Deposits | 107104 | 108217 | 109008 |
| Overseas Deposits | 5014 | 4918 | 4174 |
| Global Deposits | 177905 | 189585 | 188437 |



Domestic Industry Wise Exposure



₹ in (Cr)

| Particulars | Dec-18 | Sep-19 | Dec-19 | Industry Exposure (%) |
|-----------------------------|--------|--------|--------|-----------------------|
| Infrastructure | 22900 | 23139 | 19918 | 24.49 |
| NBFC | 7906 | 9635 | 12082 | 14.86 |
| Basic Metal Products | 13117 | 12075 | 10574 | 13.00 |
| Construction | 3110 | 3070 | 3878 | 4.77 |
| Food Processing | 3846 | 4055 | 3662 | 4.50 |
| Textile | 3105 | 3161 | 2943 | 3.62 |
| All Engineering | 5458 | 4900 | 5038 | 6.20 |

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Priority Sector Advance



₹ in (Cr)

| Industry | Dec-18 | Sep-19 | Dec-19 | Y-O-Y | |
|---------------------------------------|--------------|--------------|--------------|-------------|--------------|
| | | | | % Growth | % to ANBC |
| Agriculture | 20638 | 23412 | 23321 | 13.00 | 18.20 |
| Out of which, S&MF | 10679 | 10891 | 10969 | 2.72 | 8.56 |
| MSME | 22667 | 21436 | 22438 | -1.01 | 17.51 |
| Out of which, Micro | 11831 | 10865 | 11190 | -5.42 | 8.73 |
| Housing Loan | 8577 | 9093 | 9310 | 8.55 | 7.26 |
| Education Loan | 1214 | 1153 | 1123 | -7.47 | 0.88 |
| Others | 298 | 27 | 27 | -90.92 | 0.02 |
| Total Priority Sector Advances | 53394 | 55122 | 56220 | 5.29 | 43.87 |

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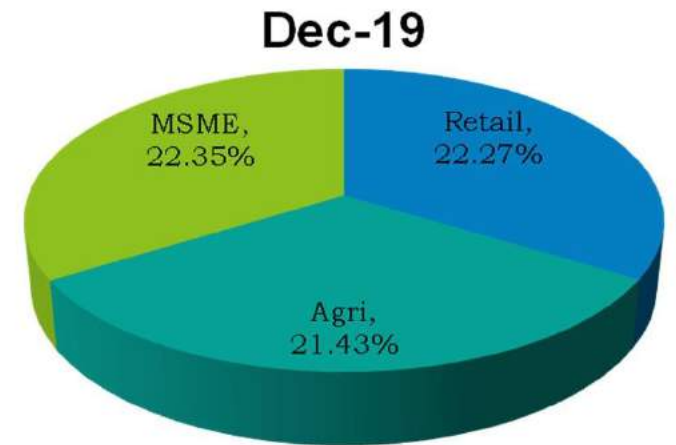
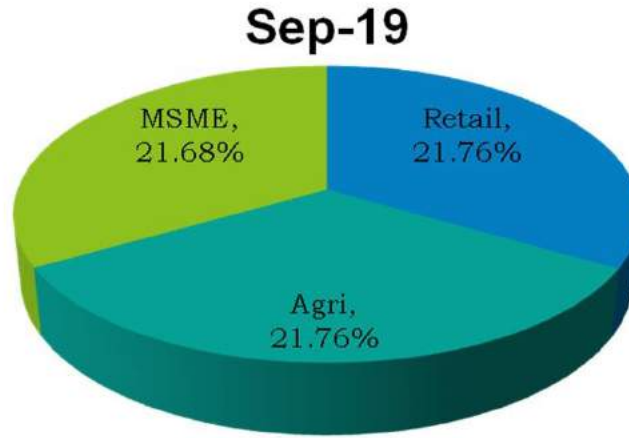
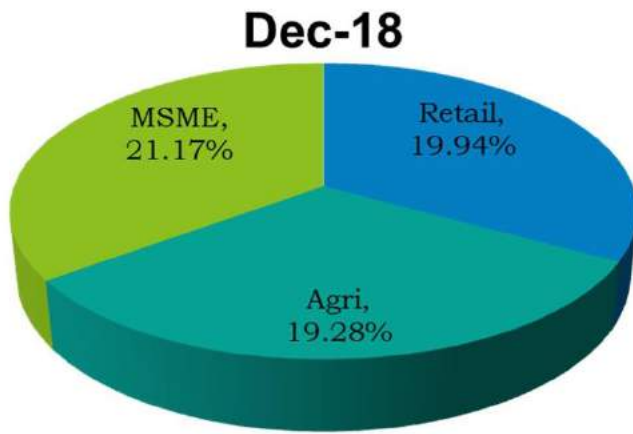


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RAM share in Domestic Advances



| ₹ in (Cr) | Retail Advance | Agriculture Advance | MSME Advance |
|---------------|----------------|---------------------|--------------|
| Dec-18 | 21345 | 20638 | 22667 |
| Sep-19 | 23412 | 23412 | 23321 |
| Dec-19 | 24235 | 23321 | 24323 |





Assets Quality

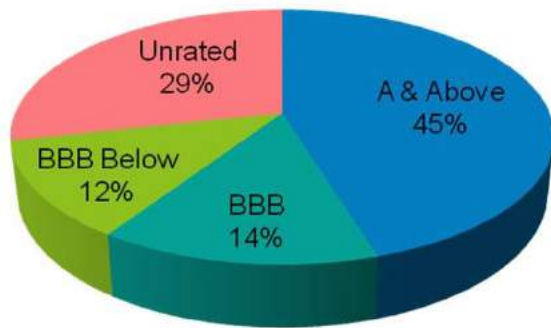
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Rating Profile

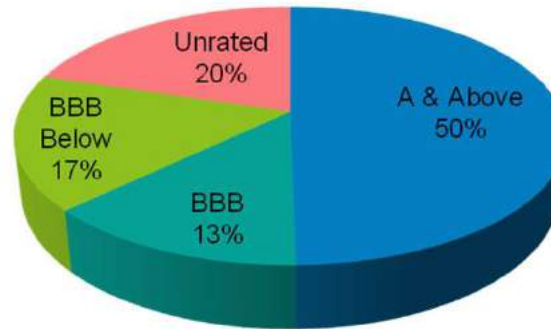


External Rating Distribution of Domestic Advances above 5 Cr.

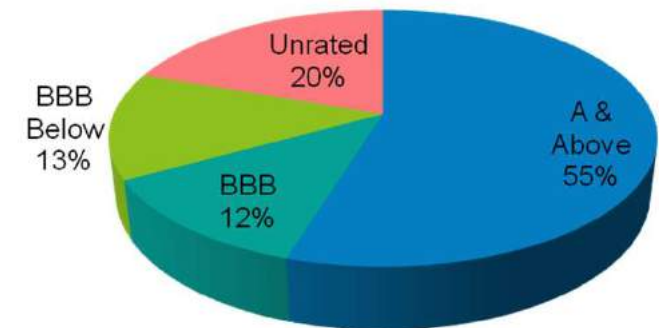
Dec-18



Sep-19



Dec-19



| ₹ in (Cr) | A& Above | BBB | BBB Below | Unrated |
|---------------|----------|------|-----------|---------|
| Dec-18 | 11283 | 3496 | 3056 | 7088 |
| Sep-19 | 14710 | 3874 | 5016 | 5979 |
| Dec-19 | 15996 | 3544 | 3946 | 5724 |



Asset Quality-Sequential



₹ in (Cr)

| Item | Mar-19 | Dec-18 | Sep-19 | Dec-19 |
|-----------------------------------|--------|--------|--------|--------|
| Gross NPA | 29888 | 31122 | 25665 | 22140 |
| Net NPA | 9650 | 11756 | 7238 | 6200 |
| Gross NPA % | 25.00 | 27.39 | 21.87 | 19.45 |
| Net NPA % | 9.72 | 12.48 | 7.32 | 6.34 |
| Provision Coverage Ratio % | 74.93 | 69.49 | 81.19 | 83.71 |

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Movement of NPA



₹ in (Cr)

| Item | Year Ended | Quarter Ended | | | Nine Months Ended | |
|-----------------------------|--------------|---------------|--------------|--------------|-------------------|--------------|
| | Mar-19 | Dec-18 | Sep-19 | Dec-19 | Dec-18 | Dec-19 |
| Opening Balance | 30550 | 29581 | 29432 | 25665 | 30550 | 29888 |
| Slippages | 9082 | 3466 | 1378 | 2078 | 7449 | 4689 |
| Less | | | | | | |
| Recovery + Write off | 7412 | 1264 | 4796 | 5312 | 5062 | 11568 |
| Upgradation | 2332 | 661 | 349 | 291 | 1815 | 869 |
| Total reduction | 9744 | 1925 | 5145 | 5603 | 6877 | 12437 |
| Closing Balance | 29888 | 31122 | 25665 | 22140 | 31122 | 22140 |

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Asset Quality-NCLT



₹ in (Cr)

| | 1 st List | 2 nd List | Others | Total |
|--|----------------------|----------------------|---------|---------|
| Exposure to number of accounts referred under IBC (as per RBI List) | 5 | 13 | 117 | 135 |
| Loan Outstanding as of 31st December 2019 (₹ Cr.) | 196.43 | 2038.76 | 5728.81 | 7964 |
| Total Provisions held upto 31st December 2019 (₹ Cr.) | 190.65 | 1734.76 | 4801.55 | 6726.96 |

Figures are excluding Technical write-off

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Financials

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Balance Sheet



₹ in (Cr)

| | 31.03.2019 | 31.12.2018 | 30.09.2019 | 31.12.2019 |
|--|---------------|---------------|---------------|---------------|
| CAPITAL & LIABILITIES | | | | |
| Capital | 5423 | 3955 | 7362 | 8623 |
| Share Application Money | 3596 | 3076 | 2130 | - |
| Reserves & Surplus | 8371 | 8322 | 8648 | 8591 |
| Deposits | 197907 | 177905 | 189585 | 188437 |
| Borrowings | 8324 | 7145 | 12505 | 10523 |
| Other Liabilities & Provisions | 6863 | 6056 | 7284 | 7975 |
| Total | 230484 | 206460 | 227514 | 224149 |
| ASSETS | | | | |
| Cash and Balances with RBI | 8823 | 7754 | 9292 | 8646 |
| Balances with Banks and Money at Call and Short Notice | 15609 | 9047 | 10525 | 7123 |
| Investments | 82232 | 71029 | 83564 | 83753 |
| Advances | 99314 | 94264 | 98844 | 97804 |
| Fixed Assets | 2822 | 2843 | 2802 | 2811 |
| Other Assets | 21684 | 21521 | 22487 | 24012 |
| Total | 230484 | 206460 | 227514 | 224149 |

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Operating Revenues



₹ in (Cr)

| Sl. | Parameters | Year Ended | Quarter Ended | | | | Nine Months Ended | | |
|-----|---------------------------------|--------------|---------------|-------------|-------------|--------------|-------------------|--------------|---------------|
| | | Mar-19 | Dec-18 | Sep-19 | Dec-19 | Y-O-Y(%) | Dec-18 | Dec-19 | Y-O-Y(%) |
| 1 | Interest Income | 14331 | 3337 | 3805 | 3771 | 12.99 | 10549 | 11392 | 7.99 |
| 2 | Interest Expenses | 10019 | 2511 | 2538 | 2534 | 0.93 | 7530 | 7554 | 0.33 |
| 3 | NII (1-2) | 4311 | 827 | 1266 | 1237 | 49.60 | 3019 | 3838 | 27.11 |
| 4 | Non-Interest Income | 1514 | 248 | 729 | 743 | 199.50 | 1147 | 2102 | 83.33 |
| 5 | Operating Expenses | 3064 | 693 | 788 | 770 | 10.98 | 2096 | 2321 | 10.73 |
| 6 | Operating Profit (3+4-5) | 2760 | 381 | 1207 | 1211 | 217.38 | 2070 | 3619 | 74.86 |
| 7 | Provisions | 7081 | 1380 | 2099 | 2171 | 57.28 | 4839 | 6073 | 25.50 |
| 8 | Net Profit | -4321 | -999 | -892 | -960 | -3.86 | -2769 | -2454 | -11.39 |

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Net Interest Income



₹ in (Cr)

| Particulars | Year ended | Quarter Ended | | | Y-O-Y (%) | Nine Month Ended | | |
|---|--------------|---------------|-------------|-------------|--------------|------------------|--------------|--------------|
| | March-19 | Dec-18 | Sep-19 | Dec-19 | | Dec-18 | Dec-19 | Y-O-Y (%) |
| Interest Income | 14331 | 3337 | 3805 | 3771 | 12.99 | 10549 | 11392 | 7.99 |
| a. From Advances | 7825 | 1927 | 2078 | 2054 | 6.59 | 5939 | 6129 | 3.20 |
| b. From Investments | 5348 | 1206 | 1403 | 1486 | 23.25 | 3801 | 4433 | 16.63 |
| c. Others | 1158 | 204 | 323 | 230 | 12.78 | 810 | 830 | 2.57 |
| Interest Expended | 10019 | 2510 | 2538 | 2534 | 0.93 | 7530 | 7554 | 0.33 |
| a. On Deposits | 9329 | 2355 | 2344 | 2336 | -0.81 | 6996 | 7010 | 0.19 |
| b. On Borrowings | 250 | 55 | 70 | 61 | 11.17 | 195 | 188 | -3.43 |
| c. Subordinated Bonds & Others | 440 | 101 | 125 | 137 | 35.95 | 338 | 356 | 5.35 |
| Net Interest Income | 4311 | 827 | 1266 | 1237 | 49.60 | 3019 | 3838 | 27.11 |

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Non Interest Income



₹ in (Cr)

| Particulars | Year ended | Quarter | | | Growth | Nine Months Ended | | |
|-------------------------------------|-------------|------------|------------|------------|---------------|-------------------|-------------|--------------|
| | March-19 | Dec-18 | Sep-19 | Dec-19 | Y-o-Y(%) | Dec-18 | Dec-19 | Y-O-Y (%) |
| a) Treasury Income | 442 | 91 | 449 | 201 | 121.12 | 352 | 967 | 174.49 |
| b) Recovery in Written Off | 448 | 40 | 158 | 438 | 984.86 | 353 | 766 | 117.05 |
| c) Other Non Interest Income | 624 | 117 | 122 | 104 | -10.71 | 441 | 369 | -16.41 |
| Total (a+b+c) | 1514 | 248 | 729 | 743 | 199.50 | 1147 | 2102 | 83.33 |



Cost & Yield Ratio



₹ in (Cr)

| Ratio Analysis | Year ended | Quarter Ended | | | Nine Months Ended | |
|-----------------------------------|--------------|---------------|-------|--------------|-------------------|--------------|
| | March-19 | Dec-18 | Sep19 | Dec-19 | Dec-18 | Dec-19 |
| Cost of Deposit (%) | 5.07 | 5.31 | 4.97 | 4.97 | 5.15 | 4.91 |
| Cost of Fund (%) | 5.45 | 5.55 | 5.38 | 5.39 | 5.43 | 5.37 |
| Yield on Advances (%) | 9.52 | 9.56 | 9.49 | 9.19 | 9.64 | 9.32 |
| Yield on Investment (%) | 7.18 | 6.82 | 6.99 | 6.99 | 7.24 | 7.05 |
| Yield on Funds (%) | 8.39 | 8.09 | 8.20 | 7.99 | 8.46 | 8.10 |
| Cost to Income Ratio (%) | 52.61 | 64.51 | 55.39 | 57.40 | 58.27 | 53.97 |
| GNPA (%) | 25.00 | 27.39 | 21.87 | 19.45 | 27.39 | 19.45 |
| NNPA (%) | 9.72 | 12.48 | 7.32 | 6.34 | 12.48 | 6.34 |
| NPA Provision Coverage (%) | 74.93 | 69.49 | 81.19 | 83.71 | 69.49 | 83.71 |
| CRAR (Basel-III) (%) | 10.70 | 9.33 | 11.44 | 10.27 | 9.33 | 10.27 |

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Provisions



₹ in (Cr)

| Particulars | Year ended | Quarter Ended | | | Nine Months Ended | |
|---------------------------------------|--------------|---------------|-------------|-------------|-------------------|--------------|
| | March-19 | Dec-18 | Sep-19 | Dec-19 | Dec-18 | Dec-19 |
| Operating Profit | 2760 | 381 | 1207 | 1211 | 2070 | 3619 |
| Provisions for : | | | | | | |
| NPA | 8295 | 2244 | 2034 | 1646 | 5693 | 5055 |
| Standard Assets | -5 | -6 | 6 | -4 | -156 | 11 |
| Provision For Investment | 591 | -520 | 80 | 297 | 497 | 438 |
| Provision related to staff | 789 | 230 | 237 | 367 | 551 | 755 |
| Others | 180 | 78 | 284 | 605 | -5 | 1097 |
| Total Provisions before Tax | 9851 | 2025 | 2641 | 2911 | 6580 | 7355 |
| Profit Before Tax | -7091 | -1644 | -1434 | -1700 | -4510 | -3736 |
| Less- Taxation (Including DTA) | -2770 | -645 | -542 | -740 | -1741 | -1282 |
| Net Profit /Loss | -4321 | -999 | -892 | -960 | -2769 | -2454 |



Key Financial Indicators



₹ in (Cr)

| Particulars (Qtr.) | FY 2018-19 | Dec-18 | Sep-19 | Dec-19 |
|---|------------|--------|--------|--------|
| Return on Assets (%) | -1.84 | -1.76 | -1.41 | -1.52 |
| Return on Equity (%) | -32.30 | -34.81 | -24.31 | -25.90 |
| Book Value per Share(₹) | 12.82 | 15.03 | 9.74 | 6.38 |
| Earning Per Share (₹) | -11.16 | -2.53 | -1.21 | -1.18 |
| Net Worth (₹ in Cr.) | 6478 | 5458 | 6673 | 4986 |
| Operating Profit to AWF(%) | 1.18 | 0.67 | 1.90 | 1.92 |
| Non-Interest Income to AWF(%) | 0.65 | 0.44 | 1.15 | 1.18 |
| Business Per Branch(₹ In Cr.) | 102.81 | 94.40 | 99.39 | 97.88 |
| Business Per Employee (₹ in Cr.) | 13.69 | 12.31 | 13.16 | 13.16 |
| Operating Profit Per Employee(₹ in Lakh) | 11.91 | 1.61 | 5.18 | 5.27 |
| Net Profit Per Employee(₹ in Lakh) | -18.64 | -4.22 | -3.83 | -4.18 |

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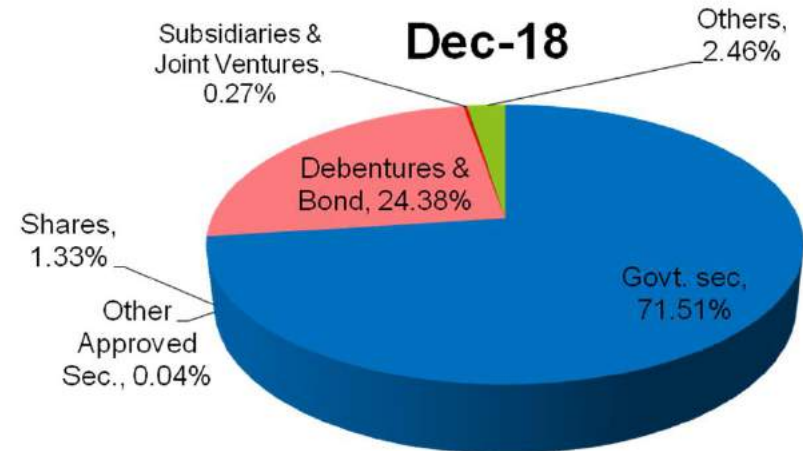
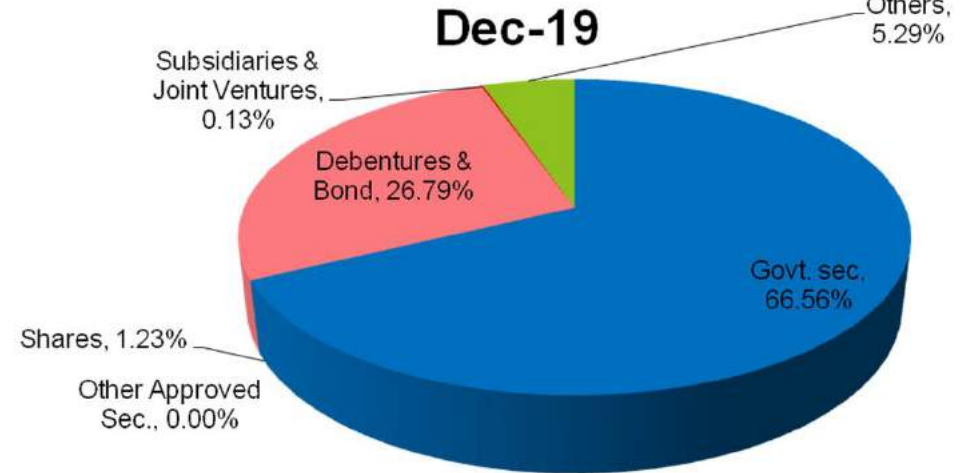
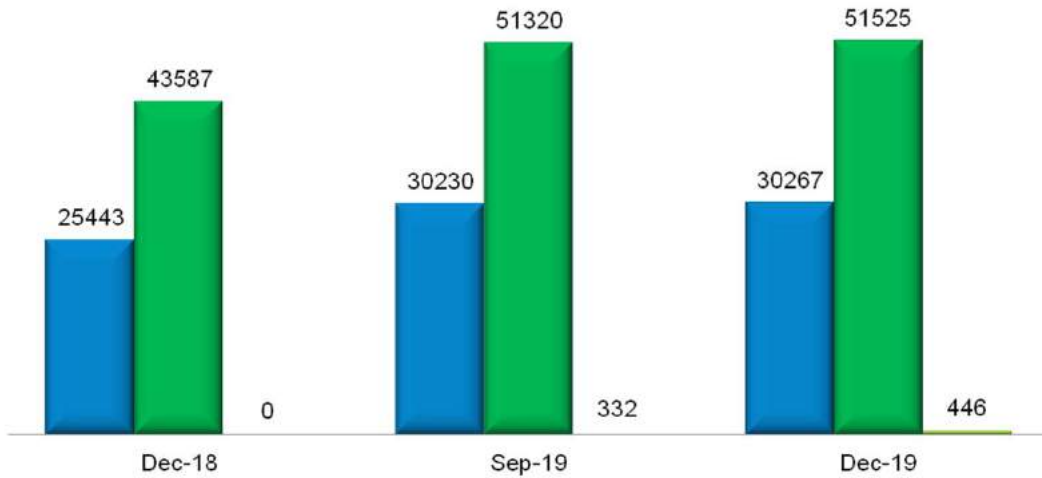


Investment Portfolio



Domestic Investments ₹ in (Cr)

■ AFS ■ HTM ■ HFT



| ₹ in (Cr) | Dec-18 | Sep-19 | Dec-19 |
|-----------------------------|--------------|--------------|--------------|
| Domestic Investments | 69031 | 81882 | 82238 |
| Overseas Investments | 3516 | 3273 | 3335 |
| Total Investments | 72547 | 85155 | 85573 |

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Performance Under Financial Inclusion



₹ in (Cr)

| Particulars | Dec-18 | | Sep-19 | | Dec-19 | |
|----------------------------------|---------------|----------------|---------------|----------------|---------------|----------------|
| | No. of Accts | Amount | No. of Accts | Amount | No. of Accts | Amount |
| PMJDY (Lacs) | 73.46 | 1981.18 | 82.41 | 2490.48 | 84.12 | 2604.78 |
| Zero Balance Accts (Lacs) | 15.88 | - | 16.25 | - | 16.23 | - |
| PMSBY (Lacs) | 13.83 | 1.65 | 17.21 | 2.06 | 18.06 | 2.16 |
| PMJJBY (Lacs) | 6.06 | 19.99 | 7.49 | 24.71 | 7.87 | 25.97 |
| APY (Lacs) | 1.52 | - | 2.50 | - | 2.76 | - |
| PMMY Shishu (Actual) | 174374 | 417.23 | 143304 | 315.28 | 141878 | 312.10 |
| PMMY Kishor | 158221 | 2361.02 | 116482 | 1690.90 | 125875 | 1817.31 |
| PMMY Tarun | 13862 | 932.31 | 13304 | 879.18 | 14832 | 970.61 |
| PMMY Total | 346457 | 3710.56 | 273090 | 2885.36 | 282585 | 3100.02 |

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Capital & Shareholding

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Capital Adequacy-Basel-III



₹ in (Cr)

| Particulars | Mar-19 | Dec-18 | Sep-19 | Dec-19 |
|--|--------------|-------------|--------------|--------------|
| CET1 Capital | 8462 | 7141 | 8993 | 7136 |
| Tier I Capital | 8462 | 7141 | 8993 | 7136 |
| Tier II Capital | 2016 | 2187 | 2532 | 3029 |
| Total Capital | 10477 | 9328 | 11525 | 10165 |
| Risk Weighted Assets | 97981 | 99957 | 100699 | 98982 |
| CET1 (%) | 8.64 | 7.14 | 8.93 | 7.21 |
| Tier I (%) | 8.64 | 7.14 | 8.93 | 7.21 |
| Tier II (%) | 2.06 | 2.19 | 2.51 | 3.06 |
| Capital Adequacy Basel III (%) (CRAR) | 10.70 | 9.33 | 11.44 | 10.27 |

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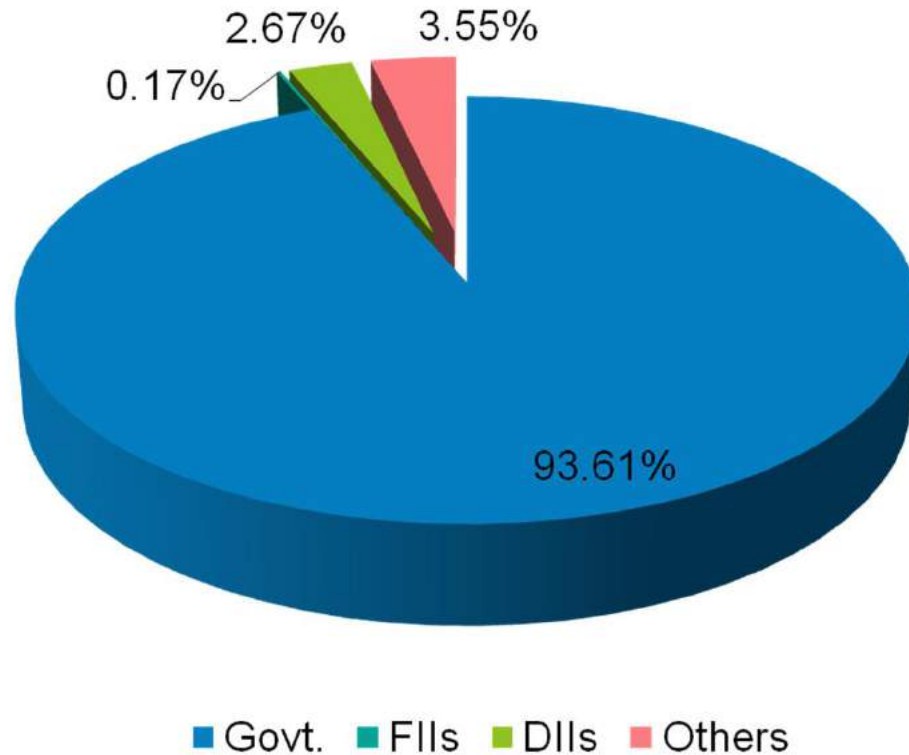


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Share Holding Pattern



₹ in (Cr)

| As on 31.12.2019 | |
|----------------------------|----------------|
| Share Capital | 8623 |
| Net Worth | 4986 |
| Market Cap | 14401 |
| No of Equity Shares | 8,62,32,98,301 |

| Details of Shareholding Pattern (%) | |
|-------------------------------------|--------|
| | Dec-19 |
| Govt | 93.61 |
| FII | 0.17 |
| DII | 2.67 |
| Others | 3.55 |





Digitalization

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Digital Platforms



New initiatives taken for Technological up gradation of our Bank in 3rd Qtr.

- ✓ Implementation of numeric and voice CAPTCHA in Internet Banking.
- ✓ New Features in Mbanking : SIM Binding , Schedule Bill payment , Mark favourite.
- ✓ Installation of 137 new RBI complied ATMs during the quarter.
- ✓ Under Mission 100 Project, total ATM Hit increased to 96 as of December 2019.
- ✓ Implementation of Door Step Banking.
- ✓ Mission 400 new ATM installation initiated.
- ✓ UCash : Card less Cash withdrawal from ATM.



Road ahead for ATMs and Debit Cards which is going to be implement in near future.

- ✓ Introduction of Cash@POS for Rupay Cards.
- ✓ Procurement of 100 Cash recyclers.
- ✓ Implementation of OTC lock in ATMs.
- ✓ Implementation of e-surveillance in ATMs.
- ✓ Issuance of NETC Fastag by Bank for toll booth payment.



Road ahead for E-Banking and M-Banking which is going to be implemented in near future.

- ✓ Apply for Locker.
- ✓ Online account opening of PPF account through M-banking & E-banking.
- ✓ Implementation of FEBA (Finacle E-Banking Application).
- ✓ Implementation/Development of EASE features.
- ✓ Implementation of Chatbot.
- ✓ Implementation of UPI- PAN validation.



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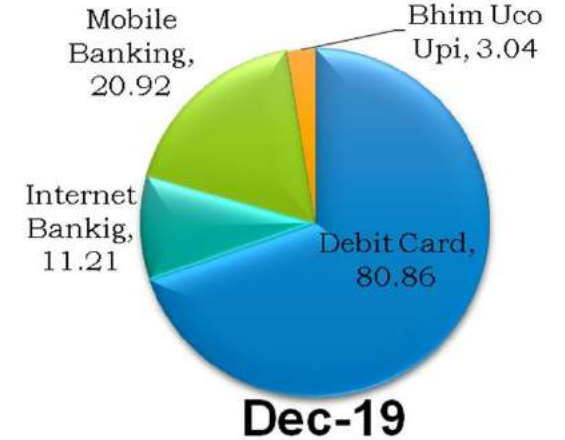
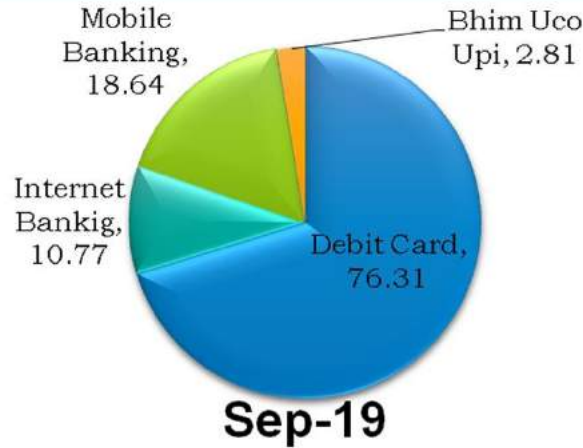
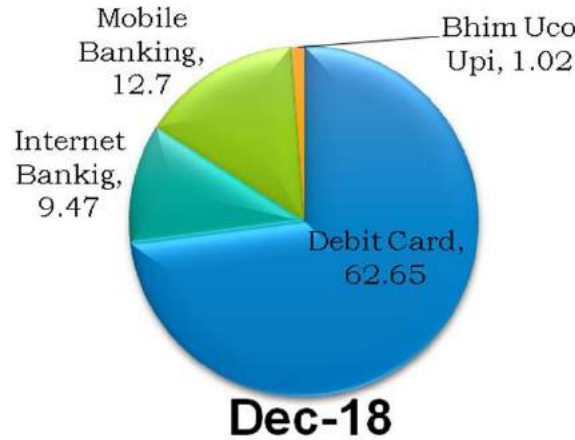


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Digital Progress



| Digital Channels | Mar-19 | Dec-18 | Sep-19 | Dec-19 | Growth (%) | |
|---------------------------------|---------|---------|---------|---------|------------|-------|
| | | | | | Y-O-Y | Q-O-Q |
| Debit Cards (Lakhs) | 6728826 | 6264818 | 7631484 | 8095859 | 29.23 | 6.08 |
| Internet Banking (Lakhs) | 9.95 | 9.47 | 10.77 | 11.21 | 18.37 | 4.09 |
| Retail | 8.78 | 8.34 | 9.53 | 9.93 | 19.06 | 4.20 |
| Corporate | 1.17 | 1.13 | 1.24 | 1.28 | 13.27 | 3.23 |
| Mobile Banking | 14.39 | 12.70 | 18.64 | 20.92 | 64.72 | 12.23 |
| Bhim UCO UPI (Lakhs) | 2.25 | 1.02 | 2.81 | 3.04 | 198.04 | 8.19 |
| POS Terminals | 4601 | 4624 | 5357 | 6650 | 43.82 | 24.14 |
| Avg. Daily ATM Hits | 69 | 68 | 75 | 96 | 41.18 | 28.00 |

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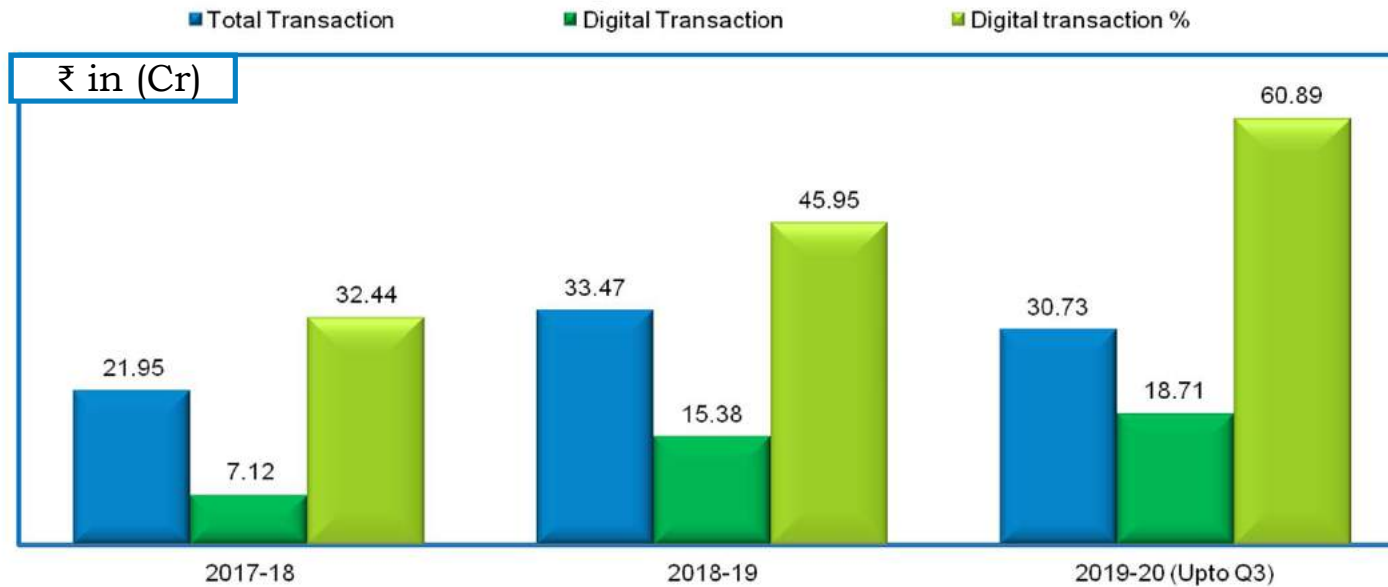
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Digital Progress



Digital Channels



₹ in (Cr)

| Financial Year | Total Transactions | Digital Transactions (Financial) | Digital Transaction (%) |
|--------------------|--------------------|----------------------------------|-------------------------|
| 2017-18 | 21.95 | 7.12 | 32.44 |
| 2018-19 | 33.47 | 15.38 | 45.95 |
| 2019-20 (up to Q3) | 30.73 | 18.71 | 60.89 |



Vision & Mission



VISION

“To emerge as the most trusted, admired and sought-after world class financial institution and to be the most preferred destination for every customer and investor and a place of pride for its employees.”

MISSION

“To be a Top-class Bank to achieve sustained growth of business and profitability, fulfilling socio-economic obligations, excellence in customer service; through Upgradation of skills of staff and their effective participation making use of state-of-the-art-technology.”

One Team One Dream

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