



UCO BANK

Q1 FY24 RESULTS

Post Earnings Analysts/Investors Meet

Held on 31.07.2023 at 2:30 pm

TRANSCRIPT

UCO Bank Management is represented by :

1. Mr Ashwani Kumar, Managing Director & CEO
2. Mr Rajendra Kumar Saboo, Executive Director

Moderator : M/s Antique Stock Broking Limited

- **Moderator:**

- Good afternoon, everyone. On behalf of Antique Stockbroking, we welcome you all for the Q1 FY 23-24 Earnings Webcast of UCO Bank. UCO Bank management team is represented by Mr. Ashwani Kumar, MD and CEO; Mr. Rajendra Kumar Saboo, Executive Director along with senior management of the team. Thank you sir for giving us the opportunity to host the call. Without any further ado, I hand over the call to MD, sir for his opening remarks, post which we can start the Q&A.

- **Mr. Ashwani Kumar – MD & CEO, UCO Bank :**

- Thank you. I welcome all the analysts and investors to this conference call. Along with me, I have my Executive Director, Mr. Saboo. All top management team, corporate general managers. I'll just give you the brief about the performance of the bank during this first quarter of 2023-24. Investor presentation we have already uploaded and I believe all of you have gone through, just a brief of the performance I will give then we will be open to your question, answers. Well that as you all know, the total business of the bank grew by 16% and of which the deposit contributed 10.80% growth and advances 25% growth of which the domestic advances 21% growth and the growth in advances was backed by RAM growth by 19% of which retail contributed 25%, agri 14% and MSME 15%.
- Of the retail housing contributed 23%, vehicle 24% and personal loan 26%. Q-o-Q also see our growth in housing loan, vehicle, and personal loan was 4%, 6% and 3% respectively. As regards deposit, our CASA grew by 6% of which savings bank grew by 6% and current account by 8%. Our CD ratio improved from 58.29% in June '22 to 65.79% in June '23. Gross NPA of the bank brought down to 4.48% vis-à-vis was 7.42% in June '22 and 4.78% in March '23. So, there is Y-o-Y decline and Q-o-Q decline also. Net NPA also improved to 1.18% from 2.09% in June '22 and 1.29% in March '23. PCR of the bank also improved to 94.88% and the tangible PCR also improved to 74% vis-à-vis 68% in June '22. Net profit of the bank went up by 80.80% to Rs. 223 crores in Q1FY24 as against Rs. 124 crores in Q1FY23.
- Operating profit grew by 173% to Rs. 1,202 crores in Q1FY24 as against for Rs. 439.94 crores Q1FY23. Last year, quarter one there was MTM loss on investment books. As a result, the top operating profit was low. Now, this year there was no MTM losses so operating profit moved up. As regard net interest income, net interest income of the bank grew by 21.78% to Rs. 2,009 crores and net interest

margin also improved to 2.86% as against 2.74% in June '22/ This is global NIM, domestically improved to 3.03% as of June '23. And CRAR also improved to 16.85% of which Tier 1 is 14.16% and CET1 is 13.70%, registering an improvement of 240 bps over 30 June '22.

- As you all can see, that during this year, we have made a provision of normal NPA provision of Rs. 389 crores apart from that standard asset of Rs. 163 crores have been made which is on account of SMA1 and 2 book more than Rs. 1, crores. Our SMA 1 and 2 book more than Rs. 1 crore is around Rs. 2,000 crores. So on that Rs. 163 crores have been provided. In addition to that Rs. 135 crores also have been provided as a forward looking provision to take care of the ECL emerging guidelines in the times to come.
- As we speak, bank holds the provision of Rs.1,267 crores as a mandated provision on standard asset, which includes your 7th June RBI circular on standard restructuring, provisioning, standard asset provisioning. Apart from that, another Rs. 1,000 crores bank is holding over and above the mandate provision in the book to take care of the emerging ECL guidelines as well.
- As far as the credit mix is concerned, bank continues to have 60% RAM portfolio and 39% corporate portfolio and going forward we intend to, our endeavor will be to maintain that mix in RAM and corporate credit. In corporate credit, we'll be rebalancing our portfolio by bringing down our low yielding advances and our endeavor will be to concentrate on mid corporate segment thereby spreading the risk also and also improving the yield because highly rated and PSU corporates the NIM, or the margin is very low and the spread -- margin is very low and the risk is also high. So, our endeavor will be to rebalance our corporate credit book as well.
- So, far as deposit is concerned, our growth in the deposit continues, was 10% going forward our focus will be to improve our CASA because saving and current is a low cost fund. So our endeavor will be to enforce that, for that bank has taken various initiatives. First initiative bank has been started immediately now is up to the declaration of the result of tab banking earlier all accounts, savings accounts and current accounts and all these accounts are opened manually at the branch level by filling the application form. Bank has started the tab banking; 10 branches have already been provided and testing has already been done now that these accounts are being opened to tab and once these 10 branches may will be in a week time any issue or problem coming then we'll be rolling out to all the branches.

- So, account opening will be totally digital. Apart from that we will be coming out with a digital RFP also, board has already approved digital transformation RFP and then maybe another 10 to 15 days' time digital transformation knowledge partner will also be on boarded to take care of the emerging needs of the young generation and our customers. Along with that bank -- board has approved Rs. 1,000 crores of IT spend during this year, which bank will be spending on various IT initiatives right from the private cloud digital transformation and other things. Bank has also undertaken performance management system transformation that is an HR transformation journey for which knowledge partner has already been on boarded. And that has been made live. So by the end of this year, that entire – the performance management system will be live 100%.
- So these are the few initiatives and thoughts I wanted to share. Now I am open for discussions if you want to add something. So I'm open for question and answers from our colleagues, from our investor.
- **Moderator:**
- So thank you for your opening remarks. We'll just open the floor for question and answer. We'll wait for a minute for the queue to arrange and post that will start it. Anyone wishes to ask the question please raise your hand. So we have the first question from Mr. Sohail. Mr. Sohail, you've been unmuted please ask your question.
- **Mr. Sohail - Analyst:**
- Hello. Yes, good afternoon and thanks for the opportunity for letting me ask the call. So you just on the passing comments you mentioned about ECL provisions. So if you could actually help understand that what in your assessment is the shortfall in terms of ECL that you see and probably where the shortfall is coming from.
- **Mr. Ashwani Kumar – MD & CEO , UCO Bank:**
- See ECL is emerging concept already RBI has come out with a framework but the final guidelines are yet to come. So in order to have the cushion in the right time when the bank is earning profits. So, we are started making the provisions, but we have not made any assessment as of now, that how much provision is required or how much provision is not required, but let me give you some filler about that our SMA 1, 2 book where were the provision can come so that is more than Rs. 1 crores SMA, 1 and 2 book is only Rs. 2,000 crores currently and on that

around Rs. 163 crores we have made a provision. Apart from that there another stage two will be COVID restructuring or the restructuring group. So, the COVID restructuring standard book is around Rs. 2,742 crores, I believe, this is the number and against that apart from the regulatory required provision. So, additional provision is also captured. So, if my SMA 2 book more than Rs. 1 crores SMA book, one book more than Rs. 1 crore and my restructured book also is taken together. So, Rs.2,000 plus Rs.2,700, Rs, 4700 crores are the portfolio which may attract stage one and stage two provisions. And against that apart from the regulatory provision Rs. 1,000 crores provision we have -- we are holding in our books currently.

- **Mr. Sohail - Analyst:**

- Okay. And sir, if you could share what would be the SMA book below Rs. 1 crore? Any ballpark number?

- **Mr. Ashwani Kumar – MD & CEO: UCO Bank:**

- Below Rs. 1 crore, I can give you separately. I don't have exact number right now. I believe that will be around below Rs. 1 crore maybe around Rs. 5,000 crore approximate, below Rs. 1 crore will be Rs. 5,000 crore approximately.

- **Mr. Sohail - Analyst:**

- Okay. And sir, just a couple more question while I see that in terms of the slippages trained has lowered, our credit cost still runs at around 1% -- in the range of around 1% this quarter as well, what, first have you have gone through a consolidation period de-risked a book, what should be a sustainable credit cost be for you for next two or three years. Because we have seen some banks reporting even a 40-50 basis point credit cost.

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- See, if you look at our PCR, it is around 94.80% and our tangible PCR is around 75%. So, there is a room available to increase our tangible PCR. So, as we are moving ahead, wherever required we are making reasons because it is always said that the buffers are to be created at the opportune time. So, wherever required we are creating buffers and I think my take will be that our credit costs during this year will be around 1% to 1.25%.

- **Mr. Sohail - Analyst:**

- And sir, simultaneously if you could give some indication in terms of ROA, is that you see FY24 and '25?

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- See, again ROA is a function of profitability, right, of your total assets and our endeavor will be to increase the operational efficiency because the operating profit is our target. So, operating profit, we are target increasing, operating profit at least by 15%. And once we do that, automatically profit will increase and ROA also will increase. So, that target or the internal target set for the team is to increase the operational efficiency as you all can see that last year our operating profit was down from the previous year. So, we want to asses that situation and come to a growth mode. So, once operating profit is up, the naturally going forward the provisions will also be lower and profitability will improve and accordingly ROA also will increase.

- **Mr. Sohail - Analyst:**

- Okay, and sir just last question from my side, probably then I'll join back in the queue, our loan to deposit ratio or credit to deposit ratio runs still low at 66% and we are managing a margin of around 3%. So, once you lever up this balance sheet in terms of improved the loan to deposit ratio, where do you see the margins headed towards to any broader sense when should we see the margins?

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- See, historically bank's CD ratio was low basically on account of the fact that bank was in PCR till September '21. So bank came out of PCR and after that bank started lending and the CD Ratio is improving on a quarter-to-quarter basis. And if you look at our NIM, that is around 2.86% and going forward our endeavor will be to take it to 2.90% to 3%. Having said that, let me also tell you that there is a pressure on the cost of deposits, and the cost of deposit this quarter has also increased. As a strategy, currently we are not taking long-term deposit at high cost. So, we are targeting increase in CASA and increase in retail term deposit. So, our entire team's focus is on CASA plus retail term deposit instead of going for the bulk deposit. We, in the last quarter we took CD also this quarter we have shut that CD amount also. So we have not taken the high cost deposit. So, only low cost deposit is our target. And based on that we intend to control our interest expenditure and other expenses.

- **Mr. Sohail - Analyst:**

- Okay, thanks a lot, sir, for your time I will come back in queue, if anything.

- **Moderator:**

- Sir, we have our next question from Mr. Sushil Choksey. Sushil sir, you can unmute yourself.

- **Mr. Sushil Choksey – Analyst:**

- Good afternoon, Ashwani ji and Mr. Saboo ji. Sir, my first question is the transformation journey which you made a part of your opening remark, both of you have taken over the bank recently. So yourself in this current quarter, which has gone by and Saboo ji maybe three quarters now. Tab banking, digital spend of Rs. 1,000 crores, does this digital spend means Rs. 1,000 crores only to be spent this year for leapfrogging on the digital side or something more than that.

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- See, digital spend is on the digital side and also to the build capabilities, including cybersecurity as well, including replacing infrastructure of our branches, where PCs are old. So including our revamping our mobile app, also revamping our existing systems. So, there are even – for private cloud at on our premises. So, many things have been planned and based on that our internal assessment is around Rs. 1,000 crores of spent we will be -- we have kept the budget. But definitely expenditure will take a little time because now the RFP will be there, then the vendors will be on boarded and once they are onboarded, it is not like that it will be implemented in day one or day two, it will take little time also. So, the journey has just started because it will take digital transformation. So, onboarding, digital transformation will take some time and once they are on board, so then digital transformations will take little time maybe one year time to complete a project. So, the beginning has been made, but it will take full transformation agenda to, complete will take little time maybe one year or one and a half year to be in totality.

- **Mr. Sushil Choksey – Analyst:**

- Sir, what are the low hanging fruits in your eyes seeing UCO Bank's performance of couple of years and which is visible sitting in Calcutta today in the eastern sector. Which I would like to understand from your then throw a question

because both of you have had amazing experience at PNB when you all acquired United Bank of India, and you also had a brief stint at Indian Bank. So looking at those perspective and specifically in the geography where you are located. You are a pan India bank, but the East has a lot of support. So what are the low hanging fruits would you like to tap?

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- Hey, you're right, Choksey ji, in one way, because East is, I always tell my team that east is our territory because earlier there were three bank headquarters and only now in East, we have only UCO Bank. So we are in a good position to leverage our position here. And accordingly our focus will be to leverage CASA because if you know the data of, I think United Bank, their casa was around 55%, if my memory goes right –pardon.

- **Mr. Sushil Choksey – Analyst:**

- It was always about 50%.

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- Yes, this is what I'm saying. So, but we, now we can position ourselves by extending our digital reach by extending our digital platform to the state government, to the state's various agencies. So because we need to be digitally sound, infrastructurally sound to capture all those deposits. So our -- we -- what we are doing we are now bringing up a CASA team headed by a GM, earlier our team planning and CASA resources was looked after by one GM. Now we are segregating resources separate and planning separate. So resources team will be aided by GM and there will be a savings in-charge, there will your current account in-charge, there will be a government account in-charge, there will be NII charge. So, all these divisions will be separate and accordingly we will focus on North territory or Eastern territory based on the potential. East has a good potential and as you rightly said, I also believe that it is the low hanging fruit for us in the east. So, we no need to leverage that and our endeavor to that, for that.

- **Mr. Rajendra Saboo - Executive Director: UCO Bank:**

- One more point to it, sir, that in the Eastern part mostly in our UCO Bank, our casa particularly savings deposit comes mostly from the individual deposits only. So, we have very low percentage of institutional and Government deposits. So, one low hanging point here is that we can enhance the deposit from

individuals through our digital initiatives which we are planning which already we have started and another that there is an ample scope to increase our CASA from institution and Government deposit also. So, we have also the asset that we have been creating this casa vertical and it will take us ahead in growth of casa.

- **Mr. Sushil Choksey – Analyst:**

- Sir, there was -- you answered on the garnering of deposits, what about on low hanging fruit because no public sector banks talk about public sector and private sector lending. So I understand that last few years, we've focused more on lending to public sector rather than private sector. So, are you seeing how – where is your CD ratio likely to be tilted and as you said, your income is likely to rise which means that function either RAM will grow or corporate credit will grow. So how are you factoring and balancing in that with a CD at 65 or 66, I'm quite sure the little aggression and balancing in the current environment where infrastructure spend is high, how are you positioned?

- **Mr. Ashwani Kumar – MD & CEO: UCO Bank:**

- Hey, Choksey ji, in my opening remarks I also told that time that our focus will remain on RAM because if you look at on our RAM growth in a quarter-to-quarter basis, even housing loan grew by 4%, our vehicle loan in one quarter grew by 6%, personal Loan by 5%. So, our focus will be in this segment where some margin is there and your risk is also spread. In corporate book, our endeavor will be to rebalance it, why? Maybe if my cost of deposit is high and my yield from that corporate, PSU is low. So, I may be exiting anytime or whenever there is a maturity, I may not be able to offer them the same rate. So, I may have to take a finance review at that particular point of time and my team's endeavor is to grow in mid corporate segment instead of being large cap or the PSU or the large companies. So, what motivates or the intention is that never is to grow in that segment. So, with that, we will be controlling our cost also, we will be improving our margin also and for housing, retail, housing MSME and agri, in the agri we have gone for the gold also, gold loan. Our gold loan was - is very meagre currently in comparison to Indian Bank or Canara Bank or Union Bank. So, we are targeting now the gold loan, we have already created a gold loan vertical also here now. And we are targeting that we may double our current portfolio of gold to I think from Rs. 5,000 crores to Rs. 10,000 crores are our target to increase our gold loan portfolio. So gold loan portfolio will be our target by reaching out to over various branches through and then housing, vehicle, personal loan, all those will be our initial targets.

- **Mr. Sushil Choksey – Analyst:**

- Sir, in the current round, my last question, sir, our government holding is 95.4% with Rs. 11,956 crores of equity. I'm sure that whether government grants you one year two year you will have to bring down your equity holding from the government, looking at a book and such government holding I had one suggestion to some other bankers whether this idea is suited within you or your floated with other banks I have no knowledge. You can convert your equally capital into Tier 1 bonds and get your holding down to 85% or 75% depending what government permits because your stock is trading at a reasonable price to convert compared to your book value. And let's assume that 95% is brought down to 80% or 75%, Rs. 2,200 crores equity converted carrying 8% coupon rate can be feasible, is something like this being discussed at UCO or in the system all at IBA, sir?

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- Choksey ji, it is not yet discussed and I am not aware but you are giving me good food for thought. I believe there are two banks like our bank who are falling into this category. So, if I have to take your suggestion, I think it will be our endeavor that first we'll discuss among ourselves through IBA channels and then we can approach the government also giving suggesting some modalities in case it is suitable or workable to us also and to the government. So presently, there is no thought process at least our level, but collectively we can think of.

- **Mr. Sushil Choksey – Analyst:**

- Sir, it will be a win-win situation for UCO, Central and IOB, I am sure about because Bank of Maharashtra has already done QIB. Thank you, sir, for answering all my questions. And I will rejoin the queue if I have further more questions after other participants.

- **Moderator:**

- Thank you, sir for your question. We have our next question from Mr. Amit Mishra. Amir sir, you've been unmuted, please ask your question.

- **Mr. Amit Mishra – Analyst:**

- Hi, good afternoon, sir. Thanks for the opportunity. Sir, my question is on RAM mix. So, if I see your RAM mix is stable from as compared to last year and in that also on retail advances, retail mix, retail mix is also stable as compared to June '22. So, are we focusing in on any specific segment in retail advanced is or what is your thought process over there?

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- Amit, thank you for your question, but let me tell you, I think if the retail mix, retail and corporate RAM and corporate segment is stable within the retail stable, I think it is a good indicator of the overall performance of various verticals within the bank, we will continue to maintain that ratio and within the retail also we will continue to maintain that combination of housing, vehicle and personal loan. And we'll add gold loan little bit, let's see how the gold loan vertical performance going forward.

- **Mr. Amit Mishra – Analyst:**

- Okay. So, basically my question was on that base, on that line that in retail also are we not more focused on housing loan, because the rates are higher or –

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- Amit, focus is there and you have seen that our retail has grown by 24% within the, sorry housing has grown by 23%, vehicle 24% and personal 26%. So, all three segments on a YoY basis grew more than 20%, quarter-on-quarter also retail, and housing loan continues to grow at 4%, vehicle 6% and personal 3%. So, same trend almost continues in the quarter-on-quarter basis also. And same trend will continue.

- **Mr. Amit Mishra – Analyst:**

- Okay, thank you, sir. My next question is on slippages, if I see fresh slippages are Rs. 512 crores which is higher than the last quarter and also the last year. The slippages coming from SME segments. So, can you talk about that?

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- Yes. If you see the general trend in the first quarter slippage is a little elevated always and second quarter onwards, slippage is will come down definitely and within that MSME is a challenge that is basically because of our restructuring in the COVID times. So, if I look at, if I give you the breakup out of Rs. 512 crores, I think MSME restructured Rs. 59 crores out of the total Rs. 260 crores MSME slippages. So, the slippage from the restructured book is around Rs. 59 crores in MSME segment out of the total slippage of Rs. 89 crores from MSMEs restructured book. So, the restructured book slippage was Rs. 89 crores during this quarter and out of Rs. 89 crores, Rs. 59 crores were from the MSME. And to counter that, as I already told that we are holding extra provision also in the standard portfolio by way of forward looking provision.

- **Mr. Amit Mishra – Analyst:**

- So, what are the provision numbers, can you give me that?

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- Currently, we are having mandated provision of Rs. 1,267 crores which includes our various mandated like standard restructured book, our standard, June 19 circular guidelines and standard provisions. Apart from that approximately Rs. 1,000 crores we are holding as a forward looking provision which include around Rs. 300 crores of provision this quarter which we made so, that you can see in our presentation also Rs. 163 crores are on standard restructured sorry SMA 1 and 2 book, SMA 1 and 2 more than Rs. 1 crore is Rs. 2,000 crores, so against Rs. 163 crores we have made and Rs. 135 crores as an additional provision we have kept as a coffer.

- **Mr. Amit Mishra – Analyst:**

- Okay, sir, got it, thank you, sir.

- **Moderator:**

- We have our next question from Sushil, sir. Sushil, you've been unmuted, please ask a question.

- **Mr. Sushil Choksey – Analyst:**

- Sir, you just mentioned that you're carrying Rs. 1,000 crores of additional provision which is beyond mandatory and are you likely to this continued strength or this is one time exception which you created more from the SME book or any specific scheme lending or whatever, you would have thought about?

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- The RBI has given guidelines that, that the sensitive sector and all these provisions are to be reviewed on a quarterly basis. So, we will be reviewing the position on a quarterly basis next quarter based on the scenario if additional provisions still need to be made, we will go otherwise we may continue with this. So, as that this board takes the decision accordingly, view will be taken at that particular point of time.

- **Mr. Sushil Choksey – Analyst:**

- Okay. Second thing, sir, from UCO has a couple of assets I hear, which can be monetized, any plan that, sir?

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- Pardon sorry.

- **Mr. Sushil Choksey – Analyst:**

- You have some surplus assets, which can be monetized I hear. Any view on that?

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- We don't have -- I think we are more searching for the asset to be acquired. We don't have any asset to be monetized currently.

- **Mr. Sushil Choksey – Analyst:**

- Okay. Second thing, sir, looking at the outlook of the industry. Is it possible that the you become a preferred banker like how you been announced for a nostro account in various countries, what is your outlook on that specifically, pertaining to deposit garnering and business segment?

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- See, our bank has expertise in handling as you all know about the Iran accounts also because our bank was the preferred banker for the Iran settlement. Similarly, for Russia settlements also our banker is preferred banker and we have already received -- we have already opened four SBRA accounts of our Russian banks. And we have already received permission for opening eight more accounts, our six are from the Russia and two are from other countries. So, that will be open as soon as and when they complete the account opening formalities. Apart from that another four banks have also approached us for opening SBRA account. So, as and when the accounts are opened the transaction will start happening. Currently in four accounts of transactions have started and it is, I think it is very beneficial for our exporters and importers to use that facility because the settlement takes place immediately. So, that is one way we can bring in some amount of deposits also to our bank by way of CASA deposit.

- **Mr. Sushil Choksey – Analyst:**

- Sir, I used to recall that we used to enjoy Rs. 25,000 – Rs. 30,000 crores of Iran deposit two three years back, can you highlight what kind of number deposit because –

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- That situation is not there even at all, because earlier if you remember that time there was no such guidelines that if a customer is joined facilities from one bank, they can open or cannot open current account within Iran, because there were no such guidelines and everybody was opening current account and keeping balances with the UCO Bank. Now the RBI guidelines are very clear and straight and generally current account cannot be opened with a bank with whom they are not joined the credit facility. So, I am telling you I'm coming to that only. So, that was the scenario when the people were opening current account and keeping balances. So now if at all we are opening account, so we will be under obligation as a collection account only to transmit those funds back to the bank. Why, for the credit of their loan accounts. So we may get float for a day or so but it will not be as huge balances as we have seen during Iran days.

- **Mr. Sushil Choksey – Analyst:**

- Sir, I understand from the system because I'm a customer in some businesses like Iran business, that you get payments from Iran first, you provide to the customer and then the shipment happens. So, it's like no it's the payment is more or less

pre shipment kind of situation. So, how much of load you get from such accounts which are remitted out of Iran? If not weekly, fortnightly or monthly basis?

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- It will be very difficult to quantify because it's a very fluctuating situation on an ongoing basis, because that the way the imports were happening or that exports were happening to Iran, now, it is very limited and only I think human intervention or –

- **Mr. Rajendra Saboo - Executive Director: UCO Bank:**

- Actually humanitarian ground trades are only happening now. Because of the sanctions there are limited trade happening.

- **Mr. Sushil Choksey – Analyst:**

- I understand it is food and pharmaceutical and some other basic necessity that is happening.

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- Yes, and that is not a big amount.

- **Mr. Rajendra Saboo - Executive Director: UCO Bank:**

- Yes. So we are running transactions which are not under sanction, thereby the transactions are very limited. And that's why the float is also has reduced substantially.

- **Mr. Sushil Choksey – Analyst:**

- So, now, I understand you are opening Russian account now, Russian banks are running more than \$12 billion - \$13 billion worth of depository Indian banking system because of the surplus remaining in India and they're not remitting money out. Do we have any benefit of that, sir?

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- No, because all the balance sheets are with RBI not with the bank, they are the banking system but with RBI.

- **Mr. Sushil Choksey – Analyst:**

- So surplus load RBI is enjoying not the banks, that is wonderful to know. Sir, now, I understand that the trade gives you benefit on cross selling to these importers, exporters who are dealing with you. Are we able to garner any customer out of such set of people?

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- See, for that purpose only we have created a separate international division here and that is now headed by GM. So, they will be reaching out to all those customers for cross selling of our products. As of now, I think not a large extent, large chunk of or large benefit we have been able to try. So, it will take little time maybe by next quarter we will be able to convey some good accounts out of that portfolio.

- **Mr. Sushil Choksey – Analyst:**

- Thank you and will the center be only in Bombay, Delhi or it will be in many other –

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- Bombay, Delhi.

- **Mr. Sushil Choksey – Analyst:**

- The preferred route for export business obviously.

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**

- Yes, Bombay, Delhi.

- **Mr. Sushil Choksey – Analyst:**

- Thank you for answering all my questions. And all the best for the years to come.

- **Moderator:**

- Thank you for the questions. If anyone wishes to ask a question, please raise your hands. I repeat If anyone wishes to ask a question, please raise your hands. We'll just wait for a couple of minutes for the question to arrange once again. As there are no further questions, I'd like to hand over to MD sir for his closing remarks.

- **Mr. Ashwani Kumar – MD&CEO: UCO Bank:**
- Thank you. I thank you all the investors and analysts for their time to attend our con call. And at bank level, at top management level, I again reiterate and reassure to all my investors and analysts that bank is on a growth path, bank is on a transformation path and this transformation exercise we are initiating it will take little time to achieve the numbers on achieve the journey. So, going forward, we look forward for a better result also and hope to see you again next time. Thank you very much.
- **Moderator:**
- Thank you, sir. This concludes the meeting. Everyone can disconnect the lines.

~END OF TRANSCRIPT~