बैंक ऑफ़ बड़ौदा Bank of Baroda

119th FOUNDATION YEAR
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The Vice-President, B S E Ltd., Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 BSE CODE-532134	The Vice-President, National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 CODE-BANKBARODA

Madam / Dear Sir,

Re: Disclosure under Regulation 46(2) of SEBI (LODR)

We enclose transcript of Media Meet & Analyst Meet held on 24th July 2026 for Q1 (FY 2026-27) Financial Results.

We request you to take note of the above pursuant to Regulation 46 of SEBI (LODR) Regulations, 2015 and upload the information on your website.

Yours faithfully,

S BALA KUMAR
Digitally signed by S BALA KUMAR
Date: 2026.07.30 17:52:06 +05'30'

S Balakumar
Company Secretary

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Bank of Baroda Media Meet for Quarter ended 30th June 2026

24th July 2026

Participating members from the Management Team of the Bank

- *Dr. Debadatta Chand, Managing Director & CEO*
- *Mr. Lalit Tyagi, Executive Director*
- *Mr. Sanjay Vinayak Mudaliar, Executive Director*
- *Mr. Lal Singh, Executive Director*
- *Ms. Beena Vaheed, Executive Director*
- *Mr. I V L Sridhar, Chief Financial Officer (CFO)*

Moderator: Good afternoon, everyone, and welcome to Bank of Baroda's results for the quarter ended June 30th, 2026. Thank you all for joining us. We have with us today our MD and CEO, Dr. Debadatta Chand. He's joined by our Bank's Executive Directors and by our CFO. We will start with an introduction, then a presentation, and then brief opening remarks by Chand sir, after which we will start the Q&A session. Chand sir, over to you.

Dr. Debadatta Chand: Thanks, Phiroza. Again, good evening to all my media friends. Just to introduce, I'm D. Chand, MD and CEO of Bank of Baroda. With me, we have, Executive Director, Lalit Tyagi. He looks after the corporate credit, international banking, and also the treasury. With him again, Mr. Sanjay Mudaliar, he's Executive Director and he looks after IT, many of the platform functions, also the retail assets vertical of the Bank. Again, we have Mr. Lal Singh, he is Executive Director and he looks after HR, the recovery matters, and more importantly, the MSME vertical of the Bank. And we have Madam Beena Vaheed, she is Executive Director, looks after many of the compliance and control functions, including the retail liability franchise of the Bank. And as you know, we have CFO, Mr. I.V.L. Sridhar, with us. Mr. Sridhar, go ahead with your presentation, then I'll come with some initial comments on the financials. Over to you.

Mr. I.V.L. Sridhar: Thank you, sir. Good evening, everyone. It is my privilege to present before you the financial highlights of Bank of Baroda for the quarter ended 30th June 2026. As at the end of Q1 FY 2027, the Bank's global business stands at INR 30.5 lakh crore registering a YoY growth of 15.4%. Our global advances have grown by 17.4% YoY with domestic advances growing at 16.1% and international at 23.3%.

Within the advances book, the Bank has continued to focus on RAM advances. Our organic retail book grew by 18.4%, agriculture by 18.7% and organic MSME at 20.3%. Corporate loans have grown by 15.3% YoY. Within the retail segment, we have seen smart growth across the portfolio with education loan growing by 10.8%, home loan by 14.7%, auto loan by 25.3% and mortgage loans by 27.4% YoY.

Coming to deposit growth, our total deposits have grown by 13.8% with international deposits growing by 8.9% and domestic by 14.7%. The domestic CASA deposits have grown by 10% and term deposits have registered a growth of 17.8% YoY. As of 30th June 2026, the Bank's domestic credit deposit ratio stands at 83.31%. The CASA ratio stands at 37.72%.

With regard to our quarterly profitability metrics, our operating profit for the quarter stands at INR 8,127 crores. As you are aware, the Bank entered into an out-of-court settlement to resolve a legacy litigation issue of NMC group. The liability of the Bank in these proceedings is limited to the sum of USD 600 million, which was paid on 1st July 2026. The settlement amount has been debited to the profit and loss account for the quarter ended 30th June 2026. Therefore, our net profit for Q1 FY 2027, after absorbing the impact of the settlement, stands at INR 1,278 crores. Without the impact of this exceptional item, net profit for the quarter would have been INR 5,528 crores. Return on assets stands at 25 bps, excluding the impact of the exceptional item, ROA would have been 1.10%. Return on equity similarly stands at 3.89% for the quarter. Without the impact of this exceptional item, return on equity would have been 16.57%.

In terms of the margins, our key ratios, our yield on advances stands at 7.37% for the quarter. Bank's Cost of deposits for the quarter stands at 4.66%, reduced by 12 bps on a QoQ basis. Our Net Interest Margin stands at 2.77% for the quarter.

Now we come to the asset quality which continues to remain very robust. Our GNPA ratio has improved by 29 bps, YoY and stands at 1.99%. Net NPA ratio is below 1% at 50 bps, an improvement of 10 bps YoY. Our Provision Coverage Ratio including TWO is comfortable at 93.28%. Our slippage ratio for Q1 FY 2027 has reduced by 25 bps YoY and stands at 0.91%. Credit cost for Q1 FY 2027 stands at 0.29% as against 0.55% in Q1 FY 2026.

Coming to our SMA and collection efficiency, our CRILC SMA 1 and 2 as a percentage of our standard advances reduced to 0.07% as of June 26 as against 0.40% for June 2025. Our collection efficiency excluding agriculture remains robust at 99.2 %.

In terms of capital adequacy, our capital position continues to be strong with CET1 at 13.9%, Tier1 at 14.41% and CRAR at 16.30%. Our quarterly average LCR remains healthy at approximately 127%.

Thank you, MD sir, over to you.

Dr. Debadatta Chand: Thank you, Mr. Sridhar. And let me make some qualitative comments with regard to the financials. As you know, the financials have been already told to you, and the Bank had a very strong growth on the balance sheet item for the quarter ending June 2026. So, you have seen the global business for June also was in excess of INR 30 lakh crores. In March also we had the business number exceeding INR 30 lakh crores.

And the growth of domestic deposit has been 14.7% on a y-o-y scale. And I kept on saying that last couple of quarters were encouraged by the flow of deposit into banking system for last couple of quarters now. And at 14.7% domestic deposit growth is one of the strong growths that we have seen in many quarters now. Similarly, the global deposit growth is at 13.8%.

CASA, which has been one of the strong points for a bank like us in terms of outperforming the bank's median, the CASA growth was at 10%. Mainly the current growth was at 14.5%. The CASA percentage, which is at 37.72%, you would have seen that it is one of the top quartile numbers in terms of the peer banks, the large peer. Similarly, the advance book growth was at 17.4%. And this is better than the growth that we had in March, which was in excess of 16%. The organic retail book, the growth was 18.4% with housing at 14.7%, auto at 25.3%, mortgages at 27.4%. The MSME growth was 20%. This is one of the quarters where we exceeded the MSME growth at more than 20%. On the overall book growth was also by a corporate loan growth of more than 15%.

On the profitability, you would have seen the bank's core profitability metrics are still strong. And that's why the net interest income, the growth was almost 10%. It has increased at 9.5%. With the interest income earnings growing at 6.8%, higher than the interest expended at 5.2%. This is out of the many quarters where we're able to increase the growth in interest income higher than the increase in the growth in the interest expended.

Similarly, on the profitability, there is a consistency. I think on the operating profit, the NII growth at 9.5%. The operating profit growth also almost flat in the light of what is happening on the geopolitical liquidity and the interest rate. Almost at the same level like we had in June, 2025, at INR 8,127 crores. And as Mr. Sridhar said, we have accounted fully the impact of this exceptional item and the profit therefore is at INR 1,278 crores. The margin for the bank is global at 2.77% and the domestic at 2.93%, which is in line with our guidance of 2.75 to 2.95%.

Similarly, on the asset quality front, the Bank has a very good asset quality and a benign asset quality continuing. If you look at the recovery, the slippage, everything has been better than the June quarter last year. In terms of GNPA and Net NPA y-o-y, there is a significant dip, whereas sequentially there is a marginal increase because of the denominator factor and a conservative write-off that we have followed for June as compared to the June of the same last year. The slippage ratio at 0.91%, which is below our guidance. Similarly, the credit cost is at 0.29% and this talks about the asset quality the Bank is having in terms of a benign asset quality continuing as far as the Bank is concerned.

The CRAR of the bank is at 16.3%, which is better than the last quarter of 15.8%. Similarly, the ROA, because of the exceptional item, the ROA has dipped to 0.25%, otherwise ROA would have been at 1.10%.

So let me outline the guidance that we give in the matter going forward. On the credit growth, continue to have the same guidance of 12 to 14% growth. The deposit growth, continue to have the same guidance of 10 to 12% growth. The CD ratio will be happy to operate within 84 to 86%. The net interest margin would be again at the same band of 2.75 to 2.95%. Credit cost below 0.6%. The slippages again would be the same guidance of 1 to 1.25%.

The ROA, which we used to give a guidance of more than 1% and we have been maintaining ROA for almost 17-18 quarters now. The ROA, considering this quarter impact slightly would be under watch, but we'll give a full year guidance when we get into Q2 as far as the ROA guidance is concerned. But definitely this quarter it is below 1%, but we are hopeful that Q2, Q3, and Q4, the ROA would be more than 1%. But for the full year, we'll give a full year guidance possibly once we get into the next quarter.

Now, let me turn into the NMC case, which is an exceptional item as far as the impact is concerned in this quarter as far as net profit is concerned. The Bank, as you know, it has already been informed to the stock exchanges and also mentioned in the audit reports also. The Bank has entered into an out-of-court settlement with a joint administrator of NMC Health PLC, NMC Healthcare Limited, and NMC Holding Limited. The settlement agreement was signed and a payment of USD 600 million was made on 1st July, 2026. And it was notified to the stock exchange on 2nd July, 2026. The settlement resolves all claims between the parties without any admission of liability or wrongdoings. The Bank's liability in these proceedings is limited to USD 600 million. The other terms of the agreement remain confidential. Let me repeat, the terms of the agreement remain confidential. The claims against the Bank in the Abu Dhabi Global Market and the High Court of Justice in England and Wales have been already discontinued. The financial impact of this has been fully absorbed and recognized in the profit and loss for the quarter ending 30th June, 2026. The settlement has been reviewed by our statutory auditor, the Central Statutory Auditor, and captured in their audit report. This brings closure to a complex, longstanding cross-border dispute, which is inherently complex, involving multiple jurisdictions, different legal systems, and extended legal processes.

Commercial settlements are a well-established global practice for achieving certainty and finality in all such matters. The decision to settle was taken after careful assessment of the commercial consideration involved, including time, cost, and the uncertainties of a prolonged litigation. It is a commercially prudent decision, taken without any admission of liability or wrongdoings. It allows us to close a legacy matter and focus on our customers, our stakeholders, and our long-term sustainable growth. Bank of Baroda remains strong, well-capitalized, a financially resilient institution. The net profit is lower on account of this exceptional item. Without that, the profit would have been INR 5,528 crores. Again, I say the bank continues to hold its floating provision of INR 2,500 crores. I repeat, the bank continues to hold its floating provision of INR 2,500 crores.

Our capital adequacy remains strong, the asset quality is benign, and we continue to see growth momentum across all balance sheet parameters. You would have seen the June quarter performance was better than that of the full year for FY25-26.

We remain committed to the highest standard of governance, prudent risk management, and a strong compliance framework across all our domestic and also the international operations. Thank you. We're open to question answers now.

Moderator: Thank you, sir. If you have a question, please raise your hand. You may also type your question in the Q&A box and we will come to it, if we have the time. The first question is from Subrata Panda of Business Standard. Subrata, if you can unmute yourself and ask your question, please.

Mr. Subrata Panda: Hi, good afternoon, sir. My question is on FCNR. I mean, how much of flows have you mobilized so far and what is the target? And you have already taken ratings for a dollar bond, but you have not tapped the market. So, when are you going to tap that? And also, on the NMC case, the 600 million settlement, I mean, if there's no admission of guilt, so why such a huge settlement? I mean, if you can just explain that reason.

Dr. Debadatta Chand: So, on the FCNR, we anticipated that we'll be raising something around 4 to 5 billion in terms of all the three instruments, FCNR, MTN, and also on the OFCB. So, as of today on FCNR, we have raised almost close to 700 million now and possibly by month end, we'll be crossing 1 billion now, right? So, in that way, we're quite hopeful of our initial target of raising roughly around 4 to 5 billion by the time the window closes, right.

You talked about dollar bond. We have, actually, we have the intention of hitting the dollar bond, but then we also look at some right pricing for that, right. So, that's something important. Initially, the market got slightly overrated. So, we are just waiting for the right time before we hit the market. We are ready with everything, but then we'll hit the market the time we think the price is appropriate and right for us.

On the NMC case, look, I mean, the case will be looked into from the point of view of the legal process therein. So, as I said earlier in my statement also, this is after carefully considering based on the commercial consideration, I mean, we thought that's appropriate for us to settle the case. And that has been done without any admission of any liability or wrongdoings. So, definitely with basis only would have settled the transaction. But the terms of the settlement are confidential because there is a case and the matter is sub-judice vis-à-vis other defendants. So, in that way, I think that's an appropriate decision for the Bank to settle the case. It's a long legal overhang as far as the Bank is concerned. And rather we're trying to give you a pristine, balance it in terms of a balance and not having any overhang in terms of any legacy issue therein. Thank you.

Mr. Subrata Panda: Can I ask one more question?

Moderator: Okay, sir.

Mr. Subrata Panda: On FCNR, what kind of leverage are you offering and what is the proportion of own leverage you're giving on SBLCs to foreign banks, if you can?

Dr. Debadatta Chand: I think that scheme has been rolled out. Mr. Tyagi, would you like to talk on the leverage side?

Mr. Lalit Tyagi: So, we are offering a loan against the FCNR we deposit to the eligible NRI customers, and the scheme has been rolled out. And both types of NRI customers are placing their funds with us directly as FCNR (B) without any borrowings or somewhere they are also taking loan against the FCNR (B) deposits.

Mr. Subrata Panda: Sure, thank you.

Moderator: Thank you, Subrata. The next question is from Joel Rebello of ET and you can unmute yourself.

Mr. Joel Rebello: Sir, can you hear me clearly?

Dr. Debadatta Chand: I can hear you, Joel, please go ahead.

Mr. Joel Rebello: Sir, this NMC case is a big case because the 5,000 odd crores, it's not every day that we hear such a big provision and settlement. You'll have always maintained, if I remember right, that you'll will fight this case legally because this has been an old case. I think even in your annual report, you had mentioned that you'll will fight it legally. So, what has changed? Why did you all take this decision to take such a big hit on your books? What changed? Is there anything that changed? I know that you said that the commercial considerations were taken into account, but if you're going explain what changed and because it's very rare for us to see in, you know, NMC was also a defaulter. So, a bank paying a defaulter in that sense is very rare in Indian banking parlance. So, if you could just elaborate, whatever you can tell me, sir.

Dr. Debadatta Chand: So, Joel, I mean, the Bank's position with regard to the defense has not changed. That's continued, right? So that's the same. But with regard to the settlement, it should be looked into from the point of view of the case that was going on in, I mean, one court and was put on hold in another court. So, because we are not allowed as far as the terms and conditions to give details, but obviously without basis, the Bank won't settle. So, the Bank had a strong basis to settle the case. And between the last discussion and today's discussion, what is material is that the stage of the trial that's important. I mean, the criticality or the stage of the trial is important. And based on that, the decision was taken to settle the case. And rather the settlement amount vis-à-vis the oral claim has been very, very low. So, in that way, it was prudent for the Bank to settle the case based on the trial stage. But we can't discuss with regard to the basis and terms of settlement. Obviously, as I said, I have an issue. But the position of the Bank is same in terms of its defense. So absolutely, that's where the wording is without any wrongdoings or liability while settling the case.

Mr. Joel Rebello: Can you elaborate on how much was the settlement? I mean, how much was the claim on the bank and how much did you settle ultimately?

Dr. Debadatta Chand: So that's all part of the terms so we cannot articulate. But as I can say that the settlement amount is quite, I mean, very, I mean, lower as compared to the kind of quantum of claim against all parties in that case.

Mr. Joel Rebello: Does it have any recourse, any future action from the bank in terms of taking action against the employees or changing processes or anything like that? Because of this case, anything you'll have done basically?

Dr. Debadatta Chand: As far as the Bank's recovery process is concerned, against the principal individual the Bank recovery action would continue. As per the case, there are principal individuals over there. So, the Bank case would continue both in India and outside. As far as the staff side that you talked about, every bank has its own process, right. So, either the process has been taken or will be initiated. So, each bank has its own internal process to deal with such cases. So obviously, Bank would do as per its own practice and laws, right.

Mr. Joel Rebello: Okay. Okay, just coming to your results, sir, your other income has also fallen quite sharply. Besides this provision, I think that is another impact on your profit and loss. If you could just elaborate on what is there, why it has fallen, what are the pieces that has fallen and what is the outlook there, sir?

Dr. Debadatta Chand: See, as you said, right, the NII growth is almost 10%, whereas the operating profit is almost flat vis-à-vis June last year. So, between the NII and the operating profit is the other non-interest income. And in case you would have seen the treasury income, both for June '25 and June '26, the treasury income in June '25 was almost more than 2,000 to 2,200 crores. Whereas it has gone down to 800 crores because of the market scenario. So last June '25, the G-sec yield, I believe, was almost at 6.10 or 6.13%. And if you look at the G-sec yield in this June quarter, it was almost at 6.78%. Obviously, I mean, the profit is linked with the market movement at that time and now.

So that one element has changed with regard to, but we have some other good outcome on the other income in terms of, we have sold PSLC for the first time. I mean, we sold in March some amount, but almost like 270 crores we sold this quarter. That's something, a line item which was not there in earlier quarters.

Similarly, the TWO recoveries have also been more than 1,000 crores as compared to something around 650-700 crores last couple of quarters now. So, in that way, the fall in treasury income was compensated well. So, leading to almost like a flat-like operating profit. But if you look at operating profit, I think we're one of the banks having posting 7,000 or 8,000 crores operating profit for last 15 quarters. So, in that way, the Bank's growth engine and also the profit positions are quite strong in that way.

Mr. Joel Rebello: Okay. Sir, I just want to clarify, there are some banks which are reporting higher or almost similar treasury income year on year. And there are some who are reporting lower. So, I just wanted a logic. I mean, how do you treat it? Do you look at it at HTM book or how is it, that's why your profits are lower in treasury.

Dr. Debadatta Chand: See, the three components in treasury income, one is a trading profit, the other one is your depreciation or the revaluation, and third is the exchange profit. So, all the three components leads into, so trading profit would be almost the same for most of the banks. Revaluation is based on the book size, right, so that depends on the book size. And thirdly, on the exchange, you also look into their forex position over there. So, these three components determine which bank would have a slightly higher or lower, but I think our numbers are quite comparable considering our book size. So, our book size is, I mean, almost like 3.70 lakhs – 3.40 lakhs crores. So, I think that's comparable with any other bank, although the numbers look better as compared to some of the banks that you are comparing.

Mr. Joel Rebello: So, the drop is basically because of revaluation, not trading, that's what I wanted to check.

Dr. Debadatta Chand: Yeah, yeah, broadly that, because the treasury income as a whole has seen a significant dip vis-à-vis the same quarter last year.

Mr. Joel Rebello: Okay, thank you so much, sir. Thank you.

Dr. Debadatta Chand: Thank you, Joel.

Moderator: Thanks, Joel. The next question is from Ashish Agashe of PTI, Ashish.

Mr. Ashish Agashe: Thank you so much, sir. Hope I'm audible. Sir, on the credit growth guidance front, any reasons why you're not doing an upward review really, given the general sort of boisterousness in the systems?

Dr. Debadatta Chand: So, Ashish, there are two before, in case you have further questions, you can ask later. I mean, look at full year March '26, we had a credit growth of 16.1%, right. That's something very strong. And this quarter, normally, I mean, if you look at historically, our June quarter is slightly slack. But this quarter we have done better than that of the full year last year. So, in terms of the Bank's ability to grow, I think, with a large franchisee of almost 8,400 branches, and you would have seen all segment would have grown in this advance as growth. The Agri has grown significantly, MSME, Retail, and the Corporate growth is in excess of 15%, this time. So, I think the Bank's ability to grow has been much higher now. But the two reasons why, because we have outperformed our guidance both in the March full year and also June this quarter, but we are not revising upward precisely on two counts.

One is because as of today also, in case you look at the headwinds prevailing in the entire global economy, also Indian economy is the geopolitical issue. When last time I interacted with all of you, I said our assumption for a resolution is rather we are optimistic, but things are getting prolonged for longer. So, in that scenario, we are not very critically, I mean, very sure about the way the deposit will grow in the future quarters. So, in case we will be certain about the growth of deposit in future quarters, possibly we can see upsizing of our guidance. But as of today, looking into all the factors, I will keep the guidance at the same like 12 to 14%.

Mr. Ashish Agashe: Okay sir. My second question, sir, on the NMC front, the annual reports made us believe that you are on a strong footing, actually. Of course, it was persisting for long. So, like what changed really that, okay, there was a, there's no provision made. Usually you prepare for such a, like any bank would prepare for such an eventuality, really. You did not dip into the floating provisions which you are carrying. I guess that would be the ECL, you also have ECL coming up.

Mr. Debadatta Chand: Yes.

Mr. Ashish Agashe: So, sir what really changed and when you say that the recovery action against the principal individual, so this is the main defaulter that will continue, right? How much is the exposure there, sir?

Mr. Debadatta Chand: Look two things. I mean, typically, if you look at when there is a litigation and settlement, you can't make a specific provision, right? So obviously, that the prudent, this is as per the legal advice we had and as you know, that we had the best of legal teams from globally and also individual engaged in this case. So, we had buffered the balance sheet in terms of floating provision, but the floating provision, we were keeping it for the ECL because that's going to happen 01st April 2027. So, a scenario where, I mean, on a litigation settlement, you can't have a specific provision and that's as per our legal advice.

What is the change between the last annual report and today is the stage of trial and the stage of negotiation therein. So because you have to be an entire settlement, everything has been done in terms of the legal advice and in terms of our clearing a commercial decision to close a legacy case in terms of, that's why I use the word commercially prudent to settle the case, but precisely the decision was based on the stage of the trial and also the stage of the negotiation or settlement therein.

Mr. Ashish Agashe: Okay, sir. Okay. So, what would be the ECL transition cost, which you are calculating for now?

Mr. Debadatta Chand: Today, the calculation, I think we have almost an impact of roughly around INR 12,500 crores, out of which, as you said, the floating provision of INR 2,500 crores is already there. So again, the floating provision, I mean, the impact would be spread over in, I mean, 4-5 years. So, we are just looking at in terms of basis point, it's almost like 110 bps impact on the CRAR, which can be spread over a period of time. And just to negate that, we have a, I mean, a capital raise plan also we announced last time in terms of both equity and also the Tier 1 and Tier 2, right. So as on today, the Bank's CRAR is quite healthy at 16.30%. So, this is with regard to the impact on the CRAR, but there is an impact also on the credit cost. And the impact on the credit cost can be in the range of around 15 to 20 bps on the credit cost. My credit cost as on June is 0.29%. And my guidance is always below 0.6%. And possibly the guidance itself can take care of the additional requirement because of the ECL migration on the credit cost.

Mr. Ashish Agashe: Okay. And sir, any capital raise in FY27, sir?

Mr. Debadatta Chand: We announced last time, actually, two capital raise plan we are carrying. One is a raising 8,500 crore of equity in a medium term, that is March 2028. And that would determine the timing because not immediate requirement, capital position remains healthy. At the same time, we intend to raise roughly 6,000 crores of Tier 2 in this year. I mean, that was an amount actually got matured last year, but we did not raise it last year. So, we are going to raise that in this year, but depending upon the pricing, the timing, everything would be important. So, the bank has a strong raising of capital. At the same time, we are running a very healthy capital position as on today of 16.3%, right. So that is something I think the CET is almost like at 13.90%. So, in that way, there is no absolute requirement to raise it immediately, but there is a plan to raise capital over a period of time.

Mr. Ashish Agashe: Thank you so much, sir.

Mr. Debadatta Chand: Thanks, Ashish.

Moderator: Thanks, Ashish. The next question is from Ram Kumar of the Hindu Business Line. He has typed in his question. Besides FCNR deposits, RBI is encouraging mobilization of NRE deposits. How much inflows has BOB seen via NRE deposits, and do you have a separate mobilization target under this head?

Mr. Debadatta Chand: Ram Kumarji, you said, right, FCNR(B), as I said, roughly around 700 million we have raised as on today, and possibly this month itself we will be crossing 1 billion. And our target to raise 4 to 5 billion till the window, I mean, is there. But we are targeting the NRI business as a piece in terms of raising resources that includes your NRE business. Rather, we are looking at a new framework where we can source this deposit because we are one bank having huge international presence, which is beyond India, that is what I am referring. So, exactly, I don't have any data, either, I mean, Madam Beena, do you have a data, otherwise you can furnish you at a later date with regard to data, but then obviously our framework of NRI deposit includes FCNR and also the NRE deposit.

Moderator: Okay. Next question is from Piyush Shukla of NDTV Profit. Piyush.

Mr. Piyush Shukla: Yes, good evening, Chand sir.

Mr. Debadatta Chand: Good evening.

Mr. Piyush Shukla: Two queries. First is, you know, this 2020, when this case was going on, the main contention against the Bank was it, you know, the financial arrangements between the bank and the client and lending relationship that it had with the Bank enabled the concealment of this whole debt or maybe allowed also the company to continue operations despite insolvency.

So, I am trying to understand in terms of internal processes at the Bank, what action have you taken, underwriting, I am sure there are Anti-Money Laundering KYC, requirements that the Bank has? So, in terms of processes, what went wrong? How have you corrected it? Has the RBI asked anything on this, are they scrutinizing this case? Is there any potential for further penalty with regard to this case or this is permanently settled for good? And finally, your comments on margins, it has come down a few basis points?

Mr. Debadatta Chand: Okay. So, Piyush, two things you referred about the case, I mean referring to a year. I wish I could discuss more, but there is a bilateral confidentiality clause, which doesn't allow me to discuss further with regard to the basis and the cause of the case and what is that we have done on that.

But clearly in terms of the Bank's international operation is concerned, you would have seen March 2021, the international book was, it was almost like degrowing and the contribution was negative. And from that day today, we are almost like from INR 1,05,000 terms the book has almost come to INR 3,00,000 crore now. We have clearly changed the underwriting model, we have clearly changed the governance surrounding, we have clearly changed the processes around that. So, we have strengthened, I mean, the governance structure, we strengthened the, I mean, the risk management structure, the compliance framework. Currently, the CRO and the CCO of the Bank are the group CRO and the group CCO. They have oversight on all these operations. The AML framework has been significantly strengthened over there. I mean, all the international territories. So, in terms of a learning on, that and then how to strengthen things, we have significantly strengthened all that. And that precisely the reason why Bank of Baroda is growing on the international book. And as I speak, we still intend to grow further, both in terms of footprint and also on the business side of it. So, clearly a lot of actions have been initiated. So, internally, obviously, I mean, all the actions that is required and we have done it much before. And the case you yourself referring a dated year. So, in that way, the Bank has come a long way from those levels, I mean, from the 2021 or prior to that.

Secondly, with regard to the RBI, look, the Bank is a regulated entity. So, RBI has a strong oversight on what the Bank does. So, in that way, definitely we will be complying to all regulations. But as far as the case is concerned, in those jurisdictions, the case is full and final. I mean, in terms of the liability of the Bank, the liability is full and final with regard to the amount that we have specified. So, the Bank is well positioned, the Bank balance sheet is resilient. I mean, the CRAR after this has improved vis-a-vis what we had in March. The June quarter performance has been better than that of the full year of March. The numbers that we had, the Bank's, all growth engines are kicking and firing well.

So, the profitability part of the, so look, the event that happened on an international jurisdiction and the payment also has been made out of the international jurisdiction. So, the domestic book is insulated out of this. So, in that way, but Bank as a whole, obviously, the impact would come. So, the Bank has taken a lot of measures in terms of strengthening governance, risk management, compliance framework. That is what is the Bank stands in terms of having a balance sheet, which is now so big. I mean, the asset book is more than INR 21 lakhs crore. The business is in excess of INR 30 lakhs crore. It is a large structure and adequate governance, risk management, compliance functions have been established within the Bank.

Mr. Piyush Shukla: Margins, sir, if you can give some?

Mr. Debadatta Chand: Margin is, look, the NII has improved actually at 9.5 %. So, INR 12,500, is a good growth in NII. I mean, in a way, the pricing of the asset liability, we have managed it well, in a prudent way. But obviously, the denominator has increased faster than the growth in NII. So, that is why the margin has slightly got squeezed. But margin last quarter also when I talked to you, I clearly, at that time the margin was in excess of 2.8%. But I had given a guidance of 2.75 to 2.95% and we are right in that band. But the domestic margin is still at 2.93%, which is one of the top quartile number. And even though global also, even if we have a larger global book, but then the global margin is also on the top quartile. You would have seen the numbers. So, in that way, the Bank is quite optimally placed in terms of growth and also keeping the interest of margin while continuing the business.

Mr. Piyush Shukla: Sir, just one clarity. You said RBI, you follow all the regulations. But with regard to this case, has the Bank been asked to provide any records or any sort of information that the regulator has sought with regard to this case from the Bank?

Mr. Debadatta Chand: See, always I said as a regulated entity, the regulator and the regulated entity, we have a continuous discussion and the regulator has a strong oversight. So, I will not say anything beyond, but obviously, as a regulated entity or regulatory compliant entity, we follow all the RBI regulation guidelines.

Mr. Piyush Shukla: Thank you, Chand sir.

Moderator: The next question is from Mayur Shetty of Times of India. He has typed this question down. Why have deposits and advances declined from March levels?

Mr. Debadatta Chand: Yeah, Mayur, this is general, I mean, if you look at every time, the June rather, earlier June quarter should have been much more YTD negative. So, in that way, I mean, this has been much lower YTD negative, whereas the YoY has been so strong. So, in that way, I mean, it's a natural, it's seasonal. Normally, March always is a very productive quarter for all the banks. And immediately after March, there is a bit of a decline that happens, because that happens in the system in terms of the money getting disbursed, get channelized in different forms. So, that's a normal thing. Actually, there is nothing. Rather, our cut in June quarter was much higher as compared to the earlier quarters. But you should go by the YoY growth that we have seen. The YoY growth is one of the strongest quarters we have in many quarters. In that way, we are perfectly aligned with regard to our growth that we plan.

Moderator: The next question is from Falaknaaz of Deccan Chronicle. Falak?

Ms. Falaknaaz: Yeah, sir. Hi. You spoke about the global headwinds because of which you are not giving a great ambitious projections for credit guidance. So, are you seeing any stress in your domestic and your international book because of the global headwinds?

Mr. Debadatta Chand: No. Falak, I mean, you gave me a right opportunity to explain. You would have seen my CRILC data. I mean, the CRILC data is more than ₹5 crore that consisting of both domestic and international. And it has improved from 0.18% to 0.07%. And in the June last year, it was at 0.40%. So, that shows the traction of what you can say the quality of asset book that we have. Beyond that, let me also say that in terms of the slippage we have in this quarter is better than the June of last year. In terms of the recovery, both from the NPA recovery and TWO, it has been better than the last year, same quarter. So, in terms of the asset quality, the book is clearly one of the good books as of today.

Two things while saying so, you talked about the headwinds. The global geopolitical issue as on today, we believe is the impact on the Indian economies of the first order. I mean, it has not disrupted anything as on today, but there is some impact somewhere that are managed well in terms of like MSME, the government came out with the ECLGS scheme. So, we are able to manage everything and the economic parameters as on today, looks very sound. So, in that way, I do not see any, but then we do not know what is going to happen in future in terms of the continuation for a longer time and then the impact coming. So, we are slightly cautious in that front in terms of changing a full year guidance. We are just in the first quarter of this year. If we get further upside growth, continuing upside growth, we may revisit on the growth guidance, going forward.

Ms. Falaknaaz: Okay sir. And what is the update on acquisition financing?

Mr. Debadatta Chand: Yeah, you would have seen, I mean, a media news with regard to, we are tying up with one of the foreign banks in terms of merger and acquisition finance and currently we are evaluating 3-4 deals jointly with them. So, in that way.

Moderator: Okay. Thank you.

Moderator: Thanks, Falak. Next question is from Shrishti Sharma of ET BFSI.

Ms. Shrishti Sharma: Thank you, Phiroza. Good evening, sir. You've answered a good part of FCNR(B). My question is on the deposits and then the whole scenario around FCNR(B). Deposits have been down for a lot of banks also in Q1. Wanting to understand, since you will be drawing about 5 billion of USD dollars from FCNR(B), how much of cushion will it help you in terms of deposits and in terms of bulk deposits, how much would you be able to pair and, you know, how would you be sort of allocating the whole of FCNR(B)? And then I'll ask my next question.

Mr. Debadatta Chand: You said, right. I mean, if you look at the Bank of Baroda story on deposit, we have been consistently better than the median of all banks average, right. Because we started focusing on the deposits since long. We had a higher percentage of bulk deposit 3-4 years back and significantly reduced that percentage of total deposit in last many years. Saying so, my CASA growth and also saving growth and the overall deposit growth were able to do better than the system.

Saying so, what has happened in last couple of quarters, the preference of depositor has gone from the normal deposit to the capital market. The money is coming back to the system in some form, but typically that's in the form of wholesale deposit rather than retail deposit. So, in that way, if you look at the percentage growth of wholesale, obviously, it looks slightly higher. Although you have a very strong control on the percentage of bulk and CD together as percentage of total deposit in case you draw this particular issue over a period of time, we have a good control on that.

FCNR(B), obviously, I mean, the moment we bring it to India through the swap window, it will help to my liquidity. To that extent, obviously, my dependency of the bulk would go down. So, let's see like we are expecting almost like we will be crossing 1 billion. That is what my hope and maybe out of 4 to 5 billion, we are expecting at least minimum 2 billion out of FCNR(B) route. So, to the extent of, let's say, 17-18 thousand crores of, I mean, positive effect it is going to have on the bulk deposit.

Ms. Shrishti Sharma: Okay. Okay. And sir, since you have great overseas presence, would you be anyway helping the smaller PSU peers in accessing liquidity through your foreign branches? And would you be looking to expand your overseas presence? That ends my question. Thank you.

Mr. Debadatta Chand: You said, right, rather roughly around 1.5 billion money because see the swap window can be taken by ECB, raised by public sector undertaking, right?

Ms. Shrishti Sharma: Yes.

Mr. Debadatta Chand: So, we have almost like in a process of almost giving up to 1.5 billion in terms of ECB by tapping resources across the globe entirely done by Bank of Baroda in terms of underwriting those ECB and that's the money going to come to India. And that's what our overseas branches are in a position to fund those ECB for the public sector undertaking as per the swap window, allowed under the swap window. I mean, that's something again we are saying can upsize my targeted 4 to 5 billion inflow that can happen to India through Bank of Baroda channels or by Bank of Baroda. Overseas, yes…... Yeah.

Ms. Shrishti Sharma: No sir, Go on, please. Thank you.

Mr. Debadatta Chand: Overseas, obviously, the Bank is the last 5 years has been a success story in terms of repositioning our overseas presence both in terms of branch networking and also the business therein. And the growth of overseas would have seen it is growing almost like 15 to 20% for last many quarters. So, there are significant opportunity. We are a big player now in the global syndication market across the globe. So, we are keen. That's why I said both in terms of the footprints that talks about our presence outside India beyond the existing strength. I think the Bank is actively looking into those opportunities to expand the footprint also. At the same time, business will continue to grow the same way that we have been growing for past many quarters. The overseas book as a percentage of global book is almost like 16-17% now. So, in a foreseeable future, subject the global market is in the same state and a good state, I think we can increase up to 19-20% in couple of years now.

Ms. Shrishti Sharma: Sir, when you say significant opportunity, you are looking forward. Is any geography under your consideration as of now?

Mr. Debadatta Chand: So, multiple geographies are under consideration. So, we cannot outline at this point of time. But I am both, I mean, it can be any geography where it makes a strategic sense for Bank of Baroda and for the country also to have presence in those countries because India is also signing lot of FTAs now.

Ms. Shrishti Sharma: Okay.

Mr. Debadatta Chand: Particularly, couple of FTAs country already we are present over there. So, I think we are there to capture both the trade flows vis-a-vis India and overseas and also the capital flow.

Ms. Shrishti Sharma: Okay. Incredible, sir. Thank you so much.

Mr. Debadatta Chand: Thank you.

Moderator: I think, the last question for the evening, Ashwin from Reuters.

Mr. Ashwin Manikandan: Hello. Hi. Am I audible?

Mr. Debadatta Chand: You are audible, Ashwin. Please go ahead.

Mr. Ashwin Manikandan: Yes. Good evening, sir. You outlined the overall fundraising plans this year for Bank of Baroda. I wanted to specifically ask about the dollar bonds, specifically the 5-year bonds and RBI's subsidy window. Just want to understand the Bank's plans around it?

Mr. Debadatta Chand: See, as I said, my overall plan is 4 to 5 billion. Out of that, through the bond route, actually we are expecting 1 billion as of today. But depending upon the opportunity and the pricing, we can upsize that. We have the Board-approved mandate to go beyond 1 billion also. But the immediate plan is to raise because this window of swap is available till 31st of December. So, we are just waiting for the timing and the pricing to raise money through the bond window. But current plan, out of the 4 to 5 billion, our overall initial plan is to up to 1 billion on the bond issuance side. But depending upon market condition only, we will upsize that, otherwise not.

Mr. Ashwin Manikandan: Got it, sir. Got it. Thank you. Just one more quick question. This is on, I mean, we saw earlier this month, a lot of private sector banks' data for last year. We saw that there was some reduction in workforce overall with AI and other things. That's the conversation that's happening. Just want to understand Bank of Baroda's plans going forward with respect to how you're integrating AI and how you're looking at sort of expanding or reducing your workforce? What's the strategy around that front?

Mr. Debadatta Chand: So, let me tell two things in terms of the Bank's branch networking, we're expanding. And last year, we added almost 260 branches. And in that same way, in terms of headcounts also, we're hiring. So, last year, we had a plan of hiring almost 6,000. Not all would have joined, but this year also there is a plan to almost hire 7,000 headcounts. Coming to your AI usage, the Bank is one of the early users of AI, rather a big user of AI in terms of process, customer interface. You would have seen Aditi, Adi and all those, I mean, tools therein. So, AI is going to repurpose our workforce in a bigger way and possibly targeting more so on the relationship side than the transactional side. So, in that way, the usage of AI is going to repurpose my workforce for more productive output. But in terms of headcounts, we are going to hire almost 7,000 in this year, 2026-27.

Mr. Ashwin Manikandan: Got it sir. Thank you so much. Thank you.

Moderator: Thanks Ashwin. We have a few more questions, but we are out of time. So, we will have to make this the last question. Thank you all for joining us this evening.

Mr. Debadatta Chand: Thank you very much. Thanks all.

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<u>Bank of Baroda Analyst Meet for Quarter ended 30th June 2026</u>

<u>24th July 2026</u>

<u>Participating members from the Management Team of the Bank</u>

- *Dr. Debadatta Chand, Managing Director & CEO*
- *Mr. Lalit Tyagi, Executive Director*
- *Mr. Sanjay Vinayak Mudaliar, Executive Director*
- *Mr. Lal Singh, Executive Director*
- *Ms. Beena Vaheed, Executive Director*
- *Mr. I V L Sridhar, Chief Financial Officer (CFO)*

Moderator: Good evening, everyone and welcome to Bank of Baroda's Analysts' Meet for our quarterly results, for the quarter ended 30th June 2026. Thank you for joining us. We have with us today our Managing Director and CEO, Dr. Debadatta Chand. He's joined by the Bank's Executive Directors and our CFO. We will start with brief introductions and a short presentation followed by opening remarks by Dr. Chand and then we will have the Q&A session. Chand Sir?

Dr. Debadatta Chand: Yeah, thanks Phiroza, and good evening to all my analyst friends here. Just to introduce the management team, I am D. Chand, MD and CEO of Bank of Baroda. With me, we have Mr. Lalit Tyagi, he is the Executive Director looking after corporate credit, international banking and treasury. With him Mr. Sanjay Mudaliar, he is Executive Director and he looks after the IT function and more importantly the retail assets of the Bank. We have Mr. Lal Singh, he is Executive Director and he looks after HR function, recovery function and the MSME vertical of the Bank. And we have Madam Beena Vaheed, she is Executive Director, she looks after the control and assurance function and more importantly the retail liability function of the Bank. And we have the CFO, Mr. Sridhar. So, with this, I request the CFO to make a presentation and then I'll have my quick comments and then we'll go for the question and answer. Over to you, Mr. Sridhar.

Mr. I V L Sridhar: Thank you MD Sir. Good evening everyone. It is my privilege to present before you the financial highlights of Bank of Baroda for the quarter ended 30th June 2026. As at the end of Q1 FY 2027, the Bank's global business stood at INR 30.5 lakh crore registering a YoY growth of 15.4%. Our global advances have grown by 17.4% YoY with domestic advances growing at 16.1% and international at 23.3%.

Within the advances book, the Bank has continued to focus on RAM advances. Our organic retail book grew by 18.4%, agriculture by 18.7% and organic MSME by 20.3%. Corporate loans have grown by 15.3% YoY. Within the retail segment, we have seen smart growth across the portfolio with education loan at 10.8%, home loan by 14.7%, auto loan by 25.3% and mortgage loan by 27.4% YoY.

Regarding the deposit growth, our total deposits have grown by 13.8% with international deposits growing by 8.9% and domestic by 14.7%. The domestic CASA deposits have grown by 10% and term deposits have registered a growth of 17.8% YoY. As of 30th June 2026, the Bank's domestic credit deposit ratio stands at 83.31%. The CASA ratio stands at 37.72%.

With regard to our quarterly profitability metrics, our operating profit for the quarter stands at INR 8,127 crores. As you are aware, the Bank entered into an out-of-court settlement to resolve a legacy litigation issue of an NMC group. The liability of the Bank in these proceedings is limited to the sum of USD 600 million, which was paid on 1st July 2026. The settlement amount has been debited to the profit and loss account for the quarter ended 30th June 2026. Therefore, our net profit for Q1 FY 2027, after absorbing the impact of the settlement, stands at INR 1,278 crores. Without the impact of this exceptional item, net profit for the quarter would have been INR 5,528 crores. Return on assets stands at 25 bps, excluding the impact of the exceptional item, ROA would have been 1.10%. Return on equity similarly stands at 3.89% for the quarter. If we do not include the impact of this exceptional item, return on equity would have been 16.57%.

With regard to our key ratios, our yield on advances stands at 7.37% for the quarter. Cost of deposits for the quarter stands at 4.66%, reduced by 12 bps on a QoQ basis. Our Net Interest Margin stands at 2.77% for the quarter.

Now we come to the asset quality which continues to remain robust. Our GNPA ratio has improved by 29 bps, YoY and stands at 1.99%. Net NPA ratio is below 1% at 50 bps, an improvement of 10 bps YoY. Our Provision Coverage Ratio including TWO is comfortable at 93.28%. Our slippage ratio for Q1 FY 2027 has reduced by 25 bps YoY and stands at 91 bps. Credit cost for Q1 FY 2027 stands at 29 bps as against 55 bps in Q1 FY 2026.

Coming to our SMA and collection efficiency, our CRILC SMA 1 and 2 as a percentage of our standard advances reduced to 7 bps as of June 26 as against 40 bps for June 2025. Our collection efficiency excluding agriculture remains robust at 99.2 %.

In terms of capital adequacy, our capital position continues to be strong with the CET1 at 13.9%, Tier1 at 14.41% and CRAR at 16.30%. Our quarterly average LCR remains healthy at approximately 127%. Thank you. Over to you MD Sir.

Dr. Debadatta Chand: Thank you, Mr. Sridhar. Again, friends, Mr. Sridhar has said about all the financial numbers. You know better in terms of numbers, I will make a couple of comments here. The Bank's growth engines are all intact, growing strongly, kicking and rolling also. The numbers you have seen that the June quarter numbers have been better than the full year of March. And March 2026 for the full year, we had a very strong number. The credit growth in March was 16.2% and June now is 17.4%. The deposit growth in March was full year was 12% and now it is 13.8%. And the domestic is almost above 14%. So, in terms of the growth engine, the Bank's ability to grow has been significantly or the capacity, it is all performing well, rather doing better than the system, I would believe.

I will only say asset quality, it is the benign asset quality continuing. The CRILC data, the slippage ratio, you would have seen, the collection efficiency is now all time high, above 99 %. I think the asset quality, the journey continues. In terms of YoY, the GNPA and net NPA, it has significantly gone down, but sequentially you would have seen a marginal uptick, that precisely because of the lower denominator, point one. And secondly, a conservative write-off that we have followed in this quarter as compared to the same quarter last year. The write-off last year, June quarter was almost 2200 crore, here it is 625 crore. So, in that way, the Banks, the business growth, the asset quality continues to be strong, robust. And that is something is also getting reflected in the profitability, more particularly on the NII growth and also on the operating profit. I will come to net profit later.

In terms of guidance, the credit growth, we continue to have the same guidance of 12 to 14 %, although we are outperforming, but then geopolitical is something that allowing us to be slightly cautious at this point of time. The deposit growth, we again put it at 10 to 12 %, same as earlier we articulated. The credit deposit ratio, we used to operate between 84 to 86%, as we carry a significant excess SLR.

The NIM, this quarter has been 2.77%, but earlier guidance was 2.75 to 2.95%. We continue to hold the same NIM guidance. The credit cost this quarter has been 0.29%. It is less than the 0.6% guidance we had given earlier. The slippage is also at 0.91%, better than the Q1 of last year. And the guidance is 1 to 1.25%, we continue to hold that. ROA for last 17-18 quarters, we have been doing ROA in excess of 1%. This quarter, because of the full impact of the settlement has been taken in June quarter, the ROA is 0.25%. But suppose you exclude that exceptional item, it is 1.10%. Our ROA guidance we will hold on watch now. Possibly the full year guidance, we will give it after we migrate to the next quarter. But at least Q2, Q3 and Q4, we expect the ROA to be more than 1%. Full year basis will give a guidance later. ROE, we continue to have 15 to 16 %.

Let me come to the NMC case. Because of the silent period, we did not articulate the matter, post our announcement to the exchange on 2nd of July 2026. As you know, the CFO also talked about it, we entered into an out-of-court settlement with a joint administrator. And the payment of USD 600 million was made on 1st of July 2026 and the exchange was notified on 2nd of July 2026. This settlement resolves all the claims. I repeat, the settlement resolves all the claims between the parties without any admission of liability or wrongdoings. The Bank’s liability in this proceeding, both the proceeding ADGM and the UK court is limited to USD 600 million. The terms of the agreement is confidential because the case is sub-judice vis-a-vis other defendants. The claim against the Bank has already been discontinued in both the court. The financial impact has been fully absorbed in June. We have not touched the floating provision, that's continues to be INR 2,500 crores. They are in the books. Typically, we are, I mean, the ECL migration, we have kept the provision for that. This brings closure to a very complex and long-standing cross-border dispute, which is inherently complex in nature, involving multiple jurisdictions, different legal systems and extended legal processes. Commercial settlements are a well-established global practice for achieving certainty and finality in such matters. The decision to settle the case was taken after careful assessment, based on the legal advice, and it is based on the commercial consideration involved, including time, cost and the uncertainty of prolonged litigation. It's a commercially prudent decision taken without any admission of liability or wrongdoings. It allows us to close a legacy matter. I repeat, it allows us to close a legacy matter and focus on our customer, stakeholder and long-term sustainable growth. You would have seen those numbers in the June quarter itself. Bank of Baroda remains strong, well-capitalized and financially a resilient financial institution.

The Bank continues to hold the floating provision of INR 2,500 crores, which I said earlier. Our capital adequacy remains very strong. Rather, in June, it has improved vis-a-vis March, a stronger asset quality. And also, we have seen the growth momentum across all balance sheet parameters. We remain committed to high standards of governance, prudent risk management, and a strong compliance framework across all our operations, both domestic and international. Thank you very much, and we are open to questions and answers now.

Moderator: Thank you, sir. If you have a question, please raise your hand, or you may also type your question in the Q&A box. We request you to please limit yourself to two questions, and if we have time, we'll come back to you. The first question is from Mr. Ashok Ajmera. Please unmute yourself.

Mr. Ashok Ajmera: Good evening, sir.

Dr. Debadatta Chand: Good evening Ajmera Sir!

Mr. Ashok Ajmera: Sir, even if you take out this, out-of-court settlement, you know, this one-time 600 million hit, if you see the quarterly result of June quarter, most of these parameters, we have a little bit faltered. Because if you see the credit growth, the deposit growth, the business growth, I think after many, many quarters, it is down than the previous quarter. I mean, the settlement may not be a reason for that. Having said that, even that asset quality you are saying is robust. In this quarter, especially if you see it, both our gross NPA and net NPA have gone up in absolute terms, as well as in the percentage terms. Because there is no growth, even the percentage terms also, it is higher. Now, CRAR is comfortable because you have not done the credit. So naturally, CRAR will be, you say, comfortable. But sir, on the whole, I mean, we are a little bit disappointed. We have taken the hit. We have agreed. Okay. It may be a very good judgment, assessment from the management point of view. But otherwise, if you look at the quarter, because the provisions also reduced to see that the profit is at least there, 1,278 crore.

And secondly, even if you add this to the settlement, I think some part of settlement amount was anticipated and provided for also in the past. So even otherwise, the profit would have not been even equal to the last quarter. So on some of these things, sir, can you clarify, that why we have not only muted, but the negative growth in this quarter on many of these fronts.

And then going forward, when we say 12 to 14% credit growth, how do we then plan to achieve that? And in fact, even the ECL provision, yes, it cannot be touched because 2,500 floating is now basically earmarked for ECL provisioning. So on that front, what are our plans to take care of the remaining amount of the ECL because the assessment must have been over by now fully. And so, I mean, it's a very broad study. I mean, just we got the result a little late today. But if you can add something to it, because the treasury has added the, even that 1,278 is also big because of the treasury income going up to almost 900 crore as compared to only 43 crore in the last quarter. So operational wise, this quarter overall seems to be a little dismal, you know, a little disappointing to me personally.

Dr. Debadatta Chand: So, Ajmera Sir, I will just tell you, I am also slightly disappointed that, I mean, you have not read the numbers particularly. I just tell you why I am saying so I am disappointed. My credit growth for this quarter is 17.4%. My deposit growth is 13.8% global and international is 14.5%. I mean, domestic is 14.7%. These are possibly one of the strongest growth not only for the Bank itself in all the quarters, but the strongest growth possibly in the industry itself when I am comparing with the large peers, large peers. So, the asset quality, the CRILC data, the SMA 1 and 2 more than 5 crore for the book as a whole, consisting of domestic and international. From 0.18%, it has gone down to 0.07%. The slippages have gone down. A treasury book of, I mean, almost 3,70,000 crore will have some treasury income and that treasury income is 893 crore, which is much less than the same quarter last year of 2,200 crore. So, I think there is not a single parameter in the balance sheet on profitability other than the net profit, which has been shown a decline trend or a lower growth or a lower profitability matrix. These are all very strong numbers. I request, earnestly request you to please have a relook on the numbers because there are no count in any way, any of the number has given any negative vis-à-vis the last quarter. It is one of the strongest performance growth we have in all this quarter.

In terms of profitability, look, we said earlier in one of the earlier conversations I was telling, we cannot make a provision on a settlement case for a specific provision or a litigation case. We buffer the balance sheet floating provision looking at the floating provision would buffer for the ECL impact. That is why the full impact of the settlement, full impact has been given in this quarter. There is no earlier floating provision, any provision which has helped in terms of negating the impact of the 5,680 crore that the impact on this quarter. On the ECL front, you said right.

The GNPA, net NPA, if you compare June over June 25, there is a significant dip. Sequentially, it has gone up because of the denominator, because the overall RWA has gone down, because June is typically slightly lower than that of March. Secondly, if you just look at one number therein, the write-off that we had in June 2025 was 2,200 crore. We have done a conservative write-off of 625 crore, and that is why we are looking at an absolute number of GNPA or NPA slightly higher. Had we gone for a similar write-off, the number would have been much, much lower. So, I do not think any count slightly, I am disappointed rather in terms of my sincere request would be, please have a look. We will be happy to further interact to clarify all your doubts. The Bank's financial strength, position, balance sheet growth are one of the strongest as on June.

Yes, this exceptional item impact has pulled down the net profit. But again, Q2, Q3, Q4, I am expecting ROA still above one. Full year ROA guidance, we will just see in the next quarter. But clearly, full year would be, may not be exceeding one, then we will give a guidance in the next quarter. I think the Bank is doing well, keep putting your confidence in the Bank and analyzing the Bank closely. I would be happy to interact more with you just to clarify some of the doubts here.

Mr. Ashok Ajmera: Anyway, so I stand corrected, sir, because the results had come very late and I could not have fully understood the numbers, as you are explaining. Sir, now, when this…

Dr. Debadatta Chand: I cannot hear you.

Mr. Ashok Ajmera: Is it over for everyone or you still have a claim on this? For any prospects of the…

Dr. Debadatta Chand: On this case you are referring, NMC case?

Mr. Ashok Ajmera: Sir, the case is over for once and for all?

Dr. Debadatta Chand: The case as far as the legal, in both the courts are all over. But our claim against the principal individual would continue both in India and outside.

Mr. Ashok Ajmera: Okay. So, there are chances of some recovery?

Dr. Debadatta Chand: Yeah, that is why I said the principal individual in this case, that is as per the agreement, we will continue both in India and outside.

Mr. Ashok Ajmera: Okay, sir. Thank you. Thank you very much.

Moderator: Thank you, sir. Next question is from Rikin Shah.

Mr. Rikin Shah: Hi, good evening, sir. Thanks for the opportunity. I actually had six questions, but short ones. The first one is on the duration of the investment book, the question here is that, the duration on the investment book has gone up both sharply QoQ and YoY. Curious to understand the thought process in the context that the next potential rate action by the Central Bank could be a rate hike, not imminent, but eventually. So, while the increasing duration aids the coupons right now, but in the future, it can result in MTM losses. So just wanted to understand the thought process that is the first question.

Dr. Debadatta Chand: Okay, duration has gone up. Typically, you would have seen this quarter the peak yield was almost at 7.13 - 7.14, I believe. Obviously, at a higher yield, the Bank would like to have a bit of, what you can say, investment over there, just to take upside of the yield movement. And precisely, that is the reason, why the book also would have seen an increase. But this book has been spread out in three components, AFS, HTM and also the FVTPL. So, if you look at this component therein and the yield has now moved down to 6.75 or 6.80 kind of level. So, you would have anticipated the upside on those investments which we have made at a higher yield. At the same time, we have position in terms of all the three books in a manner where any impact of a rate hike consequently the yield going up, the Bank is adequately protected in that count. So, it is a very prudent decision to add bit of duration just to take advantage of the rate movement and which has come right for the Bank in terms of the subsequent yield movement. But any rate upward movement, then we will be absolutely preparing in terms of how do you manage the duration there.

Mr. Rikin Shah: Got it. Understood, sir. So, the second question, happy to see that you have de-grown your corporate loans by 7% and still the overall loan growth is strong. Could you talk a bit more about the competitive intensity in the corporate loan segment? And also if you were able to shift some of the customers from the T-bill to MCLR rate in the quarter as you were mentioning last quarter?

Dr. Debadatta Chand: You are right, the corporate loan growth has been very strong but YTD there is a, I mean, that is the only component in the advances book you would have seen there is a bit of de-growth. Otherwise, sequentially, all the advance book, whether it is Agri, Retail, MSME, there is a YTD positive. So rightly so, that is best strategy, wherein we wondered that in the corporate book itself, the non-MCLR link, which can be any benchmark link, considering the elevated cost structure on the deposit side, we are trying to move them upward in that way. And that precisely resulted into letting go, some of the very fine priced assets. So, you are right on that, the strategy is bang on that, I mean, taking advantage of the change in interest rate structure in the industry and moving bit of non-MCLR book into be it an MCLR or near to MCLR book in that way.

Mr. Rikin Shah: Got it, sir. So the third question is on commission exchange brokerage fee income, it is down almost 47% YoY, not looking QoQ given the seasonality, but even YoY is down. So, what is dragging that down?

Dr. Debadatta Chand: That is one element actually, we need to optimize that. We need to focus more. Somewhere on our, I mean, the pricing strategy on the commission exchange, we need to, because somewhere sometimes we see on a higher growth on the advances book, then you let go a couple of, I mean, at a lower processing, lower yield. So, these are all overall, all in yield concept. So, in terms of overall yields that you get on those accounts. But you are right, this is one element we need to focus more on, in the coming quarters.

Mr. Rikin Shah: Got it. Sir, the next one is on the revaluation of investment gain of about 365 crore this quarter. Could you just provide some more color on that? What was that?

Dr. Debadatta Chand: Typically, because of the yield movement that happened, because then when you compare the March over the June. June closing vis-a-vis March, the yields were lower, that was the reason why there is a bit of a write back that is possible on that book.

Mr. Rikin Shah: Okay, okay. And the second last question is, sir, you did mention that write offs were lower in this quarter versus the last quarter, last year. But you did mention it's conservative. I mean, if the write-offs were higher, we would have seen even higher provisions in this quarter and the credit cost, right? So, I do understand that, you know, the GNPA and NNPA ratio going up because of lower write-offs, but should one expect the write-offs to be higher in the coming quarter and consequently higher credit cost?

Dr. Debadatta Chand: No, look, the write-off book is a book which is fully provided, 100% provided, right? And then out of the kitty, then you decide to based on write-off, technical write-off, not the actual write-off, don't get confused with that, depending upon, I mean, the ability to get recovery of this money within the time frame. So, this is all the banks would have seen this as an element in terms of finally impacting the GNPA and net NPA. So, this quarter, we have done a conservative write-off, so write-off won't increase your provision. Write-off rather would, I mean, your PCR, it impacts in terms of lowering the PCR rather the other way. So, we wanted to protect the provision coverage ratio and that's why we have gone for a conservative write off. That slightly marginally elevated the GNPA and Net NPA on a sequential basis. Although our GNPA and NNPA in the system, if you compare, this is one of the good numbers to have. And that has seen a significant fall from the GNPA and Net NPA of the June 2025. So, in that way, I think it's prudent management. What comfort you should take out of the book as of today, I mean, as we speak, that the SMA CRILC data has seen a significant fall from 18 bps, it has gone down to 7 bps. The collection efficiency, excluding agriculture, which was at 98.9%, it has gone past 99%.

In terms of slippages that we have seen for this quarter, it is lower than the June quarter slippage because you can't compare with March because March is always a different quarter, productive quarter. So, the recovery, if you combine the recovery of NPA and the TWO, that amount is also higher than that of June last year. So, in terms of asset quality story, I think things are quite, I mean, the strong and quality issue is something very benign in terms of the asset quality issue. As of today on the books, we do not see slightly, when we last interacted, possibly we were mindful of the geopolitical impact on the books. But rightly, the government came out with the ECLGS, particularly the segment of MSME has been protected well now. So in that way, we don't see any numbers at this point of time, which talks about a stress in the book, which is higher than that of the last quarter, a stress in the book, which is normally at a minimum level and which is comparable with rather lower than that of last quarter.

Mr. Rikin Shah: Fair enough, sir. So, then that's my last question is on FCNR. If you could just talk about how much of the funds you have already mobilized, what is your target? And more importantly, you know, if you provide self-leverage on your balance sheet, how does that impact your margins and NII and PAT? I mean, margins may potentially go down, but it aids your NII and PAT. So just your thoughts on how it impacts your different financials as well. Thank you. That's all from me.

Dr. Debadatta Chand: Tyagi sahab, can you quickly take this last question quickly?

Mr. Lalit Tyagi: Yeah, thank you, sir. So, on FCNR(B), up till now, we have raised in excess of USD 600 million. And in terms of providing the facilities to the NRI depositors against their deposit, we are facilitating them with the loan against the FCNR(B) deposit. Apart from this, the normal NRI deposit flows are also there where the depositors are not opting for the loan against the deposit. We aim to get into the total flows of in excess of USD 4 to USD 5 billion, ballpark figure of USD 5 billion, which comprises of all three components, FCNR(B), OFCB and ECB routes also.

Mr. Rikin Shah: Got it. And so how would you think about this FCNR impacting? I mean, how does that flow through in your margins & PAT? Because the self-leverage when you provide would be at a lower spread. So, does that dilute your NIM in the near term? And then, of course, as you deploy all of those funds, it flows down into NII PAT. How to think about that?

Mr. Lalit Tyagi: MD sir, if I can take?

Dr. Debadatta Chand: Ya, please take it.

Mr. Lalit Tyagi: So, you know, in terms of the Indian book, the deposit, Rupee deposit cost of these FCNR(B) deposit is quite competitive. We are offering the Rupee deposit rate of around 6.5 - 6.4%. And this will be our landed cost for Rupee resources. When the NRI depositors take loan against deposit at the overseas jurisdiction, they are provided by the overseas branches, according to their own cost of funds, thus resulting in leaving margins at that end also. So, at both ends, the business is resulting in the margins.

Moderator: Thank you Sir. Next question before that, if everyone can please limit themselves to two questions, just in the interest of time. The next question is from Kunal Shah. Kunal, please unmute yourself. We will go to Gaurav Jani. Gaurav?

Mr. Kunal Shah: Yeah, am I audible?

Moderator: Yeah, Kunal, go ahead.

Dr. Debadatta Chand: Yeah, Kunal.

Mr. Kunal Shah: Yeah. So, few questions. Firstly, on this entire NMC case, in fact, in terms of the disclosure, even in the annual report, we just indicated that this case is pending but in terms of the liability amount given that it was so huge at almost 600 odd million, why there was no indication in terms of the liability which can accrue to us even closer to the settlement of the case and if you can just highlight, in terms of what actually has been the nature of the transaction? Is it like obviously, this is not the lending one, this is something related to the trade finance and finally maybe there was some fraud and our Abu Dhabi branch has been, maybe it has, maybe people have said, like that's involved into it. So if you can just highlight the nature of this entire case that is leading to this kind of a liability and you mentioned that out of the court settlement was better in terms of the time, quantum, everything involved. So would the liability have been much much higher? Okay? Maybe had this not been settled out of the court? So that's the first question.

The second question is again on ECL. Was there…. Sorry, on fee income, was there any write back on account of this? Was any fee written back or something which is leading to the decline over there? Anything related to this particular transaction or not really? So that's the second question.

And on ECL, maybe last time also you had indicated some impact but has there been any change in that after having gone through in detail? Any change in the ECL quantum? And margins, on the core basis, if we look at it, we have seen yield on advances falling lower than that of cost of deposits. So can we say that the core margins have behaved better and was there any interest on IT refund during the quarter?

Dr. Debadatta Chand: So Kunal, coming to the NMC case, the nature of transaction as I said in my statement, it's a confidential agreement and the case is still sub-judice as far as the other defendants are concerned. So, I am afraid that, we cannot articulate anything on the matter. In terms of the annual report and the settlement that you talked about, the annual report was based on the position at that point of time. The case has gone for advanced trial post-March and the settlement has been done vis-a-vis the court litigation process, both for the Abu Dhabi Global Market court and also the UK court, based on a commercially prudent decision as advised by the legal counsel on the matter. As you know, that the best of global legal firms were, I mean, engaged by the Bank. Similarly, the global individual also has a legal counsel therein. So that is a prudent call. But in terms of the query with regard to the case details, I am afraid I am not in a position to articulate anything at this point of time but a legacy overhang issue, we were able to resolve that, and believe, there are two issues here. The underlying cause of the issue is an overseas jurisdiction. A payment has been made out of an overseas jurisdiction dipping into their own resources. The domestic book is insulated out of this. The legal framework, the legal processes, these are different country to country. So, we need to be sensitive on those.

In terms of the fee income, the fee income is a composite of many factors. There are income out of that, there expenditure out of that. When a book growth has been very significant, you cannot load everything to the customer. Typically, in globally also, many of the case in the advances portfolio, look into all-in cost, all-in yield. So, these are the factors that impacted the fee income and we are trying to again say that, this is one element we need to look into to optimize.

ECL impact, earlier I said, the impact would be 125 bps minus a pullback of 50 bps but both the final guidelines have been issued. The pullback is now almost like 15 bps. So, the impact of the ECL would be almost 110 bps on the CRAR translating into something around INR 12,000 crore. We have the ECL provision, floating provision of roughly INR 2,500 crore for the balance to be spread over. We have a strong, although the CRAR is adequate, we have a strong capital raise plan. So, I think, the migration would be smooth, seamless.

The core income part of the, that is what I am telling. In spite of this condition, when you look into multiple banks' financial results, the NII growth is at 9.5 %. We are able to optimize both in terms of the earning potential of the book, at the same time, the expanded, the interest expanded part of the book. Obviously, that has not translated into operating profit because of the lower fee income but at the same time, the net profit has been impacted because the cost of the full settlement has been impacted this year.

You also said that why the provision was not held earlier? As per the legal advice, on a case which is under litigation and negotiation, you can't have a specific provision there. Right? So these are the…. I think I answered all your query. Any further queries you can raise it before us. We'll clarify.

Mr. Kunal Shah: IT refund.

Dr. Debadatta Chand: IT refund….. this…..it is something around 300 odd crore, I believe. CFO, what is the number?

Mr. I V L Sridhar: Yes, sir, INR 370 crore . Yeah.

Mr. Kunal Shah: Thanks. Thanks. That answers all the question. Thank you

Moderator: The next question is from Gaurav Jani.

Mr. Gaurav Jani: Thank you sir. So just taking ahead Kunal's question, just one simple question. Right on, on the NMC case. So why were we, why did we have to settle? I believe, we would be a creditor, right? Unless we are given a guarantee or something. So just a simple question out there.

Secondly, I understand core margins sequentially would have gone up right. Adjusted for interest on IT refund. That's number two.

Third, if you can just quantify the one time impact in your staff, cost seems to be up by about 20 odd % sequentially. Right? And lastly, sir, you did quantify about the one time impact on capital of about 100 basis points. So, what would be the sustainable impact due to ECL? Right? One would be the one time….. so what would be the sustainable impact? Yeah. Those are my questions.

Dr. Debadatta Chand: So, NMC case, I mean, we have to differentiate the, the credit engagement and the case itself, right? The settlement has been done based on the case. I mean, the case that was going on against the Bank in Abu Dhabi Global Market Court, in a similar case, which was pending but on hold at the UK court. So, you have to differentiate the credit engagement and the litigation that was going on. So the settlement has been done based on the advanced trial nature of the code, based on the legal advice to clear an overhang which was there for long. And again, it's a dated case, right? Dated overhang.

Core margin, last time also, when we had a 2.83 or 84%, I believe, on the NIM, I guided the market at 2.75 to 2.95%, meaning there were, there would be margin is under pressure. In spite of the fact that the NII has increased by 9.5%, obviously the average asset has increased higher than that, impacting the core margin to 2.77% on that. The one-time impact on the ECL is an impact of 110 bps, which can be spread over as per the amortization plan therein. But per year impact can be something around 20-22bps. And we have a huge capital plan, as of today, we are highly capitalized. So, there is no impact on that.

Staff cost has gone up. In fact, this vis a vis March but if you look at the staff cost compared to the June, it is below that level, but over March, is because of the AS15 provision, which again tracks the yield movement. So in that way, that is the staff cost. Otherwise we have a good control on the operating expenses. The operating expenses is contained. Rather it is flat to negative. The staff cost is also contained. I mean the increase that you are looking at the staff cost in June over March is precisely because of, your AS15 provision, which is tracking the yield movement, right?

Mr. Gaurav Jani: So how much would that be? Can you quantify the AS15 amount, the one - time impact?

Dr. Debadatta Chand: I don't have data. Either Madam Beena or CFO, you have data? Otherwise you can share it. Madam Beena?

Ms. Beena Vaheed: Thank you sir. We'll share the details, sir.

Mr. Gaurav Jani: Yeah, that is it from mine. Thank you.

Dr. Debadatta Chand: Okay.

Moderator: The next question is from Bimal Panchal. He has typed in his questions saying congratulations for a robust performance. Two questions from my side. What is the IT budget of the Bank for the year? Any plans of raising funds through equity?

Dr. Debadatta Chand: Bimal, thank you very much. At least I got one congratulations now. So, in terms of equity, I will just tell you before I hand it over to Mudaliar Sir on the IT budget. IT, we have already announced earlier. We intend to raise 8500 crore of equity over a medium term outlook, that's ending up to March 2028. So currently, as of today, 16.3%, I do not feel there is an immediate requirement. But since, the Bank is growing strongly because 16-17% advances growth is something, sustaining that on the capital front is difficult. So Bank may raise capital, but that would depend upon the timing of that, our equity raise and the price at which we can raise the market. Right? So that's what. On the IT budget, Mudaliar, can you just take this question?

Mr. Sanjay Mudaliar: Yeah. Thank you sir. The IT budget is currently what we are having, both OPEX and Capex put together is in excess of INR 4000 crores.

Moderator: Yeah. Thank you. The next question is from Jai Mundra.

Mr. Jai Mundra: Yeah. Hi. Good evening sir and congratulations on a steady quarter, barring the NMC thing. Sir, on NMC, I wanted to check, have you internally fixed any responsibility, any disciplinary action sort of a thing, now that the matter is closed from your end.

Dr. Debadatta Chand: Okay. So, thanks for congratulations. I think the Bank had a strong quarter and appreciated that well. On the NMC, look for any staff side, every bank which is a Government owned bank, it has its own processes in terms of how do you take through all this accountability issue. So, in line with the guidelines that we have in place where the Government owned bank. Again, I repeat, whatever required to be done in terms of the staff, responsibility, anything, either would have been done or is going to be done. So, in that way. So that's internal to the Bank in terms of how do you look at the issue? Currently we have a large overhang, legal overhang, which was going on for long, and we need to see the settlement vis a vis the court process itself rather than any creditor or any other relationship for that. And in terms of our, the claim against the principal individual will continue even if after the settlement. Right. So that's the point I want to mention.

Mr. Jai Mundra: Okay. Sure sir. And second is on the ECL. Now, if I heard you correctly, you said that the total transitional impact will be around 1.1% of RWA. If I remember correctly, then earlier it was a slightly lower amount, right? 0.6-0.7%. So of course, at that time, maybe the guidelines were draft and now you have the final guidelines. So still, if you can elaborate, sir. This is only for credit or, you know, there is something else on investment or any other, heads there or this is purely credit related provisions.

Dr. Debadatta Chand: Okay. Jai, actually earlier, maybe prior to the last quarter, I used to say, 125 bps is the impact, but there is a pullback of roughly 50 bps because of the project loan guidelines and the project loan guidelines, when the final guidelines came, I mean, the pullback was not 50. It was something around 15-20 bps. So in that way, the net impact is 110 bps. Now the calculation, the guidelines has been issued. The banks are trying to migrate to the new framework as early as possible so that we can have a parallel run. So the impact that we see one time is 110 bps, which can be spread over as allowed in the guidelines itself. You have this ECL or any other question you had? I just missed it out, Jai.

Mr. Jai Mundra: No. No, sir. That was it on ECL and secondly, sir, on gold loan. So QoQ, there is a dip in both retail gold as well as agri gold. Of course, there were new rules which have had come in, but any color there? Is this conscious or you are seeing any changes in internal policies, etc. to have such kind of a gold loan growth on QoQ basis.

Dr. Debadatta Chand: No, no, actually, I mean, there are two heads in the advances in gold loan and the corporate loan slightly. There is a, I mean, YTD negative, whereas remaining all is YTD positive. So this is typically seasonal , in terms of demand scenario. Right. So I mean particularly in the corporate loan book, we see, either we allow some of the fine price asset to go or there is an inflow coming because of the corporate. We are now getting cash because of all these, I mean, release of their payment from different agency or different company. So it's typical seasonal. There is no strategy therein. We are growing at the same pace at which the gold and the book, in terms of asset quality continue to be strong. So absolutely, we intend to grow in this segment.

Mr. Jai Mundra: I was talking about gold loan. Sorry, corporate I understand.

Dr. Debadatta Chand: No, no. I mean, you would have seen the element of gold loan and also corporate. So sometime, these are seasonal in terms of, because normally June is a slack season. No? So in that way, these are seasonal. There is no strategy change in terms of slowing down or anything. That is what the point and the gold loan also, will continue to grow in the same manner. And the asset quality looks quite I mean, quite okay at this point of time.

Mr. Jai Mundra: Sorry sir. Just to come back on ECL question, sir, this 125, 110 bps impact, again, is this gross or you know, you I mean, if you can just elaborate, if you are deducting, let us say, stage three provisions because you have a very strong a PCR or you know, are you deducting any HTM or any sort of a gains that you have or is this a number 110 bps, the net number or gross number. I understand this 15 bps of…..

Dr. Debadatta Chand: I tell you, I give you the absolute impact on this. The net impact on the absolute is roughly around INR 12,000 crore, right. And 12,000 crore, we are holding floating provision to the extent of INR 2500 crore. So almost a INR 9500 crore to 10,000 crore. You have to really give the impact on the capital. And that is spread over for the amortized time.

Mr. Jai Mundra: And last question, sir, on LCR. So last quarter was our LCR was also 127%. This quarter is also stable. During the quarter, we had, you know, LCR release. You would have heard from bulk deposits and, you know, some of the non-financial corporates. So any thoughts? Why did we not sort of see the LCR going up like other banks?

Dr. Debadatta Chand: You actually see, on a liquidity solvency front, we need to maintain LCR. Actually, that is what we can't maintain, a very high LCR because then that would drag on your income and the yield. So earlier also I said, we want to maintain at 120% kind of a level. So it's not that we, we can go up because of the, the bulk issue, but then we need to manage the book in a manner where the LCR maintains around 120%. So there is no other strategy on that.

Mr. Jai Mundra: But sir, after this guideline, you can actually borrow more from, more on bulk, right. Because we have this problem of quarter…. Q1 corporate growth, corporate book growing, de-growing. And then you take advantage of bulk and then you grow corporate again. So, this new guidelines, does this help or is kind of a neutral from corporate group?

Dr. Debadatta Chand: What are the new guidelines you are referring? Which one?

Mr. Jai Mundra: Sir, on bulk deposit. So, now you have a lower run off, right? So, you can actually…..

Dr. Debadatta Chand: Run off factor you mean to say? No overall actually, look, we can manage, say as long as you maintain 120%, we have absolutely internal threshold is okay as far as 120%, right? So lower run off would help, but the bulk has again…. there are two factors. A bulk is also price sensitive. You must understand that. And it moves quite frequently along with the market change. Right. So we need to have a trade - off actually. Bulk as a component of the overall domestic deposit. We want to maintain that level. If our entire deposit is growing, then you need to maintain bulk at a certain percentage. So it's an overall issue, both maintaining the interest side of it and also the liquidity side of it. So, okay, the runoff is definitely going to help the LCR. We have grown in bulk actually, in case you have seen, the bulk is now almost like, bulk and CD together, it is two lakh thirty one. Out of that, bulk is at two lakh eleven and the CD at one lakh 6 thousand. So in that way, we have grown on those segments. But then LCR will be maintaining almost 120 on this matter.

Mr. Jai Mundra: Sure sir, thank you and thanks for answering all these questions. Thank you.

Moderator: Thank you. Next question is from Param Subramanian. Param?

Mr. Param Subramaniam: Hi. Thank you so much. Congratulations on the quarter, sir. Firstly, on the interest on IT refund, just a data keeping question. What is the number this quarter?

Dr. Debadatta Chand: I could not get you.

Mr. Param Subramaniam: Sir, the interest on IT refund, what was the number for this quarter and the last quarter? First that question.

Dr. Debadatta Chand: I think CFO, can you take this? You are on mute.

Mr. I V L Sridhar: This question, often we are getting from the analyst. Earlier also, management has articulated that don't see it as a separate line item. It's part of the regular interest income. Depending on the completion of the assessments, we keep getting these numbers. So please consider it as part of regular interest.

Mr. Param Subramaniam: So, would it suffice to say that the core margins are adjusted for this are stable quarter on quarter?

Mr. I V L Sridhar: Yeah. They're stable. That's why the guidance MD Sir has given. It is in line with this.

Mr. Param Subramaniam: Okay, sir. Fair enough. A second question on the ECL, sir. Sir, some of your public sector peers, the run rate impact they have called out say between 10 to 15 bps. So any reason are, you know, run rate impact when you said is 20 to 22 bps should be higher, relative to your peers or are we being conservative?

Dr. Debadatta Chand: Based on their book and their calculation, I have not read about other banks, what they have said, but I think our numbers are comparable with any other bank on the matter. Rather, we hold our INR 2500 crore of floating provision in the books. Not many banks are holding that provision. So, in that way, our ability to migrate is much better. And secondly, when all the factors we look into, the factor is the capital position of the Bank. As of today, it is almost at 16.3%. And we do have a plan to raise capital. The impact on the credit cost side that you are referring, we are also at the same range of 15 to 20 bps on the credit cost. So we are very clearly articulating the impact, both on the CRAR and also on the credit cost. And I think these are consistent. The only statement which I made some time back earlier, couple of quarters is a….otherwise is a project loan provisioning draft guidelines was giving a pullback of almost 50 bps. That's not going to happen this time. Actually, the final guidelines have been issued and the impact is coming for us roughly around 15 to 20 bps in terms of a…… so run rate, I have not seen of other banks for level comparison, but I think fairly the numbers are comparable with the market and also fairly based on our books that we have today. Rather in terms of the asset quality, would have seen the numbers that we have given in terms of rating and all. It's much better.

Mr. Param Subramaniam: Fair enough. So one question again on this ECL, sir. See, what I understand, the loans are generally priced as say your repo link rate RLLR plus the base spread plus the cost of risk, right. And if the cost of risk is going up because of ECL provisioning, shouldn't that reflect in your lending rates as well on both your back book as well as your incremental loans? Which means that, shouldn't the pricing take care of the ECL cost? This is something I wanted to understand Sir.

Dr. Debadatta Chand: See, there are a couple of guidelines on the retail loan while changing the spread, actually. What is the frequency at which you can change the spread or frequency, you can change the spread, in case there is a creditworthiness deterioration therein or a force majeure kind of thing. So, the ECL migration and consequent impact on the pricing, we have to take a call based on the regulatory guidelines at that point of time. But obviously, if the cost is coming to the bank, the bank would obviously like to pass on to the customer to maintain the margin. But I mean, as of today, I can't comment. Is that pricing, the spread, we are going to change because of this, so to see the regulatory guidelines because there are certain conditions at which you can change the spread. Before that, three years norms that we have. So that, we have to see on that.

Mr. Param Subramaniam: And this should be, sir, this flexibility you will have on your back book as well?

Dr. Debadatta Chand: Obviously. Yeah.

Mr. Param Subramaniam: Okay. Okay. Perfect, sir. Very clear. Yeah, that would be my…..

Dr. Debadatta Chand: What is your ability to pass on? Actually, that's a something, that also we have to see. Bad book in the sense, you are talking about NPA or……

Mr. Param Subramaniam: No, no, I mean your loans you have already given out, there you can increase the spread, the loans that you have already given out on your existing book.

Dr. Debadatta Chand: Yeah. Yeah, absolutely.

Mr. Param Subramaniam: Perfect, sir. Yeah. That's what I wanted to understand. Thank you so much. Congrats on the quarter.

Dr. Debadatta Chand: Thank you.

Moderator: Thank you. The last question is from Jayant Kharote.

Mr. Jayant Kharote: Thank you for the opportunity, sir and congrats on a good operating quarter. Sir, first question is on the margins. If I heard correctly, you mentioned last quarter, core NIMs were around 2.83 or 82% and which has come down to 2.77%. Is that correct or did I misunderstand something? If that is correct, sir, then…..

Dr. Debadatta Chand: The last quarter, the NIM was higher than 2.77%. I mean, the two points actually at that time itself I had given a guidance of 2.75%. And so look, in terms of the pricing of asset liability, the NII growth tells you about the pricing of asset liability that we have prudently managed, but obviously the asset growth has been higher so that the NIM is getting impacted, right? So, in terms of the core NIM and look, we are on a higher international book and the international will operate at a much lower margin of 1.4 or 1.5% therein. Now it has improved slightly. So, the domestic NIM more particularly, it is at 2.93% in excess of 2.90%. And when I talk about the domestic NIM or even global NIM, you would have made comparison across many of the banks. In that way, we again say it's a top quartile. So, in that way, we are quite confident that we maintain the margin going forward, and the guidance range continues to be 2.75 to 2.95%.

Mr. Jayant Kharote: But why I was asking is, if sequentially if we had, let's say a small 5-6bps contraction in core NIMs, then what gives you the confidence that we can arrest it at 2.77% and not go down below our 2.75% guidance? I'm talking about core NIM, including IT……excluding IT. And in this, what is giving you more confidence? Is it your actions on the asset yield side or is it the funding cost environment that is looking much better to you, to confidently guide for no more decline from here?

Dr. Debadatta Chand: So, two things you said, right? One is on the asset side because last two quarters, we have seen on the pricing on the asset. I'm talking about non-repo linked loans. It has been slightly, we are able to price in better particularly non MCLR corporate book, we are able to take them to near to MCLR or at MCLR. So that's a upside there in the books already. On the deposit, continue to be elevated. But one positive would have seen that the bulk deposit rates or the CD rates had gone down post the announcement of the FCNR (B) scheme. So, in terms of the incremental bulk deposit, I think the average cost is now lower than that of March now. So considering those two scenarios but the asset continue to grow faster, actually asset growth of 16-17% would put pressure on margin and also on the capital adequacy which we are managing it well. So considering those scenarios, I think still we are upbeat that we'll be in a position to hold on to 2.75 to 2.95%.

Mr. Jayant Kharote: Okay, sir. Second question was on ECL. Sorry to again bring this. This is a bit of confusion. In the previous answer you mentioned 15 to 20 bps, whereas I think before that, it was 20 to 22 bps. Which of the two number is the correct number sir? What the steady state impact - is it 50 to 20 or 20 to 22?

Dr. Debadatta Chand: Look, there are two impacts. I think I would ask one of the ED to support me. Possibly, I'm not clarifying well. The overall impact is 110 bps on the CRAR. So that is going to spread over. So in case you spread it over four years or five years in whichever manner will decide that is 20-22 bps, is the impact on the CRAR. Then there is impact on the credit cost. Credit cost, earlier we talked about, around 15-20bps impact on the credit cost. Again, computation of the credit cost is going to be evolving rather than the impact on the CRAR because CRAR you know the book has been frozen right. So, credit cost would evolve with regard to the fresh flow of book happening after 1st April 2026. But as of today, as we speak, the impact can be 15 to 20 bps, slightly in those range. Madam Beena, anything to support.

Mr. Jayant Kharote: This is the case, if this is the case, sir, how do we then continue with 1% ROA if there is a 20 bps impact on our steady state credit cost?

Dr. Debadatta Chand: Honestly, I don't know. You are asking or somebody was asking, after ECL, whether you are going to price in asset in a manner which will pass on the ECL cost, right?

Mr. Jayant Kharote: That would have to be an industry move, right? That would have to be an industry move, right.

Dr. Debadatta Chand: It has to be. It has to be, obviously. Madam Beena, anything you want to support on the ECL?

Ms. Beena Vaheed: No Sir, it will be roughly between 15 to 20 bps, what you said is right.

Mr. Jayant Kharote: Okay. Thank you sir and congrats once again for a good operating quarter.

Dr. Debadatta Chand: Thank you very much.

Moderator: That's the last question we'll be able to take today. Would request CFO Sir to please deliver the vote of thanks.

Mr. I V L Sridhar: I would like to thank all the participants for joining us today for the announcement and discussion of our financial results. Should you have any further questions, please feel to reach out to me or my investor relations team. Thank you once again for your time and continued support. Have a great evening ahead and weekend. Thank you.

Dr. Debadatta Chand: Thank you very much. Thank you.

Moderator: Thank you everyone.

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