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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
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Dear Sir / Madam,

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

We enclose transcript of Media Meet & Analyst Meet held on 25th July 2025 for Q1 (FY 2025-26) 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,

P K Agarwal
Company Secretary



Bank of Baroda Media Meet for Quarter ended 30th June 2025

25th July 2025

Participating members from the Management Team of the Bank

- *Mr. 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 the media conference for Bank of Baroda's financial results for the quarter ended 30th June, 2025. Thank you all for joining us. We have with us today our MD & CEO, Mr. Debadatta Chand. He's joined by the Bank's Executive Directors and our CFO. We'll start with brief introductions and then a short presentation followed by opening remarks by Mr. Chand, followed by the Q&A session. Chand sir, over to you.

Mr. Debadatta Chand: Good evening all my media friends and thank you very much for joining us today. I am D. Chand, MD & CEO of Bank of Baroda. With me, we have the management team: Mr. Lalit Tyagi, he's Executive Director. He looks after the corporate credit, international banking and treasury. Mr. Sanjay Mudaliar, he's Executive Director looking after the IT function and also the retail asset of the bank. Mr. Lal Singh, he's Executive Director. He looks after the priority sector, excluding retail asset, agri and MSME and also the recovery vertical. He also heads the HR function of the bank. Mrs. Beena Vaheed, she's Executive Director looking after all compliance and control function and also the retail liability. Mr. IVL Sridhar, our new CFO, maybe you are interacting with him for the first time, he's the CFO of the bank. So, with this, Mr. Sridhar, go ahead with your presentation.

Mr. IVL Sridhar: Good evening, everyone. It's my privilege to present before you the financial highlights of the Bank of Baroda for the quarter ended 30th June 2025. Our global advances have grown by 12.6% YOY with domestic advances growing at 12.4% and international at 13.6%. Within the advances book, the bank has continued to focus on RAM advances. Our organic retail book grew by 17.5%, agriculture at 16.2% and organic MSME at 13.1%. Corporate loans have grown by 4.2% YOY. Within the retail segment, we have seen smart growth across the portfolio with education loan growing by 15.4%, home loan at 16.5%, auto loan at 17.9% and mortgages at 18.6%. With regard to our personal loan book, we have moderated the growth as per the guidance given. The moderation is at 19.5%.

In terms of deposit growth, our total deposits have grown by 9.1% with international deposits growing by 14.8% and domestic by 8.1%. The domestic CASA deposits have grown by 5.5% and term deposits have registered a growth of 9.9% YOY. As of 30th June 2025, the Bank's credit deposit ratio stands at 84.08% and CASA ratio stands at 39.33%.

With regard to our profitability metrics, our operating profit for the quarter stands at 8,236 crores registering a YOY growth of 15%. Our net profit for Q1 FY26 stands at 4,541 crores registering a growth of 1.9% YOY. Return on assets remains above 1% and 1.03% in Q1 FY26. Return on equity stands at 15.05%.

Margins have been under pressure for the industry as a whole, as you know, given the repo rate cuts leading to immediate repricing of EBLR loans and lag in deposit repricing. Therefore, with regard to key ratios, our yield on advances stands at 8.09% for the quarter. Our cost of deposits for the quarter has sequentially reduced to 5.05% as against 5.12% in the previous quarter. In terms of net interest margin, there has been a reclassification of interest on income tax refund component and the historical NIMs have been normalized as per the revised reclassification for compatibility purpose. Our NIM for the first quarter of 2026 stands at 2.91%.



Regarding asset quality, our asset quality remains robust. Our GNPA has improved by 60 bps YOY and stands at 2.28%. Net NPA is below 1%, that is at 60 bps, 0.60%. Our provision coverage ratio including TWO is comfortable at 93.18%. Our slippage ratio per Q1 stands at 1.16%. Credit cost stands at a level of 0.55% for the quarter.

Coming to our SMA and collection efficiency, our CRILC SMA 1 and 2 as a percentage of our standard advances stands at 0.4% as of June '25. Our collection efficiency excluding agriculture remains robust at 98.9%.

Regarding the capital position, our capital position continues to be strong with CET-1 at 14.12%, Tier-1 at 15.15% and CRAR at 17.61%. Our LCR remains healthy at approximately 119% as of June '25. Adjusted for the profits of Q1 2026, capital adequacy would have been 18.04%. Thank you.

Mr. Debadatta Chand: Thanks, Mr. Sridhar. Once again to all my media friends, a very good evening to all of you. Let me make a couple of qualitative comments on the financials presented by the CFO. As you know that earlier also, we have said multiple times we pursue a very consistent, stable business model. And I think the quarterly results that we have presented, I mean the Q1 of this financial year also talks about sustainability, stability and also building on the fundamental strength of the bank.

The numbers that have been told, the advances growth has been very strong at 12.6% YoY. We have achieved the global advance at almost 12.07 lakhs crores as on June 2025. And within the advance growth, the retail is continuing at a very strong pace and it has been there for last many quarters.

We are growing retail at 17.5%. And the retail has reached a book of 2.61 lakh crores. As per retail, Agri and MSME earlier also we said, we said that we want to retailize the book more. And the growth in RAM is 18% on a YoY basis. That is a very strong growth as far as the numbers and the growth is concerned. And the RAM has also seen a sequential growth of 2% vis-à-vis March 2025.

The Agri loan as presented, the growth has been 16.2% for this quarter. And this is one of the highest growths we have on the Agri sector for the last many years now. This is in comparison to 9.1% of the same quarter of last year.

Another key focus for the bank within the RAM is also on the MSME. The MSME advances grew by 13.1% YoY as against 9.8% last year, I'm talking about June 2024. And within MSME, we're focusing on how do we again strengthen the key levers within the MSME lending piece. For that we're focusing on cash management services. We're focusing on relationship-based business within MSME. We're focusing on digital loan processing within the MSME. And also, a couple of government schemes, which is clearly a focus towards MSME. The bank is doing its best to have significant lending in those government schemes.

So, the outcome of all these efforts that I have said, the RAM has gone up to 62.7% to the overall book. And look, two years back, this percentage was 57. So, in line with our concept of retailizing the book, it has worked well, and the percentage is significant, 62.7% as on today.

The only aspect within the advances book is the corporate loan book where the growth is 4.2%. And I'll just tell you a couple of points here with regard to the corporate book. What we have seen for this



quarter, particularly on the corporates having a strong cash flow position, there is a deleverage happening, that is one.

Secondly, many of the corporates are able to go to the bond market and ECB market to get cheaper funds, which is cheaper than the Bank's loan. So, because of that, I think the loan growth in the corporate segment has been slightly lower. But then there is a comparison, there is a seasonal factor here. If you look at the corporate loan book in June 2024, the growth was 2.5%. As compared to that, we are at 4.2%. In spite of the corporate book in June of 2.5%, the full year growth was almost 9%. So, we are hopeful that as far as corporate loan is concerned for the full year, we'll be in the range of 9 to 10%.

Coming to the liability, again, this is something important we must take a note that liability deposit continues to be challenging, not only for us, but the entire banking system. But within that, we are focusing on how to strengthen our liability management by coming out with innovative products, improving the service standard, and also the digital penetration therein.

So, the current deposit growth, if you look at on the liability side, the growth is 8.1%, as against 6% of June last year. The growth in CASA is 5.5%, and the saving is at 5%. If you look at our saving growth for last many quarters, we are sustaining above 5%. And you must be comparing along with the industry growth. I'm talking about large peers. I think we're able to sustain a positive growth over and above the industry growth in the saving fund. And that's our key focus. And the CASA growth is 5.5%. Again, that is something you must be comparing with the system growth and able to slightly take a lead on that.

So, the outcome of this is that the CASA percentage is at 39.33%. And when you compare the CASA percentage, particularly with large peers, you can very well appreciate the fact that this is on the top quartile in terms of the percentage in CASA.

Earlier we said that on the deposit, we'll continue to work to reduce dependency on the bulk deposit. This quarter also, we have reduced the bulk deposit to the action of 23,000 crores. So, we have done a bit of realignment on the liability.

So, I think if you look at the cost of deposit that is presented, that is at 5.05%, on the CASA percentage of 39.33%, and the saving growth at 5.5%, I think on the liability side, the bank has done pretty well in terms of managing the cost part of it. The bank's cost of deposit at 5.10% and going by the repricing nature for next quarter will be well below 5% as far as the cost of deposit is concerned.

Giving my comment on the asset quality, again, the asset quality as the CFO said continues to be robust, continues to be resilient, and continues to demonstrate the strong asset quality for the Bank. The GNPA at 2.28% as against 2.88% of June last year. As compared to the sequentially vis-a-vis March, it is 2 bps above the March number, but I must tell you there are two factors which contributed. One is a factor where there is a denominator effect because there is a bit of the asset has gone down. So, there is a denominator effect here.

And secondly, as far as you compare with the slippage, that numbers that we have given, one large account in the international book that is what is presented also in the analyst presentation, a large



account which is roughly around 500 crores has slipped this year. Let me give a color to this particular account. This was a restructured account during COVID time. At the time of restructure, thereafter subsequently the account was upgraded. But then, the account continued to show a bit of sickness in terms of being SMA 1 or 2. And now, in that particular international territory, this account has gone to a program called CNC, that is a resolution plan. It is a secured loan. And there is a curative period of roughly around 120 plus 90 days, 210 days in that. So, we are hopeful for resolution within the 210 days. But in the meantime, we have classified this account as NPA out of the international book and made a 40% provision therein. Although we are hopeful of full recovery through resolution or otherwise, but then we have made a provision of 40% on this.

So, if you exclude this account, a couple of ratios--- let me again highlight on that. If you exclude this account, the slippage ratio will be at 0.99% as against 1.16%. And similarly, the credit cost would be at 0.47% as against 0.55%. So, if you look at these numbers, these are broadly aligned with the performance we had in the earlier quarter. This is only a one-off on the international account which has slipped. And we are hopeful for resolution as we go ahead as far as this particular account is concerned.

The bank on the income side, NII, as you know that all the banks because of the rate transition that happened in the entire market, banks have taken a cut in the NII. So, as we also, our NII - there was a degrowth of almost 1.4% whereas the operating profit has been very strong at 15% because of the substantial increase in the non-interest income and more precisely out of the treasury income. So, that has supported big time for us and the growth in operating profit is 15%, whereas Net Profit, the growth is 1.6%.

Couple of data points which are important here, let me tell that – For last 10 quarters, we are posting a Net Profit in excess of 4,000 crore. And that gives us an increase in book value in last 2 years, I'm talking about March'23, almost ₹85 to the book value. So, the bank since it is at elevated profit curve, so the percentage growth looks slightly lower, otherwise the bank inherently has a very strong income earning potential and so as the profit generation capacity. The ROA, it is almost now 12 quarters, we are maintaining in excess of 1%. On the bank also, I mean, as I said, fundamentally we looked into that you can typically compare vis-à-vis the increase in book value in June'2025 over March'2023.

On the liability as I said, we have Cost of deposit of 5.05%, with a CASA of 39.33%, with a margin of 2.91%. That works out very well in terms of the liability management that the bank pursue. Our NIM is at 2.91%. Again, as you have a significant international book where the NIM is 1.75%, otherwise the domestic NIM is at 3.06%. We are above 3% in the domestic NIM itself. And if you compare vis-à-vis the reclassified NIM of that of March, which was at 2.98%, otherwise you declared 2.86% because of the same. Reclassification benefit it is at 2.98%. The cut in NIM for this quarter, I am talking about June over March, is only 7 bps. And you would have read a newspaper article sometime back, where the average cut in the margin that many of the banks which was presented in that article is almost 17 bps.

So, in terms of the liability management, in terms of the asset-liability management, I think the bank has done well in terms of able to maintain its margin. And that is something significant, I believe, while articulating before all of you.



Couple of other points I would like to say – The Digital, the bank is doing quite well. Our new app, bobईPay is doing quite well. The P-CBDC, which was announced sometime back, there is traction over there.

A couple of awards that earlier also we communicated that on the EASE Reform, which is one of the comprehensive performance metrics that all the banks, public sector banks. We ranked 2nd when it was announced sometime back. The bank would continue to focus on sustainability, the bank would continue to focus on the stable outlook. At the same time, I believe the liability management is one of the key cornerstones as far as the bank is concerned for this quarter. With this, I will end my initial talk and we will go for question and answer. Phiroza, over to you.

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 and I will come to you one by one. The first person who raised their hand was Alekh, Alekh from The Economic Times. Alekh, if you can please unmute yourself and ask your question.

Mr. Alekh Angre: Hi, Sir. Sir, you alluded to the lower corporate growth. On a quarterly basis there has been a degrowth, what's really happening? Is it, are you letting the repayments happen and not re-contracting because rates are very fine? And how are you working around the spreads, especially with...? I believe NBFCs have also seen similar kind of sequential, you know, about 15,000 crore, the book has come down on a quarterly basis. So, what's really happening there? How are you negotiating on rates with corporates and NBFCs specifically? How much did you shed in case of NBFCs? And my second question is on co-lending. How much is that book? Would you look at stepping up the lending under that piece because you mentioned about MSMEs, given the revised draft that RBI has come out with? So, some of the thoughts on that. Thanks.

Mr. Debadatta Chand: Yeah. Thanks, Alekh. So, I mean, corporate, as I said, there are two factors for the current quarter growth. One is bit of seasonal factor, as I said, because we had a similar quarter also in June last year. So, when we realign the book, both in terms of the bulk deposit and the fine price book, so obviously there is a bit of realignment. Having said so, as I said, on the corporate side, I mean, those corporates having a very strong cashflow position. I mean, there is a deleveraging, we need to take a note of that.

And, secondly, because of significant downward movement in rates in the bond market, I mean, typically these corporates are also able to raise funds at a cheaper rate. So, obviously, the dependency on the bank's loans is relatively low. So, these are the two factors which are impacting. But as I said, June last year we had a 2.5% YoY and the full year we had a 9%. I'm also thinking a similar corporate book outlook for the full year, where we can achieve almost 9%-10% growth.

We are focusing on multiple sectors, including NBFC. Yes, NBFC is slightly, if you look at the segmental data, there is a bit of degrowth that happened because we had some like the risk weight was one of the factors but now the demand is coming back into the banks and we are looking into all this proposal. I think NBFC, again, there is a good upside available for us to grow in this NBFC exposure. And on the co-lending, yes, the bank is fully working with the co-lending.



Mr. Alekh Angre: On the NBFC bit, what has caused that reduction? Quarterly basis, the book has come down by about 15,000 crores. So, that's like a little sizable number. I just wanted to understand, have you let the contracts to end because pricings are really tight? And how are you negotiating on the spreads because they're still on MCLR, I believe?

Mr. Debadatta Chand: So, you are right on the NBFC. Multiple, like in NBFC space, we have the corporate NBFC and also we have the public sector NBFC, right. And, obviously, because of the Bond market, the prices have gone from fine to very fine. So, maybe because again, you know, our margin is at 2.91 and there may be some transaction which may let it go because it's not working out well in terms of the pricing. They are very high quality asset but at the same time doesn't give you an optimal on the margin side. So, we have similar couple of transactions where possibly because of fine price we could not retain those customers. But, again, I think on the demand side, if you look at, the NBFC demand is again coming back into the bank. A lot of pipeline cases we have in NBFC and we are considering those. So, on an overall basis, I think going forward the growth has to be much higher. And typically a full year will be at 9%-10%.

Coming to your second question on co-lending. Yes, the bank is quite prepared now to upsize its co-lending book. Initially, there are challenges in terms of the technical integration, couple of clarity on some of the aspect of accounting. Now, all these are clarified. The guidelines are clear on those. So, we are working on to increase our co-lending exposure vis-a-vis NBFC significantly from the current level.

Mr. Alekh Angre: How much is the book right now? And what is the quarterly and monthly numbers?

Mr. Debadatta Chand: The book is not a lot for us, actually. It is less than 2,000 as of today. So, we are thinking of a significant uptick going forward.

Mr. Alekh Angre: So, by end of the year, how much would you like to see this book grow to?

Mr. Debadatta Chand: We have not estimated but clearly our policies, efforts and the directions are aligning to increasing this book significantly.

Mr. Alekh Angre: Okay. Thank you so much, Sir.

Mr. Debadatta Chand: Thank you.

Moderator: Thanks, Alekh. Next question is from Subhana Shaikh of NDTV Profit.

Ms. Subhana Shaikh: Hi, Sir. Good evening.



Mr. Debadatta Chand: Good evening, Ma'am.

Ms. Subhana Shaikh: Sir, I wanted to ask, you spoke of this international account, would you be able to name that account for us? And what exactly went wrong here?

Mr. Debadatta Chand: No, actually, bilateral name we do not declare. That is prohibited in that way. But then I will give you full color of this account. Again, I'll repeat what I said earlier.

Ms. Subhana Shaikh: Yes.

Mr. Debadatta Chand: It was an account which was restructured during COVID time. And post restructuring, the account was upgraded because the conduct of the account was good. But it was showing sign of weakness therein. And now it has gone to a resolution like process we have like maybe IBC or something. It is in that particular international territory called CNC. And there is a curative process for 90 days for resolution of the account. And till that time, there is a standstill condition that holds.

So, as far as the account is concerned – It is a secured advance. The asset coverage is much more than 1. Secondly, we are hopeful for a resolution. It is a very good entity in terms of the local government stake over there in that entity. So, I think, there would be a clear resolution therein. But as a prudent measure, we have made 40% provision therein. So, on a 500 crore, we are holding 200 crore of provision. So, looking into the trajectory of the resolution happening post 210 days, I think we will be in a position to further. But then it is one off. And it was known to the bank that the account had sickness, so continuously used to monitor that.

I tell you one good point that at the time of COVID restructuring, the outstanding was almost at 80 million on Euro terms. And because of the repayment, the outstanding currently is 50 million. So, the account has a good vintage in terms of, I mean, paying the banks due. And we are hopeful we will recover the amount full.

Ms. Subhana Shaikh: So, Sir, going forward, you expect your provisions to rise from this account?

Mr. Debadatta Chand: No, if the resolution does not happen, we will scale up the provision. But that is not significant to bank size. See, the exposure is 500 crore in rupee terms and already 200 provided. The balance is only 300 crore. So, we will all watch the output of this resolution process, which is ending on 210 days. So, thereafter, we will take a call on that.

Ms. Subhana Shaikh: Okay. Sir, my next question is on the MSME segment. You have been focusing on the MSME segment. Yesterday, the FTA deal has been signed, which is set to boost the MSME space. Kind of wanted your view on that. By how much would you want to grow your MSME book?



And, also, one more thing I wanted to understand from you was corporate is seeing a slowdown. Overall, retail growth has seen a slowdown. Kind of wanted to understand, what sector are you focusing on the MSME segment? And, also, are there any concerns of over-leveraging percolating in the unsecured MSME business as well?

Mr. Debadatta Chand: So, the MSME, let me give you a couple of data points. Our growth this quarter is 13.1% and this is as against 9.8% on the corresponding quarter last year. Whereas in March, the growth was 14.2%. So, clearly, in the last one year we have upsized the growth in MSME. Clearly, we have done multiple aspects therein. We have put in a Cash Management System for MSME borrowers. A couple of sectors which are doing well for us is a sector like CV & CME, supply chain finance, the TReDs, I mean, the platform. So, the core MSME growth is also there. So, the bank will be focusing. And, again, on the regulation side, the MSME definition has changed now and that gives a huge opportunity for us to grow in MSME.

Secondly, the government has come up with a couple of new schemes on the MSME. One is a cashflow-based scheme, which is a smart OD that we have already rolled out to the market. Another is MCGS, which is a guarantee-scheme under which you can lend money. So, I think, the environment for lending to MSME is quite positive at this point of time. There are demands. We have leveraged our digital platform. We rolled out the digital platform. We rolled out almost 350 branches, which are MSME-focused branches. We are focusing on clusters on MSME. So, with all this, I think growing at around 17%-18% is possible for the bank. And we are expecting rather to upsize that. So, we are working strongly on the MSME, focusing key to the MSME.

Coming to the corporate growth, yes, there is a bit of degrowth that has happened in the sense of growth percentage. I have already told the reasons thereof. A bit of corporate deleveraging happening. Corporate is able to tap alternate sources at a cheaper rate than the bank's rate because the MCLR continues to be...Although, we have cut the MCLR but it would again moderate based on the deposit cost, which would be a lag time. So, that's happening.

In that scenario, if you look at Bank of Baroda's growth in corporate 4.2%, it is aligned with almost all large peers' growth in the corporate sector. So, it is not that we are slightly lower. I mean, we are almost aligned with the system growth in the corporate sector. This, again, June is a slack season for corporate and also seasonal factors therein. So, overall, I don't think on the full year basis there would be any less growth in corporate as compared to the growth we had in last year.

Retail, again, my retail growth is almost 19.5%, 20% for many quarters. Normally, again, June is slightly lower as compared to the average growth on retail. But if you look at the retail growth in Bank of Baroda for last many quarters, we are almost 3%-4% higher than the system average on that. And the Housing growth, if you look at this quarter, it is at 16.5%, which is much better than the 14.5% last year, last quarter. So, the retail, the growth story continues to be strong. So, absolutely, there is no degrowth or no something which is a lower growth happening. We continue to work very strongly on the retail. I think, probably I answered. The sector in MSME, which we are focusing, the core MSME, CV & CME, supply chain finance and all those things giving us good outcome now.

Moderator: Thanks, Subhana. The next question is from Shubham Rana of Informist.



Mr. Shubham Rana: Hi, sir can you hear me?

Mr. Debadatta Chand: Yeah, I can hear you. Please go ahead.

Mr. Shubham Rana: So, sir, your treasury income has helped you quite a bit in over the last two quarters, including this one. So, in terms of going ahead in the next quarters, what is your plan? Like, how do you plan to impact higher provision if you see treasury income coming down and like even your net interest income is not like it fell on year. So, in terms of how do you plan to mitigate higher provisions in this scenario?

Mr. Debadatta Chand: Okay, Mr. Rana, this is a fair question. NII growth, the pressure on the NII continue to be for the next quarter also. Let us be very upfront on that. Because the transition matrix, both on the asset liability, it is going to fully realign in next quarter and Q3 onwards, it will be positive only, it is upward only, both in terms of margin, both in terms of NII. So, the fall in NII is system aligned. I mean, I have seen all the banks have given a lower NII growth or a negative growth. Because this is what the transition happening because the cost of deposit will take a bit of more time to realign because those are all fixed cost.

At the same time, on the BRLLR, the benefit was passed on immediately. The full benefit was passed on immediately. So, considering that, I don't think NII is something, it is aligning with the market scenario. And that is not a ... but again, I will tell you that the next quarter again will be under pressure both on the margin front and also on the NII front.

Coming to the treasury income, yes, it has given an absolute dividend this quarter. This is on the backdrop of the market movement on the yield. Going forward, if the market movement persists like that, which slightly the yields have moved upward now, we can similarly give a good profit therein. Let us say again, if you clearly analyze the reasons, like almost all the banks have given a good trading profit on treasury. Typically, a lot of OMOs happened where the banks are allowed to put their HTM investment over there. And there, there is a good upside over there. So, considering the OMO, in case it continues, then we will still have a good chance of again getting a good profit for this quarter. But before I do, Mr. Tyagi, would you like to supplement anything further on this?

Mr. Lalit Tyagi: Sir, I think broadly you have covered about the reasons of treasury gains. In fact, the yield movement has supported the Q1 treasury gains. And Q2, you know, at present, the yields are holding and in case the yields go down, then probably there can be some upside on treasury gains also.

Mr. Debadatta Chand: Well, Mr. Rana, I can add one thing. On the provisioning side, we have been slightly prudent in terms of making provision therein. So, in terms of, if you look at the next quarter, possibly this prudent provisioning is going to help us.



Mr. Shubham Rana: Okay. So, sir, just your provisions rose almost 1000 crores in like year-on-year. So, what sort of outlook can you give on that for the next, for like July-September quarter?

Mr. Debadatta Chand: See, if you look at the provision requirement vis-a-vis March, the increase is only 400 crores. If you look at the full year, it's almost a 1000 crore. So, 200 crores out of the international account that I talked about, we have made 40% provision. So, the remaining part, is looking at the asset quality almost slightly at the same, I mean, maybe there is some bit of additional requirement somewhere because of ageing provision. We have also accounted bit of a weakness in this account and made prudential provision also. So, this is what the colour of the provision, but the run rate of 1500 is something I think is a maintainable one, but we will just see next quarter how it pans out.

Mr. Shubham Rana: Okay. Sure. Thank you so much.

Mr. Debadatta Chand: Okay. Thanks.

Moderator: Thank you. Anjali Palod of ET Now.

Ms. Anjali Palod: Hi, sir. My question is on the RAM book, which you have said is now 62.7% of your book compared to 57% last year, if I am right. I wanted to understand what kind of contributions on RAM are you targeting and by when do you see that happening?

Mr. Debadatta Chand: Can you come back what you said? What is that target?

Ms. Anjali Palod: What is the RAM contribution that you are targeting in your overall book and by when do you think you will be able to achieve that?

Mr. Debadatta Chand: See, earlier also we announced one theme on the bank working strongly is to retailize the book. So, when we started at 57% two years back, we wanted to retailize, retailize I am talking about the entire RAM as a retail book. So, there we have done substantial work on that. As such, my retail book is growing much faster than the corporate book. So, one thing that would have seen for many quarters now. And the only thing that worked for this year is augmenting the Agri and MSME book. So, these two books also started growing at a higher pace. Considering that the RAM book continued to be strong. If you look at this quarter, why the RAM is 62.7% because the corporate growth is very low at 4.2%, which is going to increase in the subsequent quarter. But at the same time, the bank has a plan to almost get into 65% in 2 to 3 years' time. That is some kind of a guidance we said earlier and we will continue to work on that.

Ms. Anjali Palod: And my second question is on the repo rate cuts. Like you said the EBLR linked books have been immediately repriced and there is some lag when it comes to the deposit. So, how many quarters do you think it will take for the entire impact of the repo rate cuts to translate into your books?



Mr. Debadatta Chand: Roughly we believe around 70 to 80% of the deposit book would get repriced by end of September. And with that scenario then possibly the upside actually in terms of a positive outcome both in terms of aligning the asset and liability would start coming Q3 onwards. So, we have a much positive margin outlook both the margin and the NII outlook both for Q3 and Q4. Whereas Q2 still can continue because of the impact. Because this quarter the impact of the repo rate cut and also a couple of changes happening on the corporate book side in terms of a pricing aligning to the bond market price, the impact is not full, it is half. But the September quarter is going to be full. So, in that scenario I think there will be a bit of pressure both on the margin and NII in September. But Q3 onwards is going to be a positive growth both in margin and also in the NII.

Ms. Anjali Palod: Alright, thank you sir.

Mr. Debadatta Chand: Thank you.

Moderator: Thank you, Anjali. We will take a couple of questions which have come in from the Q&A channel. One is from Anupreksha of Business Standard. She has three questions.

Ms. Anupreksha Jain: What are the recovery targets for FY26? What is our credit and deposit growth guidance? And her third question is on Agri. There has been a substantial Y-O-Y growth in Agri loans. But on a quarterly basis the growth has been slow. So, are we seeing some saturation in Agri loans as well as saturation in Kisan credit cards?

Mr. Debadatta Chand: So, quickly talking about couple of questions in terms of credit and deposit growth guidance. We continue to hold the same guidance 11 to 13% for the advances and 9 to 11% for the deposit. Because this quarter we could not see a change in terms of the growth of deposit vis-a-vis the system. So, the deposit is going to continue to be the same level like the last year. So, the guidance continues to be 9 to 11% on the deposit and 11 to 13% for the advances.

As far as recovery target, we give normally the slippage guidance and the credit cost and continue to hold the same slippage ratio of 1 to 1.25% and credit cost below 0.75%. At the same time, normally last time also we said we intend to, because the kitty is now less, but the recovery we want to exceed 10,000 crores as a benchmark number. And there we will be working on to achieve a 10,000-crore recovery for the full year.

Agri, the growth actually, the growth is 16% because of the Q1 last year was not that, I mean significant growth in Agri. It has picked up in Q2, Q3 and Q4. The momentum is continuing. So, even if it is not 16% going forward, but the growth continues to be somewhere upward of 14% on the Agri going forward. That is what our take on the matter. Thank you.

Moderator: Okay, sir. The next question is from Ram Kumar sir of The Hindu Business Line. He has two questions.



Mr. Ram Kumar: Is 80% plus CD ratio sustainable? And his second question is in a falling interest rate scenario, what steps are you taking to grow CASA deposits?

Mr. Debadatta Chand: That's a fair question. As far as the LDR or the CD is concerned, we earlier also said we will be operating almost at around 82, 83, 84 kind of a level. It is sustainable because on the backdrop of excess SLR of 6.5-7%, I think it is absolutely sustainable. So, there is no impact because we have a healthy LCR also at almost at 120%.

Falling CASA, yes, this is one rather I would take a note of efforts by Bank of Baroda to sustain CASA. Not only the saving deposit that we are talking about, the CASA and the saving deposit for last many quarters we're able to slightly do better than the system in that way. I am comparing about large peer banks for the purpose. So, we came out with multiple innovative products. We came out with a lot of digital offerings. We came out with bundling of products, services to, I mean, attract CASA. So, we will continue on that journey of attracting more CASA. But at the same time, let us also understand the scenario where on the preference of depositor to getting into other market is still continuing. Like, I mean, the depositor going from deposit market to let's say capital market on that, that is still being there. So, in that scenario, we will try to optimize our CASA and I think that is a strength as on today in terms of the numbers that were given not only for this quarter, for last many quarters. So, we will be working strongly on the CASA percentage. And my CASA percentage is one of the top quartiles. So, that is what, I mean, tells the story with regard to the focus the bank is putting on CASA. Thank you.

Moderator: Okay. Next question is from Ashish Agashe of PTI. Ashish.

Mr. Ashish Agashe: Thank you so much, Phiroza. Hope I am audible, sir.

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

Mr. Ashish Agashe: What is the EBLR linked loans in the overall book, sir? And you said that Q2 NIMs would be under pressure. So, any outlook for exit FY26 on the NIMs run, sir?

Mr. Debadatta Chand: See, EBLR, we are at 30-35 % rather we run the MCLR at around 45 to 48 %. And possibly in peer comparison, you would have looked that the MCLR book is one of the highest in the banking sector. So, the EBLR pass on is immediate, whereas MCLR already we have made one cut in MCLR. But as the cost of deposit moderates, we will keep working on reducing the MCLR. The second question was what on that?

Mr. Ashish Agashe: The exit target for NIMs in FY26, sir, because you are expecting H2 to be better, sir, that way?

Mr. Debadatta Chand: Yeah, H2 to be better, absolutely. So, look, we are not giving, last time also said that NIM guidance, because there is an inflexion point, there is a transition happening, it is slightly



more difficult. But if you look at the outcome of NIM in this quarter, I think we have done much better. I mean, we are holding at 2.91% as compared to 2.98% of March 2025, the reclassified number. In that scenario, the cut is only 7 bps as compared to the industry, if I go by the reports that published, it is almost 17 bps, right. So, in terms of margin, we are quite particular on that. So, on an overall perspective, I think because H2 will be much better. So, we are looking at a guidance range of almost like 2.85% to maybe 3% can be a guidance range. But we will just see how it pans out, because again, our margin would be pressure in Q2. And then possibly if there is a revision required, we will do, but currently the outlook is to maintain between 2.85 to 3%.

Mr. Ashish Agashe: Okay, sir, thank you. And on the corporate side, you are expecting quite a bit of acceleration in the remaining part of the year. So, where do you see the demand right now? Because the factors which you pointed out too, which is alternatives existing with corporates, the stronger ones amongst them deleveraging, I would guess that they would continue even in the remainder of the year. So, where do you see the demand getting generated? If you can possibly put a number to the pipeline under discussions, at least with corporate loans that you have as well, sir?

Mr. Debadatta Chand: So, that's a fair question because, I mean, this quarter is a seasonal impact also, as I said, it was similar scenario in June 2024 also. So, again, H1 is a slack season and H2 is a busy season, right. So, the demand as such would come back in the H2 and by that time, the differential rate between the, let's say, the bond market and the loan pricing would again get squished, right. That is what a transition we are looking that to happen in Q2 itself. So, in that scenario, I think people would come back strongly into the loan market and for us to optimize that.

And as of today, if you look at a pipeline, we have a huge pipeline in order. Almost like cases which are sanctioned, not disbursed is almost 30,000-35,000 crore. Cases we are under consideration is almost 25,000-30,000 crore. So, we are going to replicate the same way that we did last year in terms of the Q1 growth slightly lower, but subsequently upsizing the growth in Q2, Q3 and Q4. And typically looking at a scenario where the demands are coming strongly on the renewable side, the data center side, whether it is a road project side. There are multiple sectors where the demands are still very strong and I think we will be in a position to achieve 9-10% corporate growth for the full year. Mr. Tyagi, anything you want to add on the growth number?

Mr. Lalit Tyagi: Yes, sir. So, sir, in fact, to add to what you have said that there are many CapEx announcements from various companies in the corporate sector and PSU space also. And they will come up for the funding in the coming years. So, we believe that apart from those sectors which MD Saab enumerated, there will be a demand from the corporate side also. And as we enter into the busy season, there will be a requirement on the working capital side also and there will be availments.

Mr. Ashish Agashe: Yeah. Okay sir. So, final small question, sir. So, where is this, which sector is this problematic international account from, sir?

Mr. Debadatta Chand: It is a general manufacturing sector. It is not anything. It is a manufacturing sector. The entity is engaged in a manufacturing business in an overseas territory. So, it is a manufacturing one. And typically, mainly the impact came from the COVID impact which could not



sustain over a long period of time and I mean, that is one. And there are two things which are important while looking into the account adequately covered as far as the exposure is concerned. On the exposure, if you look at the vintage of this exposure, it has gone down almost by 30 million in the last 2-3 years' time. So, we are quite hopeful of resolution, if not also getting the full recovery out of this account.

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

Mr. Debadatta Chand: Yeah.

Moderator: Thanks, Ashish. Thank you, everyone. That is the last question we will be able to take today. Thank you all for joining us today.

Mr. Debadatta Chand: So, thank you very much. In case you have further query, you can send it to us. We will reply to all those queries. Thank you very much.



Bank of Baroda Analyst Meet for Quarter ended 30th June 2025

25th July 2025

Participating members from the Management Team of the Bank

- *Mr. 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 results for the quarter one ended June 30th, 2025. Thank you all for joining us.

We have with us today our MD & CEO, Shri Debadatta Chand and he is joined by the Bank's Executive Directors and our CFO. We will start with brief introductions and then a short presentation followed by opening remarks by Chand sir and then we will start with the Q&A session. Chand sir.

Mr. Debadatta Chand: Yeah. Thanks, Phiroza. Again, good evening to all of you, all my analyst friends. Let me introduce the management team here, I am D. Chand, MD and CEO of Bank of Baroda. And with me, we have Mr. Lalit Tyagi, he's the Executive Director, he looks after the corporate credit, international banking and treasury, as far as the bank's books are concerned. Mr. Sanjay Mudaliar, he's the Executive Director, he looks after the IT function of the entire bank and also the retail assets apart from this he has multiple other departments. Mr. Lal Singh, he is Executive Director, he looks after the recovery, the priority sector and also more importantly, the HR function of the bank. And we have Madam Beena Vaheed, she looks after the compliance and control function and also the retail liability, which is very critical, at this point of time the retail liability of the bank. And we have the new CFO. Possibly, you are meeting him for the first time, Mr. IVL Sridhar. He has taken charge as the CFO and he is part of the management discussion today. So, with this, I mean, Mr. Sridhar, please go through the presentation. Then I'll have my opening remarks.

Mr. IVL Sridhar: Thank you, sir. Good evening all. It is my privilege to present before you the financial highlights of Bank of Baroda for the quarter ended 30th June 2025.

Our global advances have grown by 12.6% YOY, with domestic advances growing at 12.4% and international at 13.6%. Within the advances book, the bank has continued to focus on RAM advances. Our organic retail book grew by 17.5%, agriculture at 16.2% and organic MSME at 13.1%. Corporate loans have grown by 4.2% YOY. Within the retail segment, we have seen a smart growth across the portfolio with education loan growing by 15.4%, home loan at 16.5%, auto loan at 17.9%, mortgage at 18.6%. With regard to our personal loan book, we have moderated the growth as per the guidance given at 19.5%.

In terms of deposit growth, our total deposits have grown by 9.1% with the international deposits growing by 14.8% and domestic by 8.1%. The domestic CASA deposits have grown by 5.5% and term deposits have reached a growth of 9.9% YOY. As of 30th June 2025, the bank's credit deposit ratio stands at 84.08% and CASA ratio stands at 39.33%.

With regard to our profitability metrics, our operating profit for the quarter stands at 8,236 crores, registering a YOY growth of 15%. Our net profit for the Q1 of FY26 stands at 4,541 crores, registering a growth of 1.9% YOY. Return on assets remains above 1% at 1.03% in Q1 of FY26. Return on equity stands at 15.05%.

Margins have been under pressure for the industry as a whole given the repo rate cuts leading to immediate repricing of EBLR linked loans and lag in deposit repricing. Therefore, with regard to our key ratios, our yield on advances stands at 8.09% for the quarter.

Our cost of deposits for the quarter have sequentially reduced to 5.05% as against 5.12% in the previous quarter. In terms of our net interest margin, there has been reclassification of interest on income tax refund and the historical NIMs have been normalized as per the revised reclassification for comparability. And our NIM for Q1 FY2026 stands at 2.91%.



Regarding asset quality, our asset quality remains robust. Our GNPA has improved by 60 bps YOY and stands at 2.28%. Net NPA is below 1% and that is at 0.6%. Our provision coverage ratio including TWO is comfortable at 93.18%. Our slippage ratio for Q1 FY2026 stands at 1.16%. Credit cost stands at a level of 0.55% for the quarter.

Coming to our SMA and collection efficiency, our CRILC SMA 1 and 2 as a percentage of our standard advances stands at 0.4% as of June '25. Our collection efficiency excluding agriculture remains robust at 98.9%.

In terms of our capital adequacy, our capital position continues to be strong with CET-1 at 14.12%, Tier 1 at 15.15% and CRAR at 17.61%. Our LCR remains healthy at approximately 119% as of June '25. Adjusted for the profits of Q1 2026, the capital adequacy would have been 18.04%. Thank you.

Mr. Debadatta Chand: So, thank you, Mr. Sridhar. Again, just to give quick remarks on the qualitative aspect of the results, we will move for question and answer.

So, let me tell again the bank's business model as I told earlier, is to work on a sustainable and a consistent and a stable outlook model. And I think the performance that we have given for this quarter is perfectly aligning with our business model in terms of focusing on sustainable business, focusing only on the organic business at the same time adding to its fundamental strength. What I mean by fundamental strength is the book value, incremental book value that I am talking vis-a-vis quarter to quarter.

In terms of advance, the numbers are before you. On the advance book, the bank had very strong 12.6% growth. That is in this market, I think is one of the good growths we have. And the advance growth is propelled mainly by the RAM book which is growing almost at 18%. The retail continues to be strong. The MSME is growing at 13.1% and the Agri is one of the highest growths we had in last many quarters at 16%, in excess of 16%. I think RAM will continue to grow strong. The bank is focusing. The corporate growth is at 4.2. You may say it is muted, but if I look into the entire industry outlook and the performance, this growth is aligned with the growth. I will give you a couple of data points on the corporate growth. We had a 2.5% YOY growth in June 2024. So, typically the beginning of the quarter we realign the book. We realign the book on the bulk deposit which has gone down by 23,000 crore and so has the corporate book. But let's also admit couple of fundamental factors here in corporate book. There are corporates having strong cash flow position, they are deleveraging. So, the demand is not that much because there is a deleveraging happening on the corporate book. At the same time, good corporates are able to tap bond market at a cheaper rate.

On the BRLR has reacted, but the MCLR would take a bit of time because it is tagged with the cost of deposit moderation. So, they are able to raise at a cheaper, so then the demand from the bank's credit are less. But more because of a seasonal factor, I think the corporate growth is at 4.2%, but better than a couple of other banks. But still we want to upsize this as we had a 2.5% last quarter of last year, but the full year was almost 9%. So, we are thinking of almost growing a 9 to 10% for this year also on the corporate book.

Secondly, on the liability, I think that's something we need to really look into the cost matrix of the bank as on today. The bulk deposit has been reduced by 23,000 crores. The CASA growth of 5-5.5% both on the saving and CASA is consistent for last many quarters. And in case you are tracking the peer performance, I think we are able to take the lead on that. And that's the core strength.



The retail term deposit is growing almost at 8.1% and that also if you look at numbers, we are not growing on the bulk deposit. So, the meaning there where the focus continues to be on the stable deposit and for that, three data points I will tell which again you can talk about the liability management which the bank has done. The cost of deposit at 5.05%, this is one of the lowest in the industry, I am talking about large peers. The CASA at 39.33 %, this is one of the highest as far as the percentage in the entire peer of large peers.

At the same time, the margin, I will come to margin later, we are holding at 2.91%. And the margin vis-a-vis the last quarter from 2.98% it has gone down to 2.91%, only a cut of 7 bps. You would have read many articles which has come where the average cut in NIM for most of the banks is 17 bps. In the same scenario, I think the bank has done well in terms of managing liability and holding onto the NIM. Even if you don't take the reclassification which has been presented in this quarter, the last quarter the NIM was 2.86%. And if I don't take the income tax refund which has been classified as interest income this quarter, then still it would be 2.81%. The cut is almost the same like 6 or 7 bps.

So that's something very fundamentally talks about cost of deposit 5.05 %, the CASA at 39.33 %. At the same time, the margin holding at 2.91%, I think the narrative on the bank's liability is very strong. And that's something the bank is focusing very clearly on that. I'll come to the profitability only one statement.

If you look at the net profit, the bank has been posting net profit of more than 4000 for last 10 quarters. That means we are at an elevated level of the profitability curve for many quarters now. We are the only bank to get into a ROA more than 1, that is in September 2022. So, I am at an elevated level. So, if you look at a percentage change, the percentage change may not work out very high. Suppose I had a suboptimal profit last year, and then possibly I can think of a growth of 50% or 60%. I'm at an elevated level of net profit and that's why the profit percentage is less, although the operating profit growth is very strong at 15%. So, I think profitability of the bank is clearly on a sustainable path. No doubt the NII has impacted because of the transition happening on the asset liability, as you know, and this is similar for all the banks. All the banks have taken some cut in the net interest income. So, I think on the profitability, strongly, the bank book is strongly having the earning potential, the profit potential is quite strong as far as the bank's book is concerned.

Lastly, cover only on the slippage side. The bank's slippage this quarter has been 3500 crores as compared to our normalized slippage of 2800 to 2900 crores. This is precisely for two reasons. One is that there is a large international account which is presented in the analyst presentation also, that slipped to NPA this quarter. I'll come to give you a colour on that. Secondly, on the personal loan book, there is a marginal increase in the legacy, that's only 100 crores. So, barring these two, there is no impact and the asset quality is very stable. The GNPA is the best. The CRILC data shows that at 0.4%, SMA 1 and 2 is one of the best in the industry, if you look at the data and compare with other banks. At the same time, the collection efficiency at 98.9%, which is better than the last quarter. So, in that way, the asset quality story continues to be strong, robust and resilient.

I'll come to the international account, which again slipped into NPA this quarter. This account was restructured during COVID time. The account conduct then was good, so it was upgraded after one year, but it continued to have some kind of a weakness continuing in that either in the SMA 1 or 2. And now in that international territory, the account has gone to a resolution process called CNC. So, it's all like a resolution process called the Credit National Crisis, wherein there is a resolution supposed to happen within 210 days, 120 days plus 90 days. And we'll get to know the outcome of this account



after 210 days in terms of resolution. But let me again give you a couple of factors here. The account is a secured advance, having a coverage much more than one. And if you look at the vintage of this account from a peak level of exposure of 80 million, it has gone down to almost like 50 million. So, there is a continuous reduction happening in the account. So, we do not see any challenge, although we have made a 40% provision as a prudential provision therein, but we do not see any challenge on this account and we think we can recover the amount in full. So broadly, I covered, I mean, the aspect that I wanted to say on the fundamental. On the NII front, it's a market phenomenon. It's happening across all banks because of the transition of the asset, because the deposit moderation would slightly take time. So, looking at the outcome of everything, the Q2 can continue to be a bit of, again, pressure on the margin and NII. But again, Q3 and Q4 would be much, much better in terms of what we have seen in Q1 and Q2.

So, with this, I thank all of you for joining on today's evening, and we'll open for question and answer now. Phiroza, over to you.

Moderator: Yes. Thank you, sir. The first question is from Rikin Shah. Rikin if you can please unmute yourself.

Mr. Rikin Shah: Hi. Good evening sir. Am I audible?

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

Mr. Rikin Shah: Thank you for the opportunity. Three questions sir. The first one is on the fee income. So, the fee income is still pretty soft at sub 10% YOY. Would you be able to share what's happening here and is there any possibility of acceleration from here onwards? Second, we have withheld kind of margin guidance, but clearly there has been some reclassification. So, would you be able to share how the margin trajectory looks like from 2.91% that we saw in the current quarter to the next few quarters? And lastly, in terms of the ROA, we did 1.03% ROA this quarter but that is after substantial amount of trading gains which may not incur in the coming quarters. So, suffice to say that meeting 1% ROA is only a possibility if the trading gains sustained but without that, the 1% ROA would be a tough target to achieve?

Mr. Debadatta Chand: Okay, thanks. On the fee side, yes, it's slightly soft as far as the growth is concerned. The bank is clearly focusing on the fee side, and it's being something that we are targeting for the last many quarters now. We earlier said we run some kind of an internal focus on fee and flow and focusing, cash management we have significantly progressed. We captured cash management on the MSME sector more as compared to the corporate. So, I think the growth would be upsized and that is what key focus. I cannot give you a number here, but then clearly the management is working to improve the fee side of the income.

On the margin guidance, this is an income tax refund which has been accounted as per the regulatory clarification of the matter and all the banks have done that. And suppose you exclude the impact of this, the NIM would be 2.81% as compared to 2.91%, that we are showing. And this is in comparison to 2.86% that we declared in Q4. So, if you look at including or excluding, the cut is almost 6 to 7 bps. And here the comparison I want to give you, if you look at multiple media articles there in, the average cut in the NIM based on the declared results of banks, it is almost average is 17 bps, whereas we are able to sustain at 6 to 7 bps cut in the NIM.



Going forward the next quarter still be under pressure, but I think the deposit repricing is going to happen for the next quarter, almost 70 to 80% of that. So, the upside benefit going to see clearly in Q3 and Q4. So, on a full year basis, we are giving a guidance of 2.85 to 3%. But again, we'll just see after September anything we need to revisit on that because clearly, as all of us understand that this is a transition time, we need to factor all these factors, multiple factors are therein.

On the ROA of 1.03%, this is the 12th quarter we have posted ROA in excess of one. And you know there is a substantial treasury gain here, no doubt about it. And Treasury gain has come on two counts. One is with regard to a lowering of yield and that typically of the AFS book, then you take advantage of the lower yield movement. And secondly, the RBI comes out with a lot of OMOs in between. Then out of the HTM you can offer those to the OMO. So, the OMO, possibly that things can continue and then possibly still giving a good upside on the trading profit. In spite of the fact that whatever says our full year guidance, when we say ROA it is always full year guidance, so even if there is pressure on the provisioning side taken a bit of prudential provisioning therein. So, a lot is there in the system to sustain the profitability at the level at which we are operating now. We have maintained in 12 quarters, so I think there will be no question to maintain next quarter also.

Mr. Rikin Shah: Sir, just a couple of follow-ups, if I may, on margin itself. If you could share what is the percentage of loan book mix in terms of repo, other EBLR, MCLR, fixed. Number two, if you could just share what out of 100 basis point of repo rate cut that has happened, how much of that has already flown through in the book so far. And lastly, in terms of cost of funds, you did mention that we would see 70-80% deposit repricing happening in the next quarter. So, if you could just talk about what is the typical duration of the term deposits and how much cost of funds can go down from the current levels.

Mr. Debadatta Chand: Yeah, so coming to the segment of the loan, the BRLR book is almost 35%, your MCLR book is 45%, fixed is 6%, T-bill is 7% and the G-SEC is 6%. That broadly covers the mix of the percentage over there.

In terms of the cut in repo, yes, on the retail side, full benefit has been passed on. As far as MCLR is concerned, we have only announced one cut, but that would depend upon the cost moderation. The model is that once the cost moderates that we have to pass on. So, it will take its own time to get repriced.

Thirdly, external benchmark, obviously, because these are high-quality assets, so they have the opportunity in the bond market. So, there will be a lot of repricing happening on that count. So, this is a quarter we need to watch out that is something, but then repricing. But the cost moderation, again as you talked about at 5.05% cost of deposit, I would say one of the positive narrative in the entire bank with regard to the way we have maintained the cost of deposit at 5.05%. And even in the case where there is a, I mean, the duration normally of term deposit is almost one year. So almost 3-4 months have gone, 70% is going to reprice. So going by that, we are thinking on the cost of deposit, at least there will be a 15 to 17 bps moderation going forward by September. And that typically take care of the repricing that are going to happen on the asset side. So, that will be almost at a margin guidance, which we had given. But notwithstanding the fact that because a lot of uncertain elements are there, there will be a bit of pressure that continues at least for one quarter. And thereafter, there is a positive offset on the higher side.



Mr. Rikin Shah: Thank you, sir.

Moderator: Thank you. I would request everyone to please limit yourself to two questions and we'll come back to you if there is time. The next question is from Ashok Ajmera. Please unmute yourself.

Mr. Ashok Ajmera: Good evening, sir. Yes, definitely compliments that in spite of this very difficult quarter, going through the transition, you have shown a good operating profit and somehow, I mean, balanced most of the things, which shows your, of course, your leadership and the top management of the Bank of Baroda are working very hard on it. Having said that, sir, some couple of some questions and some observations, sir.

In the SMA books, we have given only percentage and that is also a mix of 1 and 2. Can I know exactly the numbers of SMA 1 in this quarter and SMA 2? Because we have seen in the most of the banks, SMA 2 numbers have suddenly gone up. So, in your case, if it has gone up, then what is the explanation for that? So, since I don't have the number, I cannot ask exactly on that. Only the percentage is there.

Mr. Debadatta Chand: Thank you, Ajmera sir. Thank you for complimenting the bank. As I said, we work on how do we optimize the fundamental strength of the bank. So that is what actually, thank you very much for that.

Talking of the SMA, we only give as a percentage we are giving and if possible, then I will share the data, but I will just give color to the SMA 1 and 2. If you look at the percentage that we have given at 0.4%, it consists of three accounts which are the government entity, government guaranteed, but always move between SMA 1, 2 and then standard. So, this quarter there are two accounts still being there in the SMA, so slightly pushing the SMA percentage higher. If you exclude these three accounts, the SMA 1 and 2 CRILC book is at 0.10%. I mean, that if you look at, you are comparing also this CRILC data in terms of percentage, then 0.4% is one of the lowest if I compare large peers. So, in that way, the bank is quite confidently working on that in terms of percentage. But on the number side, I will let you know in case that is published, we have published earlier, and then we will inform you on the number.

Lal Singh sir, you want to add on this. Anything else you want to add on this?

Mr. Lal Singh: No, sir, nothing.

Mr. Debadatta Chand: Okay, thank you. So, this data with regard to number, absolute number, we will let you know on that.

Mr. Ashok Ajmera: All right, sir. Sir, on this, you talked about this international account and 210 days, and you said it is a very asset-backed, security-backed account. So, in this financial year only these 210 days period will get over. So, there are chances, and you already have provided 40% of that. So, there are very positive chances of getting off totally without any scratch from this account?

Mr. Debadatta Chand: Yes, absolutely right. The current position is that because the account also has a lot of state backing on that in that international territory. I think there can be a resolution within 200 days, and if that happens, obviously, this 40% would be reversed after that.



And as of today, frankly, it is on a curative process, actually, there is a standstill condition. But as a prudent measure, because I mean, the domestic regulation talks about NPA, we have provided 40%. Otherwise, on the international, you are not required because there is a standstill condition on that.

It is getting into a resolution process, but there is a curative process and there is a preventive protection therein.

Mr. Ashok Ajmera: Yes, one point, sir, if I come on recovery, the recovery from the written off account in this quarter is a little slower than the March quarter, it can be understood also. But overall, giving a color of the recovery, our entire recovery book, like including, we have all that NCLT, maybe 99.9% provided for 43,402 crores in that account. Plus, we have a very good robust, I mean, written off book also, from where the chances are good and every year we are making good recovery. So, on the overall recovery front, I mean, I think the other three quarters should be much better than this quarter, sir.

Mr. Debadatta Chand: Yeah, it would be much better. As you rightly said, our average run rate on the recovery TWO without any one-off, let me again say without any one-off is roughly around 750 crores per quarter. But June is typically a lot of transfer does happen slightly because of this, all this, the recovery normally, if you look at June '24 also it was lower. But you are right, the subsequent quarter will be much better than the numbers we have announced in June, with a hope that a couple of one-offs can still be in the pipeline which are working strongly.

Mr. Ashok Ajmera: And you know, sir, means on the NCLT and the transfer to asset recovery companies, NARCL or other things, can you give at least something in next two to three quarters? Are we having a lot of such accounts in the pipeline, which are towards sale or resolution from where we can expect some larger recovery?

Mr. Debadatta Chand: Frankly, as far as NARCL or ARC sale, we do not have much of pipelines for that. Actually, we are trying for a very strong recovery mechanism itself. We are trying for multiple resolution process just to recover money. So, in terms of pipeline, I do not have much in terms of NARCL particularly. But there are a couple of accounts, which again, there are discussions going on.

But the fact of the matter is that the recovery target for the full year, that includes recovery and TWO, I think we will be exceeding the 10,000 that we have fixed internally to recover for the full year.

Mr. Ashok Ajmera: Last one, sir, on that airline account, the same question I asked to Central Bank also. So, earlier, we used to think that the recovery or the amount will be much, I mean, amount will be recovered much faster, because you have that 1200 crores, that land parcel, which is separately secured with you two Bank, the value of this might have gone up now to maybe 1700 - 1800 crores now. So, what is the status on that, sir? Are we expecting some major thing happening on that account in this year?

Mr. Debadatta Chand: See, again, I mean, this sale of asset, particularly large piece of land parcel is always a time-consuming exercise. And the process is on again on the same, Central Bank is the lead and they are taking lead on that and we are supporting that. Apart from the land parcel that we talked about, see, earlier we said the ECLGS money we got it, so one third of the exposure has gone down. There is arbitration issue that is also going on the international market, where there is a strong



possibility of offset therein. So, there are multiple processes going on, but then land parcel is always time-consuming and we need to be patient on that.

Mr. Ashok Ajmera: Thank you, sir. If time permits, I will come back again.

Mr. Debadatta Chand: Thank you very much.

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

Mr. Kunal Shah: Sir, firstly, you mentioned in terms of making some prudent provisioning out there. So, just want to get that sense. So, this is very well reflected in terms of the standard asset provisioning, which is there at 320 odd crores instead of maybe despite our book running down by two and a half percent. So, ideally, there shouldn't have been any standard asset provisioning. There should have been the release. And what is this, maybe is this particularly towards any maybe...so, the standard asset provisioning --- what was the rationale for creating this?

Mr. Debadatta Chand: Yeah, a couple of like we go by the IRAC provisioning, but a couple of accounts where there is an inherent weakness which as per the auditors, they think that we need to slightly be more prudent on that and we provide as part of the guidance of the auditor. So, typically, if you look at IRAC and the prudential, there is a gap over there. Actually, we have provided slightly more depending upon the weakness of the account.

So, like a couple of large accounts, which is again, I mean, gets into SMA 1, 2, again going back to standard, again going to SMA 1, 2. Even if the possibility of this account getting into NPA is less because of the vintage that you have seen in those accounts. There also we made a bit of provision, even if IRAC basis it may not be a requirement, but as a prudential measure, because the auditors would say that there is an inherent weakness which is continuing for a long time, you need to provide. So, these are the extra provisioning that we have made in the books, as far as the provisioning requirement is concerned. Otherwise, we are complying fully with IRAC norms. At the same time, if there is an auditor guidance on the matter then we comply to that.

Mr. Kunal Shah: Sir, what was the provisioning and what was the outstanding amount if you can just highlight that?

Mr. Debadatta Chand: Come back again, Kunal, I didn't get your question.

Mr. Kunal Shah: No, no. So, what was the overall book wherein we have identified that to be having some inherent weakness and what was the provisioning taken against it? If you can just mention the absolute numbers for both.

Mr. Debadatta Chand: That's part of a couple of the SMA 1, 2 book which we are showing, it is roughly around, you can take it on the standard asset, roughly around 5-600 crores is there, which is an incremental provisioning that we have done based on the weakness of those accounts.

Mr. Kunal Shah: Okay. So, 5-600 incremental and after the release, it's showing like 324 odd crores. Yeah.

Mr. Debadatta Chand: Yes.



Mr. Kunal Shah: Okay. And secondly, on the international book, so maybe you indicated that this is more on the restructured side, but maybe have we taken a look on the entire book, looking at what is happening globally. And no doubt the odds would be more like, say, the exposure to the domestic corporates, but do we see any risk? And maybe this is the first quarter wherein we have started to see some kind of a pain emerging on international and this could again be the area of concern going forward?

Mr. Debadatta Chand: No, absolutely not. Actually, this account was under our monitoring for long because it was a restructured account on the international book and our restructured book was earlier discussed on that. It was upgraded because it completed one year curative process and the account was standard at that time, but it was showing weakness. So, we knew that there are weakness. And as of today, it has gone to a resolution process, right, it has not gone into those. So, it is a resolution process. We need to be, I mean, respect those processes in those countries.

Mr. Kunal Shah: And I was not particularly with respect to this country.

Mr. Debadatta Chand: No, I am giving you color. Actually, as a prudent measure, we have made 40% provision therein, right, which can be upgraded the moment the curative process, the resolution happens, the money can be pulled back immediately, point one. Secondly, the asset has an asset coverage of more than one for very long. And if you look at the vintage of the account, the account, there is a reducing balance over a period of time. So, we are not seeing any challenge for recovery in this account. Even if in a worst case scenario, the account is not getting upgraded, we are hopeful for a full recovery out of this account. But we are hopeful that the account may get upgraded during this year, then there is a write-back possible.

Mr. Kunal Shah: No, I was just saying X of this account on the balance overseas exposure. How are we evaluating? Because there are like a lot of global events which are happening. So, just to make sure that our book is robust and we don't see the further slippages on the international side, because that tends to be chunky. So, how are we evaluating the entire portfolio?

And do we see any further stress which can come in over next two to three-odd quarters on the international or on the overseas exposure?

Mr. Debadatta Chand: No, absolutely not. We do monitor, we have a mid-office which talks about, which maps out every account globally in terms of the exposure therein. There is no stress in any other account. This account was in SMA 1, 2 for some time and now getting into NPA. So, there is no other account as on today, which is again showing the sign of SMA 1, 2 and still standard. So, in that way, I do not see any challenge on the international front and particularly on the NPA position.

Mr. Kunal Shah: Sure. And one last question, if I can, just like the increase across the retail products on a sequential basis, be it housing, auto, you indicated even in terms of the PL. So, is it like maybe with the seasoning of the portfolio, the kind of growth which we had, maybe would you see more to flow in, in terms of the slippages, particularly because PL has been growing quite aggressively and now we have seen GNPA is at closer to like say 4.8 odd percent. So, maybe just if you can indicate for the overall retail as well as the MSME segment.



Mr. Debadatta Chand: So, if you look at the, there are two factors here, the percentage GNPA and also the slippage ratio in all this product. And we continue to grow strong on the retail and MSME. Retail is growing very strongly for the bank and so has the MSME - we picked up in last one year. If you look at the slippage, I mean, maybe on retail, if you look at the slippage vis-à-vis June, there may be a couple of 100 crores or 150 crores in addition. But if you look at the slippage ratio, because the denominator has also gone up, but the slippage ratio will be still contained. But personal loan, yes, there is bit of the legacy book has an incremental NPA going forward. But the book is not large enough, point one.

And secondly, in terms of slippage ratio, I do not think there is a concern because the retail slippage ratio as on June is below that of June last year. So, in that way, the denominator is also going up. So, it is part of a normal business in terms of where to maintain. So, both the GNPA of the retail products and MSME, the slippage ratio in the retail products and MSME, these are well within our threshold and maintaining the same level of outstanding as compared to the last year.

Mr. Kunal Shah: Okay. Thank you.

Moderator: Thank you. Next question is from Bhavik Shah.

Mr. Bhavik Shah: Hi, sir. Thanks for the opportunity. Sir, our L2 maturity book is down 4% quarter on quarter. Is it because of OMO operations or we have sold our 5% which was allowed under the new investment guidelines?

Mr. Debadatta Chand: Mr. Tyagi, can you respond to this?

Mr. Lalit Tyagi: Thank you, sir. So, in fact, you said you picked up rightly. We took the advantage of OMOs and earned good profit also. There were a good opportunity.

Mr. Bhavik Shah: Okay. Thank you, sir. And sir, when is your ALCO meeting? So, I just want to understand how this repo pass-through will work. So, is it on T plus one or it happens later?

Mr. Debadatta Chand: Yeah, Tyagi ji.

Mr. Lalit Tyagi: No. So, in fact, the Repo cuts passed on immediately and ALCO meets every month on a fixed frequency.

Mr. Bhavik Shah: Okay. Understood, Sir. And, Sir, last question. Sir, last year your provision for employees was 800 crores and this quarter we are close to 1,000 crores. So, should that be the run rate going forward, AS 15 provisions, I mean?

Mr. Debadatta Chand: Madam Beena, can you take it up or CFO? Madam, you are on mute. You are on mute.

Ms. Beena Vaheed: Sridhar ji, will you just take that question up on the provision for staff?



Mr. IVL Sridhar: Yeah. So, basically the discount rate has gone down, that is why the provision requirement has gone up for this particular series.

Mr. Bhavik Shah: Understood, Sir. So, this will be steady state for the next 3-4 quarters as well, right?

Mr. IVL Sridhar: It depends. It depends on the rate movements again.

Mr. Bhavik Shah: Okay, cool. Thank you so much, Sir. Thanks for the opportunity.

Mr. Debadatta Chand: Thank you.

Moderator: Next question from Ankit Bihani

Mr. Ankit Bihani: Yeah, hi. Can you hear me?

Mr. Debadatta Chand: Yeah, please go ahead.

Mr. Ankit Bihani: Yeah, I just had two questions. One was on your written off pool, which as of FY25 it was at 764 billion. I just wanted to know what would be the vintage wise breakup like less than 5 year, 5-10 and greater than 10, if you have that data?

Mr. Debadatta Chand: I do not have. Lal Singh Sahab, can you respond or we can provide the data later?

Mr. Lal Singh: Yes, Sir, we will provide the data later.

Mr. Debadatta Chand: Yeah.

Mr. Ankit Bihani: Okay. I just wanted to check how that less than 5 year written has moved across? You know, a time series data would be helpful. And the second question is on margins which is at 2.91%. So, there are no other one-offs, right, in this margin that you have reported because the banks that we have seen reporting have seen higher decline in margins?

Mr. Debadatta Chand: No, there is no one-off. Actually, I tell you what is that impact we are talking about. The Interest Income Tax refund earlier a part of other non interest income and it has been reclassified Income Tax refund as an interest income. So, consequently, that the name is getting changed. So, we recalibrated the name that we declared earlier. On that basis which was declared at 2.86% is 2.98%. So, if you compare pre, post anything, the cut is only 7 bps and that is one-off.



The story here, which again how it is compatible with all the numbers. When I am running Cost of deposit at 5.05%, a CASA ratio of 39.33%, I think the margin something strongly collaborate with all these numbers and that is what our strength in the current market vis-à-vis large peers in that space where we operate in terms of maintaining the margin. So, there is no other one-off.

Mr. Ankit Bihani: Okay, thank you. Those were my questions.

Moderator: Thank you. Next question is from Mr. Sushil Choksi.

Mr. Sushil Choksi: Congratulations team Bank of Baroda for stable numbers. Sir, looking at your outlook on Treasury, how many Repo cuts are you hearing or you are likely to project?

Mr. Debadatta Chand: Okay. To respond this, actually, we have a very strong economist with us, Mr. Madan Sabnavis. So, our house view is that we are expecting further 25 bps cut. But the expectation is more towards the end of the calendar year rather than immediately. I mean, I am talking about we are not expecting any cut in the next policy but possibly can happen after September.

Mr. Sushil Choksi: So, are you estimating 10-year G-Sec to touch 6% or looks difficult?

Mr. Debadatta Chand: See, 10-year is not only dependent on the Repo cut but also influenced by the U.S. Treasury, right. And you know what is happening on the U.S. Treasury. So, let the Fed also cut the rate, then possibly yes, 6. If the Fed is not cutting rate, then possibly can be marginal decline but not to a large extent. Tyagi Sahab, any comment?

Mr. Lalit Tyagi: Sir, actually you have said it all. In fact, when the rate cut had happened, at that time the 10-year G-Sec has come down to 6.70, 6.80. It has pulled it up without any other ostensible reason. So, we believe that going forward U.S. Fed move as well as our own inflation trajectory and commentary on the liquidity will also play its own role.

Mr. Sushil Choksi: Sir, what is your yield on RAM Advances? And second thing, your corporate advances you have shredded, are these mainly PSU-led or AAA rated which were not yielding even 6% or 6.25% when you have shredded? Or there are some typical loans which are replaced with CP and NCBs?

Mr. Debadatta Chand: You are right. Typically, the corporate book, it is more on the fine price, which has got into further fine, which again slightly suboptimal in terms of our margin and all. So, you are absolutely right. Otherwise, the core corporate is actually growing much stronger. Actually, we have not declared the core corporate growth but it is growing much stronger than the 4.2% growth that we have shown. You are right.



These are high-quality assets, fine price has become further fine making it slightly challenging for us to hold on to those assets. But, again, we will try to work it on for this quarter.

On the RAM, I mean, I will give you a ballpark number. It is almost, I mean, the Repo is, I mean, it is almost 250 or 300, almost at 9.5 kind of a number we have a RAM yield on that.

Mr. Sushil Choksi: Sir, you had given a guidance in last Analyst Meet that your RAM should be 64 by year-end and the balance should be corporate. Are we on a trajectory or we are looking at exceeding RAM number at 64 with the current yield of 9-9.5?

Mr. Debadatta Chand: No, I mean, we gave a guidance of 64-65 but we always said 2-3 years. So, it is not going to happen this year because this year, look, as of today if we are at 62.7 because the corporate growth is a bit muted. When the corporate growth catches to almost like 9%-10%, possibly this number may not be the same level. But yes, the retailization narrative and the retailization push is working strong for the bank. You would have seen the retail growth has been consistently 3%-4% above the system retail growth. I am talking about the large peers, not the full system. So, in that way, we continue to work to grow on the retail and maybe 2-3 years we will be in a position to achieve 64-65%.

Mr. Sushil Choksi: Sir, any digital expenditure, human resource expenditure which you are likely to incur and any asset monetization plan in the subsidiary?

Mr. Debadatta Chand: So, digital, earlier we said, our normal OpEx and CapEx, normally we tag it at 10% of the Operating Profit for the full year. And that is something we work and we also give an upside therein that if there is a requirement, we will take it to 15% but that is something we are working on that.

Employee headcount, yes, we have a plan to hire almost 15,000 employees at different cadre, more on the operational and the relationship side in this year. Actually, it takes a time to onboard them and put them into the system but there is a good hiring plan. We are expanding laterally because there is a plan to open almost like we've opened more than 250 branches last year and another plan to open another 300 branches this year. So, we are literally expanding. So, in that scenario it is a, I mean, changes happening across in headcount, operating, I mean, the spend on the IT. And we are working on all the things, I mean, on a holistic basis.

Mr. Sushil Choksi: Sir, we are one of the early banks to have a shared service, which you had set up in Gujarat, and was supporting your RAM business, specifically your FX and many other things.

Mr. Debadatta Chand: Yeah.

Mr. Sushil Choksi: How is the outlook there? And what kind of capacity have you built so far?



Mr. Debadatta Chand: The entity has almost provided, if on a headcount of 74,000 total, almost provided slightly above 10% to us in terms of their resources, who are deployed now. So, almost 10% of the payroll headcounts they have provided. They are doing excellent service. They are doing activity, which again put me on an efficient curve in terms of the cost structure. And we will continue to engage them more and more the moment we find that they can do those because it's also a trade-off in terms of the skillset. So, the moment you find they have the skill set to do my activity, we'll more and more do that. At the same time, on the payroll also since we are expanding, I will continue to hire more and more employees on the payroll also.

Mr. Sushil Choksi: Sir, are we using this facility for some other banks to do work?

Mr. Debadatta Chand: We are not allowed to do that. I mean, it is only for only Bank of Baroda captive.

Mr. Sushil Choksi: Okay. Thank you for answering all my questions and good luck for the year.

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

Moderator: Thank you, Sir. The last question for the evening is from Jay Mundra.

Mr. Jay Mundra: Yeah. Hi, Sir. Good evening and thanks for the opportunity. Sir, first question on your yield, domestic yields. They are down like 15 basis points QoQ. Assuming no more action from RBI, what would be your sense? How should it behave in the, let's say, in the near term and maybe for the rest of the year? So, the 50 basis point rate cut done in the June, that will still be there for the next... That was only there for 1 month, how do you look at the domestic yield in the near term?

Mr. Debadatta Chand: So, that's a very fair question. And as we said that margin can be under pressure or continue to be under pressure one more quarter.

Mr. Jay Mundra: I was asking QoQ?

Mr. Debadatta Chand: Yeah. So, on the BRLLR or the Repo linked, already the reprice has happened and the full quarter, the impact will come in this quarter, September quarter. At the same time, non-BRLLR, which are MCLR or the external link, continue to reprice at a lower level and that is happening in the market. So, the moment there is a cost moderation, we will continue to decrease the MCLR and that impact also would come.

At the same time, as I said that the positive narrative of the bank is on the liability side. At a cost of deposit of 5.05%, with a CASA of 39.33%, with a margin of 2.91%, I think we are in a much better position to reprice deposit and get the benefit. A normal thumb rule as on today, actually asset side I cannot give you how much cut on asset, I mean, yield on asset would happen. But normal expectation, in case we are able to reprice the maturing deposit for September quarter, at least we are going to



get a benefit of around 15-17 bps reduction in the Cost of deposit and the Cost of fund. And that would be significant because deposit has a larger base.

So, I think in that scenario, we are almost able to possibly maintain on the margin guidance. Saying so, the margin would be under pressure. But on a full year, since we are very positive about the Q3 and Q4, on a full year guidance we are thinking somewhere around 2.85-3% we will be in a position to maintain on a full year basis. Saying that, Q2 can be something we need to watch it out. It can be under pressure but we are in a better position to nullify the impact on the asset repricing from the liability mix that we carry as on today.

Mr. Jay Mundra: Yeah. So, Sir, just to get this clear, 15-17 basis point is the stock impact on the overall Cost of deposit right, based on repricing of including bulk deposit and including the savings account also because we have cut savings rate by 20-25 basis point.

Mr. Debadatta Chand: Yeah. Actually, you would have seen, there is an RBI report saying that on the average lending rate has gone down by almost...Although fresh loan it has gone down by 51 bps but the average has gone down by...I mean, the average has gone down by almost 17-18 bps. So, on the average lending, on the outstanding loan. Whereas deposit on the outstanding deposit has gone down by only 2 bps.

Mr. Jay Mundra: Right. Sir, that RBI data is very, I mean, that has not much sense actually. It keeps on fluctuating every month.

Mr. Debadatta Chand: No-no, that's what. Actually, my sense I can tell you because the deposit are sticky because of the fixed nature. And assuming a deposit of a 1 year duration on the term deposit, bulk and CD have reacted big time. But assuming a deposit duration of 1 year, almost 4 months have gone now. So, balance there is a six month. I mean, balance there is 8 months. So, by end of September, I think 70%-80% of the deposit would get repriced in the manner. I mean, assuming a larger component of bulk, a slightly lesser component of the retail term deposit.

So, by that time we will have a fair view with regard to the trajectory going forward. But we are working on this issue, yeah. And, otherwise, the NIM cut for the bank would have been very significant as compared to...You have seen the other banks NIM cut but we are still able to maintain. That's what the liability management we run, right. So, that's what is our strength, I believe.

Mr. Jay Mundra: Right-right. And, Sir, overseas NIM are actually have gone up despite, you know, sharp moderation in the global interest rates. And we also had a small slippages in overseas book also. And still the overseas margins have gone up from 1.70 to 1.75. I mean, they should ideally fall more than the domestic margins, right, because they would have gone up even sharper. Is that a fair understanding?

Mr. Debadatta Chand: No, no. Actually, overseas markets slightly move ahead of us in terms of the realignment, restructure. That is what. So, the peak level of NIM in overseas was 2.23%, it has gone



down to almost like 1.70%. So, it has stabilized at that level. So, now, again, we are able to get some good deals slightly at a better off rate. So, in that way, it has moved marginally from 1.70 to 1.75%. Otherwise, the NIM cut of the overseas already happened and that is from a peak level of 2.23% has gone down to 1.70 and now it has stabilized. I mean, I am not differentiating between 1.75% and 1.70%. Anything, Tyagi Sahab, you want to add on the overseas NIM?

Mr. Lalit Tyagi: No, Sir, you have said it all. In fact, that is the reason that 5 basis point is transient, in fact. So, the earlier Fed cuts have already been priced in up till March.

Mr. Jay Mundra: Okay. And, Sir, lastly on MSME, right. So, if you see the bulk of the slippages is now coming from MSME. And some time back we used to give this breakup of MSME book by CMR, right, how much is CMR 1, 2, 3 and then maybe 3, 2, 7 or some bucketing there would be very helpful because now the entire, I mean, majority of the slippages are coming from MSME. So, if you can provide some more color on the rating of the MSME book, even now if you have as of June 30th?

And just on qualitatively, most of, I mean, the entire MSME should be secured, right. We don't do any unsecured MSME or you have some proportion which is unsecured MSME?

Mr. Debadatta Chand: No, actually, our MSME is basically, see, that is what on the retail piece also these are all secured retail. Personal loan is very less therein. Whereas MSME also, all our loans are secured. The unsecured MSME we do not do much. The only case where unsecured MSME, if there are adequate backup because now we have come out with a cashflow based OD product, which is again unsecured. So, the component is very less here. We don't do otherwise a business loan unsecured like what the NBFC and others do. So, our most of the portfolio is a secured one.

Secondly, couple of area where I would have seen a growth in MSME because we are focusing on CV & CME, that is one segment public sector banks were not very strong and now we as a bank are quite strong on that. Supply chain is also picking up. TReDs, there are good volumes happening now. So, core MSME, we are bundling along with the Cash Management System so that we understand the cashflow. But unsecured component is less. But then a couple of schemes were recently announced, unsecured OD, and that is based on the GST return. So, these are a couple of small scheme operating but not much. Lal Singh Sahab, anything you want to add on unsecured loan?

Mr. Lal Singh: No, there is not much unsecured loans in the MSME. And wherever the loans are without securities, those are covered by the CGTMSE guarantee coverage from the government; guaranteed schemes.

Mr. Jay Mundra: Okay. And last question, Sir, if I may ask, what would be your best guess for the staff cost for full year FY26 assuming whatever is happening on interest rate? Because a lot of banks have also started doing PLI and we would have done the one PLI, 15 days this thing. But I do not recall a very big PLI Scheme for us in FY25. If you have, what kind of PLI schemes that you are running for employees? And what would be your sense on the staff cost for FY26?

Mr. Debadatta Chand: Lal Singh Sahab, Madam Beena or CFO, anybody can take this question.



Mr. IVL Sridhar: Sir, if I may submit, we are making adequate provisions towards PLI, Sir, keeping in mind the requirement.

Mr. Debadatta Chand: So, adequately provided on PLI. At the same time, AS 15 also I believe we have adequately provided, right.

Mr. IVL Sridhar: Yes-yes. Yes, Sir. Yes, Sir.

Mr. Debadatta Chand: Any further data on that, we can provide you offline.

Mr. Jay Mundra: Sure, Sir.

Mr. Debadatta Chand: Thank you.

Moderator: Thank you everyone, that was the last question we will be able to take. Can I ask Sridhar Sir to please give the vote of thanks?

Mr. IVL Sridhar: I would like to extend my sincere gratitude to you all for joining us today for the announcement and discussion of our financial results. Thank you once again for your time and continued support. Have a great day ahead. Thank you.

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