



# Indian Bank Q1 FY'26 Results Post Earnings Conference Call / Meet Held on 24.07.2025

## Transcript

### Management:

**Shri Binod Kumar**  
**MD & CEO**

**Shri Ashutosh Choudhury**  
**Executive Director**

**Shri Shiv Bajrang Singh**  
**Executive Director**

**Shri Brajesh Kumar Singh**  
**Executive Director**

### Moderator:

**Shri Anand Dama**  
**Analyst, Emkay Global Financial Services Ltd.**

### Disclaimer :

This is a transcript and may contain transcription errors. The Bank or the sender takes no responsibility for such errors, although an effort has been made to ensure high level of accuracy.

## **Anand Dama (Host – Emkay Global)**

Good evening, ladies and gentlemen. We welcome you all to Indian Bank's Post Results Conference Call for the First Quarter of Financial Year 2026, hosted by Emkay Global. From the top management, we have with us Shri Binod Kumar, MD & CEO, Shri Ashutosh Choudhury, Executive Director, Shri Shiv Bajrang Singh, Executive Director and Shri Brajesh Kumar Singh, Executive Director.

I request the MD sir to briefly summarize the key highlights from first quarter FY26 results and also provide some strategic direction on growth, margins and asset quality, post which we will have the Q&A session. Over to you MD, sir.

## **Shri Binod Kumar, MD & CEO**

Good evening, ladies and gentlemen, my colleagues on Board, Mr. Ashutosh Choudhury, Mr. Brajesh Kumar Singh and CGMs. We have come out with our first quarterly result for the financial year 2025-26, I will say the result is in line. So total business has grown by 1.52% QoQ from Rs. 13.25 trillion to Rs. 13.45 trillion while YoY growth is 10.25%. Deposit has grown 0.97% QoQ and 9.26% YoY from Rs. 7.37 lakh crores to Rs. 7.44 lakh crores. The current account has, in fact, CASA savings and current both have degrown. The current has degrown in QoQ by 3.67%. However, YoY growth is 10.70%. Saving fund again QoQ, there is some marginal decline of 1.76%, but YoY growth of 3.27%. CASA YoY growth of 4.23% at QoQ there is degrowth of 2.03%.

CASA ratio, domestic CASA ratio is at 38.97% against, in March, it was 40.17%, and CD ratio domestic is at 78.32%. Advance, we have grown YoY by 11.50% more from Rs. 5.39 trillion to Rs. 6.01 trillion and QoQ also, there is a growth of 2.21% from Rs. 5.88 trillion to Rs. 6.01 trillion. RAM has grown by 15.93% YoY and QoQ, it is 3.52% and reached to Rs. 3.63 trillion. Retail has grown by 16.52% YoY and 3.83%, QoQ and reached Rs. 1.24 trillion. Agri has also grown by 16.4% YoY & 4.75% QoQ. MSME also, where we were struggling earlier in the range of 5% to 6% growth, now we are growing in the range of 14% to 15%. Last quarter also, it was 11% to 12%. This quarter, it is 14.45%, and we reached to Rs.0.95 trillion.

RAM share has increased from 64.23% to 65.34% on QoQ basis. Corporate credit has grown; on QoQ basis, it has marginally degrown by 1.41%. However, YoY, there is 1.77% growth. Here, I would like to highlight one thing. In NBFC, our outstanding balance has come down from Rs. 62,000 crores to Rs. 56,000 crores. So, there is a marginal decline in NBFC and some WCDL, where we have a very competitive rate. Even on the last date, I allowed some money to be repaid because of the pricing issue. However, having said that, I would like to add, in this quarter itself, we have total sanction of Rs. 27,000 crores which we have sanctioned in this Q1 itself, which was Rs. 18,000 crores in the previous quarter of the financial year FY25. So, there is a growth in our sanction of around 50%. So, we are on track there. It was a strategic decision. Then, net Profit grew by 23.69% YoY, 0.57% QoQ and reached to Rs. 2,973 crores. Operating profit is at Rs. 4,770 crores with YoY growth of 5.97% and QoQ marginal decline of 4.96% primarily on account of two factors, which will come in the other income also. Around Rs. 300 crores, there is a degrowth in other income that is primarily because of two factors. In the last quarter interest on income tax refund, we got around Rs. 180 crore and Rs. 86 crores, we have recovered penal charges which we normally recover on half yearly basis, that means September and March. So that amount was not there. So that is the reason, otherwise other components are on track.

Net interest income YoY basis has grown by 2.93% to Rs. 6,359 crores. However, there is marginal decline from Rs. 6,389 crores to Rs. 6,358 crores only Rs. 30 crores. Other income, as I explained, has degrown from Rs. 2743 crores QoQ basis to Rs. 2439 crores. But if we see YoY basis, YoY basis our other income has also grown by 28%. Domestic NIM has come down from 3.48% to 3.35%. That means there is a decline of 13bps. Return on asset we have given guidance of in the range of around 1.20% but we have been able to maintain 1.34%, so in this quarter. Return on equity also we have been able to maintain at 20.26% where we have given guidance of around in the range of 19% to 20%.

Staff expenses, other expenses remained flat. It was Rs. 2700 crores in March. Now it is Rs. 2612 crores. Other expenses are also Rs. 1413 crore and now it is Rs. 1415 crore. So, it is almost flat. The cost-to-income ratio has slightly gone up from 45.05% to 45.78%. But that is not on account of any increase in the cost. That is basically, as I explained earlier, it is on account of some reduction in the other income.

PCR ratio is 98.20%. Credit costs have come down substantially from 0.81% to 0.28% and earnings per share have increased to Rs 88.28. Cost of deposit there is marginal increase from 5.10% to 5.14% because repricing of deposits is yet to happen, part of that will start from this quarter. Yield on advances, despite 100bps passing on the external benchmark-linked loan, we have been able to contain only marginal decline from 8.64% to 8.58% on QoQ basis.

Gross NPA has come down from 3.77% to 3.01% on YoY basis, that means a 76bps reduction and QoQ basis, 8bps reduction. Net NPA has come down on a YoY basis from 0.39% to 0.18%, 21bps reduction and on QoQ basis, 1bps reduction from 0.19% to 0.18%. Slippage ratio, in last June it was 1.50%, now it is 0.94%. For the quarter ended March, it was 1.09%. And for the financial year, it was 1.11%. So, we have been able to contain slippages. Recovery, since September '22, is more than consistent. This quarter also, we have been against the guidance, we have given guidance of between Rs. 5,500 crores to Rs. 6,500 crores. We have been able to recover Rs. 2,059 crores in this quarter itself. Out of that, we have also given guidance of AUC of Rs. 2,000 crores, but we have been able to recover around Rs. 815 crores already in this quarter itself.

SMA, if you see SMA number has gone up. SMA-2, if you see particularly, if not entire SMA, SMA overall has come down from 13.32% as of June '24 to 7.99% as of June '25. So, there is a substantial decrease of around 5.32%. But if you see SMA-2 has gone up basically because of 2 PSU accounts, which were in a SMA-1, it has come to SMA-2. But now SMA-2, which was more than Rs. 5 crores, which was Rs. 4,586 crores as of June-end, 30th June. Now it is only Rs. 815 crores. In these accounts, we have government guarantees available. NBFC exposure, I explained, has come down from Rs. 62,000 crores to Rs. 56,000 crores. Overall sanction, if I talk of, including all the different segments of different verticals. In last year, it was Rs. 60,000 crores, now this year, so far, it is Rs. 88,000 crores in the first quarter itself, we have been able to achieve. Capital adequacy ratio is 17.80% with CET is at 15.26%.

RWA density has slightly come down because of AAA-rated exposure has gone up from Rs. 49,000 crores to Rs. 60,000 crores and because of some reduction in RWA NBFC.

So, coming to external benchmark linked loan, it has slightly inched up from 39.06% to 40.46%, but primarily, that is because of the jewel loan being classified in retail. So, Retail loans are necessarily linked to external benchmark.

Coming to the various guidance. We have given deposits in the range of 8% to 10%. It is now 9.26%. Advance, we have given guidance of 10% to 12%. It is in the range of 11.50%. CASA, we have given guidance of around 40%, but our endeavor will be to maintain that 40%. This quarter, it has come down because some money had to flow in but somehow could not. So that is the reason CASA was slightly come down to 39% approximately.

Our gross NPA guidance of less than 3%, we will definitely achieve, I mean, maybe we can go even up to 2.5%. Net NPA, same range, 0.1%, 0.7%, 0.65%. I mean, we have already provided hardly Rs. 1,000 crores are there. So that does not make any difference now.

NIM, we have given guidance of 3.15% to 3.30%. We are at 3.23%. And I'm hopeful that we will be able to maintain the NIM guidance of between 3.15% to 3.30%. ROA, we have given guidance of 1.20%, but we have been able to maintain at 1.34%. Credit cost, we have given guidance of 1%. We are at 0.28%. Slippage, again, we are maintaining less than 1%. We will definitely achieve that and recovery from NCLT, we have given guidance of Rs. 800 crores. But in this quarter, itself, we have been able to recover Rs. 451 crores from one NCLT account.

We don't have much exposure in unsecured or even in MFI NBFC. Our exposure is only Rs. 855 crores in MFI NBFC, and that is in all good, rated accounts only. Personal loan is at Rs. 7,000 crores, so that is not a cause of concern there. Also, credit card exposure is flat at Rs. 561 crores. So, there is no concern in that. We are focusing on opening saving fund accounts. So, we against last year, we were able to open 10.89 lakh accounts. This quarter, Q1, we have been able to open 12.17 lakh accounts, and the current account also 0.33 lakh to 0.34 lakh. So, these are the numbers. But there are a few initiatives which we have taken, which I would like to share with all of you. CASA, since it is a cause of concern, we have taken some initiative on CASA. We have launched five new CASA products like, one we have opened for the MSME sector. One we have opened for women also, one for pensioners, one for professionals and one for IND Sampoorana for salaried accounts also. We have given many benefit in that. So hopefully that will help us in garnering some CASA and other otherwise also, we have taken some initiative for CASA, which will explain subsequently.

We have very recently opened 51 branches, which will definitely help in garnering some new CASA business. Because the new branch on average gives Rs. 20 crores to Rs. 25 crores, Rs. 30 crore business in a year. So, these branches will add further value to us. And this is our 119th year. So, we are planning to open 119 branches in this financial year. So, 51 we have already opened around another 68 branches we will be opening more.

Few of the initiatives we have taken on the digital side. We have launched a lighter version of our INDSMART app for the transaction only in UPI we have launched. So, with the expectation that we will be able to I mean our customers will use our UPI instead of going to another platform. That is the motive behind launching this app. Then we have also opened an MSME business app so that people can take loan on their own instead of visiting through the branches. So around 13 digital journey we have launched in MSME. So that will further help in getting the business. Then KCC Digital journey wherever land record is digitized. In these states, we have launched digital KCC journey. We have opened one senior citizen branch and let us see how that pans out. We have an expectation that we will get some good sticky deposit at least in that branch and we are really providing good services in that branch. We have Agentic AI. We have launched it for collection so that will further help in containing our SMA and slippage. And we are also trying to automate corporate credit assessment. So, in our

board note around 10 sections are there. Out of that four sections, we have digitized and remaining we will take in a staggered manner.

So, these are the few initiatives we have taken and on digital side, we have taken some initiative and we are going to take like CRM. We have started and by September end, I think we will be going ahead with a few of the services. We will start with in that. Then, we have started Data Lake Journey for that. And then next- generation call center. We have already floated RFP and hopefully, that will help us further. Vendor has been on-boarded for next-gen call center. So that will again help in reducing our customer complaint, improving customer service, and resolution of the complaint and we can use this for various purposes, like for collection, for digital hub, for lead generation, lead monitoring, etc.,. We are also in the process of launching EFRMS, new software. So that will again be the revamped version of EFRMS solution. So, these are the few initiatives we have taken. Further, we are also planning to revamp our training system entirely because the knowledge gap is one thing, which, I believe, is cause of concern for not only customer complaint that also impacts our business. So will take a year or so, but we will be revamping our training center completely. The way training is imparted basically, it should be very interactive like quizzes, various small quizzes, presentation, case study, etc. So, we will redefine our curriculum completely.

So these are the few initiatives we have taken. I will request Ashutosh to briefly capture digital Journey.

**Shri Ashutosh Choudhury, Executive Director**

Thank you, sir. In the Digital journey, I will just capture in the four different phases. The first one is the transactions. If you see, our UPI transactions has grown substantially from 2.12 crore per day to 2.82 crores per day. The mobile banking transaction has also improved this quarter, 59 lakhs per month. The rating of our mobile app has substantially increased from 4.1 to 4.4.

We have launched 11 digital journey this quarter, means Q1, so taking the total to 132. And if you see, digital transactions has gone up from 90% to 93% in a year. And the biggest contribution to that is our UPI channel in the digital transaction. In Mobile Banking, Internet Banking and in the Card also, we have seen good traction. In the Mobile Banking, after launching of our IndSMART mobile banking app in last year, we have seen a lot of onboarding in that particular app, which is user-friendly, a lot of features are available. Hence, we have seen a lot of traction in that particular category. If you see the Digital business, Digital business this particular quarter we have done Rs. 57,955 crore, and we are aiming to do Rs. 2,25,000 crore of digital business this particular financial year. Most of it will be from the digital asset side. One good thing, we have done is that we have started issuing this E-Bank guarantee. We are popularizing this. We are handholding our customers. We are imparting knowledge on how to use that. That will also help a lot to the bank in non-fund business.

If you see the adoption, the digital adoption has gone up substantially more particularly into the retail side, which was 69% one year back. This has improved to 87%. So also, the Agribusiness from 90% to 96%. And we are putting a good efforts to increase the MSME business, which is at present 78%. With that, it will grow in a good manner. The bank has also onboarded itself in the ULI platform and garnered a business of almost Rs. 6,350 crores.

So, sir has told a lot of digital initiatives. So I am not telling all those digital initiatives right now, but one or two things that I will like to tell here. We have launched Employee Assist. So, this particular thing will enhance customer experience, because this Assist is a chatbot which will immediately provide all the answers related to bank's internal guidelines, process, and systems. So, which will help the employee of the bank to reply to the customer promptly. So, rest, sir, has told.

And one more thing I will like to tell here is that the Agentic AI for collection that we have introduced which is right now in two language that is English and Tamil. With the success and with more use cases, we'll expand it to other regional languages and Hindi. So that will help us in our collection systems, improve our collection system, and that particular Agentic AI system will definitely take it forward for our business cases in the days to come.

Thank you, sir.

## **Questions And Answers**

### **Anand Dama (Host – Emkay Global)**

Thank you, sir. We will now open up the floor for Q&A session. Anybody who wishes to ask a question shall raise their hands. I request the participants to limit the question to two per participants and for further questions please join back the queue. Anyone who wants to ask a question, please raise your hand. Yeah, Mr. Ajmera, please unmute yourself and ask your question.

### **Ashok Ajmera, Analyst**

Good evening, sir. Binod Kumar ji compliments to you sir for keeping at least the, I mean the bottom line at least intact. You are in profit; on the net profit front. Many of the banks are finding it difficult, and even the business growth, the credit growth of 2.21% in this quarter is commendable.

Overall business also is growing. So in spite of so many challenges you have met, you know them, I mean you have given declared good results, good numbers. And in your presentation, and Ashutosh, sir, said digital journey presentation you almost covered I think everybody's 70% to 80% questions or the queries. So, there is hardly anything to ask. But yes, there are some couple of questions on some observations and some data points for the future 3 quarters now because there is no -- you already explained everything in detail like one was on SMA2, and you said that two government accounts are already, I think one of them has already been regularized under SMA 1 or SMA 0. So, what is the exact number of that now? Where do we stand now vis-a-vis the June number on SMA-2.

### **Shri Binod Kumar, MD & CEO**

SMA 2, these two accounts constitute around Rs. 3300 crores. So total SMA 2 more than Rs.5 crore was Rs. 4586 crore. So, these two accounts had come out of SMA 2, and now SMA 2 is for Rs.815 crores only.

### **Ashok Ajmera, Analyst**

Yeah. So that's a very good encouraging, I mean statement from you because that was the major cause of worry that are we slipping or having the future NPAs or.

**Shri Binod Kumar, MD & CEO**

I don't think these accounts will slip to NPA.

**Ashok Ajmera, Analyst**

Even the NPA provision in this quarter also is very less. So, there is hardly any chance, like for any further numbers going NPA increasing. Now, sir, with this part of the benefits, or part of rather, I would say the hit of the rate cuts has already been factored in, but still some parts are left out of the earlier rate cuts and now two more rate cuts of 25bps. So, total about 50bps is also expected in this year, also maybe little, I mean later half or later part of the year. So where do we, because the NIM today is comfortable at 3.23%. But going forward, will you be able to protect that 3.1% or 3.15% with this lag effect as well as the future effect on the -- I mean, effect of the future rate cuts?

**Shri Binod Kumar, MD & CEO**

I think we will be able to, because see, from this quarter onwards the bulk rate has come down by more than 100bps. So, the impact of that will start coming in this quarter plus rate cuts have also happened in retail term deposit. So, the impact of that will also start coming out. In another three months to six months, around my Rs. 86,000 crores will be repriced. So, the impact of that will also start coming in. So, I am hopeful that I will be maintaining between 3.15% to 3.30%.

**Ashok Ajmera, Analyst**

That's very good, sir. Sir, you have been giving a little conservative target, goals and achieving it. That's very good. But looking at the current trend and with your Rs. 88,000 crores of the sanctioned or in pipeline, I think it was Rs. 88,000 crores isn't it, you said.

**Shri Binod Kumar, MD & CEO**

Yeah, yeah. Rs. 88,000 crores we have sanctioned in this quarter.

**Ashok Ajmera, Analyst**

Is there any chance of upgrading the targets for the credit, going to may be 13%, 14%? Or will we stick to that 10% to 12% only, sir?

**Shri Binod Kumar, MD & CEO**

As of now, we'll try to stick between 10-12%; we'll try to be on the higher band of the guidance.

**Ashok Ajmera, Analyst**

Okay. Sir, one last thing in this round. You had said in last quarter's meet that you are not encouraging much co-lending or increasing your book by participation by others because you are not fully geared up or prepared digitally. Your digital capability is not there to that extent. So, whether there is any change now? Would you be looking for those kinds of arrangements to increase your overall loan book? And secondly, coupled with this, with RBI now relaxing the collaterals; gold collateral for the agri loans of less than Rs. 2 lakhs, do you think that some major chunk can go there now when you can accept the collateral and give the loans?

**Shri Binod Kumar, MD & CEO**

No. Actually, what happened, let me explain to you. Co-lending, we are still not prepared for our digital platform. So, as and when our digital platform is ready, we are not against co-lending, only technological requirement is there. So as and when we have technological requirements, we can go up for co-lending, number one. Number two, agriculture, we have this gold loan up to Rs. 2 crores, they have allowed now to take Rs. 2 lakhs.

**Ashok Ajmera, Analyst**

Rs. 2 lakhs

**Shri Binod Kumar, MD & CEO**

Rs. 2 lakhs, if they are willingly providing. So, when draft guidelines came, we have already initiated shifting this gold loan to retail loan. So now, at least with this, we can further take them as agriculture.

**Ashok Ajmera, Analyst**

So, the last one is, sir, on the treasury. Indian Bank is known for making very good treasury profit, good arbitrage -- good arbitrage even in the foreign currency. So, going forward and with the rate cuts already there and further rate cuts coming, do you think that we will make some bumper good profit from the treasury in the remaining three quarters?

**Shri Binod Kumar, MD & CEO**

No. Definitely. So even if you see last quarter also, we have from Forex arbitrage, say, we have earned around Rs. 158 crores and treasury profit, we will book as per requirement because, say, if I sell some of the higher yielding, then again, whatever we'll purchase, that will be low yielding. So, we will book profit as per requirement only. I mean, not a very bumper or something like that.

**Ashok Ajmera, Analyst**

Okay. Okay, sir. Thank you. Just if you can tell me any buffer provision, which we still have now in our books?

**Shri Binod Kumar, MD & CEO**

No, see, we have various policies for providing standard assets. So, we are following that policy. I may share with you, like on SMA-2, we have a policy of providing 10%, which is not required, but we have a policy. So similar, there are various pockets where, as per our policy, we keep on providing.

**Ashok Ajmera, Analyst**

All right, sir. Thank you. And all the best to you, sir.

**Shri Ashutosh Choudhury, Executive Director**

Thank you.



**Shri Binod Kumar, MD & CEO**

Thank you, Ajmera ji.

**Anand Dama (Host – Emkay Global)**

Thank you, Ajmera ji.

**Ashok Ajmera, Analyst**

Have some time for physical interaction, sir, also.

**Shri Binod Kumar, MD & CEO**

We'll come. First week or second week, we'll come.

**Anand Dama (Host – Emkay Global)**

Thank you. We'll take the next question from Jayant Kharote. Jayant, please unmute yourself.

**Jayant Kharote, Analyst**

Am I audible?

**Anand Dama (Host – Emkay Global)**

Yeah, Jayant. Please go ahead. You're audible.

**Shri Binod Kumar, MD & CEO**

Yeah. Yeah. You're audible.

**Jayant Kharote, Analyst**

Yeah. So, the question is on the asset yields. How much of the current rate cut has been passed on? And also, if you could highlight on the MCLR book, how much of the book would be corporate where competitive intensity could sort of drive some repricing decisions for us?

**Shri Binod Kumar, MD & CEO**

See, my MCLR book is 52% and, external benchmark linked is 40.46% and within MCLR, 1-year MCLR-linked is 41%. So, a substantial portion of even MCLR is linked to 1-year MCLR. Coming to your question of –

**Jayant Kharote, Analyst**

The transmission, how much of –

**Shri Binod Kumar, MD & CEO**

Transmission, so external benchmark linked has happened immediately, we have done on the very

next day of the rate cut. We have passed on. So, on 41, 40% of the book has already been passed on. Coming to MCLR since the cost of deposit has not come down, although in the last three months MCLR has come down by 5bps each month. But by going forward only MCLR will start coming down as and when our cost of deposit starts coming down and marginal cost starts coming down.

**Jayant Kharote, Analyst**

Sir, but the question is , on margin trajectory would you expect the second quarter margins to take a further hit because of the two months that will be left?

**Shri Binod Kumar, MD & CEO**

Yes, yes there will be, there will be some margin reduction further.

**Jayant Kharote, Analyst**

And you're still comfortable with the full year guidance of 3.15% to 3.30%.

**Shri Binod Kumar, MD & CEO**

3.15, I think we will be able to maintain.

**Jayant Kharote, Analyst**

And sir, last question.

**Shri Binod Kumar, MD & CEO**

Unless there are some very aggressive rate cuts, then, of course, then we will have to think otherwise we will be able to maintain.

**Jayant Kharote, Analyst**

So, the last question on the deposit mix. So, there is some pressure on deposit growth, and we've seen the CDs books of a lot of banks rising. How comfortable are you with the mix of CDs moving up? And if you could also help us understand what the growth in that book is.

**Shri Binod Kumar, MD & CEO**

No. let me explain why my credit deposit growth has not been there. If you, I mean bulk, bulk, I am saying including CD and bulk also. So that book in March was Rs.1.41 Lakh crore and in June it is only Rs.1.45 Lakh crore. So hardly we have taken Rs.4000 crores increase. So not much of bulk. We are not taking very aggressively because that is at a cost.

**Jayant Kharote, Analyst**

And are you comfortable growing the bulk book in case retail falls short to fund your growth?

**Shri Binod Kumar, MD & CEO**

I mean if there is no option left and still, we are making some margin, we will.

**Jayant Kharote, Analyst**

Sorry, the question is essentially growth versus margin, will you pick growth over margin?

**Shri Binod Kumar, MD & CEO**

No, no, we will strike balance. Like I told in the corporate book, we said around Rs. 12,000 crores. So that will depend on what, at what stage, what margin we are getting. That will depend on that. Say we are at times even bulk, at times we get very cheaper. So, at that point of time there is no harm in taking even bulk.

**Jayant Kharote, Analyst**

Understood, sir. Thank you and best of luck.

**Shri Binod Kumar, MD & CEO**

Thank you.

**Anand Dama (Host – Emkay Global)**

Thank you. Jayant. The next question will take from Mahrukh. Mahrukh, please unmute yourself.

**Mahrukh Adajania, Analyst**

Hello. Hello, sir. Congratulations.

**Shri Binod Kumar, MD & CEO**

Thank you, Mahrukh.

**Mahrukh Adajania, Analyst**

Sir, I have a couple of questions. I think Jayant already asked, but just to dwell a little deep, so our margins have fallen by 14bps this quarter, right? And next quarter, there will be some impact of the June rate cut, and there will be some amount of MCLR repricing as well. So, given all that, would you say that the quantum of margin decline would reduce in the second quarter, or it could be similar?

**Shri Binod Kumar, MD & CEO**

No, quantum of margin decline will reduce from this quarter onwards because bulk will also start repricing, and we have also gone for revision of rate in retail term deposit. And also, we have gone for some rate rationalization in saving funds. So, this quarter from 1st of July. So, this quarter onwards, this rate of decline should come down.

**Mahrukh Adajania, Analyst**

Okay, sir. Got it. And sir, just in terms of retail term deposits, how much would they reprice in one quarter? Because we know all banks have 13-month to 15-month maturity, but it may be lumpy in some quarters, not lumpy. So, on a ballpark, what could you say would be the repricing in the second quarter?

**Shri Binod Kumar, MD & CEO**

So, my retail term deposit is around Rs. 2,50,288 crores. So out of that, Rs.86,000 crore is repricing in the next three months to six months.

**Mahrukh Adajania, Analyst**

Rs.86,000 crore in next three months to six months. Okay. Okay, sir. Very helpful. And just one last question. In terms of competition, right? Where do you think private banks are more aggressive relative to PSU banks? for instance, PSU banks have recouped their market share in home loans. So, where are private banks really very aggressive in pricing in which segments?

**Shri Binod Kumar, MD & CEO**

Very rightly, you are saying, but may be because of their strategy also. Since they have some CD ratio constraint in the past quarter, and very openly, he came and told, we will consolidate. So certain segments like MSME, we are seeing good competition from the private sector banks and certain export-oriented units, there also we are seeing very high competition.

**Mahrukh Adajania, Analyst**

Okay. And in Corporate, it's largely PSUs only, right, like, say, in the A category or AA category. Would it be PSUs or private?

**Shri Binod Kumar, MD & CEO**

Mostly PSUs.

**Mahrukh Adajania, Analyst**

Okay.

**Shri Binod Kumar, MD & CEO**

And one or two private banks come, but smaller banks come, but that is for a very small amount.

**Mahrukh Adajania, Analyst**

Got it, sir. Got it, sir. Sir, this is so helpful. Thank you so much. Thank you.

**Shri Binod Kumar, MD & CEO**

Thank you. Thank you, Mahrukh.

**Anand Dama (Host – Emkay Global)**

Thank you, Mahrukh. Next question, we'll take from Mona Khetan. Mona, please unmute yourself.

**Mona Khetan, Analyst**

Hi. Good evening, sir, and congratulations on a good set of numbers. So firstly on the bulk deposits you mentioned about Rs. 1.4 lakh crore. What would be the maturity pattern of these deposits, maturity between three months, six months, and so on

**Shri Binod Kumar, MD & CEO**

50% one year and 50% below one year.

**Mona Khetan, Analyst**

Okay. So, 50% will be after one year or at one year.

**Shri Binod Kumar, MD & CEO**

after one year or at one year.

**Mona Khetan, Analyst**

Okay. Okay.

**Shri Binod Kumar, MD & CEO**

Normally, bulk we are not taking for more than one year. In very few circumstances we take for more than one year.

**Mona Khetan, Analyst**

Okay. So, is it fair to say that in the next six months or so, about 50% of this will mature? Is that a fair understanding? Or in the next nine months, that's the case.

**Shri Binod Kumar, MD & CEO**

No, in six months, because around this quarter itself, 33,000 will reprice. So out of 1,04,000, 33,000 will reprice in this quarter itself.

**Mona Khetan, Analyst**

Okay. Okay. Got it. And sir, secondly, if I look at your, you've made significant provisions which is the PCR on your existing NPA, and the trend on slippages have also moderated. So, is it fair to

assume that sort of credit costs will settle down between 50 bps to 70 bps, or what are the risks you're seeing to credit cost, if any?

**Shri Binod Kumar, MD & CEO**

No, no. Very rightly we are saying, although we have given guidance of credit card less than one, but it will settle somewhere between 50 to 70, or maybe less than that.

**Mona Khetan, Analyst**

Sure, sure, got it. And also you've been providing on standard assets. This quarter also, you made some additional provisions. So if I have to look at the outstanding standard provisions, including general restructured and everything, where would it stand?

**Shri Binod Kumar, MD & CEO**

I think restructured, etc, where smaller loans are there, we have 100% we have made? Restructured, we have made 25%.

**Mona Khetan, Analyst**

Okay.

**Shri Binod Kumar, MD & CEO**

And we are taking various measures for providing like one example I told you even in SMA book, SMA-2 we are making 10% provision. And wherever we see -- yes, Mona.

**Mona Khetan, Analyst**

Yeah. No, sir. Please go ahead.

**Shri Binod Kumar, MD & CEO**

Yeah, so wherever we see some sector also there is some stress, so we take proactive measures.

**Mona Khetan, Analyst**

Right. So, if I have to understand the outstanding standard provisions, where would it be? You can tell me mix of general and restructured as well, particularly into these accounts, because you've been consistently providing. So just wanted to get the outstanding number.

**Shri Binod Kumar, MD & CEO**

Yeah. Absolutely. That number, we'll see. Exactly, I don't remember.

**Mona Khetan, Analyst**

Sure.

**Shri Binod Kumar, MD & CEO**

We'll see. Yeah.

**Mona Khetan, Analyst**

Got it. Got it. And also, just finally, on the recovery from written off, it looks fairly strong from a Q1 perspective. So, anything you want to highlight there that has played out for you?

**Shri Binod Kumar, MD & CEO**

No, no. It is basically on account of one big account has been resolved.

**Mona Khetan, Analyst**

Okay.

**Shri Binod Kumar, MD & CEO**

In one account itself, Rs. 340 crores has come. So that is because of that.

**Mona Khetan, Analyst**

Okay. Got it. Thanks so much. If you could just come back on those outstanding provisions number standard provisions, that will be very helpful. Thank you.

**Shri Binod Kumar, MD & CEO**

Sure.

**Anand Dama (Host – Emkay Global)**

Thank you, Mona. So, before we take the next question, there was one question in the chat, which talks about, like, what's the recovery from written off that you expect in the second quarter and for the full year. I believe you gave a guidance of about Rs. 1,800 crores to Rs. 2,000 crores odd, but I think you already had Rs. 450 crores in the first quarter. So, do you want to revise that number? And any color on, like second quarter, what could be the recovery from written-off pool? Additionally, you also talked about, at the PSLC, there is some relief, which has come from the RBI now. So, then you intend to book some PSLC fees in second quarter?

**Shri Binod Kumar, MD & CEO**

No. So AUC recovery, whatever, we have given guidance of Rs. 2,000 crores will not revise because already what account has come, we have already accounted for that. So it has come in this quarter. But next quarter also, AUC recovery will be in the range of Rs. 400 crores to Rs. 500 crores. So, and PSLC, we have already booked. If you see, we have already booked in this quarter of Rs. 258 crores.

**Anand Dama (Host – Emkay Global)**

Okay. But can that run rate go up now that there is a relief? That's the question.

**Shri Binod Kumar, MD & CEO**

No. No, because since that guideline was applicable from 1st of April. So, we have already taken measures in PSLC, wherever we have already sold around Rs. 1000 crore PSLC income will come during this year. Out of that pro rata, we have booked to one-fourth in this quarter.

**Anand Dama (Host – Emkay Global)**

Sure. Sir, secondly, your SMA pool if you look at and the SMA pool of another bank where they had this government-related agri project. What's happening on that? I believe you also have an exposure to that agri project. Is it stressed? Are you getting timely recoveries due after some delay? What's happening over there in that account?

**Shri Binod Kumar, MD & CEO**

No, we are getting recovery in these accounts. I don't think they will slip because, with some delay, we are getting recovery.

**Anand Dama (Host – Emkay Global)**

Okay. So, you don't expect any, I mean that account to turn NPA right?

**Shri Binod Kumar, MD & CEO**

No, no.

**Shri Brajesh Kumar Singh, Executive Director**

Government guaranteed also we have provided.

**Anand Dama (Host – Emkay Global)**

Sure, sure. Next question will take from Devendra Kumar. Devendra, please unmute yourself.

**Devendra Kumar, Analyst**

Hello?

**Shri Binod Kumar, MD & CEO**

Yes, Mr. Devendra.

**Devendra Kumar, Analyst**

Hello, Am I audible?



**Shri Binod Kumar, MD & CEO**

Yeah. Yes, audible.

**Devendra Kumar, Analyst**

Okay. Thank you, sir, for giving me opportunity, and thanks for the good set of numbers even above the guidance. Sir, actually, I just want to know what type of initiative are being taken for increasing customer base, like advertisement and other things. We are taking good steps for digital transformation. But how those information are shared with normal public so that they can attract towards bank?

**Shri Binod Kumar, MD & CEO**

So, we are taking various measures, and publicity is one of them. We are making good publicity of our products on various visible platforms. Digital marketing, also we are adopting, and apart from that we have a very strong team of RAC, Resource Acquisition Centers 100 we have RACs. So their people also go on for marketing. And we have a subsidiary IGSS. So, we are using these manpower also for canvassing our liability products and also generating lead for asset products like a home loan, car vehicle loan etc. So multi-pronged approach we are taking.

**Devendra Kumar, Analyst**

Okay, sir. Thank you. Thank you very much, sir. Thank you.

**Shri Binod Kumar, MD & CEO**

Thank you.

**Anand Dama (Host – Emkay Global)**

Thank you. Devendra. We'll take last question from Sushil Choksey. Sushil, please unmute yourself.

**Sushil Choksey, Analyst**

Congratulation to team Indian Bank for excellent result.

**Shri Binod Kumar, MD & CEO**

Thank you, Sushil ji.

**Sushil Choksey, Analyst**

My first question. Sir, my first question is what is the likely balance between RAM and corporate for the year end?

**Shri Binod Kumar, MD & CEO**

It will be around 65:35.

**Sushil Choksey, Analyst**

Sir, what is the average yield which we are getting on RAM today?

**Shri Binod Kumar, MD & CEO**

RAM average yield, and we have. Average yield on RAM will share with you. Right now, I don't have.

**Sushil Choksey, Analyst**

No problem, sir. I'll take it offline. Second thing, sir, most of the bankers in the Q1 con call are indicating whether it's a murmur on the street or general assumption there will be two more rate cuts in the second half. In view of that, what is the outlook on treasury? And how are we prepared for if there are two more rate cuts on overall business scenario?

**Shri Binod Kumar, MD & CEO**

So, overall business scenario we have given guidance, we will achieve that. Advance, we have given guidance of 10% to 12% and deposit also we have given 8% to 10%, we will achieve that. I'm quite confident in that count. If there are two rates cut, of course there will be profit booking in treasury. But when we have given guidance of 3.15 to 3.30, we have taken into account 100bps rate cut in the year. 75 already happened, and if as you are saying another 50 happens, then of course then we will have to think about our NIM strategy. So, how we can protect at least whatever guidance we have given. We will have to rework that.

**Sushil Choksey, Analyst**

Sir, Indian Bank has taken lots of initiative, where digitization, cross-sell, cash management, back office services over the number of years, and Bank has done well to transform. Now, this transformation and digital expenditure which you have done, is it likely that as liquidity in the system is increasing, rates have dropped. Our CASA can move back to 41%, 42% in a year, year and a half.

**Shri Binod Kumar, MD & CEO**

No, I don't think. CASA moving up will be really a challenge on two counts. One, government is also adopting JIT in many states. And this pace of increasing JIT will further increase only. And number two, if you see where people are shifting their saving to other alternates also. So, and this trend I expect will continue. So, maintaining even around 40% will be a challenge, to be very candid with you.

**Sushil Choksey, Analyst**

Okay. So now second thing is southern states, specifically where Indian Bank presence is high. There's a lot of re-energizing of the states happening, because whether it is China Plus One story, GCC, a lot of global manufacturing capabilities coming to India. So, job creation is happening, which ultimately leads to betterment for banks, whether it's for corporate lending or consumer is concerned. Are we seeing in your sanctions such kind of borrowing demand, specifically from new industries?

**Shri Binod Kumar, MD & CEO**

No, Sir. See, the amount of CapEx expected is not happening, private CapEx, particularly. Public/ government CapEx, yes, it is happening. But we are seeing some traction in a few of the sectors, like renewable energy, of course, there is good demand in solar also -- solar module also. So, some traction we are seeing there. Then city gas distribution also. Since government is trying to lay down line for the gas distribution. So traction is being seen in that also. And in PLI sectors, also, we have seen some traction. But the amount of CapEx, which is private CapEx, which is expected, it is not up to that level. If you see; and one more challenge is that all good-rated companies are going to market for raising their resources instead of either CP or bond.

**Sushil Choksey, Analyst**

Okay. Sir, second thing is India signed an FTA with UK, many such more deals will happen. So, there is assumption with Bangladesh in turmoil. Textile, which is the big center of Tamil Nadu and adjoining states. Similar way, leather is likely to be where Tamil Nadu is a big player. Are we sensing on specifically MSME, any demand which is supporting the bank for business growth?

**Shri Binod Kumar, MD & CEO**

Yeah. So, I will reply it. There was some stress in textile sector. So now, we are seeing sign of revival in that.

**Sushil Choksey, Analyst**

So, prospects of business for Indian Bank may get better in that segment?

**Shri Binod Kumar, MD & CEO**

In this sector. Yes.

**Sushil Choksey, Analyst**

Okay. And, sir, any specific digital spends which we are likely to this year and human resource as you have taken so many initiatives, which will be very important for the bank?

**Shri Binod Kumar, MD & CEO**

Yes, of course, our IT spend will be in the range of approximately Rs. 1,500 crores for this year also. Last year also, it was around Rs. 1,400 crores, Rs. 1,300 crores. So, it will be in that range. Manpower, also, we are around 3,000 fresh hiring will happen in this year. So out of that part will be in a specialized sector, like we are also going for cybersecurity, IT sector, risk management, Forex officer. So specialized hiring will also happen and generalist hiring will also happen.

**Sushil Choksey, Analyst**

So, you highlighted in your opening remark that you will be opening 119 branches in the 119th year. Very good luck for that. These branches are likely to be more of metro tier two cities or interiors.

**Shri Binod Kumar, MD & CEO**

See in few of the sectors, my presence is not much, like in Mumbai, Gujarat, even Rajasthan. Some Sectors, they are. If you take Mumbai or Gujarat, they are contributing around almost 35% to GDP. Our presence is only 7%. So, in these sectors, we'll open the branches wherever potential is there. We will not; it will not be a specific to any metro or urban area. But in this sector, we will be opening branches.

**Sushil Choksey, Analyst**

This will be along with your mid corporate, large corporate or it will be all specific branches, more of retail.

**Shri Binod Kumar, MD & CEO**

No, it will be general branches.

**Sushil Choksey, Analyst**

Thank you and good luck for the year and best wishes to the entire management. Yeah. Thank you.

**Anand Dama (Host – Emkay Global)**

Thank you, Sushil ji. We will take that as a last question. With this, we come to the end of Indian Bank's post results conference call for first quarter FY26. I now request the management to give their closing remarks.

**Shri Binod Kumar, MD & CEO**

We have already discussed everything but two, three things. Asset quality, I mean we are on very right track on the asset quality. Gross NPA, we have given guidance of less than 3, but may be, we will do better than that. Slippage also will be able to maintain a healthy number. And growth also, we will be around whatever guidance given. Our endeavor will be to on the upper band of our guidance. And profit also we will see steady profit because I don't believe in the one quarter going showing a very good numbers and then second quarter going down. So, our endeavor will be to provide steady growth or steady decline, wherever decline is there like gross NPA, net NPA, steady decline will ensure. Thank you, Anand ji.

**Anand Dama (Host – Emkay Global)**

Thank you, sir. We thank the management, and we thank all the participants. Have a happy evening. Have a good day. Bye-bye. Thank you.

**Shri Binod Kumar, MD & CEO**

Thank you. Thank you.