



INDIAN OVERSEAS BANK

Q4 FY2026 Analyst Meet

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Transcript of the Event

By *Veritas Reputation PR*

MANAGEMENT PRESENT AT THE EVENT:

- Sri. Ajay Kumar Srivastava, Managing Director & CEO, Indian Overseas Bank
- Sri. Joydeep Dutta Roy, Executive Director, Indian Overseas Bank
- Sri. Dhanaraj T., Executive Director, Indian Overseas Bank
- Sri. Ahamed Kabeer, General Manager, Information Technology Department, Indian Overseas Bank
- Sri. Raghuram Mallela, Deputy General Manager — Company Secretary, Indian Overseas Bank

MODERATOR: Ms. Monami Dey, Veritas Reputation PR

Introduction

Moderator:

Good afternoon, and a very warm welcome to everyone.

We welcome you to the Indian Overseas Bank's Q4-FY2026 Analyst Meet.

Indian Overseas Bank, IOB, is one of India's leading public sector banks, headquartered in Chennai, with a robust pan-India network and international presence across Singapore, Hong Kong, Thailand and Sri Lanka. The bank offers a comprehensive suite of services spanning personal, corporate and agriculture banking, alongside credit and loans.

The financial results, investor presentations and related disclosures for Q4FY2026 are available on the Bank's website and have been filed with the stock exchanges.

Before we begin, a brief note: today's discussion may include forward-looking statements which are subject to risks and uncertainties that may cause actual outcomes to differ materially. We encourage you to keep these factors in mind as we walk through the Bank's performance.

It is now my privilege to introduce the distinguished leadership team joining us from IOB today –

Sri Ajay Kumar Shrivastav, our Managing Director and CEO from Indian Overseas Bank.

To his right, Sri. Joydeep Dutta Roy, Executive Director.



To the left of our MD&CEO sir, Sri Dhanaraj T, Executive Director.

I'll also welcome Shri Ahamed Kabeer, General Manager, Information Technology Department and Sri. Raghuram Mallela, Deputy General Manager — Company Secretary.

A warm welcome to each of you, sirs, and thank you for being with us this afternoon.

We will now begin with an overview of the bank's financial and performance for Q4 FY2026. Please join me in welcoming Sri Raghuram Malella, Deputy General Manager and Company Secretary, to the stage to take us through this presentation.

Thank you, sir. Over to you.

Financial Presentation by – Sri Raghuram Mallela, Deputy General Manager and Company Secretary

Sri Raghuram Mallela, Deputy General Manager and Company Secretary: Good afternoon, ladies and gentlemen. We are pleased to present an overview of the IOB's financial performance for the quarter and the financial year ended 31st March 2026. So far as business growth is concerned, we grew by 20.76% and it stood at Rs 6,78,614 crores as of 31st March 2026 when compared to Rs 5,61,958 crores as on 31st March 2025. Advances grew by 24.16%, the total deposits grew by 18.03%, out of which retail term deposits stood at 17.81%, that is, Rs 1,836,01 crore when compared to Rs 1,55,846 crore as of 31st March '25. CASA stood at 40.99%, and that is in terms of the percentage, in terms of the amount it stood at Rs 1,50,936 crores as of 31st March '26.

So far as profitability is concerned, net interest income stood at Rs 12,574 crores, registering a 15.46% growth on year-on-year basis when compared to Rs 10,890 crores as of 31st March '25. Net interest margin stood at 3.21% as of 31st March 2026. Operating income grew by 10.80%, and it stood at Rs 18,210 crores as of 31st March '26 when compared to Rs 16,435 crores as of 31st March '25.

Operating profit grew by 15.40% and it stood at an all-time high of Rs 10,026 crores as of 31st March 2026, when compared to Rs 8,688 crores as of 31st March 2025. Net profit grew by 56.16% and it stood at approximately Rs 5,208 crores when compared to Rs 3,335 crore as of 31st March 2025.

As regards asset quality, GNPA came down by 72 bps and it stood at 1.42% as of 31st March 2026 when compared to 2.14% as of 31st March 2025. NNPA also came down by 16 bps and it stood at 0.21% as of 31st March 2026 when compared to 0.37% as at 31st March 2025.

So far as key financial indicators are concerned, the provision coverage ratio stood at 97.50% as of 31st March 2026, registering a year-on-year growth of 20 bps. CRAR stood at 19.78% when compared to 19.04% as of 31st March 2025. Return on assets increased by 31 bps and stood at 1.23% as of 31st March 2026, when compared to 0.92% as of 31st March 2025. Return on equity increased by 414 bps and it stood at 20.42% as of 31st March 2026 when compared to 16.28% as of 31st March 2025.

Regarding the total provisions, it registered a decrease of 10% and it stood at Rs 3,758 crore for the entire financial year '26 when compared to Rs 4,176 crore for the financial year '25.

The total income, it increased by 11.45% year-on-year and it stood at Rs 37,532 crore as of 31st March '26 when compared to Rs 33,676 crore as of 31st March '25.

Fee-based income, there is an increase of 15.91% year-on-year basis and it stood at Rs 2732 crore when compared to Rs 2357 crore as of 31st March 2025. Interest on deposits, it increased by 10.45% year-on-



year. The total interest expense increased by 12.07% when compared to 11.26% year-on-year as compared to March 2025.

Operating expenditure grew by 5.64% and it stood at Rs 8,184 crore as of 31st March '26, and compared to Rs 7,747 crore as of 31st March 2025.

As regards performance ratios, I have to talk about the cost of deposits. It came down to 4.97% as of 31st March 2026 when compared to 5.08% as of 31st March 2025.

Cost of funds stood at 5.09% as against 5.24% as at 31st March, 2025. Yield on advances domestic stood at 9.08% and yield on advances global stood at 8.84%. Yield on funds stood at 8.10% as of 31st March, 2026. Return on assets stood at 1.23%. There is an increase of 31 bps when compared to the financial year 2024-25. Yield on investments stood at 6.66% and cost to income came down by 220 bps and it stood at 44.94 as of 31st March 2026 when compared to 47.14 as of 31st March 2025. Net interest margin stood at 3.33% as of 31st March 2026, that is domestic NIM and global limits were 3.21% as of 31st March 2026.

Regarding total advances, there is an increase of 24.16% year-on-year basis and it stood at Rs 3,10,423 crore as of 31st March 2026 when compared to Rs 2,50,019 crore as of 31st March 2025. Total deposits grew by 18.03% and retail term deposits grew by 17.81% and it stood at Rs 1,83,601 crore.

CASA, it increased by 10.85% on year-on-year basis and it stood at Rs 1,50,936 core. Regarding the composition of domestic deposits, 41% of the domestic deposits constitute CASA, 53% constitute retail term deposits, and the remaining 6% constitutes bulk. Regarding the share of domestic advances, 83% of domestic advances constitute RAM, and remaining 17 percent constitutes corporate and others.

As regards the percentage share of retail advances to the domestic advances, it is 30.94% and there is a year-on-year growth of 45.12%. Regarding agriculture advances, there is a year-on-year growth of approximately 40% and its share to the domestic advances stood at 35.26%. Regarding MSME advances, there is a year-on-year growth of 13.08% and core MSME advance growth is 23.77% and its share to the domestic advances stood at 17.02% as of 31st March 2026. Domestic investments stood at Rs.1,15,730 crore as of 31st March 2026. And global investments as of 31st March 2026 stood at Rs.1,19,810 crore.

Recovery from technical write-off accounts stood at Rs.2,252 crores as of 31st March 2026 when compared to Rs.2,600 crore as of 31st March 2025.

Regarding NPA management, there is a consistent improvement, consistent decline in GNPA. As against 2.14% as at 31st March 2025, it now stood at 1.42% as at 31st March 2026. And NNPA also has come down from 0.37% as at 31st March 2025, to 0.21% as of 31st March 2026. Provision coverage ratio, it stood at 97.50%, this includes technical write-off and provision coverage ratio excluding technical write-off is around 85%.

Slippage ratio as regards the quarter end of 31st March 2026, it stood at 0.13% and for the full financial year, slippage ratio stood at 0.49%.

Regarding sector-wise break up of NPA, RAM is about 1.18% and corporate is about 0.24% of the NPA.

Regarding capital adequacy, we are well above the regulatory prescription, regulatory minimum. CET1 stood at 16.94%, Tier 2 is 2.84%, total CRAR stood at 19.78% as of 31st March, 2026, as against a regulatory minimum of 11.50%.



CRAR, there is a consistent growth right from 19.04% at 31st March, 2025, to 19.78% till 31st March, 2026. Credit RWA to Advance Ratio stood at 55.78% as at 31.03.2026 compared to 59.32% as on 31.03.2025.

Total RWA to Advance Ratio stood at 63.76% as at 31st March 2026, when compared to 67.86% as at 31st March 2025.

Regarding the financial inclusion, number of PMJDY accounts stood at 94.57 lakhs. PMJDY Zero Balance accounts stood at 2.07 lakhs.

Regarding the number of branches that is customer touch points, domestic branches stood at 3,494 branches as of 31st March 26, approximately an increase of 160 branches during the current financial year, financial year 25-26. Number of ATMs stood at 3,651 and number of BC points stood at 12,187. Out of 3,494 branches, around 2,040 branches are in rural and semi-urban.

Regarding the shareholding pattern, the Government of India is the major shareholder. Their shareholding stood at 92.44% as a major shareholder, followed by LIC at 3% approximately.

Regarding CASA and deposits growth in the last five years, there has been a consistent growth. CASA stood at Rs. 1,13,877 crores as of 31st March 2022, and now it is at Rs. 1,50,936 crores as of 31st March 2026. Retail-term deposits also went up from 1,37,234 crore as of 31st March 2022 to 1,83,601 crore as of 31st March 2026. Term deposits went up from 1,48,283 crore as of 31st March 2022 till 2,17,256 crores as of 31st March 2026. Total deposits also grew from Rs 2,62,160 crore as of 31st March 2022 to Rs 3,68,191 crores.

If I talk about advances growth in the last five years advances specifically retail advances went up from Rs 36,961 crore at 31st March 2022 till Rs 91,086 crore as of 31st March 2026. Agri advances grew from Rs 38,577 crore to Rs 1,03,821. MSME advances increased from Rs 29,494 crore till Rs 50,107 crore. Total advances also, it went up from Rs 1,55,801 crore during the last five years till Rs 3,10,423 crore as of 31st March, 26.

There has been a consistent surge in the retail segment loans as home loans, vehicle loans, personal loans, the total retail portfolio, it went up from Rs 36,961 crore at 31st March 2022 till Rs 91,086 crore as of 31st March 2026.. Regarding NPA levels and provision coverage ratio, gross NPA was at Rs 15,299 crores as of March 31st, 2022. It came down to Rs 4,410 crores as of 31st March 2026. Gross NPA percent right from 9.82% as of 31st March 2022, it came down to 1.42% as of 31st March 2026.

Net NPA also came down substantially from 2.65% as of 31st March 2022 till 0.21% as of 31st March 2026. Provision coverage ratio went up from 91.66% as of 31st March 2022 till 97.50% as of 31st March 2026. Provision coverage ratio excluding technical write-off increased from 82% as of 31st March 2024 approximately till 85.54% as of 31st March 2026.

Digital outreach, number of ATMs, regarding number of ATMs, it went up from 3,497 as of 31st March '25 to 3,651 as of 31st March '26. And there has been a consistent improvement in internet banking registered users as well, from 34 lakhs as of 31st March '25 to 39.5 lakhs as of 31st March '26. Mobile banking registered users, it went up from 102 lakhs as of 31st March '25 till 129.58 lakhs as of 31st March '26. UPI registered users, there is a consistent increase right from 120.69 lakhs as of 31st March '25 till 157.62 lakhs as of 31st March '26.

I now request CTO to take over from here. Thank you.



Sri. Ahamed Kabeer, General Manager, Information Technology Department: Thank you. Here I'll take you through the technology and digital initiatives undertaken by the bank in the last one year. Next slide.

Here our focus has been on customer onboarding initiatives. We have three products here, IOB Digital Fixed Deposits, VCIP and IOB Digital Hub. As far as IOB Digital Fixed Deposit is concerned, today a customer can start relationship with IOB without having to visit the branch through our IOB Digital Fixed Deposit platform, where our new-to-bank customers can open fixed deposit fully online and seamlessly. As far as VCIP is concerned, we have the account opening which has become completely digital with Aadhaar authentication, OTP verification and face validation. And similarly, we have built-in IOB Digital Hub which is a one-stop platform offering multiple banking products through end-to-end digital journey. Next slide please.

Here the focus is on digitizing many routine but important customer service journeys. For example, Pensioners and senior citizens can now submit their video-based certificate from the comfort of their homes, which is secured by Aadhaar based digital verification. Likewise, customers can complete the re-KYC online through Aadhaar validation through web, SMS, email, channels without visiting the branch. And here we have also introduced a new digital PIN generation called Akshara, which is in a regional language format, which is customer friendly and completely secure.

Here the focus is on the high-volume digital transactions and digital lending channels. As far as our mobile leads, mobile banking leads the channels, there is a strong traction in the mobile banking led banking channels. And as far as mobile banking is concerned, presently we have 35 lakh mobile banking users and on average there is 15,000 users getting enrolled on a daily basis.

And it's one of our flagship applications which is containerized and uses microservices also. Similarly, we have the WhatsApp banking which is now providing quicker and paperless service channels for deposits, account service requests, E-KYC and various customer inquiries and another important initiative has been the adoption of our RBI-HULA platform.

Our bank is top among the PSBs in disbursement using ULI wherein we have processed around 2.6 lakh loan accounts and we have disbursed around Rs 5,700 crores.

To improve service delivery at field level, we have introduced TAB banking platform which enables staff to provide more than 30 services including account opening, E-KYC, nomination and social security enrollments at custom location itself.

And we have also introduced KYC Smart Scanner mobile app with QR based interface to scan KYC with direct integration with bank systems. Further the customer relationship management program where in we have the customer service request leads, account service request and call center integration which is centrally managed.

On our internal automation and control initiatives, overall, our loan origination system covers full adoption for fresh sourcing. This has helped in quicker appraisal, uniform documentation and faster loan processing. This is one of our flagship programs and we have now onboarded all our retail, Agri and MSME schemes under this LOS platform.

As far as robotic process automation is concerned, we have deployed this for repetitive tasks like campaign management, batch processing, reconciliation, thereby reducing manual work and improving accuracy. Similarly, we have the IOB Lawyers Diary app, which is for the bank's panel lawyers, which has real-time updates on cases and review of panel lawyer performance. Overall, our focus on IT has been on improving



customer onboarding, making banking services customer centric, faster loan processing and improving our internal operational efficiency. Thank you.

Q&A Session

Moderator: Thank you so much sirs for walking us through the comprehensive presentation. We now open the floor for questions. I request participants to please raise your hand when you would like to ask a question. Kindly introduce yourself, your name and the organization that you represent before proceeding. Our team members would bring the hand mic to you i would request you to please speak in the mic

Analyst - Ashok Ajmera, Ajcon Global: Compliments to you sir the entire team of Indian overseas bank for the fantastic result, not only for this quarter but for the whole year i mean mind-blowing numbers, if you look at the entire, I mean deposit, advances, business, everything, total business has gone up by 20.76% and the credit is 24.16%. Deposit which has been a challenge for many of the other banks has grown by 18.03% against very modest targets given by you of 12-13% or 14-15%. So, you really deserve rich compliments for the same, sir.

Having said that, I got a couple of, I mean, some questions, some observations from my side. The one thing which I observed is that in the presentation, and here also on the presentation given here, the SMA numbers have not been disclosed. So that will give a better picture about any kind of stress coming forward now with this West Asian crisis also and the geopolitical other uncertainties.

Is there any pressure in the month of March or are you feeling something in April now also? Any pressure of that kind, especially from the MSME clients or some small clients, or some export clients on that front. So, this is my just first question if you can answer that.

My other observations are that now with this ECL now guidelines finally coming out from RBI and you have written there that you have got a buffer of 1750 crores in ECL. In this quarter only you have given 250 crore more through that and you also got old COVID-19 amount also of about 900 crores. So, with that, are you comfortable taking care of your ECL requirement, expected credit loss requirements?

So, if you take it up these two, can I then, or shall I talk about all other points now only?

Sri. Ajay Kumar Srivastava, Managing Director & CEO: Let me respond to these two, then we can take another one.

So, regarding SMA, if you look at year and year, March '25, March 26, so March '25 our SMA percentage to total credit used to be 6.70 last year. And as in March '26, it came down to 4.92%. So, SMA front is no challenge and that can be ascertained by the slippage ratios also. Slippage ratio also has been at the minimum only.

So, SMA, we do not see any challenge per se. And regarding West Asia crisis also, we have so far not seen any stress in any of our existing accounts so far. Individual cases may be there, but right now the SMA or NPA have got no impact of West Asia crisis so far. That was the part number one.

Part number two is regarding ECL provisions. In the December quarter Q3 of this year, we created 1500 crores provision exclusively in the name of ECL. And Q4 we added 250 crores additional. So right now, we are at 1750 crores additional provision in the balance sheet exclusively for taking care of ECL requirements. And as per our calculation, we anticipate that the total impact of ECL, the new guideline which has been given by the regulator, it is going to be around 3000 crores. Out of that 1750 crores we have already made, still fourth quarters are there. By the time 1st April '27 comes, I think we will be having

a cushion in the name of ECL itself, more than 3000 crores. And the idea is to front load the entire ECL requirement.

We internally do not want to take that five-year route for taking care of that additional requirement. So that is the plan and we are very successfully so far, we have been able to handle it.

Analyst - Ashok Ajmera, Ajcon Global: Sir, point well taken, sir. And it's very good to know that you are going to take care of the entire amount and not going to spread over either one, two year or five years, which is allowed, which is good to know, strengthen the balance sheet.

Having said that, some data points are the employee cost in this quarter has gone down by almost about 340 crores and other operating expenses have gone up by about 200 crores. So, employee cost has gone down because of the bond yield adjustments or is there any other reason and how much per quarter run-up we can take up for the coming year 2026-2027.

Sri. Ajay Kumar Srivastava, Managing Director & CEO: Our provision requirement whatever was required, we made more than that the provision. Till December quarter itself, it was taken care of and the actual PLI requirement also turned out to be very low as compared to the provision which we had created. So Q4, that sort of provision requirement was not there. So that is our staff expenses you can see. It has come down by almost 200 or 250 crores.

Analyst - Ashok Ajmera, Ajcon Global: Okay, sir. Now, on this treasury side, because of this quarter also, there is a tremendous impact of the treasury not yielding much results, rather it's negative. And had it been added, the profitability would have been much higher. So, going forward in 26-27, or initially first two quarters, what do you feel the treasury will start giving because of the the bond yield also I mean now becoming favorable, what is your perception you say about the treasury operations

Sri. Ajay Kumar Srivastava, Managing Director & CEO: We do not see, I will say, huge gain from treasury for next two quarters because of uncertainty prevailing and because of geopolitical issues. We do not know how it will pan out and going forward the only thing we can say that is, we are very nimble-footed and whatever happens in the market, the team is very well equipped to adjust the plan and execute it accordingly. So, let us see how it pans out.

Analyst - Ashok Ajmera, Ajcon Global: Okay, the last one in this round. Now the government has announced again COVID-like line ECGL, I mean ECLG 5.0. So with that, don't you feel that you are already growing very fast on the credit side and now with this, some more opportunity to grow the credit will be there. So, number one, how do you see that the people will come forward looking at your portfolio for taking advantage of this scheme which is announced? I think, I don't know the full scheme, whether it has come out or not and secondly, what kind of target you will give for the credit growth coming forward or credit deposit in the overall business growth?

Sri. Ajay Kumar Srivastava, Managing Director & CEO: So, this ECLGS, of course, two days before it was approved by the cabinet. And as per our initial assessment, almost 25% to 30% of the portfolio, MSME and non-MSME, that will be eligible for this ECLGS 5.0 support. How many of them come for that actual 20% requirement that we are yet to see but our broad assessment is that around 8,000 to 10,000 crores of additional funding can happen through this ECLS mode this is valid up to March 27 still almost in 11 months are there and I think it will help in overall credit growth not only for IOB but for the entire industry



Analyst - Ashok Ajmera, Ajcon Global: Okay sir thank you and all the best and I'll come back again if other colleagues also have their questions. Thank you.

Analyst - Namit Arora, IndGrowth Capital: Good afternoon, sir. Thank you very much to you and your entire team for organizing this and for the detailed presentation. So, my question was around positioning, because the state that you are focused on is very attractive commercially. But at the same time, competition is well entrenched. So in terms of your positioning, how are you working on that further? The growth has already been very impressive. But with a medium-term view, 3-5 year view, across your main target segments, what work are you doing there to ensure that there is continued market share gains or growth given, you know, all other players, including NBFCs, other banks, everybody is also trying to, your market is very attractive. So how do you look at that?

Sri. Ajay Kumar Srivastava, Managing Director & CEO: We are having one internal study of next three years, what is going to the plan and where we want to be over next three years period. And we do see that around 14 to 15% of growth, overall growth, 1 and 2% here and there. We feel that we are very well placed to grow. And if you have seen our capital requirement also, CRA has reached 19.78%, much, much higher than the regulatory prescription. And with that sort of capital and the internal accruals, which by virtue of continuous and consistent net profit numbers. We do hope that by virtue of the internal strength, growth will happen. And at the same time, the overall economic situation of the country, that is also very, very growth-oriented. We all know that the country is growing, GDP is growing. and keeping those things in mind and assuming that there are no uncertainties like West Asia crisis or any additional thing. We do hope that 14% to 15% to 16% growth for overall industry, not only for IOB, is very much feasible and we can do better than that.

Analyst - Namit Arora, IndGrowth Capital: Thank you, sir. So, my second question was on risk management, especially credit underwriting and the processes, and also on operational risk, because unfortunately, even with some larger private sector players, there have been some unfortunate incidents. So, in general, your philosophy on risk management and how are you working on continuously to strengthen the risk management systems as well as the capabilities of the team? Thank you.

Sri. Ajay Kumar Srivastava, Managing Director & CEO: Our policy and philosophy both I will say very simple. Lending is a risky business. So, risk will always be there. How it can be mitigated? We work on those aspects. And if you look at over last three years numbers, whether it is slippage or NNPA or GNPA or credit growth or even number of frauds, operational risk we talked about. You will see that that is hardly anything as compared to the industry and all those critical numbers and parameters, they are consistently coming down. Slippages, the type of underwriting we are doing, the type of monitoring control we are having over the assets, you can see for last more than 11-12 quarters. Slippage ratio is 0.11 or 0.12, one of the best in the system.

So, I do hope that the risk part is well taken care of. Of course, it is never comfortable to say that we have conquered everything. That risk is always there because as I said lending is a risky business. But all protocols, all safety measures are there in place and from central office level. That risk part is very well and regularly articulated to the field so that everyone is aware of the risks involved with lending part.

Analyst - Namit Arora, InGrowth Capital: Thank you very much for your detailed thoughts, sir. And all the best to the entirety. Thank you. Sorry, I had not introduced myself. I'm Namit Arora from InGrowth Capital. Thank you.

Analyst - Ramesh Bhojwani, Mehta and Vakil: Hello. Thank you. Sir, Ramesh Pojwani from Mehta and Vakil. I was seeing your results from March '22 to March '26. There has been a quantum improvement year-on-year, in all parameters, all the ratios, I think the March '26 results stand out as the best

performance till date. Few observations were there: one was, you have maintained consistently the PCR at 97.5 and in March '26 you have kept the provisional amount lower, that means you are confident that your recovery from written-off accounts as well as from the NPAs will still further accelerate, enhance over and above what has been done going forward.

Sri. Ajay Kumar Srivastava, Managing Director & CEO: Okay. Exactly yes sir, if you look at the numbers actual numbers our net NPA is around 600 odd crores and we certainly do not want to be in that situation where net NPA becomes zero that will be a challenge to maintain at zero level going forward so certainly we do not want to go to that level. And if you look at the numbers quarter on quarter, over the last many quarters, you can see, the addition to NPA is around 200 to 250 crores. Against that recovery is around 800 to 900 crores. In the full year, slippage is 1200 crores for 2025-2026 if you see. Against that recovery is around 3700 crores. So, this recovery more than slippage is happening for last three years consistently. And going forward also, we are pretty sure that it will happen.

Only thing which we have moderated is that till last year we were targeting and we were doing I will say recovery of more than 4000 crores every year. Now because stock has come down, the outstanding NPA numbers have come down. So, this year we are targeting around 3600 crores of recovery. So that is the only change. Rest other things continue as it is.

Analyst - Ramesh Bhojwani, Mehta and Vakil: It's very wonderful to hear. The other part was there is a Six-page section on ESG highlights in your presentation, in your highlights. In that, there has been a reference and an emphasis towards solar energy as a RE, renewable energy source, where the bank will play a leading role in funding the projects. Because yesterday we were in a company's meeting which said that the government of India has set a target of 550 gigawatts from solar power. So, it's a huge, huge, humongous opportunity for the enterprise and straight away to the banks. How do you see this panning out? Because one, many a company has started installing solar rooftops on their commercial premises, retail premises and in a company like Tata Power has taken the initiative of doing it on residential premises more in Delhi than in Bombay. So, this appears to be a very, very big line of business activity, entrepreneurial activity and obviously banks have to play a part in this to make it a success for the basic reason the government wants it. The Prime Minister has initiated three schemes whereby almost more than 1 lakh 60 thousand crore has been given as incentive under PLI and ALMM and other schemes. So how is your bank positioning itself considering the evolving framework or the evolving scenario going forward?

Sri. Ajay Kumar Srivastava, Managing Director & CEO: We are very, I will say, not very aggressive, but of course we are aggressive as far as solar lending is concerned. In almost all the committees at central office, whether it is ED level or GM level or MD level committee, one or two proposals of solar lending, it does come. At corporate level also, at mid-level also.

And over and above, Government of India, as you said, that lot of emphasis is there. Pradhan Mantri, Surya Ghar Beezle Yojana is there in which all individuals are eligible and government is giving subsidy also. Even we as banks, wherever we are having our own premises, we are looking for the opportunity to install solar panels on the rooftop.

So that level of awareness and aggressiveness is there. We are very open, we are having at least three different schemes at very attractive rates and at very attractive terms and conditions which encourage people and companies to come forward, come to us for lending support. And I will say that it is one of the top five important parameters for us going forward in which lending is going to happen in this year.

Analyst - Ramesh Bhojwani, Mehta and Vakil: That's wonderful, very nice to hear of that. Sir, the last thing is, there is IMD has forecast a 94% of the average rainfall going forward, which will at least put

pressure on our agri-advances which are being shown as 1 lakh crore. One, the government, the agriculture ministry, fertilizers, as well as otherwise, will take care to mitigate the effect. But this area appears to be an area of concern. Maybe it can reflect in our NPAs or maybe any government co-guarantee in the MSME sector as they have done because of this West Asia crisis can help.

Sri. Ajay Kumar Srivastava, Managing Director & CEO: Exactly. When monsoon is not good, naturally it will be having an adverse impact on agriculture. That is a given thing. What I can say about IOB, the portfolio you are talking about, Of course, as I said that agriculture will get impacted and ofcourse we have to find our ways to how to manage. But as far as our portfolio is concerned, I will say that since we are south-west, a major part of the agriculture happens in Tamil Nadu and southern regions. And where it's not crop loan, the typical crop loan which happens in the rest part of the country.

In that geography in which we generally operate, mostly operate, there is agriculture jewel loans, backed by jewel. It's not pure crop loan. And since jewel is available as security, we do not face over the years also, IOB in particular, we do not face any challenge in agriculture NPA. Rest part of the country, of course, it's independent crop loan, no security other than crops. So that challenge remains.

Analyst - Ramesh Bhojwani, Mehta and Vakil: Thank you.

Analyst - Rupsen Umrani -: Hello, sir. My name is Rupsen Umrani. First, I want to give your team many congratulations on behalf of many financial crisis that your bank net operating profit that one 10,000 crore and net profit that 5,000 crore. That beautiful journey is that one. Then future, what you think about the financial market and how you give your customers relief, sir?

Sri. Ajay Kumar Srivastava, Managing Director & CEO: We are a commercial organization. We believe that growth is the lifeline. So we need to grow. And we need to grow in all spheres of banking where growth is required, other than, of course, bad debts and NPAs. And every year we target 13 to 15 percent of growth in all critical parameters. And last three years we have been successfully surpassing that.

Last financial year also the plan was to grow at 13 to 15% both sides, asset liabilities. But we grew by 24% in credit and 18% in deposit. So, the same trend will continue. We do not want to do any special thing, the momentum which we have created. I would like to continue with that going forward also.

Analyst - Devansh Jani, Motilal Oswal: Hello sir. Sir, I am Devansh from Motilal Oswal. Sir, first of all congratulations for your good results. So, first question is, your taxation, provision for tax have been little volatile and like going forward can you give any guidance on effective tax rate?

Sri. Ajay Kumar Srivastava, Managing Director & CEO: For taxation there are two things. One thing is that in Q3 of last financial year, we shifted to new tax regime that is 25%. But since we are having accumulated losses still in the balance sheet, so that tax is not payable. That is one part of the story. So ,no tax as such. And of course, if you are talking about some tax demands which have been raised by the authorities, so against that I am having a number which I can share with you. Last three years there has been a demand of 4832 crores pertaining to previous assessment years starting from 2013-14.

These are the additional demands which we got recently over the last three years. And against those 4,833 crores of raised demand by the tax authorities, we got a refund of 6,318 crores during these three years. So whatever demands have been raised, more than that we have got as a refund also because of previous cases getting settled in favor of the bank.

Analyst - Devansh Jani, Motilal Oswal: Sir, one more thing. So, your CD ratio has gone from 80% to 84%, the global one. So, going forward, do you foresee any liquidity stress on it? And how comfortable are you? What is your cap on maintaining that?

Sri. Ajay Kumar Srivastava, Managing Director & CEO: Certainly, there is no challenge. See, CD ratio is one part. And there is no regulatory prescription as far as CD ratio is concerned it's a general perception that it should be around 80% but if you want to have a regulatory prescription that what percentage is ideal there is no such guideline available. We have been focusing on LCR and every day we are monitoring and reporting to the authorities. As on yesterday the LCR is around 151% of the bank as on March '26 it was around 122-123%. So even if we are growing at 20% or 21% in credit side, we do not see any challenge on liquidity side.

Analyst - Devansh Jani, Motilal Oswal: Okay, sir one last question. So, from your advance book, you have around like 5 to 6% going to overseas, but your NPA contribution from your overseas account is around one third. Sir, any like, what is your outlook on the overseas account and going forward what will be numbers look like?

Sri. Ajay Kumar Srivastava, Managing Director & CEO: Yes, these NP accounts in overseas center, they are legacy accounts very old ones because recent slippages last three years. There have not been many as far as slippage is concerned, whether domestic or overseas. So, one thing is that they are legacy accounts and all those cases are in various stages in different courts overseas itself and there is that overseas centers other than court and there is no SARFAESI or no DRT, nothing like that. We have to go through court only. That process is on and whenever court decides, we get whatever we are required to get.

Analyst - Devansh Jani, Motilal Oswal: And one more thing, sir. So, on your advances from overseas, it's been year-on-year it's been mostly flat. So, is it because of the geopolitical issue or you are changing your focus to other revenue?

Sri. Ajay Kumar Srivastava, Managing Director & CEO: No, it's part of the strategy. I will give you one number, like, yield on advances for the bank. If you look at domestic yield on advances is 9.08% above 9. If you take overseas, then it comes 8.92 because the margin part at overseas centers is not much, so wherever we get good margin, good security, only there we go for lending because it affects my NIM also, yield on advances also, many parameters get impacted by that.

Analyst - Devansh Jani, Motilal Oswal: So any guidance on your NIM margin going forward?

Sri. Ajay Kumar Srivastava, Managing Director & CEO: Yes, 3.2, I think. Global it is 3.21, domestic it is 3.32. We expect to maintain at this range between 3.30 to 3.35.

Analyst - Devansh Jani, Motilal Oswal: Okay sir, thank you.

Moderator: Dear friends, requesting you to please raise your hands for any questions.

Analyst: Good morning, sir. Congratulations for the results. And so, my question was MSMEs NPAs ratio have seen some increase. So, like what are your, are there any specific MSME segments or regions where the bank is witnessing stress currently or are they the geopolitical, or is this the reason due to the geopolitical constraints going around?

Sri. Ajay Kumar Srivastava, Managing Director & CEO: No, MSME, our NP percentage is 2 only, around 2, I think 2.4 or something. So, it's certainly not high. And the West Asia crisis, I already replied that MSME, Last three years we have not seen any challenge in any portfolio as far as because of disturbance in West Asia. Individual cases may be there and I think with the implementation of ECLGS 5.0



which Government of India has given, I think even if any challenge is there, I think that will be taken care of very well by this ECLGS scheme. Going forward, I do not see any challenge.

Analyst: Sir, the overseas NPA's book account remains elevated relative to domestic. So, is there any outlook?

Sri. Ajay Kumar Srivastava, Managing Director & CEO: As I said, it's all legacy accounts. Nothing has slipped over the last three years as far as overseas is concerned. Any substantial account, I will say. All are legacy accounts of 2015, 2016, 2017, and those cases are at different stages in various courts. So, we are waiting for the decision, but fresh slippages, fresh addition to NPA last three years from overseas centres is negligible.

Analyst: Sir, my last question would be, will the bank continue towards the RMA section, that is retail, MSMEs and Agri, as we have seen their substantial growth towards that specific section only, or will there be some diversification or diversification in fees collections as well?

Sri. Ajay Kumar Srivastava, Managing Director & CEO: No, RAM will be our priority going forward also. Retail, Agri, MSME and why because I will say that we are having 3500 branches almost and they are spread across the geography in every nook and corner of the country. And this retail, agri and MSME can be done by all branches, all branch managers, everyone can do. And that is how, since all branch managers are taking lending decisions, a lot of enablers have been given to branch managers. Processing centers have been established where processing of the loans happens very quickly. So, the combined sum of all these things is resulting into substantial growth of RAM lending and the focus will remain there.

Analyst: Thank you so much sir.

Sri. Ajay Kumar Srivastava, Managing Director & CEO: Just to add, RAM itself is diversified. So, RAM means we are having a granular portfolio and it is a diversified portfolio.

Analyst: Got it, sir.

Analyst - Ashok Ajmera, Ajcon Global: can I take it up from there which you answered. So now sir, we have come to almost I think 21-79, 79-21 ratio on the RAM and corporate if I am not wrong. So, we are going towards basically like any other NBFC or this thing that our reliance is getting more and more on the RAM, which you said the point is well taken that yes, you have got branch network and everything. But don't you feel that the time has come again when we should little bit relook at the corporate side also and see some good corporates with because the NIM, is also high. I mean, the interest paid is also higher. I'm not talking about the large corporate, but maybe A rated, BBB plus. Is there any kind of thinking so that even, I mean, the loan book is already growing very well, but still it can get still flipped. You know, from current this thing, you can go to 8.5 lakh to 9 lakh crore business Bank.

Sri. Ajay Kumar Srivastava, Managing Director & CEO: See, corporate lending is still happening. But the issue is that this corporate gets classified in MSME and agriculture also. Like state government, there are many agricultural marketing boards. Like, for example, SIDBI. So all they are corporates only, 4,000-5,000 crores we are giving. But it gets classified in retail and agriculture and MSME. That is one part of the story.

Second part is that by doing RAM, if we are growing at 24% and having a good NIM of 3.33%, Why I should be going for those type of corporate loans where margin is not there? Our focus is on growing with substantial margin. So, we are not into that business where AAA rated any company is demanding at 6% or 6.25%. We very politely say no, because that is not our priority area. Wherever we are having opportunity to lend, of course we are lending, that is how we are growing. But at good margin, there is



something for IOB also. So, we venture into that corporate only at that point of time. Otherwise, if it's not making sense, we do not do that.

And that 24% growth with that margin, I will repeat, I think the strategy is working fine and wherever we get opportunity, we do lend. It's not as if that corporate lending is closed. Still, we are having 13,000 crores of pipeline, which is already sanctioned and in the process of disbursement.

Analyst - Ashok Ajmera, Ajcon Global: Will you give some color on the gold loan Agri and non-Agri and the total gold loan and...And the relationship with the NBFCs and our exposure on NBFC and then co-lending space also?

Sri. Ajay Kumar Srivastava, Managing Director & CEO: Almost 70% of the jewel loan will be agriculture. The remaining will be classified as retail and MSME. And of our total credit portfolio, around 30% is jewel loan. And very solid and robust portfolio. No NPAs, no SMAs, good return, risk rate zero. Capital requirement is not there.

And co-lending, I think one or two companies. Two companies only we are doing, not many. Our own branches are taking care of most of the things as far as jewel loan is concerned.

Analyst: Hello. Okay, sir. What portion of your retail loans is now sourced fully digital?

Sri. Ajay Kumar Srivastava, Managing Director & CEO: It should be around 21 to 22 percent.

Analyst: And how have been the delinquencies compared to branch source loans?

Sri. Ajay Kumar Srivastava, Managing Director & CEO: Not much. Because overall slippage ratio is hardly anything. Which makes me believe that whether it is happening through digital mode or at branch level also. I think quality is good and SMA are coming down, slippage is not happening. So, I have every reason to believe that through digital also quality is good.

Analyst: And how much your fee income has not grown this quarter, YOY also? Going digital on it, I think YOY it's not grown.

Sri. Ajay Kumar Srivastava, Managing Director & CEO: Fee income, I think it is stagnant, I will say. It has grown by...

Analyst: Yeah, overall on the year-on-year basis it has grown, I was seeing on the last quarter.

Sri. Ajay Kumar Srivastava, Managing Director & CEO: Let me see the numbers. If you can show it on the screen, slide number. Fee based income we have grown by 15.63%.

Analyst: Yeah, overall on a yearly basis. I was seeing on the quarter basis.

Sri. Ajay Kumar Srivastava, Managing Director & CEO: On a quarterly year on year basis. Last year Q4 to this year Q4. That detail I may not be having. But overall if you see full 12 months, from 2418 to 2796 crores, 15.63% growth is there.

Analyst: And what other operational parameters you think you know you have to still make the change in the bank and which is the most you think can increase your efficiency more in this bank?

Sri. Ajay Kumar Srivastava, Managing Director & CEO: 96% of our transactions are happening through digitally. Year on year, and quarter on quarter we are improving on that. And the major focus is that since in the branches across the counter that footfall is not there and customers are not much there in the branches. What we are doing is that the people who are working in the branches, we are using them for sales and marketing. And that has brought lots of efficiency. The digital part takes care of the



time and energy. And the employees who are in the branches, they are out in the market sourcing business, onboarding customers. And combined sum of these two has brought in lots of efficiency in the system.

Analyst: So internally have you set any ROE or ROA targets for the next over a three year period? And is this ratio sustainable if you don't have the recoveries from those legacy accounts, you will be confident to sustain these ratios?

Sri. Ajay Kumar Srivastava, Managing Director & CEO: Absolutely. This question someone asked last year also. ROE if you see quarter on quarter that it's already given. We started from last year I think 0.92, we are at 1.23.

Analyst: Yeah, you have done very well.

Sri. Ajay Kumar Srivastava, Managing Director & CEO: Before it was 1.32 in fact. So anything, our baseline is that ROA at any point of time should be above 1.20. That is the baseline. Above that, of course, we will try to do better. For the full year it is 1.23. So there is no internal guideline as such. ROAs and ROEs are the end result, the by-product of whatever we are doing.

Analyst: But have you set any aspirational target?

Sri. Ajay Kumar Srivastava, Managing Director & CEO: No such target as it is, but the baseline is there that below this it should never come up.

Analyst: But in spite of that, actually your valuations are still cheap actually, but because maybe there is no floating stocks. Is there any thought from the government what they want to do?

Sri. Ajay Kumar Srivastava, Managing Director & CEO: That is something which of course we are also grappling with. And maybe this year we will try to do something. In March, last financial year, two months before, we wanted to do one QIP. We did road shows also, but because of West Asia crisis, all those things, all of us had done it, flared up in last fortnight of March. So, we had to drop that idea. But this year again, we'll be back with that. So let us see. That creating a float in the system, that is a challenge, and we are working on it.

Analyst: Is there a thought from the government already?

Sri. Ajay Kumar Srivastava, Managing Director & CEO: That 75% minimum, that is the requirement by SEBI. That's applicable to everyone, including us. Okay. Thank you.

Analyst: Thank you, sir.

Analyst – Manoj Kale,; Hello. Yeah, this is Manoj here. Actually, I wanted to know what AI is going to affect actually on the bank in future in regards to growth, jobs, all those things.

Sri. Ajay Kumar Srivastava, Managing Director & CEO: Yes, that AI part, our CTO gave that presentation. There are certain things which we are doing and maybe detail I will ask CTO to respond. But of course what I can say is that it's one of the key components and we are very aggressively looking at AI part. A brief part of some products we are doing if you can explain a little bit.

Sri. Ahamed Kabeer, General Manager, Information Technology Department: So, we have been...We have been moving into the AI part is not as a POC but as a full-fledged system. So we have been doing this for our automation of robotic process automation wherein all our routine tasks are being automated, and we are using this for our reconciliation as well and we are using this more for our fraud monitoring system and we have also the RBI mule hunter which is being there, which is an AI tool and because there are a lot of mule accounts which are being, which is being identified and we are using the



AI for that purpose and we are still moving into that directions wherein more and more initiatives will be taken by the AI.

Thank you, sir.

Sri. Dhanaraj T, Executive Director: In fact, our technology investment is increasing year on year, up to 15%. So, we are fully aligned with what is happening in the industry.

Moderator: Thank you, everyone, for your valuable questions.

As we have no further questions, we come to a close of the question and answer session. Now I would like to invite Shri Ajay Kumar Srivastava, our Managing Director and CEO sir, to share a few closing remarks.

Closing remarks

Sri. Ajay Kumar Srivastava, Managing Director & CEO: Thanks to all of you for sparing your time and coming here and listening to our growth story.

Only thing I want to say that we want to be known as a consistent bank, consistent performance. Last three years we have been successfully doing that. Quarter on quarter, year on year, whatever is supposed to improve, it improves. Whatever is supposed to come down, it is going down. And going forward also, we intend to maintain that consistency with handsome growth of double digit, I will say. Thank you, everyone.