



# Indian Bank Q3 FY'26 Results

## Post Earnings Conference Call / Meet

### Held on 22.01.2026

#### Transcript

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|                    | <b>Shri Shiv Bajrang Singh</b><br><b>Executive Director</b>                    |
|                    | <b>Shri Brajesh Kumar Singh</b><br><b>Executive Director</b>                   |
|                    | <b>Ms. Mini T M</b><br><b>Executive Director</b>                               |
| <b>Moderator:</b>  | <b>Shri Anand Dama</b><br><b>Analyst, Emkay Global Financial Services Ltd.</b> |

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

Good evening, ladies and gentlemen. I welcome you all to Indian Bank's Post Results Conference Call for the Third 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, Shri Brajesh Kumar Singh, Executive Director, and Ms. Mini TM, Executive Director.

First, I would request the MD sir to briefly summarize the key highlights from the Q3 FY26 results and also provide strategic direction on growth, margins, and asset quality, post which we'll have the Q&A session. Over to you, MD sir.

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

Good evening, all. Thank you, Anand, for hosting, and all the participants for joining. We have just published our results, and the total business of the Bank grew by 13.34%, Rs 14.30 trillion. Deposits reached Rs 7.91 trillion with a YoY growth of 12.62%. CASA also, with a growth of 9.86%, reached to Rs 2.96 trillion.

Advances also, one thing I will highlight, my bulk has remained at the same level whatever it was in the September. Global advances grew by 14.24% and reached Rs 6.39 trillion. Corporate grew by 8.16% and crossed Rs 2 to 2.01 trillion. RAM grew by 16.65% and reached Rs 3.90 trillion. Retail grew by 18.54% and reached Rs 1.36 trillion. Agriculture also grew by 15.14% and reached Rs 1.49 trillion. MSME grew by 16.41% and reached Rs 1.05 trillion. My CD ratio is 80.77%.

Coming to P&L, net profit grew by 7.33% and reached Rs 3,061 crore. Operating profit also grew by 5.79% YoY and sequentially 3.87% and reached Rs 5,024 crore. First time we have crossed operating profit of Rs 5,000 crore. Net interest income, we have seen growth of 7.5% YoY and 5.27% QoQ, and reached Rs 6,896 crore. Domestic NIM has improved sequentially from 3.34% to 3.40%.

ROA also, I mean, there is marginal decline from 1.32% to 1.30%, but that is well above the guidance whatever we have given of 1.20%. 1.32% is for the nine-month ROA. Provision coverage ratio is at 98.28%. Cost-to-income ratio of 46.90%. Credit cost 0.21%. Capital, we are well capitalized, 16.58%. Rs 2,000 crore of Tier 1 bond has retired, but we have not gone for raising fresh Tier 1, because we are still well capitalized. CET1 is 14.54%. Gross NPA has come down to 2.23% and net NPA 0.15%.

Fresh slippage during the quarter has been Rs 997 crore, and recovery is Rs 1,453 crore. If I talk of the nine-month recovery, nine-month recovery is approximately Rs 5,200 crore, to be precise Rs 5,153 crore, against a guidance of between Rs 5,500 crore to Rs 6,500 crore. So, we are on track of that. Slippage ratio has come down from 0.79% to 0.69%, which is within the guidance. Slippage in absolute number is also only Rs 997 crore. SMA, it has come down substantially. There is substantial improvement in SMA, from 11.88%, it has come down to

5.05%. SMA 2, on top of it, it seems like it has gone up from Rs 632 crore to Rs 3,689 crore. But there are two PSU accounts which keep on oscillating in SMA, at times it is in SMA 0, 1 or 2. So, because of that, if we take out that number, SMA 2 is also very much under control.

My MCLR-linked loan book is 46.07%, and out of that, repricing in this quarter is also due of around 37%, next quarter also, wherever quarterly reset or half-yearly reset is there, so that is 20%. Deposit also, repricing is due 18% in this quarter and 53% in next quarter.

Many initiatives we have taken for CASA. CASA, like salary account, as I have been discussing in previous quarters, we are focusing hugely on CASA. Salary account also, and this quarter, we have provided fintech solution to around 22 different state government departments. We have added non-SNA account of more than 1,000 accounts, and average balance in savings fund accounts has gone up from Rs 26,000 to Rs 36,000. Similarly, average balance in current account has also gone up from Rs 2.12 lakhs to Rs 2.44 lakhs and we have launched five new products in July. So, in that product, we have opened more than 5 lakh accounts and we have garnered business of Rs 1,500 crore in that.

Account opening also, we are seeing good traction. Whatever it was opened last year, we have surpassed that in nine months itself. Savings fund, current account, and sanction also, whatever it was sanctioned in the last financial year, Rs 2.62 trillion. So far in these nine months, we have already sanctioned Rs 2.95 lakh crore. We are also focusing on non-fund business, and that's why there is improvement in the processing charges and LC/BG commission, there is improvement we have seen in our traction. AUC recovery, we have guidance of Rs 2,000 crore. We have already reached that figure Rs 2,000 crore we have already reached. NCLT recovery, one good account/ one chunky account has been recovered during this quarter. In that, around Rs 300 crore recovery has come, so through recovery through NCLT is Rs 338 crore.

On digital front, we are investing hugely and going forward, I expect that benefit of that has already started, we are accruing, but not to the extent we desire. So, we are taking various measures for increasing our digital adoption so that benefit of that may come to us. Now I will request my colleague, Shri Ashutosh Choudhury, to discuss about the digital products and thereafter, we can proceed with. Last point, we have a good pipeline of around Rs 50,000 crore in the corporate credit. Over to Ashutosh.

### **Shri Ashutosh Choudhury, Executive Director**

Good evening, all. The Bank's digital business footprint is at Rs 1.98 lakh crore for Q3, nine months ended FY26. That is a growth of 66% YoY and cumulative digital business has crossed Rs 4.52 lakh crore. So, our fintech partnership has gone up to 169. The digital transaction has grown by Rs 12.54 crore. We have 147 digital journeys now, and our mobile app rating is 4.4 star. The digital transaction is 94% and the branch transaction is 6%.

In digital Banking, the mobile Bank user and the transaction has grown 21% and 14%, respectively, YoY. The UPI users and transaction have increased by 21% and 28% YoY. So

the users of internet Banking have grown by 5%, and the debit card has grown by 7%. So, our mobile Banking app has two features. One is for retail, and one is for MSME. In the retail, we have total number of 2.25 crore customers and having a financial transaction value of 50,000+ crore during this quarter. The best part is that our MSME app, which was launched last financial year in February '25, has a customer base of around 25,000, and the platform has a login of 2.42 lakhs and their financial transaction value is 14,000+ crore during this Q3.

So, the digital business, against a target of Rs.2,25,000 crore, we have already achieved Rs.1,98,350 crore till nine month ended, and we are pretty sure to surpass this particular target. If you see the digital adoption, it has consistently increased YoY. The liability has increased from 37% to 43%. The retail asset has increased from 74% to 92%, agri from 83% to 96%, MSME is from 86% to 94%. We have launched 10 new MSME journeys, so that is yet to pick up. That is why the overall is showing 73%. E-BG issuance has grown from 4% to 27%.

So, last quarter, we launched a separate set of niche customers, that is virtual Banking experience customers. In a single quarter, we have reclassified 6.33 lakhs of customer into that segment. Then, with RBI-ULI, also we have sanctioned more than 1 lakh of loans, amounting to 12,000-plus crore against a target of Rs 9,000 crore. We have implemented 13 initiatives in the last quarter, and the same kind of pipeline is there with us in the future also. If you see, for the customer engagement, we have launched a virtual ATM. We have launched a lot of things, but I'm only concentrating on virtual ATMs, where through an aggregator, we have tied up with 6 lakh-plus merchants, where the cash can be withdrawn. So, we have also introduced the new Fastag system during Q3, and there are some ongoing projects. The CRM project, two modules we have launched, another three modules we are going to launch soon.

Employee Assist, it is a new concept that we have introduced in our Bank for our own employees to assist them about the process, guidelines of the Bank and Banking industry. And we are also started using agentic AI, and some of the use cases are in customer onboarding, corporate ecosystem, then lead nurturing and management, personal finance management segment, then grievance redressal system, and tracking suspicious transactions. So, these are the use cases where we are going to use, and you are using also.

If you see, in the operational efficiency parameters, we have migrated to cloud for our optimum utilization of hardware. Then we are going for data like project, and some of the process, we are planning for robotic process automations. So, while we are going very fast on digital and also swiftly moving towards our intelligent Banking system, we are also planning to establish a resilience operation center in the near future. With that, sir, the digital part is over. Thank you.

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

Before going to Q&A, the one thing I will add. Last quarter, I have made provision of 5% on SMA 1. This quarter, I have increased it up to 10%, so additional Rs 380 crore provision we have made on SMA 1.

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

Sure, sir. We will now open the floor for Q&A session. Anybody who wishes to ask question shall raise their hands. I request the participants to limit their questions to two per participant, and for further questions, please join back the queue. So, any participant, if you have a question, please use the Raise Hand option.

Yeah, we have first question coming from Mr. Ajmera. Ajmera ji, please unmute yourself.

### **Ashok Ajmera, Analyst**

Yeah. Thank you, Anand, for giving the opportunity first, as usual. And compliments to you, sir, for the fantastic quarter. I think you not only, according to me, not only surpassed the operating profit, the highest operating profit, but even the net profit also. I think post-tax provision also is the highest, as I see in 10 quarters. So, it is probably may be the highest ever even net profit also. So, my compliments to you and the entire team of Indian Bank. Even on other parameters also, you have performed very well. Your asset quality also has improved, and your net NPA now has gone to 0.15%, 15bps. So, below that, there is hardly any scope for getting it down. So, the provision may not be required so much. But having said that, sir, my first question is basically on the ECL that the provisioning will continuously still will be required to be made. And you said that you have made the additional provision on SMA 1 even in this quarter also of Rs 380 crore and some other floating provisions. So, where do we stand as far as our preparations for the ECL implementation, which is coming soon? And how much are you going to absorb everything before the April 2027, or you are going to take the benefit of those extended period allowed or permitted?

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

See, we have assessed ECL requirement on various permutation and combination. So, not giving that number because that will not make sense. Because we have also, I mean, that draft guidelines was open for discussion and for comments. So, we have sent some comments to RBI and expect, I mean, I don't know, but let us see what comes finally in the guidelines. So, based on that, but as far as my preparedness is concerned, my endeavour will not definitely to take five years. So, first year itself, we will do whatever we have to do. Quarter-wise, we'll see, let us see how many quarters that will take. But definitely not more than one year. So, that much I can tell you, and this philosophy will continue, that wherever we can make some provision so that the quarter we shift to ECL impact is minimum.

### **Ashok Ajmera, Analyst**

Sir, in your initial remark, you had covered some, I think, SMA 2, but as I see the total overall number of SMA 2 of this quarter is Rs 4,309 crore as against the last quarter of Rs 1,448 crore. So, I just couldn't hear properly. I mean, what is the explanation? You said you are comfortable on that. So?

**Shri Binod Kumar, MD & CEO**

Yeah, yeah. There are two PSU accounts where state government guarantee is available. So, last quarter, that was in SMA 0. This quarter, it has come to SMA 2. So, I mean, chances of slipping these account are, I mean, very less.

**Ashok Ajmera, Analyst**

How much is that quantum of these two state government accounts?

**Shri Binod Kumar, MD & CEO**

Rs 3,000 Crore

**Ashok Ajmera, Analyst**

Okay. So, basically, we are only 1,309 if you remove those state government accounts, and there is no chance of slipping them in NPA, isn't it?

**Shri Binod Kumar, MD & CEO**

Yes.

**Ashok Ajmera, Analyst**

Sir, as far as the overall business growth is concerned, of course, on annualized basis, still we are at comfortable this thing. But if you see the nine months' numbers, on credit growth, we are 8.62%, and on the deposit side, we are 7.29%. So, you have a strong pipeline, you said. But at the same time, on the capital adequacy-wise, we are at almost nowadays, whatever the normal CRAR is there of the Banks guarantee, we are at the little lower side of, say, 16.58% of the CRAR. So, considering CD ratio is 80.77%. So, considering all this, whether you will reach the target, you will surpass the target given, and whether your pipeline and the other adequacy is available that you reach the target or cross, especially on the advances front?

**Shri Binod Kumar, MD & CEO**

Yeah, yeah. Whatever guidance we have given, we'll surpass that. There is no doubt in that. Because see, even in this quarter, I have sold IBPC of Rs 7,000 crore.

**Ashok Ajmera, Analyst**

Yeah.

**Shri Binod Kumar, MD & CEO**

If not sold, that will add to my growth only.

**Ashok Ajmera, Analyst**

No, that is there. But I mean, where is it coming from? Like, your corporate, I think you said Rs 50,000 crore

**Shri Binod Kumar, MD & CEO**

Pipeline is there.

**Ashok Ajmera, Analyst**

In the sanctioned pipeline.

**Shri Binod Kumar, MD & CEO**

Yeah, yeah. RAM, we are seeing good growth. Retail also, if you see, we have grown by 18%. MSME also, we are seeing good growth of 16%. Agriculture also 15%. So, good growth is coming through RAM sector. And in few sectors in corporate also, we are seeing good demand, like green finance. There are various subsets of green finance, like EV, solar panel manufacturing, solar power plant itself. So, few sectors, we are seeing good demand. And then one logistics sector is also coming up. So, lot many proposals we are getting for the warehouse development. So, we are seeing good growth.

**Ashok Ajmera, Analyst**

The last question in this round, sir. On the treasury front, I think we are doing reasonably well. So, what is going forward in this remaining quarter of the FY26, where do we stand as far as our treasury performance is concerned?

**Shri Binod Kumar, MD & CEO**

See, treasury, we should be able to maintain. I mean, although, if you see, yield has hardened as compared to the last quarter, but still we have generated profit of around including forex, around Rs 500 crore. So, treasury, next quarter, I am expecting somewhere around Rs 350 crore. So, there will be/ I am expecting some moderation in the treasury income, so around Rs 350 crore, I am expecting that.

**Ashok Ajmera, Analyst**

Okay. So, this will little bit taper down?

**Shri Binod Kumar, MD & CEO**

But if you see, Q2 also was only Rs 330 crore.

**Ashok Ajmera, Analyst**

Yeah, yeah. But in this quarter, it was investment, if you see in the other income also, it is Rs 342 crore treasury. So, I mean, the estimate of Rs 350 crore overall looks a little conservative. And then, impact of this new labor code also will come, sir, now, I think. So, there also, the gratuity and the leave encashment, I mean, all those factors are there. Has that been assessed for the calculating the profitability?

**Shri Binod Kumar, MD & CEO**

Yes, assessed, and we have impact of only Rs 56 lakhs. To be precise, Rs 55.86 lakhs.

**Ashok Ajmera, Analyst**

Thank you very much, sir. And thank you, Anand, for giving me so much of time.

**Shri Binod Kumar, MD & CEO**

Thank you, Ajmera ji.

**Anand Dama (Host – Emkay Global)**

Thank you, Ajmera ji. Next question, we'll take from Kayuri. Kayuri, please unmute yourself.

**Kayuri, Analyst**

Hi. I just wanted to know whether the asset quality and loan growth will incrementally improve from hereon

**Shri Binod Kumar, MD & CEO**

Got it. So, asset quality, we are already at very good level. Gross NPA, 2.23%, net NPA, 0.15%. So, what improvement? I mean, we will maintain that. I have already given guidance of less than 2%. We'll maintain that. Net NPA, 0.5%. We can do 0, but then after 0, what to do? So, we will maintain that, and expecting slippage ratio, I may also expect that this level of slippage ratio will continue. Only aberration remains March. In March, because branches where people go for audit to the branches, at that time, some MOCs is being passed by them. So, to that extent, there will be some impact on the asset quality. But after that, it remains steady. Credit growth, I'm hopeful that credit growth is also a function of how economy is doing. If you see, most of the estimates for credit growth is also coming around this calendar year also, next calendar year also, they are giving good guidance of between 6.5% to 7%. So, my expectation is even next year, credit growth, whatever we are maintaining, we will be able to sustain that.

**Kayuri, Analyst**

Thank you, sir.

**Anand Dama (Host – Emkay Global)**

Sir, in that context, how do you expect the deposit growth to pan out right now? We have scope to improve the LDR, but deposit growth in the system certainly remains a challenge. So, what is that you think, like, how deposits will mobilize, how CASA is going to come through, and whether that's going to be a challenge for you?

**Shri Binod Kumar, MD & CEO**

Yeah, yeah. See, I am part of the industry, so I cannot be aloof of them. So, impact of that will come definitely on us. And already if you see, after December, already bulk rate has gone up by 20-30bps because credit growth is good, deposit is not coming. And CASA, what I am feeling, CASA is a structural change. Behaviour of the people is a structural change, and they will shift to other modes of investment. Having said that, we are taking so many measures on CASA, and we are instead of relying on one or two bulk, chunky deposits, we are trying to make it granular so that we can have float volume. That's why, if you see, a lot of efforts are being put on the technology side, QR code, salary account, cross-sell. So, because of that, we will be able to maintain or may be marginal decline, not only in this quarter, going forward, I am seeing.

Not immediate future, but going forward, may be if deposit is not coming, bulk is very high, then we have to see other sources of deposit raising. Like, we may go for some bond, etc. So, these sources will come into play going forward. So, net-to-net there will be some moderation, some impact on the NIM. Ultimately even if we are giving so many facilities in our saving fund product or credit card, so ultimately, these are adding to our cost only. So, it will happen, but it will happen gradually. It's not like overnight, it will drastically change.

**Anand Dama (Host – Emkay Global)**

Sure, sir. Sure. Next question, we'll take from Parth Gutka. Parth, please unmute yourself. And any other participants, you have questions, please use the Raise Hand option now. Parth, please unmute yourself.

**Parth Gutka, Analyst**

Yeah, hi. Thanks. Thanks, Anand. So, sir, on Slide 19, within the Opex line items, the insurance cost has gone up materially during this quarter. Any specific reason for the same?

**Shri Binod Kumar, MD & CEO**

Yeah, yeah. DICGC, they have changed some formula. I mean, a few accounts for which they were not asking earlier premium, they have added these accounts, and they have also asked for the yesteryears. So DICGC cost itself has gone up by Rs 128 crore. Out of that, Rs 82 crore relates to previous years, remaining relate to this quarter, which will also be going forward, that will continue. Around Rs 60 crore increase in DICGC premium will continue.

**Parth Gutka, Analyst**

Okay, sir. Thanks. And my second question is, within Opex, within the employee's benefit, that line item has also gone up, as in, the increase in the line item is much more than the overall Opex growth. Anything to highlight there, sir?

**Shri Binod Kumar, MD & CEO**

AS 15, we have made. If you see, from last quarter, it has gone up by Rs 102 crore. So that is purely based on the actuarial valuation.

**Parth Gutka, Analyst**

Okay, sir. Thanks. Thanks a lot.

**Anand Dama (Host – Emkay Global)**

Next question, we'll take from Darshil. Darshil, please unmute yourself.

**Darshil, Analyst**

Good evening, sir. Thank you so much for taking my question. Hopefully, I'm audible.

**Shri Binod Kumar, MD & CEO**

Yeah, yeah, audible.

**Darshil, Analyst**

Yeah. Hi, sir. So, sir, we've previously given guidance in regard to NIM and ROA. But we are already outperforming that guidance. So, is there a positive upgrade that you would like to issue? Because I think we were saying around 3.1% to 3.3% in NIMs, and we're already at 3.45%. And similarly, ROA is also, we are performing much better than what we've guided. So, may be for next year and this year, are we upping the guidance, sir?

**Shri Binod Kumar, MD & CEO**

I mean, this year, even if I don't upgrade, already I think we will surpass that, both NIM and ROA. ROA also, I expect for the year also, it should remain around 1.30%, because in nine months, it is 1.32%. But this quarter may be 1 or 2 basis points NIM negative impact may come because MCLR book is repricing around 37% in this quarter, including three month, six month, all. Out of that, one-year MCLR is around 19%, is repricing. And impact of 25 basis rate cut, two months will come in this quarter. So, there may be some impact out of that. But part of that will be offset by deposit repricing, which is 18% in this quarter. So, may be 1 or 2 basis point may be it may go down in this quarter.

**Darshil, Analyst**

Okay, okay. And, sir, for FY27, so we can have the same levels or higher than this also? Like, can we try to mix it up?

**Shri Binod Kumar, MD & CEO**

Let us see. Because see, as I told, after December, already bulk rate has gone up by 20-30 basis point. So, let us see how this quarter pans out. Then it will be better to give guidance for the next quarter/ I mean, next financial year.

**Darshil, Analyst**

Okay, okay, fair enough, sir. And sir, just wanted to understand, like, when you say that there is some cost of funds is increasing for you. So, structurally, what you feel that there'll be more intensity? Like, there'll be pricing issues, like from other Banks also that will push this cost of funds higher, or how do we see that, sir? Because our reach and network are there, we'll be kind of shielded from that. So, how do you see that intensity, sir?

**Shri Binod Kumar, MD & CEO**

No, no, definitely, see around 18% of my deposit is through bulk. Even if you see, against a rate cut of 125 basis point, even term deposit rate cut has been around only 60-70 basis points. So, impact will come. We will also be impacted. If bulk rate goes up, then definitely we will also be impacted. Cost of fund will go up.

**Darshil, Analyst**

Okay, okay. So, we can for next year, may be we can expect some cost of funds going up.

**Shri Binod Kumar, MD & CEO**

We will see. Because see, many things come into play. So, some strategies also evolve. We are also working, I mean, on how to at least maintain CASA share. So, many things we are working on. So let us see. But I mean, that will purely be the function of how deposits, I mean how term deposit and bulk deposit rate, how it comes out.

**Darshil, Analyst**

Okay, okay, fair. And the last question from my end, sir. Like, credit cost, what do we expect, sir, going forward, like, for this year and next year, sir?

**Shri Binod Kumar, MD & CEO**

Credit cost, we'll maintain this level. I think we will be able to maintain. Although I have given guidance of less than 1, but I think at least next quarter, I will be able to maintain, may be a

little bit it may go up, because, as I told in last quarter, through some MOC, some slippages increase. So, may be a little bit, 1 basis point, 2 basis point here or there.

**Darshil, Analyst**

Okay, okay, fair enough, sir. That's it from my side. Thank you so much, sir.

**Anand Dama (Host – Emkay Global)**

Thank you. Next question, we'll take from Jai Mundhra. Jai, please unmute yourself.

**Jai Mundhra, Analyst**

Hello. Yeah, hi, good evening, sir. A couple of questions.

**Shri Binod Kumar, MD & CEO**

Yeah, Jai.

**Jai Mundhra, Analyst**

Sir, first is, this IBPC transaction that we have done, sorry, I missed the amount. What was the amount?

**Shri Binod Kumar, MD & CEO**

This quarter, we have done Rs 7,000 crore.

**Jai Mundhra, Analyst**

Okay. So, sir, this Rs 7,000 crore you have sold. But you could have received some NII, right? Is there any positive, I mean, there will be some positive impact on NII.

**Shri Binod Kumar, MD & CEO**

Yeah, yeah, definitely.

**Jai Mundhra, Analyst**

Can you quantify, sir, if possible? I mean, how much you would have earned without being in a denominator thing? Rough number will also be okay.

**Shri Binod Kumar, MD & CEO**

Rs 240 crore. Rs 240 crore absolute number.

**Shri Shiv Bajrang Singh, Executive Director**

3%-3.25% for annual. So, half yearly, it was half yearly, so 1.87% roughly on Rs 7,000 crore. That would be roughly 1.6% annual.

**Shri Binod Kumar, MD & CEO**

So, percentage, you can calculate around say, differential, you can say around you can take 2%. So, on Rs 7,000 crore, 2% means around Rs 140 crore.

**Jai Mundhra, Analyst**

Right. So, 140 Crore is the additional interest earned on this.

**Shri Binod Kumar, MD & CEO**

Not interest earned, on interest saved.

**Jai Mundhra, Analyst**

Correct. Interest saved. Right. And there is no implication on the fee or other income, right?

**Shri Binod Kumar, MD & CEO**

No. No implication.

**Jai Mundhra, Analyst**

Okay, sure. And secondly, sir, I was under the impression that some of the, let us say you are a mid-size to small-size Bank, and there is a lot of news flow about M&A merger. So, other smaller Banks- they are showing much faster growth, right, may be to avoid any likely M&A, right? And at the same time, you are actually shedding Rs 7,000 crore in this quarter, and last quarter, you also shed. So, I was thinking that may be you will show more base versus you are actually helping yourself.

**Shri Binod Kumar, MD & CEO**

That decision of amalgamation will not depend on the one quarter growth. So that will of course, depend on long-term viability.

**Jai Mundhra, Analyst**

Okay, sure. Secondly, sir, if you can specify the total SMA. Now you have 10% provision on both SMA as well as SMA 2. And if you can specify, sir, what is the absolute amount of SMA 1 and SMA 2 and SMA 0, if possible?

**Shri Binod Kumar, MD & CEO**

Yes. Total SMA book is Rs 31,488 crore. Out of that, SMA 0 is Rs 12,000 crore, SMA 1 is Rs 8,000 crore, SMA 2 is almost Rs 11,000 crore. So, Rs 11,000 crore and Rs 8,000 crore, on Rs 19,000 crore, 10%.

**Jai Mundhra, Analyst**

Right. Right. Okay. And sir, on ECL number, so assuming, do you intend do you have a number in mind which you want to reach, or now you have 10% on both SMA 1, 2, you are there?

**Shri Binod Kumar, MD & CEO**

No, no, not there. Of course, because, see, that guidelines say, simply one guideline. They are saying LGD of 65%. That itself huge demand will generate. Then they are saying on restructured, they said all 100% PD. So, huge amount will be required. So, many things. Let us see how it pans out. But yes, of course, I will be working on to minimize the impact going forward as far as possible in the first quarter itself or in the second quarter so that we can absorb all these.

**Jai Mundhra, Analyst**

Correct. Correct. So, sir, what would be your assessment? Let's say you have around Rs 10 to 19 hundred crore as standard assets provisioning. Where do you want to reach? I mean, would it be like Rs 5,000-10,000 crore? How much will be that amount?

**Shri Binod Kumar, MD & CEO**

See, I mean, you cannot reach unless you have a profit. So, I have to worry of the ROA also. I have to see other parameters also. But any surplus whatever we are getting, maintaining ROA, etc. we will try to give cushion to the balance sheet. Not any specific number in mind.

**Jai Mundhra, Analyst**

Okay. Sir, other Banks have given, like, 1% of RWA number. So that is why I was just trying to benchmark. So, let's say, your RWA number would be around Rs 4 lakh crore. Other Banks have said around 1% of RWA.

**Shri Binod Kumar, MD & CEO**

Jai, I'm telling you scenario. Say, if they are accepting the request of the Banks that restructured asset not 100%, they still make, say, 50%, there will be huge impact. They accept to the request of, say, LGD from 65% to 60%, there will be huge impact. So, I mean, the Banks are giving their best-case scenario. There is worst-case scenario. So, who is talking what, we don't know.

**Jai Mundhra, Analyst**

Okay. Sure, sure. Sure.

**Anand Dama (Host – Emkay Global)**

Jai, please fall back in the queue.

**Jai Mundhra, Analyst**

Sure. Okay. Thank you. Thanks a lot, sir.

**Anand Dama (Host – Emkay Global)**

Next question, we'll take from Antariksha. Antariksha, please unmute yourself.

**Antariksha, Analyst**

Got it. Yeah, yeah. Good evening, sir. Sir, just two questions. One is, in the jewel loan or gold loan portfolio, can you tell us what is the incremental LTV that you're doing business in? Both in retail and in agri.

**Shri Binod Kumar, MD & CEO**

Somewhere around 65%.

**Shri Chandrasekaran V, General Manager (RBD & FI)**

Sir, in agriculture, we are having 75%, sir, as of now. And other retail and MSME, it is ranging from 65% to 75%.

**Shri Binod Kumar, MD & CEO**

But we have done one thing. We are taking price of the gold on the moving average.

**Antariksha, Analyst**

Okay. So, it's one-month, three-month moving average, something like that, isn't it?

**Shri Chandrasekaran V, General Manager (RBD & FI)**

Last 30 days or last day, whichever is less, we are taking.

**Antariksha, Analyst**

Okay. Okay, sure. And the second thing is, sir, you mentioned about bulk deposit rates going

up incrementally. I'm assuming these would most likely be about three months, six months tenure, right?

**Shri Binod Kumar, MD & CEO**

Up to one year also.

**Shri Brajesh Kumar Singh, Executive Director**

Across all buckets.

**Antariksha, Analyst**

So, if you just do a blended duration, what would be the incremental bulk rate today? I mean, if you were to do fresh borrowings, be it six months, one year, whatever it is.

**Shri Binod Kumar, MD & CEO**

Not less than 6.70% to 6.80%.

**Antariksha, Analyst**

So, then I was thinking, if your incremental borrowing of short-tenor loans is at 6.70% to 6.80%, and there are some loans which, your total yield on book today is about 8.1%. And so, fresh yield, I'm sure, would be less than that. There is a spread of 100-125 basis points on incremental basis for some loans, if you take the most expensive source of liability and the most cheapest cost of assets. So, if you load your costs and some credit cost on that, incremental basis, there are some loans which are hardly making ROA, no.

**Shri Binod Kumar, MD & CEO**

Yeah, yeah. That's why, that is the reason if you see our corporate. In corporate we are, I mean, very careful in giving the rates.

**Antariksha, Analyst**

But if that is the case with you, it should be true for the whole system, right? Why is pricing still so low is my question.

**Shri Binod Kumar, MD & CEO**

See, everybody pursues their different strategies. Somebody pursues aggressive growth. Somebody thinks about moderate growth. Somebody thinks about bottom line. So, depends on the strategy of the person, I can say. And bulk if you see, for us, bulk is around only 18% of the total deposit.

**Antariksha, Analyst**

Yes, yes, you mentioned that. Correct. And that number should be going down, right? Because the rates are high.

**Shri Binod Kumar, MD & CEO**

Going down, I mean, depends. Going down, going up, cannot say. That will depend on the market situation. But endeavour will be to get it down or maintain at this level.

**Antariksha, Analyst**

Yeah. Okay. Thank you, sir.

**Anand Dama (Host – Emkay Global)**

Thank you, Antariksha. Next question, we'll take from Ajmera ji.

**Ashok Ajmera, Analyst**

Yes, sir. Sir, my one question was on, basically a general question, but it is impacting everyone today, that what is going geopolitically in the world. The kind of disturbances and of course, started with Trump tariff, and now so many things are happening, and it is affecting various businesses at various levels. So, first thing is that, have we made any assessment of a kind that all these sanctions and so many turbulences and the tariffs and other things, whether our, if we look at our customer profile, even a smaller businessman, MSMEs, or this thing that is there any sizable impact going to be anywhere, and are we prepared for that?

**Shri Binod Kumar, MD & CEO**

So, I will, say, reply to you in two part. First of all, what will be the impact on growth because of the geopolitical tensions. This year also, a lot of geopolitical tensions are there, but still our economy is doing good. So, I expect our economy also, and if you see, most of the external agencies also are saying that Indian economy will be the fastest-growing economy and will grow in the range of 6.5% to 7%. So, don't see any challenge on the growth part. Number one. If you don't say any challenge on the growth part, I think impact on, I mean, asset quality should also be not huge. Next question, any particular impact to the tariff? Tariff, yes, we have assessment. We are not seeing much impact. Our total export business is very minuscule. Exposure to US is only 4% to 5%. So, I am not seeing any much of the impact of that.

**Ashok Ajmera, Analyst**

Okay, that's good to know. And sir, one last thing. On gold loan portfolio, and in that also, the bifurcation between the gold agri loans and non-agri loans, and what kind of yield are we having on the gold loans of both agri and non-agri? And in our growth plan, are we aggressively

pushing gold loans? And similarly, our funding through the NBFC, or NBFC funding, whether co-lending or a direct lending, and what is the picture there, and are we, I mean, similarly bullish on that also?

**Shri Binod Kumar, MD & CEO**

No. You see, gold loan is a very safe type of loan. Only risk we carry is that if some fraud happens. So, we have put in various measures to avoid fraud. And since we were traditionally doing, so our system is robust. So, don't see much of the challenge on that. Yield we are getting good yield. 8.70% we are getting approximately.

**Ashok Ajmera, Analyst**

That is overall or non-agri?

**Shri Chandrasekaran V, General Manager (RBD & FI)**

Overall.

**Ashok Ajmera, Analyst**

Okay. Good. I mean, it's a reasonably good yield.

**Anand Dama (Host – Emkay Global)**

Yeah, thank you. Ajmera ji, I think we'll have to move to next question.

**Ashok Ajmera, Analyst**

No, no. No problem, no problem. Thank you for even giving this much opportunity.

**Anand Dama (Host – Emkay Global)**

Sure, sure. Sure, sir. Next question, we'll take from Darshil. Darshil, please unmute yourself.

**Darshil, Analyst**

Hello. Yeah, hi. Sorry, all my questions are answered. Just one question from my end. Sir, in terms of credit growth, when we are trying to reach double digit, 10% to 12%, are we looking that may be next year, with good GDP numbers expected and good growth happening, can we aim for a higher, level of growth? Is that or may be just 15% or something? like is there you know any type of plan being formulated to reach that growth or are we you know willing to just have around you know topline growth of 10-12%.

**Shri Binod Kumar, MD & CEO**

I think 12% to 13% growth is good, Darshil. Because see, if you pursue very aggressive growth no, then you will start asking why your NPA is going up. So, because of that reason, we are pursuing very, I mean, growth so that our NPA should not go up. I am more remain more worried about that. Risk should not build up. See, because risk is always built up in the good time. So, I always remain careful of that.

**Darshil, Analyst**

Okay, okay. Fair enough, sir. Fair. Yeah, that's it from my side. Thank you.

**Anand Dama (Host – Emkay Global)**

Sure. Last question, we'll take from Sushil Choksey. Sir, keep your questions limited and sir, before, I think, when Ajmera sir was asking, one question which came in the chat box was that have you done or basically extended any moratorium to the MSMEs? And if yes, what's your quantum?

**Shri Binod Kumar, MD & CEO**

MSMEs, you mean to the forex business?

**Anand Dama (Host – Emkay Global)**

The export-related disruption, which has come, yeah.

**Shri Binod Kumar, MD & CEO**

So far, we have not extended.

**Anand Dama (Host – Emkay Global)**

Okay. Sure. Yeah, Sushil, you can unmute yourself and ask your question.

**Sushil Choksey, Analyst**

Congratulations to team Indian Bank for excellent performance, and market is also rewarding. Sir, my first question.

**Shri Binod Kumar, MD & CEO**

Thank you, Choksey ji.

**Sushil Choksey, Analyst**

If I take 12-24-month outlook, what would be a balance between RAM and corporate book? Any Board policy or direction?

**Shri Binod Kumar, MD & CEO**

We will like to maintain same ratio.

**Sushil Choksey, Analyst**

65:35%

**Shri Binod Kumar, MD & CEO**

Yeah, 65:35. Reason I am telling you because, see, as a responsible Banking, we also need to participate in the building up of the country. And if you don't do corporate, then Banks don't do, then who will do? I mean, infrastructure lending, we have to do. So, as a part of a strategy, we like to maintain between 65:35.

**Sushil Choksey, Analyst**

Second thing, sir, when you are working so efficiently on RAM, on the digital stack, you have announced many products. You have launched and spent a lot of money. What is likely capex for next 12-24 months to be more efficient, more connected system, tapping salary account host to host system many other systems, supply chain. What kind of spend will we do to garner a bigger pie from the existing wallet?

**Shri Binod Kumar, MD & CEO**

Around Rs 2,000 crore per annum. Including both capex and opex. Because majority of IT expenditure is also coming in the shape of opex.

**Sushil Choksey, Analyst**

Sir, it's a hypothetical question. Let's assume that our book value next year is Rs 600, and if your stock is trading at nearing 1.82 times book value, will you dilute equity, or equity is not required at all?

**Shri Binod Kumar, MD & CEO**

No, no. Otherwise, equity is not required at all. But if that's why I have if you see, even this year, I have kept approval from the Board for QIP, up to Rs 5,000 crore. If you get opportunity, we can, of course. But as a part we don't need as of now. Already at 16.58%. So, in March, it will cross 18%.

**Sushil Choksey, Analyst**

You may not need equity, but the market?

**Shri Binod Kumar, MD & CEO**

Yeah, yeah, I may not need. That's why Enabling clause I have kept, which I would like to keep next year also. If some good opportunity is coming, we can, I mean, get good rate, why not?

**Sushil Choksey, Analyst**

So, anyway, on the international book, it seems a lot of opportunities are coming from Indian promoters, specifically in the geography we are present. What is our outlook on that segment specifically in financing the entities which are Pan-India but growing overseas, people are shifting from Bangladesh to Sri-lanka for textile, auto ancillary also repositioning some of the location you already said, EV you are doing, battery management led to solar and other things are coming, so, what kind of a situation we are in where these kind of pipelines are concerned?

**Shri Binod Kumar, MD & CEO**

No, no, these type of pipeline, good number of people. If you see, I give you just one number. My growth in green finance itself is around 60%. So, we have good pipeline of that also, and we are open to get any opportunity. Only thing I remain cautious, only one thing always in green finance. I mean, good name, we will do. Because many new players are coming. I don't want to take that risk, and they don't have much expertise, and they ultimately would end up in trouble and bring Bank also into trouble. So, good names, good background, good proven history, we are doing, and we remain open to that.

**Sushil Choksey, Analyst**

Sir, out of the pipeline of Rs 50,000 crore corporate book, which you indicated, how much would be manufacturing?

**Shri Binod Kumar, MD & CEO**

That I will give you, Sushil ji.

**Anand Dama (Host – Emkay Global)**

Sir, I think in the interest of time, we'll have to take that as a last question.

**Sushil Choksey, Analyst**

Thank you, and all the best, sir.

**Anand Dama (Host – Emkay Global)**

With this, we come to the end of the Indian Bank's post-results conference call of Q3 FY26. I now request the management to give their closing remarks.

**Shri Binod Kumar, MD & CEO**

I think we have already discussed so many things, and very relevant questions had come. But we have taken few initiatives and few things I would like to discuss as a concluding remark. We are investing usually in IT, and benefit of that is accruing, but not to the extent I desire. Lot of initiative we are taking how we can digitally onboard our customers. We are seeing good traction also, and good benefit also we are seeing. Like, my target is, say, my total digital business is 15%. I want to take it up to 50% in next two to three years. December to January, I have internally set a target that we will double the business figure in five years December last December. So that means more than 25 lakh crore by Dec-2029 and we are on track of that also.

We have plan of using AI in various segment of the Banking. And we are already in discussion or in or at some stage, use of AI in current opening, cross-sell module, personal finance management, automatic grievance redressal mechanism, then suspicious transaction reporting. So, these are the few sectors we are working on where we can use AI and be more proactive rather than reactive. And we will continue focusing on RAM and CASA. As I told, my half of the time goes on CASA, but that is worth investing. If I can maintain this percentage of CASA, that will be worth investing. So, with that, I mean, whatever guidance we have given, we are on track in most of the parameters.

Thank you.

**Anand Dama (Host – Emkay Global)**

Sure, sir. So, yeah, on behalf of Emkay and the management of Indian Bank, I thank all the participants for joining. Happy evening, and a good day.

**Ashok Ajmera, Analyst**

On behalf of all the participants, I thank the management and to you also, Anand.

**Shri Binod Kumar, MD & CEO**

Thank you, Ajmera ji. I also thank all the participants for sparing their time and joining the conference. Thank you. Good evening.