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

Dear Sir / Madam,

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

We enclose transcript of Analyst and Media Meet held on 10.05.2024 for Q4 (FY2023-24) Financial Results.

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

Yours faithfully,

P K AGARWAL

Digitally signed by P K AGARWAL
Date: 2024.05.17 14:57:54 +05'30'

P K Agarwal
Company Secretary

**Bank of Baroda Analyst Meet for Quarter & Financial Year ended 31st March 2024**

**10th May 2024**

**Participating members from the Management Team of the Bank**

- *Mr. Debadatta Chand, Managing Director & CEO*
- *Mr. Lalit Tyagi, Executive Director*
- *Mr. Sanjay Vinayak Mudaliar, Executive Director*
- *Mr. Lal Singh, Executive Director*
- *Mr. Ian Desouza, Chief Financial Officer (CFO)*

**Moderator:** Good evening, everyone. Welcome to the analysts meet. We have with us Shri Debadatta Chand, the MD & CEO and he's joined by the Bank's Executive Directors and the CFO. We have a short presentation for you, followed by opening remarks by Chand Sir, followed by the Q&A session. Chand Sir, over to you.

**Mr. Debadatta Chand:** So, thanks Phiroza. So, to introduce the management team, I'm D Chand, MD & CEO and I've been interacting with you for a couple of quarters now and with me, I have Mr. Lalit Tyagi, he's the Executive Director, he looks after corporate credit, International and treasury apart from a couple of other departments. We also have with us Mr. Sanjay Mudaliar; he's joining for the first time in terms of analyst meet. He is Executive Director looking after the digital side and also importantly he is the retail face of the Bank in terms of looking after both retail assets and retail liabilities. We have with us Mr. Lal Singh, he has been there for at least a quarter now for interacting. Mr. Lal Singh is looking after the recovery more importantly and also the priority sector department like MSME and Agri. And as you know, we have Mr. Ian Desouza, he is the CFO of the Bank. So, with this, over to you Ian. You can make a presentation and thereafter I will give some comments on that, please.

**Mr. Ian Desouza:** Good afternoon, everybody. Very nice to see you all once again and to bring to you some highlights of our results that we just declared. So, one of the top line numbers that we declared today as of March is a 24 trillion benchmark which we have crossed for the first time in terms of our total business and we have retained our pole position as one of the second largest public sector banks.

In terms of growth in advances, we had given you guidance that we will be growing around 13%. We are very near that mark at 12.5% year-on-year growth in global advances. In terms of stated aspiration to grow our RAM book, we are growing excellently well in retail at close to 21%. In MSME and Agri, we continue to grow around 12%. Corporate, we had been growing at a faster pace earlier. We have consciously taken a thought to grow at a lower rate. In terms of within the retail portfolio, home loan is printing at close to 14.5%. Education is around 19%, and Auto loan is around 23.8%. We had given guidance in earlier quarters that we would moderate the growth of our personal loan. So, last financial year our personal loan portfolio grew close to 100%. We had moderated it sequentially down to 60% last quarter year-on-year. This time it's printing at 52% almost year-on-year. So, this is a portfolio which we will continue to focus on, but we will not grow it that aggressively.

In terms of deposits, we had given guidance of around 12%. Our deposit growth has been a little muted, but this is the number that we will be focusing on in the coming quarters to get it up in a trajectory. In terms of CASA, sequentially our CASA grew at 7.5% though year-on-year it has grown at around 5.5%, this is a little ahead of the peer group that we have been seeing the results coming out in the last few days. In terms of CD ratio, this is a ratio we are conscious of needing to manage and we have reduced our CD ratio by 200 basis points sequential quarter wise. Our CASA ratio has improved sequentially by 64 basis points.

Operating profit has grown above 15%. Profit after tax has grown more than 26%. ROA, we've been delivering 1% plus ROAs for seven quarters now and this quarter we have delivered ROA at around 1.25% and for the full financial year, it's 1.17%. This is the second financial year we've delivered a 1% plus ROA. In terms of ROE, we are close to 19%.

In terms of a yield on advances, our yield on advances grew almost 100 basis points year-on-year. There has been pressure on our deposit cost as the liquidity scenario remains tight. We've seen almost 100 basis point increase in deposit costs as well. Our NIM for the quarter has printed very smartly at 3.27%. However, I would like to call out here that there has been some seasonal effect here on account of the year end recoveries and if we had to exclude the seasonal effect of higher-than-expected year end recoveries, our 3.27% would print at close to 3.15% for the quarter and our full year, excluding the exceptional recoveries we had in the last year, instead of printing at 3.18%, would have printed at around 3.14%. So, even on a normalized basis, that is normalizing for excess one offs, we have achieved our guidance of around 3.15% full year NIM.

In terms of asset quality metrics, we see our asset quality improving year-on-year. GNPA is below 3% and NNPA is well below 1% at 0.68%. Provision coverage ratio is very comfortable at 93.3% including TWO. Slippage has been below our guidance of 1 to 1.25%, it's been at the lower end of the range. I'd like to draw your attention though it is below our range of 1 to 1.25%. There were two large slippages during the course of the year and even after that this has been below 1%. So, there was the aviation account which was 1700 crores and an international account of 500 crores. So, on account of these two accounts, there was a slippage of 2200 crores, despite this, we have delivered as per our guidance.

In terms of credit costs, it is clearly a bit high because we had taken a conscious call to provide for the aviation account slippage. Earlier till quarter three, we had provided around 1200 crores on the aviation account and this quarter we have provided a further 550 crores. So, essentially, we have provided 100% on this account in this financial year whereas we were required as per our policy to provide around 20%. If we had provided around 20% that would have been a provision of just around 500 crores. So, essentially, we provided around 1200 crores more on the aviation account. That's a floating provision we had taken in the June quarter of 200 crores if you exclude for that, our credit cost would be in line with the previous year's credit cost.

So, in terms of our CRILC SMA 1 & 2, you would see this number has been trending down continuously. At this moment in time, it is just 0.15%, which indicates a very strong asset quality as nothing that is on the radar in terms of large exposures as being non-current. In terms of collection efficiency, we continue to print strongly at 98%.

In terms of our capital adequacy, as you're aware, there were the RBI guidelines, which actually required the banks to provide higher risk weights on certain NBFC and unsecured loans that actually have pulled down our capital adequacy by around 65 basis points and we had called that out in the earlier call last quarter. Despite that our capital adequacy is printed at a level which is higher than the last year capital adequacy solely on the basis of internal accruals. We have done bond raising but the bond raising has only been to the extent to replace maturing bonds. So, this is entirely organic replacement of capital and our CET-1 is also printing very smartly at 12.54%. Our LCR remains at close to 121% as of March 24. With that, I come to the end of my presentation. Back to you, Sir, for your remarks.

**Mr. Debadatta Chand:** Thanks Ian. Again, good evening to all of you and let me make a couple of comments on this year’s performance. The quarter performance has three strong outcomes, one is that we do have a robust book growth. This book growth is calibrated to the growth in deposits because earlier we said that we want to reduce our dependency on wholesale deposits. So, calibrating our growth of deposits, the advances book has been almost at 13% to 12.5%. The domestic advances growth is at 12.9% and the important part is that earlier also we said that the international book will moderate. We have moderated to 10.5% as compared to a 40% increase earlier. So, considering that it's a robust growth in terms of book calibrating to the growth in deposits.

The second aspect which is important out of this financial result is that, we do have a very strong financial performance and the book is growing at 12.5% to 13% wherein the operating profit has gone up by 15.1% and the net profit has gone up by 26%. So, this is a strong financial performance as far as this year's financial results that is FY2023-24 is concerned.

The third thing which is important is a much better asset quality. Why it is important that we have seen and there is a significant improvement in all parameters as far as the asset quality is concerned. Please also take a note that as far as asset quality is concerned, in the earlier position also, we are benchmarked to some of the best in the banks in the entire industry. At the same position also, we have reduced both GNPA and NNPA.

Some specific comments then I have, apart from these three important aspects that I talked about, it is that we have achieved a significant milestone this financial year that's in terms of scale or the total business, we have exceeded 24 trillion mark in this financial year ending March 2024. So, that's a very significant scale in terms of the space we operate in, in terms of PSU. Our retail advances also crossed 2 lakh crores this year, which is again significant. Our retail has been growing almost more than 20% for last many quarters now and earlier also we talked to all of you that we want to slightly push for retailising our book. So, in line with that, the retail growth has been very strong.

Our net interest income has exceeded 44,000 crores for the first time and that gives a growth of around 8.5%. There is bit of squeeze because of the cost pressure therein. The operating profit exceeded 30,000 crores for the first time and that's something I already talked about, a growth of 15.3%. The operating profit growth has also been supported by the very strong and sustained focus on the non-interest income and if you look at the non-interest income for this year vis-a-vis last year, the growth is almost 40.7% from 10,000 crore, it has gone up to 14,495 crores. It is coming mainly for two sub - heads. One is with regard to the CEB, the Commission Exchange and Brokerage where the growth is also 19.9% whereas the treasury income has been almost at 40%. So, consequently all these what I highlighted on net profit has seen an increase of 26.1%, which is a 17,789 crore as compared to 14,110 crore last year. So here a couple of comments I would like to give that for last five quarters including March 2024, we have been posting a profit in excess of 4000 crore. In terms of a run rate, if I said that this year profit is almost 123% of the last year's profit.

So, a couple of guidance that we'll all like to be interested to know for FY24-25. We are expecting the outlook that we see as in today, we're expecting a deposit growth between 10% to 12% with a focus on CASA and the retail term deposit. On the advances growth, we are looking at 12% to 14% with a focus on retailising the book more, with retail as such growing at more than 20% and with a corporate growing almost 11% to 12%.

The NIM guidance as Ian already said, if you look at the full year NIM, it is at 3.18%. Rather the sequential growth in the NIM has been better because we last time discussed with regard to the dip in the NIM on December quarter, but we have improved this for this quarter and on a normalized basis also it is higher than that of the last quarter that I'm talking about the December quarter and the full year NIM is almost at 3.18%. So, we are maintaining our guidance of NIM at 3.15% plus minus 5 bps, but as the market outlook would change then we will just see going forward whether we need revise the guidance. The ROA has been consistently for last seven quarters more than 1% and earlier we had given a guidance of ROA in excess of 1, but we are revising the guidance upward from 1% to 1.10%. So, considering the strong profit matrix we do have, we are fairly confident that we will achieve a full year ROA of 1.10%.

On the slippage ratio, we continue to have the same guidance of 1 to 1.25%. So, we are preparing ourselves for all scenarios going forward. So, although the slippage for this year has been less than 1%, but we are maintaining the guidance at 1 to 1.25%. The credit cost continues to be, it is already less than 1%, continue to have the same guidance of less than 1%. On the asset quality particularly, I would like to highlight that apart from the reduction in GNPA and NNPA, typically you all look at the portfolio at risk or the book at risk and that typically if I take the SMA1 and 2 of the CRILC plus the restructured standard book. In terms of percentage to the outstanding standard advances which was at 2.04% as on March 2023, has gone down to 0.92%. So, not only on the GNPA, net NPA, we have seen significant improvement, but also the portfolio which can be at risk also has gone down significantly. So, going forward the outlook looks much better as far as asset quality is concerned.

So, these are a couple of points that I wanted to highlight and we are fairly confident that the Bank has a strong robust business model and we will continue to sustain that going forward.

With this, I open for question and answer. Over to you, Phiroza.

**Moderator:** Thank you, Sir. We'll now open it up for question answer. The first question is from Ashok Ajmera. Sir, if you can unmute yourself and ask your question, please.

**Mr. Ashok Ajmera:** Yeah, I got the unmute sign just now only. So, there was a delay.

**Mr. Debadatta Chand:** Please go ahead Ajmera saab. Please go ahead.

**Mr. Ashok Ajmera:** Good evening, all of you and Chand saab. Definitely the results are very good. Overall performance of the bank on all the parameters is really, I mean on some of the parameters it is more than what was expected. Having said that Sir, I have got a couple of points of information and some concerns on the slippages and the provisions. So, some like you see this, our provision on this aviation account 1750 crore was the total I think approximately outstanding and you said 1200 crores was already provided for it and now 550-crore has been provided now and that is why our provisioning is little higher. But Sir, here I feel that we had some major collateral security also from this account. So, #1, yes, it is as a prudent measure it's really good that you provided for fully, but when do you expect the recovery to come if not from the main account, at least from this collateral, because only I think you two or three, two banks are only mainly are there, I think you and Central Bank, if I'm not wrong or maybe. So, can we expect some major recovery from those collateral securities on this? This is just my first question Sir, I will come over, I'm on the line.

**Mr. Debadatta Chand:** Okay. If I respond to that, as you said rightly, the account is now 100% provided. In terms of the recoverability out of this account, earlier also we said that we have a very high, what you can say, expectation of recovering the amount in full. Why because apart from the primary, we said earlier the account is heavily collateralized, 1/3rd of the exposure is government guaranteed and the balance also if you look at the collateral value, it's covered as of today, including a bit of leftover primary.

So, we are hopeful like, if you look at this account, the upside is there for the subsequent years out of this account. In terms of timeline, there are two litigation processes, the legal process is going on. One is with regard to the Delhi High Court, that you have already seen. And the second is with regard to the NCLT process. NCLT process now the CIRP date has been extended by another two months. So, these are all legal processes and consumes its own time to get a recovery. We expect it to be done at the earliest but then again, we will be depending on the legal process to get recovery. But as far as the upside is concerned the entire upside is there with us and we expect also full or maximum recovery out of the account as we stand today.

So Mr. Lal Singh, anything further you want to add on this?

**Mr. Lal Singh:** No sir. It is okay, sir.

**Mr. Ashok Ajmera:** My second question is Sir, on a very talked about subject of recent guidance note by RBI for higher provisioning on the project loans of 5% going forward in next two or three years. We had a very detailed discussion yesterday in State Bank of India also on this because you come next to SBI. And there they said that out of our total…you know, on book it looks Rs. 4,50,000 crore total infra and everything. The project loan which might come under the purview of this guidance note maybe only 1.5 lakh or something or 1.4 lakh or something. And in that also there are ifs and buts and there is no full clarity. So, in our case as a ballpark figure, out of your total portfolio, how much portfolio do you think can come under the purview of these guidelines, if these guidelines are implemented as it is? And what are the other finer points? Have you done some calculation that how much need to be provided for in next two, three years for us and whether it is under control, manageable, we are comfortable or yes, there is some concern on the capital adequacy also later going on that?

**Mr. Debadatta Chand:** Yeah, actually you are fairly right but there are two aspects, you will have to excuse me for that. Actually, as far as this particular circular concerned, this is a draft guideline issued as part of the consultative process. So, there is no finality. So, as per our corporate policy, we cannot have views with regard to a draft guidelines and consultative process. So that's why I am not in a position to tell you with regard to the outstanding book.

But as far as the impact is concerned, as on today what you see out of this, is that there are two things that a bank typically can do. One is with regard to in case you have huge capacity you can absorb the cost, otherwise you can pass on. So, we as an intermediary obviously would like to pass on that impact. So, even if on an impact scale, I don't think the credit cost would go up significantly. It can be a couple of like percentage points, less than 10 bps for the matter. But as of today, as per corporate policy, we are not commenting on the draft guidelines because that is what we believe is not fair at this stage because the guidelines have not been issued. It is only a consultative one. The final circular can be different than the original, we do not know about that. So, that's why I'm not commenting.

Mr. Tyagi, do you want to answer that?

**Mr. Lalit Tyagi:** So, sir, you said it all. I would say that since these are the draft guidelines and consultations are there, RBI in fact has also solicited the views of the stakeholders and these guidelines are getting evaluated at our end and also at the industry level. And I would urge to have little bit more time for clarity to emerge, as far as the impact is concerned.

**Mr. Ashok Ajmera:** Yeah, no problem. I mean impact you said will not be more than 10 basis or 15 basis point. That's okay. Point well taken, sir. Sir, my last question in this round, if otherwise time permits, I may ask some more, is on our other income other than interest income. There we have performed very well on the treasury front, you said. So one is that. And another one is sir, there is one other income without any explanation of Rs. 313 crores in this quarter. Can I have some colour on that, some information on that, this Rs. 313 crores? And going forward in treasury, now with some sings of rate might…you know, because our AFS book is also good so some colour on the treasury. And similarly in the written off account also the recovery this quarter has been very handsome, Rs. 1,202 crores as compared to Rs. 847 crores. So, on these three covering, on these three other income, can you just comment on that, sir?

**Mr. Debadatta Chand:** Yeah. On the treasury I will comment, then I will pass it on to Ian and Lal Singhji to address the remaining two. Treasury as you said that two things contributed. One is a higher trading profit this year as compared to last year. Secondly last year there was a depreciation in the book whereas this year there is a write back to the extent of Rs. 489 crores. So that has contributed in terms of non-interest income. But nevertheless, we also said earlier, we strongly what you can say, running a drive for a fee and flow within the bank. So, we'll be augmenting the CEB, the Commission Exchange Brokerage going forward and it is going to be a sustained effort and focus to improve the fee income and also the non-interest income.

Going forward as you know, you are also part of treasury, there is a change circular now, right? So, in the change circular, the trading profit won't be to the extent that we booked last year because we are not going to have the AFS profit getting into the profit and loss, right? So, there may be a dip in the trading profit going forward. But one thing is very clear, that the interest income on investment would go up significantly and that would compensate to a very large extent the dip in trading profit. So that's something again is important to note and the new circular is quite positive on the capital front, right? So that would go to reserve and that's something very positive on the capital front. So, this all sum up, will be in a position to optimize on all the front so as to maintain the profitability, income earning potential, contribution to the capital out of treasury books. So that is what we believe is going to happen for next year. On the interest rate also, I do believe things although may be elevated for a longer time but then there is a moderation expected maybe in Q2 or Q3. And that may give some further upside to the profit side. So, on the 313 crore Ian, you just take that call and the income on the written off accounts possibly Lal Singh saab can contribute, yeah?

**Mr. Ian Desouza:** Yes, sir. So, the other income - other, is actually interest we have received on an income tax refund. So, since that time is elapsed and the refund was due so we have received the interest. This might not accrue sequentially, but it can come in the future.

**Mr. Debadatta Chand:** So, Lal Singh saab, the recovery on written off accounts, can you give some colour?

**Mr. Lal Singh:** Yeah. So, the recovery in the written off account in 2024-2025 is also expected to be sustainable on the same basis last year. Last year, we did Rs. 5098 crores and this year also we expect similar recoveries in this portfolio. We have the portfolio of around Rs. 46,000 crores. So, we expect this much of recovery.

**Mr. Debadatta Chand:** Okay.

**Moderator:** Thank you, sir. The next question is from Kunal Shah. Kunal, you can please unmute yourself and ask your question.

**Mr. Kunal Shah:** Yeah, good afternoon. So firstly, with respect to yields and more so domestic yield on advances, no doubt you highlighted the impact of recoveries to be 5 bps on the overall NIMs. So that would be translating to say 7 odd bps on the domestic yields. But besides that, also there is quite a significant expansion in the yields even after growing the corporate substantially on a quarter-on-quarter basis. So, what would have led to that? So, is there a repricing or some other element as well in the yields?

**Mr. Debadatta Chand:** That's a fair thing. If you look at our EBLR or the BRLR which is repo linked, that is already done. So, there is no upside in that book for last many quarters now. Whereas MCLR, it moves along with the cost of deposit. And if you look at from many months now, often when we are increasing the MCLR, the repricing on the MCLR book, that is one. Secondly, we also said last time that when we announced in the June quarter saying that there is bit of upside left with regard to the repricing of the MCLR book because then normally if it is a one-year MCLR only you can reprise the revised MCLR up to one year. So that upside was also available, leading to a good growth in the yield of advances in that way.

Anything further to add to this, Ian?

**Mr. Ian Desouza:** I think it's perfectly called out because for us actually it works in two ways, right? Because when the repo rate was going upward because of a smaller share of retail advances, we got lesser benefit. But when the repo rate is stabilized and perhaps policy rates could come down in future, we actually ring fence to that extent because 50% of our domestic book is on MCLR. So, we will be to that extent protected because that would take longer to come off. So that's something just to keep in mind when you're running your models.

**Mr. Kunal Shah:** Sure. And secondly, when we look at it in terms of the provision on employees so that at least on a sequential basis that number seems to be high compared to Rs. 800 crores kind of a run rate. It is like 1600 crores while we were well provided on the wage revision and the related cost. So, what is this element of incremental?

**Mr. Ian Desouza:** Yes, so let me just take that one. So essentially, if you recall in our previous calls, we had guided that once the wage settlement details are out, we could potentially have a Rs. 400 crore impact on account of retirals. So, essentially that guidance has played out and there is a Rs. 400 crore impact. However, what we could not foresee that bond yields would fall at the end of March and as a result, the discount rate has come down sharply. So, the discount rate has contributed to another Rs. 400 crore impact. But in this Rs. 400 crore impact on account of the discount rate is unlikely to repeat. And with bond yields hardening, you could see some reversal of the second tranche of Rs. 400 crores. But these are more one-time hits. These are not to be built in on a sequential impact, going forward.

**Mr. Kunal Shah:** Okay. So yeah, so 400 is on that count.

**Mr. Ian Desouza:** No, no. Totally 800 because you would see 812 in Quarter 3 and double to 1600.

**Mr. Kunal Shah:** Yeah.

**Mr. Ian Desouza:** The one impact of 800 in two components.

**Mr. Kunal Shah:** Okay, got it. And one last question with respect to the GNPAs on PL. So that is now almost 1.95%. And that too, on a growing book, at 50 odd percent on a year-on-year basis. So slightly on a leg book, it seems to be quite higher. So how we are…maybe, at least in terms of the pricing and how protected we are with respect to the credit cost on that front. Yeah. So even though a small component, but yeah.

**Mr. Debadatta Chand:** As you said right, the book is small and 1.9% GNPA but we are also looking at, more importantly, the collection efficiency and also the slippage part of the PL book. And these are all within the threshold in terms of the slippage. So absolutely no concern at this stage with regard to any stress building up in the PL book. Secondly, there are two things we did vis-à-vis the last year on the PL book and we had discussed on this. One is, we said we're going to moderate growth and we've clearly moderated because moderation started in December and March quarter. If you run two more quarters, the growth would come almost at a 30-35% as compared to almost 80%-100% earlier.

Secondly, in the meantime also, we strengthened our underwriting model by taking lot of advice from many of the rating agency consultants and bureaus part of it. So, the underwriting model is much stronger. This is on a backdrop of two facts which you need to account. One that, almost all are my existing customer and they are already availing one loan apart from this loan. And conduct of all these loans are fairly good. So, I do not think there is any concern or alert at this stage with regard to that. But then some of the aspects that we are raising we are mindful of and almost already curated on that book in that way. So, there is no elevated risk out of the portfolio at this stage. They are all within the normal norms.

Mr. Mudaliar, anything you want to supplement on this?

**Mr. Sanjay Vinayak Mudaliar:** No, sir. I think you have covered it.

**Mr. Debadatta Chand:** Yeah, fair.

**Moderator:** Next question is from Rikin Shah. Please unmute yourself and ask the question.

**Rikin Shah:** Yeah, thank you for the opportunity. I have a few questions. First one is on international deposits. So, that has been growing quite rapidly at north of 25% Y-o-Y. So, if you could explain a bit more what the nature of these deposits are, who are we getting it from etc. So that's the first one.

The second one is on the fee income. Of course, the focus on flow is translating into recent commission exchange brokerage. But it has been a bit volatile in terms of the Q-o-Q trends. So, the full year fee-based income has grown at 16%. How would you expect this fee income growth in FY25, is the second question.

The third one is on asset quality. So, the MSME slippages have also inched up in this quarter. Is there a common trend or any colour that you could provide on the MSME slippage? And further to the question on personal loans, if you could just give more details about the yields that we charge, every ticket size and the credit bureau score of our customers that would be helpful. And the final question is a data keeping one. If you could just help quantify what is the outstanding quantum of restructured loan book for us. I think it was Rs. 9,900 crores in the previous quarter. What is that number now? Thank you.

**Mr. Debadatta Chand:** So, on the international thing Mr. Tyagi would supplement me later. Actually, it's something to fund the asset growth internationally and also to do a bit of treasury operation therein, right? So, treasury operation typically where you can optimize your investment and the returns. So, these are typically leading to slightly higher growth. This is one. Mr. Tyagi, you can supplement later.

On the fee side, I think it's sustainable because we have created a relationship vertical that was fully stabilized across the bank particularly for mid-corporate and large corporate in last year. And they are looking at share of wallet, they are doing account planning, they have one-to-one relationship manager with the customer, whenever they talk with customer they are talking about all sides of the relationship. I think because we have made structural changes and this outcome, I think this is sustainable. Rather will optimize beyond 16% as far as the growth in the future is concerned.

On the asset quality MSME, obviously MSME, the class is different than other. Like, we had seen a corporate slippage legacy some time back but MSME was going. COVID impact was maximum on the MSME. Rather the MSME, if you look at the GNPA on the COVID time was much higher. Now it has gone down significantly aligning towards the median average. The slippage is slightly marginally above our normal slippage ratio of 0.99% but then again, we are in control of that. But also, there are two things which are again supporting growth in MSME. One is with regard to these are accounts highly collateralized as compared to a normal corporate account, one. Secondly the yield on these accounts is much higher as compared to a normal corporate. So, in terms of a trade-off vis-à-vis the pricing and the risk I think these are all within the tolerance for us to grow at the same level, going forward. So, I don't think anything further concerned on this.

On the personal loan as I said a couple of details you asked for, but I'll leave it to Mr. Mudaliar because he has the data ready. But otherwise, we can supply that to you offline. With regard to the outstanding restructured book has gone down. Mr. Lal Singh, you can tell on the outstanding restructured book.

So, on the international deposit, anything Tyagi sir you want to supplement?

**Mr. Lalit Tyagi:** So, you have already shared the broad aspect. The little bit which I can add is, that in international segment, the deposit trails the advances. The more we grow the advances book the more we raise the deposit. Sometimes we also raise the deposits for our market making as well as into the investments. And there are various avenues such as customer deposit, institutional deposits, etc. And whatever markets offers us the better opportunities, bank raises them and then deploys them accordingly. So that is one of the reasons for the faster growth of the deposit than the advances.

**Mr. Debadatta Chand:** I can add also one point here. My investment on international is growing up, almost by Rs. 1500 crore and all said and done, the inflation levels are almost same and the yields are much higher, even almost comparable with the domestic yield as far as the investment goes overseas. So, these are all treasury operations just to optimize on the yield side.

So, on the MSME asset quality, anything further Lal Singh saab you want to supplement?

**Mr. Lal Singh:** Yeah. So, as far as asset quality is concerned, the slippage ratio, quarter on quarter last quarter it was 2.57%. It's come down to 2.04%. And the recovery also, it’s robust in the NPA. NPA recovery in MSME book is 2655 crore. And as far as the restructured book is concerned, that book has reduced to 8148 crores now.

**Mr. Debadatta Chand:** Yeah. So, that's okay on the personal loan, Mr. Mudaliar anything you want to supplement or?

**Mr. Sanjay Mudaliar:** Sir, we will provide the relevant data offline to them.

**Mr. Debadatta Chand:** Okay, fine. Thank you.

**Moderator:** The next question is from Nitin Agarwal. Please unmute yourself and ask the question.

**Mr. Nitin Agarwal:** Yeah, I am audible?

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

**Mr. Nitin Agarwal:** Hi. Good evening, sir, and thanks for the opportunity. Sir, a couple of questions, one is on the liquidity coverage ratio, which has seen a sharp fall this quarter while we had a very strong deposit growth. So, what has really driven this fall in the LCR ratio?

**Mr. Debadatta Chand:** Okay. So, LCR you know we're actually required to have more than 100%. But we used to maintain at 135% taking the global and domestic together. So, bit of that change happened because we wanted to realign some of the assets both on the international and the domestic side. But still we're at 120% which is healthy and as for our normal stance is concerned, we will continue to maintain at 120% and above, going forward. So, in that way, there is a good coverage in terms of the LCR going forward, right.

**Mr. Nitin Agarwal:** Right Sir. And second, as of the CD ratio. So, what is our domestic CD ratio now? And while we are looking to grow higher in terms of loan growth versus deposit growth next year, what will be a comfortable CD ratio range that you would look to maintain?

**Mr. Debadatta Chand:** Okay, that's a fair question. Now, even if earlier also when we had 84% CD last quarter the domestic was at 76%. The international much higher. In case you look at this quarter we have moderated the international growth substantially down particularly in the asset side. So, the current CD is 82% approx. which already we have shown there in the PPT. So, our guidance now with regard, not guidance but our range for operating the CD is between 80 to 82% going forward. So, when I said 80 to 82% the bias again would be towards slightly towards 80 than 82%. So, that is what the normal we are looking for. But then again, when you construct the entire balance sheet in terms of both assets and liabilities, a lot of other moving parts are therein, but then we'll try to operate within the band of 80 to 82%.

**Mr. Nitin Agarwal:** Right. And Sir, lastly, on the margins, because we had a very sharp NIM improvement on the domestic book by almost 22 basis points NIM recovery. So, can we say that the NIMs have bottomed out any, one offs that we had this quarter, any color around the same?

**Mr. Debadatta Chand:** So, that is what the CFO already outlined, if you look at the last quarter and this quarter, it is from 3.27% vis-à-vis 3.10%, but if you normalize, it would be at 3.18%, yeah. Am I correct?

**Mr. Ian Desouza:** So, from a 3.15% for the quarter and full year also around the same level. So, full year would be normalized 3-4 basis points lower than the full year, 3.18%. But for the quarter would be at 3.15% normalized versus 3.27%.

**Mr. Debadatta Chand:** So, one thing that we discussed last time, typically we discuss much more on the margin side. And we announced to the market at that time saying that we reduce the deposit by 25,000 crores for the December quarter, although some increase in this quarter. So, if you look at a policy scale, we are trying to slightly reduce the dependency on wholesale deposit to grow. That's a clear policy. That's why we said initially that I'm calibrating on the advances growth vis-a-vis the growth in deposit, that is, point 1. Point2 is a case where the liability book, which is a retail term deposit that I'm talking about that's almost repriced in last quarter. So, we think the margin as we are guiding should be sustainable, going forward.

**Mr. Nitin Agarwal:** Okay. Thank you. Thank you so much.

**Moderator:** The next question is from Mahrukh Adajania. Please ask the question.

**Ms. Mahrukh Adajania:** Yeah. Hello, sir.

**Mr. Debadatta Chand:** Hello.

**Ms. Mahrukh Adajania:** Hi, hi. Sir, two questions. So, we had excess provisions, as in that our wage hike assumptions were higher than the final settlement. So, how much was the write back? We can see some movement in employee expenses. I mean, not in provisions, but in employee expenses. But what was the actual write back on the provisions? And then what would be the run rate per month or per quarter of the non-actuarial employee expenses for the next year?

**Mr. Debadatta Chand:** Ian.

**Mr. Ian De Souza:** Let me take that one. Mahrukh, in terms of the way you see wage arrears, I think we were providing in line with the final hike, that was around 17%. We were providing just marginally above that. So, it's not that we were providing significantly above that. So, I think when the wage settlement was made known in the last quarter, we were fully provided. So, there's been no write back per se in that line. In terms of the retirals as I had called out in earlier comments, we made additional provision on account of retirals, on account of wage settlement for around 400 crores. In addition, there is a one-off increase in retiral provision on account of the discount rate coming down because bond yields are down in the March quarter. So, totally on retirals we've seen an 800 crore one off increase in the quarter ended March. I hope that answers your question.

**Ms. Mahrukh Adajania:** No. My question was that for FY 25, what is the quarterly run rate of employee expenses that we should expect?

**Mr. Ian Desouza:** If you leave aside the 800 crore one off increase, I think this is the run rate you can expect. So, if you take your provision for retirals at around 800 crores, plus what you're seeing in terms of employee expense, I think that's the run rate you would expect.

**Ms. Mahrukh Adajania:** Oh. Got it. That's very helpful. Also, would you comment on the Agri slippage? Any seasonality there? I mean, usually the seasonality is in the 1st and the 3rd quarter. So, or any geographic issue like in Punjab or anywhere, the Agri slippage also rose Qo Q along with MSME. So....

**Mr. Debadatta Chand:** Just to answer that, if you look at the normal slippage ratio because the corporate slippage has been pretty low, right. So, the average slippage is almost at 0.99% at this point of time, but a couple of products wherein slippage would be higher. That is a normalized slippage. I don't think there is an elevated slippage on the agriculture. So, Lal Singh Saab anything that you can highlight on this.

**Mr. Lal Singh:** So, as far as Agri slippage is concerned during the year, it is 2033 crores and last year it was 2100 crores. But quarter on quarter in Q4, it is 917 crores, whereas the Q423 was 540 crores. So, there is an increase of around 400 crores in the Agri segment

**Mr. Debadatta Chand:** But on a yearly basis, this is almost normalized, right?

**Mr. Lal Singh:** On a yearly basis it is normalized. It is less than last year.

**Mr. Debadatta Chand:** Okay, fair.

**Moderator:** The next question is from Rakesh Kumar. Please unmute yourself and ask the question.

**Mr. Rakesh Kumar:** Yeah. Hi, thanks a lot, sir. So, sir. So, a couple of questions. Firstly, on this non-retail term deposit growth which is at around 18.5% year on year. And now composition has reached to around 1/5th of the total domestic deposit. And if you look at CASA and retail TD growth is around 5-5.5% year on year, kind of 5.3%, so basically, like, you know, if we anticipate this kind of growth, say, in FY25 then and looking at LDR of around 80-81% how do we look at credit growth number? So, should not you know we will have to depend more on wholesale TD number considering that CASA and RTD growth is just around 5.5%?

**Mr. Debadatta Chand:** That's why I said on particularly on the retail side and CASA last six months, we have made concerted efforts to increase this book. If you look at sequential CASA growth it is higher than the annual growth. So, clearly the traction is building up. In terms of product offering, both on the term deposit and CASA we have differentiated large number of products we are one bank having differentiated offerings like we came out with a product called SDP, which is equally like a SIP, which is a recurring deposit scheme. We are one of the banks, along with another bank to offer the green deposit at this point of time. So, there are multiple efforts going on and you are right that we need to optimize on the retail deposit, no doubt about it. But going by the guidance that we have given, as you would have seen that last year, also we raised almost 20 odd 25,000, both in terms of the capital issuance and also on the infra bond. So, there are areas where there is a possibility of getting refinance at a much cheaper cost. So, there are areas where I can source my international deposit and convert and still get a margin. So, there are multiple ways to support the credit growth. That's why I think, again, we said as a policy we want to reduce dependency on the bulk deposit, if you look at the June quarter and September quarter, the bulk was growing almost at 55-60%, whereas for December it was 10% and March it is 18%. So, efforts are on to not to have dependent on bulk deposit too much. But at the same time, I think the guidance can be fully achievable within the LDR that we have announced of around 80 to 82%.

**Mr. Rakesh Kumar:** Just one last question, sir. On the recovery side, basically NPA recovery and written off recovery the number is now 8600 crore, 70 crore. And previous year we had 13,400 crore number in the slide number 18. So, there's quite a lot of drop is there and we have seen in some of the other PSU banks also, we have seen that NPA recovery number has been coming down, especially in the Q4, where it should have been a bump up, actually. So, how do we look at this number, NPA recovery plus TWO recovery in FY 25, if you can help us with some guidance, would be very useful?

**Mr. Debadatta Chand:** So, I'll give a couple of comments and then I'll hand it over to Lal Singh Saab. One is regarding the high recovery last year that was at the opening base of 1st April 2022, the NPA base was much larger as compared to the base we had for this year. The base we had for this year is around 36,764 crores, which was lower as compared to that of 31st March 2022. So, once the kitty is going down, obviously the recovery would be less. There are a couple of again, one off in terms of last year's recovery out of NCLT resolution. So, this typically has behaved in terms of how do you look at the recovery last year and this year.
As far as guidance as against 12,000 crore of recovery guidance we had last year, we have announced to the market that 10,000 is the recovery target. At the same time the trending of GNPA, NNPA would be downward from the current level of 2.92%, although we are not giving a guidance, but the trending would try to move towards 2.5%. Similarly, the net NPA from the 0.68% to 0.5%. But then we are not giving typical guidance whether it can happen in six months' time or one year time. So, clearly see, if you compare my absolute number and also the level of GNPA and net NPA, these are comparable in the best in the industry. So, I am not at an elevated level to reduce substantially. I've already achieved substantial progress in terms of creating a much better asset quality.
So, in that scenario the incremental impact would be very less as compared to the earlier impact. So, with whatever recovery that you are talking about we will be in a position to achieve all these trending downwards kind of GNPA and NNPA, we are talking about. So, we're quite hopeful of that. So, Lal Singh Saab, anything further you want to add?

**Mr. Lal Singh:** No. You have covered everything.

**Mr. Debadatta Chand:** Okay, sir. Thank you.

**Moderator:** The next question is from Saurav Kumar. Please unmute yourself and ask the question.

**Mr. Saurav Kumar:** Hi sir, the first one is essentially on this AFS. Can you quantify the capital impact? That's first? Secondly, I mean, what would be your expectation of both the slippage and the recovery upgrade for next year? And the third is essentially on this core fee growth. You've obviously done very well this year; do you think this 20 odd percent run rate is sustainable into next year? These are few ones. Thank you.

**Mr. Debadatta Chand:** Yeah, yeah. AFS, you mean to say on the new guidelines?

**Mr. Saurav Kumar:** Correct. Correct.

**Mr. Debadatta Chand:** Yeah. So, it's positive. I don't know if I shared the number or not or otherwise, we can share you offline with regard to this number, but then it's in money in the sense that there is going to be accretion in the reserve, a substantial amount. Right. So, that's one.

Second is with regard to slippage and recovery, we set a recovery target of 10,000 crores and we have an internal policy wherein the cash recovery, upgradation and recovery out of written off accounts has to be higher than the slippage. So, obviously I'm targeting a slippage much lower than 10,000 for the year. Right. And terminal level goes down.

And third is core fee when we have seen a core fee growth particularly also to a large extent dependent on the liquidity scenario. If you look at the current liquidity scenario, it's possible to change of creating a relationship vertical, whose job is to again mine the customer in terms of relationship fee-based income and all those stuffs. We have significantly improved our BCMS, cash management service, wherein huge transaction flow business, I mean fewer generating. So, I think it's sustainable unless and until there is a major change in the liquidity scenario tremendously from a current to a highly surplus zone, then there can be a change therein, otherwise I think it's sustainable. So, anything on the AFS Mr. Tyagi, want to add or.

**Mr. Lalit Tyagi:** No, sir. I think you have covered it.

**Mr. Debadatta Chand:** Slippage recovery, Lal Singh Saab, probably were in line. Right. Okay. So, thank you. Anything further from you, otherwise we are done with the question.

**Mr. Saurav Kumar:** Thank you, thank you.

**Moderator:** Thank you everyone, that's the last question we'll be able to take today. Ian, can I request you to give the vote of thanks.

**Mr. Ian Desouza:** Thank you, everyone for attending our call and this time thankfully, our call has been on a working day. I think that's the feedback we got time and time again that we should not keep it on a Saturday. So, thank you and you can always write to us if you have any queries which remain unanswered in today's call. Write to me personally. All of you have my email ID, or you can write to Investor Relations. Thank you very much and have a great evening ahead.

**Mr. Debadatta Chand:** So, thanks all again for joining for today's conversation. Thank you all.

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## Bank of Baroda Media Meet for Quarter & Financial Year ended 31st March 2024

## 10th May 2024

### Participating members from the Management Team of the Bank

- *Mr. Debadatta Chand, Managing Director & CEO*
- *Mr. Lalit Tyagi, Executive Director*
- *Mr. Sanjay Vinayak Mudaliar, Executive Director*
- *Mr. Lal Singh, Executive Director*
- *Mr. Ian Desouza, Chief Financial Officer (CFO)*

**Moderator:** Welcome to Bank of Baroda's financial results for the fourth quarter of FY2024. Thank you all for joining us. We have with us today the MD & CEO of the Bank, Shri Debadatta Chand and he's joined by the Banks, Executive Directors and the CFO. We have a short presentation that, Ian, the CFO, will take you through followed by the opening remarks by Chand Sir and then we'll open it up for Q&A session. Over to you, Sir.

**Mr. Debadatta Chand:** Yeah. Good afternoon all media friends. So, let me again welcome all of you for this conversation today and with me, as Phiroza said. I have with me Mr. Lalit Tyagi. He's the Executive Director, looking after Corporate Credit, International and Treasury, along with a couple of other departments. Then we also have with us, Mr. Sanjay Mudaliar, he is the Executive Director looking after the digital part, the IT part, and he's also the retail face of the bank looking after the retail assets and liabilities. Then, we have with us Mr. Lal Singh. He's looking after, more importantly, the recovery department and the MSME, the priority sector department and as you know, we have the CFO with us, Mr. Ian Desouza, with whom you are interacting for many years now. So, with this Ian, I hand it over to you to make an initial presentation and then I'll have my comments. Please go ahead.

**Mr. Ian Desouza:** So, a very good afternoon to my dear media friends. I would be happy to take you through our stellar results. We have touched a total business volume of 24 trillion in this quarter. We have retained our pole position as the second largest public sector bank. In terms of our global advances, we had given a guidance that we would grow our advances 13 to 14%. We are slightly below that guidance, but growing strongly. We continue to grow strongly in the retail where we are growing close to 21%, just stay with the previous slide. Agri, MSME, and Corporate are growing at close to 12%.

Within the retail vertical, we continue to grow our home loan and mortgage business, which is our secured lending and we are also growing education and auto loans respectively. We have muted our growth in personal loans as we had guided earlier. So, we were growing this book in the previous financial year at close to 100%, but we have now moderated down to just about 51% growth year-on-year. Next slide please.

In terms of deposits, we had guided that we would grow at around 12% given the tight liquidity conditions, we're just about a notch below that, but not very much so. You would notice that our domestic CASA is growing at 5.4%, year-on-year, but sequentially it's growing strongly at almost 7.5%. What we did do this quarter is reduce our credit deposit ratio, we reduced it from 84.26% to 82% by managing our growth as well as increasing our deposits. In terms of domestic CASA ratio, you will see that it has improved sequentially by around 64 basis points. Next slide please.

So, in terms of our operating profit, operating profit is up smartly by more than 15%. Our profit after tax for the full year is up by 26%. ROA, we've been delivering ROAs in excess of 1% for seven quarters now and this is the second financial year we've given ROA above 1%. It has smartly improved by 14 basis points. ROE is up by 61 basis points. Next slide please.

In terms of our yield on advances, we've improved yield on advances year-on-year by 100 basis points. Given the tight liquidity conditions, our cost of deposits has also gone up. Our NIM due to seasonal impact on account of strong recoveries in the last quarter has gone up to 3.27%. However, if we normalize for the exceptional recoveries we saw this quarter. The normalized NIM for the quarter would be around 3.15%. The NIM printed for the full year was 3.18%. If you normalize for exceptionally strong recoveries in the last quarter, the NIM for the full year would be around 3.14%, which is within the guidance we had given for NIM for the full year being around 3.15% plus minus 5 basis points. Please go ahead.

In terms of GNPA, we have reduced our GNPA to below 3%. Our NNPA is at 0.68%. Our provision coverage ratio is very strong at 93.3%. Slippage is within the range we had given. We had said slippage would be between 1 to 1.25% and we are below the lower end of that band. Credit cost is a little elevated when compared to the previous year at 0.67%. But I'd like to call out here that in case of one aviation account, we would have been required in the normal pace to make a provision of around 450 crores, but however we have provided for the entire exposure. So, in a sense, we've taken a 1300 crore additional provision in this year. In addition, we had a floating provision at the beginning of the year which we created of around 200 crores. So, all put together, there was 1500 crores of provision, which in the normal course would have come in later years and if you normalize for that credit cost would be the same as the last year at around 0.53%. So, credit cost is holding good along with all the asset quality ratios. In case of the slippage also, the slippage is a little elevated though within our guidance on account of the aviation account of 1700 crores and one international account of 500 crores. So, on a normalized basis our slippage on the remainder of the book is actually much below our guidance.

In terms of the SMA 1 & 2 above 5 crores, this has been continuously trending downward and that demonstrates that in case of our large ticket loans, there is very little incipient stress at this point in time because there's only 0.15% of those loans which are noncurrent. In terms of collection efficiency, collections continue to be strong at 98%. Can we go ahead please?

In terms of our capital ratios, during the year, you must be aware that RBI had changed the norms for risk weighted assets for unsecured and NBFC loans. On account of that, our capital adequacy had a hit of 65 basis points. Despite that, our internal accruals have resulted in our capital adequacy at the end of the year coming in at 16.31% which is above the level we had as of previous March end. So, if we did not have the change in RBI regulations, our capital adequacy would be closer to 17%. Our CET 1 is very strong at 12.54%, which is above the threshold we have set for ourselves internally, at around 12%. LCR remains healthy at around close to 121%. With this I come to the end of my remarks. Over to Mr. Chand, our MD & CEO.

**Mr. Debadatta Chand:** Thanks, Ian. Again, let me make some qualitative comments with regard to the financials presented. I'm happy to announce the strong financial performance along with much better asset quality. So, in the process of the last financial year, we have achieved a couple of milestones that I want to highlight. One is a case where the total business of the bank has crossed 24 trillion, 24 lakh crores of business. That's a significant scale in terms of the space we operate in as a PSU bank and the business has seen a growth of 11.20% YoY. At the same time, the retail advances which we have been talking about for quite a few quarters on retailising the book has crossed 2 lakh crore mark as of March 2024 showing a 20% growth. Rather the growth has been more than 20% for many quarters now as far as the retail book is concerned.

Our net interest income has exceeded 44,000 crore and that's a growth of 8.1% and this is particularly important in the context of the bit of cost pressure coming from the deposit. Our operating profit for the first time has exceeded 30,000 crore which has seen a significant growth of 15.3% vis-à-vis last year. The higher growth of operating profit has come primarily due to our sustained focus in terms of the non-interest income, which has seen a very smart growth of 44%. The non-interest income for the full year was 14,495 crore as compared to 10,026 crore in the last year. The component of non-interest income, which is seeing a significant jump is in terms of the CEB, the Commission Exchange and Brokerage, which has seen a 19.9% growth. At the same time, the treasury income also contributed which has seen a 40.4% growth. So, we had told many times earlier that we are focusing on the fee and flow very strongly and that's showing traction in terms of a higher non-interest income. We also have a net profit for the full year which is at 17,789 crores, which is a growth of 26.1%. For 5 consecutive quarters, we're announcing a net profit in excess of 4000 crore. If I compare this year profit vis-à-vis the last year profit, this year profit is almost at 123% of the last year profit.

So, on the asset quality, more importantly, I would say that we have a very strong performance on the asset quality apart from the reduction in the GNPA, net NPA, and containing the slippages and credit cost. If you talk about like some of the data already available in the analyst presentation, the portfolio at risk, which I talk about that is the SMA 1 & 2 as per the CRILC report and also the restructured standard book, it has gone down as a percentage of standard advances, which were at 2.04% in the last financial year has gone down to 0.92% this year. In that way, the asset quality is much better as compared to the last year. At the same time, as Ian already clarified that as far as the credit cost is concerned barring that one aviation account, the normalized rate would have been almost the same level as the last year.

Couple of guidance that we had given earlier and let me reiterate those guidance's for this year, I mean I'm talking about FY24-25 that the growth in deposit we are expecting at 10% to 12% growth going forward. So, this is on the backdrop of the current market outlook and scenario that we expect the deposit growth to be 10% to 12%. At the same time, the focus on CASA would continue, going forward within the overall growth of the deposit. At the same time, the advances growth we are expecting 12% to 14%. In case you would see the current year performance, the domestic advances grew at 12.9%. We said earlier that we are going to slightly moderate on the international growth. So, the growth in international advances is 10.5% leading to 12.5% for the bank as a whole on the global advances book. So, as we continue to grow a better on the retail side, we are expecting a growth guidance of almost like 12% to 14%. We will try to see on the market going forward how is the outlook pans out and then decide further on that.

The NIM guidance as Ian already said, exactly if you look at the full year NIM it is at 3.18%. If you normalize for couple of exceptional items, it is at 3.14%. So, we said last time that the NIM would be at 3.15% plus minus 5 BPS. We continue to maintain the same NIM guidance for this year also with the caveat that again, we'll map out how the market does and then look at going forward with regard to further guidance on the NIM. The ROA guidance were given last time was more than 1% and if you look at last 7-8 quarters, the ROA has been pretty good in terms of the level. So, we are improving the ROA guidance from 1 to 1.10% this year. The slippage ratio guidance continues to be the same like 1 to 1.25% whereas the credit cost we again would say that we will maintain below 1%. So, these are the couple of what you can say, thoughts I have vis-à-vis the financial that we presented before you.

The focus for the bank is going to be on how to optimize on the CASA side, the retail term deposit side, focusing on the same way like we are seeing traction on the fee side, at the same time a couple of things like we want to push for reduction in cost to income through process automation. So, going forward, we again see the robust growth that the bank is giving for last many quarters, many years would continue to be there and the financial performance is strong at the same time, the asset quality is a key for us to deliver the best to the market. With this, I open the question and answer for all of you. Please go ahead. Over to you. Phiroza.

**Moderator:** Thank you, Sir. We are now open for question and answer session. I request anybody who has questions to raise their hands. Please stick to two questions at a time and we will come to you if time permits for more questions. With that, I request Joel Rebello to please unmute yourself and ask the question.

**Mr. Debadatta Chand:** So, Joel, are you there? Phiroza, you can go to the next person.

**Moderator:** We move the next participant. Mayur, can you please unmute yourself and ask the question?

**Mr. Mayur Shetty:** Sir, can you hear me?

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

**Mr. Mayur Shetty:** Yes, Sir. My question was on the aviation account. You said that you all had made a provision. So, is this loan now fully provided for and what is the scope of recovery from this account?

**Mr. Debadatta Chand:** Yeah. As we announced last time that we had made provision to the extent of the non-ECLGS component, but this quarter, we have made the provision for the ECLGS component also. Now, the account is fully provided. In terms of recovery, as you know, there are the legal action, the legal process is going on, but as I said earlier also this account is highly collateralized. So, along with the ECLGS cover, I think the recovery would be to the maximum as far as this account goes.

**Mr. Mayur Shetty:** Right and Sir, would it be possible for you to share the size of the project loans in your portfolio?

**Mr. Debadatta Chand:** No, I mean this is you are referring to the draft guidelines, right?

**Mr. Mayur Shetty:** Yes Sir.

**Mr. Debadatta Chand:** So, as it's a draft guidelines I think it's a consultative process and we will not make any comments as at this point of time as it is a draft guideline. Let the process be over and then we will be in a position to share data with regard to the impact and outcome therein.

**Mr. Mayur Shetty:** But uh, you won't be able to share the size of the book?

**Mr. Debadatta Chand:** No, I mean that's linked with the draft. It's a consultative process. So, let us all come to a finality and then possibly we will be in a position to share some data on the impact of that, right.

**Mr. Mayur Shetty:** Okay.

**Moderator:** Thank you, Mayur. We now move to Joel Rebello. Joel, I request you to please unmute yourself and ask the question.

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

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

**Mr. Joel Rebello:** Hello. Can you hear me, Sir? Yeah. Sorry. Sir, if you look at it year-on-year, your profit growth has been pretty muted, it's a 2% growth. NII has grown also 2% almost. So, what is the reason for this muted growth? Can we say that this is a peak of your profitability? What is the reason for the muted growth? I'm looking at quarter-to-quarter?

**Mr. Debadatta Chand:** Yeah, you're looking at quarter-to-quarter, but then we look at the year-to-year. If you look at, there is a 26.1% growth on the net profit, right.

**Mr. Joel Rebello:** No fourth quarter this year versus fourth quarter last year.

**Mr. Debadatta Chand:** Yeah. If you compare quarter-to-quarter, it is 2.6% and that typically we look at the full year. Like, March quarter is always comparable with the full year I mean, year-to-year. There we have seen a 26.1% growth. Quarter-to-quarter, it depends upon many factors in terms of one thing that we said is, the NII growth has been slightly lower because there is a cost pressure coming therein. Secondly, as already Ian said that couple of accounts where we have taken an escalated provision therein. So, if you go by normal IRAC provisioning norms, the requirement would have been much lower. So, otherwise if you see full year, it is absolutely 26.1% growth is a significant net profit growth. And again, when you are guiding the market, we always say that we are maintaining ROA in excess of one. So, ROA talks about what is the profitability you are going to earn on a higher asset base. So, we are guiding the market rather we have improved the ROA guidance from 1 to 1.10% for the next year, then you can reassess with regard to the profitability trajectory going forward.

**Ian Desouza:** Sir, I had few remarks. May I?

**Mr. Debadatta Chand:** Yes.

**Ian Desouza:** So Joel, two things. If you look at Q4 of FY24 on a standalone basis, there are two things that are probably not apparent to you. One is you're probably aware that the wage settlement crystallized in Q4 of FY24. So, we had guided the market, more the analysts that in the Q4 when the wage settlement crystallizes, we may have additional provision on retirals. So, while we had fully provided for the wage settlement, but we had an impact of retiral provisions of Rs. 400 crores in the employee cost line. Secondly, as alluded earlier, there's a one off accelerated provision on the aviation account of Rs. 550 crores. So, if you take these together, you have a pre-tax profit of Rs. 900 crores, which is not a recurring item.

**Mr. Joel Rebello:** Okay, okay. I'm sorry, just to reconfirm, the aviation account is now fully provided for.

**Mr. Debadatta Chand:** It is.

**Mr. Joel Rebello:** Okay. The other point I want to make is on the other income side. I think you mentioned about it briefly in your comment, sir, commissions I think increased 19%, if I heard it right, treasury grew by 40%. So can you give us some sense of where this has come from? These two are the main components in other income?

**Mr. Debadatta Chand:** Yeah, these two are the main component. And earlier also I said we are focusing on the fee side, as we articulated earlier to all of you. So that's where we've seen a traction, if you normally compare the book increase that is the advance book has gone up by 12.5% whereas the commission exchange brokerage has gone up almost 19.9%., right? So that's a significant push and it is going to be sustained rather I would say, going forward. At the same time treasury income, it came out of two heads. One is a case where we do have a higher trading profit this year and secondly last year there was a depreciation impact and this year there is a write back. So, these two contributed into a much higher, what you can say non-interest income. These are the main two components.

Ian, anything you want to add further to this?

**Mr. Ian Desouza:** No sir.

**Mr. Joel Rebello:** One last thing, sir. You've given your guidance on the NIMs also on the loan growth also. You think this cost of funds, the increase in the cost of funds that we have seen, is it fully repriced or what is your guidance on the cost of funds?

**Mr. Debadatta Chand:** So, I believe so, the book is fully repriced. So, the repo rate hike, if you look at the entire time period now the book is fully repriced. So, our outlook of the interest rate also going forward is that it is going to be elevated but it would be stable. So, in that scenario I think the further deposit I am going to reprice would be at the same level or slightly at a lower level. So going by the current outlook as of today, it is fully priced in at this point of time. Rather on the loan side if you say, the BRLR which is externally repo linked, that is going to be constant. At the same time there is still scope for MCLR increase because the MCLR again depends upon lag time in terms of the cost of deposit. So I think this fully priced in and will be in a position to maintain the margin as we are guiding.

**Mr. Joel Rebello:** Okay. Sir, just to clarify MCLR. How much percentage of your loan book is MCLR?

**Mr. Debadatta Chand:** It is almost 50%.

**Mr. Joel Rebello:** Okay. All the best, sir.

**Mr. Debadatta Chand:** Thank you.

**Moderator:** Thank you Joel. We now move on to Ritu Singh. Ritu, I request you to please unmute yourself and ask the question.

**Ms. Ritu Singh:** Hi Mr. Chand, this is Ritu Singh from CNBC TV-18.

**Mr. Debadatta Chand:** Hello madam.

**Ms. Ritu Singh:** Sir, just a quick overview. If you could provide us about what the impact of RBI's ban on onboarding new customers through your mobile banking channel has been. Because of the ban, if you could quantify what is the impact you saw and at what pace do you expect to make up for this? Now that restriction has been removed, one. Number two, just to confirm, you said you took accelerated provision of Rs. 550 crores for an aviation account. We assume this is for Go First. How should we read into this in terms of what you see in terms of recovery going forward for the account, keeping in mind the Delhi High Court order, keeping in mind the kind offers that have come in for the airline so far?

**Mr. Debadatta Chand:** Yeah. First, I will come to your second question. As far as the provision in this account is concerned, we have made 100% provision. In terms of the possibility of recovery vis-à-vis the account we think will be in a position to recover full either through the primary or the collateral security because this account is highly collateralized. The legal process is on. One legal judgment has already come. Thus, the NCLT process is on. I'll not be predicting anything with regard to the outcome, but the processes are on. But I can really confirm that the only thing we can expect from this account going forward on the profit and loss is the upside only. So how quickly it would happen all would depend upon the processes and the legal procedure, and that I think it would take its own time. But then we are fully confident to recover our dues because one third of the component is covered by the ECLGS, the guarantee itself. So, we're confident to recover the money, so the upside can accrue in maybe next year or next to next year. But again these are legal timelines and I can't predict on that.

What is your first question? I just forgot that.

**Ms. Ritu Singh:** Sir, you said one third of your exposure to go first is covered by the government guarantee.

**Mr. Debadatta Chand:** Yeah, government guarantee.

**Ms. Ritu Singh:** And you expect to fully recover your exposure towards Go First.

**Mr. Debadatta Chand:** Our expectation based on the current primary and collateral security I think we are fully covered therein.

**Ms. Ritu Singh:** Okay. So, the first question was on the impact you've assessed in terms of quantity from the RBI ban.

**Mr. Debadatta Chand:** See, BoB World, now we should all see future what you can do because the ban has been lifted. So, as I said earlier continuously, that BoB World was only one of the channels out of many channels we had for acquiring customers. Yes, we were unable to provide certain services for the new customers because of that. So, in terms of business impact, you would have seen one impact you can see with regard to the CASA, right, directly savings. But if you see my four quarters growth in the savings vis-à-vis the industry, I am almost aligned or higher than the industry. So, because we upsized the other channels acquisition, we could sustain the business. We could rather mobilize more business in that way.

Yes, there was an impact in terms of the transaction flow through BoB World because of the ban. And the dip was almost like if I take from the day one till date almost like 10%. And I think in a very short period of time, in three to six months' time we will recoup the entire thing. Rather we'll give a growth on the transaction volume. And the impact, I'm talking about the flow of transaction within the BoB World which had seen a 10% drop. But again, in no time we'll be in a position to recoup that.

**Ms. Ritu Singh:** Okay, thank you very much, sir.

**Moderator:** Thank you, Ritu. The next question is from Siddhi Nayak from Reuters. Siddhi, please unmute yourself and ask the question.

**Ms. Siddhi Nayak:** Hi, sir. Chand sir first of all, before I start my questions, one request from the journalist community here. Can you please start the physical press conferences from the next quarter because we would really want to come meet you...

**Mr. Debadatta Chand:** We will do that.

**Ms. Siddhi Nayak:** ....and not have these conversations virtually. Thank you, sir.

**Mr. Debadatta Chand:** We have noted, I'll take it as a request and guidance. We'll do that.

**Ms. Siddhi Nayak:** Thank you, sir. Much appreciated. So, my first question was an extension from the last question that you just answered. Just so that this fallout of the entire BoB World episode does not happen in the future, what steps has the bank taken to ensure and what has been communicated to the RBI in terms of how would you ensure that such glitches or such issues do not happen in the future?

**Mr. Debadatta Chand:** That's a very fair point, actually. And this is what the entire premise is when the ban was revoked in terms of ensuring compliance, going forward. So all along, my system has been made very robust. Rather, we had our comprehensive customer onboarding process reviewed by an external consultant. All the gaps have been plugged fully. And the issue was more with regard to a process rather than the platform itself, right? So, in that scenario, our processes are much stronger now. There is a huge audit oversight on the process, going forward. So absolutely, these are all fundamental in terms of how do you run the business and we have ensured that these are fully complied so that there is no process issue going forward, vis-à-vis Bob World or any other channel for the matter. So, be rest assured with regard to other processes of bank in terms of how to, again, when we start onboarding a new customer to ensure that we are fully compliant as directed by the regulator.

Mr. Mudaliar, anything you want to supplement to this?

**Mr. Sanjay Vinayak Mudaliar:** No, sir. That's fine.

**Ms. Siddhi Nayak:** Okay. Sir, my second question is on your technology spends. Right now, we've seen RBI kind of being really concerned about the kind of technology most banks are using. And you've also seen an action against a big private lender. What portion is Bank of Baroda's expense allotted to technology? What's the percentage of OpEx? And would you be looking to increase it going forward given the kind of digital transaction volumes that the banks are seeing now?

**Mr. Debadatta Chand:** Absolutely. This is a very important point at this point of time. And as far as the banks, platform, infrastructure, architecture, governance is concerned, absolutely we have the best in class in terms of all those. But at the same point of time, we are also mindful that there are evolving areas of the technology where we need to onboard. So, in terms of spends, we almost have a significant amount of spend currently happening, a couple of thousands of crores now we are spending on the IT side on an ongoing basis. We need to again spend much higher in terms of making the system much more robust than what it is now. The areas of cyber security also we are very mindful which again we are getting all guidances from everywhere. So as far as governance, architecture, infrastructure, or rather I would believe that we'll try to be ahead of the curve in terms of the industry, as far as the IT spend on digital infrastructure, the robustness, everything is concerned.

Mr. Mudaliar, anything further you want to add?

**Mr. Sanjay Vinayak Mudaliar:** So, good afternoon, madam. My only additional supplement to what Chand saab has told is one thing. The infrastructure is directly dependent on the growth path which we have decided, and accordingly, all the necessary infrastructure will be created. And these infrastructure, once we are creating it, it will be in-line or ahead of the industry requirement. So that's all at this point in time we can say. There are plans out there which will get unfolded in the coming days.

**Mr. Debadatta Chand:** I would add further that not only on the spends part, actually on the human resources side also, we are thinking of something completely different to augment our human resources on the IT side and both in terms of spend and the hiring, both would continue and we need to see a much, what you can say, stronger framework in terms of digital architecture.

**Ms. Siddhi Nayak:** Sure. Sir, my last question is on your capital raising front. Two of your large competitors, both SBI and PNB, have indicated that they're going to look to raise equity capital to support growth if needed. SBI has said that. PNB is looking for a QIP. Any plans to raise equity capital in this current year?

**Mr. Debadatta Chand:** As Ian said, already my CRAR is at 16.31%, in spite of the fact that there is a decent growth around 12.5-13% growth on the book size. At the same time, we had a 68 bps impact because of the RBI norms of NBFC. So, if you look as on today, I think my internal accruals is quite strong and there is not need for me to raise any capital at least for the short term. But again, two things we are mindful of. One is that we are again putting a strategy for a five year plan and also thinking of ECL framework. So, we plan for that and any requirement for that we will inform the market through the exchange. So as of today, I mean I don't think we require any capital other than maybe replacing my maturing AT-1, Tier II bonds. But then again everything we will outline once we have a complete planning on that. As of today, we are not planning that but future we will announce that.

**Ms. Siddhi Nayak:** Sure sir. Thank you and good luck.

**Mr. Debadatta Chand:** Thank you Siddhi.

**Moderator:** The next question is from Ram Kumar from Hindu Business Line. Can you please give us an update on Nainital divestment process? How many bidders have put in bids and when will you take a call on the final bidder? And the next question is, your personal loan portfolio is growing very fast. Isn't there a danger of defaults due to this? Thank you.

**Mr. Debadatta Chand:** So Ram Kumar ji, I will come on the first point, as far as Nainital Bank is concerned, the process is on. So as the process is on, I will not be in a position to make any speculation here. But let me tell you, we are actively pursuing on the process to complete, right? So, I can only say that process is on and we are pursuing actively to complete the process.

The second, with regard to personal loan as already Ian clarified. Actually, earlier the book increase was very substantial, almost 100% Y-o-Y. And since the last two quarters we started saying that we're going to moderate on the personal loan. So, if you look at the quarter like December and March, the sequential growth is almost 8.5-9% leading to an annualized Y-o-Y of almost 51%. So, growth is already moderated. But I think at this level we can operate fairly okay at the current growth level. Couple of things that we have strengthened in the process with regard to the underwriting capacity, the due diligence and also on our scoring model. So, we took also six months' time to address and strengthen our underwriting model. So, we are fairly placed now. We do not see any stress book building because of the personal loan. There are incremental bit of slippage. But again you say that it's a personal loan where you charge a much higher pricing as compared to any other loan. So, it's a trade-off between the margin and also bit of incipient sickness. But as of today, we do not see any stress in the book. It's a normalized thing as of today and we intend to grow at the same level we are growing as of today in terms of like 51% or maybe in the range of around 35% to 50%. Nothing beyond that.

**Moderator:** Thank you sir. The next question is from Ashish Agashe of PTI. Please ask your question Ashish.

**Mr. Ashish Agashe:** So, can you give any details on the Rs. 500 crore slippage in the international account, sir? Which sector is it from? Is it probably like...typically there would be some India linkage of the entity as well. That way sir.

**Mr. Debadatta Chand:** Mr. Tyagi, can you take this question?

**Mr. Lalit Tyagi:** Yes sir. So Mr. Ashish, yes the business group has the India operations also. However, we have multiple engagements with the said borrower in UAE and the slippage is only one of the exposures with them. The other exposures are doing good. They are facing some liquidity challenges in that business and because of that delinquency has arrived. However, they are trying to cure it in time to come.

**Mr. Ashish Agashe:** Okay. So which sectors and how confident are you of an upgrade possibly going forward on this?

**Mr. Lalit Tyagi:** So, they are into the hospitality sector and we have robust collateral to cover our exposure. And borrower is cooperative and also supplementing with whatever cash flows they are having. As I said, they are facing the cash flow challenges and mismatch will be managed going forward with the other resources as well as some resolution on our part also. So, we are engaging with the borrower.

**Mr. Ashish Agashe:** Okay, sir, thank you. And sir the second question. The way the project finance norms, the proposals stand right now, how does the bank look at it? There has been a lot of investor concern around it as well. So, suppose these were possibly like there is an engagement on but possibly they were going to be implemented going ahead. What would be the impact on the bank, sir?

**Mr. Debadatta Chand:** Mr. Tyagi, please take it.

**Mr. Lalit Tyagi:** MD saab has said already, that as of now, these are the draft guidelines made available by RBI in the domain for the deliberations and consultations. It will be very premature for us to comment on the likely implications. So, we are evaluating. In fact not only us, at the industry level these draft guidelines are getting evaluated and probably, some more consultations will be there before the guidelines are emerging.

**Mr. Ashish Agashe:** Okay, Sir. Thank you so much.

**Mr. Lalit Tyagi:** Thank you.

**Moderator:** The next question is from Shipra Petkar, from The Economist. What are your guidance on GNPAs and net NPAs ratio? Branch expansion plans for FY 25? These are her two questions, sir.

**Mr. Debadatta Chand:** Yes, there are two, GNPA, as you said, that we almost had a decrease of almost 87 bps. It was 3.79%, we have gone down to 2.92% now and net NPA has also reduced. We normally do not give a guidance with regard to GNPA, NNPA because we normally provide a guidance on the slippage ratio and the credit cost. But obviously if you look at last eight quarters, the trending has been clearly downward. And aspiration will be once we actually have achieved a below 3 level, we'd like to go towards 2.5 level for GNPA and 0.5 towards NPA. But these are typically not a guidance for the matter but this is our aspiration to make the trending more I mean, what you can say sustainable as far as the future quarters are concerned.

**Moderator:** And sir, branch expansion plans?

**Mr. Debadatta Chand:** So, on the branch expansion plan, we do have actually a mandate to open 600 odd branches in couple of years from now as far as the bank goes. But we'll be opening these branches in a graded way, and particularly in areas where upcoming areas where there is a business potential. So, there is clearly a plan maybe in this quarter itself, we are planning to almost like 100 odd branches to open, going forward. So, there's a clear plan to expand laterally with regard to branch expansion. But we'll be going in a very graded manner keeping the HR aspect in terms of the HR resources, mapping to the branch expansion and then go in a gradual manner.

**Moderator:** The next question is from Ben Jose of New Indian Express. Please ask your question.

**Mr. Ben Jose:** Well Mr. Chand, this is Ben. So, what makes you not share your project loan book? Okay. You don't comment, but you can tell us, what is your book, know? And what is your loan pipeline now, Sanction pipeline now?

**Mr. Debadatta Chand:** See, sharing project loan outstanding is no issue, we can share offline to you. The aspect that we are talking about a draft guideline at this stage and then figuring out that...

**Mr. Ben Jose:** But before you said you have no comments. That's fine, that's fine. But how big is your project? How big is your project?

**Mr. Debadatta Chand:** Will share you offline in case you make a query, we'll share you. But then we do not want to comment in a consultative process. So, there are stakeholder consultations going on and once there is a certainty will share you all details but otherwise we'll share offline.

The second aspect you talked about what on the.....Mr. Ben.....

**Mr. Ben Jose:** Yeah.

**Mr. Debadatta Chand:** You also raise another point.

**Mr. Ben Jose:** Yeah, I can hear.

**Mr. Debadatta Chand:** You also raised another point beyond the project loan. What is that?

**Mr. Ben Jose:** Your loan pipeline.

**Mr. Debadatta Chand:** Loan pipeline is quite strong. If you look at my, corporate loan in particular, if you talk about, I mean, the growth almost 12% and I'm at a book of almost three lakh eighty thousand crore on the corporate book. Right. So, that may be you are referring on the corporate pipe. We again intend to grow at the same. That means we'll be adding up another 40 - 50,000 crore in this financial year. So, in that way, the pipelines are quite strong. My delivery in terms of sanction, not disbursed also, there is also a question over there. So, we will be in a position to deliver around 12 to 13% growth going forward also that is what we have already said. Right.

**Mr. Ben Jose:** Okay. What about the net profit. It is up around 2% apart from the Go Air book. And what was the incremental provision that you made for Go Air, and what was the impact? Has it been whittled down by the provision for the wage increase, especially pensions? What was the impact on the bank?

**Mr. Debadatta Chand:** Okay Ian, can you take this question?

**Mr. Ian Desouza:** Can you just repeat the last question, Ben?

**Mr. Ben Jose:** One is, what was the incremental provision you made for Go Air in the quarter?

**Mr. Ian Desouza:** Yes.

**Mr. Ben Jose:** Is it a 1300 crore upfront this quarter. No. You made some provisions last quarter also.

**Mr. Ian Desouza:** No, no.

**Mr. Ben Jose:** And what makes you confident that okay, you are fully confident of recovering the money because there is no asset with the company. All the planes have been taken back released. And what is the collateral that makes you sure that okay, you will get the money back?

**Mr. Ian Desouza:** So, let me take it in two parts. In terms of provisioning, we had made a provision in the first quarter in the NPA, not the first quarter, the second quarter. So, in the second quarter, we had made provisions, taking it close to around 1,200 crores and then we made further provision in the last quarter of the year for around 550 crores, taking the total provision to around 1700 crores.

**Mr. Ben Jose:** Okay. So, 550 crore is the incremental provision?

**Mr. Ian Desouza:** In quarter four.

**Mr. Ben Jose:** Quarter four, okay. And what was the provision. How do you have an additional provision been made for wages or for pensions or any other liabilities because of the wage impact?

**Mr. Ian Desouza:** Yes. So, we had....

**Mr. Ben Jose:** What whittles down your profit?

**Mr. Ian De Souza:** So, if you let me speak, I will give you guidance. Essentially, for wage settlement, we had provided fully for the wage arrears. But for the retirals, we had said once the wage settlement details are fully known, we may have to make a 3 - 4 hundred crore provision additionally, and that is precisely what has happened, on account of wage settlement, we had to make a 400-crore additional provision in quarter four for the retirals.

Secondly, due to the decrease in bond yields in the quarter, we had to reduce the discount rate and add a further one-off provision of 400 crores. So, totally there was an additional provision on retirals for around 800 crores as well as we had taken additional provision for the aviation account of around 550 crores in the quarter.

**Mr. Ben Jose:** Okay, now coming to the point, what makes you confident that you will get your money back? What is the asset, what is the collateral that you have except the government guarantee?

**Mr. Debadatta Chand:** Mr. Lal Singh, would you take this question?

**Mr. Lal Singh:** Yeah. So, in case of this aviation account, we have sufficient collaterals available, so we'll be able to recover our dues fully.

**Mr. Ben Jose:** The biggest asset of an airline is the planes. They were on wet list.... dry list and they have been the DGCA has set out their companies, the lessors to take it back. So, what is the asset that you have in collateral?

**Mr. Debadatta Chand:** So, that is what Mr. Ben, actually the point that we are driving is that one third of the exposure is covered by ECLGS, that's a government guaranteed thing. Right. The balance two third if you look at even if you exclude primary security, which you are talking about planes and all, there is an adequate coverage because of the collateral available in this, collateral is not the planes and all, these are all lands and all. So, as far as our estimate is concerned, we are in a position to say that our recovery will be quite high out of this account, even if we have made a 100% provision. That means there is a huge upside going forward on the profit and loss in case we are in a position to recover money. Right. That is the sense. Anything Lal Singh Saab, anything further you want to add?

**Mr. Lal Singh:** That's it, that's it.

**Mr. Debadatta Chand:** Okay, fine.

**Moderator:** Thank you. Moving to Gayatri Nayak from Economic times. Please unmute yourself and ask the question.

**Ms. Gayatri Nayak:** Yeah. Am I audible, sir?

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

**Ms. Gayatri Nayak:** See, my question was your retail loan growth and home loan growth are not the same page. In fact, the home loan growth and mortgage growth have slowed compared to the overall retail portfolio. So, could you throw some light on why it is happening?

**Mr. Debadatta Chand:** Now, if you look at the retail growth, it is in excess of 20% rather, it was 26% earlier, where the home loan growth is high. This quarter because of the base effect, the number looks slightly lower, but we are clearly focused to increase the home loan also

**Ms. Gayatri Nayak:** True. What has been your sanctions and disbursal, is it going or is it because of repayments that you are seeing a slowdown in growth?

**Mr. Debadatta Chand:** No, no, the outstanding takes care of sanction and then the repayment. Right. So, in that way 14% increase that you are looking at, that's after netting of the repayment. That is what the growth. Right.

**Ms. Gayatri Nayak:** Right. Yeah. So, what is the sanction growth or disbursal growth for the year?

**Mr. Debadatta Chand:** That data I don't have, I can provide you offline. But then we are clearly mindful that we need to increase this because we talked about a concept of retailising the book. Right. So, earlier we talked about that. So, as far as the retail book is concerned, the focus equally is on the home loan also to augment that growth. And we have a couple of things that I would announce why we are expecting a higher growth. Earlier we had a centralized system of sanctioning. Now we have decentralized system made available at geographies where there is a potential to grow, we made the sanctioning, the underwriting team available over there, and these are all monitored centrally. So, we have initiated a lot of steps to improve the retail growth and more particularly the home loan growth.

**Ms. Gayatri Nayak:** What has been your unsecured loan growth after the RBI measures?

**Mr. Debadatta Chand:** Yeah, there is no measure that was guidance. So, as far as if you look at the.....

**Ms. Gayatri Nayak:** RBI, risk weights I mean, sorry.

**Mr. Debadatta Chand:** Okay, fine. So, the Q1 and Q2, if you look at the personal loan growth, it was almost going at sequentially also almost at a very high rate of 20% odd, 20-25%. If you look at Q3 and Q4, the growth has moderated almost to something around 8-9-10%. So, we started moderating on the personal loan after September, that is in the December quarter and March quarter. If I run another two quarters, that is June and September 2024, then my normalized growth annualized growth would come almost at around 30-35%. That is the guidance we had given earlier. If you look at March' 24, which takes only two quarters impact the growth is 51%, which is almost a reduction from 100% to 50%. So, we have moderated quite a lot. But there are two things again, I am going to say that as far as the unsecured personal loan are concerned, very large percentage of customers are our existing customers who are availing another loan from us and the conduct of account is very good. So, in terms of the quality of the book is fairly high. We in the meantime, also slightly strengthened our modeling part of it. So, maybe we'll announce to the market whether we can further upsize beyond the growth that I'm talking about. But currently, if you ask for guidance, we'll be growing around 30 to 35%.

**Ms. Gayatri Nayak:** Thank you, sir. And what about your excess SLR portfolio for the year as of now, excess SLR?

**Mr. Debadatta Chand:** It will not run. You can update this around 5 to 6% excess over and above the statutory Mr. Tyagi, is that okay?

**Mr. Lalit Tyagi:** Slightly higher than that, sir.

**Mr. Debadatta Chand:** Okay, fine.

**Ms. Gayatri Nayak:** Okay, okay. And what about your HTM portfolio? How much percentage is held to maturity?

**Mr. Lalit Tyagi:** It's around 72 - 73%.

**Ms. Gayatri Nayak:** Okay. Thank you.

**Mr. Debadatta Chand:** The data also we have given in analyst presentation here.

**Ms. Gayatri Nayak:** Okay. Thank you.

**Moderator:** Thank you so much Gayatri. Our last question for the evening is from Jinit Parmar of Money Control. Please unmute yourself and ask the question.

**Mr. Jinit Parmar:** Hi, I hope I'm audible.

**Mr. Debadatta Chand:** You are audible Jinit.

**Mr. Jinit Parmar:** Yes, good evening, everyone. Firstly, just wanted to get an understanding on your recovery from your NCLT accounts. So, you have an exposure of 46,000 crores. So, you've made provision, but just wanted to get an understanding. If you could give an outlook for this year, like what's the recovery you're expecting?

**Mr. Debadatta Chand:** See on a guidance basis, full year recovery last year we said 12,000 and we overachieved 12,000 and this year we are giving 10,000 crores as a recovery. Overall, I'm talking about. As far as NCLT is concerned now the book is a bit sticky as compared to earlier, but still there are a couple of accounts where the movements are going on and we are hopeful that there would be recovery out of NCLT also but may not be to the extent that we recovered earlier. But if a couple of accounts materialize then it would be a significant recovery. So, Mr. Lal Singh, anything you want to update on this, further to this?

**Mr. Lal Singh:** So, this year we expect around 2500 crore recovery from the NCLT accounts, out of 46,000 crores of the book in NCLT.

**Mr. Jinit Parmar:** Okay. Noted. One more question on the deposit growth. So, you had given an outlook of around deposit growth of 10 to 12% in FY 25. So, you had 7 to 8% in FY 24, but earlier you had a growth of 13% in FY 23. So, I just wanted to get a sense, okay, how are you looking at a deposit growth like getting to 10 to 12% because he had seen a reduction Y-o-Y. So, what's the strategy like? Are you facing challenges as such. Some highlights on this.

**Mr. Debadatta Chand:** Yeah, that's a fair question. Like till September our growth in deposit used to be 13%. But at that time there was a bit of dependency also on the wholesale deposit. In the quarter ending December, when we announced that we reduced the bulk almost to the extent of 25,000 crore. So, giving a very clear signaling that we need to again slightly reduce the dependency of the bulk. So, currently, if you look at my bulk outstanding or the wholesale deposit, it is almost at a static level as compared to a significant growth happening earlier. Because of that, the growth has been lower. But if you look at the last quarter, the CASA growth, actually the focus is more on the CASA and also on the retail term deposit. The sequential growth has been higher than the annual growth. Like the CASA sequential is 7.4% as compared to 5.4% for the full year. So, we initiated a lot of measures like we're one bank offering differentiated products on current and savings. We are the one of the bank along with another bank to offer the green deposit. So, we have innovated, differentiated products like the recurring deposit scheme, we make it a systematically deposit plan in line with the SIP deposit, which the mutual funds do have. So, we are seeing traction on that. So, and I also think on the liquidity front this year is going to be slightly definitely better than the last year. In both the scenario, I think I can be in a position to raise deposit growth to the extent of 10 to 12%.

**Mr. Jinit Parmar:** Okay, okay. And just one follow up question on your tech business here. So, just wanted to get some numbers. If you could give on the number of employees that you plan to hire, because now the restrictions on BOB world are lifted by RBI. So, any numbers you could give?

**Mr. Debadatta Chand:** I can't give you a number. Actually, we started with regard to reassessing the manpower by a team of people to look for future five-years plan. And rather, I would say that maybe we'll announce sometime later, we do have a company called Baroda Sun Technology. That's an IT company. So, there is a plan to revive that and also work on both talent management and also, at the same time, capacity creation and all those things. So, maybe we will be in a better position to answer this question in the next quarter, but clearly we are going to hire more people, no doubt about it.

Secondly, the IT spends we are going to upsize that significantly, considering that there is a requirement now. So, as the ED- IT also talked about, we intend to be whatever market development happening, we will be at the top or slightly ahead of that. So, clearly the intention is to strengthen both in terms of resources, HR resources and also on IT spends. Some of the numbers will be crystallizing, maybe in the next quarter we will answer all this.

**Mr. Jinit Parmar:** Sure, sure. Thanks a lot.

**Moderator:** Thank you everyone. That's the last question we'll be able to take today. Thank you all for joining us. Have a good evening.

**Mr. Debadatta Chand:** Thank you, thank you, thank you all good evening to all of you. Thanks, media friends, for joining us.

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