Ref. No.: ISC/141/2026-27 Date: 17.07.2026

The Vice President National Stock Exchange of India Ltd. Exchange Plaza, Bandra- Kurla Complex Bandra East, Mumbai-400 051 **NSE Symbol: INDIANB**	The Vice President BSE Ltd. 25, P. J. Towers Dalal Street, Mumbai-400001 **BSE Scrip Code- 532814**

Dear Sir / Madam,

Subject: <u>Transcript of Post Earnings Concall / Meet</u>

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in continuation of our Letter No. ISC/127/2026-27 dated 06.07.2026 and Letter No. ISC/136/2026-27 dated 10.07.2026 regarding Analysts / Investors Concall / Meet, we are enclosing a copy of Transcript of said post Earnings Concall / Meet held by the Bank on 10.07.2026 on the Financial Results of the Bank for the First Quarter of FY 2026-27 ended on 30th June 2026.

The Concall Transcript has also been uploaded on Bank's website and the same can be accessed through below link:

https://indianbank.bank.in/en/audio-video-recording-concall-transcripts

This is for your information, record and dissemination please.

Yours faithfully,

For Indian Bank

Dina Nath Kumar
Digitally signed by Dina Nath Kumar
Date: 2026.07.17 19:21:52 +05'30'

AGM & Company Secretary

<u>Encl</u>: A/a

Indian Bank Q1 FY'27 Results
Post Earnings Conference Call / Meet
Held on 10.07.2026

Transcript

Management:	**Shri Binod Kumar** **MD & CEO**
	Shri Ashutosh Choudhury **Executive Director**
	Shri Shiv Bajrang Singh **Executive Director**
	Ms. Mini T M **Executive Director**
Moderator:	**Shri Anand Dama** **Analyst, Nuvama Wealth Management Ltd.**

Anand Dama (Host, Nuvama Wealth)

Good evening, ladies and gentlemen. I welcome you all to Indian Bank's post-results conference call for the first quarter of FY'27, hosted by Nuvama Wealth Management. From the top management, we have with us Shri Binod Kumar, Managing Director and Chief Executive Officer, Shri Ashutosh Choudhury, Executive Director, Shri Shiv Bajrang Singh, Executive Director and Ms. Mini T. M., Executive Director. I request the Managing Director to briefly summarise the key highlights from the Q1 FY'27 results and provide strategic direction on growth, margins and asset quality. We will then open the call for questions and answers. Over to you, sir.

Shri Binod Kumar, MD & CEO

Anand ji, first of all, I am sorry that I will have to leave at 6:30 p.m. because of an urgent call. However, the conference can continue, as Mr. Ashutosh Choudhury and the other members of the management team are here and can address the questions.

First of all, thank you once again for joining this analyst call. The results have been published and we have seen good growth in both deposits and advances. It is a very balanced growth profile. Deposits grew by 13.40%, while advances grew by 13.89%, leaving a gap of only around 40 basis points. I believe the gap between deposit and advance growth should remain range-bound, otherwise, a wide gap starts affecting overall profitability and NIM. The key highlight is that CASA grew by 15.30%, with savings deposits growing by 13.54% and current account deposits by 26.33%.

The domestic CD ratio is 78.66%, while the global CD ratio is 81.06%. The domestic CASA ratio improved by 6 basis points sequentially and by around 76 basis points year-on-year. Advances grew by 13.89% to around Rs.6.85 lakh crore. Corporate advances grew by 11.49%, while RAM advances grew by 14.80%. Retail grew by 18.74%. Agriculture grew by 9.96%, partly because the transition in jewel loans during the first two months involved IT issues and the framing of various policies. Growth was negative during the initial two months, but it picked up thereafter, resulting in growth of around 10%. There is no concern on that count. Going forward, we expect agriculture growth to return to the 15-16% range. MSME grew by 17%, and RAM constitutes 66% of the overall loan book.

Net profit increased by 5.48% sequentially and 10.09% year-on-year to Rs.3,273 crore. Operating profit increased by 5.13% sequentially and 16.51% year-on-year to Rs.5,557 crore. NII grew by around 17% year-on-year and 4.59% sequentially. Both domestic and global NIM expanded by 6 basis points. Return on assets declined by 3 basis points year-on-year but improved by 3 basis points sequentially. Return on equity stood at 19.48%. The cost-to-income ratio declined to 44.80%, compared with around 46% for the previous financial year. We have guided for around 45% and we expect it to remain in that range.

The provision coverage ratio stood at 98.22%, compared with 98.28% at the end of the previous financial year.

We could have maintained the earlier level, but the net NPA ratio would then have declined further from 0.15% to 0.14% or 0.13%, therefore, we are comfortable with the current position. Credit cost declined from 0.47% in March 2026 to 0.23%. There were concerns in the previous analyst meeting about credit cost increasing, but that was a March phenomenon. It may again rise in March because of audit-related factors, but for the remaining quarters, slippages and credit cost should remain within our guided range of 1%.

The capital adequacy ratio is 17.58%, and CET1 is 16.51%. The transfer of IFR reserves of Rs.2,000 crore from Tier 2 to Tier 1 had an impact of around 44 basis points. Gross NPA declined by 115 basis points year-on-year and 12 basis points sequentially to 1.86%. Net NPA remained flat at 0.15%. The slippage ratio declined to 0.77% from 0.96% in March' 26. Recoveries were Rs.1,885 crore, compared with slippages of Rs.1,250 crore. One large account contributed a recovery of around Rs.400 crore during the quarter.

The overall SMA book remained broadly flat. SMA-2 accounts above Rs.5 crore increased by around Rs.190 crore, mainly because one account moved into SMA-2 following a DCCO-related issue. The DCCO extension has been received, and the repayment schedule will be extended accordingly. Once we approve the DCCO extension, that SMA account should also move back within the normal range.

We are on track on almost all guidance parameters. Against our recovery guidance of Rs.4,500-5,500 crore, we have already achieved almost Rs.1,900 crore. We expect gross NPA to reach 1.50-1.60%, and I do not see any challenge in achieving that. We had guided for a CASA ratio of 40%, and we reached 39.73% during the quarter. CASA remains a challenge, but with the support of our staff, we expect to maintain progress.

One encouraging development is the increased participation of branches. During the corresponding period last year, only around 25-27% of branches achieved their targets. This quarter, 51% of branches achieved their targets. That is a good sign that branches have started participating more actively. With that, we can move directly to the question-and-answer session.

Anand Dama (Host, Nuvama Wealth)

Do you see any stress in the MSME segment? A few banks have spoken about this. Second, have you sanctioned any ECLGS credit? Please also discuss the amount in absolute terms or as a percentage of credit.

Shri Binod Kumar, MD & CEO

We had also expected that there might be some MSME stress, but so far it is not visible. The SMA book declined year-on-year from 7.99 to 4.69 and sequentially from 4.73 to 4.69. Therefore, as of now, we are not seeing any stress, although we will remain watchful going forward.

If some stress emerges, ECLGS will come to the rescue of such accounts. The total eligible ECLGS amount is approximately Rs.11,000 crore, based on the formula prescribed by the government, of which around Rs.5,000 crore has been disbursed.

Ashok Ajmera, Analyst

You have said that MSME stress is not visible so far, but around Rs.5,000 crore has already been disbursed under the renewed ECLGS facility. Your SMA-2 numbers have also increased from Rs.922 crore to Rs.1,112 crore. Given the situation involving the United States, Iran and Israel, do you expect a lasting impact on small industries and businesses in India? Could stress emerge going forward?

Shri Binod Kumar, MD & CEO

As I mentioned, SMA-2 increased because of one account. Once we extend the DCCO, that account should move out of SMA-2, so the increase is not indicative of broader stress.

I had also expected some impact. However, the country has shown great resilience. I was expecting an impact from August 2025, when the first Trump tariffs were imposed. Despite that, strong domestic demand and consumption, as well as exporters' ability to diversify from one country to several countries, have limited the impact. We remain watchful. That is why we made a provision of Rs.310 crore for the West Asia crisis in the previous quarter and have continued it. With the exposure increasing by around Rs.12-13 crore, we made a further provision of Rs.13 crore. So far, stress is not visible, but if something emerges, we have the capacity to absorb it.

Ashok Ajmera, Analyst

The standard advances provision has increased from Rs.490 crore to Rs.733 crore. Is this the provision you are referring to?

Shri Binod Kumar, MD & CEO

The impact of the West Asia crisis within that amount is Rs.13 crore. The rest reflects prudent provisioning. We have also made an additional floating provision of Rs.1,000 crore for ECL, over and above the provisions already held.

Ashok Ajmera, Analyst

On the treasury front, many banks benefited during the quarter. In our case, treasury profit did not increase to the same extent compared with the previous quarter. Did we take any mark-to-market impact, or did more of the gain go into the AFS reserve?

Shri Binod Kumar, MD & CEO

The AFS reserve, which was negative earlier, has improved. It was negative by around Rs. 41 crore in the previous quarter, now it has gone up by around Rs. 544 crore. In treasury, I had expected a profit of only Rs. 250-300 crore. Yields declined during the final week, which improved the actual profit. Therefore, the outcome is better than I had expected.

Ashok Ajmera, Analyst

Credit grew by around 2.62% during the quarter compared with March. Sector-wide credit growth has strengthened, and some banks are discussing growth of 17-18%. What level of credit growth do you expect for Indian Bank in FY'27?

Shri Binod Kumar, MD & CEO

Growth is not a challenge. If agriculture grows by 16%, RAM growth itself can reach 17-18%. However, we must remain mindful of the gap between credit growth and deposit growth, because an excessive gap can affect margins. We will pursue balanced growth. If deposits grow by 13%, I would not mind advances growing by 15%, provided we do not compromise NIM. Growth of 13-14% is also a good outcome.

Mahrukh, Analyst

Do you expect gold loans to pick up, given that prices have been volatile? How much has been added to the AFS reserve? On FCNR(B), you had earlier discussed a mobilisation target of USD1 billion. How much has already been mobilised, particularly as the returns appear weaker than in 2013-14?

Shri Binod Kumar, MD & CEO

The AFS reserve improved by around Rs.544 crore, from negative Rs. 41 crore to positive Rs. 503 crore.

On FCNR(B), we have raised around USD150 million as of today, until yesterday, the amount was USD135 million. Going forward, I expect to raise between USD1.5 billion and USD2 billion. Raising FCNR(B) deposits is not the challenge, as we have strong traction and already have a pipeline of USD1 billion. The challenge is deploying and funding the corresponding demand loans. We are managing this and remain confident that, taken together, ECB and FCNR(B) mobilisation will be between USD1.5 billion and USD2 billion.

On gold loans, I do not expect growth of 26-28% as seen last year, because that growth was driven primarily by higher gold prices rather than tonnage. I expect gold-loan growth of around 15-16% this year. Even after a 30% decline in gold prices, the LTV remains at a comfortable level, and we do not see any stress.

Jayant Kharote, Analyst

Margins expanded healthily quarter-on-quarter. One positive surprise was the decline in the cost of deposits despite some tightening during the first two months. Were the gains back-ended, with bulk deposits rolling over in the last month? What drove the improvement in the cost of funds and deposits, and how sustainable is it over the next two or three quarters? The reported yield on advances also increased by around 2 basis points. Were any particular products responsible, and is the improvement sustainable?

Shri Binod Kumar, MD & CEO

On the deposit side, we remain very careful about the rates at which we raise funds. We focus strongly on CASA and are selective about bulk deposits. We also prefer market borrowings where they are economically attractive.

Borrowings are available at around 5.00-5.25%, whereas even short-duration bulk deposits of 30 or 60 days can cost at least 100-150 basis points more. This preference for borrowings has helped.

Bulk deposits remained unchanged at around Rs.1.61 lakh crore between March and June. When certificate-of- deposit and bulk-deposit rates were rising towards 7.7-8.0%, we stayed out of the market. That helped, and deposit repricing contributed around 1-1.5 basis points.

On advances, we remain cautious about very thinly priced loans. Wherever possible, we either exit such loans or reprice them at better rates. When quoting for WCDL or lines of credit, we remain mindful of whether higher funding costs can be passed on. On a sequential basis, we shed around Rs.6,000 crore of loans where pricing was highly competitive. We expect this disciplined approach to continue.

Jayant Kharote, Analyst

Does this mean that the bank is likely to deliver at the upper end of its NIM guidance of 3.15-3.25% for the year?

Shri Binod Kumar, MD & CEO

Hopefully, yes. There is currently no major trigger for further margin expansion unless interest rates rise or further repricing occurs. The negative impact from MCLR repricing, estimated at around 2 basis points, should be offset by a 2-3 basis-point benefit from bulk-deposit repricing. Therefore, we do not expect meaningful margin compression or expansion from here, but the upper end of the guidance range is achievable.

Jayant Kharote, Analyst

How are rollovers in retail term deposits? Is competitive intensity increasing?

Shri Binod Kumar, MD & CEO

There was some pressure earlier, when bulk-deposit rates were touching 7.8-7.9% and banks began increasing retail term-deposit rates. That pressure is not visible now.

Jayant Kharote, Analyst

Did you undertake any accelerated ECL provisioning on standard assets during the quarter? What was the amount?

Shri Binod Kumar, MD & CEO

Yes. We made a floating provision of Rs.1,000 crore during the quarter.

Jayant Kharote, Analyst

What is the expected gross and net impact of ECL on the steady-state credit cost?

Shri Binod Kumar, MD & CEO

We expect the ECL transition impact to be around Rs.3,000-3,500 crore. Earlier, I had indicated that we would try to provide Rs.1,500-2,000 crore during the year, of which Rs.1,000 crore has already been provided. We will endeavour to provide another Rs.500-1,000 crore during the year.

There is no impact on the transition side after provisioning, but there will be some impact on the ongoing credit cost. Standard-asset provisioning is currently around 0.4-0.5%; under ECL, it may be around 1.5%. Therefore, the increase would be around 1% on incremental growth. If advances grow by 12%, the impact on credit cost would be around 12 basis points on a flow basis, or approximately 8-10 basis points after tax.

Jayant Kharote, Analyst

Is that the net impact after considering any release from Stage 3 or NPA provisions?

Shri Binod Kumar, MD & CEO

The final guidelines require a 100% provisioning floor for doubtful-3 and loss assets. A large part of our provision is held against these categories, so there will be hardly any release from them.

Jai Mundhra, Analyst

In a television interview, you said that margins had bottomed and should ideally improve. On this call, you indicated that margins may remain broadly stable. What is the final view?

Shri Binod Kumar, MD & CEO

When I said margins had bottomed, that was correct. There is no trigger for margins to decline unless interest rates fall. At the same time, there is no major trigger for a significant increase. Margins may expand marginally by around 2-3 basis points.

Jai Mundhra, Analyst

The bank had already made a 10% provision on SMA-1 and SMA-2 accounts. Can that provision be used for the ECL transition? Is the Rs.3,000 crore impact over and above the existing provision?

Shri Binod Kumar, MD & CEO

Yes, we will use the existing provision. The remaining impact, over and above the provisions already made, is around Rs.3,000 crore.

Jai Mundhra, Analyst

Did the bank undertake any IBPC transaction during the quarter? What was the quantum?

Shri Binod Kumar, MD & CEO

Only around Rs.200 crore. The amount was not significant.

Jai Mundhra, Analyst

What is the total jewel-loan book, including agriculture and MSME?

Shri Binod Kumar, MD & CEO

The total jewel-loan book is Rs.1.32 lakh crore.

Aslesh, Analyst

Are you seeing any change in the competitive environment, particularly in home-loan and corporate-loan pricing? Is any further repricing of term deposits pending?

Shri Binod Kumar, MD & CEO

Competition remains intense across vehicle loans, home loans and corporate loans, particularly for highly rated accounts and good public-sector undertakings. Further term-deposit repricing is pending, but the impact should be limited to around 2-3 basis points.

Aslesh, Analyst

Is competitive intensity increasing or improving at the margin?

Shri Binod Kumar, MD & CEO

Competitive intensity remains at the same level; it was already cut-throat. The bulk-deposit market has cooled suddenly, but home-loan rates remain around 7.15-7.20%. No bank is taking the lead in reducing rates further; a large bank would have to initiate such a move.

Param, Analyst

Fee income was strong during the quarter. Slide 17 indicates that miscellaneous fee income and loan-processing charges were key drivers. What drove the miscellaneous fee income?

Shri Binod Kumar, MD & CEO

Two three items contributed. We earned syndication fees of around Rs. 72 crore. We also received a DEAF incentive of Rs. 30 crore and CBDC cost reimbursement also. So around Rs.47 crore and Rs. 72 crore syndication fee. These were the primary drivers. Loan-processing charges are sustainable, and we will continue underwriting and syndication activities as opportunities arise.

Param, Analyst

Did the bank increase processing-charge rates?

Shri Binod Kumar, MD & CEO

No. The increase was driven only by higher volumes.

Param, Analyst

What was the LCR for the quarter, and what is the outlook for treasury profit in the next quarter, given the decline in G-Sec yields and the expected FCNR(B) liquidity?

Shri Binod Kumar, MD & CEO

The LCR was 123% for the quarter. The 10-year G-Sec yield is around 6.75%. It may decline by another 5-6 basis points, and if Bloomberg index inclusion provides support, it may move towards 6.65%. I do not expect yields to fall materially below that level. Therefore, we do not expect a large treasury contribution. In our annual plan, we have assumed treasury profit of only around Rs.600-700 crore.

Param, Analyst

Why did the LCR not improve quarter-on-quarter despite the benefit expected from the revised LCR calculation?

Shri Binod Kumar, MD & CEO

We continue to use cheaper borrowings through TREPS and the call market. These borrowings are repriced every day, and the corresponding daily outflows affect the LCR.

Kaushik Agarwal, Analyst

The presentation shows that exposure to NBFCs grew by only around 2% year-on-year, while RBI industry data indicates much stronger system-wide growth. Is there anything specific to call out, including competitive intensity?

Shri Binod Kumar, MD & CEO

We have been very selective in lending to NBFCs and participate largely in AAA- and AA-rated opportunities. Many opportunities are available, but we remain cautious. The NBFC book had declined by around Rs.6,000-7,000 crore between June and March. During this quarter, we added around Rs.3,000 crore, while remaining mindful that repayments will occur during the year.

Aman Singh, Analyst

Please provide the all-ticket-size data for SMA-1 and SMA-2 separately.

Shri Ashutosh Choudhury, Executive Director

SMA-1 is approximately Rs.7,000 crore and SMA-2 is approximately Rs.7,700 crore.

Sushil Choksey, Analyst

System liquidity from FCNR(B) and ECB mobilisation is estimated at USD50-70 billion. Indian Bank plans to raise USD1.5-2.0 billion, while system liquidity could increase by around Rs.4.5-7.0 lakh crore. How do you see this affecting G-Sec yields, the bank's cost of funds, lending-book diversification, cross-border transactions and the outlook for the international book, including Singapore?

Shri Ashutosh Choudhury, Executive Director

We plan to raise USD1.5-2.0 billion through FCNR(B), including ECB. This would provide roughly Rs.18,000 crore of liquidity. The cost will not be materially lower; compared with a deposit cost of around 6.0-6.5%, the overall funding cost may not decline significantly.

Domestic credit demand remains robust, so we can deploy this liquidity in the domestic credit market. The impact on the 10-year G-Sec yield will also depend on how the government borrowing programme develops. We currently expect the yield to remain around 6.65%, although it may decline somewhat if the additional liquidity flows into the system.

Sushil Choksey, Analyst

What is the outlook for digital spending, cybersecurity and new initiatives? Is the bank allocating any additional budget given the strong profitability?

Shri Ashutosh Choudhury, Executive Director

The capital budget is around Rs. 750 crore for AI initiatives and cyber resilience. We are strengthening the cyber security operations centre, and we plan to implement user and entity behaviour analytics and zero-trust architecture to improve our cyber-resilience posture.

We also plan to develop a data lakehouse in view of the Digital Personal Data Protection Act, so that data is standardised and available in one place. The total IT budget, including capital and revenue expenditure, will be around Rs. 3,000 crore.

Sushil Choksey, Analyst

Do you have any view on bank consolidation? Would Indian Bank be open to acquiring another bank, or would it prefer to remain standalone?

Shri Ashutosh Choudhury, Executive Director

That decision is the prerogative of the Government of India. The government will take a call if it has anything in mind. We are not in a position to comment on the matter.

Jayant Kharote, Analyst

Regarding the Rs.1,000 crore floating provision made during the quarter, the presentation shows an NPA provision of Rs.360 crore and a standard-advance provision of around Rs.700 crore. How should the numbers be reconciled?

Shri Ashutosh Choudhury, Executive Director

The Rs.733 crore standard-advance provision shown in the presentation is a net figure. Some provisions were released and some were created, which is why the reported net figure is Rs.733 crore.

Jay, Analyst

Why was the LCR stable? Is the explanation that the bank is now a borrower in the repo market? Any bank can borrow in the repo market, and it is generally cheaper than term deposits or bulk deposits. What was different during this quarter?

Shri Ashutosh Choudhury, Executive Director

Three factors need to be considered together: the amount of credit growth, the amount of deposit growth, and the proportion of credit funded through borrowings. If credit grows by Rs.100 and total funding required is Rs.125, the source of that Rs.125 is important. As the Managing Director explained, we use borrowings as far as possible within our permitted borrowing limits, with the balance funded through deposits. The deposit mix is also important.

We did not rely heavily on bulk deposits, which were expensive in Q1. These factors together produced the result. The use of borrowings enabled us to maintain an LCR of 123%. Without such borrowings, the LCR would have been higher, but we would have relied more heavily on deposits to fund growth.

Jay, Analyst

PSLC income appears to have declined year-on-year despite good growth in gold loans and a healthy market for priority-sector lending certificates. Why did it decline?

Shri Ashutosh Choudhury, Executive Director

The Q1 figure was not high last year either. On a Q1-to-Q1 comparison, there is an increase in PSLC income. The income booked in each quarter reflects the opportunities available and is recognised across the relevant period. Additional opportunities may arise in Q2 and Q3, so the figures for Q2, Q3 and Q4 will continue to change. Income earned in Q4 FY26 was added in that quarter, and income earned in Q4 FY27 will similarly be added in that quarter. Therefore, the year-on-year Q1 figures are comparable and show growth.

Jay, Analyst

It appears that PSLC income in Q1 last year was around Rs.18 crore, which means the income has actually increased. On insurance expenses, which declined by around 19% year-on-year, is the bank in bracket one or bracket two?

Shri Ashutosh Choudhury, Executive Director

We are in bracket one.

Shri Ashutosh Choudhury, Executive Director

We are maintaining all the guidance that we have provided. Based on the Q1 results, we expect performance to be towards the upper end of the guided ranges. Thank you.

Anand Dama

Thank you, sir. That is very helpful. On behalf of Nuvama, we wish the management the very best. We will end the call now. Thank you, everyone.

Shri Sunil Jain, CFO

We are thankful to our investors and analysts for their continued support. Thank you very much.