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पंजाब एण्ड सिंध बैंक
(भारत सरकार का उपक्रम)

Punjab & Sind Bank
(A Govt. of India Undertaking)

Ref No: PSB/HO/Shares Cell / 39 /2026-27 **July 27, 2026**

To,

BSE Limited, **Department of Corporate Services,** 25th floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. **SCRIP ID : PSB** **SCRIP CODE : 533295**	**National Stock Exchange of India Ltd.,** Exchange Plaza, C – 1, Block – G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. **SYMBOL: PSB SERIES: EQ**

Dear Sir,

Reg: Transcript of the Earnings Call with Analysts/Investors on Unaudited Reviewed Financial Results for Quarter ended 30th June, 2026

With reference to above and pursuant to the applicable provisions of SEBI (LODR) Regulations, 2015, we enclose the transcript of post results Earnings conference call for the Quarter ended June 30, 2026 held on July 20, 2026.

The transcript of the Earnings conference call is uploaded on Bank's website and the same can be accessed through below link:

https://punjabandsind.bank.in/system/uploads/document/7803_202607271906014698 3.pdf

This is for your information and records.

Yours faithfully

SAKET MEHROTRA
Digitally signed by SAKET MEHROTRA
Date: 2026.07.27 19:11:27 +05'30'

PUNJAB & SIND BANK
H.O.
Accounts & Audit Deptt.
(Shares Cell)
(शेयर कक्ष)
EAST KIDWAI NAGAR, NEW DELHI

Saket Mehrotra
Company Secretary

“Punjab & Sind Bank Q1 FY27 Earnings Con-call”

July 20th, 2026

MANAGEMENT:
1. Shri Swarup Kumar Saha – Managing Director and Chief Executive Officer
2. Shri Ravi Mehra – Executive Director
3. Shri Rajeeva – Executive Director
4. Shri Arnab Goswamy – Chief Financial Officer

Moderator: Mr. Ganesh Shankanawar

Moderator: Good afternoon, everyone. My name is Ganesh Shankanawar, the moderator for today's earnings call. I welcome and thank each one of you for joining us today for the Punjab & Sind bank earnings call for Q1 FY27.

Please note that this conference is being recorded and all participant lines will be in the listen only mode. There will be an opportunity for you to ask questions after the opening remarks by the management. Should you need any assistance during the conference call, please raise your hand on the WebEx panel or press *3# on your phone.

I would now like to introduce the management of Punjab & Sind Bank. We have with us today Shri Swarup Kumar Saha, Managing Director and Chief Executive Officer, Shri Ravi Mehra, Executive Director, Shri Rajeeva, Executive Director and Shri Arnab Goswamy, Chief Financial Officer.

I would now like to hand over the conference to Shri Swarup Kumar Saha, MD & CEO of the Punjab & Sind Bank for the opening remarks after which, we will have the forum open for the interactive Q & A session.

Thank you and over to you sir.

Mr. Swarup Kumar Saha: Thank you. Good evening, all. Welcome to this analyst Con-call on the Q1 FY 27 performance of Punjab & Sind Bank. The Board adopted the Q1 results on Saturday, the 18th and the presentation and the press release has already been uploaded. I'm sure many of you must have gone through the Bank's figures, but just to set the context, I'll just mention a few of the highlights of the bank's performance of Q1 and then we'll open up the discussion for the Q&A.

So overall business grew by 15.27% and stands at Rs 2,66,420 crores and it was spread between deposit growth of over 12.16% and advances of 19.35%. The bank has been able to grow consistently over the last few quarters, and this quarter also the bank has registered 19.35% growth in credit. This has been uniform across all segments: Retail grew at 36%, Agri grew at 25% plus and MSME over 32%. The RAM advances have now touched 60% of the total book as we have been talking on this subject. In terms of the deposits, CASA grew at 10.2% and the retail term deposit grew at around 14.94%. The core fee income grew at 13.89%.

One factor which has been very positive in the Q1 results this time has been the increase in the net interest income by 15.33% YoY. I think that's a sign that, after the adjustments of the repo rate etc., the bank has now been moving forward on the net interest income front. The operating profit was flat at Rs.545 crores, but important point is that the operating profit has been maintained despite the fluctuations in the treasury gains, based on the obvious reasons that have been playing out in the market. So, if we compare ourselves in that way to the previous quarter of June 25, then we'll find that the contribution of the operating profit in Q1 last year, was to a large extent supported by treasury income of around Rs.200 crores and recovery in written-off accounts of Rs.109 crores. Against that, in this quarter which we just concluded, the contribution from the

treasury came at Rs.80 crores and the recovery in written-off was slightly less than Q1 of last year. So, in spite of this lesser non-interest income in Q1, the bank was able to maintain the operating profit of Q1 last year and also Q4 last year. So that is a point that we would like to make.
The net profit grew at 23.05% and stood at Rs.331 crores. The asset quality continues to improve: we are now at 2.21% of Gross NPA and 0.65% of Net NPA. PCR also has shown improvement at 92.33%. The Slippage Ratio has been broadly contained, and the cost to income ratio has dipped slightly to 60.21%. Overall, the advances mix continues to be spread across all the three segments. We have been always saying that RAM advances would be our key focus going forward. In terms of retail, our portfolio now stands at 25.82%, Agri portfolio stands at 13.38% and the MSME portfolio at 20.82%. In MSME, we have been showing good growth continuously; this quarter also we grew at over 32% in the MSME segment. Overall, in terms of the rating profiles of our corporate accounts, in NBFCs nearly the entire portfolio is A and above with AA and AAA constituting about 92% of the total portfolio. In terms of the external rating of the other corporate borrowers, BBB and above is 67.83% and government guaranteed is at 14.88%, so nearly 82% is covered by government guaranteed or BBB and above. So, the health of the credit portfolio continues to be robust, and the capital adequacy now stands at a healthy level of 17.61%.

As I said, we have given a lot of focus on core fee income and it is continuing to rise. This time also the core fee income has increased by 13.89% and we have taken various steps to work on this direction. We have set up a target of Rs.900 crore to Rs.1000 crores of core fee income for the current year. Our collection efficiencies continued to improve, we are now at 95%. Slippages are broadly in line with the previous quarters, this time these slippages are at Rs.207 crores and the slippage ratio is at 0.18% for the quarter, so overall it will be annualised around 0.70%. So, we are on track there. The overall SMA 1 & SMA 2 has also shown improvement, and our endeavour is to bring down the total SMA percentage to less than 3% going forward. We have one or two state government guaranteed accounts which fluctuates, but this time they are out of SMA 1 and 2. Apart from that, overall if we take out the two state government guaranteed accounts, we are broadly in line with the other normal accounts of SMA. That is an area where we are working on, and we continue to give focus on branch expansion, network expansion through business correspondents, also covering more districts as we go along.

Various initiatives are mentioned in the presentation on digital and various new areas of where we are, bringing more and more digital initiatives in the bank. Whether it is the payment gateway or online PAN generation. In PAN generation, we are the first public sector bank to provide this facility. Digi Gold loans and CBDC will get launched shortly. We have an excellent salary product for the central government and the state government employees in terms of Bharat connect Vista and Bharat Connect OMNI.

Finally, as far as the guidance is concerned, we are broadly in line with whatever guidance we gave initially after the close of last year. Deposit growth was guided at the 13-14% range and was slightly below that. We have maintained that. Advances growth was guided at 16-18% and we have been able to maintain and surpass the guidance. On the RAM percentage, we said it will be above 60% at the end of the year so we are already at 60.02%. Our endeavour would be to bring it upto 64-65% by the end of the year. Gross NPA is on track, Net NPA is already on track and all the others- PCR, recovery, upgradation, credit costs and ratios are on track. So we are broadly going to achieve the numbers which we have guided.

So thank you for giving me the opportunity. This was all from my side. I will now like to have the question answers as it comes. Thank you.

Moderator: Thank you, sir. We will now begin the question and answer session.

So first question we have from Ashok Ajmera. Ashok sir kindly go ahead.

Mr. Ashok Ajmera: Yeah, thanks for giving me the opportunity first. Compliments to you and the entire management of the Punjab & Sind Bank for managing the business on an annualized basis very well. I mean you surpassed all your targets given 15.27% overall business, credit at 19.35% and deposits at 12.16%. Commendable, but Sir, if you look at the quarterly performance, the first quarter is little subdued and this time most of the other banks who have declared results so far, have done very well in Q1, especially on the credit front.

So, suddenly the overall credit targets are improved by many of the other banks, but for us, overall business grew only 1.05%, credit 1.25% & deposits 0.89%. So, going forward, how do you place our bank, in the committee along with the other banks, which are now talking about 16-18%, 20%? So, we were high on the annualized basis, but now in FY 27, how do you see it, and where do we reach and how do you plan to reach there?

Mr. Swarup Kumar Saha: Yeah, thank you Mr. Ajmera, I think a pertinent point regarding credit growth. You would have observed that the credit growth is back in the system now, all the banks are now showing healthy growth in their credit portfolios. As far as your observation regarding the QoQ variance of business and advances is concerned, while Q1 is always subdued, and for our bank we try to pace our growth on a QoQ basis. Therefore, if you observe that the bank's overall guidance still remains at 16% to 18%.

If you observe, some of the other banks are now projecting growth of 16%-18%, which we have already envisaged in our strategy and we have also gone beyond the guidance, in terms of advances at least. So, we feel that the overall growth story of the bank in terms of credit will be between 18% to 20% going forward, notwithstanding the issue of the quarterly sequential growth. We don't feel that's a challenge, we have enough pipeline, we have undisbursed sanctions of around Rs.15,000 crores, we have done a lot of work on the digital asset side and our branch activation has improved. The contribution from the branches in terms of RAM credit has now grown significantly. So overall, of course, the focus would be on the RAM segment, as I said, we would like to bring this 60% to around 65%, and we are working on each of the three segments- Retail, Agri, MSME, particularly on the segmental part. We are getting a lot of positive results on food and agro processing, that's a champion sector for the bank internally that we have created and I think that's the area where we will be working very closely going forward as it is giving us a lot of traction. On the retail front also, we are now having digital gold loans. We have also now simplified the processes of digital loan against fixed deposits. Very shortly we are going to launch the loan against mutual funds, that too digitally. Of course the other vanilla products- housing loan, Car loan, GST loan, all are very appropriately being done.

So that encourages us that we are now growing both organically through the branch network based growth and also digitally enabled growth. On Personal loan, again yes, one more area where we are now at par with the industry. We have created a digital personal loan STP journey also. Keeping all these things in mind and some of the other new initiatives also around the pipeline that we will let you know once it is in place, maybe after the second quarter.

We're also doing a lot of co-lending, we have a specialized cell of co-lending which does a lot of hard work in terms of doing co-lending business. So overall, though we have kept the guidance of 16% to 18% and have achieved 19% plus, we feel that the 19%-20% growth is very much possible and is within our appetite as well.

Mr. Ashok Ajmera: That's very encouraging to hear. Sir, on the profitability front, the net profit this time is much lower than the last quarter, maybe because of that provisional reversal-negative provisioning in the last quarter of Rs.73 crores. But if you look, even the other income is also down, at Rs.333 crores against Rs.427 crores and major negative contributor in that is less recovery from the written-off accounts of only Rs80 crores as compared to Rs.238 crores in the last quarter and even the cash recovery also is lower in this quarter.

Our NPA provisioning also has gone up to Rs.123.50 crores from Rs.20 crores in the last quarter. So all this is giving a lot of pressure on the profitability because treasury has grown by Rs.40 crores as compared to last quarter, but then treasury otherwise also in every bank have performed well in this quarter because of the rate tweaking.

So, on the profitability front going forward, what are the plans of the banks and where are we going to end this FY 27?

Mr. Swarup Kumar Saha: Point well taken. Mr. Ajmera regarding your observations on the non- interest income.

If you see sequentially regarding the treasury income, as you rightly said, that the treasury income has improved for many banks, and for our bank too compared with the March figures, we were actually having a negative contribution in March, now that is positive, of course thanks to the movement in the yields that have happened. That is an area which will always be there.

You cannot wish away the fluctuations in the yield movement, and again things are heating up in the gulf area, so we have to wait and see how it stands out going forward. Of course recovery in written off accounts, it's the Q1, though it has been marginally less than the previous quarter, but recovery happens more in the second half of the year. So therefore we have a very ambitious plan of recovery and upgradation, including that of course in the written-off accounts.

Beyond that, what we would like to say is that we all know the importance of treasury income and recovery in TWO accounts and Treasury will always be a market phenomenon. So now if you see our NII income, we are trying to mitigate our growth through investing more and more in high yielding assets, whether it is advances, whether it is investments.

So one strategy is of course to improve our yields particularly from the Agri and MSME segments and under the retail schemes, from the gold loan, the mortgage loan, the personal loan. These are some of the areas on which we continue to focus and that's why we have created a lot of digital journeys so that the augmentation of the credit in this area also improves. The other area of course remains other income apart from the treasury and the written-off accounts which we are now working on.

Mr. Ashok Ajmera: Higher NPA provisioning?

Mr. Swarup Kumar Saha: I'm coming to that point.

Mr. Swarup Kumar Saha: Okay. As I said, on the core fee income we have been doing a lot of activities in terms of rationalising service charges and System driven charging of our other service charges. We have created a Revenue Intelligence Wing in our bank which gives us continuous feedback & how to improve our income. Coming to your final point on the provisions, actually this time slippage have been at par with the previous quarters. As the ECL provisions are kicking in next year, we have proactively started building up on that front as well. So additional provision that you see is actually not due to any adverse movement in the asset quality, but due to proactive building up of ECL provisions and more than what is currently required so that at the end when it kicks in on 1st April, we are in a better position in terms of that. We thought it is better to fundamentally strengthen the balance sheet and that's why you will find that this time our PCR -provision coverage ratio also improved to 92.33%. So that's the answer for your additional provisioning, it is not that the credit cost has increased due to some asset quality issue, but due to proactive provisioning in the NPA portfolio.

Mr. Ashok Ajmera: Sir, one last observation and one question, that now with this FCNR deposits and interest free regime- our bank also must be having a lot of customers, NRI customers and the foreign customers. So how much do you think you will generate more through the FCNR deposits with this relaxation in the interest rate — interest cap?

Mr. Swarup Kumar Saha: Yeah. Though RBI has given an excellent window for us, but if you have observed the latest trends also, the estimates that the country was expecting at one point of time have been brought down. Now we are talking around $50 billion, $60 billion.

The basic issue which is coming up, one are due to some of the global trends in some countries where certain additional regulations have been put in which will limit the expectations that we had & what is limiting us also is that we do not have a foreign branch. Our Gift City branch is going to get opened only in the third quarter. So we are a bit limited in that way because the leveraging facility is important for those who want to keep this deposit. So, the leveraging of the FCNR deposits will be more useful when a customer can avail that in a foreign branch of our bank, which at this point we are limited to. So we don't have any big aspirations in terms of getting FCNR (B) because the ecosystem in our bank and geographical network doesn't facilitate that matter.

So we estimate around $20 million to $25 million in that aspect. Of course, RBI has also given a window for OFCB and ECB borrowings. So we expect to mop up around all the three components of FCNR(B) deposits and the two borrowing routes, we expect to mobilize around $100 million in this matter, that's the estimate for us.

Mr. Ashok Ajmera: If you look at our net worth calculation, Rs.224 crores has been added additionally. So, is it because of the AFS reserve increase? Some revaluation or — I mean, it's a valuation gain in the AFS reserves or something else, this Rs.224 crores, which is added additionally in the net-worth? Your net worth in the results sheet is Rs.12,500 crore, In the last quarter, it was Rs.11,945 crores, so an Rs.555 crore increase. Your profit has increased by 331 crores. So the net additional increase is Rs.224 crores. So what is the component - AFS?

Mr. Arnab Goswamy: Out of that, the AFS is Rs.170 crores. So I have given you the AFS component, as you were asking.

Mr. Ashok Ajmera: Rs.170 crores? Okay. So only Rs 54 crore additional - is it some reversal in the reserves, or some other component?

Mr. Arnab Goswamy: Sir, That is beacuse of the DTA adjustment.

Mr. Ashok Ajmera: So, DTA adjustment, okay. All right, sir. Thank you.

Mr. Swarup Kumar Saha: Thank you.

Moderator: Thank you, sir. Next question, we have from Sushil Choksey. Sushil sir, you can go ahead.

Mr. Sushil Choksey: Good evening PSB team. Congratulations for very stable number and a good outlook.

Mr. Swarup Kumar Saha: Thank you.

Mr. Sushil Choksey: Sir, your voice is loud and clear. So, my first question is, you have indicated some guidance based on the performance which you have achieved in Q1 and the guidance, which was given at the end of the last year. But what would be an aspirational target on ROE, ROA, NIM, cost-to-income for the current year?

Mr. Swarup Kumar Saha: See, we have done 2.53% this time in terms of NIM. We expect that we should be around 2.60% to 2.65% in NIM. In terms of ROA, we should be between 0.85% to 0.90%.

Mr. Sushil Choksey: And ROE, sir?

Mr. Swarup Kumar Saha: ROE, what is the present number? Around…?

Mr. Arnab Goswamy: 10.85%

Mr. Swarup Kumar Saha: Okay. It should be around 12%.

Mr. Sushil Choksey: Okay. And sir, cost-to-income?

Mr. Swarup Kumar Saha: Cost to income, we should be below 60%.

Mr. Sushil Choksey: Sir, we're almost nearing 60. So, there's nothing much left. Looking at what you are saying of rebalancing your portfolio between RAM and Corporate 65-35. I see that you have increased your gold loan business and shredded some low-yielding advances or IBPC as per what I can make out. And you're rebalancing with a corporate loan book, which you might have sanctioned currently and undisbursed. So if we get some colour on the Q2, what is your projected pipeline for the quarter? I'm not asking for the year target, which is going to make bank little healthier in terms of profit as well as growth. So asking from the previous questionnaire, I think the bank is poised to grow, there is something mismatching only for the quarter, it seems.

Mr. Swarup Kumar Saha: In terms of the corporate side, as you have rightly observed, we are shedding some accounts. There was one central government guaranteed account where we had a huge exposure of Rs.5,000 crores at a low yield. In terms of 30th June, we had shed 50% of that and after 30th June, we had shed nearly the entire amount, a small paltry amount is still pending. So, our aspiration is to look out for opportunities to replace these assets with high-yielding ones. Some will go into the Agri and MSME segments. Some in the retail, gold, mortgage, personal loan segments, some in the corporates, which we will replace some of the assets with a better yielding one. So as far as colour is concerned, as mentioned earlier, we have an unavailed corporate book of around Rs.15,000 crores so we will continue to move in that direction. But we'll be very choosy on the pricing, and we are negotiating hard nowadays, and we are getting some benefit out of it. That is why you will find that the NII, which was lagging a bit in the earlier few quarters, is now showing some uptick compared to the previous quarter. Co-lending on gold and MSMEs will also continue to be our priority.

Mr. Sushil Choksey: Sir, gold loan of now Rs 4,000 crores, what I can see, what would be an aspirational target, if I take a year-end, can it be Rs 10,000 crores? Or it will be higher or it will be lower? And what is the average ticket? And how much is direct and how much is under co-lending in this? And how many co-lending partnerships have we fructified in the current year or till update.

Mr. Ravi Mehra: Good afternoon, as far as the total portfolio of co-lending is concerned in gold loan, it's somewhere around 10,000 crores as of now. And going forward, maybe since the repayment is very heavy on monthly basis, so we will be somewhere around increasing our Rs.3,000 crores during the year. With regard to gold loans under co-lending, the overall figures is around Rs.700 crores left out, and in DA it is around Rs.5,600 crores.

Mr. Sushil Choksey: How much is agri -led and how much is non-agri?

Mr. Ravi Mehra: Agri gold loan is around Rs.419 crores and retail is somewhere around Rs 5,600 crore.

Mr. Sushil Choksey: Sir, now when we are emphasizing our RAM to be 65%, key mantra on this cost of funds can vary between bank to bank, it's fine. But to improve the TAT, beside digitization, what are we doing that we garner a higher market share compared to nearby banks which are in the region.

Mr. Ravi Mehra: Sir, with regard to the digitization process of the RAM segment products, we are already having STP journey for KCC and education loan, personal loan, pre-owned vehicle, commercial vehicles as well. We have also increased the amount of the STP journey per product. Like home loans, we are going up to Rs.2 crore. Commercial vehicle up to Rs.50 lakh, pre-owned up to Rs.50 lakh accordingly. Going forward, we are looking forward for this STP journey of mutual funds, GST side, and some other government schemes as well. As far as our digital sourcing is concerned, I would say that my vehicle loans are subject– around 62% of the vehicle loans are being sourced digitally, and 53% of the home loans are being sold digitally. And the sanction rate under STP journey is very good. It's around 40% in home loans and 50% in vehicle loans, sir.

Mr. Sushil Choksey: Sir, now I understand that if you look at pan-India business for housing loan, car loan, NCR may be almost competing with Bombay on the size of the future market is concerned. In view of such, which is like a next-door neighbour for you, or it's the same city, region, how are we preparing to increase our market share specifically on products which are led by housing, car, and related personal consumption loans, or whatever we may be? Have we taken some initiative? Are we empowering our human resource? Are we opening more branches? Are we doing more tie-ups?

Mr. Ravi Mehra: Sir, primarily, multiple steps are being taken for this. One, for housing loans we are tying up with the housing projects - around 141 projects have already been approved by the bank. With regard to the car loans, we are tying up with the OEMs like

Maruti, Mahindra and Hyundai, and we are also tying up with the other agencies as well. Opening of branches is also there. One major change is that during the first quarter of the current year, the bank has undergone a major change in its organizational structure: we now have five zonal offices, whereas earlier we had only two, and all the regions are under the zonal offices. More importantly, the CENMARG, that is the back office sanction process structure - has now been consolidated into only five zones, to improve upon the quality and to explore the business opportunities in different regions.

Mr. Sushil Choksey: Okay, thank you for answering this question. Swarup Sir, what is your outlook on Treasury based on the yields globally and domestically? And how are we shaping up for better gains on the Treasury market for the quarter and year to come?

Mr. Swarup Kumar Saha: It is difficult to say at this point. You are observing what is happening globally, a lot of turmoil is there. The crude movement has, I think, touched $90 today. As the turmoil continues, it is very difficult to say when it will get resolved. India's inclusion in the index is supposed to come up, and some of the pressure we anticipated would get mitigated by that, but I'm not sure how the global situation goes and when it will be resolved again. Overall, if you ask me, today we are at 6.8%. It can creep up further, and 6.90% is what we can touch very shortly.

Mr. Sushil Choksey: Sir, in view of this FCNR (B) deposits, I understand we lack some positive support because we don't have overseas branches, but in such circumstances when the liquidity of $50 billion, $60 billion is estimation, if we do infrastructure bond, we may get a favourable pricing and taking a mix of pricing between FCNR (B) to lending at FCNR (B) even at one year MCLR. You may have a benefit in doing a 5,000, 10,000 like last year. We can always energize ourselves. Let some other banks bet on FCNR (B).

Mr. Swarup Kumar Saha: Yes, yes, you are right. We are working on that. Yeah.
Mr. Sushil Choksey: Okay. Second thing, Sir, if I am thinking right, what can we change within the bank other than accelerating our business, of getting cost-to-income lower?

Mr. Swarup Kumar Saha: See, ultimately it's a matter of how we manage our income. A bank which has its own legacy issues of no growth, no expansion, no capacity enhancement in HR and technology upgradation. Bank has to upgrade itself, has to continuously invest in technology, has to expand branches, areas of where we are not present. We are only present in 450 odd districts, and we have to continuously recruit people at all levels. So that to support the branch expansion initiatives. So if you put all these things together and that's what we have been doing for the last few years, wherein we have been trying to bring the bank at par with any other, at least a public sector bank, if not the private sector banks, and which takes its own toll on some of the cost that you are just mentioning.

But these are unavoidable, and we have to continue these endeavours. Whenever branch expansion happens, recruitments will also we have a three-year plan of increasing our bank's business to Rs.4,00,000 crores by FY '29, and with having 2,000 branches and around 1,600 ATMs. We have a plan of 6,000 to 6,500 BCs. Now when we invest in branch network, we have to invest in HR also. So a lot of effort goes into that. The cost has to be mitigated by more and more income, and we are trying to create more and more avenues for income.

Now, the Gift City branch will open in and around November, I think that is the realistic time. All the approvals are in place, our team is in place; only the IT technology team is now working on it. So we will have some movement in our resource mobilization and deployment of resources through the Gift City. As we don't have too many other areas of revenue generation, we have to augment our income based on our strategy and optimize cost, particularly with the idea of bringing in AI as a part of our systems and processes. Once you bring in more and more AI-driven processes, the repeated work can be left to the business rule engines, and more and more deployment can happen in the various productive areas of branch business. So we have a strategic plan; I am very sure, and we are coming out of it - though the progress has been slow, as long as the intent is there, the strategy is in place and we are getting results though albeit slowly, we hope to reach a very important point very shortly. Reduction of the cost-to-income ratio below 50 is an aspiration for us, and we expect that can happen in another two to three years' time.

Moderator: Thank you, sir. Our next question we have from Amit Mishra.

Mr. Amit Mishra: Hello, thank you, sir. Thanks for the opportunity. Hello? Good evening, sir. Sir, Amit Mishra from Indus Equity Advisors. I have one question regarding credit cost. Like you mentioned in the call that this provisioning of Rs.123 crores, most of it because of ECL. So, how much is for ECL and how much is for our normal NPA provisions, if you can bifurcate?

Mr. Swarup Kumar Saha: See, the netting of course will come to that level, but we have provided around Rs.150 crores on this ECL, this quarter.

Mr. Amit Mishra: Okay & sir, you have given guidance of credit cost of less than 1%, and historically our credit cost is around like 0.5 bps to 0.20 bps in last two years. So this year we are expecting– this is just because of ECL provisioning, and we expecting something else?

Mr. Swarup Kumar Saha: Yeah, we have kept something in hand for the ECL provisioning. The core credit cost should be very low, because we are not seeing any red flags anywhere in any sector. However, as a prudent measure, we keep this guidance so that we work closely to ensure that the ECL provisions, when they kick in after the first year, do not impact the balance sheet in any way in future.

Mr. Amit Mishra: Okay. Got it. Thank you so much sir.

Mr. Swarup Kumar Saha: Thank you

Moderator: Thank you. Thank you, sir. Next question. One of the online participants raised a question on WhatsApp.

Mr. Swarup Kumar Saha: Please read it out.

Moderator: How do you see NIM evolving over the next few quarters, especially considering the pressure on funding cost?

Mr. Swarup Kumar Saha: Yeah, as I said that we expect that the NIM should going forward should be between 2.60% to 2.65%.

Moderator: Thank you, sir. We have one more question. Slippages saw an uptick during the quarter, mainly due to MSME accounts. Do you expect the stress to continue, or has most of the stress already been recognized?

Mr. Swarup Kumar Saha: This run rate may continue, because whenever certain things happen globally, some trickle-down effect does happen on the MSMEs. But it is not a matter of alarm for us; we are monitoring it. If you see, our collection efficiency is improving and our overall SMA percentage is coming down. Last year we had a net slippage of overall Rs.677 crore. We would like not to breach that level, and hopefully we will be able to bring it down below Rs.600 crores.

Moderator: Thank you, sir. As there are no further questions from the participants, we now conclude this conference.

Mr. Swarup Kumar Saha: Thank you very much. Thank you all for joining. Thank you.