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Dear Sir/Madam,

Sub: Transcript of Bank's Conference/Earnings call held on 16th January, 2026.

We enclosed herewith the transcript of Conference/Earnings call hosted by Bank with the Analysts/Institutional Investors on Friday, 16th January, 2026 on Financial Results of the Bank for the Third Quarter and Nine Months ended 31st December, 2025.

The copy of same is made available on the Bank's website under the following web link:
<https://www.centralbank.bank.in/en/investor-relations>

This information is furnished in terms of Regulation 46(2) and Regulation 30 of the SEBI (LODR) Regulations, 2015.

Please take the above on your record.

Thanking you.

Yours faithfully,
For **Central Bank of India**

CHANDRAKANT BHAGWAT
Company Secretary & Compliance Officer

Encl.: As above



“Central Bank of India Q3 FY '26 Earnings Conference Call”

January 16, 2026



MANAGEMENT: **SHRI KALYAN KUMAR – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER,**
SHRI M. V. MURALI KRISHNA – EXECUTIVE DIRECTOR,
SHRI MAHENDRA DOHARE – EXECUTIVE DIRECTOR,
SHRI E RATAN KUMAR – EXECUTIVE DIRECTOR,
SHRI MUKUL DANDIGE – CHIEF FINANCIAL OFFICER,

MODERATOR: **RAJU BARNAWAL – ANTIQUE STOCK BROKING LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Central Bank of India Q3 FY '26 Earnings Conference Call hosted by Antique Stock Broking Limited.

As a reminder, all participants' lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*,” then “0” on your touch-tone phone. Please note that this conference is being recorded.

I now handover the conference to Mr. Raju Barnawal from Antique Stock Broking. Thank you, and over to you, sir.

Raju Barnawal: Thank you. Good afternoon, everyone, and thank you for joining post-results conference call of Central Bank of India.

Today, from the Senior Management side, we have with us Shri Kalyan Kumar – MD and CEO, Shri Murali Krishna Sir – Executive Director, Shri Mahendra Dohare – Executive Director, Shri E Ratan Kumar – Executive Director, and Mr. Mukul Dandige – Chief Financial Officer.

Now, without any further delay, I hand over the call to MD sir for his opening remarks, post which we will have an Q&A session. Thank you, and over to you, sir.

Kalyan Kumar: Good afternoon. In brief, I am going to capture the major highlights of Q3 results, and it is quarter-on-quarter, and some places I will compare it with year-on-year basis. Total business has grown by 15.77%, and that is INR 7.74 lakh crore, within which total deposit has grown by 13.24%, that is INR 4.50 lakh crore, and CASA has grown by 8.54%, that is INR 2.11 lakh crore.

Gross advances has grown by 19.48%, that is INR 3,23,531 crore year-on-year basis, and RAM has grown by 17.89%, that is INR 2,23,000 crore. Corporate has grown by 23.18%, that is INR 1,00,365 crore. Total income also has increased by 12.62%, that is INR 10,968 crore, within which interest income has grown by 6.15%, that is INR 9,033 crore. Net profit is all-time high, 31.70% increased to INR 1,263 crore.

Gross NPA has been improved by 116 basis points, and that is 2.70%. Net NPA is 0.45%, that is 14 basis point improvement. ROA is above 1 and it is 1.01%. ROE is 14.47%, and CD ratio has improved by 375 basis points to 72%.

Here, I want to say in market guidance, in business growth, deposit growth, advances growth, RAM, gross NPA, Net NPA, PCR, slippage ratio, credit cost, ROA, in 11 parts, we have achieved whatever market guidance we have given, we have achieved. Only CASA, NIM, and cost-to-income, these parts we actually could not achieve because NIM guidance was above 3%, we achieved to 2.96%, and cost-to-income guidance was given less than 56%, and it is 57.84%. But I am sure we will meet the expectations of the market and investors, and we have initiated several strategic steps to achieve these parameters also.

And there is a reduction in yield on advances by 78 basis points year-on-year, that is 8.15%, and cost of deposits has also decreased by 2 basis points, that is 4.75%, and credit cost, I would like to highlight, it is 0.37%. Slippage ratio in this quarter, it was 0.25%. This is also one highlight. And other operating expenses have reduced by 119 basis points, and it is also one improvement which I want to highlight in front of you all.

Capital adequacy ratio is 16.13%, within which CET1 is 13.87%, and Tier 2 is 2.26%, and our leverage ratio is 5.63%. Gross NPA in absolute terms is INR 8,726 crore, and net NPA is INR 1,414 crore, and slippage during Q3 is INR 658 crore. It is also one of the best in the previous quarter, and in 9 months, slippage is INR 1,865 crore.

Another highlight which I want to make, recovery in written-off accounts, this quarter, it is INR 1,026 crore, and in nine months, it is INR 1,919 crore. In that way, there is marked improvement in the recovery and NPA management side.

Provision coverage ratio, another signal of resilience in our balance sheet, it is 96.69%, that is including TWO accounts. Our restructured book also, total restructured book is INR 4,113 crore, standard restructured book, and SMA, Rs. 5 crore and above is 5.32%, that is INR 1,024 crore. Total SMA-0, SMA-1, and SMA-2 constitute 0.32% of our standard advances as of this quarter.

In that way, in brief, I can tell you your Bank is very resilient, and adequate capital is available, and with the strategy which we have taken by integrating technological upgradation and digital capabilities, I am sure that in coming days, you will see the performance of Central Bank of India actually as per your expectation, as per market expectation.

With this, I am open for the questions please. Thank you.

Moderator: Thank you so much, sir. Ladies and gentlemen, we will begin with the question-and-answer session. Our first question comes from the line of Dr. Ashok Ajmera from Ajcon. Please go ahead.

Ashok Ajmera: Congratulations to Kalyan Kumar ji Saab and, of course, other EDs, the entire management team, and the staff of Central Bank of India for a very good quarter. Sir, after having come in this Bank, you may not be knowing that in earlier 3-4 quarters, I had the concern on the advances growth, credit growth, which was almost muted if you look at the first two quarters. But in this one quarter itself, the credit growth is 10.24%, which is definitely commendable and leading to the operating profit of INR 2,292 crore. So, heads off to you.

Kalyan Kumar: Advances have grown by 19.48%. Not 10%.

Ashok Ajmera: Yes, no, that is year-on-year. I am talking about nine months.

Kalyan Kumar: For 9 months.

Ashok Ajmera: This quarter-on-quarter, it is 10.24%.

Kalyan Kumar: Yes.

Ashok Ajmera: Advances. And generally, I compare for the current financial year, and the credit has gone up to 11.52% in this nine-month period. But looking at this quarter of 10.24% growth from INR 2,93,000 crores to INR 3,23,000 crores, shall we take it, sir, that the credit growth for the whole year, whole of the financial year FY '26 will be robust and beyond the advance credit target of 15%-16% given earlier? This is my first this thing.

And coupled with that, the deposit growth was muted in this quarter, and the overall deposit growth also is only for nine months is 9.18%. It means to get even the 13% target deposit, you will have to generate the deposit of almost about INR 16,000 crore in the remaining this one quarter. So these are the two things on which if you can throw a little light on that so that I can take it further questions, sir.

Kalyan Kumar: Ajmera ji, thank you for your encouraging words. And I want to assure you in credit side also, these are not just numbers. For this number and growth which you are observing, it is a well laid down strategy, and where activation of our every business units is a part, mobilizing both liability side and asset side. In that direction, first, I will capture credit side question, asset side question, which you have asked.

Earlier, in previous quarter, you must have observed our total loan book, 72% were belonging to RAM side, and 28% was corporate side, and growth rightly as said by you. So, what we did for RAM segment, Retail Agriculture and MSME segment, for retail, agri, MSME, we started outreach program. I joined on 30th September, and in November first week, we started outreach program at more than 100 plus places. We got very good business leads also, and those leads converted into, that actually helped us a lot in achieving these numbers which you are observing now. And it is a continuous process.

Again, in the month of February, already these programs are laid out, dates have been declared, and people are working on the ground. In this process, what happens? Business from field, which is a very challenging task for all the public sector banks, we are able to activate them, and their contribution towards building quality loan book is ensured. This is one aspect.

Towards corporate lending side also, we started conducting credit approval committee meeting every week, and MC meeting, Board committee meeting also every fortnight we are organizing. We are getting good proposals in NBG side and also in sanction side, and good amount of sanction actually we have done.

I will tell you, in the last nine months, Central Bank of India head office level delegation committees have sanctioned INR 1,17,000+ crore. And that is actually a lot of things are still under disbursement. I can assure you that in the remaining weeks also, we will take decisions,

and looking to the undisbursed part of already sanctioned proposal, I am sure that the target of INR 1,13,000 crore plus credit book, we are going to achieve that. We are confident about it.

Another regarding your question towards deposit mobilization and resources side, there also Central Bank of India is having actually, I will say that we didn't go for any CD or also did not give any higher interest rate to mobilize resources. I am happy to share our 65% branches are having more than 50% CASA ratio. And now also, 47% is one of the highest CASA numbers.

In term deposit side also, our growth was more than 18%. The people have trust in this brand of Central Bank of India, and our presence across the country towards northern side, eastern side, northeastern side, and central side. We have a good number of opportunity for CASA.

We have also taken steps for actually segment-wise product design, where a lot of bundling of insurance products, life insurance, term insurance, accidental insurance, and several products we have given and make it one of the best products available in the market. And with our marketing people and branch people, we have started a campaign which is named as "Aagaz" and we are expecting INR 20,000 crore through this campaign in CASA side.

And with the available structure, technological support, because you know we are having very good mobile app, Cent eeZ app, which provides very good experience, banking experience to our customers. In that way, I am sure that resources side also, we don't have any big challenge in mobilizing the required resources to meet our aspiration towards credit growth.

Ashok Ajmera:

My next question is, sir, on the profitability front. You definitely perform well on the operating front, but because of a little higher provisioning in this quarter, our net profit is just INR 50 crore above the last quarter's profit of INR 1,213 crore. And what I see is that the provisions have gone up mainly on the, one is on the restructured book to INR 346 crore as against INR 113 crore. And also on the standard asset book also, the provision has gone up substantially from INR 30 crore to INR 150 crore. This is maybe one of the reasons. So, what is the reason for, I mean, making the higher provision, and whether are we going to have the need for the same in the next quarter also? Because ultimately, the bottom line is not reflecting what the operating profit is.

And coupled with that, there is also an observation, sir, that our treasury has performed well in this quarter, generating treasury income of INR 302 crore. And at the same time, recovery from the written-off book is also very handsome, INR 1,109 crore. And so overall, other income has increased, which has offset some of these provisions. But whether we will continue to have the need for providing so high in the restructured book and standard asset also, we are building more provision, and whether it is because of creating some buffers or what is the reason for that?

Kalyan Kumar:

Ajmera ji, see, INR 375 crore we have provided for ECL.

Ashok Ajmera:

Yes, that is what only I wanted to know. Yes.

- Kalyan Kumar:** Yes, majorly it's on that. Second is, for the first time if DCCO extension happens because of that there will be a provision. So there, we have a provision of around INR 50 crores. So, these are the two major reasons. But one is as per regulatory guidelines. One is, we have proactively provided INR 375 crores for the proposed ECL transition. So, these are the two reasons. But I mean, provision-wise, because the slippage ratio has been contained, that is why the credit cost also has been contained. And based on whatever is the impending requirement that we foresee, we are doing proactive provisioning.
- Ashok Ajmera:** Sir, one thing on the employee cost, INR 160 crore is more than the last quarter. Have you considered the impact of the revised Labor Code?
- Kalyan Kumar:** Ajmera ji, there also, we have proactively provided INR 150 crore additional.
- Ashok Ajmera:** That is Labor Code that the higher gratuity burden has...
- Kalyan Kumar:** No, no. We have a liaison with Labor Code. Proactively, we have done this provision of additional INR 150 crore.
- Ashok Ajmera:** So the impact of the new Labor Code on the gratuity is yet to come, the effect and the calculations.
- Kalyan Kumar:** There will no impact on our personnel because as they are saying they are going to reduce it five years to one year, we do not have that kind of structure in the Bank. Beyond 90 days, we are not submitting any casual labor in other. And we have direct contractual agencies; we do not engage any casual labors directly. So we do not foresee any sizable or any impact at all.
- Ashok Ajmera:** Sir, the last one in this round is, sir, our government holding now also is 89%.
- Moderator:** I am really sorry to interrupt you, but please rejoin the queue for questions. We will go to the next question. Our next question comes from the line of Nishita from Sapphire Capital. Please go ahead.
- Nishita:** So, I just had three questions. You mentioned that we did INR 1,100 crore of recovery in Q3 FY '26. Can you give a number of how much recovery we can do in Q4 of FY '26?
- Kalyan Kumar:** In Q4, madam, I am having, I will tell you. In Q4, expected recovery and upgradation and recovery in technical write-off, it is INR 904 crore. Total recovery and upgradation expected in Q4 is INR 904 crore.
- Nishita:** And you also mentioned that in CASA, NIM and cost-to-income, we have not achieved our stated guidance. So, do you foresee us achieving our stated guidance in Q4 and in overall FY '26 also?

- Kalyan Kumar:** It may take time. Actually, I can't assure by March '26 because there is pressure on margin due to rate cut, and though we are diversifying revenue sources and cost settlement, we have taken several steps, but it may another 2 years to 3 years to take it below 50%.
- Mukul:** Madam, see, we are at 57.8% right now. And as sir is saying, because of the pressure on margin, so Q1, it will have to be a gradual process through which we will be able to come down. So, maybe 50 to 100 bps every year. Like that, we will be able to bring down the cost to income ratio by 50%.
- Kalyan Kumar:** Or less than 50%, it will take three years.
- Mukul:** Minimum three years it will take.
- Kalyan Kumar:** Less than 50%, three years.
- Nishita:** And just last, it is just a clarification. You mentioned that our credit book target is of INR 1,30,000 crore?
- Kalyan Kumar:** INR 1,13,000 crore.
- Nishita:** INR 1,13,000 crore That is the target, right?
- Kalyan Kumar:** Corporate book. INR 1,25,000 crore, corporate.
- Nishita:** For corporate. So, what is the overall target book for overall target credit book?
- Kalyan Kumar:** Total credit target INR 3,40,000 crore.
- Nishita:** INR 3,55,000 crore.
- Kalyan Kumar:** INR 3,40,000 crore.
- Moderator:** Our next question comes from the line of Ishank Gupta from Choice Institutional Equities. Please go ahead.
- Ishank Gupta:** So, my first question would be that going by your sequential growth in business, the corporate loan book has witnessed a substantial growth of 20% Q-on-Q. So, was this abnormal growth led by any particular end sector, or it was broad-based?
- Kalyan Kumar:** It is broad-based actually. Because you see, in corporate side, year-on-year growth is 23%. And we have given sanction from head office in this year from different committees. It is INR 1,17,000 crore. And different committees like MC, CAC committee headed by MD, ED, and CGM committee have approved. And from zonal level also, regional office level also,

committees have contributed towards this corporate credit business. It is broad-based. It is not limited to any few players or any entities.

Ishank Gupta: Yes. So the reason for asking this question was because, going by the general market, many of the sectors are not doing good, except auto and some of the consumer discretionary players. So, for that, any particular sector, because the private CAPEX is not growing that much, and at the time, the government finances are under stress. Similarly, the government CAPEX is also weak.

Kalyan Kumar: Demand for credit side, majorly the sectors where we entered, this is renewable energy sector, LRD, and also opportunity towards infrastructure, road side also, and data center also. These are the emerging areas where we participated. And in corporate credit side, we actually entered into those areas.

Ishank Gupta: My second question would be, when comparing our RAM advances growth with the industry growth rate, it is quite observant that our Retail and Agriculture segment is outperforming, while SME segment is lagging behind. So, could you explain the drivers for each of these observations?

Kalyan Kumar: Yes, Retail, we have grown by 20%-21%, looking to the opportunity available in our Indian economy. And agriculture also, we have grown by 15%. And MSME, we have grown by 16%. So, as rightly said by you that MSME, we have actually whatever we are having aspiring to grow, it didn't match that. But we have initiated steps that I would like to share with you. We have identified 225 MSME intensive branches in the active clusters, and we have designed cluster-specific products.

And digital side also, a lot of digital journeys for financing small value customers also, that is also there. So, with this, I am sure, and outreach program also scheduled in the first week of February, we are going to conduct MSME outreach program at 90+ centers in the country. And with all these enablement, I am sure that our growth in MSME sector would be better in this Quarter 4.

Ishank Gupta: Also, we have one of the best CASA franchise among the PSU banks. But the time when the delta between the savings deposit rate and the fresh term deposit rate is reducing, so what I believe is we should be able to grow our savings book more strongly. But the CASA growth has reduced this quarter. So, what could be the reason for a weaker growth?

Kalyan Kumar: CASA, we have grown by 8.45%. And what I understand, CASA ratio also we have improved from previous quarter. 47.13% is there. Previous quarter, it was 46.89%. So, there, I believe. And also, I will tell you, our out of 4,567 branches, approximately 3,000 branches are maintaining CASA above 50%. And northern side, central side, eastern side, northeastern side, CASA is ranging from 52% to 55%. Only southern side and the western side, our CASA ratio is 38%.

So, to build upon our these capabilities, we have launched "Aagaz" campaign, where the products which we have designed for all the different segments of the customers, like pensioners, defense personnel, police personnel, housewives, RERA-specific current accounts, number of products we have launched now. And with this campaign, we are expecting good mobilization under CASA segment. This is our strong area, and we are building upon our strong area.

Technology is also playing an important role. Every branch and marketing officers are having tab. Through tab, with pleasant onboarding experience, we are giving to our customers. And through mobile app, that is also a super app, our Cent eeZ mobile app. Through that also, we are giving them superior banking experience, providing them almost all the banking services on click basis. In this, we are sure that we will not only maintain but improve our CASA ratio in Q4.

Ishank Gupta:

And so my last question would be, with repricing of older term deposits is expected to start from the current quarter as the first rate cut happened in March 2025. So, what is the range do you foresee at which the cost of deposits should settle around in upcoming 12 months?

Mukul Dandige:

See, the rate cut was announced from February 2025, and in phases, 125 bps of rate cuts have been announced by the Reserve Bank, but as you know, the transmission in repo-based loans will happen instantly, whereas the time deposit rates will take some lag effect. So, we expect that by June 2026, the transmission should happen because now our maturity on an average monthly basis is somewhere around INR 18,000 crores to INR 19,000 crores of time deposits.

So, we expect that by June, when the rate transmission is complete, our cost of deposit should further come down to around 4.65%-4.70% kind of a range, because there will be another driving factor. Through this CASA campaign, our CASA growth also will be there. So, that will be an additional lever through which we will be able to bring down our cost of deposits.

Ishank Gupta:

So, considering both the drivers, can it come down below 4.5%? Currently, it resides around 4.85%. So, let's say, 4.7% is the rate we are penciling in with the repricing.

Kalyan Kumar:

It can be in the range of 4.5%-4.55%.

Moderator:

Our next question comes from the line of Varun from Share India Securities.

Varun:

Sir, I just wanted to understand your overall provisioning. You said that INR 375 crores is the provision that we have done for ECL. So, what was the INR 150 crores proactively that the company has provided for? And also the overall year credit cost, no doubt, it is below 1% and below the guided range. But sequentially, it has gone up from 0.22% to 0.38%. So, do you expect it to come back to the 0.22%? Or will it be as this thing itself? If you can throw some light on this?

Kalyan Kumar: Your voice was not clear, so I could hear the first part. INR 375 crores is ECL provision. INR 150 crores proactively we have provided for the terminal dues for the employees that we have done for this quarter. What is the other thing you are asking?

Varun: On overall credit cost, on a sequential basis, it is a little bit elevated from 0.22% to 0.38%. So, what could be the reason for this additional provision? And at what level do you expect them to be? Because I see that you have guided for 0.1%, but on sequential basis, it has just gone a little bit up.

Kalyan Kumar: So, credit cost, first is our guidance for slippage ratio is less than 0.35% every quarter. Now, what happens if I have to keep my net NPA at the same level, even though as per IRAC norms, I am required to make a provision of 15% only, but to keep the net NPA at the same level, I will have to provide for almost 100%. Because then only my net NPA would be at the same level or slightly lesser because of the higher income. So, depending upon the slippages, the credit cost may vary, but it is within the range of the market guidance that we have given.

Varun: Sir, you have said that the cost of deposit, the repricing, and the impact would be in June 2026. Just wanted to have a little bit of knowledge on your net interest margin because 3% was the guided for FY '26, you are already at 2.96%, and some impact of the overall rate cut would happen in Q4 itself. So, do you expect the NIM to go above 3%? Or would it be below 3% or somewhere near that?

Kalyan Kumar: We are going to maintain 3% guidance which we have given to the market. And for that, to maintain that, you know rate hit, 125 basis points was cut. And as we are having more than 60% loan book linked with repo immediate this was transferred to the customer. But the deposit repricing, rightly said by you, comes with lag. And by Q1 next year, most of those deposits will be repriced. But even after that, pressure on margin is there.

But for maintaining that NIM, we have already diversified, as I told you in my earlier answer. CASA mobilization, we have started very strategically. And also RAM advances, where we are having, particularly MSME and agriculture, we are having good margin. So, we are focusing on those by actually opening agri-intensive and MSME-intensive branches in their clusters, focusing upon high-yielding agriculture infra finance, also godown construction side.

And the opportunity available in this segment, where things are actually really emerging, we are entering into those segments where good margins we are expecting because on consistent basis, on weekly basis, we are conducting credit approval committees meeting also. Disbursements are also happening. Average credit part plays a very important role towards actually interest management and income management. So, with all these diversification, we are sure that our margins would be maintained, and NIM will be successfully maintained at least up to 3%.

Varun: Sir, one last thing, just wanted to understand because you highlighted that the overall MSME growth has not been as much as you envisaged to. But what we are hearing is during the Q3,

towards the fag end, in the month of December, the overall demand in the MSME has seen improvement. Has that been the case? If you can just throw some light on the overall demand conditions for MSME growth?

Mukul Dandige: I understand you want to know that whether the demand has gone up in Q3 under MSME, right?

Varun: Yes, sir. And last, and towards Q3, I mean, that will give you confidence that in Q4 MSME would be good?

Mukul Dandige: So, basically, MSME is not the kind of sector where there is a corporate type seasonal demand will come. MSME is only how best we are able to finance, how best we are able to find out. So, as sir has pointed out, that with the outreach programs that we had started in start of Q3, now in Q4 also will continue. And along with that, improved product offerings are there. So, with that, we definitely expect that the Q4 growth would be better.

Kalyan Kumar: We are actually; I will supplement what Mukul ji has told. We have identified 225 MSME intensive branches. And those branches are in the clusters, active clusters of the different activities. And we have also designed specific products for them, which is very, very competitive and supportive.

Apart from that, advisory services like handholding, providing training to the entrepreneurs, and also our own people who are posted in those branches, also we are providing them specialized training that is going on actually. In this quarter, we will get benefit of all these initiatives which we have taken in MSME financing. In that way, I can tell you that current quarter, Q4 actually will have good performance under MSME.

Varun: Thank you for answering my question, sir.

Kalyan Kumar: Next question, please.

Moderator: Next question comes from the line of Ashlesh Sonje from Kotak Securities. Please go ahead.

Ashlesh Sonje: Two questions to begin with. Firstly, your borrowings have gone up quite sharply Q-o-Q. What is the reason for that? And what is the cost of these incremental borrowings?

Kalyan Kumar: See, even though securities are liquid securities in which we have invested, but since they are carrying better coupon, so what we are doing is we are borrowing against those securities at around 5.15 to 5.20%. And those funds we are utilizing towards funding. And that is why you see our CD ratio has gone up to 72%.

Ashlesh Sonje: And there was a fairly large recovery from TWO accounts in this quarter. Was there any lumpy account here?

- Kalyan Kumar:** Yes. So, the major recovery has happened in some accounts, the highest being in Go Airlines with INR 515 crores. Thereafter, we have received INR 90.79 crores in one account called ALM Industries, INR 80.37 crores in ALM Food Products, INR 52.32 crores in Al Nafees. Like that, we have many accounts. And I can tell you that recovery in accounts above INR 1 crore is INR 890.56 crores. And the remaining is in the below INR 1 crore category.
- Mukul:** INR 130 crore is below.
- Kalyan Kumar:** Yes.
- Mukul:** Total is INR 1,021 crore.
- Ashlesh Sonje:** Sir, just a couple more questions. You gave some number that roughly about INR 18,000 crore- INR 19,000 crore of term deposits get repriced. You said every quarter or every month?
- Kalyan Kumar:** Monthly. Because we have a INR 2,33,000 crore kind of time deposit book.
- Ashlesh Sonje:** And lastly, can you share guidance on the yield on advances and cost of deposits in the next few quarters?
- Kalyan Kumar:** Current yield on advances is 8.15%. And hopefully, we will maintain this 8.15% in Q4. And another, what was the cost?
- Mukul Dandige:** Cost should come down slightly.
- Kalyan Kumar:** Cost income will come down. It would come down.
- Moderator:** Our next question comes from the line of Sushil Choksey from Indus Equity Advisors. Please go ahead.
- Sushil Choksey:** Congratulations to Team Central Bank and management for the excellent performance and lots of guidance in the press as well as in the presentation and Q&A. Sir, my first question is, in the interview and the commentary right now, you said your growth path is on a very positive track. You were expecting 72% CD ratio at March '26, whereas you have already reached '26 numbers in this quarter. You have already indicated the loan growth number based on what you are expecting to have sanctioned, and what is the kind of disbursement likely to happen?
- Second thing, can you indicate what kind of ROE, NIM as already guided, you will achieve 3%, ROE, ROA? And is your balance in RAM, which you have indicated again in interviews, would be much better compared to where we stand today in terms of corporate book is growing and RAM would stabilize?
- Kalyan Kumar:** ROE is 14.47%, up by 151 basis points, and certainly it will increase, I am sure, in this quarter also. And ROA we will maintain above 1% as we have given guidance to the market. It is going

to be above 1%. Towards RAM side, it is our priority, and Central Bank of India is having strength in this segment. Earlier also, you see based upon learnings from what we actually learned during PCA period and after that corporate lending, we are very actually, I will say that it is very selective, such as AAA rated and due to lesser risk appetite.

So, RAM side, actually, really the way we have identified the potential centers, branches, active clusters, dedicated products, and technology integrating with our business model. I am sure the guidance which we have given to RAM segment, 65:35 ratio, $\pm 5\%$, we have achieved this quarter also. In next quarter, I am confident that it would be maintained. Anything else?

Sushil Choksey: Sir, your commentary is very positive...

Kalyan Kumar: CD ratio also to answer your question, current quarter, we have reached to 72%. Certainly, as we aspire to improve our advances and deposit, so target advances were INR 3,40,000 crore and deposit INR 460,000 crore. I expect that CD ratio would be in the range of 73%-73.5%. We will reach easily to that level.

Sushil Choksey: Basically, speak less and achieve more. That is the mantra which you are guiding to Central Bank. That is what I figured out from your interviews and your commentary right now. I am happy to hear that. Sir, PSU Bank is a flavor of the season right now in the capital market when times are challenging led by the world. You have excellent franchise brand image, the 115 years put into the Bank's image. Customer base and CASA is well supportive.

You now have insurance arm. You are likely to spend a huge amount on technology if that number can be spelled out. What we will do different from the market and in our brand image to make our Bank bigger and stronger, including your INR 10 lakh crore aspiration of '28, which seems very feasible and achievable based on the numbers what you have spoken for?

Kalyan Kumar: See, really, we are blessed that we are 114 years old public sector Bank and having very rich legacy and rich culture. We are proud of that. And also, we are having 34,000+ employees. And average age of employees is 38 years. And that makes a very good combination of senior experienced person and the young persons. It makes a very good combination. And aspirations which you are actually expecting from Central Bank of India regarding in terms of visibility and brand image, we have taken several steps in that direction.

Digital media also, social media handles, channels, and also several products, the digital products adoption level are increasing. For that purpose also, campaign we have started. Digital marketing officer, one new concept we have identified. And with the thorough branding, all the nodal officer at branches, regional office, zonal office, and head office level, we are integrating them towards a structured way so that we can showcase our potential.

While giving interview, people still outside people understand that Central Bank of India is a traditional public sector Bank. But once we discuss with them the features and capability of

technology, which we have built upon, then they understand. That is need. I understand there is a need to highlight all these things and market it properly.

A very structured and strategic way, we are planning to actually improve visibility of our Bank. And in that direction, going to media, giving interviews, meeting with the investors, these are the part of our strategy. And also, we are having lead Bank responsibilities at 53 places, 53 districts.

We have also identified them as potential brand ambassador of Central Bank of India. We are organizing their two to three days training program where we are going to groom them for a better brand ambassador for Central Bank of India. In that way, we are leveraging all the opportunities and scope available in our organization to showcase our strength to the Indian banking ecosystem.

Sushil Choksey:

Sir, second thing, you have spoken about core strengths of not only management, employees, and the technology which you are adopting. The consumer experience is likely to get better and the Bank gets support.

Second thing I make out from your statement in the press articles as well as in your commentary that the private sector CAPEX is on a path of recovery compared to public sector. Can I take your replies as that our lending which is happening today is more toward private sector compared to public sector entities?

Kalyan Kumar:

See, we are having a very good customer base and our own clientele banking with us for 5th generation, 4th generation. Likewise, we are meeting. And we are not a large player in corporate sector looking to the potential players like larger Bank and all that. In that way, I don't find any challenge because our base size is very low.

The growth which we aspire, looking to our potential available in the Indian market, we are getting ample scope and ample proposals for actually financing and building our own book in those segments. There is absolutely no challenge we are finding or competing with private sector and all because we are having our own client base and we are getting good proposal from those channels.

Sushil Choksey:

If I conclude my question, sir, we are only climbing up on all aspects, and we have hit the bottom in respect of margins, profits, and we look up only quarter-on-quarter. Am I to assume that way would be a better way to take it?

Kalyan Kumar:

Yes. Bottom line will be maintained, as I assured you, because our composition of loan book, you are aware, it is more than 60% loan book is repo-linked based. So, we are more impacted. You must have seen in previous quarter there was a reduction of 59 basis points. It is the steepest actually impact.

But we have initiated several steps to maintain by launching CASA campaign, by designing products, and also designing the structure. Similarly, in RAM, as I discussed with you, and also diversifying different resources, cost curtailment. With all these strategies, I can assure market that our profitability and all these things, you will see a marked improvement in coming quarter and also coming year.

Sushil Choksey: I will just squeeze in one last question. Central Bank Future Generali is very visible. The Central Bank Generali insurance arm, very visible in media as well as other places. Has it started rewarding where our investment is concerned?

Kalyan Kumar: See, such kind of business actually takes time to achieve breakeven and all. It is just first year and we have got INR 42 crore from insurance.

But a lot of hope is there because Generali being a global company, having expertise in products and also delivery side and good services side, and Central Bank of India having countrywide presence and having good trust of public and customers in our franchisee, and we are under obligation to provide all the banking services and requirement of customers under one roof. In that way, this association is going to be complementary, and coming years will certainly get good benefit out of this association.

Sushil Choksey: Congratulations. Best wishes to Central Bank team for the year to come.

Moderator: Our next question comes from the line of Tanya Kothary from AUM Capital Private Limited. Please go ahead.

Tanya Kothary: Congratulations to the management team on delivering another strong quarter with over 35.31% Y-o-Y growth in consolidated profits, and further improvement is seen in asset quality. So, my first question is going with 19.5% credit growth, and the capital adequacy ratio is now trading towards 16%, so at what growth rate do we start consuming capital meaningfully? And should we expect any equity dilution for raising Tier 1 or Tier 2 capital in FY '26 and '27?

Kalyan Kumar: To meet our target, desired target in Q4, this capital is enough, sufficient to meet this growth target. Whatever we are aspiring, INR 3,40,000 crore is the credit advances target. Easily we will achieve. There is no need of going to market for either for Tier 1 capital.

Tanya Kothary: Sir, ROE is now around 1%, and you have given a target of 1%. Is this the peak zone for a PSU Bank like yours? Or what are the three levers to sustain or improve ROE above 1% once recovery and credit costs stay in place?

Kalyan Kumar: ROE, we have given guidance, it would be above 1%. And certainly, the profitability side, which we are focusing upon this time, also you have seen INR 1,263 crore was the profit, and net profit of the full year is going to be INR 4,000+ crore plus. I am sure that with this ROE, we will maintain 1 or above 1, which guidance we have given.

As I have told, answering different questions that CASA is our priority, RAM is our priority, and technology adoption is our priority. Cost reduction is priority. With all these initiatives and also Future, sorry, Generali Insurance you have seen, from all these segments, we have scope to get a good return, whatever we have invested in all these initiatives and all. I am sure we will be able to maintain ROE 1% or above 1%.

Tanya Kothary: Then one general question. There has been discussion in the market about potentially raising the foreign investment cap in PSU Bank from current 20%. But government has clarified it is not pursuing any increase in this time. So, we have seen around more than \$6.5 billion inflow in private banks by the foreign institutions.

So, my next question is, how Central Bank is going to attract long-term investment from the foreign capital or institutions under the current ownership? Are we seeing any opening of a further increase in this cap to 20% in PSU Bank?

Kalyan Kumar: See, as I told you, in current quarter, our capital is enough for growth, and all these things depends upon several approvals and several things. I will not like to comment on this aspect.

Moderator: Our next question comes from the line of Ashlesh Sonje from Kotak Securities. Please go ahead.

Ashlesh Sonje: Two questions, sir. Can you share what is the blended yield on your corporate loan book? That is one. And secondly, you indicated earlier in the call that you expect to maintain your yield on advances around the current level. What gives you the hope that you can maintain it? Because the repo rate has been cut in December, so the EBLR book will get repriced, as in the impact will be felt in the next quarter. What gives you the hope that you can maintain it?

Kalyan Kumar: This blended yield on corporate loan, I will give you offline. As far as the yield on advances and our belief that we will be able to maintain, two things. One is because the CD ratio has improved. So, definitely that should help us because we were at 66% when rate cut was announced, and from 66%, we have now graduated to 72%. Going forward, we expect to be around 73%-74%. So, that in itself would help us to ensure that our yield on advances remains more or less in this same line.

Moderator: Our next question comes from the line of Debansu Gupta from Eureka Stock & Share Broking Services Ltd. Please go ahead.

Debansu Gupta: My question is, I have noticed that Gross NPA ratio in Agri and MSME sector remains elevated. So, could you elaborate what is causing the stress within these sectors?

Kalyan Kumar: See, Agri and MSME, both NPA is approximately 5%. And still, if I compare with other players, it is actually not that much elevated side. Looking to the smaller ticket size and number of impact by several factors playing in the catchment area, this is the stress. But no any, I will say, the significant impact towards poor asset quality or anything I can tell you in this segment.

In agriculture, KCC is a major contributor towards slippage. And in MSME segment, government-sponsored scheme like MUDRA and also some other ticket size like general MSME scheme, we found some increased slippages. We have corrected it through policy modification and all.

In that way, we are conscious of this fact. And when we do retail business, certainly there are more chances of slippages, particularly in this unorganized sector. If I say agriculture, MSME, there are such kind of slippages happen. But Central Bank of India has initiated integrated call center. Feet-on-street things are there with technology propensity recovery models are in place. And with all these bot is there through which call centers are integrated. With all these integrated approach, we are maintaining good asset quality.

And also one thing I will like to mention here, what we have implemented now, improvement in greater underwriting quality. We have implemented one technological solution. Any proposal of retail, agriculture, MSME will first filter through this technology, GoNoGo app. And then only this will go to the loan origination system for processing. That initial level, selection level itself, we are screening out any potential account which can become bad.

What I can assure you, that with all these technological intervention at entry level, credit underwriting level, and also monitoring level, end-to-end, we have initiated several steps to keep our assets healthy, and we can handle large number of assets at big scale also with all these technological capabilities enabled with human also in the loop. In that way, there is no such challenge to our asset quality in agriculture and MSME in coming quarters.

Debansu Gupta:

One follow-up question on CD ratio. It has improved to around 72%. And given that there is tight systemic liquidity conditions and there are pressure on raising deposits, how much additional headroom does management see to increase the CD ratio without raising the marginal cost of funds? And how is the Bank balancing growth with liability side sustainability?

Kalyan Kumar:

See, the target which we have fixed for this quarter, March Q4 quarter, our CD ratio would be approximately 73% to 74%. And we don't find any major challenge towards resources side because you know our CD ratio is still 72%. Still, scope is there. And liquidity coverage ratio, if you can see, it is 203% also. There are also sufficient leverage we are having.

And the initiatives which we have taken towards CASA mobilization campaign, Aagaz, which I already talked about, with the structured approach towards product, process and technology and grooming people for taking it forward, so resources is not going to be a challenge. And the credit side, already I have answered your question that good proposals we are getting. Our CD ratio will certainly improve in Q4, and approximately it would be 73% to 74%.

Debansu Gupta:

And last question. As you mentioned that we have made INR 375 crore ECL provisioning in this quarter, so could you share what is the expected provision which we could see in the next few quarters?

Kalyan Kumar: See, ECL estimate. You know, we are having one of the highest provision coverage ratio, 96.89%, you are seeing. So, in that way, the asset quality is good, credit underwriting is good, provision already done, you see, net NPA only INR 1,414 crore. With that base, we are prepared to enter into the ECL. And already provision till now we have done INR 1,525 crore, which includes INR 375 crore, which we did in this quarter. And total estimation is INR 4,200 crore. INR 2,675 crore more approximately we have to make provision for achieving this target. By 1st April 2027, I am sure with the profitability we are going to make very easily we will migrate to ECL. We will not have much challenge in achieving this target.

Moderator: Thank you. As there are no further questions from the participant, I would like to hand the conference over to the management for the closing comments. Thank you, and over to you, sir.

Kalyan Kumar: Thank you. And really, it was good interaction. And again, as concluding remark, I want to assure market the guidance which we have given to the market in this quarter. We will achieve that. And the kind of initiative not only towards business numbers, but efficiency parameters are also our priority. In that side, customer service excellence is the Mool Mantra in that direction, providing handholding, training to our frontline officers is also one priority.

In technology side also, several things are there. We are working towards improving adoption of these technological capabilities which our Bank has created. With that, we are having 34,000+ Centralites, and we are handholding them. And credit-deposit ratio is a big challenge for us. 1,000 credit officers are being prepared so that they are being groomed and trained.

Similarly, 90 days focused credit training program we are doing, and we are preparing our people, as I told, LDMs and also different set of officers we are providing them, handholding them, good training so that they can take this organization forward in all the terms in technology, process simplification, all these things we are doing.

So with this, I can assure you the guidance which we have given to the market, we are sure and confident that we will be achieve that. Thanks for your support. And also, I am very happy that you gave us the opportunity to place our strategy and numbers in front of you. Thank you. All the best.

Moderator: Thank you so much, sir. On behalf of Antique Stock Broking Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your line.