बैंक ऑफ़ बड़ौदा
Bank of Baroda

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

Dear Sir / Madam,

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

We refer to our disclosure dated 17.05.2022 and enclose transcript of Analyst Meet Q4 (FY2021-22) held on 13.05.2022.

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

Yours faithfully,

P K Agarwal
Company Secretary

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ANALYSTS' MEET Q4FY22 & FY22

13th May 2022

Participating members from the Management Team of the Bank

- *Mr. Sanjiv Chadha, Managing Director & CEO*
- *Mr. Vikramaditya Singh Khichi, Executive Director*
- *Mr. A K Khurana, Executive Director*
- *Mr. Debadatta Chand, Executive Director*
- *Mr. Joydeep Dutta Roy, Executive Director*
- *Mr. Ian Desouza, Chief Financial Officer (CFO)*

Moderator: Good evening everyone and welcome to the analyst meet for Bank of Baroda's financial results for the quarter and year ended 31st March 2022. Thank you for joining us. We have with us today Shri Sanjiv Chadha, Managing Director and CEO Bank of Baroda. He'll be leading the call today along with the Bank's Executive Directors and the Chief Financial Officer. We will start with brief opening remarks by Mr. Chadha and a short presentation followed by the Q&A session. Sir I request you to start. Sir, I think you're on mute.

Mr. Sanjiv Chadha: I'm I audible now?

Moderator: Yes sir, you are audible now.

Mr. Sanjiv Chadha: Yeah. Thank you. So, thank you very much Phiroza. Let me begin by introducing my colleagues on the call. So, we have our Executive Director, Mr. Khurana, who is in-charge of stressed assets, IT and digital for us. Mr. Vikramaditya Singh Khichi, who is in-charge of retail banking, Mr. Debadatta Chand who's in-charge of corporate, international and treasury, and Joydeep who's in-charge of HR, audit, risk, compliance and all our platform verticals. So, we just start by looking at what are the few things behind the numbers. You have all the numbers, so I'll not waste your time going through numbers, but just a little bit of color in terms of the composition of the balance sheet and what kind of growth we have seen. It's pretty much on a similar format to what we saw in the last quarter.

Mr. Ian Desouza: Phiroza, can we put on the presentation.

Mr. Sanjiv Chadha: Yeah, perfect. So, we just go to the first slide. So, in the first slide we are just looking at the nature of advances growth. So, as we had discussed in the last quarter, we were looking at having an advances growth in line with industry which we had estimated might be somewhere between 7 to 10%, in the beginning of the year. So, we have delivered advances growth of 8.9%, which is in line with our guidance, but within that we had been indicating that we want to focus on those segments which allow us to protect our margins because we were in a surplus liquidity scenario and margins particularly in corporate were very challenged.

So, if you see the composition of growth, the highest growth has come from retail where on organic basis if we take out pool purchases, our retail portfolio has grown by nearly 17% and within that the highest growth has come from again the higher margin businesses where in car loans we have grown by nearly 20% and in unsecured personal loans which was a new business mostly intermediated by digital where we have grown by 108%. Similarly, we have been trying to endeavor to make sure that within agriculture, a large proportion of growth comes from gold. So, our gold loan portfolio again has grown by 25% YOY. So, this is really what has helped us in terms of protecting our margins.

On the deposit side, there were two things we were looking to do. One was to make sure that our deposit growth is in line with loan growth, it does not run too far ahead of that because of the surplus liquidity situation, and the second was again the composition that should come from CASA as much as possible. So our CASA growth at 11.5% is significantly higher than the total deposit growth. The term deposit growth was kept intentionally muted that was one part which has helped again our CASA ratio move from 37% about two years back to 44% now and that's something which should really help us even as we go forward into a regime where interest rates might start rising. Our higher CASA ratio is going to be a source of strength for us.

So, the discipline both on the asset and the deposit side has helped us in terms of our margins. So, the NII has moved up by 13%, fee income almost in the same proportion. The operating profit growth might appear muted at 5.6%, but this is largely on account of the fact that the Reserve Bank of India had changed the accounting rules whereby any market gains and losses now come above the operating profit line, but for that on a similar basis as previous years, the growth would have been more in line with the NII and fee income growth we have seen, which means it would have been double digit.

The profit before tax has of course moved up by 70%. The after tax profit has improved even better by nearly eight times as compared to last year's 800 odd crore profit and this is because last year we had changed our tax regime and which has helped this year in by reducing the tax outgo and helping a smart growth in net profits.

So, this is again the position in terms of the percentages. NIM as you see has moved up from 2.7% to 3%. We had guided that we would be looking at about a 10 basis point improvement in net interest margins. We have done significantly better than that. The overall NIM might optically appear a little lower than December, but some of you might remember in December we had pointed out that there was about 10 basis point one time effect on the NIM because of certain recoveries which had happened. So, the NIM is pretty much similar to what it was in December, actually if you were to adjust for that. The NIM improvement has come because the cost of deposit, as I mentioned earlier we have kept a lid on that, so cost of deposits came down by nearly 50 basis points while yield on advances moved down only by 20 basis points. The discipline on both the asset and liability side is directed in the fact that the credit deposit ratio which should have been normally under pressure given the circumstances for which we went actually has improved by nearly two percentage points.

The asset quality has continued to improve quarter-on-quarter in almost every measure. Gross NPA's are now down well below 7% and net NPA's to below 2%. So, these are by far the best figures that we've seen in a long, long time. The provision coverage ratio now is again stands at a very healthy 88% including TWO and without TWO at 75%. That is because we have taken some extra provisions over and above what is mandated as per regulatory guidelines this quarter. The slippage ratio, we had guided should be between below 2% and it's come out at about 1.61 which is again more than a percentage point improvement over the previous year. Similarly, cost of credit which looks optically elevated, but that is largely on account of the fact that we have taken extra provisions just to strengthen a balance sheet for the next year during the current quarter.

One of the significant initiatives for the bank was focus on collection efficiency and also containing the figure of SMAs. So this has resulted in a very significant improvement. While the collection efficiency, exiting March 22 at 97% is significant improvement over the last year. The improvement in the SMAs is even stark where from starting point of March 21 of 3% which of course was elevated because of the impact of COVID, it has come down to below 0.5%. So, I think this is something which augurs well for asset quality, as we get into the New Year.

The capital position on account of both the QIP that we did last year and also the retained profit now is pretty healthy at 16% and therefore apart from replacing Tier 1 bonds where they may be call options, we do not expect to go to the equity markets to raise fresh capital. We believe our internal accruals should be good enough to fund our growth.

The last point, again I would want to highlight is the progress we have made as far as digital is concerned and which is the biggest measure for us, has been the success of bob World, our flagship mobile application. The customers for bob World moved up from under 10 million in August, when bob World was launched to more than 20 million now. We expect this figure to move up to 30 million over the next few months and at 30 million, our penetration of the non FI market in terms of mobile banking would be nearly 50%. That gives us enormous leverage both in terms of cost savings and also in terms of cross sell.

So, this again if you go to the next slide, I think this was largely an attempt to make sure that the Bank which was voted as the Best Technology Bank by the IBA, the benefit of that technological edge should actually filter down to, in terms of customer experience and also in terms of cost savings as well as cross sell for the bank. So, I think we are well poised this year to fully leverage the progress we have made in digital banking during last year. So, that's pretty much from me. Open to questions now.

Moderator: The floor is now open for Q&A. I request all our analyst friends to raise their hands before asking the question. You may also type a question in the Q&A section. Thank you. The first question is from Mr. Ashok Ajmera. Please unmute yourself and ask the question.

Mr. Ashok Ajmera: Yeah, good evening Sir and congratulations to you Chadha Saab and the whole team for the good set of numbers. Specially on all other parameters, of course profit is also otherwise is good and your operating profit has gone to 22,000, net profit for the quarter is 1,778 and overall year is 7,272, commendable job.

Sir, having said that there are now two concerns which are coming in the economy. Basically, if you look at the interest rate, you look at whatever is happening globally, inflation locally going up, so there are two questions on that and your views on that. One, is on the pressure on the treasury because up to March you have handled it well, but now the concerns are coming more and with this 40 basis point rise by the Reserve Bank of India also, so where do we stand as regards the AFS book and how much are we equipped even if it goes up by 50 basis or 70 basis point and secondly the pressure on the overall climate, overall business credit growth, and other concerns considering the present situation, this is my first question on which if you can give your observations Sir. Your comment, Sir.

Mr. Sanjiv Chadha: So, thank you, Mr. Ajmera. So, I think as far as the interest rate regime is concerned, as you said very correctly there are two broad implications that we must assess. One is on the banks own book and #2 in terms of the broader economy and therefore the second order effects which might be there on our borrowers, in particular.

So, looking at the broader economy first, I think we had done a survey of our customers, about 1,800 odd customers, examined their balance sheets, and what we found was that the most of the corporate customers have deleveraged their balance sheets very substantially over the last few years and the interest coverage ratios have improved again very significantly. Therefore, if we are looking at a normalization of interest rates and that's what we should look at right, the interest rates today had been brought down to historical lows because of the impact of COVID. As COVID impact dissipated, it was expected that interest rates would normalize, which had been deeply negative for some time. What has happened of course is, that while the normalization would normally have proceeded a bit more slowly because of the impact of the Ukraine crisis, the normalization is happening at a quicker pace.

Nevertheless it's something that had to happen and to my mind looking at our own portfolio, we believe that a very large majority of our corporates are well equipped to handle the impact of that. So, I do not believe as things stand that we should have a significant negative impact when it comes to our corporate portfolio. So, that's number one.

In terms of our own balance sheet, as a general proposition in the short to medium term because of the lag effect between the re-pricing of assets and liabilities, it will be somewhat of a positive for the bank in terms of margins, but as far as treasury book is concerned our AFS portfolio has a modified duration which is under two and there also a significant proportion of the AFS book is composed of floating rate bonds, which actually will get re-priced. A) They have a short duration and B) as they get re-priced your margins should actually improve on them.

So, I think we are reasonably well positioned to absorb the impact of the rising rates this year also just as we did the last year, but I would request Mr. Chand again if he would want to just elaborate on what his assessment is of our current situation both from the viewpoint of corporates as also treasury.

Mr. Debadatta Chand: Yes Sir. In fact in the rising scenario there would be impact because of the interest rate on the depreciation side, but the best part is that without the REPO rate increase the market as on March 22 already the book has taken the impact of almost 80 BPS. So, the position we are now which is almost like for the 30-40 BPS higher than the March level, we are adequately cushioned at this point of time and as Sir said rightly our AFS almost like 40% of the book is on the FRB side and the resetting again going to happen in a month’s time, so because of that the impact on our book because of depreciation won't be significant and I believe that the kind of level of 50 BPS you are talking about the depreciation impact would be lower than that of last year. So, that is with regard to and the positive side is also on a rising scenario that is re-pricing benefit on the maturing investment and also since I'm getting a significant FRB book there is a positive income contribution on the investment income.

Coming to the loan side, there is going to be, because then a large percentage of the advanced book is also floating and significant percentage is again external linked, so this would be again contributing positively to the income side, but then there would be the cost of deposit would go up, but overall on the ALM prospective, we are adequately positioned to optimize on the income side rather than any negative impact, we can see because of the rising interest.

Mr. Ashok Ajmera: Sir, a supplementary question on that Sir. What is the composition of your loan book of MCLR, EBLR, and T-bill Sir, in percentage terms so that we can assess that you know like EBLR will be totally passed on, you know 40 basis point, even T-bill also you will have an immediate direct without losing a day, but how much is MCLR and how much late period it will have Sir. This is just for me, to now assess the future, Sir.

Mr. Debadatta Chand: See, on particularly the external link the benchmark it’s typically the T-bill and G-Sec roughly around 10% of the book is linked to this benchmarks. So, these are all automatic kind of things, the moment there is increase happening.

Under MCLR side we have almost like 50% of the book is again on the corporate side is MCLR link and remaining all are the floating rate. There may be a lag in terms of the external link benchmark vis a vis the MCLR, but then the significant percentage is floating rate and the benefit will accrue for the bank.

Mr. Ashok Ajmera: Thank you Sir. On this two accounts you know the retail account, Future and SREI, where do you stand as far as the loan book and the investment in both is concerned, have you provided 100% or what is the percentage of the provisions on Future group including loan and investment books Sir.

Mr. Sanjiv Chadha: So, we have fully provided again on the accounts and also as I mentioned in the introductory remarks, we have actually going forward and done some extra provisioning even apart from these accounts, so that again we are well cushioned for next year.

Mr. Ashok Ajmera: Have you taken all the group companies Sir or only some of the companies are standard or some are not of the future group, have you taken the total overall exposure of the whole group or still there are some standard accounts.

Mr. Sanjiv Chadha: I'll just request Khurana Saab to confirm that position please.

Mr. A. K. Khurana: No, there are few accounts which are still standard.

Mr. Ashok Ajmera: How much could it be approximately?

Mr. A. K. Khurana: Close to 300 crores.

Mr. Sanjiv Chadha: Yeah, so we are 100% provided on about 1,700 crores and 300 crores is standard. I think Khurana ji that would be the position?

Mr. A. K. Khurana: Correct, correct sir 2,000 crores.

Mr. Sanjiv Chadha: So, total 2,000 crore is the total including investment book and all the group companies on this.

Mr. A. K. Khurana: Yes Sir.

Mr. Sanjiv Chadha: Isn't it Sir?

Mr. A. K. Khurana: Yes sir.

Mr. Ashok Ajmera: Sir, can you give us some color on this our co-lending space where every bank is going now very aggressive on that and NBFC and co-lending space because NBFC is a big leg room I do not know exactly know what is your percentage of exposure where you are comfortable or not, but especially co-lending for SME or some tie up or gold loans or something can you give me some color on that that what is a book size today if it all you have made the partnerships and what are the future plans and the future targets for that.

Mr. Sanjiv Chadha: Khichi Saab.

Mr. Vikramaditya Singh Khichi: Yeah, on the co-lending space in fact we just wanted to embark on a journey right in the digital mode only. There were other challenges like lots of procedural challenges where we would be I mean compelled to take that journey on a digital mode and now we are almost done. We have already launched and we have announced a couple of collaborations also, a couple of tie ups also, and we are actually ambitiously looking at building up a book of around 10,000 crores in the next two years. The best part is that this is the first time that entire journey of co-lending is actually being taken on a digital mode I mean all the API integration with our middleware and all has been done and now we are embarking on that journey. So, at the moment we don't have a significant book to talk about, but as recently as last month only or maybe end of March only we have announced to take this forward in this year.

Moderator: The next question is from Mahrukh Adajania please. I'm sorry the next question is from Rakesh Kumar.

Mr. Rakesh Kumar: Hi, can you hear us Sir.

Mr. Sanjiv Chadha: Yes, Rakesh we can hear you clearly.

Mr. Rakesh Kumar: Thanks a lot for the opportunity Sir. Just I have two questions. Firstly based on this you know different interest rate lending regimes, previously we had a flexibility to change the spread each year in MCLR, but now we will have you know we'll have to wait for three years to change the spread. So, how the banks in general would be placed while trying to maneuver the spread or arriving at some lending rate. Thanks Sir.

Mr. Sanjiv Chadha: So, again Ian would you want to take that?

Mr. Ian Desouza: Can you just repeat that question your voice was not audible then.

Mr. Rakesh Kumar: Yeah, sure, sure Sir sure. My question is that Sir, in MCLR we used to have you know flexibility to change the spread each year and now in this EBLR we have you know we don't have that kind of flexibility and we can change the spread only in three years and based on you know customer behavior so if we have to you know maneuver you know our lending rate that we generally do so we don't have that flexibility so how we are placed in this new regime now.

Mr. Ian Desouza: So actually I would like to take the question in a different manner as to how we are looking at it from Bank of Baroda perspective. So, we have a large chunk of our loan book around 26 to 27% which is actually linked to external benchmark and that portion of the book has actually already re-priced by around 40 basis points because of the repo rate hike and as we mentioned earlier in the call, we have another 50% of the book on MCLR, which has re-priced already by 5 bips. So, we see the journey progressing quite well over the next 12 months while we will have a gradual effect on the cost of deposits also, gradually re-pricing upwards, but we are positive of having about a 10 bips increase in our NIMs, so that's the way we look out of it. In terms of the specific question you're asking I think it's a bit technical, but from a functional perspective I believe I have answered your question. Technically, we can connect offline and discuss more in depth offline if you like.

Mr. Rakesh Kumar: Sure Sir. Sir second question is related to our terminal benefits you know obligations, so we had a negative position of around 670 crore as on March 21. So, I would like to understand that first what is the benchmark that we have used for you know our PPO, plan benefit obligation and what is the average duration of our plan as such. Thank you Sir.

Mr. Ian Desouza: So largely our plan assets are actually managed by a set of insurance companies, so we don't get into the duration of the plan assets, but what we have seen over the last six months is that the rate projected by the insurance company has gone up steadily. What we have also seeing is that the discount factor that we use has gone up sharply, so we do believe that over the next 12 months, the gap between our liability and the funding that we need to infuse into the fund will narrow a bit. So, we see a positive upside, which should work in tandem in some way in terms of the downside that we see in marked to market in the treasury book. So, you could see some kind of mitigation built in there. So, last year we had almost close to a 2,800 to 3,000 crore hit to P&L for this that could moderate as we go further, but we will have to see as the scenario becomes even more clear.

Mr. Rakesh Kumar: Got it Sir. Thanks a lot. Many thanks Sir.

Moderator: The next question is from Mahrukh Adajania. Please go ahead and ask your question.

Ms. Mahrukh Adajania: Yes, hello Sir. Sir my question is on ECLGS, what is the outstanding ECLGS and would you be able to quantify slippage from ECLGS pool?

Mr. Sanjiv Chadha: So I request Khichi Saab to take the question.

Mr. Vikramaditya Singh Khichi: Yeah, we had sanctioned around 15,000 crores of PCGS -- ECLGS and out of which around 11,000 crores is the present outstanding and 270 crores is the delinquent part of it. I mean maybe 1.76% is the stress part. So, the outstanding in ECLGS right now is 11,000 crores approximately.

Ms. Mahrukh Adajania: Got it Sir. Sir and my next question is again on MSME loans, so slippage on MSME has gone up quarter-on-quarter, any particular segments?

Mr. Vikramaditya Singh Khichi: MSME per say has been facing quite a bit of a difficulty. In fact in the first part of the first quarter we had seen actually quite a bit of struggling amongst the MSME and it is across the board that most of the MSMEs have been facing the headwind. So, I mean we I'll just say that most of MSME sector at that point of time was reeling under pressure and we have seen slippages to the tune of say around 3,000 crores in this full financial year, but now the situation seems to be tapering off and is much better now.

Ms. Mahrukh Adajania: Okay Sir got it and Sir can you quantify the EBLR linked loans, just the loans linked to the repo rate and T-bill separately.

Mr. Vikramaditya Singh Khichi: I'm not really sure whether that was the only the total external link and external benchmark link loans would be around 26% of the overall total portfolio, but I don't think there will be much on the T-bill side, but most of it on the MSME and the retail would be EBLR linked.

Mr. Debadatta Chand: If I add to that, on the overall portfolio roughly around 10% is T-bill and G-Sec link, around 25%-26% is the EBLR, 50% is the MCLR.

Ms. Mahrukh Adajania: Okay, thank you.

Moderator: The next question is from Anand Dama. Please ask your question.

Mr. Anand Dama: Hello, I'm audible Sir?

Mr. Sanjiv Chadha: Yeah, you're audible please.

Mr. Anand Dama: Yeah, Sir recently we had cut down the home loan rate as well, so what is your strategy over here basically that you know when the market was very aggressive last year, we did not do that and now when other rates are going up we have basically cut down our home loan rates, so what is the strategy over here?

Mr. Sanjiv Chadha: Khichi Saab.

Mr. Vikramaditya Singh Khichi: Yeah, in fact we have just simply continued the rate of interest that we were holding on and this being a flagship product of ours in the retail portfolio, we actually wanted to see this portfolio grow, but it's not that we have decreased that in the adverse situation, we have just continued with that same rate of interest and I think with the EBLR there's a 40 basis point now there's an increase automatically.

Mr. Anand Dama: Okay. Sir, if you can provide growth outlook for next year FY23, the way you had provided for FY22 and you almost more or less delivered on that.

Mr. Sanjiv Chadha: So our sense is that we should see growth about 10 to 12% this year and our stance would continue to be to grow at market or better and while making sure that we can protect and if possible improve our margins, I think that's how we look at it. Last year, we had looked at about 7 to 10% growth. This year we believe 10% to 12%, I think is a fair estimate.

Mr. Anand Dama: Sure and Sir thirdly there was this Air India recovery in the third quarter, so we had similar kind of recovery even in the fourth quarter and if yes, what was the quantum?

Mr. Sanjiv Chadha: Sure, there was some recovery from Air India in the fourth quarter and what we have done is we have made some provisions on some loan accounts over and above what is required as per regulatory guidelines just to make sure that we strengthen our balance sheet and protect it again from future headwinds, if they are any.

Mr. Anand Dama: Okay, sure, great Sir. Thanks a lot.

Mr. Sanjiv Chadha: Thank you.

Moderator: The next question is from Gaurav Agarwal. Please ask your question.

Mr. Gaurav Agarwal: Hi Sir. Thank you for the opportunity. Sir just wanted to check your overall restructured number after you know without overlap, so you would have certain overlaps for SME then this COVID restructuring, so if you remove all those overlaps what is the combined restructured number?

Mr. Sanjiv Chadha: So, Khurana Saab will take that.

Mr. A. K. Khurana: Yes. Our total restructure book without overlap net is 19,000 crores.

Mr. Gaurav Agarwal: You said one nine right, 19.

Mr. A. K. Khurana: One nine yeah 19 yes.

Mr. Gaurav Agarwal: Okay and Sir what's your exposure to Adani Group including investments and corporate loans etc.

Mr. Sanjiv Chadha: I think we'll need to come back to you on that probably.

Mr. Gaurav Agarwal: Okay. Sure Sir. Thank you.

Mr. Sanjiv Chadha: Thanks very much Gaurav.

Moderator: The next question is from Jai Mundra. Please ask the question.

Mr. Jai Mundra: Yeah, hi Sir. Sir this quarter we have seen around 800 crore plus MTM loss does that pertain to bond portfolio and considering the yields have moved up since March, how should we, you know look at the MTM going ahead?

Mr. Sanjiv Chadha: Chand Saab.

Mr. Debadatta Chand: Yeah, the impact is on two counts; one is our domestic bond portfolio and another is international bond portfolio, but the positive part at this point of time, if you look at the yield level as on March 22, almost from the March 21 from 618 it has moved to 683 kind of a level. So, the book has already taken the impact of the yield rise in the last financial year itself. Currently, the level is another 30-40 bps above, but then we're quite adequate at this time position, to handle that scenario. The positive part of our portfolio is that roughly around 40% of the AFS book is floating rate bonds and there is resetting going to happen in a month and you know the last resetting was at a lower level and our further resetting is going to the higher level. So, this particular thing is going to give me a positive contribution both on the income side and also pulling back some on the depreciation also.

Mr. Jai Mundra: Sir, how much would be the PV01 for our entire AFS book?

Mr. Debadatta Chand: It is roughly below 20 kind of a level.

Mr. Jai Mundra: Understood and so where are we in investment fluctuation reserve, have we fully done as 2% or we are still lagging?

Mr. Sanjiv Chadha: Yeah, I think Ian can confirm that, but I understand that has been fully done.

Mr. Ian De Souza: Yes, we have achieved that level as of 31st March 22.

Mr. Jai Mundra: Right. Okay Sir, my other question is Sir, how much provisions are we carrying on this 1,200 crores of security receipts book that is there in the BSE and how much provisions are we carrying on the 19,000 crore of standard restructured loans.

Mr. Sanjiv Chadha: So, Ian would you have some figures readily at hand or would you want to supply them offline.

Mr. Ian De Souza: Will speak to Jai offline.

Mr. Jai Mundra: Sure and last thing Sir, it looks like we have purchased some 35, I mean purchased PSLC certificate for the entire year, which is slightly surprising. So, if you can highlight that you know I mean what led to you to purchase PSLC certificate. We have also sold some of them.

Mr. Sanjiv Chadha: Yeah, so I think if you see our overall position in terms of priority sector, we are there right at about a 40% priority sector ratio, but you have commitments in terms of certain sub-segments which are there, so we might be surplus in some particular sub-segment where we might sell the PSLC and buy where we might be marginally short, so but I think this is more on the margin. Broadly, we are pretty much even-steven as far as this is concerned.

Mr. Jai Mundra: Great, understood Sir. Those were my questions. Thank you.

Moderator: The next question is from Mona Khaitan. Please ask your question.

Ms. Mona Khaitan: Yeah, hi Sir good evening and thanks for taking up my question. So firstly you mentioned 19,000 crore of restructured book including MSME and overlaps, so far how much of slippages we have had from this portfolio?

Mr. Sanjiv Chadha: Khurana Saab.

Mr. A. K. Khurana: No, close to 3,000 crores have been slipped so far, but this present 19,000 is standardized.

Ms. Mona Khaitan: Okay, got it and this 3,000 includes the future retail exposure of 1,700 that slipped this quarter.

Mr. A. K. Khurana: Yes, that's correct.

Ms. Mona Khaitan: Okay, sure and the Air India reversals that you spoke about could you quantify how much was the reversal this quarter?

Mr. Sanjiv Chadha: Khurana Saab.

Mr. A. K. Khurana: The provision reversal is close to around 1,000 crores.

Ms. Mona Khaitan: Okay and did it benefit the interest income line item as well?

Mr. Ian Desouza: Very marginally, very marginally, just about 100 crores, so it was just marginal.

Ms. Mona Khaitan: Sure. Thank you. That's all from my side.

Moderator: The next question is from at Akhil Hazari. Please ask your question.

Mr. Akhil Hazari: Hello, good evening. Am I audible?

Mr. Sanjiv Chadha: Clearly.

Mr. Akhil Hazari: Yeah. So I just want to know could you give us any guidance on credit costs for FY23 as this quarter has been a little high again because you've been taking extra provisions. So I just want know going forward you know will this continue?

Mr. Sanjiv Chadha: So, our sense is that we should be looking at credit costs at about 1.5%, I think there thereabouts and again there could be improvement depending on how circumstances are, but that's as of now are central estimate.

Mr. Akhil Hazari: Okay fine great. Thank you. That's it from my side.

Moderator: The next question is from Saurabh Kumar. Please ask your question.

Mr. Saurabh Kumar: Yes, I had two questions. One is would you expect now a better recovery is coming at your legacy power NPL accounts even you know the situation of power assets in the country and the second so I'll ask my second question later, but the first one yeah.

Mr. Sanjiv Chadha: So Chand Saab will take that.

Mr. Debadatta Chand: Yeah that's the hope. Currently because of the demand scenario, a lot of traction happening on the power sector including I mean assets on this side, so going forward hopefully the recovery will be much better.

Mr. Saurabh Kumar: Sir what if it has pool of those power assets NPL, I mean at BOB, I mean can we quantify that?

Mr. Debadatta Chand: We will provide you offline.

Mr. Sanjiv Chadha: Khurana ji would you have any ready figure otherwise we can give it offline.

Mr. A. K. Khurana: 2,000 crores, Sir.

Mr. Saurabh Kumar: Okay, the second Sir is you know on bob World, how much are you spending annually in terms of your spends and what is it projected to be, thank you and what will be the total cost of developing this platform Sir?

Mr. Sanjiv Chadha: Yeah, so I think Joydeep would you want to take that?

Mr. Joydeep Dutta Roy: So, the development costs on bob World etc. the exact figures I won't have immediately, maybe we can provide that offline or subsequently, but yes in terms of spending on bob World etc. probably we will continue the promotions related to bob World etc. because we are seeing a lot of traction and sort of activation also on the on the bob World platform and plus the downloads etc. that have been happening of the app is also seeing a lot of traction. We've seen almost one core customers getting activated this full year, so from that perspective I think this momentum we will continue in terms of the spending -- the visibility promotion spending that we're doing on bob World.

Mr. Sanjiv Chadha: I will just try to put it in perspective. So, there are three pieces to it right. One is development cost, the second is in terms of evangelization, and the third is in publicity and marketing. So, the publicity and marketing is pretty much part of your usual budget. It's only that from year-to-year you decide to see which are the products that you might want to push, so I don't think there's been any significant expenditure which is over and above the normal marketing expenditure of the bank. As far evangelization is concerned that is by our own staff members and branches, so there is really no net cost to that. So, we have been able to acquire 10 million customers in bob World without any additional cost as compared to the normal operating cost of the bank. As far as development cost is also concerned, it has been again done largely in house with some vendors, so they are not -- though they're not very large big ticket costs which are attached to that. So, I think if we were to really measure the impact that we have been able to achieve as compared to the investment, it's a very, very positive return ratio that we have on bob World.

Mr. Saurabh Kumar: Got it Sir and just a final follow up Sir, by the end of this year we would expect around 25-30 million customers for BOB to have transitioned or at least downloaded bob World.

Mr. Sanjiv Chadha: Yeah, so the way we see it is that we have 60 million non FI customers right and I believe that when you look at the best banks they have a penetration of about 50% with mobile banking, so for us that would mean about 30 million, so we expect to take this number from 20 million at the end of March to 30 million within this financial year.

Mr. Saurabh Kumar: Okay, got it Sir. Sir this is very useful. Thank you.

Moderator: The next question is from Ashok Ajmera. Please ask your question.

Mr. Ashok Ajmera: Thanks for giving the opportunity again. In between for some time I was on mute. I was -- so I didn't hear any I mean the replies, but even at the cost of repetition what is the status of our ECLGS in our portfolio and whether any kind of delinquencies is seen there and what is the claim period of lodging the claim with the government for that, is there anything, can you give some color on that Sir?

Mr. Sanjiv Chadha: So, I think Khichi Saab had I think taken that question. I'll just summarize what he said and then hand it over to him to supplement that. So 15,000 crores is our total sanctions of ECLGS, 11,000 is the current outstanding and from what I recall of Khichi Saab's answer under 300 crores is what the current delinquencies are.

Mr. Ashok Ajmera: And then this will be lodged as a claim on a periodic basis or

Mr. Sanjiv Chadha: Absolutely.

Mr. Vikramaditya Singh Khichi: Periodic basis, yes.

Mr. Ashok Ajmera: And we will immediately get it or if there will be some lag period.

Mr. Sanjiv Chadha: So, I don't expect that there should be any lag as far as that is concerned.

Mr. Ashok Ajmera: Sir, another thing is on the entire NCLT, now what is this scenario today, now how many are COC approved, how many are already accounts and some approximate amount so that we have some idea of the recoveries now coming forward in this coming one or two quarters, can some light be thrown on that Sir?

Mr. Sanjiv Chadha: So I'll request Khurana Ji take that question please.

Mr. A. K. Khurana: Yes Sir. So, this total around 86 accounts resolution plan is approved, but still in spite of that you know recovery has been going to be again distributed in this year or maybe next year also. Presently, in this quarter we are expecting around 500 crores from it.

Mr. Ashok Ajmera: How much is the total amount of the 86 accounts?

Mr. A. K. Khurana: 11,600 crores but if we look at the kind of percentage resolution what we are getting, so I think this quarter we are getting only 500 crores.

Mr. Ashok Ajmera: Okay at least that much visibility is there, but the things will -- do you think now the things are speeding up in NCLT or you now I mean this is just a question to all the bankers in fact I've been asking that looking at the process you know the way it had come initially and we had a lot of hope, now the things are dragging. So, do you prefer more as an OTS and settlements rather than going to NCLT and then waiting for years for the recovery, Sir just your views on that Sir?

Mr. A. K. Khurana: No, Sir as far as the NCLT in many cases there has been a very good recovery and it has worked very well, but actually I will say that you know in both you know sometimes things are getting dragged also maybe court intervention or the cases are not filed properly or resolution professionals are not able to take the things in time, but I'll say this is another tool for us where sometimes we have to measure -- we have to be able to go for OTS as well as you know sometimes this is also working. So, I will say this is another tool which is working for few cases.

Moderator: The next question is from Rakesh Kumar. This is our last question for the evening.

Mr. Rakesh Kumar: Yeah, hi thanks so for the opportunity again Sir. Sir two questions, firstly with reference to the notes of account, our security receipts is around 1,200 crore and majority of them are in the unrated or you know the NR5 or NR6, so what is the provision that we have outstanding on that security receipt number Sir.

Mr. Sanjiv Chadha: So, whether Khurana Saab or Ian can give the information.

Mr. Debadatta Chand: Sir, I do have.

Mr. Sanjiv Chadha: Okay.

Mr. Debadatta Chand: The 1,200 crore is the outstanding and the provision stand at 1,000 crore almost.

Mr. Rakesh Kumar: And the secondly again to the notes of accounts number 25, so we have you know acquired some loans, so like if you can just help us what is the you know their quality of the loans in terms of their CIBIL score and all, so can help us understand that.

Mr. Debadatta Chand: Can you repeat the question again?

Mr. Ian Desouza: Are you talking about the securitization purchase of through direct assignment?

Mr. Rakesh Kumar: Yeah, yeah, so the loan quality of which we have acquired so if can help us understand like you know the CIBIL score is on the lower side like it 650-700, below 700, so you can just give some details on that.

Mr. Ian Desouza : The criteria for each of the tools that we purchased is actually mentioned in the notes to accounts and the minimum cut off above which the loan would have to be acquired is also mentioned.

Mr. Rakesh Kumar: Correct, correct. So basically, so like, so that is the minimum rating, so but what would be the, you know actual rating for on an average for the loans that we have required?

Mr. Ian Desouza: We can connect with you offline and give you the data.

Mr. Rakesh Kumar: Sure Sir, sure. Many thanks. Many thanks Sir.

Moderator: We now request CFO Sir, Ian De Souza to give the vote of thanks.

Mr. Ian De Souza: So, I'd like to thank everybody on the call for logging into our call. I think there were two other banks which had a call today. So, thank you very much for logging in and supporting us like always. We're glad to be before you today to talk about our excellent set of results and look forward to seeing you in future calls. So, thank you very much.

Moderator: Thank you all for participation and have a great evening. Thank you.

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