Operator: Good evening, everyone, and welcome to the analyst meet for Bank of Baroda's financial results for the quarter and year ended March 31, 2026. Thank you all for joining us. We have with us today our MD and CEO, Dr. Debadatta Chand, and he is joined by the bank's Executive Directors and our CFO. After brief introductions, we have a presentation on the results with the highlights of the performance, which our CFO will take you through, followed by opening remarks by Dr. Chand, and then we will start with the Q&A session. Dr. Chand, I would request you to begin.

Management: Thanks, Firoza, and to all my analyst friends, a very good evening to all of you. I think you have a busy day today because three banks announced their financials today, so thank you so much for joining. To introduce the management team, I am Dr. Debadatta Chand, MD and CEO of Bank of Baroda. With me is Mr. Lalit Tyagi, Executive Director, who looks after corporate credit, international banking, and the treasury. We have Mr. Sanjay Mudaliar, Executive Director, who looks after the IT function of the bank, including the retail asset book, which is a large book as of today, apart from a couple of other platform functions.

We have Mr. Lal Singh, Executive Director, who looks after the SAM vertical, which is the Stressed Asset Management vertical, including HR and the MSME department. We have Ms. Bina Vaidya, who looks after the operations of the bank; the CCO reports to her, and she manages risk management, compliance, control audit, and the retail liability franchise. We also have the CFO, Mr. IVL Sridhar, who has been interacting with all of you for a couple of quarters. With this, I hand it back to Firoza.

Operator: Yes, sir. We will now have the presentation. Mr. Sridhar, I think you may be on mute.

Management: Sorry. It is my privilege to present to you the financial highlights of Bank of Baroda for the quarter and financial year ended March 31, 2026. As at the end of 2026, the bank's global business volume has crossed the milestone of 30 lakh crore and stands at 30.78 lakh crore, registering a Y-O-Y growth of 13.9%. Our global advances have grown by 16.2% Y-O-Y, with domestic advances growing at 14.5% and international advances at 24.4%.

Within the advances book, the bank has continued to focus on RAM (Retail, Agriculture, and MSME) advances. Our organic retail book grew by 17.9%, agriculture by 20.7%, and organic MSME by 15.6%. Corporate loans have grown by 11.2% Y-O-Y. Within the retail segment, we have seen smart growth across the portfolio, with auto loans growing by 20.6%, mortgage loans by 19.3%, home loans by 14.6%, education loans by 10.9%, and personal loans by 8.7% Y-O-Y.

In terms of deposit growth, our total deposits have grown by 12%, with international deposits growing by 7.5% and domestic deposits by 12.8%. Domestic CASA deposits have grown by 9.8%, and term deposits have registered a growth of 14.8% Y-O-Y. As of March 31, 2026, the bank's domestic credit-deposit ratio stands at 83.4%. The CASA ratio stands at 38.9%, up by 45 bps quarter-on-quarter.

With regard to our quarterly profit metrics, our operating profit for the quarter stands at 9,069 crore, registering a growth of 11.5% Y-O-Y. The bank has adopted new mortality tables for arriving at the AS 15 liability, which led to an increase in the employee cost by 520 crore. Our net profit for Q4 FY26 stands at 5,616 crore, registering a growth of 11.2% Y-O-Y, which is the highest ever quarterly net profit. Return on Assets (ROA) remains consistently above 1% at 1.15% in Q4 FY26. Return on Equity (ROE) stands at 17.27% for the quarter.

For the full financial year FY26, our operating profit stands at 32,259 crore. Our net profit for FY26 stands at 20,021 crore, which is the highest ever net profit. Return on Assets remains above 1% at 1.06% in FY26. Return on Equity stands at 15.39% for FY26.

With regard to key ratios, our yield on advances stands at 7.44% for the quarter and 7.71% for FY26. The bank's cost of deposits for the quarter stands at 4.78%. It stands at 4.87% for FY26 as against 5.10% in FY25. With regard to our net interest margin (NIM), it stands at 2.89% for the quarter, registering a sequential improvement of 10 bps. It stands at 2.89% for the whole of FY26.

Now we come to our asset quality, which continues to remain robust. Our GNPA ratio has improved by 37 bps Y-O-Y and stands at 1.89%. Our net NPA ratio is below 1% at 0.45%, an improvement of 13 bps Y-O-Y. Our Provision Coverage Ratio (PCR), including technical write-offs (TW), is comfortable at 93.94%. Our slippage ratio for Q4 FY26 has reduced by 11 bps Y-O-Y and stands at 0.89%. The slippage ratio for FY26 also reduced by 6 bps Y-O-Y to 0.72%. Credit cost for Q4 FY26 has increased to 0.76% as against 0.44% in Q4 FY25 due to the prudential floating provision of 1,500 crore made by the bank during the quarter. Credit cost excluding the floating provision would have been 0.32% for the quarter. Credit cost for the full financial year stands at 0.46%; again, the credit cost excluding the floating provision would have been 0.34% for the full year.

Coming to our Special Mention Accounts (SMA) and collection efficiency, our SMA 1 and 2 as a percentage of our standard advances reduced to 0.18% as of March 2026, as against 0.33% for March 2025. Our collection efficiency, excluding agriculture, remains robust at 98.9%.

In terms of our capital adequacy, our capital position continues to be strong with CET1 at 13.16%, Tier 1 at 13.64%, and overall CRAR at 15.82%. Our quarterly average Liquidity Coverage Ratio (LCR) remains healthy at approximately 127%. The bank has declared a dividend of Rs. 8.5 per share subject to requisite approvals. Thank you.

Operator: Thank you, sir. Dr. Chand, over to you for your opening remarks. Sir, you are on mute.

Management: Thanks, Mr. Sridhar. To all my analyst friends, let me make a couple of qualitative comments on the financials that we have announced for this year and for the quarter. I think we have very strong growth both on the balance sheet and on the profit and loss account. In terms of numbers on the balance sheet, this year we crossed the milestone of 30 lakh crore plus in business, and the business stands at 30.78 lakh crore as of March 31. At the same time, another milestone in the financials is that we crossed 20,000 crore in net profit for the standalone entity. The profit reached 20,021 crore for the financial year. The profit for this quarter at 5,600 crore is possibly the highest in any quarter for the bank in many decades.

On the advances side, although our guidance was 11-13%, we have announced a global advance growth of 16.2% and a domestic advance growth of 14.5%. On the deposit side, we have seen one of the best quarters. In previous quarters, we saw deposits not catching up to the growth in advances, but global deposit growth is almost 12%, with CASA at 9.8% and savings growth at 9.1%. I think these numbers map very well with our focus on low-cost deposits and our focus on growing the CASA.

For the last many years, we have been focusing on CASA deposits and have improved our services, products, and bundling to improve on the CASA front.

The growth of both advances and deposits this quarter has been the best in the last 10 quarters. We have seen the journey of banks and the industry over the last 10 quarters, and our percentage growth in this quarter has been the best during that period. On the profitability front, Net Interest Income (NII) growth has been positive, and our interest income growth has been higher than interest expenses. In earlier quarters, it was trending slightly negative in the sense that interest income was not growing to the same extent as interest expenses, but this quarter the trend is different.

Consequently, NII is at 12,494 crore, which is a growth of 8.7%. Domestic NIM is at 3.04% and global NIM is at 2.89%. This NIM percentage is also higher than that of the last quarter. As the CFO said regarding employees, because of the hardening of yields, the obligation under AS 15 went down, but the bank decided to migrate to the new mortality table, which required an additional liability provision of 520 crore. The employee cost trends, including AS 15, are in line with what other banks in the system have announced.

Regarding operating profit, we have announced more than 7,000 crore for the last 14 quarters, and this quarter it is 9,069 crore. For net profit, we have announced more than 4,000 crore for 13 consecutive quarters. Similarly, we have maintained an ROA of more than 1% for 15 consecutive quarters. Accretion to book value, which is a fundamental factor for investors, has improved from Rs. 148.8 in March 2023 to Rs. 251.7 in March 2026, an incremental addition of Rs. 102.90.

Asset quality has been excellent. GNPA is at 1.89% and net NPA is at 0.45%. Both the slippage ratio and credit cost are well within our guidance. The full-year credit cost is 0.46% compared to 0.47% last year. The SMA 1 and 2 data for exposures above 5 crore has gone down from 0.36% to 0.18%.

The bank recently raised 10,000 crore through a green infra bond, making us the first in India to do so. The response was three times the amount we wanted to mobilize. We have outstanding green deposits of 1,899 crore, which is the highest in the system. We have also announced that we will raise capital in the form of AT1 and Tier 2 up to 6,000 crore in this financial year.

I also want to remind you of our earlier announcement that the bank is keen to raise 8,500 crore of equity capital over the medium term, up to FY28. In terms of capital raising, we have room to raise 14,500 crore, consisting of 8,500 crore in pure equity and 6,000 crore of AT1 and Tier 2 for FY27.

Let me reiterate our guidance. We are up-sizing our loan growth guidance from 11-13% to 12-14%, subject to global headwinds not significantly impacting the Indian market. Deposit growth guidance is up-sized from 9-11% to 10-12%. We achieved a NIM of 2.89% this quarter; however, considering the probable repricing of assets and liabilities, we are projecting 2.75% to 2.95% for the full year. We continue to guide for an ROA of more than 1%. The slippage ratio is maintained at 1% to 1.25%, and the credit cost is guided to be below 0.60%. These are the key guidance points. I am now done with my opening remarks and we will open for Q&A.

Operator: Thank you, sir. If you have a question, please raise your hand or type your question in the Q&A box. We will start with the first question from Rikin Shah. Rikin, please unmute yourself.

Rikin Shah – Investor: Hi, good evening, sir. Thanks for the opportunity. I have two questions. First, on your reported global yields on advances and cost of deposits, both have moved. The cost of deposits has gone up, but the margins are higher. Presumably, that is due to some interest on an IT refund. While I acknowledge you have called that "core" in the past, could you quantify the amount?

Second, specifically on the cost of deposits, if the overall cost has marginally gone up this quarter versus the last quarter, what is the outlook? Is it fair to say that the term deposit (TD) repricing is completely done for us, and how will the cost of deposits move from here?

Third, on Opex, there are two moving parts. With this mortality rate change, how should I think about ongoing opex and employee expenses specifically?

Management: Thanks, Rikin. Regarding the margin, specifically the yield on advances and the cost of deposits, the denominators for both are different. The NIM accounts for the entire asset side. We should not compare the spread and the margin directly because they represent different metrics.

I agree there is a line item regarding the IT refund. As I have said before, because we have large provisions on IT, these refunds are a part of our normal flow. They can be higher or lower in any particular year. Precisely for that reason, although we had a 2.89% NIM this quarter, we projected a guidance range of 2.75% to 2.95%. This accounts for potential volatility in the IT refund. However, for me, the NIM we announce is our core NIM.

Rikin Shah – Investor: Understood. But would you like to quantify the interest on the IT refund in this quarter? I think last quarter it was about 300 or 400 crores.

Management: I do not have the specific number right here, but you can get that offline. I reiterate that since significant refunds come every year, the amount fluctuates, which is why I gave a lower guidance bound of 2.75%. However, the amount is insignificant relative to my total income base of almost 1,26,000 crore. It does not significantly impact the margin.

The cost of deposits is getting sticky. Comparing March to December, although our cost of deposits at 4.78% is one of the lowest in the market, the liquidity scenario changed in the March quarter due to geopolitical issues which are still persisting. My sense is that the cost of deposit will remain sticky. There is scope for realigning on the asset side, but I do not see the cost of deposits going down further in the current liquidity scenario. We are mindful of the repricing effect on assets rather than deposits, as deposits are mostly fully repriced at current levels. Regarding the mortality table, I will ask the CFO to address that. Bina, do you have anything to add on the cost of deposits?

Management: I believe the cost of deposits is likely to remain at these elevated levels. We saw a slight increase in the March quarter, and that is likely to continue for this quarter as well. We do not see it coming down for at least the next three months.

Management: Mr. CFO, can you address the mortality table?

Management: Yes, sir. The one-time impact we have taken due to the movement in mortality is 520 crore. This is a one-time charge; going forward, the recurring impact will be very negligible.

Rikin Shah – Investor: Got it, sir. If I can add one more question: In the SBI call prior to this, they alluded to scope for improving yields on advances as corporate borrowing moves from T-Bill linked to MCLR. Is this something we can also do, and is there a likelihood of a positive kicker on loan yields?

Management: That is why I said that since deposits are sticky, the only scope for us is to realign asset pricing. When rates were very low, many MCLR-linked loans were repriced to external benchmarks, particularly T-Bills. With the elevated rate structure prevailing due to geopolitical issues, there is scope for realigning that portfolio, and that is our strategy to look into those pricings closely.

Operator: Thank you. The next question is from Jayant Kharote.

Jayant Kharote – Investor: Thank you for the opportunity. My question is on the Expected Credit Loss (ECL) guidelines. In the past, you were transparent about the impact, calling out roughly an 18 bps steady-state impact. Do the final guidelines tally with your earlier calculations, or could it be higher?

Management: Thank you for that. Earlier, we had draft guidelines, so it was only possible to estimate the impact. Now that there are final guidelines, our strategy is that it is not proper to quantify the impact until we have finished a full computation. My sense is that it will be aligned with the numbers we gave earlier. I am not expecting any significant change, but we want to see the real impact before articulating it better.

Jayant Kharote – Investor: Understood. On the trajectory of margins, while I understand the full-year guidance of 2.75%, is it fair to assume it will move down first and then move up in the second half? Near-term pressure on deposits continues, and asset repricing may take time to reflect in yields.

Management: You are right. Our assumption for this quarter is that the cost structure will be sticky. We are not looking at further moderation in the cost of deposits. We can manage the NIM by realigning asset pricing, which is a key focus for management. We gave a conservative number because the IT refund flow can go up and down every quarter. Keeping everything in mind, we have given a conservative guidance on the lower side. It may not necessarily happen in Q1, but over the full year, we want to protect the margin.

Jayant Kharote – Investor: I assume 2.75% is the lowest number excluding the IT refund?

Management: For the four quarters together, we do not expect to breach the lower threshold of 2.75%.

Jayant Kharote – Investor: Even with zero IT refund?

Management: It will not be zero. We have estimates of the IT refund for the full year based on past trends and existing orders. Based on that, we have provided this guidance.

Kunal Shah – Investor: Regarding incremental Opex, would you consider reducing the balance sheet size at any point as part of a margin or ROA management exercise?

Second, on the floating provisions of 1,500 crore, I believe this is towards the ECL transition. How much more do you plan to create? Credit cost was higher this quarter due to this, but will this continue for more quarters?

Regarding recoveries from written-off accounts, we saw a substantial increase compared to the guidance of 750-850 crore. Was that a one-off account? What is the guidance for FY27?

Management: Thanks, Kunal. Two or three years ago, we said we wanted to reduce dependency on bulk deposits. At that time, bulk deposits were around 23-24% of the total. We reduced that to roughly 17% a few quarters ago. The strategy was to replace bulk deposits with low-cost deposits, and we have done well there. Our savings growth is 9.1%, which is quite high compared to peers. We have one of the highest CASA percentages among peer banks at almost 39%.

The balance sheet has continued to grow strongly while we shifted the composition. In the March quarter, due to liquidity tightness and loan growth of 16.2%, we had to mobilize some deposits from both bulk and CD (Certificate of Deposit) sources. CDs have a lower cost and shorter duration than typical one-year bulk deposits. We manage the liability profile to be optimal in terms of liquidity, pricing, and margin.

Regarding the floating provision, it was created to buffer the balance sheet against extraordinary scenarios, not specifically for ECL provisions. Floating provisions cannot be touched without regulatory approval. We created this to strengthen the balance sheet. If we need to take an ECL impact, we will take it directly against the books without touching the floating provision.

On recoveries, the technical write-off (TW) recovery was higher this quarter. The March quarter is always productive for recovery efforts. I will maintain the normalized guidance of 750-800 crore. My TW book is almost 62,000 crore, so expecting that level of recovery quarterly is rational.

Kunal Shah - Investor: Were there any chunky accounts of 500-700 crore in recoveries this quarter?

Management: Not really chunky ones. We had some mid-size exposures of 200-250 crore. Pinpointing specific accounts in a quarter is difficult because it depends on legal and NCLT processes, but we are hopeful given the 62,000 crore kitty.

Operator: Thank you. Next question is from Parth Gutka.

Parth Gutka - Investor: What was the LCR as of the end of March?

Management: It is 127%.

Parth Gutka - Investor: Of the 1,400 crore recovery from technical write-offs, has some amount gone to the interest income line?

Management: Yes, roughly 100 crore has gone to interest income.

Operator: Thank you. Next question is from Ankit Bihani.

Ankit Bihani – Investor: So my first question is on the growth and deposit growth guidance. We are still expecting loan growth to outpace deposit growth. How much buffer do we have on the LCR front, and what is the comfortable LCR level we would like to maintain?

Second, on the interest on IT refund, while you call it core contribution to NIMs, it is very volatile. How long can this continue? It seems to contribute about 10-15 bps to your ROA.

Management: Regarding LCR, I have already answered. On growth outpacing deposits, on a sustained basis, we have capital and alternative resources like refinance and bonds. We focus on a stable resource base. Our domestic CD ratio is around 83%. We have more excess SLR than required. We do not necessarily need to put incremental deposits into SLR; they can go straight into advances. The 2-3% gap between advance and deposit growth is sustainable.

Regarding IT refunds, they are volatile, but they are recorded correctly as per accounting norms. We account for this volatility in our margin guidance of 2.75% to 2.95%. We don't typically segregate it because it is a normal part of income. For the upcoming year, I expect a good amount to come. If there were no money expected, we would provide a different guidance. My guidance is based on a one-year view.

Ankit Bihani – Investor: On the ECL front, do you have any quantification of the impact and how the credit cost run rate might move?

Management: As I said, under draft guidelines, we could guestimate the impact on CRAR and credit cost. With the final guidelines, it would not be proper to quantify without a transaction-wise computation. My sense is that the impact will align with our earlier estimates. We will have a clearer picture after roughly one quarter of implementation.

Ankit Bihani – Investor: Last quarter, did you guide that the credit cost run rate could increase by 80 bps?

Management: I don't recall that specific number, but I believe it is not going to overshoot significantly.

Operator: Thank you. The next question is from Rikin Shah.

Rikin Shah – Investor: This is regarding the SLR. We disclose domestic SLR of about 3 trillion, which hasn't changed much in three or four years. As a proportion of NDTL, it has come off sharply and is about 17%. How much excess SLR is left to optimize? Second, we previously reduced excess SLR via OMOs or switches; if there are no OMOs, would you liquidate it in the market? Third, isn't it better to lock in long-term bonds at high yields rather than lending to corporates or for home loans at similar rates considering the capital charge?

Management: We run one of the largest treasury books in the country. At one point, SLR holding was 26-27%, but today it is around 22.5% or 23%. We manage this by churn; we buy and sell as per market conditions. It is an optimization game. Trading profit comes from this continuous churn.

Regarding the comfort range, the main advantage of excess SLR is that it generates liquidity. If the requirement is 18% and we are at 22.5%, we have a 4.5% excess. We would like to operate at a safety threshold of 3% to 3.5% at all times. Mr. Tyagi, do you want to add anything?

Management: The excess SLR also helps us maintain a comfortable LCR position. Regarding the choice between locking in yields and growing the loan book, those markets are different. The investment book achieves different objectives. The loan book provides cross-sell opportunities and deposits. We look at the holistic relationship, not just the interest rate.

Operator: Thank you. The last question is from Jay Mundra.

Jay Mundra - Investor: Congratulations on your term extension, sir. What are the capital raising plans? Is it on track?

Management: Thanks, Jay. We have announced the intent to raise 6,000 crore in AT1 and Tier 2 for FY27, though we noted this would be "if expedient." We also have the enabling provision to raise 8,500 crore in equity by FY28. In total, we have a plan to raise 14,500 crore over the medium term. We also raise infra bonds based on our Asset Liability Management (ALM) needs.

The 8,500 crore equity plan is on the table and depends on market conditions and capital requirements. It is an enabling provision applicable until FY28.

Jay Mundra - Investor: Do you have a number for the blended bulk deposit cost for the last quarter?

Management: Jay, I don't have that data right here. But to give context, bulk deposits as a percentage of total deposits were 24-25% a few years ago. We reduced that to 17% a few quarters back. Because of the liquidity tightness in the March quarter, it went from 17% to 19%, which is still below my normal 20% threshold.

Jay Mundra - Investor: Do you suspect an increase in retail term deposit rates in the near term?

Management: I am not predicting an increase, but the cost of deposits will be sticky in Q1. Our domestic cost of deposits is 4.99%, which is still below 5%, unlike many other banks. Whether it goes up will depend on the liquidity scenario.

Jay Mundra - Investor: Have you made a Performance Linked Incentive (PLI) provision for this year?

Management: Yes, we have made a provision of 500 crore. It is recorded under staff costs.

Operator: The very last question is from Kunal Shah.

Kunal Shah - Investor: On the overseas exposure, it is a book of nearly 2.60 lakh crore. Can you clarify the Middle East exposure and how much is trade-related? Are there risks of NPAs rising there?

Management: Trade-related business is below 20% of the overseas book because we don't want the fine pricing to impact NIMs too much. The remaining exposure is mostly local syndication in markets like the US, Australia, and Singapore, where we participate with major global banks. As of today, there is no impact on asset quality there.

In the Middle East, we have a large retail operation, and outstanding exposure is in the range of 50,000-60,000 crore across multiple A-rated countries. Regulators there have announced support measures similar to ECLGS in India. Most of our exposures are to corporates with strong balance sheets or are part of global syndications with Fortune 500 companies. We don't see challenges today, but we will be watchful of the Middle East operations for a couple of quarters.

Kunal Shah – Investor: How much drawdown are we expecting under the ECLGS 5.0?

Management: Our MSME book is 1.60 lakh crore. Roughly 55-60% of that is working capital. On a 15% scale, I think we will be disbursing about 12,000 crore plus under ECLGS.

Kunal Shah – Investor: On auto loans, growth is strong, but many PSU banks are offering 7-9 year products at very competitive rates. Is there a risk because collateral value depreciates significantly over that time? Why are PSUs so aggressive here and in home loans?

Management: I can't speak for other PSUs, but we will continue to grow the auto loan book. We consider it a cash-flow-based asset, focusing on salaried classes where we have bulk tie-ups. Stress and GNPA levels in this book are very small at this point. We review all our portfolios quarterly at the board level. I don't see any incipient risk in the sector today, so my guidance for auto loans remains the same.

Operator: Thank you, everyone. I would request the CFO to give the vote of thanks.

Management: I would like to extend my sincere gratitude to all of you for joining us today. Should you have further questions, please feel free to reach out to me or our investor relations team. Thank you once again and have a great evening.

Operator: Thank you everyone.