

# Bank Of Baroda

30 January 2026

**Operator:** Good morning, ladies and gentlemen. Welcome to the analyst meet for Bank of Baroda's quarterly results for the quarter ended December 31, 2025. Thank you all for joining us. We have with us our MD and CEO, Dr. Devdutt Chand. He is joined by the bank's Executive Directors and our CFO. We will start with a short presentation followed by opening remarks by Dr. Chand, and then we will move on to the Q&A session. Mr. Chand, over to you.

**Management:** Thanks Firoza and again, good evening to all my media friends who are present here on the call. To introduce the management team, I am Debadatta Chand, MD and CEO. With me is Mr. Lalit Tyagi, the Executive Director who looks after Corporate and Institutional Credit, treasury, and international banking. With him, Mr. Sanjay Mudaliar is an Executive Director who looks after IT, the retail asset book, and a couple of other platform functions. Then we have Mr. Lal Singh, Executive Director, who looks after HR, recovery, and the MSME and Agri verticals. And we have Ms. Beena, she's an Executive Director who looks after control, compliance platform functions along with the retail liability franchise of the bank. We also have the CFO, Mr. V. L. Sridhar, who has been with us for a couple of quarters now. Mr. Sridhar, over to you for the presentation.

**Management:** Thank you, sir. Good evening everyone. It is my privilege to present the financial highlights of Bank of Baroda for the quarter and nine months ended December 31, 2025. Our global advances have grown by 14.7% year-over-year, with domestic advances growing by 13.6% and international by 19.3%. Within the advances book, the bank has continued to focus on RAM advances. Our organic retail book grew by 17.4%, agriculture by 19%, and organic MSME by 16.4%. Corporate loans have grown by 8.1% year-over-year. Within the retail segment, we have seen smart growth across the portfolio with education loans growing by 12.8%, personal loans by 12%, home loans by 16%, auto loans by 17.4%, and mortgages by 21%.

In terms of deposits growth, our total deposits have grown by 10.3%, with international deposits growing by 5.7% and domestic deposits by 11.1%. Domestic CASA deposits have grown by 8.6% and term deposits have registered a growth of 12.7% year-over-year. As of December 31, 2025, the bank's domestic credit-deposit ratio stands at 83.89% and the CASA ratio stands at 38.45%.

With regard to quarterly profitability metrics, our operating profit for the quarter stands at 7,377 crores. The bank's net profit for Q3 stands at 5,055 crores, registering a growth of 4.5% year-over-year. Return on Assets remained consistently above 1% at 1.09% as of December 31, 2025. Return on Equity stands at 15.59% for the quarter.

For the nine months of FY 2026, our operating profit stands at 23,190 crores. Our net profit for the nine months of FY 2026 stands at 14,405 crores. Return on Assets remained above 1% at 1.05% in the nine months of FY 2026. Return on Equity stands at 14.81% for the nine months ended December 2025.

With regard to our key ratios, our yield on advances stands at 7.56% for the quarter and 7.81% for the nine months. The bank's prudent liability management has led to a sequential decline in the cost of deposits for the quarter, which stands at 4.75% as against 4.91% for the previous quarter. With regard to our net interest margin, it stands at 2.79% for the quarter and 2.88% for the nine months.

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Now we come to our asset quality, which continues to remain robust. Our gross NPA ratio has improved by 39 basis points year-over-year and stands at 2.04%. The net NPA ratio is below 1% at 0.57%, an improvement of 2 basis points year-over-year. Our provision coverage ratio, including technical write-offs, is comfortable at 92.73%. Our slippage ratio for Q3 FY 2026 has reduced by 4 basis points year-over-year and stands at 0.86%. Credit cost remains low and stands at a level of 0.17% for the third quarter of FY 2026.

Coming to our SMA and collection efficiency, our SMA 1 and 2 as a percentage of standard advances stands at 0.36% as of December 31, 2025. Our collection efficiency, excluding agriculture, remains robust at 98.6%.

In terms of our capital adequacy, our capital position continues to be strong with CET1 at 12.45%, Tier 1 at 13.10%, and overall CRAR at 15.29%. Our LCR remains healthy at approximately 116% as of December 31, 2025. Adjusted for the profit of the nine months of FY 2026, capital adequacy would have been 16.47%.

**Management:** Thank you, Mr. Sridhar. Once again, all my analyst friends, good evening to each one of you. Let me make a few quick qualitative points. The financials this quarter again speak to the same business model we have been discussing, which is to strengthen the fundamental core and maintain a consistent and stable outlook. This quarter also shows the bank pursuing the objective of being a fundamentally strong core while delivering sustainable performance. Secondly, the profit numbers you see for this quarter come purely out of operations. We don't have any one-offs in other non-interest income giving an elevated level of profit. The net profit, which saw a 4.5% jump, is purely out of operational profit.

As for the balance sheet numbers, these are among the strongest we have seen in the last 8 quarters. Advances are stretching to 15% and deposits are at 10%, with domestic deposits at 11.1%. I will touch on two points here: RAM is at 17-18% and corporate has moved to 8%, with a full-year target of 10%. On the liability side, our savings growth is 7.6% and CASA growth is 8.6%, which I believe is among the best in the top quartile of the banking sector. We continue to focus on low-cost deposits while building an asset book that remains consistent with our objective of maintaining a diversified portfolio and a stable outlook.

The global cost of deposits is at 4.75% and the domestic is at 4.99%. This means that while last quarter we pierced the global cost below 5%, this quarter both domestic and global are below 5%. Considering the market threshold, this is a top-quartile number and represents a pristine level. Our prudent liability management, where we do not depend heavily on bulk deposits but focus on low-cost deposits, is providing positive outcomes.

Regarding the margin, for the nine months it is at 2.88%. We gave a guidance of 2.85% to 3%, and we are right in that band. While Q3 is at 2.79%, our overall guidance for the full year remains at 2.85% to 3%. On asset quality, we are benefiting from a benign asset cycle for the bank and the industry. We have a GNPA of 2.04%, Net NPA of 0.57%, slippage cost of 0.86%, and a credit cost of 0.17%. Collection efficiency is at 99.6%, excluding Agri. The SMA 1 and 2 book from the CRILC data has improved from 0.39 to 0.36. The bank is riding on excellent asset quality.

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Comparing December 2025 over December 2023, the book value of the bank has increased from 180 to 250, an accretion of approximately 80 to 85 rupees, which is significant. The bank has persistently provided a stable outlook; the ROA has now been above 1% for 14 consecutive quarters. This is the 12th quarter where we have posted more than 4,000 crores of net profit, and out of the last 6 quarters, this is the 3rd quarter where we have posted over 5,000 crores. I am highlighting the consistency in the income-earning potential of the portfolio.

Additionally, we received the Best Bank Award from The Banker UK recently, which is a strong validation of our journey of growth that is sustainable and transformative. In the recent IBA Technology Awards, Bank of Baroda won four out of seven categories, with a special mention in a fifth. This is a huge recognition of the bank's digital robustness and our architecture for creating a better customer experience. We will continue to drive this forward. With this, I open the floor for questions. Firoza, over to you.

**Operator:** Thank you, sir. We will now open it up for Q&A.; If you have a question, please raise your hand or type it in the Q&A; box. Please limit your questions to two for now. The first question is from Maruk Ajanya.

**Maruk Ajanya:** Good evening, sir. I have a couple of questions. Firstly, regarding NII growth, could you help us distinguish between total NIM and core NIM? Last time you mentioned total NIM was 2.96% and core NIM was around 2.76%. What is the comparable figure for core NIM this quarter? Also, is there any recovery income on NPAs that is higher than last quarter in the NII? Secondly, regarding write-off recoveries, they doubled quarter-over-quarter. Could you give a split between retail and corporate and mention if there was anything lumpy? My third question is on NII growth. Our loan growth is exceptionally high, which is positive, but NII growth is in low single digits. Would we be better off consolidating growth and improving margins?

**Management:** Maruk, as far as NII is concerned, 11,800 crores is a strong number on absolute terms compared to peers. This NII is purely from core operations with nothing one-off. It is pure operational NII. Regarding the growth being stagnant, this is due to interest expenses and interest income. Despite a strong asset book growth of 15%, there is repricing happening on some books on the asset side. Similarly, on liabilities, although the cost of deposits is low, borrowing costs in the wholesale market remain elevated with G-Sec yields being high.

Everything is core. Specific to the income tax refund, we had some last time and some this time. The impact on the number is approximately 5 to 6 basis points maximum. For the nine months, the margin is 2.88%, which is within our guidance of 2.85% to 3%.

**Maruk Ajanya:** Yes, sir. I also asked about the recovery in written-off accounts going up.

**Management:** Recovery from written-off accounts is typically a normalized 700 to 750 crores per quarter. I have mentioned this for several quarters. Last quarter was slightly lower, and this quarter it reached 800 plus. We have a total pool of approximately 63,000 crores, so there will be recoveries, but a normalized quarter is between 700 to 750 crores. There is no one-off in the other interest income or non-interest income. Our loan book of 11 lakhs is entirely organic; the outstanding pooled assets are only 20,000 crores and are declining quarterly.

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**Maruk Ajanya:** Okay, sir. Thank you.

**Operator:** The next question is from Nitin Agarwal.

**Nitin Agarwal:** Hi, thanks for the opportunity. I have two questions. One is regarding LCR and the CD ratio. The LCR has dropped sharply in the last two quarters. How do you think about that, and what are the comfortable numbers you want to maintain for the CD ratio, which has been rising?

**Management:** Nitin, regarding the CD ratio or LDR, we have consistently operated above 80%. This quarter, global is 86% and domestic is 83%. We previously said we are comfortable with domestic in the range of 82% to 84%. Global is different because international LDR is always higher, but the range would be 86% to 88%. Regarding LCR, as long as it is comfortable, we are not as focused on LDR. Our target is to operate around 120%. Last quarter was 120% and this quarter was 116%. We sold 28,000 crores of investments this quarter to take advantage of low yields and re-price at current higher yields. That will build our comfort back toward 120%. 116% is a healthy number, but we aim for 120%.

**Management:** Our target range is around 120%. As the yield curve shows traction, we will build that back up as excess SLR has gone down slightly.

**Nitin Agarwal:** Other question is on ECL. What requirements are you seeing for the transition? With strong asset quality and low credit costs, why are we not raising coverage further and making provisions toward the ECL transition?

**Management:** Our credit guidance remains 11% to 13% for loans, with an upside. Deposits are at 9% to 11%, ROA is above 1%, and margins are 2.85% to 3%. Slippages are 1% to 1.25%, and we have improved credit cost guidance to below 0.60%. Credit cost for the last 10 quarters has averaged 0.34%, and this quarter it is 0.17%. We are adequately provided. We have built a floating provision of 1,000 crores with ECL in mind. Regarding the draft ECL guidelines, the net impact on the CRAR, spread over five years, would be approximately 0.6% or 0.7% maximum. The incremental recurring provisioning due to ECL would only elevate the credit cost by 18 basis points as of today. Considering our guidance and historical performance, we believe we are adequately cushioned.

**Nitin Agarwal:** Got it. Thank you so much, sir.

**Operator:** The next question is from Kunal Shah.

**Kunal Shah:** Am I audible? Interest on income tax refund gave a benefit of 4 to 5 basis points. Does that mean the core NIM would have been closer to 2.74%? That suggests the refund was still around 400 to 500 crores this quarter.

**Management:** That is routine. Tax refunds happen in different amounts across different quarters. Under accounting rules, it is classified as interest income. There isn't a separate "core NIM" because everything is core, but there is a 5 to 6 basis point impact, placing that segment in the 2.70% to 2.74% range if adjusted. However, the reported margin of 2.79% is our core NIM.

**Kunal Shah:** Secondly, is the 1,000 crores in floating provisions sufficient? Is there a need to create more going forward?

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**Management:** As mentioned, the CRAR impact will be around 60 basis points and recurring provision requirements would be 18 basis points of credit cost. The current provision level is adequate.

**Kunal Shah:** On the labor code, was there any impact this quarter?

**Management:** Auditors have noted there is no material impact. A key concern was gratuity, but since we already assume employees stay for five years and provide accordingly, there is no impact. The actual impact so far is only 8 to 9 crores.

**Kunal Shah:** On growth, you mentioned 11% to 13% guidance, but we are already close to 10% year-to-date. Won't we easily beat that guidance?

**Management:** We said 11% to 13% with an upside. This quarter we are at 15%. We must be mindful of the deposit market. Our savings growth of 7.6% is among the best in the market. We are focusing on low-cost deposits rather than higher-cost wholesale markets. Given that, the advances side growth would likely be around 14.5% to 15%.

**Kunal Shah:** Thanks.

**Operator:** The next question is from Abhishek M.

**Abhishek M:** You said if LCR is adequate, LDR does not matter. Your domestic LDR is 83–84%. If it goes to 86–87%, is that fine as long as LCR is 116–120%, or do you want to manage the optics of the 84% ceiling?

**Management:** We want the domestic LDR to be in the 82% to 84% range. Optimal is 84%. Global can be 86% to 88% due to international operations. We focus on multiple alternate resources like refinancing, infrastructure bonds, and global resource raises to optimize costs rather than relying on volatile bulk deposits. Liquidity and solvency are ensured while driving the asset book. 116% LCR is part of a treasury operation involving the sale of 28,000 crores of investments, but we will recoup that quickly. The bank's resource profile is very strong. LDR might seem higher if we use alternate resources that aren't classified as deposits, but there is no limiting factor for our growth.

**Abhishek M:** On NIM, what levers do you see from here?

**Management:** We previously mentioned that Q3 and Q4 would be better than Q1 and Q2 regarding rate resets. There is resetting happening on fine-priced assets in corporate loans. The full-year NIM will be within the 2.85% to 3% band, and we expect the exit NIM to be higher than 2.85%. Our cost of global deposits is at an all-time low of 4.75%. The repricing on assets is continuing at a lower rate, but we believe we will maintain our guidance.

**Abhishek M:** For Q4, there isn't much repricing left on deposits, and on the yield side, you are growing in lower-yielding sectors like housing and AAA corporates. Why would margins go up?

**Management:** The peak retail deposit rate was reduced from 6.50% to 6.25% in Q3. The full impact of that repricing was not felt in Q3 but will be in Q4. Repricing on bulk deposits is still tight. For corporate loans, yields have actually gone up because bond prices have moved, so assets that were

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to be re-priced at lower rates might now be priced higher. For a bank of our size, optimizing 6 to 7 basis points in NIM is manageable.

**Abhishek M:** Thank you.

**Operator:** The next question is from Piran Engineer.

**Piran Engineer:** Congratulations on the quarter. You mentioned incremental credit cost will be 18 basis points due to ECL. Is that for the five-year transition or a steady state?

**Management:** That is the sustainable steady state. One impact is the one-time hit to CRAR, which we expect to be 60 basis points spread over five years. On an ongoing basis, based on our proforma calculations, the impact would be 18 basis points. That is why we revised our credit cost guidance downward to below 0.60%.

**Piran Engineer:** In the Agri book, do you engage in farmer finance where there have been regulatory observations about end-use and PSL compliance? This has affected some private sector banks.

**Management:** We have had no such observations. We engage in significant farm lending and comply with all guidelines regarding PSL classification.

**Piran Engineer:** Do you track the end-use of the loan to ensure the farmer doesn't spend it on consumption?

**Management:** We have been doing this for decades. We comply with all prescribed guidelines, including checking the end-use as required. We have a system of post-disbursement inspection to verify end-use for larger farm loans.

**Piran Engineer:** Regarding the MSME book of 1.5 lakh crores, what is the split between secured and unsecured, and working capital versus term loans?

**Management:** It is mostly a secured book. Our unsecured exposure is mostly related to recent cash-flow-based launches. Otherwise, our MSME loans are by and large secured by collateral or government guarantees like CGTMSE. The split is composite between working capital and term loans, and the ticket sizes generally range from 1 crore to 5 crores.

**Piran Engineer:** Thank you.

**Operator:** The next question is from Ankit Bihani.

**Ankit Bihani:** Our nine-month margin is 2.88%, which is at the lower end of the band. With the full impact of the rate cut, will you revise guidance? Also, you mentioned interest on IT refunds is part of core NIM, but shouldn't that be a one-off since it's volatile?

**Management:** Our global cost of deposits has dropped to 4.75%. Repricing of about 140,000 crores is due, which will offset some pressures. Full-year NIM should remain in the range. While there are shifts in the economy, we are operating at an elevated margin level relative to the market due to our low dependency on bulk deposits and growth in the RAM segment which is NIM accretive. We are not growing in high-risk personal loans. Regarding IT refunds, RBI guidelines require them to be

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treated as part of interest income. It is not a "one-off" like an NCLT recovery or a strategic investment sale. The impact is only 5 to 6 basis points in a book with massive revenues.

**Ankit Bihani:** Credit cost this quarter was low at 0.17%, but it was supported by a decline in PCR. If adjusted, wouldn't credit cost have been flat?

**Management:** We maintain PCR in line with asset quality. Our GNPA and Net NPA have been declining for many quarters. Since our asset quality is better, we do not need to provide for it to the same extent as others. Our average credit cost for the last 10 quarters is 0.34%, which is why we revised the guidance from 0.75% down to 0.60%. We are very comfortable with the current PCR because slippages are low.

**Ankit Bihani:** Thank you.

**Operator:** The last question will be from Rikin Shah.

**Rikin Shah:** You have been trying to bring down the bulk deposit share, but it has grown in recent quarters while retail term deposits have declined. Why is that? And what proportion of the term deposit book is yet to reprice?

**Management:** Our CASA growth is one of the best in the market, showing our focus on low-cost deposits. However, when asset growth reaches 15% and liability growth is lower, we must occasionally rely on wholesale funding or bulk deposits to fill the gap. Sometimes bulk rates are very benign, making them attractive. We don't want to fund incremental assets heavily through bulk deposits, but we balance it to manage costs. Currently, bulk deposits are about 19% to 20% of domestic deposits, which is a comfortable level. Regarding repricing, roughly 25% of the book is yet to reprice.

**Rikin Shah:** What is the quantum of outstanding standard restructured loans?

**Management:** It is approximately 8,000 crores. This is no longer a stress book as migrations to NPA have stopped.

**Rikin Shah:** Thank you.

**Operator:** I would request Mr. Sridhar to give the closing remarks.

**Management:** I would like to extend my sincere gratitude to all of you for joining us today for the discussion of our financial results. Should you have any further questions, please feel free to reach out to me or my investor relations team. Thank you for your time and continuous support. Have a great evening.

**Management:** Thank you very much. Thanks for joining the call. Thank you.

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