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) of SEBI (LODR)

We enclose transcript of Media Meet & Analyst Meet held on 30th January 2026 for Q3 (FY 2025-26) Financial Results.

We request you to take note of the above pursuant to Regulation 46 of SEBI (LODR) Regulations, 2015 and upload the information on your website.

Yours faithfully,

S BALA KUMAR

Digitally signed by S BALA KUMAR
Date: 2026.02.04 16:34:38 +05'30'

S Balakumar
Company Secretary

Bank of Baroda Media Meet for Quarter and Nine months ended 31st December 2025

30th January 2026

Participating members from the Management Team of the Bank

- *Dr. Debadatta Chand, Managing Director & CEO*
- *Mr. Lalit Tyagi, Executive Director*
- *Mr. Sanjay Vinayak Mudaliar, Executive Director*
- *Mr. Lal Singh, Executive Director*
- *Ms. Beena Vaheed, Executive Director*
- *Mr. I V L Sridhar, Chief Financial Officer (CFO)*

Moderator: Good afternoon everyone and welcome to Bank of Baroda's media conference to announce Bank of Baroda's results for the quarter ended 31st December 2025. 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. We will start with brief introductions and then a short presentation, followed by brief opening remarks by Chand sir and then we will open it up for the Q&A session. Chand sir, I would request you to take it forward.

Dr. Debadatta Chand: Good evening all the media friends and thanks for joining for our quarterly results discussion with all of you. And just to introduce, with me I have Mr. Lalit Tyagi, he is the Executive Director looking after the Corporate, the International and more importantly the Treasury also. With him again, Mr. Sanjay Mudaliar, he is the Executive Director. He looks after the IT, the Retail Assets and other couple of verticals there in the Bank. With him again, Mr. Lal Singh, he is the Executive Director looking after the HR, the Recovery and also the MSME and Agri vertical of the Bank. And we have Madam Beena Vaheed, she is the Executive Director. She looks after the Compliance control platform functions, including the Retail Liabilities. And we have the CFO of the Bank, Mr. I V L Sridhar. Possibly, you are interacting with him for the second or third time. So, with this, over to you. Thank you. Mr. Sridhar, you are on mute. You have to unmute yourself.

Mr. I V L Sridhar: Phiroza, can we have the presentation, please?

Moderator: Yes, sir.

Mr. I V L Sridhar: Good evening, everyone. It is my privilege to present before you the financial highlights of Bank of Baroda for the quarter and the 9 months period ended on 31st December 2025. Our global advances have grown by 14.7% Y-O-Y, 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 at 19% and organic MSME at 16.4%. Corporate loans have grown by 8.1% Y-O-Y. Within the retail segment, we have seen smart growth across the portfolio with education loan growing by 12.8%, personal loan at 12%, home loan by 16%, auto loan by 17.4% and mortgages by 21%.

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

With regard to quarterly profitability metrics, our operating profit for the quarter stands at Rs 7,377 crore. Bank's net profit for Q3 FY2026 stands at Rs 5,055 crore, registering a growth of 4.5% Y-O-Y. Return on assets remains consistently above 1% at 1.09%. Return on equity stands at 15.59% for the quarter.

This is for 9 months FY2026, our operating profit stands at Rs 23,190 crore. Our net profit for 9 months FY2026 stands at Rs 14,405 crore. Return on assets remains above 1% at 1.05%. Return on equity stands at 14.81%.

With regard to our key ratios, our yield on advances stands at 7.56% for the quarter and 7.81% for the 9 months period. Bank's prudent liabilities management has led to a sequential decline in the cost of deposits for the quarter which stands at 4.75% as against 4.91% in the previous quarter. With regard to our net interest margin, it stands at 2.79% for the quarter and 2.88% for the 9 months period ended in December 2025.

Now, we come to the asset quality which continues to remain robust. Our gross NPA ratio has improved by 39 bps Y-O-Y and stands at 2.04%. Net NPA ratio is below 1% at 0.57%, an improvement of 2 bps Y-O-Y. Our provision coverage ratio including TWO is comfortable at 92.73%. Our slippage ratio for Q3 has reduced by 4 bps Y-O-Y and stands at 0.86%. Credit cost remains low and stands at a level of 0.17% for the quarter.

Then SMA and collection efficiency trends. Coming to our SMA and collection efficiency, our CRILC SMA1 and SMA2 as a percentage of standard advances is at 0.36% as of December'25. Our collection efficiency excluding agriculture remains robust at 98.6%.

We have a strong capital position in terms of capital adequacy, our position as of 31st December'25. CET-1 is at 12.45%, Tier-1 at 13.10% and overall CRAR at 15.29%. Our LCR remains healthy at approximately 116% as of December'25. Adjusted for the profits of 9 months, capital adequacy would have been 16.47%. So, I request now Chand Sir to take over.

Dr. Debadatta Chand: Let me come with my qualitative comments on the financials, the CFO said all. And once again good evening to all of you, for the media friends who have joined today on the call. And as a Bank, we have been telling since long, the Bank continues to pursue a sustainable, consistent and a stable operating model. The numbers you see for this quarter are consistent with regard to the numbers we see for last 10-12 quarters on the trend line scale. And our Q3 results completely aligns with regard to the fundamental core and strong operating model. Again, reflecting a continuous focus on the organic growth and also it is a normalized quarter for us. So, if you look at the financial performance, there is no one-off in any of the heads. So, it is a, I mean, we are posting a net profit of Rs 5,055 crore on a normalized operating environment where we don't have any one-offs.

On the growth side, again, we have declared the provisional numbers and I have seen the coverage in the market on the provisional numbers. The bank has a very strong or rather I would put it one of the strongest in last 8 quarters with regard to the business growth, whether it is a growth in the advances, whether it is growth on the deposit or growth in the overall business is concerned. The global advance of 14.7% is one of the best in last 8 quarters. And typically, after September 2023, as far as the Bank is concerned, this is one of the strong growths we have on the advances.

Similarly, if you look at the RAM growth, which has been consistently growing at 17-18% and this quarter the RAM growth is 17.3%. The point important here not only to look into the Y-O-Y growth, but sequentially the quarter-to-quarter also the growth has been quite strong. Similarly, the corporate loan book, last time we had multiple queries on that, the Y-O-Y on the corporate is 8.1%, the sequential is 4.6%. As I said earlier also for the full year, we are targeting 10% on the corporate book.

On the liability franchisee, I mean the Bank continues to work on the low-cost deposits. The savings account growth has been 7.4%, which is better than the 5.5% growth we had in last quarter. And again, 7.4% is the best in last 8 quarters in terms of the growth in saving. Similarly, the current account growth has been very normalized at almost at 19%. Our CASA growth of 8.6% is again one of the best in last 8 quarters. And this typically, if you look at the market scenario as on today on the CASA, I think one of the good performances we have and continue to be the focus area as far as Bank of Baroda is concerned on the CASA side. Similarly, the CASA percentage is almost at 38.45%, which if you look at the number, I think one of the top quartile in terms of, I am talking about large players, one of the top quartile number in terms of percentage of CASA that we have maintained. The growth is clearly, I mean, if you compare the Q3 vis-a-vis Q2 and Q1, the momentum is clearly upward in terms of all the drivers, particularly on the business side.

Coming to the profitability front, again, as I said, we don't have any one-offs this quarter, it is a normalized quarter for us. And, if you look at the operating profit of more than Rs 7,300 crore, it is last 8 or 9 quarters we are having operating profit more than Rs 7,000 crore. At the same time, the net profit of Rs 5,055 crore for last 10 quarters, we are maintaining net profit in excess of Rs 4,000 crore. And last 3 quarters out of 6 quarters, we are maintaining profit in excess of Rs 5,000 crore. So, it talks about consistent operating model in the light of, I mean, the market in terms of the cost of deposit, the yield and advances. I think a consistent core operating profit as far as the Bank is concerned. And there is no one-off in terms of the operating profit and the net profit we see for this quarter. One of the good outcomes of this is that, the fundamental factor which you say is the book value of the Bank. And that typically, it is a shareholder in terms of mapping out the book value. From December 2023, which was almost at Rs 180, we have almost reached to Rs 250 for Rs 2 face value share. So, that is something, I think, a significant point to be noted.

On the asset quality, again, at a GNPA of 2.04%, net NPA of 0.57%, on the slippage ratio is at 0.86%, the credit cost at 0.17%, collection efficiency almost at 98.6%, which is consistent with last quarter. And the CRILC data, which talks about SMA- 1 and 2, more than Rs 5 crore, it has improved from 0.39% to 0.36%. I think on an asset quality front, it is absolutely on a benign cycle, one of the best quarter we have. And consistent with the system also similarly showing a much better asset quality.

I'll just put two, I mean, achievement as far as the Bank is concerned, you might have also, I mean, you would have seen in the market also. The Bank was awarded the best bank award by a global magazine called 'The Banker' and that we have published also earlier. And I think for me and entire Barodians, it is one of the credible achievements in terms of getting recognized outside India by a magazine called 'The Banker'. Similarly, recently, there was an IBA technology award, which is done at the IBA level, industry level, and the Bank could win 4 out of 7 themes the IBA had on technology piece. And on the 5th theme also we got a special mention. So, it was just like on the technology award, we had a very strong reward on the technology award and that I think something I want to highlight on that.

And ultimately coming to the margin, the 9 months, we have maintained 2.88%, that was in line with the guidance. With this, let me reiterate the guidance for the full year again. Our credit growth, although we got a 14.7% credit advance growth, but we continue to maintain the guidance at 11-13% with an upside at the guidance of 11 to 13%. Deposit, we put it at 9 to 11%, the same that we had put in last time. The margin again, we put it the same like 2.85 to 3% for the full year. The credit cost guidance, which, we said earlier below 0.75%, we are revising it positive by making it below 0.60%, the credit cost. The slippage again between 1 to 1.25%, we are maintaining the same guidance. ROA of more than 1%, which we have done consistently for last 14 quarters, we still maintain the same ROA guidance and ROE guidance continue to be the level of around 16 to 18%. So, with this, I open the floor for questions and answer. Phiroza, over to you.

Moderator: Thanks, sir. We now move on to the Q&A session. If you have a question, please raise your hand. Alternatively, you may also type in your question in the Q&A box. We will just go first come first serve. The first question is by Joel Rebello of Economic Times. Joel, you will have to unmute yourself.

Mr. Joel Rebello: Can you hear me, sir? Good evening.

Dr. Debadatta Chand: I can hear you. Good evening, Joel.

Mr. Joel Rebello: Sir, first, a couple of clarifications. Is there any one-off expenditure because your expenses have gone up, other operating expenses? Operating expenses, is there any one-off expenditure, anything which you would like to detail, basically?

Dr. Debadatta Chand: No, Joel. Actually, the operating expenses, which is almost at Rs 8,000 crore, slightly on a Y-O-Y scale around Rs 400 - 500 crore higher. But if you look at a couple of heads like the repairs and maintenance, the depreciation and insurance, the legal charges heads have gone up. So, these are purely, transactions which requires a higher expenditure on this front. So, there is no one-off expenditure for this quarter.

Mr. Joel Rebello: Okay. My second question is with regards to margins, sir. Year-on-year, we can understand, net interest margin being under pressure because of the rate cycle. But versus September, versus December, I think your margins is still lower versus September. What's the reason for that? I think, you know, many other banks actually made a good progress in terms of margins, sustained it or either or improved it. Why your margins are lower quarter-on-quarter?

Dr. Debadatta Chand: Joel, you need to, while talking about the margin, you need to take the absolute number into consideration. So, we have in terms of the absolute number of say 2.96% that we declared last quarter, our absolute number has been much above the median that we are referring to, right. So, the guidance that we had given 2.85% and if you look at the quarter, it is at 2.79%. In the 9 months, it is at 2.88%. So, in terms of the liability and the asset structure, there is a realignment and it can be slightly different from banks to bank. So, in terms of when you raise the fund, when it is getting repriced, that's important.

Mr. Joel Rebello: Right, right.

Dr. Debadatta Chand: And also, when we talk about last time and this time, there is a market action in terms of a cut in Repo also that happened.

Mr. Joel Rebello: Correct, sir.

Dr. Debadatta Chand: Our realignment, it takes a different profile as compared to other banks. By the way, we have the largest MCLR book as of today, right, 38%. So, I think these are all positive in terms of NIM. What is important is the absolute number of NIM, which is one of the top quartiles as far as the margin is concerned.

Mr. Joel Rebello: Okay. So, any outlook you can give and also because you said 38% MCLR, which means that you all will reprice and you will get that benefit in the last quarter. I mean, fourth quarter, any outlook on NIM also with regards to MCLRs?

Dr. Debadatta Chand: So, look, the MCLR would depend upon the cost of fund that typically, I mean, tracks the market. I'll tell you what is happening as on today, one is on the retail side, definitely the cost moderation has happened significantly. Also, wholesale market continued to be a bit tight and the rates are still high. So, all would depend upon the cost of fund. But on a full year guidance, we are giving 2.85 to 3%. That is something I think we have achieved earlier quarters also and this quarter also, we have already achieved, 2.88% for 9 months and full year will be in the range of 2.85 to 3%.

Mr. Joel Rebello: No, I just again clarifying sir, you are 2.79%. I am looking at the global NIM 2.79%, which is below 2.85%. So, you know, again, just to elaborate on that question, why was it below your range?

Dr. Debadatta Chand: So, that is what I said. When we said full year, actually last time also I said the range would be 2.85 to 3% for a full year basis.

Mr. Joel Rebello: Correct. Correct.

Dr. Debadatta Chand: It was for a full year basis. So, the quarter is 2.79%. Obviously, the asset liability in terms of the quarter NIM is 2.79%, whereas the 9 months NIM is 2.88% because you had a good NIM in Q1 and also slightly lower than the good NIM in Q2. So, the 9 months is 2.88%, full year would be again 2.85% to 3%. Right.

Mr. Joel Rebello: Right, sir. One last, again last clarification, you all have got a very good growth in RAM, which has been the consistent, I mean, I have been watching for the last couple of years at least. Why is it that you all have still kept the credit growth guidance at 11 to 13%? I mean, despite the growth, the corporate is also growing now. So, what, why do you all still are being conservative on credit?

Dr. Debadatta Chand: See, just had a 11 to 13% with an upward bias, so obviously as we achieved 14.7%, we will be definitely exceeding 13% on that. So, one condition that would be mindful while giving a guidance is that, look, the advances growth for all the banks have been quite strong. But deposit growth has not been to that extent because of, obviously, the profile change that happened in the market. So, we will be mindful of the deposit growth while positioning the advances growth. So, given a scenario, liquidity scenario, would the deposit continue to flow the same way, we will be almost at 14 - 15%. So, that is why the guidance is rather revised positive in terms of 11 to 13% with the upward bias. That means we are expecting higher, we are not conservative, we are optimistic having a growth higher than 13%.

Mr. Joel Rebello: Okay. So, all the best for the rest of the year. Thank you.

Dr. Debadatta Chand: Thanks, Joel.

Moderator: Thanks Joel. We will now move to Ashish Agashe of PTI. Ashish.

Mr. Ashish Agashe: Thank you so much, Phiroza. Hope I am audible, sir.

Dr. Debadatta Chand: Yeah, you are audible. Please go ahead.

Mr. Ashish Agashe: Sir, where is this corporate growth really coming from, the 8% number? And how much of it like would be term loans and what is the pipeline you see ahead on corporate loans?

Dr. Debadatta Chand: See, as I said, corporate loan, typically, Q1 is a slow quarter for us actually, that happened also this year. And as we grow towards the year end, we pick it up and Q3, Q4 are the productive quarters for corporate. So, earlier also we said that we are going to hit the band of 8 to 10% and rightly for Q3, we are at 8.1%. And March end, we will be hitting 10%. The sanction that happened during the year is going to be disbursed. So, in terms of pipeline, if I say, we have almost Rs 75,000 crore of pipeline consisting of Rs 45,000 crore of sanctions, which is yet to be disbursed. And remaining Rs 30,000 crore would be a proposal received in the process of getting sanctioned. So, the pipelines are strong. And overall, if you look at the number, we are looking at a 10% Y-O-Y growth on corporate as of March 2026.

Mr. Ashish Agashe: And sir, where is this pipeline as well as the growth in Q3 coming from, sir? Because yesterday, even the economic survey has spoken a bit on the need for private Capex. So, the question is in that context, sir.

Dr. Debadatta Chand: No, look, in terms of the pipelines, we have strong pipeline, it is a broad-based thing. So, somewhere it can be higher, somewhere it can be lower. As a pan India Bank with a strong legacy, the demand is coming across all the sectors. And if you look at my, we give you an industry comparison in terms of percentage of market share. You would have seen that all the industry, that 17 or 18 industry we publish in the analyst presentation, everything has maintained a market share; in the sense their share in the portfolio. So, the demand is broad based, that is point one.

But couple of sectors we see good demand in terms of pipeline, either renewable sector, some of the energy power sector, data center, couple of service proposal in the form of LRD and all, Chemicals is showing some good outcomes. So, all types of broad-based thing. So, it is not that all pipeline is pertaining to one or two sectors. We do have a mix of everything. Somewhere may be a term loan requirement, somewhere can be an enhanced working capital requirement. So, as far as our pipelines, I think it's a broad based, and the demand is quite strong as far as we to grow at 10%.

Mr. Ashish Agashe: Okay, Sir. And my second question, Sir, this is just a follow up on Joel's question on the NIMs. Sir, where do you see exit FY26 NIMs? Because 2.85-3%, if I understand it correct, is a FY26 year guidance, where do you see Q4, especially with like, okay, definitely we have one policy action ahead but where do you see the exit NIMs, Sir?

Dr. Debadatta Chand: See, obviously, the exit NIM has to be somewhere better than the current level of 2.79%. Actually, earlier when we talked about in terms of the resetting of asset-liability, we talked about Q3 and Q4 would be better than the Q1 and Q2. And when we migrated to Q3, some reduction happened, the repricing happened with some lag time on the wholesale market cost because of striking the 10-year G-Sec slightly still being elevated. So, slightly still there are pressure on the margins. But if you look at Q4 at the exit, I think it would be, we are at 2.88% but it has to be higher than the current level of 2.79%. I think somewhere, we will be above 2.85%, rather we can be somewhere at 2.90% also.

Mr. Ashish Agashe: Thank you so much, Sir.

Moderator: Thanks, Ashish. The next question is from Shrishti Sharma of ET BFSI.

Ms. Shrishti Sharma: Thank you, Phiroza. Good evening, Sir. Three questions. First will be, I've tried to understand this from a lot of PSU banks and this is about one of the concerns that Finance Minister had raised about 2 months ago when she mentioned transfer policy at PSU banks cannot be defended in terms of staff not being able to communicate in regional language to the customers. So, what is the transfer policy at Bank of Baroda like? And what kind of training is being given at the branch level for the customer interaction? Sir, I'll go with my…

Dr. Debadatta Chand: You go with the other 2 so that I can reply all 3 at one go.

Ms. Shrishti Sharma: All right, Sir. Second question is on the Vodafone AGR case, now that they've been given relief from the government's end, would you consider lending to them? And third question, Sir, on the 5-day workweek for PSU banks. Well, it's not in your hands what happens, it's with the government of whether it will become effective or not. My question to you largely is, are Indian bank branches equipped enough to go about 5-day workweek instead of 6?

Dr. Debadatta Chand: Okay. So, Shrishti, the first point on transfer policy, the Bank has a very well-documented transfer policy which has been effective for so many years and normally we complete transfer before June. And we are going to do it also this time.

In terms of typically on the communication side that you talked about, yes, we do impart the communication skill with employees who are working in non-native area. And I'm not just pre-empting because since you asked the question, we are going to roll out an app here in many of these places where there will be a tab at the frontend and there is a tab at the employee and any customer talking on a particular language, the tab would automatically convert that into the employee language instantly. And similarly, the employee talking on that language would convert also into the customer language instantly. It's a pilot being rolled out. So, we know the issue, the issue we need to address. One is, through training we can address. Another is, where by making some kind of a digital intervention we can address. And we are addressing that and, obviously, we'll be solving this issue in terms of the communication issue that you talked about.

Vodafone, typically as per our policy, we do not discuss account in a Media Meet or, let's say, the governance policy we have. So, I'll refrain from commenting. But any loan, any proposal, the underwriting committee only is the right committee to take a call on the matter.

PSU Bank 5-days, already there is some kind of industrial issue therein. So, I'm not competent at this time to give a call on the matter with regard to this 5-days week that you are referring, right. So, Shrishti, if you have any other business questions, please go ahead.

Ms. Shrishti Sharma: That's all from me. Thank you.

Dr. Debadatta Chand: Thank you.

Moderator: Thanks, Srishti. The next question is from Ram Kumar of The Hindu Business Line. Yeah, Sir, go ahead.

Dr. Debadatta Chand: Yeah, Mr. Ram Kumar, please go ahead.

Moderator: We'll come back, Sir, to Ram Kumar.

Dr. Debadatta Chand: Okay.

Moderator: We have one more question, which is from Abhijit Lele. 3 questions, Sir. He has typed them in.

- One, are you expecting pressure on cost of deposits to continue?
- The second question is, what is the present credit to deposit ratio?
- And the third question is, what is the excess SLR at this point of time?

Dr. Debadatta Chand: Okay. So, on the cost of deposit, look, I mean, the entire deposit profile keeps changing in terms of getting repriced. So, the cost of deposit on the retail front has moderated significantly whereas on the wholesale front continue to be high. What has happened, if you look at the system, a lot of money flowing to the capital market and that somewhere with a lag coming back to the wholesale market. And since wholesale market you don't have operating expenses therein because these are significantly large transactions, the cost still elevated in a manner. So, going forward, I do not see any further increasing. Rather, if you look at cost of deposit of Bank of Baroda, we are one of the best in the market. The global cost of deposit at 4.75% and the domestic at 4.99%, where one of the bank to pierce that 5% threshold last quarter also in this quarter. So, the cost of deposit, clearly, is one of the best.

What is happening is that the cost of borrowing actually, some of the times the wholesale market we borrow, that is something impacting us in terms of an elevated interest expense. And cost of deposit continues to be the same, it is one of the good quarters, we have and continue to have the same trajectory for Q3, subject to wholesale deposit not putting pressure on that. Whereas the asset side, a lot of repricing that happened. I think we can hold on to the yield on both the advances and investment for next quarter. If that happens, possibly we can add another 6-8 BPS of the margin on the NIM side.

Credit deposit, as you know, we have been perennially operating within the range of 80%-85%. In this quarter, it is 86% precisely because the international credit deposit is adverse in the sense it is more than 100%. The domestic is 83%. So, as far as our guidance or normal working model is concerned, business model, we operate the domestic at around 82%-84% kind of a level. International somewhere can impact the Global CD but the domestic LDR continue to be around 80%-84%. That is what actually normally we operate as a business model. What is important on the LDR scenario is the LCR and the NSFR and these are very comfortable as far as the Bank is concerned.

On the SLR, we are almost at 21.5%, so roughly 2.5%-3% excess is a business statutory requirement area. Thank you.

Moderator: Thanks. Our next question is from Manish Suvarna of Money Control. Manish, please unmute yourself. Yeah.

Mr. Manish Suvarna: Am I audible?

Dr. Debadatta Chand: You are audible, Manish, please go ahead.

Mr. Manish Suvarna: Yeah, hi. Sir, I have two questions. First is on considering your capital adequacy has come down in this quarter from 16.54% to 15.29%. Is there any plan of fundraising in the Q4? And second question is on the OMOs, what RBI has been doing since December. So, have you participated? And if yes, then how much securities you have sold to the RBI in this auction? Thank you, Sir.

Dr. Debadatta Chand: Okay. So, capital adequacy, I mean, at 15% and overall at almost at 17% if you add the profits, I think it is a very comfortable level in terms of the adequacy of capital. But in case you compare a quarter to quarter, obviously, there is a dip because we are growing; the advances growth is almost 14.7%. So, obviously, there has to be a dip therein. But in terms of the number, in terms of the adequacy number, I think it is a very significantly adequate and also gives a huge potential for growth capital.

Saying so, there are two enabling provisions, we announced to the market earlier, that we would raise the equity if there is a need as enabling provision up to the level of Rs 8,500 crore till March'2028. So, that announcement already is there and that holds. So, if there is a need be at any point of time, then we will announce to the market with regard to our intention to raise capital out of this enabling capital that we have announced to the market of Rs 8,500 crore.

Furthermore, in terms of AT-1 and Tier 2, last year we had a mandate of Rs 7,500 crore. We raised roughly around Rs 3,500 crore, so there is a spillover of Rs 4,000 crore also we can raise as a part of the Tier 1, AT-1 or the Tier 2. So, these are the two capital raise. But as today in terms of absolute number, I think we have an excellent, I mean, very good number in terms of capital adequacy. And if you add back profit, it would again get back to the 17% which was there in March'2025. So, as on March'2026 also, without any capital raise, will be above 17% once we add back the profit. But saying so, in case there is a need at any point of time, we have enabling capital raise plan and we will announce to the market, at that point of time.

Secondly, on OMO, yes, it's a good thing actually in the sense injecting liquidity and at the same time banks do participate. I don't know the exact number but we do participate in all OMO option.

Mr. Manish Suvarna: Okay, Sir. Thank you. Thank you.

Moderator: Thank you, Manish. Sir, Ram Kumar Sir has got 2 questions. First one is, while your Operating Profit is down, your Net Profit is up. If you could throw some light? The second question was, if you could just repeat the outlook for the cost of credit.

Dr. Debadatta Chand: Okay. So, I'll take the second one first. Cost of credit, it is 0.17%. And if you look at our cost of credit for last 10 quarters, the average is almost at 0.34%. We have been giving guidance that we will be operating below 0.75%. So, as a positive upside, we have reduced the guidance from 0.75% to 0.60%. Because having achieved an average of 0.34%, I think we will be in a position to maintain below 0.60%. I mean, since the guidance is below 0.60%, the Q4 can be higher or lower than the current level but the kind of asset quality numbers I had given in terms of the SMA-1 and SMA-2 on the collection efficiency, I think we will be in a position to maintain a very good in terms of the absolute credit cost for Q4. And the full year, again. would be a benign kind of thing. But importantly, it would be below 0.60% for the full year, as the guidance that we are giving.

Coming to the Operating Profit and Net Profit, yes, Operating Profit got impacted because we do not have one-off either in the Other Interest Income or any other heads on the Trading Profit side. So, the Operating Profit, tracking the interest income and interest expenses, it is slightly below in terms of absolute number for this quarter. Saying so, the Operating Profit is purely the operational profit we have. There's no one-off as far as the Operating Profit is concerned. The Net Profit is slightly up in terms of 4.5% , because the provisioning requirement has been slightly lower. The reason being on two counts, last time we had a floating provision, this time we do not have a floating provision. So, that is a positive delta. Secondly, on the standard asset provision, there are a couple of accounts where we have to provide provision as per the regulatory norms as far as the COD completion date in terms of the delay in COD. So, the normalized standard asset provision is almost Rs 150 crore, which was there in the Q3 of last year also but Q2 we had an elevated number. So, because of that the Net Profit has been higher whereas the Operating Profit is marginally lower than on the same quarter last year.

Moderator: Sir, the next question is from Ekta Suri of Zee Business. Ekta, if you can unmute yourself. Ekta, can you unmute yourself? Sir, we will come back to her. Next question is from Mayur Shetty of The Times of India. Mayur.

Mr. Mayur Shetty: Thank you, Phiroza. Sir, it is more of a clarification. Your deposit costs have gone up year on year?

Dr. Debadatta Chand: No-no, I do not think so. The deposit cost is one of the lowest now at 4.75%. And the domestic is also at 4.99%. I will just pull the data, just give me a second, about what you are referring.

Mr. Mayur Shetty: Right, Sir.

Dr. Debadatta Chand: It has gone down. It has gone down. I will tell you, Q3 of FY25, the global cost of deposit at 5.08%, which has gone down to 4.75% now in the same quarter this year.

Mr. Mayur Shetty: Right, Sir. But your Net Interest Income is more or less flat, right?

Dr. Debadatta Chand: The interest expense, if you look at the percentage, although the base is changing, I mean, there is a growth happening both asset-liability, the expansion in the interest expenses has been higher than that of the increase in the interest income. So, obviously, getting pressure on that because you do not have one-off in terms of Other Interest Income. So, obviously, the NI is getting slightly squeezed in the matter.

Mr. Mayur Shetty: So, is this, I mean, is the fact that transmission of rates not happening in the money markets, is that a problem for banks?

Dr. Debadatta Chand: It is not at all a problem. Rather, it is an advantage that I maintain one of the highest NIM in the industry, right, in terms of the large peer. So, all this if you correlate with the cost of deposit and the margin, cost of deposit 4.75% global and one of the lowest, right.

Mr. Mayur Shetty: Yeah.

Dr. Debadatta Chand: In terms of the margin that you see at 2.88% for 9 months, one of the highest. So, the transmission is happening but the cost structure of every bank may not be the same. The pressure on NIM, the pressure on NII, rather if there is a pressure on NIM, obviously there has to be a pressure on NII unless and until you have one-off. So, in that scenario, I think, the numbers that we have of Bank of Baroda is a pure operational core income. And the system is also at the same. The lag time in terms of the interest on income, there has to be a lag time. And I think in Q4 it will balance out, even out and we'll get a true number in terms of the margin also for Q4.

Mr. Mayur Shetty: Thank you, Sir.

Moderator: Thanks, Mayur. Sir, a couple of questions from Anjali Kumari of Business Standard.

- First question is, what was the source of treasury gains during the quarter?
- And her second question is on IPOs saying, did you participate in any IPOs?

Dr. Debadatta Chand: Yeah, we do participate in the IPO, multiple IPOs we have participated and we get good money also in this IPO participant. The Treasury Income is roughly around Rs 1,000 crore and out of that the Trading Profit is almost Rs 836 crore, right. So, in that way, the Rs 836 crore compares well with the last quarter and the same quarter last year.

The Treasury Income, if you compare, then vis-à-vis the last year, there is almost Rs 150 crore better than the same quarter last year. Treasury has been performing well in terms of our own because our book is also not very significant, right. Our Treasury book is almost Rs 3,36,000. So, in that way, I think the Trading Profit that we make or the Treasury Income we make for the quarter, I think it's comparatively well placed in terms of the income we are generating out of the portfolio.

Moderator: Ekta, are you there? Ekta Suri of Zee Business.

Ms. Ekta Suri: Can you hear me?

Dr. Debadatta Chand: I can hear you, Ekta, please go ahead.

Ms. Ekta Suri: Good evening, Sir.

Dr. Debadatta Chand: Good evening.

Ms. Ekta Suri: Sir, my question is, considering if someone has taken a gold loan in the last week or 10 days, the way the gold prices are becoming volatile, the market has fallen considerably, so how are the banks cautious about that and what strategies are they adopting?

Dr. Debadatta Chand: See, there are two things. One is, we have 2 gold loan schemes - one is Retail and the other is Agri-gold. If we talk about the Retail scheme, then our book is only Rs 10,000 crores. The book is not very big, the book is small. And according to the RBI guidelines whatever LTV we have to maintain, the margin and what volatility is there in the price, the portfolio is regularly reviewed for this. So, as of today, there is no concern in our portfolio and there's no need to put in extra measures in it. The price will be volatile. Suppose, the price goes down, then we will come out with it. But, currently, the margin is sufficient for price volatility. This is point one.

Secondly, growth in Agri-gold is good. The same measures are taken for this also. As of today, yes, the price is elevated but we have not seen much of price volatility. If the price is volatile then the bank will take the appropriate measures. But as of today, our portfolio compared to the system is not very big, it is small. Because of that reason we don't see any concern in this.

Ms. Ekta Suri: Sir, are you seeing that many people in the market who were investing money on personal loans to buy gold and silver and now if the market falls then somewhere their NPA chances are like writing on the wall because these are the people who are not very wealthy or they do not have other sources but they feel this is a continuous way of earning money for the past few months because there's been an upward trajectory?

Dr. Debadatta Chand: No, you talked about Personal loan, we have been saying this from past many quarters that we do not drive aggressive growth in Personal loans. In this quarter our QoQ growth is 1.1%, so we are not an aggressive player in Personal loans. Typically, our Personal loans are given to salaried people with whom we have signed a corporate package or with the State government. So, that's the major profile. So, in that the element of speculation that you are talking about, it cannot be much in our portfolio.

If you see our QoQ growth in this quarter, there's only 1% in growth in Personal loans. So, in that way, we are quite mindful of elevated slippages in Personal loans and of the risk. We have also issued numbers for GNPA in Personal loan. In terms of GNPA Personal loan, this quarter it is better than the last quarter. It has improved from 4.81% to almost 4.42%, now. So, in that way, I think the portfolio is quite well balanced, diversified and we are not a very big player in those segments that you have mentioned. So, if there is any volatility in that, there are different committees and departments of the bank who do portfolio review from time to time. And if we have to take any measures, then we take measures at that point of time.

Ms. Ekta Suri: Thank you, Sir.

Moderator: Thank you, Ekta. This is the last question that we will be able to take for today. So, thank you all for joining us today. Have a good evening.

Dr. Debadatta Chand: Thank you, all. Thank you very much for joining us today on the call. Thank you.

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बैंक ऑफ़ बड़ौदा Bank of Baroda

Bank of Baroda Analyst Meet for Quarter and Nine months ended 31st December 2025

30th January 2026

Participating members from the Management Team of the Bank

- *Dr. Debadatta Chand, Managing Director & CEO*
- *Mr. Lalit Tyagi, Executive Director*
- *Mr. Sanjay Vinayak Mudaliar, Executive Director*
- *Mr. Lal Singh, Executive Director*
- *Ms. Beena Vaheed, Executive Director*
- *Mr. I V L Sridhar, Chief Financial Officer (CFO)*

Moderator: Good evening, everyone and welcome to the analyst meet for Bank of Baroda's quarterly results for the quarter ended 31st December, 2025. Thank you all for joining us. We have with us our MD and CEO, Dr. Debadatta Chand and he's 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. Chand sir, over to you.

Dr. Debadatta Chand: Thanks Phiroza and again good evening to all my analyst friends who are present here on the call. And just to introduce the management team with me, I am D. Chand MD and CEO of the Bank. With me, Mr. Lalit Tyagi, the Executive Director. He looks after the C&IC, the Treasury and the International Banking. With him Mr. Sanjay Mudaliar, who is the Executive Director. He looks after IT, the Retail Assets and a couple of other platform functions. Then we have Mr. Lal Singh, Executive Director. He looks after the HR, Recovery and the MSME and Agri vertical. And we have Madam Beena Vaheed, she is Executive Director and she looks after Control, Compliance platform functions along with the Retail Liabilities franchise of the Bank. And we have the CFO, Mr. I V L Sridhar. He has been there, for a couple of quarters, now. So, Mr. Sridhar, over to you for the presentation.

Mr. I V L Sridhar: Thank you, sir. Good evening, everyone. It is my privilege to present before you the financial highlights of Bank of Baroda for the quarter and nine months ended 31st December, 2025. Our global advances have grown by 14.7% YoY with the 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% YoY. Within the Retail segment, we have seen smart growth across the portfolio with educational growing by 12.8%, personal loan by 12%, home loan by 16%, auto loan 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%. The domestic CASA deposits have grown by 8.6% and term deposits have registered a growth of 12.7% YoY. As of 31st December 2025, the Bank's domestic credit deposit ratio stands at 83.89% and CASA ratio stands at 38.45%.

With regard to quarterly profitability metrics, our operating profit for the quarter stands at Rs. 7,377 crore. Bank's net profit for Q3 stands at Rs. 5,055 crores, registering a growth of 4.5% YoY. Return on assets remain consistently above 1% at 1.09% as of 31st December 2025. Return on equity stands at 15.59% for the quarter.

For 9 months FY 2026, our operating profit stands at Rs 23,190 crores. Our net profit for 9 months FY 2026 stands at Rs 14,405 crores. Return on assets remain above 1% at 1.05% in 9 months FY 2026. Return on equity stands at 14.81% for the 9 months FY 2026.

With regard to our key ratios, our yield on advances stands at 7.56% for the quarter and 7.81% for the 9 months. Bank's prudent liabilities management has led to a sequential decline in the cost of deposits for the quarter 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 9 months.

Now we come to our asset quality which continues to remain robust. Our Gross NPA ratio has improved by 39 bps YoY and stands at 2.04%. Net NPA ratio is below 1% at 0.57%, an improvement of 2 bps YoY. Our provision coverage ratio including TWO is comfortable at 92.73%. Our slippage ratio for Q3 FY 2026 has reduced by 4 bps YoY and stands at 0.86%. Credit cost remains low and stands at a level of 0.17% for the 3rd Quarter of FY 2026.

Coming to our SMA and collection efficiency, our CRILC SMA1 and 2 as a percentage of our standard advances stands at 0.36% as of December '25. Our collection efficiency, excluding agriculture, remains robust at 98.6%.

In terms of our capital adequacy, our capital position continues to be strong with CET- 1 at 12.45%, Tier-1 at 13.10% and overall CRAR at 15.29%. Our LCR remains healthy at approximately 116% as of December '25. Adjusted for the profit of 9 months FY 2026, capital adequacy would have been 16.47%. Now, I request MD sir to give his remarks.

Dr. Debadatta Chand: Thank you Mr. Sridhar, and once again all my analyst friends, good evening to each one of you. Let me make some quick couple of qualitative points here.

The financials this quarter, again, talks about the same business model that we have been talking about, which is again to strengthen the fundamental core and be consistent and have a stable outlook. So, the current quarter also the numbers show that the Bank pursued this objective of being fundamentally strong at core, at the same time a sustainable performance. And secondly, the profit numbers that you see for this quarter is purely out of the operation. We do not have any one-offs anywhere in the other Non-Interest income or anywhere, which gives slightly elevated level of profit. The profit that we are declaring this quarter and the net profit has seen a 4.5% jump, is purely out of the operational profit.

Secondly, only the balance sheet numbers we have seen already when we declared the provisional. This is one of the strongest numbers we have in last eight quarters. The advances almost reaching 15%, the deposit almost at 10%, the domestic deposit at 11.1%. I think we have one of the strongest quarters, only two points I will touch here, that the RAM is almost at 17-18%. So, corporate has gone into 8% now and the full year our target would be at 10%.

Similarly, on the liabilities piece, our Savings growth of 7.4% and CASA growth of 8.6%, I think is one of the best or top quartiles in the banking sector. So, we'd continue to focus on the low-cost deposit at the same time build asset book again consistent in terms of our objective of a diversified book, I mean, creating a more stable outlook with regard to growth of asset book.

On the main important part that you would have seen is that the cost of deposit, the global cost of deposit at 4.75% and the domestic at 4.99%, that means on both the counts last quarter we pierced the global deposit cost below 5%, and this quarter we have both domestic and also global below 5%. And in case you look at the market threshold, this is one of the top quartile good numbers in terms of cost of deposit, rather a pristine level to have. And that is a prudent liability management that will carry in terms of, not to depend heavily on the bulk deposit rather focus on the low cost deposit, is giving us positive outcome.

At the same time, the margin that you see for the 9 months is at 2.88%. We have given a guidance of 2.85 to 3%, and we are right on the band of 2.88%, whereas the Q3 is 2.79%. But the overall guidance for the full year continues to be at the 2.85 to 3%.

On the asset quality again, the numbers are very well in terms of the benign asset cycle we have, not only for the Bank, but the entire industry. The GNPA ratio of 2.04%, net NPA ratio of 0.57%, slippage ratio of 0.86% and the credit cost at 0.17%. With the collection efficiency almost the same level at 98.6%, excluding Agri, and the SMA1 and 2 book of the CRILC data has improved from 0.39% to 0.36%, I think the Bank is riding on an excellent asset quality as the end of the last quarter i.e. Q3.

A couple of fundamental things I think that is important for you to understand that, in terms of,if I compare December '25 over December '23, the book value of the Bank has gone up from almost Rs 180 to Rs 250. That is an accretion of almost like Rs. 80-85, which is significant. Secondly, the Bank has been persistently putting a stable outlook, like the ROA. Almost now 14 consecutive quarters we are posting continuously more than 1% ROA. In terms of profit, this is 12th quarter, we are posting more than Rs 4,000 crores of net profit. Out of the last six quarters, this is the third quarter we are posting more than Rs 5,000 crores of net profit. So, the point that I am driving is the consistency in terms of the income earning potential of the portfolio, and the outcomes are very favorable in terms of consistency and also at an elevated level of profit that we operate at.

A couple of things that possibly, just to take a note of that. We got the Best Bank Award by 'The Bankers' UK, sometime back that we put that on the public domain also, and that is a strong validation of the Bank's journey which is consistent with growth, which is sustainable and also transformative. At the same time, on the technology, IBA Technology Award which was announced recently. There are seven themes on that and Bank of Baroda could win 4 out of 7 as a winner, and the fifth one is also a special mention award. So, it is a huge recognition to the Bank's digital robustness and the Bank's architecture in terms of creating a customer experience which is definitely better. And we will keep on driving more on this, but then I think the awards is a huge recognition to the entire Bank of Baroda team that works on transformation, technology and driving better customer service. With this, I open the floor for questions and answers. Phiroza, over to you.

Moderator: Thank you, sir. We will now open it up for Q&A. If you have a question, please raise your hand or you can also type your question in the Q&A box. I would request you to please limit your questions to two for now, and if we have time, we'll come back to you. The first question is from Mahrukh Adajania.

Ms. Mahrukh Adajania: Yes, sir. Good evening, sir. Sir, I have a couple of questions. So, I'll first list out my questions. Firstly, in terms of NII growth, if you could help us distinguish between total NIM and core NIM, because last time you had kind of given that cut, right, that 2.96% is the total NIM and then 2.76% or something is the core NIM. So, what is the comparable figure for core NIM this quarter? That would help. And if there's any recovery income on NPLs which is higher than last quarter in the NII?

And secondly, in terms of written-off recoveries, they doubled QoQ. So, if you could give the split between Retail and Corporate and if there was anything lumpy?

And my third question really, sir, is on the NII growth, right? So, of course, there's a bit of lower tax refunds, and there's a distinction between core and total NIM. But our loan growth is exceptionally high, which is a big positive, whereas the NII growth is in low single-digits. So, would we be better off if we consolidated growth and improve margins, or that's not an option?

Dr. Debadatta Chand: Okay. So, Mahrukh, typically your question is around the NII, the NIM and the core NIM. Look, as I said that as far as NII is concerned, Rs 11,800 crore. NIIs that you would have seen when you are comparing with banks, is one of the strong NII numbers on absolute terms. So, that is very clear on that. So, our NII is Rs 11,800 crores. And the NII is purely out of the core operation, nothing one-off therein. So, that's a pure operation NII i.e. Rs 11,800 crores.
Coming to your, the NII growth has been slightly, I mean, stagnant or maybe at the same. The reason being the interest expenses and the interest income, although there is a strong asset book almost at 15%, but there is a repricing happening on a couple of books on the asset side also, and we continue to do that. Similarly, on the liability piece, although the cost of deposit has been lowest, but on the wholesale market or the borrowing market still the cost is elevated, whereas you know the 10-year G-

sec still being high. So, in this scenario, the NII is almost at an elevated level but stagnant, in the sense the same level.

I don't have a core NIM or a separate NIM, all NIM is core. So, absolutely, but specific to that, in case you are talking about the income tax refund, last time also we had some amount, this time also we have some amount. The impact on the number can be something around 5-6 bps maximum. But everything is core and that is at 9 months, it is at 2.88%. So, we had given guidance of 2.85 to 3% and we are on the target.

You had one more question, Mahrukh, can you just repeat that?

Ms. Mahrukh Adajania: Yes, actually, I wanted the TWO, the recovery in written-off has gone up.

Dr. Debadatta Chand: So, normally I always say that is a normalized, I mean, it has been, I have been telling it for last 5-6 quarters, our recovery from written-off is a normalized at Rs 700 to 750 crores. I mean, I am repeating this statement for multiple quarters now. Last quarter was slightly less, but this quarter it has gone into the level of that. Look, we have a book of almost Rs 63,000 crore. So, there will be recovery, but the normalized quarter is Rs 700 to 750 crore and this quarter it is slightly Rs 800 crore plus something. So, in that way, there is no one-off therein, it is a normalized recovery out of written-off. On the guidance scale, we will continue to have Rs 700 to 750 crore per quarter. So, there is no one-off currently in the entire, whether you talk about other interest income or non-interest income. Absolutely book is, look, another thing also you need to compliment is on the loan book growth. On a loan book of almost 11 lakhs everything, our book is entirely organic. The outstanding pool purchase as of today is only 22,000 crores, which is again going down quarter-to-quarter. So, in that way, the book is organic. The income out of this book is entirely again purely operational. So, that is the statement I am going to make.

Ms. Mahrukh Adajania: Okay, sir. Thank you. Thanks a lot.

Moderator: The next question is from Nitin Agarwal.

Mr. Nitin Agarwal: Yeah, hi. Thanks for the opportunity. Sir, I have two questions. One is on the LCR and the CD ratio. If I look at LCR, ratio has dropped quite sharply in the last two quarters. So how do you think about that? And likewise on the CD ratio, which has been like rising with the sort of strong growth that we are reporting. So, what are the comfortable numbers that you will want to like guard?

Dr. Debadatta Chand: So, Nitin, on the LDR or the CD ratio, we say perennially, we have been operating at 80% plus. And this quarter, the global is 86% and the domestic at 83%. So, earlier also we said on domestic will be comfortable in the range of 82 to 84%. But global is always something different. So, global can impact. But overall, the global side also it would be something around 86 to 88%, it would be the range.
Saying so, you rightly talked about the LCR part, because the LCR gives comfort. So, as long as the LCR is comfortable, we should not be very, I mean, focused on the LDR. So, for the LCR, I mean, our target is always to operate around 120%. So, last quarter 120%, this quarter we are 116%. If you look at the book on the investment side, we almost sold Rs 28,000 crores of investment this quarter, precisely to take advantage of the low yield and getting it replaced at a higher yield; you know, the 10-year yield at this point of time. So, that will build up actually our comfort range is to operate at 120%. 116% is also a healthy number, but then we will be going to operate at 120% on the LCR. Tyagi sir, do you have anything you want to add on the LCR?

Mr. Lalit Tyagi: No, sir. In fact, you have said it right that our target range is around 120%. We have been operating around that level to take advantage of the market yields and also OMOs. The excess SLR has gone down slightly, but we will build up as the yield curve is showing some traction.

Mr. Nitin Agarwal: Sure, sir. And sir, the other question is around like ECL. If you can give some color as to what kind of requirement are you seeing in terms of the transitioning to the ECL? And when we are having already a very strong asset quality, our slippages are in control, credit cost is like making new lows. Why are we not like raising coverage further and making more provisions towards ECL transition? So, what is the thought process on that, and how many years like basically, do you want to cover that journey?

Dr. Debadatta Chand: Okay. So, let me come to that aspect differently. As far as credit cost, I actually for all the analysts, let me give the guidance, actually. That is important. Actually, I missed this piece. Our credit growth guidance continues to be 11 to 13% with upside, which we have done it this quarter and possibly going to do it in Q4. Deposit growth guidance continues to be 9 to 11%. At the same time, the ROA above 1%, margin guidance is 2.85 to 3%. At the same time, the slippage is 1 to 1.25%, but the credit cost guidance which was below 0.75%, we have revised downward, in the sense positive to below 0.60%. Precisely, the average credit cost for last 9 or 10 quarters has been at 0.34%, this quarter at 0.17%. So, considering the quality of asset we have, I think the PCR part you are referring to, I think we are adequately provided in terms of the provision coverage, we require to build that. Apart from that, we have built up floating provision of almost Rs 1,000 crores. We did that, we were one of the early banks to do that. And we typically said that keeping the ECL in mind, we have done that. And going forward also, we will be mindful in creating further buffer on the ECL.
Just to give a data point on the ECL, quickly, but again it's a draft guideline, nothing final. But then we keep on doing proforma calculations. Just to clear on the proforma calculations, the impact on the CRAR because of the ECL, because there are two factors here. One is a one-time impact because of the ECL. Another, on the risk weight also there is another guideline where there is a significant write-back possible. So, the net impact on the ECL, CRAR which can be spread over 5 years would be somewhere at 0.6 or 0.7 maximum. That is what as per the draft guidelines, final guidelines we will conclude differently.

The incremental provisioning, recurring provisioning year-to-year because of the ECL can elevate the credit cost only by 18 bps as on today. So, considering my guidance of 0.60%, the average of 10 quarters almost at 0.34%, current quarter at 0.17%, I think we are adequately cushioned over there.

Mr. Nitin Agarwal: Right, sir. Got it. Thank you so much, sir. These are my questions.

Moderator: The next question is from Kunal Shah.

Mr. Kunal Shah: Yeah. Hi. Am I audible?

Dr. Debadatta Chand: You are audible. Please go ahead.

Mr. Kunal Shah: Yeah. Sorry. So, once again to touch upon on interest on income tax refund, sir you mentioned like 4 to 5 bps of benefit in NIMs of 2.79%. So, the core NIMS would have been closer to 2.74% or so. So, maybe interest on income tax refund would still be like Rs 400-500 crores even during this quarter.

Dr. Debadatta Chand: That is the routine actually. That is why last time also I said, the tax refund happens different amount, different quarter. So, the accounting, it is part of the interest income which has been classified. So, there is no core NIM or other NIM; everything is core for that. But if you talk about the element per se, then yes, there is a 5-6 bps impact because of that, and it can be in the range of 2.70 to 2.74% kind of element. But that purely as a calculation. But my NIM is 2.79%. So, that is the core NIM.

Mr. Kunal Shah: Got it. Got it. And secondly, with respect to, maybe on the ECL side, last time you had still created the floating provisions as a prudent measure of almost like say Rs 400 odd crores. We have floating provisions to the tune of Rs 1,000 odd crores. Sir, is that sufficient? And now there is no further need to create the floating provisions, going forward?

Dr. Debadatta Chand: So, as I said to the earlier question also, the impact on the CRAR will be 0.7-0.6, I mean 60 bps. At the same time, the recurring provision requirement would be 18 bps on the credit cost. So, current provision level is adequate almost to that level.

Mr. Kunal Shah: Yes, got it. And just maybe on Labour Code, any impact during the quarter or no, not really? Maybe we have been making this up.

Dr. Debadatta Chand: That is what the auditors have also given in their report that there is no material impact, because one of the key impacts of the Labour Code is with regards to gratuity to be provided. So, as per our current employment practice or the service code, anybody joining the Bank, we assume that he stays for 5 years. So, we make adequate provision therein, taking him as a 5 year, I mean he is continuing for 5 years. So, in that way, there is no material impact towards the Labour Code, particularly on the gratuity which can have an impact. So, there is no material impact as far as the gratuity in Labour Code is concerned. There are other codes there in other parts of the Code, the Bank would be complying with that. Lal Singh sir, anything further you want to add on the Labour Code?

Mr. Lal Singh: No sir, there is not much impact as far as the Labour Code is concerned. These rules are being finalized. So, once these are finalized, then we see the actual impact. But right now, there is no impact. Hardly, it has an impact of Rs 8 to 9 crore.

Mr. Kunal Shah: Okay. And on growth, you have not revised the guidance. Now, you have revised on the credit cost side, but growth we are already like say closer to 10 odd% year-to-date from March to December. Then doesn't it appear that we will easily beat these 11 to 13% advances growth. Or is there a rundown expected on the corporate and that is the reason we are not revising this guidance?

Dr. Debadatta Chand: No, actually there is no rundown here. Actually, as I said 11 to 13% with upside. So, this quarter, we are at 15%. So, precisely that upside is to exceed 13%. At the same time, look, one thing structurally that we need to be mindful while designing business is with regard to what is happening on the resource side, particularly on the deposit market. So, although we have seen significant uptick in terms of deposit, my CASA, the saving has grown by 7.4%, which is one of the, I think one of the best in the market currently. We continue to focus on the low-cost deposit, but not be very over, I mean, over board into the wholesale market where the cost is slightly higher. So, given this scenario, I am not relying heavily on the wholesale market, then I think the advances side, the growth will be somewhere around 15%, 14.5 to 15%. So, that is why we revised that 11 to 13% with upside. So, that is the purpose of, I mean, exceeding above 13% as of March 2026.

Mr. Kunal Shah: Thanks a lot. That is all from my side.

Moderator: The next question is from Abhishek M. Abhishek, can you unmute yourself?

Mr. Abhishek: Hello. Am I audible? Yeah. Thank you.

Moderator: Go ahead.

Mr. Abhishek: Hi, sir. Good evening. So, you made an interesting comment. You said that if LCR is adequate, then LDR should not matter. So, your domestic LDR at 83-84%, as long as you have 116 to 120% LCR, this can go up, right. Because even if it goes to 86-87%, it will be fine with you or do you have to manage the optics of 83-84% not going up?

Dr. Debadatta Chand: Look, I mean, you said right, actually domestic we want to be in the 82 to 84%, I mean, the optimal that we are looking at domestic is 84%, whereas global can be around 86 to 88% because the international CD ratio is always higher than 100%. That is the market therein. The point here in terms of resource management, if you are referring multiple alternate resources where you can optimize cost, then we do not rely on high-cost deposit. Last 10 quarters at least we are telling the bulk deposit, actually we want to contain that because that is a volatile element. Suppose, you are getting other alternate resources, which is in the form of refinancing, infra-bond, global range of resources. So, I think wherever we can optimize cost, we will go for that, that not necessarily be a deposit. So, in that way, the solvency and the liquidity would be ensured while driving the asset side of the book.

Saying so, on the LCR front, which is more important, almost our target range is 120%. We normally, I mean, this quarter it has gone down to 116% because we have sold almost Rs 28,000 crores of investment book just to take advantage of the rate cycle. And you know, what is the rate cycle, we are going to replenish that because in 10 years yield has been higher now. So, it is more of a treasury operation to slightly go down below 120%, but we will be in a position to recoup that, I mean, in a quick time, in terms of maintaining our target range of 120%. So, in terms of the resource profile, the Bank's resource profile is very strong.

Somewhere some change in terms of LDR we see, because we have to optimize that. Suppose I get alternate resources, which is cheaper, although we continue to focus on the low cost deposit, cheaper than the bulk deposit or a CD, then obviously our tendency is to go towards that and that typically is not reflected in the deposit. So, your LDR seems to be slightly at a higher side. Otherwise, the Bank is managing all this parameters, I think on a sustainable and stable book and the solvency and the liquidity profile is very, very strong for the Bank.

Mr. Abhishek: So, that is absolutely, yeah, no, no, that is, I take your point, that's not my question. So, my question was that even if this 83-84% LDR goes up because you are optimizing for different liabilities and your loan growth is 15%, your deposit growth is 10%, so anyway it should go up as you go forward. It shouldn't be a problem, right? It shouldn't become a limiting factor, that is all I'm asking. It can go up to 85-86-87%, it's fine.

Dr. Debadatta Chand: In terms of resource profile, because you must be tracking many banks in terms of the profile of resources, our book is much more diversified on the resource side also, not only on the asset side. And again, because we have a large operation, so look, the global LDR, if you look at the international operation, the CD ratio is more than 100 because many of the same sources of deposit, if it is more than one year, it is taken as a borrowing rather than a deposit. So, these are all,

all the resources are quite strong. So, I do not think there is any limiting factor for that, the Bank continues to grow strong and our guidance of growing at, let us say, higher than 13% continues to be there without any issue there.

Mr. Abhishek: So, sir, and second question is on NIM, so from here, what levers do you see?

Dr. Debadatta Chand: See, there are two things, we said earlier at the beginning, we are saying that in terms of resetting of interest, both on the asset liability, Q3 and Q4 would be better than the Q1 and Q2, that is one articulation we had it in Q1 and Q2. But Q3 continued to be, because there was a rate action in Q3, which was initially while commenting this, was not in mind. So, the asset liability continued to again reset at a different level, particularly there is a lot of resetting happening on the fine priced asset, particularly on the corporate loan book. So, a scenario like that and the absolute number of NIM, if you see comparable with the industry, it is absolutely at a very good level, pristine level.
In terms of a Q4 exit, suppose you are referring in the process, full year would be 2.85 to 3%, and exit has to be higher than 2.85%. So, it may end up somewhere at 2.85 or 2.90% kind of a level, that is what our expectation is. Why I am again hopeful on this, the cost of deposit is now all time low at 4.75% for the global book, and which was 4.91% in the earlier quarter. So, the entire book would run at 4.75% at least for this quarter, full quarter, whereas there is only on the asset side the repricing continues to be at a lower rate because of the asset market therein. So, net-to-net I think we will be in a position to maintain that 2.85 to 3% guidance that we are giving for the full year.

Mr. Abhishek: Sir, it just seems like for the 4Q, you know, there would not be too much repricing left on the deposit side. And on the yield side, you are continuing to grow, you know, NBFCs, power, AAA corporates, housing, all the lower yielding sectors where yields are low. So, just on an incremental basis, it seems like margins will come down rather than go up. So, what am I getting wrong here?

Dr. Debadatta Chand: No, there are two things like, as you said the....

Mr. Abhishek: Even your slippages are really low. So, the interest reversal benefit is also not going to be much incrementally. So, whichever lever I look at, I cannot really find a lever which shows margin will go up.

Dr. Debadatta Chand: Actually, the fixed deposit rate was 6.50%, which has been reduced to 6.25% during the quarter in Q3 on the retail side. So, the repricing that you are talking about is almost done, but the impact of the repricing would not have been felt full quarter in Q3, which will be felt full quarter in Q4. So, that is the upside there in the book, in that way. So, the repricing due, the only challenge here is with regard to the repricing due on the bulk deposit. Actually, that market is slightly still tight, so that can put pressure. So, there are ups and downs therein. See, on the RLLR side, the external benchmark, these are already done. The corporate, which was getting fine price now, because the 10 year has been elevated, I mean, things are looking different now. The repricing, which used to happen at a lower rate, now going to happen at a higher rate because the bond prices have gone up, the yields have gone up. So, there are both positives and negatives. And for a Bank like our size, I mean, 6-7 bps optimizing on the NIM is not an issue. So, we will be in a full year of the same, right, so, 2.85 to 3%. Mr. Tyagi, anything you want to add on the repricing piece?

Mr. Lalit Tyagi: So, sir, in fact, till November, there is a data from RBI also, which says that on the fresh deposits, the transmission of the previous cuts before the December cut has happened, but on the stock, it is still happening. So, partly, I am supporting your argument, MD sir, that still stock is yet to be repriced. So, probably there is some benefit, which is still to accrue on the deposit side.

And on the advances side, particularly on the corporates, if no further cut is there, so largely whatever demand they have made, largely it has been met till last quarter. So, now, looking to the elevated capital market rates, probably corporates are also adjusting to the new reality of slightly higher pricing, as we feel.

Mr. Abhishek: Thank you. And all the best.

Moderator: The next question is from Piran Engineer

Piran Engineer: Congratulations on the quarter. Just firstly, one clarification on one of your previous comments, when you mentioned that incremental credit costs will be 18 bps due to ECL, are you just referring to for the first five years of transition, that is the 18 bps or the sustainable steady state?

Dr. Debadatta Chand: Sustainable steady state. Actually, there are two impacts of the ECL. One is the impact is because of the one-time impact of the CRAR. And we are looking at almost, actually we are netting it off. There is an ECL impact and there is a, I mean, there is a kind of a reversion or pullback happening because of the risk weight getting changed as per the draft guidelines. So, the net impact is going to be 60 bps and that would be spread over five years. So, the spread-over part is over.

On an ongoing basis, you need to have this ECL provisioning. And our normal thumb rule calculation, which may undergo a change, talks about the impact of 18 bps on an ongoing basis, year to year basis. That is why actually what we have done as on today, our 8-9 quarters average credit cost is almost at 0.34%. So, cushioning that, we got into a revised credit cost guidance of credit cost not exceeding 0.60% as against 0.75%. So, that is the statement I made earlier.

Piran Engineer: Understood. Okay. Okay, sir. So, then just getting on to my question. Firstly, in the Agri book, excluding gold loans, do we do farmer finance, which has, you know, RBI had some observations with some private sector banks and made them, they were not PSL compliant, etc. Did we also have such an observation?

Dr. Debadatta Chand: No, frankly, we have no observation on the PSL categorization classification. We do big farm lending. So, absolutely, no.

Piran Engineer: So, then if I may ask, none of the PSU banks have had this problem. What do PSU banks do differently that, you know, they are on the right side of it and private banks, all the top three banks have had observations.

Dr. Debadatta Chand: You have to ask that….

Piran Engineer: It's a fairly straightforward product.

Dr. Debadatta Chand: I mean, I think, I don't know, but then you have to ask what they did differently so that….

Piran Engineer: Let me ask you this way, sir. Do we track the end use of the loan once we give it to a farmer?

Dr. Debadatta Chand: It's a farm loan.

Piran Engineer: We can't, right?

Dr. Debadatta Chand: Absolutely. The farm loans are for farm loans, right. As per the guidelines, whatever we do comply to all those guidelines.

Piran Engineer: No, no, I mean, that's fair. But how would you track the end use of the loan? If you give it to a farmer, he takes the money and buys a bike or a TV. How will you know?

Dr. Debadatta Chand: No, these are guidelines. Actually, the banks are not doing farm loan only recently. We have been doing for decades and centuries now, right. So, in that way, whatever compliance is required to extend farm loans, the bank is complying, including the end use that is being prescribed as per the circular or as per the guidelines. So, absolutely no issue.

Piran Engineer: Okay, okay.

Dr. Debadatta Chand: In terms of farm loans also, it is not that a certain percentage can be used for consumption, specifically referring to your point. Lal Singh sir, anything you want to support on this?

Mr. Lal Singh: In fact, in farm loans, we have the system of post inspection and verifying the end use in the larger farm loans.

Piran Engineer: Understood, okay. Then my next question is on the MSME book, one and a half lakh crores. Just can you give a sense of how much is secured versus unsecured? And how much of the book is working capital versus term loans? Some sense on the average ticket size of that book.

Dr. Debadatta Chand: We have mostly a secured book there. Because our unsecured book is with regard to the cash flow based which we have launched recently. Otherwise, whether it is a MSME working capital loan, term loan, or any loan we give on the MSME, these are by and large secured.
Lal Singh sir, anything you want to say?

Mr. Lal Singh: Our book is mostly a secured book and wherever there is unsecured, that also is covered by the CGTMSE coverage or NCGTC coverage.

Piran Engineer: Okay. And is it mostly working capital or mostly term loans?

Mr. Lal Singh: It's on both ways. It's a composite.

Piran Engineer: The split, sir, if you can, just rough split, 50-50, 70-30?

Mr. Lal Singh: No, I don't have the exact figures.

Dr. Debadatta Chand: We will provide you the data.

Piran Engineer: And the ticket size would be like 50 lakhs to a crore or is it higher?

Mr. Lal Singh: It's around 1 crore to 5 crores.

Piran Engineer: 1 to 5 crores. Okay. Yeah, okay. That's it from my end. Thank you and wish you all the best for the future quarters.

Moderator: I think the last couple of questions. First, Ankit Bihani, please.

Mr. Ankit Bihani: Yeah, thank you for the opportunity. So, my question was on margins. So, our nine-month margin now stands at 2.88% and is towards the lower band of our guidance. And now with full impact of the 25 bps cut coming in, would we want to revise our guidance?

And the other thing is that you've highlighted that interest on IT refund is part of core NIM, but this number is very volatile. Further, when you say it's core NIMs, is it something structural and we'll continue to see for the foreseeable future? Or it should be limited to a few quarters? How would one read into it? Because the other banks referred this item as one-off.

Dr. Debadatta Chand: There are two things. One is with regard to, you talked about the NIM. So, it's a bit of a liability profile because our cost of deposit has gone down significantly low at 4.75%, right. In that way the reprice, almost we have Rs 1,40,000 crores we are repricing due partly because of the bulk deposit and partly because of the core deposit. So that is going to significantly upside the NIMs in that way.
On the asset side of the book, yes, the BRLLR cut has already happened. We have external linked benchmark. There is a book which is not out of, I mean, that is beyond MCLR. But of late, because of the rate structure on the 10-year G-sec and all, again, the repricing happening on a couple of so-called fine asset is also at a different level, higher level. So, in that way, the full year NIM would be in the range. There can be changes therein. When there is a transition happening in the entire economy, particularly banking sector, both on the asset side because of the rate. Precisely, I mean, putting at one is not possible. But then the level that you are declaring also, you can see in the market is a quite elevated level because of a core strategy, we have a lower dependency on the bulk deposit, we have said multiple quarters earlier.

Secondly, in terms of the asset book, we have a growth on the RAM, which is stronger, and it is NIM accretive. So, I mean, we are not getting into risky, like personal loan growth is a normal 12% kind of thing. So, in that way, fairly being operating at 2.85 to 3% is a fairly good level for us to achieve that. And I think we are hopeful of doing that.

Secondly, the core NIM that you talked about, it's a guideline which came saying that this interest on income tax refund to be taken as part of the income. That was a RBI guideline. So otherwise, suppose you take that as a one-off and a non-core, then it should not have been that guideline. The guideline clearly says about its accounting treatment as part of the regulatory norms. So that's how we are treating. So, in terms of volatile component of that, every year we get something on that because of the interest on that. Some quarter it can be higher or lower.

And what is the delta? I mean, negative delta, you're talking about 300, 200 or 400 crores. On the book where my revenue is almost 120-130 lakhs crore, I don't think it's something generating at 200-300 is a one-off for a volatile component. What is the one-off we normally refer? One-off is therefore, let's say there is an NCLT, all of a sudden there is an NCLT recovery, substantially boosting the recovery of TWO. That's one-off. Suppose you have a sale of an investment, which was not part of a normal float investment, it is more of a strategic investment, which is sold. So, these are one-offs. So, I think in that way, my comment was there, and we need to take in that context.

So, as far as computing, we don't have to define a core NIM or a normal NIM. It's a core NIM only. The element of tax refund, the impact can be around 5-6 bps, depending upon which quarter we get how much in that way.

Mr. Ankit Bihani: Okay. And my next question is on the credit cost front. So, the credit cost this quarter has been quite low at 25 odd bps. But it has been supported by decline in PCR also, which had declined by 190 odd bps on a Q-o-Q basis. If I adjust for that, credit cost would have been largely flat on a Q-o-Q basis. How should one read into it?

Dr. Debadatta Chand: See, the PCR level we need to maintain based on asset quality. And if you look at our Bank for the matter, last 13, 15, 16, 18 quarters, the trending has been quite consistent, it's not a volatile number we see on the asset quality. I mean, the trending has been clearly every quarter to quarter is declining in terms of the GNPA and net NPA. So, we are at a good level of asset quality in terms of the book, in case you look at how much is the book, A and above. So, there is a normalized credit cycle, which we are seeing now, which is likely to last for longer years. I think there is no concern with regard to the PCR level that you are talking. And if our PCR is lower, possibly the asset quality is better. We need not provide for our books, right.
So, the credit cost, typically the function of your slippage and all, and how much provision you are making. Our last 8-9 quarters, credit cost is an average of 0.34%. And that's why we are revising from, like earlier many people used to ask us saying that, why you are not revising the 0.75%? But first time we are getting a comfort of revising because the average has been below this range. So that's something we are doing. So, in that way, I mean, I think we are fairly balanced in that way. I mean, our asset quality is better, that's why PCR in many of the large banks, if you see, a couple of banks are definitely higher, but their journey on the net profit and asset quality has different behavior than the asset quality behavior, we do have. And that typically puts you at the, why you need to put your PCR, right, so in that way. So, anything, Madam Beena would like to talk on the PCR?

Ms. Beena Vaheed: We are at a comfortable state, sir, with regard to PCR, because our slippages have been low and there's no requirement for an additional provision at this point of time.

Mr. Ankit Bihani: Okay. Thank you for answering my questions. All the best.

Moderator: Thank you. That's the last question. Now we will be able to….

Dr. Debadatta Chand: I think there is a hand raised, if you can take it.

Moderator: Yeah, sure, sure. Then the last question we will take from Rikin Shah.

Rikin Shah: Yeah. Good evening, sir. Thank you for the opportunity. Just two questions. First one, you know, you have been on the journey of bringing down the bulk deposit share over the quarters, but in the last few quarters, the bulk deposit growth has been higher and the share of retail term deposit has been declining. So, why are we shoring this up again, especially when the wholesale rates have started to firm? That's my first question.

And the second question is, just if you could, you know, guide us perhaps as to what proportion of the term deposit book is yet to reprice. So, let's say 20, 30, 40, whatever that percentage could look like.

Dr. Debadatta Chand: The bulk deposit, as we said, the moment you fund your asset out of the incremental bulk deposit, then possibly you are not focusing on the low-cost deposit. So last 6-7 quarters, we have been focused on how to grow on the low-cost deposit. And it's not an objective, but if you look at the CASA growth of the bank vis-a-vis what is happening in the system, not that we are at the top, but we are one of the best in the market in terms of the CASA growth, consistently for the last many quarters. Clearly, within and outside, the message is that we need to rely on low-cost deposit more. That's going to give you a sustainability, and also, it's going to be a gold reserve for you for long term. That's something the fundamental core of the sustainable that we normally talk about.

So, the bulk, we have to rely on bulk at some point of time, the reason being, there is a wide gap between the asset growth and the liability growth. Suppose this quarter itself, suppose I grow at 15% on the asset and the liability growth, although liability has a larger base, but then somewhere I have to depend upon the wholesale funding. Actually, the bulk is more of a wholesale fund. So, the bulk is not the highest cost at every point of time. Some of the time, the bulk rates are quite benign. So, at some point of time, the rate on the bulk was almost at the rate that retail used to pay. So, in that scenario, you will try to rely slightly on the bulk in terms of acquiring that. So, it's a balancing in terms of how do you manage. But the thing is that, I should fund my incremental asset more out of the low-cost deposit rather heavily relying on the bulk deposit. So as of today, if you look at the bulk as a percentage, this data you may not get from any bank. It's almost at the bulk as a percentage, I mean the domestic deposit is almost at 19-20%. That's, I think, a fairly comfortable level for a bank like us to operate.

Although some of the quarters you would have seen there is a bit of a growth happening. So, I will not say that we will not rely on bulk. But as an objective, we will not be funding incremental asset only by raising the bulk to a large extent. So, we are not in a balance sheet expansion mode at a cost. So, we want to rationalize cost. That's the key thing. So, that's why you will find a couple of quarters the bulk growth is higher. Reason being, the asset is growing faster. So, the system needs to give enough deposit to us to only rely on the low-cost deposit.

Rikin Shah: Got it, sir. And, sir, on the second question please. What proportion of term deposits are yet to reprice?

Dr. Debadatta Chand: I think roughly a ballpark number can be around 25% kind of a number. But then we will come back to you on this exact data, I don't have it today.

Rikin Shah: Got it, sir. And sir, one last data keeping question. What is the quantum of outstanding standard restructured loans in this quarter?

Dr. Debadatta Chand: It is not much actually. That's a subject we...

Rikin Shah: Yeah, it's a very small number usually - 6-7,000 crores.

Ms. Beena Vaheed: No, no. Sir, it's around Rs. 8,000 crores.

Rikin Shah: Okay, thank you very much.

Dr. Debadatta Chand: Initially, when the standard restructure was started post-COVID, actually what was important is the slippage that was happening, migration that was happening. Now that has completely stopped. So, there is no concern with regard to it. It is no more a stress book as far as standard restructure but the number is Rs 8,000 crore.

Rikin Shah: Okay, thank you, sir.

Moderator: I would request Sridhar sir to please give the closing remarks and the vote of thanks.

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

Dr. Debadatta Chand: Thank you very much for joining us.

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