BANK OF BARODA – Q1FY26

Result Update(28/07/2025)

AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

“Inspite of pressure on overall business growth, the operating profit for the quarter was positive”

Ajcon Global’s observations & views

1. The lower credit growth coupled with the leg effect of rate cuts, affected the NIM of the Bank, which was lower at 2.91% as against 2.98% in the previous quarter.
2. Higher treasury income at Rs. 2226 Crores against 1559 Crores in the previous quarter saved the day for the Bank.
3. Asset quality in the quarter deteriorated marginally.

Q1FY26 RESULT ANALYSIS

1) **Global Deposits** down by 2.47% QoQ at Rs. 1435634 crores in Q1FY26 against Rs. 1472035 crores in Q4FY25.
2) **Global Advances** were also down by 1.90% QoQ at Rs. 1207056 crores in Q1FY26 against Rs. 1230461 crores in Q4FY25.
3) **Total Business** decreased by 2.21% QoQ at Rs. 2642690 crores in Q1FY26 against Rs. 2702496 crores in Q4FY25.
4) **Net Interest Income** decreased by 0.51% QoQ at Rs. 11435 crores in Q1FY26 against Rs. 11494 crores in Q4FY25 and it was also down 1.4% YoY against Rs. 11600 crores in Q1FY25**.**
5) **Operating Profit** increased by 1.28% QoQ and was also up 15% YoY at Rs. 8236 Crores in Q1FY26 against Rs. 8132 crores in Q4FY25 and Rs. 7161 crores in Q1FY25.
6) **Net Profit** decreased by 10.04% and was up 1.9% YoY at Rs. 4541 crores in Q1FY26 against Rs. 5048 crores in Q4FY25 and Rs. 4458 crores in Q1FY25.
7) **Net Interest Margin (NIM)** decreased to 2.91% in Q1FY26 against 2.98% in Q4FY25 and 3.18% Q1FY25.
8) **Global Cost of Deposit** decreased to 5.05% in Q1FY26 (5.06% in Q1FY25) against 5.12% in Q4FY25. **The global yield on Advances** decreased to 8.09% in Q1FY26 against 8.21% in Q4FY25.

KEY FINANCIAL INDICATORS – Q1FY26

CMP (28.07.2025)	: Rs. 240.34
Face Value	: Rs. 2
Book value per share	: Rs. 283
Market Capitalisation	: Rs. 1,24,444 Crs.
Capital Adequacy Ratio	: 17.61%
CASA ratio (Domestic)	: 39.33%
Net Interest Margin (Domestic)	: 2.91%
Cost / Income ratio	: 48.87%
Gross NPA	: 2.28%
Net NPA	: 0.60%
PCR	: 93.18%
Slippage ratio	: 1.16%
Credit cost	: 0.55%
Return on Assets	: 1.03%
Return on Equity	: 15.05%

9) **Total Non- Interest Income** down by 1.27% QoQ and but up 88% QoQ at Rs. 4675 crores in Q1FY26 against Rs. 4735 crores in Q4FY25 and Rs. 2487 crores in Q1FY25.
10) **Fee-Based Income** down by 25.46% QoQ at Rs. 1622 crores in Q1FY26 against Rs. 2176 crores in Q4FY25 and it was up by 9.70% at Rs. 1479 crores in Q1FY25.
11) **Treasury Income** rose by 42.7% QoQ at Rs. 2226 crores in Q1FY26 against Rs. 1559 crores in Q4FY25.
12) **Cost/Income Ratio** decreased to 48.87% in Q1FY26 against 49.89% in Q4FY25 and 49.17% in Q1FY25.
13) **CASA ratio** slightly decreased to 39.33% in Q1FY26 against 39.97% in Q4FY25.
14) **Return on assets (ROA)** decreased to 1.03% in Q1FY26 against 1.16% in Q4FY25 and 1.13% in Q1FY25.
15) **Fresh Slippages** increased to Rs. 3476 Crores in Q1FY26 (Rs. 2787 Crores in Q1FY25) and was also up from Rs. 2873 Crores in Q4FY25. **Recovery + Upgradation** decreased to Rs. 1560 Crores in Q1FY26 against Rs. 1943 Crores in Q4FY25.
16) **Gross NPA Ratio** increased to 2.28% in Q1FY26 against 2.26% in Q4FY25. Net NPA ratio increased to 0.60% in Q1FY26 against 0.58% in Q4FY25.
17) **Credit Cost** increased to 0.55% in Q1FY26 against 0.44% in Q4FY25, it was decreased YoY to 0.47% in Q1FY25
18) **Provision Coverage Ratio** marginally decreased to 93.18% in Q1FY26 against 93.29% in Q4FY25 and 93.32% in Q1FY25.

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Management Comments

19) In his opening statement, Bank’s MD & CEO Mr. Debadatta Chand, stated that the Bank is focusing more on the Margins side which was holding at 2.91%.
20) The bank's asset quality remains strong, with its GNPA ratio improving by 60 basis points YoY. Capital adequacy remained excellent, with a CET1 ratio of 14.12% and a CRAR of 17.61%.
21) In response to an analyst’s question about the downturn in fee income, Shri. Debadatta Chand, CEO, explained that, while the numbers are currently low, the bank is making a concerted effort to improve this same specifically by focusing on cash management services more in the MSME segment than in Corporates and assured that management is actively working on measures to accelerate fee-based income growth.
22) On replying to analyst’s query about margins, Mr. Chand clarified that the margins may remain under pressure in Q2 too, but deposit repricing is expected to improve figures in Q3 and Q4, with full-year NIM guidance at 2.85%–3%.
23) Regarding sustainability of the 1.03% ROA, Mr Chand stated it has remained above 1% for 12 quarters, aided by Treasury gains, and the bank aims to maintain current profitability despite market pressures.
24) On replying to an analyst’s question about the loan book mix, Mr. Chand shared that 35% of the bank’s loans are linked to EBRL 45%, MCLR 6%, fixed-rate 7%, TBL-linked, and balance linked to G-Sec (GSEG) . He added that the full benefit of repo rate cuts has already been passed on in the retail segment, while MCLR-based loan rates will adjust gradually as funding costs moderate.