



#### STOCK UPDATE

Result Update - Q3FY2026

#### SECTOR

Banking

#### COMPANY DETAILS

Market cap:	Rs. 1,41,532 cr
52-week high/low:	Rs. 313 / 191
NSE volume: (No of shares)	88 lakh
BSE code:	532134
NSE code:	BANKBARODA
Free float: (No of shares)	185 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

#### SHAREHOLDING (%)

Promoters	64.0
FII	9.8
DII	18.8
Others	7.4

Source: NSE, BSE, Mirae Asset Sharekhan Research

#### PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

#### PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-7.2	-4.2	18.7	32.2
Relative to Sensex	-2.5	-0.9	17.9	27.5

Source: Mirae Asset Sharekhan Research, Bloomberg

## Bank of Baroda

### Operationally mixed Bag, healthy on growth and outlook

Reco/View: **BUY**

CMP: **Rs. 279**

Price Target: **Rs. 320**

#### Quick Snapshot

- NIMs lagged estimates, falling 17 bps q-o-q on asset repricing, change in loan mix and high wholesale liabilities cost.
- NII rose 0.1% y-o-y, fee income was also flat and treasury gains supported total income.
- Operating expenses rose slightly while credit costs fell as GNPA ratio was down 12 bps sequentially.
- Net profit rose 4.5% y-o-y to Rs 5055 crore, beating estimates, owing to lower provisions. We maintain a Buy rating with an unchanged PT of Rs 320.

#### Result overview

- NII was flat at Rs 11800 crore mainly as NIMs plunged, margins fell 25 bps y-o-y and 17 bps q-o-q to 2.79%. NIM fell as the repo rate cut led to loan repricing, incremental growth towards better rated assets and higher wholesale borrowing cost. Reported NIM included a 5-6 bps benefit from tax refunds; without this, the core NIM would have been ~2.74%.
- Fee income growth was muted and fell 1.4% y-o-y, while treasury income was up 15.4% y-o-y, which aided total other income growth of 5.9% y-o-y.
- Opex was under control but due to a modest topline growth, cost-to-income rose to 52.1% versus 49.5% y-o-y.
- Provisions were down 26.2% y-o-y and 35.2% q-o-q as asset quality remained benign. Net profit on the back of lower provisions the bank posted PAT of Rs 5,055 crore, up 4.5% y-o-y and was ahead of our expectation.
- Global gross advances grew 14.7% y-o-y, led by a robust 19.3% growth in international advances and 13.6% in domestic advances.
- Retail loans rose 17.4% y-o-y in which home loans jumped 16% y-o-y, agri-loans were up 19% y-o-y, MSME loans increased by 16.4% y-o-y while corporate loans were up 8.1% y-o-y.
- Total deposits grew 10.3% y-o-y. Domestic CASA deposits grew 8.6%, maintaining a CASA ratio of 38.45%. The bank is intentionally limiting reliance on high-cost bulk deposits, which currently comprise 19-20% of domestic deposits.
- GNPA ratio fell 12 bps q-o-q to 2.04% while net NPA was stable at 0.57%, The slippage ratio was 0.86%, and collection efficiency (excluding agriculture) remained robust at 98.6%.

#### Our Call

Bank of Baroda remains committed to balancing credit expansion with proactive risk mitigation to sustain performance. With comfort on liquidity, capital and asset quality the bank is well placed to deliver a stable performance on profitability and growth. The bank trades at reasonable valuations of 0.8x times FY28E PBV, we maintain BUY rating on the stock with a PT of Rs. 320.

#### Key Risks

Pressure on NIMs on cost side and slow credit growth could impact performance.

#### Valuation

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Net Interest Income	44,722	45,659	47,720	55,333	63,596
Net profit	17,789	19,581	19,363	22,567	25,380
EPS (Rs)	34.4	37.9	37.4	43.6	49.0
P/E (x)	8.1	7.4	7.5	6.4	5.7
P/BV (x)	1.4	1.1	1.0	0.9	0.8
RoE	16.9	15.7	13.4	14.0	14.1
RoA	1.2	1.2	1.0	1.1	1.1

Source: Company; Mirae Asset Sharekhan estimates

Note: CMP as on Feb 01, 2026

## Concall Highlights

### Net Interest Margin (NIM)

- **Full-year target:** Management has maintained its full-year NIM guidance in the range of 2.85% to 3%.
- **Exit guidance:** For Q4, the bank expects NIM to be higher than 2.85%, potentially landing between 2.85% and 2.90%.
- **Stability levers:** Despite pressure from repricing corporate loans and recent rate cuts, the bank expects stability due to an all-time low cost of deposits (4.75% globally) and the full impact of retail loan repricing that will be felt in Q4.

### Loan and deposit growth

- **Advances growth:** The bank's guidance is at 11-13%, but management noted there is an upside to this, suggesting growth could reach 14.5-15% by March 2026.
- **Segment targets:** The corporate loan book is specifically targeted to reach a growth rate of 10% for the full year.
- **Deposit growth:** The guidance remains at 9-11%. Management is intentionally avoiding high-cost bulk deposits to rationalise costs, focusing instead on a sustainable CASA growth.

### Asset quality and credit costs

- **Credit cost:** Due to a "benign asset cycle," the bank has revised its credit cost guidance downward to below 0.60% (previously guided at below 0.75%).
- **Slippage ratio:** Management expects the slippage ratio to remain between 1% and 1.25% for the full year.
- **Recovery:** The bank anticipates a "normalised" recovery from written-off accounts of approximately Rs. 700-750 crore per quarter.

### Profitability and Liquidity Metrics

- **RoA:** The bank aims to maintain a consistent RoA of above 1%.
- **Liquidity coverage ratio (LCR):** While the LCR stood at 116% in Q3, the bank's internal target range is to operate at ~120%.
- **Credit-Deposit (CD) ratio:** The bank seeks to maintain a domestic CD ratio (LDR) of 82-84%, while the global ratio may fluctuate between 86% and 88%.

### Expected credit loss (ECL) impact

- **Ongoing credit cost:** Under the draft ECL guidelines, the bank estimates that incremental recurring provisioning will elevate the annual credit cost by approximately 18 bps.
- **Capital impact:** Net impact on the Capital Adequacy Ratio (CRAR) is estimated to be between 60 and 70 bps, which would be transitioned over a five-year period.

**Results**

Particulars	Q3FY26	Q3FY25	y-o-y	Q2FY26	Rs cr q-o-q
<b>Net Interest Income</b>	<b>11,800</b>	<b>11,786</b>	<b>0.1%</b>	<b>11,954</b>	<b>-1.3%</b>
Other income	3,600	3,400	5.9%	3,515	2.4%
<b>Net Income</b>	<b>15,401</b>	<b>15,186</b>	<b>1.4%</b>	<b>15,469</b>	<b>-0.4%</b>
Opex	8,024	7,522	6.7%	7,893	1.7%
<b>Operating Profit</b>	<b>7,377</b>	<b>7,664</b>	<b>-3.7%</b>	<b>7,576</b>	<b>-2.6%</b>
Provisions	799	1,082	-26.2%	1,232	-35.2%
<b>PAT</b>	<b>5,055</b>	<b>4,837</b>	<b>4.5%</b>	<b>4,809</b>	<b>5.1%</b>
 <b>Advances</b>	 <b>13,25,074</b>	 <b>11,51,316</b>	 <b>15.1%</b>	 <b>12,58,337</b>	 <b>5.3%</b>
<b>Deposits</b>	<b>15,46,749</b>	<b>14,02,911</b>	<b>10.3%</b>	<b>15,00,011</b>	<b>3.1%</b>
 NIMs %	 2.79	 3.04	 -25 bps	 2.96	 -17 bps
GNPA %	2.04	2.43	-39 bps	2.16	-12 bps
NNPA %	0.57	0.59	-2 bps	0.57	0 bps
PCR %	72.2	76.0	-382 bps	74.1	-192 bps

*Source: Company; Mirae Asset Sharekhan Research*
**Additional Data**
**Top 10 shareholders**

Sr. No.	Holder Name	Holding (%)
1	Republic of India	63.97
2	HDFC AMC	2.73
3	NPS Trust A/C UTI	1.68
4	Kotak Mahindra AMC	1.60
5	SBI Fund Management	1.56
6	Vanguard Group INC	0.88
7	Nippon Life India AMC	0.87
8	ICICI Prudential AMC	0.83
9	Blackrock INC	0.78
10	UTI Pension Fund	0.74

*Source: Bloomberg*
**Key management personnel**

Name	Designation
Debadatta Chand	MD & CEO
V. Inumella Sridhar	CFO

*Source: Company Website*

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