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Dear Sir / Madam,

Re: Disclosure under Regulation 46(2) (LODR)

We enclose transcript of Media Meet held on 06.05.2025 for Q4 (FY2024-25) 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,

P K AGARWAL
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P K Agarwal
Company Secretary

Bank of Baroda Media Meet for Quarter and Financial year ended 31st March 2025

6th May 2025

Participating members from the Management Team of the Bank

- *Mr. 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. Manoj Chayani, Chief Financial Officer (CFO)*

Moderator: Good afternoon everyone and welcome to the media meet to announce Bank of Baroda's results for the quarter and year ended March 31st 2025. Thank you all for joining us. We have with us today our MD and CEO Shri Debadatta Chand. He's joined by the Bank's Executive Directors and our CFO. What we will do is we will start with just brief introductions, which Chand Sir will give. We have a brief presentation on the quarter and year gone by which the CFO will take us through followed by opening remarks by Chand Sir and then the Q&A session. So, Chand Sir over to you.

Mr. Debadatta Chand: So once again to all my media friends, very good afternoon to all of you. I am D. Chand, the MD and CEO of the bank and to my right is Mr. Lalit Tyagi, the Executive Director. He looks after the corporate credit, treasury and international banking to be precise and more important part of the portfolio. To his further right, Mr. Lal Singh, he is Executive Director looking after the recovery, the HR function of the bank and couple of other departments including the MSME. To my left, we have Mr. Sanjay Mudaliar. He looks after the IT part of the bank and also on the retail assets. To further left, Madam Beena Vaheed, is Executive Director looking after platform function, control and compliance and also the retail liability and to her further left, we have Mr. Manoj Chayani and he's the CFO of the bank. So, with this we will run through a presentation and thereafter we will go for the question answer.

Moderator: Ya.

Mr. Debadatta Chand: Over to you.

Mr. Manoj Chayani: Good afternoon Respected MD Sir, Executive Directors and the esteemed media friends. It's my privilege to present before you the financial results of the bank for the quarter ending year ending March 25. After a long gap, we are holding this meeting in a physical form and thank you so much for showing interest in Bank of Baroda. So, the 2024-25 has been a remarkable year for Bank of Baroda and the bank exceeded 27 trillion of the total business volume as of March 2025.

Coming to some of the asset side, we are having a total growth of global advances of 12.8 percent with domestic growth is at 13.7 percent and international at 8.8 percentage. Segment wise, if you look, we are strongly driving our retail business with approximately 19-20 percent growth in our retail portfolio with agriculture and MSME giving a growth of 14.2 percent each and corporate at 8.6 percentage. Segment wise, if you will see in retail portfolio also, we are driving a growth of around 16 percent in education, 17 percent in home loan, 18-19 percent in mortgage, then 20 percent in auto loan and 21 percent in personal loan book. As you all remember, few quarters back, we had a growth of around 100 percent in our personal loan book whereas we moderated that to 21 percent and we continue to grow in that manner itself.

Coming to the liability side, the deposit has grown by 10.3 percent which is within our guidance which consists of a growth of around 16 percent in international and 9.3 percentage in domestic deposit. But the thing to be noted here is that, our domestic CASA has grown by 6.4 percent which is a benchmark in itself as compared to the public sector banks as well as some of the private sector banks. Credit deposit ratio remains stable at 83.59 percentage and domestic CASA, we continue to maintain at 40 percent.

Next slide please. Profitability matrix as you can see, quarterly, we have posted an operating profit of 8132 and a PAT of 5000 crores, exceeded 5000 twice in the financial year, a PAT of 5000 crores. Similarly for last 11 quarters, we are continuously posting our return on asset more than 1 and it is 1.16 as of 31st March 2025. Return on equity is stable at around 18 percent.

Next please. Similarly, if we compare the yearly figure, we have posted profit after tax of 19,581 crores with return on asset 1.16 and as I said return on equity is 16 percent, 16.96 percentage.

Next part please. Our margin is driven by the yield on advances which has marginally reduced from 8.53 to 8.39 with cost of deposit going up from 4.92 percent to 5.40 percent but still then we could manage our NIM more than 3 percent, as we have given the guidance and it is 3.02 as of 31st March 2025.

Giving a consistent value to the shareholders, I would like to draw your attention to the accretion in the book value which is 223 rupees as of 31st March. Similarly, earning per share has been improved to 37.88, dividend per share is 8.35 this is subject to approval by the competent authorities and we are having a strong background of government support of 63.97 percentage.

Asset quality remains a key to our success with gross NPA and net NPA, they are trending down from 2.92 to 2.26 and from 0.68 to 0.58. This is the lowest ever gross NPA and net NPA in last 13 years. Similarly, provision coverage ratio is consistent at 93.29 percentage. This is the position of asset quality ratio as we guided that our slippage ratio should be within the range of 1 to 1.5. However, FY25 on an annual basis, the slippage ratio has reduced from 0.99 to 0.78 and credit cost within a guidance of 0.75, it is merely at 0.47.

SMA book is 0.33 percentage which is pretty within our tolerable zone and it is trending down and collection efficiency we enjoy at 98.5 percentage.

The bank enjoys a strong capital position with CRAR 17.19 percentage which is increased from 16.31 percentage. Similarly tier 1, we have reported at 14.79 percentage as against Q3 of 13.44 percentage.

Bank also enjoys healthy LCR of 123 percentage and the bank has proposed for a declaration of dividend of 8.35 per share subject to competent authorities approval. Thank you so much. Over to you Chand Sir.

Mr. Debadatta Chand: So, thank you very much Mr. Chayani and once again to all of you a very good afternoon and let me make some of the qualitative comments on the financials and the story of Bank of Baroda, giving a very stable fundamentally strong growth and a robust growth continues.

We have a very strong quarter for Q4 and also for the full financial year of 24-25. When I announced the FY23-24 financial, we said that, at that time we crossed the business of 24 lakhs crore at that time and we are happy to announce again as being said by the CFO as on March 2025, we crossed 27 lakh crores of business and this is a significant in terms of the scale that we operate as a bank. One thing which is very important here in terms of as you would have seen that the deposit market is slightly competitive and the growth is less but the bank has done quite well on that. Our domestic deposit growth is 9.3 percent and the global at 10.3 percent. At the same time, the domestic advance growth is at 13.7 percent and the global is at 12.8 percent. Why I am referring this, we had given a guidance earlier that the deposit growth has to be within 9 to 11 percent and the advances at 11 to 13. We have come true to that guidance in terms of both deposit and advances rather on the advance on the domestic. We exceeded 13 percent, we are at 13.7 percent. Similarly, the retail continues to grow for many quarters now, more than almost at 20 or slightly below 20 percent. The housing and all has been a very strong growth at 17 percent which was 14 percent last year. Particularly two important item on the advances I would draw your attention wherein the agri and MSME earlier also, it said that we wanted to upsize that and this year, it is at 14.2% both for Agri and MSME which is almost like 300-350 bps higher than that of last year. So earlier also I said that, we as a bank want to retailize more and that is why the RAM book, the retail Agri and MSME book which has gone up by 190 bps vis-a-vis last year and this year, which has improved from 57.7 to 59.6 percent. And within the RAM book also, the retail accounts almost 46 percent of the RAM book and out of the retail again 60 percent of the retail book is housing or mortgage based. So, the aspect that you are looking within RAM is to grow more on the asset based financing. Our personal loan continues to be at 21 percent last year and this year so that we moderated as outlined by CFO. So I think this is something strongly working for us and will continue to grow in the journey of increasing the RAM book.

As said earlier, there was one milestone that we talked about, 27 lakh crore of business. Similarly at a consolidated profit level, the bank crossed 20,000 crore of profit. So, the standalone profit is 19,581 crore whereas the group profit is 20,671 crore which is again I think another achievement for the group.

A couple of factors which again you need to think of, the NII growth at, I mean something on a single digit 2.1 and the operating profit somewhere at 4.5 whereas the net profit growth has been 10 percent, almost like 10.1 percent. The operating profit if you look at, it has increased from 30,965 crore to 32,435 crore. One important aspect of the entire income and expenditure statement is that cost to income continues to be below 48 and I think that is one of the top quartile in terms of in the entire banking system.

On the NII growth precisely, that is one point you must be looking at, it is besides of the elevated cost structure and completely aligned with the market on the cost structure therein. So, because of the deposit cost slightly being higher, the NII growth has been slightly muted but then where we could optimize on the non-interest income, the growth has been 14.8 percent. So, the net profit has been very strong at 19,581 crore for the bank standalone bank and on the console level we are exceeding 20,000 for the group.

One of the important aspect that possibly you may be looking at with regard to the margin guidance, we had given a margin guidance earlier at 3.05 plus minus 5 bps that means to operate in the range of 3 to 3.10 and the domestic NIM is at 3.18 whereas the global NIM at 3.02. The fact here is that, we are one of the bank possibly or the top quartile bank having maintaining a NIM of more than 3. If you compare the entire industry, both public private, we are at one of the top quartile bank in terms of operating at a margin of 3 and that something is, something we earlier also said that we take the NIM and ROA as a twin parameters for us to optimize. The return on asset for the bank for the FY25 is at 1.16 which is almost at the same level like the previous year. So, the point I am driving, while we will try to optimize on the NIM but what is important for us to give the ROA and the ROE which the bank is consistently at a very strong position. The ROA more than one has been more than now 11-12 quarters where the bank is posting ROA in excess of one. On the margin front again, in between the last year and this year, let us also recognize that there was a change accounting in terms of penal interest, penal charges and the impact itself is around 5 to 6 bps and accounting everything I think again on slightly personal loan growth we moderated. We focus on more of good asset quality in terms of the book while giving a very strong growth of 13.7% on the domestic advances but asset quality is one of the key themes that we worked on. So, the margin at 3.02 for the bank as a whole for the full year is a strong NIM margin considering the overall scenario in the entire market, at the same time our focus on better asset quality as on today and going forward.

So let me talk about the asset quality which again I believe one of the important themes, that all must be looking at. We have the best asset quality in last 13 years as far as this quarter goes. I will tell you the data on that. In terms of the trajectory of the GNPA, it has gone down from 2.92 to 2.26. The net NPA has moved from 0.68 to 0.58. The credit cost has been contained at 0.47. Then two more data points I will give which again possibly would satisfy to your requirement. The recovery this year has been higher than that of last year and the slippage this year has been lower than that of last year. Let me tell the numbers therein which can satisfy in terms of the ask here. The fresh slippage as far as FY25 is concerned is at 8,217 crore which is given in the analyst presentation as compared to 9,241 crore last year. So, the slippage this year has been lower than that of last year by almost 11 percent down, that is 1000 crore down. If you look at the quarterly slippage for Q4 FY25, the quarterly slippage at 2,873 crore which is compared to the last quarter of the last financial year at 2,855. That means the slippage this quarter also is at the same level that of the same quarter last year. If you compare the sequentially also, the slippage of 2,873 crore is 300 crore higher than the December quarter of 2,503. At the same time, please look into the recovery side of it. The recovery is also higher by more than 300 crore. So, the point which is that, not only this quarter has a better asset quality quarter, bank as a whole, the slippage ratio from 0.99 it has improved to 0.78. The credit cost has improved from 0.67 to 0.47. The GNPA has been trending downwards for last 10, 11, 12 quarters now. Net NPA is trending downwards for almost the similar all 8, 9 quarters. The recovery has been higher than the previous year. The slippage has been lower than the previous year. I think this is one of the best asset quality the bank has declared in any quarter of the full year.

A couple of other aspects which again beyond the asset quality I want to highlight here. The significant milestone in terms of both the 27 lakhs crore of business and a console net profit of more than, what you can say 20,000 crore is a significant achievement as far as the bank and the group is concerned. Our CASA percentage is at 39.97 and I think in all peer comparison, public private together on the top quartile in terms of percentage of CASA.

Earlier we said multiple times, the dependency on the bulk we are reducing, the growth of bulk deposit is aligned with the term deposit growth. The percentage of CASA and the saving fund growth is I think again on the top quartile in terms of growth because we said earlier, we are focusing more on innovative deposit structure, bundling of products therein, the way to give it digitally to the masses and there I think we have done quite well on that. So, with this again I thank all of you for joining today physically because this is one of the ask was there in the before and now, we will go for the question answer. Thank you very much.

Moderator: Thank you sir. We will now open it up for questions so please just raise your hand and we will have a mic sent to you. A couple of things if you could just introduce yourself, a brief introduction and limit yourself to two questions for now and we will come back to you if you have more time. Sorry, I just want to make one more thing, I think we have a couple of people joined online as well on Zoom. For the online participants, if you have a question, please type it in the Q&A box and right at the end, we will try and take a couple of those questions as well. Thank you.

Ms. Siddhi Nayak: Hi Sir! This is Siddhi from Reuters. Hi! So, good afternoon! I had a couple of questions. My first question was on your cost of deposits QOQ we have seen some rise there. Even year on year if you compare, there's been a rise. I just wanted some guidance on what is expected this particular financial year because we expect a lot of liquidity infusion as well from the RBI. If you could please provide some guidance on that and how that would ultimately impact your NIMs for FY26, any guidance?

Mr. Debadatta Chand: So fairly thank you very much for asking this question and obviously the cost of deposit has gone up because as I said earlier, I mean there is an elevated cost structure on deposit that prevailed last quarter and last year. Saying so, there are two inflection points that happened in Q4 or Q1 over Q4 of last year. One is that, there is a 50 bps repo cut that happened in the market. At the same time also, there is a liquidity change between a deficit to surplus. So how do you look into the cost guidance going forward, although we are not giving a NIM guidance per se because of these two inflection points, there can be a change that can happen. The sense is that, because the deposit with a lag effect gets adjusted, the pressure would continue for Q1, Q2 but Q3, Q4 would be much better than the Q1, Q2 on the margin. We hope to operate within the range of around 3% but a full guidance for the year would give it after June. In terms of the cost again, on the wholesale deposit, we have seen moderation happening because we run a book on the wholesale deposit. Retail, we have already reduced the rate from peak of almost like 7.30 to 7.15 odd. So, I think with the lag effect, the cost of deposit would catch up and whatever happened in Q4 is the peak level that we see as far as the cost of deposit is concerned. So on a broad guidance, looking at both asset and the liability, I think we will give a full guidance after June but fact of the matter is that we will try to operate within a 3% in and around 3% range but at the same time, the Q1 and Q2 would be slightly pressure but Q3 and Q4 would pick up because of the liability structure aligning with the lower deposit where the first deposit would get repriced at a lower deposit. So, we are fairly confident that the margin will be in a position to maintain but a full guidance will give it after June.

If you can moderate, I mean who is to ask the question.

Ms. Siddhi Nayak: So, I had one more question then I will give it to somebody. I wanted your entire view on this Bhushan Steel verdict which was scrapped by, the liquidation was ordered by the Supreme Court. I understand you are not one of the lead lenders but what is the conversation going around in the bank regarding that account? Has there been any view that has been formed up? Is there a plan to review the petition? What is it?

Mr. Debadatta Chand: See, this is a judicial process and we as a bank as on today, we have nothing further to add. The COC would take the call at the right time. So entirely as you said that our exposure is not significant, neither we are not the lead therein but the COC would take the call at the right time depending upon the circumstances they are in. So, at this point I have nothing to add further on that.

Moderator: Thanks Siddhi. We will go to Alekh on the front row. Alekh, if you can stick to the financial results please. Thank you.

Mr. Alekh Angre: Hi! I am Alekh from Economic Times. So, to protect margin, lot of banks have been cutting deposit rates but would you look at growing your unsecured high yielding book, given that the stress seems to be isolated in MFIs and it looks like it is more of an NBFC problem than with banks. So, what is your view on the personal on unsecured loans A) and second, your capital adequacy ratio is healthy but would you look at bonds like AT-1 bonds, even infra bonds, considering deposit is still difficult to come by. That's it.

Mr. Debadatta Chand: Fair Alekh! As far as you talked about the first question was with regard to unsecured loan book, we have a very small book both in the MFI, MFI is hardly 6000 crore and the personal loan book is almost at 36,000 crore and personal loan book is as we said, last two years we are moderating the growth and the growth in terms of fresh underwriting has to be, has been on a much good quality book in that way. So, we typically prefer salaried class for the matter. So, the book has a very low GNPA as on today. I do not think any stress on that.

Mr. Alekh Angre: It is a high margin book.

Mr. Debadatta Chand: We will moderate actually, if you look at, I mean the growth in personal loan is almost the same like the retail. The personal loan is growing at 21 percent, retail is growing at 20 percent. So, we continue to grow the same manner like the retail, I mean retail is growing at 20, so we will keep it at 20 percent not more than that. MFI is a very small book and we do not see any stress there, it is hardly 6000 crore therein. So, in terms of our strategy and stance, it will continue to be the same like we are growing as on today. There is no further to upsize on that unless and until the aging of that book remains around 3-4 years then only we will take a call on that.

Mr. Alekh Angre: So, for the next 3-4 years you will not look at growing at it?

Mr. Debadatta Chand: We will grow at the normal 20 percent rate not beyond that.

Mr. Alekh Angre: And on the bonds Sir?

Mr. Debadatta Chand: Bonds as you said, actually that I missed out while addressing, I mean our CRAR is one of the, what you can say best in the market as on today and the CET almost at 13.78 is also one of the best I mean, so to say. So given that scenario, we had announced to the market earlier to raise around 7500 crore as enabling provision in future years. So as on today, do not see a requirement of equity or a common equity for the matter. As far as AT-1 and tier 2 is concerned, these are all typically taking the impact of maturing AT-1 and tier 2 and getting replenished that, we have yet to announce for this year. We will announce it at some point of time. So infra bond, we keep on raising as a cost optimization vis-a-vis the cost of deposit. So last time when we raised infra, last two years typically it was raised at a much cheaper than the deposit cost at that time on the wholesale market. So, all would depend upon the current market, how both the rates are there in the market and then we will decide on the infra bond.

Moderator: Thank you sir. Ankur, yes.

Mr. Ankur Mishra: Ankur Mishra from ET Now. Congratulations for the quarter. I want to understand, since you have given some guidance last year, first coming on the loan book which has grown around 13 percent this year. How do you see FY26 for that?

Mr. Debadatta Chand: See, loan book growth I mean domestic is 13.7 percent to be precise and there are two underlying conditions here. We have been focusing on the quality of underwriting from very beginning as I said and within that we optimized to 13.7 which is a very strong growth. But with liquidity back into the market now, I think we can upsize that growth by 1-2 percent higher. But all would depend upon how the liquidity panning out for the full year. But my strong sense is that, that growth can be upsized with a comfortable liquidity by further 1-2 percent.

Mr. Ankur Mishra: And how about the corporate book, how it has performed last year and what is the expectation?

Mr. Debadatta Chand: Corporate book, the growth was almost around 9 percent, 8.6 something, at 9 percent and I think that is one market highly dependent upon the pricing prevailing in the system. So, with the change, with the repo cut and all, bit of pricing power coming back to the banking system, I think the book has to grow higher. Our target is to grow it at around 10 percent for the corporate earlier, also we said earlier. So, I think that is what something we would like to grow for FY25-26 also.

Moderator: Thanks Ankur. Ya, Ashish.

Mr. Ashish Agashe: Thanks so much Sir. Ashish from PTI. Recently we have heard, like this is not directly into the results though but recently you announced the 8 percent reduction on the home loan product yesterday actually. Recently we have heard a few of your peers raising concerns about sustainability of such low rates. In fact, the levels which were spoken about were 8.1 or 8.2 percent. You are coming lower than that sort of threshold as well. And you are in a journey where you are seeking to protect NIMs. You expect NIMs to be under pressure for the first half. So how should we look at this entire piece? Home loan growth is very high for you for the last few years you said.

Mr. Debadatta Chand: See, already the repo cut of 0.5 percent we passed on to the existing borrower and the scheme that you are talking about is an aligned scheme in that matter. So as I said, in terms of I mean inflection point, in terms of the rate trajectory, the impact on the pricing, income on the retail book would continue. Already the impact of passing on 50 bps, I mean that repo rate cut is almost 3 bps on the NIM side as on today. And this would continue for the year. Actually what do you expect now, at least by later half of the Q1 or Q2 or the cost structure also to catch up by moderating the cost to the extent that we are passing on the retail side more particularly. And on the thumb rule, suppose I say my retail book is almost like 2,60,000 crore. And the wholesale book which I run is around 2,24,000 crore. And wholesale book already on the wholesale market we have seen significant moderation on the cost of deposit. So, in that way, with a lag effect actually both would catch up. In that scenario, that is what I am expecting maybe in Q2 or Q3, the margin would be much better as compared to the margin that we see as on today. So that is how we, this is part of the ALM asset liability management which banks do it for decades and decades. So with a lag effect, things would normalize and the margin would be maintaining that at par.

Mr. Ashish Agashe: Ok. So how much of your book would be repo linked right now?

Mr. Debadatta Chand: It is almost like 34 percent.

Mr. Ashish Agashe: 38%?

Mr. Debadatta Chand: Ya. EBLR?

Participant: How much is your MCLR book?

Mr. Lalit Tyagi: Around 50 plus minus couple of basis points.

Participant: Your other income is, can you give a break up? It is 20, 20 percent, 20.3 percent. Can you give a break-up for the other income?

Mr. Debadatta Chand: Non-interest income? Ya, one of the non-interest income where we have seen a bit of growth is the treasury income. Secondly, the TWO recovery that we said in September, that was one off in the TWO recovery. That also boosted up in terms of non-interest income. I think these are the 2 major components which has seen a jump, vis-à-vis last year.

Participant: What is the treasury income? How much is that?

Mr. Debadatta Chand: Treasury this year, it is almost like, if you look at the year, 2200 odd trading profit, which is almost higher by 700-800 crores. And similarly, quarterly treasury profit, I will tell you, just 1 sec.

Mr. Lalit Tyagi: Quarterly we reported 1,559 crores.

Mr. Debadatta Chand: Which the same quarter last year is 753 crores.

Participant: Thank you.

Mr. Mayur Shetty: On the same item, I am Mayur from the Times of India. On this fee based income, there is an item which shows that the revaluation of investment has gone up substantially. It is from minus 18 to 364 crores. What is the item? Can you explain that?

Mr. Debadatta Chand: See, revaluation is the, the valuation rather, it is at par with last year revaluation. Right?

Mr. Mayur Shetty: It is under fee based income – revaluation of investments and derivatives.

Mr. Debadatta Chand: No, revaluation of investment and derivates, it is the revaluation of both investment and derivatives. The amount provided this year is 471 crores as compared to 498 crores last year. So almost the same level. Rather there is a marginal reduction. This is a positive write-back. This number is a write back although it is shown as positive, it is a write back. The write back of depreciation as on March 25 is 471 crores as compared to 498 crores last year.

Mr. Mayur Shetty: On this bad loans sold to NARCL, how much profits have you booked there?

Mr. Debadatta Chand: We have a small book there, in terms of outstanding, it is less than couple of thousand crores. So, the profit part normally, we don't take into account and calculate on that, but we have a very small book on NARCL transfer.

Mr. Mayur Shetty: Right, thank you Sir.

Ms. Falaknaaz Syed: Hi, I am Falaknaaz from The Deccan Chronicle. Can you give a guidance on credit growth and deposit growth?

Mr. Debadatta Chand: Can you come back ma'am, again?

Ms. Falaknaaz Syed: Could you give a guidance on credit growth and deposit growth?

Mr. Debadatta Chand: Credit growth actually, we shared again, actually last year we had given a guidance of deposit 9-11 and advance at 11-13 and exactly if you look at the achievement, it is in line with the guidance and going forward, we maintain the guidance with an upside bias because I think with the liquidity back in the system, we can upsize this guidance by 1-2% higher but we can give a clear guidance in June, once we complete June.

Moderator: Thank you. I think Abhijit Lele Sir.

Mr. Abhijit Lele: Staying on this, your operating profits have been flat, not painting a very optimistic picture. What kind of a change you can see in terms of NII going forward or it will be in the 3rd and 4th quarter only? That is one. 2nd was about cost to income ratio. It is about 48, much of the wage agreement related provision and all are almost behind us. What kind of a scope do you see for the trajectory to bring down or how exactly do you see it?

Mr. Debadatta Chand: See, both in terms of NII and operating profit, in operating profit, the growth has been higher than the NII because of the non-interest income being good. NII is again dependent on the cost expenses. As you know that the growth in income has been lower than the expenses and precisely it is in line with the system. Earlier also we said many times, when I was running a rate sensitive liability and it has to react with the prevailing rate of interest in the market, it has to react and there is a positive upside in case the rate goes down also, the benefit would come on the interest expenses, right. So, when you look at FY25-26, the liquidity is back into the system. There is a cut of 50bps on the repo rate. So normally, you will expect better in terms of lowering the cost of deposit. And I think, that's happening possibly, the growth would come back to almost like 10%, which again our normal, if you look at one of the key themes of the bank is to have a very consistent and sustainable outlook in terms of business, whether it is a top line or whether it is a bottom line. So, at the scenario, I am growing at topline for 13-14%. I expect my NII and operating profit to grow minimum at 10% and the net profit currently has grown at 10%. So with that actually, we can maintain an ROA in excess of 1. So, the same trajectory I think would continue but there are 2 assumptions here. With a better liquidity, the deposit cost structure, the moderation would happen but there may be a lag effect, that is what actually, that we need to factor in while looking at the full year guidance on the better.

Mr. Abhijit Lele: Cost to income?

Mr. Debadatta Chand: Cost to income, we are, I mean at below 48, one of the top quartile in the banking system today. The guidance always like, one of the key themes, if you look into the financial is that, the operating expenses has been contained at 5.7. Right? So, with that, our efforts to continue to reduce the cost to income ratio but be mindful of 2 aspects, where on the IT spend, we think of spending more on the IT. 2nd on the branch expansion, we are expanding. So, considering the effect of expansion of the branch, at the same time IT spend being higher, I think the cost to income can be at around the same level but we will try to optimize on that.

Mr. Abhijit Lele: Number branches added?

Mr. Debadatta Chand: We had last year, almost full year we had opened almost 200 branches, another 200 branches is going to be opened this year. That is what is the plan.

Moderator: Thanks Sir. Hamsini of Moneycontrol.

Ms. Hamsini Karthik: Thank you. My questions are largely pertaining to advances. Yield on advances have fallen about 40bps, if I were to look at it from a Q1 or even last year basis. What are the portfolios which are sort of behaving like a drag on your advances right now, in terms of reducing the yield or having a drag effect on your yield? How would you look at increasing the yield or is this something that we should be or is this the new normal that is being set in the bank, given how the rates are coming down, repo rates are priced lower? That's my first question.

Mr. Debadatta Chand: See, the new normal for the bank is to maintain NIM at around 3%, right. So how do I asset liability front how do I manage my asset pricing and liability pricing so that I maintain a margin of around 3%. So advances, the dip in yield on advances is precisely because couple of rate changes that happened in the market. And that is the impact, both on the yield on advances and at the same time margin. One of the key themes, that earlier we said in terms of underwriting quality, we maintain the standard quite high. So just to maintain the yield or I mean margin, we are not into high yielding assets which can be, we have to dilute the underwriting quality on that. So, keeping the theme of, I mean on the strong underwriting quality, I think with the rate, the way the things are moving now, both in terms of pricing of asset and liability, over a period of time, we will maintain the margin of 3%. There may be some impact again in quarter 1 because the deposit lag effect is the, there is something that all of us understand on that. But over a period of time, Q2, we will possibly come back to the old level of maintaining a spread therein, we are clearly looking at managing spread rather than managing the pricing on the asset and liability separately.

Ms. Hamsini Karthik: What is the spread that you would look at Sir? I mean just a ballpark number at least?

Mr. Debadatta Chand: That is reflected in the, spread is the difference between yield on advances and cost of deposit.

Ms. Hamsini Karthik: FY26, what's the….

Mr. Debadatta Chand: Margin, something actually, spread guidance actually, I will not start a new narrative here. Spread guidance we are not giving. Margin guidance we maintain at in and around 3% is the margin guidance we gave earlier. But again I say, because it is the inflection point vis-a-vis the Q4 and Q1 this year, I think a full guidance we will be able to give after June.

Ms. Hamsini Karthik: The 2nd question is again linked to deposits. Q4 we saw the cost of deposits go up. It was a little above 5%, much different from what we have seen in the past. So where do you expect deposit cost to sort of stabilize at and how do you expect it to fall down in FY26? Maybe if you could throw some guidance on what we should expect, maybe in Q3 or so Sir?

Mr. Debadatta Chand: See, as far as we are concerned, on the savings front side, we did increase last year or prior to that. So, on the savings front side, there is not going to be any change there. Right? 2 aspects which can typically moderate my cost structure. One is that 2,24,000 of wholesale deposit that we run. Already we have seen a significant moderation, CD price you would have seen in the market and this 2,24,000 includes the certificate of deposit, almost there is a 30-40-50bps moderation that happened on the certificate of deposit market. So, the wholesale deposit is going to reprice and typically the wholesale deposit range is between 3 months to 1yr. So, let's assume another 6 months' time possibly, 60pc of the book will be repriced at a lower rate. Similarly on the retail term deposit where we are growing at 11%, we have already reduced the peak rate from 7.30 to almost 7.15 I believe, 7.10 as on today. The new deposit would start getting created at this level. This is the rigidity in the market where I mean on the asset side, floating advances, you need to reprice immediately but with the lag effect, the deposit would catch up. So there also, the tenure of deposit duration is 1yr. So, we expect the full portfolio to get repriced in a year's time but taking a 6 month time, I think around 40-50% again that portfolio will get repriced. So there, at least there is a repricing benefit of almost 20-25bps and then possibly we will moderate the cost of deposit.

Ms. Hamsini Karthik: Just one last thing Sir. Gold loan, we have seen a very sharp increase in growth in Q4. It's been a focus area for you but this sort of growth is specific to this particular quarter. So, would you continue to focus so heavily on gold loan? Would that be a very important product for you going forward, given how yield in HL and all that is sort of becoming a little difficult to come by?

Mr. Debadatta Chand: In fact, we never focused on gold loans so heavily. Actually, it was always a moderate for us. So, continue to focus on moderately growing on the gold deposit, that is one of the safest product to have. The percentage NPA in gold loan is very less, whether it is the agri gold or the retail gold. We rather don't have scale on gold deposit as compared to many banks in the market. So, growing at almost 20-25%, I think we will be in a position to ensure the quality of underwriting and at the same time, maintaining the growth also.

Ms. Hamsini Karthik: Thank you.

Moderator: Thanks Humsini. I think Manojit Saha has the mic.

Mr. Manojit Saha: Just one clarification on your announcement on home loans yesterday. So, you are saying that you have reduced the lending rates for existing home loan customers by 50 basis points and for new customers by 40 basis points. Is that correct?

Mr. Debadatta Chand: It's not a new customer. It's a scheme of the home loan where the lowest rate is 8%. So existing customer has been passed on the BRLR of 50bps but in the new scheme, the minimum rate is 8%, that is what the new scheme is.

Mr. Manojit Saha: So, you have increased the spread in the new scheme, right?

Mr. Debadatta Chand: There is no increase in spread, there is only a new scheme wherein it comes with a bundle of things. Somewhere there is a loading, somewhere there is a relaxation, so the minimum rate on the new scheme is at 8% and that is precisely for the new customer.

Mr. Manojit Saha: Ok. So, the bottom line is that the new customer will pay slightly higher than the existing customer?

Mr. Debadatta Chand: Not necessarily, they will be getting some advantages also.

Mr. Manojit Saha: Ok. And the other question is, what kind of provisioning you will face due to the Bhushan Steel account?

Mr. Debadatta Chand: No, no, as I said, it is a judicial process. We need to respect that actually and as somebody said that our exposure is not significant….

Mr. Manojit Saha: But you are a member of the COC, right?

Mr. Debadatta Chand: We are a member of the COC, obviously we are a member of the COC. It's a judicial process. Let us respect that and let's not comment anything at this point in time on this. We do have exposure, that is what I can confirm to you.

Mr. Manojit Saha: We have to make provision for that, isn't it?

Mr. Debadatta Chand: No, no, it is too presumptive to assume anything before the actual thing happening. Let's wait and watch.

Mr. Manojit Saha: Ok ,ok thank you.

Participant : What is amount of the exposure?

Mr. Debadatta Chand: No, no, bilaterally we don't discuss. Since you are referring something on a public forum, I will disclose that we do have exposure but bilateral, we normally as a bank we never disclose anything on that.

Moderator: 1st row, Amol.

Mr. Amol Dethe: Thank you Sir. 2 questions –you spoke about advances but my question is specifically about the credit growth from the wholesale side or the corporate side. There are a couple of banks which thinks that there could be a moderation because of the current situation – the Trump tariffs and all. I just want you to tell us, what kind of challenges are you seeing with the corporates now? Are they coming back because we had seen a downfall specifically in private capex? Still the green field and brown field capex is still very low. So, what kind of changes are you seeing and also do you see an impact of Trump tariffs specifically on the credit growth? That is one and 2nd, also any comment, any update on the listing of your insurance company in Indiafirst on that side?

Mr. Debadatta Chand: So, on the corporate side, let me tell last year also, the demand was quite strong. The growth could have been higher but again we decided at that time because we said that we are quite focused on the margins side. So, we said that on fine price, the high-quality assets slightly we got restricted. With that also, the growth that we have achieved is 8.6%. By far, I am running one of the largest corporate book in the entire market. My corporate book is in excess of 4 lakh crores. We are running one of the largest books. So, we have almost a nine percent growth which is aligned with the market. If you look at other banks, the growth is almost at the same level. There are two things, which again our target growth is ten percent. Our target growth last time also is at ten percent. So, two things again why fine price assets slightly we got restricted because there was a challenge on the deposit side which is possibly is going to improve this quarter and this year. In that scenario, demand is very strong. We have been very strong on a couple of sectors which are the champion sector including renewable, on the road side, on the infraspace, service side, so renewable as I said earlier. So, with that I think 10 plus is something that I am expecting we will achieve this year. The demand is there, it is only which price point you need to stick to that and which price point you need to be slightly, I mean away from that. That is a call that internally we need to take based on our margin guidance.

Mr. Amol Dethe: And on the listing of insurance?

Mr. Debadatta Chand: We said earlier I mean the new MD when he took over on retirement of the old MD, the timeline is 9 to 12 months, that is what he announced, we stick to that. The company would announce rather than me as a parent announcing on that.

Participant: But oh I mean you see, how you know a great stake there, also you know 100% FDI is also there. So you have any other thoughts on that front?

Mr. Debadatta Chand: No, as on today no strategic thought. See, earlier also I said all my subsidiaries are unlisted as on today. Two things that we are looking into subsidiary that we need to have the right scale for this subsidiary to divest so that I get a valuation. Secondly many of the divestment including IPO also depend upon the right price and the right market condition. So, it's always on table but I mean the factors which determine this divestment would be always a time that the bank has to take the call.

Mr. Amol Dethe: Thank you sir.

Moderator: Thanks Amol. I think that have to be the last question but yes please.

Ms. Subhana Shaikh: Hi sir! This is Subhana from NDTV Profit. Sir you mentioned that you know, you are growing your retail book fast and within the retail book mortgages and housing loan is growing strongly. I believe you are the only bank among many other lenders who have you know whose housing loan book you know is growing faster on a year on year basis as compared to others where they are seeing a slowdown. Even a large private sector bank said that you know they are expecting the mid and the smaller segment inventories are lower there. What is the situation on ground and where are you seeing demand coming from within the housing segment?

Mr. Debadatta Chand: So fairly as far as the underwriting quality on the housing, we have a very strong underwriting quality, that is point one. Point two, is a case if you're looking at those banks where they have a significant size and growing slightly slower but as far as we are concerned our base is not very large. On the housing, on the retail, it is almost 2lakh 50 odd, I mean so with a base that we are in, I think we can grow almost at 20 percent. These are asset-based financing, there is cash flow being ensured on the quality of the book for last almost two years where there was bit of elevated stress on the retail side has been very good as far as we are concerned. So, I think as a bank, I mean it's a conscious strategy to grow at the same level at least for next couple of years but mind it, the base is not significant in case you are comparing the growth of Bank of Baroda vis-a-vis other banks. Online any query?

Moderator: There are no queries. Subana had another question.

Mr. Debadatta Chand: Please go ahead.

Ms. Subhana Shaikh: On Bhushan Power & Steel, I wanted to…..

Mr. Debadatta Chand: That's a judicial process and let us respect that, the COC would take the call.

Ms. Subhana Shaikh: But Sir, we have been hearing that lenders you know are going to review the petition, are going to you know file a review petition.

Mr. Debadatta Chand: You will get to know the moment the lenders go for a review petition because why so, the COC would take the call. Please respect the sanctity of the process and the sanctity of the issue, sensitivity of the issue on the matter.

Ms. Subhana Shaikh: Thank you.

Mr. Debadatta Chand: So, the COC would take the call and it's premature, we don't have to add anything at this point of time.

Participant: Can you elaborate on the slippages?

Mr. Debadatta Chand: So that is what actually I took a bit more time to explain the slippage part of it. The slippage has been lower than that of last year. The recovery has been higher than that of last year. If you look at the quarter to quarter comparison sequentially also or the increase is only 300 crore. The recovery is quarter to quarter, the same quarter the recovery is far excess of 300 crore. If you compare the Q4 of last year and Q4 of this year, I mean this year we are talking about, it's the flat in terms of fresh slippage. So, I mean the slippage narrative is something wrongly interpreted, that's why I took a bit more time to clarify this point. These are all numbers captured in the analyst presentation. Please have a look on that.

Moderator: Ok, thank you very much. Thank you all for joining us today. Thank you all for coming here. We have some high tea which has been arranged so please join us for that. Have a great day!

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