

BCC:ISD:118:16:91

25.02.2026

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
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Dear Sir / Madam,

Re: Bank of Baroda – Disclosure under Regulation 30 of SEBI (LODR), 2015.

We inform that Fitch has Affirmed the rating of Bank of Baroda and Bank of Baroda New Zealand at 'BBB-' upgrades VR to bb as released by Fitch Ratings dated 25.02.2026.

The detailed report is enclosed.

We request you to take note of the above pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 and upload the information on your website.

Yours faithfully,

S Balakumar
Company Secretary

RATING ACTION COMMENTARY

Fitch Affirms Bank of Baroda and Bank of Baroda New Zealand at 'BBB-'; Upgrades VR to 'bb'

Wed 25 Feb, 2026 - 12:23 AM ET

Fitch Ratings - Singapore/Mumbai - 25 Feb 2026: Fitch Ratings has affirmed the Long-Term Issuer Default Ratings (IDRs) of Bank of Baroda (BOB) and its wholly owned subsidiary, Bank of Baroda (New Zealand) Limited (BOB NZ), at 'BBB-'. The Outlook is Stable. At the same time, Fitch has upgraded BOB's Viability Rating (VR) to 'bb', from 'bb-', and affirmed the Government Support Rating (GSR) at 'bbb-' and Short-Term IDR at 'F3'. Fitch has also affirmed BOB NZ's Shareholder Support Rating (SSR) at 'bbb-'. A full list of rating actions is below.

KEY RATING DRIVERS

Government Support-Driven IDR: BOB's IDR and GSR are equalised with India's sovereign rating (BBB-/Stable), reflecting our view of a high probability of extraordinary state support for the bank, if required. This takes into consideration the state's 64% ownership, BOB's position as India's second-largest state bank and our assessment that the state has a strong propensity to support the banking system in general. The Stable Outlook on the IDR mirrors that on the sovereign IDR.

VR Upgrade: The upgrade of BOB's VR is supported by improvements in the financial profile, including asset quality, capitalisation and profitability, which we expect to be sustained in an improving operating environment (OE). We have positive outlooks on most rating factor scores, mirroring the positive outlook on the OE. This reflects potential for higher scores if recent improvements are sustained, as we expect, and if the OE score is revised upwards.

Improving Operating Environment: We recently revised the outlook on Indian banks' OE score to positive, from stable, reflecting our expectations of reduced sector risks due to the Reserve Bank of India's enhanced regulation and supervision.

The positive outlook on the OE indicates potential for an upward revision of the 'bb+' score if Fitch assesses the sector's strengthened regulatory regime and improved financial performance as sustainable, with several key financial metrics close to when the score was last at 'bbb-' in 2019. The outlook is also supported by India's large and diversified economy and its strong medium-term growth potential - consistent with Fitch's forecast of GDP growth above 6% through the financial year ending March 2027 (FY27).

Strong Nationwide Reach: BOB benefits from a robust local franchise as India's second largest state-owned bank, although, similarly to state-owned peers, it is occasionally subject to government influence on lending. The bank's status should sustain business and profit generation, particularly in an improving OE.

Enhanced Risk Profile: We have revised BOB's risk profile score to 'bb', from 'bb-'. This reflects improved underwriting standards and risk controls, better loan diversification and continued clean-up of legacy bad loans as well as the bank's limited unsecured retail exposure. BOB has tightened underwriting following regulatory measures and portfolio pressure, but above-average loan growth and swift build-up of personal loans are risks to the VR.

Steady Asset Quality: We have revised the asset-quality score to 'bb', from 'bb-', as we expect the impaired-loan ratio to remain at around 2.0% until FY27. The ratio decreased to 2.0% in 9MFY26, from 2.3% in FY25, driven by a reduction in bad loans, loan growth and write-offs. Credit costs eased to 0.3% of loans in 9MFY26, from 0.5% in FY25, and loan loss cover was steady at 72%, or 138.0% including other provisions based on Fitch's estimate.

Profitability to Remain Strong: We expect the operating profit/risk-weighted asset ratio to remain steady at around 2.7% to FY27, with rising credits cost offsetting lower risk density and wider margins. This supports the upward revision of the score to 'bb', from 'bb-'.

Capital Growth Phase Over: We expect the common equity Tier 1 (CET1) ratio to settle above 13.0% in FY27, factoring in dividend payments, after steady internal accruals saw the ratio rise to 13.6% in 9MFY26, including profit. The net impaired loans/CET1 ratio declined to 6.3% in 9MFY26, from 7.6% in FY24, indicating improved capital buffers.

Mainly Deposit-Funded: The loan/deposit ratio of 86.9% in 9MFY26 was the highest among Fitch-rated state banks, but funding and liquidity remain a strength, as for other state banks. Deposits constituted 92.3% of total non-equity funding, while the liquidity coverage ratio stood at 116% at 9MFY26, underscoring BOB's sound liquidity position.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

The Long-Term IDR and GSR could be downgraded if we believe sovereign support for BOB has weakened. This would be reflected in negative rating action on India's sovereign rating or the state's reduced propensity to extend timely support.

The Short-Term IDR maps to the Long-Term IDR, in line with Fitch criteria, and would be downgraded if the Long-Term IDR is downgraded.

We do not expect a VR downgrade in the near term, given the improving OE, but a downgrade would be possible if we assess the risk profile to have weakened and become a more binding constraint on BOB's financial profile and loss-absorption buffers, increasing the risk of much weaker financial metrics.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

Positive sovereign rating action could lead to a corresponding change to BOB's Long-Term IDR and GSR, provided that we believe the sovereign's propensity to support the bank remains unchanged.

The Short-Term IDR may be upgraded if the sovereign's Short-Term IDR is upgraded. The likelihood of an upgrade based on BOB's intrinsic strength is low.

A VR upgrade is likely if we revise the bank's OE score to 'bbb-'. A higher OE score would imply lower system risks and would most likely lead to upward revisions of most other rating factor scores, in line with the implied scores under Fitch's Bank Rating Criteria. This is provided that the bank maintains steady performance, as we expect. BOB's risk profile is an important consideration in assessing whether improvements to its financial metrics can be sustained.

OTHER DEBT AND ISSUER RATINGS: KEY RATING DRIVERS

BOB's medium-term note programme is rated at the same level as its Long-Term IDR, in line with Fitch's criteria.

BOB's Long-Term IDR (xgs) is driven by its VR. The Short-Term IDR (xgs) maps from the Long-Term IDR (xgs) in accordance with Fitch criteria. Senior unsecured long-term ratings (xgs) are assigned at the level of the Long-Term IDR (xgs).

OTHER DEBT AND ISSUER RATINGS: RATING SENSITIVITIES

BOB's programme rating will move in tandem with the IDR, although Fitch views an upgrade as unlikely in the near term.

The Long-Term IDR (xgs) will move in tandem with the VR. The Short-Term IDR (xgs) is sensitive primarily to changes in the Long-Term IDR (xgs) and is mapped according to Fitch criteria. A change in the Long-Term IDRs (xgs) would lead to a similar change in the senior unsecured long-term rating (xgs).

SUBSIDIARIES & AFFILIATES: KEY RATING DRIVERS

We equalise BOB NZ's IDR with BOB's IDR, as we believe there is a high probability of support from the parent and, ultimately, the Indian government, with plans to sell the subsidiary now shelved. This is based on the parent's binding legal commitment in the form of a guarantee to support the fully owned subsidiary, as required by the New Zealand regulator.

The Long-Term IDR (xgs) of BOB NZ is driven by our expectations of shareholder support from its parent and is the same as BOB's Long-Term IDR (xgs).

SUBSIDIARIES AND AFFILIATES: RATING SENSITIVITIES

Any change in BOB's IDR would have a similar impact on BOB NZ's ratings, provided the financial guarantee remains unchanged. We could downgrade BOB NZ's IDR if a stake in BOB NZ is sold and we assess that the new shareholder's ability and propensity to support BOB NZ are weaker than those of its current owner.

BOB NZ's Long-Term IDR (xgs) is sensitive to BOB's ability and propensity to provide support, as assessed by Fitch, and would change if there is a corresponding change in BOB's Long-Term IDR (xgs).

VR ADJUSTMENTS

The OE score of 'bb+' is above the 'b' category implied score due to the following adjustment reasons: economic performance (positive), and size and structure of economy (positive).

The business profile score of 'bb+' is below the 'bbb' category implied score due to the following adjustment reason: management, governance and strategy (negative).

The funding & liquidity score of 'bbb-' is above the 'bb' category implied score due to the following adjustment reason: deposit structure (positive).

Sources of Information

The principal sources of information used in the analysis are described in the applicable criteria.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

BOB's IDRs are driven by India's sovereign rating. A change in the sovereign's IDRs would be reflected in BOB's IDRs.

BOB NZ's IDRs are driven by BOB's IDRs. A change in BOB's IDRs would be reflected in BOB NZ's IDRs.

ESG CONSIDERATIONS

BOB has an ESG Relevance Score of '4' for Governance Structure, in line with other state banks. This reflects our assessment that key governance aspects, particularly board independence, ownership concentration and protection of creditor or stakeholder rights, have a moderate, yet negative, influence on BOB's credit profile, and are relevant to the ratings in conjunction with other factors.

Government appointees dominate the board and BOB's business model is often focused on supporting government strategies, directing lending towards promoting social and economic policies. These factors also drive our view on the bank's state linkages. This affects the support prospects that determine the long-term ratings.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit

www.fitchratings.com/topics/esg/products#esg-relevance-scores

RATING ACTIONS

ENTITY / DEBT ↕	RATING ↕			PRIOR ↕
Bank of Baroda	LT IDR	BBB- Rating Outlook Stable		BBB- Rating Outlook Stable
	Affirmed			
	ST IDR	F3	Affirmed	F3
	Viability	bb	Upgrade	bb-
	Government Support	bbb-	Affirmed	bbb-
	LT IDR (xgs)	BB(xgs)	Upgrade	BB-(xgs)
senior unsecured	ST IDR (xgs)	B(xgs)	Affirmed	B(xgs)
	LT	BBB-	Affirmed	BBB-
senior unsecured	LT (xgs)	BB(xgs)	Upgrade	BB-(xgs)
Bank of Baroda (New Zealand) Limited	LT IDR	BBB- Rating Outlook Stable		BBB- Rating Outlook Stable
	Affirmed			
	LT IDR (xgs)	BB(xgs)	Upgrade	BB-(xgs)

[VIEW ADDITIONAL RATING DETAILS](#)

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APPLICABLE CRITERIA

[Bank Rating Criteria \(pub. 22 Mar 2025\) \(including rating assumption sensitivity\)](#)

ADDITIONAL DISCLOSURES

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ENDORSEMENT STATUS

Bank of Baroda	EU Endorsed, UK Endorsed
Bank of Baroda (New Zealand) Limited	EU Endorsed, UK Endorsed

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