

Retail Equity Research

Bank of Baroda

BUY

Sector: Banking

06th August, 2025

Key Changes	Target	▲	Rating	●	Earnings	▲	Target	Rs. 268
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 242	
Large Cap	BOB:IN	80,544	BANKBARODA	532134	12 Months	Return	+11%	

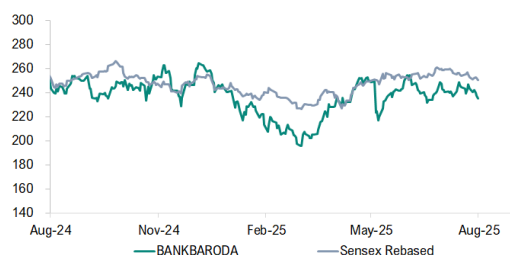
Data as of: 06-August-2025, 17:00 hrs

Company Data	
Market Cap (Rs. cr)	125,018
52 Week High — Low (Rs.)	267 - 191
Outstanding Shares (cr)	517.1
Free Float (%)	35.7
Dividend Yield (%)	3.5
6m average volume (cr.)	1.1
Beta	1.2
Face value (Rs.)	2.0

Shareholding (%)	Q3FY25	Q4FY25	Q1FY26
Promoters	64.0	64.0	64.0
FII's	8.9	9.0	8.1
MFs/Insti	18.1	18.2	19.1
Public	8.2	8.1	8.1
Others	0.8	0.7	0.8
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	-6.0%	11.5%	-6.4%
Absolute Sensex	0.4%	4.0%	-1.5%
Relative Return	-6.4%	7.5%	-4.9%

*over or under performance to benchmark index



Y.E March (Rs.cr)	FY25A	FY26E	FY27E
Net Interest Income	45,659	48,061	56,211
Growth (%)	2.1	5.3	17.0
NIM (%)	3.0	2.9	3.0
Pre-Provision Profit	32,435	33,781	39,453
Net Profit	19,581	20,764	24,747
Growth (%)	10.1	6.0	19.2
Adj. EPS	37.9	40.2	47.9
Growth (%)	10.1	6.1	19.2
BVPS	264.8	296.6	334.4
P/E	6.0	5.9	4.9
P/B	0.9	0.8	0.7
RoE (%)	15.7	14.3	15.2
RoA (%)	1.2	1.1	1.2

Stable performance, favourable trends ahead

Bank of Baroda (BoB) is a public-sector banking and financial services company in India. It has over 8,200 branches in India and 100 offices in 20 countries.

- In Q1FY26, the bank's interest income increased 4.9% YoY to Rs. 31,091cr, supported by a 4.3% rise in interest on advances, 72.5% growth in interest on balance with the Reserve Bank of India (RBI) and other inter-bank funds.
- Meanwhile, interest expense grew 9.0% YoY to Rs. 19,657cr, driven by an increase in domestic cost of deposits to 5.2% from 5.1% and 9.1% YoY expansion in total deposits.
- As a result, net interest income declined 1.4% YoY to Rs. 11,435cr, while net interest margin (NIM) declined to 2.91% from 3.18%.
- Pre-provision operating profit grew 15.0% YoY to Rs. 8,236cr, driven by strong growth in other income (up 87.9%), though partially offset by higher operating expenses (up 13.7%).
- However, profit after tax (PAT) grew a meagre 1.9% YoY to Rs. 4,541cr, primarily impacted by 94.6% rise in provisions and contingencies.

Outlook & Valuation

BoB delivered a healthy financial performance, driven by its strong business model and focus on sustainable growth, although margins have been under pressure for the industry as a whole due to reported cuts and lag in deposit pricing. Profitability is on a sustainable path, with a strong book that has earnings potential, despite the impact of transition on asset liability. To capitalise on the trend, the bank is focusing on expanding fee income streams and improving asset quality. The next quarter may still be under pressure, but deposit repricing is expected, leading to upside benefits in the subsequent quarters. Therefore, **we maintain our BUY rating on the stock, based on 0.8x FY27E BVPS with a revised target price of Rs. 268.**

Quarterly Financials Standalone

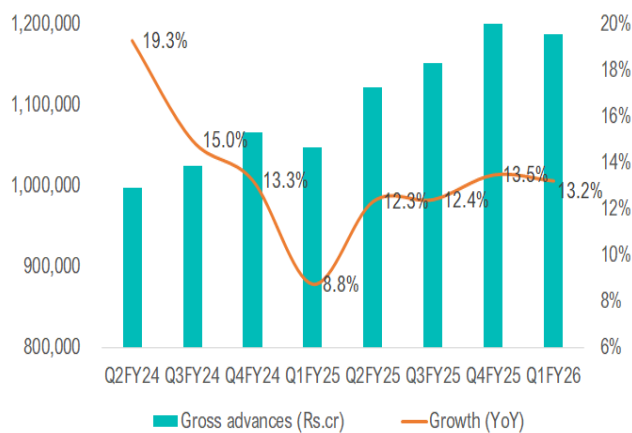
Rs.cr	Q1FY26	Q1FY25	YoY Growth (%)	Q4FY25	QoQ Growth (%)
Net Interest Income	11,435	11,600	-1.4	11,494	-0.5
Total Income	35,766	32,116	11.4	35,852	-0.2
Total Expenditure	27,530	24,955	10.3	27,720	-0.7
Pre-Provision Profit	8,236	7,161	15.0	8,132	1.3
PBT	6,270	6,151	1.9	6,581	-4.7
Rep. PAT	4,541	4,458	1.9	5,048	-10.0
Adj PAT	4,541	4,458	1.9	5,048	-10.0
EPS (Rs.)	8.8	8.6	1.9	9.8	-10.0



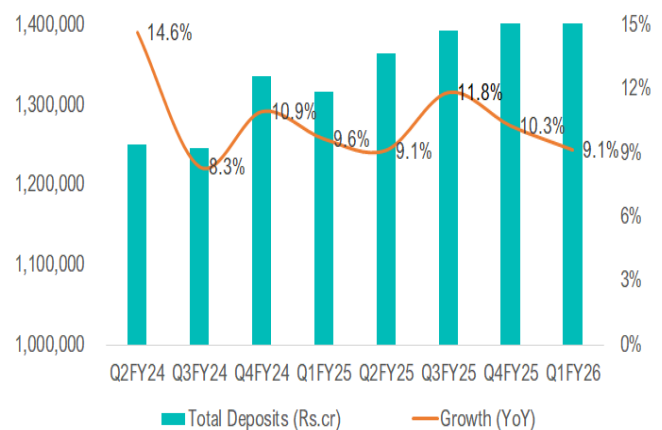
Key Concall Highlights

- Advances grew 12.6% YoY to Rs. 1,207,056cr in Q1FY26, driven by 12.4% growth in domestic and 13.6% rise in international advances. Within the domestic portfolio, retail loans grew 17.5%, MSME 13.1%, corporate lending 4.2% and other segments 38.8%.
- Deposits increased 9.1% YoY to Rs. 1,435,634cr, driven by strong growth in international deposits (up 14.8%) and domestic deposits (up 8.1%). The rise in domestic deposits was supported by 13.2% increase in bulk deposits and 8.4% growth in retail term deposits.
- Domestic current account savings account (CASA) deposits rose 5.5% YoY, with saving deposits increasing 5.0% and current deposits rising 8.1%. However, the CASA ratio declined slightly to 39.3% from 40.3%.
- The bank maintains robust asset quality, with gross non-performing asset (NPA) ratio declining 60bps to 2.3% and net NPA ratio dipping 9bps to 0.6%.
- The slippage ratio is 1.16% in Q1FY26 vs 1.05% in Q1FY25. The increase is due to pressure on the legacy personal loan book and a large international account that was restructured during the pandemic but has now become an NPA. The bank has made a 40% provision against the account (which is secured).
- BoB is targeting a NIM of 2.9-3.0% in FY2026. The bank expects the NIM to be under pressure in the next quarter, but deposit repricing is expected to happen for the next quarter, with 70.0% to 80.0% of the upside benefit to be seen in Q3FY26 and Q4FY26.

Gross Advances



Total Deposits



Business Performance

	Q1FY26	Q1FY25	YoY Growth (%)	Q4FY25	QoQ Growth (%)
Advances	1,186,585	1,047,949	13.2	1,209,558	-1.9
Deposits	1,435,634	1,315,573	9.1	1,472,035	-2.5
Business	2,622,220	2,363,522	10.9	2,681,593	-2.2

Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs cr	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Net Interest Income	52,289	59,831	48,061	56,211	-8.1	-6.0
Net Interest Margin	3.1	3.1	2.9	3.0	-20bps	-10bps
Pre-Provision Profit	35,587	38,142	33,781	39,453	-5.1	3.4
Net Profit	21,622	22,886	20,764	24,747	-4.0	8.1
EPS	41.8	44.3	40.2	47.9	-4.0	8.1



Standalone Financials

Profit & Loss

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Interest Income	89,589	112,606	121,442	132,943	147,666
Interest Expense	48,233	67,884	75,783	84,882	91,455
Net Interest In-	41,356	44,722	45,659	48,061	56,211
% Change	26.8	8.1	2.1	5.3	17.0
Non-Interest Income	10,026	14,495	16,647	17,263	18,040
Net Income	51,382	59,217	62,306	65,324	74,251
Total Income	99,614	127,101	138,089	150,206	165,707
Operating Expens-	24,518	28,252	29,871	31,543	34,798
Total Expenditure	72,751	96,136	105,654	116,425	126,254
Pre-Provisioning Profit	26,864	30,965	32,435	33,781	39,453
Provisions	7,137	6,076	5,980	6,096	6,457
Profit Before Tax	19,727	24,890	26,454	27,685	32,996
Tax	5,617	7,101	6,873	6,921	8,249
Tax Rate (%)	28.5	28.5	26.0	25.0	25.0
Minority Interests	-	-	-	-	-
Net Profit	14,110	17,789	19,581	20,764	24,747
% Change	94.0	26.1	10.1	6.0	19.2
Adj.	-	-	-	-	-
Adj. Net Profit	14,110	17,789	19,581	20,764	24,747
No. of Shares (cr)	517.1	517.1	517.1	517.1	517.1
Adj. EPS (Rs.)	27.3	34.4	37.9	40.2	47.9
% Change	94.0	26.1	10.1	6.1	19.2
DPS	5.5	7.6	8.4	10.0	11.0

Balance Sheet

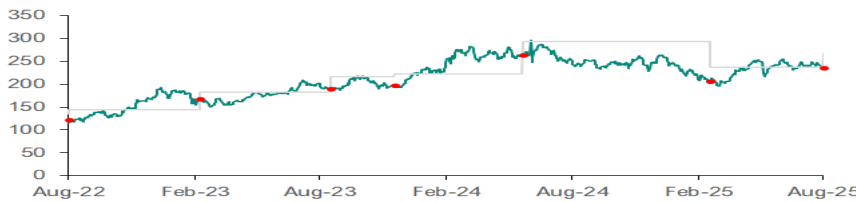
Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash & Balances	95,703	95,124	125,849	168,794	215,243
Investments	362,485	369,817	385,398	427,792	474,849
Advances	940,998	1,065,782	1,209,558	1,330,514	1,476,870
Fixed Assets	8,707	7,913	12,376	11,887	11,418
Other Assets	50,668	47,162	48,066	49,988	51,988
Total Assets	1,458,562	1,585,797	1,781,247	1,988,976	2,230,368
Capital	1,036	1,036	1,036	1,036	1,036
Reserves & Surplus	97,187	111,188	135,890	152,336	171,892
Deposits	1,203,688	1,335,136	1,472,035	1,641,319	1,838,277
Borrowings	101,910	94,402	123,716	137,944	153,807
Other Liabilities	54,740	44,035	48,571	56,342	65,357
Total Liabilities	1,458,562	1,585,797	1,781,247	1,988,976	2,230,368
BVPS	189.9	217.0	264.8	296.6	334.4
Adj. BVPS	173.7	203.1	251.3	286.3	325.8
% Change	23.8	16.9	23.7	13.9	13.8

Ratio

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Valuation					
P/E (x)	6.0	7.7	6.0	5.9	4.9
P/BV (x)	0.9	1.2	0.9	0.8	0.7
Div. Yield (%)	3.4	2.9	3.7	4.3	4.7
Profitability & Return (%)					
Yield on Advances	7.5	8.5	8.2	8.2	8.2
Cost of Deposits	3.9	5.0	5.0	5.0	4.9
Spread	3.5	3.5	3.2	3.2	3.4
NIM (calculated)	3.5	3.3	3.0	2.9	3.0
ROE	15.3	16.9	15.7	14.3	15.2
ROA	1.0	1.2	1.2	1.1	1.2
Capital Adequacy (%)					
CAR	16.2	16.3	17.2	17.0	16.8
Tier I	14.0	14.0	14.8	14.9	15.0
Tier II	2.3	2.2	2.4	2.1	1.9
Asset Quality (%)					
GNPA	3.8	2.9	2.3	2.3	2.3
NNPA	0.9	0.7	0.6	0.4	0.4
Operating Ratios (%)					
Credit/Deposit	78.2	79.8	82.2	81.1	80.3
Cost/Income	47.7	47.7	47.9	48.3	46.9
CASA	42.3	41.3	40.0	39.0	39.0



Recommendation Summary (last 3 years)



Dates	Rating	Target
14-Feb-22	BUY	136
02-Aug-22	BUY	144
08-Feb-23	HOLD	182
17-Aug-23	BUY	217
17-Nov-23	BUY	222
22-May-24	BUY	294
18-Feb-25	BUY	237
06-Aug-25	BUY	268

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

▲ Upgrade

● No Change

▼ Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

Not rated/Neutral- The analyst has no investment opinion on the stock under review.

DISCLAIMER & DISCLOSURES

Certification: I, Arun Kailasan, author of this Report, hereby certify that all the views expressed in this research report reflect our personal views about any or all of the subject issuer or securities. This report has been prepared by the Research Team of Geojit Investments Limited, hereinafter referred to as GIL.

For general disclosures and disclaimer: Please [Click here](#)

CRISIL has provided research support in preparation of this research report and the investment rational contained herein along with financial forecast. The target price and recommendation provided in the report are strictly GIL's views and are NOT PROVIDED by CRISIL. Further, CRISIL expresses no opinion on valuation and the associated recommendations. CRISIL has no financial liability whatsoever, to the subscribers / users of this report.

Regulatory Disclosures:

Group companies/ Fellow subsidiaries of Geojit Investments Ltd (GIL) are Geojit Financial Services Limited (GFSL), Geojit Technologies Private Limited (Software Solutions provider), Geojit Credits Private Limited (NBFC), Geojit Fintech Private Ltd, Geojit IFSC Ltd (a company incorporated under IFSC Regulations), Qurum Business Group Geojit Securities LLC (a subsidiary of holding company in Oman engaged in Financial Services), Barjeel Geojit Financial Services LLC (a joint venture of holding company in UAE engaged in Financial Services), and BBK Geojit Consultancy and Information KSC (C) (a joint venture in Kuwait-engaged in Financial services). In the context of the SEBI Regulations on Research Analysts (2014), GIL affirms that we are a SEBI registered Research Entity and in the course of our business as a stock market intermediary, we issue research reports /research analysis etc. that are prepared by our Research Analysts. We also affirm and undertake that no disciplinary action has been taken against us or our Analysts in connection with our business activities.

In compliance with the above-mentioned SEBI Regulations, the following additional disclosures are also provided which may be considered by the reader before making an investment decision:

1. Disclosures regarding Ownership:

GIL confirms that:

(i)It/its associates have no financial interest or any other material conflict in relation to the subject company (ies) covered herein, at the time of publication of the research report.

(ii)It/its associates have no actual beneficial ownership of 1% or more in relation to the subject company (ies) covered herein, at the end of the month immediately preceding the date of publication of the research report.

Further, the Analyst confirms that:

(i) He, his associates and his relatives shall take reasonable care to ensure that they do not have any financial interest in the subject company (ies) covered herein, and they have no other material conflict in the subject company, at the time of publication of the research report.

(ii) He, his associates and his relatives have no actual/beneficial ownership of 1% or more in the subject company covered, at the end of the month immediately preceding the date of publication of the research report.

2. Disclosures regarding Compensation:

During the past 12 months, GIL or its Associates:

(a) Have not received any compensation from the subject company; (b) Have not managed or co-managed public offering of securities for the subject company (c) Have not received any compensation for investment banking or merchant banking or brokerage services from the subject company. (d) Have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company. e) Have not received any compensation or other benefits from the subject company or third party in connection with the research report (f) The subject company is / was not a client during twelve months preceding the date of distribution of the research report.

3. Disclosure by GIL regarding the compensation paid to its Research Analyst:

GIL hereby confirms that no part of the compensation paid to the persons employed by it as Research Analysts is based on any specific brokerage services or transactions pertaining to trading in securities of companies contained in the Research Reports.

4. **Disclosure regarding the Research Analyst's connection with the subject company:** It is affirmed that I, Arun Kailasan, Research Analyst (s) of GIL have not served as an officer, director or employee of the subject company.

5. **Disclosure regarding Market Making activity:** Neither GIL/its Analysts have engaged in market making activities for the subject company.

6. **Disclosure regarding conflict of interests:** GIL shall abide by the applicable regulations/ circulars/ directions specified by SEBI and Research Analyst Administration and Supervisory Body (RAASB) from time to time in relation to disclosure and mitigation of any actual or potential conflict of interest. GIL will endeavour to promptly inform the client of any conflict of interest that may affect the services being rendered to the client.

7. "Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors."

8. Clients are required to keep contact details, including email id and mobile number/s updated with the GIL at all times.

9. In the course of providing research services by GIL, GIL cannot execute/carry out any trade (purchase/sell transaction) on behalf of, the client. Thus, the clients are advised not to permit GIL to execute any trade on their behalf.

10. GIL will never ask for the client's login credentials and OTPs for the client's Trading Account Demat Account and Bank Account. The Clients are advised not to share such information with anyone including GIL.

11. Standard Warning: "Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

12. Disclosures regarding Artificial Intelligence tools: Neither Geojit Investments Limited nor its Analysts have utilized any AI tools in the preparation of the research reports.

Please ensure that you have read the "Risk Disclosure Documents for Capital Market and Derivatives Segments" as prescribed by the Securities and Exchange Board of India before investing.

Geojit Investments Ltd. Registered Office: 7th Floor 34/659-P, Civil Line Road, Padivattom, Kochi-682024, Kerala, India. Phone: +91 484-2901000, Website : www.geojit.com/GIL . For investor queries: customercare@geojit.com

GRIEVANCES

Step 1: The client should first contact the RA using the details on its website or following contact details: Compliance officer: Ms. Indu K. Address: 7th Floor, 34/659-P, Civil Line Road, Padivattom, Ernakulam,; Phone: +91 484-2901367; Email: compliance@geojit.com. For Grievances:grievances@geojit.com. **Step 2:** If the resolution is unsatisfactory, the client can also lodge grievances through SEBI's SCORES platform at www.scores.sebi.gov.in **Step 3:** The client may also consider the Online Dispute Resolution (ODR) through the Smart ODR portal at <https://smartodr.in>

Corporate Identity Number: U66110KL2023PLC080586, Research Entity SEBI Reg No: INH000019567; Depository Participant : IN-DP-781-2024.

