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## Bank of Baroda Reports Modest 1.9% Rise in Q1 Net Profit to ₹4,541 Crore

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Bank of Baroda reported a marginal 1.9 percent year-on-year increase in net profit for the first quarter of the financial year 2025-26. The bank posted a net profit of ₹4,541 crore in the April to June quarter, compared to ₹4,458 crore during the same period last year.

The bank's performance was supported by strong treasury gains and growth in retail lending, although net interest income declined slightly. Net interest income, which reflects

the difference between interest earned and interest paid, dropped by 1.4 percent to ₹11,435 crore from ₹11,600 crore in Q1 last year. The fall was attributed to rising deposit costs and reduced interest on income tax refunds.

Non-interest income saw a significant increase of 88 percent year-on-year, reaching ₹4,675 crore. This was largely due to higher treasury gains, which jumped to ₹2,226 crore from ₹295 crore a year ago. Operating profit rose 15 percent to ₹8,236 crore, supported by better fee income and controlled operating expenses.

Global advances grew by 12.6 percent to ₹12.07 lakh crore, while global deposits rose by 9.1 percent to ₹14.36 lakh crore. Within the domestic portfolio, retail loans grew by 17.5 percent year-on-year, led by strong demand in home, auto, education, and personal loans. Agriculture and MSME sectors also saw healthy credit growth. Corporate loans, however, registered a slower increase of 4.2 percent.

The bank continued to show improvement in asset quality. Gross non-performing assets (GNPA) ratio dropped to 2.28 percent from 2.88 percent a year ago. Net NPA declined to 0.60 percent from 0.69 percent. The provision coverage ratio stood at 93.18 percent, and the capital adequacy ratio improved to 17.61 percent from 16.82 percent.

Despite the flat profit growth, the bank maintained a cautious outlook. Officials expect credit growth to remain in the 11 to 13 percent range for FY26 and deposit growth at 9 to 11 percent. However, pressure on margins is expected to continue due to rising funding costs.