Credit Update - Bank of Baroda

July 10, 2026

Credit Update

Vide its disclosure on stock exchanges on July 02, 2026, Bank of Baroda (BOB) has informed that it has entered an out-of-court settlement with the joint administrators of NMC Health PLC, NMC Healthcare Limited and NMC Holding Limited, in a trial related to Insolvency and Civil Proceedings of these entities in the Abu Dhabi Global Market Court of First Instance (AGDM) and the High Court of Justice, England & Wales. Trial in the ADGM Proceedings commenced on March 23, 2026, and English Proceedings were stayed to await outcome of ADGM Proceedings.

CARE Ratings Limited (CareEdge Ratings) notes that BOB, through its Abu Dhabi Branch, has settled the case for US$600 million (~₹5,700 crore) with the joint administrators of the NMC entities and all claims, causes of action, among others between them have been resolved without admission of liability or wrongdoing by the bank.

The settlement agreement resolves disputes, avoiding prolonged litigation, uncertainty and associated costs for the bank. While terms of the settlement remain confidential, the bank's liability is limited to the agreed sum, and ADGM and English proceedings are being discontinued.

While the settlement amount of settlement is ~4% of the net worth of the bank as on March 31, 2026, CareEdge Ratings believes that this development is one-off in nature and is unlikely to have a material impact on BOB's credit profile. Ratings assigned to BOB continue to favourably factor in majority ownership of and continued and expected support from the Government of India (GoI) to the bank, considering systemic importance being one of the largest public sector banks (PSB) in India. Ratings also derive strength from the bank's comfortable capitalisation levels, which support the bank to fund its credit growth in near future. In the last few years, the bank has seen improvement in asset quality parameters with lower incremental slippages, leading to lower credit costs, which and strong credit growth, helped improve its profitability. However, the bank's ability to contain incremental slippages and maintain its asset quality remains a monitorable.

Please refer to the following link for the previous press release that captures key rating drivers and rating sensitivities: Click here.

List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[1]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the rating reports subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details and names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available

[1] SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

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About us:
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