

Press Release

BANK OF BARODA ANNOUNCES FINANCIAL RESULTS
FOR Q2 and H1 of FY 2017-18

Highlights (Standalone Basis)

- **Improved Operating Performance:** Operating Profit of INR 3,042 crore during Q2 FY18 registering YoY growth of 13.09%, driven by growth both in Interest and Fee Income.
- **Loan growth–** Domestic credit registered YoY growth of 13.81% driven by retail loans growth of 25.49% and within retail loans, home loan growth of 34.11%.
- **CASA Deposits-** Growth of 26.71% YoY.
- **Cost of Deposits (Domestic)** declines by 20 bps. **Yield on Advances (Domestic)** improves by 7 bps. **Net Interest Margin (NIM)** improves by 20 bps.
- **Cost to Income Ratio** also improve to 44.26% from 46.57% last quarter
- **Stressed assets / Impaired assets – GNPA and Restructured Standard Assets** flat on sequential basis.
- **Gross NPA ratio** declines from 11.40% in Q1 FY 18 to 11.16% in Q2 FY 18.
- **Net NPA ratio** declines from 5.17% in Q1 FY 18 to 5.05% in Q2 FY 18
- **Provision Coverage Ratio (PCR)** including TWO improves to 67.18% in Q2 FY 18 from 62.95% in Q2 FY 17.
- **PCR excluding TWO** improves to 57.73% in Q2 FY 18 from 54.97% in Q2 FY 17.
- **Continued focus on recovery and collections.**
- **Capital Adequacy Ratio** continues to be above regulatory requirements with CRAR (Basel III) at 11.64%; Tier - I at 9.61% and CET - I at 8.39%.
- **Bank's Transformation journey** remains solidly on track.

Bank of Baroda announced its audited results for the Q2 FY 18, following the approval of its Board of Directors on November 14, 2017.

Results at a Glance (Standalone Basis)

All figures in INR crore

Particulars	Quarterly Results			Half-Yearly Results		
	Q2 FY 18	Q2 FY 17	% Change	H1 FY 18	H1 FY 17	% Change
Total Income	12,490	12,047	3.68	24,594	23,925	2.80
Interest Income	10,753	10,485	2.56	21,306	20,919	1.85
Interest Expenses	7,033	7,059	(0.37)	14,181	14,121	0.42
Net Interest Income	3,720	3,426	8.58	7,125	6,798	4.81
Other Income	1,737	1,562	11.20	3,288	3,006	9.38
Total Expenses	9,449	9,356	0.99	18,905	18,564	1.84
Operating Expenses	2,416	2,297	5.18	4,724	4,443	6.32
of which, Employee Cost	1,213	1,169	3.76	2,228	2,277	(2.15)
Operating Profit	3,042	2,690	13.09	5,690	5,360	6.16
Provision for NPA	1,847	1,630	13.31	4,004	3,617	10.70
Provision for Tax	357	342	4.39	434	584	(25.68)
Net Profit	355	552	(35.69)	559	976	(42.73)

BUSINESS

- The Bank's **Total Business** stood at **INR 9,70,514 crore** as at Sept 30, 2017 up by 5.30% from **INR 9,21,681 crore** as at Sept 30, 2016.
- **Total Deposits** stood at **INR 5,83,212 crore** as at Sept 30, 2017 as against **INR 5,67,531 crore** as at Sept 30, 2016. Corresponding figures for Average Deposits (based on daily averages) were **INR 5,73,124 crore** and **INR 5,52,714 crore** respectively.
- **Domestic Deposits** stood at **INR 4,47,593 crore** as at Sept 30, 2017 up by **10.58 %** from **INR 4,04,770 crore** as at Sept 30, 2016. Low Cost **CASA Deposits** registered a growth of 26.71% YoY.
- Percentage of **CASA deposits to total domestic deposits** as at Sept 30, 2017 was 39.22% up from 34.23% as at Sept 30, 2016.

- **Total Advances (Net)** at **INR 3,87,302 crore** as at Sept 30, 2017 increased by 9.36% from **INR 3,54,150 crore** as at Sept 30, 2016. **Domestic advances (net)** grew by 13.81% to **INR 2,80,526 crore** as at Sept 30, 2017 from **INR 2,46,494 crore** as at Sept 30, 2016 driven by retail loans growth of 25.49% and within retail loans, home loan growth of 34.11%.
- The Bank's **International Business** contributed 24.98% to the Bank's Total Business against 25.36% as at June 30, 2017.

OPERATING PERFORMANCE

- The Bank's **Total Income** at **INR 12,490 crore** in Q2 FY 18 increased by 3.68% y-o-y. **Net Interest Income** stood at **INR 3,720 crore** up by 8.58% y-o-y. **Other Income** increased by 11.20% on y-o-y basis to **INR 1,737 crore**.
- The Bank's **Total Expenses** stood at **INR 9,449 crore** in Q2 FY 18. The interest expenses stood at **INR 7,033 crore**.
- **Net Interest Margin (NIM)** improved to **2.31%** in Q2 FY 18 from 2.12% during last quarter. NIM for Domestic operations improved by 20 bps 2.68% compared to last quarter.
- **Cost to Income Ratio** improved to 44.26% from 46.57% last quarter
- The Bank's **Operating Profit** was **INR 3,042 crore** in Q2 FY 18 registering **YoY growth of 13.09%**.
- The Bank posted a **Net Profit** of **INR 355 crore** for Q2 FY 18, an **increase of 74.88%** from previous quarter.

ASSET QUALITY

- **Gross NPA (GNPA)** of the Bank stood at **INR 46,307 crore** as on Sept 30, 2017 as compared to **INR 46,173 crore** as at June 30, 2017. Stressed assets / Impaired assets also (GNPA and Restructured Standard Assets) were flat on sequential basis.
- **GNPA ratio** declined from **11.40%** in Q1 FY 18 to **11.16%** in Q2 FY 18.
- **Net NPA ratio** declined from **5.17%** in Q1 FY 18 to **5.05%** in Q2 FY 18.

- The **Provision Coverage Ratio (PCR)** including TWO improved to **67.18%** in Q2 FY 18 from 62.95% in Q2 FY 17. **PCR excluding TWO** also improved to **57.73%** in Q2 FY 18 from 54.97% in Q2 FY 17.

CAPITAL ADEQUACY

- **Capital Adequacy Ratio** of the Bank on Standalone and Consolidated basis continues to be above regulatory norms. The **CRAR** on standalone basis (**Basel III**) was 11.64% as at Sept 30, 2017. Out of this, the **Tier 1** capital was 9.61% and **CET 1** Capital was 8.39%. **On Consolidated basis, CRAR was 12.10%.**

TRANSFORMATION OF THE BANK

The execution of various strategic initiatives continues to be underway as part of Project Navoday – the Bank's comprehensive business transformation that seeks to deliver a differentiated world-class customer experience enabled by an energized and engaged team.

The transformation journey aims at improved market share, quality business growth, portfolio diversification and enhanced fee income, with cutting edge digitization of processes, while ensuring due focus is accorded to compliance and controls.

The Bank is expanding the network of cashless digital villages across the country. The Bank is also expanding the presence of digital portable branches.

The execution of Project WeLead – a comprehensive leadership development program anchored on behavioural competencies, is underway across four parallel tracks, which cover high-potential talent at every level in the Bank.

The Bank is also progressing on the strengthening of the performance management system as part of 'Sparsh Plus', aided by the best-in-class technology and digital tools.

In summary, the Bank's transformation journey is aimed at enhancing shareholder value by focusing on increasing customer and employee satisfaction.

November 14, 2017
Mumbai

About Bank of Baroda

Bank of Baroda ("The Bank") established on July 20, 1908 is an Indian state-owned banking and financial services organization, headquartered in Vadodara (earlier known as Baroda), in Gujarat, India.

Bank of Baroda is one of India's largest banks with a strong domestic presence spanning 5,451 branches and 10,136 ATMs and Cash Recyclers supported by self-service channels. The Bank has a significant international presence with a network of 106 branches/ offices subsidiaries, spanning 23 countries. The Bank has wholly owned subsidiaries including BOBCARDS and BOB Capital Markets. Bank of Baroda also has joint ventures for life insurance with India First Life Insurance and for asset management with Baroda Pioneer Asset Management. The Bank owns 98.57% in The Nainital Bank. The Bank has also sponsored three Regional Rural Banks namely Baroda Uttar Pradesh Gramin Bank, Baroda Rajasthan Gramin Bank and Baroda Gujarat Gramin Bank.

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