

**Press Release**

**BANK OF BARODA ANNOUNCES FINANCIAL RESULTS**  
**FOR QUARTER ENDED JUNE 2018**

**Quality growth; improvement in all key operating matrix; stabilization of NPAs; and moving to next wave of digital banking**

**Highlights (Standalone Basis)**

- **Operating Profit for June 2018 quarter increased to INR 3,006 crore registering Y-o-Y and Q-o-Q growth of 13.52% and 12.80%, respectively driven by growth in Net Interest Income (NII) as well as Core Fee Income.**
- **Net profit increased 160.10% Y-o-Y to INR 528 crore from INR 203 crore.**
- **NIM improved to 2.65% in June 2018 quarter from 2.51% during last quarter.**
- **Domestic credit registered Y-o-Y growth of 19.84%. Retail loan growth was 33.85% Y-o-Y and within retail loans, home loan growth was 43.47%.**
- **PCR continues to be high. PCR including TWO increased to 69.11% and PCR excluding TWO increased to 59.94% as on June 30, 2018 from 67.21% and 58.42% respectively as on March 31, 2018.**
- **Net NPA ratio declined from 5.49% as on March 31, 2018 to 5.40% as on June 30, 2018. Absolute amount of net NPAs also declined by INR 1,099 crore Q-o-Q.**
- **Capital Adequacy Ratio at 12.13% and CET-1 at 9.27% continues to be above regulatory norms. Consolidated Capital Adequacy Ratio higher at 12.84%**
- **Continued progress in Transformation journey which is reflected both in growth and improvement in quality of new origination. Moving towards “Bank of Future” through Centers of Excellence, partnerships and digital alliances.**

Bank of Baroda announced its audited results for the Q1 FY 19, following the approval of its Board of Directors on July 27, 2018.

### Results at a Glance (Standalone Basis)

All figures in INR crore

Particulars	Quarterly Results		
	Q1 FY 19	Q1 FY 18	% Change
<b>Total Income</b>	<b>12,788</b>	<b>12,104</b>	<b>5.65</b>
Interest Income	11,640	10,553	10.30
Interest Expenses	7,259	7,148	1.55
<b>Net Interest Income (NII)</b>	<b>4,381</b>	<b>3,405</b>	<b>28.66</b>
<b>Customer Fee Income</b>	<b>794</b>	<b>680</b>	<b>16.76</b>
<b>Customers' Revenue</b>	<b>5,175</b>	<b>4,085</b>	<b>26.68</b>
<b>Other Non-Interest Income</b>	<b>354</b>	<b>871</b>	<b>(59.35)</b>
Total Other Income	1,148	1,551	(25.98)
<b>Operating Income (NII + Other Income)</b>	<b>5,529</b>	<b>4,956</b>	<b>11.56</b>
<b>Total Expenses</b>	<b>9,782</b>	<b>9,456</b>	<b>3.45</b>
Operating Expenses	2,523	2,308	9.32
of which, Employee Cost	1,101	1,015	8.47
<b>Operating Profit</b>	<b>3,006</b>	<b>2,648</b>	<b>13.52</b>
<b>Total Provisions</b>	<b>2,477</b>	<b>2,445</b>	<b>1.31</b>
of which Provision for NPA	1,760	2,157	(18.41)
of which Provision for Tax	312	77	305.19
<b>Net Profit</b>	<b>528</b>	<b>203</b>	<b>160.10</b>

### BUSINESS

- **CASA Deposits** registered a growth of **11.60 %** Y-o-Y.
- Percentage of **CASA deposits to Total Domestic Deposits** as at June 30, 2018 was **40.82%**, up from **38.77 %** as at June 30, 2017.
- **Domestic Deposits** stood at **INR 4,61,509 crore** as at June 30, 2018 up by **6.01%** from **4,35,364 crore** as at June 30, 2017.
- **Domestic advances** grew by **19.84%** to **3,26,400 crore** as at June 30, 2018 from **INR 2,72,369 crore** as at June 30, 2017.
- **Total Advances** at **INR 4,14,517 crore** at June 30, 2018 increased by **9.77%** Y-o-Y from **INR 3,77,607 crore** as at June 30, 2017. However, on sequential basis advances declined by 3.02% due to run off of buyers' credit portfolio by INR 21,682 crore in international book due to changes in regulation.

- Contribution of Bank's **International Business** at the end of quarter further came down to **20.89%** from 22.33% last quarter.
- The Bank's **Total Business** stood at **INR 9,96,001 crore** as at June 30, 2018 up by **5.04 %** from **INR 9,48,215 crore** as at June 30, 2017 .

### OPERATING PERFORMANCE

- The Bank's **Operating Profit** at **INR 3,006 crore** registered increase of **13.52%** Y-o-Y and **12.80%** Q-o-Q.
- **Net profit rose by 160.10%** Y-o-Y to **INR 528 crore** from **INR 203 crore**.
- Above profit levels are after accounting for charging of entire amortized amount of **INR 291 crore to P&L** on account of increased gratuity liability.
- Net Interest Income (NII) increased by **28.66%** Y-o-Y and **9.47%** Q-o-Q. Operating income (NII + Other income) increased by **11.56%** Y-o-Y.
- **Net Interest Margin (NIM)** improved to **2.65%** in June 2018 quarter from **2.51%** during last quarter.
- Core Fee Income increased by **16.76%** Y-o-Y to **INR 794 crore**.

### ASSET QUALITY

- The **risk profile of corporate credit portfolio** improved further with A & above rated accounts constituting **63.31%** of portfolio against **52.37%** last quarter.
- Similarly **risk profile of the retail loan portfolio** also improved further with customers of credit score above 725 increasing to **82%** as against **63%** last quarter.
- **Gross NPA (GNPA)** of the Bank was **INR 55,875 crore** as on June 30, 2018 as compared to **INR 56,480 crore** as on March 31, 2018. **GNPA ratio** was **12.46%**.
- **Net NPA** ratio declined from **5.49%** in March 2018 quarter to **5.40%** in June 2018. Absolute amount of **Net NPA** also **declined by INR 1,099 crore** Q-o-Q.
- Provision on bad debts declined by **18.41%** YoY and **75.05%** Q-o-Q.
- Exposure in accounts under NCLT 1 list is **INR 5,813 crore** and NCLT 2 list is **INR 3,843 crore** as on June 30, 2018.
- Provision coverage under NCLT 1 and NCLT 2 list is **64.43%** and **62.76%** respectively.

## **CAPITAL ADEQUACY**

**Capital Adequacy Ratio** of the Bank at **12.13%** continues to be above regulatory norms. **Tier 1 capital ratio** was **10.50%** and **CET 1 Capital** was **9.27%**.

**Consolidated Capital Adequacy Ratio** was higher at **12.84%**.

## **TRANSFORMATION OF THE BANK**

Significant progress has been achieved in the comprehensive business transformation journey which commenced in 2016. The journey has been aimed at updating our product capability, improved processes and better relationship management so that the Bank is able to adequately serve all segments of customers.

While the initial effort had been to catch up with the best in the peer group, the focus has now moved to envision and build a Bank of the future.

In this journey of building the Bank for future, the Bank is working to ensure that a large part of our employees' time is available to spend with the customers to mobilise business and render quality advice that can keep our customers ahead. Towards this end, the Bank's focus is on digitisation, building straight through processes (STP), and enabling the customers to execute their transactions through their PCs, Tablets or smartphones.

The Bank is building an analytical engine that anticipates our customer needs; data driven decision making; and agile architecture. The Bank has started next wave of digital transformation in partnerships, which underscores the commitment to innovation and superior customer experience. The IT Center of Excellence of the Bank would be driving this digital transformation through new age digital technology, pool of technological resources and collaboration with Fintech ecosystem driving the disruption. By setting up Centers of Excellence in back office processing and IT, the Bank also continues to strengthen the compliance back bone.

The Bank is strongly positioned with capital, liquidity and transformation measures as above to be a premier and modern Bank, competitive in the market place. Board, Management and Employees look forward to an exciting future.

**July 27, 2018**  
**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 5,502 branches and 9,615 ATMs and Cash Recyclers supported by self-service channels. The Bank has a significant international presence with a network of 105 branches/ offices subsidiaries, spanning 23 countries. The Bank has wholly owned subsidiaries including BOB Financial Solutions Limited (erstwhile BOB Cards Ltd.) 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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