



Press Release

**BANK OF BARODA ANNOUNCES FINANCIAL RESULTS**  
**FOR Q2 and H1 of FY 2018-19**

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

**Highlights**

- Domestic Y-o-Y credit growth at 20.37% led by Retail loans which increased by 33.55%. Home and auto loan growth was 39.76% and 38.75% respectively.
- Net Interest Income (NII) for September 2018 quarter increased to INR 4,492 crore registering Y-o-Y growth of 20.75%. Customer income increased by 19.56% to INR 5,453 crore with 14.27% increase in Core Fee Income.
- Operating Profit for September 2018 quarter increased to INR 3,082 crore registering Y-o-Y growth of only 1.31% on account of lower treasury trading income. Consolidated Operating Profit for September 2018 is INR 3,563 crore an increase of 4.82% on Y-o-Y basis.
- NIM improved to 2.61% in September 2018 from 2.34% in Sept 2017, but was marginally lower on a Q-o-Q basis.
- Net Profit increased by 19.72% to INR 425 crore. Consolidated net profit increased by 39.71% Y-o-Y at INR 686 crore.
- Fresh slippage was at INR 2,281 crore, lowest in seven quarters. Credit cost decreased to 1.31% in September 2018 from 1.82% last year. Provision for NPAs at INR 1,467 crore was at a nine-quarter low.
- Net NPA ratio declined to 4.86% as on Sept 30, 2018 from 5.40% as on June 30, 2018. Absolute amount of net NPAs also declined by INR 1,325 crore Q-o-Q.
- PCR including TWO increased to 70.75% and PCR excluding TWO increased to 61.79% as on Sept 30, 2018 from 69.11% and 59.94% respectively as on June 30, 2018.
- Capital Adequacy Ratio at 11.88% and CET-1 at 9.05% continues to be above regulatory norms.
- 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 Q2 FY 19, following the approval of its Board of Directors on October 30, 2018.

### Results at a Glance (Standalone Basis)

All figures in INR crore

Particulars	Quarterly Results			Half-Yearly Results		
			%			%
	Q2 FY 19	Q2 FY 18	Change	H1 FY 19	H1 FY 18	Change
Interest Income	12,078	10,753	12.32	23,718	21,306	11.32
Interest Expenses	7,586	7,033	7.86	14,845	14,181	4.68
<b>Net Interest Income (NII)</b>	<b>4,492</b>	<b>3,720</b>	<b>20.75</b>	<b>8,873</b>	<b>7,125</b>	<b>24.53</b>
Customer Fee Income	961	841	14.27	1,817	1,643	10.59
Customer Income (NII + Fee Income)	5,453	4,561	19.56	10,690	8,768	21.92
<b>Other Non-Interest Income</b>	<b>391</b>	<b>896</b>	<b>(56.36)</b>	<b>683</b>	<b>1,645</b>	<b>(58.48)</b>
of which, Trading Gains – Profit from Sale of Investments	87	645	(86.51)	192	1198	(83.97)
of which, Recovery from TWO	223	106	110.38	320	187	71.12
<b>Operating Income (NII + Other Income)</b>	<b>5,844</b>	<b>5,457</b>	<b>7.09</b>	<b>11,373</b>	<b>10,413</b>	<b>9.22</b>
Operating Expenses	2,762	2,416	14.32	5,285	4,724	11.88
of which, Employee Cost	1,222	1,213	0.74	2,323	2,228	4.26
<b>Operating Profit</b>	<b>3,082</b>	<b>3,042</b>	<b>1.31</b>	<b>6,088</b>	<b>5,690</b>	<b>6.99</b>
<b>Total Provisions</b>	<b>2,657</b>	<b>2,687</b>	<b>(1.12)</b>	<b>5,134</b>	<b>5,131</b>	<b>0.06</b>
of which Provision for NPA	1,467	1,847	(20.57)	3,226	4,004	(19.43)
<b>Profit before Tax</b>	<b>652</b>	<b>712</b>	<b>(8.43)</b>	<b>1493</b>	<b>993</b>	<b>50.35</b>
Provision for Tax	227	357	(36.41)	539	434	24.19
<b>Net Profit</b>	<b>425</b>	<b>355</b>	<b>19.72</b>	<b>954</b>	<b>559</b>	<b>70.66</b>

### BUSINESS

- Domestic CASA deposits registered a growth of 11.63 % YoY.
- Percentage of CASA deposits to Total Domestic Deposits as on September 30, 2018 increased to 40.48% from 39.22 % as on September 30, 2017.
- Domestic Deposits stood at INR 4,84,158 crore as on September 30, 2018 up by 8.17% from 4,47,593 crore as on September 30, 2017.
- Domestic advances grew by 20.37 % to 3,37,664 crore as on September 30, 2018 from INR 2,80,526 crore as on September 30, 2017.
- Contribution of Bank's International Business at the end of quarter was 21.02 %.



- Modified duration of AFS and HTM investments as on September 30, 2018 is **1.14 and 5.07**.
- The Bank's **Total Business** stood at **INR 1,040,522 crore** as on September 30, 2018 up by **7.21 %** from **INR 9,70,514 crore** as on September 30, 2017.

### OPERATING PERFORMANCE

- The **Operating Profit** at **INR 3,082 crore** registered an increase of **1.31 % Y-o-Y**.
- The **Net profit** rose by **19.72 % Y-o-Y** to **INR 425 crore** from **INR 355 crore**.
- Net Interest Income (NII) increased by **20.75% Y-o-Y** to **INR 4,492 crore** from **INR 3,720 crore** during corresponding period last year. **Operating income** (NII + Other income) increased by **7.09% Y-o-Y** to **INR 5844 crore**.
- **Net Interest Margin (NIM)** improved to **2.61%** in September 2018 quarter from **2.34%** in September 2017. **NIM of international operations** improved to **1.66%** from **1.15%** last year.
- Core Fee Income increased by **14.27% Y-o-Y** to **INR 961 crore**.

### ASSET QUALITY

- **Fresh slippage** was at **INR 2,281 crore**, lowest in seven quarters. Credit cost decreased to **1.31%** in September 2018 from **1.82%** last year. **Provision for NPAs** at **INR 1,467 crore** was at a nine-quarter low.
- **Gross NPA (GNPA)** was **INR 55,121 crore**, including **INR 534 crore** impact of translation, as on September 30, 2018 compared to **INR 55,875 crore** as on June 30, 2018. **GNPA** ratio declined to **11.78% Q-o-Q** from **12.46%** as on June 30, 2018.
- **Net NPA** ratio declined to **4.86%** as on September 30, 2018 from **5.40%** as on June 30, 2018. Absolute amount of **Net NPA** also declined to **INR 21,059 crore** from **INR 22,384 crore** as on June 30, 2018.
- Bank made a specific provision of **INR 241 crore** for a financial services company. Provision for NPAs declined by **20.57%** on YoY basis.
- Exposure in accounts under **NCLT 1** list was **INR 3,920 crore** and **NCLT 2** list was **INR 4,227 crore** as on September 30, 2018.
- Provision coverage under **NCLT 1** and **NCLT 2** list was **68.52%** and **66.82%** respectively.



## CAPITAL ADEQUACY

**Capital Adequacy Ratio** of the Bank at **11.88 %** continues to be above regulatory norms. **Tier 1 capital ratio** was **10.25 %** and **CET 1 Capital** was **9.05 %**.

## 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.

The new and upgraded product capabilities in supply chain financing and cash management, commercial vehicles, fleet financing and equipment financing have gained momentum leading to increased engagement with customers. The paperless process flow of opening of new deposit accounts through tablets has enabled Bank to offer seamless customer experience.

Strategic review of international operations and actions taken thereon have improved margin from such business.

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 digitization, building straight through processes (STP), and enabling the customers to execute their transactions through their PCs, Tablets or smartphones.

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

**October 30, 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 Vadodra (earlier known as Baroda), in Gujarat, India.

Bank of Baroda is one of India's largest banks with a strong domestic presence spanning 5,534 branches and 9,632 ATMs and Cash Recyclers supported by self-service channels. The Bank has a significant international presence with a network of 103 branches/ offices subsidiaries, spanning 22 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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