

## Press Release

### BANK OF BARODA ANNOUNCES FINANCIAL RESULTS FOR Q4 FY 2019 AND FY (Apr-Mar 2019)

**Robust domestic credit growth for eight quarters; domestic margins improve; GNPA/NPAs lower in absolute and % terms; transformation journey and merger on track with focus on world-class operational and analytics capabilities.**

#### **Highlights**

- **Domestic Y-o-Y credit growth remained in double-digits for eight quarters. Terminal and average growth of 14.17% and 18.75% respectively. Retail loans increased by 24.18% led by home and auto loans at 22.15% and 49.43% respectively.**
- **Net Interest Income (NII) increased to INR 4,863 crore. Adjusting for IT refund of INR 204 crore in March 2019, NII increased by 25.73% on a Y-o-Y basis. Domestic core fee income increased by 10.41% Y-o-Y to INR 995 crore.**
- **Consolidated and Standalone Operating Profit stood at INR 15,519 crore and INR 13,487 crore respectively for FY 2019 an increase of 12.34% and 14.43% respectively. Treasury trading gains were lower at INR 989 crore from INR 1,878 crore in FY 2018. Standalone Operating Profit for Q4 FY 19 stood at INR 3,861 crore registering an increase of 44.88%.**
- **Net Interest Margin (NIM) improved to 2.90% in Q4 FY 19 from 2.69% last quarter. For the year, NIM increased to 2.72% from 2.43% in the previous year. Domestic NIM increased to 2.98% in Q4 FY 19 (adj. for IT refund) from 2.80% last quarter.**
- **Gross NPA reduced to 9.61% as on March 31, 2019 against 11.01% last quarter. Net NPA fell to 3.33% from 4.26% last quarter. Absolute amount of Net NPA also declined by INR 3,521 crore to INR 15,609 crore, lowest in eight quarters.**
- **The Bank front-ended NPL provisions of INR 5,550 crore. PCR including TWO increased to 78.68% and PCR excluding TWO increased to 67.64% as on March 31, 2019 from 73.47% and 64.03% respectively as on December 31, 2018.**
- **Bank recorded loss on a standalone basis of INR 991 crore for Q4 FY 19 due to acceleration in provisions. For the whole year, standalone and consolidated profit stood at INR 433 crore and INR 1,100 crore respectively.**
- **With capital infusion of INR 5,042 crore by GoI, Capital Adequacy Ratio (CAR) and CET-1 increased to 13.42% and 10.38% versus 11.67% and 8.65% in December 2018. RWA increased by only 0.6% Y-o-Y against 11% Y-o-Y increase in earning assets underlying capital efficiency. Consolidated CAR and CET-1 improved in March 2019 to 14.52% (12.62% in December 2018) and 11.60% (9.74% in December 2018) respectively.**

Bank of Baroda announced its results for the Quarter and Year ended on March 31, 2019, following the approval of its Board of Directors on May 22, 2019.

### Results at a Glance (Standalone Basis)

*All figures in INR crore*

Particulars	Quarterly Results			Annual Results		
	Q4 FY 19	Q4 FY 18	% Change	FY19	FY18	% Change
Interest Income	13,111	10,905	20.23	49,771	43,189	15.24
Interest Expenses	8,247	7,037	17.19	31,290	28,127	11.25
<b>Net Interest Income (NII)</b>	<b>4,863</b>	<b>3,868</b>	<b>25.73</b>	<b>18,480</b>	<b>15,061</b>	<b>22.70</b>
Customer Fee Income	1,076	1,088	-1.10	3,837	3,617	6.08
Customer Income (NII + Fee Income)	<b>5,939</b>	<b>4,956</b>	<b>19.84</b>	<b>22,317</b>	<b>18,678</b>	<b>19.48</b>
<b>Other Non-Interest Income</b>	<b>894</b>	<b>608</b>	<b>47.04</b>	<b>2,254</b>	<b>3,040</b>	<b>-25.86</b>
a) Trading Gains – Profit from Sale of Investments	416	170	144.96	989	1,878	-47.33
b) Recovery from TWO	315	254	23.99	832	621	34.05
Non-Customer Interest Income	204	134	52.10	204	461	-55.75
<b>Operating Income (NII + Other Income)</b>	<b>7,037</b>	<b>5,698</b>	<b>23.50</b>	<b>24,775</b>	<b>22,179</b>	<b>11.70</b>
Operating Expenses	3,177	3,033	4.75	11,288	10,173	10.96
<i>of which, Employee Cost</i>	<b>1,413</b>	<b>1,268</b>	<b>11.43</b>	<b>5,039</b>	<b>4,607</b>	<b>9.38</b>
<b>Operating Profit</b>	<b>3,861</b>	<b>2,665</b>	<b>44.88</b>	<b>13,487</b>	<b>12,006</b>	<b>12.34</b>
<b>Total Provisions</b>	<b>4,852</b>	<b>5,768</b>	<b>(15.88)</b>	<b>13,053</b>	<b>14,437</b>	<b>(9.59)</b>
<i>of which Provision for NPA</i>	5,550	7,053	(21.31)	12,192	14,212	(14.21)
<b>Profit before Tax</b>	<b>5,399</b>	<b>6,678</b>	<b>(23.69)</b>	<b>12,788</b>	<b>14,796</b>	<b>(15.70)</b>
Provision for Tax	(547)	(905)		265	(359)	
<b>Net Profit</b>	<b>(991)</b>	<b>(3,102)</b>		<b>433</b>	<b>(2,432)</b>	

## BUSINESS

- **Domestic CASA deposits** registered a growth of **8.36 %** Y-o-Y. **CASA deposits to Total Domestic Deposits at 40.23% versus 41.18% as on March 31, 2018.**
- **Domestic Deposits** stood at **INR 5,17,966 crore** as on March 31, 2019 up by **11.91%** from **INR 4,66,974 crore** as on March 31, 2018.
- **Domestic advances** grew by **14.17%** to **INR 3, 70,185 crore** as on March 31, 2019 from **INR 3, 24,239 crore** as on March 31, 2018. The increase was led by **retail loans** which grew by **24.18%**.
- Contribution of Bank's **International Business** at the end of March 31, 2019 was **19.81%** compared with **19.87%** as of December 31, 2018 due to effect of rationalisation of overseas operations setting in.
- Modified duration of AFS investments and total investment as on March 31, 2019 is **0.89 and 3.47**
- The Bank's **Total Business** stood at **INR 11,07,509 crore** as on March 31, 2019 up by **8.71%** from **INR 10,18,747 crore** as on March 31, 2018.

## OPERATING PERFORMANCE

- The **Operating Profit** stood at **INR 3,861 crore as against INR 3,539 crore in the previous quarter.** For the financial year 2019, Operating profit increased by 12.34% due to **22.70%** increase in Net Interest Income at **INR 18,480 crore.** Customer fee income increased by 6.08% to **INR 3,837 crore.**
- **Net Interest Income (NII)** increased to **INR 4,863 crore.** Adjusting for IT refund of **INR 204 crore** in March 2019, NII increased by 25.73%. **Domestic core fee income** increased by **10.41%** Y-o-Y to **INR 955 crore.** **Operating income** (NII + Other income) increased by **23.50%** Y-o-Y to **INR 7,037 crore.**
- **Net Interest Margin (NIM)** improved to **2.90%** in March 2019 from **2.69%** in December 2018. **NIM of domestic operations** (adj. for IT refund) increased to **2.98%** from **2.80%** in December 2018.
- **Bank posted loss of INR 991 crore** for the quarter ending **March 31, 2019** on account of **accelerated specific provisions on NPLs at INR 5,550 crore from INR 3,416 crore** in the previous quarter. For the whole year, **standalone and consolidated profit** stood at **INR 433 crore and INR 1,100 crore** respectively.

## ASSET QUALITY

- **Fresh slippage** for the quarter and the financial year was at **INR 3,192 crore and INR 10,138 crore respectively.**
- **Provision for NPAs** was at **INR 5,550 crore for the quarter.** However, Credit cost for the financial year 2019 declined to **2.43%** from **3.48% in 2018.**
- **Gross NPA (GNPA)** was **INR 48,233 crore** as on March 31, 2019 compared to **INR 53,184 crore** as on December 31, 2018. **GNPA** ratio declined to **9.61%** from **11.01%** as on December 31, 2018
- **Net NPA** ratio declined to **3.33%** as on March 31, 2019 from **4.26%** as on December 31, 2018. Absolute amount of **Net NPA** also declined by **INR 3,521 crore** from **INR 19,130 crore** as on December 31, 2018.
- Exposure in accounts under **NCLT 1** list was **INR 3,908 crore** and **NCLT 2** list was **INR 3,831 crore** as on March 31, 2019.
- Provision coverage under **NCLT 1** and **NCLT 2** list was **95.63%** and **84.11%** respectively.

## CAPITAL ADEQUACY

**Capital Adequacy Ratio** of the Bank stood at **13.42%** and **CET-1** at **10.38%** versus **11.67%** and **8.65%** in December 31, 2018. Consolidated CET-1 and Capital Adequacy Ratios improved in March 2019 at **11.60%** (**9.74%** in December 2018) and **14.52%** (**12.62%** in December 2018) respectively.

## TRANSFORMATION OF THE BANK

The Bank's transformation journey involving multi-dimensional initiatives across Business Units and Support Functions continue to reap dividends.

The Bank is leveraging the impetus gained through multi-dimensional initiatives cutting across all business units and supporting functions like IT, HR, Operations & Services to widen the spectrum considering the amalgamation w.e.f. 1st April 2019.

The future ready Bank with digitization and Product, Process and People change management architecture has left its imprint on the respective Business Units with Corporate, Retail, MSME loan books looking up with robust quality portfolio and concomitant return on capital.

Banking on the move, Tab Banking continue to play a pivotal role in ease of account opening process and customer delight.

Shared Services Centre continues progress and more functions have been migrated to centralized set up such as Pension Payment, ATM monitoring and debit card issuance. Dashboards and constant focus on controls and compliance remain the underpinning core values of centralization of processes.

Strategic Tie-ups with market players in the field of agri, e-commerce, Fintech will enable bank to augment business besides improving market share and strategic rationalization of International Operations along with fungible credit limits paving the way for more profitable operations across overseas territories

Reward, Recognition and Employee engagement reinforces the philosophy of grow with the Bank and employee motivation.

Bank has put in place customer segmentation with a focus on hyper personalisation to cross sell products and continuous feedback from customers helps the bank in meeting the aspirations of the customers on an ongoing basis.

Bank is making paradigm shift in making the operating Units to focus on “Sales and Service” model with enabling atmosphere of centralization of back office functions.

Centres of Excellence in IT and Analytics will further drive technological adoption and cutting edge tools to improve business performance.

Against the backdrop of amalgamation, Bank is poised to showcase a very strong fundamentals to be a premier Bank in the country with world class experience to the customers.

**May 22, 2019**  
**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 5,553 branches and 9,572 ATMs and Cash Recyclers supported by self-service channels. The Bank has a significant international presence with a network of 100 overseas offices spanning 21 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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