

Press Release

Bank of Baroda announces Financial Results for the Quarter & Financial Year ended
31st March 2023

Key Highlights

- Bank of Baroda (BOB) reported a ~2x growth in profits for FY23 and declared its highest ever quarterly and annual net profit of INR 4,775 crore (+168% YoY) and INR 14,110 crore (+94% YoY) respectively.
- As a result of this significant improvement in profitability the Bank's Return on Assets (RoA) for FY23 improved by 43 bps YoY to 1.03% (FY23) ; RoA for Q4FY23 improves by 77 bps YoY to 1.34%
- Similarly, Bank's Return on Equity (RoE) for FY23 increases by 648 bps YoY to 18.34%; RoE for Q4FY23 stands 24.82%, up by 1321 bps YoY
- This robust growth in profitability was supported by healthy Net Interest Income (NII) growth of 33.8% & 26.8% for Q4FY23 & FY23 respectively.
- Sustained NII growth is attributable to growth in advances of 18.5% (YoY) coupled with traction in Net Interest Margins (NIM), which grew 16 bps QoQ / 45 bps YoY to end the quarter at 3.53% and 28 bps YoY for the full year FY23.
- Strong growth in Income coupled with subdued increase in Opex has resulted in robust Operating profit growth of 43.3% YoY for Q4FY23 and 20% YoY for the financial year 2023.
- The Bank has been able to effect a reduction in the Cost to Income ratio by 152 bps and reported a Cost to Income ratio of 47.72% for FY23.
- BOB has witnessed significant improvement in its Asset quality with sharp reduction in GNPA by 282 bps YoY & 74 bps QoQ to 3.79%. Bank's NNPA improved to 0.89% with a reduction of 83 bps YoY and 10 bps QoQ.
- BOB's Provision Coverage Ratio (PCR) remained healthy at 92.43% with TWO & at 77.19% without TWO.
- This strong and sustainable improvement in asset quality has resulted in record low Credit Cost for the Bank at 0.14% for Q4FY23 & 0.53% for FY23.
- BOB's Global Advances registered a strong YoY growth of 18.5% in Q4FY23 led by robust retail loan book growth. Bank's organic Retail Advances grew by 26.8%, driven by growth in high focus areas such as Auto Loan (24.4%), Home Loan (19.5%), Personal Loan (101.5%), Mortgage Loan (18.0%), Education Loan (21.8%).
- Bank achieved a total business of INR 21,73,236 crore as of 31st March 2023, registering a growth of 16.6% YoY.
- The Board of the Bank has recommended to declare a dividend of INR 5.5 per share, subject to requisite approval

Profitability

- ❖ BOB reported a standalone Net Profit of INR 4,775 crore in Q4FY23 as against a profit of INR 1,779 crore in Q4FY22. It grew by 94% YoY and stands at INR 14,110 crore for FY23.
- ❖ Net Interest Income (NII) grew by 33.8% YoY to INR 11,525 crore in Q4FY23. NII registered a growth of 26.8% YoY for FY23 and stands at INR 41,355 crore.
- ❖ Global NIM stands at 3.53% in Q4FY23, increase of 45 bps YoY. NIM for FY23 stands at 3.31% against 3.03% for FY22.
- ❖ Domestic NIM stands at 3.65% in Q4FY23, increase of 51 bps YoY. NIM for FY23 stands at 3.42% against 3.09% for FY22.
- ❖ Yield on Advances increased to 8.47% in Q4FY23 as against 6.81% in Q4FY22.
- ❖ Cost of Deposits stands at 4.43% in Q4FY23 as against 3.53% in Q4FY22.
- ❖ Operating Income for Q4FY23 stands at INR 14,991 crore, increase of 34.6% YoY. It registered a growth of 16.5% YoY for FY23 and stands at INR 51,381 crore.
- ❖ Operating Profit for Q4FY23 stands at INR 8,073 crore, increase of 43.3% on a YoY basis. Operating Profit for FY23 stands at INR 26,864 crore up by 20% YoY.
- ❖ Cost to Income ratio reduced to 46.15% for Q4FY23 as against 49.39% for Q4FY22. It declined by 152 bps YoY and stands at 47.72% for FY23.
- ❖ Return on Assets (annualised) improved to 1.34% in Q4FY23 from 0.57% in Q4FY22. Return on Assets for FY23 stands at 1.03% up by 43 bps YoY.
- ❖ Return on Equity (annualised) for FY23 increased by 648 bps YoY to 18.34%.
- ❖ For the consolidated entity, Net Profit stood at INR 14,905 crore in FY23 as against INR 7,850 crore in FY22.

Asset Quality

- ❖ The Gross NPA of the Bank reduced by 32% YoY to INR 36,764 crore in Q4FY23 and Gross NPA Ratio improved to 3.79% in Q4FY23 from 6.61% in Q4FY22.
- ❖ The Net NPA Ratio of the Bank stands at a record low of 0.89% in Q4FY23 as compared with 1.72% in Q4FY22.
- ❖ The Provision Coverage Ratio of the Bank stood at 92.43% including TWO and 77.19% excluding TWO in Q4FY23.
- ❖ Slippage ratio declined to 1.02% for Q4FY23 as against 2.52% in Q4FY22. Slippage ratio for FY23 reduced by 54 bps and stands at 1.07%.
- ❖ Credit cost for the Q4FY23 stands at 0.14% and 0.53% for the full year.

Capital Adequacy

- ❖ CRAR of the Bank stands at 16.24% in Mar'23. Tier-I stood at 13.99% (CET-1 at 12.24%, AT1 at 1.75%) and Tier-II stood at 2.25% as of Mar'23.
- ❖ The CRAR and CET-1 of consolidated entity stands at 16.73% and 12.83% respectively
- ❖ The Liquidity Coverage Ratio (LCR) consolidated stands at 135.4%.

Business Performance

- ❖ Global Advances of the Bank increased to INR 9,69,548 crore, +18.5% YoY.
- ❖ Domestic Advances of the Bank increased to INR 7,95,560 crore, +16.3% YoY.
- ❖ International advances grew by 6.3% sequentially in Q4FY23 stands at INR 1,73,988 crore.
- ❖ Global Deposits increased by 15.1% YoY to INR 12,03,688 crore.
- ❖ Domestic Deposits increased by 13% YoY to INR 10,47,375 crore in Mar'23.
- ❖ International Deposits grew by 31.4% on a YoY basis to INR 1,56,313 crore in Mar'23.
- ❖ Domestic CASA deposits registered a growth of 7.9% YoY and stands at INR 4,42,511 crore.
- ❖ Domestic Saving deposits grew by 7.6% on a YoY basis in Mar'23 and Domestic Current deposits registered a growth of 9.2% YoY.
- ❖ Organic Retail Advances grew by 26.8%, led by growth in high focus areas such as Auto Loan (24.4%), Home Loan (19.5%), Personal Loan (101.5%), Mortgage Loan (18%), Education Loan (21.8%) on a YoY basis.
- ❖ Agriculture loan portfolio grew by 13.2% YoY to INR 1,24,247 crore.
- ❖ Total Gold loan portfolio (including retail and agri.) stands at INR 38,251 crore, registering a growth of 30.5% on a YoY basis.
- ❖ Organic MSME portfolio grew by 11.7% YoY to INR 1,08,196 crore.

Financial result for Quarter ended 31st March 2023

Particulars (INR crore)	Q4FY22	Q3FY23	Q4FY23	YoY(%)	FY22	FY23	YoY(%)
Interest Income	18,174	23,540	25,857	42.3	69,881	89,589	28.2
Interest Expenses	9,562	12,722	14,332	49.9	37,259	48,233	29.5
Fee Income	1,638	1,539	1,714	4.6	5,486	5,997	9.3
Net Interest Income (NII)	8,612	10,818	11,525	33.8	32,622	41,355	26.8
Operating Income	11,134	14,370	14,991	34.6	44,106	51,381	16.5
Operating Expenses	5,499	6,138	6,918	25.8	21,716	24,518	12.9
Operating Profit	5,635	8,232	8,073	43.3	22,389	26,864	20.0
Total Provisions (other than tax) and contingencies	3,736	2,404	1,421	-62.0	13,002	7,137	-45.1
of which, Provision for NPA Bad Debts Written-off	5,200	817	320	-93.8	14,640	4,351	-70.3
Profit before Tax	1,899	5,828	6,652	--	9,387	19,727	--
Provision for Tax	120	1,976	1,877	--	2,114	5,617	--
Net Profit	1,779	3,853	4,775	--	7,272	14,110	94.0

Business position

Particulars (INR crore)	Mar 31 2022	Dec 31, 2022	Mar 31, 2023	YoY (%)
Domestic deposits	9,27,011	10,03,737	10,47,375	13.0
Domestic CASA	4,10,123	4,17,812	4,42,511	7.9
Global deposits	10,45,939	11,49,507	12,03,688	15.1
Domestic advances	6,84,153	7,60,249	7,95,560	16.3
Of which, retail loan portfolio (Organic)	1,40,399	1,66,861	1,78,037	26.8
Global advances	8,18,120	9,23,878	9,69,548	18.5
NIM Global %	3.08	3.37	3.53	45 bps

Key Ratios

Particulars	Q4FY22	Q3FY23	Q4FY23
Return on Assets (%)	0.57	1.13	1.34
CRAR (%)	15.68	14.93	16.24
CET-1 (%)	11.42	10.83	12.24
Gross NPA (%)	6.61	4.53	3.79
Net NPA (%)	1.72	0.99	0.89
PCR (with TWO) (%)	88.71	92.34	92.43

16th May, 2023
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. Under the ‘Alternative Mechanism’ scheme, the Government announced the amalgamation of Vijaya Bank and Dena Bank with Bank of Baroda which came into effect on April 1, 2019.

Bank of Baroda is one of India’s largest banks with a strong domestic presence spanning 8,200 branches and 11,401 ATMs and Cash Recyclers supported by self-service channels. The Bank has a significant international presence with a network of 93 overseas offices spanning 17 countries.

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