

Press Release

Bank of Baroda announces Financial Results for the Quarter ended 30th September 2023

Key Highlights

- Bank of Baroda (BOB) quarterly Net profit higher by 28.4% YoY at INR 4,253 crore in Q2FY24. Net Profit for H1FY24 grew by 51.8% to INR 8,323 crore.
- BOB has delivered ROA of more than 1% and ROE around 20%, consistently for last 5 quarters. ROA for Q2FY24 stands at 1.14% and ROE at 19.74%.
- The growth in profitability was supported by healthy Operating Income growth of 25% YoY in Q2FY24.
- Operating income growth was augmented by ~2x YoY growth in Non-Interest Income in Q2FY24.
- Non-Interest Income growth in Q2FY24 was driven by robust YoY growth in Fee Income (+31.7%), Trading Gains (+69.5%) and Recovery from TWO (~2x)
- Strong growth in Income coupled with subdued increase in Opex has resulted in robust Operating profit growth of 33% YoY for Q2FY24. Operating profit for H1FY24 higher by 50.1% YoY.
- The Bank has been able to effect a reduction in the Cost to Income ratio by 320 bps YoY to 46.54% for Q2FY24. Cost to Income ratio for H1FY24 is also declined by 608 bps YoY to 45.97%.
- BOB has witnessed significant improvement in its Asset quality with reduction in GNPA by 199 bps YoY to 3.32%. Bank's NNPA improved to 0.76%, a reduction of 40 bps YoY.
- BOB's balance sheet remained robust with healthy Provision Coverage Ratio (PCR) of 93.16% with TWO & at 77.64% without TWO.
- Credit cost remains below 1% at 0.92% for Q2FY24.
- BOB's Global Advances registered a strong YoY growth of 17.3% in Q2FY24 led by robust retail loan book growth. Bank's organic Retail Advances grew by 22.2%, driven by growth in high focus areas such as Auto Loan (21.1%), Home Loan (16.1%), Personal Loan (67.2%), Mortgage Loan (13.3%), Education Loan (18.3%).
- Bank achieved a total business of INR 22,74,148 crore as of 30th Sep 2023, registering a growth of 15.8% YoY.



Profitability

- ❖ BOB reported a standalone Net Profit of INR 4,253 crore in Q2FY24 as against a profit of INR 3,313 crore in Q2FY23. Net Profit for H1FY24 stands at INR 8,323 crore (+51.8% YoY) as against INR 5,482 crore in H1FY23.
- ❖ Net Interest Income (NII) grew by 6.5% YoY to INR 10,831 crore in Q2FY24. NII for H1FY24 registered a growth of 14.8% and stands at INR 21,827 crore.
- ❖ Non-Interest Income grew ~2x to INR 4,171 crore in Q2FY24 as against INR 1,826 crore in Q2FY23. Non-Interest Income for H1FY24 stands at INR 7,493 crore.
- ❖ Global NIM stands at 3.07% in Q2FY24.
- ❖ Yield on Advances increased to 8.43% in Q2FY24 as against 7.22% in Q2FY23.
- ❖ Cost of Deposits increased to 4.92% in Q2FY24 as against 3.59% in Q2FY23.
- ❖ Operating Income for Q2FY24 stands at INR 15,002 crore, increase of 25% YoY. Operating Income for H1FY24 grew by 33.2%.
- ❖ Operating Profit for Q2FY24 stands at INR 8,020 crore, increase of 33% on a YoY basis. Operating Profit for H1FY24 increased by 50.1% to INR 15,844 crore.
- ❖ Cost to Income ratio reduced to 46.54% for Q2FY24 as against 49.74% for Q2FY23.
- ❖ Return on Assets (annualised) improved to 1.14% in Q2FY24 from 1.01% in Q2FY23.
- ❖ Return on Equity (annualised) for Q2FY24 increased by 18 bps YoY to 19.74%.
- ❖ For the consolidated entity, Net Profit stood at INR 4,394 crore in Q2FY24 as against INR 3,400 crore in Q2FY23.

Asset Quality

- ❖ The Gross NPA of the Bank reduced by 26.8% YoY to INR 33,968 crore in Q2FY24 and Gross NPA Ratio improved to 3.32% in Q2FY24 from 5.31% in Q2FY23.
- ❖ The Net NPA Ratio of the Bank stands at 0.76% in Q2FY24 as compared with 1.16% in Q2FY23.
- ❖ The Provision Coverage Ratio of the Bank stood at 93.16% including TWO and 77.64% excluding TWO in Q2FY24.
- ❖ Slippage ratio declined to 1.28% for H1FY24 as against 1.53% in H1FY23.
- ❖ Credit cost for the Q2FY24 stands at 0.92%.

Capital Adequacy

- ❖ CRAR of the Bank stands at 15.30 % in Sep'23. Tier-I stood at 13.19% (CET-1 at 11.57%, AT1 at 1.62%) and Tier-II stood at 2.11% as of Sep'23.
- ❖ The CRAR and CET-1 of consolidated entity stands at 15.74% and 12.11% respectively
- ❖ The Liquidity Coverage Ratio (LCR) consolidated stands at 132%.

Business Performance

- ❖ Global Advances of the Bank increased to INR 10,24,501 crore, +17.3% YoY.
- ❖ Domestic Advances of the Bank increased to INR 8,34,723 crore, +16.5% YoY.



- ❖ Global Deposits increased by 14.6% YoY to INR 12,49,647 crore.
- ❖ Domestic Deposits increased by 12.0% YoY to INR 10,74,114 crore in Sep'23.
- ❖ International Deposits grew by 33.8% on a YoY basis to INR 1,75,533 crore in Sep'23.
- ❖ Organic Retail Advances grew by 22.2%, led by growth in high focus areas such as Auto Loan (21.1%), Home Loan (16.1%), Personal Loan (67.2%), Mortgage Loan (13.3%), Education Loan (18.3%) on a YoY basis.
- ❖ Agriculture loan portfolio grew by 13.7% YoY to INR 1,30,694 crore.
- ❖ Total Gold loan portfolio (including retail and agri.) stands at INR 43,884 crore, registering a growth of 31.0% on a YoY basis.
- ❖ Organic MSME portfolio grew by 12.1% YoY to INR 1,13,512 crore.



Financial result for Quarter ended 30th September 2023

Particulars (INR crore)	Q2FY23	Q1FY24	Q2FY24	YoY(%)	H1FY23	H1FY24	YoY(%)
Interest Income	21,254	26,556	27,862	31.1	40,192	54,417	35.4
Interest Expenses	11,080	15,559	17,031	53.7	21,179	32,590	53.9
Fee Income	1,515	1,507	1,996	31.7	2,793	3,503	25.4
Net Interest Income (NII)	10,174	10,997	10,831	6.5	19,013	21,827	14.8
Operating Income	12,000	14,319	15,002	25.0	22,020	29,320	33.2
Operating Expenses	5,969	6,495	6,982	17.0	11,462	13,477	17.6
Operating Profit	6,031	7,824	8,020	33.0	10,558	15,844	50.1
Total Provisions (other than tax) and contingencies	1,628	1,946	2,161	32.7	3,312	4,106	24.0
of which, Provision for NPA Bad Debts Written-off	1,654	1,693	2,285	38.1	3,214	3,978	23.8
Profit before Tax	4,403	5,878	5,859	33.1	7,246	11,737	62.0
Provision for Tax	1,090	1,807	1,606	47.3	1,765	3,414	93.4
Net Profit	3,313	4,070	4,253	28.4	5,482	8,323	51.8

Business position

Particulars (INR crore)	Sep 30 2022	Jun 30 2023	Sep 30 2023	YoY (%)
Domestic deposits	9,58,967	10,50,306	10,74,114	12.0
Domestic CASA	4,10,151	4,23,600	4,28,320	4.4
Global deposits	10,90,172	11,99,908	12,49,647	14.6
Domestic advances	7,16,737	8,12,626	8,34,723	16.5
Of which, retail loan portfolio (Organic)	1,58,506	1,84,091	1,93,682	22.2
Global advances	8,73,496	9,90,988	10,24,501	17.3
NIM Global %	3.33	3.27	3.07	(26 bps)

Key Ratios

Particulars	Q2FY23	Q1FY24	Q2FY24
Return on Assets (%)	1.01	1.11	1.14
CRAR (%)	15.25	15.84	15.30
CET-1 (%)	10.95	11.94	11.57
Gross NPA (%)	5.31	3.51	3.32
Net NPA (%)	1.16	0.78	0.76
PCR (with TWO) (%)	91.73	93.23	93.16



4th November, 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 8,209 branches and 10,567 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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