

NOTES TO CONSOLIDATED FINANCIAL RESULTS

1. The above consolidated financial results of Bank of Baroda (hereinafter referred as “Bank”) including Subsidiaries (hereinafter referred as “Group”), Joint Ventures and Associates have been recommended by the Audit Committee of Board and approved at the meeting of the Board of Directors held on November 10, 2021. The same has been subjected to limited review by Statutory Central Auditors of the Bank in line with the guidelines issued by the Reserve Bank of India and as per SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, as amended thereafter.
2. The above consolidated financial results are prepared in accordance with Accounting Standard 25 on “Interim Financial Reporting”, Accounting Standard 21 on “Accounting for Consolidated Financial Statements”, Accounting Standard 23 on Accounting for “Investment in Associates” and Accounting Standard 27 on “Financial Reporting of Interest in Joint Venture”.
3. The Group has continued to follow the same accounting policies and practices in preparation of financial statement for the quarter/half year ended September 30, 2021 as followed in the previous financial year ended March 31, 2021.
4. The above financial results have been arrived at after considering necessary provision for NPAs, Standard Assets , Restructured Assets and Investment Depreciation/Provision, Provisions for contingencies, Employee Benefits, Direct taxes (after adjustment for deferred tax) and for other items/assets are made on estimated basis and subject to adjustments, if any, at the year end.
5. In terms of Reserve Bank of India (RBI) guidelines, Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel- III framework are being made available on our website “www.bankofbaroda.com”. These disclosures have not been subjected to review/ audit by Statutory Central Auditors of the Bank.
6. The Consolidated Financial Results comprises the financial results of 7 Domestic Subsidiaries, 7 Overseas Subsidiaries, 3 Joint Ventures and 4 Associates as under :-

A. Subsidiaries		Country of Incorporation	Type	Percentage of Holding
i	The Nainital Bank Limited	India	Banking	98.57%
ii	BOB Financial Solutions Limited	India	Non-Banking	100%
iii	BOB Capital Markets Limited	India	Non-Banking	100%
iv	Baroda Global Shared Services Limited	India	Non-Banking	100%
v	Baroda Sun Technologies Limited	India	Non-Banking	100%
vi	Baroda Asset Management India Limited	India	Non-Banking	100%
vii	Baroda Trustee India Private Limited	India	Non-Banking	100%
viii	Bank of Baroda (Uganda) Limited (consolidated)	Uganda	Banking	80%

	Baroda Capital Markets (Uganda) Limited (Subsidiary of Baroda (Uganda) Limited.	Uganda	Non-Banking	100%
ix	Bank of Baroda (Kenya) Limited	Kenya	Banking	86.70
x	Bank of Baroda (Botswana) Limited	Botswana	Banking	100%
xi	Bank of Baroda (New Zealand) Limited	New Zealand	Banking	100%
xii	Bank of Baroda (Guyana) Inc.	Guyana	Banking	100%
xiii	Bank of Baroda (UK) Limited	United Kingdom	Banking	100%
xiv	Bank of Baroda (Tanzania) Limited	Tanzania	Banking	100%
B. Joint Ventures				
i	India Infradebt Limited	India	Non-Banking	40.99%
ii	IndiaFirst Life Insurance Company Limited	India	Non-Banking	44%
iii	India International Bank (Malaysia) Bhd	Malaysia	Banking	40%
C. Associates				
i	Baroda U.P. Bank	India	RRB	35%
ii	Baroda Rajasthan Kshetriya Gramin Bank	India	RRB	35%
iii	Baroda Gujarat Gramin Bank	India	RRB	35%
iv	Indo Zambia Bank Limited	Zambia	Banking	20%

7. The Covid-19 outbreak was declared a global pandemic by the world Health Organization on March 11, 2020 and affected world economy as well as Indian economy. On account of continuous volatility in financial market, Bank of Baroda has considered internal and external sources of information including economic forecast and industry report up to date of approval of financial results in determining the impact on various elements of its financial statements including recoverability of advances & provision there on, investment valuation, other assets and liabilities of Bank of Baroda.

The second wave of the covid-19 pandemic has subsided considerably and more than 100 crores of COVID vaccine has been administered by now. Presently COVID-19 infection rates have fallen significantly. Economic activity is on increasing trend and activity level in many sectors is approaching pre – Covid level. Due to this resumption of economic activities, the adverse impact created by COVID now seems to be wearing off slowly. Economies are fast recovering from the shock of Covid-19 pandemic on the back of generous stimulus package announced by the Govt and aggressive vaccination drives. The Bank is regularly keeping a watch on development & taking proactive measures to reduce the stress in accounts. The Bank believes that there will not be any significant impact on Bank's financial result.

8. The Honorable Supreme Court of India vide an interim order dated 03.09.2020 had directed that accounts which were not declared NPA till 31.08.2020 shall not be declared as NPA till further orders, which has been complied with by the Bank. The said interim order stood vacated on 23.03.2021 and the Bank continued with the asset classification of borrower accounts as per the extant RBI

instruction/IRAC norms. In view of this, the results for the half year ended September 2021 are not comparable with the corresponding half year of FY 2020-21.

9. During the quarter ended on 30th September 2021, the Bank has made an additional provision of ₹ 60000 lakhs over and above the RBI-IRAC norms in certain stressed standard advances on prudent basis.
10. As per RBI Circular no. DBR.No.BP.15199/21.04.048/2016-17 and DBR.No.BP.1906/21.04.048/2017-18 dated June 23, 2017 and August 28, 2017 respectively, for the accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the Group is holding total provision of ₹ 821274 lakhs being 100% of total outstanding as on September 30, 2021.
11. Bank has estimated the additional liability on account of revision in family pension for employees as per Joint Note dated November 11th 2020, amounting to ₹145441 lakhs. However, RBI vide their Circular RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated 4th October 2021, has permitted Banks to amortize the said additional liability over a period of not exceeding 5 (five) years, beginning with financial year ending 31st March 2022, subject to a minimum of 1/5th of the total amount being expensed every year. Bank has opted the said provision of RBI, charged an amount of ₹14544 lakhs to the Profit & Loss account for the half year ended 30th September 2021 and the balance unamortized expense of ₹130897 lakh has been carried forward. Had the Bank charged the entire additional liability to the Profit and Loss Account, the net profit for the quarter and half year ended September 30, 2021 would have been lower by ₹ 97950 lakhs.
12. In accordance with RBI Circular No. DBR.No.BP.BC.18/21.04.048/2018-19 dated 01.01.2019, RBI circular No DOR. No. BP. BC. 34/21.04.048/2019-20 dated 11.02.2020 & RBI circular No DOR. No. BP. BC/4/21.04.048/2020-21 dated 06.08.2020 on 'Restructuring of Advances - Micro, Small and Medium Enterprises (MSME) Sector (One Time Restructuring)', the details of MSME restructured accounts is as under: (In ₹ Lakhs)

No of Accounts	Amount as on 30.09.2021
110776	796433.01

13. In accordance with RBI circular No DOR.STR.REC.12/21.04.048/2021-22 dated 05.05.2021 & RBI circular No DOR.STR.REC.21/21.04.048/2021-22 dated 04.06.2021 on Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs), the details of accounts restructured is as under.

No of Accounts	Amount as on 30.09.2021	Provision Held
29672	160385.97	16075.24

14. In accordance with the RBI Cir. No. DOR.STR.REC.11/21.04.048/2021-22 dated 05.05.2021 on “Resolution Framework – 2.0: Resolution of COVID – 19 related stress of Individuals¹ and Small Business²”, the number of borrower accounts where modification were sanctioned and implemented and the aggregate exposure to such borrowers are as under:- (In ₹ Lakhs)

No of Accounts	Aggregate exposure as on 30.09.2021
6716	67278.38

(1. Individual covers only Personal Loan segment as per RBI circular No DOR. No. BP.BC/3/21.04.048/2020-21 dated August 6, 2020 and now covered in to para 5(a) of RBI circular No DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021.

2. Small Business (including retail trade and wholesale trade) extended to individual which were covered under MSME as per RBI circular No DOR. No. BP.BC/4/21.04.048/2020-21 dated August 6, 2020 and now covered in to para 5(b) of RBI circular No DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021.)

15. As per the Reserve Bank of India (RBI) circular no. RBI/2015-16/376 DBR No. BP.BC.92/21.04.048/2015-16 dated April 18, 2016 the Bank has opted to provide the liability for frauds over a period of four quarters. Accordingly, the carry forward provision as on September 30, 2021 is ₹ 30896.26 lakhs which is to be amortised in the subsequent quarters by the Group.

16. RBI As per RBI circular no. RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, guidelines for implementation of Resolution Plan has been issued, also containing requirements of additional provisions as per para 17 of this RBI circular. The Bank is holding additional provision of ₹511868 Lakhs as on 30.09.2021 in 26 accounts as detailed below. (₹ In Lakhs)

Amount of Loans impacted by RBI Circular	Amount of Loans to be classified as NPA	Amount of Loans as on 30.09.2021 out of (B) classified as NPA	Provision held as on 30.06.2021	Additional provision made during quarter ended 30.09.2021	Provision held as on 30.09.2021
(A)	(B)	(C)	(D)	(E)	(F)
1807966	1000787	1000787	481430	30438	511868

17. Penalties of ₹ 252.57 lakhs and ₹ 296.77 lakhs have been imposed on the Group by Reserve Bank of India for the quarter and Half Year ended September 30, 2021 respectively.

18. In the case of one of the subsidiary Nainital Bank Limited, the management of the subsidiary and the Parent has initiated various steps to improve the controls required as per various regulatory directions in the area of core Banking solution, classification and identification of loan losses and other supervisory functions. The management of Parent Bank does not foresee any material impact over the Group Financial position arising out of the same.

19. Details of Resolution plan implemented under Resolution Framework for COVID 19 related stress as per RBI circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 06.August 2020.

Format A

Amount (In ₹ Lakhs)

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan \$
Personal Loans	6299	84596	0	0	8464
Pool purchase account	269	12544	0	0	1254
Corporate persons*	28	864968	5009	44267	114858
Of which, MSMEs	8	35501	0	916	3642
Others	1	83138	32958	9250	29589
Total	6597	1045246	37967	53517	154165

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

\$ Total Provision held as on 30.09.2021 in the accounts restructured.

Format B

(In ₹ Lakhs)

Type of borrower	Exposure to accounts classified as standard consequent to implementation of Resolution Plan – Position as at the end of the Previous half-year i.e 31.03.2021 (A)	Of (A), Aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year	Exposure to accounts classified as standard consequent to implementation of Resolution Plan – Position as at the end of this half-year (A)
Personal Loans	91890	4851	0	1895	85143
Pool purchase account	15428	2495	0	593	12339
Corporate persons*	280821	0	0	0	911658
Of which, MSMEs	0	0	0	0	37277
Others	0	0	0	0	92387
Total	388139	7346	0	2488	1101528

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

20. Disclosure as per the RBI Cir. No. DOR.STR.REC.11/21.04.048/2021-22 dated 05.05.2021 on “Resolution Framework – 2.0: Resolution of COVID – 19 related stress of Individuals and Small Business”, is as under:-

(In ₹ Lakhs)

Sl. No	Description	Individual Borrowers		Small Business
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A	35877	8	11315
(B)	Number of accounts where resolution plan has been implemented under this window	35877	8	11314
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	447773	22.65	54878
(D)	Of (C), aggregate amount of debt that was converted into other securities	0	0	0
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	0	0	0
(F)	Increase in provisions on account of the implementation of the resolution plan	58280	3.09	6293

21. Other income of the Bank includes recoveries made in written off accounts, fee income on non-fund based banking activities, earnings from foreign exchange transactions, profit and loss on revaluation of investments, profit and loss on sale of investments and dividends from subsidiaries etc.

22. Notes on Segment Reporting

- As per the guidelines of the RBI on compliance with the Accounting Standards, the Bank has adopted “Treasury Operations”, “Wholesale”, “Retail” and “Other Banking Operations”, as primary business segments and “Domestic” and “International” as secondary / geographic segments for the purpose of compliance with Accounting Standard 17 on Segment Reporting issued by Institute of Chartered Accountants of India (ICAI).
- Segment revenue represents revenue from external customers.
- Capital employed for each segment has been allocated proportionate to the assets of the respective segment.

23. The comparative figures for quarter ended September 30, 2021 are the balancing figures between reviewed figures in respect of the half year ended September 30, 2021 and the published year to date figures up to June 30, 2021.



24. The figures of the previous period have been regrouped/rearranged, wherever necessary, to confirm to the current period classification.

Sanjiv Chadha

Managing Director & CEO

Vikramaditya Singh Khichi

Executive Director

Ajay K Khurana

Executive Director

Debadatta Chand

Executive Director

Joydeep Dutta Roy

Executive Director

Ian Desouza

Chief Financial Officer

G Ramesh

General Manager - Corporate Accounts and Taxation

Place: Mumbai

Date: November 10th, 2021