

Press Release

BANK OF BARODA ANNOUNCES FINANCIAL RESULTS
FOR Q3FY 2018 AND 9M (Apr-Dec 2017)

Highlights (Standalone Basis)

- **Improving operating performance: Operating profit of INR 3,650 crore during Q3 FY18 registering YoY growth of 40.66%, driven by both Interest and Fee Income.**
- **Loan growth– Domestic credit registered YoY growth of 16.38 % driven by retail loans growth of 33.37% and within retail loans, home loan growth of 44.33%.**
- **Cost of Deposits (Domestic) declines by 21 bps. Yield on Advances (Domestic) improves by 20 bps. Net Interest Margin (NIM) for global and domestic operations improves by 41 bps & 56 bps respectively**
- **Cost to Income Ratio improves to 39.84% from 44.26% last quarter.**
- **Net NPA ratio declines from 5.43% in Q3 FY 17 to 4.97% in Q3 FY 18.**
- **Impaired assets – GNPA plus Restructured Standard Assets and Net NPA plus Restructured Standard Assets declined by INR 528 crore and INR 2,422 crore respectively during the quarter.**
- **Provision Coverage Ratio (PCR) including TWO improved to 68.03% in Q3 FY 18 from 64.50% in Q3 FY 17.**
- **PCR excluding TWO improved to 59.05% in Q3 FY 18 from 55.43% in Q3 FY 17.**
- **Continued focus on recovery and collections.**
- **Capital Adequacy Ratio continues to be above regulatory requirements with CRAR (Basel III) at 11.55%; Tier - I at 9.52% and CET - I at 8.28 %.**
- **Bank's transformation journey continues as per plan.**

Bank of Baroda announced its results for the Quarter and Nine Months ended on December 31, 2017, following the approval of these by its Board of Directors on February 9, 2018.

Results at a Glance (Standalone Basis)

All figures in INR crore

Particulars	Quarterly Results			Nine months Results		
	Q3 FY 18	Q3 FY 17	% Change	Apr-Dec 17	Apr-Dec 16	% Change
Total Income	12,976	12,181	6.53	37,570	36,106	4.05
Interest Income	11,303	10,406	8.62	32,609	31,325	4.10
Interest Expenses	6,909	7,272	(4.99)	21,090	21,393	(1.42)
Net Interest Income	4,394	3,134	40.20	11,519	9,932	15.98
Other Income	1,673	1,775	(5.75)	4,961	4,781	3.76
Total Expenses	9,326	9,586	(2.71)	28,231	28,151	0.28
Operating Expenses	2,417	2,314	4.45	7,141	6,757	5.68
<i>of which,</i> Employee Cost	1,110	1,139	(2.55)	3,338	3,416	(2.28)
Operating Profit	3,650	2,595	40.66	9,340	7,955	17.41
Provision for NPA	3,155	1,638	92.61	7,159	5,255	36.23
Provision for Tax	112	263	(57.41)	546	847	(35.54)
Net Profit	112	253	(55.73)	671	1,228	(45.36)

BUSINESS

- The Bank's **Total Business** stood at **INR 9,72,645 crore** as at Dec 31, 2017 up by **3.49 %** from **INR 9,39,819 crore** as at Dec 31, 2016.
- **Total Deposits** stood at **INR 5,73,265 crore** as at Dec 31, 2017 as against **INR 5,89,859 crore** as at Dec 31, 2016.
- **Domestic Deposits** stood at **INR 4,43,469 crore** as at Dec 31, 2017 up by **1.22 %** from **INR 4,38,104 crore** as at Dec 31, 2016. Low Cost **CASA Deposits (Domestic)** registered a growth of **1.50 %** YoY.
- Percentage of **CASA deposits to Total Domestic Deposits** as at Dec 31, 2017 was **40.57%** up from **40.46%** as at Dec 31, 2016.
- **Total Advances (Net)** at **INR 3,99,380 crore** as at Dec 31, 2017 increased by **14.12%** from **INR 3,49,960 crore** as at Dec 31, 2016. **Domestic advances (net)** grew by **16.38 %** to **INR 2,90,977 crore** as at Dec 31, 2017 from **INR 2,50,033 crore** as at Dec 31, 2016 driven by retail loan growth of **33.37%** and within retail loan, home loan growth of **44.33%**.

- The Bank's **International Business** contributed 24.49% to the Bank's Total Business against 24.98% as at Sept 30, 2017.

OPERATING PERFORMANCE

- The Bank's **Total Income** at **INR 12,976 crore** in Q3 FY 18 increased by **6.53%** y-o-y. **Net Interest Income** stood at **INR 4,394 crore** up by **40.20%** y-o-y. **Other Income** stood at **INR 1,673 crore**.
- The Bank's **Total Expenses** stood at **INR 9326 crore** in Q3 FY 18. The interest expenses stood at **INR 6,909 crore**.
- **Net Interest Margin (NIM)** improved by **41 bps** to **2.72%** in Q3 FY 18 from **2.31%** during last quarter. NIM for Domestic operations improved by **56 bps** to **3.24%** from **2.68%** as compared to last quarter.
- **Cost to Income Ratio** improved to **39.84 %** from **44.26%** last quarter
- The Bank's **Operating Profit** was **INR 3,650 crore** in Q3 FY 18 registering **YoY growth of 40.66%**.
- The Bank posted a **Net Profit** of **INR 112 crore** for Q3 FY 18.

ASSET QUALITY

- **Gross NPA (GNPA)** of the Bank stood at **INR 48,480 crore** as on December 31, 2017 as compared to **INR 46,307 crore** as on Sept 30, 2017.
- **Impaired assets** - GNPA plus Restructured Standard Assets and Net NPA plus Restructured Standard Assets decreased from **INR 58,029 crore** and **INR 31,295 crore** as on September 30, 2017 to **INR 57,501 crore** and **INR 28,873 crore** as on December 31, 2017 respectively.
- **GNPA ratio** improved from **11.40%** in **December 2016** to **11.31%** in **December 2017**.
- **Net NPA ratio** improved from **5.43%** in **December 2016** to **4.97%** in **December 2017**.
- The **Provision Coverage Ratio (PCR)** including **TWO** improved to **68.03%** in **December 2017** from **64.50%** in **December 2016**. **PCR excluding TWO** also improved to **59.05%** in **December 2017** from **55.43%** in **December 2016**.

CAPITAL ADEQUACY

Capital Adequacy Ratio of the Bank continues to be above regulatory norms. The **CRAR** on standalone basis (**Basel III**) was **11.55%** as at December 31, 2017. Out of this, the **Tier 1** capital was **9.52%** and **CET 1** Capital was **8.28%**.

TRANSFORMATION OF THE BANK

The execution of various strategic initiatives continues to be underway as part of Project Navoday – the Bank’s comprehensive business transformation that seeks to deliver a differentiated world-class customer experience. It aims at improved market share, quality business growth, portfolio diversification and enhanced fee income, with cutting edge digitization of processes, while ensuring due focus is accorded to compliance and controls.

Roll out of various strategic initiatives under Project Navoday continues to transform the Bank. Steps undertaken in retail and corporate banking have started yielding the results in terms of customer convenience, increased offering in terms of bouquet of products to the customers and quality business growth with improved operating performance. New products have been launched which include Supply Chain Financing and Cash Management to meet the requirements of the customers.

Steps taken on digital front have helped in ease of operations for the customers as well as operating staff. Bank has set up a National Shared Services Centre (NSSC) at GIFT City, Gandhinagar and number of processes have been centralized to improve efficiency and control environment. Its coverage in terms of processes and geographies covered continues to expand.

The execution of Project WeLead – a comprehensive leadership development program anchored on behavioural competencies, is continuing as per plan across four parallel tracks, which cover high-potential talent at every level in the Bank.

The Bank is also progressing on the strengthening of the performance management system as part of ‘Sparsh Plus’, aided by the best-in-class technology and digital tools.

In summary, the Bank’s transformation journey is aimed at enhancing shareholder value by focusing on increasing customer and employee satisfaction.

February 9, 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 Vadodara (earlier known as Baroda), in Gujarat, India.

Bank of Baroda is one of India’s largest banks with a strong domestic presence spanning 5,458 branches and 10,027 ATMs and Cash Recyclers supported by self-service channels. The Bank has a significant international presence with a network of 105 branches/ offices subsidiaries, spanning 23 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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