



बैंक ऑफ़ बड़ौदा
Bank of Baroda

Bank of Baroda:

Performance Analysis: Q2 & H1, 2015-16 (FY16)

November 6, 2015

Bank of Baroda: Our Key Strengths



- Bank of Baroda is a 107 years old State-owned Bank with modern & contemporary personality, offering banking products and services to Large industrial, SME, retail & agricultural customers across the country.

Strong Domestic Presence through 5,242 branches & 8,621 ATMs supported by self service channels

Un-paralleled international Presence across 105 Offices spanning 24 countries

Valuable customer base of ~58 million across the pyramid

Well distributed branch network with 37% coverage in Rural, 27% in Semi urban, 19% Metro and 17% Urban



Dominant presence in Progressive States like Gujarat & Maharashtra

Subsidiaries / JVs to provide Insurance, Asset Management, Stock Brokerage, Debt Markets

Well capitalized on a sustained basis

Uninterrupted Record in Profit-making and Dividend Payment

Bank of Baroda: Q2, FY 2016 Results At A Glance



<i>Results for Q2, FY16</i>		
<i>Performance Parameter</i>	<i>₹ crore</i>	<i>Growth (y-o-y)</i>
Operating Profit	2,337	-2.74
Provision for NPAs	1,844	215.58
Provision for tax	321	-21.87
Other Provisions	48	-84.23
Net Profit	124	-88.73
Total Business	1,027,358	7.84
Total Deposits	612,458	8.03
Total Advances	414,900	7.55
Total Assets	711,537	7.85
Net Worth	39,858	5.97
Total Capital (Basel III)	50,261	13.67
Tier 1 Capital (Basel III)	39,874	18.66
Business per Employee	17.76	2.24

<i>Ratios for Q2, FY16</i>	
<i>Key Performance Ratio</i>	<i>(in %)</i>
Return on Average Assets	0.07
Return on Equity	1.25
Cost-Income Ratio	46.75
Capital Adequacy Ratio (Basel II, Tier 1: 10.25%)	13.28
Capital Adequacy Ratio (Basel III, Tier 1: 9.92%)	12.51
Provision Coverage Ratio	58.23
Gross NPA	5.56
Net NPA	3.08

Bank of Baroda: Q2, FY 2016 Results At A Glance



Parameter (₹ crore)	Q2, FY15	Q1, FY16	Q2, FY16
Net Interest Income	3,401	3,460	3,244
Fresh Slippages	1,758	1,685	6,816
Incremental Restructuring	1,175	147	115

Business Expansion



Particular (₹ crore)	Sept'14	Mar'15	Sept'15	Y-O-Y (%)	Change Over Mar'15 (%)
Total Business	9,52,692	10,45,625	10,27,358	7.84	-1.75
Domestic	6,38,453	7,06,148	7,01,598	9.89	-0.64
International	3,14,239	3,39,477	3,25,759	3.67	-4.04
Total Deposits	5,66,926	6,17,560	6,12,458	8.03	-0.83
Domestic	3,79,663	4,14,278	4,23,940	11.66	2.33
International	1,87,263	2,03,282	1,88,518	0.67	-7.26
CASA Deposits	148029	1,62,969	1,54,114	4.11	-5.43
Domestic	1,21,079	1,36,752	1,35,456	11.87	-0.95
International	26,949	26,217	18,658	-30.77	-28.83

Share of **Domestic CASA in Total Deposits** well-protected at **31.95%** at end-Sept, 2015 as against 33.01% at end-Mar, 2015 and 31.89% at end-Sep, 2014 .

Business Expansion



Particular (₹ crore)	Sept'14	Mar'15	Sept'15	Y-O-Y (%)	Change Over Mar'15 (%)
Advances (Net)	3,85,766	4,28,065	4,14,900	7.55	-3.08
Domestic	2,58,789	2,91,870	2,77,658	7.29	-4.87
International	1,26,977	1,36,195	1,37,242	8.08	0.77
Retail Credit	47,379	52,488	52,188	10.15	-0.57
Of which:					
Home Loans	20,909	22,542	23,594	12.84	4.67
SME Credit	58,899	61,993	57,898	-1.70	-6.61
Farm Credit	30,435	32,736	35,596	16.96*	8.74
Credit to Weaker Sections	21,842	22,510	23,176	6.11	2.96

**The growth in Farm Credit is as per the revised RBI guidelines on classification of Agriculture Credit.*

CASA Position



Particular (₹ crore)	Sept'14	Mar'15	Sept'15	Y-O-Y (%)	Change Over Mar'15 (%)
Total Saving Deposits	1,00,542	1,10,172	1,11,582	10.98	1.28
Domestic	97,244	1,06,736	1,08,117	11.18	1.29
International	3,297	3,436	3,465	5.10	0.84
Total Current Deposits	47,487	52,797	42,532	-10.43	-19.44
Domestic	23,835	30,016	27,339	14.70	-8.92
International	23,652	22,781	15,193	-35.76	-33.31

*Share of Domestic CASA in Total Deposits well-protected at **31.95%** at end-Sept, 2015 as against 33.01% at end-Mar, 2015 and 31.89% at end-Sep, 2014 .*

Bank's Profits & Its Key Components: Q2, FY15 & FY16



Particular (₹ crore)	Q2, FY15	Q2, FY16	YOY (%)
Interest Income	10,826	11,156	3.05
Interest Expenses	7,425	7,912	6.56
NII (Spread)	3,401	3,244	-4.61
Other Income	992	1,144	15.37
Total Income (NII + Other Income)	4,393	4,388	-0.11
Operating Expense	1,990	2,051	3.10
of which, Employee Cost	1,108	1,044	-5.76
Operating Profit	2,403	2337	-2.74
Provisions & contingencies	1,299	2,213	70.36
Net Profit	1,104	124	-88.73

Deposit & Loan Costs: Q2,FY15 to Q2,FY16



Particular (in %)	Q2, FY15	Q3, FY15	Q4, FY15	Q1, FY16	Q2, FY16
Cost of Deposits	5.18	5.18	5.18	5.06	5.05
Domestic	7.23	7.12	7.10	6.93	6.91
International	1.06	1.02	0.97	0.88	0.95
Yield on Advances	8.36	8.09	7.68	7.89	7.61
Domestic	11.17	11.01	10.56	10.64	10.44
International	2.53	2.35	2.16	2.25	2.12

Investment Yields & NIMs: Q2,FY15 to Q2,FY16



Particular (in %)	Q2, FY15	Q3, FY15	Q4, FY15	Q1, FY16	Q2, FY16
Yield on Investment	8.00	7.94	7.89	7.83	7.54
Domestic	8.19	8.13	8.07	8.04	7.76
International	4.26	4.22	4.37	3.73	3.88
NIM	2.40	2.20	2.17	2.26	2.08
Domestic	3.02	2.92	2.76	2.89	2.69
International	1.16	0.93	0.96	0.92	0.85

Non-Interest Income: Q2 of FY15 & FY16



(₹ crore)	Q2, FY15	Q2, FY16	% Change (Y-O-Y)
Commission, Exchange, Brokerage	332.75	361.28	8.57
Incidental Charges	104.08	95.48	-8.26
Other Miscellaneous Income	92.59	131.20	41.70
Total Fee-Based Income	529.42	587.95	11.06
Trading Gains	178.95	224.14	25.25
FX Profits (Treasury)	252.47	252.74	0.11
Recovery from PWO	30.81	79.23	157.10
Total Non-Interest Income	991.65	1,144.05	15.37

Provisions & Contingencies: Q2 of FY15 & FY16



(₹ crore)	Q2, FY15	Q2, FY16	% Change (Y-O-Y)
Provision for NPA & Bad Debts Written-off	584.25	1,843.80	215.58
Provision for Depreciation on Investment	181.80	112.01	-38.39
Provision for Standard Advances	12.66	-79.41	-727.25
Other Provisions (including Provision for staff welfare)	109.34	15.31	-86.01
Tax Provisions	410.67	320.84	-21.87
Total Provisions	1,298.71	2,212.54	70.36

Domestic Treasury Highlights: Q2, FY16



- **Treasury Income** stood at the level of ₹ 476.88 crore in Q2, FY16 and provided good support to **Non-Interest Income** generation.
- Total size of Bank's **Domestic Investment Book** as on 30th Sept, 2015 stood at ₹ 1,28,970 crore.
- As on 30th Sept, 2015, the share of **SLR Securities** in Total Investment was 85.60%.
- The Bank had **72.98%** of SLR Securities in **HTM** and **25.31%** in **AFS** at end-Sept, 2015.
- The **per cent of SLR to NDTL** at end-Sept, 2015 was at 26.07%.
- The Bank shifted **SLR securities** worth ₹ 12,785.70 crore from **HTM** to **AFS** portfolio during Q1 FY 16.
- As on 30th Sept, 2015, the **modified duration** of **AFS** investments was 3.47% & that of **HTM** securities was 5.74%.
- In Q2, FY16, amount of ₹ 112.01 crore is provided towards Depreciation on Investment.
- **Bank** has started the process of review of its non-core assets for disinvestment.

Highlights of International Business: Q2, FY16



- During Q2, FY16, the Bank's "**International Business**" contributed 31.71% to its **Total Business**.
- Out of the Total International Loan-book, **50.89%** comprised of **Buyers' Credit/BP/BD portfolio** where the exposure **is on the banks**. **19.35%** of the exposure is to India related corporates by way of ECB/ Syndicated Loans.
- Exposure to non-Indian entities by way of syndicated loans is at **5.73%** and remaining **24.03%** exposure is by way of local credit.
- The GNPA (%) for International operations was at **3.17%** as on 30th Sept, 2015.
- The **Cost-Income Ratio** in International operations was more favorable at **23.40%** in Q2, FY16.
- In Q2, FY16, the **NIM** (as % of interest-earning assets) in International operations stood at **0.85%**.
- The Outstanding balance of restructured loans in International operations as on 30th Sept, 2015 was at ₹ **3,169.12 crore**, out of which the **Standard restructured loans** were at ₹ **2119.29 crore**.

NPA Movement (Gross in ₹ crore): Q1,Q2 & H1, FY16



Particular	Q1, FY16	Q2, FY16	H1, FY16
A. Opening Balance	16,261.44	17273.96	16,261.44
B. Additions	1,907.86	6962.30	8,870.16
Out of which, Fresh Slippages	1,685.01	6816.45	8,501.46
C. Reductions	895.34	525.93	1421.27
Recovery	300.21	334.37	634.58
Upgradation	526.50	79.33	605.83
Write-Offs	68.63	108.37	177.00
Other Adjustments	0.00	3.86	3.86
Closing Balance	17,273.96	23,710.33	23,710.33
Recovery in PWO	13.05	79.23	91.85

The Bank's PCR stood at 58.23 on 30th Sept, 2015

Sector-wise Net NPA [Sequential Movement]



Sector	Net NPA (%) Sept, 2014	Net NPA (%) Dec, 2014	Net NPA (%) Mar, 2015	Net NPA (%) Jun, 2015	Net NPA (%) Sept, 2015
Agriculture	3.31	3.35	3.01	3.18	3.11
Large & Medium Industries	1.39	1.95	1.56	1.78	3.65
Retail	1.28	1.35	1.47	1.81	1.94
Housing	0.90	0.92	0.90	1.02	1.13
MSME	4.30	5.30	5.62	6.25	5.68
International	0.72	1.09	0.78	0.76	1.72

Restructured Accounts (Domestic)



Year of Restructuring	Outstanding as on 30.09.2015 (₹ crore)					
	Standard		NPA		Total	
	No	Amount O/s	No	Amount O/s	No	Amount O/s
Upto 31.03.2008	78	589.46	94	5.60	172	595.06
2008-09	3341	475.93	2691	202.60	6,032	678.53
2009-10	1733	1242.19	1161	441.59	2,894	1,683.78
2010-11	341	1670.88	296	189.87	637	1,860.74
2011-12	993	2724.08	475	683.20	1,468	3,407.28
2012-13	7130	5765.68	2,918	1,919.5	10,048	7,685.18
2013-14	14407	6423.97	4880	1,467.51	19,287	7,891.48
2014-15	16228	7580.63	1692	1,254.25	17,920	8,834.88
1st Quarter 2015-16	231	139.66	214	16.38	445	156.04
2 nd Quarter 2015-16	311	105.88	144	9.06	455	114.94
	44,793	26,718.36	14,565	6,189.55	59,358	32,907.91
Less: Standard Restructured A/cs ceased to attract higher provision and/or additional risk weight at the end of Sept quarter	8,209	5,907.28			8,209	5,907.28
TOTAL	36,584	20,811.08	14565	6,189.55	51,149	27,000.63

Restructured Accounts



• **Global Restructuring is as follows:**

Quarter	Domestic		International		Total	
	A/cs	Amount (₹ crore)	A/cs	Amount (₹ crore)	A/cs	Amount (₹ crore)
FY2014-2015	16,773	7,420	15	422.7	16,788	7,843
Q1-2015-16	498	147	0	0	498	147
Q2-2015-16	455	114.9	0	0	455	114.9

- The provision on account of diminution in fair value as on Sept 2015 is ₹ 856.07 crore (reversal of sacrifice is ₹ 268.69 crore), Q 2 FY16 is ₹ 2.40 crore and ₹ 7.13 crore in Q 1 FY 16.
- Globally Restructured Standard Advances stood at ₹ 22,930 crore is 5.69 % of total Standard Advances out of which Restructured Standard Advances of Domestic Operations is ₹20,811.08 crore (7.77 % of Domestic Standard Advances).
- Globally Restructured assets of ₹ 1,390.80 crore slipped to NPA during the Q2,FY16. Out of the above, domestically restructured assets of ₹ 1,229 crore slipped to NPA and international restructured assets slipped to NPA is ₹ 161.80 crore during this quarter.
- Out of the domestic restructured assets slipped to NPA, CDR assets are of ₹ 79.72 crore during the Q2, FY16 out of total slipped assets of ₹ 1,229 crore.

Sectoral Deployment of Domestic Credit at end-Sept

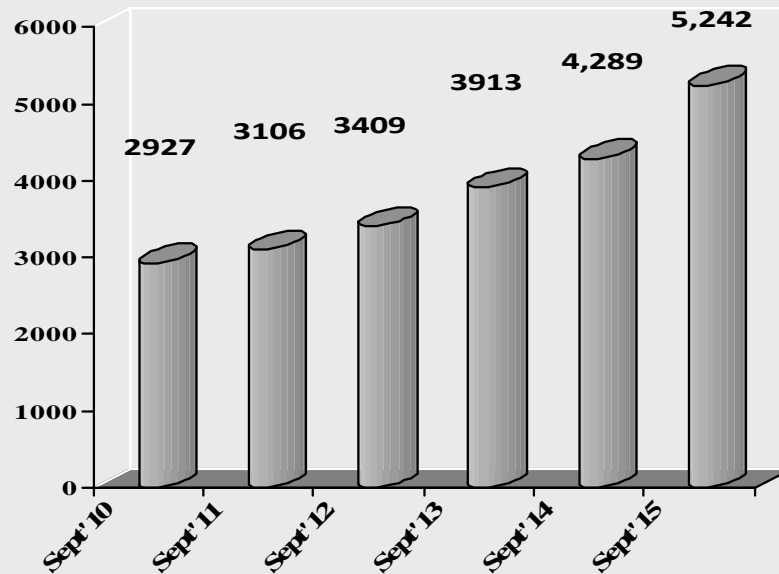


Sector	% share in Gross Domestic Credit in H1, FY15	% share in Gross Domestic Credit in H1, FY16
Agriculture	11.5	14.5
Retail	17.9	18.2
SME	22.2	20.1
Large & Medium	28.4	24.7
Misc. including Trade	20.0	22.6
Total	100.0	100.0

Domestic Branch Network (as on 30th Sept, 2015)



No. of Domestic Branches



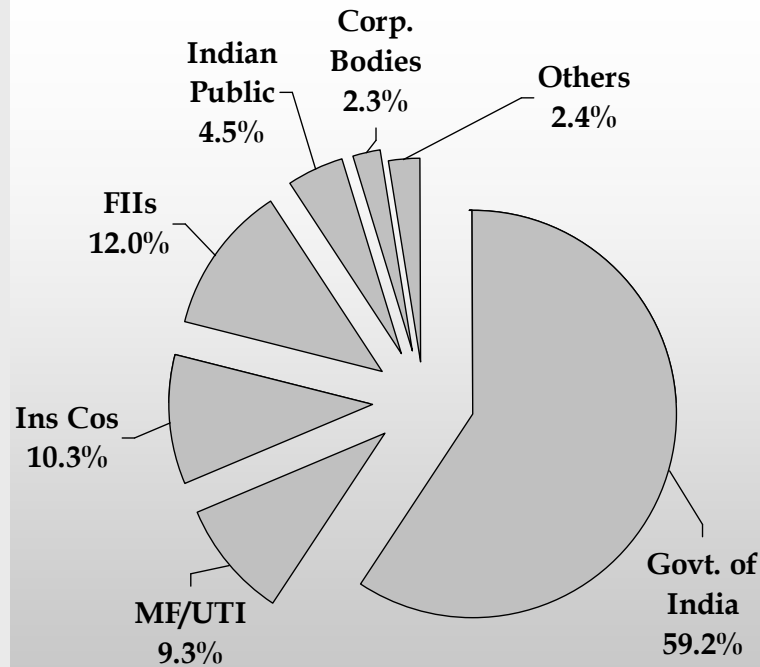
Regional Break-up of Domestic Branches as on 30 th Sept 2015			
Metro	Urban	Semi-Urban	Rural
995	917	1,403	1,927

- During past **five** years, the Bank added 2,315 branches to its domestic network.
- During H1, FY16, the Bank opened **52** new branches out of its plan to open **250** new branches in FY16.
- Out of the newly opened **52** branches during H1, FY16, **18** belonged to 'metro & urban' areas; **15** to semi-urban areas & **19** to rural areas.
- The newly opened 52 branches in H1, FY16 mainly belonged to Rajasthan, Uttar Pradesh, Gujarat & Jharkhand.
- Around **36.76%** of the Bank's network at the end of Sept, 2015 was situated in rural areas.

Pattern of Shareholding: 30th Sept, 2015



As on 30th Sept, 2015



- **Share Capital:** ₹ 460.83 crore
- **Net worth:** ₹ 39,857.88 crore (up 5.97%, y-o-y)
- **B. V. per share (vs. F. V. per share: ₹ 2):** ₹ 172.98 (up 4.48% , y-o-y)
- **Return on Equity:** 5.90% in H1, FY16

- **Bank of Baroda is a Part of the following Indices:**
BSE 100, BSE 200, BSE 500 & Bankex
Nifty, BankNifty, CNX 100, CNX 200, CNX 500
- **Bank of Baroda Shares are also listed on BSE and NSE in the 'Future and Options' segment.**

Key Priorities for the Bank going forward



Safe Harbor



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Except for the historical information contained herein, statements in this release which contain words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "strategy", "philosophy", "project", "should", "will pursue" and similar expressions or variations of such expressions may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion, the adequacy of our allowance for credit losses, our provisioning policies, technological changes, investment income, cash flow projections, our exposure to market risks as well as other risks. Bank of Baroda undertakes no obligation to update the forward-looking statements to reflect events or circumstances after the date thereof.

Note: All financial numbers in the presentation are from Audited Financials or Limited Reviewed financials or based on Management estimates.



Thank you.