



बैंक ऑफ बड़ौदा Bank of Baroda

BCC:ISD:108/16/506

Date: 11th November 2016

The Vice-President,
B S E Ltd.,
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001
BSE CODE-532134

The Vice-President,
National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051
CODE-BANKBARODA

Dear Sir/ Madam,

Re: Bank of Baroda -Unaudited (Reviewed) Standalone Financial Results for the Quarter / Half Year Ended 30th September 2016 - Regulation 33 of SEBI (LODR) Regulations, 2015

Further to our letter No. BCC:ISD:108:16:482 dated 26th October 2016 we advise as under:

The Board of Directors of Bank of Baroda at its meeting held today i.e. 11th November 2016 considered & approved the Unaudited (Reviewed) Standalone Financial Results of the Bank together with relevant segment reporting, for the Quarter / Half Year ended 30th September 2016.

Pursuant to Regulation 33 and other applicable Regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/15/2015 dated 30th November 2015, we enclose a copy of the Unaudited (Reviewed) Standalone Financial Results in prescribed formats including Segment Reporting etc., duly signed along with the Limited Review Reports by Auditors. A copy of Press Release is also enclosed.

The Meeting commenced at 3.30 p.m. and concluded at 4.30 p.m.

We request you to take a note of the above and upload the information on your website.

Yours faithfully,

M.L. Jain
Dy. General Manager
Company Secretary

Encl. - As Above

Un-audited Financial Results (Standalone) for the Quarter/ Half Year Ended 30th September, 2016

(₹ in lacs)

| Sr. No. | Particulars | Quarter Ended | | | Half Year Ended | | Year Ended |
|---------|---|---------------|------------|------------|-----------------|------------|------------|
| | | 30.09.2016 | 30.06.2016 | 30.09.2015 | 30.09.2016 | 30.09.2015 | 31.03.2016 |
| | | Reviewed | Reviewed | Reviewed | Reviewed | Reviewed | Audited |
| 1 | Interest earned (a)+(b)+(c)+(d) | 1048517 | 1043352 | 1115636 | 2091869 | 2243285 | 4406127 |
| | (a) Interest /discount on advances / bills | 683974 | 716208 | 771193 | 1400182 | 1574464 | 2979623 |
| | (b) Income on investments | 253289 | 249496 | 273935 | 502785 | 529800 | 1067322 |
| | (c) Interest on balances with Reserve Bank of India and other inter bank funds | 39178 | 32492 | 29121 | 71670 | 58726 | 130592 |
| | (d) Others | 72076 | 45156 | 41387 | 117232 | 80295 | 228590 |
| 2 | Other Income | 156143 | 144439 | 114404 | 300582 | 211127 | 499886 |
| 3 | Total Income (1 + 2) | 1204660 | 1187791 | 1230040 | 2392451 | 2454412 | 4906013 |
| 4 | Interest Expended | 705907 | 706243 | 791189 | 1412150 | 1572876 | 3132143 |
| 5 | Operating Expenses (a)+ (b)+ (C) | 229733 | 214599 | 205149 | 444332 | 427639 | 892313 |
| | (a) Employees cost | 116850 | 110812 | 104398 | 227662 | 238906 | 497802 |
| | (b) Rent, Taxes & Lighting | 25740 | 20118 | 22160 | 45858 | 40528 | 86202 |
| | (c) Other operating expenses | 87143 | 83669 | 78591 | 170812 | 148205 | 308309 |
| 6 | Total Expenditure (4+5) excluding provisions and contingencies | 935640 | 920842 | 996338 | 1856482 | 2000515 | 4024456 |
| 7 | Operating Profit (3-6) before Provisions and Contingencies | 269020 | 266949 | 233702 | 535969 | 453897 | 881557 |
| 8 | Provisions (other than tax) and Contingencies | 179584 | 200407 | 189170 | 379991 | 249144 | 1551365 |
| | of which provisions for Non-peforming Asset | 163045 | 198644 | 184380 | 361689 | 241162 | 1376591 |
| 9 | Exceptional Items | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 | Profit (+) / Loss (-) from Ordinary Activities before tax (7-8-9) | 89436 | 66542 | 44532 | 155978 | 204753 | (669808) |
| 11 | Provision for Taxes | 34224 | 24180 | 32084 | 58404 | 87090 | (130253) |
| 12 | Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11) | 55212 | 42362 | 12448 | 97574 | 117663 | (539555) |
| 13 | Extraordinary items (net of tax expenses) | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 | Net Profit (+) / Loss (-) for the period (12-13) | 55212 | 42362 | 12448 | 97574 | 117663 | (539555) |
| 15 | Paid-up equity share capital (Face Value of ₹2 each) | 46209 | 46209 | 46209 | 46209 | 46209 | 46209 |
| 16 | Reserve excluding Revaluation Reserve | -- | -- | -- | -- | -- | 3561068 |
| 17 | Analytical Ratios | | | | | | |
| | i) Percentage of shares held by Government of India | 59.24 | 59.24 | 59.24 | 59.24 | 59.24 | 59.24 |
| | ii) Capital Adequacy Ratio(%) -Basel-III | 12.94 | 13.07 | 12.51 | 12.94 | 12.51 | 13.17 |
| | a CET 1 Ratio (%) | 10.09 | 10.19 | 9.42 | 10.09 | 9.42 | 10.29 |
| | b Additional Tier 1 Ratio (%) | 0.50 | 0.51 | 0.50 | 0.50 | 0.50 | 0.50 |
| | iii) Earnings Per Share | | | | | | |
| | Basic and diluted EPS before and after Extraordinary items, net of tax expenses (not annualized) [in ₹.] | 2.39 | 1.84 | 0.56 | 4.23 | 5.32 | (23.89) |
| | iv) NPA Ratios | | | | | | |
| | (a) Gross NPA | 4294925 | 4299168 | 2371033 | 4294925 | 2371033 | 4052104 |
| | Net NPA | 1934195 | 2078377 | 1279782 | 1934195 | 1279782 | 1940646 |
| | (b) % of Gross NPA | 11.35 | 11.15 | 5.56 | 11.35 | 5.56 | 9.99 |
| | % of Net NPA | 5.46 | 5.73 | 3.08 | 5.46 | 3.08 | 5.06 |
| | v) Return on Assets (annualized) % | 0.33 | 0.25 | 0.07 | 0.29 | 0.33 | (0.78) |



Notes forming part of the un-audited financial results for the Quarter / Half Year Ended 30th September, 2016

- 1 The above financial results have been reviewed by the Audit Committee of Board in their meeting held on 11th November, 2016 and approved by the Board of Directors in their meeting held on 11th November, 2016. The same have been subjected to Limited Review by the Statutory Central Auditors of the Bank, in line with the guidelines issued by Reserve Bank of India and as per the requirement of listing agreement with Stock Exchanges.
- 2 The above results for the quarter / half year ended 30th September 2016 have been prepared, following the same accounting policy as those followed in the annual financial statements for the year ended 31st March, 2016.
- 3 The financial results for the quarter ended 30th Sept 2016 have been arrived at after considering provision for Non-performing Assets, Standard Assets, Restructured Assets and depreciation / provision for investments on the basis of prudential norms and specific guidelines issued by the RBI. The Bank has made provision @ 20% on the Secured Sub-standard Advances as against the Regulatory requirement of 15%.
- 4 On review of NPA advances portfolio, bank has made additional provision of ₹829 Crs during the quarter, over and above the IRAC norms.
- 5 In terms of RBI Circular DBOD.BP.BC.2/21.06.201/2013-14 dated 01.07.2013, Banks are required to make Pillar 3 disclosure under Basel III Capital Regulations. These details are being made available on our website "www.bankofbaroda.com". These disclosures have not been subjected to Audit by the auditors.
- 6 The bank has approved SDR proposals of ₹2370 Crs during this quarter in terms of RBI guidelines issued in this regard and made provision of ₹ 118.50 Crs as on 30.09.2016.
Further in respect of provision for mark to market requirements on equity portion and 15% on residual loan portion, the bank has decided to provide such provision in equal installments over the four quarters from the date of conversion of Debt into Equity in terms of RBI circular dated 25.02.2016.
- 7 Non Performing Loan Provisioning Coverage Ratio is 62.95 % as on 30th September 2016.
- 8 A penalty of ₹ 22.29 lacs was imposed by overseas regulators (Kenya and Oman) for deviation in prudential / other guidelines during the quarter which has been fully provided / paid.
- 9 Details of Investor's complaints for the quarter ended 30.09.2016: Pending at Beginning: 0; Received: 169; Disposed off:169; Closing:0
- 10 Statement of Assets & Liabilities is as under:-

(₹ In Lacs)

| | As on 30th September 2016 Reviewed | As on 30th September 2015 Reviewed |
|--|--|--|
| CAPITAL & LIABILITIES | | |
| Capital | 46209 | 46209 |
| Reserves and Surplus | 4033967 | 4284971 |
| Deposits | 56753124 | 61245779 |
| Borrowings | 3272225 | 3526651 |
| Other Liabilities and Provisions | 2094112 | 2049676 |
| TOTAL | 66199638 | 71153286 |
| ASSETS | | |
| Cash and Balances with Reserve Bank of India | 2073220 | 2396807 |
| Balances with Banks and Money at Call and Short Notice | 12001769 | 11081021 |
| Investments | 13605567 | 13738084 |
| Advances | 35414960 | 41489978 |
| Fixed Assets | 601971 | 300410 |
| Other Assets | 2502151 | 2146987 |
| TOTAL | 66199638 | 71153286 |

- 11 The figures of previous period have been regrouped / rearranged, wherever necessary, so as to make them comparable with those of the current period.



Segment reporting for the Quarter / Half Year Ended 30th September, 2016

Part A - Business Segments

(₹ in lacs)

| Sr. No. | Particulars | Quarter Ended | | | Half Year Ended | | Year Ended |
|---------|------------------------------|---------------|------------|------------|-----------------|------------|------------|
| | | 30.09.2016 | 30.06.2016 | 30.09.2015 | 30.09.2016 | 30.09.2015 | 31.03.2016 |
| | | Reviewed | Reviewed | Reviewed | Reviewed | Reviewed | Audited |
| 1 | Segment Revenue | | | | | | |
| | (a) Treasury Operations | 416481 | 396212 | 388164 | 812693 | 749797 | 1553437 |
| | (b) Wholesale Banking | 475974 | 487760 | 523422 | 963734 | 1086255 | 2186743 |
| | (c) Retail Banking | 281927 | 294248 | 318403 | 576175 | 618233 | 1091807 |
| | (d) Other Banking Operations | 30278 | 9571 | 51 | 39849 | 127 | 74026 |
| | Total Revenue | 1204660 | 1187791 | 1230040 | 2392451 | 2454412 | 4906013 |
| 2 | Segment Results | | | | | | |
| | (a) Treasury Operations | 110583 | 102292 | 62881 | 212875 | 116785 | 255375 |
| | (b) Wholesale Banking | (42788) | (22977) | (36150) | (65765) | 68364 | (594386) |
| | (c) Retail Banking | 57746 | 36242 | 68265 | 93988 | 141215 | (147955) |
| | (d) Other Banking Operations | 22711 | 7321 | 41 | 30032 | 100 | 56938 |
| | Total | 148252 | 122878 | 95037 | 271130 | 326464 | (430028) |
| | Unallocated Expenditure | 58816 | 56336 | 50505 | 115152 | 121711 | 239780 |
| | Profit before Tax | 89436 | 66542 | 44532 | 155978 | 204753 | (669808) |
| | Provision for Tax | 34224 | 24180 | 32084 | 58404 | 87090 | (130253) |
| | Net Profit | 55212 | 42362 | 12448 | 97574 | 117663 | (539555) |
| 3 | Segment Assets | | | | | | |
| | (a) Treasury Operations | 28822704 | 27650758 | 27899457 | 28822704 | 27899457 | 26412307 |
| | (b) Wholesale Banking | 26176036 | 28629382 | 32111537 | 26176036 | 32111537 | 29353737 |
| | (c) Retail Banking | 10137647 | 8807699 | 10377606 | 10137647 | 10377606 | 10090113 |
| | (d) Other Banking Operations | 0 | 0 | 0 | 0 | 0 | 0 |
| | (e) Unallocated | 1063251 | 1082917 | 764686 | 1063251 | 764686 | 1281490 |
| | Total Assets | 66199638 | 66170756 | 71153286 | 66199638 | 71153286 | 67137647 |
| 4 | Segment Liabilities | | | | | | |
| | (a) Treasury Operations | 27046233 | 25956329 | 26201186 | 27046233 | 26201186 | 24830858 |
| | (b) Wholesale Banking | 24562691 | 26874983 | 30156872 | 24562691 | 30156872 | 27596168 |
| | (c) Retail Banking | 9512819 | 8267966 | 9745909 | 9512819 | 9745909 | 9485962 |
| | (d) Other Banking Operations | 0 | 0 | 0 | 0 | 0 | 0 |
| | (e) Unallocated | 997718 | 1016557 | 718139 | 997718 | 718139 | 1204760 |
| | Total Liabilities | 62119461 | 62115835 | 66822106 | 62119461 | 66822106 | 63117748 |
| 5 | Capital Employed | | | | | | |
| | (a) Treasury Operations | 1776471 | 1694429 | 1698271 | 1776471 | 1698271 | 1581449 |
| | (b) Wholesale Banking | 1613345 | 1754399 | 1954665 | 1613345 | 1954665 | 1757569 |
| | (c) Retail Banking | 624828 | 539733 | 631697 | 624828 | 631697 | 604151 |
| | (d) Other Banking Operations | 0 | 0 | 0 | 0 | 0 | 0 |
| | (e) Unallocated | 65533 | 66360 | 46547 | 65533 | 46547 | 76730 |
| | Total Capital Employed | 4080177 | 4054921 | 4331180 | 4080177 | 4331180 | 4019899 |

Part - B : Geographic Segments

| Sr. No. | Particulars | Quarter Ended | | | Half Year Ended | | Year Ended |
|---------|-------------------|---------------|------------|------------|-----------------|------------|------------|
| | | 30.09.2016 | 30.06.2016 | 30.09.2015 | 30.09.2016 | 30.09.2015 | 31.03.2016 |
| | | Reviewed | Reviewed | Reviewed | Reviewed | Reviewed | Audited |
| 1 | Revenue | | | | | | |
| | (a) Domestic | 1075134 | 1059327 | 1098668 | 2134461 | 2197963 | 4397454 |
| | (b) International | 129526 | 128464 | 131372 | 257990 | 256449 | 508559 |
| | Total | 1204660 | 1187791 | 1230040 | 2392451 | 2454412 | 4906013 |
| 2 | Assets | | | | | | |
| | (a) Domestic | 44955635 | 44554179 | 47282492 | 44955635 | 47282492 | 44388112 |
| | (b) International | 21244003 | 21616577 | 23870794 | 21244003 | 23870794 | 22749536 |
| | Total | 66199638 | 66170756 | 71153286 | 66199638 | 71153286 | 67137648 |

Notes on Segment Reporting :

- As per guidelines of the RBI on compliance with 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 AS-17 on Segment Reporting issued by ICAI.
- Segment revenue represents revenue from external customers.
- Capital employed for each segment has been allocated proportionate to the assets of the segment.
- The figures of previous period / year have been regrouped / rearranged wherever necessary so as to make them comparable with those of the current period.


Ashok Kumar Garg
Executive Director


Mayank K Mehta
Executive Director


B B Joshi
Executive Director


P S Jayakumar
Managing Director & CEO


Ravi Venkatesan
Chairman

Place : Mumbai

Date : 11th November 2016



| | |
|---|--|
| M/s. Khandelwal Jain & Co. Chartered Accountants | M/s. Wahi & Gupta Chartered Accountants |
| M/s. S R Goyal & Co. Chartered Accountants | M/s. Rodi Dabir & Co. Chartered Accountants |

Limited Review Report

The Board of Directors

Bank of Baroda

Mumbai

We have reviewed the accompanying statement of unaudited financial results of Bank of Baroda ('the Bank') for the quarter / half year ended September 30, 2016. Further, disclosures relating to "Pillar 3 disclosures under Basel III capital requirements" on the Bank's website and in respect of which link is prescribed in the aforesaid statement have not been reviewed by us. These statements are the responsibility of the Bank's Management and have been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement ('SRE') 2410, "Review of Interim Financial Information performed by the independent Auditors of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the accompanying statement of unaudited financial results is free of material misstatement. A review of Financial Results consists principally of applying analytical procedures to financial data and making enquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express an audit opinion.



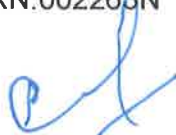





The financial results incorporate the relevant returns of 20 branches reviewed by us, 34 foreign branches reviewed by local auditors specially appointed for this purpose and unreviewed returns in respect of 5217 branches. In the conduct of our review, we have taken note of the review reports in respect of non-performing assets submitted by the concurrent auditors of 131 branches to the bank management, inspection teams of the bank of Nil branches and other firms of auditors of Nil branches specifically appointed for this purpose. These review reports cover 54.38 percent of the advances portfolio of the bank. Apart from these review reports, in the



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|---|--|
| M/s. Khandelwal Jain & Co. Chartered Accountants | M/s. Wahi & Gupta Chartered Accountants |
| M/s. S R Goyal & Co. Chartered Accountants | M/s. Rodi Dabir & Co. Chartered Accountants |

conduct of our review, we have also relied upon various returns received from the branches of the bank.

Based on our review as aforesaid, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with RBI circular (2016-17/29 dated 28th July 2016 with respect to half yearly / quarterly review of the Public Sector Banks) including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

| | |
|--|---|
| <p>FOR Khandelwal Jain & Co Chartered Accountants FRN 105049W</p>   <p>(Chirag Doshi) Partner M.No.119079</p> | <p>For Wahi & Gupta Chartered Accountants FRN:002263N</p>   <p>(Anuj Gupta) (Partner) M. No.076560</p> |
| <p>For S R Goyal & Co. Chartered Accountants FRN:001537C</p>   <p>(Nikita Goyal) (Partner) M. No.142555</p> | <p>For Rodi Dabir & Co. Chartered Accountants FRN:108846W</p>   <p>(Sudhir D Dabir) (Partner) M. No.039984</p> |

Place: Mumbai

Date: November 11, 2016

Press Release

BANK OF BARODA ANNOUNCES FINANCIAL RESULTS
FOR Q2 AND H1, 2016-17 (FY 2017)

Highlights (Standalone Basis)

- Operating profit of INR 2,690 crore, up by 15.10% YoY; the highest in the last 6 quarters.
- Profit after Tax of INR 552 crore up by 345% y-o-y and 30% q-o-q
- Gross NPA at INR 42,949 crore remains stable while Net NPA at INR 19,342 crore down on Q-o-Q basis. GNPA at 11.35% and Net NPA at 5.46%.
- Provision Coverage Ratio (PCR) improved to 62.95% as on September 30, 2016 from 60.17% as on June 30, 2016 and 60.09% & 52.70% as on March 31, 2016 and December 31, 2015 respectively.
- Domestic CASA grew on an average by 14.95% (on y-o-y basis) and 3.34% (on q-o-q basis) driven by Savings bank deposit growth of 16.06% and 3.91% (on y-o-y and q-o-q basis respectively).
- Domestic CASA as %age of domestic deposits on average basis stood at 33.63% as compared to 29.16% as at September 30, 2015 and 30.62% as at March 31, 2016. On terminal basis, Domestic CASA percentage stood at 34.23%.
- Continued focus on recovery and collections, portfolio rebalancing and improving profitability.
- CRAR (Basel III) stood at 12.94% with Tier I ratio of 10.59% and CET 1 of 10.09%, excluding profits of current half year FY17.

Bank of Baroda announced its audited results for the Q2 of FY 2017, following the approval of its Board of Directors on November 11, 2016.

Results at a Glance (Standalone Basis)

All figures in INR crore

| Particulars | Quarterly Results | | | Half-Yearly Results | | |
|-----------------------------------|-------------------|----------|----------|---------------------|----------|----------|
| | Q2 FY 17 | Q2 FY 16 | % Change | H1 FY 17 | H1 FY 16 | % Change |
| Total Income | 12,047 | 12,300 | (2.06) | 23,925 | 24,544 | (2.52) |
| Interest Income | 10,485 | 11,156 | (6.01) | 20,919 | 22,433 | (6.75) |
| Interest Expenses | 7,059 | 7,912 | (10.78) | 14,121 | 15,729 | (10.22) |
| Net Interest Income | 3,426 | 3,244 | 5.61 | 6,798 | 6,704 | 1.40 |
| Other Income | 1,562 | 1,144 | 36.54 | 3,006 | 2,111 | 42.40 |
| Total Expenses | 9,356 | 9,963 | (6.09) | 18,564 | 20,005 | (7.20) |
| Operating Expenses | 2,297 | 2,051 | 11.99 | 4,443 | 4,276 | 3.91 |
| <i>of which,</i> Employee Cost | 1,169 | 1,044 | 11.97 | 2,277 | 2,389 | (4.69) |
| Operating Profit | 2,690 | 2,337 | 15.10 | 5,360 | 4,539 | 18.09 |
| Provision for NPA | 1,630 | 1,844 | (11.61) | 3,617 | 2,412 | 49.96 |
| Provision for Tax | 342 | 321 | 6.54 | 584 | 871 | (32.95) |
| Net Profit | 552 | 124 | 345.16 | 976 | 1,177 | (17.08) |

BUSINESS

The Bank's **Total Business** stood at **INR 9,21,681 crore** as at September 30, 2016 down from INR 10,27,358 crore as at September 30, 2015 on account of planned and structured rundown of assets and liabilities.

Total Deposits stood at **INR 5,67,531 crore** as at September 30, 2016 as against **INR 6,12,458 crore** as at September 30, 2015. Corresponding figures for Average Deposits (based on daily averages) were **INR 5,52,714 crore** and **INR 5,83,650 crore**.

The Bank has rundown high cost liabilities to improve the deposit mix leading to reduction in cost of domestic deposits from 6.61% as at March 31, 2016 to 6.20% as at September 30, 2016 and also **improvement in ratio of domestic CASA deposits to domestic deposits on average basis at 33.63%** as compared to an average of 29.16% as at September 30, 2015 and 30.62% as at March 31, 2016. On a terminal basis, Domestic CASA percentage was at 34.23%. Domestic Savings bank deposit saw a robust growth of 16.06% y-o-y on an average basis.

Total Advances (Net) were **INR 3,54,150 crore** as at September 30, 2016 against **INR 4,14,900** crore as at September 30, 2015 and Average Advances (Gross - based on daily averages) were **INR 3,76,955** crore and **INR 4,06,391** crore respectively.

The Bank's **International Business** continues to occupy a significant position. As at September 30, 2016, the International Operations contributed 29.34% to the Bank's Total Business. As a part of rebalancing of the International book, a portion of low yielding assets have been substituted with higher yielding local credit.

INCOME

The Bank's **Total Income** stood at **INR 12,047 crore** in Q2 FY17. **Net Interest Income** stood at **INR 3,426 crore** up by 5.61% y-o-y. **Other Income** increased by 36.54% on y-o-y basis to **INR 1,562 crore**, driven by improved core fee income as well as trading gains.

EXPENSES

The Bank's **Total Expenses** declined by 6.09% (y-o-y basis) to **INR 9,356 crore** in Q2 FY 17 driven primarily by reduction in cost of deposits. The interest expenses reduced by 10.78% (y-o-y basis) from INR 7,912 crore as at September 30, 2015 to INR 7,059 crore as at September 30, 2016.

PROFIT

Prudent management of assets and liabilities as detailed above has led to improvement in profitability. The Bank's **Operating Profit** was **INR 2,690 crore** in Q2 FY17 (as against **INR 2,337 crore** in Q2 FY 16), which is the highest in the last six quarters.

The Bank posted a **Net Profit of INR 552 crore** for Q2 FY 17.

NET INTEREST MARGIN

The Net Interest Margin (NIM) for Domestic operations has improved from 2.80% to 2.85% while global margin improved to 2.29% from 2.23% last quarter.

ASSET QUALITY

Gross NPA (GNPA) of the Bank remained stable at **INR 42,949 crore** as on September 30, 2016 as compared to INR 42,991 crore as at June 30, 2016. The Gross NPA ratio stood at 11.35% as compared to 11.15% as at June 30, 2016. The corresponding figures of the **Net NPA ratio** stood at 5.46% and 5.73% respectively.

Total Restructured Standard Assets of the Bank were **INR 13,860 crore** as on September 30, 2016. The total Stressed Assets (GNPA + Restructured Standard Assets) were 15.02% of the Gross Advances.

PROVISIONS AND CONTINGENCIES

Provisions and Contingencies (excluding tax provisions) made by the Bank stood at **INR 1,796 crore** in Q2 FY17. **Provisions against NPAs/ Bad Debts written off** stood at **INR 1,630 crore** in Q2 FY17.

The **Provision Coverage Ratio (PCR)** improved to **62.95%** as at September 30, 2016 as compared to 60.17% last quarter and 60.09% & 52.70% as on March 31, 2016 and December 31, 2015 respectively.

Provision for tax was INR 342 crore.

CAPITAL ADEQUACY

The **CRAR** on standalone basis (**Basel III**) is 12.94% as at September 30, 2016. Out of this, the **Tier 1** capital was 10.59% and **CET 1** Capital was 10.09%.

TRANSFORMATION OF THE BANK

The Bank is progressing on the execution of Project Navoday - a comprehensive business transformation that seeks to deliver a differentiated world-class customer experience enabled by an energised and engaged team. The Bank has set up a state-of-the-art War Room and constituted a dedicated team for monitoring the progress of Project Navoday.

The Bank has re-organized the Corporate Banking vertical with a dedicated team of Relationship Managers and a Centralized Credit Processing team with sector specialization. Various digitization initiatives are underway such as:

- Testing of digitally enabled account opening which significantly reduces turnaround time (TAT);
- Self-service account opening kiosks based on Aadhar validation, which facilitates instant customer account opening; and

- Disbursement of loans and deposits with reduced TAT.

The Bank has also launched innovative solutions such as Digital Portable Branches in rural areas, which has the state-of-the art digital technology for the residents in the hinterland.

The Bank is working on the execution of Project WeLead – a comprehensive leadership development program and Project Anubhuti – to boost employee engagement.

The Bank is also putting in place partnerships in multiple areas such as for Startup financing, MUDRA loans, E-Commerce & Fintech firms.

Bank of Baroda's efforts around brand building continue with the Bank being ranked 21st amongst Best Indian Brands 2016 in Brand Equity. The Bank has announced a brand endorsement with ace Indian Badminton players P V Sindhu and K Srinath who represented on the international stage at the Rio 2016 Olympics. The association reaffirms the Bank's commitment to the promotion of sports and young sporting talent in India.

The transformation will enable the Bank to realize improved market share, quality growth of balance sheet, diversified portfolio, enhanced fee income, strengthened internal controls and compliance, and on the back of implementing cutting-edge digital technology solutions. While this transformation exercise will be undertaken over a period of 18 months, the early benefits have started flowing from Q2 FY 2017.

November 11, 2016
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 5,368 branches and 10,441 ATMs and Cash Recyclers supported by self-service channels. The Bank has a significant international presence with a network of 107 branches/ offices subsidiaries, spanning 24 countries. The Bank has wholly owned subsidiaries including BOBCARDS and BOB Capital Markets. Bank of Baroda also has joint ventures for life insurance with IndiaFirst Life Insurance and for asset management with Baroda Pioneer Asset Management. The Bank owns 98.57% in 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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