

Press Release

**BANK OF BARODA ANNOUNCES FINANCIAL RESULTS
FOR Q4 FY 2018 AND FY 2017-18**

Highlights (Standalone Basis)

- Domestic credit registered YoY growth of 17.97% within which the retail loans growth was 42.44%.
- Domestic CASA ratio improves to 41.18% from 40.57% last quarter and 39.44% from last year.
- Operating Profit for Q4FY18 was INR 2,665 crore; adjusted to the accounting policy change on depreciation, it was flat compared to corresponding period last year.
- Net Interest Income (NII) for Q4 FY 18 increased by 11.73% YoY.
- Operating Income increased by 2.50% YoY.
- Bank posted net loss of INR 3,102 crore due to higher provisions on account of RBI guidelines on revised framework for stressed assets and large corporate slippages.
- PCR including TWO continues to be high and stood at 67.21% as on March 31, 2018. PCR excluding TWO stood at 58.42% as on March 31, 2017
- Recovery in TWO accounts increased from INR 172 crore in Q4 FY 17 to INR 254 crore in Q4 FY18 registering a growth of 47.67% YoY.
- Capital Adequacy Ratio of the Bank at 12.13% and CET-1 at 9.23% continues to be above regulatory norms.
- Bank's Transformation journey on track.

Bank of Baroda announced its audited results for the Q4 & FY 18, following the approval of its Board of Directors on May 25, 2018.

Results at a Glance (Standalone Basis)

All figures in INR crore

Particulars	Quarterly Results			Full Year Results		
	Q4 FY 18	Q4 FY 17	% Change	FY 18	FY 17	% Change
Total Income	12,735	12,852	(0.91)	50,306	48,958	2.75
Interest Income	11,039	10,875	1.51	43,649	42,200	3.43
Interest Expenses	7,037	7,293	(3.51)	28,127	28,687	(1.95)
Net Interest Income (NII)	4,002	3,582	11.73	15,522	13,513	14.87
Other Income	1,696	1,977	(14.21)	6,657	6,758	(1.49)
Operating Income (NII + Other Income)	5,698	5,559	2.50	22,179	20,271	9.41
Total Expenses	10,070	9,832	2.42	38,300	37,983	0.83
Operating Expenses	3,033	2,539	19.46	10,173	9,296	9.43
of which, Employee Cost	1,268	1,222	3.76	4,607	4,638	(0.67)
Operating Profit	2,665	3,020	(11.75)	12,006	10,975	9.39
Total Provisions	5,768	2,865	101.33	14,437	9,592	50.51
Of which Provision for NPA	7,053	2,425	190.85	14,212	7,680	85.05
Of which Provision for Tax	(905)	242	-	(359)	1,090	-
Net Profit	(3,102)	155	-	(2,432)	1,383	-

BUSINESS

- The Bank's **Total Business** stood at **INR 10,52,059 crore** as at March 31, 2018 up by **4.15 %** from **INR 10,10,186 crore** as at March 31, 2017.
- **Total Deposits** stood at **INR 5,91,315 crore** as at March 31, 2018 as against **INR 6,01,675 crore** as at March 31, 2017.
- **Domestic Deposits** stood at **INR 4,66,974 crore** as at March 31, 2018. up by **6.11%** from **4,40,092 crore** as at March 31, 2017. Low Cost **CASA Deposits (Domestic)** registered a growth of **10.79 %** YoY.
- Percentage of **CASA deposits to Total Domestic Deposits** as at March 31, 2018 was **41.18%**, up from **39.44%** as at March 31, 2017.
- **Total Advances** at **INR 4,60,744 crore** as at March 31, 2018 increased by **12.79 %** y-o-y from **INR 4,08,511 crore** as at March 31, 2017.
- **Domestic advances** grew by **17.97 %** to **INR 3,51,269 crore** as at March 31, 2018 from **INR 2,97,755 crore as at March 31, 2017**, driven by retail loan growth of **42.44%** and within retail loan, home loan growth of **48.20%**.
- The Bank's **International Business** contributed **22.33%** to the Bank's Total Business

OPERATING PERFORMANCE

- The Bank's **Total Income** at **INR 12,735 crore** in Q4 FY 18. **Net Interest Income** stood at **INR 4,002 crore** up by **11.73% YoY**. **Other Income** stood at **INR 1,696 crore**.
- Recovery in TWO accounts increased from **INR 172 crore** in Q4 FY 17 to **INR 254 crore** in Q4 FY 18 registering a growth of **47.67% YoY**.
- The Bank's **Total Expenses** stood at **INR 10,070 crore** in Q4 FY 18. The interest expenses stood at **INR 7,037 crore**.
- **Net Interest Margin (NIM)** during Q4 FY18 declined by 21 bps. Excluding impact of exceptional item, namely interest on Income Tax refund aggregating to **INR 134.11 crore**, the decline is 9 bps. NIM during FY18 improved by 24 bps, for both domestic and global, driven by reduction in cost of deposits.
- Cost to Income Ratio increased to **53.23%** during Q4 FY 18 from **45.67%** during Q4 FY 17. The increase is driven by one-time adjustment on account of higher depreciation as per the Accounting policy.

- Operating Profit was lower at INR 2,665 crore during quarter ended Mar'18, after adjusting for impact of accounting policy changes on depreciation, higher accrual on wage revision effective from Nov'17.
- As a consequence of increased expenses and higher credit loss provision, the Bank posted a net loss of INR 3,102 crore for the quarter ended Mar'18 as compared to profit of INR 155 crore. Consequentially, full year losses was INR 2,432 crore as compared to profit of INR 1,383 crore in FY17.

ASSET QUALITY

- **Gross NPA (GNPA)** of the Bank stood at **INR 56,480 crore** as on March 31, 2018 as compared to **INR 48,480 crore** as on December 31, 2017. Out of this, fresh slippage of **INR 4,274 crore** is on account of implementation of RBI's new guidelines on restructured assets.
- **GNPA ratio stood at 12.26% in March 2018 as compared to 11.31% in December 2017.**
- **Net NPA ratio stood at 5.49% in March 2018 as compared to 4.97% in December 2017.**
- Exposure in accounts under NCLT 1 list is **INR 7,158 crore** and NCLT 2 list is **INR 3,830 crore** as on March 31, 2018.
- Provision held in accounts under NCLT 1 and NCLT 2 list is **INR 3,950 crore (55.18%)** and **INR 2,114 crore (55.20%)** respectively.

CAPITAL ADEQUACY

Capital Adequacy Ratio of the Bank continues to be above regulatory norms. The **CRAR** on standalone basis (**Basel III**) was **12.13%** as at March 31, 2018. Out of this, the **Tier 1** capital was **10.46%** and **CET 1 Capital** was **9.23%**.

TRANSFORMATION OF THE BANK

The Business Transformation Exercise christened Project Navodaya initiated by the Bank in 2016 is making good progress and is evidenced in all sectors. The implementation of the program also positions us to execute on a timely basis the commitment to the PSB Reforms Agenda – EASE.

Bank continues to maintain on all financial inclusion program covering PMJDY, MUDRA and meeting the lending targets as it relates to all the priority sectors.

The 'Shared Services' centralized operations at GIFT City, Gandhinagar, Gujarat, has implemented a number of centralization projects covering deposit account opening, trade finance & forex transactions, and retail loans.

The Bank has launched new Centres of Excellence on IT and Analytics and these centres would support business growth and profitability.

New programs such as Supply Chain Finance, Cash Management, Digitised Trade Services and Financial Planning for retail customers is enabling the Bank to increase engagement with the customers.

New deposit account opening are paperless due to account opening through Tablets and this program is getting extended to other banking products for retail customers.

Document Management System launched for seamless safe-keeping and retrieval of old records digitally besides giving lean look to the branch's ambience.

We are confident that in FY2018-19, we would be able to double digit RoE.

May 25, 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 5,467 branches and 9704 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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