



बैंक ऑफ बड़ौदा **Bank of Baroda**

BCC:ISD:111:16:46

Date: 29th January 2019

Market Control Operations Department,
Singapore Exchange Securities Trading Limited,
2 - Shenton Way # 19-00, SGX Centre - 1
Singapore 068804
E-Mail: sgxnet.services@sgx.com

Dear Sir/ Madam,

Re: Bank of Baroda - Unaudited (Reviewed) Standalone Financial Results for the Quarter / Nine Months ended 31st December 2018

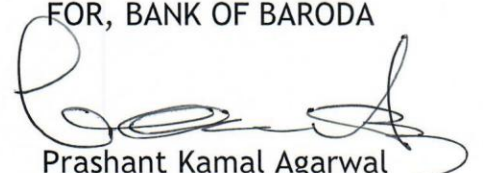
We advise the outcome of the Board Meeting as under:

The Board of Directors of Bank of Baroda at its meeting held today i.e. 29th January 2019 inter-alia considered & approved the Unaudited (Reviewed) Standalone Financial Results of the Bank together with relevant segment reporting, for the Quarter / Nine Months ended 31st December 2018.

A copy of the scanned announcement in pdf format as submitted to Stock Exchanges in India is enclosed herewith.

We hereby authorize you to release the announcement on behalf of Bank of Baroda.

Yours faithfully,
FOR, BANK OF BARODA


Prashant Kamal Agarwal
Authorized Signatory

Encl: As above



बैंक ऑफ बड़ौदा Bank of Baroda

BCC:ISD:111:16:45

Date: 29th January 2019

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
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Dear Sir/ Madam,

Re: Bank of Baroda - Unaudited (Reviewed) Standalone Financial Results for the Quarter / Nine Months ended 31st December 2018 - Regulation 33 of SEBI (LODR) Regulations, 2015

We refer to our Stock Exchange notification no. BCC:ISD:111:16:24 dated 16th January 2019. We now advise the outcome of the Board Meeting as under:

The Board of Directors of Bank of Baroda at its meeting held today i.e. 29th January 2019 inter-alia considered & approved the Unaudited (Reviewed) Standalone Financial Results of the Bank together with relevant segment reporting, for the Quarter / Nine Months ended 31st December 2018.

We enclose a copy of the Unaudited (Reviewed) Standalone Financial results along with Segment Reporting, Limited Review Report and Press Release.

The Meeting concluded at 5:30 p.m.

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

Yours faithfully,

P K Agarwal
Company Secretary

Encl. - As Above



बैंक ऑफ बरोडा Bank of Baroda

Head Office: Baroda House P B No.506 Mandvi Baroda- 390006

Corporate Office: C-26 G-Block Bandra Kurla Complex Bandra (E) Mumbai- 400051

Un-audited Financial Results (Standalone) for the Quarter/ Nine Months Ended 31st December 2018

(₹ in lakhs)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	Interest earned (a)+(b)+(c)+(d)	1294171	1207834	1130324	3665993	3260928	4364854
	(a) Interest /discount on advances / bills	900044	821801	753268	2520456	2161293	2906982
	(b) Income on investments	331578	321984	272071	953348	763945	1042016
	(c) Interest on balances with Reserve Bank of India and other inter bank funds	39894	45990	42854	130057	203210	241479
	(d) Others	22655	18059	62131	62132	132480	174377
2	Other Income	162114	135161	167304	412058	496125	665715
3	Total Income (1 + 2)	1456285	1342995	1297628	4078051	3757053	5030569
4	Interest Expended	819848	758580	690921	2304308	2108977	2812677
5	Operating Expenses (a)+ (b)+ (C)	282584	276224	241696	811140	714070	1017337
	(a) Employees cost	130353	122170	111042	362613	333838	460687
	(b) Rent Taxes & Lighting	24791	28034	25737	75594	74265	101108
	(c) Other operating expenses	127440	126020	104917	372933	305967	455542
6	Total Expenditure (4+5) excluding provisions and contingencies	1102432	1034804	932617	3115448	2823047	3830014
7	Operating Profit (3-6) before Provisions and Contingencies	353853	308191	365011	962603	934006	1200555
8	Provisions (other than tax) and Contingencies	279420	242954	342651	738938	812391	1479629
	of which provisions for Non-performing Asset	341602	146656	315528	664230	715919	1421172
9	Exceptional Items	-	-	-	-	-	-
10	Profit (+) / Loss (-) from Ordinary Activities before tax (7-8-9)	74433	65237	22360	223665	121615	(279074)
11	Provision for Taxes	27308	22699	11182	81176	54562	(35893)
12	Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11)	47125	42538	11178	142489	67053	(243181)
13	Extraordinary items (net of tax expenses)	-	-	-	-	-	-
14	Net Profit (+) / Loss (-) for the period (12-13)	47125	42538	11178	142489	67053	(243181)
15	Paid-up equity share capital (Face Value of ₹2 each)	53036	53036	46209	53036	46209	53036
16	Reserve excluding Revaluation Reserve	-	-	-	-	-	3970807
17	Analytical Ratios						
	i) Percentage of shares held by Government of India	63.74	63.74	58.70	63.74	58.70	64.03
	ii) Capital Adequacy Ratio(%) -Basel-III	11.67	11.88	11.55	11.67	11.55	12.13
	a CET 1 Ratio (%)	8.65	9.05	8.28	8.65	8.28	9.23
	b Additional Tier 1 Ratio (%)	1.21	1.20	1.24	1.21	1.24	1.23
	iii) Earnings Per Share						
	Basic and diluted EPS before and after Extraordinary items net of tax expenses (not annualized) [in ₹.]	1.78	1.61	0.49	5.39	2.91	(10.53)
	iv) NPA Ratios						
	(a) Gross NPA	5318428	5512137	4848044	5318428	4848044	5648039
	Net NPA	1913050	2105922	1985215	1913050	1985215	2348265
	(b) % of Gross NPA	11.01	11.78	11.31	11.01	11.31	12.26
	% of Net NPA	4.26	4.86	4.97	4.26	4.97	5.49
v)	Return on Assets (annualized) %	0.25	0.23	0.07	0.26	0.13	(0.34)



Notes forming part of the un-audited financial results for the Quarter/ Nine Months Ended 31st December 2018

- The above financial results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors in their respective meetings held on January 29, 2019. The same have been subjected to a limited review by the Statutory Central Auditors of the Bank.
- The above results for the quarter ended December 31, 2018, have been prepared, following the same accounting policies as those followed in the annual financial statements for the year ended March 31, 2018.
- The financial results for the quarter and nine months ended December 31, 2018, have been arrived at after considering provision for Non-Performing Assets, Standard Assets, Standard Derivative Exposures, Restructured Assets and depreciation / Provision for Investments on the basis of prudential norms and specific guidelines issued by the RBI. As a consistent practice, the Bank has made a provision of 20% on the Secured Sub-standard Advances as against the regulatory requirement of 15%. In addition to the above, provision is made on non-fund based facilities of NPA borrowers by applying 50% credit conversion factor (CCF). The provision is based on the asset class of the fund based facility of the borrower. Also 100% provision is made on certain class of non-performing retail advances.
- RBI Circular DBOD.NO.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 on Basel III Capital Regulations read together with RBI circular no DBR.NO.BP.BC. 80/21.06.201/2015-16 dated March 31, 2015 on Prudential Guidelines on Capital Adequacy and Liquidity Standards Amendments requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel- III framework. These details are being made available on our website "www.bankofbaroda.com". These disclosures have not been subjected to limited review by the auditors.
- As per RBI directions vide Letter No. DBR.No.BO.15199/21.04.048/2016-17 dated June 23, 2017 and Letter No. DR.No.BP.1906/21.04.049/2017-18 dated August 28, 2017, the Bank during the quarter ended December 31, 2018 has reversed ₹ 4777 lakhs (previous corresponding quarter provided for ₹ 657 lakhs) due to release of provisions. The Bank holds a total provision of ₹ 45616 lakhs (previous corresponding period ₹ 13567 lakhs) in respect of 23 borrower accounts under the provisions of Insolvency and Bankruptcy Code (IBC) and said RBI Directions.
- RBI circular DBR.No.BP.BC.113/21.04.048/2017-18 dated June 15, 2018 had granted banks an option to spread provisioning for mark to market (MTM) losses on investments held in AFS and HFT categories equally up to four quarters, commencing with the quarter ended June 30, 2018, the Bank has availed the relaxation permitted. An amount of ₹ 24848.50 lakhs, was carried forward as at the half year ended September 30, 2018. During the quarter the overall portfolio of the bank has a positive MTM as at December 31, 2018 hence no further provision was required. Accordingly, the above circular will not apply to the bank for the quarter.

7 Statement of Assets & Liabilities is as under:-

(₹ in lakhs)

	Standalone		
	As on 31st December 2018	As on 31st December 2017	As on 31st March 2018
	Reviewed	Reviewed	Audited
<u>CAPITAL & LIABILITIES</u>			
Capital	53036	46209	53036
Reserves and Surplus	4471454	4017502	4286441
Deposits	61056917	57326523	59131482
Borrowings	6733051	4529174	6257197
Other Liabilities and Provisions	2490517	2363019	2271821
TOTAL	74804975	68282427	71999977
<u>ASSETS</u>			
Cash and Balances with Reserve Bank of India	2496327	2236257	2269964
Balances with Banks and Money at Call and Short Notice	5575516	6500799	7019774
Investments	18432960	16356695	16318453
Advances	44867941	39938076	42743183
Fixed Assets	528912	548076	536739
Other Assets	2903319	2702524	3111864
TOTAL	74804975	68282427	71999977

- The Bank has made an additional provision over and above the IRAC norms/ Policy of the Bank amounting to ₹919.45 crores in certain specific accounts as a conservative approach to provide for the inherent weakness in these accounts
- RBI vide Circular no. DBR.No.BP.BC.108/21.04.048/2017-18 dated June 6, 2018 permitted banks to continue the exposure to MSME borrowers to be classified as standard assets where the dues between September 1, 2017 and December 31, 2018 are paid not later than 180 days for their respective original due dates. Accordingly, the Bank has retained MSME exposure of ₹ 193896 lakhs as standard asset as on December 31, 2018. In accordance with the provisions of the circular, the Bank has not recognised interest income of ₹ 555 lakhs and is maintaining a standard asset provision of ₹ 9695 lakhs as on December 31, 2018 in respect of such borrowers.



- 10 On January 2, 2019 the Board of Directors of the Bank and the Board of Directors of Vijaya Bank and Dena Bank at their respective meetings, approved amalgamation of Vijaya Bank and Dena Bank with the Bank. The Boards of respective banks have also approved the fair share swap ratio of 402 equity shares of FV ₹2/- each of Bank of Baroda to every 1000 shares of FV ₹10/- each of Vijaya Bank and 110 equity shares of FV ₹2/- each of Bank of Baroda for every 1000 shares of FV ₹10/- each of Dena Bank. The Government of India through a gazette notification F.No.1/1/2017-BOA dated January 2, 2019 approved the scheme of amalgamation after consulting reserve Bank of India. The bank has already intimated the stock exchanges the above information. The amalgamation will be effective from April 1, 2019 subject to statutory/ regulatory compliances/ clearances. The proposed transaction does not have any impact on the current financial results for the financial position of the Bank as at December 31, 2018.
- 11 The Board of Directors and the Shareholders of the bank have approved the Equity Share Purchase Scheme (ESPS) offer to the permanent employees of the bank subject to approval from regulatory authorities/ Government of India. The Board and the shareholders have approved offer of 10 crores equity shares to the employees at 25% discount of the 2 weeks volume weighted average price of the shares at NSE as at the record date. The record date is yet to be fixed by the bank.
- 12 The Bank during the quarter ended December 31, 2018 has issued two tranches of BASEL-III compliant Tier-II bonds viz., Series XVIII & XIX and have raised ₹ 971.50 crores & ₹ 240 crores respectively.
- 13 Provisioning Coverage Ratio is 73.47% as on December 31, 2018. (December 31, 2017: 68.03%)
- 14 Details of Investor's complaints for the quarter ended December 31, 2018: Pending at Beginning: 0; Received: 210; Disposed off: 210; Closing: 0.
- 14 The figures of the 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/ Nine Months Ended 31st December 2018

Part A-Business Segments

(₹ in lakhs)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended (Standalone)
		31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	Segment Revenue						
	(a) Treasury Operations	446580	405721	412537	1243074	1290029	1677799
	(b) Wholesale Banking	571604	466680	452734	1506020	1386716	1870692
	(c) Retail Banking	438101	470594	399710	1328957	1047661	1436020
	(d) Other Banking Operations	-	-	32647	-	32647	46058
	Total Revenue	1456285	1342995	1297628	4078051	3757053	5030569
2	Segment Results						
	(a) Treasury Operations	138890	(8364)	68972	131842	238510	264156
	(b) Wholesale Banking	(162802)	(64894)	(29596)	(154173)	(60985)	(449085)
	(c) Retail Banking	184645	213492	23188	495958	111734	144045
	(d) Other Banking Operations	-	-	24111	-	24111	33594
	Total	160733	140234	86675	473627	313370	(7290)
	Unallocated Expenditure	86300	74997	64316	249962	191755	271784
	Profit before Tax	74433	65237	22359	223665	121615	(279074)
	Provision for Tax	27308	22699	11181	81176	54562	(35893)
	Net Profit	47125	42538	11178	142489	67053	(243181)
3	Segment Assets						
	(a) Treasury Operations	27400925	28285360	26103465	27400925	26103465	26809912
	(b) Wholesale Banking	32115574	31120274	28437821	32115574	28437821	31134207
	(c) Retail Banking	14572219	14084181	12618437	14572219	12618437	13011177
	(d) Other Banking Operations	-	-	-	-	-	-
	(e) Unallocated	716257	653575	1122704	716257	1122704	1044681
	Total Assets	74804975	74143390	68282427	74804975	68282427	71999977
4	Segment Liabilities						
	(a) Treasury Operations	25743612	26559723	24549962	25743612	24549962	25194064
	(b) Wholesale Banking	30173102	29221685	26745393	30173102	26745393	29257732
	(c) Retail Banking	13690836	13224931	11867473	13690836	11867473	12226986
	(d) Other Banking Operations	0	0	-	-	-	-
	(e) Unallocated	672935	613702	1055888	672935	1055888	981718
	Total Liabilities	70280485	69620041	64218716	70280485	64218716	67660500
5	Capital Employed						
	(a) Treasury Operations	1657313	1725637	1553503	1657313	1553503	1615848
	(b) Wholesale Banking	1942472	1898589	1692428	1942472	1692428	1876475
	(c) Retail Banking	881383	859250	750964	881383	750964	784191
	(d) Other Banking Operations	-	-	-	-	-	-
	(e) Unallocated	43322	39873	66816	43322	66816	62963
	Total Capital Employed	4524490	4523349	4063711	4524490	4063711	4339477

Part-B : Geographic Segments

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	Revenue						
	(a) Domestic	1289001	1191159	1171113	3615579	3387209	4534256
	(b) International	167284	151836	126515	462472	369844	496313
	Total	1456285	1342995	1297628	4078051	3757053	5030569
2	Assets						
	(a) Domestic	59438470	57884096	51944946	59438470	51944946	55328716
	(b) International	15366505	16259294	16337481	15366505	16337481	16671261
	Total	74804975	74143390	68282427	74804975	68282427	71999977

Vikramaditya Singh Khichi
Executive Director

Shanti Lal Jain
Executive Director

Papia Sengupta
Executive Director

P S Jayakumar
Managing Director & CEO

Place : Mumbai
Date 29-01-2019



Kalyaniwalla & Mistry LLP

Chartered Accountants,
Esplanade House,
29, Hazarimal Somani Marg,
Mumbai - 400 001.

Singhi & Co.

Chartered Accountants,
161, Sarat Bose Road,
Kolkata - 700 026.

G. M. Kapadia & Co.

Chartered Accountants,
1007, Raheja Chambers,
213, Nariman Point, Mumbai-400 021.

S. R. Dinodia & Co. LLP

Chartered Accountants,
K-39, Connaught Place,
New Delhi - 110 001.

Limited Review Report**The Board of Directors****Bank of Baroda****Mumbai**

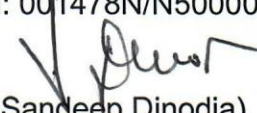
1. We have reviewed the accompanying statement of unaudited financial results of Bank of Baroda ('the Bank') for the quarter/nine months ended December 31, 2018 ("the Statement"). These statements are the responsibility of the Bank's Management and have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their respective meeting held on January 29, 2019. Our responsibility is to issue a report on these statements based on our review. Further, as stated in note 4, the disclosures relating to "Pillar 3 disclosures under Basel III Capital Regulations", "Leverage Ratio" and "Liquidity Coverage Ratio" as have been disclosed on the Bank's website and in respect of which link is prescribed in the aforesaid statement have not been reviewed by us.
2. We conducted our review in accordance with the Standard on Review Engagement ('SRE') 2410, "Review of Interim Financial Information performed by the independent Auditor 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.
3. The financial results incorporate the relevant returns of 20 branches and 1 treasury branch reviewed by us and un-reviewed returns of 5435 branches includes 25 foreign branches. We have also relied on review reports received from concurrent auditors of 115 branches and returns of 12 foreign branches reviewed by local audit firms specially appointed for this purpose. These review reports cover 64.54 percent of the advances portfolio of the bank and 62.71 of Non-Performing Assets of the Bank as on December 31, 2018.



Kalyaniwalla & Mistry LLP Chartered Accountants	Singhi & Co. Chartered Accountants
G M Kapadia & Co. Chartered Accountants	S.R. Dinodia & Co. LLP Chartered Accountants

Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from the branches/ offices of the bank.

4. Based on our review conducted as aforesaid, subject to limitation in scope as mentioned in Para 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results together with the notes thereon, 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.

For Kalyaniwalla & Mistry LLP. Chartered Accountants FRN:104607W / W100166  (CA Daraius Z Fraser) Partner M. No 042454 	For Singhi & Co. Chartered Accountants FRN: 302049E  (CA Sukhendra Lodha) Partner M. No. 071272 
For G M Kapadia & Co. Chartered Accountants FRN: 104767W  (CA Rajen Ashar) Partner M. No. 048243 	For S.R. Dinodia & Co. LLP. Chartered Accountants FRN: 001478N/N500005  (CA Sandeep Dinodia) Partner M. No.083689 

Place: Mumbai

Date: January 29, 2019

Press Release

BANK OF BARODA ANNOUNCES FINANCIAL RESULTS
FOR Q3 FY 2019 AND 9M (Apr-Dec 2018)

Robust credit growth for five quarters in a row; international margins improve further; GNPA/NPAs lower in absolute and % terms; transformation journey on track with investments in world-class operational and analytics capabilities.

Highlights

- Fifth quarter of 15% plus domestic credit growth. Domestic Y-o-Y credit growth on terminal and average basis at 21.13% and 23.34% respectively. Retail loans grew by 32.58% led by home and auto loans at 33.93% and 50.61% respectively. Score based lending led to Q-o-Q improvement in rating profile of new credit origination.
- Net Interest Income (NII) increased to INR 4,744 crore. Adjusting for IT refund of INR 326 crore in Dec'17, NII increased by 16.62% Y-o-Y. Domestic core fee income increased by 16.11% Y-o-Y to INR 771 crore.
- Standalone and Consolidated Operating Profit stood at INR 3,539 crore and INR 4,098 crore respectively. Operating Profit has been impacted by decline in Treasury income to INR 382 crore versus INR 509 crore last year besides one-time IT refund of INR 326 crore in December 2017.
- Standalone and Consolidated Net profit increased to INR 471 crore and INR 579 crore. The Bank front-ended NPL provisions of INR 919 crore which is in excess of IRAC norms. PCR including TWO increasing to 73.47% and PCR excluding TWO increasing to 64.03% as on December 31, 2018 from 70.75 % and 61.79 % respectively as on September 30, 2018.
- Net Interest Margin (NIM) improved to 2.69% in Q3 FY 19 from 2.61% last quarter. NIM of International operations increased to 1.99% from 1.66% during last quarter.
- Gross NPA reduced to 11.01% as on December 31, 2018 against 11.78% last quarter. Net NPA ratio declines to 4.26% from 4.86% last quarter. Absolute amount of Net NPA also declines by INR 1,929 crore to INR 19,130 crore, lowest in seven quarters.
- Capital Adequacy Ratio of the Bank at 11.67% and CET-1 at 8.65% versus 11.88% and 9.05% in September 2017 due to INR 1,354 crore allocation to UK subsidiary. Hence, consolidated CET-1 and Capital Adequacy Ratios are stable in December 2018 at 9.74% (9.84% in Sep'18) and 12.62% (12.55% in Sep'18) respectively.
- With the bank on-boarding corporate customers on the basis of a well-defined target market and retail customers on a score-based approach, the credit quality of recently acquired portfolio has shown distinct improvement as measured by credit score/ external ratings available with credit rating agencies.

Bank of Baroda announced its results for the Quarter and Nine Months ended on December 31, 2018, following the approval of its Board of Directors on January 29, 2019.

Results at a Glance (Standalone Basis)

All figures in INR crore

Particulars	Quarterly Results			Nine months Results		
	Q3 FY 19	Q3 FY 18	% Change	Apr- Dec 18	Apr- Dec 17	% Change
Interest Income	12,942	10,977	17.90	36,660	32,283	13.56
Interest Expenses	8,198	6,909	18.66	23,043	21,090	9.26
Net Interest Income (NII)	4,744	4,068	16.62	13,617	11,193	21.66
Customer Fee Income	942	886	6.32	2,760	2,528	9.18
Customer Income (NII + Fee Income)	5,686	4,954	14.78	16,377	13,721	19.36
Other Non-Interest Income	679	787	(13.72)	1361	2433	(44.06)
of which, Trading Gains – Profit from Sale of Investments	382	509	(24.95)	574	1,708	(66.39)
of which, Recovery from TWO	197	180	9.44	517	367	40.87
Non-Customer Interest Income	--	326	--	--	326	--
Operating Income (NII + Other Income)	6,365	6,067	4.91	17,738	16,480	7.63
Operating Expenses	2,826	2,417	16.92	8,112	7,141	13.60
of which, Employee Cost	1,304	1,110	17.48	3,626	3,338	8.63
Operating Profit	3,539	3,650	(3.04)	9,626	9,340	3.06
Total Provisions	3,067	3,538	(13.31)	8,201	8,669	(5.40)
of which Provision for NPA	3,416	3,155	8.27	6,642	7,159	(7.22)
Profit before Tax	744	224	232.14	2,237	1,217	83.81
Provision for Tax	273	112	143.75	812	546	48.72
Net Profit	471	112	320.54	1425	671	112.37

BUSINESS

- **Domestic CASA deposits** registered a growth of **10.27% Y-o-Y**. **CASA deposits to Total Domestic Deposits at 39.98% versus 40.48% as on September 30, 2018.**
- **Domestic Deposits** stood at **INR 4,96,271 crore** as on December 31, 2018 up by **11.91%** from **INR 4,43,469 crore** as on December 31, 2017.
- **Domestic advances** grew by **21.13%** to **INR 3,52,472 crore** as on December 31, 2018 from **INR 2,90,977 crore** as on December 31, 2017. The increase was led by **retail loans** which grew by **32.58%**.
- Contribution of Bank's **International Business** at the end of December 31, 2018 was **19.87%** compared with **21.02%** as of September 30, 2018 due to rationalisation of overseas operations.
- Modified duration of AFS investments and HTM securities as on December 31, 2018 is **1.13 and 5.01**.
- The Bank's **Total Business** stood at **INR 10,59,248 crore** as on December 31, 2018 up by **8.90%** from **INR 9,72,645 crore** as on December 31, 2017.

OPERATING PERFORMANCE

- The **Operating Profit** stood at **INR 3,539 crore** as against **INR 3082 crore** in the **previous quarter**. However, on Y-o-Y basis, Operating profit declined by **3.04%** due to lower Treasury income at **INR 382 crore** versus **INR 509 crore** in the previous year and **INR 326 crore** impact of one-off IT refund in the previous year.
- **Net profit** increased by **320.54% Y-o-Y** to **INR 471 crore** as on December 31, 2018 despite the Bank accelerating specific provisions on NPLs to **INR 3,416 crore** from **INR 3,155 crore**.
- **Net Interest Income (NII)** increased to **INR 4,744 crore**. Adjusting for IT refund of **INR 326 crore** in Dec'17, NII increased by **16.62%**. **Domestic core fee income** increased by **16.11% Y-o-Y** to **INR 771 crore**. **Operating income (NII + Other income)** increased by **4.91 % Y-o-Y** to **INR 6,365 crore**.
- **Net Interest Margin (NIM)** improved to **2.69%** in December 2018 quarter from **2.61%** in September 2018. **NIM of International operations** improved to **1.99%** from **1.66%** in September 2018.

ASSET QUALITY

- **Fresh slippage** was at **INR 2,933 crore** on account of **INR 1169 crore** slippage of **IL&FS**. Adjusting for **ILFS**, fresh slippage is at the lowest level since **June 2015**.
- **Provision for NPAs** was at **INR 3,416 crore** including provision of **INR 919 crore** over and above **IRAC** norms. While Credit cost decreased to **2.92%** in December 2018 from **3.04%** last year, adjusting for **INR 919 crore** provision above the **IRAC** norms, credit cost is **2.13%**.
- **Gross NPA (GNPA)** was **INR 53,184 crore** as on December 31, 2018 compared to **INR 55,121 crore** as on September 30, 2018. **GNPA** ratio declined to **11.01 %** Q-o-Q from **11.78%** as on September 30, 2018.
- **Net NPA** ratio declined to **4.26%** as on December 31, 2018 from **4.86%** as on September 30, 2018. Absolute amount of **Net NPA** also declined to **INR 19,130 crore** from **INR 21,059 crore** as on September 30, 2018.
- Exposure in accounts under **NCLT 1** list was **INR 3910 crore** and **NCLT 2** list was **INR 3,839 crore** as on December 31, 2018.
- Provision coverage under **NCLT 1** and **NCLT 2** list was **72.68%** and **76.10%** respectively.

CAPITAL ADEQUACY

Capital Adequacy Ratio of the Bank stood at **11.67%** and **CET-1** at **8.65%** versus **11.88%** and **9.05%** in September 2018 due to **INR 1,354 crore** allocation to **UK** subsidiary. Hence, consolidated **CET-1** and **Capital Adequacy Ratios** are stable in December 2018 at **9.74%** (**9.84%** in Sep'18) and **12.62%** (**12.55%** in Sep'18) respectively.

TRANSFORMATION OF THE BANK

The Bank's transformation journey is now in its 3rd year and the progress is in-line with the plan. The transformation journey initially focused on re-engineering processes to provide a more frictionless banking, filling the white spaces so as to provide more comprehensive range of products and services to customers, digitisation and building people capability. A prime example of a digital process in the Bank is "Tab Banking" by which new savings accounts are opened entirely digitally and has thus resulted in better customer experience, higher productivity of branches and ease of opening accounts. Tab Banking is now being expanded to all other retail products of the Bank.

In the recent period, the transformation agenda has been focussed in building world-class operational and analytical capabilities. Baroda Shared Service Centre located in

Gandhinagar and Hyderabad is processing all new savings account, mortgage loans and trade finance accounts. During the quarter, issuance of debit cards, pension payments, managing ATM network and processing of agriculture loans have been migrated to the Baroda Shared Service Centre. Centralisation of processes is dramatically reducing operational risk, reducing cycle time and providing consistency in underwriting standards. As more and more processes get migrated to Shared Service centre, front-end staff is focusing on sales and customer service and thereby improving productivity and service standards.

The Bank continues to invest in building world-class Analytics capability across all areas. The Bank has set up a Big Data Lake of 1.5 Peta Bytes which is supported with data scientists. The focus on analytics is building used cases on X-sell, customer segmentation, credit and behavioural score and building early warning and monitoring of credit, audit and operational risks.

With improved turn-around time in processing transactions due to transformation journey of the Bank, the Bank is now in a position to enter into various strategic tie-ups in key growth segments such as agriculture platforms, E-commerce and Fintech which will enable bank to continue to gain market share. Bank is already present or has entered into a tie-up with over 35 aggregator platforms such as OYO, Amazon, Flipkart, Swiggy and TReDS among others.

The Bank is laying emphasis on shifting the focus on “Sales and Service” in order to ensure customer experience continues to show improvement along with higher revenue realization. As part of the transformation, the Bank has introduced Reward and Recognition as the basis of Employee engagement which reinforces the philosophy of growing with the Bank and also results in motivation.

As a responsible citizen of the planet, Bank has started financial inclusive green finance with focus on small sized renewable energy and micro irrigation loans.

January 29, 2019
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 5,546 branches and 9,661 ATMs and Cash Recyclers supported by self-service channels. The Bank has a significant international presence with a network of 101 overseas offices spanning 21 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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