बैंक ऑफ़ बड़ौदा
Bank of Baroda

Performance Analysis:

Q3 FY 2016 (April – December 2015)

February 13, 2016

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, MSME, retail & agricultural customers across the country

Strong Domestic Presence through 5,271 branches & 8,774 ATMs supported by self-service channels

Un-paralleled international Presence across **105** Offices spanning **24** countries

Valuable customer base of ~60 million across the pyramid

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

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Dominant presence in Progressive States like Gujarat & Maharashtra

Subsidiaries and JVs to provide Insurance, Asset Management, Securities Services

Well capitalized on a sustained basis

A well-accepted & recognized Brand in the Indian Banking Industry

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Bank of Baroda: Q3, FY 2016 Results At A Glance

Results for Q3, FY 2016		
Performance Parameter	**INR crore**	**Growth (y-o-y)**
Operating Profit	1,704	-27.1%
Provision for NPAs	6,474	463.1%
Provision for tax	-1,118	-250.6%
Other Provisions	-309	-375.4%
Net Profit	-3,342	-
Total Business	9,73,959	1.64%
Total Deposits	5,89,687	4.44%
Total Advances	3,84,272	-2.38%
Total Assets	6,87,186	4.61%
Net Worth	35,579	-6.59%
Total Capital (Basel III)	46,792	5.16%
Tier 1 Capital (Basel III)	36,773	9.10%
Business per Employee	16.96	-2.97%

Ratios for 9M FY 2016	
Key Performance Ratio	**%**
Return on Average Assets	-0.41%
Return on Equity	-8.11%
Cost-Income Ratio	50.58%
Capital Adequacy Ratio (Basel II, Tier 1: 9.89%)	12.95%
Capital Adequacy Ratio (Basel III, Tier 1: 9.57%)	12.18%
Provision Coverage Ratio	52.70%
Gross NPA	9.68%
Net NPA	5.67%

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Bank of Baroda: Q3, FY 2016 Results At A Glance

All figures in INR crore

Particular	Q3, FY15	Q2, FY16	Q3, FY16
Net Interest Income	3,286	3,244	2,705
Fresh Slippages	3,042	6,816	15,603
Incremental Restructuring	1,598	115	250

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Business Expansion (1/2)

All figures in INR crore unless specified otherwise

Particulars	Dec '14	Mar '15	Dec '15	Y-O-Y (%)	Change Over Mar '15 (%)
Total Business	**9,58,230**	**10,45,625**	**9,73,959**	**1.64%**	**-6.85%**
Domestic	6,43,380	7,06,148	6,72,269	**4.49%**	**-4.80%**
International	3,14,850	3,39,477	3,01,690	**-4.18%**	**-11.13%**
Total Deposits	**5,64,600**	**6,17,560**	**5,89,687**	**4.44%**	**-4.51%**
Domestic	3,82,467	4,14,278	4,13,082	**8.00%**	**-0.29%**
International	1,82,133	2,03,282	1,76,605	**-3.04%**	**-13.12%**
CASA Deposits	**1,49,141**	**1,62,969**	**1,41,523**	**-5.11%**	**-13.16%**
Domestic	1,24,013	1,36,752	1,23,796	**-0.17%**	**-9.47%**
International	25,128	26,217	17,727	**-29.45%**	**-32.38%**

- **Share of Domestic CASA in Total Deposits stood at 29.97% at December 31, 2015**
- **On year-on-year (y-o-y) basis growth in CASA (domestic) deposit on average basis is 12.01%**
- **Domestic CASA share on daily average basis stood at 29.10%**
- **Y-o-y growth in total domestic deposits on average basis is at 12.19% as against the industry growth of 10.9% . Total deposits on average basis grew by 9.49%**

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Business Expansion (2/2)

All figures in INR crore unless specified otherwise

Particular	Dec '14	Mar '15	Dec '15	Y-O-Y (%)	Change Over Mar '15(%)
Advances (Net)	**3,93,631**	**4,28,065**	**3,84,272**	**-2.38%**	**-10.23%**
Domestic	2,60,913	2,91,870	2,59,187	**-0.66%**	**-11.20%**
International	1,32,717	1,36,195	1,25,085	**-5.75%**	**-8.16%**
Retail Credit Of which:	**48,736**	**52,488**	**51,728**	**6.14%**	**-1.45%**
Home Loans	21,622	22,542	24,332	12.53%	7.94%
SME Credit	**59,320**	**61,993***	**54,561**	**-8.02%**	**-11.99%**
Farm Credit	**31,142**	**32,736***	**34,825**	**11.83%**	**6.38%**
Credit to Weaker Sections	**22,810**	**22,510**	**24,119**	**5.74%**	**7.15%**

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

On y-o-y basis, growth in domestic advances on average basis is 6.66% as against the industry growth of 11.1%. Total advances growth on an average basis stood at 7.59%

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CASA Position

All figures in INR crore unless specified otherwise

Particular	Dec '14	Mar '15	Dec '15	Y-O-Y (%)	Change Over Mar '15 (%)
Total Saving Deposits	**1,02,844**	**1,10,172**	**1,10,060**	**7.02%**	**-0.10%**
Domestic	99,449	1,06,736	1,06,509	**7.10%**	**-0.21%**
International	3,395	3,436	3,552	**4.62%**	**3.36%**
Total Current Deposits	**46,297**	**52,797**	**31,463**	**-32.04%**	**-40.41%**
Domestic	24,563	30,016	17287	**-29.62%**	**-42.41%**
International	21,734	22,781	14,175	**-34.78%**	**-37.78%**

Share of Domestic CASA in Total Deposits at 29.97% at December 31, 2015

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Bank's Profits & Its Key Components: Q3, FY15 & FY16

All figures in INR crore unless specified otherwise

Particular	Q3, FY15	Q3, FY16	YOY (%)	9M, FY15	9M, FY16	YOY (%)
Interest Income	**10,718**	**10,614**	**-0.97%**	**32,202**	**33,047**	**2.62%**
Interest Expenses	**7,432**	**7,909**	**6.42%**	**22,187**	**23,637**	**6.54%**
NII (Spread)	**3,286**	**2,705**	**-17.67%**	**10,015**	**9,409**	**-6.05%**
Other Income	**1,090**	**1,113**	**2.07%**	**3,106**	**3,224**	**3.79%**
Total Income (NII + Other Income)	**4,376**	**3,818**	**-12.75%**	**13,122**	**12,634**	**-3.72%**
Operating Expense	**2,037**	**2,114**	**3.76%**	**5,900**	**6,390**	**8.30%**
of which, Employee Cost	**1,120**	**1,155**	**3.13%**	**3,333**	**3,544**	**6.32%**
Operating Profit	**2,339**	**1,704**	**-27.14%**	**7,221**	**6,243**	**-13.55%**
Provisions & contingencies	**2,005**	**5,046**	**151.67%**	**4,422**	**8,408**	**90.15%**
Net Profit	**334**	**-3,342**	**-**	**2,800**	**-2,165**	**-**

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Deposit & Loan Costs: Q3,FY15 to Q3,FY16

All figures in %

Particular	Q3, FY15	Q4, FY15	Q1, FY16	Q2, FY16	Q3, FY16
Cost of Deposits	**5.18**	**5.18**	**5.06**	**5.05**	**5.02**
Domestic	7.12	7.10	6.93	6.91	6.77
International	1.02	0.97	0.88	0.95	0.94
Yield on Advances	**8.09**	**7.68**	**7.89**	**7.61**	**7.04**
Domestic	11.01	10.56	10.64	10.44	9.57
International	2.35	2.16	2.25	2.12	2.07

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Investment Yields & NIMs: Q3,FY15 to Q3,FY16

All figures in %

Particular	Q3, FY15	Q4, FY15	Q1, FY16	Q2, FY16	Q3, FY16
Yield on Investment	**7.94**	**7.89**	**7.83**	**7.54**	**7.30**
Domestic	8.13	8.07	8.04	7.76	7.51
International	4.22	4.37	3.73	3.88	3.80
NIM	**2.20**	**2.17**	**2.26**	**2.08**	**1.72**
Domestic	2.92	2.76	2.89	2.69	2.11
International	0.93	0.96	0.92	0.85	0.87

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Non-Interest income: Q3 of FY15 & FY16

All figures in INR crore unless specified otherwise

(INR crore)	Q3, FY15	Q3, FY16	YOY (%)	9M, FY15	9M, FY16	YOY (%)
Commission, Exchange, Brokerage	373	339	-9.07%	1053	1,047	-0.59%
Incidental Charges	79	91	16.18%	254	266	4.72%
Other Miscellaneous Income	106	128	23.11%	262	353	34.73%
Total Fee-Based Income	**558**	**559**	**0.59%**	**1,570**	**1,666**	**6.11%**
Trading Gains	244	289	18.55%	647	670	3.59%
FX Profits (Treasury)	253	241	-4.64%	761	772	1.34%
Recovery from PWO	36	24	-33.00%	128	116	-8.96
Total Non-Interest Income	**1,090**	**1,113**	**2.07%**	**3,106**	**3,224**	**3.79%**

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Provisions & Contingencies: Q3 of FY15 & FY16

All figures in INR crore unless specified otherwise

	Q3, FY15	Q3, FY16	YOY (%)	9M, FY15	9M, FY16	YOY (%)
Provision for NPA & Bad Debts Written-off	1,150	6,474	463.06%	2,506	8,886	254.60%
Provision for Depreciation on Investment	-50	30	160.02%	-187	161	186.00%
Provision for Standard Advances	141	-373	-364.69%	234	-441	-288.63%
Other Provisions (including Provision for staff welfare)	22	34	55.70%	125	50	-60.08%
Tax Provisions	743	-1,118	-250.56%	1,744	-248	-114.19%
Total Provisions	**2,005**	**5,046**	**151.67%**	**4,421**	**8,408**	**90.17%**

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Domestic Treasury Highlights: Q3, FY16

- **Treasury Income** stood at the level of ***INR 530* crore** in Q3, FY16 and provided good support to **Non-Interest Income generation**
- Total size of Bank's **Domestic Investment Book** as at December 31, 2015 stood at ***INR* 1,38,297 crore**
- As on December 31, 2015, the share of **SLR Securities** in Total Investment was **87.30%**
- The Bank had **71.40%** of SLR Securities in **HTM** and **27.35%** in **AFS** as at December 31, 2015
- The **per cent of SLR to NDTL** at December 31, 2015 was at **27.78** %
- The Bank shifted **SLR securities** worth ***INR* 12,785.70 crore** from **HTM** to **AFS** portfolio during Q1 FY 16
- As on December 31, 2015, the **modified duration** of **AFS** investments was **3.18 %** & that of **HTM** securities was **5.54%**
- In Q3, FY16, amount of ***INR* 23.26 crore** is provided towards Depreciation on Investment

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Highlights of International Business: Q3, FY16

- During Q3, FY16, the Bank's '**International Business**' contributed 31**%** to its **Total Business**
- Out of the Total International Loan-book, 46.13**%** comprised of **Buyers' Credit/BP/BD portfolio** where the exposure **is on the banks. 23.10%** 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 **4.12%** and remaining **26.66%** exposure is by way of local credit
- The GNPA (%) for International operations was at **4.89%** as on 31st December 2015. Excluding the exposure to India based corporates, the GNPA (%) of remaining exposure was at **1.68%**
- The **Cost-Income Ratio** in International operations was more favorable at 22.44**%** in Q3, FY16
- In Q3 FY16, the **NIM** (as % of interest-earning assets) in International operations stood at **0.86**%
- The Outstanding balance of restructured loans in International operations as on December 31, 2015 was at ***INR* 3,778.19 crore,** out of which the **Standard restructured loans** were at ***INR* 1945.27 crore**

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NPA Movement (Gross in INR crore): Q2, Q3 FY16 & H1 and Apr-Dec, FY16

All figures in INR crore unless specified otherwise

Particular	Q2, FY16	H1, FY16	Q3, FY16	9M, FY16
A. Opening Balance	**17,274**	**16,261**	**23,710**	**16,261**
B. Additions	**6,962**	**8,870**	**15,785**	**24,579**
Out of which, Fresh Slippages	6,816	8,501	15,603	24,104
C. Reductions	**526**	**1421**	**561**	**1,907**
Recovery	**334**	**635**	**311**	**945**
Upgradation	**79**	**606**	**14**	**548**
Write-Offs	**108**	**177**	**236**	**413**
Other Adjustments	**4**	**4**	**0**	**0.3**
Closing Balance	**23,710**	**23,710**	**38,934**	**38,934**
Recovery in PWO	**79.23**	**91.85**	**24.18**	**116.46**

The Bank's PCR stood at 52.70% on December 31, 2015

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Sector-wise Net NPA [Sequential Movement]

All figures in %

Particular	Net NPA (%) Dec 2014	Net NPA (%) Mar 2015	Net NPA (%) Jun 2015	Net NPA (%) Sept 2015	Net NPA (%) Dec 2015
Agriculture	3.35	3.01	3.18	3.11	7.21
Large & Medium Industries	1.95	1.56	1.78	3.65	9.04
Retail	1.35	1.47	1.81	1.94	2.70
Housing	0.92	0.90	1.02	1.13	0.96
MSME	5.30	5.62	6.25	5.68	8.18
Overseas Operations	1.09	0.78	0.76	1.72	2.75

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Restructured Accounts (Domestic)

All amount figures in INR crore

Year of Restructuring	Outstanding as on December 31, 2015					
	Standard		NPA		Total	
	Number	Amount O/s	Number	Amount O/s	Number	Amount O/s
Upto 31.03.2008	58	546.89	100	5.37	158	552.26
2008-09	2,368	334.31	3,457	324.55	5,825	658.86
2009-10	1,319	1,155.00	1,454	450.09	2,773	1,605.09
2010-11	287	335.33	327	1,275.60	614	1,610.93
2011-12	637	2,650.87	779	703.28	1,416	3,354.15
2012-13	5,379	4,564.36	4,387	3,017.66	9,766	7,582.02
2013-14	1,0185	4,604.96	8,372	3,282.83	18,557	7,887.79
2014-15	11,573	6,407.20	5,982	2,644.32	1,7555	9,051.52
1st Quarter 2015-16	186	142.06	238	16.94	424	159.00
2nd Quarter 2015-16	283	105.03	151	8.77	434	113.80
3rd Quarter 2015-16	46	197.99	258	18.67	304	216.66
	32,321	2,1044.00	25,505	11,748.08	57,826	32,792.08
Less: Standard Restructured A/cs ceased to attract higher provision and/or additional risk weight at the end of Sept quarter	6,828	5,854.23			6,828	5,854.23
TOTAL	**25,493**	**15,189.77**	**25,505**	**11,748.08**	**50,998**	**26,937.85**

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Restructured Accounts

Globally Restructuring is as follows:

All amount figures in INR crore

Quarter	Domestic		International		Total	
	Number	Amount	Number	Amount	Number	Amount
Q3 FY 2016	304	216.7	1	33.6	305	250.32
Q2 FY 2016	455	114.94	0	0	455	114.94
Q1 FY 2016	498	147.04	0	0	498	147.04
FY 2015	16,773	7,420.4	15	422.7	16,788	7,843.12

- **The provision on account of diminution in fair value as in December 2015 is *INR* 877.76 crore (addition of *INR* 21.69 crore), Q2, FY 16 is *INR* 2.40 crore and *INR* 7.13 crore in Q1, FY 16**
- **Globally Restructured Standard Advances stood at *INR* 17,135.26 crore is 4.71% of total Standard Advances out of which Restructured Standard Advances of Domestic Operations is *INR* 15,189.77 crore (6.29% of Domestic Standard Advances)**
- **Globally Restructured assets of *INR*5,795 crore slipped to NPA during the Q3, FY16. Out of the above, domestically restructured assets of *INR*5,621 crore slipped to NPA and international restructured assets slipped to NPA is *INR* 174 crore during this quarter**
- **Out of the domestic restructured assets slipped to NPA, CDR assets are of *INR* 1935.17 crore during Q3, FY16 and it was 34.43% of total slipped assets of *INR* 5,621 crore**

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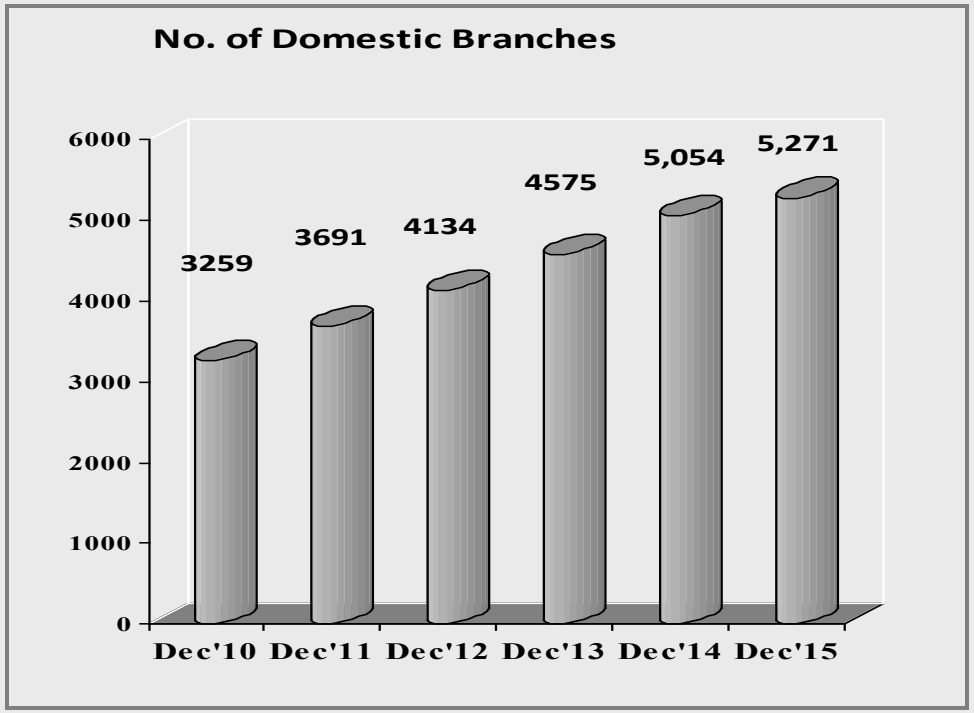
Domestic Branch Network (as on December 31, 2015)



Regional Break-up of Domestic Branches as on December 31, 2015			
Metro	**Urban**	**Semi-Urban**	**Rural**
1,000	**922**	**1,411**	**1,938**

- During past **five** years, the Bank added **2,012** branches to its domestic network
- During Apr-Dec 2015, the Bank opened 83 new branches out of its plan to open 250 new branches in FY 2016
- Out of the newly opened 83 branches during 9M FY 2016, 28 belonged to 'metro & urban' areas; 24 to semi-urban areas & 31 to rural areas
- The newly opened 83 branches in Apr-Dec, FY16 mainly belonged to Rajasthan, Uttar Pradesh, West Bengal & Gujarat
- Around **36.72%** of the Bank's network at December 31, 2015 was situated in rural areas

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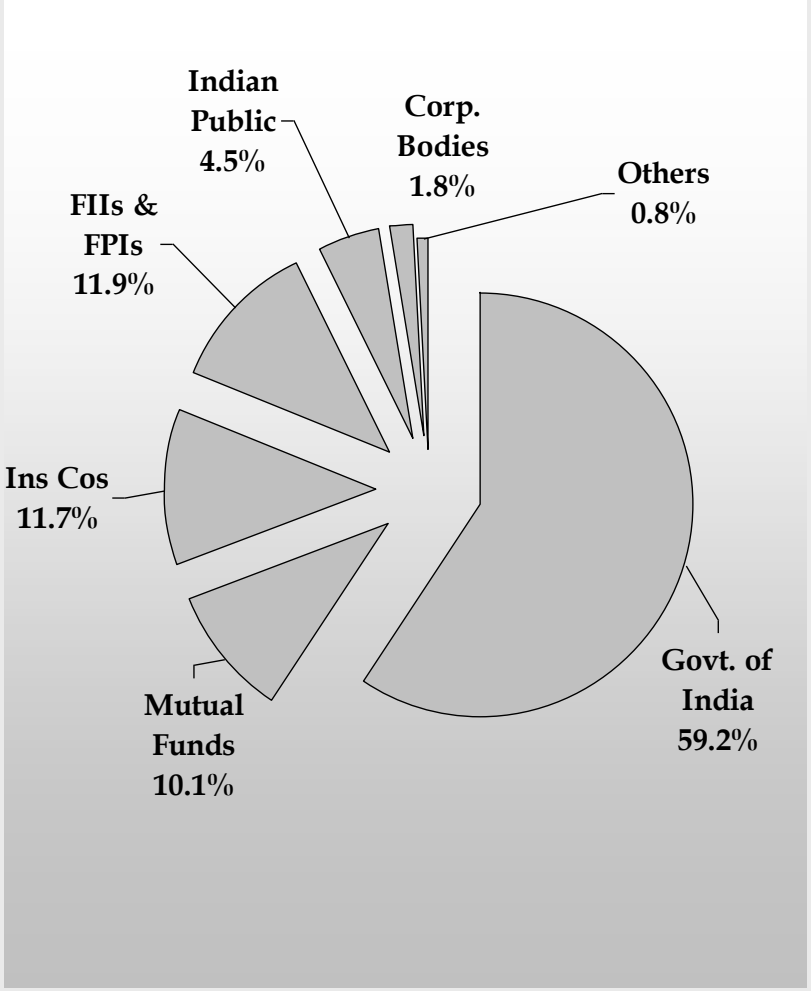
Pattern of Shareholding as on December 31, 2015



As on December 31, 2015

- **Share Capital: *INR* 460.83 crore**
- **Net worth: *INR* 35,579 crore** (down 6.59**%**, y-o-y)
- **BV per share (vs. FV per share: *INR* 2): INR 154.41** (down 10.7**%**, y-o-y)
- **Return on Equity: -8.11**% in Apr-Dec, FY 2016
- **Bank of Baroda is a part of the following Indexes:**
- **BSE 100, BSE 200, BSE 500 & Bankex Nifty, BankNifty, CNX 100, CNX 200, CNX 500**
- ***Bank of Baroda's Share is also listed on BSE and NSE in the 'Future and Options' segment***

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Digital Initiatives

- **Developing applications to enhance utilization of the network of ATMs, Cash Recyclers & Multifunction Kiosks**
- **Redesigning User interfaces of Internet Banking, Mobile Banking and ATMs**
- **In the process of launching Wallet services with easy payout options**
- **Working on various pilot projects including online payment, payment acquiring etc.**
- **Streamlining back office hubs for centralized data processing and realigning backend processes for faster response and enhanced efficiency**
- **Introduced a Customer centric Loyalty Program to encourage use of Debit Cards & other delivery channels**
- **Embarking on a Digital Drive to offer best in class banking services to its Customers. Digital strategy based on four basic building blocks:**
  - Digitization of processes for enhancing service efficiency
  - Development of new omni-channel products with special focus on Customer experience
  - Elaborate use of data warehouse & analytical tools for informed decision making
  - Implementation of comprehensive customer feedback & grievance redressal system

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We continue to work on the following key priorities for the Bank as outlined earlier, going forward

People

- Organization structure strengthening
- High potential talent identification for leadership pipeline
- Employee engagement

Strategy

- Strategic roadmap for the next 3 years to be prepared
- Focus on customer connect and innovation

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Technology

- Focus on tapping the digitization opportunity with technology

Processes & Governance Systems

- Strengthening of business & governance practices including credit risk management enabled by technology

We seek continued support from all our stakeholders in this journey

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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.

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Thank you

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