

Press Release

Bank of Baroda announces Financial Results for the Quarter ended 31st December 2023

BOB reports a robust growth of 38.2% in its 9MFY24 Net Profit to INR 12,902 crore

Key Highlights

- Global Business grew by 10.7% to reach INR 22,94,627 crore as of 31st December 2023
- Net Profit for Q3FY24 stands at INR 4,579 crore, growth of 18.8% YoY.
- Return on Assets (ROA) for the quarter is 1.20% and 1.15% for 9MFY24.
- Return on Equity (ROE) higher by 168 bps YoY at 18.70% for 9MFY24.
- The growth in profitability was supported by healthy Operating Income growth of 18.8% YoY in 9MFY24.
- Operating income growth was augmented by ~1.5x growth in Non-Interest Income to INR 10,304 crore in 9MFY24.
- Healthy growth in income coupled with subdued increase in Opex has resulted in healthy Operating profit growth of 21.7% YoY for 9MFY24.
- Cost to Income ratio has also reduced by 123 bps YoY to 47.13% for 9MFY24.
- Global Net Interest Margin (NIM) improves by 3 bps sequentially and stands at 3.10% in Q3FY24 as against 3.07% in Q2FY24.
- Net Interest Margin (NIM) for 9MFY24 is 3.14%.
- BOB has witnessed significant improvement in its Asset quality with reduction in GNPA by 145 bps YoY to 3.08% from 4.53% in Q3FY23.
- Bank's NNPA reduced by 29 bps YoY to 0.70% in Q3FY24 as against 0.99% in Q3FY23.
- BOB's balance sheet remains robust with healthy Provision Coverage Ratio (PCR) of 93.39% with TWO & at 77.70% without TWO.
- Credit cost remains below 1% at 0.69% for 9MFY24 & 0.39% for the quarter.
- Healthy Liquidity Coverage Ratio (LCR) at 133% as on 31st Dec 2023.
- BOB's Global Advances registered a growth of 13.6% YoY in Q3FY24 led by robust retail loan book growth. Bank's organic Retail Advances grew by 22%, driven by growth in high focus areas such as Auto Loan (24.3%), Home Loan (15.6%), Personal Loan (60.8%), Mortgage Loan (10.5%), Education Loan (18.3%).

Profitability

- ❖ BOB reported a standalone Net Profit of INR 4,579 crore in Q3FY24 as against a profit of INR 3,853 crore in Q3FY23. Net Profit for 9MFY24 stands at INR 12,902 crore (+38.2% YoY) as against INR 9,334 crore in 9MFY23.
- ❖ Net Interest Income (NII) grew by 2.6% YoY to INR 11,101 crore in Q3FY24. NII for 9MFY24 registered a growth of 10.4% and stands at INR 32,929 crore.
- ❖ Non-Interest Income for 9MFY24 stands at INR 10,304 crore up by 57.1% YoY
- ❖ Global NIM improves by 3 bps sequentially and stands at 3.10% in Q3FY24. Global NIM for 9MFY24 stands at 3.14%.
- ❖ Yield on Advances increased to 8.51% in Q3FY24 as against 7.78% in Q3FY23.
- ❖ Cost of Deposits increased to 4.96% in Q3FY24 as against 4.01% in Q3FY23.
- ❖ Operating Income for Q3FY24 stands at INR 13,912 crore. Operating Income for 9MFY24 stands at INR 43,233 crore registering a growth of 18.8%.
- ❖ Operating Profit for Q3FY24 stands at INR 7,015 crore. (Excluding impact of MTM, quarterly Operating Profit would have been INR 7,482 crore for Q3FY23 and INR 7,307 crore for Q3FY24)
- ❖ Operating Profit for 9MFY24 increased by 21.7% to INR 22,859 crore.
- ❖ Cost to Income ratio stands at 49.57% for Q3FY24.
- ❖ Return on Assets (annualised) improved to 1.20% in Q3FY24 from 1.13% in Q3FY23.
- ❖ Return on Equity (annualised) for Q3FY24 stands at 19.91%. RoE increased by 168 bps YoY to 18.70% for 9MFY24
- ❖ For the consolidated entity, Net Profit stood at INR 4,789 crore in Q3FY24 as against INR 4,306 crore in Q3FY23.

Asset Quality

- ❖ The Gross NPA of the Bank reduced by 22.8% YoY to INR 32,318 crore in Q3FY24 and Gross NPA Ratio improved to 3.08% in Q3FY24 from 4.53% in Q3FY23.
- ❖ The Net NPA Ratio of the Bank stands at a low 0.70% in Q3FY24 as compared with 0.99% in Q3FY23.
- ❖ The Provision Coverage Ratio of the Bank stood at 93.39% including TWO and 77.70% excluding TWO in Q3FY24.
- ❖ Slippage ratio declined to 1.06% for 9MFY24 as against 1.22% in 9MFY23. Slippage ratio for the quarter is below 1% at 0.95% for Q3FY24 as against 1.05% in Q3FY23.
- ❖ Credit cost stands at 0.39% for Q3FY24 and 0.69% for 9MFY24

Capital Adequacy

- ❖ CRAR of the Bank stands at 14.72% in Dec'23. Tier-I stood at 12.67% (CET-1 at 11.11%, AT1 at 1.56%) and Tier-II stood at 2.05% as of Dec'23.
- ❖ The CRAR and CET-1 of consolidated entity stands at 15.14% and 11.62% respectively
- ❖ The Liquidity Coverage Ratio (LCR) consolidated stands at 133%.

Business Performance

- ❖ Global Advances of the Bank increased to INR 10,49,327 crore, +13.6% YoY.
- ❖ Domestic Advances of the Bank increased to INR 8,62,086 crore, +13.4% YoY.
- ❖ Global Deposits increased by 8.3% YoY to INR 12,45,300 crore.
- ❖ Domestic Deposits increased by 6.3% YoY to INR 10,67,371 crore in Dec'23.
- ❖ International Deposits grew by 22.1% on a YoY basis to INR 1,77,929 crore in Dec'23.
- ❖ Organic Retail Advances grew by 22%, led by growth in high focus areas such as Auto Loan (24.3%), Home Loan (15.6%), Personal Loan (60.8%), Mortgage Loan (10.5%), Education Loan (18.3%) on a YoY basis.
- ❖ Agriculture loan portfolio grew by 12.6% YoY to INR 1,34,240 crore.
- ❖ Total Gold loan portfolio (including retail and agri.) stands at INR 45,074 crore, registering a growth of 28.3% on a YoY basis.
- ❖ Organic MSME portfolio grew by 12.6% YoY to INR 1,15,995 crore.
- ❖ Corporate advances registered a growth of 10.2% YoY and stands at INR 3,62,813 crore.

Financial result for Quarter ended 31st December 2023

Particulars (INR crore)	Q3FY23	Q2FY24	Q3FY24	YoY(%)	9MFY23	9MFY24	YoY(%)
Interest Income	23,540	27,862	28,605	21.5	63,732	83,023	30.3
Interest Expenses	12,722	17,031	17,504	37.6	33,901	50,094	47.8
Fee Income	1,490	1,996	1,543	3.6	4,284	5,046	17.8
Net Interest Income (NII)	10,818	10,831	11,101	2.6	29,831	32,929	10.4
Operating Income	14,370	15,002	13,912	-3.2	36,391	43,233	18.8
Operating Expenses	6,138	6,982	6,897	12.4	17,600	20,373	15.8
Operating Profit	8,232*	8,020	7,015	-14.8	18,791	22,859	21.7
Total Provisions (other than tax) and contingencies	2,404	2,161	666	-72.3	5,717	4,774	-16.5
of which, Provision for NPA Bad Debts Written-off	817	2,285	1,007	23.3	4,031	4,986	23.7
Profit before Tax	5,828	5,859	6,349	8.9	13,074	18,085	38.3
Provision for Tax	1,976	1,606	1,769	-10.5	3,740	5,183	38.6
Net Profit	3,853	4,253	4,579	18.8	9,334	12,902	38.2

*Excluding reversal of MTM Provision Operating Profit for Q3FY23 would have been INR 7,482 crore

Business position

Particulars (INR crore)	Dec 31 2022	Sep 30 2023	Dec 31 2023	YoY (%)
Domestic deposits	10,03,737	10,74,114	10,67,371	6.3
Domestic CASA	4,17,812	4,28,320	4,34,337	4.0
Global deposits	11,49,507	12,49,647	12,45,300	8.3
Domestic advances	7,60,249	8,34,723	8,62,086	13.4
Of which, retail loan portfolio (Organic)	1,66,861	1,93,682	2,03,627	22.0
Global advances	9,23,878	10,24,501	10,49,327	13.6
NIM Global %	3.37	3.07	3.10	(27 bps)

Key Ratios

Particulars	Q3FY23	Q2FY24	Q3FY24
Return on Assets (%)	1.13	1.14	1.20
CRAR (%)	14.93	15.30	14.72
CET-1 (%)	10.83	11.57	11.11
Gross NPA (%)	4.53	3.32	3.08
Net NPA (%)	0.99	0.76	0.70
PCR (with TWO) (%)	92.34	93.16	93.39

31st January 2024
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. Under the ‘Alternative Mechanism’ scheme, the Government announced the amalgamation of Vijaya Bank and Dena Bank with Bank of Baroda which came into effect on April 1, 2019.

Bank of Baroda is one of India’s largest banks with a strong domestic presence spanning 8,211 branches and 11,030 ATMs and Cash Recyclers supported by self-service channels. The Bank has a significant international presence with a network of 92 overseas offices spanning 17 countries.

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