

Press Release

Bank of Baroda announces Financial Results for the Quarter ended 30th June 2023

Key Highlights

- Bank of Baroda (BOB) quarterly Net profit higher by 87.7% YoY at INR 4,070 crore in Q1FY24.
- BOB has delivered ROA of more than 1% and ROE around 20%, consistently for last 4 quarters.
- This robust growth in profitability was supported by healthy Operating Income growth of 42.9% YoY in Q1FY24.
- Operating income growth was driven by strong Net Interest Income (NII) growth of 24.4% YoY in Q1FY24 coupled with robust growth in Non-Interest Income which grew 2.8x YoY.
- Sustained NII growth is attributable to growth in advances of 18.0% (YoY) coupled with traction in Net Interest Margins (NIM), which grew 25 bps YoY at 3.27%.
- Strong growth in Income coupled with subdued increase in Opex has resulted in robust Operating profit growth of 73% YoY for Q1FY24.
- The Bank has been able to effect a reduction in the Cost to Income ratio (excluding Revaluation of Investment) by 166 bps YoY to 47.43% for Q1FY24.
- BOB has witnessed significant improvement in its Asset quality with reduction in GNPA by 275 bps YoY to 3.51%. Bank's NNPA improved to 0.78% with a reduction of 80 bps YoY.
- BOB's balance sheet remained robust with healthy Provision Coverage Ratio (PCR) of 93.23% with TWO & at 78.52% without TWO.
- This strong and sustainable improvement in asset quality has resulted in 5 bps YoY declined in Credit Cost at 70bps for Q1FY24. Excluding prudential provisions credit cost would have been 44 bps in Q1FY24.
- BOB's Global Advances registered a strong YoY growth of 18.0% in Q1FY24 led by robust retail loan book growth. Bank's organic Retail Advances grew by 24.8%, driven by growth in high focus areas such as Auto Loan (22.1%), Home Loan (18.4%), Personal Loan (82.9%), Mortgage Loan (15.8%), Education Loan (20.8%).
- Bank achieved a total business of INR 21,90,896 crore as of 30th June 2023, registering a growth of 17.0% YoY.

Profitability

- ❖ BOB reported a standalone Net Profit of INR 4,070 crore in Q1FY24 as against a profit of INR 2,168 crore in Q1FY23.
- ❖ Net Interest Income (NII) grew by 24% YoY to INR 10,997 crore in Q1FY24.
- ❖ Global NIM stands at 3.27% in Q1FY24, increase of 25 bps YoY.
- ❖ Domestic NIM stands at 3.41% in Q1FY24, increase of 34 bps YoY.
- ❖ Yield on Advances increased to 8.40% in Q1FY24 as against 6.58% in Q1FY23.
- ❖ Cost of Deposits stands at 4.68% in Q1FY24 as against 3.46% in Q1FY23.
- ❖ Operating Income for Q1FY24 stands at INR 14,319 crore, increase of 42.9% YoY.
- ❖ Operating Profit for Q1FY24 stands at INR 7,824 crore, increase of 72.8% on a YoY basis.
- ❖ Cost to Income ratio reduced to 45.36% for Q1FY24 as against 54.81% for Q1FY23. Cost to Income ratio (ex-treasury) by 168 bps YoY to 47.41% for Q1FY24.
- ❖ Return on Assets (annualised) improved to 1.11% in Q1FY24 from 0.68% in Q1FY23.
- ❖ Return on Equity (annualised) for Q1FY24 increased by 640 bps YoY to 20.03%.
- ❖ For the consolidated entity, Net Profit stood at INR 4,452 crore in Q1FY24 as against INR 1,944 crore in Q1FY23.

Asset Quality

- ❖ The Gross NPA of the Bank reduced by 33.8% YoY to INR 34,832 crore in Q1FY24 and Gross NPA Ratio improved to 3.51% in Q1FY24 from 6.26% in Q1FY23.
- ❖ The Net NPA Ratio of the Bank stands at a record low of 0.78% in Q1FY24 as compared with 1.58% in Q1FY23.
- ❖ The Provision Coverage Ratio of the Bank stood at 93.23% including TWO and 78.52% excluding TWO in Q1FY24.
- ❖ Slippage ratio declined to 1.05% for Q1FY24 as against 1.71% in Q1FY23.
- Credit cost for the Q1FY24 stands at 0.70%. Excluding prudential provisions credit cost would have been 44 bps in Q1FY24.
- ❖

Capital Adequacy

- ❖ CRAR of the Bank stands at 15.84% in Jun'23. Tier-I stood at 13.64% (CET-1 at 11.94%, AT1 at 1.70%) and Tier-II stood at 2.20% as of Jun'23.
- ❖ The CRAR and CET-1 of consolidated entity stands at 16.31% and 12.51% respectively
- ❖ The Liquidity Coverage Ratio (LCR) consolidated stands at 143.6%.

Business Performance

- ❖ Global Advances of the Bank increased to INR 9,90,988 crore, +18.0% YoY.
- ❖ Domestic Advances of the Bank increased to INR 8,12,626 crore, +16.8% YoY.
- ❖ Global Deposits increased by 16.2% YoY to INR 11,99,908 crore.

- ❖ Domestic Deposits increased by 15.5% YoY to INR 10,50,306 crore in Jun'23.
- ❖ International Deposits grew by 21.0% on a YoY basis to INR 1,49,602 crore in Jun'23.
- ❖ Domestic CASA deposits registered a growth of 5.5% YoY and stands at INR 4,23,600 crore.
- ❖ Organic Retail Advances grew by 24.8%, led by growth in high focus areas such as Auto Loan (22.1%), Home Loan (18.4%), Personal Loan (82.9%), Mortgage Loan (15.8%), Education Loan (20.8%) on a YoY basis.
- ❖ Agriculture loan portfolio grew by 15.1% YoY to INR 1,27,583 crore.
- ❖ Total Gold loan portfolio (including retail and agri.) stands at INR 40,652 crore, registering a growth of 32.1% on a YoY basis.
- ❖ Organic MSME portfolio grew by 12.7% YoY to INR 1,09,220 crore.

Financial result for Quarter ended 30th June 2023

Particulars (INR crore)	Q1FY23	Q4FY23	Q1FY24	YoY(%)
Interest Income	18,937	25,857	26,556	40.2
Interest Expenses	10,099	14,332	15,559	54.1
Fee Income	1,277	1,714	1,507	18.0
Net Interest Income (NII)	8,838	11,525	10,997	24.4
Operating Income	10,020	14,991	14,319	42.9
Operating Expenses	5,492	6,918	6,495	18.3
Operating Profit	4,528	8,073	7,824	72.8
Total Provisions (other than tax) and contingencies	1,685	1,421	1,946	15.5
of which, Provision for NPA Bad Debts Written-off	1,560	320	1,693	8.5
Profit before Tax	2,843	6,652	5,878	106.7
Provision for Tax	675	1,877	1,807	167.7
Net Profit	2,168	4,775	4,070	87.7

Business position

Particulars (INR crore)	Jun 30 2022	Mar 31 2023	Jun 30 2023	YoY (%)
Domestic deposits	9,09,095	10,47,375	10,50,306	15.5
Domestic CASA	4,01,622	4,42,511	4,23,600	5.5
Global deposits	10,32,714	12,03,688	11,99,908	16.2
Domestic advances	6,95,493	7,95,560	8,12,626	16.8
Of which, retail loan portfolio (Organic)	1,47,535	1,78,037	1,84,091	24.8
Global advances	8,39,785	9,69,548	9,90,988	18.0
NIM Global %	3.02	3.53	3.27	25 bps

Key Ratios

Particulars	Q1FY23	Q4FY23	Q1FY24
Return on Assets (%)	0.68	1.34	1.11
CRAR (%)	15.46	16.24	15.84
CET-1 (%)	11.24	12.24	11.94
Gross NPA (%)	6.26	3.79	3.51
Net NPA (%)	1.58	0.89	0.78
PCR (with TWO) (%)	89.38	92.43	93.23

5th August, 2023

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 8,205 branches and 10,459 ATMs and Cash Recyclers supported by self-service channels. The Bank has a significant international presence with a network of 93 overseas offices spanning 17 countries.

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