Bank of Baroda Financial Results Q1, 2012-13 or Q1, FY13 July 30, 2012



- Net Profit up <u>10.3</u>%(y-o-y) to Rs <u>1,139</u> crore
- Operating Profit up 23.0% (y-o-y) to Rs 2,253 crore
- Net Interest Income up 21.8% (y-o-y) to Rs 2,798 crore
- Total Business up <u>22.6</u>% (y-o-y) to Rs <u>6,68,552</u> crore
- Total Advances up 23.02% (y-o-y)
- Total Deposits up <u>22.3</u>% (y-o-y)
- Net NPAs (%) at 0.65%
- Capital Adequacy Ratio at <u>13.74</u>%
- NIM at 2.73% in Global & at 3.22% in Domestic operations
- ROAA (annualized) at 1.01%
- CRAR at 13.74% with Tier 1 at 10.13%

Bank of Baroda has announced its reviewed results for the first quarter of 2012-13 (April-June, 2012-13) following the approval of its Board of Directors on July 30, 2012.

Results at a Glance

Particulars	Apr-June 2012-13	Apr-June 2011-12	% Change
Total Income	9,328.41	7,272.64	28.3
Interest Income	8,557.61	6,631.77	29.0
Interest Expenses	5,759.54	4,334.58	32.9
Net Interest Income	2,798.07	2,297.19	21.8
Other Income	770.80	640.87	20.3
Operating Expenses#	1,315.69	1,106.78	18.9
Total Expenses #	7,075.25	5,441.36	30.0
Operating Profit #	2,253.18	1,831.28	23.0
Provisions & Contingencies (other than taxes)	893.80	391.05	128.6
Provision for Taxes	208.08	394.37	-47.2
Net Profit	1,138.86	1,032.85	10.3

<u>Note</u>: #: excludes the exceptional items of Rs <u>12.44</u> crore for Q1, FY13 and Rs <u>13.01</u> crore for Q1, FY12 as a share of the total deficit of Rs <u>149.25</u> crore on account of the take-over by the Bank of the specified Assets & Liabilities of "The Memon Co-operative Bank Ltd." as per the approval granted by RBI.

PROFIT

Despite a long-lasting economic slowdown, the Bank's **Operating Profit** and **Net Profit** grew by **23.0**% and **10.3**% respectively, during Q1, FY13 on y-o-y basis, underscoring the consistency in the Bank's bottom line performance. During the first quarter of 2012-13, the Bank's Operating Profit stood at **Rs 2,253 crore**, while Net Profit at **Rs 1,139 crore**.

INCOME

The overall profitability was supported by a healthy growth in **Net Interest Income** (NII) of **21.8**% (y-o-y) to **Rs 2,798** crore despite policy easing in April and lacklustre demand for credit throughout the first quarter. Also, **Other Income** (Non Interest Income) posted a growth of **20.3**% (y-o-y) in spite of difficult market conditions. Supported by a well-balanced performance across all income streams, the Bank's **Total Income** registered a rich growth of **28.3**% (y-o-y) to **Rs 9,328** crore on y-o-y basis.

EXPENSES

Growth in the Bank's **Operating Expenses** too remained controlled at <u>18.9</u>% (y-o-y) in Q1, FY13 to **Rs** <u>1,316</u> crore. However, the Bank's **Total Expenses** registered a growth of <u>30.0</u>% to **Rs** <u>7,075</u> crore primarily on account of increased cost of funds. Notwithstanding this, the Bank's **Cost-Income Ratio** of <u>37.21</u>% during Q1, FY13 is a testimony to the Bank's prudent control over operating expenses.

PROVISIONS AND CONTINGENCIES

Provisions and Contingencies (excluding tax provisions) made by the Bank stood at **Rs 894 crore** in Q1, FY13 versus Rs 391 crore in Q1, FY12. An increase in these provisions was on account of higher provisions against NPAs and write off of bad debts – a necessary fallout of a stretched business cycle downturn. **Provisions for Taxes,** however, declined from Rs 394 crore to **Rs 208 crore** reflecting a decline of **10.3%** on y-o-y basis.

BUSINESS EXPANSION

The Bank's **Total Business** expanded by <u>22.6</u>% (y-o-y) to Rs <u>6,68,552</u> crore in Q1, FY13. Out of this, **Total Deposits** increased by <u>22.3</u>% (y-o-y) to Rs <u>3,82,739</u> crore, whereas **Total Advances** increased by <u>23.0</u>% (y-o-y) to Rs <u>2,85,813</u> crore in Q1, FY13. **Domestic CASA Deposits** share stood at the decent levels of <u>32.23</u>% in terms of Total Deposits and <u>33.72</u>% in terms of Core Deposits despite continuation of elevated returns on term deposits. The Bank's **Retail Credit** increased by <u>6.43</u>% (y-o-y) to Rs <u>32,922</u> crore and formed <u>16.5</u>% of the Gross Domestic Credit of the Bank as on 30th June, 2012. While the Bank's **Farm Credit** grew by <u>19.7</u>% (y-o-y) to Rs <u>27,774</u> crore, its **Credit to MSME** sector grew by <u>21.1</u>% (y-o-y) to Rs <u>34,346</u> crore.

ASSET QUALITY

Gross NPA of the Bank increased to **Rs** <u>5,319</u> **crore** as on June 30, 2012 from Rs 3,425 crore as on June 30, 2011 due to the ongoing slowdown in the industrial sector combined with weak monsoon rainfall in the current year. However, the Gross NPA ratio stood at <u>1.84</u>% as on 30th June, 2012. Also, the Bank's **Net NPA** (%) increased from 0.44% to <u>0.65</u>% on y-o-y basis. Consistent with its tradition of making healthy provisions over and above the regulatory requirements, the Bank's **Provision Coverage Ratio** was maintained at **79.02**% during Q1, FY13.

CAPITAL ADEQUACY

The Bank's Capital Adequacy Ratio (Basel II) was at <u>13.74</u>% as on 30th June, 2012. Out of 13.74%, the share of Tier 1 capital was <u>10.13</u>% and that of Tier 2 Capital was <u>3.61</u>%.

KEY FINANCIAL RATIOS

The Bank's **Net Worth** expanded by <u>34.2</u>% (y-o-y) to **Rs 27,889** crore as on 30th June, 2012. In annualized terms, the Bank's **Return on Equity** (%) stood at <u>16.33</u>% and **Return on Average Assets** (%) at <u>1.01</u>% in the first quarter of FY13. The Bank's **Book Value per Share** improved to **Rs 678.37** as on 30th June, 2012 from Rs 530.85 as on 30th June, 2011 (up **27.8**% y-o-y).

OVERSEAS BUSINESS

The Bank's Overseas Business continued to remain a chief support to its Overall Business. During Q1, FY13, it contributed <u>29.1</u>% to the Bank's **Global Business**, <u>23.7</u>% to its **Gross Profit** and <u>36.2</u>% to its **Core Fee Income**. The **Gross NPA** (%) in overseas business continued to remain at the modest level of <u>0.69</u>% in Q1, FY13 on account of the Bank's cautiously optimistic business model in overseas operations.

As on 30th June, 2012 the Bank's Overseas Operations extended across <u>24</u> countries through <u>93</u> offices. During Q1, FY13, the Bank opened two branches in New Zealand, notably at Wellington and Manukau and two branches in Uganda, notably at Entebbe and Kabale.

July 30, 2012 Mumbai

M. D. Mallya Chairman & Managing Director