



बैंक ऑफ़ बड़ौदा
Bank of Baroda

Bank of Baroda:
Progressing on Core Strategies

Performance Analysis: April-June, 2013-14 {Q1, FY14}

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BOB's Results At A Glance (Q1, FY14)



| Performance Parameter | Rs crore | Growth (YOY) |
|-----------------------|----------|------------------|
| Operating Profit | 2,451.62 | 8.8% (13.5%)* |
| Net Profit | 1,167.87 | 2.6% (12.4%)* |
| Total Business | 7,88,340 | 17.9% |
| Total Deposits | 4,67,026 | 22.0% |
| Total Advances | 3,21,314 | 12.4% |
| Total Assets | 5,45,928 | 20.2% |
| Net Worth | 32,598 | 16.9% |
| Total Capital | 40,515 | 11.4% |
| Tier 1 Capital | 30,868 | 15.1% |
| Business per Employee | 15.66 | 5.9% |

| Key Performance Ratio | (in %) |
|--------------------------|--------|
| Return on Average Assets | 0.85% |
| Return on Equity | 14.33% |
| Cost-Income Ratio | 40.87% |
| Capital Adequacy Ratio | 12.70% |
| Provision Coverage Ratio | 63.3% |
| Gross NPA | 2.99% |
| Net NPA | 1.69% |

• *Figures in brackets show a sequential growth rate.*

Bank's Key Strategic Initiatives in Q1, FY14



- It shed **Preferential High-Cost Deposits** to the extent of Rs 22,363 crore in Q1, FY14 to control the pressure on cost of funds.
 - To give a boost to Retail/MSME businesses, it **brought down the effective cost of borrowing not just for the new borrowers but also for the existing borrowers.**
 - It significantly **strengthened its Credit Monitoring process and the system for “Early Detection of Stress Accounts”** to enable it to take suitable follow-up actions.
 - Furthermore, it also **strengthened its Loan Factory set up with marketing professionals.** Its Central Sales Offices (CSOs) have been streamlined at the Zonal (or State) level to help create a “Sales and Service Culture” in the Bank.
 - It opened **13** new branches in its **Domestic Operations** and set up **370** new **ATMs** and **109** new **POS** machines (Point of Sale Machines) in Q1, FY14. The Bank has set for itself the target of 6,000 ATMs from the current level of 3,000 ATMs and 25,000 POS machines from the current level of 5,622 POS.
 - During Q1, FY14, its **HR initiative** of Project **Sparsh** was taken forward for **Talent Identification** and **Succession Planning.**
 - The Bank converted **11** more Metro and Urban branches into **Baroda Next** branches during Q1, FY14.
 - Its **Corporate Financial Service** branches and the newly created **Mid-Corporate branches** have been strengthened significantly during Q1, FY14 to contribute to credit growth.
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Bank of Baroda: Key Strengths



- Bank of Baroda is a 105 years old State-owned Bank with modern & contemporary personality, offering banking products and services to Large industrial, SME, retail & agricultural customers across the country.

Uninterrupted Record
in Profit-making and
Dividend Payment

Overseas Business
Operations extend across
24 countries
through 100 Offices

Modern & Contemporary
Personality

Pioneer in many
Customer-Centric
Initiatives

Strong Domestic
Presence through
4, 289 Branches

First PSB to receive & maintain
Corporate Governance
Rating (CGR-2)



Provides Financial
Services to around
53.8 mln Customers
Globally

A well-accepted &
recognised Brand in
Indian banking industry

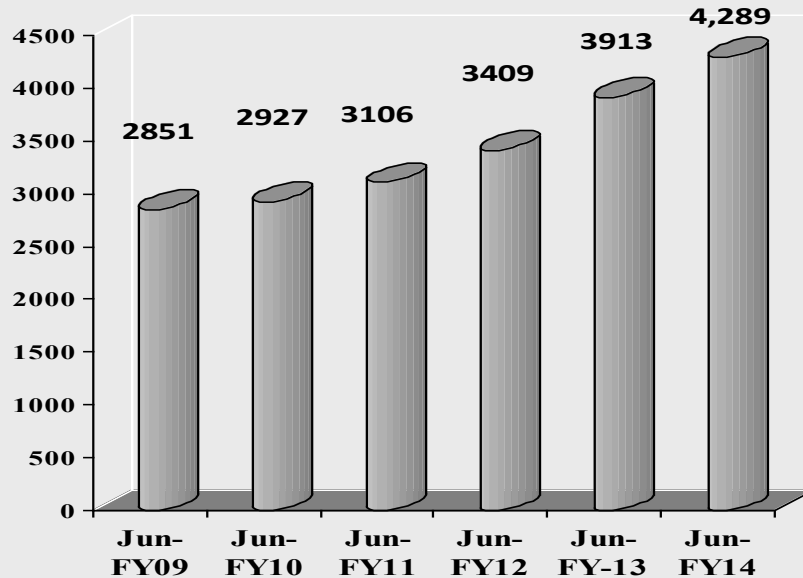
Relatively Strong Presence
in Progressive States like
Gujarat & Maharashtra

Robust Technology
Platform with 100%
CBS in Indian Branches

Domestic Branch Network



No. of Domestic Branches

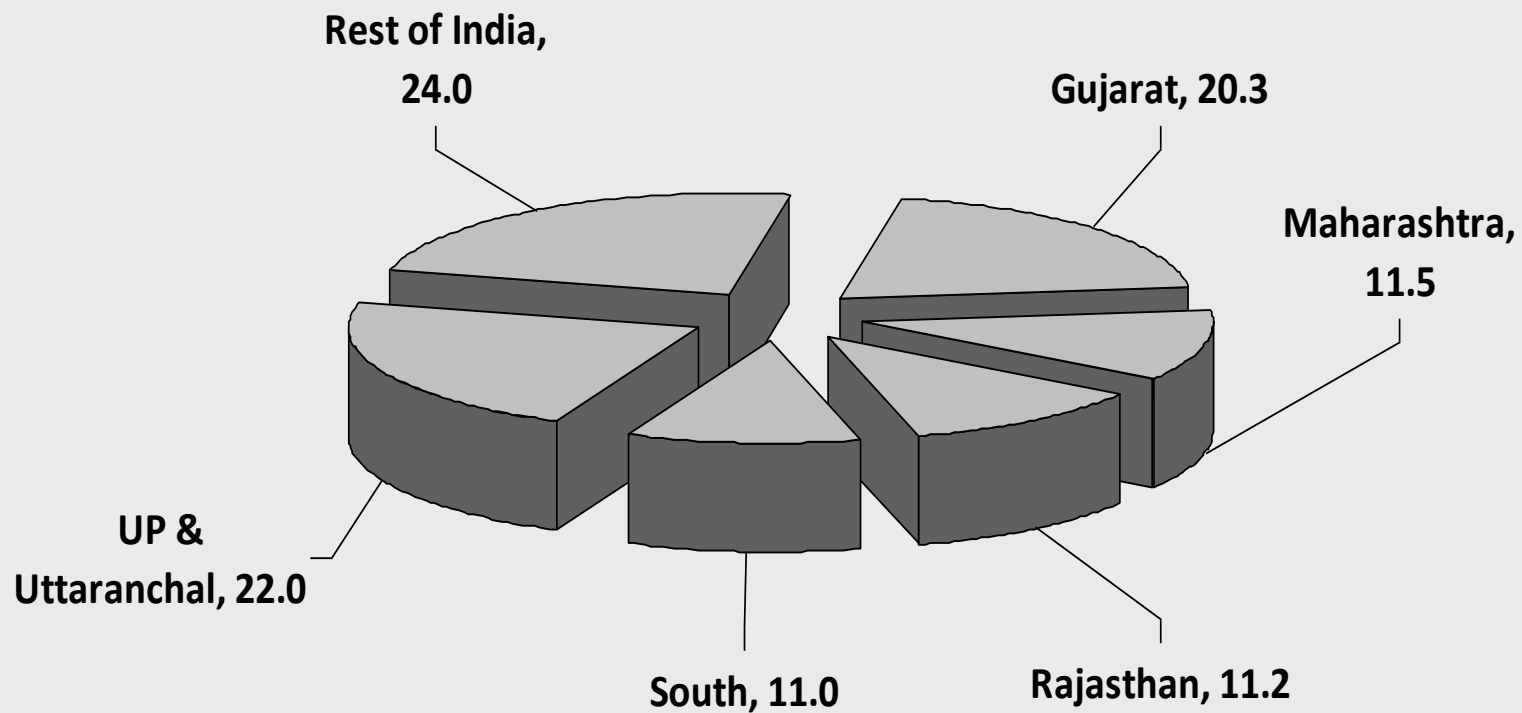


- During June-FY08 to June-FY13, the Bank added **1,438** branches to its domestic network.
- During Q1, FY14, the Bank opened **13** new branches in its domestic operations.
- During FY14, the Bank proposes to open **625** new brs, out of which it has received authorization for **250** brs.
- Out of the newly opened **13** brs during Q1, FY14, **6** belonged to 'metro & urban' areas; **3** to semi-urban areas & **4** to rural areas.
- The newly opened **13** brs in Q1, FY14 belonged to Gujarat, Northern & Eastern States and MP & Chattisgarh.
- Around **33.6%** of the Bank's network at the end of Q1, FY14 was situated in rural areas.

Regional Break-up of Domestic Branches as on 30th June, 2013

| Metro | Urban | Semi-Urban | Rural |
|-------|-------|------------|-------|
| 917 | 767 | 1,165 | 1,440 |

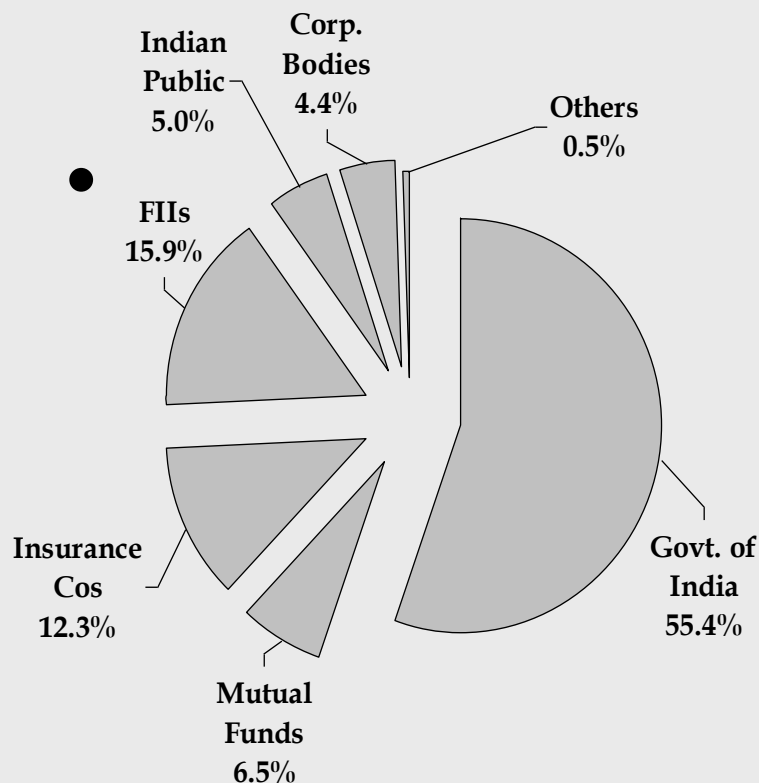
Concentration (%): Domestic Branch Network



Pattern of Shareholding: 30th June, 2013



As on 30th June, 2013



- **Share Capital:** Rs 422.52 crore
- **No. of Shares:** 421.26 million
- **Net worth:** Rs 32,598 crore (up 16.9%, y-o-y)
- **B. V. per share:** Rs 773.83 (up 14.1%, y-o-y)
- **Return on Equity:** 14.33% in Q1, FY14 (annualised)

- BOB is a Part of the following Indexes
BSE 100, BSE 200, BSE 500 & Bankex
Nifty, BankNifty, CNX 100, CNX 200, CNX 500
- *BOB's Share is also listed on BSE and NSE in the 'Future and Options' segment.*

India's Macro Health: Q1, FY14



- **Domestic economic activity weakened in Q1, FY14**

- *IIP growth remained muted in Apr-May, 2013 at 0.1%; capital goods' production continues to contract reflecting declining investment sentiment; RBI's "Order books, Inventories & Capacity Utilization Survey" shows significant deceleration.*

- *PMI for the services sector too declined in June, 2013*

- *The only positive is the strong onset and distribution of monsoon rains; Kharif (summer) crop sowing has improved by 17.8% (y-o-y) up to July 26th.*

- **While Headline (WPI) inflation has moderated, retail (CPI) inflation has surged to closed to 10.0% level in June driven by a sharp increase in food inflation.**

- **Non-food credit growth at 14.3% by end of Q1, FY14 was lower than the RBI's projection of 15.0% with the slowdown spread across all major sectors.**

- **Following the easing of liquidity conditions and policy easing in May, the modal term deposit rate of SCBs declined by 5 bps in Q1, FY14 and the weighted average lending rate on rupee loans declined by 6 bps.** Maximum decline was witnessed in effective lending rates on homes & commercial vehicle sectors.

- **During Apr-May, 2013 the Central Government's key deficit indicators as a % to Budget estimates were higher than a year ago** due to higher plan/capital expds. & lower tax revenues.

- **Trade deficit widened during Q1, FY14 on y-o-y basis mainly due to contracting exports.** Financing came by way of higher FDI, net ECBs & accretion to NRI deposits during Q1, FY14.

Business Expansion



| Particular (Rs crore) | June'12 | Mar'13 | June'13 | Y-O-Y (%) | Change Over Mar'13 (%) |
|-----------------------------|-----------------|-----------------|-----------------|--------------|---------------------------------|
| Global Business | 6,68,552 | 8,02,069 | 7,88,340 | 17.9 | -1.7 |
| Domestic Business | 4,73,825 | 5,66,000 | 5,39,772 | 13.9 | -4.6 |
| Overseas Business | 1,94,726 | 2,36,069 | 2,48,568 | 27.7 | +5.3 |
| Global Deposits | 3,82,739 | 4,73,883 | 4,67,026 | 22.0 | -1.4 |
| Domestic Deposits | 2,77,839 | 3,41,706 | 3,24,221 | 16.7 | -5.1 |
| Overseas Deposits | 1,04,899 | 1,32,178 | 1,42,805 | 36.1 | +8.0 |
| Global CASA Deposits | 99,776 | 1,19,981 | 1,18,119 | 18.5 | -1.6 |
| Domestic CASA | 89,551 | 1,03,809 | 1,01,057 | 12.9 | -2.7 |
| Overseas CASA | 10,225 | 16,172 | 17,142 | 67.7 | +6.0 |

•Share of **Domestic CASA in Total Deposits** improved to **31.17%** in Q1, FY14 from **30.38%** in Q4, FY13.

Business Expansion



| Particular (Rs crore) | June'12 | Mar'13 | June'13 | Y-O-Y (%) | Change Over Mar'13 (%) |
|--------------------------------------|-----------------|-----------------|-----------------|--------------|---------------------------------|
| Global advances (Net) | 2,85,813 | 3,28,186 | 3,21,314 | 12.4 | -2.1 |
| Domestic Advances | 1,95,986 | 2,24,294 | 2,15,551 | 10.0 | -3.9 |
| Overseas Advances | 89,827 | 1,03,891 | 1,05,763 | 17.7 | +1.8 |
| | | | | | |
| Retail Credit | 32,922 | 38,046 | 38,191 | 16.0 | 0.4 |
| Of which: | | | | | |
| Home Loans | 14,520 | 16,045 | 16,525 | 13.8 | 3.0 |
| SME Credit | 34,346 | 46,722 | 47,068 | 37.0 | 0.7 |
| Farm Credit | 27,774 | 28,739 | 27,142 | -2.3 | -5.5 |
| Credit to Weaker Sections | 15,627 | 17,045 | 16,116 | 3.1 | -5.5 |

CASA Position



| Particular (Rs crore) | June'12 | Mar'13 | June'13 | Y-O-Y (%) | Change Over Mar'13 (%) |
|--------------------------------|---------------|--------|---------|--------------|---------------------------------|
| Global Saving Deposits | 75,562 | 84,303 | 83,530 | 10.6 | -0.9 |
| Domestic Savings Deposits | 73,519 | 82,002 | 81,150 | 10.4 | -1.0 |
| Overseas Savings Deposits | 2,043 | 2,300 | 2,380 | 16.5 | 3.5 |
| Global Current Deposits | 24,214 | 35,678 | 34,669 | 43.2 | -2.8 |
| Domestic Current Deposits | 16,033 | 21,806 | 19,907 | 24.2 | -8.7 |
| Overseas Current Deposits | 8,181 | 13,872 | 14,762 | 80.4 | 6.4 |

Bank's Profits & Its Components: Q1, FY14



| Particular (Rs crore) | Q1, FY13 | Q1, FY14 | YOY (%) |
|----------------------------------|-----------------|-----------------|--------------------|
| Interest Income | 8,558 | 9,487 | 10.9 |
| Interest Expenses | 5,760 | 6,598 | 14.6 |
| NII (Spread) | 2,798 | 2,889 | 3.3 |
| Other Income | 771 | 1,231 | 59.7 |
| Staff Expenses | 761 | 1,014 | 33.2 |
| Other Operating Expenses | 555 | 654 | 17.9 |
| Total Operating Expenses | 1,316 | 1,668 | 26.8 |
| Total Expenses | 7,075 | 8,266 | 16.8 |
| Operating Profit | 2,253 | 2,452 | 8.8 |
| Provisions | 1,102 | 1,268 | 15.1 |
| Net Profit | 1,139 | 1,168 | 2.6 |

Deposit & Loan Costs: Q1,FY13 to Q1,FY14



| Particular (in %) | Q1, FY13 | Q2, FY13 | Q3, FY13 | Q4, FY13 | Q1, FY14 |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| | | | | | |
| Global Cost of Deposits | 5.89 | 5.85 | 5.82 | 5.75 | 5.60 |
| Domestic Cost of Deposits | 7.30 | 7.36 | 7.33 | 7.41 | 7.23 |
| Overseas Cost of Deposits | 1.86 | 1.73 | 1.61 | 1.42 | 1.25 |
| | | | | | |
| Global Yield on Advances | 9.08 | 9.07 | 8.96 | 8.64 | 8.46 |
| Domestic Yield on Advances | 11.65 | 11.75 | 11.57 | 11.33 | 11.15 |
| Overseas Yield on Advances | 3.52 | 3.49 | 3.41 | 3.07 | 2.88 |

Investment Yields & NIMs: Q1,FY13 to Q1,FY14



| Particular (in %) | Q1, FY13 | Q2, FY13 | Q3, FY13 | Q4, FY13 | Q1, FY14 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| | | | | | |
| Global Yield on Investment | 7.71 | 7.79 | 7.75 | 7.74 | 7.79 |
| Domestic Yield on Investment | 7.83 | 7.92 | 7.88 | 7.85 | 7.93 |
| Overseas Yield on Investment | 4.91 | 4.64 | 4.67 | 5.05 | 4.39 |
| | | | | | |
| Global NIM | 2.73 | 2.71 | 2.65 | 2.51 | 2.41 |
| Domestic NIM | 3.22 | 3.23 | 3.08 | 2.93 | 2.84 |
| Overseas NIM | 1.55 | 1.54 | 1.58 | 1.49 | 1.32 |

Non-Interest income: Q1, FY13 and Q1, FY14



| (Rs crore) | Q1, FY13 | Q1, FY14 | % Change (Y-O-Y) |
|------------------------------------|-----------------|-----------------|---------------------------------|
| Commission, Exchange, Brokerage | 275.93 | 314.74 | 14.07 |
| Incidental Charges | 82.82 | 83.90 | 1.31 |
| Other Miscellaneous Income | 55.44 | 53.35 | -3.78 |
| Total Fee-Based Income | 414.19 | 451.99 | 9.13 |
| Trading Gains | 81.51 | 409.25 | 402.07 |
| Profit on Exchange Transactions | 192.10 | 252.36 | 31.37 |
| Recovery from PWO | 82.99 | 116.95 | 40.91 |
| Total Non-Interest Income | 770.80 | 1,230.55 | 59.65 |

Provisions & Contingencies: Q1, FY13 and Q1, FY14



| (Rs crore) | Q1, FY13 | Q1, FY14 | Absolute Change |
|--|-----------------|-----------------|------------------------|
| Provision for NPA & Bad Debts Written-off | 812.11 | 673.49 | -138.62 |
| Provision for Depreciation on Investment | 75.99 | 118.33 | 42.34 |
| Provision for Standard Advances | 3.34 | 227.86 | 224.52 |
| Other Provisions (including Provision for staff welfare) | 2.36 | -1.82 | -4.18 |
| Tax Provisions | 208.08 | 250.34 | 42.26 |
| Total Provisions | 1,101.88 | 1,268.20 | 166.32 |

Bank's Domestic Treasury Highlights: Q1, FY14



- **Trading Gains** improved significantly from Rs 82 cr in Q1, FY13 to **Rs 409 cr** in Q1, FY14 (**up more than four times**). Even, sequentially they improved by **42.0%** over Rs 288 cr made in Q4, FY13.
 - The **Forex Profits** increased by **31.4%** (y-o-y) to **Rs 252 cr** in Q1, FY14.
 - As of June 30, 2013, the share of **SLR Securities** in Total Investment was **83.21%**.
 - The Bank had **78.58%** of SLR Securities in **HTM** and **21.18%** in **AFS** at end-June 2013.
 - The Bank shifted **SLR securities** worth **Rs 737.81 cr** (at book value) from AFS to HTM & worth **Rs 9,487.52 cr** (at book value) from HTM to AFS on 6th Apr, 2013 with nil depreciation.
 - The benchmark G-sec yield at the time of shifting ruled at **7.93%**.
 - The **per cent of SLR to NDTL** as on 30th June, 2013 was closer to **27.24%**.
 - As on 30th June, 2013, the **modified duration** of **AFS** investments was **2.90** years & that of **HTM** securities was **5.57** years.
 - Total size of Bank's **Domestic Investment Book** as on 30th June, 2013 stood at **Rs 1,11,825 crore**.
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Highlights of Overseas Business: Q1, FY14



- During Q1, FY14, the Bank's "**Overseas Business**" contributed **31.5%** to its **Total Business**, **22.2%** to **Gross Profit** and **33.3%** to **Core Fee-based income** (i.e., Commission, Exchanges, brokerage, etc.)
 - Out of the Total Overseas Loan-book, **53.35%** was **Buyers' Credit/ Export Credit**; **27.97%** was in **Syndicated Loans/ECBs** (mostly to Indian corporates) and **18.68%** was in **Local Credit**. The Bank's exposure to **non-India related companies** is **less than one fourth** of its total overseas loan-book.
 - While the GNPA (%) in domestic operations was at **3.68%**, it was **1.56%** for overseas operations as on 30th June, 2013.
 - The **Cost-Income Ratio** in Overseas operations was more favourable at **15.90%** in Q1, FY14 versus **45.49%** in Domestic operations.
 - In Q1, FY14, the **NIM** (as % of interest-earning assets) in Overseas operations stood at **1.32%**; **Gross Profit to Avg. Working Funds** ratio at **1.26%** and **Return on Equity** at **15.66%**.
 - The Outstanding balance of restructured loans in overseas operations as on 30th June, 2013 was at **Rs 4,213.18 crore**, out of which the **Standard restructured loans** were at **Rs 3,271.96 crore**.
 - During FY14, the Bank plans to open **five** more offices in Abu Dhabi, Sharjah and U.K. and **four** more offices in its overseas subsidiaries.
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NPA Movement (Gross): Q1, FY14



| Particular | (Rs crore) |
|---------------------------------------|--------------------|
| A. Opening Balance | 7,982.58 |
| B. Additions during FY13 | 2,165.48 |
| Out of which, Fresh Slippages | 1,960.18 |
| C. Reduction during FY13 | 385.51 |
| | |
| Recovery | 199.17 |
| Upgradation | 149.39 |
| PWO & WO | 7.34 |
| Other Adjustments | 29.61 |
| NPA as on 30 th June, 2013 | 9,762.55 |
| Recovery in PWO in Q1, FY14 | 116.95 |

Sector-wise Gross NPA [Sequential Movement]



| Sector | Gross NPA (%) End-Mar, 2013 | Gross NPA (%) End-June, 2013 |
|---------------------------|--|---|
| Agriculture | 4.90 | 5.29 |
| Large & Medium Industries | 3.29 | 5.06 |
| Retail | 1.76 | 2.24 |
| Housing | 1.30 | 1.52 |
| MSME | 3.44 | 4.26 |
| Overseas Operations | 1.37 | 1.56 |

Restructured Accounts (Domestic)



| Year | Outstanding as on 31 st June (Rs crore) | | | | | |
|--|--|-----------|--------------|----------|-------------|-----------|
| | Standard Category | | NPA Category | | Grand total | |
| | No. of A/Cs | Amount | No of A/Cs | Amount | No of A/Cs | Amount |
| Up to 2008 | 137 | 277.15 | 187 | 107.79 | 324 | 384.94 |
| 2008-09 | 5,939 | 1,029.76 | 4,685 | 490.41 | 10,624 | 1,520.17 |
| 2009-10 | 3,037 | 1,439.49 | 1,801 | 497.97 | 4,838 | 1,937.46 |
| 2010-11 | 649 | 1,519.90 | 381 | 397.54 | 1,030 | 1,917.44 |
| 2011-12 | 1,879 | 7,569.83 | 520 | 533.18 | 2,399 | 8,103.01 |
| 2012-13 | 14,527 | 6,745.81 | 1,724 | 1,449.69 | 16,251 | 8,195.50 |
| 2013-14 | 9,533 | 1,981.23 | 722 | 15.66 | 10,255 | 1,996.89 |
| Total | 35,701 | 20,563.17 | 10,020 | 3,492.24 | 45,721 | 24,055.41 |
| Less standard restructured accounts that ceased to attract higher provisions and/or additional risk weight at end-June, 2013 | 5,890 | 3,113.13 | | | 5,890 | 3,113.13 |
| TOTAL | 29,811 | 17,450.04 | 10,020 | 3,492.24 | 39,831 | 20,942.28 |

Restructured Accounts (Domestic)



Segment-wise Outstanding in Restructuring Portfolio as on 30th June, 2013

| Restructured Accounts | Standard | | NPA | | Total | |
|-----------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| | No. of borrowers | Amt O/S (Rs cr) | No. of borrowers | Amt O/S (Rs cr) | No. of borrowers | Amt O/S (Rs cr) |
| Under CDR | 45 | 4,773.85 | 10 | 656.23 | 55 | 5,430.08 |
| Under SME | 1,387 | 2,176.81 | 1,372 | 768.08 | 2,759 | 2,944.89 |
| Other than CDR | 28,379 | 10,499.38 | 8,638 | 2,067.93 | 37,017 | 12,567.31 |
| Total | 29,811 | 17,450.04 | 10,020 | 3,492.24 | 39,831 | 20,942.28 |

| Restructured Accounts during Q1, FY14 | | |
|---------------------------------------|------------------|-------------------|
| Category | No. of borrowers | Amount (Rs crore) |
| Standard | 9,533 | 1,981.23 |
| Substandard | 335 | 6.21 |
| Doubtful | 387 | 9.45 |
| Total | 10,255 | 1,996.89 |

Sectoral Deployment of Credit at end-June, 2014



| Sector | % share in Gross Domestic Credit |
|-----------------------|----------------------------------|
| Agriculture | 12.31 |
| Retail | 17.33 |
| SME | 21.35 |
| Wholesale | 39.19 |
| Misc. including Trade | 9.82 |
| Total | 100.00 |

Industry-wise Deployment of Domestic Credit, 30th June, 2013



| Industry Group | % Share in Domestic Credit |
|--------------------------------------|-----------------------------------|
| Mining & Quarrying | 1.18% |
| Food Processing | 5.88% |
| Beverages | 0.46% |
| Textiles | 11.19% |
| Leather & Leather Pds. | 0.40% |
| Wood & Wood Pds. | 0.50% |
| Paper & Paper Pds. | 1.63% |
| Petroleum | 2.11% |
| Chemicals & Chemical Pds. | 8.23% |
| Rubber, Plastic, etc. | 2.89% |
| Glass & Glassware | 0.96% |
| Cement & Cement Pds. | 1.27% |

| Industry Group | % Share in Domestic Credit |
|--------------------------------------|-----------------------------------|
| Basic Metals & Metal Pds. | 14.50% |
| Engineering Goods | 6.34% |
| Transport Equipment | 1.14% |
| Gems & Jewellery | 1.53% |
| Construction | 5.31% |
| Roads | 5.82% |
| Aviation | 0.55% |
| Power | 16.14% |
| Of which: SEBs | 5.49% |
| Telecommunication | 5.78% |
| Other Industries | 0.70% |
| All Industries | 100.00% |

Technology Initiatives in Q1, FY14



• Under various Alternate delivery channels (like ATM, Internet Banking, Mobile Banking etc) the Bank made the following value additions during Q1, FY14.

- **e-Banking**

- The **IMPS(immediate payment services)** is implemented for fund transfers through mobile number & MMID (mobile money identifier) of the beneficiary or account number and IFSC (Indian financial system code) of the beneficiary.

- Activation of **Excise and VAT collection of the Punjab Government** thru' e-Banking.

- Made available the Bank's **Baroda Connect Portal** on all smart phones/tablets to offer the comfort of "anywhere banking" to the Bank's global customers.

- **ATM**

- "**Regional Language Screen Selection**" option was provided for regional languages like Marathi, Gujarati and Tamil.

- Introduced "**Talking ATMs**" for the benefit of visually impaired persons.

- Made possible "**Cash Withdrawals**" for pre-paid cards through the ATMs

- Implemented "**Fraud Management Solution for ATMs/POS**" all over India to improve security at the ATMs and POS.

- Facilitated the use of **Rupay Cards** for e-commerce i.e. for online shopping.

Technology Initiatives in Q1, FY14



- **Mobile Banking**

- **Mobile Banking Application** (Baroda M-Connect) is made compatible with the Windows 8 application.

- **SMS Banking**

- Introduced **SMS Banking** for customer desirous of purely information-based mobile banking services like Balance Enquiry, Mini Statement and the Cheque Status Enquiry, etc.

- **Other Initiatives**

- Introduced the **RTGS** facility in Uganda
 - Made possible the **Online selling of Gift Cards** through e-Banking
 - Undertook various Government initiatives under the Direct and Electronic Benefit Transfers like APBS (Aadhar Payment Bridge System) and AEPS (Aadhar Enabled Payment System) for direct transfer of funds to beneficiary accounts
 - Activated the AML batch solution in Australian operations
 - Launched the BSP (Bank of South Pacific) interchange with Base 24 to facilitate the Bank's FIJI customers for using their debit cards at any bank ATMs/POS.
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Bank's BPR Project – New Initiatives in Q1, FY14



- **Project Navnirmaan** has altogether -18- initiatives covering both business process re-engineering and organizational re-structuring, aimed at transforming the Bank's branches into the "Sales and Service Centres" through Centralization to make possible sustained growth in sales, superior customer experience and alternate channel migration.

- ***The important initiatives during Q1, FY13 were***

- Conversion of **11** more metro and urban branches into **Baroda Next** branches

- Around **68** more branches were linked to the **Regional Back Office** for the opening of CASA accounts [Total No. of branches linked were **2,980**].

- More than **6,000** **CASA accounts** are observed to be opened per day.

- Around **65** more branches were linked to the **Regional Back Office** for issuance of Personalized Cheque Books [Total No. of branches linked were **3,973**]

New Recruitment in Q1, FY14



| Category | Proposed | Joined up to 30/06/2013 |
|--|-----------------|------------------------------------|
| Total New Hiring for FY14 | 6,300 | 3,649 |
| <i>Of which:</i> | | |
| Probationary Officers | 1,530 | 1,161 |
| Specialist Officers | 389 | 3 |
| Baroda Manipal Trainees | 870 | 182 |
| Campus Recruitment | 11 | 11 |
| Clerks | 3,500 | 2,292 |
| <i>*No. of Employees superannuating in FY14 will be around 1,615.</i> | | |

- As in the past, the Bank is carrying out two programmes notably “a **skills’ up-gradation programme** and a **structured six-month long on-boarding programme**” for its new joinees to inculcate in them general banking skills as well as the specialised skills in the areas of credit, forex, soft skills, etc.

Bank's HR Initiatives



•A HR transformation project – ‘SPARSH has been initiated by the Bank - to revamp its existing HR processes, structures and policies. Various initiatives like Talent Management, Succession Planning, creation of a Scientific Staffing Model & Manpower Planning,, Development and Capability Building, Performance management, etc. is in progress.



SPARSH
Human Touch For Business Excellence



**Baroda MANIPAL
School of Banking**



KNOWLEDGE YOU CAN BANK UPON

Joint Initiative of

Bank of Baroda

MANIPAL
EDUCATION

•The Bank has opened the ‘Baroda Manipal School of Banking’ as an innovative and new channel of resourcing of trained manpower for itself.

• Around 180 students are being inducted into this school every quarter for a focussed grooming and for a one-year full-time PG course in Banking which is tailored to the Bank's own requirements.

Emerging Economic Outlook



- Driven by the sharp currency depreciation, sluggish pace of reforms and the recent liquidity tightening measures by RBI, **a host of agencies have brought down their growth forecasts for Indian economy for FY14.**

- There has been a **reduction of at least 50 bps to growth forecasts** of investment firms due to the RBI's recent measures.

- According to RBI, **risks to growth have increased** notwithstanding the robust onset and spread of the monsoon.

- Rating agencies like Moody's have cautioned against **the spread of a slowing in the Mfg sector to Services sector** in India.

- **A possibility of any policy rate cuts is ruled out** in the current financial year given that India's CAD is typically financed by portfolio flows, fanning currency volatility and weakness when investor sentiment shifts.

- So a policy rate cut could discourage foreign investors and likely weaken the rupee further.

- The **RBI has reduced its growth forecast for FY14 to 5.5% from 5.7%** factoring in the risks of investment slowdown, inflationary potential of currency depreciation and a likely continuation of tightening bias in Monetary Policy.

- However, **RBI has not revised downwards its indicative growth targets for Deposits (14.0%) and Credit (15.0%) growth** for the Banking industry for FY14 – which is positive for the banking business.

Bank's Guidance for FY14



- **RBI's Guidance** - Aggregate Deposits to grow by 14.0% & Non-food credit by 15.0% in FY14 for the Indian banking industry
- **Bank's Guidance:** The Bank would like to avoid aggression as the economy is still in the recovery mode, but will try to grow 1.5% to 2.0% over and above the industry average to protect its market share.
- With its **well-managed liability franchise**, the Bank is well poised to sustain growth in FY14, if the investment climate remains conducive.
- The focal points of business will be **CASA** expansion, marginal **realignment in sectoral composition** of credit in favour of agriculture, retail and MSME units (esp. agro-based & export-oriented units); **fee-based** income, **domestic foreign business** and aggressive **credit monitoring and recovery** efforts.
- On the qualitative side, the Bank's endeavours at Business Process Re-Engineering, Creation of Future Pipeline of Leaders, further development of Sales & Service Culture will continue with full vigour.
- To conclude, like most of the emerging market economies, India too is passing through turbulent markets, weakening currency and faltering growth. The Bank has been continuously strategizing and innovating to respond to the emerging challenges.
- As said by Robert H. Schuller, we know it well that

“Tough times never last but tough people do”

Thank you.
