

**Maintains stable core performance**

Bank of Baroda reported the net loss of Rs 3102.34 crore in the quarter ended March 2018 (Q4FY2018), due to steep surge in provision for bad debt with the jump in fresh slippages of loans for Q4FY2018. The sharp decline in treasury income and higher provision for investment depreciation also caused losses for the bank. However, the bank exhibited 12% growth in the net interest income, while recorded 5% rise in core fee income in Q4FY2018.

The bank has improved net interest margin to 2.51% in Q4FY2018 from 2.17% in Q4FY2017. On business front, the bank has recorded healthy credit growth to 12% and domestic loan growth 17% end March 2018. The bank has improved domestic CASA deposit ratio to 41.2% and credit deposit ratio increased sharply to 72.3% end March 2018.

**Asset quality moderates:** Bank has exhibited surge in fresh slippages of loans in Q4FY2018, causing moderation in asset quality.

- Fresh slippages of advances to sub-standard category jumped to Rs 12569 crore in Q4FY2018 from Rs 5630 crore in Q3FY2018.
- The NPA reduction through recoveries, upgradations and write-off rose to Rs 4569 crore in Q4FY2018 from Rs 3456 crore from Q3FY2018.
- The risk weighted assets grew at lower pace of 2%, against 13% loan growth end March 2018 over March 2017.
- The share of retail loans increased to 23.5% end March 2018 from 19.5% end March 2017.

**Business Highlights:**

**Business growth accelerates:** Global business of the bank grew 3% yoy to Rs 1018747 crore at end March 2018. The business growth was driven by domestic business rising 10% to Rs 790431 crore, while overseas business dipped 15% to Rs 228316 crore at end March 2018.

Global deposits declined 2% to Rs 591315 crore, while global advances moved up 12% to Rs 427432 crore at end March 2018. Credit-deposit ratio of the bank improved to 72.3% at end March 2018 from 69.7% at end December 2017 and 63.7% at end March 2017.

**Strong advances growth:** Domestic advances increased 18% at Rs 351269 crore at end March 2018. Retail credit increased 42% yoy to Rs 82604 crore, while MSME credit moved up 7% to Rs 51730 crore. The agriculture credit moved up 5% to Rs 49583 crore at end March 2018. The corporate credit gained 17% to Rs 164783 crore at end March 2018.

Overseas loan book of the bank declined 2% to Rs 103975 crore end March 2018.

**CASA ratio improves:** Domestic deposits grew 6% yoy to Rs 466974 crore, while overseas deposits dipped 23% to Rs 124341 crore at end March 2018. CASA deposits of the bank jumped 9% yoy to Rs 211779 crore. Domestic CASA deposits increased 11% to Rs 192323 crore, while overseas CASA deposits declined 2% to Rs 19456 crore at end March 2018.

Domestic CASA ratio improved to 41.2% at end March 2018 from 40.6% at end December 2017, while overseas CASA ratio also improved to 15.6% from 14.3%. Overall CASA ratio improved to 35.8% at end March 2018 from 34.6% a quarter ago and 32.2% a year ago.

**NIM rises:** Bank has exhibited 34 bps yoy jump in NIM to 2.51% in Q4FY2018, driven by 42 bps yoy rise in domestic NIM to 2.92%. Bank has witnessed decline in yield on advances by 4 bps qoq to 7.09%, while cost of deposits eased 24 bps qoq to 4.50% in Q4FY2018.

**Investment book** increased 26% yoy to Rs 165032 crore at end March 2018. Total size of Bank's Domestic Investment Book at end

**INDEX DETAILS**

SENSEX	34924.87
NIFTY (S&P CNX)	10605.15

**SCRIP DETAILS**

Industry	Banks
Mkt Cap (Rs in Crore)	37354.69
Book Value (Rs)	173.92
Free Float (%)	35.97
Avg Vol Weekly (NSE)	1115600
52 Week H/L (NSE)	206.60 / 125.50
Dividend Yield (%)	0.89
BSE Code	532134
NSE Code	BANKBARODA

**SHAREHOLDING PATTERN(%)**

PARTICULARS	LATEST QUARTER	PREVIOUS QUARTER
Promoters	64.03	58.70
FIIIs	13.94	15.06
DIIIs	13.97	17.88
Others	8.06	8.36
Totals	100	100

**Price Comparison with Sensex**

March 2018 stood at Rs 155514 crore at end March 2018 up 27% over March 2017. Yield on the total investment book improved 28 bps qoq to 6.95% in Q4FY2018.

Within the domestic investment book, the share of SLR securities in the total investment book was 86.69%. The bank has 59.60% of domestic investment book in HTM and 40.30% in AFS book at end of March 2018.

The percentage of SLR to NDTL was 28.10% down from 29.89% a quarter ago. Modified duration of AFS book is 1.44 years and that of HTM was 5.47 years.

**Network expansion:** During the quarter, the bank has added 9 new domestic branches. Bank has reduced 323 ATMs during the quarter ended March 2018. The network of branches was 5525 branches (including 58 overseas branches) at end of March 2018. ATM count stood at 9704 at end March 2018.

**Book Value** per share stood at Rs 151.7 per share at end March 2018, while adjusted book value (net of NNPA) stood at Rs 63.2 per share at end March 2018.

#### Quarterly Performance:

**NII up, as NIM improves:** NII of the bank improved 12% to Rs 4002.26 crore in the quarter ended March 2018. Interest income rose 2% to Rs 11039.26 crore, while interest expenses declined 4% to Rs 7037.00 crore in Q4FY2018. NIM of the bank improved in Q4FY2018, supporting the growth in the NII.

**Fee income up, but treasury income dips:** The non-interest income of the bank fell 14% to Rs 1695.90 crore in Q4FY2018. Fee-based income increased 4% to Rs 985 crore, but the treasury income dipped 75% to Rs 170 crore. Recoveries from written off account increased 48% to Rs 254 crore, while profit on forex transaction jumped 56% to Rs 287 crore in Q4FY2018.

Net Total Income of the bank rose 3% to Rs 5698.16 crore in the quarter ended March 2018.

**Expense ratio rises:** Operating expenses increased 19% to Rs 3032.67 crore on the back of 34% rise in the other operating expenses to Rs 1764.18 crore, while employee expenses rose 4% to Rs 1268.49 crore. The expense ratio increased to 53.2% in Q4FY2018 from 45.7% in Q4FY2017.

The operating profit declined 12% to Rs 2665.49 crore in Q4FY2018.

**NPA provisions zooms:** The provisions and contingencies zoomed 154% to Rs 6672.38 crore with steep surge in NPA provisions at 191% to Rs 7053 crore. However, the standard asset provisions were written back worth Rs 911 crore. The other provisions increased 665% to Rs 199 crore, while provisions related to depreciation of investments stood at Rs 332 crore in Q4FY2018 against write back of Rs 83 crore Q4FY2017.

The surge in provisions led to pre-tax losses of Rs 4006.89 crore in Q4FY2018.

The bank has written back tax provisions of Rs 904.55 crore in Q4FY2018, helping to reduce net loss to Rs 3102.34 crore in the quarter ended March 2018.

#### Annual Financial Performance:

For the year ended March 2018 (FY2018), the bank has posted net loss of Rs 2431.81 crore. The net interest income improved 15% to Rs 15521.77 crore, while non-interest income fell 1% to Rs 6657.15 crore in FY2018. The expense ratio was flat at 45.9% in FY2018. The operating expenses increased 9% to Rs 10173.37 crore, but provision and contingencies jumped 74% to Rs 14796.29 crore in FY2018. The pre-tax loss came in at Rs 2790.74 crore in FY2018. The bank has written back tax provision of Rs 358.93 crore, helping to reduce net loss to Rs 2431.81 crore in FY2018.

## Asset Quality Indicators: Bank of Baroda

Particulars	Q4FY18	Q3FY18	Q2FY18	Q1FY18	Q4FY17	Variation	
						QoQ	YoY
Gross NPA (Rs Crore)	56480.39	48480.44	46306.83	46172.77	42718.7	17	32
Net NPA (Rs Crore)	23482.65	19852.15	19572.62	19519.31	18080.18	18	30
% Gross NPA	12.26	11.31	11.16	11.4	10.46	95	180
% Net NPA	5.49	4.97	5.05	5.17	4.72	52	77
% Provision Coverage Ratio	67.21	68.03	67.18	66.28	66.83	-82	38
% CRAR - Basel III	12.13	11.55	11.64	11.81	12.24	58	-11
% CRAR - Tier I Basel III	10.46	9.52	9.61	9.77	9.93	94	53

## Bank of Baroda: Financial Results

Particulars	Q4FY18	Q4FY17	Var (%)	FY18	FY17	Var %
Interest Earned	11039.26	10875.16	2	43648.54	42199.93	3
Interest Expended	7037	7293.3	-4	28126.77	28686.52	-2
Net Interest Income	4002.26	3581.86	12	15521.77	13513.41	15
Other Income	1695.9	1977.28	-14	6657.15	6758.06	-1
Net Total Income	5698.16	5559.14	3	22178.92	20271.47	9
Operating Expenses	3032.67	2538.97	19	10173.37	9296.4	9
Operating Profits	2665.49	3020.17	-12	12005.55	10975.07	9
Provisions & Contingencies	6672.38	2622.97	154	14796.29	8502.38	74
Profit Before Tax	-4006.89	397.2	PL	-2790.74	2472.69	PL
Provision for Tax	-904.55	242.48	LP	-358.93	1089.56	LP
Net Profit	-3102.34	154.72	PL	-2431.81	1383.13	PL
EPS*(Rs)	-46.8	2.33		-9.17	5.22	

## NOTES :-

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