

- Net Profit up 25.4%(y-o-y) to Rs 859.16 crore
- Operating Profit up 51.3% (y-o-y) to Rs 1,527.87 crore
- Net Interest Income up 54.2% (y-o-y) to Rs 1,857.99 crore
- Total Business up 29.3% (y-o-y) to Rs 4,40,262.34 crore
- Total Advances up 30.7% (y-o-y)
- Total Deposits up 28.2% (y-o-y)
- Net NPAs (%) at 0.39%
- Capital Adequacy Ratio at 13.25%
- NIM at 2.90% in Global & at 3.43% in Domestic operations
- ROAA (annualized) at 1.19%
- ROE (annualized) at 23.46%

Bank of Baroda has announced its reviewed results for the first quarter of 2010-11 (April-June, 2010-11) following the approval of its Board of Directors on July 29, 2010.

Results at a Glance

Particulars	Apr-June 2010-11	Apr-June 2009-10	% Change
Total Income	5,344.20	4,735.15	12.86%
Interest Income	4,726.96	4,032.11	17.23%
Interest Expenses	2,868.97	2,827.41	1.47%
Net Interest Income	1,857.99	1,204.70	54.23%
Other Income	617.24	703.04	-12.20%
Operating Expenses	947.36	897.81	5.52%
Total Expenses	3,816.33	3,725.22	2.45%
Operating Profit	1,527.87	1,009.93	51.28%
Provisions & Contingencies (other than taxes)	251.33	-38.96	--
Provision for Taxes	417.38	363.51	14.82%
Net Profit	859.16	685.38	25.36%

PROFIT

The Bank's **Operating Profit** and **Net Profit** grew healthily in Q1, FY11 by 51.3% and 25.4% respectively, on year on year basis, underscoring the consistency and sustainability in bottom line performance. During the first quarter of 2010-11, the Bank's Operating Profit stood at Rs 1,527.87 crore, while Net Profit at Rs 859.16 crore.

INCOME

The overall profitability was supported by a robust growth in **Net Interest Income (NII)** of 54.2% (y-o-y) to Rs 1,857.99 crore, despite the fact that credit growth was not much broad-based. The NII growth came primarily from excellent management of liabilities. The Bank's interest expenses increased by just 1.5% (y-o-y) in Q1, FY11 despite higher interest outgo on savings bank deposits and a raised level of CRR at end-April, 2010. The Bank's **Total Income** registered a decent growth of 12.9% (y-o-y) to Rs 5,344.20 crore, even though its **Non-Interest Income** declined by 12.2% (y-o-y) in Q1, FY11 on account of lower **Trading Gains** of Rs 127.94 crore versus Rs Rs 256.58 crore a year ago.

EXPENSES

Growth in the Bank's **Operating Expenses** was also quite modest at 5.5% (y-o-y) in Q1, FY11 to Rs 947.36 crore. In fact, the Bank's **Staff Expenses** declined by 2.9% (y-o-y) to Rs 576.73 crore, as it had made aggressive provisions for wages, pension, etc. in the past one year. Hence, the Bank's **Total Expenses** too registered a marginal growth of 2.5% to Rs 3,816.33 crore enabling the Bank to attain a **Cost-Income Ratio** of 38.27% at end-June, 2010 against 47.06% at end-June, 2009.

PROVISIONS AND CONTINGENCIES

Provisions and Contingencies (excluding tax provisions) made by the Bank stood at Rs 251.33 crore in Q1, FY11 versus a negative Rs 38.96 crore in Q1, FY10. During the first quarter of last year, the Bank had enjoyed huge write-backs on provisions made against depreciation on investment portfolios both in domestic and foreign operations. **Provisions for Taxes**, however, increased from Rs 363.51 crore to Rs 417.38 crore reflecting a growth of 14.8% on year on year basis.

BUSINESS EXPANSION

The Bank's **Total Business** expanded by 29.3% (y-o-y) to Rs 4,40,262 crore in Q1, FY11. Out of this, **Total Deposits** increased by 28.2% (y-o-y) to Rs 2,54,668 crore, whereas **Total Advances** increased by 30.7% (y-o-y) to Rs 1,85,595 crore in Q1, FY11. **Domestic CASA Deposits** grew at the pace of 27.5% (y-o-y) and stood at the healthy level of 35.23% during Q1, FY11. The Bank's **Retail Credit** increased by 23.6% (y-o-y) to Rs 24,994 crore and formed 18.15% of Gross Domestic Credit of the Bank as on 30th June, 2010. While the Bank's **Farm Credit** grew by 17.7% (y-o-y) to Rs 21,089 crore, its **Credit to MSME** sector grew by 42.7% (y-o-y) to Rs 21,593 crore.

ASSET QUALITY

Gross NPA of the Bank increased to Rs 2,657.42 crore as on June 30, 2010 from Rs 2,068.15 crore as on June 30, 2009 mainly reflecting the consequences of the previous year's economic slowdown. In percentage terms, however, the Gross NPA ratio stood at 1.41% as on 30th June, 2010 versus 1.44% a year ago. The **Net NPA (%)** increased from 0.27% to 0.39% on year on year basis. However, the Bank's **Provision Coverage Ratio** for Q1, FY11 stood at the healthy level of 73.01% without technical write-offs and at 85.65% with technical write-offs.

CAPITAL ADEQUACY

The Bank's Capital Adequacy Ratio (Basel II) was at 13.25% as on 30th June, 2010. Out of 13.25%, the share of Tier 1 capital was 8.16% and that of Tier 2 Capital was 5.09%.

KEY FINANCIAL RATIOS

The Bank's Net Worth expanded by 21.4% (y-o-y) to Rs 14,646.26 crore as on 30th June, 2010. In annualized terms, the Bank's Return on Equity (%) stood at 23.46% and Return on Average Assets (%) at 1.19% in the first quarter of FY11. The Bank's Book Value per Share improved to Rs 402.08 as on 30th June, 2010 from Rs 331.26 as on 30th June, 2009.

TECHNOLOGY

As on 30th June, 2010, all domestic branches of the Bank that is 3,106 branches and 26 extension counters were on the CBS platform. Additionally, 43 branches in 12 overseas territories and 28 branches in eight overseas subsidiaries were on the CBS covering 94.0% of the Bank's total overseas business. During Q1, FY11, the CBS was rolled out in the Bank's New Zealand territory. The Bank's ATM network expanded to 1,372 by end-June, 2010 from 1,183 a year ago. The Bank's Retail and Corporate Customers enjoy several facilities like Internet Banking, Phone Banking, rapid funds2india - an Online Money Transfer Service, Retail Depository Services, e-Tax Payment, NEFT/RTGS thru' e-Banking, SMS alerts, Cash Management Services, Online Institutional Trading, etc.

OVERSEAS BUSINESS

The Bank's Overseas Business continues to remain the mainstay of its overall operations. During Q1, FY11, it contributed 24.6% to the Bank's Global Business and 16.4% to its Operating Profit. The Gross NPA (%) in overseas business continued to remain at the modest level of 0.54% in Q1, FY11. As on 30th June, 2010 the Bank's Overseas Operations extended across 26 countries through 81 offices. During Q1, FY11 the Bank opened two Electronic Banking Service Units in Rakia at Ras Al Khaimah and in Al Quasis in Dubai and one branch in its subsidiary at Auckland, New Zealand. It has also received a permission from Bank Negara Malaysia in April, 2010 to open a Joint Venture Commercial Bank in Malaysia.

July 29, 2010
Mumbai

M. D. Mallya
Chairman & Managing Director