

DIRECTORS' REPORT

“Your Directors have pleasure in presenting the One Hundred and Thirteenth Annual Report of the Bank with the audited Balance Sheet, Profit & Loss Account and the Report on Business and Operations for the year ended March 31, 2021 (FY 2021).”

Financial Performance

₹ crore

Particulars	₹ crore	
	Year ended March 31, 2020	Year ended March 31, 2021
Deposits	9,45,984.4	9,66,996.9
<i>of which</i> - International Deposits	1,37,278.9	1,08,583.8
Domestic Deposits	8,08,705.5	8,58,413.1
<i>of which</i> - Current Account Deposits	49,650.1	61,609.0
Savings Bank Deposits	2,66,301.3	3,06,418.5
CASA Deposits	3,15,951.4	3,68,027.6
Domestic CASA to Domestic Deposits (%)	39.07	42.87
Advances	6,90,120.7	7,06,300.5
<i>of which</i> - Domestic Advances	5,70,340.8	6,05,615.8
International Advances	1,19,780.0	1,00,684.7
Total Assets	11,57,915.5	11,55,364.8
Net Interest Income (NII)	27,451.3	28,809.0
Other Income	10,317.3	12,364.4
<i>of which</i> - Trading Gains	2,750.7	3,376.0
NII + Other Income	37,768.6	41,173.5
Operating Expenses	18,872.4	20,543.7
Operating Profit	18,896.2	20,629.8
Provisions	20,698.3	15,073.8
<i>of which</i> - Provisions for NPAs and Bad debts written off	16,404.9	12,407.7
Profit Before Tax	-1,802.1	5,556.0
Provision for Tax	-2,348.3	4,727.0
Net Profit	546.2	829.0
Appropriations/Transfers		
Statutory Reserve	136.5	207.2
Capital Reserve	822.3	676.9
Revenue and Other Reserves		
I) General Reserve	-560.3	-341.8
II) Special Reserve u/s 36 (I) (viii) of the Income Tax Act 1961	180.0	286.6
III) Investment Reserve Account	-41.6	0.0
IV) Statutory Reserve (Foreign)	9.3	0.1
Proposed Dividend	0.0	0.0

Key Performance Indicators	FY 2020	FY 2021
Average Cost of Funds (%)	5.11	4.11
Average Yield on Funds (%)	7.55	6.62
Average Interest Earning Assets	10,07,058.7	10,64,844.0
Average Interest Bearing Liabilities	9,49,179.9	10,14,761.9
Net Interest Margin (%)	2.73	2.71
Cost-Income Ratio (%)	49.97	49.90
Return on Average Assets (ROAA) (%)	0.06	0.07
Return on Equity (%)	1.23	1.50
Book Value per Share (₹)	96.22	106.72
Basic EPS (₹)	1.36	1.78

Total deposits of the Bank increased to ₹ 9,66,997 crore as on March 31, 2021. Net advances increased to ₹ 7,06,301 crore led by domestic retail loans, agriculture and MSME loans. The net interest margin (NIM) was at 2.71% in FY 2021. Operating profit for the Bank rose to ₹ 20,630 crore in FY 2021 from ₹ 18,896 crore in FY 2020, an increase of 9.17%. Total provisions (other than tax) and contingencies declined by 27.17% from ₹ 20,698 crore in FY 2020 to ₹ 15,074 crore in FY 2021. Provisions for Non- Performing Assets (NPA) also declined to ₹ 12,408 crore in FY 2021 from ₹ 16,405 crore in FY 2020. The Bank posted a net profit of ₹ 829 crore, an increase of 51.83% over the previous financial year.

Capital Adequacy Ratio (CAR)

Ratios in %

Particulars	As on 31.03.2020	As on 31.03.2021
Capital Adequacy Ratio – Basel III	13.30	14.99
CET-I	9.44	10.94
Tier – I	10.71	12.67
Tier – II	2.59	2.32

The Capital Adequacy Ratio (CAR) of the Bank increased from 13.30% as on March 31, 2020 to 14.99% as on March 31, 2021. CET-1 ratio also increased from 9.44% to 10.94% during the same period. The consolidated group capital adequacy ratio stood at 15.74%.



During FY 2021, Bank raised capital through the Qualified Institutional Placement route (QIP) amounting to ₹ 4,500 crore. Bank issued and allotted 55.08 crore equity shares to eligible qualified institutional buyers at the issue price of ₹ 81.70 per equity share.

The Bank issued Additional Tier I (AT-I) capital bonds of ₹ 3,735 crore during FY 2021.

The Bank's net worth as of March 31, 2021 was ₹ 55,191 crore comprising of paid-up equity capital of ₹ 1,036 crore and reserves of ₹ 54,155 crore (excluding revaluation reserves, foreign currency translation reserves and other intangible assets). The book value of the share (Face Value ₹ 2) was ₹ 106.72 as on March 31, 2021.

Provisions towards Retirement and other benefits

During FY 2021, the Bank made provision towards contribution to gratuity (₹ 669 crore), pension funds (₹ 2,188 crore), leave encashment, additional retirement benefits and other benefits (₹ 13 crore). Total provisions under these categories amounted to ₹ 2,870 crore during FY 2021.

Dividend

Bank is not eligible to pay dividend for the financial year ended March 31, 2021 on account of not meeting the eligibility criteria stipulated by Reserve Bank of India (RBI) for this purpose.

Management Discussion and Analysis

Global Economy

The world went through an unprecedented health crisis in the form of a pandemic in 2020. Almost all global economies announced a lockdown starting in early 2020. The world entered into a lockdown. This resulted in a contraction in global GDP by 3.3% in 2020 (Source: IMF). The global contraction was led by Advanced Economies (AEs) where GDP contracted by 4.7%. Within AEs, the highest decline was seen in UK at 9.9% followed by Euro Area at 6.6% and US at 3.5%. All AEs announced fiscal and monetary stimulus to support growth. As a result, fiscal deficit in US is estimated to have increased to 14.9% of GDP in 2020 from 4.6% of GDP in 2019. UK and Euro Area too followed expansionary fiscal policies. Expansionary fiscal policy went hand-in-hand with monetary accommodation which included reduction in interest rates, asset purchase programmes and provision of liquidity to different segments of the economy to mitigate the economic impact of the pandemic.

GDP of Emerging and Developing Economies is estimated to have contracted by 2.2% led by Latin America with a decline of 7% in 2020. Asia seems to have been relatively better placed with Emerging and Developing Asian economies reporting a decline of 1% in 2020.

The decline in global GDP led to 8.5% reduction in world trade volumes in 2020 as restrictions disrupted supply chains. Global commodity prices also fell sharply in 2020 led

by oil. However, the underlying economic situation seems to have changed dramatically with availability of vaccines and gradual opening of lockdown restrictions. The monetary and fiscal stimulus given by governments and central banks seems to have led to resurgence in demand, in particular for goods. More importantly, there has been a significant progress in terms of vaccinations being able to reduce the spread of pandemic.

IMF expects global growth to rebound to 6% in 2021. While AEs are expected to grow by 5.1% in 2021, Emerging and Developing Economies are estimated to grow by 6.7%. Within AEs, growth is driven by US at 6.4% followed by Euro Area at 4.4%. Within Emerging economies, Asian economies are slated to grow by 8.6% followed by Latin America at 4.6%.

The sudden rebound in world demand led to sharp increase in global commodity prices and long-term growth outlook. Global growth even in 2022 is estimated to maintain above average momentum at 4.4%.

Indian Economy

In-line with the decline seen in the world economy, India's GDP is estimated to have contracted by 7.3% in FY 2021 following a 4.0% increase in FY 2020. The contraction is a result of nationwide lockdown imposed at the beginning of the financial year to control the spread of COVID-19 pandemic. The decline is led by 10.8% drop in investment demand from an increase of 5.4% in FY 2020. Even consumption is expected to have fallen by 9.1% after reporting an increase of 5.5% in FY 2020. The bright spot in the year was the agriculture sector and which did not see any disruption.

The disruption to the Indian and global economy resulted in India's industrial production falling by 8.7% during FY 2021. Manufacturing and mining sector declined sharply by 9.8% and 7.8% respectively. Electricity output reported a much better picture with a decline of only 0.5% during FY 2021. The lockdowns and restrictions have impacted the services sector as well. Services sector is estimated to report a decline of more than 8% in FY 2021. The maximum impact has been felt in contact intensive services such as travel, tourism and education.

In order to mitigate the impact of the pandemic, the Government presented a pro-growth Budget with a large outlay on capital spending. The Central Government not only made direct cash transfers to the marginal households, but also increased outlay on food subsidies and employment programmes. This led to increase in fiscal deficit to 9.3% of GDP in FY 2021 from 4.6% of GDP in FY 2020.

The restrictions imposed to contain the pandemic resulted in disruptions in both demand and supply side. As a result, retail inflation edged up to 6.2% in FY 2021 from 4.8% in FY 2020. The increase in inflation was led by higher food prices. Food inflation increased by 9.8% in the first half of the financial



year compared with only 5.8% increase seen in second half of the financial year. Even non-food inflation or core inflation increased on the back of higher retail fuel prices.

With reduction in spread of infection, more and more restrictions were lifted from the middle of last financial year. However, COVID-19 infections increased towards the end of FY 2020. Instead of a national lockdown, state governments have imposed local lockdowns to contain the spread of the virus. The same has led to a decline in economic momentum seen towards the end of last financial year. RBI has revised its growth forecast to 9.5% in FY 2022. With global economy reviving, demand for India's software services and merchandise goods is likely to do well. The Government is ramping up health infrastructure and working towards vaccinating maximum percentage of population in the shortest possible time.

Developments in Indian Banking

Credit growth of Scheduled Commercial Banks (SCBs) declined to 5.6% as of March 2021 from 6.1% as of March 2020. The economic impact of the pandemic explains the muted credit off-take. With agriculture sector remaining relatively free of any disruption, credit off-take to agriculture increased by 12.3% as of March 2021. On the other hand, credit off-take to industry remained muted. Within this, credit off-take to medium industry reported an increase of 28.8% as of March 2021. This can be explained by credit guarantee given by Government of India for incremental lending to MSMEs to tide over the economic impact of the pandemic. Credit off-take to services sector and consumer sector too saw a decline in momentum. While consumer loans did increase by 10.2% as of March 2021, the growth was lower than last year when this segment witnessed an increase of 15%.

Relatively muted demand for bank credit is also attributable to corporate institutions tapping the bond market to meet the need for their funds. In fact, in FY 2021, corporate institutions including financial institutions were able to raise ₹ 7.7 lakh crore from bond market compared with ₹ 6.7 lakh crore in FY 2020.

In order to mitigate the impact of the pandemic on the economy, RBI reduced repo rate by 115bps between March 2020 and May 2020. The reverse repo rate was reduced by an even sharper 155bps. RBI also injected liquidity in the form of targeted long term repurchase operations (TLTROs), open market operations (OMOs) and reduction in cash reserve ratio (CRR).

In addition to this, RBI advised banks to announce moratorium for customers impacted by COVID-19. It also gave banks flexibility to extend working capital loans by increasing drawing power. It also provided credit lines to banks to on-lend to National Housing Bank (NHB), National

Bank for Agriculture and Rural Development (NABARD), etc. The Kamath Committee allowed restructuring for twenty-six stressed sectors impacted by pandemic under certain conditions.

The measures taken by RBI ensured an orderly conduct of bond and currency markets. Despite a large increase in fiscal deficit and ensuing government borrowing, yields remained in a tight range. The benchmark 10-year yield traded in a range of 5.8% to 6.5% during the financial year. INR gained 3.3% in FY 2021 after depreciating by 8.5% in FY 2020. Transmission of lower interest rates into the economy improved with weighted average lending rate for fresh rupee loans for SCBs falling by 79bps and weighted average term deposit rate of SCBs fell by 100bps.

In order to mitigate the impact of the pandemic, Indian Government announced a number of economic measures and reforms. In a major push towards privatisation, Government announced privatisation of two public sector banks and an insurance company along with earlier announcement of strategic sale of Air India and Bharat Petroleum Corporation Limited. It also announced creation of an asset reconstruction and management company to dispose of bad debts. National Bank for Financing Infrastructure and Development was proposed to be set up as the principal development financial institution (DFI) for infrastructure financing.

With the second wave hitting the country, various state governments have announced local containment measures. Economic activity has also been impacted due to local restrictions. RBI announced resolution framework for MSMEs, small businesses and individual loans with exposure up to ₹ 50 crore. In addition, it gave ample liquidity to banks and small finance banks for onward lending to healthcare, rural and informal sectors.

Integration

The Bank achieved a major milestone in the amalgamation journey and concluded the IT integration of erstwhile Dena Bank and erstwhile Vijaya Bank. The IT integration of 1,770 erstwhile Dena Bank branches and 2,128 erstwhile Vijaya Bank branches to Bank's core banking solution (CBS) heralded the completion of the amalgamation journey.

The entire IT integration exercise was carried out with a customer centric approach while ensuring business continuity and minimum disruption to services. Post IT integration, customers have access to Bank's feature rich digital channels and wide network of 8,214 branches in India and abroad. The centralisation of back-office processes such as trade finance back office (TFBO), CASA account opening through retail liabilities back office (RLBO), account opening through TAB Banking and loan processing using loan origination and processing application software (LLPS) have led to reduction in service turnaround time (TAT).



EASE 2.0

In Government of India's EASE 2.0 index, Bank secured the "First" position among all Public Sector Banks. As per the index, significant progress is seen in the Bank across six themes 'Responsible Banking', 'Governance and HR', 'PSBs as Udyamimitra for MSMEs', 'Credit off-take', 'Financial Inclusion and Digitisation' and 'Customer Responsiveness'.

Project BOB-NOWW

A collective aspiration to shape the future Bank of Baroda

The Bank embarked on a new transformation journey, BOB-NOWW with a commitment to create value for all stakeholders. The word NOWW represents the Bank's aspiration to shape and embrace 'New Operating model and Ways of Working'.

The objective is to build an industry-first operating model through new ways of working and a reimagined retail network which will unlock growth potential across businesses. It will also encompass adoption of digitisation at every level so as to optimise costs and increase productivity.

Initiatives currently underway to reshape the Bank for the future are:

Unlocking business potential: The Bank is enhancing its business offerings in the marketplace across revenue lines with a special focus on corporate, MSME, international and wealth verticals. The Bank is looking at offering a full-stack corporate banking solution to its customers. The Bank launched initiatives such as corporate fee booster campaign, sales war room and revamping the trade finance and supply chain finance platforms. The Bank is reshaping its wealth management strategy as well to retain, activate and deepen relationships with existing customers. The Bank is hiring the requisite talent to scale up its wealth management offering.

Reimagined retail distribution network: The Bank is following the motto of 'BOB Everywhere' by expanding its network, including Business Correspondents (BC), and services to a larger pool of customers and bigger geographical spread. The Bank is also introducing new-age, compact and digital branch formats to offer seamless customer experience across the country. This will also enable easy accessibility of banking services through multiple formats. The new formats and bigger network will enable the Bank to deepen its presence in rural areas.

Digital led experience and Mobile first: A critical part of BOB-NOWW is to increase digitisation of banking processes and services. For this, the Bank is building an organisation structure and operating model which includes cross-functional agile squads with representatives from critical departments of the Bank to accelerate the pace at which new digital banking services and journeys are rolled out.

The Bank plans to bolster its mobile banking app by revamping existing customer journeys to offer best-in-class and latest banking services. The mobile platform will also give option to consumers to pay insurance premium and invest in mutual funds. In addition, the Bank is looking at digitising

customer interface at branch level through self-service kiosks thus enabling faster and straight-through processing for transactions.

New ways of working: The Bank is exploring "Work from Anywhere" for its employees in select roles. This will enable a better work-life balance and improve employee productivity. The Bank has already implemented hybrid working model on pilot basis and learnings from the pilot will be incorporated into the programme design.

A Bank-wide campaign called "Let's Simplify" was launched to crowd source ideas and close to 2,500 ideas were received and the most impactful ones are under consideration for implementation.

Business Performance

The highlights of business performance of the Bank are as below:

Operating Performance

The highlights of operating performance of the Bank are as below:

₹ crore

Particulars	Year ended March 31, 2020	Year ended March 31, 2021
Interest Earned	75,983.7	70,495.1
Interest Expended	48,532.4	4,1686.0
Net Interest Income (NII)	27,451.3	28,809.0
Other Income	10,317.3	12,364.4
Trading Gains	2,750.7	3,376.0
Operating Income (NII + Other Income)	37,768.6	41,173.5
Operating Expenses	18,872.4	20,543.7
Employee Expenses	9,564.7	11,445.5
Other Operating Expenses	9,307.7	9,098.1
Operating Profit	18,896.2	20,629.8
Provisions	20,698.3	15,073.8
<i>of which - Provisions for NPAs and Bad debts written off</i>	16,404.9	12,407.7
Provision for Standard Advances	3,085.5	2,158.0
Provision for Depreciation on Investment	986.7	309.9
Other Provisions	221.2	198.2
Profit Before Tax	-1,802.1	5,556.0
Provision for Tax	-2,348.3	4,727.0
Net Profit	546.2	829.0



Key Performance Indicators	FY 2020	FY 2021
Cost of Deposits - Global (%)	4.98	4.01
Cost of Deposits - Domestic (%)	5.39	4.44
Cost of Deposits - International (%)	2.03	0.95
Yield on Advances – Global (%)	7.99	6.98
Yield on Advances (Domestic) (%)	8.82	7.83
Yield on Advances (International) (%)	3.77	2.48
Net Interest Margin – Global (%)	2.73	2.71
Net Interest Margin – Domestic (%)	2.85	2.79
Net Interest Margin – International (%)	1.34	1.29
Cost-Income Ratio (%)	49.97	49.90
Return on Average Assets (ROAA) (%)	0.06	0.07
Return on Equity (%)	1.23	1.50

The interest income of the Bank contracted to ₹ 70,495 crore during FY 2021. Global yield on advances fell to 6.98% from 7.99% and yield on domestic advances decreased to 7.83% from 8.82%.

Total interest expenses also declined to ₹ 41,686 crore in FY 2021. The cost of deposits in domestic book fell to 4.44% and to 0.95% in the international book. Net Interest Income (NII) for the Bank increased to ₹ 28,809 crore during FY 2021. Global NIM remained stable at 2.71%.

Other income of the Bank increased to ₹ 12,364 crore on account of increase in treasury gains to ₹ 3,376 crore. Recovery from written-off accounts was higher at ₹ 2,985 crore.

Operating expenses increased to ₹ 20,544 crore in FY 2021 on account of employee expenses. Employee costs during the year was ₹ 11,446 crore whereas other operating expenses were ₹ 9,098 crore. Hence, operating profit of the Bank increased to ₹ 20,630 crore during FY 2021. Total provisions (other than tax) and contingencies decreased to ₹ 15,074 crore. The Bank posted a net profit of ₹ 829 crore in FY 2021.

During the year, the Bank exercised the option to transition to the lower tax rate regime i.e. 25.17% permitted under Section 115 BAA of the Income Tax Act, 1961 as introduced by the Taxation Law (Amendment) Act, 2019 as against existing tax rate of 34.95%. Accordingly, the Bank re-measured the Deferred Tax Asset and Liabilities at March 31, 2020. The impact of these changes is a one-time charge of ₹ 3,837 crore to Profit and Loss account made during the year.

Resource Mobilisation

₹ crore

Particulars	As on 31.03.2020	As on 31.03.2021
Deposits	9,45,984.4	9,66,996.9
of which - International Deposits	1,37,278.9	1,08,583.8
Domestic Deposits	8,08,705.5	8,58,413.1
of which- Current Account Deposits	49,650.1	61,609.0
Savings Bank Deposits	2,66,301.3	3,06,418.5
CASA Deposits	3,15,951.4	3,68,027.6
Domestic CASA to Domestic Deposits (%)	39.07	42.87
Advances	6,90,120.7	7,06,300.5
of which- Domestic Advances	5,70,340.8	6,05,615.8
International Advances	1,19,780.0	1,00,684.7
Total Assets	11,57,915.5	11,55,364.8

Bank's domestic CASA deposits increased by 16.48% and rose to ₹ 3,68,028 crore as on March 31, 2021. Domestic CASA ratio of the Bank was at 42.87% as of March 31, 2021, an increase of 3.80% compared to March 31, 2020 level of 39.07%. Current deposits registered growth of 24.09% and reached ₹ 61,609 crore, while savings bank deposits crossed ₹ 3 lakh crore with an increase of 15.06%.

During the year, Bank opened 1.24 crore new CASA accounts. Within this, the thrust was for opening accounts in paperless mode using Tablets (TAB).

Bank also launched a tailor-made salary account product, Baroda Defence Salary Package for serving and retired defence forces personnel. This customised product offers in-built comprehensive personal accident insurance upto ₹ 50 lakh (on duty) and air accident insurance cover upto ₹ 1 crore. In addition, Bank successfully serviced more than 16,000 doorstep requests during the year under the PSB Alliance Doorstep Banking Service.

Under Baroda Government Employees' Salary Account Scheme, close to 30,000 salary accounts were opened and ₹ 397 crore was mobilised with an average balance of ₹ 1.41 lakh per account. The integration with Ministry of Corporate Affairs (MCA) portal for online current account opening of new companies incorporated through the platform brought in more than 7,000 current accounts of companies for the Bank with an average balance of ₹ 2.50 lakh.

The Bank introduced SB account linked insurance products in partnership with TATA AIG, Max Bupa and Star Health Insurance Company and opened 1.73 lakh insurance linked SB accounts during FY 2021. Bank successfully issued 2.55 lakh credit cards during FY 2021 compared to 2.47 lakh credit



cards during FY 2020. Bank initiated lead generation module for acquiring customers through digital and social media channels.

Baroda Cash Management Services

The Bank's cash management business, Baroda DigiNext, provides a wide range of omni-channel digital solutions for customers for management of cash flows and liquidity. Baroda DigiNext Cash Management continued to rapidly expand its footprint acquiring a record 1,300+ new large corporate and government relationships in FY 2021. Over 3,500 large customers of the Bank utilised the cash management services for over 5 crore transactions during the year.

The Bank's cash management solutions provide valuable information on real-time basis of all receipts - electronic, cheques and cash deposits at all its branches. The solution is used in key Government initiatives like Pradhan Mantri Bhartiya Jan Aushadhi Pariyojana, digitisation of land records and Agricultural Produce Market Committee (APMC) collections. Bank of Baroda is amongst the only two major banks that are fully integrated with Integrated Financial Management and Human Resource Management System (IFHRMS) a key initiative for management of State Government treasury.

Credit Expansion

Outstanding net credit of the Bank increased to ₹ 7,06,301 crore as on March 31, 2021 within which domestic advances were ₹ 6,05,616 crore. The increase in domestic advances was led by retail, MSME and agriculture sector. Organic retail loans increased to ₹ 1,20,256 crore led by auto and personal loans. With this, the ratio of retail loans to total domestic loans increased to 20.68% during the year. The international loan book stood at ₹ 1,00,685 crore as on March 31, 2021.

The Bank is focussed on adopting 'Digital First operating model' to deliver enhanced customer experience. Towards this objective, the Bank established a dedicated vertical known as 'Digital Lending Department' responsible for developing digital journey for Bank's lending products particularly in Retail and MSME segments. As part of roll-out, retail products such as personal loans, car loans and home loans are being digitised. The MSME loan renewal for loans upto ₹ 25 lakh was launched digitally. The Bank integrated Pradhan Mantri Street Vendor's Atmanirbhar Nidhi scheme (PM SVANidhi) portal for on-boarding the street vendors and providing them with Unified Payments Interface (UPI) Quick Response (QR) codes.

The total assets of the Bank increased to ₹ 11,55,365 crore as on March 31, 2021.

Corporate Credit

Corporate credit in the Bank is serviced through 15 Corporate Financial Services (CFS) branches which manage about

73% of the total corporate credit portfolio of the Bank. The corporate credit portfolio of the Bank increased to ₹ 2,91,615 crore as on March 31, 2021.

With revamp in approach towards corporate credit delivery, the risk profile of the portfolio further improved during FY 2021 as observed in the rating distribution of domestic credit portfolio as below:

Credit Rating Distribution*	As on 31.03.2020	As on 31.03.2021
A and above	62%	63%
BBB	13%	11%
Below BBB	13%	9%
Unrated	11%	16%

*External rating distribution of advances above ₹ 5 crore.

Total portfolio comprising of A and above in FY 2021 was 63% as against 62% in the previous year.

To provide relief to the borrowers impacted by COVID-19, Bank introduced Liberalised Working Capital Assessment and extended support to borrowers with fund-based balance of ₹ 4,931 crore. The Bank also launched Baroda COVID Emergency Credit Line (BCECL) under which overall ₹ 2,417 crore was sanctioned and ₹ 1,398 crore was disbursed as of March 31, 2021. Under the Government's Guaranteed Emergency Credit Line, Bank sanctioned ₹ 849 crore and disbursed ₹ 382 crore during FY 2021. Bank offered funds to corporates and NBFCs under the TLTRO scheme introduced by RBI. Funds worth ₹ 6,519 crore were sanctioned and the entire amount was deployed as on March 31, 2021. Under the Partial Credit Guarantee Scheme, ₹ 3,078 crore was lent to NBFCs.

MSME Credit

The MSME portfolio as on March 31, 2021 stood at ₹ 96,200 crore. The Bank added 2.72 lakh new MSME customers in FY 2021. The Bank increased the network of dedicated SME processing centres from 27 to 71 SME Loan Factories (SMELF). In addition, 15 new SME branches were opened to cater to customers as one-stop solution for all financial needs which include personal loans, deposits, forex related services and financial solutions to promoters. For the geographical areas not covered by these loan factories and SME branches, the Bank established specialised 49 SME cells to process loan proposals under COVID relief package with focussed approach along with monitoring of SME accounts.



Bank implemented various schemes to provide liquidity support to MSMEs affected by COVID-19 pandemic:

- Under Emergency Credit Line Guarantee Scheme (ECLGS), Bank sanctioned ₹ 8,725 crore and disbursed ₹ 7,765 crore, as on March 31, 2021. In addition, Bank provided temporary credit lines to MSME customers to meet any liquidity mismatch. Under this scheme, Bank sanctioned ₹ 3,013 crore and disbursed ₹ 983 crore.
- Additionally, Bank sanctioned loans to 799 MSME borrowers under Credit Guarantee Scheme for subordinate debt. Bank also offered pre-approved loan for current account holders based on underlying cash flows to meet any liquidity requirement due to COVID-19.
- Bank also revived working capital requirement of MSME borrowers based upon need because of pandemic. Bank also provided interest subvention for 1,05,793 Shishu customers under Micro Units Development and Refinance Agency (MUDRA).
- Bank was the first to launch PM SVANidhi with end-to-end digital solution.

To support MSME enterprises with an online facility for submitting restructuring proposal, Bank entered into Memorandum of Understanding (MoU) arrangement with SIDBI for a web-based platform named 'Asset Restructuring Module for MSMEs (ARM-MSME)'. A MoU arrangement with Andhra Pradesh State Civil Supplies Corporation Ltd was also entered into to provide MUDRA loans to unemployed youth for purchasing commercial vehicles to be used in public delivery system. Under this MoU, Bank disbursed ₹ 476 crore to 9,100 beneficiaries.

Bank has a dedicated cell for Commercial Vehicle and Construction Equipment Finance with portfolio of ₹ 915 crore as on March 31, 2021. Bank tied up with major Original Equipment Manufacturers (OEM) to enhance the business in this segment. During the year, Bank entered into MoU arrangement with Daimler India Commercial Vehicles Pvt. Ltd. (Bharat Benz).

Bank has a specialised vertical for supply chain business for providing liquidity support to MSMEs. Bank's supply chain business is a digitised supply chain solution, providing real time alerts, reports and end-to-end automated reconciliation. The supply chain finance portfolio stood at ₹ 1,430 crore as on March 31, 2021.

Retail Credit

The retail assets of the Bank increased to ₹ 1,32,565 crore as on March 31, 2021 from ₹ 1,20,822 crore as on March 31, 2020 thereby posting an overall growth of 9.72%. Organic retail loans (excluding portfolio purchase) increased to ₹ 1,20,256 crore, an increase of 14.35% over the previous year. Retail assets formed 20.68% of domestic advances as of March 31, 2021.

The key highlights of retail business in FY 2021 include:

- Bank's mortgage-based loan book (home, mortgage and rent receivables) stood at ₹ 99,630 crore as on March 31, 2021.
- Within retail segment, personal, home and education loans posted an increase of 27.21%, 11.10% and 9.06%, respectively.
- Auto loans for the Bank increased at 27.79% against industry growth of 9.50%.
- Bank opened 27 new Specialised Mortgage Stores (SMS) with a total of 126 SMSs as on March 31, 2021. These stores are located all across the country to deliver specialised and faster mortgage-based retail credit delivery.
- Under the Digital Lending platform, in-principle approval for retail loan products such as home loan, personal loan and auto loan is now being done online. Bank is offering end-to-end online micro personal loans upto ₹ 50,000 to its liability customers.

New retail asset products such as Personal Loan under COVID-19 Scheme for individual existing borrowers, Baroda Personal Loan to Government Employees Salary Account customers and pre-approved loan for liability customers were launched during the year.

Rural and Agricultural Lending

Bank has a network of 2,852 branches in rural and 2,090 branches in semi urban areas which are leveraged for priority sector and agriculture lending. The Bank's agriculture advances increased to ₹ 99,543 crore as on March 31, 2021.

Bank is the convener of State Level Bankers' Committee (SLBC) in 3 states i.e. Uttar Pradesh, Gujarat and Rajasthan and Union Territory Level Bankers' Committee (UTLBC) in 1 Union Territory i.e. New Union Territory of Dadra and Nagar Haveli and Daman and Diu. Bank also shoulders the Lead Bank responsibility in 67 districts across the country.

Bank continues to be the leader in lending to agriculture sector which received an impetus with the Government's vision of doubling farmers' income by 2022. The Bank has moved beyond granting simple farm credit to a more diversified rural lending strategy by focusing on new products like farm mechanisation (tractor loans), horticulture loans, warehouse receipt financing, financing to Self Help Groups (SHGs), food and agro-processing, gold loans and flagship product Kisan Credit Card (KCC). Bank entered into MoU with tractor manufacturers such as Gromax Agri Equipment Limited, Eicher Motors, Tractors and Farm Equipment Limited (TAFE) and Mahindra and Mahindra Tractors Ltd. for increasing the tractor loan portfolio.



During the year, the Bank issued 3.91 lakh new KCC and devised new scheme for bringing farmers engaged in animal husbandry and fisheries activities under the ambit of KCC mechanism. As a part of its microfinance initiatives, Bank has credit linked 77,722 SHGs by granting loans amounting to ₹ 1,671 crore during FY 2021.

The Bank's unique annual farmer outreach programme "Baroda Kisan Pakhwada" was organised across the country from October 1, 2020 to October 15, 2020. The focus was to reach out to maximum farmers virtually through digital platform in view of the COVID scenario. A total of 13,811 activities/ events were organised during the "Baroda Kisan Pakhwada" and 3.57 lakh farmers participated.

The Bank also introduced Infrastructure Development Schemes such as Agriculture Infrastructure Fund (AIF), Animal Husbandry Infrastructure Development Fund Scheme (AHIDF), PM Formalisation of Micro Food Processing Enterprises (PMFME), Pradhan Mantri Kisan Urja Suraksha evem Utthan Mahabhiyan Scheme (PM Kusum), Pradhan Mantri Matsya Sampada Yojana Scheme (PMMSY) and compressed biogas to encourage growth of agriculture infrastructure projects.

The vertical rolled out a number of initiatives to offer credit support to SHGs, Farmer Producer Organisations (FPO), Baroda Kisan Credit Card (BKCC) and investment credit borrowers. Overall, amount sanctioned under different schemes were ₹ 2,378 crore under various COVID-19 schemes in FY 2021.

Priority Sector Lending

Priority sector advances of the Bank grew at 10.14% during FY 2021, from ₹ 2,26,336 crore as on March 31, 2020 to ₹ 2,49,285 crore as of March 31, 2021. Bank achieved the mandatory targets under all the categories of Priority Sector Lending segments as on March 31, 2021.

Advances to SC/ST Communities

The outstanding advances to Scheduled Caste/ Scheduled Tribe (SC/ST) communities went up to ₹ 12,633 crore as of March 31, 2021. The SC/ST communities accounted for 18.68% share in total advances granted to weaker sections by the Bank.

Furthermore, special thrust is laid by the Bank in financing SC/ST communities under various Government sponsored schemes such as National Rural Livelihood Mission (NRLM), MUDRA Loan, Startup India and Stand-Up India. Bank is exploring possibilities of entering into tie-ups with various State Rural Livelihood Missions (SRLMs) for providing finance to women SHGs to further the mission of women empowerment.

Gold Loans

Bank's gold loan portfolio increased to ₹ 23,593 crore as on March 31, 2021 from ₹ 17,393 crore in the previous year, an increase of 35.64%. Within gold loans, agriculture gold loans grew at 32.64% in FY 2021 to ₹ 22,492 crore. Retail gold loans more than doubled from ₹ 436 crore as on March 31, 2020 to ₹ 1,101 crore as on March 31, 2021. The increase is led by Gold Loan Shoppes which increased from 185 to 984 during the same period.

Share of gold loans in agriculture loans increased from 19.13% in FY 2020 to 22.30% in FY 2021. Average gold loan ticket size increased from ₹ 1.05 lakh to ₹ 1.36 lakh. The increase was spread across the country with share of geographies other than South India now at 22.65% in FY 2021 compared with 18.96 % in the previous year. Credit quality of the portfolio remains healthy with GNPA ratio of only 0.19% as of March 31, 2021.

Financial Inclusion (FI)

In order to provide universal banking services to all sections of the society especially to rural, semi urban and urban poor at an affordable cost, Bank has taken financial inclusion as a social commitment and also an opportunity to tap business through BC model. The Bank has been actively working towards ensuring financial inclusion in the country through its branch and BC network. With advent of technology, innovative steps are being taken for serving in unbanked areas. Bank expanded its BC network by additional 5,200 BCs to 23,320 BCs as on March 31, 2021 to cater to rural, semi urban and urban areas across the country.

The Bank took the following initiatives towards promoting financial inclusion:

- Micro insurance enrolment through various channels such as missed call / net banking / mobile banking/ SMS/ BC / branch.
- Availability of services such as initiation of request for SMS subscription, initiation of email statement and debit card hot-listing at BC point. Aadhaar look-up facility and Aadhaar OTP based authentication of BC agent during transactions. Bilingual consent for Aadhaar seeding and instant pop-up for micro insurance for enrolment at BC point.

Performance highlights under financial inclusion during FY 2021

- Basic Saving Bank Deposit (BSBD) accounts increased by 78.13 lakh (15.26%) and deposits increased by ₹ 4,791 crore (25.58%).
- Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts increased by 83.34 lakh (20.30%) and PMJDY deposits increased by ₹ 4,340 crore (30.36%).



- The Bank's share in comparison with PSBs stood at 14.79% for PMJDY accounts and 16.47% for deposits under PMJDY accounts.
- The share of zero balance PMJDY accounts of the Bank reduced to 5.30% as on March 31, 2021 from 7.88% as on March 31, 2020
- Enrolment in micro insurance during the year increased by 48 lakh and was 2.60 crore as on March 31, 2021.

Performance of RRBs sponsored by Bank of Baroda

The Bank sponsored three Regional Rural Banks (RRBs) namely Baroda Uttar Pradesh Gramin Bank, Baroda Rajasthan Kshetriya Gramin Bank and Baroda Gujarat Gramin Bank. The aggregate business of these three RRBs rose to ₹ 1,23,579 crore as on March 31, 2021 from ₹ 76,278 crore as of March 31, 2020. The three RRBs together posted a net profit of ₹ 322 crore during FY 2021. The net worth of these RRBs put together improved to ₹ 4,289 crore as of March 31, 2021.

In terms of Government of India notification no. F. No. 07/08/2017-RRB (Uttar Pradesh III) dated November 26, 2019, amalgamation of Baroda Uttar Pradesh Gramin Bank (BUPGB), Kashi Gomti Samyut Gramin Bank (KGSGB) and Purvanchal Bank (PB) sponsored by Bank of Baroda, Union Bank of India and State Bank of India respectively was made effective on April 1, 2020 and new entity namely Baroda U. P. Bank as transferee bank started functioning from the same date with its head office at Gorakhpur. The Bank has 1,983 branches across the state.

International Operations

The Bank has 96 overseas branches/offices across 19 countries. Out of this, 44 overseas branches/offices (including 9 EBSUs in UAE, 1 Mobile Banking Unit in Mauritius and 1 International Banking Unit in GIFT City, Gandhinagar, Gujarat, India) belong to the Bank and 52 branches are part of the Bank's 7 overseas subsidiaries. In addition, the Bank has one Joint Venture viz. India International Bank (Malaysia) Bhd. in Malaysia and one associate bank viz. Indo Zambia Bank Ltd. in Zambia with 30 branches.

The Bank has presence in the world's major financial centres of New York, London, Singapore and Dubai. In the international arena, Bank pursues a strategy of driving growth and value by meeting the international banking requirements of Indian corporates; catering to India linked cross-border trade flows for Indian and locally incorporated companies or firms and being the preferred Bank for Non-Resident Indian (NRI)/ Persons of Indian Origin (PIO).

In overseas centres, substantial progress was made in IT upgradation for end-to-end business solution, with a focus on digitisation and centralisation, to improve productivity and customer experience.

The Bank has strategically undertaken rationalisation of its overseas presence based on a comprehensive evaluation framework. As part of this exercise, during the year, wholesale branch in China was closed, Sohar branch was merged with Greater Muttrah branch in Oman and the entire stake in wholly owned overseas subsidiary at Trinidad and Tobago viz. Bank of Baroda (Trinidad and Tobago) Ltd was divested by the way of sale to Ansa Merchant Bank Limited.

The Bank is continuously consolidating and re-organising its international operations in-line with the new global environment and focussed on rebalancing the portfolio with a view to manage risks, shed low-yield assets and increase profitability.

As of March 31, 2021, the Bank's total business from international branches was ₹ 2,09,269 crore and constituted 12.51% of the global business. Total deposits were at ₹ 1,08,584 crore while net advances were ₹ 1,00,685 crore.

Treasury Operations

The Bank operates its treasury operations from a state-of-the-art dealing room at its Corporate Office in Mumbai. The treasury is a prominent player in various markets such as foreign exchange, interest rates, fixed income, money market, derivatives, equity, currency and interest rate futures and other alternate asset classes. The Bank offers various services like interest rate swaps, currency swaps, currency options and forward contracts through authorised branches dealing in foreign exchange across India.

Treasury maintains the regulatory requirements of CRR and Statutory Liquidity Ratio (SLR) and manages the surplus/deficit funds. Treasury borrows/invests in money market and capital market instruments as part of fund management operations.

The total size of the Bank's domestic investment book as of March 31, 2021 stood at ₹ 2,51,708 crore. The share of SLR securities in total investments was 81.10%. The percentage of SLR securities (unencumbered) to Net Demand and Time Liabilities (NDTL) as of March 31, 2021 was at 20.77%. The Bank capitalised on the opportunities offered by yield movements. The Bank managed its portfolio efficiently and maintained average yields on investment for FY 2021 at 7.69% (including profit on sale). During FY 2021, the profit on sale of investment and foreign exchange earnings were ₹ 3,326 crore and ₹ 658 crore respectively.

Various contingency measures were undertaken to ensure uninterrupted business operations during the lockdown period caused by the pandemic. In addition to a Business Continuity Plan (BCP) setup of an alternate site in Mumbai, remote access was enabled for staff, thus covering all functions of front and back office of treasury. Hence, the entire treasury operations were run successfully and efficiently with these setups.



Government Business

Government Business forms an important part of the business strategy of the Bank. It contributes significantly to low cost deposits and fee based income. It caters to the banking requirements of Central/State Government and PSUs across India.

The Bank is authorised to collect direct taxes through its designated branches and is an accredited banker to the Ministry of Health and Family Welfare and Ministry of Legal Affairs. The Bank ensures implementation/promotion of various small savings schemes and social security schemes launched by various departments of Ministry of Finance, Government of India. The Bank partners with various departments at Central and State levels in developing e-solutions in line with the digital initiatives of the Government of India.

During the year, the Bank signed MoU for defence salary package with the Indian Navy and the Indian Coast Guard. The MoU with Indian Army was renewed with added features in Baroda Defence Salary Package. The Bank also canvassed the prestigious account of Shri Ram Janmabhoomi Teerth Kshetra.

During FY 2021, the commendable performance of the Bank in implementation of the Public Financial Management System (PFMS) scheme was appreciated by the Ministry of Finance. Further the Bank also qualified in various campaigns launched by Pension Fund Regulatory and Development Authority (PFRDA) for canvassing Atal Pension Yojana.

Wealth Management

With the seamless integration of erstwhile Dena and Vijaya Bank branches, Bank's customer base for distribution of wealth products has seen a large increase. The wealth management distribution platform is segregated into retail distribution (cross-sell) and Radiance channel (a niche segment for High Net Worth Individuals) with the objective of developing a comprehensive distribution network across the branches catering to more than 14 crore customers. The underlying tenet of revamping this business model is to be 'future ready' to leverage growth opportunities and ride on digital transformations and scale up fee income. This business model envisages delivering investment and insurance products through various touch points like branches, mobile and net banking to reach out to last-mile customer across geographies.

Further, relationship manager-based business model, Radiance was revamped by making this product offering more competitive as per industry benchmark and some of the developments are:

- Wealth professionals have been on-boarded with requisite skill set to offer bouquet of investment and insurance products to the customers.

- Digital back-end processes have been strengthened by integrating wealth business platform with Registrar and Transfer Agents (RTAs) and availability of current value of mutual fund investments on mobile and net banking.
- The Bank offered various health insurance products including COVID-19 policies to provide basic health cover to the customers at the bottom of the pyramid at competitive pricing through insurance partners.
- Investment and insurance products were made available to the defence personnel as one of product offerings under salary accounts.
- Customer Relationship Management (CRM) tool is used effectively to attend to all customer complaints on priority and capture the business opportunities.

Stressed Asset Management

The Bank believes that continuous day-to-day monitoring is the first step towards reduction in non-performing loans and in ensuring good recovery. For this, the Bank undertook various steps and formulated strategies to augment recoveries and reduce slippages.

The Bank has a 'Stressed Assets Management Vertical', to monitor all NPA accounts. For improved monitoring and recovery of NPA accounts, five Stressed Assets Branches (SAM) were set up and all accounts under National Company Law Tribunal (NCLT) were transferred to these specialised branches. Further, 16 Stressed Assets Recovery Branches (SARB Branch) at zonal level were established to handle NPA accounts other than NCLT with outstanding balance above ₹ 5 crore.

The movement of NPAs during the last two years is as under:

₹ crore

Particulars	FY 2020	FY 2021
Gross NPA	69,381	66,671
Gross NPA (%)	9.40	8.87
Net NPA	21,577	21,800
Net NPA (%)	3.13	3.09
Additions to NPAs	23,315	20,005
Recovery/ Upgradations	7,942	7290
Write offs including TWOs	15,806	14,878
Recoveries in write off accounts	1,532	2,985
Provisional Coverage Ratio (including TWO) (%)	81.33	81.80
Provisional Coverage Ratio (excluding TWO) (%)	68.90	67.30



As per asset classification, the bifurcation of loan book is as given below:

₹ crore

Asset Category	FY 2020	FY 2021
Standard Advances	6,68,715	6,84,919
Gross NPA	69,381	66,671
Total Gross Advances	7,38,096	7,51,590
Gross NPAs comprising		
Sub-standard	14,311	15,056
Doubtful	37,005	35,527
Loss	18,065	16,088
Total Gross NPA	69,381	66,671

In order to address the large number of small NPA accounts, Bank continued with its existing special One-Time Settlement (OTS) scheme "Lakshya-II - MSME, Retail and Agriculture" for settlement of NPAs in these segments. The Bank recovered and upgraded NPA accounts amounting to ₹ 694 crore under these schemes.

A new e-auction platform, eBkay was used for sale of properties under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI).

RBI announced measures under Regulatory Package for COVID-19 vide its circular dated March 27, 2020, April 17, 2020 and May 23, 2020. Under these guidelines, moratorium was offered to existing borrowers. In accordance with RBI Guidelines dated April 17, 2020, the Bank was required to make provision not less than 10% of the outstanding advances in respect of borrower accounts where asset classification benefit was granted. The Bank recognised adequate provision for COVID-19 amounting to ₹ 811 crore during the quarter ended March 31, 2020 and further provision of ₹ 1,065 crore during the quarter ended June 30, 2020 and the amount of residual provision of ₹ 1,309 crore is written back/ adjusted as on March 31, 2021 in line with RBI guidelines.

In respect of working capital facilities under the above moratorium period, Bank had converted the accumulated interest for this moratorium period up to August 31, 2020 into a funded interest term loan, which was repayable by March 2021, as per RBI guidelines.

The Bank implemented restructuring under Resolution framework 1.0 - Resolution of COVID-19 related stress in 7,861 accounts with aggregate exposure of ₹ 3,774 crore as per RBI circular dated August 6, 2020. The Bank extended

RBI's One-Time Restructuring facility to MSMEs under which 1,25,906 borrowers were supported with MSME Asset Restructuring facility with overall amount of ₹ 9,039 crore.

Bank has an automated early warning system to identify the stress at the earlier stage so as to take timely remedial measures to address the stress and has a robust collection mechanism.

Digital Banking products

The Bank is committed to digitisation and continuously strives to migrate transactions to digital channels which leads to better customer experience. The major focus of digital banking is to make Bank's products available to customers through digital and alternate delivery channels. The key instruments in digital banking are Mobile banking, BHIM Baroda Pay, Baroda M-connect Plus, Baroda Connect, Debit Cards, Prepaid Cards, BHIM Aadhaar, ATM and Cash Recycler machines, Self Service Passbook Printers(SSPBP), TAB Banking, Internet Payment Gateway (IPG), Bharat Bill Payment Services (BBPS), Baroda FASTag, Bharat QR, Point of Sale (POS), etc.

- **Mobile Banking:** The Bank added 40 new features and services during the year to its mobile banking application such as pre-approved Micro Personal Loan, UPI facility, passbook, debit card management, opening of Public Provident Fund (PPF) account, positive pay confirmation for inward cheques, spend analyser, mini-statement without login, enabling/disabling contactless payment mode, interactive customer feedback, Real Time Gross Settlement (RTGS) payment mode for other bank transfers, loan against deposits, deposit calculator, applications for MUDRA and MSME loans etc.

In addition to the above, daily active users increased 2.84 times, from 11 lakh in April 2020 to 31 lakh in March 2021. In addition, financial transactions recorded an increase of 44%, while non-financial transactions registered an increase of 96%.

- **ATM:** User-friendly graphic screens and easy to follow instructions in a language of customer's choice makes using the Bank's ATMs a smooth experience. ATMs are enriched with features such as green pin generation, National Electronic Fund Transfer (NEFT), bill payment etc. The Bank successfully completed ATM GL wise project for 9,578 ATMs. Bank has 11,633 ATMs, including cash recyclers as on March 31, 2021.
- **Debit cards:** The Bank has an active card base of 6.54 crore as on March 31, 2021, an increase of 21%. To increase e-commerce / POS transactions and to make



Bank's debit card as the preferred card of choice for the customer, the Bank tied up with various merchants for providing lucrative offers to debit card customers. Within a duration of five months (from November 2020 to March 2021), a total of 31 campaigns were launched with various popular merchants such as Jio Mart, Ixigo, Myntra, Swiggy, EaseMyTrip, Yatra, Zomato, Uber, Grofers, Goibibo, Flipkart, Seniority etc.

- **Internet Payment Gateway (IPG):** The Bank's IPG infrastructure was set up to provide an electronic payment platform, Baroda e-Gateway for its customers to enable them to collect payments through their own website / e-commerce business by enabling payment collection using credit card/ debit card and net banking. To provide a seamless and customisable service, Bank tied up with 18 aggregators/master merchants and on-boarded around 1,500 merchants. Bank achieved a growth of 57% in IPG merchant on-boarding in FY 2021.
- **Baroda FASTag (National Electronic Toll Collection - NETC):** Bank issued 2.68 lakh FASTag. The Bank's FASTag is now available of FASTag to other banks' customers through online mode and TAB banking.
- **BHIM Baroda Pay:** UPI is a system that powers multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing and merchant payments into one hood. It also caters to the "Peer to Peer" collect requests which can be scheduled and paid as per requirement and convenience. During FY 2021, financial transactions (outward) under UPI rose to ₹ 110 crore, an increase of 100%.
 - **UPI Autopay:** With this new facility introduced under UPI 2.0, customers can now enable recurring e-mandate using any UPI application for recurring payments such as mobile bills, electricity bills, EMI payments, entertainment/ over the top (OTT) subscriptions, mutual funds etc. Presently Bank is live in UPI Autopay as an issuer.
 - **UPI International:** UPI International is jointly developed by National Payments Corporation of India (NPCI) and NETS (Network for Electronic Transfers) of Singapore for promoting QR based payment through UPI application in Singapore Dollar (SGD). The account shall be debited in INR but the amount paid to the merchant will be in SGD. Presently, Bank is live as an issuer.
 - **GST payments through UPI:** In a momentous decision to promote digital payments in Business to Customer (B2C) transactions through Dynamic

QR Code, Government of India laid down guidelines for Goods and Services Tax (GST) enablement in UPI. It was mandated that corporate merchants with annual turnover of ₹ 500 crore and above, have to follow QR code provisions for Dynamic QR Code invoicing solution with GST components to customers.

Acquired merchants of the Bank can avail the facility of Dynamic QR Code with GST components. BHIM Baroda Pay application is compliant with the GST related changes and can scan the GST enabled QR Code, decode and provide the requisite information required by NPCI in request message.

- **WhatsApp Banking :** Bank launched WhatsApp Banking as a new age delivery channel that uses social media platform, i.e. WhatsApp Messenger application, for providing banking services to Bank's customers and non-customers. Within three months of its launch, more than 6.25 lakh users have been on-boarded on WhatsApp Banking. During the year, Bank provided 13 services to its customers and 5 services to non-customers. In the next phase, 11 additional services are proposed to be incorporated into this platform which would further enhance customer convenience and improve their banking experience.
- **Baroda Connect :** During the year, a new version of Internet Banking (FEBA) was implemented with additional features, capabilities and customer friendly interface. During the year, the Bank on-boarded 11.65 lakh users on the internet banking platform.
- **Baroda TabIT:** The Bank embarked upon digitising its customer on boarding process through tablet for instant CASA opening along with host of services (Personalised Cheque Book, Personalised Debit Card, Mobile Banking with MPIN, UPI etc.) through its TAB banking platform - Baroda TabIT. Bank opened around 27 lakh savings account through this platform during the year. Current accounts of individuals, proprietorship and partnership firms are now being opened through TAB Banking. The TAB on-boarding platform is now extended for FASTag issuances and on-boarding of merchants for availing UPI services.

Analytics Centre of Excellence (ACoE)

ACoE set up the Peta Bytes of Big Data Lake (BDL) platform which was further expanded in January 2020. The Big Data Lake platform is currently ingesting data from multiple source systems which include key internal sources such as domestic and international core banking, treasury management systems, LLPS, mobile banking, internet banking etc. and



external sources such as Credit Information Bureau (India) Limited (CIBIL), CRIF High Mark Credit Information Services Pvt. Ltd (CRIF), Corpository, Capital Line etc.

Multiple dashboards were developed to provide actionable insights to various verticals through rich visualisations, exhaustive Key Performance Indicators (KPI) and dimensions. These dashboards cater to both business and regulatory/compliance needs up to branch level.

One of the key focus areas of the ACoE programme has been the development of predictive and descriptive analytics use-cases to help the Bank across revenue, cost and risk initiatives with multiple predictive models across retail/ MSME/ wealth cross-sell, collection management, ATM forecasting, treasury asset and liability management (ALM) and Indian Accounting Standard (Ind AS) 109 pertaining to financial instruments. ACOE developed models to cross-sell asset (home loans, personal loans, car loans) and liability products (saving bank accounts, fixed deposits) to customers.

Information Technology (IT)

The Bank continuously improves its products, systems and structure to meet the growing aspirations of the customers. Digitisation requires constant evolution and upgradation of IT infrastructure. Some of the major initiatives undertaken during the year are:

- Bank successfully completed the technology integration of erstwhile Dena Bank and Vijaya Bank well ahead of the set timeline of March 2021, in spite of the challenges due to COVID-19.
- Bank successfully completed the CBS application upgrade of Finacle 10 for all 17 international territories of the Bank.
- Bank introduced Centralised Positive Pay System (CPPS) for Cheque Truncation System (CTS) clearing. Customers can reconfirm the key details of issued cheques through various alternate delivery channels and through branches.
- There is consistent reduction in overall technical declines across all channels to 0.42% in FY 2021 from 0.67% in FY 2020 in spite of considerable growth in transactions across all channels, particularly through Mobile Banking and UPI.
- Significant improvement in performance under UPI on many technology related parameters, which reflected in Ministry of Electronics and Information Technology (MeitY) scorecard of the Bank.

Cyber Security

In today's world, new risks emerge every hour of the day. Increased risk of cybercrime has led to a focussed approach

to mitigate the emerging cyber risk. Monetary and reputational risks are high and have been mitigated with appropriate Cyber Security Policy and Cyber Security Crises Plan. The Bank has a well-defined Cyber Security Governance framework in place that is operated through a combination of management structure, policy framework and operational controls. The Bank follows both NIST (National Institute of Science and Technology, USA) Cyber Security Framework and RBI Cyber Security Framework.

In addition to the existing checks and controls, Bank undertook the following measures to enhance cyber security:

- Deception Technology, which aims at preventing cybercriminals who have managed to infiltrate network from doing any damage to the Bank.
- Regular Random Early Detection (RED) team exercise carried out to provide valuable and objective insights about vulnerabilities and the efficacy of defenses and mitigating controls already in place.
- Cyber Insurance Policy from a reputed insurance provider to protect business and individuals from Internet-based risks and frauds.

FinTech

The Bank has been instrumental in developing fintech partnerships, launching new products and reinventing business processes.

Major achievements and initiatives during the year:

- The Bank has a market share of 11% on the online bill discounting TReDS platforms. The Bank served the credit needs of over 3,000 MSMEs through this platform.
- As a step aimed at strengthening the loan processing, Bank integrated the online PSB59 loan portal with its internal Loan processing system i.e. LLPS for retail, MUDRA and MSME products. This enabled seamless flow of all information, thus improving the TAT.
- The Baroda StartUp programme launched in February 2020 has been gaining momentum. The Bank on-boarded about 1,500 startups by March 2021 through its unique bouquet of services with a market share of 4% in Department for Promotion of Industry and Internal Trade (DPIIT) registered startups. The Bank is also working on a specific credit product designed to meet the financial needs of the startups.
- The BOB Innovation Centre (BOBIC) set up in collaboration with IIT, Mumbai at its Powai campus continues to show satisfactory progress. This is the first of its kind partnership between a PSB and technology institute in the Banking, Financial Services and



Insurance (BFSI) space. Five major projects in the field of banking technology have been identified for research and development by IIT professors. During the year, the Bank also instituted a Chair Professorship on “Digital Entrepreneurship” in IIT, Mumbai.

Marketing

The Bank has ensured impactful presence in electronic media through regular TV and radio campaigns. The Bank increased its focus on signature events such as Udayswar – Prithvi Concert, “Facebook Live musical events” of Srajan – the spark, Jashn-e-Rekhta Season 1 and India v/s England cricket series which consisted of 4 Test matches, 5 Twenty20s and 3 One Day Internationals among others.

Advertorials were released on benefits of Bank’s popular products such as car loans, home loans, savings accounts, NRI accounts, gold loans and digital lending schemes during campaign periods and festival season. Bank conducted major campaign “Hum Kare Mumkin” promoted by the Bank’s Brand endorser P.V Sindhu. The campaign was designed to build positivity during festival season.

With COVID-19 pandemic impact and increased consumption of digital marketing channels, Bank strengthened its transformation journey from physical to digital marketing with the Bank’s social media channels and website as the convergence point for all the data and customer engagement.

Special digital campaign ‘Ek Forever Rishta’ was launched for car loan, home loan, education loan and other digital products. Also special lead generation digital campaigns were launched for car loan and home loan lead generation. The leads are collected using the Digital Lending Platform of the Bank. The campaign uses various digital platforms like Facebook, Instagram, Google Search and Display, Hotstar, Inshorts, Times, Hindustan Times and other news websites, website aggregators, native and affiliate channels.

The details of Bank’s social media presence are as below:

Social Media Channels	Statistics (No of likes / Followers) as on March 31, 2021
Facebook Likes	16,80,000+
Twitter Followers	1,37,000+
YouTube Subscribers	69,000+
LinkedIn Followers	1,23,000+
Instagram Followers	1,65,000+

The Bank released a number of awareness messages for the public during COVID-19 pandemic.

Customer Service

The Bank constantly endeavours to set industry benchmarks and pioneer innovations across products, processes and service delivery that are imperative to providing seamless experiences to its customers. Customer interactions are continuously monitored across channels and channel capabilities (functionalities and the user experience) were enhanced to ensure ease of banking from home which has become the need of the hour due to the pandemic. The Bank ensured that frequently used functionalities by customers were made available through digital channels and contact centre.

The 24*7 contact centre has the capability to connect with customers in their preferred language. Apart from Hindi and English, the language capability was increased to nine regional languages. The contact centre handled 3.95 crore customer calls during the year. To assess customer satisfaction levels across segments various surveys are conducted by the contact centre.

Customer Grievance Redressal System (a module of the CRM package) with time bound auto escalation, options to attach documents, provide feedback on resolution quality and reopen complaints is now widely used by customers. During FY 2021, the Bank saw significant improvement in the usage of remote channels for managing grievances. Approximately 80% of the grievances were resolved within the pre-defined turnaround time. The Bank not only focussed on improving the quantitative performance indicators of grievance redressal but also on improving the quality of resolution to improve customer satisfaction.

Service levels across the network of branches are monitored through mystery shopping/service audits and workshops, these audits were conducted through video conferencing due to the pandemic. The General Manager, Operations and Services, is designated as Principal Nodal Officer for customer complaints in the Bank. Moreover, all zonal heads and regional heads are designated as nodal officers for their respective zones and regions. Further, the names of respective nodal officers along with their contact numbers are displayed in all the branches of the Bank.

The Bank has appointed an Internal Ombudsman which is a forum made available to customers for grievance redressal prior to approaching the Banking Ombudsman. All complaints, which are rejected or partially accepted by the Bank, are systematically escalated to the Internal Ombudsman for review. This enhances the customer confidence in the Bank’s systems and expedites the process of grievance redressal, thus making it more transparent.

The Bank’s code of commitment to customers and MSME’s, citizen charter, grievance redressal policy, and banking



ombudsman scheme are available on the Bank’s website to promote fair banking practices by maintaining transparency in various products, services and policies.

At the Board level, the subcommittee of Board for Customer addresses the issues relating to the formulation of policies and assessment of compliance with same with the aim of consistent improvement in the quality of customer service. The subcommittee also analyses the feedback received from customers through Voice of Customers and compares the Bank with its peers on various parameters to enhance the customer experience.

During FY 2021, the Bank ensured that ramp facility, comprehensive notice boards (displaying relevant and updated information), special queue for senior citizens were available in all the branches, ATMs and e-lobbies. Branches also underwent a facelift and were designed to enhance customer experience through better ambience, increased seating area with special focus for senior citizens and the differently abled customers.

Branch Network

As of March 31, 2021, the branch network of the Bank is as under:

Domestic Branches	March 31, 2020		March 31, 2021	
	Number of Branches	% Share in Total	Number of Branches	% Share in Total
Metro	2,163	22.81	1,794	21.84
Urban	1,860	19.62	1,478	17.99
Semi urban	2,525	26.63	2,090	25.44
Rural	2,934	30.94	2,852	34.72
Total	9,482	100.00	8,214	100.00
Overseas Branches/ Offices (including branches of overseas subsidiaries)	101		96	

The Bank opened 13 new domestic branches and merged 1,281 branches with existing branches during FY 2021.

Currency Chests

The number of currency chests stood at 145 as on March 31, 2021. These chests support effective cash management in the Bank as well as vaulting cash on behalf of RBI. All the currency chests as well as branches are provided with Note Sorting Machine (NSMs) as per RBI guidelines.

Risk Governance and Internal Controls

The increased focus on risk and the supporting governance framework includes identifying the responsibilities of different parts of the Bank for addressing and managing risk. Often referred to as the “three lines of defence”, each of the three lines has an important role to play. These are:

- i. First line of defence – This comprises of all the Bank’s employees as they are required to own and ensure the effective management of risk and compliance with regulations, Bank’s policies and guidelines.
- ii. Second line of defence – This comprises of the risk control owners, the risk management function and compliance function. It is responsible for identifying, measuring, monitoring and reporting risk on an enterprise-wide basis independently from the first line of defence.
- iii. Third line of defence - An independent assurance is provided by the internal audit function by conducting internal risk-based and other audits. The reviews provide assurance to the Board that the overall governance framework, including the risk governance framework, is effective and that policies and processes are in place and consistently applied. The role of audit function is defined and overseen by the Audit Committee of the Board.

Risk Management and Compliance

Risk is an integral part of the banking business and the Bank aims to achieve an appropriate trade-off between risk and returns. To ensure sustainable and consistent growth, the Bank has developed a sound risk management framework so that the risks assumed by the Bank are properly assessed and monitored. The Bank undertakes business activities within the defined risk appetite limits and policies approved by the Board of Directors of the Bank. Specific committees of the Board have been constituted to facilitate focussed oversight on various risks. The Board has also constituted a Risk Management Committee of the Board which oversees the different type of risks. It is supported by on- boarding specialists in the area. Policies approved from time to time by the Board of Directors or committees of the Board form the governing framework for each type of risk.

The Bank has a comprehensive Internal Capital Adequacy Assessment Process and stress test policy. The Pillar 2 risks such as Liquidity Risk, Interest Rate Risk, Concentration Risk, Business and Strategic Risk, Reputation Risk, Pension Obligation Risk etc. and Capital Adequacy under both normal and stressed conditions are assessed as per the extant policies. A brief outline of the mechanism for identifying, evaluating and managing various risks within the Bank is given below:



Enterprise Risk Management

The diversity of the Bank's business lines requires a comprehensive Enterprise Risk Management approach to promote a strong risk management culture to help in the early identification, assessment, measurement, aggregation and management of all risks and to facilitate capital allocation among various business lines. All risks are approved within the overarching Risk Appetite Framework and are adequately hedged.

The Bank is constantly endeavoring to create a strong risk culture by imparting trainings to the employees at all levels.

Credit Risk

Credit risk is managed through a Board approved framework that sets out policies, procedures and reporting which is in-line with international best practices. Adequate attention is given to the independence of the risk evaluators and business functions for establishing a sound credit culture and a well-structured credit approval process.

The Bank's experience in internal ratings over the years has enabled the Bank to obtain the regulator's approval for running the foundation internal rating-based approach (F-IRB) approach of credit risk under Basel II guidelines from March 31, 2013. Under the IRB approach, banks develop their own empirical model to quantify required capital for credit risk.

Bank has well established models for awarding internal rating to the borrowers and these models are calibrated and validated periodically by dedicated internal team as well as external agencies. The Bank has put in place prudential caps across industries, sectors and borrowers to manage credit concentration risk. The portfolio review cell carries out detailed reviews on sectoral exposure, credit concentration, rating distributions and migration. The Bank has developed in-house internal rating model for Country Risk assessment and State Government exposure model for assessing the riskiness of the borrower by assessing various parameters and exposure caps are fixed considering the riskiness estimated by these models.

The Bank has implemented 'Risk Adjusted Return on Capital (RAROC)' framework for corporate credit exposures for evaluating credit risk exposures from the point of 'economic value addition' to the shareholders.

The Bank has also implemented Enhanced Access and Service Excellence (EASE) Risk Scoring Model for independent risk-based review of the credit proposals by risk vertical of the Bank, including classification of credit proposals into high/ medium/ low risk along with risk decisions of go/ no go.

Market Risk

Market Risk implies the risk of loss of earnings or economic value due to adverse changes in market rates or prices of trading portfolio. The change in economic value of different market products is largely a function of change in factors such as interest rates, exchange rates, economic growth and business confidence. The Bank has well defined policies to control and monitor its treasury functions which undertake market risk positions.

The Bank measures and monitors interest rate risk in its trading book through duration, modified duration, PV01 and Value at Risk (VaR) on a daily basis. The foreign exchange risk is measured and monitored in terms of Net Overnight Open Position limits (NOOPL), VaR limits, Aggregate Gap Limits (AGL), Individual Gap Limits (IGL) on a daily basis. Equity price risk is measured and monitored through VaR limits and portfolio size limits, etc. At a transaction level, stop loss limits and dealer wise limits have been prescribed and implemented. Under its stress testing framework, the Bank conducts comprehensive stress tests of its trading book portfolio on a quarterly basis and risk-return analysis of treasury trading portfolio on quarterly basis.

Asset Liability Management

Liquidity Risk is the inability to meet expected and unexpected cash and collateral obligations at reasonable cost. In the Bank, the liquidity risk is measured and monitored through Flow Approach and Stock Approach and other prudential stipulations as per the latest guidelines of the RBI. The Bank has implemented the Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards. The LCR Standard aims to ensure that banks maintain an adequate level of unencumbered High - Quality Liquid Assets that can be converted into cash to meet liquidity needs for a 30-calendar days' time horizon under a significantly severe liquidity stress scenario. The Bank has always been well above the stipulated level of LCR on a solo basis as well as on a consolidated basis.

Interest Rate Risk in the Banking Book (IRRBB) arises due to mismatch between rate sensitive assets and liabilities which may adversely impact the earnings/economic value of equity of the Bank with the change in interest rates in the market. For measurement and monitoring of interest rate risk in banking book, the Bank uses risk management tools such as Traditional Gap Analysis, Earning at Risk and Modified Duration of Equity. The short-term impact of interest rate movements on net interest income (NII) is worked out through the 'Earnings at Risk' approach by taking into consideration parallel shift in yield curve, yield curve risk, basis risk and embedded options risk. The long-term impact of interest rate



movements is measured and monitored through change in Market Value of Equity (MVE).

Operational Risk

The Bank has a well-defined Operational Risk Management Framework (ORMF) and Operational Risk Management System (ORMS) for effective management of Operational Risk in the organisation. ORMF comprises of the organisational structure for management of operational risk, governance structures, policies, procedures and processes whereas ORMF consists of the systems used by the Bank in identifying, measuring, monitoring, controlling and mitigating operational risk.

The Bank implemented a web based Operational Risk Management System Statistical Analysis System (SAS) Enterprise Governance, Risk and Compliance (SAS EGRC) for systemic and integrated management of Operational Risk.

Monitoring of Key Risk Indicators Programme (KRI), Risk Control and Self-Assessment Programme (RCSA) and root cause analysis further strengthened the control environment. The Bank created a repository of Internal Loss Data as part of Operational Risk Management and carrying out Root Cause Analysis.

To mitigate and control operational risk at a transaction level, the Bank has established a CTMU for monitoring of all domestic transactions from the Know Your Customer/Anti-Money Laundering/ Combating the Financing of Terrorism (KYC/ AML/ CFT) perspective. The Bank segregated customer interface (front office) from the execution of transactions (back office) by centralising a number of back-office functions. The Centralised Trade Finance Back Office has been set up to minimise operational risk in forex transactions.

The Bank has put in place an incentive scheme to promote Risk Culture at Enterprise wide level. Financial and non-financial incentives were announced for the employees for reporting of near miss events.

In order to ensure the operational resilience, Bank has a well-defined Policy on Business Continuity Planning in place to address issues in efficient manner at different levels.

Climate Risk

Climate change risk has become crucial challenge to the financial industry of late. The Bank is committed to reduce the impact of climate change risk and is consciously working towards sustainable development of its banking operations so as to achieve the economic development while maintaining the quality of environmental and social ecosystems.

As a policy matter, to reduce the greenhouse effect, the Bank does not finance borrowers for setting up new units producing / consuming Ozone Depleting Substances (ODS) and small /

medium scale units engaged in the manufacturing of aerosol units using Chlorofluorocarbons (CFC) which enables reduction in greenhouse effect.

Compliance

Compliance function in the Bank is one of the key elements in its corporate governance structure. The compliance function in the Bank is adequately enabled and an independent function. The compliance function ensures strict observance of all statutory provisions contained in various legislations such as Banking Regulation Act, Reserve Bank of India Act, Foreign Exchange Management Act, and Prevention of Money Laundering Act etc. as well as other regulatory guidelines issued from time to time. It also ensures adherence to the Bank's internal policies and fair practices code. The Bank has a robust compliance system including a well-documented compliance policy, outlining the compliance philosophy of the Bank, role and set-up of the compliance vertical, composition of its staff and their specific responsibilities.

The compliance function advises senior management and the Board on the position of Bank's compliance with applicable laws, rules and global standards and keeps them informed of developments in the area. It also educates employees about compliance issues by conducting periodic trainings and workshops for business staff and designated compliance officers. Knowledge management tools for this purpose have also been uploaded on the Bank's website. The Bank has implemented a web-based compliance management solution for certification and monitoring of various regulatory, statutory and internal guidelines at each level in the Bank for further strengthening the compliance function. The Bank has also automated the process for obtaining information from the "Insiders" as defined in the Securities and Exchange Board of India (SEBI) Code of Fair Disclosure and Conduct.

Amongst several activities, the domestic compliance function conducts on-site compliance test checks on more than 65 parameters on KYC-AML carried out through Regional Compliance Officers (RCOs). As many as 25% of branches are randomly selected on a quarterly basis. Bank conducts on-site compliance audit of various functions on half yearly basis. Off-site compliance test check of around 30 parameters on issues related to KYC/AML guidelines and other parameters of compliance is carried out on a monthly basis through the web based tool-Offsite Compliance Reporting and Monitoring System (OCRMS).

An annual group wide compliance plan is prepared and regular monitoring is carried out for ensuring adherence to the plan. Additionally, compliance risk is assessed annually and a risk-oriented activity plan developed is for compliance assessment.



In the process of capacity building, the Bank imparted training to all compliance officers and nominated officials to various external training programmes conducted by reputed institutions on latest developments in the areas of compliance. In order to promote professionalism, the Bank encouraged staff members to pursue professional courses from reputed institutes like Indian Institute of Banking and Finance (IIBF), Association of Certified Anti-Money Laundering Specialists (ACAMS) etc.

There were no significant incidents reported during FY 2021 relating to compliance failure.

KYC/ AML Compliance

The Bank has a well-defined KYC-AML-CFT policy. On the basis of this policy, KYC norms, AML standards and CFT Measures and obligations of the Bank under Prevention of Money Laundering Act (PMLA) 2002, are implemented. The Bank has elaborate systems to generate Cash Transaction Reports (CTRs) electronically for submission to Financial Intelligence Unit-India (FIU-IND). The Bank electronically files Counterfeit Currency Reports (CCRs), Non-profit organisations Transaction Reports (NTRs) and cross border wire transfer (EFT) reports to FIU-IND, New Delhi on its portal every month within prescribed timelines. The Bank established a Central Transaction Monitoring Unit (CTMU) and put in place an AML Solution for monitoring and detection of unusual transaction patterns in customers' accounts and generation of system based transaction alerts on the basis of predefined alert parameters in the system. System based risk categorisation (money laundering risk categorisation) of customers' accounts is done on half yearly basis. Re-KYC of all eligible customers is done on half yearly basis after carrying out money laundering risk categorisation exercise, as per extant guidelines of the RBI. For this purpose, the Bank has developed automated process for identification and generation of notices/ sending SMS/email to such customers to notify them for submission of requisite KYC documents.

The Bank implemented Central KYC (CKYC) process for registration of newly on-boarded individual customers' KYC information on Central KYC Registry. CKYC number was allotted to 399 lakh customers as of March 31, 2021.

Internal Audit

The Bank's Central Internal Audit Division (CIAD) is responsible for Internal Audit. CIAD administers various streams of audits besides Risk Based Internal Audit (RBIA) of branches and offices. The Audit Committee of the Board oversees overall internal audit function and guides in developing effective internal audit, concurrent audit, IS Audit and all other audit functions of the Bank. The committee monitors the functioning of the Audit Committee of Executives and Internal Audit Department in the Bank.

CIAD operates through eighteen Zonal Internal Audit Divisions to carry out internal audit of branches/offices as per the periodicity decided by the RBIA Policy. All branches of the Bank are covered under RBIA. During the audit carried out for 8,214 branches in FY 2021, 7,536 branches (91.87%) were in Low Risk, 572 branches (6.57%) were in Medium Risk, 94 branches (1.15%) were in High Risk, 1 branch (0.01%) was in Very High Risk. Out of the total, 11 branches had no rating as they were new branches/ treasury.

The Bank engaged an independent firm as a knowledge partner for comprehensive review of audit function in-line with the processes focusing on centralisation of activities by use of technology, imaging solutions and digitisation. The audit transformation process was completed and audits under the revised approach commenced during FY 2020 and now has stabilised over the period.

The Audit execution under automated environment commenced for Credit Audit (from September 1, 2019) and Universal Branch (from February 1, 2020) during FY 2020 and has stabilised, post which whole gamut of audit approach is undergoing a change with extensive use of technology, analytics, sampling and advanced audit methodology.

Vigilance

The vigilance administration in the Bank includes monitoring/ reporting of frauds apart from control, monitor and supervision of various vigilance functions. The vigilance machinery in the Bank also imparts knowledge at all levels about vigilance functions, extends help to various disciplinary authorities and appointing authorities to act swiftly and correctly in examining issues arising out of frauds, complaints and serious irregularities pointed out in various inspection reports of branches/ offices.

The Bank has beefed up its vigilance setup at zonal level to conduct preventive audit of all branches at regular intervals and to act proactively on information to control the damage at bare minimum level. The vigilance team shall focus on preventive measures.

The vigilance function in the Bank consists of three sections:

1. Preventive Vigilance: Preventive measures hold greater significance in containing damage than detection and punishment of corrupt and other malpractices. Preventive measures such as inspections of sensitive areas of business, identification of sensitive posts and scrutiny of personnel posted thereon, ensuring observance of conduct rules, monthly meetings at branch level to discuss branch specific vulnerabilities, training programmes for staff, regular scrutiny of inspections and audit reports and circulars on preventive vigilance regularly issued and circulated by



various business verticals were undertaken to reduce the number of vigilance cases.

2. **Detective Vigilance:** Detective Vigilance includes conducting regular and surprise inspection in sensitive areas to detect if there have been any instances of corrupt or improper practices by the staff, undertaking prompt scrutiny of annual property returns and take further action if called for, gathering intelligence from own source about the misconduct / malpractices, examining the same for logical conclusion through appropriate action after due process.
3. **Punitive Vigilance:** In addition to ensuring that employees at all levels indulging in wilful and mala fide transgressions of rules and provisions are not allowed to go unpunished, the Bank also ensures that bona fide decisions taken in normal course of business are evaluated objectively and with required prudence.

The vigilance function in the Bank enables proactive decisions by stressing on strengthening systems and procedures through preventive vigilance administration. It also plays a major role in identifying and plugging loopholes and providing inputs to the top management in framing policies in fraud prevention. The turnaround time of disciplinary cases improved due to proactive communication which helped in motivating the employees with quick redressals.

Human Resources

The Bank has a rich talent pool with over 82,000+ employees on its rolls. The Bank continuously undertakes multiple initiatives for strengthening and developing its human resources such as recruitment, addressing training needs of employees, employee engagement and capability building.

The Bank has always been a forerunner in adopting and innovating new concepts, practices and processes. Post amalgamation “Best of Three” approach was adopted in framing the HR policies and schemes in the amalgamated entity. At the core of all activities are ‘PEOPLE’ who are the key business enablers. Under the Bank’s organisational transformation initiatives envisaging people, processes and systems, the Bank launched various innovative employee centric initiatives and has also undertaken activities to revamp key systems and practices.

The various employee centric initiatives propelled the Bank to be bestowed with the prestigious ‘Golden Peacock HR Excellence Award 2020’. The award is instituted by the ‘Institute of Directors’ and is bestowed upon organisations that have achieved overall excellence in HR and people management practices, thus contributing to the needs of business, the profession, employees, industry and the nation. The following initiatives have been taken during the year which have had a direct and significant impact on Bank’s performance:

Manpower Planning and Recruitment

The Bank has built a new scientific manpower planning model designed to estimate skill-based manpower needs at various levels. The model helps the Bank in taking key strategic decisions such as recruitment, deployment, promotions and trainings.

The Bank recruited 63 officers and 2,360 business associates through direct recruitment during FY 2021. The Bank also hired specialised staff with expertise in niche and key focus areas to strengthen its capabilities in different domain areas.

Baroda GEMS “Growth and Empowerment Management System”

The Bank had embarked upon an ambitious journey to unlock the potential of its human capital. The transformation included a new scientific and objective Performance Management System (PMS) named Baroda GEMS, which is also developmental and is designed to suggest areas of improvement to employees as well. This robust PMS paved the way for several waves of transformational initiatives, each intended to realise untapped productivity benefits:

- Scientific and personalised target setting with built-in market outlook
- INSIGHT, a first in the industry tool delivering personalised performance analytics and forward looking priorities for employees to get system generated feedback for improving their performance.
- Job family and career path design is an opportunity for employees to pursue a career based on their choice and enabling a focussed career path.
- BRITE is a holistic rewards and recognition programme that links performance to outcome.

Employee Assistance Programme

Bank introduced ‘workplace counselling’ called ‘Employee Assistance Programme’ (EAP). Under this initiative, Bank has hired the services of professional EAP service provider, who provide counselling services through multiple channels such as face-to-face counselling, phone-call and video-conferencing, emails and chats.

Employees can seek counselling support for any issues including anxiety, depression, stress, insecurity, fears, loneliness, loss of self-confidence, inter-personal relationships and communication issues, family problems, bereavement, any traumatic situation, disease (like cancer, etc.), addiction, motivation, personal development, work-life balance or any other issues which disturbs peace of mind.

Baroda Anubhuti Programme

It is an employee engagement programme designed to foster the spirit of team bonding and collaboration, and creating a



happy and fun workplace. Various initiatives like employee of the month, spot recognition—capturing 'WoW' moments, fun hour at all branches/offices, local community service/social activities are undertaken to enhance the overall employee engagement levels. Mandatory community service programmes are carried out through all branches/offices once in six months.

Measures amid COVID-19 worldwide pandemic

With the classification of banking under 'essential services', the Bank had to gear up to address immediate issues of keeping employees safe, provide banking facilities to customers/ general public and maintain continuity of business operations.

The Bank's priority has always been to safeguard the health and well-being of its 82000+ workforce in all the countries that it operates while continuing to support the national priorities. Barodians have risen to the occasion in these challenging times and responded splendidly to the call of nation through their sincere, dedicated and tireless efforts alongside the stress and anxiety of being exposed to the infection amid the sudden outbreak of COVID.

Some of the measures put in place by the Bank for providing timely help and support to its employees during the pandemic situation is detailed under:

- Provision of isolation rooms for COVID positive staff members in cities which were in severe grip of the infection and facing dearth of availability of hospital beds.
- Reimbursement of hospitalisation/ home quarantine expenses incurred by employees for COVID-19 treatment.
- Payment of lumpsum amount of ₹ 25,000 to COVID infected staff members for defraying the miscellaneous expenses incurred for treatment etc.
- Payment of ex-gratia/ additional financial assistance of ₹ 30 lakh to dependents of employees in case of fatality due to COVID-19.
- Scholarship up to graduation level for children of employees who died in harness due to COVID-19.
- COVID helpline put in place at zonal centres and Corporate Office for enabling the employees to reach out in case of any emergency/ clarification related to COVID.
- Bank provided 'Doctor-on-call' facility for all its employees for any concerns related to general health and wellness.

Learning and Development

The Bank always believed that learning and development plays a vital role in shaping the organisation's human capital. Baroda Gurukul, the Bank's comprehensive learning

management system provides learning through various channels like e-learning modules, Baroda Tube, Baroda Radio, Margdarshak, Digital Library, Weekly Quizzes etc.

Baroda Apex Academy continued their training efforts and excelled in the training delivery also in difficult times of COVID-19 pandemic by taking following initiatives:

- Launch of Baroda e-Academy, virtual training through Microsoft Teams platform.
- Launch of Baroda Tuber 'Each One Teach Many' campaign on Learners' day for adoption of peer-to-peer learning
- Development of a new on-boarding and mid-career programme.

'We Lead' – Comprehensive Leadership Development Programme

- Bank of Baroda has been at the forefront in instituting leading HR policies and processes aimed at all-round development of its talent. As a part of its ongoing transformation, the Bank aspires to build a pipeline of leaders with the potential to take on leadership roles and play an instrumental role in driving the future growth of the Bank.
- With a view to maintain continuity and spirit of the WeLead Leadership Development Programme, post outbreak of COVID-19, a re-look at the entire portfolio of learning offerings vis-à-vis the original design was undertaken to set priorities for what will be necessary to adapt to a virtual or digital-only format.
- To ensure uninterrupted capacity building, a hybrid learning model with a blend of synchronous and asynchronous channels that can deliver most impactful and enjoyable experience for participants was put together in the rapidly evolving times to reinforce the link between business outcomes and long-term capability building without compromising on the learning experience and developmental journey envisaged for the participants of WeLead.

Reservation Cell

An exclusive reservation cell has been functioning to monitor the reservation and other enabling provisions for SC/ST/ Person with Disabilities (PWD) /Ex-Serviceman and Other Backward Castes

(OBC) employees. Executives in the rank of General Manager are appointed as Chief Liaison Officers for SC/ST/PWD and ex-serviceman employees and OBC employees, respectively, who ensure compliance of various guidelines pertaining to them.

With effect from February 1, 2019, reservation of 10% for Economically Weaker Sections (EWSs) in all exercises for direct recruitment in the Bank was implemented. The Bank



provides reservations for Persons with Disabilities (PWDs) at the rate of 4% of the total vacancies arising in officer, (identified posts) clerical and sub-staff cadre in a year, as per Government guidelines.

Caste category wise count as on March 31, 2021				
Cadre	SC	ST	OBC	Ex-SM
Officer	7,488	3,388	12,088	-
Clerk	4,709	2,915	8,228	95
Sub staff	3,041	1,028	2,811	-
Total	15,238	7,331	23,127	95
% to total staff strength	18.58%	8.94%	28.20%	0.12%

Periodical Meetings: The Bank holds quarterly meetings with the representatives of All India Bank of Baroda SC/ST (AIBOBCST) Employees' Welfare Association and half-yearly meetings with the representatives of All India Bank of Baroda OBC Employees' (AIBOBOBC) Welfare Association, as per the Government guidelines.

Workshops and Training Programmes: Bank conducts following training programmes every year for members of AIBOBCST Employees' Welfare Association and AIBOBOBC Employees' Welfare Association and Liaison Officers of SC/STs and OBCs at Apex Academy, Gandhinagar:

- Pre-promotion training for SC/ST candidates
- Workshop on reservation policy
- Training programme on disciplinary proceedings.

Career Progression

Concerted efforts have been taken by Bank for fostering career progression of employees for rewarding them for their performance and motivation. Horizontal movement of officers across different functions and overseas placements are encouraged to provide employees with wider exposure.

Thrust On Diversity

The Bank follows a non-discriminatory and equal opportunity policy for all its employees and is transparent in all issues relating to promotion, career path, transfer policy and employee benefit / welfare schemes. The Bank introduced 'Job Roles' for visually impaired employees. In order to retain women employees at all levels and in recognition of the concomitant responsibilities of women, the Bank put in place various facilities to support women employees such as sabbatical leave, health check-up programme for women employees, establishment of crèche facility etc. among other initiatives.

Premises Re-engineering

Following are some of the highlights of the Bank in an attempt to reduce carbon footprint:

- Bank obtained Green Building Certificate, GOLD rating for Baroda Corporate Centre and SILVER rating for Baroda Sun Tower Building in Mumbai through Indian Green Building Council (IGBC).
- More than 120 branches in rural/semi urban areas are run on solar energy. Total carbon dioxide emission of 344 tonnes was reduced as a result of using green energy/renewable/solar energy.
- The Bank is aiming to obtain platinum rating as per IGBC for proposed Baroda Apex Academy Building in Ahmedabad.
- Conventional lights fittings in all branches and offices were replaced with energy efficient LED lights which consumes half the power of conventional lights.

Implementation of Official Language (OL) Policy

The Bank continued to make exemplary progress in the implementation of the Official Language Policy of the Government of India. Use of Hindi and other Indian languages for business growth as well as for providing digital products to the customers is a significant characteristic of the language policy adopted by the Bank and has been well appreciated by Government of India and regulatory authorities from time to time.

Bank organised a webinar on 'Compliance Culture in Banking'. Books such as 'Bhartiya Bhasha- Ek Nazar Mein', 'Apni Bhasha – Apni Baat (Grahak Banker Sanwad in 11 Indian languages)' and 'Role of Public Sector Banks in making India a \$5 trillion Economy' and on other various topics were published. Hindi Diwas, Vishwa Hindi Diwas and Matribhasha Diwas were celebrated at various offices/branches across India and overseas. A 'Kavi Sammelan-Geet, Gazalevam, Hasya ki ek Suhani Sham' was also organised through digital mode. To promote the availability of Bank services/ apps in various Indian languages, a short film 'Banking Apki Bhasha Mein' was made in-house. A campaign to popularise these facilities was launched through Bank's social media channels like Facebook, Twitter and YouTube under #Bankingapkihashamein.

For FY 2021, the Bank, under its 'Maharaja Sayajirao Lokbhasha Samman Yojana', felicitated Prof. Bikaram Chaudhary for patronising the tribal languages of Gujarat like Chaudhary, Ghodia, Gaamit and Kunkanaa. Bank selected renowned ghazal singer Padmashri Pankaj Udhas for 'Maharaja Sayajirao Bhasha Samman' and Indian folk singer Padmashri Malini Awasthi for 'Maharaja Sayajirao Lokbhasha Samman'.

Bank continued with its unique scheme "Medhavi Vidyarthi Samman Yojana" for popularising Hindi in 69 universities of the country.



Corporate Social Responsibility (CSR)

The Bank has a long legacy and tradition of actively contributing to the social and economic development of the communities through various developmental activities. The Bank as a responsible corporate citizen, continuously strives to contribute to the welfare of the society, particularly for the upliftment of the underprivileged sections of the society to make sustainable social changes in their lives. Skill development through training for gainful employment, human welfare and other social activities for women and farmers continue to remain the Bank's key focus areas. The Bank is helping different organisations engaged in various community development and socio-economic welfare activities for the benefit of weaker sections and rural citizens.

The Bank has 64 Rural Self Employment Training Institutes (RSETI) centres in 10 states/ UTs across the country to impart skill development training programmes to the youth of rural and semi urban areas for generating self employment. These centres have conducted 19,188 training programmes and imparted training to 5.35 lakh youth, out of which 3.52 lakh have already secured employment or have setup their own ventures. Out of 64 RSETI centres, 59 RSETI centres were graded as "AA/A" (outstanding) based on the overall performance/functioning of the RSETIs.

The Bank has also set up 85 Financial Literacy and Credit Counseling Centres (FLCCs) in twelve states/ UTs which provide financial counseling services and education to the people in rural and urban areas about various financial products and services available from the formal financial sector. These centres also take up activities that promote financial literacy, awareness about banking services, digital banking, financial planning and amelioration of debt-related distress of an individual.

Domestic Subsidiaries and Joint Ventures

BOB Financial Solutions Ltd.

BOB Financial Solutions Limited (BFSL), formerly known as BOBCARDS Limited, is a wholly owned subsidiary of the Bank. It is a non-deposit accepting Non-Banking Finance Company (NBFC). BFSL was established in the year 1994 to cater to the need of rapidly growing credit card industry. BFSL was the first non-banking company in India to issue credit cards. The company's core business is credit card issuance and also provides support to the Bank by carrying out its merchant acquiring operations.

New credit card acquisition by BFSL in FY 2021 stood at 2.55 lakh which resulted into an active card base of 6.44 lakh ending March 31, 2021. BFSL is among the top 5 issuers in the country (out of a total of 32 credit card issuers) for March 2021, by issuing more than 55,000 new credit cards as per RBI data.

In FY 2021, a super-premium credit card, 'Eterna' was launched for Baroda Radiance and other high net worth customers. BFSL also launched three co-branded credit cards with esteemed professional institutions such as The Institute of Chartered Accountants of India (ICAI), The Institute of Cost and Management Accountants of India (ICMAI) and The Institute of Company Secretaries of India (ICSI).

Retail spends grew by more than 51% over FY 2020, backed by marketing alliances and partnerships with top brands in both offline and online spend categories.

BFSL continues to invest in technology initiatives to improve customer experience viz. BBPS and Vision Plus, the leading Card Management System project to go live soon. BFSL implemented video KYC, Central KYC, full-fledged contact centre along with IVR, customer DIY journey with revised flow integrated with e-signatures. The strategic intent of the firm is to be a top ranking customer centric credit card issuer, creating value for all its stakeholders.

₹ crore

BOB Financial Solutions Ltd.		
Particulars	FY 2020	FY 2021
Total Assets	572.17	972.16
Net Profit/(Loss)	(31.53)	10.73
Credit rating	Crisil A1+ India rating A1+	Crisil A1+ India rating A1+
Net NPA levels	NIL	NIL
Return on Assets	-5.69%	1.14%

BOB Capital Markets Ltd.

BOB Capital Markets Ltd. (BOBCAPS), a wholly owned subsidiary of Bank of Baroda is a SEBI registered Category-I Merchant Banker and also a Stock Broker with memberships of National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

BOBCAPS offers a wide spectrum of financial services that includes fund raising from primary markets / PE funds, debt syndication, stressed asset resolution, equity valuation, mergers and acquisitions advisory and stock broking. It has currently five lines of business viz. investment banking – equity; investment banking – debt; institutional broking, retail broking and wealth management. The customer base as of March 31, 2021 stands at 26,715. BOBCAPS achieved a turnaround in its profits during FY 2021.

Notwithstanding the challenges in the business environment due to economic disruptions on account of COVID-19 pandemic, BOBCAPS remains cautiously optimistic about the future potential of its business verticals, primarily on account of growth trends in Indian capital markets, enhanced need for capital structuring and rise in financial literacy /investment awareness. Hence, while taking necessary measures to effectively emerge stronger, BOBCAPS remains focussed on



cost while effectively growing its businesses both on the retail and institutional fronts.

₹ crore

BOB Capital Markets Ltd		
Particulars	FY 2020	FY 2021
Total Assets	160.71	175.59
Net Profit	-0.80	9.34

Baroda Global Shared Services Ltd (BGSS)

Baroda Global Shared Services, Bank’s wholly owned subsidiary resulted from a strategic decision made by the Bank in 2017, with an intention of integrating service functions into a single entity thus reducing service duplication and business unit silos, thus creating synergies and economies of scale.

BGSS has been able to achieve cost saves because of centralisation. It has also led to redeployment of large workforce from branches in job roles that could be automated. This implies that focus at the branch is on sales and service. The setup has contributed significantly to delivering cross-sell for the Bank.

The Shared Services also ensures robust and stringent controls in place through various internal and external assessments conducted from time to time, leveraging the centralised execution and availability of data sets through common platforms.

Some of the key achievements of BGSS are as follows:

1. More than 998 Aadhar enrolment centres across country were operationalised for ease of customers and transforming the whole initiative into revenue generating model as well.
2. All trade and forex products pan India have been migrated to Trade Finance Back Office (TFBO) and hence domestic trade processes have been centralised.
3. A dedicated social media complaint handling unit was rolled out which handles queries / grievances / complaints from customers
4. Pension processing activities were centralised at BGSS.
5. There has been significant improvement across metrics like productivity, First Time Right (FTR), turnaround time, ATM uptime across verticals through various initiatives.
6. A digital platform, Baroda Insta Trade Smart was rolled out to customers and branches, which enables end-to-end integrated channel for customer self-initiated transactions and processing of trade finance activities.
7. All the backend activities under cash management services have been migrated and are being managed at BGSS.

Barodasun Technologies Ltd.

Barodasun Technologies Limited has been incorporated as a wholly owned subsidiary of Bank of Baroda. The company was registered on July 5, 2017 with the Registrar of Companies, Mumbai, Maharashtra. The company has been formed to provide system integrator services, consultancy and IT development services on matters relating to IT enabled business solutions / IT software product implementation across various lines of business for the Bank.

The Company is yet to commence full-fledged operations and it is envisaged to initiate activities like programme management / project management services to implement enterprise-wide IT projects and development of financial products and solutions to cater to various business needs across different business verticals of the Bank.

The Nainital Bank Ltd.

The Nainital Bank Limited (NBL), originally promoted by Late Bharat Ratna Pandit Govind Ballabh Pant and others in 1922, became a subsidiary of Bank of Baroda in the year 1973. The Bank’s holding in Nainital Bank Ltd is 98.57%. NBL has its registered office at Nainital and has operations in five states: Uttarakhand, Uttar Pradesh, Delhi and National Capital Region (NCR), Haryana and Rajasthan. NBL has 160 branches as on March 31, 2021. The total business of NBL decreased to ₹ 11,441 crore on March 31, 2021 from ₹ 11,797 crore as on March 31, 2020, on account of conscious shedding of bulk deposits and change in composition of its lending book. The Bank posted a net profit of ₹ 1.26 crore in FY 2021 against a net loss of ₹ 68 crore during the previous year and thereby has been able to turnaround its profit position.

Baroda Asset Management India Ltd.

Baroda Asset Management India Limited (Baroda AMC) is a wholly owned subsidiary of the Bank with effect from September 28, 2018. Baroda AMC acts as the investment manager to Baroda Mutual Fund (Baroda MF), a mutual fund registered with the Securities and Exchange Board of India.

The average assets under management (AUM) of Baroda MF for FY 2021 were ₹ 8,220 crore, which was lower by 26% as compared to previous year. The flows were impacted primarily in liquid and fixed income category owing to market conditions and the pandemic. However, the equity AUM continued to grow, registering an increase of 29% in Average Assets under Management (AAUM), over last year. Baroda AMC continues to expand its third-party distribution network, with particular focus on Independent Financial Advisors (IFA). The company launched two new funds during the year – one equity and one fixed income, each collecting over ₹ 500 crore.

The Bank and BNP Paribas Asset Management Asia Ltd (BNP Asia) have signed binding agreements on October 11, 2019 to merge their Asset Management and Trustee Companies



in India. This merger will enable the merged entity to have higher market share from the current level of market share which is around 0.3%. Baroda Trustee India Private Ltd is the dedicated trustee company for the mutual funds managed by Baroda Asset Management India Limited. The integration is under progress and is expected to be completed during FY 2022, subject to receipt of regulatory approvals. The NCLT has approved the amalgamation on February 12, 2021.

₹ crore

Baroda Asset Management India Ltd		
Particulars	FY 2020	FY 2021
Total Assets	77.58	78.39
Net Profit	0.85	1.76
Assets under Management	11204.42	8220.15
Ratio of equity to non-equity oriented assets (%)	0.26	0.58
Return on Assets (%)	2.25	3.00

IndiaFirst Life Insurance Company Ltd.

Headquartered in Mumbai, IndiaFirst Life Insurance Co. Ltd., is one of the country's youngest life insurance companies, with a paid-up share capital of ₹ 663 crore. The company is promoted by two of India's largest public-sector banks – Bank of Baroda and Union Bank of India, which hold 44% and 30% stake in the company respectively along with 26% stake held by Carmel Point Investments India Private Limited incorporated by Carmel Point Investment Ltd, a body corporate incorporated under the laws of Mauritius and owned by private equity funds managed by Warburg Pincus LLC.

In FY 2021, IndiaFirst Life grew at 1.75 times the overall Life Insurance Industry (including LIC) with 5% growth in Individual New Business APE (Annual Premium Equivalent)

compared to Life Insurance growth of 3%. IndiaFirst Life has been growing at a faster rate than overall industry for the last consecutive seven years which is a record in the insurance industry. The company is currently ranked 12th in Individual New Business APE (Annual Premium Equivalent) among the private players with assets under management (AUM) at Rs 17,109 crore as on March 31, 2021.

IndiaFirst Life was certified as a Great Place to Work (GPTW) for the fourth time, a recognition considered as the gold standard for defining great workplaces across business, academia and government organisations along with being recognised among the 'Best Workplaces in BFSI' by GPTW BFSI Survey third time in a row and India's Most Admirable Brands 2020 by The Brand Story on NDTV Prime Profit.

India Infradebt Ltd.

India Infradebt Limited (Infradebt) is the first Infrastructure Debt Fund (IDF) – NBFC. Bank of Baroda and ICICI Bank are the Sponsors of Infradebt, while other shareholders include Citicorp Finance (India) Limited and Life Insurance Corporation of India. Infradebt finances the relatively safe, completed infrastructure projects which have achieved at least one year of commercial operations. Infradebt has been rated AAA/Stable outlook by CRISIL, ICRA and India Ratings since inception. Infradebt also enjoys 100% income-tax exemption on all its income.

The synergy with the Bank arises from Infradebt's focus on lending to strong, stable infrastructure projects - mainly road projects and renewable energy projects, thus contributing to nation building. Infradebt business has grown steadily, with a loan book as on March 31, 2021 of Rs 12,782 crore, net profit for FY 2021 of Rs 283 crore (as per Indian GAAP) and Return on Equity of 14%. Infradebt has also been paying dividends continuously for the past four years.

A brief summary of domestic subsidiaries and Joint Ventures is as below:

₹ crore

Entity	Owned funds	Total assets	Net profit	No. of offices	No. of Staff
BOB Financial Solutions Ltd	187.6	972.2	10.7	38	546
BOB Capital Markets Ltd.	162.3	175.6	9.3	1	109
BarodaSun Technologies Limited	4.6	4.4	-0.1	1	3
Baroda Global Shared Services Ltd.	21.7	22.9	5.7	5	1,981
The Nainital Bank Ltd.	574.6	8,182.3	1.3	4	992
Baroda Asset Management India Ltd.	66.6	78.4	1.8	5	94
Baroda Trustee India Pvt. Ltd.	0.1	0.2	0.0	1	1
IndiaFirst Life Insurance Company Ltd.	775.5	17,651.3	30.2	29	3,102
India Infradebt Limited	2,127.8	14,692.6	283.2	1	22



Date	Awards 2020-21
June 2020	<ul style="list-style-type: none"> Baroda Apex Academy was declared as the winner of the prestigious Golden Peacock National Training Awards 2020, by the awards jury under the Chairmanship of Hon'ble Justice M. N. Venkatachaliah, former Chief Justice of India, Chairman, National Human Rights Commission of India and National Commission for Constitution of India Reforms.
August 2020	<ul style="list-style-type: none"> Bank's Digital Marketing entry won the Gold Award in the 4th Annual Masters of Modern Marketing Awards mCube 2020 Best Multi-Channel Campaign by/for a Financial Services/Banking enterprise - The 'Power of 3' Amalgamation Campaign for Bank of Baroda.
September 2020	<ul style="list-style-type: none"> Bank was awarded the 'Top Performing Bank' by the Indian Banks' Association for "Launch of Doorstep Banking Services and Declaration of EASE 2.0 Index Results". Bank ranked 'First' in categories of "Responsible Banking" and "Deepening Financial Inclusion and Digitisation" under EASE 2.0 Index. Bank secured the second place in 'Governance and HR' and third place in 'Customer Responsiveness' categories under EASE 2.0 Index. Bank won the LearnX Award 2020 for Best use of Technology in Learning. Bank received the second prize under "Rajbhasha Kirti Puraskar" scheme of Government of India for outstanding performance in the area of Official Language Implementation under linguistic Region 'B'. Bank's Hindi magazine 'Akshayam' was also selected for Second Prize under "Rajbhasha Kirti Puraskar" scheme of Government of India. Town Official Language Implementation Committee (TOLIC) functioning under the auspices of the Bank at Varanasi and Baroda were selected for awards by the respective regional implementation offices of Government of India.
October 2020	<ul style="list-style-type: none"> Bank was recognised by Optimal Media Solution (A Times Group Companies) by conferring Certificate of recognition "Top Home Loan Provider".
March 2021	<ul style="list-style-type: none"> Bank was adjudged as "Best Technology Bank of the year" by an eminent jury of IBA Annual Banking Technology Awards. 'Baroda Rajasthan Kshetriya Gramin Bank' sponsored by Bank of Baroda received Best Technology Bank award amongst the large banks at IBA Banking Technology Awards 2021. Bank was also declared as the Joint Runner up for Best IT Risk and Cyber Security Initiatives amongst large banks and Best Payment Initiatives. 'Baroda Gujarat Gramin Bank' sponsored by Bank of Baroda received Joint Runner up award amongst the large banks at IBA Banking Technology Awards 2021. Bank was declared as the Joint Runner up for Best Technology Bank of Year. Bank was adjudged as the winner in the 'Home Loan' category as part of the FE Best Bank awards for 2020. Bank was awarded as the "Best Bank in SHG Credit Linkage" among the Public Sector Banks for FY 2021. This award is announced and awarded to Banks by (MoRD) Ministry of Rural Development, Government of India.

Dividend Distribution Policy

Bank is not eligible to pay dividend for the financial year ended March 31, 2021 on account of not meeting the eligibility criteria stipulated by RBI for this purpose. The policy is given in this Annual Report and is also available on the Bank's website.

Board of Directors (Appointment /Cessation of Directors during the year)

Appointments

Shri Ajay Khurana was appointed as Executive Director w.e.f. April 1, 2020 by the Central Government u/s 9 (3) (a) of The Banking Companies Acquisition and Transfer of

Undertakings) Act, 1970, till September, 19, 2021, or until further orders, whichever is earlier.

Smt. Soundara Kumar was elected as Shareholder Director under section 9 (3) (i) of The Banking Companies Acquisition and Transfer of Undertakings) Act, 1970, for a period of three years from December 24, 2020 to December 23, 2023.

Shri Debadatta Chand was appointed as Executive Director w.e.f. March 10, 2021 by the Central Government u/s 9 (3) (a) of The Banking Companies Acquisition and Transfer of Undertakings) Act, 1970, for a period of three years, or until further orders, whichever is earlier, vice Shri Murali Ramaswami.



Cessations

Shri Murali Ramaswami ceased to be Executive Director w.e.f. January 1, 2021 upon attaining the age of superannuation on December 31, 2020.

Dr. Bharatkumar D. Dangar ceased to be a Shareholders Director w.e.f. December 24, 2020 on completion of his tenure of three years.

Shri Biju Varkkey ceased to be Non-Executive Director w.e.f. October 21, 2020 on completion of his term of appointment on October 20, 2020.

Board Evaluation

Bank is following Government of India guidelines dated August 30, 2018 for PSB Governance Reforms – Enhancing governance through improved effectiveness of non-official directors.

Auditors' Compliance Certificate on Corporate Governance:

The Auditors' Compliance Certificate regarding the compliance of the conditions of Corporate Governance for the year 2020-21 is annexed with this report pursuant to "Part E" of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Business Responsibility Report

Business Responsibility Report as required by SEBI has been hosted on the website of the Bank (www.bankofbaroda.co.in). Any member interested in obtaining a physical copy of the same may write to the Company Secretary of the Bank.

Directors' Responsibility Statement

The Directors confirm that in the preparation of the annual accounts for the Financial Year ended March 31, 2021:

- The applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- The accounting policies framed in accordance with the guidelines of RBI were followed and the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank at the end of the financial year and of the profit and loss of the Bank for that period;
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of applicable laws to the

Bank for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;

- The directors had prepared the annual accounts on a going concern basis; and
- The directors had ensured that internal financial controls followed by the Bank are in accordance with guidelines issued by RBI in this regard and that such internal financial controls are adequate and were operating effectively. Explanation: For the purposes of this clause, the term "internal financial controls" means the policies and procedures adopted by the Bank for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgements

The Directors place on record their appreciation for the contributions made by the outgoing Executive Director Shri Murali Ramaswami and other outgoing Directors viz. Dr. Bharatkumar D. Dangar and Shri Biju Varkkey. The Directors express their sincere thanks to the Government of India, RBI, Securities and Exchange Board of India, other regulatory authorities and the overseas regulators for their continued co-operation, guidance and support. The Directors would like to take this opportunity to express sincere thanks to our valued clients for their continued patronage and support.

The Directors acknowledge with deep appreciation for the co-operation extended by all shareholders, banks and financial institutions, rating agencies, stock exchanges and all well-wishers in India and abroad.

The Directors also take this opportunity to place on record deep appreciation for the hard work and dedication of the employees of the Bank.

For and on behalf of the Board of Directors,

Sanjiv Chadha

Managing Director and CEO