

BANK OF BARODA



Company Background

Bank of Baroda (BoB) was established by Maharaja Sayajirao Gaekwad of Baroda in 1908. The bank, having begun as a single entity with a paid up capital of approximately US\$ 22,200, had expanded to 2,748 branches as of December 31, 2006. As on September 30, 2006, BoB had a total workforce of 38,063 employees.

BoB offers a host of banking services to suit various customer requirements such as personal, business, corporate, international, treasury, and rural banking. The bank has adopted aggressive marketing strategies to boost its image and ensure greater brand recall, including signing up India's Cricket Captain, Rahul Dravid as its brand ambassador. For the half year ending September 30, 2006, BoB posted total income of approximately US\$ 1,055 million.

Global Footprint of Bank of Baroda

BoB is present in 21 countries through branches, subsidiaries, representative offices, and a joint venture. It has 40 branches in 11 countries in the Middle East, Europe, Africa, and the US. The bank has branches in Bahamas, Belgium, Fiji Islands, Mauritius, South Africa, Seychelles, Singapore, Oman, the UAE, the UK, and the USA. BoB's subsidiaries and their branches are present in six countries, with four in Africa and one each in the Caribbean and South East Asia. These subsidiaries are based in Botswana, Kenya, Uganda, Hong Kong, Guyana, and Tanzania.

The bank also entered into a joint venture with ZIMCO, Bank of India, and Central Bank of India in 1985. The entity formed by this joint venture is called the Indo-Zambia Bank Limited, where the Zambian Government owns a 40 per cent stake, while the remaining stake is shared equally between the Indian banks. In addition, BoB also has three representative offices in Thailand, China, and Malaysia.

BoB has the widest international network among Indian banks and has been present in the global banking arena for over 50 years. For the year ending March 31, 2006, international operations contributed 16.08 per cent to the bank's global balance sheet and 27.88 per cent to its global profit. All the overseas entities of the bank registered profits during the year. Compared to the previous year, its performance in the 2005-06 improved significantly.

Performance of Overseas Operations

Parameters	% Change over FY05
Customer Deposits	40.70
Total Deposits	41.30
Total Advances	23.43
Operating Profits	29.14
Gross NPAs	(21.21)

Bank of Baroda in the United States of America

Mode of Operation

BoB began its US operations in 1979 to focus on its international trade business and cater to the

growing Indo-US trade. Since its inception, it has been operating through its only branch in New York city.

Overview

This branch is a State Chartered Bank and has been FDIC insured since 1980. It offers a wide range of products and services, which include trade finance, remittances, NRI services, fund transfer, forex services, investments and treasury operations, cash management services, correspondent banking, and consultancy and advisory services.

Success Factors

India-Wide Network

BoB has approximately 2,708 branches in India in more than 27 states. This provides a great opportunity to Indian expatriates residing in the USA to perform banking and financial transactions between the USA and India. The bank is also connected to 69 other locations in 21 countries. BoB is supported by a robust information technology backbone that supports Internet banking and related services. It also utilizes processes that use modern software applications.

Regulatory Compliance

BoB has managed to build a trust-based relationship with its clients, which has spanned three decades. The bank is Federal Deposit Insurance Corporation (FDIC) insured, which signifies safety and security for its clients. FDIC provides deposit insurance, which guarantees checking and savings deposits in banks up to US\$ 100,000 per depositor. To avail of this benefit, banks have to be members of the FDIC. In the unlikely event of bankruptcy or uncertain conditions, this membership allows member banks complete or partial protection of their clients' savings.

Future Plans

BoB is planning to increase its presence in the USA. It aspires for a better client base through consolidation and the use of technology. It also plans to begin operations in Canada, and Trinidad and Tobago to increase penetration in these regions. BoB anticipates a boost in trade and economic activities between the USA and India. This would offer new opportunities in terms of increased financial transactions between the two countries, arising as a result of their developing bonhomie.