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(This is a Disclosure Document prepared in conformity with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008)

BANK OF BARODA

(A Government of India Undertaking)

Constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970

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Website: www. bankofbaroda.com

DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF UNSECURED REDEEMABLE NON-CONVERTIBLE SUBORDINATED LOWER TIER-II BONDS (SERIES-X) IN THE NATURE OF PROMISSORY NOTES OF RS. 10 LAKH EACH FOR CASH AT PAR AGGREGATING RS. 500 CRORES

REGISTRARS TO THE ISSUE



Karvy Computershare Pvt. Ltd.

Plot No. 17-24, Near Image Hospital

Vittalrao Nagar,

Madhapur

Hyderabad – 500081

Tel: (040) 23420815-20

Fax: 91-40-23420814

Email: mailmanager@karvy.com

TRUSTEE FOR THE BONDHOLDERS



IDBI Trusteeship Services Ltd.

Registered Office

Asian Building, Ground Floor

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Mumbai – 400 001

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Fax: 91-22-66311776

E-mail: itsl@idbitrustee.co.in

LEAD ARRANGERS TO THE ISSUE



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Mumbai - 400 001

Tel: (022) 66372301

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I. DEFINITIONS/ ABBREVIATIONS

ALM	Asset Liability Management
ATM	Automated Teller Machine
Board/ Board of Directors	The Board of Directors of Bank of Baroda or Committee thereof
Bonds	Unsecured Redeemable Non-Convertible Subordinated Lower Tier-II Bonds (Series-X) in the nature of Promissory Notes of Rs. 10,00,000/- each offered through private placement route under the terms of this Disclosure Document
Book Closure/ Record Date	The date of closure of register of Bonds for payment of interest and repayment of principal
BSE	Bombay Stock Exchange Ltd.
CAR	Capital Adequacy Ratio
CRAR	Capital to Risk Assets Ratio
CARE	Credit Analysis & Research Ltd.
CRISIL	CRISIL Ltd.
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Ltd.
CDR	Corporate Debt Restructuring
CRR	Cash Reserve Ratio
Debt Securities	Non-Convertible debt securities which create or acknowledge indebtedness and include debenture, bonds and such other securities of the Issuer, whether constituting a charge on the assets of the Issuer or not, but excludes security receipts and securitized debt instruments
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A Depository participant as defined under Depositories Act
DICGC	Deposit Insurance and Credit Guarantee Corporation of India
Director(s)	Director(s) of Bank of Baroda unless otherwise mentioned
DP	Depository Participant
EPS	Earning Per Share
FDI	Foreign Direct Investment
FEDAI	Foreign Exchange Dealers Association of India
FIs	Financial Institutions
FII	Foreign Institutional Investors
Financial Year/ FY	Period of twelve months period ending March 31, of that particular year
Gol	Government of India/ Central Government
HUF	Hindu Undivided Family
Trustee	IDBI Trusteeship Services Ltd.
Disclosure Document	Disclosure Document dated March 02, 2009 for Private Placement of Unsecured Redeemable Non-Convertible Subordinated Lower Tier-II Bonds (Series-X) in the nature of Promissory Notes of Rs. 10,00,000/- each for cash at par aggregating Rs. 500 crores to be issued by Bank of Baroda
I.T. Act	The Income Tax Act, 1961, as amended from time to time
ICRA	ICRA Ltd.
MoF	Ministry of Finance
NPAs	Non Performing Assets
NRIs	Non Resident Indians
NSE	National Stock Exchange of India Ltd.
NSDL	National Securities Depository Ltd.
OCBs	Overseas Corporate Bodies
PAN	Permanent Account Number
PLR	Prime Lending Rate
Rs.	Indian National Rupee
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
Registrar	Registrar to the Issue, in this case being Karvy Computershare (P) Ltd.
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008
SLR	Statutory Liquidity Ratio
TDS	Tax Deducted at Source
The Bank/ the Issuer	Bank of Baroda, constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970
The Companies Act	The Companies Act, 1956 as amended from time to time
The Act	The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970
The Issue/ The Offer/ Private Placement	Private Placement of Unsecured Redeemable Non-Convertible Subordinated Lower Tier-II Bonds (Series-X) in the nature of Promissory Notes of Rs. 10,00,000/- each for cash at par aggregating Rs. 500 crores to be issued by Bank of Baroda



II. DISCLAIMER

GENERAL DISCLAIMER

This Disclosure Document is neither a Prospectus nor a Statement in Lieu of Prospectus and is prepared in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008. This document does not constitute an offer to the public generally to subscribe for or otherwise acquire the Bonds to be issued by Bank of Baroda (the "Issuer"/ the "Bank"/ the "Issuer Bank"). The document is for the exclusive use of the Institutions to whom it is delivered and it should not be circulated or distributed to third party(ies). The Bank certifies that the disclosures made in this document are generally adequate and are in conformity with the captioned SEBI Regulations. This requirement is to facilitate investors to take an informed decision for making investment in the proposed Issue.

DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA

This Disclosure Document has not been filed with Securities & Exchange Board of India (SEBI). The Securities have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this document. It is to be distinctly understood that this document should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this document. The issue of Bonds being made on private placement basis, filing of this document is not required with SEBI, however SEBI reserves the right to take up at any point of time, with the Bank, any irregularities or lapses in this document.

DISCLAIMER OF THE LEAD ARRANGERS

It is advised that the Bank has exercised self due-diligence to ensure complete compliance of prescribed disclosure norms in this Disclosure Document. The role of the Lead Arrangers in the assignment is confined to marketing and placement of the bonds on the basis of this Disclosure Document as prepared by the Bank. The Lead Arrangers have neither scrutinized/ vetted nor have they done any due-diligence for verification of the contents of this Disclosure Document. The Lead Arrangers shall use this document for the purpose of soliciting subscription from qualified institutional investors in the bonds to be issued by the Company on private placement basis. It is to be distinctly understood that the aforesaid use of this document by the Lead Arrangers should not in any way be deemed or construed that the document has been prepared, cleared, approved or vetted by the Lead Arrangers; nor do they in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor do they take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Bank. The Lead Arrangers or any of its directors, employees, affiliates or representatives do not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this document.

DISCLAIMER OF THE ISSUER

The Issuer confirms that the information contained in this Disclosure Document is true and correct in all material respects and is not misleading in any material respect. All information considered adequate and relevant about the Issue and the Bank has been made available in this Disclosure Document for the use and perusal of the potential investors and no selective or additional information would be available for a section of investors in any manner whatsoever. The Bank accepts no responsibility for statements made otherwise than in this Disclosure Document or any other material issued by or at the instance of the Issuer Bank and anyone placing reliance on any other source of information would be doing so at his/her/their own risk.

DISCLAIMER OF THE STOCK EXCHANGES

As required, a copy of this Disclosure Document has been submitted to the National Stock Exchange of India Ltd. (hereinafter referred to as "NSE") and Bombay Stock Exchange Ltd. (hereinafter referred to as "BSE") for hosting the same on their websites. It is to be distinctly understood that such submission of the document with NSE and BSE or hosting the same on their websites should not in any way be deemed or construed that the document has been cleared or approved by NSE or BSE; nor do they in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor do they warrant that this Issuer's securities will be listed or continue to be listed on the Exchanges; nor do they take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Company. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.



III. NAME AND ADDRESS OF HEAD OFFICE OF THE ISSUER

Name of the Issuer	:	Bank of Baroda
Head Office	:	Baroda House, Mandvi, Vadodara 390 006, Gujarat, India
Telephone Numbers	:	(0265) 2518715, 2363001, 2362225
Fax Number	:	(0265) 2362914
Corporate Office	:	Baroda Corporate Centre, C-26, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051
Telephone Numbers	:	(022) 66985000-04
Fax Number	:	(022) 26526660
E-mail	:	companysecretary.bcc@bankofbaroda.com
Website	:	www.bankofbaroda.com

IV. NAMES AND ADDRESSES OF THE DIRECTORS OF THE ISSUER

The composition of the Board of Directors of the Bank as date of this Disclosure Document is as under:

Sr. No.	Name & Designation	Date of Appointment & Term	Address
1	Shri M. D. Mallya Chairman & Managing Director	From 07th May, 2008 till 30.11.2012 or until further orders, whichever is earlier	11-A Woodlands Apartments Dr. G Deshmukh Marg Peddar Road Mumbai -400026
2	Shri V. Santhanaraman Executive Director	From 10th October, 2006 till 31.8.2009 or until further orders, whichever is earlier	7A, Suvas CHS Ltd. Opp. Rungta Bhavan Rungta Lane, 68-F, Nepean Sea Road Mumbai - 400 006
3	Shri R. K. Bakshi Executive Director	From 6.11.2008 till 31.10.2012 or until further orders, whichever is earlier	17-B Shahnaz 90 Neapean Sea Road Mumbai - 400 006
4	Shri Amitabh Verma Director (representing Gol) (Joint Secretary (BOA) in the Ministry of Finance (Department of Financial Services)	From 10th June, 2008 until further orders	C-1, M.S. Flats, Sector – 13 R. K. Puram New Delhi 110 066
5	Shri A. Somasundaram Director (representing RBI)	From 27th February 2007 until further orders	5, (Old No.3), 4th Street Padmanabha Nagar Adyar, Chennai - 600 020
6	Shri Milind N. Nadkarni Director (representing Workmen)	From 1st May, 2007 for a period of 3 years or till he ceases to be a workmen employee of the Bank, whichever is earlier	1/1 Krishna Building, G S Lane Parel, Bhoiwada, Mumbai - 400 012
7	Shri Ranjit Kumar Chatterjee Director (representing Non-Workmen Employees)	From 20th December, 2007 for a period of 3 years or till he ceases to be an officer of the Bank, whichever is earlier	Swastika Apartment 3rd Floor Ushagram, Asansol Dist. Burdwan Pin - 713301 (West Bengal)



8	Shri Amarjit Chopra Director (Nominated by Government of India)	From 13th October, 2006 for a period of 3 years or until further orders, whichever is earlier	11 Empire Estate Sultanpur M.G.Road New Delhi- 110030
9	Dr. Atul Agarwal Director (Nominated by Government of India)	From 23rd November, 2007 for a period of 3 years or until further orders, whichever is earlier	401-402 Mansarovar Apartments 7/90-D, Tilak Nagar Kanpur - 208004
10	Dr. Dharmendra Bhandari Director (representing Shareholders elected from amongst Shareholders other than Central Government)	24th December, 2008 for a period of 3 years	91, Prabhat Colony Santacruz (East) Mumbai - 400 055
11	Dr. Deepak B. Phatak Director (representing shareholders elected from amongst shareholders other than Central Government)	24th December, 2008 for a period of 3 years	A-15, IIT, Indian Institute of Technology Powai, Mumbai - 400 076
12	Shri Maulin Vaishnav Director (representing shareholders elected from amongst shareholders other than Central Government)	24th December, 2008 for a period of 3 years	8-Anand Nagar Society Near New India Mill Jetalpur Road Vadodara - 390 007



V. BRIEF SUMMARY OF BUSINESS/ ACTIVITIES OF ISSUER AND ITS LINE OF BUSINESS

We are one of India's leading commercial banks. As of March 31, 2008, we had 2,853 branches in India spread across the country. In addition, on a consolidated basis, we have a network of 46 international branches along with 4 representative offices and 21 overseas subsidiary branches, making our presence felt in 25 countries across the globe. Touching its global clientele base at 33 million, the Bank comfortably achieved the global business level of Rs 2,58,735.45 crore by 31st March 2008.

We were established in 1908 in Baroda as a private bank and following nationalization became a wholly-owned Government bank in 1969. Our head office is in Baroda and our corporate office is in Mumbai. We had our initial public offering in 1996 at which time the shareholding of the Government of India was diluted to 66.83%. After another Issue in January 2006, the Government of India's shareholding has been reduced to 53.81%. We have a diverse shareholder base, and we believe Government support to the Bank is regarded favourably by the general public. We have been profitable continuously and have a consistent record of paying dividends to our shareholders. We maintain the highest credit rating for both our short-term and long-term borrowings from the following rating agencies: CRISIL; ICRA; CARE and FITCH. Moody's have given us a financial strength rating of 'D(FSR)' and a rating of 'Ba2' for long term deposits, which reflects a stable outlook. In addition, we were the first public sector bank to obtain a corporate governance rating, and were assigned a rating of "CGR-2" from ICRA, demonstrating the high quality of our corporate governance.

Our business involves six main business areas: corporate financial services; international operations; retail financial services; business financial services; global treasury; and rural financial services. We provide a wide range of corporate financial services. We provide commercial banking products and services to corporate customers including mid-sized and small businesses and government entities. Our products include various deposits, term loans and advances for the acquisition, construction or improvement of assets. We also offer fee based services such as cash management and remittance services.

We are one of the largest retail banks in India in terms of number of customers, and our strategy is to emphasize retail banking. We have a wide network of branches across India, and we are well positioned to offer retail customers convenient and accessible banking services. Our branch network is strong in the industrially developed states of Gujarat and Maharashtra as well as in the state of Uttar Pradesh and Rajasthan which has a strong agricultural base and developing industrial base. Our deposit products, retail loans, depositary services and debit cards cater to the financial needs of all our customers.

We provide business financial services to small and medium sized enterprises as well as to commercial enterprises. Our services include deposits, loans and advances, working capital finance, short-term corporate loans, project finance and cash management. This wide range of services allows us to also develop personalised banking solutions for individual business customers.

Our international operations have a considerable history with our first overseas branch in Mombassa, Kenya established in 1953. Today, we, along with our Subsidiaries and associate have an international presence in 25 countries with 80 branches and offices, which gives us diversity of business and a wide customer reach. We offer a variety of banking services through our international network, which varies from country to country.

In fiscal 2008 our international operations contributed 20.00% and 23.79% of our global Balance Sheet and global net profit, respectively.

Our domestic treasury operations are integrated through our Specialized Integrated Treasury Branch (SITB). The markets integrated by our treasury operations are domestic money, investments, foreign exchange and derivatives. SITB enables us to leverage arbitrage opportunities and ensure better risk management and compliance. In addition to our domestic operations, we have treasury operations in several global financial centers including London, New York, Brussels, Mauritius, Nassau and Dubai, which we are in the process of integrating as part of our Core Banking Solution.

We have also maintained our focus on addressing the needs of priority sector customers and offer specialized products and services to these sectors. Our rural financial services include the provision of special offerings that extend credit facilities to small and marginal farmers, agricultural labourers and cottage industry entrepreneurs.

We deliver our products and services through our extensive branch network, extension counters, ATMs, phone banking and the Internet. As of March 31, 2008, our Indian branch network comprised 1,097 rural, 624 semi-urban, 519 urban and 613 metropolitan branches, all of which are either fully or partially computerised. In addition, all our overseas and treasury operations are fully computerised.



We have launched a major technology enabled business transformation project throughout our organisation. We have rolled-out our Core Banking Solution in 1718 branches upto fiscal 2008. Subsequently, we believe that our Core Banking Solution will be commenced in more than 1,900 branches in India and all branches abroad. With this technology platform in place, all banking services will be available to our customers through multiple service channels and on an “anytime anywhere” basis.

Business Performance

Resource Mobilisation

The share of the Bank's deposits to total resources was at 84.65 per cent as of 31st March 2008. Total deposits grew from Rs.1,24,915.98 crore to Rs 1,52,034.12 crore, reflecting growth of 21.71% over the previous year. Of this, Savings Bank Deposits – an important constituent of low cost deposits – grew by Rs 4,199.1 crore from Rs 31,577.28 crore to Rs 35,776.38 crore. The share of low cost deposits (Current and Savings) in Global (Total) Deposits stood at 31.22 per cent and in Domestic Deposits at 35.93 per cent. The banking industry as a whole witnessed a movement from low cost deposits to term deposits during the year 2007-08, as a result of a sharp increase in the term deposits rates.

Wholesale Banking

Wholesale Banking business has emerged as one of the most competitive business segments due to the aggressive role being played by large private and foreign banks. However, considering the fact that half of the Bank's lending business is generated from Wholesale banking, a strategy was adopted to penetrate into this segment with a different kind of business model, service standards, faster response and better accessibility.

The setting up of Wholesale banking branches for large corporates and mid corporates separately, Centralised Processing Center at the Bank's Corporate Office, Client Service Teams at field level are some of the steps in this direction. During the current year ending March 2008, the Bank has already added more than 50 new clients and expects more additions to the list. With a view to retain and improve the asset quality by effective credit monitoring as well as containment of slippages, the Credit Monitoring and Assets Health Check System (CREMAS) and Early Warning Alert System (EWAS) are extensively used. While 'Hunting Limit Policy' is used for securing new corporate business, 'Exit Policy' is used for shedding weak assets. The Bank has adopted Basel-II compliant risk rating model and has migrated to 'Standardized Approach' by end-March 2008 as per the regulatory norms. Considering the importance of higher skill requirement in the fast changing environment, effective steps have been taken to groom a talent pool in the area of credit through extensive in-house training and by nominating them to external training establishments.

Retail Business

Retail continued to be the thrust area for achieving business growth during the year 2007-08. For achieving sustained growth on both liabilities and assets side, the Bank initiated various customer centric measures besides launching special products. The performance highlights for the year 2007-08 are as under:

The Bank's overall Retail Credit stood at Rs 16,892.32 crore as at the end of March, 2008, registering the growth of Rs 2,573.31 crore over previous year. The primary objective of the Bank during the period was to maintain or improve the quality and to build a healthy “Retail Loan” portfolio, and, therefore, the emphasis was laid on Baroda Car Loan and mortgagebased products viz. Baroda Home Loan, Baroda Traders Loan and Baroda Advance against Property. In our quest to bring youth into the Bank's fold, the thrust was also given on Baroda Education Loan product during the year Home Loans for the Bank increased by Rs 1,195.88 crore during the year, registering the growth rate of 19.66 per cent over March, 2007. Traders Loan, Advances against Mortgages, Education Loans and Car Loans achieved a spectacular growth of 39.35 per cent, 56.06 per cent, 35.59 per cent and 37.61 per cent during the year ended March, 2008, respectively. It has always been the endeavour of the Bank to review the norms and features of all existing products on an ongoing basis and modify, wherever required, to suit the changing needs of the customers. New products have also been launched during the year to cater to the needs of different segments of the society/clientele.

As a part of the Bank's Centenary Year celebrations, the Bank had launched following new deposits products with effect from 20 July 2007.

1. Baroda Centenary Savings Account – An improved version of our existing Super Savings Account product, having following distinguishing features, was introduced in all the CBS branches. Default threshold limit for triggering auto sweep to term deposits reduced to Rs 10,000 from Rs 20,000. This, we feel would increase the yield to Centenary Savings Accounts holders. The customer has been given liberty to decide the amount of auto sweep subject to minimum amount of Rs 5,000 and, thereafter, in multiple of Rs 1,000 and the frequency of triggering auto sweep during a month. Thus, a wide choice was given to our customers to customize the product by themselves suiting their individual needs.
2. Baroda Centenary Term Deposit – A new term deposit product was made available for a limited period offering higher rate of interest.



3. In terms of guidelines circulated by the National Housing Bank (NHB), Baroda Ashray, a Reverse Mortgage Loan product was launched on the eve of the Annual Bankers' Conference – Bancon, i.e., 26 November 2007. The product provides loan to Senior Citizens against residential properties acquired by and standing in their name and also self occupied.
4. Economic reforms have opened up huge opportunities for young executives to take up challenging positions. Therefore, many working executives generally go for pursuing Business Management courses. For catering to the financial needs of such working executives, a special product known as Baroda Career Development was launched on 6 December 2007.

Products Modification

Baroda Traders Loan - a product meant for providing hassle free credit to traders, has received a good response from the target segment. For enlarging the scope of the product, credit limit ceiling was raised to Rs 2 crore. Similarly, a single rate of interest was introduced for Baroda Car Loan to make it more competitive.

Centenary Retail Loan Festival

In order to canvass a large number of retail loan accounts, the Bank organized special campaigns across all the domestic branches from 17 September 2007 to 31 December 2007. The Bank provided concession in the rate of interest and processing charges to customers during the campaign period. The Bank sanctioned 21,707 loans amounting to Rs 1,891.93 crore under this campaign.

Traders Loan Campaign

A special campaign for Baroda Traders Loan was organized from 1 January 2008 through 25 March 2008. The branches sanctioned 5,603 loans aggregating Rs 992 crore during the campaign period.

Structural Changes

1. In order to strengthen the Retail Credit Delivery System, the Bank opened two new Urban Retail Loan Factories (URLFs) at Varanasi and Indore during the year, thus raising the total URLFs to 15.
2. Gen-Next Branch - Focusing the youth segment, the Bank launched Gen-Next branch, a new format of branch banking for the youth and young IT professionals at Pune (April, 2007) and Bangalore (November, 2007). The branches are equipped with modern gadgets, ambience and all other facilities, which a youth requires in today's modern era. Encouraged with the response, the Bank plans to open more branches at other centers in the country.

Other Initiatives Technology Enabled Delivery Channels

Online Education Loan Application facility – To facilitate the student community in getting hassle free loans for pursuing higher education, the Bank has introduced an "On Line Education Loan Application Facility". This facility will enable applicants to apply online and get in principle approval within 48 hours through the system.

Baroda Easy Pay – This is an electronic bill presentment and payment service launched from 4th June 2007. This system enables our customers to pay their bills online.

Promotion of Internet Banking – The Bank aggressively promoted Baroda Connect, an e-Banking channel, during the year. The response from its retail customers has been very encouraging.

Online booking of Railway Tickets – In our pursuit of providing convenience to our customers, a technology enabled online booking of Railway Tickets facility has been launched in collaboration with Indian Railway Catering and Tourism Corporation Ltd. The Bank's customers can now make an on line payment of their Railway Bookings through the Bank's Gateway.

Other Strategic Initiatives

The Bank also launched the Sale of Gold coins as a new initiative to augment its non-fund-based income from 23 October 2007 through select branches, presently 250 branches acting as POS across various Regions/Zones.

SME Business

The Small and Medium Enterprises (SMEs), are the primary growth engine for Indian Economy. This segment plays a vital role and has contributed significantly in the progress of the Indian Economy since independence. The sector has provided a sound industrial base to exports as well as to Gross Domestic Product. The SMEs in India contribute over 46.0 per cent of industrial output and about 50.0 per cent of the country's exports. The Bank has always been a forerunner in the development of small-scale industries and has formulated liberal and comprehensive SME Loan Policy for the SME customers. Furthermore, to give a focused attention to emerging SMEs in India besides the enterprises covered under the regulatory definition of SMEs, the Bank has been considering other commercial units also with a turnover up to Rs 100 crore at par with the SMEs.

SME Loan Factories

The Bank has introduced a SME Loan Factory (SLF) model as a fast delivery channel for the benefit of SME units. This "model" incorporates an innovative concept of "Sale & Delivery Model" based on the assembly line principle, engaging the Bank's staff and supported by simplified processes and technology. The SLF has two separate branches, viz., "Sales" and "Credit" for credit marketing and credit processing.



At present, the Bank has 31 SLFs at several business centers across the country. The centers are Agra, Ahmedabad, Bangalore, Baroda, Bhilwara, Bulsar, Chennai, Coimbatore, Delhi, New Delhi, Hyderabad, Indore, Jaipur, Jamshedpur, Kanpur, Kolhapur, Kolkata, Lucknow, Ludhiana, Mumbai (3 SLFs), Nagpur, Noida, Pune, Rajkot, Dehradun, Jamnagar, Nashik, Jodhpur and Surat.. In aggregate, total loan sanctioned through SME Loan Factories during the year ended March 2008 increased to Rs 5956 crores from Rs 2070 crores in previous year.

SME Credit Growth

Bank has maintained the growth rate of more than 31.00 per cent in financing the SME segment during the year 2007-08. The total outstanding in SME sector worked out to Rs 11808.00 crore as on 31st March 2008 as per the regulatory definition of SMEs. It comprised 13.83 per cent of the gross domestic credit of the Bank. The Bank entered into a MOU with "Dun & Bradstreet" in May 2007 for carrying out credit rating of SSI units at concessional rate.

Rural and Agricultural Lending

The Bank has always been a frontrunner in the area of Priority Sector and Agriculture Lending, harnessing the vast potential of the rural market through its wide network of 1,097 rural branches and 624 semi-urban branches. The Bank has opened 60 new branches in rural and semi-urban areas during 2007-08. The Bank is the convener of State Level Banker's Committee (SLBC) in UP and Rajasthan. The Bank has Lead Bank Responsibility in 43 districts in the states of Gujarat (12), Rajasthan (12), Uttar Pradesh (14), Uttaranchal (2), Madhya Pradesh (1), and Bihar (2). The Bank has sponsored five Regional Rural Banks (RRBs) in various states with a branch network of 1,190 branches and total business of Rs 11,999.70 crore as of end-March 2008. Priority Sector Advances of the Bank surged from Rs. 25,290.84 crore as at end-March 2007 to Rs 31,681.26 crore as at end-March 2008 and formed 47.10 per cent of the Net Bank Credit (NBC) against the mandated target of 40.0 per cent. The Agriculture Advances of the Bank recorded a growth of 28.0 per cent over the previous year and rose to Rs 13,269 crore as at end-March 2008.

Under its flagship agriculture loan product "Baroda Kisan Credit Card", the Bank issued as many as 1,48,547 credit cards during 2007-08 to provide credit to farmers. The Bank has financed as many as 1,90,511 new farmers during the year 2007-08. As a part of its microfinance initiatives, the Bank credit linked 13,256 Self Help Groups with an amount of Rs122.77 crore during 2007-08, out of which 77.0 per cent are women SHGs, thereby taking the total number of credit linked SHGs to 70,995 amounting to Rs 422.28 crore. Bank has established 12 Baroda Swarojgar Vikas Sansthan (RUDSETI type of Institutes), two of which are exclusively for women to provide training to rural unemployed youths. During 2007-08, around 5577 youth have been trained out of which 3449 have successfully established self-employment ventures. The Bank during its Centenary Year launched many other initiatives. The Bank adopted Dungarpur district for "Total Integrated Rural Development and 100% Financial Inclusion". 100% financial inclusion in Dungarpur district has already been achieved.

Asset Quality Management

The Bank continued its journey in improving its performance in the area of NPA management in the year 2007-08 as well. Through the well co-ordinated and sustained efforts, the Global Gross NPA level was brought down from 2.47 per cent to 1.84 per cent and also the Net NPA from 0.60 per cent to 0.47 per cent as per the promise made by the Bank to its stakeholders. It is worth reporting that not only the Gross NPA and Net NPA were brought down in percentage terms but were also reduced in absolute terms to the level of Rs 1,981.38 crore and Rs 493.55 crore as at the end-March 2008 from the opening portfolio of Rs 2,092.14 crore (for Gross NPA) and Rs 501.67 crore (for Net NPA) respectively. During the year 2007-08, the asset quality improved further with the rise in the share of standard advances from 97.53 per cent at the end of the previous year to the present level of 98.16 per cent.

Treasury Operations

The Bank's integrated Treasury continued to be a prominent market maker in USD/ NR and USD/Euro. The Bank's Foreign Exchange Dealing Room took advantage of the increasing foreign exchange volume triggered by steady foreign exchange inflows and enhanced the volume of merchant transactions to earn good profit for the Bank. State-of-the-Art Dealing Room of the Bank at Mumbai handles the entire gamut of foreign exchange transactions and derivative products. The advanced technology environment is being leveraged by the Bank to offer a variety of products to its clients by way of hedging instruments such as Interest Rate Swaps, Currency Swaps and Options. Through the Automated Dealing System, the Bank quotes auto generated real time foreign exchange rates to its customers at all authorized branches in India, thereby providing them the feel of the real time market. A new system to provide live rates to customers is also on the anvil. As part of its business reengineering, the Bank is in the process of implementing Global Treasury Solution across main money centers. It was implemented successfully in London In November 2007. The rollout for other centers is in progress. When implemented, the Bank will have better Global Risk Management setup and can achieve optimum deployment of resources. The Bank has set up an active Derivatives' Desk at its Treasury Branch, which offers customized products to meet the requirement of corporates in hedging their interest rate and currency risks. A full-fledged Mid-office in the Treasury Division monitors and manages various exposures and limits fixed by the Board of Directors on real time basis, using advanced technology.



The Risk Management Tool such as Value at Risk (VaR) is used to measure the Market risk on all portfolios. Furthermore, the back testing of VaR number is conducted on daily basis to confirm the veracity of the forecasted values. The Stress Testing of all portfolios is also done to complement the VaR analysis.

Overseas Business

The Bank's presence in different geographies and markets around the world was further strengthened by opening of 11 new overseas offices during the year 2007-08. This is a landmark in the 54 years history of International Operations of Bank of Baroda. The year had been marked with economic turmoil, rising oil prices, appreciation of Indian Rupee, liquidity crunch etc. Despite the difficult economic situation in various overseas territories, the business and profit performance during the year has been good. In the year 2007-08, the Bank's footprints were extended to four new countries, i.e., Australia, Bahrain, Ghana and Trinidad & Tobago besides extending network in seven existing countries. Raising of resources from international markets; pursuing other expansion opportunities around the globe, active participation in overseas loan syndication, arranging of funds, assisting Indian corporates and funding their requirements for acquisition finance, aggressive marketing campaigns, technology upgradation and strengthening of risk management systems abroad were some of the landmark developments during the year. Total Business (Deposits + Advances) of the Bank's overseas branches (excluding overseas subsidiaries and joint venture) registered a growth of 24.56 per cent - Deposits by 17.33 per cent and Advances by 35.70 per cent during the year. The Bank's international operations contributed 20.00 per cent to the Bank's global business. Total assets of the Bank's international operations grew by 31.68 per cent over the previous year. The Net Profit from international operations, however, remained at the same level, mainly due to a sharp appreciation of rupee and additional provision requirements on investments. The contribution of international operations to the Bank's global Net Profit stood at 23.79 per cent in 2007-08. The Bank has drawn further ambitious plans for expansion abroad, besides penetration in countries where it has presence to serve its 33 million global customers still better. Other countries, where the process is under way are Canada, New Zealand, Russia, GCC countries - Qatar, Kuwait, Saudi Arabia and Mozambique in Africa. The Bank is also planning to upgrade/expand its existing network in countries like China (branches - Guangzhou and Shanghai); Malaysia (Joint Venture); Kenya (Nakuru); UAE (Fujairah) and Oman (Sohar). The Bank has plans to extend its service area in UAE, where it is the only Indian Bank with full banking license, by opening five Electronic Banking Service Units (EBSUs) and installation of additional ATMs.

The Bank already had two specialized outfits at Global Syndication Center at London and International Merchant Banking Cell (IMBC) - at International Division, Mumbai focusing on the business of syndicated loans and Credit-Linked Notes (of Indian corporates only) in the international market for both Indian and Non-Indian corporates. The Bank has played a major role in overseas "acquisitions & mergers" of Indian companies through active participation. Another Syndication Centre was set up at Dubai during the year, with a view to tap growing business opportunities in the Middle East. The Bank is in the process of setting up one more Regional Syndication Center at Singapore to capture the opportunities of South Asian market. The Bank launched many customer-centric initiatives during the year with a view to enhance customer service and convenience. A retail shoppe; SME loan factory, central processing cell were opened in UAE. Various value-added services for NRIs were launched during the year. "RapidFunds2India" an instant remittance facility to India was extended to US, Seychelles and Mauritius besides existing countries of UAE, Oman and UK. Through this facility, money can be transferred instantly to over 1,700+CBS branches of the Bank in India and for near-instant remittances to RTGS/NEFT-linked branches of other banks in India. Steps were also taken to tie up with various Exchange Houses in the Middle East to increase the collection points for inward remittances.

Technology Upgradation

In the year 2005-2006, the Bank embarked on an IT enabled Business Transformation Project to reposition itself in the intensely competitive banking environment. The Project envisaged a host of applications to be implemented in the Bank over a five year period ending March 2010, which would help the Bank to transform itself into a customer-centric organization and reduce the cost of its services. To support the integrated transformation project, the Bank set up its own state-of-art Data Centre on 10th December 2005 conforming to Uptime Institute Tier-3 standard. The Bank also established a 1:1 replicant Disaster Recovery Site at Hyderabad taking into account international requirements of 500 km distance and different seismic zone.

Technology Progress in 2007-08

- **Core Banking Solution:** As of 31st March 2008, 1,718 branches in India are on the CBS. This covers 908 centers in 34 states/union territories and approximately 92.0 per cent of the Bank's domestic business. Additionally, 41 branches in 11 countries and 21 branches of seven overseas subsidiaries are on Finacle CBS. The overseas branches on CBS account for about 75.0 per cent of total overseas business.
- **Wide Area Network:** The implementation of CBS and other centralized applications requires a robust Wide Area Network (WAN) with adequate redundancy built in at every layer. The Bank's WAN architecture is built on the three-layer model of Core, Distribution and Access. As on March 2008, 2,044 offices and 65 overseas offices are on the Bank's WAN.



- **Internet Banking:** The Bank has launched a full-fledged transaction-enabled Internet Banking in India, which has received good response from both retail and corporate customers. Through this platform, our customers have the facility to pay both direct and indirect taxes online, make payment of utility bills and also book rail tickets. The corporates also have the facility of direct salary uploads. A view-based internet banking has also been launched in Mauritius, UAE, Oman and Seychelles.
- **ATM Network:** The Bank's ATM network has increased to 1,106, which includes two Biometric ATMs installed at Gandevi in Bulsar district and Malik Mau in Rae Bareli district. The Bank has also installed 42 ATMs at Railway stations. The Bank has a network of 31 ATMs in its overseas territories, mainly in UAE, Oman, Mauritius, Fiji, Uganda and Tanzania. The Bank's inter-connected ATM network now stands fully migrated to world-class BASE-24 Switch, except for the two biometric ATMs. The Bank, being a member of National Financial Switch (NFS), its ATM cards can be used by the customers through ATMs of other banks, who are also members of the NFS. The Bank's ATM network is also affiliated to VISA Electron and is Master Card compliant. As a value added service, school fee payments in UAE are enabled through the ATMs and BASE 24.
- **RTGS/NEFT:** All CBS branches are enabled for inter bank remittances through RTGS and NEFT.
- **Online Money Transfer Service:** An online money transfer service - Rapid Funds2India – has been enabled in the Bank's branches of UAE, Oman, UK, USA, Mauritius and Seychelles. The NRI's in these territories can avail of this service, which facilitates almost instant credit to their accounts in any CBS branch in India. Also, wherever they maintain accounts with other banks, same day or next day credit is facilitated through RTGS/NEFT.
- **Global Treasury:** The Global Treasury solution is implemented in the UK.
- **City Back Offices (CBOs):** In order to relieve branches of cumbersome back office operations, 17 Service Branches and 21 Main Offices are functioning on the City Back Office model. These offices handle the entire clearing and collection functions of all branches in the city.
- **Help Desks:** A "24x7x365 Global Help Desk" is functioning at the Data Centre, which is manned by HP personnel and supported by other application vendors and the Bank's application team. The Bank has also set up Local Help Desks (LHDs) at all zonal centers manned by the Bank's trained officers to handle day-to-day operational issues and these LHDs function from 8 am to 10 pm. All branches are connected to Global Help Desk and Local Help Desks by the VOIP phones.
- **IS Security:** A robust Information Security Management System has been put in place to protect the technology against security threat.
- **Other IT Initiatives:** The Bank has developed in-house six software applications viz., Defence Pension software, Estate Management System, CRR computation software, STR (Suspicious Transactions Report) software, XRECON (Exchange House Drafts Reconciliation System), FCNR Link Cell software.
- **Anti Money Laundering:** The AML has been implemented in UAE, Oman and Fiji. It is pertinent to mention that in Fiji, Bank of Baroda is the first bank submitting CTR (Cash Transaction Report) and EFTR (Electronic Fund Transfer Report) in electronic form to the FIU. The Bank has received commendation from the Fijian Authorities for this unique effort.
- **Human Resources:** The Bank's training establishments have trained nearly 15,000 employees on the CBS modules and other technology applications. Moreover, refresher courses are also conducted on week-ends covering specific Finacle modules and other applications.

Human Resources

In an environment where technology, business models are being replicated and a level playing field is created, people factor becomes the key differentiator in achieving business excellence. The Bank, foreseeing this emerging scenario conceptualized and initiated numerous HR interventions. Aligning Human Resources with the Business Transformation demands at Corporate and local levels in different areas like hiring, performance management, and talent identification and employee engagement. The technology up gradation in HR is also a major development in the year 2007-08.

HRnes (Human Resources network for employees' services & Employee Payroll System)

The HRnes (Human Resources network for employees' services), the web-enabled enterprise wide HR solution and the Employee Payroll System, was launched on 26 November 2007 by Mr. P.K.Bansal, Honorable Minister of State for Finance on the occasion of the Annual Bankers' Conference (BANCON - 2008) jointly organized by the IBA and the Bank of Baroda. These HR solutions are expected to ensure greater efficiencies in HR operations and also make it highly user friendly.

Leadership Development – Project LEAP

Post-2009 technology environment, competitive compulsions, entry of foreign banks, M&A will all tend to change the course of banking necessitating new breed of leaders at different levels. Managing and leading a financial services organization in such an environment would be a new challenge for future leaders. Furthermore, one of the key drivers for market leadership will be the Bank's internal leadership. It is in response to this, the Project LEAP (Leadership enhancement and appreciation process) was conceived and launched aimed to groom our executives in leadership and capability building. Around 300 executives are being groomed by the Bank in the leadership in a phased manner.



Centenary Year KHOJ

KHOJ was initially launched as an in-house talent identification and development exercise in 2005. An element of self development and career planning is built into the system as this is a voluntary exercise where aspiring employees apply for selection for grooming in various areas they perceive as their areas of strength. Encouraged by the huge response to the initiative, KHOJ exercise was repeated in 2006 and in 2007 it was named as the 'Centenary Year KHOJ'. The selected candidates are groomed, placed in the area of operation of their choice. As part of their development, many are identified as change champions in many of the new initiatives. The Bank has also assigned mentors for their grooming.

Marketing

The brand "Baroda" has steadily gained the mind share over the past two years driving the Bank towards higher growth trajectory. During the last two years, the Bank's focus was on quality reach. Towards this, the marketing department put in place a progressive sales structure on the one hand and had conceived and implemented sales campaigns with specific business targets, and lead generation programs. As a part of best practice initiatives, the endeavor has been to impact an attitudinal change across the operational level where customer interface takes place through consistent sales and soft skills training. The Baroda brand positioning was entrenched in the consumer mind as "India's International Bank", balancing its time tested values over its 100 years of existence with the contemporary challenges of being market sensitive and responsive as it marches tirelessly towards its next century.

WEALTH MANAGEMENT SERVICES

With increasing household incomes and emergence of mass affluent class in the country, our Bank as part of customer centric measures initiated Wealth Management Services to provide our HNI & affluent customers a total financial solution at one junction since June 2004. Under Wealth Management Services, our designated branches provide presently various products in Life Insurance, Non Life Insurance, Health Insurance, Mutual Fund & Equity Trading under tie-up arrangements through different partners. The products being offered through designated branches are –Life Insurance: a) Bank has tied up with HDFC Standard Life Insurance Co. to sell life insurance policies of the company through our branch network across the country. B) Total premium (EPI) collected was Rs. 42.13 crores during April – September 08 of the current financial year. Non life Insurance: a) Bank is selling non-life Insurance products of National Insurance Co. Ltd through branch network across the country. B) Total premium collected was Rs. 24.68 crores during April – September 08 of the current financial year. Mutual Fund: We are distributing mutual fund products of following companies through our branches.

- i. UTI Asset Management Co. Ltd.
- ii. Birla Sun Life Asset Management Co. Ltd.
- iii. Reliance Capital Asset Management Ltd.
- iv. Sundaram BNP Paribas Assets Management Co. Ltd.
- v. Franklin Templeton Asset Management (I) Pvt. Ltd.
- vi. Baroda Pioneer Asset Management Co. Ltd.

The total business (AUM) of Rs 11.52 crores were mobilized during April – September 2008. A strategy has been evolved between our bank & Mutual Fund AMC to get our employees AMFI certifications. **E-broking:** - We are having tie up with M/s India Infoline for providing online trading Platform to our customers. The no. of trading account opened so far as on 30.09.2008 are 8250. **Baroda Gold Lounge:** In order to provide Par excellence investment advisory services to HNIs, our Bank has established 'Baroda Gold Lounge' at 13 branches strategically across the India covering most of the important centres viz. Mumbai, Ahmedabad, New Delhi, Baroda, Rajkot, Surat, Jodhpur, Chennai, Coimbatore, and Bangalore. AMFI & IRDA qualified persons will man these lounges as financial advisor to assist the affluent customers for making their Investments. It will be superior, differentiated, customized services to be rendered to High Net Worth and affluent Customers of these Branches and in its hinterland.

Taking yet another initiative, Bank has also made arrangements in respect of the following:

1) ASBA: Application Supported by Blocked Accounts: This is a supplementary process of applying in IPO/ Right issue. Our Bank is approved by SEBI in this regard. The eligible retail customer desiring to apply for the above gives an authorization to block the application money in his Bank account by marking of a lien. We have identified only 10 branches at present, which we plan to extend to 250 branches in next quarter with further extension later to all CBS branches of the bank. **2) Clearing and Settlement Banker of BSE:** Our Bank has been empanelled by BSE (Bombay Stock Exchange) to act as 'Clearing & Settlement Banker' for them. We have signed a tripartite agreement with Bombay Stock Exchange Ltd, Bank of India Shareholding Company and Bank of Baroda as a Clearing & Settlement Banker on 19th June 2008 with a view to increase our presence in Capital Market activities through auxiliary Merchant Banking, and to increase Current Account Business. The Mumbai Main Office has been designated to undertake the business.



Main Objects of the Bank

Section 3(5) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 states as follows: "Every corresponding new bank shall carry on and transact the business of banking as defined in clause (b) of section 5 of the Banking Regulation Act, 1949 (10 of 1949) and may engage in one or more of the other forms of business specified in sub-section (1) of section 6 of that Act."

Section 5(b) of the Banking Regulation Act reads as follows:

"'banking' means the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise."

Section 6(1) of the Banking Regulation Act reads as follows:

"Form and business in which banking companies may engage:

(1) In addition to the business of banking, a banking company may engage in any one or more of the following forms of business, namely:

(a) the borrowing, raising, or taking up of money; the lending or advancing of money either upon or without security; the drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundis, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments and securities whether transferable or negotiable or not; the granting and issuing of letters of credit, computer's cheques and circular notes; the buying, selling and dealing in bullion and specie; the buying and selling of foreign exchange including foreign bank notes; the acquiring, holding, issuing on commission, underwriting and dealing in stock, funds, shares, Bonds, Bond stock, bonds, obligations, securities and investments of all kinds; the purchasing and selling of bonds, scrips or other forms of securities on behalf of constituents or others, the negotiating of loans and advances; the receiving of all kinds of bonds, scrips or valuables on deposit or for safe custody or otherwise; the providing of safe deposit vaults; the collecting and transmitting of money and securities;

(b) acting as agents for any Government or local authority or any other person or persons; the carrying on of agency business of any description including the clearing and forwarding of goods, giving of receipts and discharges and otherwise acting as an attorney on behalf of customers, but excluding the business of a managing agent or secretary and treasurer of a company;

(c) contracting for public and private loans and negotiating and issuing the same;

(d) the effecting, insuring, guaranteeing, underwriting, participating in managing and carrying out of any issue, public or private, of State, municipal or other loans or of shares, stock, Bonds, or debenture stock of any company, corporation or association and the lending of money for the purpose of any such issue;

(e) carrying on and transacting every kind of guarantee and indemnity business;

(f) managing, selling and computeri any property which may come into the possession of the company in satisfaction or part satisfaction of any of its claims;

(g) acquiring and holding and generally dealing with any property or any right, title or interest in any such property which may form the security or part of the security for any loans or advances or which may be connected with any such security;

(h) undertaking and executing trusts;

(i) undertaking the administration of estates as executor, trustee or otherwise;

(j) establishing and supporting or aiding in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company or the dependents or connections of such persons; granting pensions and allowances and making payments towards insurance; subscribing to or guaranteeing moneys for charitable or benevolent objects or for any exhibition or for any public, general or useful object;

(k) the acquisition, construction, maintenance and alteration of any building or works necessary or convenient for the purposes of the company;

(l) selling, improving, managing, developing, exchanging, leasing, mortgaging, disposing of or turning into account or otherwise dealing with all or any part of the property and rights of the company;

(m) acquiring and undertaking the whole or any part of the business of any person or company, when such business is of a nature enumerated or described in this sub-section;

(n) doing all such other things as are incidental or conducive to the promotion or advancement of the business of the company;

(o) any other form of business which the Central Government may, by notification in the Official Gazette, specify as a form of business in which it is lawful for a banking company to engage."

Section 3 (7) of Chapter II of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 provides for the Bank to act as Agent of RBI.

(1) The Bank shall, if so required by the Reserve Bank of India, act as agent of the Reserve Bank at all places in India here it has a branch for:

a) Paying, receiving, collecting and remitting money, bullion and securities on behalf of the Government of India.

b) Undertaking and transacting any other business, which the Reserve Bank may from time to time entrust to it.

(2) The terms and conditions on which any such agency business shall be carried on by the corresponding new Bank on behalf of the Reserve Bank shall be such as may be agreed upon.



(4) The corresponding new Bank may transact any business or perform any function entrusted to it under Clause (I) by itself or through any agent approved by the Reserve Bank.

Operating & Financial Highlights

(Rs. in million)

As on/ For the Year ended	March 31, 2004	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008
Total Income	78660.75	77338.59	81773.43	103858.78	138645.12
Total Expenditure	53807.85	54319.45	62598.40	79708.70	108359.63
Operating Profit (before provisions and contingencies)	24852.90	23019.14	19175.03	24150.08	30285.49
Profit Before Tax	15329.11	8631.17	11145.98	16542.56	22071.56
Net Profit after Tax	9869.96	6768.37	8269.58	10264.65	14355.21
Equity Share Capital	2945.29	2945.28	3655.27	3655.28	3655.28
Total Reserves & Surplus	48363.96	53332.27	74789.07	82844.10	106783.99
Net worth	48816.52	53910.00	76197.30	84360.80	95269.69
Total Deposits	729673.24	813334.64	936619.92	1249159.79	1520341.27
Demand Deposits from Banks	4765.84	3914.37	5899.01	4372.17	6161.66
Demand Deposits from Others	62950.58	64796.54	77888.19	94375.82	110798.40
Saving Deposits	197802.08	227769.28	271604.4	315772.77	357763.82
Term Deposits from Banks	29233.74	31940.25	38501.19	120087.59	134165.59
Term Deposits from Others	434921.00	484914.21	542727.12	714551.44	911451.81
Total Advances	356008.83	434003.84	599117.78	836208.69	1067013.24
Advances in India	291968.09	356713.74	503716.44	672626.92	845033.06
Advances outside India	64040.74	77290.10	95401.34	163581.77	221980.18
Total Investments	380188.10	370744.41	351142.18	349436.28	438700.68
Investments in India	360558.44	348693.73	318892.16	312802.25	403141.51
Investments outside India	19629.66	22050.68	32250.02	36634.03	35559.17

Capital Adequacy position of the Bank

Details of capital vis-a-vis risk weighted assets for the last five financial years are as under:

(Rs. in crores)

As on March 31	2004	2005	2006	2007	2008
Eligible Tier I Capital	3393.07	3954.23	7028.83	7607.46	8495.72
Eligible Tier II Capital	2181.84	2122.28	1712.63	2659.05	5885.51
Total Capital	5574.91	6076.51	8741.46	10266.51	14381.23
Total Risk-Adjusted Assets	40083.85	48172.00	64019.54	87038.71	111438.03
Capital Adequacy Ratio (%)	13.91	12.61	13.65	11.80	12.91

Key Financial Ratios

As on March 31	2004	2005	2006	2007	2008
Credit/ Deposit Ratio (%)	51.17	55.82	67.15	74.35	77.32
Return on Average Net Worth (%)	19.81	12.55	10.85	12.17	15.07
Yield on Advances (%)	7.76	7.18	7.43	8.37	9.53
Yield On Investments (%)	8.51	7.66	7.64	7.08	6.55
Cost of Deposits (%)	4.96	4.23	4.15	4.77	5.69
Cost of Borrowings (%)	-	-	6.47	6.41	5.06
Capital Adequacy Ratio (%)	13.91	12.61	13.65	11.80	12.91
Tier-I (%)	8.47	8.21	10.98	8.74	7.63
Tier- II (%)	5.44	4.40	2.67	3.06	5.28
Dividend Pay Out Ratio (Including Corporate Dividend Tax)	22.24	24.67	25.11	24.59	23.75
Business per Employee (Rs in Lakh)	273	316	396	548	704
Gross Profit per Employee (Rs in lakh)	6.24	5.82	4.95	6.34	8.24
Business Per Branch (Rs in Lakh)	3977	4556	5599	7523	8925
Gross Profit per Branch (Rs in lakh)	91	84	70	87	104
Earning Per Share (in Rs.)	32.97	23.08	27.10	28.18	39.41



Subsidiaries/ Associates of the Bank

Overseas Subsidiaries & Joint ventures of Bank of Baroda as of March 31, 2008

(Rs crore)

Overseas Subsidiary	Total Assets	Net Profit/Loss	Staff No.
1. Bank of Baroda (Uganda) Ltd*	561.87	25.06	149
2. Bank of Baroda (Kenya) Ltd*	925.06	31.31	124
3. Bank of Baroda (Tanzania) Ltd *	210.57	2.52	19
4. Bank of Baroda (Botswana) Ltd**	418.58	6.51	21
5. Bank of Baroda (Hong Kong) Ltd**\$	126.24	2.64	
6. Bank of Baroda (Guyana) Ltd**	108.53	1.11	16
7. Bank of Baroda (T&T) Ltd	47.32	-1.83	11
8. Bank of Baroda (UK) Ltd**	0.03	0	-
9. Bank of Baroda (Ghana) Ltd.\$\$	35.77	-0.50	8
Total	2398.20	67.32	348
Joint Venture			
Indo-Zambia Bank Ltd (Lusaka)**	839.70	25.59	222

* Audited Figures belong to year ended 31st Dec 2007.

** Audited Figures belong to the year ended 31st March 2008

\$ The Subsidiary stopped taking fresh business w.e.f. 31.03.2007 and winding up is underway.

\$\$ The Subsidiary commenced operations w.e.f. 11.02.2008. (Accounting year Jan-Dec.)

Domestic Subsidiaries, Joint Ventures & Associate Bank

The performance of the "Subsidiaries" and the "Associate Bank" of the Bank during 2007-08 was good except for that of the BOBCARDS Ltd., which incurred a loss of Rs 21.20 crore, due to stringent application of IRAC norms (Prudential Norms on Income Recognition, Asset Classification and Provisioning).

(Rs lacs)

Entity (Date of Registration)	Owned Funds	Total Assets	Net Profit/Loss	Staff No.
1. BOB Capital Markets Ltd. (11 Mar. 1996)	10237.82	10417.14	842.59	12
2. BOB Asset Mgmt. Co. Ltd., (5 Nov. 1992)*	3087.19	3087.19	218.69	11
3. BOBCARDS Ltd. (29 Sept. 1994)	8021.30	24497.68	(-) 2120.02	185
4. Nainital Bank Ltd. (31 st Jul 1922)	14563.93	205914.90	2713.72	627

*BOB Asset Management Co. Ltd., pursuant to the transfer of 51% shares of the Company to Pioneer Global Asset Management SpA on 27.06.2008, has ceased to be a subsidiary of Bank of Baroda and is now a Joint Venture Company named Baroda Pioneer Asset Management Co. Ltd.

Bank has formed an insurance joint venture named "Baroda L&G Life Insurance Co. Ltd. with Legal & General Assurance Society Ltd. of UK and Andhra Bank to commence life insurance business which is expected to be launched in the market shortly.



Vi. BRIEF HISTORY OF ISSUER SINCE INCEPTION, DETAILS OF ACTIVITIES INCLUDING ANY REORGANIZATION, RECONSTRUCTION OR AMALGAMATION, CHANGES IN CAPITAL STRUCTURE, (AUTHORIZED, ISSUED AND SUBSCRIBED) AND BORROWINGS

HISTORY SINCE INCEPTION

Bank of Baroda was established in 1908 in Baroda as a private bank and following nationalization became a wholly-owned Government bank in 1969. Head office of the Bank is at Baroda and its corporate office is at Mumbai. Initial Public Offering of the Bank was launched in the year 1996 at which time the shareholding of the Government of India was diluted to 66.83%. After another Issue in January 2006, the Government of India's shareholding got reduced to 53.81%. The Bank has been earning profits continuously and has a consistent record of paying dividends to its shareholders.

As of March 31, 2008, the Bank had 2,853 branches in India spread across the country. In addition, on a consolidated basis, it has a network of 46 international branches along with 4 representative offices and 21 overseas subsidiary branches, making its presence felt in 25 countries across the globe. Touching its global clientele base at 33 million, the Bank comfortably achieved the global business level of Rs 2,58,735.45 crore by March 31, 2008.

The international operations of the Bank have a considerable history with its first overseas branch in Mombassa, Kenya established in 1953. Today the Bank along with its subsidiaries and associates has international presence in 25 countries with 80 branches and offices, which gives it diversity of business and a wide customer reach. In fiscal 2008, international operations contributed 20% and 23.79% of the global Balance Sheet and global net profit, respectively of the Bank.

As of March 31, 2008, the Indian branch network of the Bank comprised of 1,097 rural, 624 semi-urban, 519 urban and 613 metropolitan branches, all of which are either fully or partially computerised. In addition, all the overseas and treasury operations of the Bank are fully computerised.

Year	Event
1908	Establishment of the Bank
1910	Opened our first branch in the city of Ahmedabad
1919	Opened our first branch in Mumbai City
1953	First international branch opened at Mumbasa , Kenya
1958	The Hind Bank merged with us
1962	The New Citizen Bank Limited merged with us
1963	We acquired the Surat Banking Corporation
1964	The Umargaon Peoples' Bank & Tamilnadu Central Bank merged with us
1988	The Traders Bank Limited merged with us
1995	First bond issue of Rs.500 crores
1996	Our first public issue of Rs. 850 crores
1999	<ul style="list-style-type: none"> • Commenced operations as a depository • Bareilly Corporation Bank merged
2000	Appointed Arthur Andersen India Private Limited as risk management consultant for setting up a Comprehensive Risk Management Architecture for the Bank
2001	Establishment of a separate Risk Management Department, headed by a General Manager
2002	<ul style="list-style-type: none"> • The first Public Sector Bank in India to set up a Specialized Integrated Treasury Branch (SITB) in Mumbai. • The Benares State Bank Limited merged with us
2004	<ul style="list-style-type: none"> • The South Gujarat Local Area Bank merged with us. • Signed MOU with National Insurance co. Ltd. On 1st June 2004 for selling their non life insurance products under corporate agency arrangement.
2005	<ul style="list-style-type: none"> • Bank's new logo launched • Launched the IT Enabled Business Transformation Program and signed the contract with Hewlett Packard in this regard • Multicity cheque facility launched • Upgradation to the Bank's IT framework to ensure consonance to world-class standards rolled out.



2006	<ul style="list-style-type: none"> • Bank launched Rahul Dravid-an Internationally acclaimed cricketer of the Indian Cricket Team-as the Bank's Brand Ambassador. • Marketing efforts have improved Bank's ranking in the Economic Times Brand Equity Survey and ranked in the top 20 best service brands of the country. • Operationalisation of 17 Central Processing Cells for expeditious processing and sanctioning of retail loan proposals and setting up of 114 MoneyPlex outlets-dedicated retail boutiques-across the country. • Project Parivartan-Urban Delivery Model: A Retail Loan Fctory launched. • CBS rolled out in 126 branches across 13 centres in India with plans to cover additional 750 branches during fiscal 2007. • Commissioning of State-of-the Art Global Data Centre and interconnectivity of over 1300 branches in India. • Commissioning of 464 new ATMs across the country taking the total tally to 634. • 544 Branches brought under RTGS, 74 branches brought under NEFT operations and extension of i-BOB branches to reach 600.
2007	<ul style="list-style-type: none"> • Gen-Next Branch is lunched for next generation youth customers, with state-of-the-art ambience and technology, "Your Zone" with value added facilities like reading lounge, net-surfing facility, customer kiosks, etc. • Core Banking Solution implemented in more than 1300 branches • "Baroda Connect" – Internet banking, phone banking and mobile banking – facility launched • Electronic Payment Facitliy – "Baroda E Pay is launched • Bank's ATM network crossed 1000 mark • "Rapid Funds 2 India" – online money transfer service is launched • Baroda RemitXpress – an international money transfer facility is also launched • Western Union Money Transfer facility for inward remittance from abroad • Sampark – Chairman's help line for employees inaugurated to help employees in extreme problems • "Paramarsh" a counseling service for employees is set up to help employees requiring assistance in overcoming stress, complexities, conflicts, etc • Leadership Development Programme for grooming 300 leaders for the future • Distribution of mutual fund products – Strategic tie-up with UTI, Birla SunLife, Reliance, Franklin, Templeton and Sundaram BNP • Distribution of life and non-life insurance products – Tie up with National Insurance Company. • Online Trading Facility – "Baroda E trading" – launched • Joint Venture Partnership for Mutual funds • Joint Venture partnership for life insurance – Signed MoU with Legal & General of UK
2008	<ul style="list-style-type: none"> • Core Banking implemented in 1953 branches on date • Bank of Baroda opened a branch at Kawempe in Uganda. This is the 8th branch of its Subsidiary in Uganda. • Bank of Baroda opened a branch at Nakuru in Kenya. This is the 8th branch of its Subsidiary in Kenya.

Awards And Recognitions

Year	Awards And Recognitions
2004	<ul style="list-style-type: none"> • First prize from RBI for implementation of Official Language in "B" region for the year 2003-04 • First prize from Rashtriya Hindi Academy Roopambara, Kolkata for best implementation of Official Language • "BOB MAITRI", the house journal of the Bank received an award from the RBI under the bilingual journal category. • Khadi & Gram Udhog Commission awarded second prize for excellent work by Eastern UP Zone of the Bank • Kheda District in Anand Region (Gujarat) has achieved first rank under SGSY Scheme. • Ranked as the best customer centric bank among all the public sector banks operating in India by the magazine Outlook Money in its September 2004 issue



2005	<ul style="list-style-type: none"> • Received appreciation from District Magistrate Nainital (Uttaranchal) for excellent performance under Annual Credit Plan • Corporate Governance Rating – Bank of Baroda is the first public sector bank to be assigned a Corporate Governance Rating “CGR-2” g ‘CGR2’ granted by ICRA in relation to the corporate governance practices of the Bank • First prize by NABARD for linking maximum number of SHGs under SHG Bank Linkage programme in the states of Gujarat and Rajasthan for the year 2003-04. • Second prize by the Government of Tamilnadu for its performance under SHG Bank linkage programme • Ranked third by the Government of UP in relation to the SHG Bank Linkage programme • Ranked among the top 500 banks of the world by the magazine “The Banker”, UK in its July 2005 issue. • 21 out of the 36 specialized SSI branches have been covered under ISO-9002 certification. • First Prize from RBI for implementation of Official Language in “A”, “B” and “C” regions for 2004-05. • First Prize in Indira Gandhi Rajbhasha Shield for implementation of Official Language for 2004-05.
2006	<ul style="list-style-type: none"> • 525 Branches and Offices including 47 specialised branches have been brought under ISO certification. • Bank ranked in The Economic Times Brand Equity Survey in top 20 best service brands of the country. • Retail Loan Factories : 15 Nos. at important centres. These are in addition to the existing CPCs and MoneyPlex outlets. • 27 SME Loan factories launched. • Introduction of 24-hour human banking at 9 branches • 506 – “8 am to 8 pm” banking branches. • Introduction of “Happy Hour Banking” • Second Prize in Indira Gandhi Rajbhasha Shield for implementation of Official Language for 2005-06. • Excellence in Financial Communication Award 2006 by ABCI.
2007	<ul style="list-style-type: none"> • The bank’s ranking among the World’s Top 1000 banks in “The Banker” magazine, London has improved from 416 to 258 in 2007. • Second Prize in Indira Gandhi Rajbhasha Shield for implementation of Official Language for 2006-07. • Golden Peacock Innovation Award 2007 for innovation. • Outlook Money NDTV Money Award 2007 for Best Bank in Home Loan Category • Asian Banker Award 2007 for Best Retail PSU • Employer Branding Award 2007 for managing Health at Work • MIDAS Award 2007 for marketing effectiveness
2008	<ul style="list-style-type: none"> • Association of Business Communicators of India gives awards every year in various categories of Business Communication. Bank of Baroda got the silver trophy in the categories of Corporate Film and Quarterly Economic Review and a Bronze trophy for Bilingual Internal Magazine. • Dr. Anil K. Khandelwal, Chairman and Managing Director, Bank of Baroda was awarded the Lifetime Achievement Award for his contribution to the field of Human Resources Management by the Indian Society for Training and Development (ISTD) at its Western Regional Conference held at Baroda on 4th of January’ 2008. • According to Business Today Survey –Oct 21,2007 edition,Bank of Baroda was adjudged one of the top 10 Marketers,along with well known brands. Bank of Baroda is the only bank finding place in the top 10. • Association for Business Communicators of India Award 2008 in three different categories i.e. Internal Magazine (Bobmaitri), New Publication (Quarterly Economic Review) and Corporate Film(Centenary Film).
2009	<ul style="list-style-type: none"> • Mr. Dipankar Mookerjee, General Manager (HR & Marketing) and Chief Brand Custodian of Bank of Baroda was awarded The Rajiv Gandhi Sadbhawana Award for the year 2008 for his outstanding performance and best services in Banking Sector in the area of Marketing. The Rajiv Gandhi Forum, Orissa, affiliated to The Rajiv Gandhi Foundation, New Delhi, gave the Award. • Bank has won award for the leading Public Sector Bank in “Global Business Development” category at the Dun & Bradstreet Banking Awards 2009, held in Mumbai, on Wednesday 18th Feb’2009.

**CAPITAL STRUCTURE** (as on March 31, 2008)

Particulars	Amount
1. SHARE CAPITAL	
a. Authorised Equity Share Capital	
1,50,00,00,000 Equity Shares of Rs. 10/- each	15,00,00,00,000.00
b. Issued & Subscribed Equity Share Capital	
36,70,00,000 Equity Shares of Rs. 10/- each	3,67,00,00,000
c. Paid-Up Equity Share Capital	
36,42,66,400 Equity Shares of Rs. 10/- each	3,64,26,64,000.00
Add: Amount of Shares Forfeited	1,26,13,000.00
Total Paid-Up Equity Share Capital	3,65,52,77,000.00
2. SHARE PREMIUM ACCOUNT	22,73,88,53,000.00

Note: The Bank came out with Initial Public Offer (IPO) of equity shares in year 1997 and a Follow On Public Offer (FPO) in the year 2006. The other details of the capital infusion are given below.

SHARE CAPITAL HISTORY (since 1991)

(Rs. in crores)

Date of Allotment	Equity Capital (Rs. Crore)	Reason
31/03/1991	123.45	Capital contributed by Government
31/03/1992	238.37	Capital contributed by Government
31/03/1993	329.96	Capital contributed by Government
31/03/1994	739.30	Capital contributed by Government
31/03/1995	740.94	Capital contributed by Government
31/03/1996	577.00	Restructuring – Trans. To Cap. Res.
05/12/1996	196.00	Capital Restructuring
21/02/1997	296.00	Public Issue
02/02/2006	367.00	Public Issue

TOP 10 SHAREHOLDERS (as on December 31, 2008)

Sr. No.	Name of Shareholder	% Shareholding
1.	President of India	53.81
2.	Life Insurance Corporation of India	7.06
3.	The Children's Investment Fund Management (UK) LLP	4.02
4.	Genesis Indian Investment Company Limited –Genera	3.69
5.	Aberdeen Asset Managers Limited A/C Aberdeenintern	1.80
6.	HDFC Trustee Company Limited-HDFC Equity Fund	1.24
7.	FID Funds (Mauritius) Limited	1.19
8.	Fidelity Management And Research Company A/c FIDELI	1.16
9.	Reliance Capital Trustee Company Limited A/c Reliance	0.78
10.	Matthews Pacific Tiger Fund	0.76
TOTAL		75.51

SHAREHOLDING PATTERN (as on December 31, 2008)

Sr. No.	Category	Number of Holders	Number of Shares Held	% Shareholding
A	Promoter's Holding			
1.	Government of India	1	196000000	53.81
2.	Persons acting in Concert	Nil	Nil	Nil
Sub Total		1	196000000	53.81
B.	Non-Promoters Holding			
3.	Institutions			
a.	Mutual Funds/ UTI	115	42623874	11.70
b.	Financial Institutions/ Banks	30	979180	0.27
c.	Insurance Companies	17	29090800	7.99
d.	Foreign Institutional Investors	107	63426959	17.41
Sub Total		269	136120813	37.37
4.	Non-Institutions			
a.	Bodies/ Corporate	1616	6485326	1.78
b.	Individual shareholders holding nominal share capital up to Rs. 1 lakh	181524	22408375	6.15
c.	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	27	776385	0.21



d.	Overseas Corporate Bodies	4	26200	0.01
e.	Trusts	21	17983	0.00
f.	Non-Resident Individuals	3130	2241883	0.62
g.	Clearing Members	288	189535	0.05
	Sub Total	186610	32145687	8.82
	Grand Total	186880	364266500	100.00

DETAILS OF BORROWINGS IN THE PAST

A. Other than Overseas Medium Term Notes

The Bank has raised Tier II Capital by way of private placement to augment capital adequacy as under:

(Rs. in crores)

Bonds – Series	Year of Issue	Size (Rs in Crore)	Tenor (in months)/ Coupon in % p.a.	Rating	Redemption due on	Outstanding amount as on 31.01.2009 (Rs in Crore)
I (LT-II)	1996	500	84 Months (Rate 16% Fixed & Float Rate -14.50% Floor & 17.50% cap)	LAAA By ICRA	18.03.2001 Under Call Option	Nil (Redeemed by exercising call Option)
II (LT-II)	1999	600 Options I – 247.70 II – 52.30 III- 300	(i) Opt. I - 85 Months – (Rate 13.75% Fixed). (ii) Opt. II – 85 Months (Rate Floor 12.75% & Cap 14.75%) (iii) Opt. III - 121 Months (Rate 14.30% fixed)	LAAA By ICRA	9.04.2006 9.04.2006 9.04.2009	300.00 (i.e. Option –III) (Option I & II redeemed)
III (LT-II)	2001	600 Options I – 409.10 II – 190.90	(i) Opt. – I – 85 Months (Rate 11.15%) (ii) Opt. II – 63 Months (Rate 10.85%)	LAAA By ICRA & AAA By CRISIL	30.04.2008 30.06.2006	Nil (Redeemed)
IV (LT-II)	2004	300	126 Months (5.85%)	LAAABY ICRA AAA (ind) BY FITCH	02.07.2014	300.00
V (LT-II)	2005	770	115 Months (7.45%)	LAAA BY ICRA & AAA (ind) by Fitch	28.04.2015	770.00
VI (LT-II)	2006	920	116 Months (8.95%)	AAA/Stable by CRISIL & LAAA by ICRA	15.05.2016	920.00
VII (UT-II)	2007	500	180 Months with call option after 10 years – (9.30% up to 10 yrs and 9.80% for next five years, if call option not exercised)	AAA/Stable by CRISIL & CARE AAA by CARE	28.12.2022	500.00
VIII (UT-II)	2008	1000	180 Months with call option after 10 years – (9.30% up to 10 yrs and 9.80% for next five years, if call option not exercised)	AAA/Stable by CRISIL & CARE AAA by CARE	04.01.2023	1000.00
Erstwhile BOBHFL Bonds	2002	20	Taken over in 2006 due to merger of BOHFL with the Bank – 8.30%		06.09.2009	20.00
IPDI (I)	2009	300.20	Perpetual with Call Option at par on January 30, 2019 and every year thereafter on each anniversary date (subject to prior approval from RBI) Coupon Rate: 8.90% p.a. for the first 10 years and stepped up coupon rate of 9.40% p.a. for subsequent years if Call Option is not exercised by the Bank at the end of 10th Year	AAA/Stable by CRISIL & CARE AAA by CARE	Not Applicable	300.20 (as on date)

LT-II: LOWER TIER-II; UT-II: UPPER TIER-II; IPDI: Innovative Perpetual Debt Instruments



B. Overseas issuance of MTN Notes

The Bank issued Upper Tier-II subordinated bonds to the extent of USD 300 Million with a coupon of 6.6250% Semi-annual at a yield of 6.7380% to investors in May 2007 for a tenor of 15 years including the Call option at the end of 10 years (Maturity Date: 25th May 2022; Call option date: 25th May 2017). If the call option is not exercised, there will be a step-up in the coupon by 100 bps.



VII. SUMMARY TERM SHEET

Issuer	Bank of Baroda
Issue Size	Rs. 500 crores
Issue Objects	Augmenting Tier-II Capital for strengthening the Capital Adequacy and enhancing long term resources of the Bank
Instrument	Unsecured Redeemable Non-Convertible Subordinated Lower Tier-II Bonds (Series-X) in the nature of Promissory Notes ("Bonds")
Nature of Instrument	These Bonds shall be fully paid-up, unsecured, subordinated to the claims of other creditors, free of restrictive clauses and shall not be redeemable at the initiative of the holder or without the consent of the RBI
Issuance/ Trading	In Dematerialized Form
Credit Rating	"AAA/Stable" by CRISIL and 'CARE AAA' by CARE
Security	Unsecured
Face Value	Rs. 10,00,000/- per Bond
Issue Price	At par (Rs. 10,00,000/- per Bond)
Redemption Price	At par (Rs. 10,00,000/- per Bond)
Minimum Subscription	1 Bond and in multiples of 1 Bond thereafter
Tenure	9 Year 1 Month (109 Months)
Put & Call Option	None
Redemption/ Maturity	At par at the end of 9 Year 1 Month (109 Months) from the Deemed Date of Allotment (subject to prior approval from RBI)
Redemption Date	April 12, 2018 (subject to prior approval from RBI)
Coupon Rate *	8.95% p.a.
Interest Payment	Annual
Interest Payment Date	On March 12, every year and on final maturity
Listing	Proposed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Ltd. (BSE)
Trustee	IDBI Trusteeship Services Ltd.
Depository	National Securities Depository Ltd. and Central Depository Services (India) Ltd.
Registrars	Karvy Computershare (P) Ltd.
Interest on Application Money *	At the coupon rate (i.e. @ 8.95% p.a.) from the date of realization of cheque(s)/ demand draft(s)/ RTGS upto but excluding the Deemed Date of Allotment
Settlement	Payment of interest and repayment of principal shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through RTGS/ ECS system
Mode of Subscription	Cheque(s)/ demand draft(s) may be drawn in favour of "Bank of Baroda A/c Tier II Bond Issue Series X" and crossed "Account Payee Only" payable at par at designated centers mentioned elsewhere in the Disclosure Document or by way of electronic transfer of funds through RTGS mechanism as per following details: Name of the Bank Bank of Baroda Address of the Bank Mumbai Main Office, P.B.No.347, 10/12, Mumbai Samachar Marg, Fort, Mumbai RTGS Code BARB0FORTAP Name of the Beneficiary Bank of Baroda Account Number 03810200001005 Narration Subscription towards Bank of Baroda A/c Tier-II Bond Issue Series X
Issue Opens on ^	March 09, 2009
Issue Closes on ^	March 12, 2009
Pay-In Date ^	March 09, 2009 and March 12, 2009
Deemed Date of Allotment ^	March 12, 2009

* subject to deduction of tax at source, as applicable.

^ The Bank reserves its sole and absolute right to modify (pre-poner/ postpone) the issue opening/ closing/ pay-in date(s) without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by the Bank. The Bank also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice.



VIII. TERMS OF OFFER (DETAILS OF DEBT SECURITIES PROPOSED TO BE ISSUED, MODE OF ISSUANCE, ISSUE SIZE, UTILIZATION OF ISSUE PROCEEDS, STOCK EXCHANGES WHERE SECURITIES ARE PROPOSED TO BE LISTED, REDEMPTION AMOUNT, PERIOD OF MATURITY, YIELD ON REDEMPTION, DISCOUNT AT WHICH OFFER IS MADE AND EFFECTIVE YIELD FOR INVESTOR)

PRIVATE PLACEMENT OF UNSECURED REDEEMABLE NON-CONVERTIBLE SUBORDINATED LOWER TIER-II BONDS (SERIES-X) IN THE NATURE OF PROMISSORY NOTES OF RS. 10 LAKH EACH FOR CASH AT PAR AGGREGATING RS. 500 CRORES TO BE ISSUED BY BANK OF BARODA

Issue Size

Bank of Baroda (the 'Issuer' or the "Bank") proposes to raise Rs. 500 crores through issue of Unsecured Redeemable Non-Convertible Subordinated Lower Tier-II Bonds (Series-X) in the nature of Promissory Notes (hereinafter referred to as "Bonds") of face value of Rs. 10,00,000/- each by way of private placement ('the Issue').

Governing Law & Provisions

The Bonds offered are subject to provisions of the Companies Act, 1956, Securities Contract Regulation Act, 1956, Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, terms of this Disclosure Document, Instructions contained in the Application Form and other terms and conditions as may be incorporated in the Trustee Agreement and Bond Trust Deed. Over and above such terms and conditions, the Bonds shall also be subject to the applicable provisions of the Depositories Act 1996 and the laws as applicable, guidelines, notifications and regulations relating to the allotment & issue of capital and listing of securities issued from time to time by the Government of India (GoI), Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), concerned Stock Exchange or any other authorities and other documents that may be executed in respect of the Bonds. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the district courts of city of Mumbai.

Authority for the Placement

The present private placement of Unsecured Redeemable Non-Convertible Subordinated Lower Tier-II Bonds (Series-X) in the nature of Promissory Notes is being made in accordance with extant RBI guidelines vide its circular no. DBOD.No.BP.BC.11/21.06.001/ 2008-09 dated July 01, 2008 on Prudential Guidelines on Capital Adequacy and Market Discipline - Implementation of the New Capital Adequacy Framework covering terms and conditions for issue of Subordinated Bonds to qualify for Inclusion as Lower Tier-II Capital. The private placement of Bonds under the terms of this Disclosure Document is being made pursuant to the approval given by the Board of Directors of the Bank in their meeting held on November 14, 2008. The debt to be raised is within the overall borrowing powers of the Bank. This being a private placement of debt securities, the eligibility norms of SEBI (DIP) Guidelines, 2000 shall not be applicable. Further the Bank, its promoter, its associates and companies with which the directors of the Bank are associated as directors or promoters are not prohibited from accessing the capital market/ debt securities market under any order or directions passed by SEBI. The Bank can undertake the proposed issue of bonds in view of the present approvals and no further approval from any government authority(ies)/ Reserve Bank of India (RBI) is required by the Bank in this connection.

Objects of the Issue

The proposed issue of Bonds is being made for augmenting Tier II Capital of the Bank for strengthening its Capital Adequacy and for enhancing the long-term resources of the Bank. The expenses of the issue shall be borne by the Bank.

Utilisation of Issue Proceeds

The funds raised through this private placement are not meant for any specific project as such and therefore the proceeds of this Issue shall be utilized for the regular business activities of the Bank. The Bank has to shore up its capital base to match the growth in assets and maintain level of CAR higher than the minimum level prescribed by RBI. The requirement of capital has increased on account of phased convergence to Basel II norms by Reserve Bank of India and growth in credit. The Bank is managed by professionals under the supervision of its Board of Directors. Further, the Bank is subject to a number of regulatory checks and balances as stipulated in its regulatory environment. Therefore, the management shall ensure that the funds raised via this private placement shall be utilized only towards satisfactory fulfillment of the Objects of the Issue.

Minimum Subscription

As the current issue of Bonds is being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Bank shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size.

Underwriting

The present Issue of Bonds on private placement basis has not been underwritten.



Nature and Status of Bonds

The Bonds are to be issued in the form of Unsecured Redeemable Non-Convertible Subordinated Lower Tier-II Bonds (Series-X) in the nature of Promissory Notes for inclusion as Lower Tier II capital. As per RBI master circular no. DBOD.No.BP.BC.11/21.06.001/ 2008-09 dated July 01, 2008 on Prudential Guidelines on Capital Adequacy and Market Discipline - Implementation of the New Capital Adequacy Framework covering terms and conditions for issue of Subordinated Bonds for inclusion as Lower Tier II capital, these Bonds shall be fully paid-up, unsecured, subordinated to the claims of other creditors, free of restrictive clauses and shall not be redeemable at the initiative of the holder or without the consent of the RBI.

Face Value, Issue Price, Effective Yield for Investor

Each Bond has a face value of Rs. 10,00,000/- and is issued as well as redeemable at par i.e. for Rs. 10,00,000/-. Therefore the effective yield for the investors shall be the same as the coupon rate on the Bonds (i.e. 8.95% p.a.).

Terms of Payment

The full face value of the Bonds applied for is to be paid alongwith the Application Form. Investor(s) need to send in the Application Form and the cheque(s)/ demand draft(s)/ RTGS for the full face value of the Bonds applied for.

Face Value per Bond	Minimum Application for	Amount Payable on Application per Bond
Rs. 10,00,000/-	1 Bond and in multiples of 1 Bond thereafter	Rs. 10,00,000/-

Deemed Date of Allotment

Interest on Bonds shall accrue to the Bondholder(s) from and including March 12, 2009, which shall be the Deemed Date of Allotment. All benefits relating to the Bonds will be available to the investors from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment. The Bank reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any notice. In case if the issue closing date is changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Bank at its sole and absolute discretion.

Issue of Bond Certificate(s)

The beneficiary account of the investor(s) with National Securities Depository Ltd. (NSDL)/ Central Depository Services (India) Ltd. (CDSL)/ Depository Participant will be given credit within two working days from the Deemed Date of Allotment. Such credit in the account will be akin to Bond Certificate. The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof.

Depository Arrangements

The Bank has appointed "Karvy Computershare Pvt. Ltd." (Address: Plot No. 17-24, Near Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad – 500081; Tel: (040) 23420815-20; Fax: 91-40-23420814; E-mail: mailmanager@karvy.com) as Registrars & Transfer Agent for the present Bond Issue. The Bank has made necessary depository arrangements with National Securities Depository Ltd. ("NSDL") and Central Depository Services (India) Ltd. ("CDSL") for issue and holding of Bonds in dematerialised form. In this context the Bank has signed two tripartite agreements as under:

1. Tripartite Agreement dated 29.03.1997 between the Bank, NSDL and Karvy Computershare (P) Ltd. for issue of Bonds in dematerialised form.
2. Tripartite Agreement dated 01.01.2000 between the Bank, CDSL and Karvy Computershare (P) Ltd. for issue of Bonds in dematerialised form.

Investors can hold the bonds only in dematerialised form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time.

Procedure for applying for Demat Facility

- The applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the application.
- The applicant must necessarily fill in the details (including the beneficiary account number and Depository Participant's ID) appearing in the Application Form under the heading 'Details for Issue of Bonds in Electronic/ Dematerialised Form'.
- Bonds allotted to an applicant will be credited directly to the applicant's respective Beneficiary Account(s) with the DP.
- For subscribing the bonds, names in the application form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository.



- The Registrars to the Issue will directly send non-transferable allotment advice/refund orders to the applicant.
- If incomplete/ incorrect details are given under the heading 'Details for Issue of Bonds in Electronic/ Dematerialised Form' in the application form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Bank.
- For allotment of Bonds, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the application form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for losses, if any.
- It may be noted that Bonds being issued in electronic form, the same can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. NSE and BSE where the Bonds of the Bank are proposed to be listed has connectivity with NSDL and CDSL.
- Interest or other benefits would be paid to those Bondholders whose names appear on the list of beneficial owners given by the Depositories to the Bank as on Record Date/ Book Closure Date. In case of those Bonds for which the beneficial owner is not identified by the Depository as on the Record Date/ Book Closure Date, the Bank would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to the Bank, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

Investors may note that pursuant to current provisions, the Bonds of the Bank would be issued and traded only in dematerialised form.

Market Lot

The market lot will be one Bond ("Market Lot"). Since the Bonds are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of Bonds.

Trading of Bonds

The marketable lot for the purpose of trading of Bonds shall be Rs.10 lakhs. Trading of Bonds would be permitted in demat mode only in standard denomination of Rs.10 lakhs and such trades shall be cleared and settled in recognised stock exchange(s) subject to conditions specified by SEBI. In case of trading in Bonds which has been made over the counter, the trades shall be executed and reported on a recognized stock exchange having a nation wide trading terminal or such other platform as may be specified by SEBI.

Mode of Transfer of Bonds

Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/ Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Transfer of Bonds to and from NRIs/ OCBs, in case they seek to hold the Bonds and are eligible to do so, will be governed by the then prevailing guidelines of RBI. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Bank.

Interest on Application Money

Interest at the coupon rate (i.e. at the rate of 8.95 per cent per annum) (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to all the applicants on the application money for the Bonds. Such interest shall be paid from the date of realisation of cheque(s)/ demand draft(s)/ RTGS upto one day prior to the Deemed Date of Allotment. The interest on application money will be computed on an Actual/ 365 day basis. Such interest would be paid on all the valid applications, including the refunds. Where the entire subscription amount has been refunded, the interest on application money will be paid alongwith the Refund Orders. Where an applicant is allotted lesser number of bonds than applied for, the excess amount paid on application will be refunded to the applicant alongwith the interest on refunded money.

The interest cheque(s)/ demand draft(s) for interest on application money (alongwith Refund Orders, in case of refund of application money, if any) shall be dispatched by the Bank alongwith the Refund Order(s), as the case may be, by registered post to the sole/ first applicant, at the sole risk of the applicant.

**Interest on the Bonds**

The Bonds shall carry interest at the rate of 8.95 per cent per annum (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Bank) from, and including, March 12, 2009 upto, but excluding, April 12, 2018, payable in arrears on March 12, in each year (each, an "Interest Payment Date"), commencing March 12, 2010, to the holders of Bonds (the "Holders" and each, a "Holder") as of the relevant Record Date. The interest payable on any Interest Payment Date will be paid to the Bondholder(s) whose names appear in the List of Beneficial Owners given by the Depository to the Bank as on the Record Date.

The first interest period is defined as the actual number of days falling between the Deemed Date of Allotment to March 12, 2010 including the first date but excluding the last date. The first interest payment would be made on March 12, 2010. The second and subsequent interest period (except the last interest period) is defined as the actual number of days in a year as 365 (366 in case of a leap year) between March 12, and March 12, including the first date but excluding the last date and so on. The last interest period is defined as the actual number of days falling between March 12, 2018 and redemption date, including the first date but excluding the last date. The last interest payment would be made on redemption date, alongwith the redemption of principal amount.

If any interest payment date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business in the city of Mumbai) then payment of interest will be made on the next day that is a business day but without liability for making payment of interest for the intervening period.

In case the Deemed Date of Allotment is revised (pre-poned/ postponed) then the above Interest Payment Date may also be revised pre-poned/ postponed) accordingly by the Bank at its sole & absolute discretion.

Computation of Interest

Interest for each of the interest periods shall be calculated, on 'actual/ 365 (366 in case of a leap year) days' basis, on the face value of principal outstanding on the Bonds at the coupon rate rounded off to the nearest Rupee.

Record Date

The 'Record Date' for the Bonds shall be 30 days prior to each interest payment date and/ or redemption date.

Deduction of Tax at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. The investor(s) desirous of claiming exemption from deduction of income tax at source on the interest on application money are required to submit the necessary certificate(s), in duplicate, along with the Application Form in terms of Income Tax rules.

Interest payable subsequent to the Deemed Date of Allotment of Bonds will be treated as "Interest on Securities" as per Income Tax Rules. Bondholders desirous of claiming exemption from deduction of income tax at source on the interest payable on Bonds should submit tax exemption certificate/ document, under Section 193 of the Income Tax Act, 1961, if any, at the Corporate Office of the Bank, at least 45 days before the payment becoming due.

Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultant(s).

Put & Call Option

There is no Put Option available to the Bondholder(s). As per RBI master circular no. DBOD.No.BP.BC.11/21.06.001/ 2008-09 dated July 01, 2008 on Prudential Guidelines on Capital Adequacy and Market Discipline - Implementation of the New Capital Adequacy Framework covering terms and conditions for issue of Subordinated Bonds for inclusion as Lower Tier II capital, these Bonds shall be free of restrictive clauses and shall not redeemable at the initiative of the holder or without the consent of the Reserve Bank of India. Similarly there is no Call Option available to the Bank to redeem the bonds prior to maturity.

Redemption

The face value of the Bonds shall be redeemed at par, on expiry of 9 Year 1 Month (109 Months) from the Deemed Date of Allotment i.e. on April 12, 2018. The Bonds will not carry any obligation, for interest or otherwise, after the date of redemption.

As per RBI master circular no. DBOD.No.BP.BC.11/21.06.001/2008-09 dated July 01, 2008 on Prudential Guidelines on Capital Adequacy and Market Discipline - Implementation of the New Capital Adequacy Framework covering terms and conditions for issue of Subordinated Bonds for inclusion as Lower Tier II capital, these Bonds shall be free of restrictive clauses and shall not redeemable at the initiative of the holder or without the consent of the Reserve Bank of India. Thus redemption of these Bonds shall be made only with the prior approval of the RBI.



In case if the principal redemption date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for business in Mumbai, then the payment due shall be made on the next Business Day together with additional interest for the intervening period.

Payment on redemption shall be made by cheque(s)/ redemption warrants(s)/ demand draft(s)/ credit through RTGS system in the name of the Bondholders whose name appear on the List of Beneficial Owners given by Depository to the Bank as on the Record Date/ Book Closure Date. On the Bank dispatching the redemption warrants to such Beneficiary(ies) by registered post/ courier, the liability of the Bank shall stand extinguished.

The Bonds shall be taken as discharged on payment of the redemption amount by the Bank on redemption date to the list of Beneficial Owners as provided by the Depository to the Bank as on the Record Date. Such payment will be a legal discharge of the liability of the Bank towards the Bondholders. On such payment being made, the Bank will inform NSDL/ CDSL/ Depository Participant and accordingly the account of the Bondholders with NSDL/ CDSL/ Depository Participant will be adjusted.

The Bank's liability to the Bondholders towards all their rights including for payment or otherwise shall cease and stand extinguished from the date of redemption in all events. Further the Bank will not be liable to pay any interest or compensation from the date of redemption. On the Bank dispatching the amount as specified above in respect of the Bonds, the liability of the Bank shall stand extinguished.

Effect of Holidays

Should any of dates defined above or elsewhere in the Disclosure Document, excepting the Deemed Date of Allotment, fall on a Saturday, Sunday or a Public Holiday, the next working day shall be considered as the effective date(s). In case any Interest Payment Date(s) and/ or Redemption Date falls on a holiday, interest/ redemption will be paid on the next working day (i.e. a day on which scheduled commercial banks are open for business in the city of Mumbai).

List of Beneficial Owners

The Bank shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

Succession

In the event of the demise of the sole/first holder of the Bond(s) or the last survivor, in case of joint holders for the time being, the Bank will recognize the executor or administrator of the deceased Bondholder, or the holder of succession certificate or other legal representative as having title to the Bond(s). The Bank shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, wherever it is necessary, or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Bank may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Bond(s) standing in the name of the deceased Bondholder on production of sufficient documentary proof or indemnity.

Where a non-resident Indian becomes entitled to the Bond by way of succession, the following steps have to be complied with:

- a. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Bond was acquired by the NRI as part of the legacy left by the deceased holder.
- b. Proof that the NRI is an Indian National or is of Indian origin.

Such holding by the NRI will be on a non-repatriation basis.

Who Can Apply

The following categories of investors may apply for the Bonds, subject to fulfilling their respective investment norms/ rules by submitting all the relevant documents alongwith the application form.

1. Scheduled Commercial Banks;
2. Financial Institutions;
3. Insurance Companies;
4. Primary/ State/ District/ Central Co-operative Banks (subject to permission from RBI);
5. Regional Rural Banks;
6. Mutual Funds;
7. Provident, Gratuity, Superannuation and Pension Funds;
8. Companies, Bodies Corporate authorised to invest in Bonds;
9. Trusts, Individuals, Association of Persons, and Societies registered under the applicable laws in India which, are duly authorised to invest in bonds.



Application not to be made by

1. Hindu Undivided Family (neither by the name of the Karta);
2. Partnership Firms or their nominees;
3. Overseas Corporate Bodies (OCBs);
4. Foreign Institutional Investors (FIIs).

Although above investors are eligible to apply however only those investors, who are individually addressed through direct communication by the Bank/ Lead Arrangers, are eligible to apply for the Bonds. No other person may apply. Hosting of Disclosure Document on the website of NSE or BSE should not be construed as an offer to issue and the same has been hosted only as it is stipulated by SEBI. Investors should check about their eligibility before making any investment.

The applications must be accompanied by certified true copies of (1) Memorandum and Articles of Association/ Constitution/ Bye-laws (2) Resolution authorising investment and containing operating instructions (3) Specimen signatures of authorised signatories, (4) Copy of Permanent Account Number Card ("PAN Card") issued by the Income Tax Department and (5) Necessary forms for claiming exemption from deduction of tax at source on the interest income/ interest on application money, wherever applicable.

Application under Power of Attorney or by Limited Companies

In case of applications made under a Power of Attorney or by a Limited Company or a Body Corporate or Registered Society or Mutual Fund, and scientific and/or industrial research organisations or Trusts etc, the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or Bye-Laws as the case may be must be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form and the Bank's branch where the application has been submitted, at the office of Treasury Branch, Bank of Baroda, Corporate Office after submission of the Application Form to the bankers to the issue or any of the designated branches as mentioned on the reverse of the Application Form, failing which the applications are liable to be rejected. Such authority received by the Registrars to the Issue more than 10 days after closure of the subscription list may not be considered.

Mode of Subscription/ How to Apply

This being a Private Placement Offer, Investors who are established/ resident in India and who have been addressed through this communication directly, only are eligible to apply. All Application Forms, duly completed, together with cheque/ demand draft for the amount payable on application must be delivered before the closing of the issue to the specified branches of Bank of Baroda named herein or to the Lead Arrangers to the Issue.

Applications should be for a minimum of 1 Bond and in multiples of 1 Bond thereafter. All cheques/ demand drafts should be in favour of "**Bank of Baroda A/c Tier II Bond Issue Series X**" and crossed "**Account Payee Only**" payable at par at designated centers mentioned elsewhere in the Disclosure Document or by way of electronic transfer of funds through RTGS mechanism as per following details:

Name of the Bank	Bank of Baroda
Address of the Bank	Mumbai Main Office, P.B.No.347, 10/12, Mumbai Samachar Marg, Fort, Mumbai
RTGS Code	BARB0FORTAP
Name of the Beneficiary	Bank of Baroda
Account Number	03810200001005
Narration	Subscription towards Bank of Baroda A/c Tier-II Bond Issue Series X

Applications for the Bonds must be in the prescribed form (enclosed) and completed in BLOCK LETTERS in English and as per the instructions contained therein.

Applications complete in all respects (along with all necessary documents as detailed in this Disclosure Document) must be submitted before the last date indicated in the issue time table or such extended time as decided by the Bank, at any of the designated collection centre, accompanied by the subscription amount by way of cheque(s)/ demand draft(s) drawn on any bank including a co-operative bank which is situated at and is a member of the Bankers' clearing house located at a place where the application form is submitted. Outstation cheque(s)/ Bank draft(s) drawn on Bank(s) not participating in the clearing process at the designated clearing centres will not be accepted. Money orders/ postal orders will also not be accepted. The Bank assumes no responsibility for any applications/ cheques/ demand drafts lost in mail.

No separate receipt will be issued for the application money. However, the Bank's designated collection branches or Lead Arrangers receiving the duly completed Application Form will acknowledge receipt of the application by stamping and returning to the applicant the Acknowledgment Slip at the bottom of the each Application Form.

As a matter of precaution against possible fraudulent encashment of interest warrants/ cheques due to loss/ misplacement, the applicant should furnish the full particulars of his or her bank account (i.e. Account Number, name of the bank and branch, IFSE Code) at the appropriate place in the Application Form. Interest warrants will then be made out in favour of the bank for credit to his/ her account so specified and dispatched to the investors, who may deposit the same in the said bank.

**Right to Accept or Reject Applications**

The Bank reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on application money will be paid from the date of realisation of the cheque(s)/ demand drafts(s) till one day prior to the date of refund. The application forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a. Number of bonds applied for is less than the minimum application size;
- b. Applications exceeding the issue size;
- c. Bank account details not given;
- d. Details for issue of bonds in electronic/ dematerialised form not given; PAN/GIR and IT Circle/ Ward/ District not given;
- e. In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;
- f. In case copy of PAN Card and copy of Memorandum & Article not enclosed.

In the event, if any Bond(s) applied for is/ are not allotted in full, the excess application monies of such Bonds will be refunded, as may be permitted.

PAN/GIR Number

All applicants should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle/ Ward/ District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

Signatures

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/ Notary Public under his/her official seal.

Nomination Facility

As per Section 109 A of the Companies Act, 1956, only individuals applying as sole applicant/Joint Applicant can nominate, in the prescribed manner, a person to whom his Bonds shall vest in the event of his death. Non-individuals including holders of Power of Attorney can not nominate.

Bondholder not a Shareholder

The bondholders will not be entitled to any of the rights and privileges available to the shareholders. If, however, any resolution affecting the rights attached to the Bonds is placed before the members of the Bank, such resolution will first be placed before the bondholders for their consideration.

Modification of Rights

The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent, in writing, of those holders of the Bonds who hold at least three fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a resolution passed at a meeting of the Bondholders, provided that nothing in such consent or resolution shall be operative against the Bank where such consent or resolution modifies or varies the terms and conditions of the Bonds, if the same are not acceptable to the Bank.

Future Borrowings

The Bank shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue Bonds/ Debentures/ Notes/ other securities in any manner with ranking as pari-passu basis or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as the Bank may think appropriate, without the consent of, or intimation to, the Bondholder(s) or the Trustees in this connection.

Bond Redemption Reserve

The Government of India, Ministry of Company Affairs has vide General Circular No. 9/2002 No.6/3/2001-CL.V dated April 18, 2002 clarified that Banks need not create Debenture Redemption Reserve as specified under section 117C of the Companies Act, 1956.

Notices

All notices required to be given by the Bank or by the Trustees to the Bondholders shall be deemed to have been given if sent by ordinary post/ courier to the original sole/ first allottees of the Bonds and/ or if published in one All India English daily newspaper.

All notices required to be given by the Bondholder(s), including notices referred to under "Payment of Interest" shall be sent by registered post or by hand delivery to the Bank or to such persons at such address as may be notified by the Bank from time to time.



Tax Benefits to the Bondholders of the Bank

The holder(s) of the Bonds are advised to consider in their own case, the tax implications in respect of subscription to the Bonds after consulting their own tax advisor/ counsel.

Disputes & Governing Law

The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof will be subject to the jurisdiction of district courts of city of Mumbai.

Compliance Officer

Mr. M. L. Jain
Company Secretary
Bank of Baroda
Baroda Corporate Centre
Investors Services Department
1st Floor, Baroda Corporate Centre
C-26, G-Block, Bandra Kurla Complex
Bandra (E), Mumbai 400 051
Tel: (022) 66985812
Fax: 91-22-26526660
E- mail: companysecretary.bcc@bankofbaroda.com

The investors can contact the Compliance Officer in case of any pre-issue / post-issue related problems such as non-credit of letter(s) of allotment/ bond certificate(s) in the demat account, non-receipt of refund order(s), interest warrant(s)/ cheque(s) etc.



IX. CREDIT RATING & RATIONALE THEREOF

CRISIL Ltd. (“**CRISIL**”) has assigned a ‘**AAA/Stable**’ (pronounced as Triple A with Stable Outlook) rating for an amount of Rs. 500 crores to the present Lower Tier-II Bonds to be issued by the Bank vide its letter no. VR/FSR/BOB/2008-09/1626 dated February 27, 2009. This rating indicates highest degree of safety with regard to timely payment of interest and principal on the instrument. A copy of rating letter from CRISIL is enclosed elsewhere in this Information Memorandum.

Credit Analysis & Research Ltd. (“**CARE**”) has assigned a ‘**CARE AAA**’ (pronounced as Triple A) rating for an amount of Rs. 500 crores to the present Lower Tier-II Bonds to be issued by the Bank vide its letter dated February 27, 2009. Instruments with this rating are considered to be of the best credit quality, offering highest safety for timely servicing of debt obligations. Such instruments carry minimal credit risk. A copy of rating letter from CARE is enclosed elsewhere in this Information Memorandum.

Other than the credit ratings mentioned hereinabove, the Bank has not sought any other credit rating from any other credit rating agency(ies) for the Bonds offered for subscription under the terms of this Disclosure Document.

The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agencies have the right to suspend, withdraw the rating at any time on the basis of new information etc.

X. NAME OF DEBENTURE TRUSTEE

In accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, the Bank has appointed IDBI Trusteeship Services Ltd. to act as Trustees (“Trustees”) for and on behalf of the holder(s) of the Bonds. The address and contact details of the Trustees are as under:

IDBI Trusteeship Services Ltd.

Registered Office
Asian Building, Ground Floor
17, R Kamani Marg, Ballard Estate,
Mumbai – 400 001
Tel: (022) 6631 1771-3
Fax: 91-22-66311776
E-mail: itsl@idbitrustee.co.in

A copy of letter from IDBI Trusteeship Services Ltd. conveying their consent to act as Trustee for the current issue of Bonds is enclosed elsewhere in this Disclosure Document.

The Bank hereby undertakes that a Trust Deed shall be executed by it in favour of the Trustees as per applicable provisions. The Trust Deed shall contain such clauses as may be prescribed under Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008. Further the Trust Deed shall not contain any clause which has the effect of (i) limiting or extinguishing the obligations and liabilities of the Trustees or the Bank in relation to any rights or interests of the holder(s) of the Bonds, (ii) limiting or restricting or waiving the provisions of the Securities and Exchange Board of India Act, 1992 (15 of 1992); Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and circulars or guidelines issued by SEBI, (iii) indemnifying the Trustees or the Bank for loss or damage caused by their act of negligence or commission or omission.

The Bondholder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Trustees may in their absolute discretion deem necessary or require to be done in the interest of the holder(s) of the Bonds. Any payment made by the Bank to the Trustees on behalf of the Bondholder(s) shall discharge the Bank pro tanto to the Bondholder(s). The Trustees shall protect the interest of the Bondholders in the event of default by the Bank in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of the Bank. No Bondholder shall be entitled to proceed directly against the Bank unless the Trustees, having become so bound to proceed, fail to do so. In the event of Bank defaulting in payment of interest on Bonds or redemption thereof, any distribution of dividend by the Bank shall require approval of the Trustees.



XI. STOCK EXCHANGES WHERE SECURITIES ARE PROPOSED TO BE LISTED

The Unsecured Redeemable Non-Convertible Subordinated Lower Tier-II Bonds (Series-X) in the nature of Promissory Notes are proposed to be listed on the Wholesale Debt Market (WDM) Segment of the **National Stock Exchange of India Ltd. ("NSE")** and **Bombay Stock Exchange Ltd. (BSE)**. The Bank has applied for in-principle approval from NSE and BSE for listing of said Bonds on their Wholesale Debt Market (WDM) Segment. The Bank shall make applications to NSE and BSE to list the Bonds to be issued and allotted under this Disclosure Document and complete all the formalities relating to listing of the Bonds within reasonable time. In connection with listing of Bonds with NSE and BSE, the Bank hereby undertakes that:

- (a) It shall comply with conditions of listing of Bonds as may be specified in the Listing Agreement with NSE and BSE.
- (b) Ratings obtained by the Bank shall be periodically reviewed by the credit rating agencies and any revision in the rating shall be promptly disclosed by the Bank to NSE and BSE.
- (c) Any change in rating shall be promptly disseminated to the holder(s) of the Bonds in such manner as NSE and BSE may determine from time to time.
- (d) The Bank, the Trustees, NSE and BSE shall disseminate all information and reports on Bonds including compliance reports filed by the Bank and the Trustees regarding the Bonds to the holder(s) of Bonds and the general public by placing them on their websites.



XII. DETAILS OF OTHER BORROWINGS (DETAILS DEBT SECURITIES ISSUED IN THE PAST, PARTICULARS OF DEBT SECURITIES ISSUED FOR CONSIDERATION OTHER THAN CASH OR AT A PREMIUM OR DISCOUNT OR IN PURSUANCE OF AN OPTION, HIGHEST TEN HOLDERS OF EACH CLASS OR KIND OF SECURITIES, DEBT EQUITY RATIO)

1. Borrowings Other than Overseas Medium Term Notes

The Bank has raised Tier II Capital by way of private placement to augment capital adequacy as under:

(Rs. in crores)

Bonds – Series	Year of Issue	Size (Rs in Crore)	Tenor (in months)/ Coupon in % p.a.	Rating	Redemption due on	Outstanding amount as on 31.01.2009 (Rs in Crore)
I (LT-II)	1996	500	84 Months (Rate 16% Fixed & Float Rate -14.50% Floor & 17.50% cap)	LAAA By ICRA	18.03.2001 Under Call Option	Nil (Redeemed by exercising call Option)
II (LT-II)	1999	600 Options I – 247.70 II – 52.30 III- 300	(iv) Opt. I - 85 Months – (Rate 13.75% Fixed). (v) Opt. II – 85 Months (Rate Floor 12.75% & Cap 14.75%) (vi) Opt. III - 121 Months (Rate 14.30% fixed)	LAAA By ICRA	9.04.2006 9.04.2006 9.04.2009	300.00 (i.e. Option –III) (Option I & II redeemed)
III (LT-II)	2001	600 Options I – 409.10 II – 190.90	(iii) Opt. – I – 85 Months (Rate 11.15%) (iv) Opt. II – 63 Months (Rate 10.85%)	LAAA By ICRA & AAA By CRISIL	30.04.2008 30.06.2006	Nil (Redeemed)
IV (LT-II)	2004	300	126 Months (5.85%)	LAAABY ICRA AAA (ind) BY FITCH	02.07.2014	300.00
V (LT-II)	2005	770	115 Months (7.45%)	LAAA BY ICRA & AAA (ind) by Fitch	28.04.2015	770.00
VI (LT-II)	2006	920	116 Months (8.95%)	AAA/Stable by CRISIL & LAAA by ICRA	15.05.2016	920.00
VII (UT-II)	2007	500	180 Months with call option after 10 years – (9.30% up to 10 yrs and 9.80% for next five years, if call option not exercised)	AAA/Stable by CRISIL & CARE AAA by CARE	28.12.2022	500.00
VIII (UT-II)	2008	1000	180 Months with call option after 10 years – (9.30% up to 10 yrs and 9.80% for next five years, if call option not exercised)	AAA/Stable by CRISIL & CARE AAA by CARE	04.01.2023	1000.00
Erstwhile BOBHFL Bonds	2002	20	Taken over in 2006 due to merger of BOHFL with the Bank – 8.30%		06.09.2009	20.00
IPDI (I)	2009	300.20	Perpetual with Call Option at par on January 30, 2019 and every year thereafter on each anniversary date (subject to prior approval from RBI) Coupon Rate: 8.90% p.a. for the first 10 years and stepped up coupon rate of 9.40% p.a. for subsequent years if Call Option is not exercised by the Bank at the end of 10th Year	AAA/Stable by CRISIL & CARE AAA by CARE	Not Applicable	300.20 (as on date)

LT-II: LOWER TIER-II; UT-II: UPPER TIER-II; IPDI: Innovative Perpetual Debt Instruments.



2. Borrowings through Overseas issuance of MTN Notes

The Bank issued Upper Tier-II subordinated bonds to the extent of USD 300 Million with a coupon of 6.6250% Semi-annual at a yield of 6.7380% to investors in May 2007 for a tenor of 15 years including the Call option at the end of 10 years (Maturity Date: 25th May 2022; Call option date: 25th May 2017). If the call option is not exercised, there will be a step-up in the coupon by 100 bps.

3. DEBT EQUITY RATIO

(Rs. in crores)

Particulars	Pre-Issue (as on March 31, 2008)	Post Issue of Lower Tier-II Bonds of Rs. 500 crores *
LOAN FUNDS		
Subordinated Bonds	5422.72	6222.92
Other Long Term Borrowings	3927.05	3927.05
TOTAL	9349.77	10149.97
SHAREHOLDERS' FUNDS		
Equity Share Capital	365.53	365.53
Reserves & Surplus (excluding Revaluation Reserve)	9161.44	9161.44
TOTAL	9526.97	9526.97
DEBT/ EQUITY RATIO		
Long Term Debt/ Equity Ratio	0.98	1.07

* after adding (i) proposed Lower Tier-II Bonds of Rs. 500 crores and (ii) IPDI Bonds of Rs. 300.20 crores issued in January 2009, to the figures of March 31, 2008.

4. HIGHEST 10 HOLDERS OF EACH CLASS AND KIND OF SECURITIES

A. TOP 10 EQUITY SHAREHOLDERS

(as on December 31, 2008)

Sr. No.	Name of Shareholder	% Shareholding
1.	President of India	53.81
2.	Life Insurance Corporation of India	7.06
3.	The Children's Investment Fund Management (UK) LLP	4.02
4.	Genesis Indian Investment Company Limited -Genera	3.69
5.	Aberdeen Asset Managers Limited A/C Aberdeenintern	1.80
6.	HDFC Trustee Company Limited-HDFC Equity Fund	1.24
7.	FID Funds (Mauritius) Limited	1.19
8.	Fidelity Management And Research Company A/c FIDELI	1.16
9.	Reliance Capital Trustee Company Limited A/c Reliance	0.78
10.	Matthews Pacific Tiger Fund	0.76
TOTAL		75.51

B. TOP 10 BONDHOLDERS - SERIES - II

(as on February 20, 2009)

Sr. No.	Name of Bondholder	Address	No. of Bonds Held	% holding
1.	Life Insurance Corporation of India	Investment Department, 6th Floor, West Wing, Central Office, Yogakshema, Jeevan Bima Marg, Mumbai - 400021	3,750	12.50
2.	Army Group Insurance Fund	AGI Bhawan PO Vasant Vihar, Raotula Ram PB No 14, New Delhi - 110057	2,400	8.00
3.	Punjab National Bank Employees Pension Fund	Punjab National Bank, Third Floor, Rajendra Bhawan, Rajendra Place, New Delhi - 110008	1,250	4.17
4.	Bochasanwasi Shri Akshar Purushottam	Swaminarayan Sanstha, Accounts Department, Dharma Sadan, Shri Swaminarayan Mandir, Shahibaug Road, Ahmedabad - 380004	1,216	4.05
5.	Administrator of The Specified Undertaking of the Unit Trust of India - ARS Bonds	ASUUTI, UTI Asset Management Co. Pvt. Ltd., Dept. of Fund Accounts, UTI Tower, GN Block, Bandra Kurla Complex, Bandra(East), Mumbai - 400051	1,169	3.90%
6.	Central Bank of India Employees G F	Plot No.C 6 Block E 4th Floor, Bandra Kurla Complex, Bandra E Mumbai - 400051	1,000	3.33
7.	Indian Overseas Bank Employees' Pension Fund	IOB Employees' Pension Fund, 762, Anna Salai Central Office, Chennai - 600002	800	2.67



8.	Bank Of India Gratuity Fund	Bank Of India, Head Office, Terminal Benefit Department, Bank Of India Building, 7th Floor, Plot No.11, Sector 11, C.B.D.Belapur, Navi Mumbai - 400614	750	2.50
9.	Food Corporation of India CPF Trust	Khadya Sadan 13th Floor, 16 20 Barakhamba Lane, New Delhi - 110001	750	2.50
10.	Baroda Rajasthan Gramin Bank	Baroda Rajasthan Gramin Bank, Head Office, Citi Plaza, First Floor Vaishali Nagar, Ajmer, Rajasthan - 305001	730	2.43
Total			13,815	46.05

C. TOP 10 BONDHOLDERS - SERIES - IV

(as on February 20, 2009)

Sr. No.	Name of Bondholder	Address	No. of Bonds Held	% holding
1.	Coal Mines Provident Fund C/O ICICI Securities Primary Dealership Ltd.	ICICI Centre, H. T. Parekh Marg, Churchgate Mumbai - 400020	3,000	100.00
Total			3,000	100.00

D. TOP 10 BONDHOLDERS - SERIES - V

(as on February 20, 2009)

Sr. No.	Name of Bondholder	Address	No. of Bonds Held	% holding
1.	Central Board of Trustees Employees Provident	Fund State Bank of India, EPFO Securities Services Branch, IIND Floor Mumbai Main Branch, Mumbai Samachar Marg, Mumbai - 400023	657	8.53
2.	Coal Mines Pension Fund	State Bank Of India, Securities Services Branch, Main Branch Bldg, 2ND Floor, Fort, Mumbai - 400001	500	6.49
3.	Army Group Insurance Fund	AGI Bhawan, Rao Tula Ram Marg, PB 14, PO Vasant Vihar, New Delhi - 110057	500	6.49
4.	Punjab National Bank Employees Pension Fund	Punjab National Bank, Third Floor, Rajendra Bhawan, Rajendra Place, New Delhi - 110008	380	4.94
5.	Bank of Baroda Provident Fund Trust	Baroda House, 4th Floor, Mandvi, Baroda - 390006	350	4.55
6.	Bank of Baroda Gratuity Fund	Baroda House, 4th Floor, Mandvi, Baroda - 390006	200	2.60
7.	Canara Bank-Mumbai	F--I SEC Branch -- (DEBT) , 1st Floor , Verma Chambers, Homji Street , Fort , Mumbai - 400001	200	2.60
8.	Trustees Central Bank of India Employees Fund	Provident Fund Department, NCC Building, 4 TH Floor, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	200	2.60
9.	The New India Assurance Co. Employees Pension Fund	New India Assurance Building, Basement, 87 M G Road, Fort, Mumbai - 400001	160	2.08
10.	The CBT EPF A/C Reliance Capital AMC Ltd.	HDFC Bank Ltd Custody Services, Trade World A Wing Gr Floor, Kamala Mills Compound S B Marg Lower Parel Mumbai - 400013	150	1.95
Total			3,297	42.83

E. TOP 10 BONDHOLDERS - SERIES - VI

(as on February 20, 2009)

Sr. No.	Name of Bondholder	Address	No. of Bonds Held	% holding
1.	Life Insurance Corporation of India	Investment Department, 6th Floor, West Wing, Central Office, Yogakshema, Jeevan Bima Marg, Mumbai - 400021	7,500	81.52
2.	Allahabad Bank	Allahabad Bank, Treasury Branch, Allahabad Bank Building, 3rd Floor, 37 Mumbai Samachar Marg, Fort, Mumbai - 400023	500	5.43



3.	Bank of Baroda (Employees) Pension Fund	Baroda House, First Floor, Mandvi, Baroda - 390006	350	3.80
4.	Army Group Insurance Fund	AGI Bhawan, Rao Tula Ram Marg, PB 14, PO Vasant Vihar, New Delhi - 110057	200	2.17
5.	National Thermal Power Corporation Ltd	Employees Provident Fund Trust, NTPC Bhawan, Scope Complex, Delhi - 110003	175	1.90
6.	Bank of Baroda Provident Fund Trust	Baroda House, 4th Floor, Mandvi, Baroda - 390006	150	1.63
7.	Allahabad Bank Staff Provident Fund	2, Netaji Subhas Road, Kolkata - 700001	100	1.09
8.	Allahabad Bank (Employees') Pension Fund	2, Netaji Subhas Road, Kolkata - 700001	100	1.09
9.	United India Insurance Company Limited	24, Whites Road, Chennai - 600014	50	0.54
10.	Mico Workmens	(Bangalore Work and Sales Houses), Provident Fund Trust, C/O Motor Industries Co Ltd, PB No 3000, Hosur Road Adugodi, Bangalore - 560030	16	0.17
Total			9,141	99.34

F. TOP 10 BONDHOLDERS - SERIES - VII

(as on February 20, 2009)

Sr. No.	Name of Bondholder	Address	No. of Bonds Held	% holding
1.	Central Board of Trustees Employees Provident Fund A/C Reliance Capital AMC Ltd	HDFC Bank Ltd Custody Services, Trade World A Wing Gr Floor, Kamala Mills Compound S B Marg Lower Parel Mumbai - 400013	2,500	50.00
2.	Sahara India Financial Corporation Ltd.	25-28 Atlanta, Nariman Point, Mumbai - 400021	1,000	20.00
3.	Maharashtra State Electricity Boards Provident Fund	Estrella Batteries Expansion Bldg, Plot No. 1 Dharavi Road, Matunga, Mumbai - 400019	200	4.00
4.	Food Corporation of India CPF Trust	Khadya Sadan 13th Floor, 16 20 Barakhamba Lane, New Delhi - 110001	150	3.00
5.	Visakhapatnam Steel Project Employees Fund Trust	Pay & PF Sections, Behind ED (Works) Buildings, Visakhapatnam Steel Plant, Visakhapatnam - 530031	126	2.52
6.	Punjab National Bank Employees Provident Fund	Punjab National Bank, Third Floor, Rajendra Bhawan, Rajendra Place, New Delhi - 110008	100	2.00
7.	Hindustan Aeronautics Limited Employees Provident	Fund Trust, Sunabeda, District Koraput, Orissa - 763002	90	1.80
8.	Axis Bank Ltd	11 th Floor, Maker Tower F Cuffe Parade Colaba Mumbai-400005	58	1.16
9.	Bajaj Allianz General Insurance Co. Ltd.	C/O Standard Chartered Bank, Custody and Clearing Services, 23-25 M.G.Road, Fort, Mumbai - 400001	50	1.00
10.	Saraswat Cooperative Bank Ltd EPF Trust	Madhushree, 2 nd Floor plot 85, Sector-17 District Business Centre Vashi Navi Mumbai	50	1.00
Total			4,324	86.48

G. TOP 10 BONDHOLDERS - SERIES - VIII

(as on February 20, 2009)

Sr. No.	Name of Bondholder	Address	No. of Bonds Held	% holding
1.	Life Insurance Corporation of India	Investment Department, 6th Floor, West Wing, Central Office, Yogakshema, Jeevan Bima Marg, Mumbai - 400021	9,750	97.50
2.	Life Insurance Corporation of India Provident Fund No 1	3rd Floor, Finance and Accounts Dept, Central Office Yogakshema West Wing, Jeevan Bima Marg, Nariman Point, Mumbai - 400021	250	2.50
Total			10,000	100.00

**H. TOP 10 BONDHOLDERS – IPDI SERIES - I**

(as on February 20, 2009)

Sr. No.	Name of Bondholder	Address	No. of Bonds Held	% holding
1.	Bank of India	Bank of India, Treasury Branch, Head Office, Star House, 7th floor C-5,'g'block, Bandra Kurla Complex Bandra (east) Mumbai.400051	300	9.99
2.	Canara Bank	F-I-Sec Branch (Debt), 1st floor , Verma Chambers Homji street , Fort ,Mumbai 400001	250	8.33
3.	State Bank of India	Securities services branch, 2nd floor,Mumbai main branch,Mumbai samachar marg, Mumbai 400023	250	8.33
4.	United Bank of India	The DGM UBI Investment fund management dept Head office 4th floor 16 old court house street Kolkata 700001	200	6.66
5.	Punjab National Bank	Hsbc securities services 2nd floor "shiv", plot no 139-140 b western express highway sahar rd junct, vile parle-e,Mumbai 400057	200	6.66
6.	Union Bank of India	c/o. ILFS, ILFS house,plot no.14, raheja vihar,chandivali, Andheri (e) Mumbai 400072	200	6.66
7.	UCO Bank	Treasury branch UCO Bank building Mezzanine floor 359 dr d n road fort Mumbai 400001	150	5.00
8.	Oriental Bank of Commerce	Treasury department A 30 33 A block 1st floor Connaught place, New Delhi 110001	150	5.00
9.	Corporation Bank	Corporation bank, general account Investment division 15 Mittal Chambers 1st floor Nariman point Mumbai 400021	100	3.33
10.	Indian Overseas Bank	Treasury (domestic) Central office 763 Anna Salai Chennai 600002	100	3.33
Total			1900	63.29

5. PARTICULARS OF DEBT SECURITIES ISSUED (I) FOR CONSIDERATION OTHER THAN CASH, WHETHER IN WHOLE OR PART, (II) AT A PREMIUM OR DISCOUNT, OR (III) IN PURSUANCE OF AN OPTION

The Bank hereby confirms that it has not issued any debt securities or agreed to issue any debt securities for consideration other than cash, whether in whole or in part, at a premium or discount or in pursuance of an option since inception.

XIII. SERVICING BEHAVIOR ON EXISTING DEBT SECURITIES AND OTHER BORROWINGS

The Bank hereby confirms that:

- a) The main constituents of Bank's borrowings have been in the form of borrowings from RBI, inter-bank borrowings, call money borrowings, term money borrowings, savings bank deposits, current account deposits, term deposits, subordinated bonds, certificate of deposits etc.
- b) The Bank has been servicing all its principal and interest liabilities on time and there has been no instance of delay or default since inception.
- c) The Bank has neither defaulted in repayment/ redemption of any of its borrowings nor affected any kind of roll over against any of its borrowings in the past.



XIV. UNDERTAKING REGARDING COMMON FORM OF TRANSFER

The Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/ Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Bank.

The Bank undertakes that it shall use a common form/ procedure for transfer of Bonds issued under terms of this Disclosure Document.

XV. MATERIAL EVENT, DEVELOPMENT OR CHANGE AT THE TIME OF ISSUE

The Bank hereby declares that there has been no material event, development or change at the time of issue which may affect the issue or the investor's decision to invest/ continue to invest in the debt securities of the Bank.

XVI. PERMISSION/ CONSENT FROM PRIOR CREDITORS

The Bank hereby confirms that it is entitled to raise money through current issue of Bonds without the consent/ permission/ approval from the Bondholders/ Trustees/ Lenders/ other creditors of the Bank. Further the Bonds proposed to be issued under the terms of this Disclosure Document being unsecured and subordinated in nature, there is no requirement for obtaining permission/ consent from the prior creditors for creating second or pari passu charge in favor of Trustees.

XVII. MATERIAL CONTRACTS & AGREEMENTS INVOLVING FINANCIAL OBLIGATIONS OF THE ISSUER

By very nature of its business, the Bank is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Bank. However, the contracts referred to in Para A below (not being contracts entered into in the ordinary course of the business carried on by the Bank) which are or may be deemed to be material have been entered into by the Bank. Copies of these contracts together with the copies of documents referred to in Para B may be inspected at the Corporate Office of the Bank between 10.00 a.m. and 2.00 p.m. on any working day until the issue closing date.

A. MATERIAL CONTRACTS

- a. Copy of letter appointing Karvy Computershare (P) Ltd. as Registrar and Transfer Agents.
- b. Copy of letter appointing IDBI Trusteeship Services Ltd. as Trustees to the Bondholders.

B. DOCUMENTS

- a. Board Resolution dated November 14, 2008 authorizing the issue of Bonds offered under terms of this Disclosure Document.
- b. Consent from the Trustees to the Bondholders and Registrars to the Issue referred to in this Disclosure Document to act in their respective capacities.
- c. Copy of applications made to the NSE and BSE for grant of in-principle approval for listing of Bonds.
- d. Letter from CRISIL conveying the credit rating for the Bonds of the Bank and the rating rationale pertaining thereto.
- e. Letter from CARE conveying the credit rating for the Bonds of the Bank and the rating rationale pertaining thereto.
- f. Tripartite Agreement dated 29.03.1997 between the Bank, NSDL and Karvy Computershare (P) Ltd. for issue of Bonds in dematerialised form.
- g. Tripartite Agreement dated 01.01.2000 between the Bank, CDSL and Karvy Computershare (P) Ltd. for issue of Bonds in dematerialised form.



XVIII. DECLARATION

It is hereby declared that this Disclosure Document contains full disclosures in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008.

The Bank also confirms that this Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Disclosure Document also does not contain any false or misleading statement.

The Bank accepts no responsibility for the statement made otherwise than in the Disclosure Document or in any other material issued by or at the instance of the Bank and that any one placing reliance on any other source of information would be doing so at his own risk.

Signed by Mr. K. D. Lamba, Deputy General Manager (Treasury & Resource Management), pursuant to the internal authority granted.

for **Bank of Baroda**

A handwritten signature in black ink, appearing to read 'K. D. Lamba', written over a diagonal line.

(K. D. Lamba)
Deputy General Manager (Treasury & Resource Management)

Date: March 02, 2009
Place: Mumbai (Maharashtra)



DESIGNATED CENTRE OF BANKERS TO THE ISSUE

**BANK OF BARODA**

(A Government of India Undertaking)

Constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970

Head Office: Baroda House, Mandvi, Vadodara 390 006, Gujarat, India

Tel No: (0265) 2518715, 2363001, 2362225; Fax No: (0265) 2362914

Corporate Office: Baroda Corporate Centre, C-26, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051

Tel No: (022) 66985000-04; Fax No: (022) 26521955

E-mail: companysecretary.bcc@bankofbaroda.comWebsite: www.bankofbaroda.com

Location	Address of Branch	STD Code	Telephone No.	Fax No.
Mumbai	Mumbai Main Office, 10/ 12, Samachar Marg, Fort, Mumbai - 400001	022	40468110/ 11	22836648

Mr. R.K. Garg
G.M.- Intl. Operations,
Incharge- Treasury and Resource Mgmt.
Bank of Baroda
Bank of Baroda Corporate Centre
C - 26, G - Block,
Bandra Kurla Complex,
Bandra (E),
Mumbai 400 051

February 27, 2009

CONFIDENTIAL

Dear Sir,

Revalidation of rating for Lower Tier II Bonds issue of Rs.500 crore

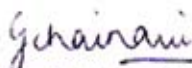
Please refer to your request for revalidation of the rating for proposed issue of Lower Tier II bonds.

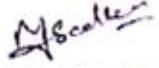
2. CARE hereby confirms "CARE AAA" [Triple A] rating to the proposed Lower Tier II Bond issue of Rs.500 crore. Instruments with this rating are considered to be of the best credit quality, offering highest safety for timely servicing of debt obligations. Such instruments carry minimal credit risk.
3. Our rating symbols for various ratings for long and medium term instruments and explanatory notes thereon are given in **Annexure I**.
4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
5. Please arrange to get the rating revalidated, in case the proposed bond issue is not made **within six months** from the date of this letter.
6. The above rating is normally valid for a period of **one year** from the date of the rating letter. A formal surveillance/review of ratings is normally done on the expiry of one year from the date of initial rating / last review of the rating. However, CARE reserves the right to undertake a surveillance / review of the rating more than once a year (including any time before the expiry of one year from the date of initial rating) if in the opinion of CARE, circumstances warrant such a surveillance/review.
7. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicise/disseminate such suspension/withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.
8. CARE ratings do not constitute recommendations to buy, hold or sell any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,


[Geeta Chainani]
Analyst


[Milind Gadkari]
Jt. Gen. Mgr.

Encl: A/a

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.



CONFIDENTIAL

Ref. no.: VR/FSR/BOB/2008-09/1626

February 27, 2009

Mr. R. K. Garg
General Manager – Treasury
Bank of Baroda
6th Floor, Kalpataru Heritage Building,
Nanak Motwani Marg
Fort, Mumbai – 400 001
Ph: 022 6636 3600 / Fax: 022 6633 9422

Dear Mr. Garg,

Re: CRISIL Rating for the Rs.5.0 Billion Lower Tier II Bond Issue of Bank of Baroda.

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please refer to our rating letter dated December 13, 2007 bearing Ref. no.: AK/FSR/BOB/2007-08/1318

CRISIL has, after due consideration, reaffirmed “AAA/Stable” (pronounced “Triple A with stable outlook”) rating for the captioned Debt Issue. This rating indicates **highest degree of safety** with regard to timely payment of interest and principal on the instrument.

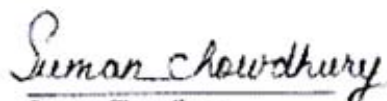
As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to suspend, withdraw, or revise the rating / outlook assigned to the captioned issue at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL believes may have an impact on the rating.


In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,


Suman Chowdhury
Head – Financial Sector Ratings


Vydiyanathan Ramaswamy
Manager – Financial Sector Ratings

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor.

CRISIL has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. For the latest rating information on any instrument of any company rated by CRISIL, please contact CRISIL RATING DESK at CRISILratingdesk@crsil.com or at (+91 22) 6691 3001 – 09.

CRISIL Limited

CRISIL House, 121-122, Andheri Kurla Road, Andheri (East), Mumbai - 400 093, India. Phone: +91 (22) 6691 3001 - 09. Fax: +91 (22) 6691 3050.
Web: www.crisil.com

IDBI Trusteeship Services Ltd.

AN IFC 9861 : 2000 COMPANY



No.5524/ITSL/OPR/2009/CL-439

February 27, 2000

Mr. D.N. Jhurmarwala
AGM - Treasury
Bank of Baroda
Bandra Kurla Complex,
Bandra East,
Mumbai - 400 051

Regd. Office :
Aalen Building, Ground Floor,
17, R. Karami Marg, Ballard Estate,
Mumbai - 400 001.

Dear Sir,

Proposed Lower Tier II Bonds aggregating Rs. 500 Crores: Consent to act as Bond Trustee

This is with reference to the discussion we had regarding appointment of IDBI Trusteeship Services Ltd. (ITSL) as Bond Trustee for the Bank's proposed Tier II Bonds aggregating Rs. 500 Crores. In this connection, we advise that we are agreeable to act as Bond Trustee for the same.

Acceptance fees: Rs. 20,000/- plus applicable taxes (one time payment) to be paid immediately on acceptance of trusteeship assignment.

Service Charges: Rs. 25,000/- plus applicable taxes payable annually on 1st April each year from the date of allotment till redemption of bonds in full.

Out of Pocket Expenses: On Actual Basis.

Any enforcement consequent to Event of Default would attract a separate fee.

The Bank shall enter into Bond Trustee Agreement for the said bond issue.

We are agreeable for inclusion of our name as trustees in the disclosure document / listing application / any other document to be filed with the Stock Exchange(s).

Yours faithfully,

Brindha Venkatraman
Vice-President