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This document is neither a prospectus nor a statement in lieu of prospectus but 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
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
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E-mail: companysecretary.bcc@bankofbaroda.com, Website: www.bankofbaroda.com

DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF UNSECURED REDEEMABLE NON-CONVERTIBLE SUBORDINATED UPPER TIER-II BONDS (DEBT CAPITAL INSTRUMENTS) (SERIES-XV) IN THE NATURE OF PROMISSORY NOTES OF RS. 10 LAKH EACH FOR CASH AT PAR AGGREGATING RS. 500 CRORE

REGISTRARS TO THE ISSUE



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Hyderabad – 500081
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Fax: 91-40-23420814
Email: einward.ris@karvy.com

TRUSTEE FOR THE BONDHOLDERS



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Registered Office
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Mumbai – 400 001
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Fax: 91-22-66360977



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ICICI Securities Primary Dealership Ltd.
ICICI Centre
H T Parekh Marg
Churchgate
Mumbai – 400 020
Tel: (022) 22882460/70
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Trust Investment Advisors (P) Ltd.
109/110, 1st Floor,
Balrama Village Parigkhari
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Mumbai 400 051
Tel: (022) 30681150-56
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CO-ARRANGER TO THE ISSUE



BOB Capital Markets Ltd.
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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 Upper Tier-II Bonds (Debt Capital Instruments) (Series-XV) 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 (either on maturity or on exercise of Call Option)
Brickwork	Brickwork Ratings India Pvt. Ltd.
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
DICGC	Deposit Insurance and Credit Guarantee Corporation of India
Director(s)	Director(s) of Bank of Baroda unless otherwise mentioned
DP	Depository Participant
FDI	Foreign Direct Investment
FEDAI	Foreign Exchange Dealers Association of India
FIs	Financial Institutions
FIIs	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 August 07, 2010 for Private Placement of Unsecured Redeemable Non-Convertible Subordinated Upper Tier-II Bonds (Debt Capital Instruments) (Series-XV) in the nature of Promissory Notes of Rs. 10,00,000/- each for cash at par aggregating Rs. 500 crore 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
Listing Agreement	Listing Agreement for Debt Securities issued by Securities and Exchange Board of India vide circular no. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 and Amendments to Simplified Debt Listing Agreement for Debt Securities issued by Securities and Exchange Board of India vide circular no. SEBI/IMD/DOF-1/BOND/Cir-5/2009 dated November 26, 2009 and Amendments to Simplified Debt Listing Agreement for Debt Securities issued by Securities and Exchange Board of India vide circular no. SEBI/IMD/DOF-1/BOND/Cir-1/2010 dated January 07, 2010
NPAs	Non Performing Assets
NRIs	Non Resident Indians
NSE	National Stock Exchange of India Ltd.
NSDL	National Securities Depository Ltd.
OCBs	Overseas Corporate Bodies
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 Upper Tier-II Bonds (Debt Capital Instruments) (Series-XV) in the nature of Promissory Notes of Rs. 10,00,000/- each for cash at par aggregating Rs. 500 crore 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 AND CO-ARRANGER ("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 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 Arrangers have neither scrutinized/ vetted nor have they done any due-diligence for verification of the contents of this Disclosure Document. The Arrangers shall use this document for the purpose of soliciting subscription from qualified institutional investors in the bonds to be issued by the Bank on private placement basis. It is to be distinctly understood that the aforesaid use of this document by the Arrangers should not in any way be deemed or construed that the document has been prepared, cleared, approved or vetted by the 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 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:

(as on July 30, 2010)

Sr. No.	Name & Designation	Date of Appointment & Term	Address (Residential)
1	Shri M. D. Mallya Chairman & Managing Director	From 07th May, 2008 till 30th November 2012 or until further orders, whichever is earlier	11-A Woodlands Apartment Dr. G Deshmukh Marg Peddar Road Mumbai -400026
2	Shri Rajiv Kumar Bakshi Executive Director	From 6th November 2008 till 31st October 2012 or until further orders, whichever is earlier	17-B Shanaz 90 Neapean Sea Road Mumbai - 400 006
3	Shri N. S. Srinath Executive Director	From 07th December, 2009 till 31st May 2012 or until further orders, whichever is earlier	7A, Suvas Co-op Housing Society Ltd. Opp. Rungta Bhavan Rungta Lane, 68-F, Nepean Sea Road Mumbai - 400 006
4	Shri Alok Nigam, IAS Director (representing GOI) Joint Secretary, Government of India, Ministry of Finance, Dept. of Financial Services, Jeewan Deep Bldg.,3rd Floor, 10, Parliament Street, New Delhi 110 001	From 09th December, 2009 until further orders	D- I / 74, Rabindra Nagar, New Delhi
5	Shri. R. Gandhi Director (representing RBI)	From 30 th July 2010 until further orders.	112, Reserve Bank Senior Officers Quarters (Vasant Vihar), 85 , Napean Sea Road, Mumbai – 400 006
6	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 or until further orders, whichever is earlier	01/103, Swastika Apartment 3rd Floor, Opp. B. B. college Ushagram, Asansol Dist. Burdwan Pin - 713301 (West Bengal)



7	Shri Ajay Mathur Director (Nominated by Government of India)	From 05th May 2010 for period of three years and/or until further orders, whichever is earlier	168, Golf Links, New Delhi 110 003
8	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 Apartment 7/90-D, Tilak Nagar Kanpur - 208002
9	Dr. (Smt.) Masarrat Shahid Director (Nominated by Government of India)	From 29th October, 2009, for a second term of three years or until further orders, whichever is earlier	54-AB, NRI Colony Ahmedabad Palace Koh-e-Fiza, Bhopal -462 001 (Madhya Pradesh)
10	Dr. Dharmendra Bhandari Director (Representing Shareholders - Elected from amongst Shareholders other than Central Government)	From 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)	From 24th December, 2008 for a period of 3 years	A-15, Hill Side Indian Institute of Technology (IIT) Powai Mumbai - 400 076
12	Shri Maulin A. Vaishnav Director (Representing shareholders - Elected from amongst shareholders other than Central Government)	From 24th December, 2008 for a period of 3 years	8-Anand Nagar Society, Near New India Mill, BPC Road Jetalpur Road Vadodara - 390 007



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

HIGHLIGHTS OF THE BANK

1. Rich tradition of 102 years of banking experience.
2. As on March 31, 2010, total business increased to Rs. 4,16,080 crore reflecting a growth of 24%.
3. Gross Profit and Net Profit were Rs 4,935 crore and Rs. 3,058 crore respectively on March 31, 2010 and Net Profit registered a growth of 37.3% over previous year.
4. As on March 31, 2010, Credit-Deposit Ratio stood at 84.55% as against 81.94% last year.
5. Retail Credit posted a growth of 23.5% constituting 18.15% of the Bank's Gross Domestic Credit in FY10.
6. Net Interest Margin (NIM) in global operations as per cent of interest earning assets was at the level of 2.74% and in domestic operations at 3.12% in FY10.
7. Net NPAs to Net Advances stood at 0.34% in FY10 against 0.31% last year.
8. As on March 31, 2010, Capital Adequacy Ratio (CAR) as per Basel I stood at 12.84% and as per Basel II at 14.36%.
9. Net Worth improved to Rs 13,785.14 crore registering a rise of 20.6% in FY10.
10. Book Value improved from Rs 313.82 to Rs 378.44 in FY10.
11. Business per Employee moved up from Rs 911 lakh to Rs 1,068 lakh in FY10.

We are one of India's leading commercial banks. 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 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. As part of its business reengineering, the bank is in the process of implementing Global Treasury Solution across key financial centers. It has been implemented successfully in London, Dubai, Brussels, Bahrain & Bahamas. During the year FY2010, the Global Treasury Platform was successfully implemented in Bank's Specialised Treasury Branch In Mumbai. The roll out for the other centers is in progress. Upon implementation, the Bank will have better Global Risk Management set-up and can achieve optimum deployment of resources.

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.



Business Performance

Given below are the details of the Bank's major achievements on business front during FY 2009-2010.

Resource Mobilisation & Asset Expansion

The share of Bank's deposits in total resources stood at 86.61% as of 31st March 2010. The total deposits grew from Rs 1,92,396.95 crore to Rs 2,41,044.26 crore, reflecting a growth of 25.28% over the previous year. Of this, Savings Bank Deposits – an important constituent of low cost deposits grew by 23.67% - from Rs 42,487.28 crore to Rs 52,543.92 crore. The share of low cost deposits (Current & Savings) in Total Global Deposits was at 29.65% and in Domestic Deposits at 35.63%. Unlike the previous year, the banking industry witnessed a movement from term deposits to low-cost deposits during the year as interest rates offered on term deposits declined sharply during 2009-10.

The Bank's Global Advances expanded by 22.19% during 2009-10 led by 21.28% expansion in domestic advances and 25.04% expansion in overseas advances.

Composition of Funds – Global

(Rs. in crore)

Particulars	March 31, 2009	March 31, 2010	Growth (%)
Deposits	1,92,396.95	2,41,044.26	25.28
- Domestic	1,51,408.99	1,85,282.59	22.37
- Overseas	40,987.96	55,761.68	36.04
Borrowings	12,767.91	13,350.09	4.56

Global Advances

(Rs. in crore)

Particulars	March 31, 2009	March 31, 2010	Growth (%)
Advances	1,43,251.41	1,75,035.28	22.19
- Domestic	1,08,548.51	1,31,643.62	21.28
- Overseas	34,702.90	43,391.66	25.04

Wholesale Banking

The Bank's Wholesale Banking Division offers a full range of loan products and services such as Term loans, Working Capital facilities, Trade Finance products, Cash Management products, Treasury products, Bridge Loans, Syndicated Loans, Infrastructure Loans, Cross Currency/Interest Rate Swaps, Foreign Currency Loans and many more to its large and mid-corporate clients depending upon their needs. The product offerings are suitably structured taking into account the customers' risk profiles and specific needs. Based on the superior product delivery, passionate service orientation and a customer-centric approach, the Bank has made significant inroads into providing an array of Wholesale Banking products and services to several multinationals, domestic business houses and prime public sector companies.

The focus of the Wholesale Banking operations during FY10 was on promoting innovative products and adopting a well-integrated approach to build new relationship management.

Under Wholesale Banking, the corporate customers are identified as Large and Mid corporates. Companies having annual sales turnover of over Rs 500 crore are classified as Large Corporates and those having annual sales turnover between Rs 100 crore and Rs 500 crore are classified as Mid Corporates.

During FY10, the Wholesale Banking Division sanctioned various credit facilities working out to 660 accounts, consisting of both new and existing ones, amounting to a sum of Rs 70,105.56 crore. The fresh sanctions were mostly given to sectors like Infrastructure, Petrochemicals, Oil exploration, NBFC, Commercial Real Estate, Iron & Steel, Aluminium etc.

Reduction in turnaround time in Wholesale Banking

Efforts were also made to improve the speed of decision making. The average turnaround time for sanction of a proposal was reduced considerably to less than 30 days during FY10 as against 45 days during FY09. With the continued thrust on faster delivery through efficient channels and adoption of better practices in credit administration, the Bank plans to reduce the turnaround time in according a sanction further to less than 20-25 days. The number of Fast-track proposals sanctioned during FY10 was 230 amounting to Rs 32,933.23 crore compared to 122 amounting to Rs 16,525.99 crore last year. The strengthening of fast track clearance of large credit helped in bringing qualitative change in the credit dispensation.



Project Finance Division

The Project Finance Division, a part of the Wholesale Banking Division, earned total fee income of Rs 684.10 lakh during FY10 through conducting 110 TEV studies and vetting of projects as against Rs 327 lakh during the previous year. Out of this, a sum of Rs 397.80 lakh was earned from three Loan Syndication Deals.

Marketing Efforts in Wholesale Banking

In order to further broaden the corporate credit function a credit syndication cell commenced operations in October 2009. It has been tracking the 'Projects Today' database on a regular basis to identify upcoming projects and identified newer companies from the point of view of the significant business opportunities and syndication.

Other initiatives

- The processing of proposals has been simplified to reduce the turnaround time drastically.
- The time taken for according Agreement-in-principle has been reduced to 2-3 days.
- The Bank's existing corporate customers have been proactively approached for building more robust relationships.
- A substantial improvement has been brought out in communication channels between the Corporate Office and Operating Units of the Bank.
- Higher focus is placed on upgradation of skills and knowledge levels of officers working in the Department including the new campus recruits.

The wholesale banking department is set to bring about qualitative transformation in credit distribution and is committed to a broad-based, well-diversified growth.

Retail Business

Retail Business continued to be one of the thrust areas for achieving business growth during FY10. In order to achieve the sustained growth of assets/ liabilities, the Bank had improved and customized several retail lending products.

Retail Loan outstanding as on 31st March 2010 was Rs 24,247.71 crore as against the level of Rs 19,627.55 crore as on 31st March, 2009. A growth rate of 23.54% (Rs 4,620.16 crore) was registered during FY10 as against the growth rate of 16.19% (Rs 2,723.35 crore) posted during FY09. The growth under five key products (excluding LABOD/ODBOD etc) was 22.65% (Rs 3,507.36 crore) over the level of Rs 15,484.63 crore as of end-March, 2009. During the same period of FY09, growth under the five key products was 18.03% (Rs 2,365.85 crore) over the level of Rs 13,118.78 as of end-March, 2008.

NPA under the Retail Loan

The amount of Non Performing Assets as on 31st March, 2010 under the Retail Loan segment is Rs 511.77 crore (2.11%) as against the level of Rs 487.25 crore (2.48%) as on 31st March 2009 and Rs 507.72 crore (3.01%) as on 31st March 2008.

Savings Bank Deposits

The Bank's overall Savings Deposits stood at a level of Rs 51,257.53 crore as on 31st March 2010 registering a growth of 24.03% (Rs 9,929.34 crore) over the level of Rs 41,327.00 crore as on 31st March 2009. The Bank's CASA share has improved from 34.87% as on 31st March 2009 to 35.63% as on 31st March 2010 helping Bank in keeping good control over the cost of deposits.

Initiatives in Retail Banking

New Products Launched

- An exercise on **realignment of assets** was carried out on March 28, 2009 for reducing the total number of retail asset products from 26 to 9. This came into force on April 01, 2009.
- At the instance of Ministry of Finance, Government of India, a new subsidy linked housing loan scheme under the Bank's Home Loan Product styled as "Interest Subsidy Scheme for Housing the Urban Poor (ISHUP)" was launched on October 10, 2009.

Business Initiatives

- A "Home Loan Campaign" was launched from 15.06.09 to 14.08.09 with special emphasis on take-over of Home Loan accounts. A 100.0% waiver of Documentation and Processing charges was offered for Home loans and Auto loans. The campaign period was extended upto 31.08.09. An additional business of Rs 1,156 crore by way of fresh sanctions was generated during the campaign as against a target of Rs 750 crore.



- Another Retail Loan Festival Campaign was launched on 01.09.09 to encash the business potential of the festive season during September and October 2009. A fresh business of Rs 1,680 crore was mobilized during the campaign period as against the target of Rs 2,000 crore set for the campaign. One more Retail Loan campaign, launched on 15.01.10, generated additional business of Rs 772 crore.
- For mobilizing low cost deposits, a Savings Bank Deposit Campaign was launched on 15.06.09. An amount of Rs 2,437.35 crore as fresh Savings Bank Deposit was mobilized during the campaign as against the target of Rs 2,000 crore. Another SB deposit campaign, launched in January 2010, yielded fresh SB deposits of Rs 1,057.17 crore.
- For giving boost to the Auto Loan portfolio, MoUs were signed with M/s Honda Sael Cars India Ltd and M/s Toyota Kirloskar Motors Ltd on 11.06.09 and 16.09.09 respectively, in addition to MoUs already signed last year with a number of leading car manufacturing companies viz. Maruti Suzuki India Ltd, Tata Motors Ltd, Hyundai Motors India Ltd and Mahindra & Mahindra Ltd.
- Six new Retail Loan Factories (RLFs) have been opened during FY10 at Chandigarh, Gamdevi (MMSR), Patna, Coimbatore, Ranchi and Allahabad. The total number of operational RLFs is now 30.
- With a view to provide a high class banking experience to the young customers in general and IT/techno savvy youth in particular, our Bank has pioneered an outfit styled as Gen-next Branch. At present, the total number of Gen-next branches is seven.
- The Bank has already made Home Loan and Education Loan Application modules online. The Bank, now, proposes to bring Auto Loan Application module also online very shortly. With this, the applicants can have an online track to know the status of their loan applications.
- The Bank has made an arrangement with Kotak Life Insurance to provide life insurance cover to the Bank's Home Loan borrowers against the entire loan outstanding balance and full tenure of the loan at the option of the borrower. This would be made available against the payment of a nominal premium amount paid by the Bank and recovered along with EMIs of the loan from the borrowers.

Wealth Management Services

During FY10, the Bank signed Corporate Agency Agreement with its joint venture company in life insurance, IndiaFirst Life Insurance Co. Ltd., to market their life insurance products under Wealth Management Services. The life insurance company is a joint venture amongst Bank of Baroda (share 44.0%), Andhra Bank (share 30.0%) and Legal & General, U.K. (share 26.0%).

As part of customer centric measures, the Bank has been providing Wealth Management Services to its High Net worth Individuals (HNI) and affluent customers as a total financial solution at one place since June 2004. At present, the Bank provides through the network of its branches various third party products in Life Insurance, Non Life Insurance including Health Insurance, Mutual Funds and Equity Trading under tie-up arrangements through different partners along with its own joint ventures in Life Insurance and Mutual Fund. In Mutual Fund segment, the Bank's joint venture Baroda Pioneer Asset Management Co. Ltd. is in association with Pioneer Investments of Italy.

Moreover, the Bank extended the ASBA (application supported by Blocked Amount), the supplementary process of applying in IPO / FPO / Right issues to 60 more branches during the year to facilitate its customers. These 60 branches are located in centres, which have been traditionally inhabited by investors in the capital market.

The Bank has also established 'Baroda Gold Lounge' in 13 select strategically located branches which are distinct dedicated spaces to provide par excellence investment advisory services to HNI customers of the Bank. Various initiatives of the Bank under Wealth Management Services have been decently contributing to its "Non-Interest Income", which has emerged as the important earning stream in recent years.

Bank of Baroda's Joint Venture in Life Insurance Business

The Bank has diversified into life insurance business by forming a three-way Joint venture amongst Bank of Baroda, Andhra Bank and Legal & General Group Plc (UK). The initial authorised capital of the company is Rs 200 crore, which is subscribed by the three partners in the ratio of 44.0%, 30.0% & 26.0%. The company has been named as "IndiaFirst Life Insurance Company Ltd." The IndiaFirst has received an overwhelming response from the Bank's esteemed customers across the country making the company the fastest ever Insurance company to reach Rs 100 crore premium collections in the first 100 days. The company also proposes to service the rural markets with customized products and processes and make delivery more appropriate and cost efficient to match the practical realities of rural India.



MSME Business

The Micro, Small and Medium Enterprises (MSME) segment has been a vital component of Indian economy. This sector accounts for around 40.0% of total industrial production, 34.0% of industrial exports, 95.0% of industrial units and 35.0% of total employment in manufacturing and service sectors of India. The unorganized sector which forms a major component of the MSE segment comprises almost 95.0% of total industrial units and employs over 65 million people.

The contribution of Services Sector within the SME segment is quite significant; especially IT enabled services, hospitality services, tourism, couriering, transportation, etc. The SMEs have also been playing a vital role in the job creation process.

To give a focused attention to emerging SMEs in India, the Bank has been considering other commercial units with a turnover up to Rs 150 crore at par with the SMEs.

To promote the growth of SME Sector, the Bank has launched a special and novel delivery model, viz. SME Loan Factory, which at present, is operationalised in 36 centres of the Bank and well accepted in the marketplace. The SME Loan Factory is an innovative model for streamlining processes and for timely sanctions of SME loan proposals. The model comprises of the Central Processing Cell for speedy appraisal and sanctioning of proposals within the stipulated deadline.

Out of 36 SME Loan Factories as on 31st March 2010, three SME Loan Factories have been established during the year. The Bank has SME Loan Factories at all major business centres across the country, viz. Agra, Ahmedabad, Bangalore, Bareilly, Baroda, Bhilwara, Bhubhaneshwar, Bulsar, Chandigarh, Chennai, Coimbatore, Dehradun, two Factories in Delhi, Hyderabad, Indore, Jaipur, Jamshedpur, Jamnagar, Jodhpur, Kanpur, Kolhapur, Kolkata, Lucknow, Ludhaina, 3 Factories in Mumbai, Nagpur, Nashik, Pune, Rajkot, Raipur, Surat, Varanasi and Vishakhapatnam.

These SME Loan Factories sanctioned loans aggregating Rs 11,071 crore during FY10 as against Rs 8,508 crore in the previous year.

Growth of Business

The total outstanding in MSME Sector works out to Rs 21,111 crore as on 31st March 2010. The growth in lending to MSME Sector during the last three years is given in the table below.

Financial Year	Growth (%)
2007-08	31.11
2008-09	24.18
2009-10	43.98

The percentage growth of MSME credit during FY10 is relatively high as the advances up to Rs 20 lakh to Retail Trade are, now, classified under the “Micro & Small Enterprises Sector” after the RBI’s revised guidelines issued during September, 2009. The Bank has taken the following initiatives in its SME business segment during the year under review.

Initiatives in SME Financing During FY10

- The Bank set up three new SME Loan factories during FY10.
- The Bank sponsored workshop on “Management Skills to source financing and Management of Technology by SMEs” arranged by AIMA at Kolkata, Bangalore.
- The SME Meets and interactive sessions were held at various centres with SME customers
- The Bank introduced seven new customer-centric area specific products to suit the local cluster needs.
- The Bank Sponsored a full day Seminar on “Importance of CFO & Financial Advisory Services for SMEs” jointly with Maharashtra Industrial and Economic Development Association, India International Trade Centre (IITC-India), SME Training Institute of India and CFO and Financial Advisory Council for SMEs.
- The Bank celebrated SME Month from 1st December, 2009 to 31st December, 2009, which was subsequently extended upto 15th January, 2010 in order to give boost to SME advances. The concessions in rate of interest and service charges were announced for loans sanctioned during the celebration period.
- The Bank participated in the Workshops arranged by D&B in partnership with CGTMSE on Bank Credit to Micro & Small Enterprises and Role of Credit Guarantee.



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 1,126 rural branches and 721 semi-urban branches. The Bank has opened 97 new branches in rural and semi-urban areas during FY10. The Bank is the convener of **State Level Banker's Committee (SLBC)** in UP and Rajasthan. The Bank shoulders the Lead Bank Responsibility in 44 districts in the states of Gujarat (12), Rajasthan (12), Uttar Pradesh (14), Uttaranchal (2), Madhya Pradesh (2) and Bihar (2).

The Bank has sponsored five **Regional Rural Banks (RRBs)** in various states with a branch network of 1,209 branches and total business of more than Rs 16,000 crore as of end-March, 2010.

Performance of Priority Sector Lending in FY10

Priority Sector Advances of the Bank surged from Rs 39,239.08 crore as at the end-March 2009 to Rs 48,552.36 crore as at the end-March 2010 and formed 44.43% of the Adjusted Net Bank Credit (ANBC) against the mandated target of 40.00%. **Agriculture Advances** of the Bank recorded a growth of 27.43% over the previous year and rose to Rs 21,617.30 crore as at end-March 2010.

Under its flagship agriculture loan product "Baroda Kisan Credit Card", the Bank issued as many as 1,85,419 Credit Cards during FY10 to provide credit to farmers. The Bank has financed as many as 1,93,816 **new farmers** during FY10. As a part of its microfinance initiatives, the Bank credit linked 24,954 **Self Help Groups** with an amount of Rs 187 crore during FY10 thereby taking the total number of SHGs credit linked to 1,15,685 amounting to Rs 793 crore.

Business and Social Initiatives

The Bank introduced various initiatives/strategies during FY10 to harness the emerging opportunities for rural and agriculture lending. Some of them are mentioned below.

To augment the Agriculture advances, the Bank has conducted **special campaigns** viz. Kharif and Rabi campaign for crop loans under which the disbursements of Rs 1,888 crore and Rs 818 crore were made respectively. Another Campaign for Investment Credit was also launched under which disbursements of Rs 742 crore were made.

The Bank organized **2,857 Village Level Credit Camps** and disbursed Rs 2,484 crore to 1,90,534 borrowers during FY10. The Bank has identified **450 Thrust Branches** across India to enhance Agriculture lending which constituted 34.0% of total Agriculture lending as at end-March 2010.

The Bank formulated various **area-specific schemes** tailor made to the needs of local requirements, particularly where there is a concentration of industries like Rice Mills, Cold storages, cotton ginning units, Poultry units, etc. Suitable concessions in rate of interest, charges, etc. were allowed under these schemes to garner maximum possible business. As many as 18 area specific schemes were formulated to increase agricultural lending.

Towards effective use of **technology in rural agricultural lending**, the Bank has introduced IT-enabled smart card based technology for financial inclusion. At present, the smart card based financial inclusion is being implemented in the states of Uttar Pradesh, Rajasthan and Gujarat. Currently, the Bank has about 309 ATMs in Rural/Semi-urban areas. Moreover, all its rural and semi-urban branches are under the Core Banking Solution or the CBS platform.

The Bank has adopted Dungarpur district (Rajasthan) which is primarily a tribal district and one of the most backward districts in the country for Total Integrated Rural Development and 100.00% Financial Inclusion towards its Corporate Social Responsibility. The project was launched on 1st October 2007. We are pleased to share with you that 100.00% Financial Inclusion in Dungarpur district has already been achieved. So far, credit of Rs 35.91 crore has been disbursed to 15,440 borrowers for Dairy Development, Cultivation of High Value Crops, Vegetable cultivation, etc. Various other developmental activities like training, scholarships to girl students etc. are also being done under the project. Scholarships amounting to Rs 8.76 lakh to 30 tribal girl students have been provided under the project.

The Bank has adopted 101 villages as "**Baroda Centenary Year Villages**" for Total Integrated Development spread over three years and also for 100.00% Financial Inclusion. Furthermore, the Bank has provided social infrastructure like solar lamps, bus stand shelters, hand pumps, community halls etc. in 73 villages by giving grant of Rs 92.42 lakh.



Baroda Grameen Paramarsh Kendra (BGPK) – is another initiative undertaken by the Bank to help the rural community by providing Credit Counseling, financial literacy and other services like information on the prices of agricultural produces, scientific farming, etc. The Bank has established 52 BGPKs as on 31st March, 2010.

Around nine more **Baroda Swarojgar Vikas Sansthan (BSVS)**, **Baroda R-SETI** Centres were opened during FY10. With this, the total number of BSVS has gone up to 25. Raebareli and Ajmer BSVS have been created exclusively for women entrepreneurs. The BSVS are primarily the institutes for training the youth and imparting knowledge and skills required for taking up self-employment ventures. During FY10, 16,191 youth/beneficiaries were trained out of which 10,135 have established self-employment ventures. Out of the total 37,230 beneficiaries trained by these centres so far, 21,704 have established their self employment ventures.

Business Facilitators Model

This model has been implemented across the country to accelerate Financial Inclusion of the excluded segment as well as to augment agriculture portfolio. Business Facilitators will mainly canvass loan applications for the Bank for which Bank will pay them compensation. Individuals including retired Bank and Government staff, NGOs, Farmers clubs and SHGs are engaged as agents to greatly improve the Bank's outreach in the rural/semi-urban areas.

The Bank has opened **Micro Loan Factory** at Sultanpur in U.P. during the year under review. The Bank is already having mobile micro finance loan factory at Rae Bareilly. The Micro Finance Loan Factory has a mobile van with facilities and all related stationeries/ documents on SHG financing. It is manned by officers who are duly authorised to sanction and disburse loans upto Rs 25,000 to SHGs on the spot and at their door steps.

Performance of Regional Rural Banks (RRBs) sponsored by the Bank

The Bank has sponsored five RRBs as under.

- Baroda Uttar Pradesh Gramin Bank, Head Office : Raebareli.
- Baroda Rajasthan Gramin Bank, Head Office : Ajmer.
- Baroda Gujarat Gramin Bank, Head Office : Bharuch.
- Nainital-Almora Kshetriya Gramin Bank, Head Office: Haldwani.
- Jhabua-Dhar Kshetriya Gramin Bank, Head Office : Jhabua.

The aggregate business of these five RRBs rose to Rs 16,244.41 crore as of March, 2010 from Rs 14,278.28 crore as at end-March, 2009, registering a growth of 13.77%.

The five RRBs together posted a net profit of Rs 118.93 crore during FY10 as against Rs 103.32 crore earned during FY09. The "Net Worth" and the "Reserves and Surplus" of all these RRBs put together improved from Rs 490.19 crore at end-March, 2009 to Rs 609.12 crore at end-March, 2010 and from Rs 272.35 crore at end-March, 2009 to Rs 354.43 crore at end-March, 2010, respectively.

Bank's Drive towards Financial Inclusion

As indicated earlier, the Bank has taken several initiatives for Financial Inclusion and has achieved 100.00% Financial Inclusion in 21 out of 44 of its lead districts. Over two million no-frill savings accounts have been opened in the Bank so far.

As part of the financial Inclusion initiatives, the Bank has opened Financial Literacy and Credit Counselling Centres (**FLCCs**) christened as "**SAARTHEE**" at Ajmer, Raebareli, Amethi and Baroda. These centres will be providing financial literacy and credit counselling to needy persons. The Bank has plans to open more such centres in its lead districts in due course.

The Bank has approved **Financial Inclusion Plan** for providing banking services in the un-banked/under-banked 20,000 villages during the next three years. The Bank has planned to cover 6,000 villages during FY11 including villages having population of 2,000 and above allocated by the respective DCCs. The remaining 14,000 villages will be covered during the next two years, covering 7,000 villages each in the financial years FY12 and FY13. The banking services will be provided to these villages through Information and Communication Technology based models like smart cards, micro ATM, mobile vans and brick and mortar branches, wherever feasible.

The banking products like No frill SB accounts with inbuilt overdraft facility, Recurring Deposit, Baroda Kisan Credit Card (BKCC), Baroda General Credit Card (BGCC) as well as non banking products like Small remittances, Insurance products, etc., will be provided to the rural masses.



The Bank expects to open more than 41 lakh no-frill accounts and also generate substantial amount of business in terms of deposits, advances, remittances and selling of insurance products under this plan.

Advances to SC/ST Communities during FY10

The outstanding advances granted by the Bank to SC/ST communities have been growing year after year. This is evident from the fact that the outstanding advances granted to these beneficiaries went up from Rs 2,799.93 crore as at end-March, 2009 to Rs 3,100 crore as at end-March, 2010. In fact, the SC/ST communities accounted for a share of 28.0% in the total advances granted to Weaker Sections during the year under review. Furthermore, a special thrust is laid by the Bank in financing SC/ST under various government sponsored schemes namely Swarnajayanti Gram Swarajgar Yojana (SGSY), Swarna Jayanti Shahari Rojgar Yojana (SJSRY), Prime Minister Employment Generation Programme (PMEGP), etc.

Around 25 Baroda Swarajgar Vikas Sansthan (BSVS) have been giving due preference to SC/ST communities while selecting the trainees. It is heartening to indicate that so far, these centres have trained 7,501 youths under the SC/ST category of which 3,568 have already established their self employment ventures.

International Business

With the global economic scenario not having completely settled down after the financial crisis, the Bank faced several challenges in pushing the growth of its overseas business and, at the same time, maintaining good quality of assets. Yet, the Bank's international operations showed a good growth in all the business parameters during FY10. The profitability too got a big boost with reversal of provisions made during FY09 on 'mark to market' of Investments.

As the Bank has a large customer base for mobilization of deposits, it did not face any liquidity problem during the year under review. Yet, it raised funds in the International market at competitive rates so as to create a good capital base.

During the year under review, the Bank further strengthened risk management procedures & AML systems, launched aggressive marketing campaigns, expanded customer base and took various steps in the interest of long-term growth of business. The Bank continued with its aggressive branch expansion plans to take advantage of the business opportunities available in various countries around the world.

Business & Profit Performance in Overseas Operations

During FY10, the total business (Deposits+Advances) of the Bank's overseas branches registered a growth of 30.92%. Out of this, the Customer Deposits increased by 33.67%, Total Deposits by 36.04% and Advances increased by 24.90%. The International Operations contributed 23.8% to Bank's global business as on 31st March, 2010.

Total Assets

Total Assets of the Bank's International Operations increased from Rs 51,165 crore to Rs 68,375 crore registering a growth of 33.64% during the year.

Net Profit

The Net Profit of International Operations during FY10 increased by 108.08% over that of the previous year. This substantial increase came from some improvement in global market conditions and sizeable reversal of provision made during the previous year on 'Mark to Market' of Investments. The contribution of international operations to the Bank's global Net Profit was 28.65% during FY10.

Asset Quality

The Bank further strengthened the monitoring of assets to contain slippages and also intensified the efforts for recoveries in accounts already classified as NPAs. The accounts restructured during FY09 as per regulatory norms were given added attention during FY10 so as to contain incremental delinquencies.

In fact, the Bank was able to further improve the quality of its overseas assets. The Gross NPAs to Total Advances have been brought down from 0.51% as of end-March 2009 to 0.47% as of end-March, 2010.

The Net NPAs were also contained at 0.1% - close to almost zero level.



International Presence

The Bank's international presence covers 25 countries through its 78 offices, the break-up of which is given below:

Bank's Overseas Branches	48
Bank's Representative Offices	03
Branches of Bank's Overseas Subsidiaries	27
TOTAL	78

In addition to the above, the Bank's associate in Zambia has -12- branches.

Overseas Expansion

During the year under review, four new branches of the Bank's subsidiaries were opened at San Fernando (Trinidad & Tobago), Chaguanas (Trinidad & Tobago), Mukono Uganda) and Lira (Uganda).

Future Expansion Plans

The Reserve Bank of New Zealand registered the subsidiary, Bank of Baroda (New Zealand) Ltd., as a Bank from 1st September, 2009 and the branch at Auckland will be opened shortly. Steps have been initiated for opening of branch at Ilford, Essex (U.K.) and approval has been received for opening of three Electronic Banking Service Units in UAE. The Bank has also filed application with the host country Regulators for setting up a subsidiary in Suriname. In Malaysia, application has been filed with Bank Negara Malaysia for setting up a subsidiary in Joint Venture with two other Public Sector banks of India.

The Bank has initiated steps for further expanding the overseas network to canvass business and enhance the profitability. The growing volume of India's external trade and investments and the increasing presence of Indian Corporates/NRIs/PIOs around the world offer tremendous opportunities for canvassing business.

The Bank has initiated steps for opening of branches/offices in Canada, Russia, Qatar, and upgradation of Representative Office in Australia to a Branch. Applications filed with home country regulators for opening of branches in Russia, Canada, New Zealand, Australia, Qatar and Mozambique are under process. The Bank also has plans to further expand its branch network in UAE, Oman, UK, USA, Uganda, Kenya and Botswana etc. to take advantage of the business opportunities.

Syndication Centre

The Bank has set up Global Syndication Centres at London and Dubai to focus on the business of Syndication Loans in International Market. The Offshore Banking Unit at Singapore is also actively contributing in canvassing this business. The activities are supported by the specialized outfit – International Merchant Banking Cell (IMBC) at Corporate Office, Mumbai to serve the increasing demand of Indian Corporates for raising funds from International markets. The IMBC is being further strengthened to focus on loan origination.

Products and Services

To take advantage of the CBS, the Bank has been launching new products and services and also modifying existing products to bring these in line with the local requirements and at par with those offered by other International Banks.

The Bank has been making efforts for popularization of these products through marketing campaigns.

Technology Up gradation

- **Installation of additional ATMs:** The number of ATMs at Overseas Territories and Subsidiaries increased to 55 (36 onsite and 19 offsite) as on 31st March, 2010 from 45 (31 onsite and 14 offsite) as on 31st March, 2009.
- **Global Treasury Solution** has been implemented at UK, UAE, Bahamas, Bahrain and Hong Kong. The Bank's Singapore Territory will be covered by June, 2010.
- **Swift Centralisation** activity has been started at the Bank's Mumbai Main Office.
- **SAM** has been implemented in China, Mauritius, Seychelles, Bahrain, Ghana, Trinidad & Tobago (T&T), Kenya, Oman, Uganda, Hong Kong, Bahamas, Tanzania, Fiji, UAE and Guyana.



- **Payment Messaging Solution** is being implemented at various overseas centres. It is an interface between Core Banking Solution (Finacle) and Swift, which will help in straight through processing of incoming and outgoing swift messages with Anti Money Laundering check. The PMS has been implemented in UAE, Oman, Fiji, Tanzania, Bahamas, Uganda, Guyana, HK, Botswana, Seychelles, Mauritius, South Africa & Kenya. PMS in Ghana, T&T, China, Singapore, New Zealand and Bahrain will be covered by the end of FY11.
- **Anti Money Laundering Compliance**
The AML online list match and AML Erase Solution have been implemented in 14 overseas territories/subsidiaries. The facility will be extended to T&T, Ghana, Singapore & Bahrain by end of May 2010.
- **A view based E-BANKING** has been launched in Mauritius, Seychelles, Fiji, UAE, Oman, Botswana and Tanzania. A transaction based e-banking is presently being implemented in Botswana, Uganda and will be extended to all other territories in a phased manner.

Risk Management in Overseas Business

In compliance of the BASEL II guidelines, “integration and processing of data of all the overseas territories” are dealt with at the Bank’s International Division. To comply with the Regulatory Norms on Credit Deployment, Asset Quality, Provisioning and Computation of Risk Weighted Assets, the Bank will be implementing ASCROM (Asset Classification and Credit Monitoring) System in all its overseas territories in a phased manner. To generate Global RWA master summary as per the Bank’s policy, the solution will be customized as per the territory specific requirements to compute Risk Weighted Assets (RWA) based on more stringent of norms applicable in Host or Home country. The introduction of ‘ASCROM’ will also be helpful for other MIS purposes and Credit Monitoring.

Regulatory Compliance

The Bank scrupulously follows the home country regulations and has built up a reputation of a regulatory-compliant Bank in all the overseas countries of its operation. The Bank has put in place all the necessary systems to adhere to the Anti-Money Laundering guidelines of the host country regulators

Treasury Operations

The global outlook improved significantly during the year FY10 with most advanced economies posting positive growth. Throughout the year, ample liquidity remained in the domestic financial system, keeping the short-term interest rates near the Reverse Repo Rate. However, given the business confidence in the economy, the RBI has started sequencing the ‘exit’ from an expansionary Monetary Policy in a calibrated way so that while the recovery process is not hampered, inflationary expectations remain anchored.

During the year, medium to long-term bond yields increased considerably. From as low as 6.12% in April 2009, the 10-year GOI Bond Yield peaked to 8.0% towards the end of the year. Looking at the overall economic strengths of India and having doubts about the sustainability of lower interest rates for a longer term, the Bank’s Treasury Division focused on reducing the duration of the portfolio and exited longer duration bonds in the market and booked profits during the first quarter of the year. This strategy helped safeguard the “Bonds Portfolio” from excessive depreciation and left an opportunity to invest in these long-term bonds when the yields rose later in the year. Given the volatility in the yields, focus remained on active trading. This helped boost trading income. Besides, the Treasury continued to actively encash the arbitrage opportunities available between Money market, CBLO, G-sec and resources generated through USD/INR swaps. The treasury branch was active in utilizing market opportunities and used Rupee interest rate swaps viz Overnight Indexed Swaps and INBMK swaps to hedge the assets and liabilities from time to time. The Bank has an active Derivatives desk at its Treasury Branch, which offers customized solutions to suit the requirements of corporate clients in hedging their interest rate and currency risks. The Derivatives desk has also initiated trading in exchange traded Interest rate futures reintroduced in the market during the year.

The Corporate Bond markets saw the spreads shrinking vis-à-vis the comparable government securities leading to large issuances in the primary market. During the year under review, Treasury Branch was active in raising long-term resources for the Bank. It raised Rs 1,900 crore in four tranches through a mix of Upper tier II and innovative perpetual Bonds.

Successive good growth figures locally, fortified the thought that India to a large extent is a decoupled economy leading to higher business confidence. A sense of investor confidence prevailed and the FIIs and DIIs started investing in the stock market, sensing growth opportunities in the Indian Economy. Echoing the sentiment, BSE Sensex peaked from 9,900 in April, 2009 to 17,700 in March, 2010. The operation at the Equity Desk of the Bank remained active and vibrant. Sensing the opportunity, the Treasury accumulated stocks at lower levels. This strategy of accumulation when the Index was lower helped in active churning of the portfolio and generated good profits for the Bank.



In the foreign exchange market, Indian rupee appreciated against US Dollar during the year. It rose by 12.29%, moving from Rs 51.19 as on 1st April, 2009 to Rs 44.90 as on 31st March 2010 against the USD. The Bank's integrated Treasury continued to be a prominent market maker in USD/INR, EUR/USD & GBP/USD. The Forex market remained very volatile, during the year under review, due to spiral effect of sub-prime crisis across all Financial Centres. The Bank's Foreign Exchange Dealing Room has been able to encash the volatility and earned good profit for the Bank. The Forex desk introduced trading in the exchange traded Currency Futures during the year.

A 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 Exchange traded Currency and Interest Rate Futures, 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.

As part of its business reengineering, the Bank is in the process of implementing Global Treasury Solution across key financial centres. It has been implemented successfully in London, Dubai, Brussels, Bahrain & Bahamas. During the year FY10, the Global Treasury platform was successfully implemented in the Bank's Specialized Treasury Branch in Mumbai. The roll out for other centres is in progress. Upon implementation, the Bank will have better Global Risk Management set-up and can achieve optimum deployment of resources.

A full-fledged Mid-office in 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.

Corporate Social Responsibility (CSR)

As a responsible corporate citizen, it has been the vision of the Bank to empower the community through socio-economic development of underprivileged and weaker sections. In its continued efforts to make a difference to the society at large, the Bank further intensified its efforts in this direction in FY10. The Bank has established **Baroda Swarozgar Vikas Sansthan (Baroda R-SETI)** for imparting training to unemployed youth, free of cost for gainful self employment and entrepreneurship skill development which help them improve their family economic status and also gives a boost to the local economy in those locations. So far 25 such Santhans have been established by the Bank in which more than 37,000 youth have been trained and around 22,000 have been gainfully self employed.

Most of the Bank's social activities are linked to rural masses. The Bank has established 52 **Baroda Gramin Paramarsh Kendra** for knowledge sharing, problem solving and credit counseling for rural masses across the country. In order to spread awareness among the rural mass on various financial and banking services and to speed up the process of financial inclusion, the Bank has also established four **Financial literacy and Credit counseling Centres (FLCC)** at Ajmer, Amethi, Baroda and Raebareli.

The Bank has adopted 101 villages across India for their all-around development and providing financial assistance for development of infrastructure facilities like setting up village libraries, community hall and solar lighting systems in villages. The Bank has also adopted Dungarpur District in Rajasthan for total integrated rural development and 100.00% financial inclusion. Under the project, the Bank has also provided scholarships to 50 tribal girls to promote education among tribal community.

Asset Quality Management

The Bank has continued to maintain its outstanding performance in asset quality/NPA Management during FY10 also. In spite of huge slippages experienced by the banking industry due to economic downturn, the Bank could restrict its Gross NPA level to Rs 2,400 crore i.e. 1.36% of Gross Advances as on 31st March 2010 as against 1.27% as on 31st March 2009.

It is worth mentioning here that, despite the Reserve Bank of India permitting to treat accounts falling under "ADWRS" as 'STANDARD' (due to the extension of repayment period by Government of India), the Bank has continued to treat such advances amounting to Rs 205.39 crore as NPA/Loss assets as a prudent measure. If the same are netted out, Gross NPA Ratio improves to 1.23% as at the end of FY10 as against 1.27% last year. The Net NPA has slightly increased to 0.34% as on 31st March 2010 as against 0.31% as on 31st March 2009.



The Incremental Delinquency Ratio during FY10 was contained at 1.13% as against 0.95% during FY09. This ratio is arrived at by taking the share of fresh slippages during the year in the opening balance of standard accounts at the beginning of the year.

This was made possible by the Bank's two-fold strategy of NPA management i.e. preventing slippages by adopting strict control measures, and by pursuing aggressive and rigorous recovery effort. Various novel steps undertaken by the Bank during FY10 are well reflected in the increased standard advances portfolio as under.

(Rs. in crore)

Asset Category (Gross)	March 31, 2010	March 31, 2009
Standard	1,74,736.43	1,43,001.94
Gross NPA	2,400.69	1,842.92
Total	1,77,137.12	1,44,844.86
Gross NPA is comprising of:		
Sub-Standard	894.83	665.26
Doubtful	743.23	832.32
Loss	762.63	345.34
Total Gross NPA	2,400.69	1,842.92

The Bank's NPA coverage ratio at 74.90% as on 31st March, 2010 was comfortably above the new norm of 70.0% set by the Reserve Bank of India during FY10.

The Bank's strategy of rigorous follow up of all NPA accounts has yielded cash recovery of over Rs 383 crore, besides upgrading of accounts of over Rs 194 crore into standard category during the year under review. Over and above this, the cash recovery in prudentially written off accounts amounted to over Rs 300 crore during FY10.

The Bank has launched a special drive viz **Sankalp-2** for recovery in non-performing loans with small outstanding balances up to Rs 10 lakh. The scheme was highly successful and yielded cash recovery of over Rs 128 crore during the campaign period. Pursuant to the RBI directive, the Bank also formulated one-time-settlement scheme (or OTS scheme) for non performing loans in the MSE sector with outstanding up to Rs 10 crore and recovered a sum of over Rs 28 crore.

Technology Environment

The Bank has been continuously implementing a total end-to-end business and IT strategy project covering the Bank's domestic, overseas and subsidiary operations. Some of the major IT initiatives/technological achievements of the Bank during FY10 are mentioned below.

- The Bank has achieved **100.0% CBS for all its domestic branches** during September, 2009.
- The Bank's **Internet Banking, viz., Baroda Connect**, is an important delivery channel, both for its retail and corporate customers, providing facility to transfer funds, query account status, pay both Direct and Indirect Taxes online, certain State Taxes, make payment of utility bill and book rail tickets, online interbank payment using NEFT/RTGS. Online bill presentation and payment and shopping for selected portal and donation to selected temples SMS Alert facility are provided to eBanking customers To protect our customers from phishing attempts, beneficiary registration for third party fund transfer activities has been introduced. The Bank has also launched School Fee Collection Module.
- The Bank has implemented the **ATM Switch application** to meet the Bank's objective of integrating with a wide variety of front-end delivery channels including ATM, POS, Payment Gateway, Debit Card Management System and providing online authorization services by connecting to Bank's Core Banking Solution. BASE 24 is fully operational for all domestic ATMs and for ATMs in 7 overseas territories. The Bank has launched School Fee Collection Module in August 2009 which enables payment of School / Institution fees through Bank's ATM. The Bank has also implemented multiple accounts being linked to a single Debit Card. Debit Card is also enabled for online shopping on the merchant website.
- The Bank has launched **Phone Banking** facility to customers, which enables them to get the Bank's products information, enquire balances in their account, status of cheques, order statement of account through fax or email.
- All CBS branches of The Bank are enabled for inter bank remittances through **RTGS and NEFT**.



- The Bank has activated a **Rapid Funds2India – an online money transfer service** in its overseas branches located within UAE, Oman, UK, Mauritius, Seychelles, Botswana, HongKong, Fiji, Ghana, Kenya, Guyana, S.Africa, Tanzania, Uganda, Trinidad & Tobago, US and Zambia. The non-resident Indians or NRIs in these territories can avail of this service which facilitates almost instant credit to their accounts in any CBS branch in India. In case, they are maintaining accounts with other banks, same day or next day credit is facilitated through RTGS / NEFT.
- The Bank has completed a 3D Secure Implementation under the **Internet Payment Gateway Project (IPG)**. The IPG facilitates direct customer merchant transactions and settlement through the Bank's central ATM Switch.
- The Bank has launched **Corporate Cash Management** services, which enable its corporate customers to manage their funds efficiently through bulk payment services, local /outstation fund collection (paper based or electronic) and liquidity through fund pooling facility.
- The Bank has also launched Institutional Trading under the **Online Trading Project** on 17th October 2009.
- It has also made **Retail Depository Services** available to its customers. With a centralized depository application, its branches are equipped to provide depository services for both National Securities Depositories Lt. (NSDL) as well as Central Depository Securities Ltd. (CDSL). The depository customers can now avail of these services from any of the designated branches.
- The Bank has implemented **Global Treasury Solution** in UK, UAE, Bahamas, Bahrain, Hong kong. The Global Treasury for India too went live on 14th December 2009.
- The Bank's **Back office functions** have been centralized at the branch level to relieve the operational staff from the load of cumbersome back-office functions and enable them to focus more on sales and services.
- The Bank has set up three **Regional Back Offices**, at Baroda, Jaipur and Coimbatore, for the process of centralized account opening and issuance of personalized cheque book. The Centralized Pension Payment Cell was also rolled out in Baroda on 7th October 2009.
- The Bank has implemented **Payment Messaging Solution (PMS)** in 126 of its domestic branches (B category branches) and 13 overseas territories. The PMS facilitates Straight through Processing (STP) of SWIFT messages generated from the CBS, and also goes through the AML (anti-money laundering) check.
- The Bank has fully implemented **Enterprise wide General Ledger** in India and in 19 overseas territories.
- The Bank is also in the process of implementation of **Data Warehouse Project (DWH)**. The DWH systems will enable the Bank to use their data in making strategic decisions and forecasting future business trends.
- The Bank has operationalised its **Risk Management Project**. This Project provides desired risk scoring models (for individual proposal) to the Bank, enabling workflow automation of the rating process and estimation of capital requirements for credit portfolio of the Bank.
- The Bank has already implemented **Anti-Money Laundering system (AML)** in 14 overseas territories, viz., Oman, UAE, Fiji, Mauritius, Seychelles, Tanzania, Bahamas, Kenya, Uganda, Guyana, Hongkong, Botswana, U.K., S. Africa. The AML has also been implemented in India and 14 overseas territories through a Batch Process mode.
- The Bank has successfully implemented the **Human Resource Networking for Employees Service** with the main objective of creating a centralised database of its employees for facilitating decision-making, promotion and selection exercise as also for automating other HR processes. In **Payroll**, Salary module, e-TDS modules have been implemented for all domestic offices in India. The "Leave Module" has also been launched and the employees are provided with the functionality of self-service.
- The **Knowledge Management** Project is also being implemented by the Bank. This Project will help the Bank to manage information and knowledge through its lifecycle and ensure maximum utilization of its intellectual assets.
- The Bank has commenced implementation of **Customer Relationship Management** Project. This project will assist in getting greater customer insight, increased customer access, more effective interactions and integration through all customer channels.
- To ensure **Business Continuity** at all times, the Bank has implemented a state-of-the-art Data Centre and also a **Disaster Recovery (DR)** Site. The drills are being conducted at regular intervals and the operations are transferred to the DR site seamlessly to ensure continuity of operations at all times.
- Under the **Green Initiative**, the Bank has adopted environment-friendly systems and technologies in the design of the new Data Center.
- The Bank has also implemented **Solar Power Generation System (SPGS)** in 19 branches and further roll out for 79 branches is under process. The SPGS will provide an alternate source of energy through UPS at branches that face acute power shortage or suffer from large load shedding.



Technology Initiatives under Progress

Given below is the information on some select projects, which are at the implementation stage in the technology department of Bank of Baroda.

- Mobile Banking
- Various customer centric customization/facilities on ATM
- Online Trading – Retail
- Upgrading SMS delivery system
- Implementation of Fraud Management Solution
- Card Management
- Upgrading IT setup for NEFT Straight Through Processing
- Implementation of CBS in the Regional Rural Banks (RRBs).

The Bank's objective is to reorient itself as a technology-enabled Bank and the Bank of the first choice for its customers. Towards this goal, the Bank's technology department is looking at newer ways to make a customer's banking experience more convenient, efficient and effective. In collaboration with various operating units, the Bank's IT department has been continuously developing new tech-based, tailor-made products for the Bank's retail as well as corporate customers.

E-business

The Bank's dedicated cell to e-Business operations provides different types of Alternate Delivery Channels such as ATMs, Internet Banking (Baroda Connect), RTGS/NEFT, Phone Banking, Internet Payment Gateway etc. In addition to this, the e-business cell looks after Depository Services, Cash Management Services and the non-resident Indian (NRI) Services.

Following are the achievements under various segments of e-Business of the Bank during FY10.

ATM/DEBIT Card Operations

Particulars	March 31, 2009	March 31, 2010
No. of ATM operationalised	1,179	1,315
No. of Debit Cards issued	32.60 lakh	45.95 lakh

New Initiatives during FY10

- Payment of school fees through ATMs (tie up with four schools)
- Fund Transfer within self-linked accounts through ATM.

BARODA CONNECT (Internet Banking)

Particulars	March 31, 2009	March 31, 2010
No. of Users	2,21,963	3,66,605
No. of A/cs Linked	7,18,075	12,91,847

- The Bank launched a system for an online donation to Temples/Trusts (at present, this facility is available for three Temples).
- The Bank implemented Beneficiary registration for second factor of authentication to prevent "Phishing" incidents.

BARODA RTGS/NEFT

Particulars	2008-09		2009-10	
	RTGS	NEFT	RTGS	NEFT
No. of Inward Transactions	3,42,145	6,12,701	8,85,527	15,83,158
No. of Outward Transactions	4,43,353	1,50,081	12,93,970	6,61,923
Avg Transactions per day (Inward)	1,133	2,029	2,951	5,277
Avg Transactions per day (Outward)	1,468	497	4,303	2,206

Phone Banking

- This facility was launched 19th March, 2009.
- Number of Users Registered as on 31st March, 2010 was – 2,42,770.
- The Bank is experiencing per day average hits of about 450.



Baroda Cash Management Services (BCMS)

- During FY10, these services were started at ten centres within India.
- There are four modules under the BCMS, out of which three modules have been made operational, i.e., Payment Module, Collection Module & Clearing Module. The fourth module i.e. Invoice Module is yet to be started.
- During FY10, the total number of transactions in BCMS were 9,30,000 with total turnover of Rs 5,000 crore.
- It is proposed to extend these services to 100 more centres in a phased manner.

Non-Resident Indian (NRI) Services

- Total NRI Deposits increased to Rs 16,792 crore as on 31st March, 2010 from the level of Rs 15,066 crore as on 31st March, 2009, representing a growth of 11.46% during FY10.
- The Bank participated in 'Pravasi Bhartiya Divas-2010' in January 2010 at New Delhi.

Depository Services

- The number of identified branches for providing depository services has been increased from 280 to 1,007 during FY10.

Sale of Gold Coins

- The Bank started selling Gold Coins in October, 2007. The Gold Coins in denomination of 2 gm, 4 gm, 5 gm, 8 gm & 10 gm are being sold. These coins are imported from Switzerland and purity of the coins is 99.99%.

New Services to be Started during FY11

- Internet Payment Gateway (Baroda e-Gateway).
- Mobile Banking.

Human Resources

Human Resource strategies have been a key component of the Bank's overall efforts for business transformation and augmenting performance of its operational units. The prime objective of the HR function is to harness the employee potential for serving the customers better. The Bank is endowed with a competent and highly motivated employee base of around 38,000 who are engaged in handling the mammoth business operations of the Bank.

Some of the major HR initiatives taken by the Bank during FY10 were as follows.

Implementation of HR Technology

The Bank implemented an Oracle e-business suite covering HRM and Training under the name of Human Resource network for Employee services (HRNes). Another product from M/s Fluus has been implemented for Payroll, and leave modules. All the Indian employees have been covered in these packages and HRNes has been rolled out to cover even the overseas branches of the Bank. Various modules of the Web enabled Enterprise-wide HR Solution – HRnes were made operational during the year, which enables automation of various functionalities pertaining to core employee data, Roster, pay fixation, seniority, Industrial relations, Disciplinary action, self-service, intimations and permissions, generating alerts, transfer requests, separation, manpower planning, grievance redressal, confirmations, selections, promotions, etc. An E-Learning module was also rolled out on a pilot basis during the year, which takes care of scheduling of training programmes, training enrolments and nomination, monitoring of training budget and training cost, post-training utilization besides linkage to E-learning

HR Initiatives in Capability Building

Substantial training and development activities were carried out during FY10, which included comprehensive grooming programmes in the area of Credit, Forex, Dealing, Branch Management, Planning, Risk Management, etc. besides all-round development and grooming of young officers and new recruits.

The Bank conducted 1,194 training programmes in-house (through its network of 12 Training Centres across the country, two IT training centres and an Apex Training College at Ahmedabad) and thereby trained 26,830 people during the year. Besides, the Bank also sent around 768 employees for undergoing training in various reputed external training institutes of the country and even abroad.



Recruitment Drive

Various recruitment exercises were undertaken by the Bank during the year. **The Bank significantly increased its intake of people from Campuses of various reputed Business Schools which increased from around 75 in the year FY09 to almost 330 officers in the year FY10.** The Bank, for the first time, visited some of the Top Business Schools of the country like IIM, Ahmedabad, Lucknow, Kolkata, etc. and other Tier I Business schools, from where people were taken directly in Middle Management Grade. In the current year, the Bank has recruited almost 650 people from the Campus recruitment mode and they would be joining the Bank in and around June 2010.

Apart from the Campus Recruitment channel, the Bank also recruited almost 530 Probationary Officers, 63 Agricultural Officers and 214 Specialist Officers, besides 1,720 Clerical Staff. The recruitment process continues in the current year also with various recruitment projects underway for filling up almost 1,850 posts of officers and 2,000 posts of clerks.

Framework for Career Progression

Special efforts were made during the year to fulfill the growing aspirations of the employees for faster career progression thereby motivating employees for higher productivity. Keeping this in view, a large number of promotions were released during the year as shown below.

Clerk to Officer	-	509
JM-I to MM-II (Officer to Manager)	-	892
MM-II to MM-III (Manager to Sr. Manager)	-	1190
MM-III to SM-IV (Sr. Manager to Chief Manager)	-	220
SM-IV to SM-V (Chief Manager to Asstt. Gen. Manager)	-	60
SM-V to TEG-VI (Asstt. Gen. Manager to Dy. Gen. Manager)	-	36
TEG-VI to TEG-VII (Dy. Gen. Manager to General Manager)	-	12

Review of HR Policies and Systems

A focused review of all major HR policies and schemes was undertaken during the year in order to bring about more employee friendly rules, ease of processes and more transparency. Key among the policies that were reviewed, framed and put in place during the year included a transparent Transfer Policy for officers, Promotion Policy for Officers, Overseas Selection Policy, HR Resourcing Policy, a revised Employee Performance Management System, etc.

Special Thrust on Development of SC/ ST/ Other Backward Communities

The Bank is committed to the constitutional safeguards and social objectives for development and welfare of persons belonging to SCs, STs and other backward classes in society. Our Bank is one of those banks in the entire banking industry that have the highest number of employees belonging to SCs and STs, which itself shows the commitment of the Bank towards their development and upliftment. Some of the highlights of the Bank's efforts for development and welfare of people belonging to SCs and STs are enumerated as under.

Reservation in Employment: The Bank observes all guidelines stipulated by the Government of India for reservation of posts in employment in All India recruitment and local recruitment. Around 15.0% posts are reserved for SCs and 7.5% posts are reserved for STs in all India recruitments. For other recruitments made on Regional basis, appropriate percentage prescribed for various States are being observed.

Special efforts are made like offering pre-recruitment orientation training to SC / ST applicants for recruitment in the Bank. Relaxation in age limit and qualifications are given and interviews of SC / ST candidates are done on relaxed standards in order to ensure that appointment of candidates to the reserved posts happen. In the Interview Panel for recruitment, a member belonging to SC / ST is invariably associated. Candidates belonging to SC / ST, who are called for interview, are reimbursed traveling expenses. In addition to providing reservation in employment, the Bank is also providing reservation and other enabling mechanisms in career growth and promotions for SC and ST employees as per guidelines in vogue. Pre-promotion training before participating in promotion exercises is also provided. 10% of the available residential accommodation of the Bank is also reserved for SC / ST candidates.

The staff strength and representation of SCs and STs as of 31st March 2010 is as under.

Cadre	Total	SC	SC %	ST	ST%
Officers	14,427	2,611	18.10	957	6.63
Clerks	15,376	2,260	14.70	828	5.39
Substaff	8,268	2,934	35.49	730	8.83
Total	38,071	7,805	20.5	2515	6.60



SC/ ST Cell: An exclusive SC/ST Cell in the Bank has been set up to monitor the reservation and other enabling provisions for SC/ST employees in the Bank. An Executive in the rank of General Manager is appointed as Chief Liaison Officer for SC/ST employees who ensures compliance of various guidelines pertaining to SC / ST employees. A Liaison Officer for SC/ST has been appointed in each Zone of the Bank who takes care of all matters and grievance redressal of SC/ST employees of that Zone.

Meeting with SC/ST Welfare Association: With a view to have direct dialogue and review of reservation and other special provisions for SC and ST, the Bank holds quarterly meetings with the representatives of SC/ST Welfare Association of our employees in the Bank. Chairman and Managing Director and Senior Executives including Chief Liaison Officer for SC/ST attend the meeting.

Bharat Ratna Dr. Babasaheb Ambedkar Memorial Trust: The Bank established the "Bharat Ratna Dr. Babasaheb Ambedkar Memorial Trust" in 1991 for promoting welfare activities for the benefit of SC/ST employees and their family members Apart from scholarships to children of employees belonging to SC/ST, the Trust also provides scholarship to needy students belonging to SC/ST community, in general in major centres of the country.

Visit of National Commission for Scheduled Castes: The National Commission for Scheduled Castes visited the Bank on 30th December, 2009, had discussions and interactions and examined the level of implementation of policies and programs. The suggestions and guidance of the Commission are being scrupulously observed by the Bank.

Marketing

During FY10, the Bank decided to adopt a balanced approach in marketing and sales by giving due focus to both brand building and business development. While the focus has been on effective utilization of print/electronic/online and OOH media, the emphasis has also been given to direct sales through branch network, Retail Loan/SME Loan Factory and City Sales Offices.

Brand Building Campaign

In FY09, the Bank had launched its sub-brand 'Baroda Next - State of the Art - Straight from the Heart'. Encouraged by a good response to this campaign and resultant improvement in brand recall, the Bank conducted a follow-up corporate campaign to reinforce the brand 'Baroda Next' in July-August 2009 with an aim to emphasize that the Bank is committed to deliver tomorrow's technology today with a human touch and, thereby, improve Bank's ability to compete effectively. The main focus was to create interest in the Bank's alternate delivery channels. All media vehicles viz. print, electronic, OOH, in-branch publicity were used effectively during this campaign. The messages were direct and well-received by the target audience.

Product Promotions

During FY10, a number of product promotion campaigns were conducted to promote Retail Loans, Current Deposits, Saving Deposits, SME products, Agriculture schemes, e-service delivery channels and gold coin. A combination of all media vehicles [print, electronic and OOH media] was used to support the sales effort of field level units. Their efforts were also aided by suitable in-branch publicity through display of banners, posters and leaflets and promotional events at ground level.

Focus on Sales

In FY10, the Bank introduced a new outfit called 'City Sales Office' to focus specifically on out-bound sales. The concept of City Sales Office (CSO) is to establish a dedicated sales unit putting all its effort on out-bound sales for asset, liability and investment products. The CSO units, along with Retail Loan Factory and SME Loan Factory, are envisaged to support the efforts of the branches in improving sales performance under various product categories.

As on 31st March, 2010, nine City Sales Offices have been established at eight locations in the country. The CSO units have been successful and have resulted in improving sales lead generation activities.

Other Initiatives in Marketing

In order to spread awareness on alternative delivery channels like ATMs/Baroda Connect/RTGS/ NEFT/ASBA etc., the Bank has conducted various Customer Education Workshops and has also created a pool of 1500 + trainers at the grass root level for these workshops.



Awards and Industry Recognition for Bank of Baroda

The Bank's consistent performance accompanied with various marketing efforts has helped improve the Bank's Brand Ranking in the Indian banking industry. It is evident from the results of various independent media surveys as given below.

- Second Rank as 'Best Nationalized Bank' in 'India's Best Bank Survey 2009-10' by Financial Express Group.
- 'Bank of the year Award' in India Leadership Conclave at Delhi by Wockhardt Foundation – 14th Sept.2009
- SKOCH Challenger Award for 'Bank of the Year' – 18th March 2010.
- Rank 34 [up from Rank 39 last year] - India's Most Valuable Brand 2009 (Brand Finance, UK)
- Rank 33 [up from Rank 36 last year] – ET 500 2009
- Rank 4 [up from Rank 17 last year] – Business Today KPMG Survey 2009

The Bank has also been awarded a 'Gold Trophy' for the Indian Language Publication, a 'Silver Trophy' for the Corporate Website and a 'Bronze Trophy' for Bilingual Internal Magazine and Chairman & Managing Director's message (in Corporate Communications category) by the Association of Business Communicators of India (ABCI).

Premises Re-Engineering & Ambience Enhancement

The following construction projects have been in progress and are expected to be completed within the reasonable time limit.

1. Administrative building at Gomtinagar, Lucknow
2. Administrative building at Jamshedpur, Jharkhand.
3. Commercial-cum- Residential complex at Ghod Dod Road, Surat.
4. Commercial building for Branch and Zonal/ Regional office at Mylapore, Chennai.
5. 17 Residential flats at Alwarpet, Chennai
6. Residential flats on plot at East of Kailash, New Delhi.
7. Construction of Bank of Baroda Centenary year (2007-2008) Sir Sayajirao Auditorium at Baroda for handing over to the Vadodara Municipal Corporation as an appreciation to the city of Baroda on completion of 100 years of Bank of Baroda.

Also, construction of residential building at Janakpuri, New Delhi is initiated and tenders will be issued shortly. It is the endeavour of our Bank to make use of all the landed property purchased by the Bank to put to use by constructing either commercial or residential premises.

The construction projects completed during the course of the year and in use/operation are:

- Baroda Sun Tower at C-34 , Bandra Kurla complex, Mumbai
- Building for Branch at Rajpipla.
- VKI, Jaipur.
- Pant Nagar, SIDCUL.

The Bank has initiated steps for construction of premises for establishment of Baroda Swarojagar Vikas Sansthan (BSVS) at various locations such as Baroda, Bulsar, Jaipur, Ajmer, Rampur and Pantnagar SIDCUL. The Bank has taken a special initiative to increase awareness level to adhere to Green Building norms, energy saving measures and also to create barrier free environment for the handicapped.

Refurbishment

On implementation of CBS at all its branches, the Bank has made it a point to ensure that maximum number of branches are put under refurbishment, upgradation, face lifting, redesigning and improved ambience for facilitating convenient banking to customers. During FY10, 396 branches have been refurbished. The Bank has also initiated steps for standardization of the interior of branches and offices. Under Business Process Re-engineering, the Bank has initiated steps to establish Regional Back Offices (RBO) and City Back Offices (CBO) at different centres of the country. The RBOs at Jaipur and Baroda have already been furnished as per the requirement and made operational. The RBOs at Bhopal and Coimbatore are under refurbishment.

Increased Use of IT to Improve Efficiency

The Estate Management Department of the Bank has been extensively using Information Technology in its day to day functioning to improve efficiency. For instance, payments to contractors etc. are being made through the RTGS/NEFT mode.



Other Activities of Estate Management Division

As a part of the Bank's conscious efforts to reduce "rental burden", continued efforts are being made to ensure optimum use of existing premises and to surrender excess/surplus premises to the extent possible. As a result, the Bank could surrender as much as 85,631 sq.ft. leased area during FY10. It is the policy of the Bank to go in for surrendering maximum area every year. The Estate Management Department has released a revised Premises' Policy Guidelines for 2009-2012. It has also developed the Construction Work Manual and framed the Purchase Policy which will be released shortly for the benefit of all the functionaries at various levels. The detailed guidelines on refurbishment will also be released soon.

Branch Network

Given below is the information on the Bank's brick And mortar distribution channels as on 31st March, 2010, which are observed to be closer to customers as compared to the e-banking channels, which are generally preferred by the tech savvy urban masses.

Area Classification (India)	Number of Branches	% Share in Total
Metro	673	22
Urban	580	19
Semi-urban	721	23
Rural	1,126	36
Total	3,100	100
Overseas	48	-

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.

(3) The corresponding new Bank may transact any business or perform any function entrusted to it under Clause (1) 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, 2006	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010
Total Income	81773.43	103858.78	138645.12	178492.35	195046.98
Total Expenditure	62598.40	79708.70	109359.63	156220.33	164463.68
Operating Profit (before provisions and contingencies)	19175.03	24150.08	29285.49	33429.5	42380.6
Profit Before Tax	11145.98	16542.56	22071.56	33429.45	42380.60
Net Profit after Tax	8269.58	10264.65	14355.21	22272.02	30583.31
Equity Share Capital	3655.27	3655.28	3655.28	3655.28	3655.28
Total Reserves & Surplus	74789.07	82844.10	106783.99	125141.95	147408.50
Net worth	76197.30	84360.80	95269.69	113871.94	137851.36
Total Deposits	936619.92	1249159.79	1520341.27	1923969.52	2410442.64
Demand Deposits from Banks	5899.01	4372.17	6161.66	6829.90	11075.76
Demand Deposits from Others	77888.19	94375.82	110798.40	137682.34	178160.09
Saving Deposits	271604.4	315772.77	357763.82	424872.78	525439.24
Term Deposits from Banks	38501.19	120087.59	134165.59	168874.88	329283.44
Term Deposits from Others	542727.12	714551.44	911451.81	1185709.61	1366484.06
Total Advances	599117.78	836208.69	1067013.24	1455594.97	1777118.98
Advances in India	503716.44	672626.92	845033.06	485060.57	676545.17



Advances outside India	95401.34	163581.77	221980.18	358304.09	447097.73
Total Investments	351142.18	349436.28	438700.68	536265.79	631632.70
Investments in India	318892.16	312802.25	403141.51	488065.91	581941.74
Investments outside India	32250.02	36634.03	35559.17	48199.88	49690.95

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 crore)

As on March 31	2006	2007	2008	2009	2010
Eligible Tier I Capital	7028.83	7607.46	8495.72	11069.64	14356.88
Eligible Tier II Capital	1712.63	2659.05	5885.51	7244.12	8060.36
Total Capital	8741.46	10266.51	14381.23	18333.76	22417.24
Total Risk-Adjusted Assets (Basel I)	64019.54	87038.71	111438.03	142246.91	174551.76
Capital Adequacy Ratio (%) (Basel I)	13.65	11.80	12.91	12.88	12.84

Key Financial Ratios

As on March 31	2006	2007	2008	2009	2010
Credit/ Deposit Ratio (%)	67.15	74.35	77.32	74.46	72.62
Return on Average Net Worth (%)	10.85	12.17	15.07	19.48	22.19
Yield on Advances (%)	7.43	8.37	9.53	9.50	8.55
Yield On Investments (%)	7.64	7.08	6.55	7.05	6.75
Cost of Deposits (%)	4.15	4.77	5.69	5.71	4.90
Cost of Market Borrowings (%)	6.47	6.41	5.06	6.17	2.76
Capital Adequacy Ratio (%)	13.65	11.80	12.91	12.88	12.84
Tier-I (%)	10.98	8.74	7.63	7.79	8.22
Tier- II (%)	2.67	3.06	5.28	5.09	4.62
Dividend Pay Out Ratio (Including	25.11	24.59	23.75	17.22	20.90
Business per Employee (Rs in Lakh)	396	548	704	911	1068
Gross Profit per Employee (Rs in lakh)	4.95	6.34	7.96	11.69	12.67
Business Per Branch (Rs in Lakh)	5599	7523	8925	11286	13217
Gross Profit per Branch (Rs in lakh)	70	87	104	145	157
Earning Per Share (in Rs.)	27.10	28.18	39.41	61.14	83.96

Capital Adequacy Ratio as per Basel II norms

Particulars as on 31st March	2008	2009	2010
Capital Adequacy Ratio (%)	12.94	14.05	14.36
Tier-I (%)	7.64	8.49	9.20
Tier- II (%)	5.30	5.56	5.16

Subsidiaries/ Associates of the Bank

Overseas Subsidiaries & Joint ventures of Bank of Baroda as of March 31, 2010 (Rs crore)

Overseas Subsidiary	Total Assets	Net Profit/Loss	Staff No.
1. Bank of Baroda (Uganda) Ltd*	949.74	41.16	184
2. Bank of Baroda (Kenya) Ltd*	1346.43	31.66	151
3. Bank of Baroda (Tanzania) Ltd *	290.51	6.40	35
4. Bank of Baroda (Botswana) Ltd**	764.25	13.83	32
5. Bank of Baroda (Hong Kong) Ltd\$	Nil	Nil	Nil
6. Bank of Baroda (Guyana) Ltd**	162.63	2.60	16
7. Bank of Baroda (T&T) Ltd **	134.10	(4.80)	26
8. Bank of Baroda (UK) Ltd**	0.08	0.0028	-
9. Bank of Baroda (Ghana) Ltd.*	50.05	2.86	10
10. Baroda (New Zealand) **	127.81	(21.76)	2
Total	3825.60	71.95	456
Joint Venture			
Indo-Zambia Bank Ltd (Lusaka)**	991.84	22.02	264

* Audited Figures belong to year ended 31st Dec 2009.

** Audited Figures belong to the year ended 31st March 2010

\$ The Subsidiary stopped taking fresh business w.e.f.31.03.2007. Dissolved on 02.04.2009.



Domestic Subsidiaries, Joint Ventures & Associate Bank

The performance of "Subsidiaries & the Associate Bank" of the Bank was satisfactory during FY2010. BOBCARDS Ltd. has successfully cleaned up its balance - sheet and is in the process of setting up a new business plan. The BOB Capital Markets Ltd. has been activated by appointing a professional CEO and recruiting a professional team. The company has commenced an Institutional Broking business in October 2009 and will be commencing retail broking shortly. The Baroda Pioneer AMC is in its second year of operation and has witnessed significant growth in their AUM. This company also has plans to launch various schemes shortly. The India First Life Insurance Company Ltd. has received and overwhelming response from the Bank's customers across the country making it the fastest ever insurance company to reach Rs.100 crore premium collections in the first 100 days of its operations.

However, development plans are in progress for all the subsidiaries of the Bank. A turnaround strategy is being carved out for the BOB Capitals Ltd., which would soon see a commencement of stock broking operations. For BOBCARDS Ltd., active handholding with the Parent Bank is under implementation with a thrust on NPA recovery and consolidation of its operations.

(Rs lacs)

Entity (with date of registration)	Country	Owned Funds	Total Assets	Net Profit	Offices	Staff
BOB Capital Markets Ltd. (March 11, 1996)	India	11851.05	11852.96	645.27	1	23
BOBCARDS Ltd. (September 29, 1994)	India	10,316.75	18808.80	(-) 1,062.74	36	139
Associate: Baroda Pioneer Asset Mgmt. Co. Ltd. (November 05, 1992)	India	6906.67	7355.73	(-) 909.61	1	31
India First Life Insurance Co.Ltd. (19 June, 2008)	India	27840.13	45314.14	(-) 4479. 21	1	893
Nainital Bank Ltd. (July 31, 1922)	India	23979310	287712.24	4337.49	103	734



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, 2009, the Bank had 2926 branches in India spread across the country. As of March 31, 2009, the Indian branch network of the Bank comprised of 1100 rural, 649 semi-urban, 540 urban and 637 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.

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 74 branches and offices, which gives it diversity of business and a wide customer reach.

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 crore
1996	Our first public issue of Rs. 850 crore
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 June 01, 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 launched 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 Facility – “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 January, 04 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.
2010	<ul style="list-style-type: none"> • Bank of Baroda was awarded the ‘Bank of the Year Award’ in India Leadership Conclave at Delhi by Wockhardt Foundation – 14th Sep.2009. • The other awards that the bank received are as under : <ul style="list-style-type: none"> - SKOCH Challenger Award for “Bank of the Year’ – 18th March 2010 - Second rank as ‘Best Nationalised Bank’ in India’s Best Bank Survey 2009-10 by Financial Express group. - Rank 34 in India’s most valuable brand from Brand Finance, UK. - Rank 33 in ET 500 2009 - Rank 4 – Business Today KPMG Survey 2009


CAPITAL STRUCTURE (as on March 31, 2010)

Particulars	Amount
1. SHARE CAPITAL	
a. Authorised Share Capital	
3,00,00,00,000 Shares of Rs. 10/- each	30,00,00,00,000.00
b. Issued & Subscribed Equity Share Capital	
36,70,00,00,000 Equity Shares of Rs. 10/- each	3,67,00,00,000.00
c. Paid-Up Equity Share Capital	
36,42,66,500 Equity Shares of Rs. 10/- each	3,64,26,65,000.00
Add: Amount of Shares Forfeited	1,26,12,000.00
Total Paid-Up Equity Share Capital	3,65,52,77,000.00
2. SHARE PREMIUM ACCOUNT	22,73,88,56,000.00

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 crore)

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 July 16, 2010)

Sr. No.	Name of Shareholder	% Shareholding
1.	President of India	53.81
2.	Life Insurance Corporation of India	5.36
3.	HDFC Standard Life Insurance Company Limited	1.33
4.	LIC of India Market Plus - 1	1.23
5.	HDFC Trustee Company Limited - HDFC Top 200 Fund	1.17
6.	Morgan Stanley Mauritius Company Limited	1.16
7.	HDFC Trustee Company Limited-HDFC Equity Fund	0.99
8.	ICICI Prudential Life Insurance Company Ltd	0.88
9.	FID Funds (Mauritius) Limited	0.80
10.	Reliance Capital Trustee Company Limited A/C RELIA	0.78
TOTAL		613

SHAREHOLDING PATTERN

(as on July 16, 2010)

Sr. No.	Description	No. of Share Holders	Shares	% to Equity
1	Government of India	1	196000000	53.81
2	Banks	26	323179	0.09
3	Clearing Members	224	367655	0.10
4	Employees	3631	743935	0.20
5	Foreign Institutional Investors	338	63056410	17.31
6	HUF	1326	213924	0.06
7	Insurance Companies	20	29860233	8.20
8	Bodies Corporates	1631	17656835	4.85
9	Mutual Funds	119	33042799	9.07
10	Non Resident Indians	3159	2084563	0.57
11	Overseas Corporate Bodies	3	22000	0.01
12	Resident Individuals	156780	20863987	5.73
13	Trusts	17	30880	0.01
14	Unit Trust of India	1	100	0.00
Total		167276	364266500	4970



DETAILS OF BORROWINGS IN THE PAST

A. Other than Overseas Medium Term Notes

The Bank has raised Capital by way of private placement of bonds to augment capital adequacy as under:
(Rs. in crore)

Bonds -Series	Year of Issu	Size (Rs in crore)	Tenor (in months)/ Coupon in % p.a.	Rating	Redemption due on	Outstanding amount as on 30.06.2010
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	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
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
IX (UT-II)	2009	1000	180 Months with call option after 10 years – (9.15% up to 10 yrs and 9.65% for next five years, if call option not exercised)	AAA/Stable by CRISIL & CARE AAA by CARE	04.03.2024	1000.00
X (LT-II)	2009	500	109 Months (8.95%)	AAA/Stable by CRISIL & CARE AAA by CARE	12.04.2018	500.00
XI (UT-II)	2009	500	180 Months with call option after 10 years – (8.38% upto 10 years & 8.88% for next 5 years if call option is not exercised.	AAA/Stable by CRISIL & CARE AAA by CARE and BWR AAA+ /stable by Brickworks	08.06.2024	500.00
XII (UT-II)	2009	500.00	180 Months with no call option @ 8.54%	AAA/Stable by CRISIL & CARE AAA by CARE and BWR AAA+ /stable by	08.07.2024	500.00
II (IPDI)	2009	300.00	Perpetual with Call Option at par on October 09, 2019 or thereafter (subject to prior approval from RBI) Coupon Rate: 9.20% p.a. for the first 10 years and stepped up coupon rate of 9.70% 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	300.00

III (IPDI)	2009	600.00	Perpetual with Call Option at par on November 23, 2019 or thereafter (subject to prior approval from RBI) Coupon Rate: 9.15% p.a. for the first 10 years and stepped up coupon rate of 9.65% 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	600.00
XIII (UT-II)	2010	500.00	180 Months with call option after 10 years – (8.48% upto 10 years & 8.98% for next 5 years if call option is not exercised	AAA/Stable by CRISIL, CARE AAA by CARE	31.05.2025	500.00
XIV (UT-II)	2010	500.00	180 Months with call option after 10 years – (8.48% upto 10 years & 8.98% for next 5 years if call option is not exercised	AAA/Stable by CRISIL, CARE AAA by CARE	30.06.2025	500.00

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.

Out of the total MTN programme amount of USD 1.5 billion, the Bank had earlier issued MTN Bonds aggregating USD 300 million, on 25.05.2007. The Bank had further issued 5-1/2 year tenor Senior Unsecured Bonds to the extent of USD 350 million with a coupon of 4.75% semi-annual at a yield of 4.886% p.a. to the investors. The drawdown of the amount was done on 7th April, 2010 and the maturity date of the said Bonds is 7th October, 2015.



VII. SUMMARY TERM SHEET

Issuer	Bank of Baroda
Issue Size	Rs. 500 crore
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 Upper Tier-II Bonds (Debt Capital Instruments) (Series-XV) in the nature of Promissory Notes ("Bonds")
Seniority of Claim	The claims of the bondholders shall be (a) superior to the claims of investors in instruments eligible for inclusion in Tier I capital and (b) subordinate to the claims of all other creditors
Issuance/ Trading	In Dematerialized Form
Credit Rating	'AAA/Stable' by CRISIL, '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	15 Years
Put Option	None
Call Option	<p>Call option may be exercised by the Bank only if the instrument has run for at least ten years. Call Option shall be exercised by the Bank only with the prior approval of RBI (Department of Banking Operations & Development).</p> <p>In effect, the Bank reserves Call Option to redeem the Bonds at par at the end of 10th Year from the Deemed Date of Allotment (subject to prior approval from RBI)</p>
Redemption/ Maturity	At par at the end of 15th Year from the Deemed Date of Allotment (subject to prior approval from RBI)
Redemption Date	August 10, 2025 (subject to prior approval from RBI)
Call Option Due Date	August 10, 2020 (subject to prior approval from RBI)
Coupon Rate *	8.52% p.a. for the first 10 years
Step Up Option	<p>The Bonds shall have a step-up option which may be exercised only once during the whole life of the instrument, in conjunction with the call option, after the lapse of ten years from the date of issue. The step-up shall be 50 bps.</p> <p>In effect, the coupon rate on Bonds shall be stepped up to 9.02% p.a. for last 5 Years if Call Option is not exercised by the Bank at the end of 10th Year from the Deemed Date of Allotment.</p>
Interest Payment	Annual (subject to RBI norms)
Interest Payment Date	On August 10, every year (subject to RBI norms)
Lock-in-clause	These Bonds shall be subjected to a lock-in clause in terms of which, the Bank shall not be liable to pay either interest or principal, even at maturity, if (a) the Bank's Capital to Risk Assets Ratio (CRAR) is below the minimum regulatory requirement prescribed by the Reserve Bank of India (RBI) or (b) the impact of such payment results in Bank's CRAR falling below or remaining below the minimum regulatory requirement prescribed by the RBI. However, the Bank may pay interest with the prior approval of RBI when the impact of such payment may result in net loss or increase the net loss provided CRAR remains above the regulatory norm. The interest amount due and remaining unpaid may be allowed to be paid in the later years subject to the Bank complying with the above regulatory requirement.
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 applicable for the first 10 years (i.e. @ 8.52% 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 Upper Tier II Bond Issue Series XV" 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 03810200001276 Narration Subscription towards Bank of Baroda A/c Upper Tier-II Bond Issue Series XV
Issue Opens on ^	August 10, 2010
Issue Closes on ^	August 10, 2010
Pay-In Date ^	August 10, 2010
Deemed Date of Allotment ^	August 10, 2010

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

^ The Bank reserves its sole and absolute right to modify (pre-pone/ 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.

The summary term sheet should be read along with RBI guidelines vide its Master Circular No. DBOD.No. BP.BC.15/21.06.001/2010-11 dated July 01, 2010 on Prudential Guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF) covering terms and conditions applicable to Debt Capital Instruments to qualify for inclusion as Upper Tier II Capital and any other terms and conditions stipulated by RBI from time to time.



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 UPPER TIER-II BONDS (DEBT CAPITAL INSTRUMENTS) (SERIES-XV) IN THE NATURE OF PROMISSORY NOTES OF RS. 10 LAKH EACH FOR CASH AT PAR AGGREGATING RS. 500 CRORE TO BE ISSUED BY BANK OF BARODA

Issue Size

Bank of Baroda (the 'Issuer' or the "Bank") proposes to raise Rs. 500 crore through issue of Unsecured Redeemable Non-Convertible Subordinated Upper Tier-II Bonds (Debt Capital Instruments) (Series-XV) 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 Upper Tier-II Bonds (Debt Capital Instruments) (Series-XV) in the nature of Promissory Notes is being made in accordance with extant RBI guidelines vide its Master Circular No. DBOD.No. BP.BC.15/21.06.001/2010-11 dated July 01, 2010 on Prudential Guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF) covering terms and conditions applicable to Debt Capital Instruments to qualify for inclusion as Upper 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 July 20, 2009. 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 Upper Tier-II Bonds (Debt Capital Instruments) (Series-XV) in the nature of Promissory Notes for inclusion as Upper Tier II capital. As per RBI guidelines vide its Master Circular No. DBOD.No. BP.BC.15/21.06.001/2010-11 dated July 01, 2010 on Prudential Guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF) covering terms and conditions applicable to Debt Capital Instruments to qualify for inclusion as Upper Tier II Capital, these Bonds shall be fully paid-up, unsecured, and free of any restrictive clauses. The claims of the investors in these Bonds shall be (a) superior to the claims of investors in instruments eligible for inclusion in Tier-I capital and (b) subordinate to the claims of all other creditors.

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/-. Since there is no premium or discount on issue price or redemption price of the Bonds, the effective yield for the investors shall be the same as the coupon rate on the Bonds (i.e. 8.52% p.a. for first 10 years. and stepped up coupon rate of 9.02% p.a. (including step up of 50 basis points) for subsequent 5 years if Call Option is not exercised by the Bank at the end of 10th year from the Deemed Date of Allotment).

Terms of Payment

The full face value of the Bonds applied for is to be paid along with 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 August 10, 2010, 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 applicable for first 10 years (i.e. at the rate of 8.52 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 (along with Refund Orders, in case of refund of application money, if any) shall be dispatched by the Bank along with 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 8.52 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, August 10, 2010 up to, but excluding, August 10, 2020, payable annually in arrears on August 10, in each year (each, an "Interest Payment Date"), commencing August 10, 2011, to the holders of Bonds (the "Holders" and each, a "Holder") as of the relevant Record Date. If the Bonds are not redeemed on August 10, 2020 interest from August 10, 2020 up to but excluding, August 10, 2025 shall be reset to 9.02 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) for subsequent interest payment periods, payable annually in arrears on August 10, in each year (each, an "Interest Payment Date"), commencing August 10, 2021, to the holders of Bonds. In case if call option is exercised at the end of 10th year from the Deemed Date of Allotment, then interest on Bonds will cease from the date of exercise of such Call Option in all events.

The first interest period is defined as the actual number of days falling between August 10, 2010 (Deemed Date of Allotment) to August 10, 2011 including the first date but excluding the last date. The first interest payment would be made on August 10, 2011. The second and subsequent interest period is defined as the actual number of days in a year as 365 (366 in case of a leap year) between August 10, and August 10, 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 August 10, and call option exercise date/ redemption date, as the case may be, including the first date but excluding the last date. The last interest payment would be made on the call option exercise date/ redemption date, as the case may be, alongwith the redemption of principal amount.

In terms of RBI guidelines vide its Master Circular No. DBOD.No. BP.BC.15/21.06.001/2010-11 dated July 01, 2010 on Prudential Guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF) covering terms and conditions applicable to Debt Capital Instruments to qualify for inclusion as Upper Tier II Capital, these Bonds shall have a step-up option which may be exercised only once during the whole life of the instrument, in conjunction with the call option, after the lapse of ten years from the date of issue. The step-up shall be 50 bps. In effect, the coupon rate on Bonds shall be stepped up to 9.02% p.a. for last 5 Years if Call Option is not exercised by the Bank at the end of 10th Year from the Deemed Date of Allotment.

In terms of RBI guidelines vide its Master Circular No. DBOD.No. BP.BC.15/21.06.001/2010-11 dated July 01, 2010 on Prudential Guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF) covering terms and conditions applicable to Debt Capital Instruments to qualify for inclusion as Upper Tier II Capital, these Bonds shall be subjected to a lock-in clause in terms of which, the Bank shall not be liable to pay either interest or principal, even at maturity, if (a) the Bank's Capital to Risk Assets Ratio (CRAR) is below the minimum regulatory requirement prescribed by the Reserve Bank of India (RBI) or (b) the impact of such payment results in Bank's CRAR falling below or remaining below the minimum regulatory requirement prescribed by the RBI. However, the Bank may pay interest with the prior approval of RBI when the impact of such payment may result in net loss or increase the net loss provided CRAR remains above the regulatory norm. The interest amount due and remaining unpaid may be allowed to be paid in the later years subject to the Bank complying with the above regulatory requirement.

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 Option

There is no Put Option available to the Bondholder(s). As per RBI guidelines vide its Master Circular No. DBOD.No. BP.BC.15/21.06.001/2010-11 dated July 01, 2010 on Prudential Guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF) covering terms and conditions applicable to Debt Capital Instruments to qualify for inclusion as Upper Tier II Capital, these Bonds shall not have any "Put Option" and these Bonds shall be free of any restrictive clauses.

Call Option/ Option for Early Redemption

In terms of RBI guidelines vide its Master Circular No. DBOD.No. BP.BC.15/21.06.001/2010-11 dated July 01, 2010 on Prudential Guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF) covering terms and conditions applicable to Debt Capital Instruments to qualify for inclusion as Upper Tier II Capital, banks may issue the instruments with a call option which may be exercised by the Bank only if the instrument has run for at least ten years. Call Option shall be exercised by the Bank only with the prior approval of RBI (Department of Banking Operations & Development).

In effect, the Bank shall have the option of redeeming the Bonds at par, subject to the prior approval of the RBI and in accordance with applicable laws and regulations in effect at the time (relating to among other things, capital adequacy position of the Bank both at the time of exercise of the call option and after exercise of the call option), in whole but not in part, on August 10, 2020 (i.e. at the end of 10th year from the Deemed Date of Allotment), at a redemption price equal to the principal amount of the Bonds plus accrued interest.

In case of exercise of Call Option by the Bank, the Bank shall notify its intention to do so through a public notice at least in one All-India English daily newspaper and/or through notice sent by registered post/ courier to the sole/ first allottee or sole/ first Beneficial Owner of the Bonds at least 30 (thirty) days prior to the due date.

In case if the Call Option due 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 the payment due shall be made on the next Business Day together with additional interest for the intervening period.

Payment on exercise of Call Option will 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 exercise of Call Option 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 exercise of Call Option in all events. Further the Bank will not be liable to pay any interest or compensation from the date of exercise of Call Option. On the Bank dispatching the amount as specified above in respect of the Bonds, the liability of the Bank shall stand extinguished.

Redemption

The face value of the Bonds will be redeemed at par on August 10, 2025 (at the end of 15th year from the Deemed Date of Allotment). In terms of RBI guidelines vide its Master Circular No. DBOD.No. BP.BC.15/21.06.001/2010-11 dated July 01, 2010 on Prudential Guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF) covering terms and conditions applicable to Debt Capital Instruments to qualify for inclusion as Upper Tier II Capital, these Bonds are free of restrictive clauses and shall not be redeemable at the initiative of the holder or without the consent of the Reserve Bank of India.

Further these Bonds shall be subjected to a lock-in clause in terms of which, the Bank shall not be liable to pay either interest or principal, even at maturity, if (a) the Bank's Capital to Risk Assets Ratio (CRAR) is below the minimum regulatory requirement prescribed by the Reserve Bank of India (RBI) or (b) the impact of such payment results in Bank's CRAR falling below or remaining below the minimum regulatory requirement prescribed by the RBI. However, the Bank may pay interest with the prior approval of RBI when the impact of such payment may result in net loss or increase the net loss provided CRAR remains above the regulatory norm. The interest amount due and remaining unpaid may be allowed to be paid in the later years subject to the Bank complying with the above regulatory requirement.



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.

Lock-In Clause

In terms of RBI guidelines vide its Master Circular No. DBOD.No. BP.BC.15/21.06.001/2010-11 dated July 01, 2010 on Prudential Guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF) covering terms and conditions applicable to Debt Capital Instruments to qualify for inclusion as Upper Tier II Capital, these Bonds shall be subjected to a lock-in clause in terms of which, the Bank shall not be liable to pay either interest or principal, even at maturity, if (a) the Bank's Capital to Risk Assets Ratio (CRAR) is below the minimum regulatory requirement prescribed by the Reserve Bank of India (RBI) or (b) the impact of such payment results in Bank's CRAR falling below or remaining below the minimum regulatory requirement prescribed by the RBI. However, the Bank may pay interest with the prior approval of RBI when the impact of such payment may result in net loss or increase the net loss provided CRAR remains above the regulatory norm. The interest amount due and remaining unpaid may be allowed to be paid in the later years subject to the Bank complying with the above regulatory requirement.

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 on maturity.

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 Upper Tier II Bond Issue Series XV**" 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	03810200001276
Narration	Subscription towards Bank of Baroda A/c Upper Tier-II Bond Issue Series XV

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. Vinay A. Shah
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.

LEAD ARRANGERS TO THE ISSUE (in alphabetic order)

A. K. Capital Services Ltd.

30-39, 3rd Floor
Free Press House
215, Nariman Point
Mumbai – 400 021
Tel: (022) 66349300
Fax: 91-22-66360977

The Hongkong and Shanghai Banking Corporation Ltd.

52/ 60, M. G. Road
Fort, Mumbai -
400001
Tel: (022) 22676111
Fax: 91-22-22623339

ICICI Securities

Primary Dealership Ltd.

ICICI Centre
H T Parekh Marg
Churchgate
Mumbai – 400 020
Tel: (022) 22882460/70
Fax: 91-22-22882312

Trust Investment Advisors (P) Ltd.

109/110, 1st Floor,
Balrama Village Parigkhari
Bandra-Kurla Complex
Bandra(East),
Mumbai 400 051
Tel: (022) 30681150-56
Fax: 91-22- 30681150

CO-ARRANGER TO THE ISSUE

BOB Capital Markets Ltd.

Ground & 1st Floor, Meher Chamber
Dr. Sunderlal Bhel Marg
Off R. Kamani Marg, Ballard Estate
Mumbai - 400 001
Tel: (022) 66372301
Fax: 91-22-66372312



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 crore to the present Upper Tier-II Bonds to be issued by the Bank vide its letter no. SN/FSR/BOB/2010-11/516 dated July 21, 2010. 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 Disclosure Document.

Credit Analysis & Research Ltd. (“**CARE**”) has assigned a ‘**CARE AAA**’ (pronounced as Triple A) rating for an amount of Rs. 500 crore to the present Upper Tier-II Bonds to be issued by the Bank vide its letter dated July 21, 2010. 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 Disclosure Document.

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 it shall sign a Trustee Agreement as per applicable provisions. The Trustee Agreement 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 Upper Tier-II Bonds (Series-XV) 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 Capital by way of private placement of bonds to augment capital adequacy as under:

(Rs. in crore)

Bonds – Series	Year of Issue	Size (Rs in Crore)	Tenor (in months)/ Coupon in % p.a.	Rating	Redemption due on	Outstanding amount as on 31.03.2010 (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	Opt. I - 85 Months – (Rate 13.75% Fixed). Opt. II – 85 Months (Rate Floor 12.75% & Cap 14.75%) Opt. III - 121 Months (Rate 14.30% fixed)	LAAA By ICRA	9.04.2006 9.04.2006 9.04.2009	Nil (All Options redeemed)
III (LT-II)	2001	600 Options I – 409.10 II – 190.90	Opt. – I – 85 Months (Rate 11.15%) 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	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	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		06.09.2009	NIL
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
IX (UT-II)	2009	1000	180 Months with call option after 10 years – (9.15% up to 10 yrs and 9.65% for next five years, if call option not exercised)	AAA/Stable by CRISIL & CARE AAA by CARE	04.03.2024	1000.00
X (LT-II)	2009	500	109 Months (8.95%)	AAA/Stable by CRISIL & CARE AAA by CARE	12.04.2018	500.00

XI (UT-II)	2009	500.00	180 Months with call option after 10 years – (8.38% upto 10 years & 8.88% for next 5 years if call option is not exercised.	AAA/Stable by CRISIL & CARE AAA by CARE and BWR AAA+ /Stable by Brickwork	08.06.2024	500.00
XII (UT-II)	2009	500.00	180 Months with no call option @ 8.54%	AAA/Stable by CRISIL & CARE AAA by CARE and BWR AAA+ /Stable by Brickwork	08.07.2024	500.00
II (IPDI)	2009	300.00	Perpetual with Call Option at par on October 09, 2019 or thereafter (subject to prior approval from RBI) Coupon Rate: 9.20% p.a. for the first 10 years and stepped up coupon rate of 9.70% 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	300.00
III (IPDI)	2009	600.00	Perpetual with Call Option at par on November 23, 2019 or thereafter (subject to prior approval from RBI) Coupon Rate: 9.15% p.a. for the first 10 years and stepped up coupon rate of 9.65% 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	600.00
XIII (UT-II)	2010	500.00	180 Months with call option after 10 years – (8.48% upto 10 years & 8.98% for next 5 years if call option is not exercised	AAA/Stable by CRISIL, CARE AAA by CARE	31.05.2025	500.00
XIV (UT-II)	2010	500.00	180 Months with call option after 10 years – (8.48% upto 10 years & 8.98% for next 5 years if call option is not exercised	AAA/Stable by CRISIL, CARE AAA by CARE	30.06.2025	500.00

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.

Out of the total MTN programme amount of USD 1.5 billion, the Bank had earlier issued MTN Bonds aggregating USD 300 million, on 25.05.2007. The Bank had further issued 5-1/2 year tenor Senior Unsecured Bonds to the extent of USD 350 million with a coupon of 4.75% semi-annual at a yield of 4.886% p.a. to the investors. The drawdown of the amount was done on 7th April, 2010 and the maturity date of the said Bonds is 7th October, 2015



3. DEBT EQUITY RATIO

(Rs. in crore)

Particulars	Pre-Issue (as on March 31, 2010)	Post Issue *
LOAN FUNDS		
Subordinated Bonds	8537.20	10037.20
Other Long Term Borrowings	4812.89	4812.89
TOTAL	13350.09	14850.09
SHAREHOLDERS' FUNDS		
Equity Share Capital	365.53	365.53
Reserves & Surplus (excluding Revaluation)	13419.61	13419.61
TOTAL	13785.14	13785.14
DEBT/ EQUITY RATIO		
Long Term Debt/ Equity Ratio	0.97	1.08

* after adding (i) Upper Tier-II Bonds of Rs. 500 crore (Series XIII) issued in May 2010 (ii) Upper Tier-II Bonds of Rs. 500 crore (Series XIV) issued in June 2010 and (iii) present Upper Tier-II Bonds of Rs. 500 crore (Series XV) to the figures of March 31, 2010.

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

A. TOP 10 SHAREHOLDERS

(as on July 16, 2010)

Sr. No.	Name of Shareholder	% Shareholding
1.	President of India	53.81
2.	Life Insurance Corporation of India	5.36
3.	HDFC Standard Life Insurance Company Limited	1.33
4.	LIC of India Market Plus - 1	1.23
5.	HDFC Trustee Company Limited - HDFC Top 200 Fund	1.17
6.	Morgan Stanley Mauritius Company Limited	1.16
7.	HDFC Trustee Company Limited-HDFC Equity Fund	0.99
8.	ICICI Prudential Life Insurance Company Ltd	0.88
9.	FID Funds (Mauritius) Limited	0.80
10.	Reliance Capital Trustee Company Limited A/C RELIA	0.78
TOTAL		613

B. TOP 10 BONDHOLDERS – INE028A09032

(as on July 16, 2010)

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	3000	100.00
Total			3000	100.00

C. TOP 10 BONDHOLDERS – INE028A09040

(as on July 16, 2010)

Sr. No.	Name of Bondholder	Address	No. of Bonds Held	% holding
1.	CBT EPF EPS A/C HSBC AMC Ltd.	HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next to Kanjurmarg Stn Kanjurmarg East, Mumbai - 400042	657	8.53
2.	Army Group Insurance Fund	AGI Bhawan Rao Tula Ram Marg Post Vasant Vihar New Delhi New Delhi 110057	500	6.49
3.	Coal Mines Pension Fund	State Bank of India, Securities Services Branch, Main Branch Bldg, 2nd Fl, Fort, Mumbai - 400001	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.	Canara Bank-Mumbai	Domestic Treasury (Back Office) Maker Chamber III 7th Floor, Nariman Point Mumbai - 400021	200	2.60
7.	Bank of Baroda Gratuity Fund	Baroda House, First Floor, Mandvi Baroda – 390006	200	2.60
8.	Trustees Central Bank of India Employees Provident Fund	Provident Fund Department, NCL Building, 4th Floor, Bandra Kurla Complex Bandra (East), Mumbai - 400051	200	2.60
9.	The New India Assurance Company Employees Pension Fund	New India Assurance Building, Basement, 87 M G Road, Fort, Mumbai - 400001	160	2.08
10.	CBT EPF EPF A/C Reliance Capital AMC Ltd.	HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East Mumbai - 400042	150	1.95
Total			1260	351

D. TOP 10 BONDHOLDERS – INE028A09057

(as on July 16, 2010)

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	7500	81.52
2.	Bank of Baroda (Employees) Pension Fund	Baroda House First Floor ,Mandvi Baroda - 390006	350	3.80
3.	Bajaj Allianz Life Insurance Company Ltd	Deutsche Bank AG, DB House, Hazarimal Somani Marg, Post Box No 1142, Fort Mumbai - 400001	300	3.26
4.	CBT EPF EPF A/C Reliance Capital AMC Ltd	HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East Mumbai - 400042	200	2.17
5.	Army Group Insurance Fund	AGI Bhawan Rao Tula Ram Marg Post Vasant Vihar New Delhi 110057	200	2.17
6.	National Thermal Power Corporation Limited Employees Provident	NTPC Bhawan Scope Complex, New Delhi - 110003	175	1.90
7.	Bank of Baroda Provident Fund Trust	Baroda House, 4th Floor, Mandvi Baroda – 390006	150	1.63
8.	Allahabad Bank Staff Provident Fund	2, Netaji Subhas Road Kolkata – 700001	100	1.09
9.	Allahabad Bank (Employees) Pension Fund	2, Netaji Subhas Road Kolkata – 700001	100	1.09
10.	United India Insurance Company Ltd.	24, Whites Road Chennai – 600014	50	0.54
Total			9125	512

E. TOP 10 BONDHOLDERS – INE028A09065

(as on July 16, 2010)

Sr. No.	Name of Bondholder	Address	No. of Bonds Held	% holding
1.	CBT EPF EPF A/C Reliance Capital AMC Ltd	HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East Mumbai - 400042	2500	50.00
2.	Sahara India Financial Corporation Ltd	25 28, Atlanta, Nariman Point Mumbai - 400021	991	19.82
3.	Maharashtra State Electricity Boards Contributory Provident	Estrella Batteries Expansion Building, Plot No 1 Dharavi Road, Matunga, Mumbai - 400019	250	5.00

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 Provident Fund Trust	Pay and PF Sections Behind ED (Works) Buildings Visakhapatnam Steel Plant Visakhapatnam - 530031	126	2.52
6.	Punjab National Bank Employees Provident Fund	H/O PF Deptt 3rd 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.	NPS Trustees - UTI Retirement Solutions Scheme 1	C/O UTI Retirement Solutions Ltd UTI Tower, GN Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	58	1.16
9.	Bajaj Allianz General Insurance Company Ltd.	C/O Standard Chartered Bank Custody and Clearing Services 23-25 M G Road, Fort, Mumbai - 400001	50	1.00
10.	The Saraswat Co Operative Bank Ltd Employees Provident Fund Trust	Madhushree, 2nd Floor Plot 85, Sector – 17, District Business Centre Vashi, Navi Mumbai - 400703	50	1.00
Total			624	1590

F. TOP 10 BONDHOLDERS – INE028A09073

(as on July 16, 2010)

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	9750	97.50
2.	The 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			10000	199.00

G. TOP 10 BONDHOLDERS – INE028A09081

(as on July 16, 2010)

Sr. No.	Name of Bondholder	Address	No. of Bonds Held	% holding
1.	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.	State Bank of India	SBI SG Global Secu Serv P L Jeevan Seva Extension Bldg Gr Floor S V Road, Santacruz (West) Mumbai – 400054	250	8.33
3.	Canara Bank	Domestic Treasury (Back Office) Maker Chamber III 7th Floor, Nariman Point Mumbai - 400021	250	8.33
4.	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
5.	Union Bank of India	C/o ILFS, ILFS House,Plot No 14, Raheja Vihar,Chandivali, Andheri (E), Mumbai - 400072	200	6.66
6.	United Bank of India	I&FM Department, HO, 4th Floor United Bank of India H O 11, Hemanta Basu Sarani Kolkata - 700001	200	6.66



7.	UCO Bank	Treasury Branch, UCO Bank Building Mezzanine Floor, 359, DR DN 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.	Indian Overseas Bank	Treasury (Domestic), Central Office 763 Anna Salai, Chennai - 600002	100	3.33
10.	Andhra Bank	Funds Forex Department 82 83, Makers Towers 8 F-Block, Cuffe Parade, Mumbai - 400005	100	3.33
Total			500	82

H. TOP 10 BONDHOLDERS – INE028A09099 (as on July 16, 2010)

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	10000	100.00
Total			10000	100.00

I. TOP 10 BONDHOLDERS – INE028A09107 (as on July 16, 2010)

Sr. No.	Name of Bondholder	Address	No. of Bonds Held	% holding
1.	CBT EPF EPS A/C HSBC AMC Ltd.	HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East Mumbai - 400042	2463	49.26
2.	CBT EPF EPF A/C Reliance Capital AMC Ltd.	HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East Mumbai - 400042	2200	44.00
3.	Coal Mines Provident Fund	C/O ICICI Securities Primary Dealership Ltd., ICICI Centre, H T Parekh Marg Churchgate Mumbai - 400020	300	6.00
4.	CBT EPF EDLI A/C HSBC AMC Ltd.	HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East Mumbai - 400042	37	0.74
Total			5000	199.00

J. TOP 10 BONDHOLDERS – INE028A09115 (as on July 16, 2010)

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	5000	100.00
Total			-395015	100.00

K. TOP 10 BONDHOLDERS – INE028A09123 (as on July 16, 2010)

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	4000	80.00
2.	CBT EPF EPS A/C HSBC AMC Ltd.	HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East Mumbai - 400042	850	17.00
3.	Larsen and Toubro Officers And Supervisory Staff Provident F	L AND T Capital Company Ltd. 52 Maker Towers F, 5th Floor Cuffe Parade, Mumbai - 400005	150	3.00
Total			5000	100.00


L. TOP 10 BONDHOLDERS – INE028A09131

(as on July 16, 2010)

Sr. No.	Name of Bondholder	Address	No. of Bonds Held	% holding
1.	Indian Airlines Employees Provident Fund	Airlines House, 113 Guru Dwara Rakabganj Road, New Delhi - 110001	530	17.67
2.	ECL Finance Ltd	14th Floor, Express Towers, Nariman Point, Mumbai - 400021	352	11.73
3.	STCI Primary Dealer Ltd.	HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East Mumbai - 400042	230	7.67
4.	Board of Trustees Hindustan Steel Ltd. Bhilai Steel Project	Shed No- 47, Old Main Office, Bhilai – 490001(MP)	200	6.67
5.	Punjab National Bank Employees Pension Fund	Punjab National Bank Third Floor, Rajendra Bhawan Rajendra Place, New Delhi – 110008	150	5.00
6.	Punjab National Bank Employees Provident Fund	H/O PF Deptt 3rd Floor,Rajendra Bhawan Rajendra Place, New Delhi - 110008	120	4.00
7.	Trustees Hindustan Steel Limited Contributory Provident Fund	Sail Rourkela Rourkela - 769001	105	3.50
8.	Trustees GEB S C P Fund	Sardar Patel Vidyut Bhavan Race Course, Baroda - 390007	78	2.60
9.	Cisco Systems (India) Employees Provident Fund	Divya Shree Chambers No 11 B Wing O Shaugnessey Road Off Langford Road, Bangalore - 560027	67	2.23
10.	Hero Honda Motors Ltd.	34, Basant Lok Vasant Vihar, New Delhi - 110057	50	1.67
Total			-109973	-109905

M. TOP 10 BONDHOLDERS – INE028A09149

(as on July 16, 2010)

Sr. No.	Name of Bondholder	Address	No. of Bonds Held	% holding
1.	The West Bengal State Co-Operative Bank Ltd.	24 A Waterloo Stree, Kolkata - 700069 West Bengal	1500	25.00
2.	Punjab National Bank Employees Provident Fund	H/O PF Deptt 3rd Floor,Rajendra Bhawan Rajendra Place, New Delhi - 110008	260	4.33
3.	Board of Trustees Hindustan Steel Limited Bhilai Steel Project	Shed No- 47, Old Main Office, Bhilai – 490001	250	4.17
4.	Punjab National Bank Employees Pension Fund	Punjab National Bank Third Floor, Rajendra Bhawan Rajendra Place, New Delhi - 110008	220	3.67
5.	Indian Overseas Bank Staff Provident Fund	762, Anna Salai, Chennai - 600002	200	3.33
6.	Tata Motors Limited Provident Fund	Bombay House, 24 Homi Modi Street Fort, Mumbai - 400023	200	3.33
7.	Corporation Bank Staff Provident Fund	Corporation Bank Head Office, Pandeshwar Mangalore - 575001	180	3.00
8.	Punjab National Bank Employees Gratuity Fund	Punjab National Bank Provident Fund Department, H/O Rajendra Bhawan, Rajendra Place,New Delhi - 110008	170	2.83
9.	Indian Airlines Employees Provident Fund	Airlines House, 113 Guru Dwara Rakabganj Road, New Delhi - 110001	145	2.42
10.	Hindalco Employees Provident Fund Institution	Hindalco Employees Provident Fund PO Renukoot, Dist Sonebhadra - 231217	120	2.00
Total			3245	359

**N. TOP 10 BONDHOLDERS – INE028A09149**

(as on July 16, 2010)

Sr. No.	Name of Bondholder	Address	No. of Bonds Held	% holding
1.	CBT EPF EPS A/C HSBC AMC Ltd.	HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East Mumbai - 400042	4884	97.68
2.	CBT EPF EDLI A/C HSBC AMC Ltd	HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus Off Flr 8, Next To Kanjurmarg Stn Kanjurmarg East Mumbai - 400042	116	2.32
Total			5000	199.00

O. TOP 10 BONDHOLDERS – INE028A09164

(as on July 16, 2010)

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	3750	75.00
2.	Axis Bank Ltd.	A Wing, 3rd Floor Bezzola Complex, Suman Nagar Sion Trombay Road, Chembur Mumbai - 400071	1230	24.60
3.	Janata Sah. Bnk Ltd Pune	1360, Shukrawar Peth, Bharat Bhavan Behind Saraswati Prashala Bajirao Road, Pune - 411002	20	0.40
Total			5000	199.00

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:

- 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.
- 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.
- 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 July 20, 2009 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. A. D. M. Chavali, General Manager (Treasury & Resource Management), pursuant to the internal authority granted.

for **Bank of Baroda**



(A.D.M. Chavali)
General Manager (Treasury & Resource Management)

Date: August 07, 2010

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.com

Website: www.bankofbaroda.com

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



CONFIDENTIAL

Ref. no.: SN-FSR/BOIR/2010-11-516

July 21, 2010

Mr. A. D. M. Chavali
General Manager - Treasury & Resource Management
Bank of Baroda
6th Floor, Kalpataru Heritage Building,
Nank Motwane Marg, Fort
Mumbai - 400 001
Ph: 022 6636 3600 / Fax: 022 6633 9423

Dear Mr. Chavali,

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

We refer to your request for a rating for the captioned Debt Issue.

CRISIL has, after due consideration, assigned a **"AAA/Stable"** (pronounced "Triple A with stable outlook") rating to 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.

Further, in view of your decision to accept the CRISIL Rating, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. 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

Subha Sri Narayanan
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 orders 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 CRISILratings@crsil.com or at (+91 22) 3342 3000 / 3342 3001 - 02.

CRISIL Limited

Registered Office: CRISIL House, Central Avenue, Marolli Nagar Business Park, Powai, Mumbai - 400 076. Phone: (+91 22) 3342 3000. Fax: (+91 22) 3342 3000.
Web: www.crisil.com

Mr. A.D.M. Chavali
G.M. - Treasury and Resource Mgmt
Bank of Baroda
6th Floor,
Kalpataru Heritage Bldg,
Nanik Motwane Marg,
Fort, Mumbai 400 001

July 21, 2010

Confidential

Dear Sir,

Credit Rating of Upper Tier II Bonds issue of Rs.500 crore

Please refer to your request for rating of proposed issue of Upper Tier II Bonds of Rs.500 crore

2. CARE has assigned a 'CARE AAA' [Triple A] rating to the proposed issue of Upper Tier II bonds 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. The rationale for this rating will be communicated to you separately.
4. Our rating symbols for various ratings for long and medium term instruments and explanatory notes thereon are given in Annexure I.
5. Please arrange to get the rating revalidated, in case the proposed Bonds issue is not made within **six months** from the date of this letter.
6. Please send us a written confirmation regarding your acceptance of the rating assigned and use thereof, as early as possible, but in any case within two weeks from the date of this letter. Please note that, unless accepted, the above rating should not be used for any purpose whatsoever.
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 and 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 are not recommendations to buy, sell, or hold any security.

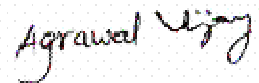
9. If you need any clarification, you are welcome to approach us in this regard.
10. Kindly arrange to provide us the subscription details of the bond issue and forward to us a copy of the documents pertaining to the bond issue, including the offer document.

Thanking You,

Yours faithfully,



[P. Soujanya]
Manager



[Vijay Agrawal]
Jt. Gen. Manager

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.

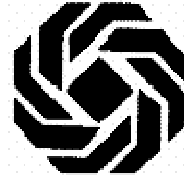
IDBI Trusteeship Services Ltd.

AN ISO 9001 : 2000 COMPANY

No. 2429/ITSI./OPR/2010/CL - 09-10 - BT - 196

July 20, 2010

Bank of Baroda
Bandra Kurla Complex
Bandra (East), Mumbai 400 051



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

Kind Attn: Mr. Shashi Dhar

Dear Sir,

Consent to act as Bond Trustee for bank's proposed unsecured Non-convertible Upper Tier II bonds aggregating to Rs. 500 crores

We acknowledge with thanks the receipt of your mail dated July 20, 2010 regarding appointment of IDBI Trusteeship Services Ltd. (ITSL) as Bond Trustee for the Bank's proposed Unsecured, Non-Convertible Upper Tier II bonds aggregating to Rs. 500 crores. In this connection, we confirm our acceptance to act as Bond Trustee for the same, subject to the Bank agreeing to the conditions set out in the *Annexure A* enclosed herewith.

The Bank shall enter into Bond Trustee Agreement for the said bond issue *before the opening of list for subscription*. This Agreement is required to be executed in terms of Regulation 13 of SEBI (Debenture Trustee Regulation 1993). In case you do not execute the Bond Trustee Agreement before your list for subscription opens, this consent shall not be valid and operative and deemed to have been ipso facto revoked.

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,


Swati Borkar
Specialist