



BANK OF INDIA– Q4FY25/FY25

“A stronger-than-expected performance for the FY25, as net profit surged 45.92% YoY to ₹9,219 crore”

Ajcon Global's observations & views

1. The bank has performed well on all fronts during the quarter and the year generating the highest ever Net Profit of Rs. 9,219 Crores for FY25.
2. The bank's asset quality has improved substantially with GNPA & NNPA coming down 3.27% & 0.82% respectively.
3. The bank has made major improvements in its tech capabilities with expanding its digital lending footprints and is confident of reaping its benefits in FY26.

Q4FY25 Result Analysis:

- 1) **Net Interest Income** was increased by 2% YoY at Rs.6,063 Cr for Q4FY25 against Rs.5,937 Cr for Q4FY24 and declined slightly against Rs.6,070 Cr in Q3FY25.
- 2) **Operating Profit** increased by 37% YoY and stood at Rs.4,885 Cr for Q4FY25 against Rs.3,557 Cr in Q4FY24 and Rs.3,703 Cr in Q3FY25.
- 3) **Net Profit** for the quarter increased by 82% YoY to Rs.2,626 Cr in Q4FY25, up from Rs.1,439 Cr in Q4FY24. On a sequential basis, net profit increased by 4% from Rs.2,517 Cr in Q3FY25.
- 4) **Net Interest Margin (NIM)** decreased to 2.61% in Q4FY25, compared to 2.92% in Q4FY24 and 2.80% in Q3FY25.
- 5) **Cost of Deposits** was 4.98% in Q4FY25, up from 4.71% in Q4FY24 and 4.96% in Q3FY25. Cost of Funds decreased to 4.73% in Q4FY25 against 4.81% in Q3FY25 and increased against 4.58% in Q4FY24. Yield on Advances fell to 8.27% in Q4FY25 against 8.55% in Q3FY25 and 8.47% in Q4FY24.
- 6) **Total Business** rose to Rs. 14,82,588 Cr in Q4FY25 against Rs. 14,46,295 Cr in Q3FY25 and Rs. 13,23,515 Cr in Q4FY24.
- 7) **Total Non- Interest Income** increased by 96% YoY to Rs.3,428 Cr in Q4FY25, from Rs.1,751 Cr in Q4FY24 and Rs.1,747 Cr in Q3FY25.
- 8) **In Q4FY25, the cost to income ratio (Global)** was 48.53%, compared to 53.73% in Q4FY24 and 52.63% in Q3FY25.
- 9) **Global Gross Advances** increased by 13.74% YoY from Rs. 5,85,595 Cr in March'24 to Rs. 6,66,047 Cr in March'25.
- 10) **Total Global Deposits** was up by 2.74% QoQ and 10.65% YoY at Rs. 8,16,541 Cr in Q4FY25 against Rs. 7,94,788 Cr in Q3FY25 and Rs. 7,37,920 Cr in Q4FY24.
- 11) **Domestic CASA ratio** went down to 40.28% in Q4FY25 against 41.05% in Q3FY25 and 43.21% in Q4FY24.
- 12) **C/D ratio** fell slightly to 81.57% in Q4FY25 against 81.97% in Q3FY25 and rose against 79.36 % in Q4FY24.
- 13) **Return on Assets (ROA)** increased to 0.98% in Q4FY25 against 0.96% in Q3FY25 and 0.61% in Q4FY24.
- 14) **Fresh slippages** increased to Rs. 1,913 crores in Q4FY25 against Rs. 1,045 crores in Q3FY25 and decreased against Rs. 1,980 in Q4FY24. **Recovery + Upgradation** increased to Rs. 2,040 crores in Q4FY25 against Rs. 1,372 crores in Q3FY25 and Rs. 1,511 crores in Q4FY24.
- 15) **Gross NPA ratio** down to 3.27% in Q4FY25 as against 3.69% in Q3FY25 and 4.98% in Q4FY24. Net NPAs ratio also decreased to 0.82% in Q4FY25 as against 0.85% in Q3FY25 and 1.22% in Q4FY24.

KEY FINANCIAL INDICATORS – Q4FY25

CMP (13.05.2025)	: Rs. 112.56
Face Value	: Rs. 10
Book value per share	: Rs. 148.88
Market Capitalisation	: Rs. 51,244.83
Capital Adequacy Ratio	: 17.77%
C/D Ratio	: 81.57%
CASA Ratio	: 40.28%
Net Interest Margin (NIM)	: 2.61%
Cost / Income Ratio	: 48.53%
GNPA	: 3.27%
Net NPA	: 0.82%
PCR	: 92.39%
Slippage Ratio	: 0.32%
Credit Cost	: 0.84%
Return on Assets	: 0.98%
Return on Equity	: 16.41%



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- 16) **Credit cost** increased to 0.84% in Q4FY25 from 0.39% in Q3FY25.
- 17) **Provision Coverage Ratio** increased to 92.39% in FY25 from 90.59% in FY24.

Management Comments

- 18) In an opening remark, Mr. Rajneesh Karnatak, MD and CEO, stated that the bank's key focus area will be enhancing customer experience through all channels and acquisitions of new customers consistently by providing innovative niche products, which will lead to fortification of low-cost deposits, namely CASA and retail term deposits, for sustainable credit growth.
- 19) Mr. Karnatak stated that they intend to increase the CASA ratio above 40% in FY26. Bulk deposits account for only 13.82% of total domestic deposits, with the remainder being CASA and retail term deposits.
- 20) Mr. Karnatak, provided the guidance for global advances to be around 12 to 13% and global deposit growth at around 11 to 12% for FY26. It is trying to maintain net interest margin (NIM) at around 2.75%, depending on rate cuts which may impact the NIM.
- 21) Answering an analyst question about the NIM decline throughout the quarter, Mr. Karanaka indicated that the repo rate had already fallen by 50 basis points. The bulk of commercial bank advances are tied to the repo rate, thus when the RBI reduces the repo rate, the banks' interest rates fall as well, which contributes to the reduction of NIM.
- 22) In response to an analyst's question about the factors that contributed to the improvement in asset quality, the MD and CEO stated that the bank has a two-pronged strategy. The first part is standard advances for which we have 13 FGM offices with 69 zonal collection centers who oversees the bank's collection efficiency, so the entire SMA portfolio is monitored. The second component is that we have over 25 ARB branches, which are fully concentrating on the recovery.
- 23) The bank announced a dividend of ₹ 4.05 per equity share of face value ₹ 10 for FY25, subject to shareholder approval at the bank's annual general meeting on June 27, 2025. It has set a record date of June 20, 2025 for dividend payment.