



“The bank has presented subdued results for Q3FY25 reflecting pressure on both business growth and profitability in the quarter”

Ajcon Global's observations & views

1. The decreased NIM at 2.94% resulted in declining of both operating and net profits.
2. The asset quality improved marginally with Gross NPA at 2.43% and Net NPA with 0.59% during the quarter.

Q3FY25 Result Analysis:

- 1) **Net Interest Income** was decreased by 1.17% QoQ at Rs. 11417 crores in Q3FY25 against Rs. 11622 crores in Q2FY25 and it was up 2.8% YoY against Rs. 11101 crores in Q3FY24.
- 2) **Operating Profit** was declined by 19.13% QoQ and up 9.3% YoY at Rs. 7664 Crores in Q3FY25 against Rs. 9477 crores in Q2FY25 and Rs. 7015 crores in Q3FY24.
- 3) **Net Profit** was down by 7.66% sequentially and up 5.6% YoY at Rs. 4837 crores in Q3FY25 against Rs. 5238 crores in Q2FY25 and Rs. 4579 crores in Q3FY24.
- 4) **Net Interest Margin (NIM)** decreased to 2.94% in Q3FY25 against 3.10% in Q2FY25 and Q3FY24.
- 5) **Global Cost of Deposit** decreased to 5.08% in Q3FY25 (4.96% in Q3FY24) against 5.12% in Q2FY25. The global yield on Advances decreased to 8.35% in Q3FY25 against 8.48% in Q2FY25.
- 6) **Total Business** rose by 11.8% YoY at Rs. 2565495 crores in Q3FY25 against Rs. 2294627 crores in Q3FY24.
- 7) **Total Non- Interest Income** rose by 34.1% YoY and 27.25% QoQ at Rs. 3769 crores in Q3FY25 against Rs. 2810 crores in Q3FY24 and Rs. 5181 crores in Q2FY25.
- 8) **Fee-Based Income** down by 2.31% QoQ at Rs. 1732 crores in Q3FY25 against Rs. 1773 crores in Q2FY25 and it was up by 12.3% at Rs. 1543 crores in Q3FY24.
- 9) **Treasury Income** rose by 17.15% QoQ and 128.29% YoY at Rs. 936 crores in Q3FY25 against Rs. 799 crores in Q2FY25 and Rs. 410 crores in Q3FY24.
- 10) **Cost/Income Ratio** increased to 49.53% in Q3FY25 against 43.60% in Q2FY25 and 49.57% in Q3FY24.
- 11) **Global Advances** rose by 11.8% at Rs. 1173034 crores in Q3FY25 against Rs. 1049327 crores in Q3FY24.
- 12) **Total Deposits** rose by 11.8% YoY at Rs. 1392461 crores in Q3FY25 against Rs. 1245300 crores in Q3FY24.
- 13) **CASA ratio** slightly decreased to 39.68% in Q3FY25 against 39.84% in Q3FY24.
- 14) **Return on assets (ROA)** decreased to 1.15% in Q3FY25 against 1.30% in Q2FY25 and 1.20% in Q3FY24.
- 15) **Fresh Slippages** decreased to Rs. 2503 Crores in Q3FY25 (Rs. 2363 Crores in Q3FY24) and increased from Rs. 2788 Crores in Q2FY25. Recovery + Upgradation decreased at Rs. 1821 Crores in Q3FY25 against Rs. 1837 Crores in Q2FY25.

KEY FINANCIAL INDICATORS – Q3FY25

CMP (04.02.2025)	: Rs. 212.89
Face Value	: Rs. 2
Book value per share	: Rs. 231.49
Market Capitalisation	: Rs. 1,10,279.30
Capital Adequacy Ratio	: 15.96%
CASA Ratio	: 39.68%
Net Interest Margin (NIM)	: 2.94%
Cost / Income Ratio	: 49.53%
GNPA	: 2.43%
Net NPA	: 0.59%
PCR	: 93.51%
Slippage Ratio	: 0.90%
Credit Cost	: 0.30%
Return on Assets	: 1.15%
Return on Equity	: 17.01%

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- 16) **Gross NPA Ratio** decreased to 2.43% in Q3FY25 against 2.50% in Q2FY25 and 3.08% in Q3FY24. Net NPA ratio decreased to 0.59% in Q3FY25 against 0.60% in Q2FY25 and 0.70% in Q3FY24.
- 17) **Credit Cost** decreased to 0.30% in Q3FY25 against 0.65% in Q2FY25, it was also decreased YoY to 0.39% in Q2FY24.
- 18) **Provision Coverage Ratio** decreased to 93.51% in Q3FY25 against 93.61% in Q2FY25 and 93.39% in Q3FY24.

Management Comments

- 19) Mr. Debadatta Chand, MD & CEO, Bank of Baroda, stated that the bank's net profit exceeded ₹4,000 crore for the ninth consecutive quarter. He forecasts deposits and credit to expand by 9-11 percent and 11-13 percent, respectively for the FY25.
- 20) The bank anticipates limited impact from regulatory changes on gold loans due to its modest loan book.
- 21) Analysts wanted to know how the bank's digital strategy affected customer acquisition and operational effectiveness. According to Mr. Debadatta Chand, the bank increased its investment in digital platforms in order to save operating expenses and improves client experience. In addition to highlighting new features in UPI services and mobile banking, he claimed a notable increase in digital transactions.
- 22) Answering a analyst's query, about the bank's high cost-to-income ratio, Mr. Chand, explained that the management recognizes the significance of rising cost-to-income ratio and described current plans to increase efficiency by investing in technology, streamlining branch operations, and optimizing operational procedures.
- 23) Looking at the current market scenario, the bank has continued its target for FY25:
 - Deposit growth target **9%-11%**
 - Advances target **11-13%**
 - Slippage Ratio **1-1.25%**
 - Credit Cost **<0.75**
 - NIM **3-3.10%**,