



Bank of Baroda – Q2FY25

“Excellent results produced by the bank with both the operating profit & net profit on highs and total business crossing 25 lakh Crores”

Ajcon Global’s observations & views

1. The bank has reversed the negative trend witnessed in Q1 and Produced excellent results on all fronts
2. It's a strong Bank and we hope it will perform exceedingly well in FY25.

Q2FY25 RESULT ANALYSIS

- 1) **Net interest income** increased by 0.18% QoQ at Rs. 11622 crores in Q2FY25 against Rs. 11600 crores in Q1FY25 and it is up 7.3% YoY against Rs. 10831 crores in Q2FY24.
- 2) **Operating profit** rose by 32.34% QoQ and 18.2% YoY at Rs. 9477 Crores in Q2FY25 against Rs. 7161 crores in Q1FY25 and Rs. 8020 crores in Q2FY24.
- 3) **Net Profit** grew by 17.49% sequentially and 23.2% YoY at Rs. 5238 crores in Q2FY25 against Rs. 4458 crores in Q1FY25 and Rs. 4253 crores in Q2FY24.
- 4) **NIM** increased to 3.10% in Q2FY25 against 3.07% in Q2FY24 and it is down from 3.18% in Q1FY25.
- 5) **Global cost of deposit** increased to 5.12% in Q2FY25 (4.92% in Q2FY24) against and 5.06% in Q1FY25. The global yield on Advances decreased to 8.48% in Q2FY25 against 8.55% in Q1FY25 and it is up by 8.43% in Q2FY24.
- 6) **Total business** rose by 10.2% YoY at Rs. 2506525 crores in Q2FY25 against Rs. 2274148 crores in Q2FY24.
- 7) **Total Non-Interest Income** rose by 24.2% YoY and 108.32% QoQ at Rs. 5181 crores in Q2FY25 against Rs. 4171 crores in Q2FY24 and Rs. 2487 crores in Q1FY25.
- 8) **Fee-based income** rose by 19.88% QoQ at Rs. 1773 crores against Rs. 1479 crores in Q1FY25 and it is down by 11.2% at Rs. 1996 crores in Q2FY24.
- 9) **Treasury income** rose by 170.84% QoQ and 10.2% YoY at Rs. 799 crores in Q2FY25 against Rs. 295 crores in Q1FY25 and Rs. 725 crores in Q2FY24.
- 10) **Cost/Income ratio** fell to 43.60% in Q2FY25 against 49.17% in Q1FY25 and 46.54% in Q2FY24.
- 11) **Global Advances** rose by 11.6% at Rs. 1143039 crores in Q2FY25 against Rs. 1024501 crores in Q2FY24.
- 12) **Total deposits** rose by 9.1% YoY at Rs. 1363486 crores in Q2FY25 against Rs. 1249647 crores in Q2FY24.
- 13) **CASA ratio** slightly decreased to 39.84% in Q2FY25 against 39.88% in Q2FY24 .
- 14) **C/D ratio** increased at 83.83% Q2FY25 against 81.99% in Q2FY24.
- 15) **Return on assets (ROA)** increased to 1.30% in Q2FY25 against 1.13% in Q1FY25 and 1.14% in Q2FY24.
- 16) **Fresh slippages** decreased to Rs. 2788 Crores in Q2FY25 (Rs. 4331 Crores in Q2FY24) and slightly increased from Rs. 2787 Crores in Q1FY25. Recovery + Upgradation increased at Rs. 1837 Crores in Q2FY25 against Rs. 1657 Crores in Q1FY25.
- 17) **Gross NPA ratio** improved to 2.50% in Q2FY25 against 2.88% in Q1FY25 and 3.32% in Q2FY24. Net NPA ratio improved to 0.60% in Q2FY25 against 0.69% in Q1FY25 and 0.76% in Q2FY24.
- 18) **Credit cost** increased to 0.65% in Q2FY25 against 0.47% in Q1FY25, it is decreased by 0.92% in Q2FY24.
- 19) **Provision Coverage** increased to 93.61% in Q2FY25 against 93.32% in Q1FY25 and 93.16% in Q2FY24

KEY FINANCIAL INDICATORS - Q2FY25

CMP (29.10.2024)	: Rs. 254.30
Face Value	: Rs. 2
Book value per share	: Rs. 210.55
Market Capitalisation	: Rs. 1,31,507.74 Crs.
Capital Adequacy Ratio	: 16.26%
C/D ratio	: 83.83%
CASA ratio	: 39.84%
Net Interest Margin (NIM)	: 3.10%
Cost / Income ratio	: 43.60%
Gross Non Performing Assets	: 2.50%
Net Non Performing Assets	: 0.60%
Provision Coverage Ratio (PCR)	: 93.61%
Slippage ratio	: 1.07%
Credit cost	: 0.65%
Return on Assets (Annualised)	: 1.30%
Return on Equity (Annualised)	: 19.22%



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Management Comments

- 20) Replying to an analyst’s query on deposit growth, the management said that the bank has focused on increasing retail deposits and retail term deposits. For this, it has introduced SDP where it has raised Rs. 250 crores in this quarter and management expects higher deposit growth in Q3FY25 & Q4FY25.
- 21) Replying to an analyst’s query about SMA growth, the bank’s MD and CEO, Shri S L Jain, replied that there is a slight increase in SMA 1 and 2, as two State PSU accounts delayed repayment due to technical issues. These accounts will be moved into the standard book soon.
- 22) Looking at the current market scenario, the bank has revised its target for FY25:
Deposit growth target to 9%-11% from 10%-12%
Advances target to 11-13% from 12-14%

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