



Central Bank of India – Q3FY25

“The bank is on the right path to achieve all the given targets for FY25 which augers well”

Ajcon Global’s observations & views

1. The operating profit was marginally down due to lower treasury income & higher cost to income ratio.
2. The bank has achieved higher NIMs at 3.48% backed by high CASA ratio of 49.18% during the quarter.

Q3FY25 RESULT ANALYSIS

- 1) **Net interest income** rose by 3.81% QoQ and 12.31% YoY at Rs. 3540 Crores against Rs. 3410 Crores in Q2FY25 and Rs. 3152 Crores in Q3FY24.
- 2) **Operating profit** came down by 9.33% QoQ at Rs. 1963 Crores against Rs. 2165 Crores in Q2FY25 but it increased by 1.66% YoY from Rs. 1931 Crores in Q3FY24.
- 3) **Net Profit** grew by 5.04% QoQ and 33.57% YoY at Rs. 959 Crores against Rs. 913 Crores in Q2FY25 and Rs. 718 Crores in Q3FY24.
- 4) **NIM** increased to 3.48% in Q3FY25 against 3.28% in Q3FY24.
- 5) **Domestic cost of deposits** gone up to 4.81% in Q3FY25 from 4.72% in Q3FY24.
- 6) **Cost of Funds** increased to 4.90% in Q3FY25 from 4.83% in Q3FY24.
- 7) **Yield on Advances** increased to 9.01% in Q3FY25 against 8.94% in Q3FY24.
- 8) **Total business** rose by 8.31% YoY at Rs. 668686 Crores against Rs. 617368 Crores in Q3FY24.
- 9) **Total Non-Interest Income** decreased by 25.38% QoQ and 7.59% YoY at Rs. 1229 Crores against Rs. 1647 Crores in Q2FY25 and Rs. 1330 Crores in Q3FY24.
- 10) **Fee based income** came down by 17.64% QoQ at Rs. 523 Crores against Rs. 635 Crores in Q2FY25 but it increased by 7.61% YoY from Rs. 486 Crores in Q3FY24.
- 11) **Treasury income** fell by 42.86% QoQ at Rs. 224 Crores against Rs. 392 Crores in Q2FY25 but it increased by 10.34% YoY from Rs. 203 Crores in Q3FY24.
- 12) **Cost/Income ratio** rose to 58.83% against 56.91% in Q3FY24.
- 13) **Gross Advances** rose by 7.05% QoQ and 12.99% YoY at Rs. 270779 Crores against Rs. 252944 Crores in Q2FY25 and Rs. 239646 Crores in Q3FY24.
- 14) **The total Government guaranteed advances** increased by 5.74% YoY at Rs. 5346 Crores against Rs. 5056 Crores in Q3FY24.
- 15) **Total deposits** up by 5.34% YoY at Rs. 397907 Crores against Rs. 377722 Crores in Q3FY24.
- 16) **CASA ratio** rose to 49.18% against 48.98% in Q3FY24.
- 17) **Credit/Deposit (C/D) ratio** increased to 68.25% against 63.60% in Q3FY24.
- 18) **Return on assets (ROA)** increased to 0.87% in Q3FY25 from 0.69% in Q3FY24.
- 19) **Fresh slippages** rose to Rs. 800 Crores in Q3FY25 against Rs. 766 Crores in Q2FY25. Recovery + Upgradation increased at Rs. 694 Crores in Q3FY25 against Rs. 655 Crores in Q2FY25.
- 20) **Gross NPA ratio** improved to 3.86% in Q3FY25 against 4.59% in Q2FY25 and 4.50% in Q3FY24. Net NPAs ratio improved to 0.59% in Q3FY25 against 0.69% in Q2FY25 and 1.27% in Q3FY24.
- 21) **Total standard restructured assets** decreased to Rs. 5515 Crores against Rs. 5808 Crores in Q2FY25 and Rs. 6711 Crores in Q3FY24.
- 22) **Credit cost** decreased to 0.49% against 1.24% in Q3FY24.
- 23) **Provision Coverage ratio** slightly increased to 96.54% against 96.31% in Q2FY25 and 93.73% in Q3FY24.
- 24) **The Bank’s Capital Adequacy ratio** ratio increased to 16.43% in Q3FY25 against 16.27% in Q2FY25 and 14.74% in Q3FY24.

KEY FINANCIAL INDICATORS – Q3FY25

CMP (22.01.2025)	: Rs. 52.32
Face Value	: Rs. 10
Book value per share	: Rs. 34.54
Market Capitalisation	: Rs. 45418.68 Crs.
Capital Adequacy Ratio	: 16.43%
C/D ratio	: 68.25%
CASA ratio	: 49.18%
Net Interest Margin (NIM)	: 3.48%
Cost / Income ratio	: 58.83%
Gross NPA	: 3.86%
Net NPA	: 0.59%
PCR	: 96.54%
Slippage ratio	: 0.39%
Credit cost	: 0.49%
Return on Assets (Annualised)	: 0.87%
Return on Equity (Annualised)	: 12.96%

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Management Comments

- 25) On deposit growth, Bank's MD & CEO, Mr. M. V. Rao said that the bank has main focus on increasing CASA deposits. The bank has around 65% network reach in rural and semi-urban areas like Maharashtra, Madhya Pradesh, Eastern Bihar, Eastern Uttarpradesh and West Bengal. These cities are major contributors towards CASA deposits.
- 26) Cost to income ratio is bit higher than the given guidance due to higher staff cost. The bank expects good interest income on advances, recovery in write off accounts to reach at given guidance level. Further, the bank has good recovery pipeline of Rs. 500-550 Crores which is to be expected to come by Q2FY26, added by Mr. M. V. Rao.
- 27) The bank has well managed risk department where all kinds of risks get evaluated and controlled. The draft circular has more focus on Operational risks and Cyber risks. The bank is working on to bring integrated framework for the same, explained by the CFO on query raised on RBI draft circular on model risk management.
- 28) On replying to an analyst concern over growth journey, Mr. M. V. Rao showed confidence to maintain given targets for FY25 which are mentioned below.
- Business Growth-10%-12%
 - Deposit Growth-8%-10%
 - Advances Growth-14%-15%
 - CASA-50%(+/-1%)
 - RAM: Corporate Credit Ratio- 65:35(+/-5%)
 - NIM->3%
 - Gross NPA- <4%
 - Net NPA-<1%
 - PCR- 95%-96%
 - Slippage Ratio-<0.50% on QoQ basis
 - Credit Cost-1.00-1.25%
 - Cost to Income ratio-50%-52%
 - ROA- 0.75-0.85% , The bank is on healthy level of 0.87% in Q3FY25 & it may increase to 1% for FY25.