



## Central Bank of India – Q2FY25

**“The bank has given reasonably good performance and is expected to meet all the targets given for FY25”**

### Ajcon Global’s observations & views

1. The Bank continued good overall performance across all parameters for Q2FY25 meeting all the guidance and giving a positive outlook for Q3FY25.
2. The bank’s digital initiatives are set to help the bank continue its growth journey as a separate arm is set up with fresh hiring of IT employees for the digital platform.
3. We believe, the Bank with a strong brand image, new products lined up, loyal customer base is poised for good growth in Corporate and Retail advances.

### Q2FY25 RESULT ANALYSIS

- 1) **Net interest income** is down by Rs. 3.89% QoQ at Rs. 3410 crores against Rs. 3548 crores. It rose by 12.62% YoY against Rs. 3028 crores.
- 2) **Operating profit** is up by 8.63% sequentially and up by 41.50% YoY at Rs. 2165 Crores against Rs. 1993 crores in Q1FY25 and Rs. 1530 crores in Q2FY24.
- 3) **Net Profit** growth came at 3.75% sequentially and 50.91% YoY at Rs. 913 crores against Rs. 880 crores in Q1FY25 and Rs. 605 crores in Q2FY24.
- 4) **NIM** was down at 3.44% against 3.57% QoQ and 3.29% YoY.
- 5) **Domestic cost of deposits** has gone up to 4.71% in Q2FY25 from 4.60% in Q2FY24.
- 6) **Cost of Funds** has gone up to 4.79% in Q2FY25 from 4.65% in Q2FY24.
- 7) **Yield on Advances** has gone up to 8.84% in Q2FY25 from 8.62% in Q2FY24.
- 8) **Total business stood** at Rs. 644858 crores against Rs. 602284 crores YoY up by 7.07%.
- 9) **Total Non-Interest Income** increases by 55.23% on YoY basis and up by 41.37% on QoQ basis to Rs. 1647 Crore in Q2FY25 (Rs. 1061 Crore in Q2FY24) as against Rs. 1165 Crore in Q1FY24.

### KEY FINANCIAL INDICATORS - Q2FY25

<b>CMP (21.10.2024)</b>	: Rs. 56.41
<b>Face Value</b>	: Rs. 10
<b>Book value per share</b>	: Rs. 33.63
<b>Market Capitalisation</b>	: Rs. 48969.18 Crs.
<b>Capital Adequacy Ratio</b>	: 16.27%
<b>C/D ratio</b>	: 64.71%
<b>CASA ratio</b>	: 48.93%
<b>Net Interest Margin (NIM)</b>	: 3.44%
<b>Cost / Income ratio</b>	: 57.19%
<b>Gross Non Performing Assets</b>	: 4.59%
<b>Net Non Performing Assets</b>	: 0.69%
<b>Provision Coverage Ratio (PCR)</b>	: 96.31%
<b>Slippage ratio</b>	: 0.38%
<b>Credit cost</b>	: 0.56%
<b>Return on Assets (Annualised)</b>	: 0.85%
<b>Return on Equity (Annualised)</b>	: 12.76%

- 10) **Fee based income** increased by 25.49% on YoY basis and up 49.41% on a QoQ basis to Rs. 635 Crore in Q2FY25 (Rs. 506 Crore in Q2FY24) as against Rs. 425 Crore in Q1FY25.
- 11) **Treasury income** stood at Rs. 392 Crore in Q2FY25 down by 2.49% QoQ (Rs. 115 Crore in Q2FY25) as against Rs. 402 Crore in Q1FY25
- 12) **Cost/Income ratio** decreased to 57.19% in Q2FY25 as against 58.18% in Q2FY25.
- 13) **Gross Advances** increased at Rs. 252944 crores against Rs. 250615 Crores QoQ and up by 9.48% YoY against Rs. 231032 crores.
- 14) **The total Government guaranteed advances** stood at Rs. 4076 Crore in Q2FY25 as against Rs. 5632 Crore in Q2FY24 down by 27.63%.
- 15) **Total deposits** stood at Rs. 391914 crores in Q2FY25 up by 5.57 YoY at Rs. 371252 crores in Q2FY24. The bank has included Interbank Deposits in total deposits.
- 16) **CASA ratio** stood at 48.93% in Q2FY25 against 49.40% in Q2FY24.
- 17) **Credit/Deposit (C/D) ratio** stood at 64.71% in Q2FY25 as against 62.43% in Q2FY24.
- 18) **Return on assets (ROA)** increased to 0.85% in Q2FY25 up from 0.62% in Q2FY24
- 19) **Fresh slippages** decreased to Rs. 766 Crore in Q2FY25 as against Rs. 650 Crore in Q1FY25. Recovery + Upgradation stood at Rs. 655 Crore in Q2FY25 as against Rs. 733 Crore in Q1FY25.
- 20) **Gross NPA ratio** increased at 4.59% in Q2FY25 as against 4.54 % in Q1FY25. Net NPAs ratio decreased to 0.69% in Q2FY25 as against 0.73% in Q1FY25.
- 21) **Total standard restructured assets** stood at Rs. 5808 Crore in Q2FY25 as against Rs. 6038 Crore in Q1FY25.
- 22) **Credit cost** decreased to 0.56% in Q2FY25 from 2.13% in Q1FY25.
- 23) **Provision Coverage ratio** stood at 96.31% in Q2FY25 as against 96.17% in Q1FY25.
- 24) **The Bank’s Capital Adequacy ratio** stood at 16.27% in Q2FY25 as against 15.68% in Q1FY25.

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### Management Comments

- 25) The bank has received CCI approval to buy 25.8% equity interests in Future Genera's Life Insurance division and 24.9% in its Non-Life division. Once this process is completed, the bank will have two extra JVS and two existing JVS.
- 26) As per the management, in terms of customer experience, the bank has already begun offering digital lending products such as gold loans and Mudra loans on the Neo platform, which is a new lending platform. The bank will also introduce new products, including a business loan and a housing loan.
- 27) The bank's management has maintained the guidance for FY25 as was given in Q1.

#### Guidance:

- 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%
- ROA- 0.75-0.85%
- Cost to Income ratio-50%-52%