

**“Consistently excellent performance quarter after quarter  
inspite of subdued business growth”**

### Ajcon Global’s observations & views

1. Though, the business growth is subdued the bank has performed well on all other parameters.
2. The bank’s treasury as in every quarter, has performed well.
3. The management has assured of achieving the given guidance for the Business growth & Recovery too.

### Q2FY25 RESULT ANALYSIS

- 1) **Net interest income** is up by 0.3% QoQ and 8% YoY at Rs. 6194 crores in Q2FY25 against Rs. 6178 crores in Q1FY25 and Rs. 5741 crores in Q2FY24.
- 2) **Operating profit** is up by 5% QoQ and 10% YoY at Rs. 4728 Crores in Q2FY25 against Rs. 4502 crores in Q1FY25 and Rs. 4303 crores in Q2FY24.
- 3) **Net Profit** rose to 13% QoQ and 36% YoY at Rs. 2707 crores in Q2FY25 against Rs. 2403 crores in Q1FY25 and Rs. 1988 crores in Q2FY24.
- 4) **NIM** decreased to 3.39% in Q2FY25 against 3.44% in Q1FY25 and 3.46% in Q2FY24.
- 5) **Cost of deposits** has gone up to 5.13% in Q2FY25 (4.89% in Q2FY24) against 5.05% in Q1FY25. Cost of Funds increased to 5.22% in Q2FY25 (4.97% in Q2FY24) against 5.12% in Q1FY25. Yield on Advances rose to 8.77% in Q2FY25 (8.75% in Q2FY24) against 8.69% in Q1FY25.
- 6) **Total business** increased by 2% QoQ and 10% YoY at Rs. 1243759 crores in Q2FY25 against Rs. 1220306 crores in Q1FY25 and Rs. 1133091 crores in Q2FY24.

### KEY FINANCIAL INDICATORS - Q2FY25

<b>CMP (30.10.2024)</b>	: Rs. 588.10
<b>Face Value</b>	: Rs. 10
<b>Book value per share</b>	: Rs. 394.19
<b>Market Capitalisation</b>	: Rs. 79,214.71 Crs.
<b>Capital Adequacy Ratio</b>	: 16.55%
<b>C/D ratio</b>	: 79.44%
<b>CASA ratio (Domestic)</b>	: 40.47%
<b>CASA ratio (Global)</b>	: 38.86%
<b>Net Interest Margin (NIM)</b>	: 3.39%
<b>Cost / Income ratio</b>	: 45.12%
<b>Gross Non Performing Assets</b>	: 3.48%
<b>Net Non Performing Assets</b>	: 0.27%
<b>Provision Coverage Ratio (PCR)</b>	: 97.60%
<b>Slippage ratio</b>	: 1.06%
<b>Credit cost</b>	: 0.65%
<b>Return on Assets (Annualised)</b>	: 1.33%
<b>Return on Equity (Annualised)</b>	: 21.04

- 7) **Total Non-Interest Income** increased by 27% QoQ and 22% YoY at Rs. 2422 crores in Q2FY25 against Rs. 1906 crores in Q1FY25 and Rs. 1992 crores in Q2FY24.
- 8) **Fee income** increased by 13% QoQ and 11% YoY at Rs. 891 crores in Q2FY25 against Rs. 788 crores in Q1FY25 and Rs. 805 crores in Q2FY24.
- 9) **Cost/Income ratio** rose to 45.12% in Q2FY25 against 44.31% in Q1FY25 and 44.36% in Q2FY24.
- 10) **Domestic Gross Advances** increased by 2% QoQ and 12% YoY at Rs. 513318 crores in Q2FY25 against Rs. 502618 crores in Q1FY25 and Rs. 458681 crores in Q2FY24.
- 11) **The total Government guaranteed advances** decreased to Rs. 26315 crores in Q2FY25 against Rs. 28923 crores in Q1FY25 and Rs. 29031 crores in Q2FY24.
- 12) **Total deposits** rose by 2% QoQ and 8% YoY at Rs. 693115 crores in Q2FY25 against Rs. 681183 crores in Q1FY25 and Rs. 640803 crores in Q2FY24.
- 13) **CASA ratio** decreased globally at 38.86% in Q2FY25 against 39.03% in Q1FY25 and 40.11% in Q2FY24 and it has come down domestically as well at 40.47% in Q2FY25 against 40.56% in Q1FY25 and 41.37% in Q2FY24.
- 14) **C/D ratio** rose to 79.44% in Q2FY25 against 79.15% in Q1FY25 and 76.82% in Q2FY24.
- 15) **Return on assets (ROA)** increased to 1.33% in Q2FY25 against 1.20% in Q1FY25 and 1.06% in Q2FY24.
- 16) **Fresh slippages** decreased to Rs. 1357 Crore in Q2FY25 (Rs. 1976 crores in Q2FY24) against Rs. 1928 Crore in Q1FY25. Recovery + Upgradation increased at Rs. 2021 Crore in Q2FY25 against Rs. 1937 Crore in Q1FY25 and it is decreased from Rs. 2265 crores in Q2FY24.
- 17) **Gross NPA ratio** improved to 3.48% in Q2FY25 against 3.77% in Q1FY25 and 4.97% in Q2FY24. Net NPAs ratio improved to 0.27% in Q2FY25 against 0.39% in Q1FY25 and 0.60% in Q2FY24.
- 18) **Credit cost** reduced to 0.65% in Q2FY25 from 0.71% in Q1FY25 and 0.79% in Q2FY24.
- 19) **Provision Coverage ratio** increased to 97.60% in Q2FY25 against 96.66% in Q1FY25 and 95.64% in Q2FY24.
- 20) **The Bank’s Capital Adequacy ratio** rose to 16.55% in Q2FY25 against 16.47% in Q1FY25 and 15.53% in Q2FY24.

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### Management Comments

- 21) Replying to an analyst’s concern over business growth, the MD & CEO of the bank Shri S L Jain assured to achieve FY25 targets. The bank has adequate pipeline, it has sanctioned Rs. 32000 crores in H1FY25 which was Rs. 27000 crores in H1FY24, added Shri Jain.
- 22) Talking about the treasury income, Shri S.L. Jain replied that the bank has enough liquidity. It is building good investment book to encash good opportunity in the market in terms of yield. It has invested Rs. 5000 crores between June 2024 to September 2024.
- 23) Talking about the credit cost, the MD & CEO replied that the credit cost is getting down because of improving NPA & this trend is expected to continue in future also.
- 24) The bank has focus to improve digital transactions, it has completed 24 journeys in H1FY25. Digital business increased substantially in H1FY25. The bank’s 92% branch channel has been moved into digital channel. It has introduced new omni channel app where mobile banking users increased by 20% YoY, UPI users increased by 27% YoY, added Jain Sab.

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