



## Indian Bank – Q3FY25

**“Performed well on profitability front but faltered on business growth both on deposit & credit fronts which is a cause of concern”**

### Ajcon Global’s observations & views

1. Though, the business growth was negligible, the bank has performed well on all other parameters.
2. The management has assured of achieving the given guidance for the Business growth & Recovery too.

### Q3FY25 RESULT ANALYSIS

- 1) **Net interest income** is up by 3.6% QoQ and 10.3% YoY at Rs. 6415 Crores against Rs. 6194 Crores in Q2FY25 and Rs. 5815 Crores in Q3FY24.
- 2) **Operating profit** increased by 0.4% QoQ and 15.9% YoY at Rs. 4749 Crores against Rs. 4728 Crores in Q2FY25 and Rs. 4097 Crores in Q3FY24.
- 3) **Net Profit** grew by 5.4% QoQ and 34.6% YoY at Rs. 2852 Crores against Rs. 2707 Crores in Q2FY25 and Rs. 2119 Crores in Q3FY24.
- 4) **NIM** increased to 3.45% against 3.39% in Q2FY25 and 3.41% in Q3FY24.
- 5) **Cost of deposits** rose to 5.18% against 5.13% in Q2FY25 and 4.99% in Q3FY24. Cost of Funds increased to 5.27% against 5.22% in Q2FY25 and 5.09% in Q3FY24. Yield on Advances rose to 8.92% against 8.77% in Q2FY25 and 8.78% in Q3FY24.
- 6) **Total business** increased by 1.4% QoQ and 8.4% YoY at Rs. 1261481 Crores against Rs. 1243759 Crores in Q2FY25 and Rs. 1163954 Crores in Q3FY24.

### KEY FINANCIAL INDICATORS – Q3FY25

<b>CMP (03.02.2025)</b>	: Rs. 520.40
<b>Face Value</b>	: Rs. 10
<b>Book value per share</b>	: Rs. 412.42
<b>Market Capitalisation</b>	: Rs. 70,095.80 Crs.
<b>Capital Adequacy Ratio</b>	: 15.92%
<b>C/D ratio</b>	: 79.63%
<b>CASA ratio (Domestic)</b>	: 40.00%
<b>CASA ratio (Global)</b>	: 38.32%
<b>Net Interest Margin (NIM)</b>	: 3.45%
<b>Cost / Income ratio</b>	: 44.56%
<b>Gross NPA</b>	: 3.26%
<b>Net NPA</b>	: 0.21%
<b>PCR</b>	: 98.09%
<b>Slippage ratio</b>	: 0.78%
<b>Credit cost</b>	: 0.47%
<b>Return on Assets (Annualised)</b>	: 1.39%
<b>Return on Equity (Annualised)</b>	: 21.00%

- 7) **Total Non-Interest Income** decreased by 11.1% QoQ at Rs. 2152 Crores against Rs. 2422 Crores in Q2FY25 but it increased by 13.2% YoY from Rs. 1902 Crores in Q3FY25.
- 8) **Fee income** increased by 4.4% QoQ and 9.2% YoY at Rs. 931 Crores against Rs. 891 Crores in Q2FY25 and Rs. 852 Crores in Q3FY24.
- 9) **Cost/Income ratio** decreased to 44.56% against 45.12% in Q2FY25 and 46.90% in Q3FY24.
- 10) **Total Gross Advances** increased by 1.6% QoQ and 9.7% YoY at Rs. 559199 Crores against Rs. 550644 Crores in Q2FY25 and Rs. 509800 Crores in Q3FY24.
- 11) **The total Government guaranteed advances** increased to Rs. 30082 Crores against Rs. 26315 Crores in Q2FY25 and Rs. 28746 Crores in Q3FY24.
- 12) **Total deposits** rose by 1.3% QoQ and 7.4% YoY at Rs. 702282 Crores against Rs. 693115 Crores in Q2FY25 and Rs. 654154 Crores in Q3FY24.
- 13) **CASA ratio** decreased globally at 38.32% against 38.86% in Q2FY25 and 39.67% in Q3FY24 and it has come down domestically as well at 40.00% against 40.47% in Q2FY25 and 41.14% in Q3FY24.
- 14) **C/D ratio** rose to 79.63% against 79.44% in Q2FY25 but it decreased from 77.93% in Q3FY24.
- 15) **Return on assets (ROA)** increased to 1.39% against 1.33% in Q2FY25 and 1.11% in Q3FY24.
- 16) **Fresh slippages** decreased to Rs. 1004 Crores against Rs. 1357 Crores in Q2FY25 and Rs. 1429 Crores in Q3FY24. Recovery + Upgradation decreased at Rs. 1911 Crores against Rs. 2021 Crores in Q2FY25 and Rs. 2509 Crores in Q3FY24.
- 17) **Gross NPA ratio** improved to 3.26% against 3.48% in Q2FY25 and 4.47% in Q3FY24. Net NPAs ratio improved to 0.21% against 0.27% in Q2FY25 and 0.53% in Q3FY24.
- 18) **Credit cost** reduced to 0.47% from 0.65% in Q2FY25 and 0.76% in Q3FY24.
- 19) **Provision Coverage ratio** rose to 98.09% against 97.60% in Q2FY25 and 95.90% in Q3FY24.
- 20) **The Bank’s Capital Adequacy ratio** declined QoQ at 15.92% against 16.55% in Q2FY25 but it increased from 15.58% in Q3FY24.

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### Management Comments

- 21) Replying to an analyst’s concern over Credit growth, Shri Binod Kumar, MD & CEO of the Bank, assured to achieve 11% - 13% credit growth target in FY25. The bank’s RAM book is growing good and the bank has pipeline of Rs. 40000 Crores in corporate book as well at various stages.
- 22) Talking about the SMA accounts, the MD & CEO replied that there will be good recovery from SMA 0 accounts in coming quarters as some of these are old accounts having good track record of recovery.
- 23) The bank has taken various initiatives for digital journey. Bank’s Digital transactions increased to 92% in Q3/25 from 87% in Q3/24. In nine months ending FY25, bank’s digital business grew by 125% YoY at Rs. 118981 Crores, E-deposits gone up by 186% YoY, digital home loan grew by 3.2x YoY, digital MSME grew by 79% YoY, added by Shri Binod Kumar, MD & CEO.
- 24) The bank’s management expects good treasury income in Q4FY25, added by Mr. Binod Kumar on concern raised by an analyst on treasury income.