

**“The bank continued its success journey during the quarter on all fronts and is expected to cross the major milestone of Rs. 5.00 Lakh Crores business ”**

### Ajcon Global’s observations & views

1. The bank has performed well on all fronts and the management is confident of achieving its increasing CASA deposit so as to reach soon the 40% milestone.

### Q3FY25 RESULT ANALYSIS

- 1) **Net interest income** rose to 3.35% QoQ and 19.62% YoY at Rs. 2378 Crores against Rs. 2301 Crores in Q2FY25 and Rs. 1988 Crores in Q3FY24.
- 2) **Operating profit** is up by 10.75% QoQ and 41.73% YoY at Rs. 1586 Crores against Rs. 1432 Crores in Q2FY25 and Rs. 1119 Crores in Q3FY24.
- 3) **Net Profit** grew by 5.97% QoQ and 27.04% YoY at Rs. 639 Crores against Rs. 603 Crores in Q2FY25 and Rs. 503 Crores in Q3FY24.
- 4) **NIM** rose to 3.38% in Q3FY25 against 3.30% in Q2FY25 and 3.02% in Q3FY24.
- 5) **Cost of deposits** increased to 4.90% in Q3FY25 against 4.88% in Q2FY25 and stable from 4.91% in Q3FY24.
- 6) **Cost of Funds** decreased to 4.75% in Q3FY25 against 4.79% in Q2FY25 and 4.78% in Q3FY24.
- 7) **Yield on Advances** increased to 9.06% in Q3FY25 against 8.96% in Q2FY25 and 8.81% in Q3FY24.

### KEY FINANCIAL INDICATORS – Q3FY25

<b>CMP (22.01.2025)</b>	: Rs. 43.15
<b>Face Value</b>	: Rs. 10
<b>Book value per share</b>	: Rs. 16.11
<b>Market Capitalisation</b>	: Rs. 51589.97 Crs.
<b>Capital Adequacy Ratio</b>	: 16.25%
<b>C/D ratio</b>	: 74.45%
<b>CASA ratio</b>	: 37.97%
<b>Net Interest Margin (Domestic)</b>	: 3.38%
<b>Cost / Income ratio</b>	: 55.50%
<b>Gross NPA</b>	: 2.91%
<b>Net NPA</b>	: 0.63%
<b>PCR</b>	: 96.16%
<b>Slippage ratio</b>	: 0.92%
<b>Credit cost</b>	: 0.53%
<b>Return on Assets (Annualised)</b>	: 0.79%
<b>Return on Equity (Annualised)</b>	: 14.23%

- 8) **Total business** increased by 3.21% QoQ and 12.28% YoY at Rs. 488911 Crores against Rs. 473704 Crores in Q2FY25 and Rs. 435456 Crores in Q3FY24.
- 9) **Total Non-Interest Income** rose by 19.44% QoQ and 37.75% YoY at Rs. 1186 Crores against Rs. 993 Crores in Q2FY25 and Rs. 861 Crores in Q3FY24.
- 10) **Fee based income** came down by 4.61% QoQ at Rs. 331 Crores against Rs. 347 Crores in Q2FY25 but it increased by 21.69% YoY from Rs. 272 Crores in Q3FY24.
- 11) **Treasury income** increased to Rs. 145 Crores against Rs. 126 Crores in Q2FY25.
- 12) **Cost/Income ratio** decreased to 55.50% against 56.53% in Q2FY25 and 60.72% in Q3FY24.
- 13) **Gross Advances** increased to 5.42% QoQ and 16.44% YoY at Rs. 208655 Crores against Rs. 197927 Crores in Q2FY25 and Rs. 179195 Crores in Q3FY24.
- 14) **The total Government guaranteed advances** increased to Rs. 9525 Crores against Rs. 8933 Crores in Q2FY25 but it decreased YoY from Rs. 9886 Crores in Q3FY24.
- 15) **Total deposits** increased by 1.62% QoQ and 9.36% YoY at Rs. 280256 Crores against Rs. 275777 Crores in Q2FY25 and Rs. 256261 Crores in Q3FY24.
- 16) **CASA ratio** decreased to 37.97% against 38.24% in Q2FY25 but it is slightly increased YoY from 37.61% in Q3FY24.
- 17) **Credit/Deposit (C/D) ratio** rose to 74.45% in against 71.77% in Q2FY25 and 69.93% in Q3FY24.
- 18) **Return on assets (ROA)** improved to 0.79% against 0.75% in Q2FY25 and 0.67% in Q3FY24.
- 19) **Fresh slippages** decreased to Rs. 418 Crores against Rs. 864 Crores in Q2FY25 and Rs. 483 in Q3FY24.
- 20) **Gross NPA ratio** improved to 2.91% in Q3FY25 against 3.18% in Q2FY25 and 3.85% in Q3FY24. Net NPAs ratio also improved to 0.63% against 0.73% in Q2FY25 and 0.98% in Q3FY24.
- 21) **Credit cost** declined to 0.53% against 1.26% in Q2FY25 but it is increased YoY from 0.28% in Q3FY24.
- 22) **Provision Coverage ratio** increased to 96.16% against 95.94% in Q2FY25 and 95.21% in Q3FY24.
- 23) **The Bank's Capital Adequacy ratio** decreased to 16.25% against 16.84% in Q2FY25 and it increased from 16.01% in Q3FY24.



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### Management Comments

- 24) In an opening remark, Mr. Ashwani Kumar, the MD & CEO, spoke about bank's digital journey. The bank's retail active banking mobile users have doubled in a year with 97% growth, Corporate active mobile banking users increased by 82%, Digital RD and FD grew by 81%, volume of UPI transactions increased by 36%, WhatsApp banking users increased by 304%. The bank has done various partnerships to enhance digital marketing space.
- 25) The bank has introduced several incentives for women customers. Special incentive of 0.5% ROI has been given for home loan, 0.5% concession for education loan under IBM model. The UCO Nari Samman scheme has been launched for women entrepreneurs under MSME segment, UCO Aparajita debit card has been introduced. Exclusive products have been introduced under the umbrella pink basket where women will get accidental insurance, discounts on locker facility etc.
- 26) The bank is planning to launch CBDC and Eterna card for HNI customers, slot booking system through mobile banking for resolutions and the MSME Yuva Shakti scheme for young entrepreneurs. Further, 20-40 branch opening work will complete till March, Mr. Ashwani Kumar spoke on the bank's expansion plan.
- 27) On the recovery front, the MD expects a good recovery trend in coming quarters as many customers come to the branch for resolution and OTS also. So, on a case-by-case basis, the bank is taking a call to accept resolution and OTS amount.
- 28) The bank will be focusing on acquiring quality CASA customers through tab banking, through various tie-ups for salary & savings accounts, and zonal & head of resource teams are giving presentations to various PSUs and MNCs to open their customer's salary accounts, added by Mr. Ashwani Kumar on CASA deposits.
- 29) On green portfolio, the bank introduced green deposits by offering additional interest rates, asset products which encouraged customers to buy EVs & solar products with attractive rate of interest, Obtained Green Certificate from CESC for purchasing 25% of renewable energy from total consumption from Calcutta Electricity Supply Corporation, tied up with PCAF for assessment of portfolio, added by Mr. Ashwani Kumar.