

**Punjab National Bank – Q4FY25 / FY25**

“Excellent performance for FY25 with business growth of 14% and highest ever operating profit of Rs. 26831 Crores”

Ajcon Global’s observations & views

1. The bank continues to perform well on both business & profitability front with business crossing over Rs. 26,83,260 Crores in FY 25 and operating profit reaching Rs. 6776 Crores in Q4/25 and Rs.26831 Crores for FY 25.
2. On the asset side also, the bank has been successful in reducing both Gross NPA and Net NPA to 3.95 % & 0.40 % respectively, coming totally out of past negative legacy.

Q4FY25 RESULT ANALYSIS

- 1) **Net interest income** decreased by 2.49% QoQ at Rs. 10757 Crores against Rs. 11032 Crores in Q3FY25 but it increased by 3.8% from Rs. 10363 Crores in Q4FY24. In FY25 it rose by 6.7% at Rs. 42782 Crores against Rs. 40083 Crores in FY24.
- 2) **Operating profit** rose by 2.34% QoQ at Rs. 6776 Crores against Rs. 6621 Crores in Q3FY25 and 5.6% YoY from Rs. 6416 Crores in Q4FY24. In FY25 it is increased by 7.6% at Rs. 26831 Crores against Rs. 24931 Crores in FY24.
- 3) **Net Profit** grew by 1.31% QoQ and 51.7% YoY at Rs. 4567 Crores against Rs. 4508 Crores in Q3FY25 and Rs. 3010 Crores in Q4FY24. In FY25 it is increased by 101.7% at Rs. 16630 against Rs. 8245 Crores in FY24.
- 4) **Global NIM** decreased to 2.81% against 2.93% in Q3FY25 and 3.10% in Q4FY24.
- 5) **Global cost of deposits** has gone up to 5.36% against 5.09% in Q4FY24. Global cost of Funds has gone up to 4.76% against 4.52% in Q4FY24. Global yield on Advances gone up to 8.36% against 8.44% in Q4FY24.
- 6) **Total business** increased by 1.6% QoQ and 14.0% YoY at Rs. 2683260 Crores against Rs. 2639991 Crores in Q3FY25 and Rs. 2353038 Crores in Q4FY24.
- 7) **Total Other Income** rose by 38.22% QoQ and 11% YoY at Rs. 4716 Crores against Rs. 3412 Crores in Q3FY25 and Rs. 4248 Crores in Q4FY24. In FY25 it rose by 21.9% at Rs. 16309 Crores against Rs. 13384 Crores in FY24.
- 8) **Fee based income** rose by 14.67% QoQ and 11.5% YoY at Rs. 1798 Crores against Rs. 1568 Crores in Q3FY25 and Rs. 1613 Crores in Q4FY24. In FY25 it rose by 15.4% at Rs. 7023 Crores against Rs. 6084 Crores in FY24.
- 9) **Treasury income** increased to Rs. 1078 Crores against Rs. 1007 Crores in Q3FY25 and Rs. 974 Crores in Q4FY24. In FY25 it increased by 272.9% at Rs. 4314 Crores against Rs. 1157 Crores in FY24.
- 10) **Cost/Income ratio** rose to 56.21% against 54.16% in Q3FY25 and 56.09% in Q4FY24. In FY25 it rose to 54.59% against 53.37% in FY24.
- 11) **Global Advances** grew by 0.6% QoQ and 13.6% YoY at Rs. 1116637 Crores against Rs. 1110292 Crores in Q3FY25 and Rs. 983325 Crores in Q4FY24.
- 12) **The total Government guaranteed advances** reduced to Rs. 68865 Crores against Rs. 71240 Crores in Q3FY25 and Rs. 80469 Crores in Q4FY25.
- 13) **Total deposits** rose by 2.4% QoQ and 14.4% YoY at Rs. 1566623 Crores against Rs. 1529699 Crores in Q3FY25 and Rs. 1369713 Crores in Q4FY24.
- 14) **CASA ratio** declined to 37.95% against 38.12% in Q3FY25 and 41.44% in Q4FY24.
- 15) **Return on assets (ROA)** improved to 1.02% from 0.77% in Q4FY24 but marginally decreased from 1.03% in Q3FY25. In FY25 rose to 0.97% against 0.54% in FY24.
- 16) **Fresh slippages** increased to Rs. 2904 Crores against Rs. 1600 Crores in Q3FY25 and Rs. 2078 Crores in Q4FY24. Cash Recovery + Upgradation increased to Rs. 2205 Crores against Rs. 1973 Crores in Q3FY25 but decreased from Rs. 2788 Crores in Q4FY24.
- 17) **Gross NPA ratio** improved to 3.95% against 4.09% in Q3FY25 and 5.73% in Q4FY24. Net NPAs ratio improved to 0.40% against 0.41% in Q3FY25 and 0.73% in Q4FY24.
- 18) **Credit cost** increased to 0.21% against 0.12% in Q3FY25 but it decreased from 0.81% in Q4FY24.
- 19) **Provision Coverage ratio** rose to 96.82% against 96.77% in Q3FY25 and 95.39% in Q4FY24.
- 20) **The Bank’s Capital Adequacy ratio** rose to 17.01% against 15.41% in Q3FY25 and 15.97% in Q4FY24.

KEY FINANCIAL INDICATORS – Q4FY25

CMP (08.05.2025)	: Rs. 91.36
Face Value	: Rs. 2
Book value per share	: Rs. 103.36
Market Capitalisation	: Rs. 104999.59 Crs.
Capital Adequacy Ratio	: 17.01%
C/D ratio	: 71.28%
CASA ratio	: 37.95%
Net Interest Margin (NIM)	: 2.81%
Cost / Income ratio	: 56.21%
Gross NPA	: 3.95%
Net NPA	: 0.40%
PCR	: 96.82%
Slippage ratio	: 1.14%
Credit cost	: 0.21%
Return on Assets (Annualised)	: 1.02%
Return on Equity (Annualised)	: 19.23%



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Management Comments

- 21) The bank's Board has approved the proposal to raise capital up to Rs. 8000 crores through Basel III compliant bonds (Tier-I Bonds up to Rs 4000 crore and Tier- II Bonds up to Rs. 4000 crore).
- 22) Replying to an analyst on higher slippages in Q4FY25, Mr. Ashok Chandra, MD & CEO, stated that the bank's overall slippage for FY25 were at just 0.73%. He noted that the increased slippages in Q4FY25 were primarily from the Agri and MSME segments. However, the bank has already recovered Rs. 288 crores from these slippages in April 2025.
- 23) On replying to an analyst query on corporate credit, the MD & CEO, informed that the bank has sanctions worth Rs. 115000 Crores (plus Rs.21,000 Crores in process) out of this the bank expects disbursement of up to Rs. 85000 crores till Q3FY26.
- 24) Talking about the NIM, the MD & CEO informed that he does not expect any negative impact on NIM in coming quarters, as deposit costs almost lowered now and NIM will start improving from Q2FY26.
- 25) While talking about the NARCL issued SRs, the MD & CEO informed that the total revaluation benefit was Rs.1327 crores out of which Rs.1145 Crores was utilized to offset MTM losses on other SRs, resulting in a positive impact in P & L of Rs.182 crores.
- 26) The M.D.& CEO gave the following guidance for FY26 ;
 - Deposit Growth-9%-10%
 - Advances Growth-11%-12%
 - Operating Profit-8%-9%
 - Net Interest Income-7%
 - NIM-2.8%-2.9%
 - Gross NPA- <3%
 - Net NPA-<0.30%
 - CRAR-95%-96%
 - Slippages-<1%
 - ROA->1%
 - Credit cost-<0.50%
 - Recovery- Rs. 15000 Crores including T.W.O recovery of Rs. 6000 Crores