



“Handsome business growth, one of the best in PSBs space”

### Ajcon Global’s observations & views

1. The bank continues to perform well on both business & profitability front and has achieved the net profit of Rs. 4508 Crores in Q3FY25, which the highest ever quarterly profit.
2. On the asset side also, the bank is successful in reducing both Gross NPA and Net NPA to 4.09% & 0.41% respectively, coming out of past negative legacy.

### Q3FY25 RESULT ANALYSIS

- 1) **Net interest income** rose by 4.90% QoQ and 7.2% YoY at Rs. 11032 Crores against Rs. 10517 Crores in Q2FY25 and Rs. 10293 Crores in Q3FY24.
- 2) **Operating profit** declined by 3.39% QoQ at Rs. 6621 Crores against Rs. 6853 Crores in Q2FY25 but it increased by 4.6% YoY from Rs. 6331 Crores in Q3FY24.
- 3) **Net Profit** grew by 4.76% QoQ and 102.8% YoY at Rs. 4508 Crores against Rs. 4303 Crores in Q2FY25 and Rs. 2223 Crores in Q3FY24.
- 4) **Global NIM** increased to 2.93% against 2.92% in Q2FY25 but decreased from 3.15% in Q3FY24.
- 5) **Global cost of deposits** has gone up to 5.24% against 5.18% in Q2FY25 and 4.96% in Q3FY24. Global cost of Funds has gone up to 4.63% against 4.57% in Q2FY25 and 4.42% in Q3FY24. Global yield on Advances gone up to 8.38% against 8.31% in Q2FY25 but it decreased from 8.45% in Q3FY24.
- 6) **Total business** increased by 4.8% QoQ and 15.2% YoY at Rs. 2639991 Crores against Rs. 2520246 Crores in Q2FY25 and Rs. 2290742 Crores in Q3FY24.

### KEY FINANCIAL INDICATORS – Q3FY25

CMP (04.02.2025)	: Rs. 99.05
Face Value	: Rs. 2
Book value per share	: Rs. 102.02
Market Capitalisation	: Rs. 1,13,837.67 Crs.
Capital Adequacy Ratio	: 15.41%
C/D ratio	: 72.58%
CASA ratio	: 38.12%
Net Interest Margin (NIM)	: 2.93%
Cost / Income ratio	: 54.16%
Gross NPA	: 4.09%
Net NPA	: 0.41%
PCR	: 96.77%
Slippage ratio	: 0.69%
Credit cost	: 0.12%
Return on Assets (Annualised)	: 1.03%
Return on Equity (Annualised)	: 19.22%

- 7) **Total Other Income** decreased by 25.37% QoQ at Rs. 3412 Crores against Rs. 4572 Crores in Q2FY25 but it is increased by 27.6% YoY from Rs. 2674 Crores in Q3FY24.
- 8) **Fee based income** decreased by 0.82% QoQ at Rs. 1568 Crores against Rs. 1581 Crores in Q2FY25 but it increased by 19.6% YoY from Rs. 1311 Crores in Q3FY24.
- 9) **Treasury income** decreased to Rs. 1007 Crores against Rs. 1581 Crores in Q3FY24.
- 10) **Cost/Income ratio** decreased to 54.16% against 54.58% in Q2FY25 but increased from 51.18% in Q3FY25.
- 11) **Global Advances** grew by 4.6% QoQ and 14.8% YoY at Rs. 1110292 Crores against Rs. 1061904 Crores in Q2FY25 and Rs. 967256 Crores in Q3FY24.
- 12) **The total Government guaranteed advances** reduced to Rs. 71240 Crores against Rs. 71671 Crores in Q2FY25 and Rs. 78765 Crores in Q3FY25.
- 13) **Total deposits** rose by 4.9% QoQ and 15.6% YoY at Rs. 1529699 Crores against Rs. 1458342 Crores in Q2FY25 and Rs. 1323486 Crores in Q3FY24.
- 14) **CASA ratio** declined to 38.12% against 39.31% in Q2FY25 and 42.47% in Q3FY24.
- 15) **Return on assets (ROA)** improved to 1.03% from 1.02% in Q2FY25 and 0.58% in Q3FY24.
- 16) **Fresh slippages** decreased to Rs. 1600 Crores against Rs. 2070 Crores in Q2FY25 but it increased from Rs. 1594 Crores in Q3FY24. Cash Recovery + Upgradation decreased to Rs. 1973 Crores against Rs. 2915 Crores in Q2FY25 and Rs. 3046 Crores in Q3FY24.
- 17) **Gross NPA ratio** improved to 4.09% against 4.48% in Q2FY25 and 6.24% in Q3FY24. Net NPAs ratio improved to 0.41% against 0.46% in Q2FY25 and 0.96% in Q3FY24.
- 18) **Credit cost** increased to 0.12% against 0.08% in Q2FY25 but it decreased from 1.26% in Q3FY24.
- 19) **Provision Coverage ratio** rose to 96.77% against 96.67% in Q2FY25 and 94.28% in Q3FY24.
- 20) **The Bank’s Capital Adequacy ratio** declined to 15.41% against 16.36% in Q2FY25 but it increased from 14.63% in Q3FY24.

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### Management Comments

- 21) Replying to an analyst's query over credit growth, the newly appointed MD & CEO of the bank, Mr. Ashok Chandra, expressed confidence to achieve 13% -14% credit growth target in FY25. The bank has pipeline of Rs. 130000 Crores in corporate book which will be availed by the corporates in coming quarters. While the bank will be looking to expand its corporate book, the primary focus will remain on retail and MSME.
- 22) The bank's digital transaction grew by 91.1% in Q3/25 from 88.2% in Q3/24 with more than 2 Crores logins and activations over PNB mobile banking app. The average daily active users increased to 13 Lakh in Q3/25 which was 9.5 Lakh in Q3/24, Average daily UPI transactions increased to 123000 in this quarter against 37000 from Q3/24. The bank has started cashflow based digital lending for MSME up to Rs. 25 Lakh for existing and new customers. Further, the bank Initiated MSME book renewal process to improve digital lending.
- 23) The bank's management expects good recovery in T.W.O accounts. The bank has Rs. 91000 Crores technical write off book out of which Rs. 54000 crores are under NCLT, which may be realised in next financial year or subsequent financial year. In Q4/25, the management expects to recover Rs. 1500 crores – 1600 crores recovery from T.W.O accounts.
- 24) The bank has adequate PCR ratio of 97%. The bank has higher recovery from GNPA and upgradation than slippages, which are contributing to lowering the credit cost, added Mr. Ashok Chandra while replying to analyst's query on credit cost.
- 25) The bank's management expects good treasury performance in Q4/25, replied by Mr. Ashok Chandra on concern raised by an analyst on treasury performance.