



Punjab & Sind Bank – Q3FY25

“Excellent performance on all fronts”

Ajcon Global’s observations & views

1. The bank has finally started getting fruits of digitization to improve its business and profitability.
2. The bank management is putting all efforts to grow its business considering the lower base at the same time managing asset quality well.
3. Lower CASA has been a past legacy for the bank & its efforts to increase the same may yield higher NIMs in future.

Q3FY25 RESULT ANALYSIS

- 1) **Net interest income** increased by 7.56% QoQ and 27.06% YoY at Rs. 939 Crores in Q3FY25 against Rs. 873 Crores in Q2FY25 and Rs. 739 Crores in Q3FY24.
- 2) **Operating profit** rose by 5.68% sequentially and 74.73% YoY at Rs. 484 Crores in Q3FY25 against Rs. 458 Crores in Q2FY25 and Rs. 277 Crores in Q3FY24.
- 3) **Net Profit** increased by 17.50% QoQ and 147.37% YoY at Rs. 282 Crores in Q3FY25 against Rs. 240 Crores in Q2FY25 and at Rs. 114 Crores in Q3FY24.
- 4) **NIM** rose to 2.78% in Q3FY25 against 2.71% in Q2FY25 and 2.54% in Q3FY24.
- 5) **Cost of deposits** gone up to 5.84% in Q3FY25 against 5.74% in Q2FY25 and 5.63% in Q3FY24. Cost of Funds has gone up to 5.91% in Q3FY25 against 5.79% in Q2FY25 and 5.71% in Q3FY24. Yield on Advances has increased to 9.14% in Q3FY25 against 8.75% in Q2FY25 and 8.91% in Q3FY24.
- 6) **Total business** increased by 3.82% QoQ and 10.58% YoY at Rs. 223267 Crores in Q3FY25 against Rs. 215057 Crores in Q2FY25 and Rs. 201914 Crores in Q3FY24.
- 7) **Total Non-Interest Income** decreased by 5.85% QoQ and 6.63% YoY at Rs. 338 Crores in Q3FY25 against Rs. 359 Crores in Q2FY25 and Rs. 362 Crores in Q3FY24.
- 8) **Fee-based income** decreased by 18.54% QoQ at Rs. 145 Crores in Q3FY25 against Rs. 178 Crores in Q2FY25 but it increased YoY by 26.09% from Rs. 115 Crores in Q3FY24.
- 9) **Cost/Income ratio** decreased to 62.10% in Q3FY25 against 62.82% in Q2FY25 and 74.84% in Q3FY24.
- 10) **Total Advances** rose by 5.31% QoQ and 14.73% YoY at Rs. 95870 Crores in Q3FY25 against Rs. 91032 Crores in Q2FY25 and Rs. 83559 Crores in Q3FY24.
- 11) **Total Government guaranteed advances** increased to Rs. 14274 Crores in Q3FY25 against Rs. 12412 Crores in Q2FY25.
- 12) **Total deposits** rose to 2.72% QoQ and 7.64% YoY at Rs. 127397 Crores in Q3FY25 against Rs. 124025 Crores in Q2FY25 and Rs. 118355 Crores in Q3FY24.
- 13) **CASA ratio** is up at 31.16% in Q3FY25 against 30.43% in Q2FY25 but it is down from 32.77% in Q3FY24.
- 14) **C/D ratio** increased to 75.25% in Q3FY25 against 73.40% in Q2FY25 and 70.60% in Q3FY24.
- 15) **The bank's Return on assets (ROA)** improved to 0.73% from 0.65% in Q2FY25 and 0.31% in Q3FY24.
- 16) **Fresh slippages** increased to Rs. 299 Crores against Rs. 230 Crores in Q2FY25 and Rs. 228 Crores in Q3FY24. Total Recovery + Upgradation increased at Rs. 565 Crores in Q3FY25 against Rs. 327 Crores in Q2FY25.
- 17) **Gross NPA ratio** improved to 3.83% in Q3FY25 against 4.21% in Q2FY25 and 5.70% in Q3FY24. Net NPA ratio improved to 1.25% in Q3FY25 against 1.46% in Q2FY25 and 1.80% in Q3FY24.
- 18) **Credit cost** slightly decreased to 0.10 in Q3FY25 against 0.11 in Q2FY25.
- 19) **The Bank's Capital Adequacy ratio** decreased to 15.95% in Q3FY25 against 16.89% in Q2FY25 and 16.13% in Q3FY24.

KEY FINANCIAL INDICATORS – Q3FY25

CMP (17.01.2025)	: Rs. 49.20
Face Value	: Rs. 10
Book value per share	: Rs. 13.62
Market Capitalisation	: Rs. 33346.78 Crs.
Capital Adequacy Ratio	: 15.95%
C/D ratio	: 75.25%
CASA ratio	: 31.16%
Net Interest Margin (NIM)	: 2.78%
Cost / Income ratio	: 62.10%
Gross NPA	: 3.83%
Net NPA	: 1.25%
PCR	: 89.53%
Slippage ratio	: 0.34%
Credit cost	: 0.10%
Return on Assets (Annualised)	: 0.73%
Return on Equity (Annualised)	: 12.42%



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Management Comments

- 20) In an opening remark, Mr. Swarup Kumar Saha stated about the bank's digital journey which accounted for 92% of the total transactions. The bank has taken numerous steps for digital products. The bank has sanctioned around 60% of vehicle loans and 48% housing loans through recently created STP journeys which are digitally assessed. Further, the bank aims to have 2500 BCs, 50 branches / ATMs with 7000 touchpoints till 31st March and it will add 2000-2500 touchpoints in next financial year to cater more customer.
- 21) Replying to an analyst's concern over credit growth, the management has shown confidence to maintain 14%-15% credit growth and 8%-9% deposit growth by the end of Q4/25. While the bank will be looking at the growth of its corporate book, the main focus will continue to be Retail and MSME. To address the concerns on lower CASA the bank is taking various initiatives & using innovations to improve the same.
- 22) Replying on gold loan portfolio query, the management expressed his confidence to expand gold loan portfolio by 20%-25%.
- 23) On recovery front, though the guidance was Rs. 1000 Crores for FY25, in first nine months itself the bank has made recovery of Rs. 944 Crores and will exceed the target.

Ajcon Global Research
Ajcon Global Services Limited
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