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PNB Q4 Net Profit Up 5-Fold

Our Bureau

New Delhi: State-run Punjab National Bank (PNB) Friday reported a more than five-fold increase in net profit to ₹1,159 crore for the quarter to March 2023, as against a standalone net profit of ₹202 crore in the year-ago period.

PNB managing director Atul Kumar Goel attributed this growth to a rise in interest income and resolution of bad loans. "Net interest income increased by 30.05% to ₹9,499 crore in Q4 FY23, the best ever in the last five quarters," he said.

Interest income grew to ₹23,849 crore during the period under review against ₹18,645 crore in the year-ago period.

The Delhi-based lender recovered ₹29,000 crore in FY23 and aims to recover ₹22,000 crore in the current financial year as recovery is expected from NCLT cases and other methods.

"Gross NPA should moderate below 7% while net NPAs will come down below 2% by the end of March 2024," said Goel.

Net NPAs came down to 2.72% of the advances from 4.8% at the end of 2022. The decline in bad loans ratio helped cut the provisions towards NPAs for Q4FY23 to ₹3,625 crore compared to ₹4,564 crore a year ago.

The bank intends to mop up ₹12,000

crore from tier I and tier II bonds to fund business growth as it expects credit growth of 12-13% in the current fiscal, said Goel, noting that out of the total, Rs 7,000 crore is expected from tier I bonds and Rs 5,000 crore from tier II bonds.

The bank's board has recommended a dividend of Rs 0.65 per share of Rs 2 face value or 32.5% out of the net profit for the year ended March 31, 2023.



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Shares in PNB gained 1.61% to close at Rs 49.26 on the BSE on Friday.

Goel said that the bank is aiming for a profit in excess of Rs 4,000 crore in the current financial year. The lender, however, reported a 27% decline in net profit for the entire 2022-23 to Rs 2,507 crore from Rs 3,457 crore in the previous fiscal.

The board also approved raising of equity capital by issuing up to 150 million new equity shares of face value of Rs 2 each to the employees of the bank through an 'Employees Stock Purchase Scheme', subject to approval of the shareholders at the ensuing annual general meeting of the bank and other regulatory approvals.