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## Finance Ministry to Review Q1 Bank Performance on Aug 20

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– Categories: Finance



New Delhi, Aug 17: The Finance Ministry has scheduled a meeting with the chiefs of public sector banks (PSBs) on Wednesday, August 20, to review their financial performance for the first quarter of the ongoing financial year 2025-26. The session will be chaired by Financial Services Secretary M. Nagaraju, according to reports.

The review comes at a time when India's 12 state-owned banks collectively reported strong earnings for the April–June quarter, posting a record profit of Rs 44,218 crore, which marks an 11 per cent growth compared with the same period last year. In the first quarter of 2024–

25, PSBs had earned Rs 39,974 crore, showing an increase of Rs 4,244 crore in absolute terms.

## State Bank of India Leads Profits

The State Bank of India (SBI), the country's largest lender, was the top performer. It contributed nearly 43 per cent of the total PSB profits, with a net profit of Rs 19,160 crore in Q1 FY26. This figure reflects a 12 per cent year-on-year rise, reaffirming SBI's position as the dominant force in the public banking sector.

## Other Banks Show Strong Growth

Several mid-sized lenders also reported notable improvements:

- Indian Overseas Bank registered the highest percentage growth, with profits rising 76 per cent to Rs 1,111 crore.
- Punjab & Sind Bank recorded a 48 per cent increase, posting profits of Rs 269 crore.
- Central Bank of India saw a 32.8 per cent rise in profit, reaching Rs 1,169 crore.
- Indian Bank reported a 23.7 per cent jump to Rs 2,973 crore.
- Bank of Maharashtra also performed well, posting a 23.2 per cent increase to Rs 1,593 crore.

## Punjab National Bank Reports Decline

In contrast to the overall positive trend, the Punjab National Bank (PNB) reported a significant decline. Its net profit fell 48 per cent, dropping to Rs 1,675 crore from Rs 3,252 crore in the same quarter last year, making it the only PSB to report a fall in earnings during this period.

## Outlook and Next Steps

The upcoming Finance Ministry review is expected to evaluate these results, assess the overall health of the public sector banking system, and examine strategies for sustaining growth through the remainder of the financial year. The meeting is also likely to address sectoral challenges and prepare a roadmap for future performance.

India's public sector banks, particularly SBI and other major lenders, continue to play a crucial role in supporting credit growth and ensuring financial stability. The Q1 results

reflect resilience in the sector, though uneven performance across banks indicates areas that may require further government and institutional focus.