

Date	Headline	Publication	Edition	Page	Source
Jul 28, 2024	PNB Profit More Than Doubles to Rs 3,252 cr in Q1	The Economic Times	3 Editions	01	Bureau

PNB Profit More Than Doubles to ₹3,252 cr in Q1



Punjab National Bank (PNB) reported a more than twofold increase in standalone net profit to ₹3,252 crore for the June quarter, with CEO Atul Kumar Goel attributing it to increased loan recoveries, business growth and containment of deposit costs. ➡➡ 3

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PNB's Q1 Net Profit More Than Doubles to ₹3,252 cr

Bank CEO says increased loan recoveries, business growth, containment of deposit costs lift earnings

Our Bureau

New Delhi: Punjab National Bank (PNB) reported a more than two-fold increase in standalone net profit to ₹3,252 crore for the June quarter, with CEO Atul Kumar Goel attributing it to increased loan recoveries, business growth and containment of deposit costs.

"This is the highest ever quarterly profit recorded by the bank on account of improvements in various parameters, including net interest income, and the fewest loan slippages in the last three years," he said, adding that PNB expects credit growth at about 12% and is not raising high cost bulk deposits.

Goel said that while low levels of current and savings account (CA-SA) deposits are a concern for the industry, they are not a challenge for PNB, which has more than 10,000 branches. He also said that the bank has decided to cut down the proposed share sale through qualified institutional placement (QIP) to ₹5,000 crore, from an earlier estimate of ₹7,500 crore, on account of its improved capital position, and that the bank is evaluating the opportune time for capital raising through QIP.

Gross non-performing assets



GETTY IMAG-

(NPAs) of PNB declined to 4.98% of gross advances by June-end, from 7.73% a year ago. Net NPAs declined to 0.60% from 1.98%. PNB's provisions for bad loans came down to ₹792 crore in the April-June period, as against Rs 4,374 crore a year ago. The lender's provision coverage ratio (PCR) improved to 95.9% from 89.83% during this period.

Deposit rates may have peaked, and there are no immediate signs of a rate cut by the regulator, according to Goel. The bank is also open to looking at raising funds through long-term infrastructure bonds to finance the infrastructure sector, he said.

PNB targets ₹18,000 crore collection from recovery, including from the National Company Law Tribunal (NCLT) realisation.

"We are hoping for a recovery of ₹3,000 crore from NCLT cases," Goel said, adding that during the quarter, slippages amounted to ₹1,755 crore, as against a recovery of ₹3,249 crore a year ago.

The bank is aiming for a net NPA of less than 0.5%, a gross NPA of less than 4% and a return on assets of 1% by the end of this financial year, he said.

Date	Headline	Publication	Edition	Page	Source
Jul 29, 2024	'MSME demand for 180-day repayment period geniune'	Business Standard	7 Editions	01	Bureau

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'MSME demand for 180-day repayment period geniune'

ATUL KUMAR GOEL,
MD &
CEO, PNB



Date	Headline	Publication	Edition	Page	Source
Jul 29, 2024	'MSME demand for 180-day repayment period genuine'	Business Standard	7 Editions	01	Bureau

'MSMEs' 180-day repay period demand genuine'

Punjab National Bank (PNB) has revised its guidance for gross non-performing assets (GNPA) for the ongoing financial year (FY25) to 4 per cent from the current 4.9 per cent, Managing Director and Chief Executive Officer **ATUL KUMAR GOEL** told Harsh Kumar in a video interview. Goel discussed the public sector lender's latest quarterly results and its expansion plans. Edited excerpts:

What is PNB's growth guidance for FY25?

Our guidance for credit growth for FY25 is between 11 per cent and 12 per cent, and for deposit growth, it is 9 per cent. For net interest margins (NIMs), it is 2.9-3 per cent for this year. We have revised our guidance for gross non-performing assets (GNPA) to 4 per cent, down from the current 4.9 per cent.

How do you view the government's Budget announcement for Special Mention Account (SMA)-stage micro, small and medium enterprises (MSMEs)? Will it put more burden on banks?

From July 1, 2020, till Sunday, we have sanctioned almost ₹90,000 crore in loans and disbursed ₹83,135 crore to MSMEs, with ₹57,000 crore outstanding in the last four years. There is more risk in the MSME sector compared to housing and others. The

government believes that providing support at the SMA-I stage is good. I also believe there is a need to provide viability not only in SMA-I or -II but also in the NPA stages. Sometimes,

MSMEs face delayed payments. Although the Act has been introduced, let's see how it will be implemented. The demand from the MSME sector for a 180-day (repayment) period is genuine.

The step announced in the FY25 Budget for public sector banks to build their in-house capability to assess MSMEs for credit instead of relying on external assessments is also a welcome step. We need to understand MSME businesses, not just their balance sheets. Currently, we do this in the name of a viability report.



ATUL K GOEL
MD & CEO, PNB

Why is PNB's personal loan segment falling?

In the past two quarters, we have seen a decline in the trend of personal loans as many eligible customers are not taking loans because they don't need them at the moment.

Can you give some numbers on recovery from National Company Law Tribunal (NCLT) accounts?

In the last year (FY24), we recovered over ₹3,600 crore through NCLT. This year (FY25), we expect to recover over ₹3,000 crore through it. In Q2FY25 alone, we expect a recovery of ₹1,200 crore. Of the ₹18,000 crore of recovery, 35 per cent is from corporate accounts, and the rest are NPAs. We are receiving recoveries from sectors such as food processing companies and steel companies. Major accounts have been resolved. We are also expecting some recoveries from road projects.

What kind of trends are you seeing in deposits?

There is a gap in deposits compared to credit growth. We are not engaging in bulk deposits from the market because they are costly and do not serve our purpose. We are continually adding customers. Last year, we added 10 million customers. We plan to add 150 branches this year. As of June 30, 2024, we had a total of 10,150 domestic branches, and two international branches.



“

IN THE PAST TWO QUARTERS, WE HAVE SEEN A DECLINE IN THE TREND OF PERSONAL LOANS AS MANY ELIGIBLE CUSTOMERS ARE NOT TAKING LOANS BECAUSE THEY DON'T NEED THEM AT THE MOMENT”

Date	Headline	Publication	Edition	Page	Source
Jul 28, 2024	PNB's Q1 net zooms 207%, its highest ever	The Hindu Business Line	All Editions	1	Bureau

PNB's Q1 net zooms 207%, its highest ever

KR Srivats
New Delhi

Aided by strong operational performance and lower NPA provisioning, Punjab National Bank on Saturday reported a 207 per cent increase in consolidated net profit for the first quarter ended June 30 at ₹3,716 crore (₹1,211 crore).

The performance in the bottomline of the country's second largest public sector bank is also higher than the consolidated net profit of ₹3,101 crore recorded in the March quarter.

Commenting on the Q1 financial performance, Atul Kumar Goel, Managing Director & CEO, said the latest quarterly performance of net interest income, operating profit and net profit was the highest-ever recorded in the history of the bank after the amalgamation of two other

banks. "We have been able to achieve this primarily due to two focus areas of digital transformation and HR transformation undertaken by the bank in the last two years," Goel said.

The bank's consolidated total income stood at ₹32,760 crore (₹29,033 crore) and consolidated operating profit was at ₹6,654 crore (₹5,934 crore).

Provision for non performing assets for the quarter under review was sharply down at ₹781 crore (₹4,363 crore).

On a standalone basis, PNB's net profit more than doubled to ₹3,252 crore (₹1,255 crore). Total income in the quarter rose to ₹32,166 crore from ₹28,579 crore, PNB said in a regulatory filing with stock exchanges.

REVISED GUIDANCE

Encouraged by the strong performance, PNB has revised its guidance on gross

Making history

	Q1 2024-25	Q1 2023-24 (In ₹ crore)
Consolidated net profit	3716	1211
Operating profit	6654	5934
Total income	32,760	32976
Provision for bad loans	781	4363
Gross NPA amount	51,263	70,899
Net NPA	5930	17,129
% of gross NPA	4.98	7.73
% of net NPA	0.60	1.98

non performing assets (GNPA) to 4 per cent of advances against the earlier 5 per cent. Gross NPAs have reduced from ₹70,899 crore in June 2023 to ₹51,263 crore in June 2024.

In March 2024, the bad loans were at ₹56,343 crore. In percentage terms, they have fallen from 7.73 per cent in June 2023 quarter to 5.73 per cent in March 2024 quarter and now to 4.98 per cent in the June 2024 quarter.

Net NPAs for Q1 have reduced to 0.6 per cent and provision coverage ratio

has increased to 95.9 per cent, Goel said.

BUSINESS MIX

Goel also highlighted that the gross business of the bank has increased to ₹24.36 lakh crore, up 10 per cent.

This is the first-time that the overall business mix of the bank has crossed ₹24 lakh crore, Goel added.

Gross advances grew 12.2 per cent to ₹10.28 lakh crore as of end June 2024. For the current fiscal, PNB is aiming at a

credit growth of 11-12 per cent and deposits growth of 9-10 per cent.

RAISING CAPITAL

On capital raising, Goel said PNB has now decided to raise ₹5,000 crore via qualified institutional placement (QIP) against the earlier guided level of ₹7,500 crore.

PNB has the board's approval to raise ₹17,500 crore capital this fiscal, including ₹7,000 crore of AT1 capital and ₹3,000 crore of Tier-II bonds.

Asked about the challenges faced by the bank, Goel said there is no challenge other than "cybersecurity". He, however, added that the bank was proactively addressing this issue on multiple fronts.

He also noted that slow-down in CASA (current account and savings account) is a concern for the industry, but quickly added that the situation has eased for PNB.

Date	Headline	Publication	Edition	Page	Source
Jul 29, 2024	'Won't hesitate lending to stressed viable MSMEs'	The Financial Express	All Editions	6	Bureau

● ATUL KUMAR GOEL, MD & CEO, PUNJAB NATIONAL BANK

'Won't hesitate lending to stressed viable MSMEs'

State-owned Punjab National Bank (PNB) will not hesitate lending to "viable" micro, small and medium enterprises (MSMEs) in the special mention account (SMA) category, as the Centre has said it will provide credit guarantee on such loans, MD & CEO Atul Kumar Goel tells Piyush Shukla in an interaction. MSME loans with over ₹5 crore ticket size amounting to ₹1,012 crore are currently in the bank's SMA-2 doubtful debt category. Edited excerpts:



Would PNB be lending to stressed MSMEs as proposed by the government?

If a viable entity in the SMA category, which is temporarily stressed, needs credit, we will provide funds. No one will ask banks to lend to an unviable unit. The government will, in any case, provide a credit guarantee for such loans.

Has the cost of deposits for the bank peaked at 5.08%?

The cost of deposits has, in my opinion, already peaked. But, because there is a gap between credit and deposit growth, the rate of interest on bulk deposits has increased and changed daily. The one-year retail deposit rate or rates on special deposit schemes may not change now. But rates on bulk deposits depend on liquidity and varying needs of banks and changes.

Are we seeing a structural shift of bank deposits moving to the equity market?

No doubt the money is moving from banks to mutual funds, which has an impact on the CASA (current account and savings account) ratio. However, mutual funds sometimes park money in bank fixed deposits. Deposits are coming back to the bank, not entirely, but definitely in parts.

PNB's CASA ratio has moderated to 40.1% in Q1FY25 from 41.4% last quarter. Your guidance for the full year?

We are targeting to end FY25 with a 42% CASA ratio from 40% in Q1. However, there is pressure on CASA mobilisation on account of the interest rate difference between CASA and bulk deposits. Some customers with money in savings accounts, are parking part in savings fixed deposits, if they do not need the funds immediately. So CASA deposits are reducing but term deposits are rising. Despite these trends, we are confident of achieving a 42% CASA ratio because we

have taken various initiatives including improving customer acquiring mechanism, quality of services, enhanced call centre service, customer relationship managers services, among others.

Has the bank estimated the impact of ECL norms on the balance sheet?

We should wait for the final guidelines on expected credit loss (ECL) model for banks. Banks will have five years to meet higher provisions require-

ments, therefore there is no worry as such. ECL essentially takes into consideration the probability of default. To give you some perspective, in the last four years, with our underwriting skills we have sanctioned ₹8.32 trillion of loans, of which ₹7.49 trillion have been disbursed. The current outstanding loans stand at over ₹5 trillion and the total NPAs are only ₹2,276 crore. If this trend continues, there will not be much impact due to implementation of ECL accounting norms.

How much of corporate loans are in the pipeline?

We have around ₹1 trillion of corporate loans in the pipeline in various stages including those which are sanctioned, not utilised, in the discussion stage or under the new business proposal stage. There are proposals from the road sector, steel, cement, and NBFCs.

PNB was fined ₹1.3 crore by RBI for sanctioning working capital loans to two state government entities against amounts receivable from the Centre by way of subsidies. What measures have you taken to counter such violations?

The RBI has already imposed a penalty and we have taken corrective actions to improve on the same and will ignore such type of financing. We will ensure that no loans are extended to companies against amounts receivable from the Centre by way of subsidies refunds, or reimbursements going ahead.



WE HAVE AROUND ₹1 TRILLION OF CORPORATE LOANS IN THE PIPELINE IN VARIOUS STAGES INCLUDING THOSE WHICH ARE SANCTIONED, NOT UTILISED

Date	Headline	Publication	Edition	Page	Source
Jul 28, 2024	PNB profit beats Street estimate, surges 159%	The Financial Express	Kolkata	3	Bureau

LED BY LOWER PROVISIONS, STABLE CORE INCOME

PNB profit beats Street estimate, surges 159%

The bank has revised GNPA and credit cost outlook for FY25

PIYUSH SHUKLA
Mumbai, July 27

STATE-OWNED LENDER PUNJAB National Bank (PNB) on Saturday reported a 159% year-on-year (YoY) rise in its net profit for Q1FY25 at ₹3,252 crore, largely led by lower provisions and stable core income.

The June quarter profit after tax (PAT) was higher than a Bloomberg consensus estimate of ₹2,955 crore.

During Q1FY25, the bank's overall provisions other than tax fell to ₹1,312 crore from ₹3,965 crore a year ago.

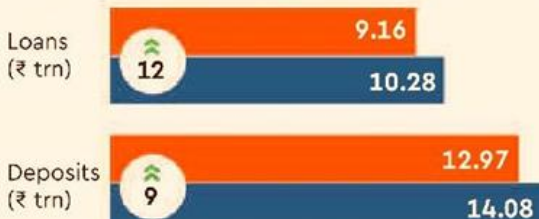
Gross non-performing asset (GNPA) ratio moderated to 4.98% as of June 2024 from 7.73% last year, and net NPA also fell to 0.60% in Q1FY25 from 1.98% in Q1FY24. Credit cost, too, was lower at 0.32% in the reprinting quarter, as against 1.99% a year ago.

The bank has now guided for 4% GNPA ratio for FY25 as against 5% earlier, and revised credit cost outlook to below 0.5% from below 1% earlier.

The bank's MD & CEO Atul Kumar Goel, in a post earnings conference, said that the bank will not hesitate in lending to

REPORT CARD ▲ % change y-o-y

PNB financials (₹ cr) ■ Q1FY24 ■ Q1FY25



stressed micro, small and medium enterprises (MSMEs) as the Centre will declare a credit guarantee for such loans.

"As mentioned in the FY25 union Budget, a separate fund for MSMEs will be created which will provide guarantee (for loans to stressed MSMEs), so we will not mind lending," he said.

MSME loans with over ₹5 crore ticket size amounting to ₹1,012 crore are currently in the bank's special mention account-2 (SMA-2) doubtful debt category. Loans overdue for between 61-90 days come under lenders' SMA-2 category and once a loan interest or principal is unpaid for over 90 days, it is classified as a NPA.

Further, PNB's overall advances rose 12% YoY to

₹10.28 trillion as on June 30, and the lender will continue growing its overall loan book by 11-12% in FY25.

As much as 56% of the lender's advances are extended in the retail, agriculture and MSME (RAM) sector, while the remaining are corporate loans.

On liabilities side, overall deposits rose 8.5% YoY to ₹14.08 trillion in Q1, but domestic current-account and savings account ratio fell to 40.1% from 42% a year ago.

The bank aims to deliver 9-10% deposit growth in the current fiscal.

The Reserve Bank of India's (RBI) draft circular on banks' liquidity coverage ratio (LCR) standards will have 10% impact on

the lender's LCR, which stood at 125% as on Q1FY25, Goel said.

In line with peer lenders, PNB's net interest margin (NIM) also moderated by 3 basis points (bps) sequentially to 3.07% in the reporting quarter.

The lender is targeting NIM in the range of 2.9%-3% in FY25, Goel said.

Net interest income of the bank, meanwhile, rose 10% YoY to ₹10,476 crore in Q1.

Lastly, PNB's capital adequacy ratio stood at 15.79% as on June 30, and the lender will raise ₹5,000 crore via qualified institutional placement (QIP) going ahead and another ₹10,000 crore via tier-I and tier-II bonds at an 'opportune time', Goel said.

Date	Headline	Publication	Edition	Page	Source
Jul 28, 2024	PNB records highest-ever quarterly profit of Rs3,252 cr.	The Hindu	2 Editions	11	Bureau



PNB records highest-ever quarterly profit of ₹3,252 cr.

Punjab National Bank (PNB) on Saturday reported its highest-ever quarterly standalone profit at ₹3,252 crore in April-June FY25, helped by decline in bad loans and improvement in interest income. The bank had posted a net profit of ₹1,255 crore in the June quarter FY24. This is the highest ever quarterly profit recorded by the bank on account of improvement in various parameters, including net interest income, recovery and CASA, MD Atul Kumar Goel said. PTI

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Jul 28, 2024	PNB records its highest ever quarterly profit	The Indian Express	2 Editions	11	Bureau

PNB records its highest ever quarterly profit

PRESS TRUST OF INDIA
NEW DELHI, JULY 27

PUNJAB NATIONAL Bank (PNB) on Saturday reported its highest ever quarterly standalone profit at Rs 3,252 crore in April-June FY25 helped by decline in bad loans and improvement in interest income.

The state-owned bank had posted a net profit of Rs 1,255 crore in June quarter FY24.

This is the highest ever quarterly profit recorded by the bank on account of improvement in various parameters, including net interest income, recovery and CASA, Managing Director Atul Kumar Goel said.

Total income in the quarter rose to Rs 32,166 crore from Rs 28,579 crore in the same period a

BANK'S JUNE QUARTER PROFIT

- Total income in the quarter rose to Rs 32,166 crore from Rs 28,579 crore in the same period a year ago
- The capital adequacy ratio of the bank improved to 15.79% at the end of June 2024

year ago. The lender's interest income also increased to Rs 28,556 crore from Rs 25,145 crore in the same quarter a year ago, as per a regulatory filing. Net Interest Income (NII) increased to Rs 10,476 crore in Q1 FY25 from Rs 9,504 crore earlier, showing an

improvement of 10.23 per cent.

Gross Non Performing Assets (NPAs) declined to 4.98 per cent of gross advances by June 2024 from 7.73 per cent in the same quarter a year ago.

Similarly, net NPAs declined to 0.60 per cent from 1.98 per cent. As a result, provisions for bad loans came down drastically to Rs 792 crore in April-June FY25 as against Rs 4,374 crore in the year-ago period.

Provision Coverage Ratio improved to 95.9 per cent as of June 2024 from 89.83 per cent a year ago. On a consolidated basis, the bank reported a net profit of Rs 3,976 crore in the quarter under review as against Rs 1,342 crore a year ago.

The consolidated financial result of the bank comprises five subsidiaries and 15 associates.

The capital adequacy ratio of the bank improved to 15.79 per cent at the end of June 2024 compared to 15.54 per cent in the year-ago period.

With improvement in capital position, Goel said, the bank has decided to cut the proposed share sale size through Qualified Institutional Placement (QIP) to Rs 5,000 crore from an earlier estimate of Rs 7,500 crore.

Asked when the capital will be raised, he said the bank is evaluating the opportune time for that. Besides, he said, the board has given approval to raise Rs 7,000 crore from Tier I bonds and Rs 3,000 crore from Tier II bonds to fund business growth. As far as recovery is concerned, he said, the bank is targeting Rs 18,000 crore collection from this including from NCLT realisation.