

Date	Headline	Publication	Edition	Page	Source
May 11, 2024	PNB's data analytics to help recover loan	The Times of India	9 Editions	23	Bureau

PNB's data analytics to help recover loan

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New Delhi: State-run Punjab National Bank (PNB) has deployed data analytics to study repayment behaviour of customers to ensure timely loan recovery, while using specially abled personnel to chase borrowers, who are prone to delaying payments.

PNB managing director Atul Kumar Goel told **TOI** that the bank has developed data analytics to identify borrowers from the database who delay their payments. "We know exactly which customer needs to be reminded once after the due date or needs to be called a few times to ensure that EMI is made or may require a visit from bank staff," he said. And, manning some of the seats in the call centres are 100-150 visually-impaired executives, who often chase those who do not pay the EMI on time.

Goel said along with change in processes, the tools devised by banks have helped recover dues. Of Rs 7.1 lakh crore loans disbursed since July 2020, around Rs 1,775 crore have turned into NPAs. "The new

mechanisms have resulted in farm sector NPAs from the new portfolio being around 0.4% compared to 14-15%," he said.

"We have taken a lot of steps to ensure that payment is timely. Wherever possible, we deduct the EMI directly from the account. In case a customer has an account with another bank, we are using the National Automated Clearing House (NACH) to ensure that the repayment takes place on time," Goel said.

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May 10, 2024	Will Seek Further Clarification from RBI on Infra Financing Guidelines: PNB CEO	The Economic Times	2 Editions	13	Bureau

AFTER RECORD NET PROFIT IN FOURTH QUARTER

Will Seek Further Clarification from RBI on Infra Financing Guidelines: PNB CEO

Our Bureau

New Delhi: Bankers will seek further clarification from the Reserve Bank of India (RBI) on investment limits and the classification of infrastructure financing projects, which, under the latest draft guidelines, may require increased provisioning, said Punjab National Bank (PNB) chief executive Atul Kumar Goel.

The bank reported a 160% increase in its net profit to ₹3,010.27 crore in the fourth quarter of FY24 as against ₹1,159 crore in the same quarter a year ago. Goel attributed this highest profit achieved in the last quarter to the overall performance of the bank, including a reduction in credit costs, growth in advances, containment of slippage, and increased recovery.

On the issue of RBI draft rules calling for higher provisioning for infrastructure projects, Goel observed that it is a consultative process, and banks are still discussing it.

He said that there are many points that will be up for discussion, like whether these draft guidelines are for all infrastructure financing projects, including structures like Infrastructure Investment Trusts (InvITs), and whether the



The Target

Bank expects credit demand from cos operating in steel and cement

For current fiscal, credit growth expected to be 11-12% while deposit would be 9-10%

Bank aims at bringing down gross NPA to below 5% and net NPAs to 0.5% by March 2025

Board has given nod for raising ₹7,500 cr via Qualified Institutions Placement



YOGESH

classification is appropriate for all projects or applicable to investments above a certain amount. The regulator has sought comments on its proposed guidelines by June 15.

Goel said that while the bank continues to focus on the retail, agriculture, and medium-sized enterprises (RAM) sectors, it expects credit demand from companies operating in steel and cement.

On the asset quality side, the bank's gross non-performing assets (NPAs) moderated to 5.73% of gross advances as of March 31, 2024, from 8.74% at the end of March 2023.

Net NPAs also declined to 0.73% of the

advances, from 2.72% at the end of 2023. As a result, provision for bad loans declined to ₹1,958 crore, as against ₹3,625 crore.

For the current fiscal, Goel noted that credit growth expected to be 11-12% while deposit would be 9-10%. Going forward, he said, the bank aims at bringing down gross NPAs to below 5% and net NPA to 0.5% at the end of March 2025.

Goel said that board has given nod for raising ₹7,500 crore via Qualified Institutions Placement (QIP). The work has started and merchant banker have been appointed for the QIP, he said, adding, fund should be raised by September depending on the market condition.

Date	Headline	Publication	Edition	Page	Source
May 10, 2024	RBI's infra norms no cause for panic: PNB	Mint	6 Editions	7	Bureau

RBI's infra norms no cause for panic: PNB

Subhash Narayan

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NEW DELHI

Punjab National Bank (PNB) plans to seek clarification from the central bank on whether its draft guidelines proposing higher provisioning for infrastructure financing would be applicable for small loans as well.

"There is no need to panic," said PNB MD and CEO Atul Kumar Goel, while presenting the bank's results for the March quarter and the 2023-24 financial year.

"The regulator's concern is only to see that projects see timely completion. We will like to get clarification whether the changed provisioning will be applicable to all categories of infrastructure financing projects, including structures like (infrastructure investment trusts), and whether the rules would be applicable above a certain amount and not on small loans," Goel said.

PNB would submit its views to RBI before 15 June, he said.

The bank, which reported strong Q4 and full-year earnings on Thursday, has exposure of ₹98,400 crore to the infrastructure sector.

Banks will be seeking clarity on what portion of their infrastructure loans would be subject to the revised provisioning, Goel said.

RBI recently released draft guidelines on the 'Prudential Framework for Income Recognition, Asset Classification and Provisioning pertaining to Advances—Projects Under Implementation'. They propose a phased 5% standard asset provision during the construction phase, rising from the present 0.4% level, which industry experts fear could substantially dry up the availability of banking finance to the infrastructure sector, as well as affect interest rates on loans.

Date	Headline	Publication	Edition	Page	Source
May 11, 2024	'No need to panic on draft infra guidelines'	Business Standard	10 Editions	4	Bureau

'No need to panic on draft infra guidelines'

The draft guidelines of the Reserve Bank of India (RBI) on infrastructure financing will not pose a challenge to the banking sector, Managing Director and Chief Executive Officer of Punjab National Bank (PNB) **ATUL KUMAR GOEL**, said in a virtual interview with Harsh Kumar. Goel spoke on the public sector lender's latest quarterly results and its expansion plans. Edited excerpts:

What are your views on RBI's infrastructure financing draft guidelines?

As far as the business impact is concerned, I do not see any challenge. It is a draft guideline and we should wait for the final version. RBI issued these guidelines as consultative advice from stakeholders, including banks and promoters. From the regulator's point of view, it aims to address the risk perception, usher in discipline to project financing, and ensure timely project completion. There is also an increased requirement for provisions. This will be discussed in the IBA (Indian Banking Association) with the consensus of all bankers. It's a debatable topic, and we will submit our comments to the RBI by June 15. So, I think there is no need to panic.

What is PNB's growth outlook for the current financial year?

Our guidance for the next financial year, FY24-25, is an actual growth of 11.2 per cent for PNB. We aim to achieve this by focusing on RAM -- retail, agriculture, and MSME. Currently, RAM accounts for around 55 per cent of our total book, which we aim to increase to 60 per

cent over the next 2-3 years. For FY24-25, our target is to achieve 57 per cent RAM and 43 per cent corporate financing.



ATUL KUMAR GOEL
MD & CEO,
Punjab National Bank

How is PNB doing to bolster digital infrastructure?

Over the past year, the bank has focused on digital and HR transformation, engaging top consultants in the

industry. This has strengthened our systems for cybersecurity. We are also expanding physically and plan to open 150 branches this year.

What are your views on PNB's Casa (Current Account Saving Account) for this financial year?

“As far as the business impact is concerned, I do not see any challenge. It is a draft guideline and we should wait for the final version. It's a debatable topic, and we will submit our comments to the RBI by June 15”

My Casa stands at around 41 per cent. Although it's challenging to increase this percentage due to the wide gap in the interest rates between fixed and savings deposits, we aim to increase it to 41.4 to 42 per cent. Last year, we opened more than 1 lakh savings accounts and over 2.48 lakh current accounts, focusing on improving our customer service because Casa is a product of good customer service.



Date	Headline	Publication	Edition	Page	Source
May 10, 2024	In a first, PNB net tops Rs3,000 cr in Q4	The Hindu Business Line	8 Editions	1	Bureau

In a first, PNB net tops ₹3,000 cr in Q4

KR Srivats

New Delhi

Aided by an improved asset quality and lower credit cost, Punjab National Bank reported a 171.4 per cent increase in the consolidated net profit for FY24 at ₹8,329 crore (₹3,069 crore). For the quarter ended March 31, 2024, its consolidated net profit grew 78.11 per cent at ₹3,101 crore.

This is the first time ever that the bank's net profit has crossed the ₹3,000-crore mark in a quarter, Atul Kumar Goel, MD and CEO, said.

Date	Headline	Publication	Edition	Page	Source
May 20, 2024	Punjab National Bank's path to profit	The Hindu Business Line	8Editions	9	Bureau

● **BUSTING BAD LOANS**

Punjab National Bank's path to profit

SUCCESS MANTRA. How the public sector lender shook off inertia and doubled down on loan recoveries, backed by digitisation

—
KR Srivats

Punjab National Bank has come out all guns blazing in 2023-24, with a strong financial performance that has had analysts and the banking community sit up and take notice.

Once burdened by bad loans, among other challenges, the country's second-largest public sector bank has shaken off its sluggishness to become more agile over the past two years.

In the just ended fourth quarter of 2023-24, PNB's net profit surged 78.11 per cent year-on-year to touch ₹3,100 crore, the highest in 16 quarters. For the entire financial year, its consolidated net profit spiked 171.4 per cent at ₹8,329 crore (₹3,069 crore).

It's noteworthy that PNB's net profit in just the fourth quarter of 2023-24 has exceeded that of the entire previous financial year, says Atul Kumar Goel, Managing Director and CEO of the bank.

Also, it's for the first time that the bank's quarterly profit has crossed the ₹3,000-crore mark, he adds.

So what's the bank's success mantra?

Goel credits it to the hard work of the bank's one-plus lakh employees. On prodding some more, he points to the efforts to improve recoveries from non-performing assets (NPA); moreover, the bank's decision to adopt digital transformation and HR transformation over the last two years has paid huge dividends in 2023-24, he says.

Between March 2023 and March 2024, PNB's gross NPA (GNPA) declined from ₹77,328 crore to ₹56,343 crore. As a share of advances, GNPA is down to 5.73 per cent from 8.74 per cent. The bank closed fiscal 2023-24 with ₹6,799 crore net NPA, substantially lower than ₹22,585 crore registered a year ago in end-March



ESCAPING THE NPA TRAP. Punjab National Bank BLOOMBERG

PNB: FY 2023-24 scorecard

	2023-24	2022-2023
Consolidated net profit	8,329	3,069
Operating profit	25,051	22,932
Total income	1,22,934	99,084
Provision for bad loans	12,321	15,828
Gross NPA	56,343	77,328
Net NPA	6,799	22,585
% of gross NPA	5.73	8.74
% of net NPA	0.73	2.72

PNB: Q4 2023-24 scorecard

	Q4 2023-24	Q4 2022-23	Q3 2023-24
Consolidated net profit	3,100	1,741	2,253
Operating profit	6,500	6,338	6,377
Total income	32,976	28,132	30,527
Provision for bad loans	1,925	3,604	2,996
Gross NPA	56,343	77,328	60,371
Net NPA	6,799	22,585	8,816
% of gross NPA	5.73	8.74	6.24
% of net NPA	0.73	2.72	0.96

All figures in ₹ crore

Source: Company

2023. As a share of advances, net NPA declined to 0.73 per cent from 2.72 per cent. Credit cost of the bank also fell sharply below 0.7

per cent as the net non-performing loan (NPL) ratio is below 1 per cent.

Goel says PNB did way better

than its projected GNPA of 6 per cent for 2023-24. It now targets 5 per cent GNPA and less than 0.5 per cent net NPA for the current fiscal.

The bank has kept a lid on gross slippages, which have declined steadily over the past few quarters — from ₹6,500 crore in April-June 2022 to ₹4,000 crore in Q4 2022-23, ₹2,400 crore in Q1 2023-24 and ₹2,200 crore in Q4 2023-24.

UNDERWRITING SKILL

Yet another reason for the bank's strong showing is the improvement in the underwriting standard for new loans and the collection efficiency, says Goel.

"Now we have removed the power of the branches. Everything is going to the processing centre," he says.

From July 2020 to March 2024, PNB has achieved ₹7.87 lakh crore new underwriting (loan sanctioned). As much as ₹7.1 lakh crore has been disbursed and ₹5.53 lakh crore is outstanding, of which slippage (loan-turned-NPA) is ₹1,775 crore, or 0.25 per cent, which is negligible, Goel says.

SLIPPAGES VS RECOVERY

Until about three years ago, slippages far exceeded recoveries at PNB.

Goel says that in 2022-23, the bank worked to ensure recoveries exceeded slippage. "During 2022-23, in every quarter the slippage was less than recovery. In 2023-24 we wanted to improve this further and aimed for recovery that's double the slippage."

Thus, slippage fell to ₹5,826 crore in 2023-24 from ₹16,029 crore in 2022-23, while bad loan recovery at ₹22,530 crore was more than thrice the slippage.

DIGITISATION

On the digital transformation and HR transformation efforts, he says a leading consultant was hired to revamp over 100 products and services. "Now we have data and HR

practices to distinguish between performers and non-performers... So this (latest financial performance) is the result of it," he says.

In 2023-24, PNB invested ₹2,000 crore in technology and targets ₹2,900 crore for the current fiscal.

"We have provided an app for each and every branch (10,000 branches in all)," Goel says.

When onboarding a new customer, details such as name, date of birth and PAN number are fed into the mobile app, which then links to the bureau site and, within a minute, deciphers the credit worthiness of the customer.

On the best yielding route for recoveries, Goel says it is a mix of several approaches.

"It includes SARFAESI [Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act] action, decree from the DRT [Debts Recovery Tribunal], NCLT [National Company Law Tribunal] route, and OTS [one-time settlement] also. We have all the data available in our system, including where we are the sole banker, where we are the consortium, in how many accounts we have collateral securities, and even where we have liquid security," Goel explains.

In 2023-24, PNB recovered ₹3,603 crore through NCLT. "Even for the current year, we expect ₹3,200-3,300 crore recovery from the NCLT route," he says, describing it as the most successful means for big accounts.

SEGMENTS IN FOCUS

The retail, agriculture, and micro, small and medium enterprises (MSME) segments currently account for 55 per cent of PNB's overall loan book. Goel targets 57 per cent this fiscal and up to 60 per cent in two to three years' time (with the rest coming from the corporate segment).

Given the strong showing so far, he is confident of sustaining the good run this fiscal too.

Date	Headline	Publication	Edition	Page	Source
May 11, 2024	'PNB may close institutional share sale in six months'	The Hindu	6 Editions	11	Bureau

'PNB may close institutional share sale in six months'

Reuters

MUMBAI

Punjab National Bank (PNB) aims at closing a planned share sale to large investors over the next six months, its CEO said, as the state-run lender looks to shore up capital.

Banks in Asia's third-largest economy are boosting capital base to meet the rising demand for loans. The country's largest lender, State Bank of India, is also open to raise equity capital. Punjab National Bank's board had in December approved a ₹75 billion (\$898 million) fund raise through equity capital.

Date	Headline	Publication	Edition	Page	Source
May 10, 2024	PNB profit rises nearly 3x on lower bad loan provisions	The Financial Express	10 Editions	10	Bureau

PNB profit rises nearly 3x on lower bad loan provisions

SACHIN KUMAR
Mumbai, May 9

BEATING THE ANALYSTS' expectations, public sector lender Punjab National Bank (PNB) on Thursday reported nearly three-fold rise in its net profit to ₹3,010 crore in Q4, driven by fall in provisions for bad loans and higher interest income. The bank had posted a net profit of ₹1,159 crore in the year-ago period. Analysts polled by *Bloomberg* had estimated the bank to post ₹2,277 crore net profit.

"There has been all round improvement including NII and reduction in NPAs (non performing assets), which has contributed to highest ever fourth quarter net profit," said Atul Kumar Goel, managing director and chief executive officer, PNB in a post-result press conference. "Credit growth is expected to be 11-12% while deposit growth would be 9-10% in the current financial year," he added.

The provisions for bad loans declined to ₹1,958 crore during the fourth quarter, as against ₹3,625 crore during the same quarter a year ago due to improvement in asset quality. Bank's gross non-performing

REPORT CARD

PNB's financials (₹ cr)

■ Q4FY23 ■ Q4FY24 ▲ % growth



assets ratio improved to 5.73 % as of March end from 6.24 % a quarter ago, and 8.74 % last year. Its net NPA stood at 0.73 % as on March 31, 2024, as against 0.96% in the previous quarter and 2.72% in the year-ago period.

Goel said that going forward, the bank aims at bring down gross NPA below 5 % and net NPA to 0.5 % at the end of March 2025.

Net interest income, the difference between interest earned and paid, rose 9% to ₹10,363 crore in the March quarter of FY24 while other income rose 24.1% year-on-year to ₹4,247.6 crore.

The domestic net interest margin stood at 3.25% in the fourth quarter and bank expects it to be in 2.9-3% range in the current fiscal.