NewsRoom

Date	Headline	Publication	Edition	Page	Source
May 12, 2025	PNB banks on corp, retail loan flow to boost growth	The Times of India	10 Editions	11	Bureau

PNB banks on corp, retail loan flow to boost growth

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New Delhi: Punjab National Bank, the country's second-largest state-run lender, will focus on renewable energy, defence, roads, engineering, and transmission as it seeks to build upon the over Rs 1.3 lakh crore corporate loans that are in the pipeline.

"We are beefing up our focus on three to four sectors in the large corporate segment. We have a very strong pipeline of over Rs 1.1 lakh crore corporate loans that were sanctioned last year but were not disbursed, and another Rs 21,000 crore were approved in April," PNB chief executive & MD **Ashok Chandra** told **TOI**.

He said that so far, there was little impact of tariffs. "From the corporate loan sanctions, you can see there is a lot of activity. The growth can be 15-16%. Lower interest rates will also help the offtake of corporate and retail loans," he said, adding that the bank has lined up a strong retail push, apart from agriculture and MSMEs.

While it looks to double its exposure to self-help groups to over Rs 20,000 crore this year, PNB is also focusing on retail loans, tapping into govt's focus and expects its Rs 8,500-crore education loan portfolio to expand significantly. Besides, it will tap into the growing demand for home loans, promising to sanction loans within 48-72 hours for projects that have received RERA approval. Lower rates are expected to be especially useful, given that PNB has lowered rates to 7.95%.

A healthy growth in the retail loan segment is expected to help the bank reduce the weight of low-yielding corporate loans. In the last quarter, it shed Rs 30,000-35,000 crore of such loans from its corporate portfolio, and the plan is to reduce it by another Rs 10,000-15,000 crore.

Chandra said the bank is generating a healthy flow of term deposits to meet its credit flow requirements, and the recently launched deposit schemes that come with special offers such as cancer or health cover will help it mop up current and savings account balances. Since April 13, nearly 1.8 lakh accounts were opened, raising Rs 300 crore, and the target is to open 10 lakh such accounts in three months to rake in Rs 2,000-3,000 crore in a year.

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May 08, 2025	'CoC to discuss JSW-Bhushan case in 3 days'	Business Standard	6 Editions	4	Bureau

'CoC to discuss JSW-Bhushan case in 3 days'

Punjab National Bank (PNB), which helms the Committee of Creditors (CoC) in Bhushan Power & Steel's insolvency case, expects clarity on the next steps for lenders in the next three days, said Managing Director and Chief Executive Officer **ASHOK CHANDRA** in a video interview with **Harsh Kumar**. The state-owned lender on Wednesday reported a 51.7 per cent year-on-year (Y-o-Y) increase in its net profit to ₹4,567 crore for the fourth quarter of 2024-25. Edited excerpts:

Q&A

ASHOK CHANDRA

MD & CEO, PNB

When is the Committee of Creditors (CoC) meeting to decide the future course of action in the JSW-Bhushan case? And what would be the provision requirement for PNB due to this development?

The Committee of Creditors (CoC), led by PNB in the case of Bhushan Power & Steel, will be meeting with other lenders with exposure to the account in the next two to three days. We are in regular contact with all other members of the CoC and will take the necessary decisions based on the Supreme Court's verdict following our upcoming meeting. We have already received ₹3,000 crore from JSW Steel after resolution, which represents 0.25 per cent of the total exposure on our books.

What is your guidance for 2025-26 (FY26) for PNB?

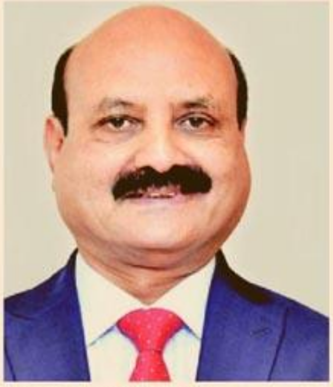
Our guidance for FY26: we are targeting credit growth in the range of 11–12 per cent, which we consider a minimum achievable goal. Deposit growth is projected at roughly 10 per cent, and we aim to maintain the current account-savings account ratio at around 38 per cent.

In terms of profitability, operating profit is expected to grow Y-o-Y by around 9 per cent, while net interest income is projected to grow by 7 per cent. We are targeting a net interest margin of 2.8–2.9 per cent.

On the asset quality front, we intend to bring gross non-performing assets (NPA) below 3 per cent and net NPA below 0.35 per cent, with a provision coverage ratio of over 96 per cent. Our credit cost is expected to remain below 0.5 per cent. Moreover, we are targeting total recoveries of ₹16,000 crore for FY26. Our aim is to achieve a return on assets of above 1 per cent and to maintain the slippage ratio below 1 per cent.

How are you approaching the micro, small and medium enterprise (MSME) sector in FY26?

This year, our MSME portfolio witnessed robust Y-o-Y growth of 16.8 per cent, and we are targeting a similar trajectory with expected growth of 17–18 per cent in the current financial year. To support this, we have launched several key initiatives, including a nationwide MSME outreach programme focused on major clusters. This began on February 13 and is now conducted every Monday at our lending centres across the country. The initial outreach led to a 1.5x increase in sanctions in March, the highest for the year, and we plan to continue this drive at scale.



We have also introduced a cash flow-based digital lending facility offering loans up to ₹25 lakh, available to both existing and new-to-bank customers, aimed at providing easier and faster access to credit.

What is the status of the bank's exposure in the Nirav Modi case?

As far as Nirav Modi is concerned, I believe he has been arrested in Belgium. His extradition is being pursued by the Government of India. From the bank's perspective, his return to India does not directly impact recovery efforts. We have already undertaken all necessary legal and procedural measures to ensure recovery, irrespective of his physical presence. The bank continues to actively pursue all avenues for recovery, and those efforts remain fully on track.

How is PNB dealing with the ongoing situation with Pakistan?

For our branches located near the border areas from Rajasthan to Kashmir, especially in zones seeing cross-border tensions, we have issued clear instructions prioritising the safety and well-being of employees. They must not be exposed to any risk. At the same time, we have directed all branches across the country to remain calm and operational, ensuring no disruption in services. Branches have been asked to stay open, maintain sufficient cash availability, and keep ATMs functional. I want to assure everyone there is no need for panic regarding banking operations.

More on business-standard.com

Date	Headline	Publication	Edition	Page	Source
May 14, 2025	Focus more on operating profit, quality growth in FY26 PNB	The Hindu Business Line	8Editions	1	Piyush Shukla

GROWTH DRIVERS. **We are focusing on retail,** agriculture and MSME segments aggressively now, says Punjab National Bank CEO Ashok Chandra **p9**

Focus more on operating profit, quality growth in FY26: PNB

STEPS TAKEN. The bank shed ₹35,000 cr of corporate loans with lower yields, says MD

bl.interview

Piyush Shukla
Mumbai

Even as Punjab National Bank (PNB) slipped to the third position among public sector banks in terms of overall business size in Q4FY25, its focus will be on improving operating profit and "quality growth" in FY26, MD & CEO Ashok Chandra said in an interaction.

He shared business guidance for the current fiscal and the way ahead for lenders after the Supreme Court overturned JSW Steel's resolution plan for Bhushan Power & Steel (BPSL).

Edited excerpts:

> We are not in that race. Definitely, we are mindful of growth, and quality growth.
>
> **ASHOK CHANDRA**
> PNB MD & CEO

PNB has slipped to the position of 3rd largest public sector bank in Q4FY25. Do you aim to retain your position?

We are not in that race. Definitely, we are mindful of growth, but quality growth. We have focused a lot on operating profit. That was one of the concern areas for the bank. We were the second largest State-owned bank in the December quarter but in terms of operating profit, we were at the number four position, even below Union Bank of India and Canara Bank. We shed around ₹35,000 crore of corporate loans which were giving lower yields. Had we continued with it, we would have beaten other banks. Accordingly, improving operational profit and quality growth would be the focus areas for us in FY26.

Core income and margin were muted in Q4FY25. But even FY26 guidance for NII and NIM is lower than FY25...

We are moving into a lower interest rate regime now. With two rate cuts till now, net interest income (NII) has dropped and will continue being under pressure. This is because deposit interest rate changes with a lag of 1 year to 18 months whereas loans, especially those linked to repo rate, reprice immediately after repo rate cut. And going forward, we expect that there will be further rate cuts in FY26, and thus NII and net interest margin (NIM) will be under pressure. That is why we have lowered the guidance on these parameters but these are conservative estimates. We will cross this guidance, that is our goal.

In the absence of higher core income growth, would focus be on other income?

We are putting a lot of focus on cash management services. Especially in supply chain finance segment as there is a very big market for it now. We have made a cell in our head office, led by a GM, for this. We are making arrangements with large companies and tapping them for vendor financing and supply chain financing. We will do this in a big way. Treasury will also contribute in a big way this fiscal.

We are focusing on higher recoveries and recoveries through technically written-off loans. With growth rate of more than 12 per cent in credit, it will also contribute to profits. Overall, we are focusing on retail, agriculture and MSME (RAM) segment in an aggressive way now, which helps with higher yield.

Fresh slippages in Q4FY25 were the highest since Q4FY23. Which segments did bad loans emerge from?

About ₹1,400 crore of slippages came from the agriculture sector. Of the ₹1,400 crore of agri slippages, ₹1,100 crore came from loans up to ₹10 lakh. We have strengthened the system and already ₹288 crore of recovery has happened in April from these. This quarter I would like to call an outlier.

From here on, every quarter we are going to restrict fresh slippages to ₹1,700 crore-₹1,800 crore. Apart from agriculture slippages, we saw around ₹1,000 crore of slippages from MSMEs, and retail slippages were at ₹490 crore.

The Supreme Court struck down the resolution plan of JSW Steel to acquire BPSL. Why did the bank not make provisions against the amount recovered due to the resolution?

The judgment has recently been declared. In total, there are 32 lenders, and there is a committee of creditors (CoC). All these lenders are going to deliberate over the matter soon and then we will decide the future course of action.

There are multiple options before the lenders. As per the law of the land, whatever is required to be done for this particular account, bank will do it as per the CoC mandate. Unless and until the final recourse is available, I think there is no need for banks to go for any other activity. Our exposure to this account was around 0.5 per cent of our total loan book; we recovered ₹3,000 crore from the account post JSW Steel acquisition.

Date	Headline	Publication	Edition	Page	Source
May 09, 2025	'We will surpass credit growth target for current fiscal'	The Financial Express	10 Editions	7	Bureau

ASHOK CHANDRA, MD & CEO, PUNJAB NATIONAL BANK

'We will surpass credit growth target for current fiscal'

Punjab National Bank is aiming at bringing down gross non-performing assets (GNPA) to below 3%, a milestone it has not achieved in years, says MD & CEO **Ashok Chandra**. *In an interview with* **Sachin Kumar**, *he outlines the bank's roadmap for the current financial year, including efforts to boost low-cost deposits through segment-specific CASA schemes and expected surge in credit growth, led by the corporate and RAM (retail, agriculture, MSME) segment. Excerpts:*

Q&A

What is your outlook on credit growth, and which sectors will drive this growth?
Given the RBI's accommodative stance, improved liquidity and government incentives such as tax benefits, we expect a healthy credit growth this year. We already have a strong pipeline of sanctioned loans, including ₹1.15 lakh crore approved in FY25 and an additional ₹28,000 crore sanctioned in the current fiscal for the corporate segment. In total, we have ₹1.35 lakh crore in the corporate loan book, which will be disbursed over the coming quarters. Beyond corporate lending, we are aggressively focusing on the RAM sector, where we expect a 14-15% growth.

Our initial guidance was for a 11-12% credit growth. We now believe we will surpass this target by the end of the fiscal, driven by strong demand across key sectors.

What is your outlook on deposit growth in FY26.
The measures taken by the RBI will ensure adequate liquidity in the banking system. We are already seeing a decline in cost of deposits, and funds are available even at lower rates. As a result, the pressure on deposit mobilisation has eased. Our bank has demonstrated strong performance in deposit mobilisation, achieving a 14% growth in deposits and 13.6% in advances for the full year. Given the current scenario where deposits are available at lower rates, we do not foresee significant challenges in mobilisation. However, growing the CASA segment remains a key focus area.

To address this, we launched several customer-centric products on April 12, our Foundation Day. These include specialised schemes for salaried individuals, non-salaried customers, women, youth, farmers, pensioners, senior citizens, and NRIs. Each of these schemes is designed with tailored benefits.

> WE ARE TARGETING TOTAL RECOVERIES OF ₹16,000 CRORE, INCLUDING ₹6,000 CR FROM TECHNICAL WRITE-OFFS

Since the launch, we have already opened 1,80,000 new accounts, contributing ₹300 crore in fresh CASA deposits. We expect over 1 million new accounts in the next six months, which should add ₹2,000-3,000 crore to our CASA deposits. With these strategic initiatives, we are confident of achieving a robust deposit growth this fiscal.

Do you plan to revise or cut fixed deposit or savings account rates?
We currently have no plans to reduce savings account rates. Regarding fixed deposit rates, we have already reviewed certain segments and made minor adjustments, reducing some slabs by 10-15 basis points. One special FD scheme has been discontinued as part of this realignment.

However, we are closely monitoring market conditions and will take a final decision on further revisions by the second week of June. Our approach remains cautious, ensuring that any changes align with broader economic trends and competitive dynamics.

Will you be able to sustain the improvement in the asset quality in the current fiscal?
Yes, we are committed to further strengthening our asset quality. For FY26, we have set clear targets. We are going to bring the gross NPA ratio below 3% and net NPA down to 0.35%, improving the provision coverage ratio to over 96%, and maintaining credit cost below 0.5%.

We are targeting total recoveries of ₹16,000 crore, including ₹6,000 crore from technical write-offs. Our quarterly recovery goal from this segment is ₹1,500 crore. Achieving these milestones will mark a significant improvement in PNB's asset quality, with gross NPA falling below 3% for the first time in several years.

Bond yields are easing. What is your outlook on treasury gains.
With bond yields softening, we anticipate a significant boost in treasury income. We project around 10% growth in treasury earnings this fiscal, supported by favourable market conditions. The easing of yields has already contributed to healthy gains in recent quarters, and we expect this trend to continue.

What is the progress on CBDC?
The adoption of central bank digital currency has been progressing well. As of now, we have onboarded 4,29,000 users and processed nearly 6.3 million transactions. The response has been encouraging from our customers.

Date	Headline	Publication	Edition	Page	Source
May 08, 2025	Our target is to achieve 40% casa by FY26'	The New Indian Express	3 Editions	12	Bureau

'OUR TARGET IS TO ACHIEVE 40% CASA BY FY26'

PUNJAB National Bank, the third-largest PSU bank, has posted very healthy fourth quarter financial numbers. Managing Director and CEO Ashok Chandra spoke with **Dipak Mondal** about the bank's Q4 result and its key focus areas in the new financial year.

Profits are up, net interest margin has improved, cost of funds is down and asset quality has strengthened. Do you still see any pain points?
One area we are focusing on is RAM (retail, agriculture, MSME) and CASA (current account savings account) segments. This year, our main theme is better customer service, supported by improved branch and ATM ambience. We've launched initiatives to strengthen these segments, and you'll see visible changes in two to three months.

Could you elaborate on the CASA initiatives?
On April 12, we launched 34 initiatives to revamp CASA products. These offerings are competitive, not just among public sector banks, but across the industry. We've designed products for salaried individuals across income levels, non-salaried customers, women, youth, farmers, senior citizens, and prisoners. We've opened 1.8 lakh accounts under these segments, mobilising ₹300 crore.

CASA currently stands 38%. Do you have a target for the next financial year?
While our public projection remains at 38%, our internal target is to cross 40%.

With interest rates coming down, will it be harder to mobilise deposits?
Despite rate changes, deposit growth remains strong. Last year, deposit growth was 14%, exceeding our credit growth of 13.6%. From April 2025, we've seen continued growth in retail term and individual savings deposits. CASA has seen pressure due to institutional current accounts, but overall, deposit mobilisation remains robust.

Are you still seeing inflows after lowering deposit rates?
Yes. After discontinuing a 400-day, 7.25% scheme in April, we launched a 390-day scheme at 7.1%, under which we mobilised ₹8,000 crore this month alone.

Net interest income (NII) growth has been somewhat muted. What's the reason?
This is due to increased cost of deposits, as we had to mobilise more funds to support growing advances. We've utilised these deposits wisely, including building a strong Treasury book. In FY26, you'll see a healthy uptick in other income from Treasury gains.

RBI has expressed concern about growth in unsecured loans. What's the status at PNB?
Our unsecured book is quite contained and focused. It includes personal loans (₹18,666 cr), primarily to salaried individuals with accounts at PNB, education loans (₹2,500 cr), and credit cards (₹1,100 cr). We don't foresee issues.

You're not aggressive in the credit card space. Are there plans to scale up?
No, we're not planning aggressive expansion. We want to enhance our systems before ramping up credit card issuance.

What's the size of your gold loan book, and do you plan to scale it up?
Our gold loan book stands at ₹13,777 crore, including ₹11,500 crore in agri and ₹2,244 crore in retail. Compared to peers, it's modest. We have no immediate plans to expand.

What's the impact of the recent Supreme Court order on Bhushan Power & Steel? PNB has about ₹6,000 crore exposure.
There will be no long-term impact. We'll meet with other Committee of Creditors (CoC) members — 32 lenders in total—and consult legal counsel. The unit remains a going concern, and any resolution will benefit our bottom line.

Do you think the ruling surprised the industry?
I wouldn't like to comment on that.