Date	Headline	Publication	Edition	Page	Source
Jul 20, 2026	PNB Looking to Tie Up for M&A Loans Portfolio	The Economic Times	9Editions	1	Bureau

PNB Looking to Tie Up for M&A Loans Portfolio

Punjab National Bank (PNB) is scouting for a partner to develop its merger and acquisition financing portfolio and is in discussion with some international funds, CEO Ashok Chandra tells **Dheeraj Tiwari**. The bank aims to garner $2.5 b in special FCNR (B) deposits and has mobilised around $425 m. ▸▸ 12

PNB Scouting for Partner to Build its M&A Financing Portfolio: CEO

Bank in talks with global funds; mobilises $425 m in spl FCNR (B) deposits, targets $2.5 b

Dheeraj Tiwari

New Delhi: Punjab National Bank (PNB) is scouting for a partner to develop its merger and acquisition financing portfolio and is in discussion with some international funds, chief executive Ashok Chandra told **ET**. The bank aims to garner $2.5 billion in special FCNR (B) deposits and has already mobilised around $425 million.

Chandra also said the bank's corporate loan book would exceed ₹4 lakh crore this fiscal, while it continues to focus on the renewable energy segment, including financing opportunities in building hydrogen capacity and upcoming smaller nuclear units.

"On M&A financing, a board-approved policy is now in place as of last month, and we are looking for some good partnerships with some other banks," Chandra said.

PNB will start looking for some opportunity in the segment from the third quarter of this fiscal year.

India's banking regulator has allowed local lenders to fund corporate takeovers from this fiscal year, opening up a revenue stream hitherto dominated by overseas banks or bulge-bracket private equity funds.

The Delhi-based lender Saturday posted a three-fold jump in its net profit at ₹5,253 crore for the first quarter of this fiscal. Chandra said that as the bank migrated to the new tax regime, the tax liability decreased by ₹3,358 crore, which directly added to the bottom line.

"We have reduced operating cost, non-interest income has increased, and we have got very good traction from these activities," he said.

New Accounts

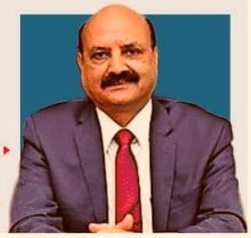
PNB corporate loan book to cross **₹4 lakh cr** this fiscal

Q1 net profit tripled to **₹5,253 cr** after new tax regime

Strong focus on renewable energy, hydrogen & nuclear financing

Recovery target of ₹13,000 cr set for this fiscal; **₹2,800 cr** already recovered in Q1

Bank's asset quality improved with slippages down to **0.68%** and SMA at **2.9%**



Ashok Chandra
CEO, PNB

CREDIT DEMAND

Loan growth in retail was 17.5%, MSME at 20%, agri-priority sector at 16.4% and the corporate book has grown by 10%.

Chandra said the bank has taken upon renewable energy as a champion sector and is growing at more than 30% YoY in this particular area. "Whatever new product that comes, like nuclear, smaller units or even hydrogen capacity, in all those areas we are equipping ourselves, and we will participate in those activities," he said.

Chandra said despite the ongoing West Asia crisis, the Indian economy is very resilient, which is also reflected in the bank's books.

"We are seeing the lowest stress for the last several years. Slippages have come down from 0.71% last year to 0.68%; overall SMA stands at 2.9% of the overall loan book. As of now, absolutely, we are not seeing any impact in any of the sectors," he said.

On the El Niño impact, which can impact the loans in the agriculture sector, Chandra said only in the third quarter will they be in a better position to explain the impact which is going to happen, as monsoons often get delayed. "But if the situation doesn't improve, definitely going forward there will be some challenge in the agri-related activities," he noted.

On overall recoveries, PNB has set a target of ₹13,000 crore this fiscal and already made recoveries of around ₹2,800 crore in the first quarter.

NewsRoom

Date	Headline	Publication	Edition	Page	Source
Jul 20, 2026	PNB rides CD ratio cushion, skips deposit chase	Business Standard	12Editions	1	Bureau

PNB rides CD ratio cushion, skips deposit chase

Q&A Punjab National Bank (PNB) does not plan to aggressively chase deposits despite loan growth outpacing deposit mobilisation, with the state-owned lender saying its current credit-deposit (CD) ratio gives it enough headroom to sustain credit growth without straining funding. Following the release of its financial results for the first quarter of 2026-27 (Q1FY27), PNB Managing Director and Chief Executive Officer **Ashok Chandra** outlined the state-owned bank's priorities in a video interview from New Delhi with **Krity Ambey**. Edited excerpts:

The bank's credit growth was 12.7 per cent, while deposit growth was 8.5 per cent in Q1. How do you plan to bridge that gap without putting further pressure on margins?

■ Our CD ratio was around 73 per cent even with 8.5 per cent deposit growth. The CD ratio can expand by at least another 3-4 percentage points while deposit growth remains at the current pace. After that, we will look to ramp up deposit growth to 10 per cent.

Deposit growth of 8.5-9 per cent is ideal to support credit growth of 12-13 per cent for another one or two quarters. We will ensure there is no mismatch in any of our parameters.

This year's pace of credit and deposit growth is absolutely sustainable. Once our CD ratio reaches around 77 per cent, we will look to ramp up deposit growth.

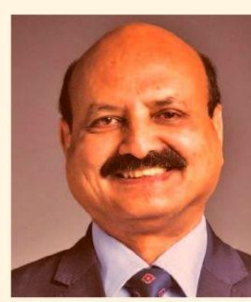
With credit and deposit growth continuing at this pace, when do you think your CD ratio is likely to reach around 77 per cent?

■ We may reach that level by the end of the 2027-28. By the end of FY27, our CD ratio will be 75-76 per cent.

You have mobilised around $420 million in deposits under the foreign currency non-resident (bank), or FCNR (B), scheme and are targeting $2-2.5 billion by September-end. Do you expect these deposits to become a meaningful source of funding?

■ That is also one of our deposit mobilisation strategies. We expect that any deposits that mature will be replenished by FCNR (B) deposits. All these deposits have tenures of three to five years, so they will provide us with very stable deposits for a long period at a reasonable cost. Instead of mobilising bulk deposits, we will use FCNR (B) deposits as a tool.

You have reiterated your net interest margin (NIM) guidance of 2.6-2.7 per cent despite the Q1 margin coming in at 2.5 per cent. Which factors do you expect to drive the recovery over the remaining quarters?



“INSTEAD OF MOBILISING BULK DEPOSITS, WE WILL USE FCNR (B) AS A TOOL”

Ashok Chandra, PNB MD & CEO

■ One is the cost of deposits. We are being very mindful while raising deposits, and in Q1 we stayed completely out of the market for bulk deposits and certificates of deposit. We have consciously kept deposit growth at 8.5-9 per cent. Our guidance for FY27 is 9 per cent deposit growth. So we are going to maintain the required level of deposit mobilisation. Even with 8.5 per cent deposit growth, our CD ratio is still 73.4 per cent. So we have enough room to grow our credit portfolio at this pace of deposit growth.

Second is the repricing we are undertaking in the credit portfolio. I am very confident about an improvement in yields on advances. The cost of deposits has come down substantially. This strategy will continue for a longer period, so we expect some improvement in NIM and net interest income (NII).

Looking ahead to the rest of FY27, what will be PNB's top priority?

■ Managing margin pressure is the bank's top priority. We aim to achieve NII growth of 7-8 per cent and operating profit growth of 9-10 per cent, both of which are reflected in the NIM.

More on business-standard.com

NewsRoom

Date	Headline	Publication	Edition	Page	Source
Jul 20, 2026	PNB hopeful of achieving net interest margin, FCNR (B) targets	The Hindu Business Line	8Editions	5	Bureau

PNB hopeful of achieving net interest margin, FCNR (B) targets

CAUTIOUS MOVE. Deposit growing lower than credit is not a concern, says MD and CEO Ashok Chandra

bl. interview

Shishir Sinha
New Delhi

Despite a growth of just over 2 per cent in net interest income in the first quarter, Punjab National Bank's MD and CEO Ashok Chandra, is confident of achieving a 7 per cent growth in FY27. Talking to *businessline*, he said deposit growing lower than credit is not a concern.

Excerpts:

What are the new initiatives to achieve the target of \$2.5 billion through FCNR (B) deposits by September 30, 2026?

One is connecting with the NRIs. We have a large franchise and good NRI base. We have started connecting all tools.

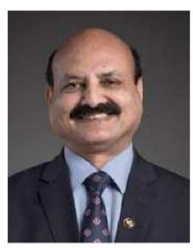
We are explaining this product. Reaching out to the people is one important strategy, and second is explaining the benefits that NRIs can derive from this. We are hopeful of achieving the target.

You have given a guidance of 7 per cent for growth related to Net Interest Income (NII). However, growth during the first quarter was 2.1 per cent. How are you going to achieve this?

We have started building good quality credit book now and we have come out from the challenge of having low-holding advances. Cost of deposit has started coming down. Mobilisation of FCNR (B) deposit will reduce the cost of deposit because whatever we are going to mobilise, it will not carry the CRR-SLR purpose.

To that extent, the cost of deposit will come down. We are working on both the front — cost of deposit and yield on advances and I am expecting that good growth should happen on the NII front from now onwards.

> We have started building good quality credit book now and we have come out from the challenge of having low-holding advances.
>
> **ASHOK CHANDRA,**
> MD & CEO, Punjab National Bank



Guidance for operating profit is 9-10 per cent while growth during first quarter was 6.2 per cent. How are you going to achieve the guidance for operating profit?

Last year, the bank initiated three new activities — the supply chain vertical, cash management services and credit card, and these three activities have started picking up very well in this financial year.

For all three verticals, we have revenue targets. Second is the rejigging of the balance sheet which we have done, the low-yielding advances and all which we have said. It will also add to the profitability of the bank.

The operating profit also will go up. And third, there has been muted recovery in the first quarter which is expected to improve. With all this we have said that at least 9-10 per cent growth should happen in the operating profit.

Your net profit surged over three times in the first quarter and one reason is that last year your tax outgo was very high in the corresponding quarter. However, on a sequential basis, the growth in net profit appears to have plateaued. Is it so?

No. In fact, we are making some additional cushion like ₹390 crore for the ECL provision in this quarter.

It is a floating provision we have kept and the entire floating provision as of today is ₹2,435 crore. This we have started doing from Q2 onwards last year and we have built a very substantial provision.

Now all these things will help us in migration, that will happen from the first of April 2027.

If I would have added this in my net profit, it would have been more than ₹5,700 crore. If the opportunity is there, why not keep it for the future when the migrations and the challenges are going to happen, so that there should be smooth transition.

> We are very mindful of raising the deposit in the bulk segment or in the CD market. It is not that we are not getting the deposits, they are available.

Another important aspect, is the first quarter of the last year was challenging because of the migration from old tax to new tax regime and that was an aberration.

Otherwise, Q2, Q3, Q4 and this quarter, there has been substantial improvements. The bank is consistent in managing these things and we will deliver the figures like this in the future too.

Deposit growth is lower than credit growth in your guidance too, is this a concern?

It is not a concern at all. We have a deposit growth of 8.5 per cent and credit growth of 12.7 per cent in Q1, still my CD ratio is 73.4 per cent. This means we have enough room with this growth to reach a level of 77-78 per cent and then only we need to think of growing at a faster speed. But we will be restricting ourselves to grow at 9 per cent, for which we have given the guidance.

We are very mindful of raising the deposit in the bulk segment or in the CD market. It is not that we are not getting the deposits, they are available.

However, they come at a cost and if that is not helping me in getting the good reward out of that mobilisation, we are not interested in mobilising such deposits.

NewsRoom

Date	Headline	Publication	Edition	Page	Source
Jul 19, 2026	'Will use FCNR flows to retire high-cost deposits	The Financial Express	11Editions	1	Bureau

ASHOK CHANDRA, MD & CEO, PUNJAB NATIONAL BANK

'Will use FCNR flows to retire high-cost deposits'

In an interview, Punjab National Bank MD & CEO **Ashok Chandra** *tells* **Manju AB** *about the bank's FCNR(B) plans, drive to grow deposits and plans to enter the wealth business.*

Is the target of garnering $2.5 billion in FCNR(B) deposits too ambitious, despite PNB being one of the early movers in the game?

We are an agile organisation and have a good non-resident Indian (NRI) customer base. We are engaging in various activities to reach out to them through social media, WhatsApp, and emails. We have also planned specific outreach programmes. NRIs are showing a lot of interest on these deposits, and we are confident of achieving our target of $2 billion to $2.5 billion.

Some banks are offering customers a leverage to borrow higher than 9 times their own funds to create FCNR(B) deposits. Is PNB looking to join this race?

We are offering a leverage of 9x and don't intend to go above this. There will be various levels of leverage and it will depend on the relationship with the customer. But even with a 9x leverage, the customers are able to get good returns.

Isn't the pace too slow as the bank has collected $425 million so far through this route?

Things are moving and it is a matter of time before large volumes will start moving in. Not only for us but for all the banks in the country. We are advising the NRIs on how beneficial these schemes are for them, and they have the budgets to invest.

How do you plan to deploy these funds?

We believe that the RBI's swap facility will help us get good rupee deposits and it will add to liquidity. We will be able to retire our high-cost deposits. Systematically, we have started retiring CDs (certificate of deposits) which are getting matured. So, we are not going to be there in the market to raise bulk deposits. The FCNR(B) deposits will supplement all our high-cost deposits.

Besides, the RBI has lifted the SLR (statutory liquidity ratio) and CRR (cash reserve ratio) requirements on these deposits. This makes such deposits very cost effective.

> NRIs ARE SHOWING INTEREST IN FCNR (B) DEPOSITS AND WE ARE CONFIDENT OF ACHIEVING OUR $2-2.5 BN TARGET

Low-cost CASA (current account savings account) growth has been a big problem area for banks. How are you tackling this?

There are two components to this. The bank is doing well in the current account area and we have posted a 17% year-on-year growth in this quarter. Individual saving account balance is also growing well. The challenge which we have is the institutional deposits.

What other lines of new business are you looking at?

We will launch our wealth management services by the third quarter of the current financial year.

(Read full interview on www.financialexpress.com)

NewsRoom

Date	Headline	Publication	Edition	Page	Source
Jul 21, 2026	'FCNR(B) flows to peak in August, Sept; overall target achievable'	The Indian Express	8Editions	15	Bureau

'RENEWABLES, DIGITAL INNOVATION TO LEAD NEXT GROWTH WAVE; AI WON'T RESULT IN JOB LOSSES'

'FCNR(B) flows to peak in August, Sept; overall target achievable'

PUNJAB NATIONAL Bank Managing Director and Chief Executive Officer **Ashok Chandra** said the bank is on track to achieve the target of $2.50 billion under the FCNR(B) scheme. "Most of the inflows across the industry are likely to come during the latter half of August and September, so I am optimistic that the overall banking target (of over $50 billion) can be achieved," he told **George Mathew** in an interview. Throughout the last financial year, he saw healthy growth in every quarter across retail, agriculture and MSME lending, and there is no point in mobilising excess liquidity if it cannot be deployed productively, Chandra said.

He said renewable energy is one of the sectors they have identified as a champion area, and ruled out any job losses due to AI introduction in banking. Edited excerpts:

Coming to the recent RBI measures on FCNR(B) deposits, how has been the response so far? Are inflows meeting your expectations? What do you expect over the next three months?

Yes, the response has been in line with our expectations. So far, we have mobilised around $425 million.

We have guided the market that we intend to mobilise $2.5 billion before September 30, and we are on track to achieve that target. In fact, we expect to reach it ahead of the schedule.

Has the higher cost of funds created challenges? Since depositors can also borrow overseas, has that affected mobilisation?

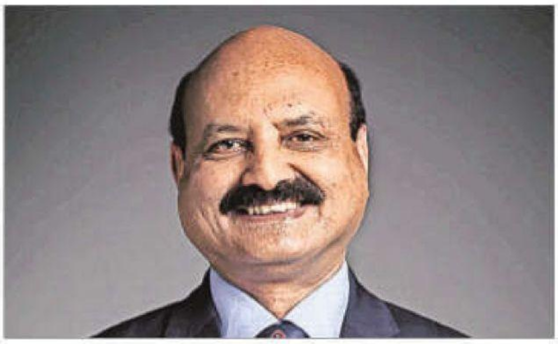
No, not at all. While the cost structure has increased, it has not created any significant issue for us. We have a large NRI customer base across several countries, and our teams are actively engaging with them. What has changed is the scale of our outreach. Earlier, we may have focused on a relatively small group of NRIs. Today, we are engaging with a much larger customer base. Our objective is to broaden our overseas deposit base rather than depend on a limited number of customers.

More broadly, do you believe the banking industry as a whole will be able to mobilise around $50 billion under the scheme?

Yes, I believe it will. Most of the inflows across the industry are likely to come during the latter half of August and September, so I am optimistic that the overall target can be achieved.

Is there any significant switching by NRIs from NRE deposits to FCNR(B) deposits?

No, we are not seeing that. It would generally not be advantageous for customers to convert existing NRE deposits into FCNR(B) deposits at the current rates, as they would incur a loss in doing so. The scheme is more beneficial for customers bringing in fresh overseas deposits, and that is where we are seeing the inflows.



EXPRESS interview | ASHOK CHANDRA
MD AND CEO, PUNJAB NATIONAL BANK

Credit growth has picked up significantly over the last few months. Which sectors are driving this growth? Do you expect the momentum to continue?

The retail, agriculture and MSME (RAM) segment has performed very well. Throughout the last financial year, we saw healthy growth in every quarter across retail, agriculture and MSME lending. The bank placed considerable focus on these segments during the last financial year. We conducted extensive outreach programmes across the country. The entire top management — including the MD and CEO, executive directors, chief general managers, general managers, and officials from the Head Office — visited the field. This created significant traction. Retail lending grew by 17.5%, priority sector lending by 16.4%, and MSME lending by 19.8%, nearly 20%. Our corporate loan book also grew by around 10%. In fact, the underlying corporate portfolio grew by nearly 15-16%, but because we repriced and exited certain low-yield advances, the reported growth stands at about 10%. We continue to see strong traction in the corporate segment as well. Overall, the bank has performed well across all segments, and this momentum has continued into the current quarter.

On the corporate lending side, which sectors are generating strongest demand?

Renewable energy is one of the sectors we have identified as a champion area. We are growing faster than many players in the segment, with growth of around 30% in renewable energy financing. Apart from that, we're seeing healthy demand in infrastructure, particularly roads, data centres, agriculture-related businesses, trading activities, and engineering. During the last financial year, we sanctioned nearly Rs 4 lakh crore worth of corporate loans. Our lending is well diversified across sectors.

AI is being adopted rapidly across industries. Do you think it could lead to job losses in banking? How do you see it helping areas such as credit operations and risk management?

Our objective in adopting these digital tools is to improve the customer experience. Customer convenience remains our highest priority. These technologies will enable our employees to engage more effectively with customers and provide better service. At the same time, we will continue to upgrade the skills of our employees through training and reskilling so they can work effectively alongside these new technologies. The objective is to ensure that both our employees and our customers benefit from digital transformation.

So, are you saying AI will not result in job cuts?

No, we do not see AI leading to job losses. What AI will do is improve productivity, streamline processes, enhance the quality of our services and improve the quality of our data. These are the key benefits we expect from adopting these technologies. FULL INTERVIEW ON WWW.INDIANEXPRESS.COM