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DAILY NEWS DIGEST BY BFSI BOARD, ICAI

May 13, 2022

- **PNB mulls transferring NPAs worth ₹8,000 cr to bad bank in phases: Goel, MD & CEO :** Punjab National Bank (PNB), the country's second-largest public sector bank expects an overall credit growth of 10 per cent in 2022-23 on the back of robust credit demand seen in steel, road and cement sectors besides NBFCs, its MD & CEO Atul Kumar Goel said on Thursday. This was much higher than the six per cent overall credit growth seen in 2021-22. "We see 2022-23 as a very good year for the Indian economy. We have reached pre-pandemic demand levels", Goel said post the declaration of bank's Q4 results. He highlighted that the scope for PNB to garner treasury incomes would be next to nothing low in the current fiscal, and therefore the bank is betting big on growth in business volumes.
<https://www.thehindubusinessline.com/money-and-banking/pnb-mulls-transferring-8000-cr-worth-npas-to-bad-bank-in-phases-goel-md-ceo/article65406811.ece>
- **PNB Q4 Results: Net profit declines 66% to Rs 202 crore, share prices fall 12%:** Punjab National Bank (PNB) reported a 66 percent decline in standalone net profit at Rs 202 crore for the fourth quarter of financial year 2021-22 on higher amounts parked towards provisioning, even as its NPA levels declined. The PNB reported a net profit of Rs 586 crore in the corresponding quarter a year ago. The total standalone income during the January-March quarter stood at Rs 21,095 crore, down from Rs 21,386 crore in the corresponding period last year. For the entire fiscal 2021-22, the bank's standalone net profit rose to Rs 3,456.96 crore, compared to Rs 2,021.62 crore in FY21, according to a regulatory filing by PNB to the stock exchanges. The asset quality of the lender improved, with the gross non-performing assets (GNPAs) dropping to 11.78 percent of the gross advances as of March 2022, from 14.12 percent a year ago. PNB's net non-performing assets (NPAs) or bad loans also declined to 4.8 percent from 5.73 percent.
<https://www.moneycontrol.com/news/business/earnings/pnb-q4-results-net-profit-declines-66-to-rs-202-crore-even-as-npa-levels-decline-8492661.html>
- **Indian Bank posts Rs 984-crore net profit in Q4:** Indian Bank on Wednesday reported a net profit of Rs 984 crore for the fourth quarter of the previous fiscal, compared with Rs 1,709 crore in the year-ago period. The bank said there was a change in deferred tax assets (DTA) calculations in FY22 from the annual to the quarterly basis. In Q4FY21, the net profit stood at Rs 1,709 crore factoring DTA of Rs 913 crore as against DTA of Rs 161 core in Q4FY22. Total income of the bank stood at Rs 11,405 crore, compared with Rs 10,485 crore, an increase of 8.8%. Shanti Lal Jain, MD & CEO, told reporters that the asset quality improved in the fourth quarter. During FY22, the lender had recovered around Rs 7,100 crore and it expects a similar recovery in FY23 as well.
<https://www.financialexpress.com/industry/banking-finance/indian-bank-posts-rs-984-crore-net-profit-in-q4/2521194/>



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- **PNB share price dives 12% to 52-week low after disappointing Q4 performance:** Punjab National Bank (PNB) share price suffered a 12 percent fall on May 12 after the bank declared its March quarter earnings. At 12:14pm, the stock was trading at Rs 29.45, down Rs 3.65, or 11.03 percent. It has touched a 52-week low of Rs 29.05. It has touched an intraday high of Rs 31.70 and an intraday low of Rs 29.05. The scrip was trading with volumes of 11,367,020 shares, compared to its five-day average of 3,275,340 shares, an increase of 247.05 percent.
<https://www.moneycontrol.com/news/business/stocks/pnb-share-price-dives-12-to-52-week-low-after-disappointing-q4-performance-8494451.html>
- **PNB to bring down NPAs, ensure high loan recoveries: Atul Kumar Goel:** State-owned Punjab National Bank (PNB) will bring down gross non-performing assets (GNPA) down to a single digit in the current financial year, and would ensure slippages are less than recovery from bad loans, its Managing Director Atul Kumar Goel said. "Our target is that every quarter, additions should be less than the recovery...On the basis of this plan, I am telling you gross (NPA) numbers will come in the single digit. We will monitor this from the top into the zonal, circle heads on a fortnightly basis," Goel said at post earning press conference.
https://www.business-standard.com/article/finance/pnb-to-bring-down-npas-ensure-high-loan-recoveries-atul-kumar-goel-122051200676_1.html#:~:text=PNB%20will%20aim%20to%20bring,previous%20financial%20year%2C%20Goel%20said.
- **PNB to hike repo-linked lending rate from next month:** Punjab National Bank (PNB) chief Atul Kumar Goel on Thursday said the bank will raise the repo-linked lending rates from next month. The move comes against the backdrop of Reserve Bank of India (RBI) hiking the repo rate by 40 basis points (bps) last week amid rising inflation. Goel, the state-owned lender's MD and CEO, told reporters that interest rates are certain to rise a tad going further."With 40 bps rise in repo rate... so according to our policy, from June 1, the same quantum raise in lending rates will be there. So there will be some increase in the loan rate for sure," Goel said. Repo rate is the rate at which banks borrow short term money from RBI.
[https://bfsi.economictimes.indiatimes.com/news/banking/pnb-to-hike-repo-linked-lending-rate-from-next-month/91533736#:~:text=Punjab%20National%20Bank%20\(PNB\)%20chief,last%20week%20amid%20rising%20inflation.](https://bfsi.economictimes.indiatimes.com/news/banking/pnb-to-hike-repo-linked-lending-rate-from-next-month/91533736#:~:text=Punjab%20National%20Bank%20(PNB)%20chief,last%20week%20amid%20rising%20inflation.)
- **Indian Bank targets credit growth of 8-10% in FY23, says CEO SL Jain:** Public sector lender Indian Bank expects to grow its loan book by 8-10% in the financial year 2022-23 on the back of higher retail as well as corporate loan demand, chief executive S L Jain said on Thursday. The bank's retail, agriculture, and micro, small and medium enterprise (MSME) loans together grew 11% on a year-on-year basis in Q4 FY22. On a consolidated basis, these three segments are referred to as the RAM sector by banks. Its corporate loan book contracted 5% in the same period, taking the share of RAM loans to 61.3% of total advances. "We have grown our RAM book at 11% and we would like to maintain that rate. In these loans there are healthy margins and the risk is spread. We would continue to have that kind of a mix between RAM and corporate loans of about 60:40," Jain told Mint over phone.



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<https://www.livemint.com/industry/banking/indian-bank-targets-credit-growth-of-8-10-in-fy23-says-ceo-sl-jain-11652337854623.html>

- **Union Bank of India launches cross border trade finance service Trade Nxt:** Union Bank of India has launched Trade next, a cross border trade finance service for Indian exporters and importers. The platform will enable enterprises to conduct all export/import transactions, including entry and processing of letters of credit, bank guarantees, export/import bills, disbursement of export credit, outward and inward remittances and dealer financing, among other things, at one place. 'Trade next' eliminates the need for companies to visit a bank branch to initiate a trade transaction and ensures better governance with enhanced security and controls, the bank said in its statement.
<https://www.livemint.com/industry/banking/union-bank-of-india-launches-cross-border-trade-finance-service-trade-nxt-11652353620114.html>
- **Canara Bank to invest Rs 1,000 cr for building digital banking backbone:** Public sector lender Canara Bank plans to invest about Rs 1,000 crore over the next three years for building a digital banking ecosystem, including a super-app. The Bengaluru-based bank will unveil its super app (yet to be named) next month. This would involve revamping the mobile banking platform with 262 features replicating branch banking, K Satyanarayana Raju, executive director, Canara Bank told Business Standard. The super-app is in the beta testing phase to get feedback on functioning and ease of use. Raju said the lender has already spent about Rs 800 crore in the last two fiscals on the digital ecosystem, including mobile banking, data analytics and systems. The part of savings on operating expenses has been deployed for investment in the digital backbone.
[https://www.business-standard.com/article/finance/canara-bank-to-invest-rs-1000-cr-for-building-digital-banking-backbone-122051200275_1.html#:~:text=Public%20sector%20lender%20Canara%20Bank,to%20be%20named\)%20next%20month.](https://www.business-standard.com/article/finance/canara-bank-to-invest-rs-1000-cr-for-building-digital-banking-backbone-122051200275_1.html#:~:text=Public%20sector%20lender%20Canara%20Bank,to%20be%20named)%20next%20month.)
- **SpiceJet, Axis Bank launch co-branded credit card:** SpiceJet on Thursday announced that it has partnered with Axis Bank for launching co-branded credit card. The card is powered by Visa. It comes in two variants — SpiceJet Axis Bank Voyage and Voyage Black. According to SpiceJet, the card is aimed at facilitating a superlative travel experience for flyers through SpiceClub, the first frequent flyer program by a low cost carrier in the country. Through this collaboration, the two brands hope to capitalise on the resurgent demand for travel following two years of stagnation caused by the Covid-19 pandemic.
<https://www.livemint.com/companies/news/spicejet-and-axis-bank-launch-co-branded-credit-card-details-here-11652336428149.html>
- **RBL Bank Q4 net profit surges 163%:** Private sector lender RBL Bank reported a 162.5 per cent surge in its standalone net profit in Q4 FY22 with lower provisions and sharp growth in net interest income. For Q4 FY22, the bank's net profit rose to ₹197.83 crore from ₹75.34 crore in the same period last fiscal. However, for the full fiscal FY22, the bank saw standalone net loss of ₹74.74 crore against net profit of ₹50.77 crore in FY21. Net interest income grew 25 per cent year-on-year ₹1,131 crore for Q4



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from ₹906 crore a year ago. Net interest margin was 5.04 per cent versus 4.17 per cent in the previous fiscal. Other income fell 7 per cent year-on-year to ₹511 crore in the quarter under review.

<https://www.thehindubusinessline.com/money-and-banking/rbl-bank-q4-net-profit-surges-163/article65407331.ece>

- **Exim Bank profit jumps nearly 3-fold to Rs 738 crore in FY22:** Export Import Bank of India (EXIM Bank) on Thursday reported a nearly three-fold jump in its profit after tax (PAT) to Rs 738 crore in the fiscal ended in March 2022 compared to Rs 254 crore in the year-ago period. The development finance institution sanctioned loans aggregating to Rs 68,863 crore under various lending programmes during FY2022. Its net loan portfolio registered a growth of 13.26 per cent to Rs 1,17,619 crore from Rs 1,03,851 crore last year.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/exim-bank-profit-jumps-nearly-3-fold-to-rs-738-crore-in-fy22/articleshow/91522024.cms>
- **BIAL partners with Kotak Mahindra Bank, Phi Commerce to facilitate one-stop payment solution:** Bangalore International Airport Ltd (BIAL) has partnered with Kotak Mahindra Bank and digital payment firm Phi Commerce to facilitate a one-stop omnichannel payment solution at Kempegowda International Airport. Designed specifically for the airport, the solution will enable a secure, scalable, and unified payment experience. It will power B2B and B2C payments across channels both online and offline, BIAL said in a release on Thursday. Designed specifically for the airport, the solution will enable a secure, scalable, and unified payment experience. The company said it will facilitate transactions across the domestic terminal, international terminal, airport city, concert arena, airport hotels, retail, recreation, dining, entertainment destination, airport parking, cargo and BIAL subsidiaries.
<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/bial-partners-with-kotak-mahindra-bank-phi-commerce-to-facilitate-one-stop-payment-solution/articleshow/91511959.cms>
- **NCLT delays admission of insolvency proceedings against Future Retail:** A bankruptcy court, on May 12, further delayed the initiation of insolvency proceedings against Future Retail as the company sought more time to respond to a petition by Bank of India that seeks to recover dues from the debt-laden retailer. In legal proceedings, a written reply is the party's response to a defendant's allegation or counterclaim. In India, courts typically look at submissions from both parties before passing a judgment or an order. At the hearing today in the Mumbai bench of the National Company Law Tribunal (NCLT), the counsel representing Future Retail, Shyam Kapadia, said that some of the company's directors' term has expired, which is why there was a delay in filing a response to the petition.
<https://www.moneycontrol.com/news/business/nclt-delays-admission-of-insolvency-proceedings-against-future-retail-8497251.html>
- **RBI hasn't imposed any shadow ban on Coinbase, CEO's claim incorrect, say sources:** The Reserve Bank of India (RBI) hasn't imposed any shadow ban on crypto exchanges forcing them to disable the UPI payment method, according to people in the know. Recently, US-based crypto exchange Coinbase's chief executive officer Brian Armstrong had alleged that it suspended its UPI payment



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method due to 'informal pressure from RBI.' "The RBI has not done anything or issued any instruction which goes against the Supreme Court order," said one of the people quoted above.

<https://www.moneycontrol.com/news/business/rbi-hasnt-imposed-any-shadow-ban-on-coinbase-ceos-claim-incorrect-say-sources-8497331.html>

- **Rupee falls 15 paise to close at 77.40 against US dollar:** Snapping its two-day winning streak, the rupee slumped by 15 paise to end at 77.40 (provisional) against the US dollar on Thursday, following risk-off sentiments amid increasing concerns over inflation globally. At the interbank forex market, the rupee opened steeply lower at 77.52 against the greenback and moved in a range of 77.36 to 77.63 in the day trade. The rupee finally ended at 77.40, down by 15 paise over its previous close. The rupee had settled at 77.25 against the US dollar on Wednesday.

<https://auto.economictimes.indiatimes.com/news/industry/rupee-falls-15-paise-to-close-77-40-against-us-dollar/91520184#:~:text=Mumbai%3A%20Snapping%20its%20two%2Dday,increasing%20concerns%20over%20inflation%20globally.>

- **Markets fall for 5th day; Sensex cracks 1,016 points intraday:** Benchmark indices continued their downtrend for the fifth session on the trot on Thursday, with the Sensex tumbling nearly 817 points in early trade, tracking weak global trends and selling in index majors Reliance Industries and HDFC Bank. Unabated selling by foreign institutional investors also weighed on the sentiment. At 12.30 pm, the 30-share BSE Sensex was trading 1,016.78 points lower at 53,071.92. The NSE Nifty declined 316.35 points to 15,850.75. From the Sensex firms, UltraTech Cement, Tata Steel, Bajaj Finance, M&M, IndusInd Bank, HDFC Bank, Bajaj Finserv and Larsen & Toubro were among the major laggards.

<https://www.thehindubusinessline.com/markets/stock-markets/markets-fall-for-5th-day-sensex-cracks-817-points-in-early-trade/article65406617.ece>

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