



RETAIL PNB - DIGITAL PNB

PRESS RELEASE

FINANCIAL RESULT FOR THE QUARTER ENDED SEPT 30, 2016

PERFORMANCE HIGHLIGHTS

- Reduction in Stressed Assets level.
- Recovery/Up gradation in NPA accounts exceeds Additions.
- Constantly higher operating profit at Rs 3312 Cr for Q2 FY 17.
- Consistently high CASA share at 42.10 %.
- CASA Deposits growth stood at 11.1%.
- Robust Growth of 14.2 % in Saving Deposits.
- Cost of Deposits reduced from 5.95 % to 5.36 % as on 30.09.2016.
- Non Interest Income growth at 76% on YoY basis.
- Trading Profit of Rs.654 Cr.
- Small Ticket Advances grew at 11.7%.

Results at a Glance

Particulars	Rs in Cr.		
	Q2 FY 2016	Q2 FY 2017	YoY Growth
Global Business	920882	968615	5.2
Global Deposits	539924	574884	6.5
Global Credit	392110	414206	5.6
CASA	194546	216224	11.1
Domestic CASA share	40.23	42.10	
Saving Deposits	157683	180147	14.2
Net Advances	380958	393731	3.4
Operating Profit	2939	3312	12.7

Reorientation of Business:

The Bank has transformed its business model in alignment with the emerging economic scenario towards **small ticket business**. Riding on the **Digitalization** PNB is leveraging fresh business growth through its network of Pan India branches.

Business Transformation:

PNB has adopted a multidimensional approach for business transformation focusing at People development, Digital banking, Improved customer service, Quality credit, Improved CASA and Profit maximization. Banks initiative of setting up “**War Room**” for real time Resolution, Recovery and Up gradation of NPAs has resulted in increase in recovery position.

NETWORK

Domestic branch network stands at **6845** and number of Business Correspondents at **7996** as on 30.09.2016. ATM network of the Bank is at **9841** as on 30.09.2016.

International Forays

- Bank is having overseas branches in Hong Kong, Dubai and Offshore Banking Unit in Mumbai and Representative Offices (RO) at Dubai (UAE), Shanghai (China), Sydney (Australia) and Dhaka (Bangladesh).
- Bank has two overseas subsidiaries viz. PNB International Ltd. (UK) and Druk PNB Bank Ltd (Bhutan). Bank also have one associate company viz. JSC Tengri Bank (Kazakhstan) and one Joint Venture Bank in Nepal i.e. Everest Bank Ltd.
- Bank has got permission from RBI for opening Representative office in Yangon (Mynamar).

BUSINESS

- Total Business of the Bank stood at Rs 968615 Cr as on Sept '16 registering a yoy growth of 5.2% over corresponding period last year.
- **Deposits**
 - Total Deposits of the Bank recorded a yoy growth of 6.5% to reach Rs.574884 Cr as on Sept'16.
 - CASA deposits increased to Rs 216224 Cr in Sept'16 recording a yoy growth of 11.1%. Domestic CASA share improved to 42.10% as on Sept'16 from 40.23% in Sept'15. The share is one of the highest among nationalized banks.
 - Saving deposits increased by 14.2% on yoy basis to Rs 180147 Cr.
- **Advances**
 - Gross Global Advances increased to Rs 414206Cr registering a yoy growth of 5.6% as on Sept'16.
 - Net Advances increased to Rs 393731Cr registering a yoy growth of 3.4 % as on Sept'16.
 - Retail loans were at Rs 61422 Cr as on Sept'16, growing 21.8% on yoy basis over Sept'15. Housing loan grew by a robust 22% to Rs 28812 Cr in Sept'16 (yoy).
 - MSME Advances increased to Rs 86554 Cr in Sept'16 showing yoy growth of 10%.

- **Micro, Small & Medium Advances**

- Credit to Micro & Small Enterprises grew by 10.8% to Rs 68785 Cr as on Sept'16.
- Credit to Micro enterprises stood at Rs 28649 Cr showing yoy growth of 19.4%
- As on 30.09.2016, the Share of Micro Enterprises to total MSE Outstanding stood at 41.65%
- Stand Up India scheme launched by the Hon'ble Prime Minister on 05.04.2016. The Bank has opened 2732 accounts and disbursed Rs 397.5 Cr as on Sept'16.

PROFITABILITY

- **Operating & Net Profit**

- Operating Profit for Sept' 16 stood at Rs 3312 Cr.
- Net Profit for Sept' 16 stood at Rs 549 Cr.

- **Income**

- Total Income stood at Rs 14218 Cr.
- Net Interest Income during Sept 16 stood at Rs 3880 Cr and Non-interest Income stood at Rs2388 Cr in Sept 16.

- **ASSET QUALITY**

- As on Sept '16, Gross NPA ratio stood at 13.63 % and Net NPA ratio was at 9.10%.
- Provision Coverage Ratio stood at 53.32% as on Sept'16.
- Restructured assets of the Bank declined to Rs 18094 Cr in Sept'16 from Rs 38261 Cr in Sept'15
- For intensifying the efforts in NPA reduction, a '**War Room**' at HO has been created. E-auction drive and sale to ARCs are the other measures for recovery.

- **HR – People Before the Numbers**

- Completed the Competency Mapping Drive recently.
- Intensive drive for skill building of the staff for on-boarding digital platform
- **PNB-Univ**: An online learning platform is available on all major Mobile Platforms. It provides quick access to quality curriculum and training 24x7 right on the palm top
- **PNB NAVODAYA**: An on-boarding & Mentoring Mechanism has been introduced for newly recruited energetic, tech-savvy but inexperienced employees.
- E- Duty sheet for field staff and Bio Matric attendance.

- **FINANCIAL INCLUSION**

- PNB remains committed towards nation building and actively participated in all schemes launched by the Govt.of India for financial & social empowerment of the masses.
- Under the PM Jan Dhan Yojana, Bank opened 143 lacs accounts .Rs 2028 Cr have been mobilized in these accounts.
- No of transactions through BC channel have increased to 161 Lacs in Sept'16 against 105 lacs in Sept' 15.
- Fee based Income earned has increased to Rs.35 crore in Sept'16 against Rs.17 crore in Sept'15.

- **MOVE TOWARDS DIGITALIZATION**

- Bank is moving towards digitalization and number of new age digital initiatives have been introduced to provide greater ease and improved delivery of products and services to customers.
- Concerted efforts are on to increase usage of Alternate Delivery Channels which account for around 58.1% of transactions.

- **NEW PRODUCTS/INITIATIVES**

- New Cards launched Power Savings Debit card for women customers and Business Debit Card for Corporate customers.
 - A mobile based banking application, called Unified Payment Interface (UPI), has been developed-facilitating the customers to access their Bank accounts opened with different Banks in a single app. Number of Users Registered as on 30-09-2016 are 10275.
 - All SMS registered users are now by default enabled for *99# NUUP Service.
 - User can now avail the Green Pin for Debit card
 - DB unification of IBS and MBS. No need to remember separate password and user Ids.
 - NACH process has been fully automated under digital initiative.
 - Virtual Keypad successfully tested for deposit of Loan amount through Cash Acceptor- cum-ATM.
 - Launch of New Scheme “PNB Pride” to cater to the Retail Loan requirements (Housing & Car) of employees of Central/ State Government/ Defense/ Para military forces personnel on competitive rates & Nil charges.
 - Well Known Cricketer **Virat Kohli** has been appointed Brand ambassador for PNB.

- **AWARDS & ACCOLADES**

- First Prize in Rajbhasha Kirti Award for the outstanding performance in implementation of Official Language Policy in Bank for the Financial year 2015-16 under the category of Nationalized Banks and Financial Institutions in Region ‘A’.
- PNB has been awarded three prizes in RBI Rajbhasha Shield Competition for the excellent performance in implementation of Hindi in Bank for FY’15.

New Delhi

Date: 05.11.2016