

**RETAIL PNB - DIGITAL PNB**

**PRESS RELEASE**

**FINANCIAL RESULT FOR THE QUARTER ENDED June 30, 2016**

**PERFORMANCE HIGHLIGHTS**

- Turnaround to Net Profit
- Consistently high CASA share at 41.39%.
- CASA Deposits growth stood at 12.1%.
- Robust Growth of 14.4% in Saving Deposits.
- Cost of Deposits reduced to 5.46% from 5.99% as on 30.06.2016.
- Non Interest Income growth at 68.5% on YoY basis.
- Trading Profit of Rs. 601 Cr.
- Increased Recovery/Up gradation from NPA accounts
- Operating Profit at Rs 3275 Cr for Q1 FY 17.
- Share of Small Ticket Adv. to Domestic Non Food Credit increased to 58.9%. in June '16 from 56.1% in June'15.
- Consistently high Domestic NIM Q1 FY' 17: 2.8%.
- High growth in Non-Interest Income at 68.5% on YoY basis in Q1FY 17.

**Results at a Glance**

**Rs in Cr.**

| <b>Particulars</b>  | <b>Q1 FY 2016</b> | <b>Q1 FY 2017</b> | <b>YoY Growth</b> |
|---------------------|-------------------|-------------------|-------------------|
| Global Business     | 898613            | 945526            | 5.2               |
| Global deposits     | 517733            | 553952            | 7.0               |
| CASA                | 181494            | 203510            | 12.1              |
| Domestic CASA share | 38.94%            | 41.39%            |                   |
| Saving              | 149555            | 171122            | 14.4              |
| Net Advances        | 380880            | 391574            | 2.8               |
| Operating Profit    | 3132              | 3275              | 4.6               |

### **Reorientation of Business:**

The Bank has reoriented its business model in alignment with the economic scenario towards **small ticket business**. Riding on the **Digital wave**, PNB is driving fresh growth in business through its vast network of branches spread Pan India.

### **Business Transformation:**

Bank has framed strategies for all-round development and strength under “**PNB Indradhanush**”. This is multidimensional approach for business transformation focusing at People development, Digital banking, Improved customer service, Quality credit, Improved CASA and Profit maximization. Defining the priorities, PNB is pioneer in setting up “**War Room**” for real time Resolution, Recovery and Up gradation of NPAs.

### **NETWORK**

Bank has 14805 touch points. Domestic branch network stands at 6809 and number of Business Correspondents at 7996 as on 30.06.2016. ATM network of the Bank is at **9669 as on 30.06.2016**

### **INTERNATIONAL FORAYS**

- Bank is having 4 overseas branches, 2 in Hong Kong, 1 in Dubai and 1 Offshore Banking Unit in Mumbai and 4 Representative Offices (RO) at Dubai, Shanghai, Sydney and Dhaka.
- Bank has two overseas subsidiaries viz. PNB International Ltd. –UK and Druk PNB Bank Ltd, One associate company viz. JSC SB PNB Kazakhstan and one Joint Venture Bank in Nepal i.e. Everest Bank Ltd.

### **BUSINESS**

- Total Business of the Bank stood at Rs 945526 Cr as on June '16 registering a yoy growth of 5.2% over corresponding period last year.
- **Deposits**
  - Total Deposits of the Bank recorded a yoy growth of 7.0% to reach Rs. 553952 Cr as on June'16.
  - CASA deposits increased to Rs 203510 Cr in June'16 recording a yoy growth of 12.1%. Domestic CASA share improved to 41.39% as on June '16 from 38.94% in June' 15. The share is one of the highest among nationalized banks.
  - Saving deposits increased by 14.4% on yoy basis to Rs 171122 Cr.
- **Advances**
  - Net Advances increased to Rs 391574 Cr registering a yoy growth of 2.8% as on June'16.
  - In line with Bank's objective to achieve profitable growth from the grassroots, share of small ticket advances to Non food credit increased to 58.9% in June '16 from 56.1% in June'15.
  - Retail loans were at Rs 58550 Cr as on June'16, growing 19.7% on yoy basis over June'15. Housing loan grew yoy by a robust 24.1% to Rs 27820 Cr in June'16.
  - MSME Advances increased to Rs 85502 Cr in June'16 showing yoy growth of 8.4%.

- **Micro, Small & Medium Advances**

- Credit to Micro & Small Enterprises grew by 8.4% to Rs 85502 Cr as on June'16.
- Credit to Micro enterprises stood at Rs 28068 Cr showing yoy growth of 17.6%
- The Share of Micro Enterprises of MSE Outstanding of previous year has increased from 43.4% to 45.4% as on 30.06.2016.
- Stand Up India scheme launched by the Hon'ble Prime Minister on 05.04.2016. The Bank has opened 1548 accounts and disbursed Rs 166.9 Cr as on Mar'June'16.

## **PROFITABILITY**

- **Operating & Net Profit**

- Operating Profit for June' 16 stood at Rs 3275 Cr.
- Net Profit for June' 16 stood at Rs 306 Cr.

- **Income**

- Total Income stood at Rs 13930 Cr. during June 16.
- Net Interest Income during June 16 stood at Rs 3699 Cr and Non-interest Income stood at Rs 2355 Cr in June 16.

- **ASSET QUALITY**

- As on June '16, Gross NPA ratio stood at 13.75% and Net NPA ratio was at 9.16%.
- Provision Coverage Ratio stood at 52.5% as on June'16.
- Restructured assets of the Bank declined to Rs 18909 Cr in June'16 from Rs 39969 Cr in June'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 has been launched which 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.

- **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 134.72 lacs accounts and issued 98.76 lacs RuPay Cards as on June'16. Rs 3349 Cr have been mobilized in these accounts.
- No of transactions through BC channel have increased to 76.18 Lacs in June'16 against 29.30 lacs in June' 15.
- Income from Financial Inclusion activities have increased to Rs.17.75 crore in June'16 against Rs.7.45 crore in June'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**

- Seamless integration of Internet Banking with retail Internet Banking and Mobile Banking enabled.
- Green PIN facility for generation of duplicate PIN for debit card has been extended for new cards also (except for PMJDY accounts).
- Card to Card transfer facility has been started.
- Mobile Banking registration & submission of Cheque Book Request enabled through ATMs.
- Customers of other Banks can also register for Mobile Banking through PNB ATMs.
- Enhanced transaction limit for Mobile Banking users from Rs. 50,000/- per day to Rs. 1.00 lakh per day.
- **New Cards launched:** Power Savings Debit card for women customers
- **Opening of Account through TAB Banking:** Started Remote Account opening through Tablet PC based solution.
- Extending Immediate Payment Service (IMPS) services from Branches.
- PNB customers-Non & Mobile banking registration has been made live for PNB through Internet banking.
- OTP has been made mandatory for Master Cards for IRCTC transaction.
- NFS to Rupay Interface migration project has successfully made Live for all acquirer transactions.

- **AWARDS & ACCOLADES**

- Golden Peacock National Training Award 2016 by Institute of Directors.
- Social Banking Excellence Awards 2015 under Rural Banking Category (Large Bank) by ASSOCHAM.
- Best Bank Award for PMJDY (Large Bank)-Winner of Banking Excellence Awards 2015 by CIMSME.
- Best MSME Bank (Large Bank)-Runners Up by CIMSME- Banking Excellence Awards 2015
- ABP News Brand Excellence Awards 2015 under Banking Financial Services and Insurance Category by CMO Asia with World Marketing Congress
- Inspiring Work Place Awards 2015 under the category Best HR and Talent Management Practices by The Banking Frontiers.
- Agriculture Leadership Award 2015 by Agriculture Today Group.

With the transformational agenda set at “**Retail PNB - Digital PNB**” Bank is poised to move forward to be participant in the likely economic growth during the current Financial Year.

**New Delhi**

**Date: 28.07.2016**