

Dear customers,

In the wake of recent events, Punjab National Bank understands the concerns and queries that you might have. The bank shares a time-tested bond and would like to assure you that your bank is and will always be committed towards providing you with the best services.

The Bank remains committed to clean and responsible banking.

We are sharing responses to some of the concerns that you may have.

1. Is my money safe?

Yes, your money is safe with us. We would want to reassure you that your Bank is amongst the largest Nationalized Bank owned by the Government of India with many inherent strengths. We have a lineage of 123 years, more than 100 million customers worldwide, close to 7000 branches and 11,000 ATMs across the nation. The bank has a strong balance sheet of around INR 11 lakh crore and sufficient non-core assets to meet any contingent liability on the bank. In fact, the Global Business of the Bank hovers around Rs. 11 lakh crore, the Domestic Business of the Bank has reached new milestone by crossing Rs. 10 lakh crore registering 7.9% YoY growth for the FY'2017-18. Domestic Deposit has remained above Rs 6 lakh crore with YoY increase of 6.2%. Bank has also been able to maintain the level of CASA, its strong forte, with share of 43.9% of the Domestic deposits. The Savings Bank deposit has increased to Rs. 224109 lakh crore. We are and will always be committed to our customers.

2. Recently we are encountering certain difficulties in banking services in bank branches. Is it related to the recent Nirav Modi fraud?

The Bank has upgraded its Core Banking Solution to Finacle 10x version for better customer experience in the long run. There are minor disruptions due to this transition. The Bank is committed for improving our services on a consistent basis

3. I have heard people discussing that a limit on withdrawal of money from the bank has been set by the bank. Is it true?

Please don't believe in any rumours or speculations. No limit has been set on withdrawals. It is banking as usual and you can withdraw or deposit your money from your accounts as per your need anytime.

4. Is it true that the bank may be termed a ‘defaulter’ due to non-payment of money it owes to other banks?

This is entirely false. PNB has already made payments to other banks against the Letters of Undertaking (LoUs) and Foreign Letters of Credit (FLCs) issued by the bank which matured on or before March 31, 2018. This decision was taken at a board meeting held on March 28th. Subsequent to this decision, 352 LoUs worth Rs.6500 crores with 7 banks in relation to the recent fraud that was reported by the bank have been settled. The bank will also honour all subsequent maturing LoUs and FLCs as and when they are due.

From the beginning when the fraud was detected and reported to the authorities by Punjab National Bank, the bank had communicated that it has a strong balance sheet to meet any contingent liabilities upon the bank. This measure will ensure that India’s banking system at large has the least possible disruption owing to the unfortunate fraud and banking operations will continue to function smoothly.

5. Are there gaps in PNB’s digital and IT infrastructure and is it safe to use online means to transact?

PNB has deployed the most advanced digital and IT infrastructure to deliver modern and efficient banking to its systems. We have an in-house software maintenance team. We are in the process of upgrading our Core Banking Solution to Finacle 10 and deploying additional measures to increase security and ease of banking for our customers. You can safely use online means to transact and we encourage you to use the same.

6. Will the recent developments impact the interest paid on loans or interest received on deposit?

No, there is no such change because of the recent developments. The deposit and lending interest rates are determined by a combination of factors, including regulatory and market/competition.

7. Will it be difficult to get credit/loan from the bank?

Your bank is committed to meeting your personal and business-related loan/credit requirements. We continue to serve our customer needs and there is no such clampdown on credit/loan from the bank. In fact, the bank's strong fundamentals ensured that its domestic advances have surpassed Rs 4.30 lakh crore registering YoY growth of 9.9%, as against 3.1% in corresponding period last year

8. Are there any extra charges levied on the services being used by me to recover the loss?

No, there are no extra charges on any of services offered by the bank because of the recent developments.

9. I am delayed in making repayment on the loan. Will I be categorized as a defaulter?

No, please contact the concerned branch manager and repay any outstanding. We encourage our customers to be disciplined about loan/credit repayment cycle so that their credit rating does not suffer and they can get credit in future easily.

10. What does PNB have to say about the recent fraudulent transactions?

In PNB, there is zero tolerance to unethical practices within the system. That is why the minute the Bank became aware about discrepancies related to the recent incident, the fraudulent transactions were immediately reported to the regulator and the law enforcement agencies. As a responsible Bank, the bank has also reached out to the member banks and apprised them on the developments. Further, the bank is taking all possible steps to ensure that such types of incidence are not repeated.

11. Have you discovered similar such cases in other branches of the bank?

The recent incidence of fraud reported is a standalone incident. The bank has put inspection and audit department into action and has not found any other similar incident.

12. I read about additional fraud of Rs. 942 crore by Geetanjali Group. Is it true?

We would want to clarify that there are no new frauds but recall of credit limits. The amount of Rs 942 crore were the regular limits sanctioned to Geetanjali Group under consortium lending and were standard credit exposure at the time of detection of the fraud. This amount has nothing to do with any new fraudulent LoUs/LoCs.

13. What action has the bank taken against its own employees that were a part of the fraudulent transactions?

There is zero tolerance to unethical practices within the system. The bank has taken strict actions against officials who were a part of the fraudulent transactions. The bank has taken this measure as our commitment to ensure that no one, irrespective of their level, who may have a role to play is spared.

14. What steps has the bank taken to ensure that customer confidence is regained?

PNB has already undertaken measures to strengthen internal audit control mechanisms. Additionally, the Bank is also looking at technology interventions to enhance customer service and customer responsiveness including automating customer response mechanism so as to ensure timely intervention and evaluate performance on timely resolution of customer disputes and complaints across branches.

There is a move to improve audit systems by incorporating analytics and AI (Artificial Intelligence) for reconciliation of accounts. Finacle 10 has been implemented and the Bank is looking at leveraging additional features.

We have also formed a separate vertical to deal with the stressed assets, a first for state-run banks. This will help in effectively dealing with NPAs and increase possible recoveries.

15. How long will it take to recover the money?

The matter is currently under investigation and we are cooperating with all authorities concerned. Your bank has sufficient core and non-core assets to tide over this challenge.

The Bank is fully committed to adopting the best practices and measures that need to be taken, both from a statutory and regulatory point of view.