

FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED 30th SEPTEMBER 2015

PUNJAB NATIONAL BANK - MOVE TOWARDS SUPER SMART BANKING

PERFORMANCE HIGHLIGHTS

- Net Profit Increased By 7.9% to Rs 621 Crore in Q2 FY16.
- Total Business at Rs 9.20 Lac Crore grew yoy by 10.9%.
 - Global Deposits at Rs 5.39 Lac Crore grew yoy by 14.0%
 - Casa Share to Domestic Deposits crossed 40%.
 - Total Advances at Rs 3.80 Lac Crore grew yoy by 6.7%.
 - Double digit growth in Small Ticket Advances - Retail grew by 23%, MSME by 17.6% and Agriculture by 15%.
- Asset Quality is improving with Net NPA% at 3.99% as compared to Mar'15 (4.06%).
 - Provision Coverage Ratio increased from 58.21% to 61.35%
- Healthy Capital Base with CRAR as per Basel III at 12.20%
- Book value per share improved to Rs 207.65 in Q2 FY16 from Rs 201.43(Q2 FY15).
- Cost of Deposit declined to 5.95% in Q2 FY16 from 6.14% (Q2 FY15).

PROFITABILITY

• **Operating & Net Profit**

- Net Profit for the 2nd Quarter ended September 2015 (Q2 FY'16) grew yoy by 7.9% to Rs 621 Crore against Rs 575 Crore last year during Q2 FY'15. Net Profit for half year ended Sept 2015 (H1 FY 16) amounted to Rs1342 Crore.
- Operating Profit for Q2 FY'16 stood at Rs 2939 Crore as against Rs 2876 Crore in Q2 FY'15. Operating Profit for the half year ended Sept 2015 reached Rs. 6071 Crore. Provisions were at Rs 2318 Crore in Q2 FY'16 compared to Rs 2301 Crore in Q2 FY'15.

• **Income**

- Total Income during Q2 FY'16 rose by 5.2 % to Rs. 13702 Crore from Rs 13020 Crore during corresponding period last year. During half year ended Sept 2015, Total Income rose by 5.0% to Rs. 27134 Crore. Net Interest Income during Q2 FY'16

increased by 4.1 % to reach Rs 4322 Crore. Net Interest Income during H1 FY 16 stood at Rs 8424 Crore.

- Non-interest Income (other income) stood at Rs 1357 Crore in Q2 FY'16. During H1FY16, Non-interest Income stood at Rs 2754 Crore.

BUSINESS

Total Business of the Bank amounted to Rs.920882 Crore as at Sept' 2015 registering a yoy growth of 10.9 % over corresponding period last year.

• Deposits

- Deposits of the Bank recorded a yoy growth of 14.0% to Rs. 539924 Crore as on 30.09.2015.
- CASA deposits increased to Rs.194546 Crore in Sept 15 recording a yoy growth of 13.4%. Domestic CASA share has improved to 40.23 % as on Sept' 15 from 39.89% in Sept'14 which is one of the highest among nationalized banks.
- Saving deposits increased by 11.0% to Rs 157683 Crore.

• Advances

- Advances as of September 30, 2015 were at Rs.380958 Crore, an increase of 6.7 % over September 30, 2014.
- Bank placed a special focus on retail sector as a result of which Retail loans grew by 23.0 % on yoy basis to reach Rs 50413 Crore at the end of Sep'15 as against Rs 40976 Crore in corresponding period last year. Housing loan grew yoy by 27.6% to Rs 23556 Crore as on 30.09.2015.
- MSME Advances increased from Rs.74810 Crore as at September'14 to Rs.87981 Crore at September'15 growing yoy at 17.6%.
- Agriculture advance has shown yoy growth of 15.04% to Rs 58091 Crore as on 30.09.15.

Asset Quality

As at Sept' 15 Gross NPA ratio reduced to 6.36 % from 6.55% as on March 2015. Net NPA ratio declined to 3.99% from 4.06% in March 2015. Provision Coverage Ratio improved to 61.35 % as on Sept 15 as compared to 58.21% as on March 2015.

Key Financial Ratios

- Cost of Deposit has come down to 5.95% for Q2 FY'16 from 6.14% during Q2 FY'15. Cost to Income ratio declined to 48.26% in Q2 FY'16 from 49.63% during Q2 FY'15.
- Net Interest Margin (NIM) stood at 2.97 % for Q2FY16.
- Return on Assets was at 0.39% for Q2FY16 (0.42% for H1 FY '16).
- Return on Average Equity stood at 6.09 % in Q2 FY'16 and 6.58% for H1 FY '16.
- Earnings Per Share improved to Rs13.39 for Q2 FY'16 from Rs 12.71 in Q2 FY'15.
- Book Value per Share increased to Rs 207.65 in Q2FY'16 from Rs 201.43 in Q2 FY'15.
- CRAR of the Bank as per Basel III improved to 12.20% (Tier I 9.36% ; Tier II 2.84%) during Q2 FY'16 from 11.79%(Tier I 8.70% ; Tier II 3.09%) during Q2 FY'15 .

Move Towards Digitalization

Towards 'Digitalizing' its services, Bank offers products through diversified e-channels such as Internet Banking, SMS Banking, Mobile Banking, Tablet Banking, call centre, RTGS/NEFT/ECS, Self Services Areas, etc.

- Bank's domestic branch network stands at 6635 (Excluding extension counters) with our network of ATMs at 8622 more than the number of branches. Number of Business Correspondents stand at 8086 as on 30.09.2015.
- Around 58% of transactions are being conducted through Alternate Delivery Channels.

International Forays

- Bank continues to make international expansion with 3 overseas branches in Hong Kong, Dubai and 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. (100% share in UK with 7 branches) and Druk PNB Bank Ltd. – Bhutan (51% share with 6 branches), One associate company viz. JSC SB PNB Kazakhstan (49% share holding with 4 branches) and one joint venture bank in Nepal- Everest Bank Ltd. Nepal (20% share holding and 52 branches).
- Bank has got permission from RBI for opening of RO in Yangon – Myanmar.

Priority Sector

- Bank has achieved the Priority Sector Advances target at 42.75% against the National Goal of 40%. Total Priority Sector Advances have shown a yoy growth of 22.12% amounting to Rs 146070 Crore as on 30.09.2015.
- 86008 fresh Kisan Credit Cards (KCCs) were issued during Sep' 15 quarter taking the cumulative number to 54.15 lac since inception.

Micro, Small & Medium Advances

- Credit to Micro & Small Enterprises grew by over 18 % to Rs 69412 Crore as on 30.09.15
- Credit to Micro enterprises amounted to Rs.25895 Crore.
- The Bank has launched MUDRA card on 10.07.2015 for small loans for providing hassle-free working capital to the borrowers. Under Pradhan Mantri Mudra Yojana (PMMY), the Bank has opened 179700 accounts and disbursed Rs 877.14 Crore as on 30.09.2015.

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 116.9 lakh accounts and issued 99.6 lac RuPay Cards as on 30.09.2015. Bank is endeavouring to convert these accounts into valuable business proposition and has mobilized Rs 1061 Crore in these accounts. 56.05 lac accounts seeded with Aadhar and mapped with NPCI mapper.
- Under three Social Security Schemes namely PM Jeevan Jyoti Bima Yojana, Suraksha Bima Yojana and Atal Pension Yojana, Bank enrolled around 62.74 lac beneficiaries as on 30.09.2015.

New Products/Initiatives

- Online Booking of Locker facility has been introduced where customers can book lockers online through corporate website.

- Bank has introduced e-PPF Facility through Internet Banking System.
- Bank targets to open 50 Women-Only branches in Metro/Urban Centers catering to the needs of urban ladies and offering services exclusively to women clientele.
- For financing of two-wheeler to women borrowers, a new scheme 'PNB Power Ride' has been launched.
- Two schemes namely, PNB KAUSHAL, Education loan scheme for skill development and PNB HONHAAR, education loan for pursuing higher education, has been launched.

Awards & Accolades

- Bank has been awarded 'National Education Excellence Award (NEEA) 2015' for Excellent Contribution in advancing Education Loans to Students' by 'Federation of Industry Trade & Services (FITS)
- Bank has also been awarded 'Agriculture Leadership Awards 2015' by Agriculture Today Group.

New Delhi

Date: 06.11.2015