



Sustained Operating Performance: Operating Profit increased, NPAs reduced, Risk Weight density of credit portfolio reduced and Balance sheet strengthened.

KEY PERFORMANCE HIGHLIGHTS Q2FY'19

Stable balance sheet growth with stable Asset Quality

- ✓ Gross Domestic Advances at Rs. 4.47 lac crore with stable YoY growth of 14.3%.
- ✓ Gross Domestic Business at Rs 10.69 lac crore with YoY growth of 10.2%
- ✓ Domestic CASA Share at 43.02%
- ✓ Saving deposits increased by Rs. 10055 crore.
- ✓ Domestic Deposits at Rs. 6.22 lac crore with YoY growth of 7.5%.
- ✓ Sequential decline in GNPA's and NNPA's. NNPA decline by 234 bps to 8.9%, GNPA decline by 122 bps to 17.16% over March'18.
- ✓ PCR up by 769 bps from September'17 to 66.92% in September'18 further strengthening the balance sheet.

Sustained Operating Performance

- ✓ Operating profit for H1FY'19 stood at Rs 7034 crore
- ✓ Core Operating profit excluding Treasury portfolio stood at Rs 6614 crore with a YoY growth of 32.5% in HY Sept'18.
- ✓ Cost to Income Ratio reduced to 42.97 % in HY FY'19 from 46.35% in HY FY'18.
- ✓ NII grew by 10.1% YoY to Rs 8666 crore in H1FY'19.
- ✓ Domestic NIM increased to 2.68% in HY FY'19 from 2.60% in HY FY'18.
- ✓ Domestic credit RWA density reduced from 64.0% to 52.2% on YoY basis with increased credit portfolio.
- ✓ Credit RWAs reduced by Rs. 36356 crore, despite Domestic Credit increasing by Rs. 44038 crore.

RESULTS AT A GLANCE

Particulars (Rs. crore)	HY FY'18	HY FY'19	YoY Growth %
Gross Domestic Advances	390932	446690	14.3
Retail Loans	71173	81198	14.1
MSME Loans	79301	90626	14.3
Domestic Deposits	578740	622329	7.5
Savings Deposits	217798	227853	4.6
Gross Domestic Business	969672	1069019	10.2
Core Operating Profit	4993	6614	32.5
CD Ratio	64.49	66.33	184 bps
PCR	59.23	66.92	769 bps

PERFORMANCE PARAMETERS

ADVANCES

- ✓ Gross Domestic Advances grew 14.3% YoY to Rs. 446690 crore.
- ✓ Retail portfolio at Rs. 81198 crore as on September'18, with a growth of 14.1% on YoY basis. Housing loan grew up by 14.5% while education loan grew up 9.7%.
- ✓ MSME loans increased to Rs 90626 crore with a YoY growth of 14.3%.
- ✓ The Small ticket advances constituted about 55% of the loan portfolio of the Bank at September'18.

DEPOSITS

- ✓ Total domestic deposits increased to Rs. 622329 crore registering a YoY growth of 7.5%.
- ✓ CASA deposits increased to Rs 267726 crore with increase of Rs. 10055 crore in saving deposits.
- ✓ The Bank's Domestic CASA ratio stood at a healthy level of 43.02% in September'18.

BUSINESS

- ✓ Gross Domestic Business increased by 10.2% YoY to Rs. 1069019 crore as on September'18.

ASSET QUALITY

- ✓ Gross NPA ratio of the Bank showed a continuing decline to 17.16% in September'18 from 18.38% in March'18.
- ✓ Net NPA ratio declined and stood at 8.90% in September'18 as against 11.24% in March'18.
- ✓ The Provision Coverage increased by 769 bps to 66.92% in September'18 from 59.23% in September'17 thereby strengthening the balance sheet. Fresh provisions of Rs 7372 crore provided in Q2 FY'19.
- ✓ Exposures in Accounts under NCLT 1 list was Rs 8101.68 crore with Provision Coverage of 68.22% and NCLT 2 list Rs 4678 crore with provision coverage of 79%.

PROFITABILITY & RATIOS

- ✓ Operating profit for H1FY'19 stood at Rs 7034 crore.
- ✓ Core Operating Profit without Treasury portfolio grew by 32.5% for H1FY'19 to Rs 6614 crore from Rs 4993 crore in H1FY'18.
- ✓ To strengthen balance sheet Bank made provisions for NPAs at Rs 7733 crore and booked a Net Loss of Rs 4532 crore in Q2FY'19. The Provision Coverage increased by 850 bps over March'18 to reach 66.92%.
- ✓ Cost of funds declined to 4.21% in Q2 FY'19 from 4.40% in Q2FY'18.
- ✓ The Domestic NIM improved to 2.68% in HY FY'19 from 2.60% in HY FY'18.

DIGITAL INITIATIVES

Progress in New Age Digital Payments

- ✓ The number of transaction through BHIM and UPI increased to 558.86 lakhs in September'18 from 57.8 lakh in September'17.
- ✓ The number of internet Banking service users reached 136.36 lakhs with a YoY growth of 25%
- ✓ The number of mobile bank users reached 136.48 lakhs with a YoY growth of 36%

New offerings

- ✓ Online availment of Overdraft facility against the fixed deposit.
- ✓ Scanning of merchant QR code with PNB mobile Banking for online transactions with PNB Master Card.

- ✓ eFRM (Fraud Risk Management) Integration for monitoring of all Declined transactions.
- ✓ RupayQsparc Type 1 CARD contactless card for POS terminal introduced.
- ✓ Online OTS Portal- to keep track of the status of OTS approved cases by the branch /CO/ZO/HO SASTRA Division.
- ✓ Promotional tie ups for Cash Back / Discount with Make My Trip, Go-ibibo, Shoppers Stop and Amazon.
- ✓ Mobile banking upgraded to unified mobile banking application which offers instant account opening and this feature is available in multiple language.

TOWARDS AN INCLUSIVE SYSTEM

MSME INITIATIVES

The MSME portfolio of the Bank reached Rs 90626 crore in September'18 with a YoY growth of 14.3%. To further give impetus to the sector the Bank has adopted 205 MSME clusters to give focused attention. The Bank introduced a **scheme for financing of GST input Credit** and has developed an **online Portal for loan application facility** and automated decision for all micro enterprises for loans upto Rs.50,000/-. For loan from Rs. 10 Lakh to Rs. 200 lakh to MSME units through digital platform, **PNB has joined the platforms PSBloansin59minutes to provide contactless loan to MSME units.** The platform has been customized for loading Bank's MSME products and the same have been uploaded along with the score model.

PRIORITY SECTOR

PNB has constantly been achieving National Goals and Targets allocated under flagship schemes of the nation for upliftment and employment of targeted groups. The credit to Priority sector (Rs. 173303 crore) as on September'18 was at 43.82% against the target of 40%. Bank's Agricultural Advances grew to 18.53% of ANBC against the National Goal of 18%. The Bank achieved National Goals for Credit for weaker Sections (11.29% of ANBC against the target of 10% of ANBC) and women beneficiaries (6.93 % of ANBC against National Goal of 5%).

FINANCIAL INCLUSION

Under the PM Jan Dhan Yojana as on 30.09.18, Bank opened 187.98 lac accounts in which Rs 3836.07 crore have been mobilized. Business mobilized by BCs reached Rs 2841.38 crore. The enrollment under Atal Pension Yojana increased by 32.67% and that under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) by 7.05%.

CORPORATE SOCIAL RESPONSIBILITY

CSR is at the core of PNB's Corporate Business Strategy. In line with the commitments towards Sustainability, Corporate Volunteering, Social Investments, Health & Sanitation and Green Banking the Bank has taken various initiatives and registered good progress. The Bank has adopted 169 villages under PNB Vikas to develop them in holistic manner. Under PNB Ladli scheme for popularization of education among girls of Rural / Semi urban areas, Bank provided education inputs and distributed Rs. 153.56 lacs to 8064 girls upto 30.09.2018. Under the Swachchh Vidyalaya Campaign, the Bank provided funds for construction of toilets in government schools of adopted villages under PNB VIKAS, 89 toilets have been constructed across the country. Under PNB Kisan Balak Shiksha Protsahan Yojana the Bank provided financial assistance to 1513 students of poor agriculture borrowers.

New Delhi

Date: 02.11.2018