

The Year of Recovery & Rebound

PRESS RELEASE

***Rs 8,445,00,00,000 Record Recovery
Rs. 40,350,00,00,000 Reduction in RWA***

FINANCIAL RESULT JUNE'18

BUSINESS	INHERENT STRENGTHS OF THE BANK
<ul style="list-style-type: none"> ❖ Operating profit YoY Growth 30.4%. ❖ Gross Domestic Advances at Rs. 4.22 lac crore with YoY growth of 10.7% ❖ Reduction in RWAs by Rs. 40350 crore, despite Domestic Credit increasing by Rs. 40807 crore. ❖ Gross Domestic Business at Rs. 10.23 lac crore with YoY growth of 7.2% ❖ Domestic Deposits at Rs. 6.01 lac crore with YoY growth of 4.9% ❖ Cost of Deposits contained at sub 5% level. ❖ CASA at Rs. 2.56 lac crore, CASA Share at 42.61%. Savings deposit increased by Rs. 9619 crore with YoY growth of 4.5%. Reduction in NNPA by 66 bps over Mar'18. ❖ PCR up by 338 bps over Mar'18. ❖ Domestic NIM increased to 2.90% in Q1FY'19 from 2.56% in Q1FY'18. 	<ul style="list-style-type: none"> ✚ 123 years of banking experience ✚ PAN India presence ✚ Trust of 10 Crores+ customers ✚ 62% RU-SU (Rural-Semi-Urban) Branches ✚ Speedy Recovery with Resolution of Stressed Assets. ✚ High CASA Share ✚ Low Cost of Deposit ✚ Resilient Business Model

Results at a Glance

Particulars (Rs. crore)	June '17	June '18	YoY Growth %
Operating profit	3217	4195	30.4
Gross Domestic Advances	381329	422136	10.7
Domestic Deposits	572275	600565	4.9
Gross Domestic Business	953604	1022700	7.2
CASA Deposits	251551	255879	1.7
Savings Deposits	211537	221156	4.5
Cost of Deposits	5.10	4.99	
Domestic NIM	2.56	2.90	

EFFORTS TOWARDS RECOVERY AND REBOUND

- ✚ Recovery of Rs. 8445 crore in NPA a/cs in Q1FY19 as against recovery of Rs. 5617 crore in FY'18.
- ✚ 4 Centralized Loan Processing Centers (CLPC) were opened to ensure improved Turn Around Time, separate Pre & Post sanction responsibilities, qualitative credit assessment and efficient monitoring.
- ✚ Set up SAMV (Stress Asset Management Vertical) in June Quarter for Recovery/ Resolution of NPA and controlling fresh slippages. 'War room' a dedicated cell is operating in Head Office for intensive daily monitoring of NPAs. New OTS schemes put in place.
- ✚ Towards conservation of capital, Bank has focused on reducing RWAs through churning its credit portfolio/cleansing of data.
- ✚ The Bank was able to monetise assets of Rs 167 crore from sale of noncore assets upto 03.07.18.
- ✚ Controlling Operating Expenditure by rationalization of branches: 8 unviable branches and 228 ATMs closed/merged in June'18. Two branches merged in Hong Kong and 4 Representative offices closed. Rationalization process to continue.
- ✚ Converting low performing branches to Ultra Small branches, shedding higher cost deposit and focus on CASA deposits

ADVANCES

- ✚ Gross Domestic Advances grew by 10.7% YoY to Rs. 422136 crore.
- ✚ Retail loans were at Rs. 74763 crore as on June'18, growing 10.2% on YoY basis. Housing loan grew by 13.8% while education loan grew by 12.5%.

DEPOSITS

- ✚ Total domestic deposits increased to Rs. 600565 crore registering a YoY growth of 4.9%.
- ✚ CASA deposits increased to Rs. 255879 crore in June'18.
- ✚ Saving deposits increased to Rs.221156 crore with a YoY growth of 4.5%.

BUSINESS

- ✚ Gross Domestic Business increased by 7.2 % YoY to Rs. 1022700 crore.
- ✚ Overseas Business declined by 34.8% as a part of the Bank's strategy to rationalize its operations.

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.
- ✚ Credit to Priority sector (Rs. 164153 crore) is 42.53% against the target of 40%.
- ✚ Credit to small and Marginal farmers is 8.66% of ANBC (Rs 33433 crore) above the National Goal of 8%.
- ✚ Credit to Weaker Section is 11.56% of ANBC (Rs. 44605 crore) exceeding the National Goal of 10%.
- ✚ Credit to women beneficiaries is 6.85% of ANBC against National Goal of 5%.

FINANCIAL INCLUSION

- ✚ Under the PM Jan Dhan Yojana as on 30.06.18, Bank opened 185 lac accounts in which Rs 3584.59 crore have been mobilized.
- ✚ Business mobilized by BCs reached Rs 2031.51 crore.

MOVE TOWARDS DIGITISATION

- ✚ Rewarded National Payments Excellence Awards, 2017 in recognition of excellent performance in Rupay, NFS ATM Network, CTS, UPI/ IMPS & NACH.
- ✚ Tie up with “Amazon” for providing lucrative deals to the PNB customers.
- ✚ Launched PNB RuPay Select credit Cards with promotional tie up with NPCI.
- ✚ Offering Internet Payment Gateways facility to non-PNB customers as well as non customers under Super Merchant Alliance Scheme.
- ✚ Instant Account opening and facility to avail digital products through Digital Hut which has all the digital facilities under one roof.
- ✚ Digital products Tab provided under Service Request link in Internet banking & mobile banking.
- ✚ Successfully implemented Recurring Deposits services in TAB Banking.
- ✚ Integrated UPI facility with internet and mobile banking for Retail Customers.

OPERATING & NET PROFIT

Operating Profit for June'18 stood at Rs. 4195 crore. The provisions made by the bank for June'18 amount to Rs 5135 crore.

ASSET QUALITY

Gross NPA ratio of the Bank declined to 18.26% from 18.38% of March'18 level. Bank was able to reduce the Net NPA ratio at 10.58% in June'18 below March'18 level of 11.24%. The Provision Coverage increased by 338 bps to 61.80% from 58.42% in Mar'18.

RATIOS

Cost of Deposits declined to 4.99% in Q1FY'19 from 5.10% in Q1FY'18. Cost of funds declined to 4.32% in June'18 over 4.44% in June'17. The Domestic NIM improved to 2.90% in Q1FY'19 over 2.56% in Q1FY'18. The Capital Adequacy ratio also improved from 9.20% in Mar'18 to 9.62% in June'18. After accounting for infusion of Capital of Rs.2816 received in July'18, the CRAR increases to 10.30%.

NETWORK

As on 30.06.2018, domestic branch network stands at 6993 along with 9440 ATMs and 8106 BCS.

CORPORATE SOCIAL RESPONSIBILITY

CSR is at the core of PNB's Corporate Business Strategy and some of the initiatives taken by the Bank under commitments towards Sustainability, Corporate Volunteering, Social Investments, Health & Sanitation and Green Initiatives are as under:

- ✚ Adopted 169 villages under PNB Vikas.
- ✚ PNB Ladli scheme for popularization of education among girls of Rural / Semi urban areas by providing for education inputs, and Bank has distributed Rs. 150.06 lacs to 7780 girls under this scheme upto 30.06.2018.
- ✚ PNB UJALA for providing Solar Street Lights Under the scheme 524 Solar Lights have been installed in 144 villages and 1612 Solar Lanterns given to girl students up to 30.06.2018.
- ✚ PNB Kisan Balak Shiksha Protsahan Yojana to provide financial assistance to the students of poor agriculture borrowers. Since inception, Rs. 45.23 lakh has been given as incentive to 1466 students' upto June 2018 under the scheme.

New Delhi

Date: 07.08.2018