



FINANCIAL RESULTS Q3FY'19

KEY FINANCIAL HIGHLIGHTS

Bank records a Net profit of ₹ 247 crore against a Net Loss in previous Quarters

- Consistently reduced the NPAs over last three quarters. GNPA ratio declined to 16.33% in December'18 from 18.38% in March'18. NNPA ratio declined to 8.22% in December'18 over 11.24% in March'18.
- Provision Coverage Ratio has improved by 1043 bps over March'18 to 68.85%.
- Domestic Deposits increased by ₹ 42619 crore YoY to reach ₹ 6.31 lakh crore.
- Increase of more than ₹ 8000 crore in Saving Deposits over March'18 to reach ₹ 2.31 lakh crore.
- Gross Domestic Advances grew by ₹ 28886 crore to reach ₹ 4.59 lac crore with Retail Growth at 15%.
- Bank is at the 2nd position amongst PSBs for maximum in-principle approval of MSME customers through the portal www.psbloansin59minutes.com
- Domestic credit exposure has increased by ₹ 15308 crore in December'18 over December'17, while Domestic credit RWA declined by ₹ 51199 crore during the same period.
- Domestic NIM Increased to 2.64% in 9MFY'19 from 2.59% in 9MFY'18.
- Achieved National goals under Priority Sector with 41.95% of ANBC. Total Agriculture Advance with 18.47% & Small & Marginal Farmers with 8.08% of ANBC.

Results at a Glance

Particulars (Rs. crore)	December '17	December'18	YoY (%)
Gross Domestic Business	1017782	1089286	7.0
Domestic Deposits	588027	630646	7.2
Savings Deposits	223832	231116	3.3
Domestic Advances	429755	458641	6.7
Retail Advances	74582	85766	15.0
Net Interest Income (9M)	11859	12956	9.3
Provision Coverage Ratio	60.78	68.85	807 bps
Net Interest Margin (9M) Domestic	2.59	2.64	5 bps
Yield on Funds(9M)	6.45	6.50	5 bps
Yield on Investment(9M)	7.37	7.42	5 bps
Cost of funds(9M)	4.36	4.31	-5 bps

SUCCESSFUL STRATEGIES FOR BOUNCE BACK

1. Tackling NPAs

- Created SAMV vertical; SARFAESI, OTS & DRT Portals to access real time progress.
- Recognition and reward of “Recovery Champions”

2. Buoyancy in Credit growth

- Domestic Credit growth of 6.7% YoY.
- Retail growth at 15%.

3. Capital Conservation

- 84% of fresh sanctions to A and above rated a/cs.
- Reduction of Market Risk Sensitive position.

4. Strengthening procedure and control

- Risk Management and Audit Procedure being strengthened.
- End to End Digitalization of Trade Finance Operations underway.
- Mission Parivartan Think-tank to provide directional and policy inputs.
- Centralised Loan Processing Centres (CLPCs) for efficient credit delivery and monitoring.

5. Trust and Support

- Customer base continues to be robust with Strong CASA base at around 43%.
- 90% Subscription by employees under ESPS. Continuing Support of Government and employees.

6. Rationalising Operations

- Rationalized 65 Domestic branches by way of merger or relocation
- Overseas 3 Representative offices closed and 1 branch merged.

PERFORMANCE REVIEW

1. Profitability and Ratios: Back to Black

- Operating profit for 9MFY'19 stood at ₹ 10134 crore.
- Net profit grew by 7.1% from ₹ 230 cr in Q3FY18 to ₹ 247 crore in Q3FY'19.
- Net Interest Margin (Domestic) increased from 2.59% as on 9MFY'18 to 2.64% as on Q3FY'19.
- Cost to Income Ratio declined from 50.04% in Q2FY'19 to 49.26% in Q3FY'19.

2. Deposits: Mirroring Trust and Support

- Domestic Deposits of the Bank shown an increase of ₹ 42619 crore from ₹ 588027 crore as on December'17 to ₹ 630646 crore as on December'18.
- Savings Bank Deposits grew by 3.3% YoY from ₹ 223832 crore as on December'17 to ₹ 231116 crore as on December'18.
- Domestic CASA ratio stood at 43.42% as on December' 18.

3. Advances: Healthy Traction In Loans

- Domestic Advances registered a growth of 6.7% from ₹ 429755 crore as on December' 17 to ₹ 458641 crore as on December' 18.
- Retail Advances grew by 15% YoY from ₹ 74582 crore as on December' 17 to ₹ 85766 crore as on December' 18.
- Share of Small Ticket Advances stood at 54.4% as on December'18.

4. Asset Quality: Sequential improvement

- GNPA declined by ₹ 8887 crore over March'18 to reach at ₹ 77733 crore in December'18. NNPA declined by ₹ 13009 crore over March'18 to reach ₹ 35675 crore in December'18. Overall stressed assets reduced by 265 bps over March'18.
- Gross NPA Ratio at 16.33% declined by 205 bps over March'18.
- Net NPA Ratio at 8.22% declined by 302 bps over March'18.
- Provision Coverage Ratio improved by 1043 bps YoY from 58.42% as on March'18 to 68.85% as on December'18.

5. Capital Adequacy Ratio : Barometer Of Bank's Health

- Overall CAR at 10.52% increased by 132 bps over March'18.
- CET 1 at 6.93%; Tier 1 at 8.25%

6. Digital initiatives: Seamless Customer Experience

- **PNB One** launched with Interactive Interface, features available; Scan and Pay through QR Code, Simplified dashboard to manage key banking activities, Pay Bills/Recharge, available in English and Hindi, Manage Debit and Credit Card and Bio-metric authentication for greater security, Value Added Services with Complaint Service Management.
- Bank identified as **Digital partner in Kumbh Prayagraj 2019** wherein Bank is providing PNB eRupaya, Made in India solution for digital payments and also providing facility of Mobile ATMs, Cash Deposit Machines to the pilgrims.
- **Online Loan Application** customized for Housing, Car and Personal Loan modules.
- **Hybrid Distributed DDoS** Solution implemented for availability of the services even in case of cyber attack.

7. MSME and Agriculture: Thrust on Small Advances

MSME

- Bank is a participant of **E-TReDS scheme** for on line discounting of trade receivable of MSMEs.
- **414 MSME Credit Growth Initiative** branches to give focused attention on MSME lending. Additional Lending Powers vested to these branch Incumbents.
- Bank through consortium of PSBs led by SIDBI invested in Fin-tech Company to provide **contactless loans to MSE borrowers** for credit facility from ₹ 1 lakh to ₹ 100 lakhs.
- Facility of **submission of online application** and tracking under MSE segment provided.
- Adopted 205 clusters under **cluster based lending approach**, to give focused attention to MSME.
- Single point **MSME Relationship Officers** for the top 20 MSME accounts designated in each 87 MSME Specialized branches.

Agriculture

- **20 Specialized Agriculture Finance Branches (SAFBs)** and 16 Specialized Agriculture Focus Cells (SAFCs) for focused lending.
- **Promoting SHG Bank Linkage particularly in NRLM in 250 identified districts.**
- Opening and **operations in SHG accounts** under dual authentication facility at BC Locations.
- The system of **Online Loan application** has been revamped to accept all types of Agricultural Loans to increase business and reduce TAT
- Online mode for **generation of business through R-SETI** (Rural Self Employment Training Institute) /FTC (Farmer Training Centre) is being promoted.

8. Awards and Accolades

- SKOCH Order-of-Merit 2018 Awards:
 - a. M Touch
 - b. Privileged Identity and Access Management
 - c. Finacle 10.x Version Migration
 - d. ATM Switch - FIS Switch (IST Version 7.7)
- SKOCH Silver Awards: BFSI for RSA Security Analytics in Cyber Security category
- NSDL Star Performer Awards -2018 1st position in account growth rate & Top Performer in New Accounts opened (Banks category)
- Aadhar Excellence Award- 2nd Best Public Sector Bank for Total Aadhar Generation and Update.
- Bank set up a Hockey academy in 2002 for Junior Players and in 2004 for Senior Players. Recently the Senior team has won 29th Lal Bahadur Shastri Hockey Tournament.

New Delhi

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