



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 2<sup>nd</sup> position amongst PSBs for maximum in-principle approval of MSME customers through the portal [www.psbloansin59minutes.com](http://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 1<sup>st</sup> 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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