

PROFILE OF PUNJAB NATIONAL BANK

(Based on September'18 Results)

Punjab National Bank, India's first Swadeshi Bank, commenced its operations on April 12, 1895 from Lahore, with an authorised capital of Rs 2 lac and working capital of Rs 20,000. Far-sighted visionaries and patriots like Lala Lajpat Rai, Mr. E.C. Jessawala, Babu Kali Prasono Roy, Lala Harkishan Lal and Sardar Dyal Singh Majithia displayed courage in giving expression to the spirit of nationalism by establishing the first bank purely managed by Indians with Indian Capital. During the long history of the Bank, 7 banks have merged with PNB.

The Bank's brand image and trust reposed by its customers have been reflected in the growing customer base and rising business graph of the Bank. Domestic Business of the Bank crossed the milestone of Rs.10 lakh crore and the Bank continued to maintain its forte in low cost CASA deposits. The Bank has been able to reach out to its customers across the nation with nearly 7000 branches, of which nearly 62% branches are in Rural and Semi Urban Areas (RU-SU).

MISSION PARIVARTAN, a transformational exercise for Business Excellence is currently underway to enhance Efficiency, Productivity and Profitability for long term sustenance and giving the Bank an edge over its competitors. An independent '**THINK TANK**' named '**Mission Parivartan Division**' has been formed to initiate, implement and drive change through improvement in **People, Products and Processes**. This will enable Bank to continue to serve the customers with the enhanced vigour and zeal to live upto its tagline "**the name you can Bank upon**".

BUSINESS PERFORMANCE

The Business figures of the Bank as on 30th September 2018 is given as under:
(Amt in Rs crore)

Parameter	Sep'17 (9 Months)	Mar'18 (Full Year)	Sep'18 (9 Months)	Gr%
Total Deposits	636208	642226	649726	2.12
Net Advances	410266	433735	430968	5.05
Total Business	1046474	1075961	1080694	3.27
CASA Deposits	256855	263247	267726	4.23
CASA as% Dom. Dep	44.38	43.85	43.02	-
Operating Profit	6496	10294	7034	8.28
Net Profit	904	-12282	-5472	-

In terms of Bottom Line parameters, during H1FY'19, the Bank's Operating Profit stood at Rs.7034 crore and **Net Interest Income** stood at Rs.8666 crore showing YoY growth of 8.3% and 10.1% respectively. Efforts towards Cost Optimization resulted in **decline in operating expenses** by 5.5%. Resultantly, **Domestic Net Interest Margin (NIM)** increased to 2.68% in H1FY'19 from 2.60% in H1FY'18.

CAPITAL ADEQUACY RATIO

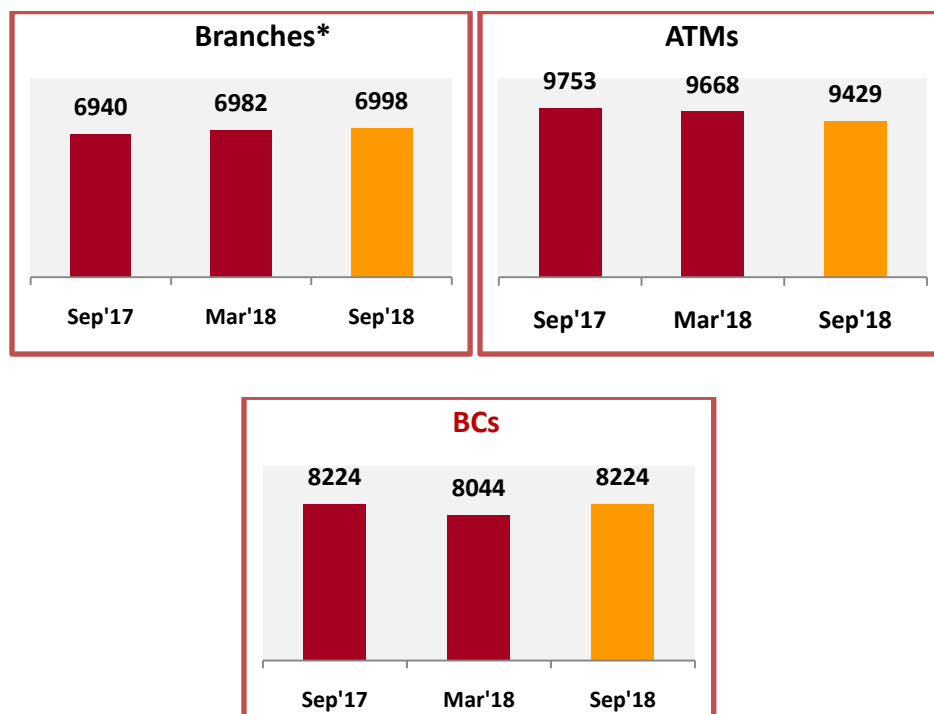
The Bank's CRAR stood at 10.08% (as compared to 9.20% in Mar'18) which comprised Tier I ratio of 7.78% (Mar'18: 7.12%) and Tier II ratio of 2.29% (Mar'18: 2.08%).

ASSET QUALITY

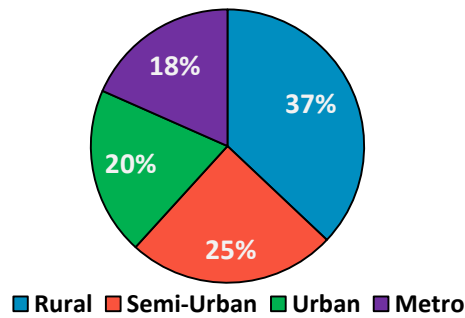
The Bank's focused attention on improving the asset quality resulted into decline in GNPA and NNPA's by Rs.5368 crore and Rs.10405 crore respectively over Mar'18. Net NPA ratio reduced by 235 bps over Mar'18 and stood at 8.90%. Gross NPA Ratio reduced by 122 bps over Mar'18. Due to consistent efforts being made in this direction, the Bank has been able to sequentially reduce the NPA level during the last two quarters.

Provision Coverage Ratio improved by 850 bps over Mar'18 to 66.92% in Sep'18.

BRANCH, ATMs AND BC NETWORK



**Distribution of Domestic Branches
Sep'18**



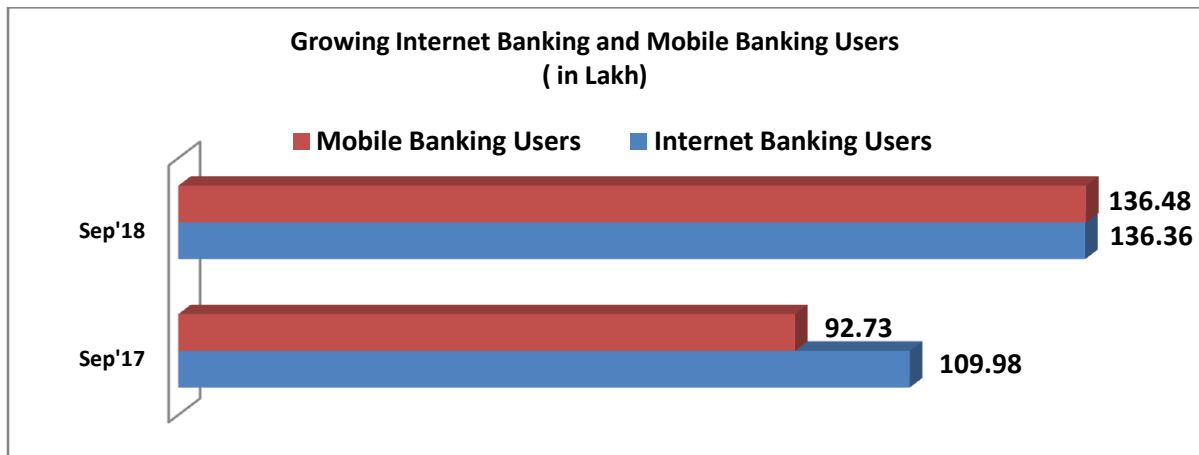
INTERNATIONAL FORAYS

As on 30th Sep'18, the Bank is having 3 overseas branches in Hong Kong, Dubai and Offshore Banking Unit in Mumbai. The Bank is having its Representative Offices at Dubai (UAE) and Dhaka (Bangladesh).

Punjab National Bank has two overseas subsidiaries viz. PNB International Ltd. (100% owned subsidiary in UK with 7 branches) and Druk PNB Bank Ltd. – Bhutan (51% share holding with 7 branches), One associate viz. JSC Tengri Bank, Kazakhstan (49% share holding with 8 branches) and one joint venture bank in Nepal under the name Everest Bank Ltd. Nepal (20% share holding and 80 branches).

ENHANCING DIGITALISATION

The Bank's journey towards digitalization continues through constant innovation and upgradation of its existing products and services. The Bank strives to provide hassle free and convenient banking services to more than 10 crore customers of the Bank.



The Bank opened its first **Digital Branch-“PNB DIGIHUT”** at Head Office, Dwarka and the concept is being replicated at other major centres. These branches would enable customer immediate opening of accounts alongwith instant issuance of Debit cards. The customers can also interact with the Customer Care Executives about the various products and services of the Bank. These features are in addition to already existing features such as Passbook Updation Machine, Cheque Deposit Machine and Cash Deposit Machines.

The Bank continues to offer newer digital products and services and has provided facilities for online availment of Overdraft facility against the fixed deposit, scanning of merchant QR code with PNB mobile Banking for online transactions with PNB MasterCard, upgradation of mobile banking to unified mobile banking application offering instant account opening in multiple language.

The Bank has tied up with one of the biggest e-commerce players **“Amazon”** for providing lucrative deals to the customers. In order to promote digital transactions and to bring maximum customers to digital fold, the Bank is providing various promotional offers to the customers for performing digital transactions. The Bank is also celebrating special days such as Friendship Day, Senior Citizen Day, etc. to incentivize the customer for using digital platforms.

In recognition of adopting newer and innovative processes in the banking operations, PNB was awarded Special Award for excellent performance in Rupay, NFS ATM Network, CTS, UPI /IMPS & NACH in National Payments Excellence Awards 2017.

PEOPLE DEVELOPMENT

The Bank believes that people development matters more now than ever before to drive profitability through growth. The Bank took various initiatives in human resources development by keeping employee morale high through the inclusion of employees voice in various forums and decision making like **“Lead the Parivartan”** and providing learning and training through on-boarding and mentoring program **“PNB Navodaya”**.

“Reverse Mentoring” concept implemented for General Managers enables a Senior Executive to interact with a young employee on topics such as technology, social media, new generation mindsets & expectations and current trends.

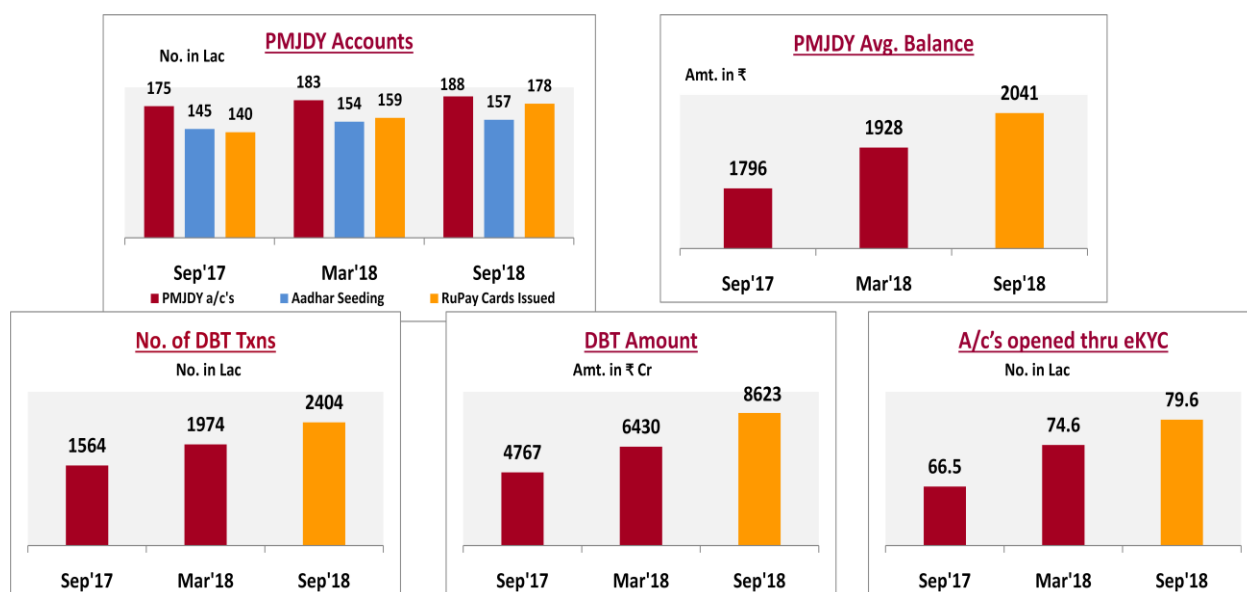
A “360 degree Competency Assessment Framework” is in place to identify behavioral competencies for optimum utilization of human capital using HR analytics.

Towards improving the work culture, the Bank is imparting training on “Human Values at work place”.

PRIORITY SECTOR

- ❖ The outstanding under Priority Sector and Agriculture as at 30th September’18 stood at Rs.173303 crore and Rs.73285 crore respectively. National Goal achievement of Priority Sector Advances & Agriculture Advances was 43.82% & 18.53% of ANBC respectively against the National Goal of 40% & 18 % respectively as on 30.09.18.
- ❖ The Bank’s also achieved the National Goals for Credit for Weaker Sections and Women Beneficiaries. The achievement stood at 11.29% of ANBC for Weaker Section and 6.93% of ANBC for Women Beneficiaries as against the National Goal of 10% and 5% respectively.

FINANCIAL INCLUSION



Sl.	Jansuraksha Schemes Enrollment Up To	Sep'17	Mar'18	Sep'18
1	Pradhan Mantri Jeevan Jyoti Bima Yojana	13.4	13.9	14.3
2	Pradhan Mantri SurakshaBima Yojana	64.7	65.5	66.8
3	Atal Pension Yojana	2.6	3.1	3.5

CORPORATE SOCIAL RESPONSIBILITY

Twelve “**Farmers’ Training Centres**” (FTCs) are working under the aegis of the PNB Farmers’ Welfare Trust. FTCs are located in rural and provide free of cost training on agriculture & allied activities and also for computer, cutting/tailoring/embroidery and entrepreneurship development. Since inception, FTCs have imparted training to 13,49,033 persons by conducting 44,234 training programs. Each of the FTCs has been converted into a centre of excellence as a pivot for exemplary Agri activities for the farmers.

The Bank has 55 **Rural Self Employment Training Institutes (RSETIs)** and 2 Rural Development Centre are operational. In these centres, Number of trained candidates since inception is 247926 out of these 156781 are female and 87810 are under BPL category. RSETIs are focusing on economic upliftment of participants by ensuring adequate credit for inclusive growth.

Total number of **Financial Literacy Centres (FLCs)** as on 30th September’18 is 103. During the year 2018-19 (upto Sept’18) enquiries have been made from 92,806 persons and 2,33,535 persons have attended various seminars conducted by the FLCs.

Under **PNB VIKAS-Village Adoption Scheme**, the Bank has adopted 169 villages in different states. Further through **PNB Ladli**, the Bank is popularizing education among the girls in rural and semi urban areas. The Bank also has a scheme named **Swachhh Vidyalaya Campaign** to provide financial assistance for construction of toilets in government schools of adopted villages under **PNB VIKAS**. The Bank also has **PNB Kisan Balak Shiksha Protsahan Yojana** for providing financial assistance to the students of poor agriculture borrowers comprising of small farmers, marginal farmers, tenant farmers, oral lessees and agricultural labour.

AWARDS AND RECOGNITIONS

The Bank has won many prestigious awards from influential domestic and overseas awarding institutions. The Bank won Dun & Bradstreet Banking Awards 2017- **Best Public Sector Bank- Government Scheme participation- Pradhan Mantri Mudra Yojana (PMMY)**. The Bank also won **National Award in SHG-Bank Linkage for the year 2016-17 under Large Category Bank** by Ministry of Rural Development, Govt. of India.

The Bank also received Rajbhasha Kirti Shield for the outstanding performance in implementation of Official Language Policy in Bank for the Financial Year

2017-18 under the category of Nationalized Banks and Financial Institutions in Region 'A'.

Recently, the Bank was ranked 2nd Best Performing Public Sector Bank (Aadhaar Excellence Awards) in terms of Aadhaar Generation and Update by Unique Identification Authority of India, Government of India.

ENHANCED VISIBILITY

To create a sustainable competitive advantage, the Bank continues to lay focus on strengthening brand equity by connecting with the Gen-Next segment. The Bank's Twitter account with the name "**pnbindia**" has more than **60,000 followers** and **Facebook page of the Bank has 3,70,151 likes at present.**

WAY FORWARD

The Bank has taken up various measures to tighten internal control and vigilance measures. The Bank is also making consistent efforts towards faster recovery & resolution of NPAs through creation of dedicated teams in identified processes. The Bank is also focusing on strict control on credit slippages.

The Bank aims to maintain its position as the **Premier National Bank** of the country by focusing on providing superior banking experience to its customers by continuous innovation and improvement in systems, processes, products and services. The Bank is committed to maintain the highest level of ethical standards, professional integrity, corporate governance and regulatory compliance.
