

## PROFILE OF PUNJAB NATIONAL BANK

(Based on December'19 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. The Bank was established by the spirit of nationalism and was 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 growing customer base and rising business graph of the Bank. Domestic Business increased by 5.2 % YoY to Rs. 11,44,730 crore as at the end of December'19 from Rs. 10,87,973 crore in December'18. The Bank continues to maintain its forte in low cost CASA deposits with share at 43.74%. Bank's focus has been on qualitative business growth, recovery and arresting fresh slippages.

### BUSINESS PERFORMANCE

The Business figures of the Bank as on 31st December 2019 is given as under:

(Rs. Crore)

Sl.	Parameters	Dec'18	Mar'19	Dec'19	YoY variation	
					Amount	%
1	Domestic Deposits	630646	654536	689694	59048	9.4
2	Global Deposits	650389	676030	708544	58155	8.9
3	Gross Domestic Advances	457328	489812	455036	-2291	-0.5
4	Gross Global Advances	476042	506194	471356	-4686	-1.0
5	Gross Domestic Business	1087973	1144348	1144730	56756	5.2
6	Gross Global Business	1126430	1182224	1179900	53470	4.7
7	CASA Deposit	273856	285040	301735	27878	10.2
8	Current Deposit	42740	44375	49175	6435	15.1
9	Saving Deposit	231116	240665	252559	21443	9.3
10	CASA Share Domestic (%)	43.35	43.51	43.74		

In terms of Bottom Line parameters, the Bank's Operating Profit stood at Rs. 3763 crore in Q3 FY'20 with YoY growth of 21.4%. Net Interest Income stood at Rs. 4355 crore. Total provisions increased to Rs. 4,255 crore in Q3 FY'20 from Rs. 2,853 crore in Q3 FY'19. Provisioning requirement of Rs. 2091 crore indicated in the RBI RAR report has been fully provided for. Bank incurred a Net Loss of Rs. 492 crore in Q3 FY'20 as compared to a Net Profit of Rs. 247 crore in Q3 FY'19. Domestic Net Interest Margin (NIM) stood at 2.36 % in Q3 FY 20. The Bank has been rationalizing its overseas operations which have resulted into shrinking of overseas business.

## CAPITAL ADEQUACY RATIO

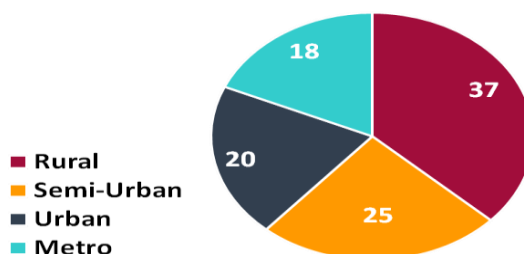
The Bank's CRAR as on December 31, 2019 improved to 14.04 % from 10.52 % in December 31, 2018. Out of which Tier-I is 11.85 % and Tier-II CRAR is 2.18 % in December' 2019.

## ASSET QUALITY

Management of stressed assets continues to be one of the top priorities for the Bank. As a result of focused efforts in this direction, Gross NPA of the Bank declined to Rs. 76809 crore as at 31st December 2019 from Rs. 77733 crore in 31st December 2018. Similarly, Net NPA declined to Rs.30519 crore as on 31st December 2019 (Rs. 35675 crore as at 31st December 2018). In terms of ratios, Gross NPA ratio declined to 16.30% (Dec'18:16.33%) and Net NPA ratio declined to 7.18% (Dec'18:8.22%) in Dec'19. Provision Coverage Ratio (PCR) improved to 75.27 % in December' 2019 from 68.85 % in December' 2018.

## BREAK UP OF DOMESTIC BRANCHES (% Share)

Population Group wise Break up of Dom. branches



## INTERNATIONAL FORAYS

As on 31st Dec'19, Bank is having 2 overseas branches in Hong Kong and Dubai. The Bank has two overseas subsidiaries viz. PNB International Ltd. (100% owned subsidiary in UK) and Druk PNB Bank Ltd. – Bhutan (51% share holding), One associate company viz. JSC Tengri Bank, Kazakhstan (41.64% share holding) and one joint venture bank in Nepal under the name Everest Bank Ltd. Nepal (20.03% share holding).

## 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 11 crore customers of the Bank.

The Bank is providing a facility to use ATM in regional languages for customers. During the year the Bank took various initiatives which are enumerated below:

- a) **Internet Banking Services (IBS):** As on 31st December 2019, Bank showed 168.23 lakhs IBS users. In order to further upgrade the existing model, Bank has introduced Overdraft (OD) against Fixed Deposit (FD) through Internet Banking Account.
- b) **Mobile Banking:** As on 31st December 2019, there are 37.23 lakhs users in mobile banking application of the Bank. With an aim to provide superior customer experience and simplified banking, Bank has recently launched a unified mobile application “PNB One” to facilitate multiple features through single platform. This, all- in- one application, allows users to transfer funds, view account statements, manage debit card & credit card and has many other value.
- c) **ATMs:** In order to cater to the banking needs of customers, Bank has a vast Network of 9071 ATMs across the country.
- d) **New Initiatives:**
  - ❖ 4 different regional language (Hindi, Punjabi, Marathi & Bengali) enabled in PNB ONE & Internet Banking along with functionalities like – opening of RD & setting of Debit Card Pin.
  - ❖ Customers have been enabled for E-Statement registration through SMS.
  - ❖ To provide Instant Help to customers, PNB's Instant Help for you (PIHU) Chatbot in Mobile Banking (PNB One) and Internet Banking Services has been made live.
  - ❖ Access to CTS Cheque images to customer through Internet Banking Services for Retail Banking customers made available.
  - ❖ All the PNB sponsored RRBs have been successfully migrated to Finacle 10.
  - ❖ FASTAG Integration for issuance and recharge facility made available to both Retail Banking and Corporate Banking Customers.
  - ❖ Round-the-Clock Availability of National Electronic Funds Transfer System have been enabled for transactions 24\*7 on the 1st day of implementation declared by RBI.

### **PEOPLE DEVELOPMENT**

The Bank believes that people development matters more than ever before. In this direction, the Bank has taken various initiatives in human resources development by keeping employee morale high through the inclusion of employees’ voice in various forums and decision making system.

- The Bank launched its digitized Performance Management System (PMS) in line with the EASE (Enhanced Access and Service Excellence) Agenda of Ministry of Finance, Govt. of India, which aims to make the existing Performance Appraisal System (APAR) more objective, transparent & system driven. This will enable both the employee & employer to evaluate individual performance in a more efficient and accurate way.
- With the rapid popularization of Social Media, Bank, being a commercial organization, has revised its Social Media Policy in order to create awareness among the employees regarding maintaining secrecy of customer's details, prevention of loss of confidence among the stakeholders and compliance of the Regulatory/Judicial/Bank's internal guidelines.
- The Bank has reviewed its Mandatory Leave Policy, which is being considered as a preventive vigilance and an operational risk management measure. It also ensures that employees have an opportunity to take a break from the job and rejuvenate themselves to perform better.
- HRMS Mobile App-PNB PARIVAR has now been interlinked with e-Circulars making it convenient to go through various circulars anytime anywhere.

### **PRIORITY SECTOR LENDING**

PNB has constantly been achieving National Goals and Targets allocated under flagship schemes of the nation for upliftment and employment of targeted groups. The outstanding under Priority Sector and Agriculture as on 31st Dec'2019 stood at Rs.1,79,631 crore and Rs. 79,969 crore respectively. National Goal achievement of Priority Sector Advances & Agriculture Advances was 41.40% & 18.40% of ANBC respectively against the National Goal of 40% & 18 % respectively as on 31.12.2019. The Bank achieved National Goals for Credit for weaker Sections (11.60% of ANBC against the target of 10% of ANBC) and women beneficiaries (7.0 % of ANBC against National Goal of 5%).

### **FINANCIAL INCLUSION**

The Bank has been a pioneer in taking initiatives in the area of financial inclusion. Following initiatives have been taken under financial inclusion during Q3FY'20.

- SMS were sent to eligible PMJDY account holders for enrolment of Social Security Schemes, account holders can also submit their consent through SMS

- A Pop-up has also been designed for PMJDY account holders, who are not enrolled for social security schemes
- BBPS service has also been made available at BC locations.

**Social Security Schemes:** The progress under the social security schemes is as under:-

- i. **Pradhan Mantri Suraksha Bima Yojana [PMSBY]:** As on 31.12.2019, 72.4 lac customers enrolled under PMSBY.
- ii. **Pradhan Mantri Jeevan Jyoti Bima Yojana [PMJJBY]:** As on 31.12.2019, 16.70 lac customers enrolled under PMJJBY.
- iii. **Atal Pension Yojana [APY]:** As on 31.12.2019, 4.5 lac customers enrolled under APY.

### **CORPORATE SOCIAL RESPONSIBILITY**

The Bank has established 12 “Farmers Training Centres” for providing free of cost training on agriculture & allied activities and also for Computers, cutting & tailoring/ embroidery and entrepreneurship development programs. These FTCs have imparted training to 106720 farmers and youth by conducting 2984 training programs during FY 2019-20. Since inception, FTCs have imparted training to 15,29,098 persons by conducting 49,209 training programs. These Training Centres have been equipped with the Mobile Van having Soil testing facilities at the farmers’ fields and LED for audio visual display of informative video clips to the farmers.

The Bank has 55 **Rural Self Employment Training Institutes** (RSETIs) (under aegis of MoRD) and 2 Rural Development Centre ( PNB initiatives) are operating in India which are engaged in providing training to rural population and their families for skill up gradation to undertake self- employment ventures/Jobs. During the Quarter ended Dec. 2019 (i.e. 3rd quarter), 9554 persons were trained in these centers out of which 4555 belongs to BPL families and 6276 were women. Total number of trained candidate since inception is 296491, out of which 188240 are female and 109508 are under BPL category.

106 “**Financial Literacy Centres**” has been operationalized by the Bank as on 31.12.2019. During the current year 2019-20, enquiries made by 309984 persons and 564421 persons have attended various seminars conducted by the **Financial Literacy Centers (FLCs)**.

The Bank has adopted 169 villages (78 in lead districts and 91 in non-lead districts) in different Circles under **PNB VIKAS-** Village Adoption Scheme, objective of the Scheme is to develop the adopted villages in an holistic manner, which



includes Human, Economic & other Infrastructure Development like sanitation, drinking water supply, education, electricity, health, etc in co-ordination with the other stake holders (villagers, the Govt. authorities, local bodies etc).

Further **“PNB Ladli”** scheme has been launched by the Bank for popularization of education among girls of Rural/Semi urban area. The Scheme is for popularization of education among girls of Rural/Semi urban areas by providing for education inputs of specified amount per month as pocket allowance to 10 needy girls. Selected girl gets support every year till they complete 12<sup>th</sup> class. During FY’20, Bank has distributed inputs to 348 girls under the scheme. So far we have distributed to 9010 girls under this scheme up to 31.12.2019. The Bank has also launched **“Swachchh Vidyalaya Campaign”** scheme to provide financial assistance for construction of toilets in government schools of adopted villages of PNB VIKAS. The Bank has also launched **“PNB KISAN BALAK SHIKSHA PROTSAHAN YOJANA”** to provide financial assistance to the students of poor agriculture borrowers (comprising of small farmers, marginal farmers, tenant farmers, oral lessees and agriculture labour) are eligible.

#### **AWARDS AND RECOGNITIONS**

- PNB won BFSI Awards 2019- Mobile App and SME Connect.
- PNB also won ‘Digital Payments Award 2018-19’ At MeiTY Start Up Summit 2019 .
- PNB also won ‘IBA Banking Technology Award’ Winner: Most Innovative Project using Technology Runner up: Best use of IT & Data Analytics for business outcome amongst large banks
- PNB awarded ‘Bank of the year’ award by Indo-American Chamber Of Commerce (IACC).
- PNB awarded First Prize for Rajbhasha Kirti Award.
- PNB won SCOPE Corporate Communication Excellence Award 2019 –Third prize in the category of Crisis Handling.
- PNB has also won BFSI Digital Innovation Awards Category - Robotic Process Automation
- PNB also won Best Nodal Bank of the year: M.P. 2018-19 contribution towards rural housing (PMAY-G) by MoRD, GoI
- PNB also won Star Performer Awards by NSDL -- Best performer in Account Growth Rate- 1st Position and Top performer in New Accounts opened. (Bank Category)

## 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 1.26 lakhs followers and Facebook page  of the Bank has 7.1 lakhs likes at present.

## WAY FORWARD

Going forward, the Bank will continue to make efforts to maintain momentum in recoveries in NPA accounts, augment CASA deposits and drive the progress with focus on leveraging big data and artificial intelligence.

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.