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“Punjab & Sind Bank Q3 FY-23 Earnings Conference Call”

**January 23, 2023**

**Management: Shri Swarup Kumar Saha, Managing Director and Chief Executive Officer**

**Shri Kollegal V Raghavendra, Executive Director**

**Dr Ram Jass Yadav, Executive Director**

**Ms Mahima Agarwal, Chief Financial Officer**

**Moderator:** Good Afternoon, Ladies and Gentlemen! I'm Shilpa Abraham, the moderator for this conference call. I welcome and thank each one of you for joining us today for the Punjab & Sind Bank Q3 FY23 Financial Results.

Please note that this conference call is being recorded and all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the opening remarks by the management.

I would now like to introduce the management of Punjab & Sind Bank. We have with us today: Shri Swarup Kumar Saha, MD & CEO, Shri Kollegal V Raghavendra, Executive Director, Dr Ram Jass Yadav, Executive Director, and Ms. Mahima Agarwal, Chief Financial Officer. Before we begin, I would like to say that some of the statements that will be made in today's discussion may be forward looking in nature. I would now like to hand over the conference to Shri Swarup Kumar Saha, MD & CEO of Punjab & Sind Bank for the opening remarks, after which the forum will be open for the interactive Q&A session. Thank you and over to you sir.

**Swarup Kumar Saha:** Thank you Ms.Shilpa. A good afternoon to all of you and welcome you all to this analyst conference on a virtual mode. Though the results are already in the public domain and the analyst presentation has also been uploaded on the website of the Bank and the Stock Exchanges. However, just to put the perspective before you, I'll give you a brief highlight of the Q3 performance of the Bank. The Business has grown by 12.08% on YoY basis to **Rs.1,87,242 crore**, the Deposits have gone up by 9.11% on YoY basis to **Rs.1,09,497 crore**, Gross Advances has grown by 16.54% on YoY basis to **Rs. 77,745 crore**. The CD ratio has improved to 71%, RAM advances stands at 51.39%, showing a YoY growth of 19.07% for Q3. Net profit of the Bank for Q3 was **Rs 373 crore** against a net profit of **Rs.278 crore** last quarter, which is showing a QoQ growth of 34.17% and YoY growth of 23.92%. The operating profit went up by 8.18% on a QoQ basis and 3.61% on YoY basis. The Gross Non-Performing Assets ratio reduced by 608 bps on YoY basis to 8.36%. Net Non-Performing Assets also reduced by 99 bps on YoY basis to 2.02%. The fresh slippages have also reduced to **Rs 243 crore** in the quarter against that of **Rs.377 crore** last quarter. The Bank is well capitalized with a CRAR of 15.57% and CET 1 of 12.79%. The return on assets improved to 1.11%, the yield on advances improved to 8.12% and the CASA deposits grew by 11.33%. The slippage ratio also improved to 0.36% for the 3rd quarter against 0.58% for Q2 for FY 2023. The provision coverage ratio stands at 89.31% against 87.77% in December quarter of 2021. The cost to income ratio has also improved to 63.47% for Q3 of the current financial year as against 64.20% of last year's Q3. The same was 65.30% for the quarter ended 30th September. So, this was the summary of the performance of the Bank for Q3. Now, I'm open to the questions from the participants. Thank you.

**Moderator:** Thank you, Sir. We will now begin the Q & A session. Our first question is from the line of Shri Amit Mishra. Sir, please state your organization name and please go ahead with your question.

**Amit Mishra:** Good afternoon sir, Amit Mishra here. I'm from the Indus Equity advisors. Congratulations on your numbers. My question is regarding our loan growth. This quarter we have really done well. What were the key areas of our growth because I can see in your retail, we have done 32% growth. So, are we focusing more on retail? Because Agri and SME's I think are more or less similar to the last quarter growth.

**Swarup Kumar Saha:** Right, so if you see my incremental increase of the advances QoQ basis, between RAM and the Corporate, Rs.2000 crore of RAM and Rs.1900 crore of Corporate segment. As far as the sequential growth is concerned, it has been more or less evened out between RAM and corporate. However, on YoY basis the overall credit has shown traction of 16.54%, slightly aided by a lower base of December 21 quarter. So therefore, the traction is looking at 16.54%. So, we were aided slightly by a smaller base where the figures of December 21 had come down from September 21. So that is one part of it. As far as the other part of your question regarding the segmental part, yes, our retail has done well. We are focusing on our overall retail which has grown by 32%, but the overall RAM segment has grown by 19%. It is primarily aided by the housing loan segment, the vehicle loan and the personal loans, and of course, in the other segments like gold loan. So, these are some of the areas which we are focusing on. Our idea is to have a predominant RAM segment percentage. As of now we find that it is at 51.39%. So, we will try to bring this a bit upside towards 52% plus by end of March and in the next financial year to around 53 - 54%. So that's how we are working.

**Amit Mishra:** Thank you, Sir. On personal loans you mentioned there is a growth of 101% YoY. So, is the growth rate 100% because of low base, or are we doing something different in this section?

**Swarup Kumar Saha:** Yes, some of it is aided by the low base. Of course, the figure of Rs.483 crore looks 100% more than December 21, but we have also done something new here. What we have done here is that we have brought in Pre-Approved Personal Loan (PAPL) product for the Bank which is giving good traction and is based on data analytics. We have now also brought it into the mobile app. So, within 3 clicks this pre-approved personal loan category is taking traction. This new product is the driving force in the incremental growth of personal loan from Rs.240 crore to Rs.483 crore and is getting traction quite well in the Bank.

**Amit Mishra:** Okay, so you have also mentioned gold loan. Can you give me the amount for this quarter and the last quarter and the previous year?

**Swarup Kumar Saha:** The numbers we will share with you separately. As of now we can say that there is good traction in gold loan.

**Amit Mishra:** I'm asking you this because PSU Banks specifically are more focused on gold loan in the last 3 / 4 quarters.

**Swarup Kumar Saha:** Yeah, we have a similar trend here also. Though, our Bank is predominantly in the northern belt. The Southern based Banks have a larger share in this but what we have found is that there is a good traction in our belts also. The outstanding Agri gold is Rs 276 crore.

**Amit Mishra:** Okay, my next question - what is the average cost of deposit for the quarter because Yields on Advances has grown significantly from last quarter to this quarter.

**Swarup Kumar Saha:** Correct, the cost of deposit is at 4.66% and cost of fund is 3.86%.

**Sushil Chowksy:** This is Sushil Chowksy from Indus Equity. What is the credit pipeline visible as of today?

**Swarup Kumar Saha:** In terms of the overall credit portfolio, we are having quite a good number of leads here and work in process. So, as of now, we are having around Rs.5000 crore to Rs.6,000 crore of inventory with us, which we are working on.

**Sushil Chowksy:** Sir my understanding is based on your CD ratio and with the current market situation, is it not possible that we can beat the industry average by miles and take a higher market share?

**Swarup Kumar Saha:** That is a call that we have to take very judiciously in the Bank. As mentioned earlier, we like to pace our credit growth in a normal way while addressing the issue of the low credit growth earlier. We should also be quite conscious of the fact that we should have good underwriting standards, monitoring skills etc and we're building that up in the Bank through improvement in our underwriting requirements, our skills, our back office performances. So, as we scale up our underwriting requirements from the current level to our next higher level, till then we will pace our credit growth. We are not in the competition of credit with the market. We will be happy with the credit that goes in line with the industry. As far as beating that credit growth of the market is concerned, we leave it for some future perspective here.

**Sushil Chowksy:** My question was not about beating industry. The current situation demands that Punjab & Sind Bank has the potential to do that. I'm not forcing or asking anybody to do anything but I'm asking because of your current CD ratio, and possibly a low profile in last 3 years. That's a potential which you're sitting on, it's like a gold mine, which is visible in the market conditions. Will you capture or not? It

doesn't matter Sir, that's a decision of the board. Whether it's a credit or a low cost deposit or if you want to say retail products, or you want to have technology, everything needs a human resource and what are we doing as an enabler because you may build a tall tower but if there's no human resource, nothing's gonna happen. So, what are we doing about human resource and digitization, which is an enabler for a good TAT. I see that is a problem with most of the Banks of late.

**Kollegal V Raghavendra:** The HR is actually specialized area now and it has attracted a lot of attention. So, what we have done is an initial initiative, we have identified the resources within the Bank and we have mapped them. Competency mapping as a 1st step has been done. We have also already made some advertisement which is part of the 1st exercise. We are recruiting people laterally where our talent is required in some specialized centers and maybe down the line, we will have to do an overall assessment and we will have to do the competency mapping, training, as well as the lateral recruitment. So that's an ongoing exercise which we would like to strengthen in the next year that is 23-24.

**Swarup Kumar Saha:** And to add to what ED, Mr. Raghavendra said is skilling, upskilling and reskilling. So those are important things for the Bank where we are laying focus on. We are working division by division on it. Our staff training college infrastructure has been upgraded and now it is ISO certified on the quality part. We are tying up with various other institutes like IIM Ahmedabad, XLRI Jamshedpur and various other top rated management institutes. The training of our staff in these institutes will make them agile, versatile and will make them relevant in the current context.

**Sushil Chowksy:** You didn't answer my last question, which is part of the same one on digitization.

**Swarup Kumar Saha:** Yeah, digitization is another important area. See, you must be aware that any fast digitization requires a strong technological platform. So, we are undergoing Finacle upgradation from 7 to 10, which is somehow limiting my overall growth story in the digitization front. However, we intend that the migration should happen by June 23 but till then we are focusing a lot on how the present system and the platform can support new value-added services in the mobile app. So first of all, we are making the app stable and my rating on the Google App Store has improved considerably to 4.4 from 4.3. My value added services have started to show traction. The pre- approved personal loan, online account opening is there and the lead generation through my app is also happening. Now, we have introduced Digi locker also wherein the customer can also get his statement and TDS certificate through the app. We are upgrading and are also having an omnichannel sort of infrastructure for the users which will provide one experience for both digital mobile transactions and through internet Banking. As we go along my technological upgradation which is happening parallelly, my valuation in the digital area will also

pick up. We are now also contemplating the e-renewal of MSME accounts and KCC accounts which will save a lot on human resources and increase our productivity. So, these are various things in the pipeline. We have the WhatsApp Banking, the tab Banking concept is there. We will bring this slowly as we move along.

**Sushil Chowksy:** Sir, what is the write back on provisions from?

**Swarup Kumar Saha:** Basically, the recovery. These are provisions which are written back from the recovery of certain big and small accounts. In fact, if you see my last two quarters performance, we had provided for this. It is the time we got some write back and we involved that in my balance sheet management.

**Sushil Chowksy:** How much amount will be lumpy and how much will be a small amount?

**Swarup Kumar Saha:** Lumpy would be around 50% of that.

**Sushil Chowksy:** And are you estimating any write backs in Q4 too?

**Swarup Kumar Saha:** Yeah, sure. See overall guidance for my recovery upgradation, we have already done Rs 1178 crores in 9 months and we intend that we should finish by minimum Rs 1800 crores by the end of the year in terms of total recovery upgradation. So that will also give me some cushion for write back in the accounts because my PCR is already 89.31%, my NCLT provisions are nearly 100% so there's a lot of scope of write back in certain lumpy accounts and we are also having a good traction in our small value recovery up to Rs 5 crore segment, which we have especially designed, and that too is taking good traction.

**Moderator:** Thank you, sir. We now have our next question from Mr. Ashok Ajmera. Sir, may I request you to please introduce your organization. Thank you.

**Ashok Ajmera:** Yes, I'm Ashok Ajmera, the chairman of Ajcon Global Services Limited. We are into capital market and equity research. At the outset, I would like to compliment you for another good quarter with good results. Especially if you look at the operating profit and the net profit and various other parameters, your NIM has been good, slippage ratio is also under control too. Having said that, I have couple of observations & questions, some of which I had raised in the previous quarter's analyst meet but this time I would like some data points also which can be shared with me a little later in case it is not ready. I would like to know about the detailed calculation of network. As network at various places are different. If you take the last quarter, then the network is completely different and if you look at what is shown in the results, Rs 6,071 crore network is different and if you look at the capital and the reserves, the network is different. Definitely there may be some reasons and way of calculations, some revaluations and some valuation of the recapitalization bonds but can somebody give me the exact calculation of the network, which is shown in the results of Rs 6,071 crore. This is one data point on

which I need some information. Secondly, on the DTA, if someone can explain as our tax in last quarter was negative Rs 85 crore, this quarter you have Rs 178 crore and the DTA balance is Rs 1980 crore. So, just in order to get little color, how will we be ending the whole year because ultimately all said and done the provision is deducted from the profit and the net profit is only counted. Next is on the single fraud of Rs 53.79 crore, note number 13, where the provision of Rs 26.89 crore is made, and Rs 26.9 crore has been carried forward to be provided in the next three quarters, or you may even provide in the next quarter also. What kind of fraud account is this because if it's credit borrower fraud account of Rs 53.79 crore then what are the chances of some immediate recovery from that account. I would like to ask one more question on the overall credit growth. We have been discussing about the credit and last time also you gave an explanation about our old legacies and how you want to be careful but we have reached the time when our Bank has already been rated by the analyst, fund managers and the investors across the country & the globe. So, can we have a little more ambitious plan on this front because if you look at the corporate and RAM, the growth is kind of negligible. So, on the corporate credit when a Bank of our size or double of our size or somewhere near to that can grow at 20- 21%, why can't we have a roadmap where we also have some good credit plans and what are the worries for that? Why can't we do it? These are some of my questions and observation in this round, if time permits, I'll come back again.

**Swarup Kumar Saha:** Okay, thank you. Mr. Ajmera. The first two questions on the networth and the DTA Mr. Raghavendra our ED will answer and then I'll take you through third and fourth question.

**Kollegal V Raghavendra:** With regard to your question on the calculation of networth, the networth is calculated as paid up capital plus free reserves minus intangible assets. We have two or three things in this such as DTA which is an intangible asset and we deduct. In addition to this, while calculating the networth, we have also taken into account the discount or the fair value of the zero coupon bonds. This differs every quarter and has been deducted. These are the main 2 components. With regards to the horizon regarding the DTA for Q4 it is also expected to be on the similar lines.

**Ashok Ajmera:** So, just coming back to that valuation part. So, valuation for the non - interest bearing recapitalization bonds is very substantial because if you take Rs 2000 crore of DTA and the capital and free reserves are Rs 14,654 crore, networth is only Rs.6071 crore. So, a total of approximately Rs 8,000 crore is the total difference between capital plus reserve surplus and the networth which is shown here. So, the fair valuation deduction in the zero coupon bond is almost about Rs.3500 to Rs 4,000 crore.

**Kollegal V Raghavendra:** Yeah, it will be around that only because as you know, these bonds are of 10 years duration and the fair value is also distributed over 10 years period.

**Ashok Ajmera:** Ok so this point well taken. Now another of my observations.

**Swarup Kumar Saha:** Now coming to your third and fourth question regarding the fraud. This fraud we had disclosed sometime in November when it happened. It is basically a liability side fraud regarding fixed deposit misappropriation by a few employees of the Bank. The fraud amount has now crystallized and we have provided 50% of that. As far as your question on recovery is concerned, the CBI has fast tracked the investigation process. Investigation agency is hoping strong possibilities of recovery and going forward we will have some recovery, at least phase wise, because it's an amount of Rs.54 crores that is in question. We have around Rs 5 crores in our various accounts, which has been frozen. We need the investigation agencies to complete their investigations and we are getting signals that maybe some of the recovery will happen. We cannot really envisage the exact amount at this point of time until the amount really comes into our Bank. The other point was regarding your overall credit growth. Mr. Ajmera, if you study our Banks legacy from March 18 to March 22, the Bank did not grow due to various issues. We now have a strong position in terms of our capital requirements. We are now moving towards a credit growth cycle. We ended at 3% plus in March '22, 6% in June '22, 9% plus in September '22 and now we are at 16.54%. I think that is a good enough signal that we are in the market to grow but to what extent we should grow, that's a call that we will internally take. We have our mechanisms in place and as I said earlier we are not in the race of credit growth, which is happening in the market. We'll pace ourselves, work on an efficiency. There's a liquidity factor that is coming into the market which you're all aware of. So, until and unless we manage that simultaneously, going all out in terms of the competition into a market for the credit growth may not be a prudent way of doing things. So, we'll pace our things up and on a quarter on quarter basis, the advances have significantly grown and if you map this to the last 3-4 years performance of the Bank you will find some significant improvement. Let us be patient and we will deliver as per the risk appetite of our Bank.

**Ashok Ajmera:** That is of course there sir. Can some idea be given, out of this Rs 4,000 Cr in this quarter which you grew, how much percentage is consortium advances and single standalone percentage. So, it will give you some idea that how our credit department is looking or working.

**Swarup Kumar Saha:** I think the credit department is working very fine. As far as the data point is concerned, that can be shared separately but if you see our incremental QoQ growth around Rs 4,000 crores have been evenly spread out between RAM advances and corporate credit and corporate credit will include some

of the PSUs and NBFCs and certain other corporate accounts. So, it may not be totally consortium, there are a significant number of standalone accounts also.

**Ashok Ajmera:** Thank you, point taken sir. I will come back again.

**Moderator:** Thank you, sir, our next question is from the line of Mr.Saket Kapoor. Sir, may I request you to please introduce yourself and ask your question.

**Saket Kapoor:** Thank you for this opportunity. Firstly, what kind of investments have we done in improving the technological backbone of the Banking system. What has been the overall expenditure? What steps are we talking to improve the efficiency and the introduction of AI to get an early indication of where there is stress in the system? If you could elaborate the same and how we are matching other private sector and other Banks in the same coverage area where they have the same market share where they have dominant presence. If you could please elaborate on the same.

**Swarup Kumar Saha:** Thank you Mr. Saket for your questions. As far as the technology platform is concerned, we are going through a version upgradation from 7 to 10 and that entails an investment of Rs 250 crore. We are going through the process and it is likely to culminate by June. We are 50% through the process already and the remaining 50% should be completed by June. After we migrate into this platform on our upgraded version, the Bank will again move forward into the areas where we need to focus on to be future ready and to be the best in class.. I agree with you Mr. Saket in your observation that we need to focus on technological platform upgradation which we will be doing but we have to be a bit more mindful of the quantum which we will be investing in the future because of the present context of my Bank, in which the upgradation project is just on. So, any further project we take will be after we complete this process. In another two quarters down the line, we'll be able to give you an indication as to the things we intend to do future. As far as your question on AI and maybe machine learning and other data analytics, these are all part of this process. We are focusing on that and in fact we will be recruiting data analytics, we'll be collaborating with fintechs and as my technology upgradation happens, my fintech collaborations will also increase. So, we will be taking all the necessary enablers that are currently required to remain relevant in this very competitive ecosystem. We have adopted our early warning signal mechanism also and we are working on how to further upgrade ourselves so that our collection efficiency increases. In spite of the technology that has not been updated so far, we are still having good traction in our improvement in collection efficiency. If you see my fresh slippages, quarter on quarter has come down significantly from Rs 377 crores to around Rs 242 crores. So this is how we are improving our monitoring mechanisms and we are focusing on segment wise collection efficiency. Overall, my collection efficiency is around 92% plus and we intend to increase it further. As far as your last observation regarding how do I place myself with a private Bank, yes, we

are in a very competitive world, particularly in the northern belt of the country where we are predominantly present. There's a lot of competition from the private sector and we are preparing ourselves slowly and steadily based on my technological upgradation.

**Saket Kapoor:** What amount has been spent as of now and what is the ballpark number which we will be spending for this technological upgradation?

**Swarup Kumar Saha:** I told you, about Rs 250 crores is the cost of the project implementation.

**Saket Kapoor:** When we look at your cost to income ratio and if we take the averages for other Banks it is a higher. What should be the number going ahead say two years down the line? What are we targeting in terms of cost to income ratio?

**Swarup Kumar Saha:** Yeah, that is true that our average cost to income ratio is very high compared to the peer group. Predominantly, the reason was that due to capital constraints we were not able to grow and asset quality issues were quite huge. So, the Bank had taken a conscious decision to first consolidate ourselves. So, from that, the income was a bit muted for the last 2 - 3 years. Since it's a ratio between cost and income, once the income goes down, the cost sometimes has to be managed but some are steady costs, which cannot be brought down and the cost to income had gone up to 75% 1 year back. So, from that perspective, we have moved on and we have come down to 63%+. Our target is to reach as close as 60% by end of March and by going forward in the next 2-3 years turnaround plan, we intend to bring it between 50 to 55%.

**Saket Kapoor:** Lastly, Sir, I missed your commentary on this reversal of Provisions of around Rs 271 crores, line item number 8. So, if you could throw some more light on this.

**Swarup Kumar Saha:** The provisions were from the write-back due to the recovery that has been made in certain accounts where we had additionally provided for. It was equally spread more or less between the big ticket ones and the smaller ones. Primarily, if you see, my recovery & upgradation is constantly increasing and it is more than my slippages and my PCR is over 89%. It still went further to 89.31% in the current quarter and this is enabling me to have the cushion to write-back the provisions on those accounts.

**Saket Kapoor:** Sir, can you quantify how many accounts have seen this reversal and in which sector?

**Swarup Kumar Saha:** It will be a number of accounts and the smaller accounts will be spread across.

**Saket Kapoor:** Out of this Rs.271 crore what is the largest proportion and which sector it belongs to.

**Swarup Kumar Saha:** One would be the infrastructure sector which gave me the biggest reversal and a financial company.

**Saket Kapoor:** Thank you, sir.

**Moderator:** Thank you, sir our next question is from the line of Mr. Marsal L. Sir may I please ask you to introduce your organization?

**Marsal L:** Good afternoon. I'm an individual investor. My question regarding in continuation of the last question by Mr. Kapoor regarding this provision reversal of Rs 271 crore so, is it mainly from SREI, Reliance Capital or something else?

**Swarup Kumar Saha:** See I told you that we cannot really disclose it. No, SREI has not been resolved yet. We got this write back from an account in infrastructure sector and a financial company.

**Marsal L:** 2nd thing how much exposure we have to Reliance Capital?

**Swarup Kumar Saha:** Reliance capital we don't have any exposure.

**Marsal L:** Oh, very good and to SREI is substantial right?

**Swarup Kumar Saha:** Yeah, Rs.1200 crore.

**Marsal L:** So it fully provided or what?

**Swarup Kumar Saha:** Fully provided.

**Marsal L:** Okay, next thing, as I was listening was that the Bank has been in the conservative mode last few years. Considering that you have already taken a substantial amount from central government and your equity requirement is fulfilled, so, whether the Bank can take off in the credit growth or not?

**Swarup Kumar Saha:** First of all, we are well capitalized as on December and we need not get any support from the government for funding our own credit growth. We estimate a credit growth of 15 per cent for the overall financial year and we feel that the overall growth will be to that extent and the capital that we hold would be sufficient. As a prudent measure we have already disclosed to the market that we have taken a board approval for raising capital of Rs 250 crore. Now we will be engaging with our investors community to have feedback and we will explore raising of more capital through this mode in sometime in the current quarter or in the next few quarters in various tranches. Though our capital strength is quite good in terms of the present state of affairs, we would like to build buffers for the future in terms of various geopolitical situations that are cropping up. So, that is an option that we have, and we are working on that.

**Marsal L:** So, for SREI this expected recovery is almost 40%?

**Swarup Kumar Saha:** See, it is very difficult to give you a ballpark number of how much would be the figure, but what I can tell you surely is that the resolution of this account is in the fast track. However, since the bidding process is now on so we cannot comment on this.

**Marsal L:** Yes you are right sir, I agree. So, my last question is regarding deposit mobilization. We have seen in the market that many Banks have come up with some unique period deposits like 399 days 7.8% fixed deposit or 499 days and so on. Quite a number of Banks have mobilized significant amount of deposit in that particular bucket. So, whether your Bank has also launched such kind of deposit or is trying to launch to mobilize more resources so that the growth can be made more by the Bank?

**Swarup Kumar Saha:** Yes absolutely. We have also done the same. We have our products for 400 days and 601 days. Our USP product is 601 days where the rate of interest is as competitive as the industry. We are mobilizing deposits in that, and we are getting good traction there. Apart from that, we're not only depending on the retail term deposits we're also focusing on garnering low cost current & savings account deposits and we are targeting more and more salary accounts. We have made good progress in 2-3 places where we have opened about 25,000 salary accounts of employees of government institutes and we are going to take it to a higher level in the current quarter and in the next quarter. So, it will be a mix of both on the retail term deposits and on the CASA front. We have also now brought in a lot of unique products for the Bank on the credit card business, on a standalone health business and the life insurance business on a bancassurance model. So, all this will now enable me to market more good quality savings and current accounts.

**Marsal L:** Yeah, very good. My small suggestion to you please, I'm sure that you and your team is already working on the subject but if you could further segmentize it and set targets as whatever current account you get it is likely to go to the profit. I think the Bank should focus more on this part so that more and more current accounts & salary accounts can be opened and not only for government sector but even the private sector. If personalized service can be provided by your branches it will really put our Bank into a faster growth.

**Swarup Kumar Saha:** Thank you for your feedback. We'll work on that.

**Moderator:** I have 1 final question from Mr. Rohan, an independent investor. His 1st question is any QIP plans to dilute government stake? 2nd, all Banks are moving to digital 1st strategy. What is the Bank's move towards that? 3rd, how is competitive intensity in credit or deposit side? All Bank's are well capitalized and going behind deposit. How is Punjab & Sind Bank responding to that?

**Swarup Kumar Saha:** Okay, in some way or the other I have already answered the questions, but anyway, we can say it once more. The Bank has already taken a

board approval for raising capital of Rs 250 crores through a QIP or bond method over a period of 1 year and we are working on that. Regarding, the Bank becoming digital 1<sup>st</sup>, as I had said earlier that the Bank is undergoing technological upgradation which is more than 50% complete and by June it should be complete. Till then we are upgrading our services through our digital app and bringing in more and more value-added services in the app like, opening accounts online, having lead generation in process, having a Digi locker, preapproved personal loan. So, we are in the process of digital transformation. As my technological upgradation happens, this digital transformation will take traction. In terms of deposit mobilization, yes, as I said earlier, the deposit mobilization is being carried out in a very strong footing. We have given competitive rates for our fixed deposits and we are focusing on salary accounts of individuals. The current and savings account ie. CASA growth as a whole for the Bank is still handsome at over 11%. I think this is an area where we are doing better than many other Banks. We are growing significantly in terms of my current and savings and that gives us the encouragement that we can improve our low cost deposit base. Overall, the Bank has a lot of focuses lined up for the future. We are going to bring in the WhatsApp Banking, tab Banking, video KYC etc. We have now launched co-branded credit card with SBI cards. We have opened up term life insurance partnerereng with Bajaj Allianz. We have got into a standalone health insurance business, bancassurance business with Aditya Birla Health Insurance. So these are some of various enablers that we are giving customers for our future growth story.

**Moderator:** Thank you sir last question is from Mr. Vikas, independent analyst. Your main focus area has been the Northern region. How do you plan to expand to other regions?

**Swarup Kumar Saha:** Yeah, absolutely true. Earlier it was predominantly northern belt network. We now have a plan for opening 50 branches by March'24 out of that 25 we are planning till the March of this year end. So out of 25 we have already opened 3. We intend to open around another 20 to 22 branches by end of March and that will be on the other areas beyond the North i.e. Central, South and West areas. Similarly, for the next financial year, we have a plan for opening another 25 branches to give more Pan India network outreach.

**Moderator:** Thank you sir. We will wait for a minute for additional questions to come in. As there are no further questions from the participants, we now conclude this conference. On behalf of Punjab & Sind Bank, I thank each one of you for joining this conference call. Should you have any further queries, please reach out to us. Thank you. Have a good day ahead.

**Swarup Kumar Saha:** Thank You.