



punjab national bank
...the name you can BANK upon !

FINANCIAL RESULTS

Q1 FY'18

EMERGING ECONOMIC & BANKING SCENARIO

**Strengthening of NPA
Resolution Process**

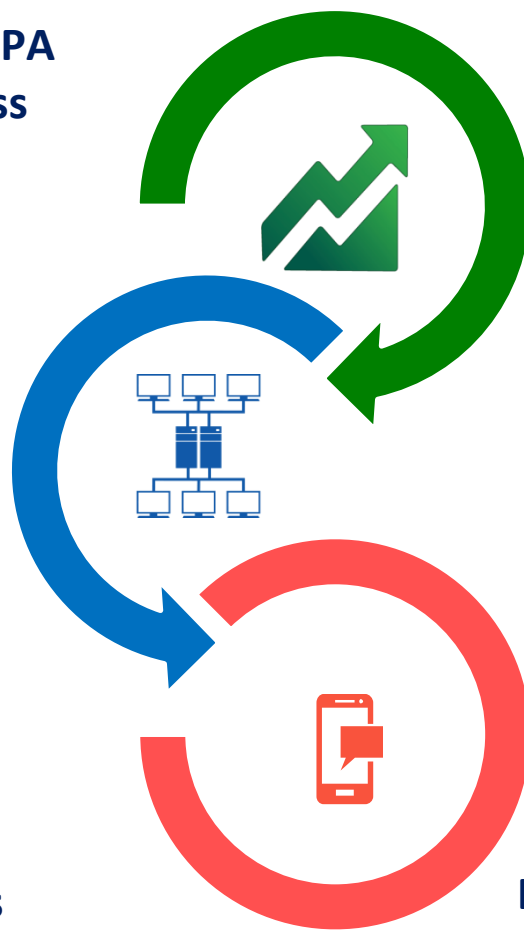
**Strong Macro Economic
Environment**

**Good Monsoon Improves
Rural Business Growth Outlook**

**Re-emergence of scope of
Infrastructure Investment**

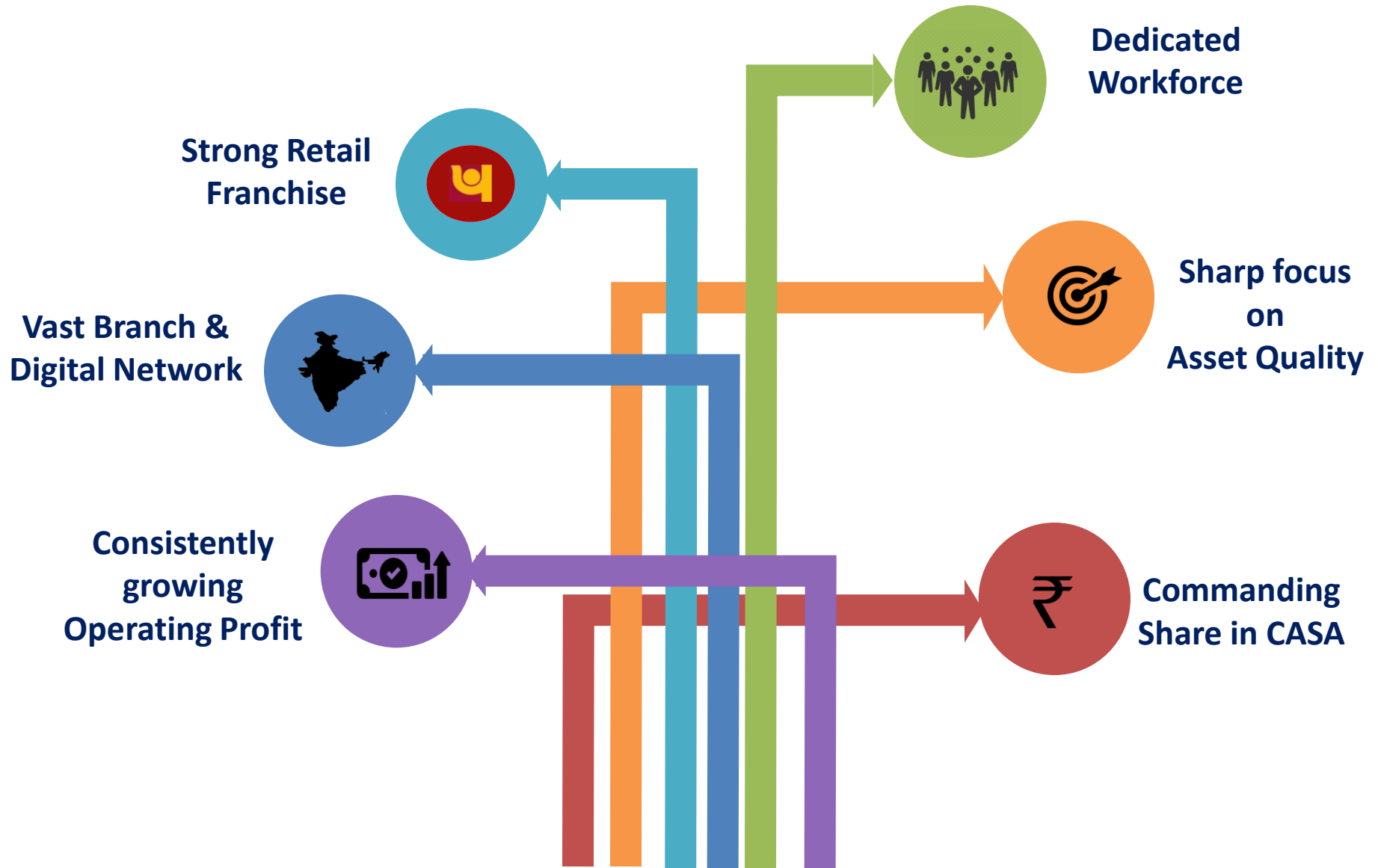
Supportive FDI & FII Inflows

**Economic Widening riding
Digitalization
(Post Demonetization & GST)**





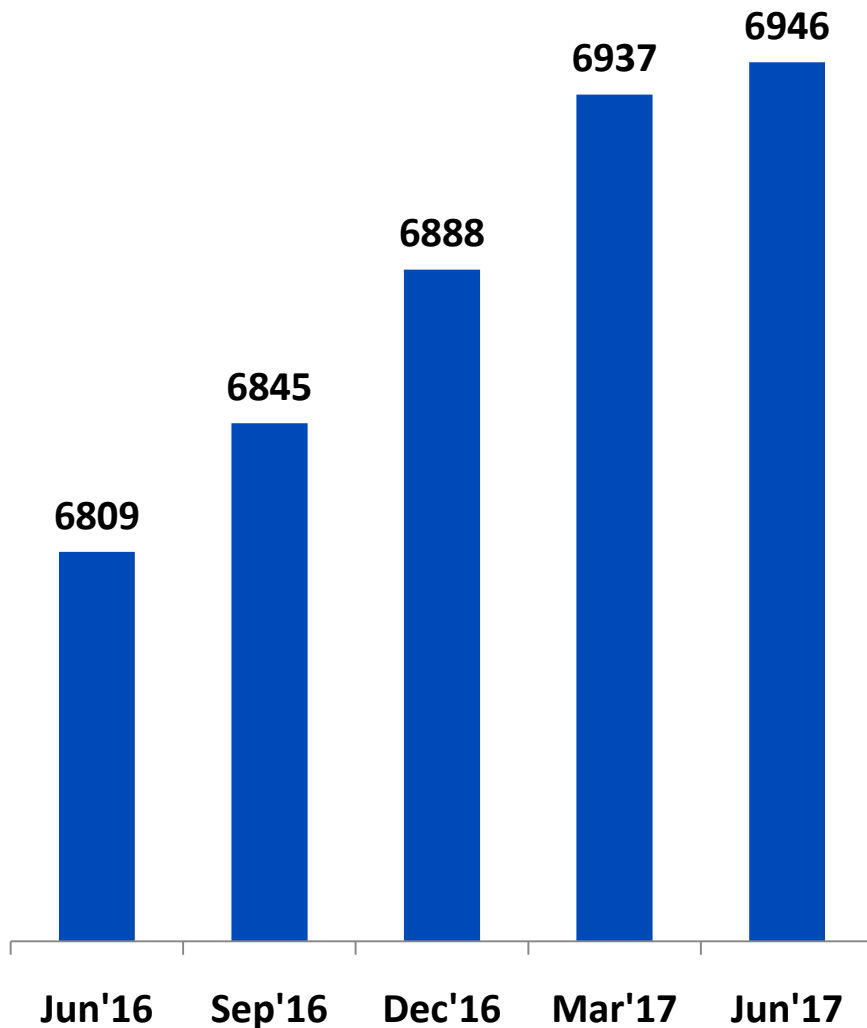
CORE STRENGTHS OF THE BANK



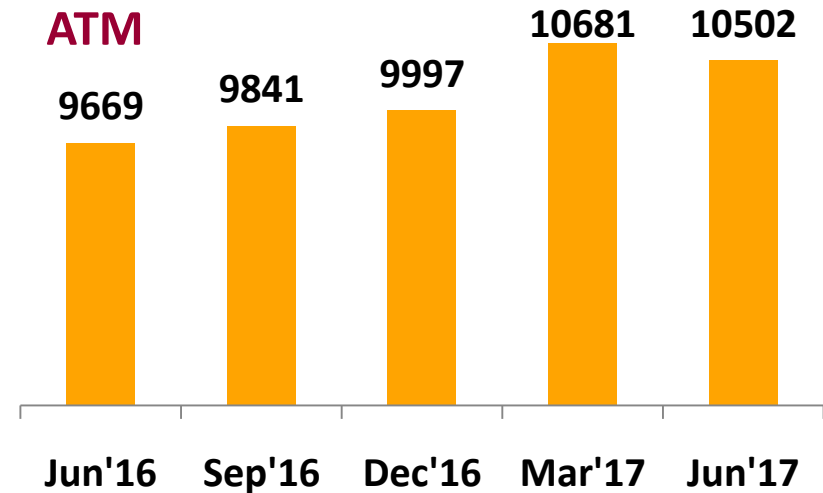


BRANCH & ATM NETWORK-PAN INDIA PRESENCE

Domestic Branches



ATM



Overseas Presence

Type of office	Destination
Branches (4)	Mumbai, Hong Kong Main, Kowloon Hong Kong, DIFC, Dubai
Subsidiary (3)	PNBIL, UK (7 branches), DRUK PNB Ltd., Bhutan (7 Branches),
Joint Venture (1)	Everest Bank Limited, Kathmandu, Nepal (61 Branches), Bank also provides Managerial Support to EBL. One Associate at JSC SB PNB, Kazakhstan (6 Branches)
Representative Office (4)	Shanghai(China), Dubai (UAE), Sydney (Australia), Dhaka (Bangladesh)



FINANCIAL HIGHLIGHTS Q1 FY'18

Domestic Business growth 12.3%

Global Deposit growth 12.9%

Retail Loans growth 15.9%

Fee Based Income growth 31.1%

CASA growth 23.6%

CASA Share (Domestic) 44%

Provision Coverage Ratio: 58%

NII growth indicates increasing trend



BALANCE SHEET - PNB STANDALONE

Rs. Cr.

Sl.	Parameters	Jun'16	Mar'17	Jun'17	YoY Variation	
					Amt.	%
CAPITAL & LIABILITIES						
1	Capital	393	426	426	33	8.4
2	Reserves and Surplus	39174	41421	42095	2921	7.5
3	Deposits	553952	621704	625616	71664	12.9
4	Borrowings	39343	40763	40439	1096	2.8
5	Other Liabilities and Provisions	16154	16016	16631	477	3.0
	Total	649016	720331	725207	76190	11.7
ASSETS						
1	Cash and Balances with RBI	25812	25210	27665	1854	7.2
2	Balances with Banks	57704	63122	65004	7300	12.7
3	Investments	149164	186725	202548	53384	35.8
4	Loans & Advances	391574	419493	399750	8176	2.1
5	Fixed Assets	6174	6273	6413	238	3.9
6	Other Assets	18588	19507	23827	5239	28.2
	Total	649016	720331	725207	76190	11.7



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Profitability

Treasury Operations

Asset Quality

Capital & Shareholding

Digitalization

Way Forward



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BUSINESS PERFORMANCE - MAJOR COMPONENTS

Rs. Cr.

(TERMINAL LEVEL)

Sl.	Parameters	Jun'16	Mar'17	Jun'17	YoY variation	
					Amt.	%
1	Global Business	945526	1041197	1025366	79839	8.4
	Domestic Business	828769	935065	930902	102133	12.3
	Overseas Business	116758	106132	94464	-22293	-19.1
	Overseas Business (In USD Mio)	17415	16552	14814	-2602	-14.9
	Share of Overseas Business (%)	12.35	10.19	9.21		
2	Global Deposits	553952	621704	625616	71664	12.9
	Gross Advances	412041	441751	422452	10411	2.5
3	Global Net Advances	391574	419493	399750	8176	2.1
4	CD Ratio (%)	70.69	67.47	63.90		
5	CASA Deposits	203510	260016	251551	48041	23.6
6	Saving Deposits	171122	214163	211537	40415	23.6
7	CASA Share Domestic (%)	41.39	45.97	43.96		



BUSINESS PERFORMANCE - MAJOR COMPONENTS

Rs. Cr.

(DAILY AVERAGE BASIS)

Sl.	Parameters	Jun'16 (Qtr)	Mar'17 (FY)	Jun'17 (Qtr)	YoY Variation	
					Amt.	%
1	Global Business	909405	938457	987981	78576	8.6
	Domestic Business	803473	831673	890012	86540	10.8
	Overseas Business	105932	106784	97968	-7964	-7.5
	Share of Overseas Business (%)	11.65	11.38	9.92		
2	Global Deposits	531391	561543	598488	67097	12.6
	Gross Advances	398464	397341	411751		
3	Global Net Advances	378014	376914	389493	11479	3.0
4	CD Ratio [%]	71.14	67.12	65.08		
5	CASA Deposits	188769	211211	237498	48729	25.8
6	Saving Deposits	165336	185805	208408	43072	26.1
7	CASA Share Domestic (%)	39.64	41.73	43.29		



BUSINESS PERFORMANCE - DEPOSITS

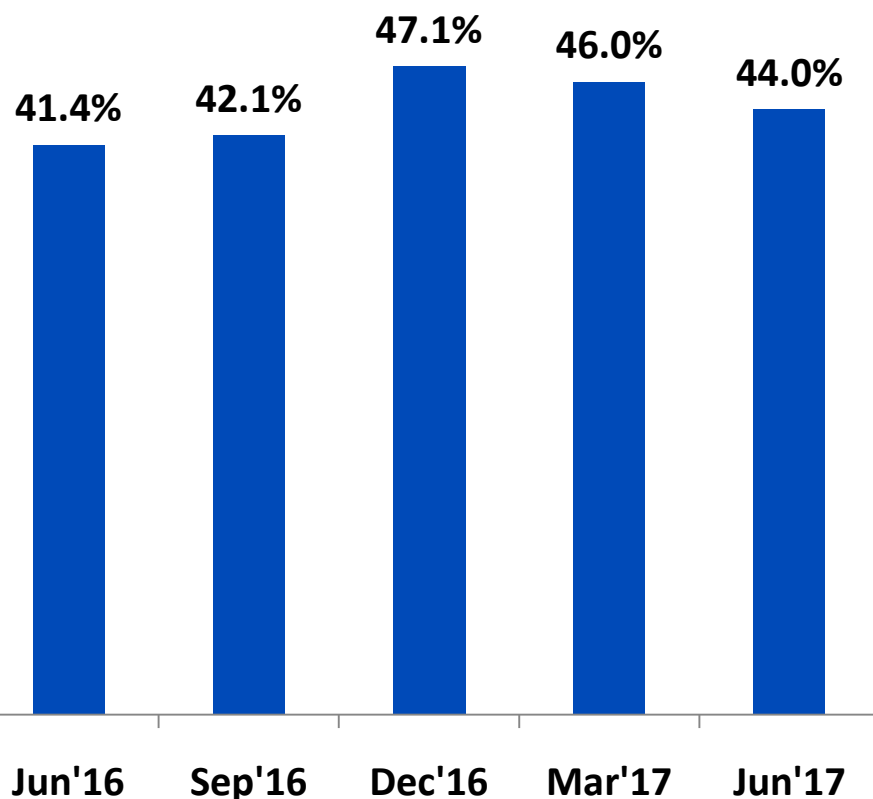
Rs. Cr.

Sl.	Parameters	Jun'16	Mar'17	Jun'17	YoY Variation	
					Amt.	%
1	Global Deposits	553952	621704	625616	71664	12.9
2	Domestic Deposits	491642	565573	572275	80633	16.4
3	Overseas Deposits	62310	56131	53341	-8969	-14.4
4	CASA Deposits	203510	260016	251551	48041	23.6
5	Current Deposits	32388	45853	40014	7626	23.5
6	SB Deposits	171122	214163	211537	40415	23.6
	Share of CASA To Domestic Deposit	41.39%	45.97%	43.96%		
7	Term Deposits	350442	361688	374065	23623	6.7
	<i>Of Which</i>					
8	Core Term Deposit	279635	296930	309422	29787	10.7

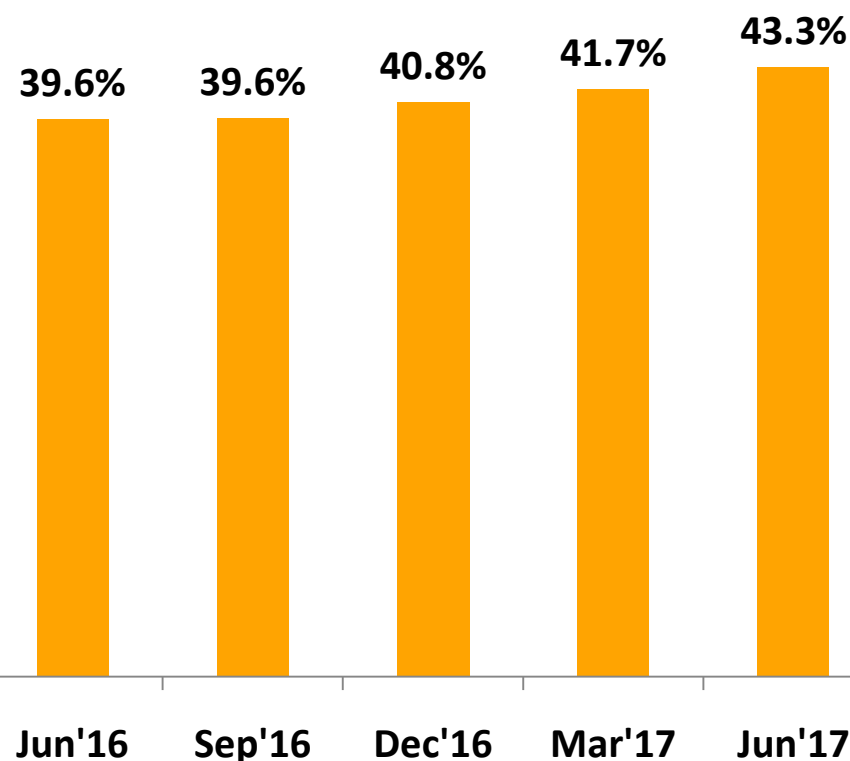


LOW COST DEPOSIT : STRONG HOLD

CASA Share % - Absolute



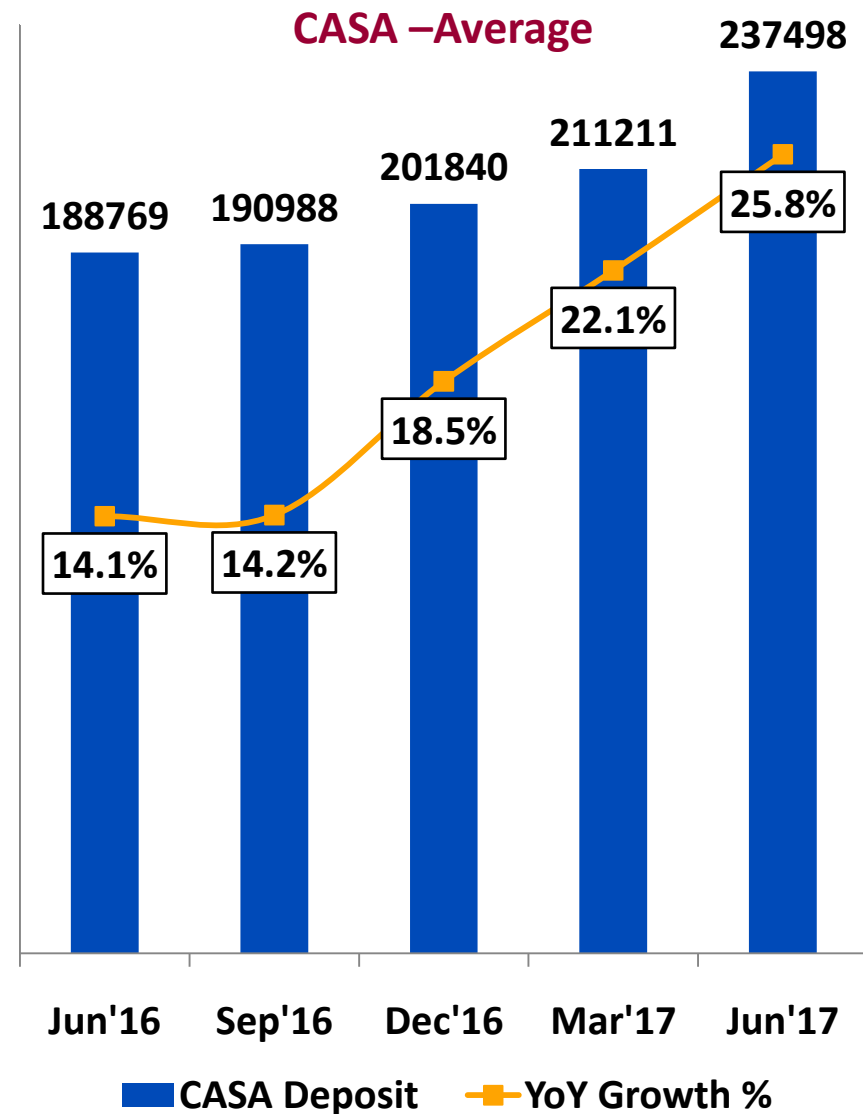
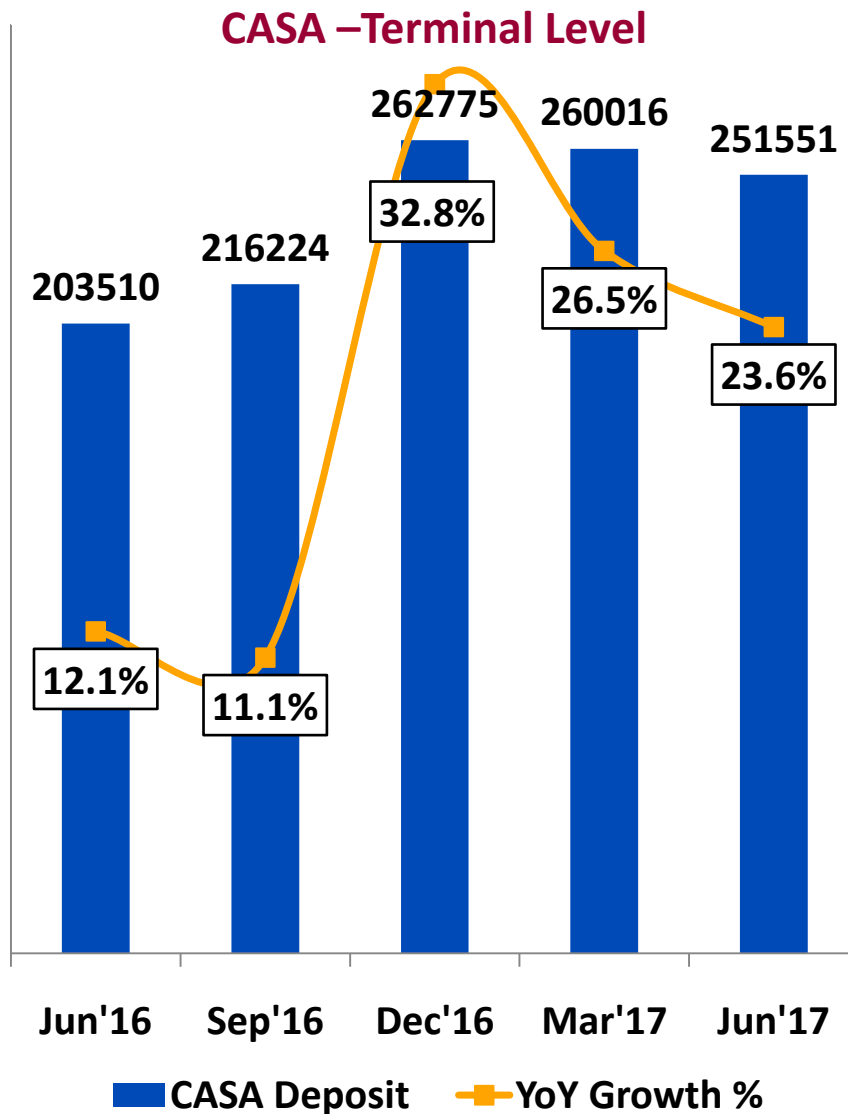
Casa Share % - Average





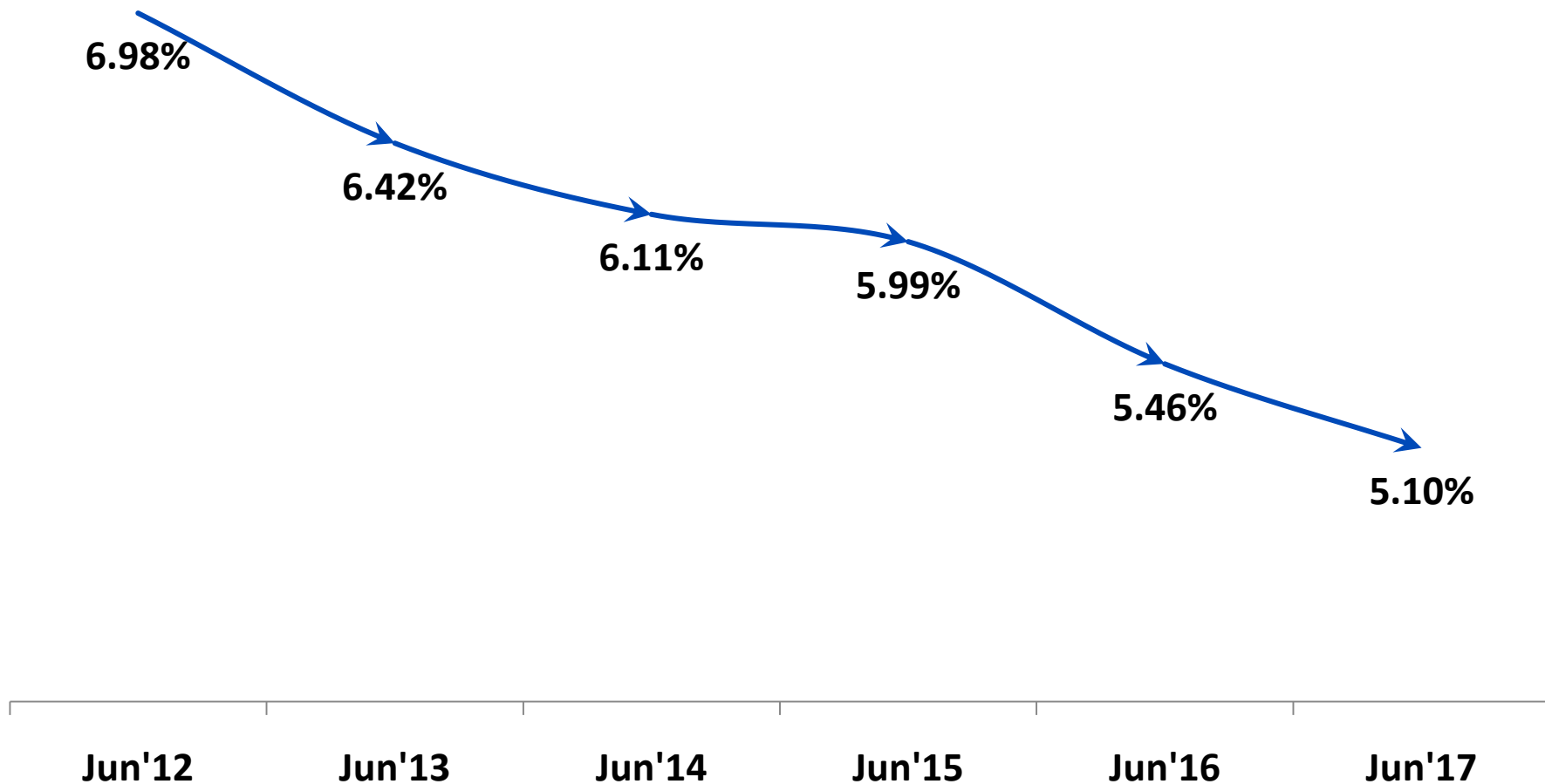
CONSISTENTLY GROWING CASA DEPOSITS

Rs. Cr.





DECLINING AVERAGE COST OF DEPOSIT





CREDIT

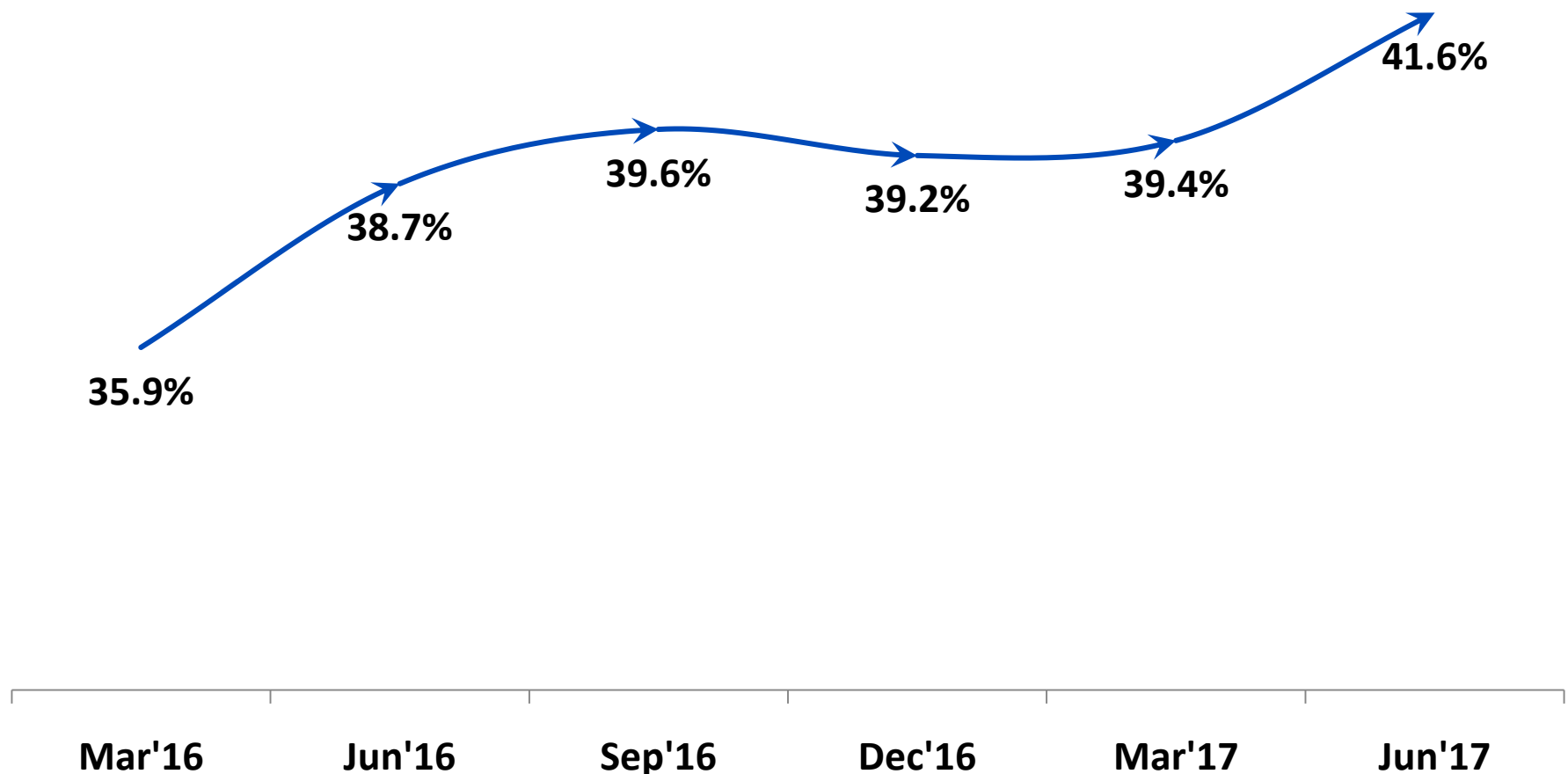
Rs. Cr.

Sl.	Parameters	Jun'16	Mar'17	Jun'17	Share %	YoY Variation	
						Amt.	%
1	Global Gross Advances	412041	441751	422452	100.0%	10411	2.5
2	Overseas Advances	54448	50001	41123	9.7%	-13324	-24.5
3	Domestic Advances	357593	391750	381329	90.3%	23735	6.6
4	Large Industry	120311	125579	121391	28.7%	1080	0.9
5	Agriculture & Allied	61394	66931	65611	15.5%	4217	6.9
6	MSME	78269	81592	78353	18.5%	84	0.1
7	Retail Loans	58550	65982	67867	16.1%	9317	15.9
8	Others (Incl. NBFC)	39070	51666	48107	11.4%	9037	23.1

Parameters	Jun'16	Mar'17	Jun'17	% Share	YoY	
					Amt.	%
Domestic Advances	357593	391750	381329	100.0%	23735	6.6
Upto Rs. 5 Cr.	138396	154517	158789	41.6%	20393	14.7
Above Rs. 5 Cr.	219197	237233	222539	58.4%	3342	1.5



CONSISTENTLY GROWING SHARE OF SMALL TICKET ADVANCES (<5 CR.)





PERFORMANCE UNDER NATIONAL GOALS

Rs. Cr.

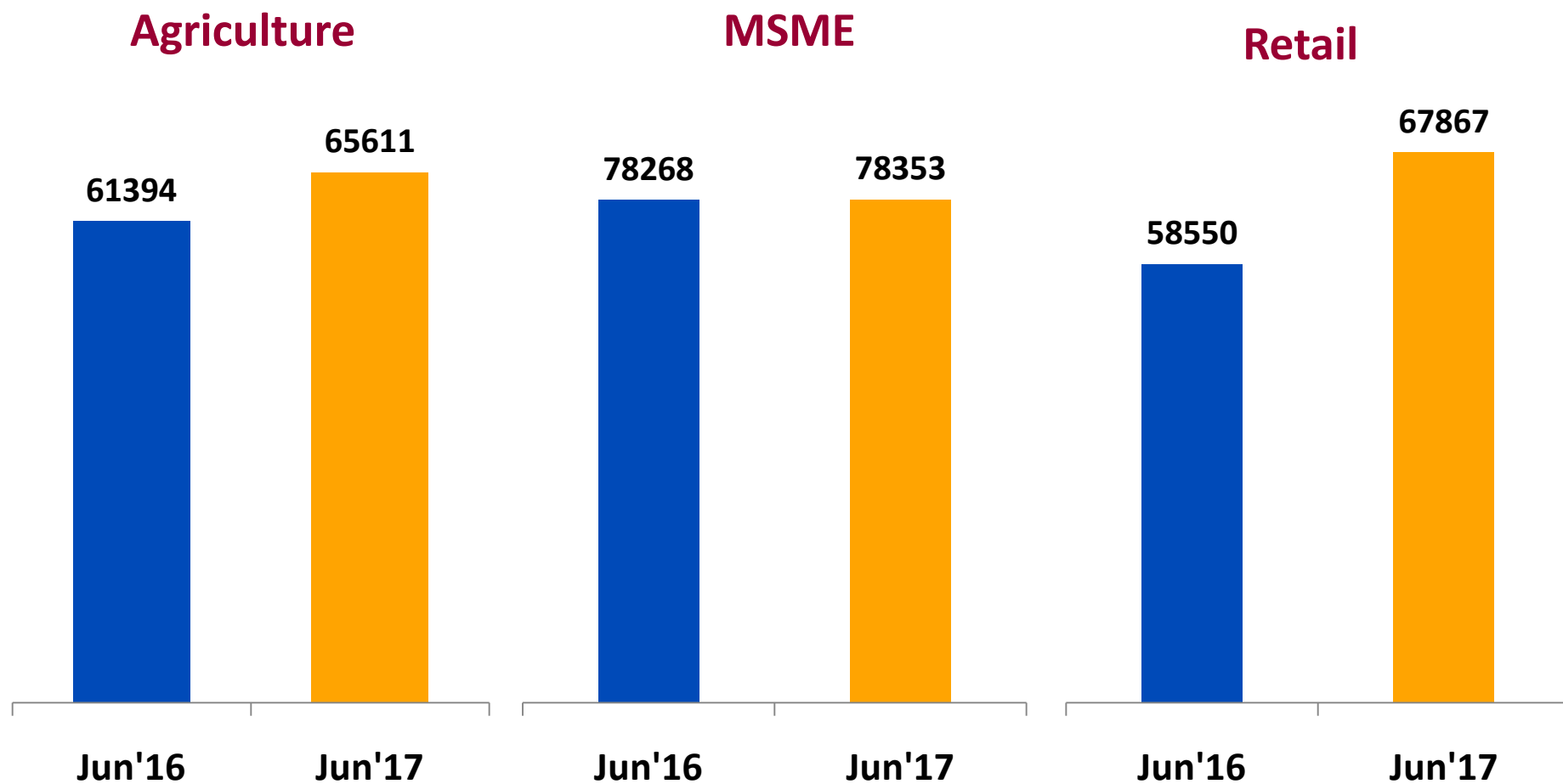
Parameter	National Goals	Jun'17	
		Ach.	O/S Balance
Priority Sector			
Priority Sector (%age of ANBC)	40%	40%	138006
Total Agriculture Adv. (%age of ANBC)	18%	19%	65611
Small & Marginal Farmers (%age of ANBC)	8%	9%	32790
Other National Goals			
Micro Enterprises Accounts (YoY Gr.)	10%	18%	757711
Credit to Micro Entrp. (%age of ANBC)	7.50%	6.74%	23310

Jun'17 ANBC= Rs. 345881 Crore



SMALL TICKET ADVANCES – CLASSIFICATION

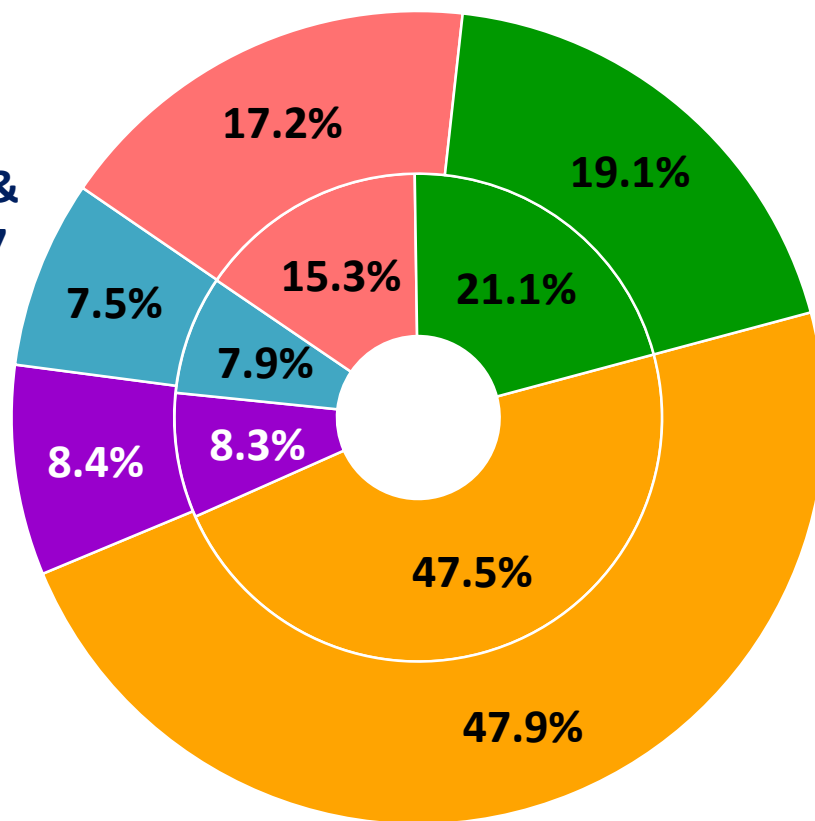
Rs. Cr.





COMPOSITION OF RETAIL BREAKUP %

Inner Circle=Jun'16 &
Outer Circle =Jun'17



- Housing
- Car/vehicle
- Education
- Mortgage
- Others



Housing Loan
Grown by 17 % YoY



Car Loan
Grown by 17 % YoY





ADVANCES TO INDUSTRY - BREAKUP

Rs. Cr.

Sl.	Major Industry	Jun'16		Mar'17		Jun'17		YoY Variation	
		Amt.	Share % DC	Amt.	Share % DC	Amt.	Share % DC	Amt.	%
1	Food Processing	12713	3.6	11254	2.9	10970	2.9	-1743	-13.7
2	Textiles	11579	3.2	11828	3.0	11652	3.1	73	0.6
3	Chemical & Chemical Products	6948	1.9	9431	2.4	9211	2.4	2263	32.6
4	Cement & Cement Products	2219	0.6	2322	0.6	1817	0.5	-402	-18.1
5	Basic Metal & Metal Products	28667	8.0	27576	7.0	26318	6.9	-2349	-8.2
5a	-Iron & Steel	26432	7.4	25401	6.5	24034	6.3	-2398	-9.1
6	Paper & Paper Products	1571	0.4	1404	0.4	1418	0.4	-153	-9.8
7	Petroleum	1655	0.5	1938	0.5	1029	0.3	-626	-37.8
8	All Engineering Products	4786	1.3	4499	1.1	4323	1.1	-463	-9.7
9	Vehicles & Vehicle parts	746	0.2	748	0.2	673	0.2	-73	-9.8
10	Construction	3765	1.1	3722	0.9	3540	0.9	-225	-6.0
11	Infrastructure	59855	16.7	62710	16.0	62107	16.3	2252	3.8
12	Others	18813	5.3	17412	4.4	16864	4.4	-1948	-10.4
	Industry Total	153317	42.9	154844	39.5	149922	39.3	-3395	-2.2

DC : Domestic Credit



ADVANCES TO INFRASTRUCTURE SECTOR- BREAKUP

Rs. Cr.

Major Industry	Jun'16		Mar'17		Jun'17		YoY variation	
	Amt.	Share % DC	Amt.	Share % DC	Amt.	Share % DC	Amt.	%
Infrastructure	59855	16.7	62710	16.0	62107	16.3	2252	3.8
-Power	31498	8.8	31361	8.0	30916	8.1	-582	-1.8
-Tele-Communication	6326	1.8	8879	2.3	9548	2.5	3222	50.9
- Roads & Ports	14470	4.0	15214	3.9	14526	3.8	57	0.4
- Others	7561	2.1	7256	1.9	7117	1.9	-445	-5.9

DC : Domestic Credit

APPROACH & WAY FORWARD FOR BUSINESS

Syndication Cell

Bank has set up Loan Syndication Vertical headed by General Manager to bring in AA & AAA rated new relationships

De-Risking of Loan Portfolio

Leveraging of vast branch network to diversify & expand small ticket credit. Loans below Rs.5cr post 14.7% yoy growth

Rural Credit

61.5% branch network is located in Rural & Semi-urban India which is presently attracting fresh investment

Large Corporate

Bank is keeping watch on bringing in high rated credit clients from the banks which face constraint of financing e.g. PCA



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PROFITABILITY HIGHLIGHTS-Q1FY17

Operating Profit

Consistently growing Operating Profit.

Net Interest Income

NII growth 4.2% YoY, indicates increasing trend

Treasury Income

**Interest Income on Investment increased by 22.2%.
Robust growth of 34.5% in Trading Profit.**

Fee Based Income

Fee Based Income increased by 31.1%.

**PROFIT**

Rs. Cr.

Sl.	Parameters	Q1' FY 17	Q4' FY 17	Q1' FY 18	YoY Variation	
					Amt.	Gr. %
1	Interest Income	11575	11887	12136	561	4.9
2	Interest Expenses	7876	8203	8281	405	5.1
3	NII (Spread) (1-2)	3699	3684	3855	156	4.2
4	Other Income	1900	3103	2332	431	22.7
5	Operating Income (3+4)	5599	6786	6187	587	10.5
6	Operating Expenses	2779	555	2970	190	6.8
7	Burden (6-4)	879	-2548	638	-241	-27.4
8	Operating Profit (3-7)	2820	6232	3217	397	14.1
9	Provisions	2514	5970	2874	360	14.3
10	Net Profit	306	262	343	37	12.1



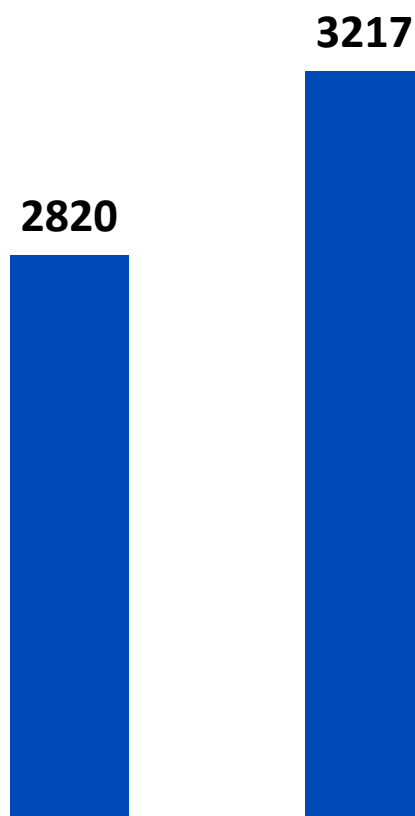
INCOME & PROFITABILITY

Rs. Cr.

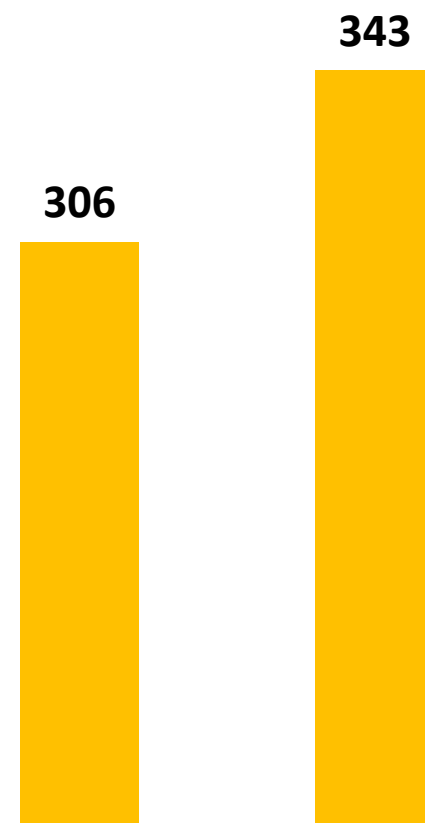
Net Interest Income



Operating Profit



Net Profit



Jun'16

Jun'17

Jun'16

Jun'17

Jun'16

Jun'17

**PROVISIONS**

Rs. Cr.

Sl.	Parameters	Q1' FY 17	Q4' FY 17	Q1' FY 18	YoY Variation	
					Amt.	Gr. %
1	Provision towards NPAs	3166	4910	2560	-606	-19.1
2	Standard Advances incl. Standard Restructured	-829	79	-295	533	-
3	Depreciation on Investment	-220	208	241	461	-
4	Income Tax	230	217	265	35	15.4
5	Others	166	556	103	-63	-37.9
6	Total Provision	2514	5970	2874	360	14.3

**NET INTEREST INCOME**

Rs. Cr.

Sl.	Parameters	Q1' FY 17	Q4' FY 17	Q1' FY 18	YoY Variation	
					Amt.	Gr. %
1	Interest Income (2+3+4)	11575	11887	12136	561	4.9
2	Interest on Advances	8510	7719	8145	-365	-4.3
3	Interest on Investments	2785	3511	3404	618	22.2
4	Other Interest Income	280	657	588	308	110.0
5	Total Interest Paid (6+7+8)	7876	8203	8281	405	5.1
6	Intt. Paid on Deposits	7258	7659	7630	371	5.1
7	Intt. Paid on Borrowings	83	52	119	36	43.2
8	Others	534	492	532	-2	-0.4
9	NII (Spread) (1-5)	3699	3684	3855	156	4.2

FEE BASED INCOME COMPOSITION

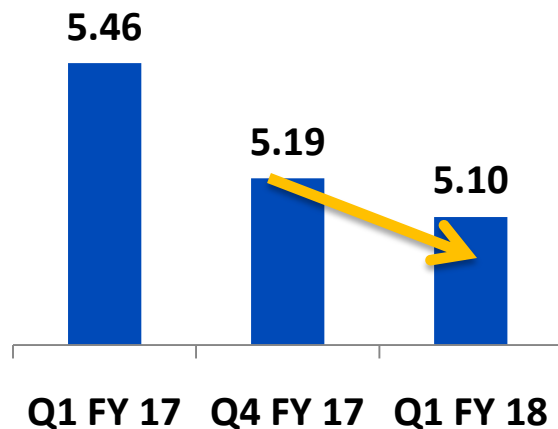
Rs. Cr.

Sl.	Parameters	Q1' FY 17	Q4' FY 17	Q1' FY 18	YoY Variation	
					Amt.	Gr. %
1	Processing Fees	377	178	377	-	-
2	LC/LG Income	176	223	224	48	27.1
3	Bills & Remittance	114	100	107	-7	-6.0
4	Incidental Charges	22	69	55	34	156.8
5	Income from Ins & MF	24	52	34	10	42.0
6	Govt. Business	21	76	17	-4	-17.9
7	Misc Fee Income	162	267	258	96	59.1
8	Exchange Profit	126	146	268	142	112.6
	Fee Based Income	1022	1112	1340	318	31.1

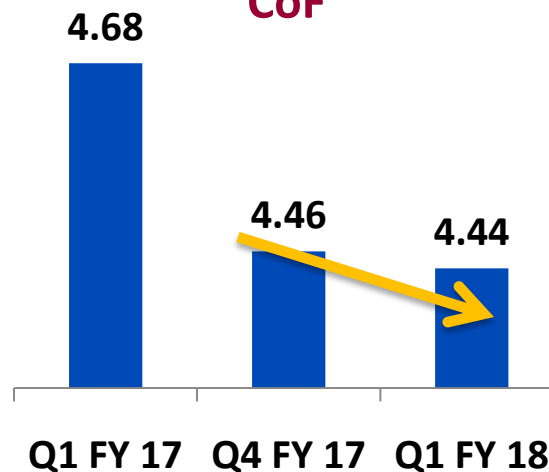


IMPROVING COST & YIELD RATIOS (%)

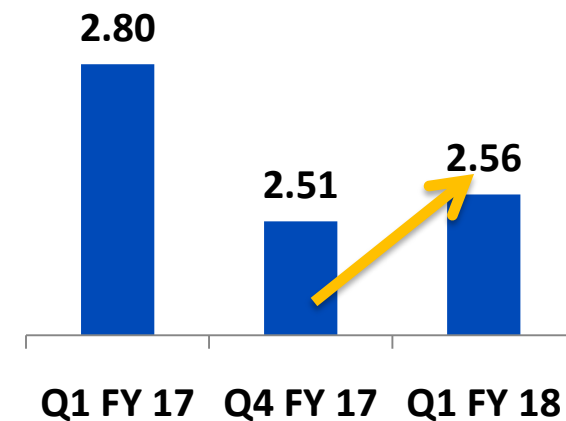
CoD



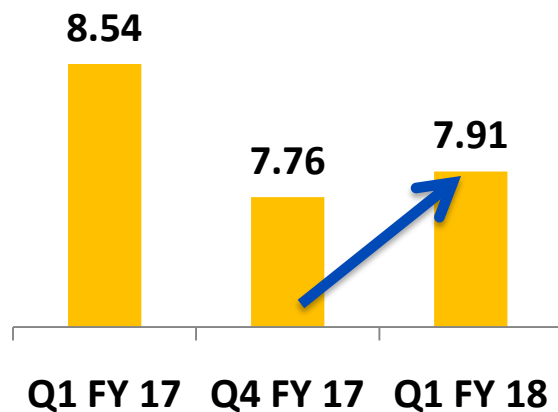
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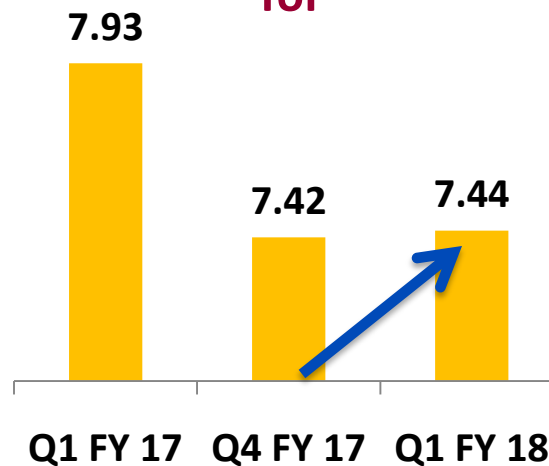
NIM-Domestic



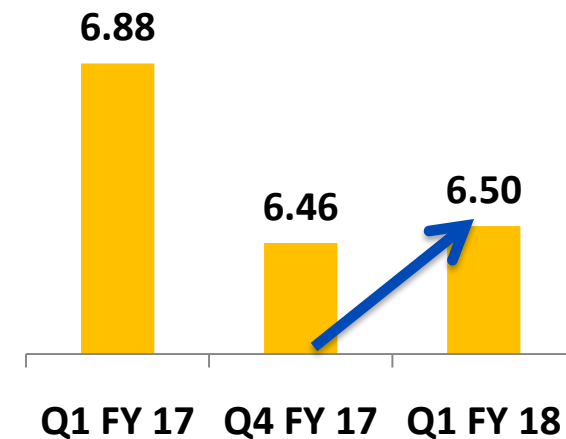
YoA



YoI



YoF



PROFITABILITY RATIOS

Sl.	Particulars	Q1' FY 17	Q4' FY 17	Q1' FY 18
1	Return on Assets [%]	0.18	0.14	0.18
2	Return on Net worth [%]	3.43	2.75	3.54
3	Opt. Profit to AWF [%]	1.68	3.39	1.72
4	Cost to Income Ratio [%]	49.64	43.03	48.00
5	Estb. Exp. To Total Exp. [%]	17.83	12.70	17.22
6	Opt. Exp. To AWF [%]	1.65	0.33	1.59
7	Book Value per Share [Rs]	182.17	177.03	182.27
8	Earnings per share [Rs]	6.24	4.92	6.45



APPROACH & WAY FORWARD FOR PROFITABILITY

Profit

Profit Consciousness as Primary Driver Of Business.

Cost of Deposit

Consistently declining due to incremental growth in Average CASA

Yield on Advances

Reversal of trend: YoA increased sequentially

FBI

Sharpened Focus on Leverage of Branch Network to Earn Higher Fee Based Income

Treasury

Paradigm Shift in Strategy and Resultant Increase in Earnings



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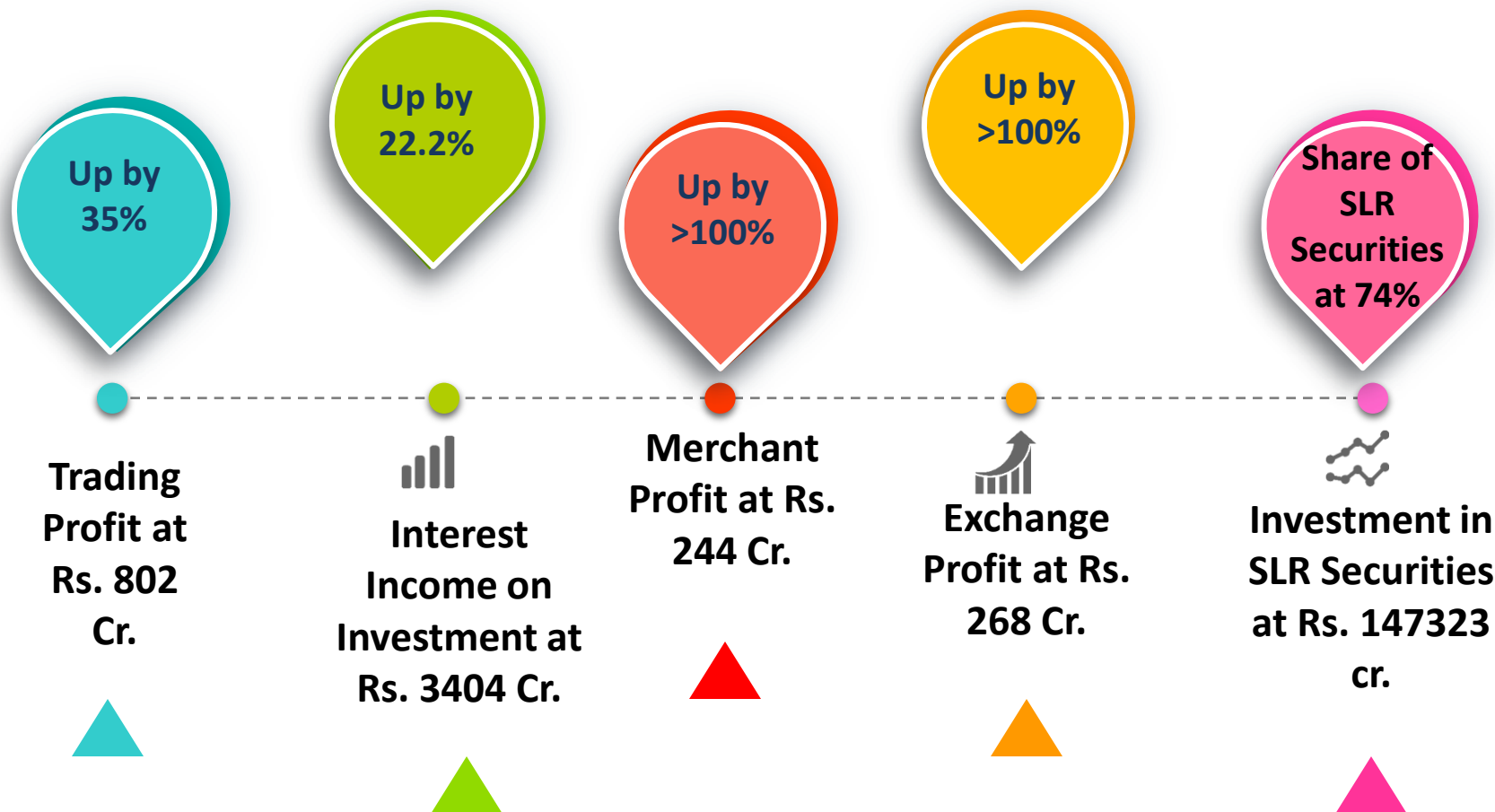
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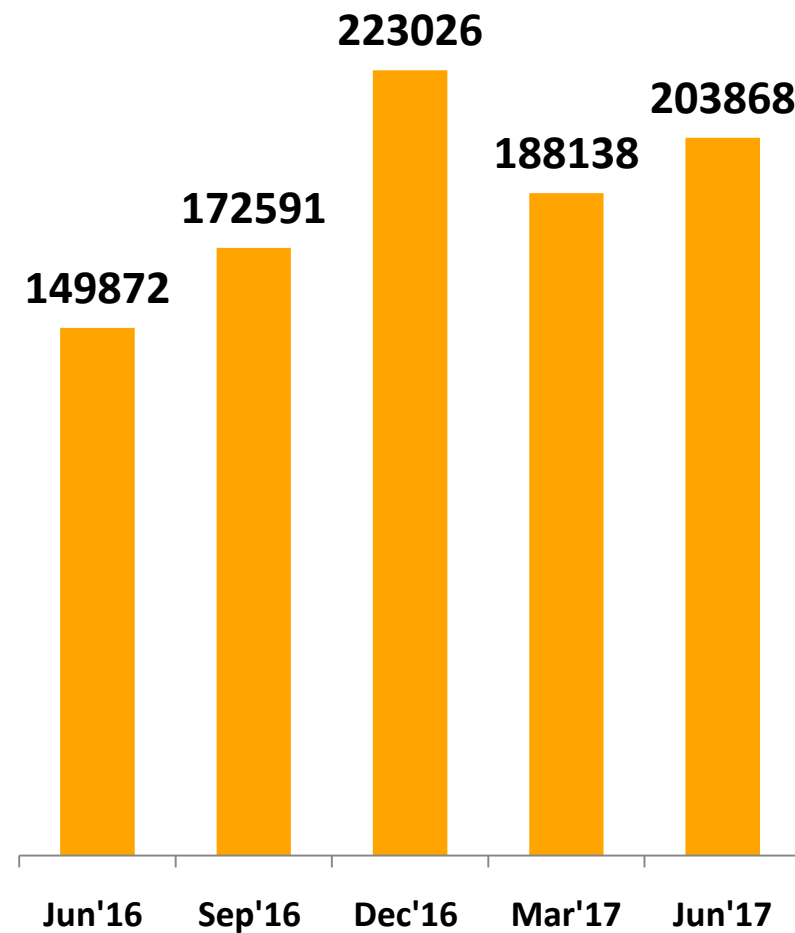
Way Forward

TREASURY HIGHLIGHTS



**TREASURY OPERATIONS**

Rs. Cr.

Investment Portfolio

Parameters	Jun'16	Mar'17	Jun'17
Domestic Investment	145151	183297	199049
SLR	111482	144417	147323
Non SLR	33669	38880	51726
Held To Maturity (HTM)	101181	116117	112406
Available For Sale (AFS)	43435	65606	82410
Held For trading (HFT)	535	1574	4233
Investment by Overseas Branches	4721	4841	4819
Global Investment	149872	188138	203868



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RECOVERY AND REDUCTION ANALYSIS

Rs. Cr.

Sl.	Parameters	Jun'16	Mar'17	Jun'17
1	NPA as at the beginning of Yr.	55818	55818	55370
2	Cash Recovery	4825	10677	1856
3	Upgradation	1181	2981	885
4	Write Off	2386	9205	1559
5	Total Reduction (2+3+4)	8391	22863	4299
6	Fresh Addition	9227	22415	6649
	<i>-Fresh slippages</i>	7533	20252	6018
	<i>-Debits in existing NPA A/cs</i>	1695	2163	631
7	Gross NPAs end period	56654	55370	57721
8	Eligible Deductions incl. Provisions	20926	22668	23148
9	Net NPAs	35729	32702	34573
10	Recovery in written-off debt A/Cs	272	2133	173

Particulars	Jun'16	Mar'17	Jun'17
Gross NPA Ratio	13.75%	12.53%	13.66%
Net NPA Ratio	9.16%	7.81%	8.67%



BREAK-UP OF FRESH SLIPPAGES

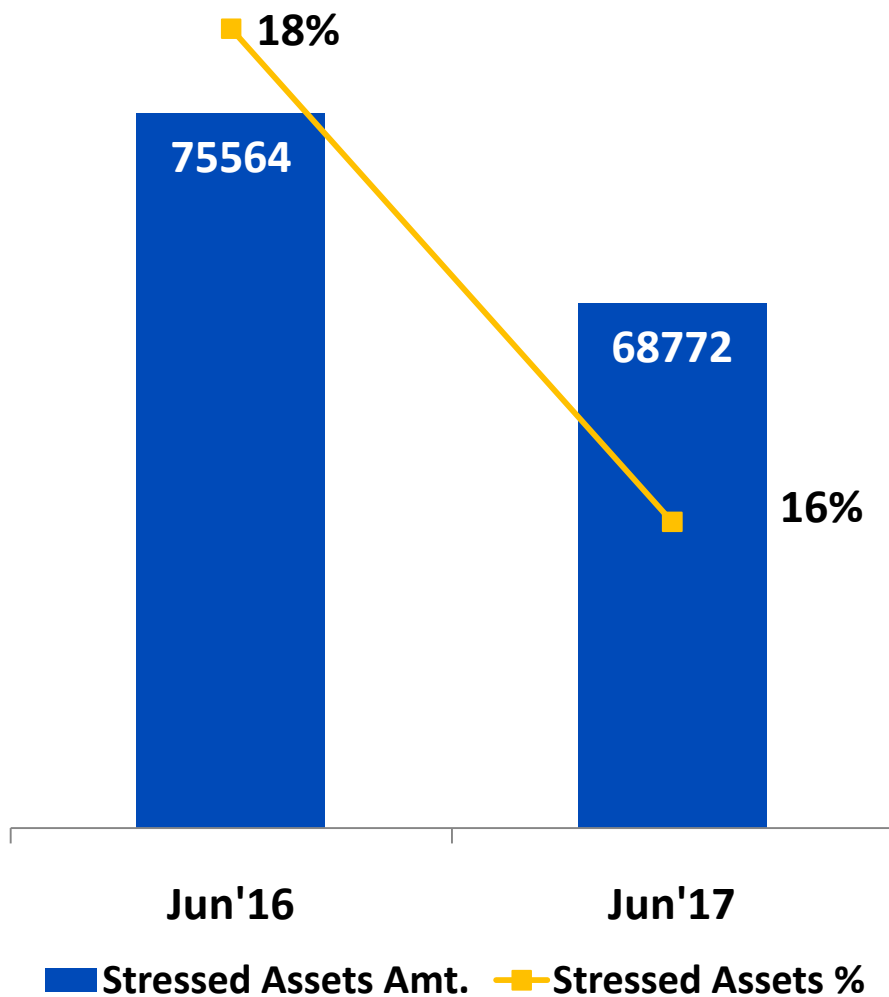
Category	Sector	Q1FY17	Q4FY17	Q1FY18
Upto Rs. 5 crore	Agri	617	1934	496
	Others	1601	1373	2069
	Total	2218	3307	2564
Above Rs. 5 cr.	Total	4984	3342	3294
Total	Total	7202	6649	5858

	Q1 FY 17	FY 17	Q1 FY 18
Fresh Slippage	7533	20252	6018
Of which from Restructured Book	1524	5069	765
Overseas	331	1071	160
Domestic	7202	19181	5858
<i>Of which</i>			
Above Rs. 5 Cr.	4984	13845	3294
Upto Rs. 5 Cr.	2218	5336	2564

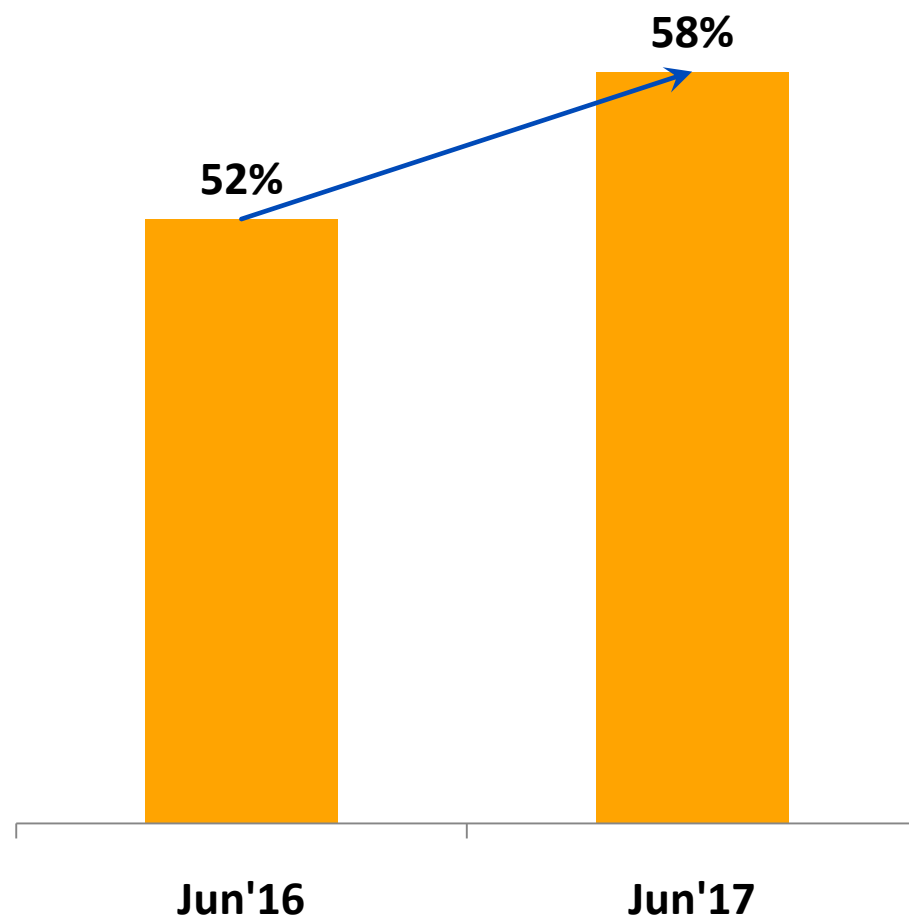


DECLINING STRESS

Stressed Assets (Rest. +GNPA)



Provision Coverage Ratio

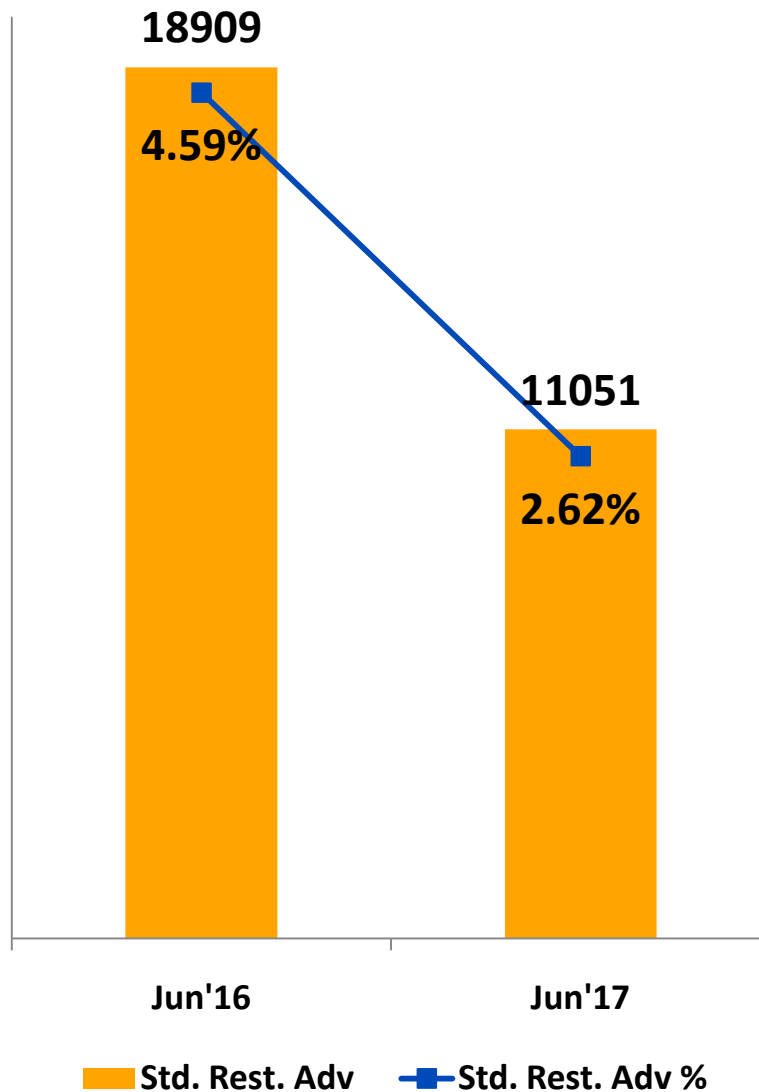




RESTRUCTURED ACCOUNTS - SECTOR WISE

Rs. Cr.

Standard Restructured Adv.



Sector	Jun'16	Mar'17	Jun'17	% Share
Infrastructure	8820	5054	5226	47.29
Power	5603	2865	2912	26.35
Telecom	265	249	246	2.23
Road & Port	2591	1940	2068	18.71
Agriculture	180	1413	1457	13.18
Sugar	1455	1331	1335	12.08
Iron & Steel	2452	1300	1331	12.04
IT park/logestic	561	516	331	2.99
construction	1159	830	297	2.69
Cement	376	355	283	2.56
Textiles	527	350	224	2.02
Hotel	410	157	165	1.49
Services	349	124	124	1.13
Others	2622	503	279	2.53
Total	18909	11933	11051	100



MOVEMENT OF STANDARD RESTRUCTURED PORTFOLIO

Rs. Cr.

Sl.	Parameter	Jun'16	Mar'17	Jun'17
A	Opening Balance	20144	20144	11932
B	Total Addition	493	4173	301
1	Fresh Restructuring	119	2944	210
2	Up-gradation	375	1229	91
C	Reduction	1728	12384	1183
1	In eligible	169	3538	222
2	Downgradation to NPA	1524	5069	765
3	Exit/Failure	35	3776	195
	Closing Balance (A+B-C)	18909	11932	11051

APPROACH & WAY FORWARD - ASSET QUALITY

**Widening of
War Room**

Splitting of existing War Room to Create Separate War Room for monitoring of irregular & weak loan accounts

**Negotiated
Settlement**

launching of Special One Time Settlement schemes for Doubtful & Loss category Small & Medium size NPAs

**Recovery
Vertical**

Recovery Vertical further strengthened by posting of One More General Manager, totaling three now

Gandhigiri

The Bank is practicing Gandhigiri and Organizing Mega Rin Mukti Shivirs

**Resolution Of
Large Ticket
Advances**

9 Large stressed accounts are under IBC Resolution



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Asset Quality

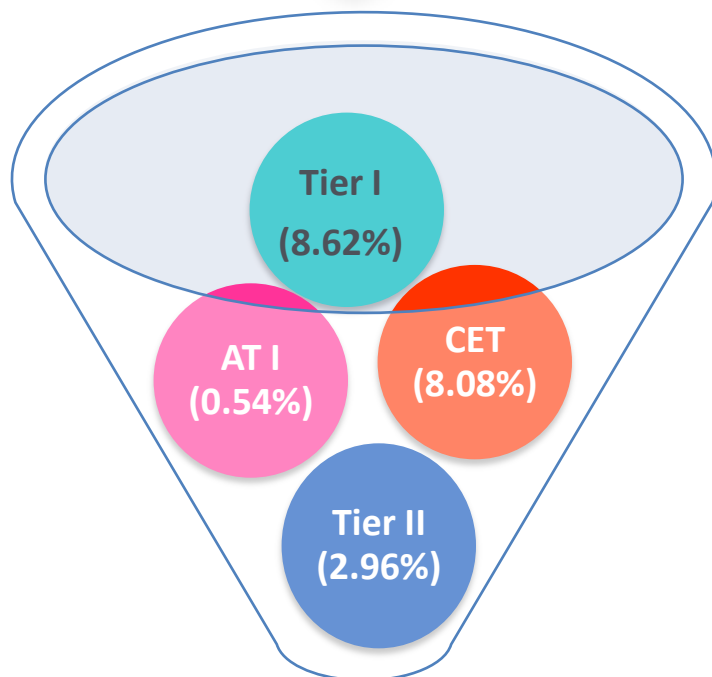
Capital & Shareholding

Digitalization

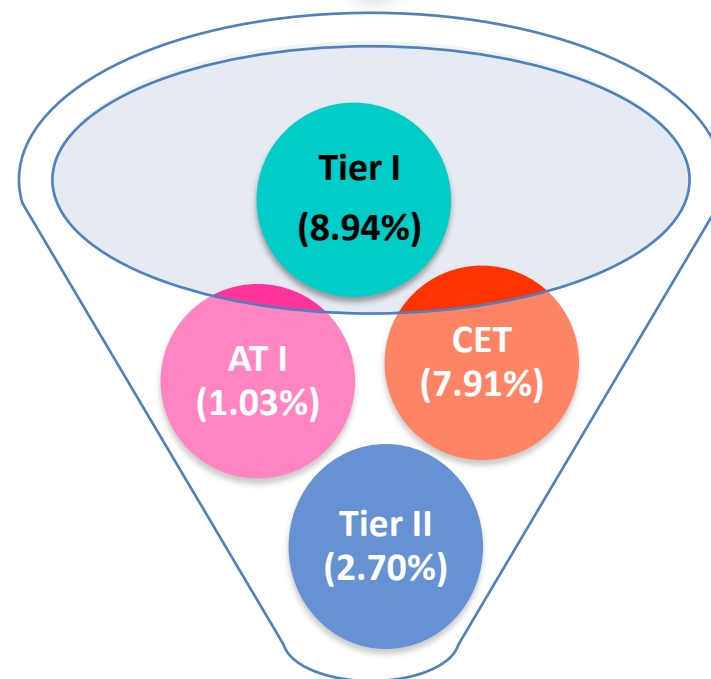
Way Forward

CAPITAL ADEQUACY RATIO

June'16



June'17





CAPITAL ADEQUACY (BASEL III)

(Rs. Cr.)

Sl.	Particulars	Jun'16	Mar'17	Jun'17
1	Tier I	36310	40575	40618
	Common Equity	34047	35845	35944
	Additional Tier I	2263	4730	4674
2	Tier II	12463	12534	12272
3	Total (Tier I+II)	48773	53109	52890
4	Risk-weighted Assets	421184	455608	454689
1	Tier I	8.62%	8.91%	8.94%
	Common Equity	8.08%	7.87%	7.91%
	Additional Tier I	0.54%	1.04%	1.03%
2	Tier II	2.96%	2.75%	2.70%
3	Total (Tier I+II)	11.58%	11.66%	11.64%



APPROACH & WAY FORWARD FOR CAPITAL

Capital

Focus on improvement in internal generation of surplus to shore up CET

Sale of Non Core Assets

Bank has embedded value of saleable Non-Core Asset

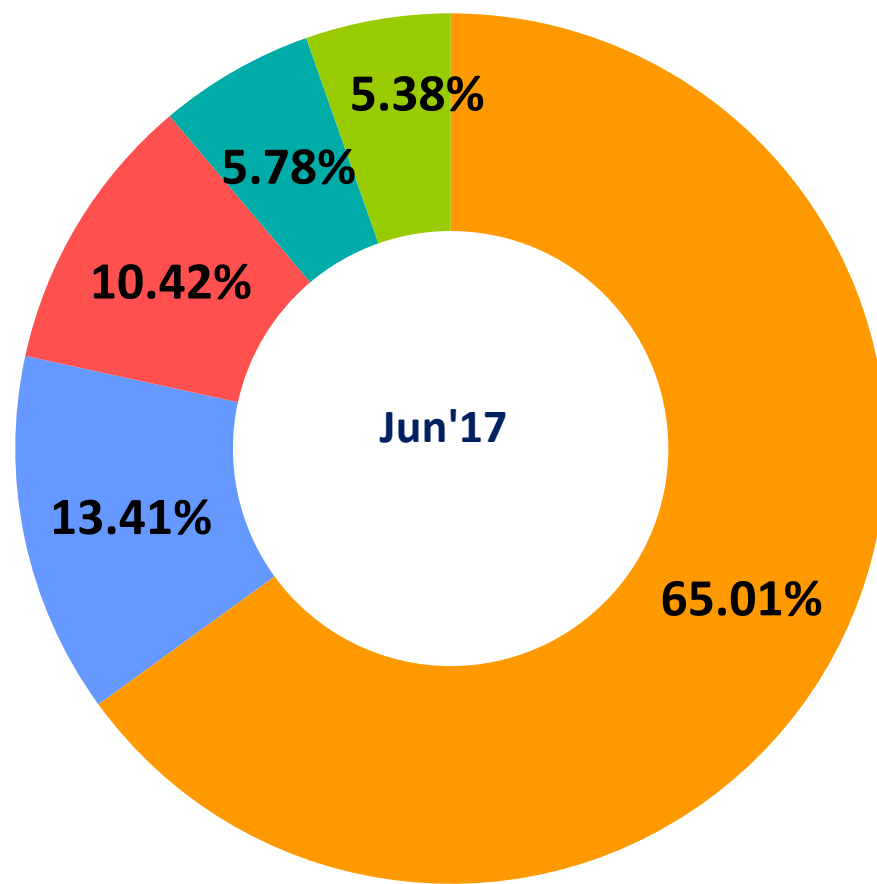
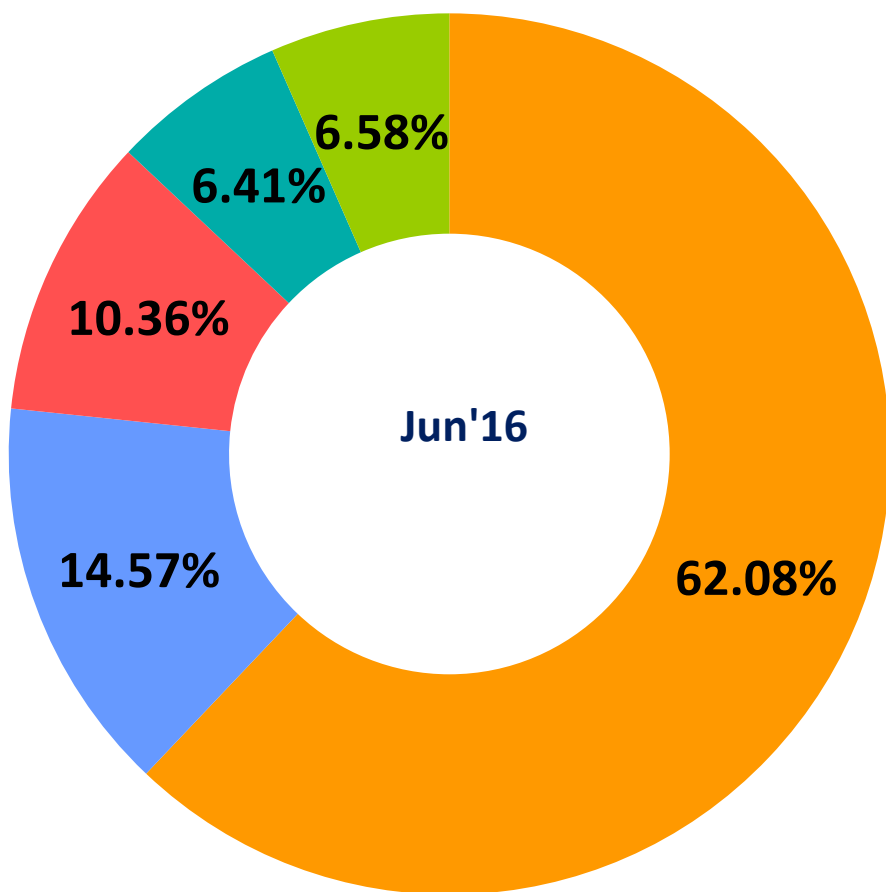
Conservation of Capital

Bank is working on Reduction in RWAs by Rebalancing Asset Portfolio

Tapping of Market for Capital

The Bank is in readiness to tap market for shoring up capital.

SHARE HOLDING PATTERN



■ GOVT. (CENTRAL/STATE)
 ■ FIIs/BANKs/INSURANCE
 ■ FIIs
 ■ MF & UTI
 ■ NON-INSTITUTIONs



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DIGITAL BANKING

Crossing new frontiers in digital transactions...



ATM

- Crossed 12.5 Cr. Txns.



Internet Banking

- Crossed 92 Lac Txns



Mobile Banking

- Crossed 35 Lac. Txns.



PoS & E-Com

- Crossed 3.21 Cr. Txns



UPI

- Crossed 12.2 Lac Txns.



Kitty

- Crossed 37000 Txns



BHIM

- Crossed 11 Lac Txns.

WAY FORWARD...

- 1. Launch of following new Digital Products in Q 2 FY'18:**
 - *'PNB eRupaya'* an in-house & trademarked product for Digital Villages adoption.
 - M-Passbook app
 - Rupay International Debit Card
 - QR code based payment system in Mobile Banking
 - Bharat Bill Payment (BBPS)
 - Co-branded mobile wallet (SpeedPay) for BSNL retailers
 - Instant Money Transfer (IMT - Acquirer)
 - VISA (non NFS) acquiring at PNB ATMs
- 2. Implementation of strategies for inculcating digital culture and its usage in daily life, among staff and customers, with focus on the common man especially in rural / Semi-urban areas**
- 3. Focus on achievement of Government's Budget of 144 crore digital transactions during this financial year**
- 4. Improvement In Digital Infrastructure with focus on 'Ease of Operation' and smoother customer experience.**



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Thank you