



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



# FINANCIAL RESULTS

## 9M / Q3 FY'18

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**Another landmark Crossed: Total Business**

**₹ 11,00,000,00,000000**

# Key Financial Highlights

**Acceleration in Credit Growth to 17%**

**CASA share 45.52% : Continues to be above 45%**

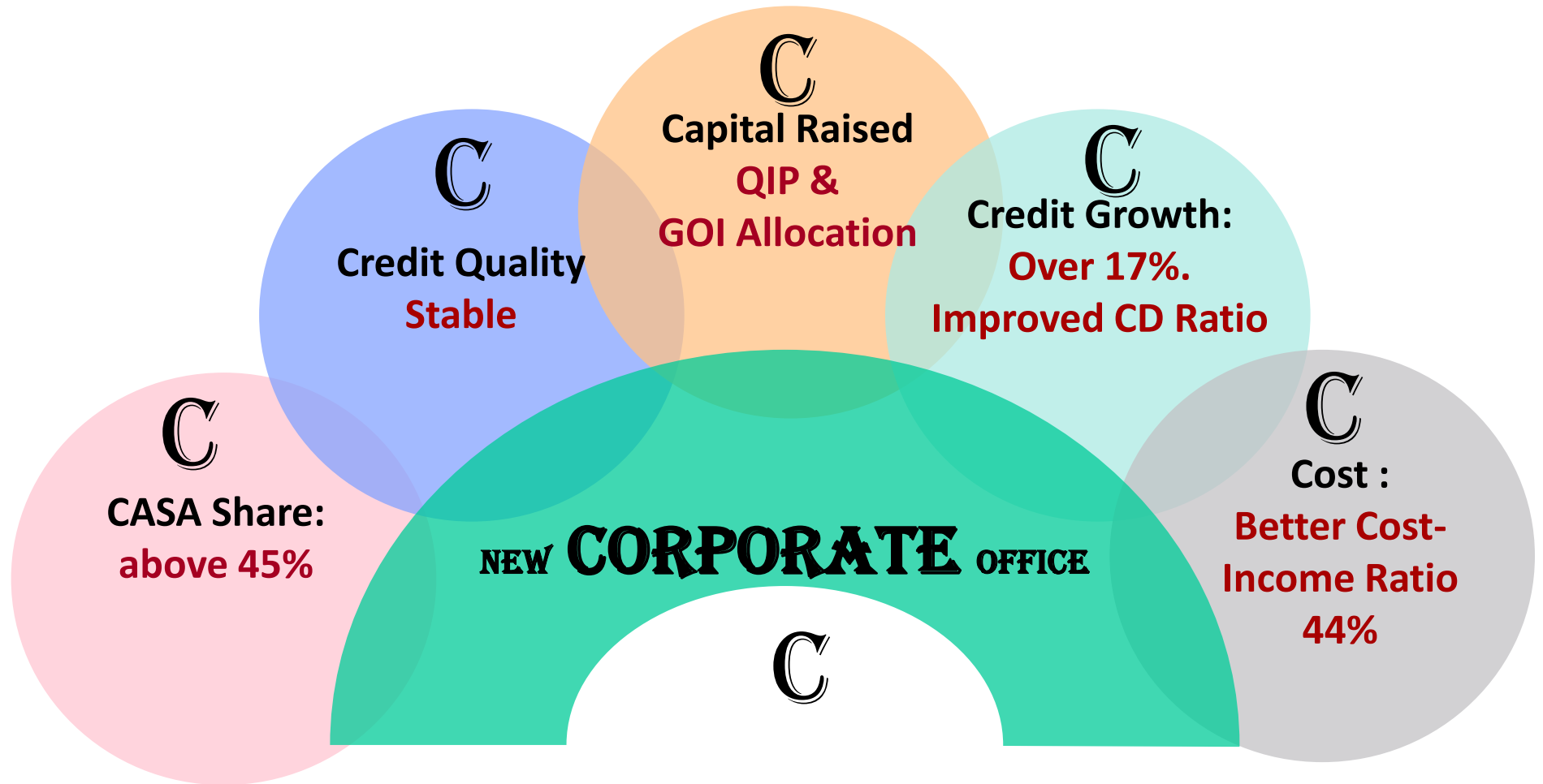
**High Operating Profit: Rs 10742 Cr. (YoY 28.9%)**

**GNPA & NNPA Ratios below Mar'17 & Sep'17**

**Increase in Provision Coverage Ratio (PCR)**

**Successfully Raised Capital Through QIP**

# 6Cs Performance



# Core Strengths of the Bank

**123 years of banking  
experience**

**Profitable  
Operations**

**62%  
RUSU Branches**

**Vast Customer Base**

**Trust of >10 cr customers**

**Higher CASA Share**

**Low Cost of  
Deposit**





# Emerging Economic & Banking Scenario

**Constantly improving Macro Economic Indicators**

**Upgradation of the Sovereign Credit Rating of India to Baa2 from Baa3 by Moody's**

**Improvement in Real GVA growth during Q2 FY 18**  
Overcoming disruptions of demonetization and GST

**Upgradation of PSU Banks' Outlook from Negative to Stable by CRISIL**

**GOI's Mega Recapitalization Plan and 'EASE' to make PSBs strong, competitive and ready to meet the credit needs of a growing economy**

**Enactment of the IBC & promulgation of the Banking Regulation (Amendment) Act. for Resolution of large stressed Assets**

# Balance Sheet - PNB Standalone

Sl.	Parameters	Dec'16	Mar'17	Dec'17	YoY Variation	
					Amt.	%
	<b>CAPITAL &amp; LIABILITIES</b>					
1	Capital	426	426	485	60	14.0
2	Reserves and Surplus	42324	41421	48512	6188	14.6
3	Deposits	612180	621704	647998	35817	5.9
4	Borrowings	43205	40763	58793	15588	36.1
5	Other Liabilities and Provisions	15840	16016	15490	-350	-2.2
	<b>Total</b>	<b>713975</b>	<b>720331</b>	<b>771278</b>	<b>57302</b>	<b>8.0</b>
	<b>ASSETS</b>					
1	Cash and Balances with RBI	27620	25210	26859	-760	-2.8
2	Balances with Banks	52139	63122	52948	808	1.6
3	Investments	221819	186725	207348	-14471	-6.5
4	Loans & Advances	385727	419493	452110	66383	17.2
5	Fixed Assets	6118	6273	6377	259	4.2
6	Other Assets	20553	19507	25636	5083	24.7
	<b>Total</b>	<b>713975</b>	<b>720331</b>	<b>771278</b>	<b>57302</b>	<b>8.0</b>

# Content

- 1 Business**
- 2 Profitability**
- 3 Treasury Operations**
- 4 Asset Quality**
- 5 Capital & Share Holding**
- 6 Digitalization**
- 7 Way Forward**



# Business Performance (Terminal Level)

Sl.	Parameters	Dec'16	Mar'17	Dec'17	YoY Variation	
					Amt.	%
1	Global Business	997907	1041197	1100108	102201	10.2
	Domestic Business	893862	935065	994940	101078	11.3
	Overseas Business (In Rs. Cr.)	104045	106132	105168	1123	1.1
	Overseas Business (In USD Mio)	15493	16366	16465	972	6.3
	Share of Overseas Business (%)	10.43	10.19	9.56		
2	Global Deposit	612180	621704	647998	35817	5.9
	Gross Advances	406042	441751	474952	68910	17.0
3	Global Net Advances	385727	419493	452110	66383	17.2
4	CD Ratio [%]	63.01	67.47	69.77		
5	CASA Deposits	262775	260016	267685	4909	1.9
6	Saving Deposits	221997	214163	223832	1835	0.8
7	CASA Share (%)	47.09	45.97	45.52		

# Business Performance (Daily Average Basis)

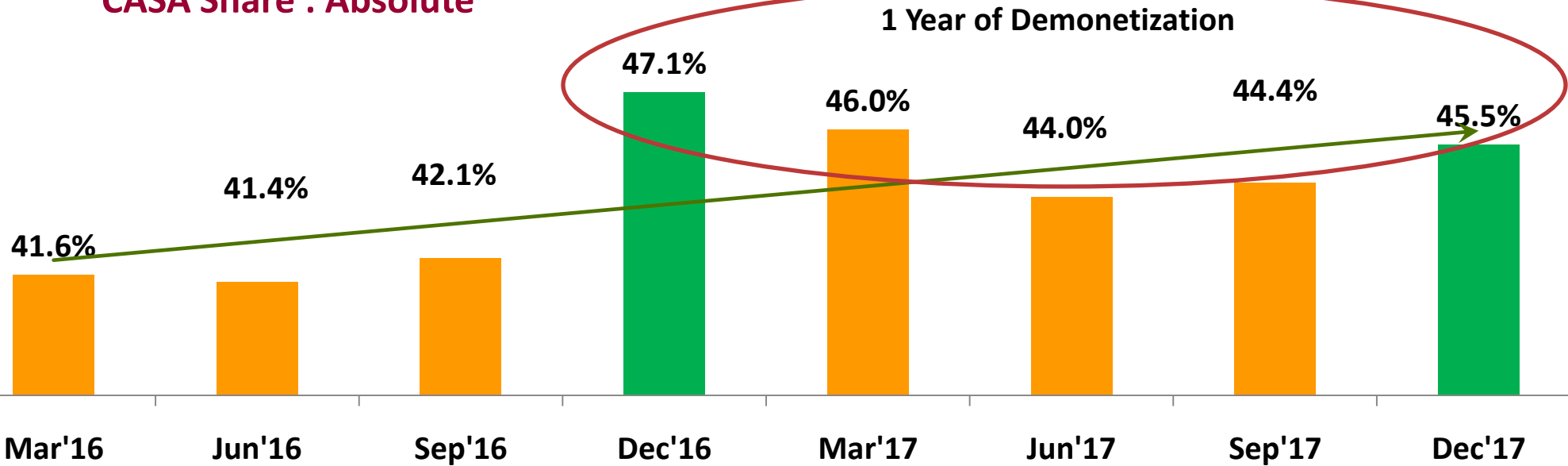
Sl.	Parameters	Dec'16 (9M)	Mar'17 (FY)	Dec'17 (9M)	YoY Variation	
					Amt.	%
1	Global Business	928442	938457	1002705	74263	8.0
	Domestic Business	818700	831673	905479	86779	10.6
	Overseas Business	109742	106784	97226	-12516	-11.4
	Share of Overseas Business (%)	11.82	11.38	9.70		
2	Global Deposit	552340	561543	609866	57525	10.4
	Gross Advances	396566	397341	415402	18837	4.7
3	Global Net Advances	376101	376914	392839	16738	4.5
4	CASA Deposits	201840	211211	239341	37502	18.6
5	Saving Deposits	177809	185805	210677	32868	18.5

# Business Performance - Deposits

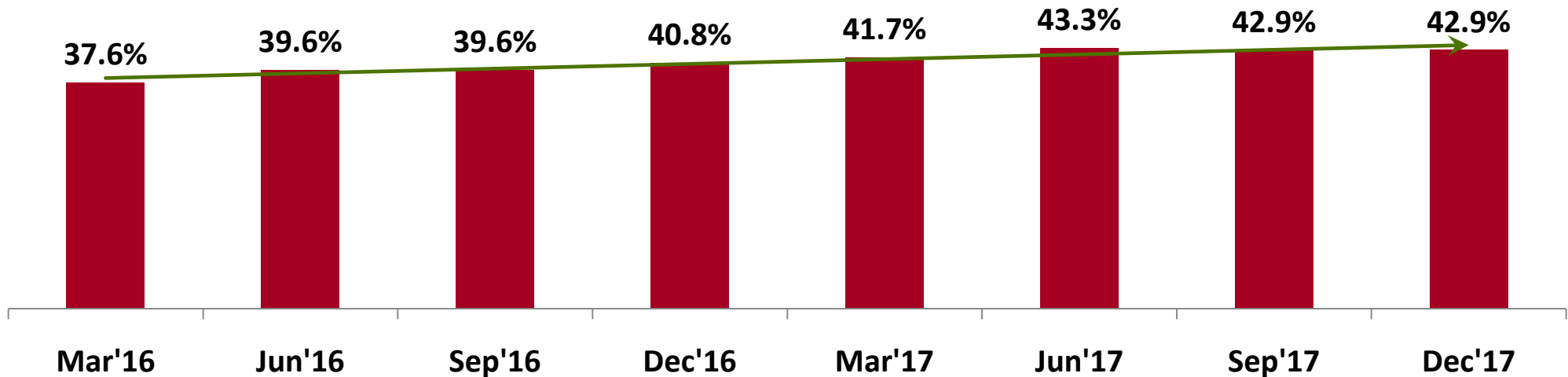
Sl.	Parameters	Dec'16	Mar'17	Dec'17	YoY Variation	
					Amt.	%
1	Global Deposit	612180	621704	647998	35817	5.9
2	Domestic Deposit	557980	565573	588027	30046	5.4
3	Overseas Deposit	54200	56131	59971	5771	10.6
4	CASA Deposit	262775	260016	267685	4909	1.9
5	Current Deposit	40778	45853	43853	3075	7.5
6	SB Deposit	221997	214163	223832	1835	0.8
	<i>Share of CASA To Dom. Dep. (%)</i>	47.09	45.97	45.52		
7	Term Deposit	349405	361688	380313	30908	8.8

# Sustained CASA

## CASA Share : Absolute



## CASA Share-Average



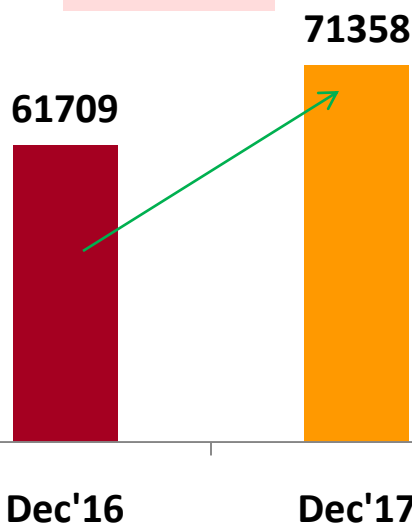
# Credit

Sl.	Parameters	Dec'16	Mar'17	Dec'17	YoY Variation	
					Amt.	%
1	Global Gross Advances	406042	441751	474952	68910	17.0
2	Overseas Advances	49845	50001	45197	-4648	-9.3
3	Domestic Advances	356197	391750	429755	73558	20.7
3a	Large Industry	121103	124558	133797	12694	10.5
3b	Agriculture & Allied	61709	66675	71358	9649	15.6
3c	MSME	78933	81592	88587	9654	12.2
3d	Retail Loans	61035	65982	74582	13547	22.2

# Small Ticket Advances – Classification

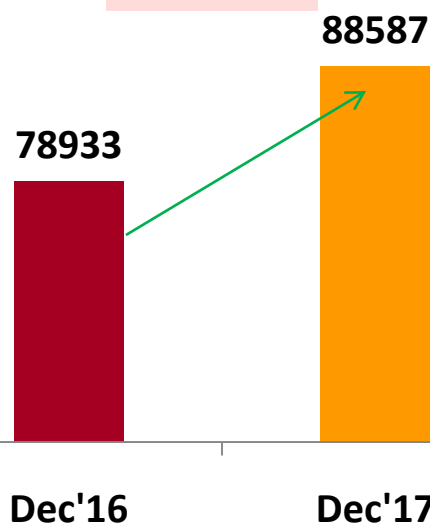
## Agriculture

YoY: 15.6%



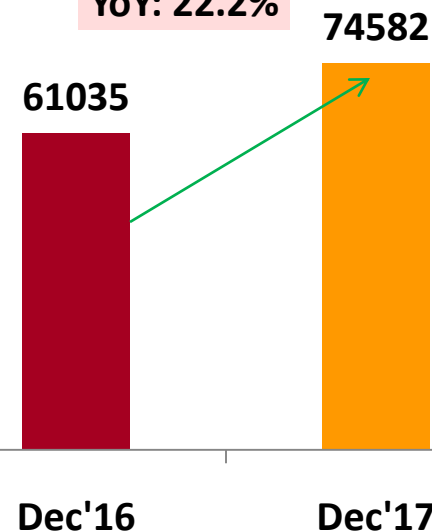
## MSME

YoY: 12.2%



## Retail

YoY: 22.2%



### Composition of Retail Advances

Components	Dec'16	Dec'17	% Share in Total	YoY %
Housing	33102	40489	54.3	22.3
Car/Vehicle	5155	5988	8.0	16.2
Education	4875	5483	7.4	12.5
Others	17903	22622	30.3	26.4
<b>Total Retail</b>	<b>61035</b>	<b>74582</b>	<b>100</b>	<b>22.2</b>

### Performance Under National Goals

Parameter	National Goals	Dec'17	
		Ach.	O/S
Priority Sector			
Priority Sector*	40%	44.1%	154005
Total Agriculture Adv.*	18%	20.4%	71358
Small & Marginal Farmers*	8%	9.5%	33233
Other National Goals			
Micro Enterprises a/cs #	10%	18.1%	812354
Credit to Micro Entrp.*	7.50%	8.11%	28309

\* (%age of ANBC) # YoY growth



# Content

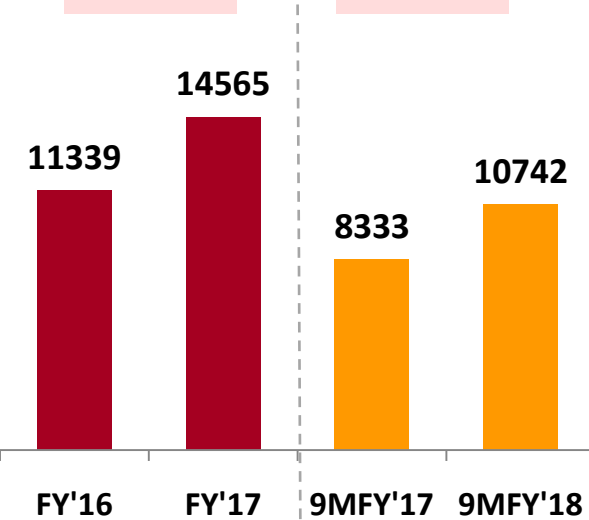
- 1 Business
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# Improving Operating Performance

## Operating Profit

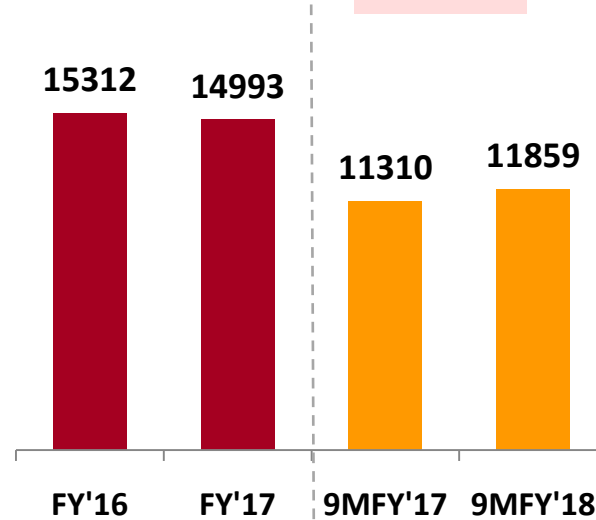
YoY: 28.4%

YoY: 28.9%

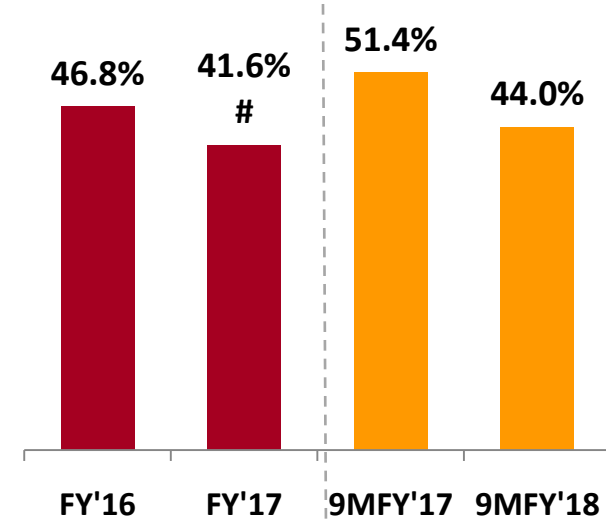


## Net Interest Income

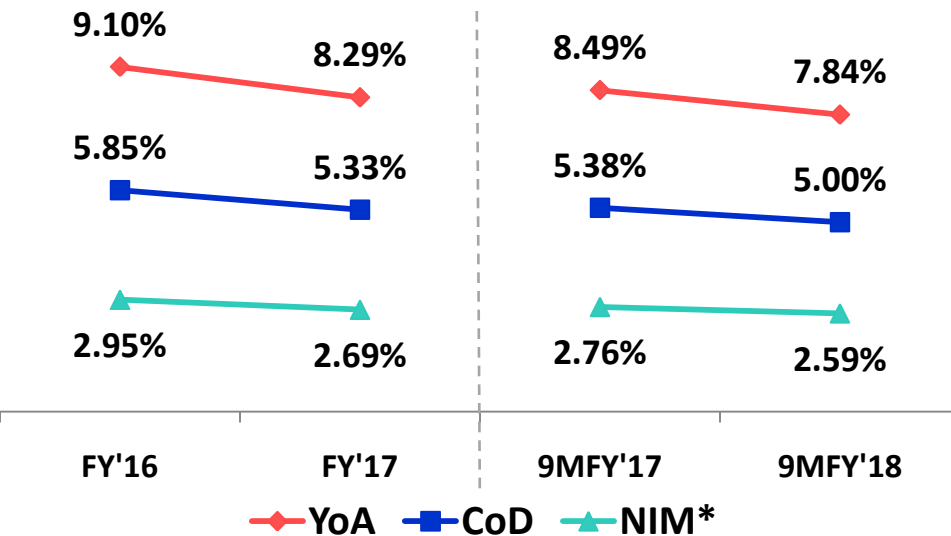
YoY: 4.9%



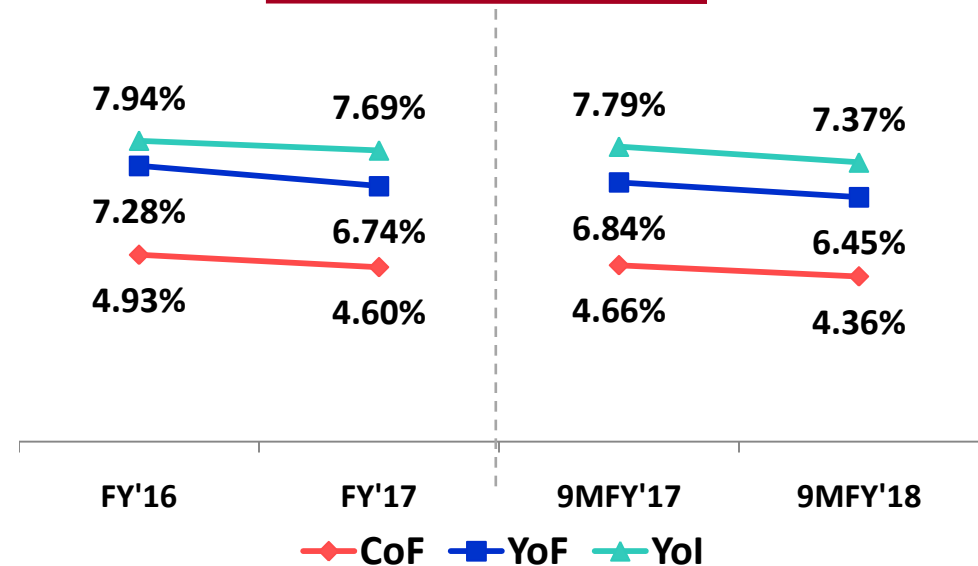
## Cost to Income Ratio



## YoA , CoD & NIM\*



## CoF , YoF & YoI



# Profit

Sl.	Parameters	Q3' FY 17	Q2' FY 18	Q3' FY 18	YoY Gr. %		9M Dec'16	9M Dec'17	YoY Gr. %
1	Interest Income	11984	12299	12175	1.6		35389	36611	3.5
2	Interest Expenses	8253	8284	8187	-0.8		24080	24752	2.8
3	NII (Spread) (1-2)	3731	4015	3989	6.9		11310	11859	4.9
4	Other Income	2140	1906	3082	44.0		5849	7320	25.2
5	Operating Income (3+4)	5871	5921	7071	20.4		17158	19179	11.8
6	Operating Expenses	3090	2642	2826	-8.6		8825	8437	-4.4
7	Burden (6-4)	950	736	-256	-127.0		2976	1117	-62.5
8	Operating Profit (3-7)	2781	3279	4245	52.7		8333	10742	28.9
9	Provisions	2574	2718	4015	56.0		7270	9607	32.1
10	Net Profit	207	561	230	11.1		1063	1134	6.7

# Provisions

Sl.	Parameters	Q3' FY 17	Q2' FY 18	Q3' FY 18	YoY Gr. %	9M Dec'16	9M Dec'17	YoY Gr. %
1	Provision towards NPAs	2990	2694	2996	0.2	7793	8250	5.9
2	Standard Advances incl. Standard Restructured	-393	-268	159	-	-1282	-404	-
3	Depreciation on Investment	130	84	1075	727.1	279	1401	402.2
4	Income Tax	11	278	-452	-	470	91	-80.6
5	Others	-164	-70	235	-	10	269	-
6	Total Provision	2574	2718	4015	56.0	7270	9607	32.1

# Net Interest Income

Sl.	Parameters	Q3' FY 17	Q2' FY 18	Q3' FY 18	YoY Gr. %	9M Dec'16	9M Dec'17	YoY Gr. %
1	Interest Income (2+3+4)	11984	12299	12175	1.6	35389	36611	3.5
2	Interest on Advances	8263	8058	8219	-0.5	25240	24422	-3.2
3	Interest on Investments	3372	3527	3546	5.2	9067	10477	15.6
4	Other Interest Income	349	714	410	17.4	1083	1712	58.1
5	Total Interest Paid (6+7+8)	8253	8284	8187	-0.8	24080	24752	2.8
6	Intt. Paid on Deposits	7667	7631	7623	-0.6	22275	22884	2.7
7	Intt. Paid on Borrowings	42	133	48	13.5	189	301	58.7
8	Others	544	520	516	-5.2	1616	1568	-2.9
9	NII (Spread) (1-5)	3731	4015	3989	6.9	11310	11859	4.9

# Fee Based Income Composition

Sl.	Parameters	Q3' FY 17	Q2' FY 18	Q3' FY 18	YoY Gr. %	9M Dec'16	9M Dec'17	YoY Gr. %
1	Processing Fees	106	133	99	-6.3	596	608	2.0
2	LC/LG Income	183	191	192	4.9	533	607	13.9
3	Bills & Remittance	107	102	105	-1.9	330	315	-4.5
4	Incidental Charges	118	69	88	-25.8	190	212	11.4
5	Income from Ins & MF	34	44	50	46.2	90	128	41.9
6	Govt. Business	23	34	17	-25.5	71	68	-4.1
7	Misc Fee Income	338	278	311	-8.0	730	848	16.0
8	Exchange Profit	145	73	204	40.5	437	545	24.8
	<b>Fee Based Income</b>	<b>1055</b>	<b>924</b>	<b>1066</b>	<b>1.1</b>	<b>2977</b>	<b>3330</b>	<b>11.8</b>



# Profitability Ratios

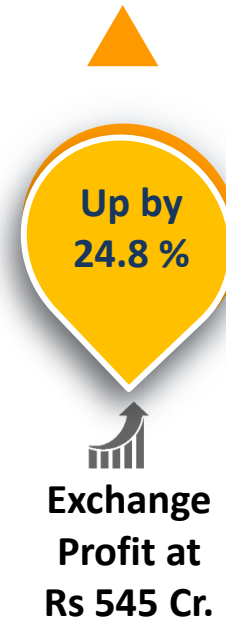
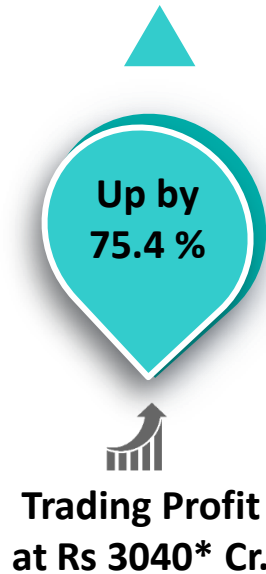
Sl.	Parameters	Q3' FY 17	Q2' FY 18	Q3' FY 18		9M Dec'16	9M Dec'17
1	Return on Assets [%]	0.12	0.30	0.12		0.21	0.20
2	Return on Net worth [%]	2.13	5.60	2.03		3.64	3.34
3	Opt. Profit to AWF [%]	1.55	1.74	2.21		1.61	1.89
4	Cost to Income Ratio [%]	52.63	44.62	39.96		51.43	43.99
5	Opt. Exp. To AWF [%]	1.72	1.40	1.47		1.71	1.49
6	Book Value per Share [Rs]	183.19	188.23	186.73		183.19	186.73
7	Earnings per share [Rs]	3.89	10.54	4.21		6.99	7.04

# Content

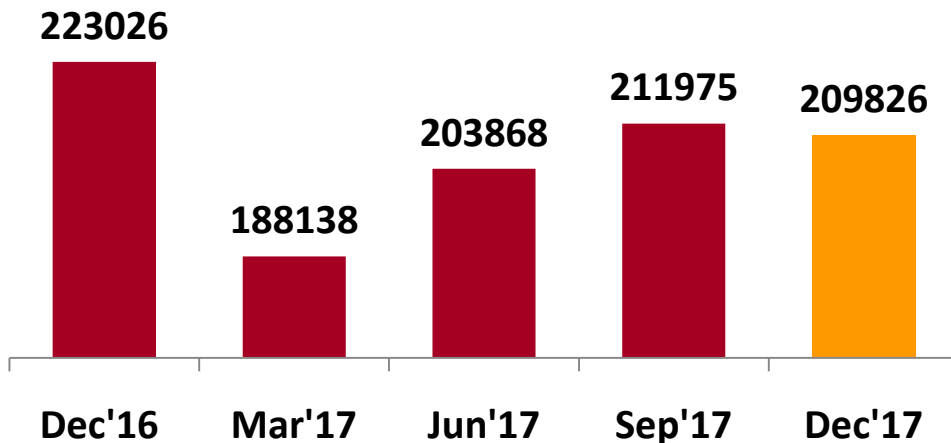
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# Treasury Performance (9 Months)

## Highlights



## Investment Portfolio



Sl.	Parameters	Dec'16	Mar'17	Dec'17
1	Domestic Investment	218537	183297	204365
	SLR	180943	144417	152556
	Non SLR	37594	38880	51809
	Held To Maturity	115462	116117	120158
	Available For Sale	102744	65606	83969
	Held For trading	331	1574	238
2	Investment by Overseas Branches	4489	4841	5461
3	Global Investment	223026	188138	209826

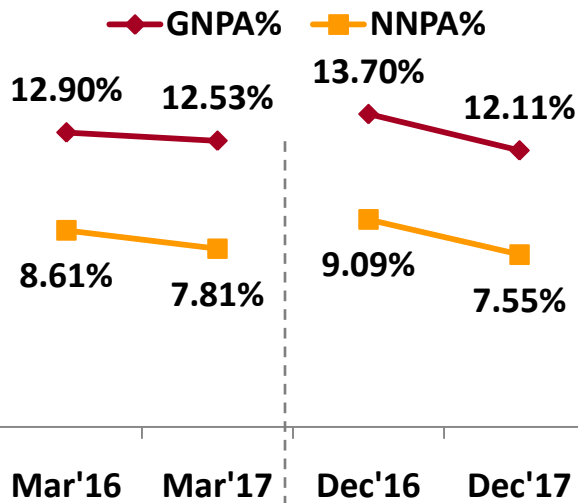
(\*including trading profit of Rs. 1231 cr from stake sale in PNBHFL)

# Content

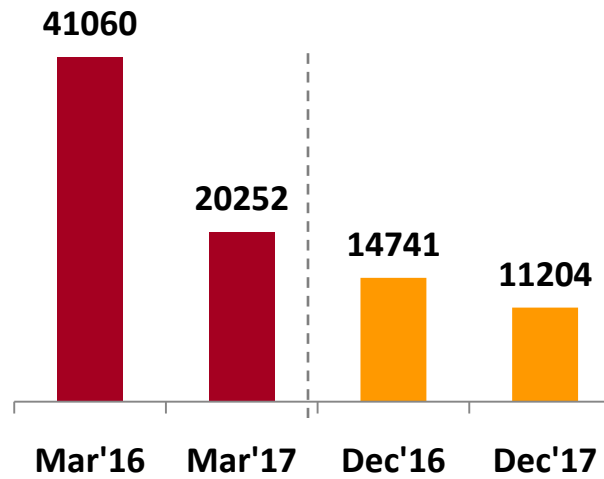
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# Focus on Portfolio Quality

GNPA and NNPA (%)



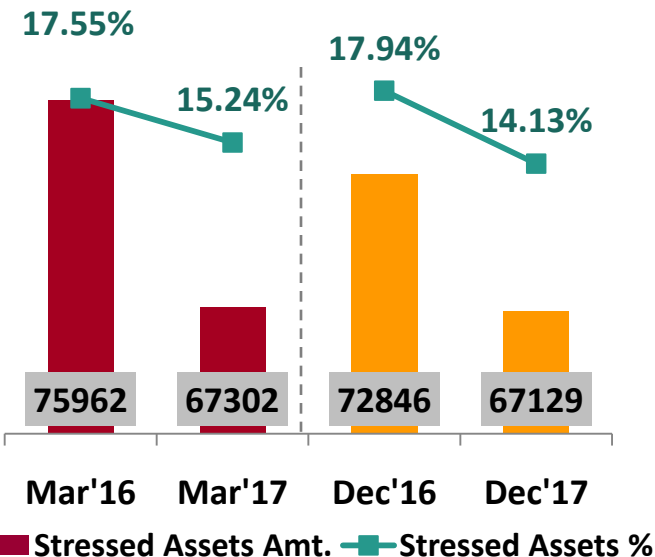
Fresh Slippages



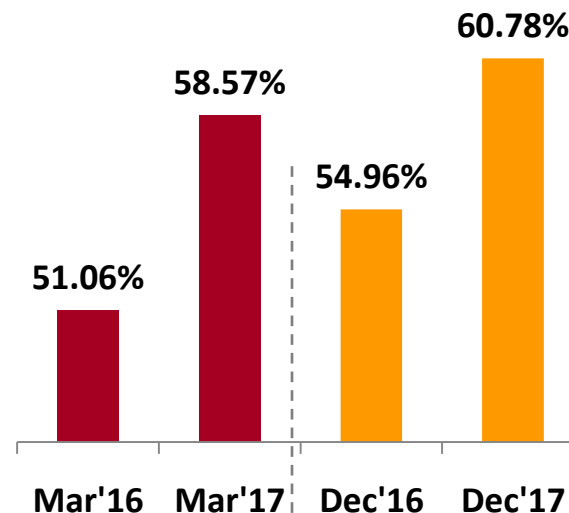
Driven by Focused Strategy towards Recovery and Control on Fresh Slippages

- Creation of war rooms to recover, monitor and control, slippages in weak accounts and NPA

Stressed Advances



PCR (%)



- Key member and active participant in all IBC processes

- Instituted one-time settlement mechanism for small ticket size loans

# Stable Asset Quality

Sl.	Parameters	Dec'16	Mar'17	Dec'17
1	NPA as at the beginning of Yr.	55818	55818	55370
2	-Cash Recovery	9283	10677	3720
3	-Upgradation	2480	2981	1286
4	-Write Off	6556	9205	6128
5	Total Reduction (2+3+4)	18319	22863	11134
6	Fresh Addition	18128	22415	13283
	-Fresh slippages	14741	20252	11204
	-Debits in existing NPA A/cs	3387	2163	2079
7	Gross NPAs end period	55628	55370	57519
8	Eligible Deductions incl. Provisions	20634	22668	23444
9	Net NPAs	34994	32702	34076
10	Recovery in written-off debt A/Cs	1056	2133	822
Sl.	Particulars	Dec'16	Mar'17	Dec'17
11	Gross NPA (%)	13.70	12.53	12.11
12	Net NPA (%)	9.09	7.81	7.55
13	Provision Coverage Ratio (%)	54.96	58.57	60.78

## Quarter on Quarter Movement:

GNPA maintained at Rs. 57519 cr. in Dec'17 vis-a-vis Rs. 57630 cr. in Sep'17.

NNPA maintained at Rs. 34076 cr. in Dec'17 vis-a-vis Rs. 34570 cr. in Sep'17.



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# Capital Adequacy (Basel III)

Dec'17

CRAR  
11.58%

Tier I  
(9.15%)

CET  
(8.05%)

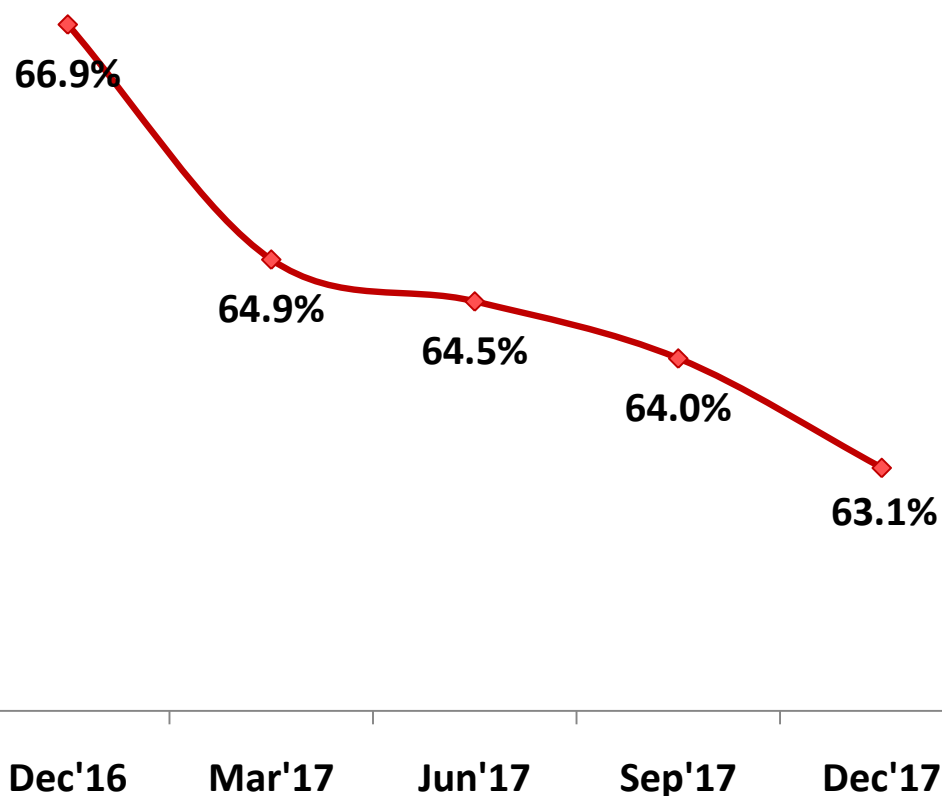
AT I  
(1.11%)

Tier II  
(2.43%)

Sl.	Parameters	Dec'16	Mar'17	Dec'17
1	Tier I	38912	40575	45058
	Common Equity	36569	35845	39616
	Additional Tier I	2343	4730	5442
2	Tier II	12258	12534	11954
3	Total (Tier I+II)	51170	53109	57012
4	Risk-weighted Assets	440424	455608	492407
1	Tier I	8.84%	8.91%	9.15%
	Common Equity	8.31%	7.87%	8.05%
	Additional Tier I	0.53%	1.04%	1.11%
2	Tier II	2.78%	2.75%	2.43%
3	Total (Tier I+II)	11.62%	11.66%	11.58%

# Capital optimization and conservation

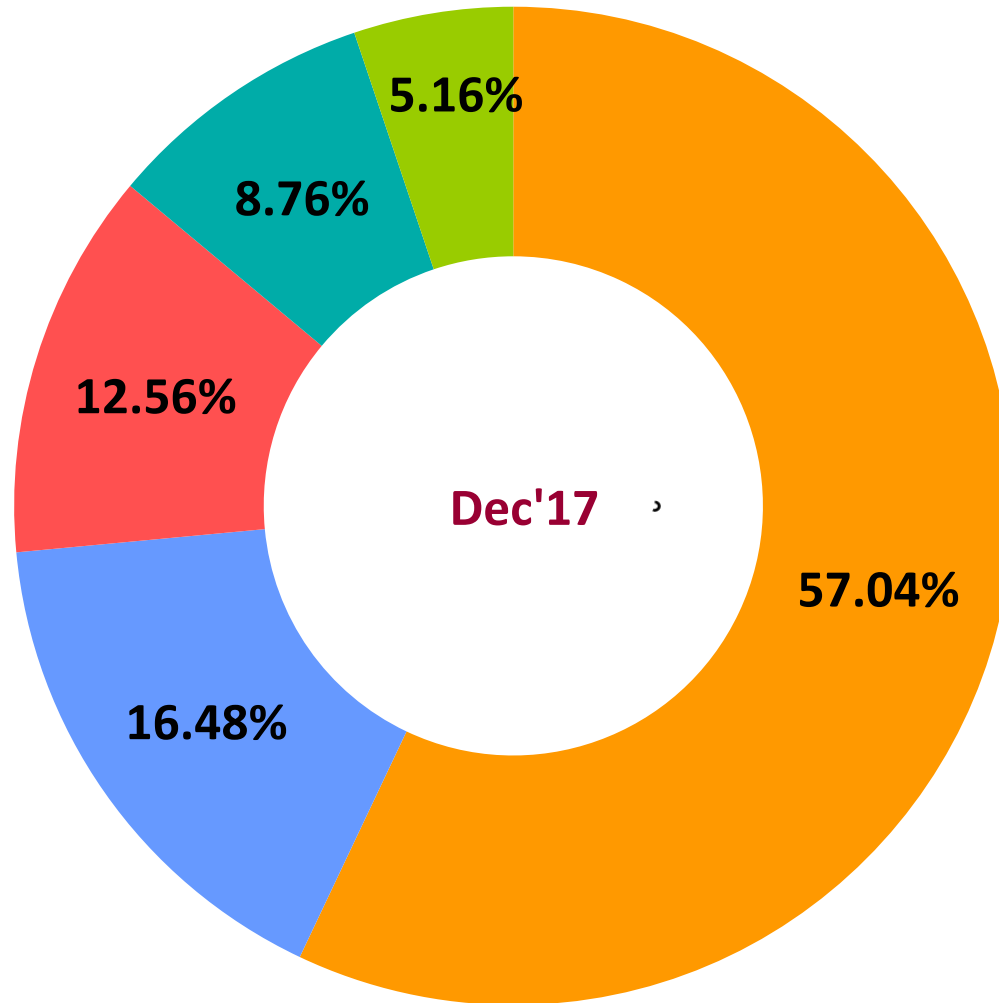
## Improving Credit RWAs Density



## Capital Optimization

1. Bank has dedicated teams to manage credit, market, operational, liquidity risk and other Pillar-II risks.
2. Bank has in-house developed comprehensive rating and scoring system, which are being used for last 10 years and are being regularly validated.
3. For monitoring the health/conduct of borrowal accounts, Bank has developed a tool called Preventive Monitoring System (PMS) for detection of early warning signals.
4. Bank has developed and implemented Risk Adjusted Return on Capital (RAROC) framework, which helps the Bank in selecting those accounts which adds value to the Bank.
5. Control on RWA density while maintaining credit growth. Credit RWA density of domestic loan book has reduced from 66.9% as on 31.12.2016 to 63.1% as on 31.12.2017.

# Share holding Pattern



GoI

FIs/BANKs/INSURANCE

FIs

MF

NON-INSTITUTIONS

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# Digital Footprints



**BHIM**  
Crossed 7.8 Lac  
users



**Debit card**  
Crossed 6 Cr. users



**ATM**  
Total 9598 ATMs



**Digital Marketing**  
through Social  
Media



**Internet Banking**  
Crossed 1.2 cr. users



**Mobile Banking**  
Crossed 1 cr. users



**BHIM PNB**  
Crossed 7 Lac users



**PNB E-RUPAYA**  
Solution in Villages



# Digital Footprints

## New Initiatives

**One Statement per Customer:** Monthly E-Statement of all accounts of a customer is being provided on the basis of Customer ID in place of account number.

**SMS based facility:** It facilitates new customers to give Debit Card request via SMS (DEBCARD<16 digits account number> to 5607040.

**Auto issuance of Debit Cards in PMJDY accounts:** Debit Cards are now being issued centrally in all PMJDY accounts and cards are being dispatched to customer's registered address.

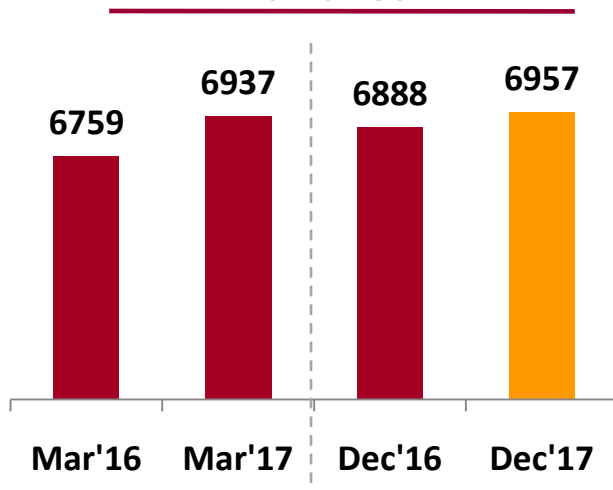
**UPI in MBS:** UPI services have been embedded in PNB mBanking application for mobile banking users. It facilitates mobile banking users to use UPI channel for making payments in mobile banking application.

## Future Plans

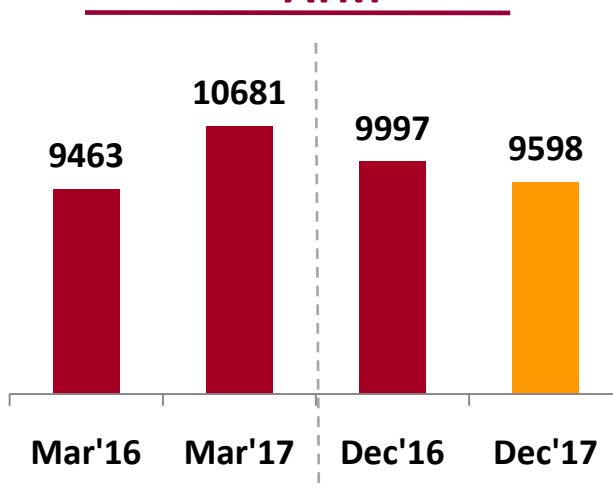
- Establishing “Digital” branches to provide “Digital only” Banking.
- Launching multiple flavour debit cards like image card, Multi-currency card and continue migration of magstripe card to EMV cards, covering 90% of customers by 31-03-18.
- Integration of Internet Banking with UPI.
- Expanding Digitalization using Artificial Intelligence (AI), ChatBot technologies.

# Branch & ATM Network -pan India Presence

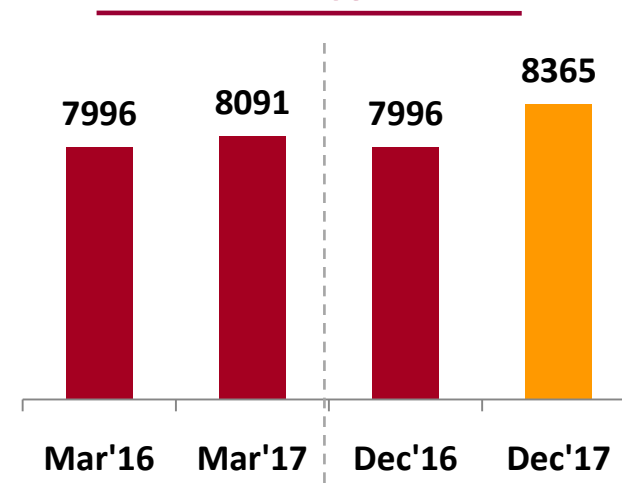
## Branches



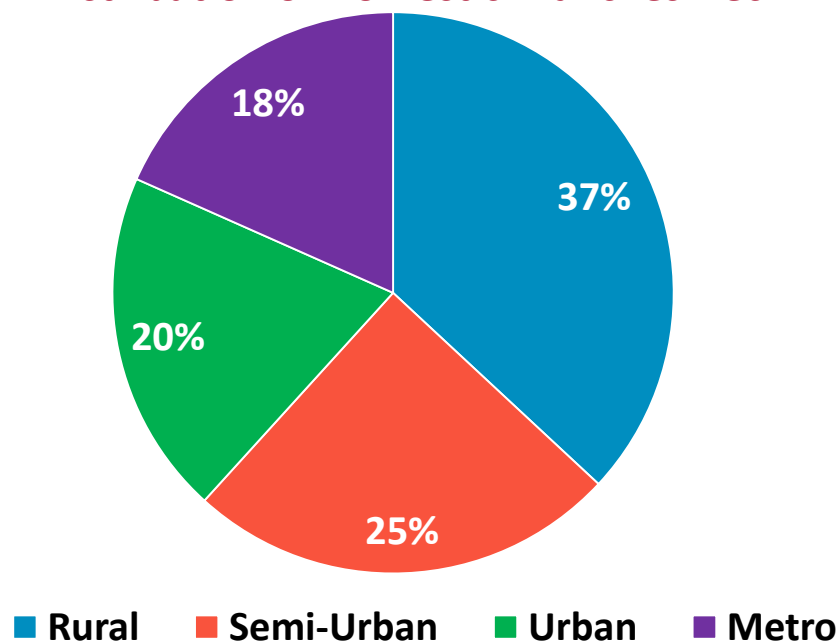
## ATM



## BCs



## Distribution of Domestic Branches Dec'17



## Overseas Presence

Type of Office	Destination
Branches (3)	Hong Kong , Dubai, Mumbai.
Subsidiary (2)	PNBIL, UK (7 branches), DRUK PNB Ltd., Bhutan (7 Branches)
Joint Venture (1)	Everest Bank Limited, Kathmandu, Nepal (61 Branches), One Associate at JSC Tengri Bank, Kazakhstan (6 Branches)
Representative Office (4)	Shanghai(China), Dubai (UAE), Sydney (Australia), Dhaka (Bangladesh)

# People Development

## Decision Support System



Reverse Mentoring concept for Select General Managers is implemented as a tool of Decision support system and knowledge sharing . Proficiency Database was introduced to capture the functional expertise of scale V Officers in various roles/profiles.

## Performance Management



- To initiate global HR practices for talent & performance management, increasing employee engagement and ultimately enhancing productivity, project “HR Optimization for Enhancing Productivity” is in place.
- Employees’ KRAs on Digitalization have been assigned with enhances weightage.
- 360° feedback of employees is solicited from seniors, peer and junior employees as the competency of the employees based on Competency & framework already in place in the Bank.

## Learning



PNB Navodaya, the On-boarding and Mentoring program continues to provide Orientation and Nurturing with the aim to achieve greater productivity and job satisfaction with positive work environment. At present more that 5000 employees are being mentored under this program.

## Employees Engagement Initiatives



Other employee engagement initiatives i.e. Employee Survey, Diversity Seminar, Conclaves are also being done.

New Ideation Portal has been created for employees’ suggestion to invite the fresh idea.

# Awards for Excellence

1

**Vigilance Excellence Award 2017**  
for Outstanding Contribution in  
the category of Timely  
Completion of Disciplinary  
Proceedings for 2016 from CVC.

2

**National Award in SHG-Bank  
Linkage for 2017** under Large  
Category Bank by Ministry of  
Rural Development, Gol.

3

**IT Innovation & Excellence Award  
2017** for Best Bank in terms of  
Information Security  
Implementation by Computer  
Society of India, Mumbai Chapter.



**National Payments  
Excellence Awards 2016**  
by Aadhaar Enabled  
Payments System (AEPS) by  
(NPCI).

**Best MSME Bank Award**  
under Large Banks  
Category by Chamber of  
Indian MSME.

**Best Public Sector Bank-Govt.**  
Scheme participation (PMMY)  
for the Dun & Bradstreet  
Banking Awards 2017.

**Corporate Vigilance  
Excellence Award  
FY'17** by Institute of  
Public Enterprises.

4

5

6

7

# Content

- 1 Business
- 2 Profitability
- 3 Treasury Operations
- 4 Asset Quality
- 5 Capital & Share Holding
- 6 Digitalization
- 7 Way Forward

# PNB Drives 'EASE' through 'PARIVARTAN'

GOI's 'EASE'

Responsive & Responsible Banking

PNB's 'PARIVARTAN'

Transforming People, Processes & Products (PPP)



'EASE'	'PARIVARTAN'
<b>Outcome of EASE is Profit</b>	
Customer Responsiveness	Turn Around Time & Ambience
Responsible Banking	Asset Quality Recovery Vigilant
Credit Off-take	Increase Credit & Retail Business
UdyamiMitra for MSMEs	
Deepening financial Inclusion & Digitalization	Alternate Delivery Channels
Ensuring Outcomes - Governance/HR	HR & Digital are pivots of PARIVARTAN



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*Thank you!!!*