



punjab national bank

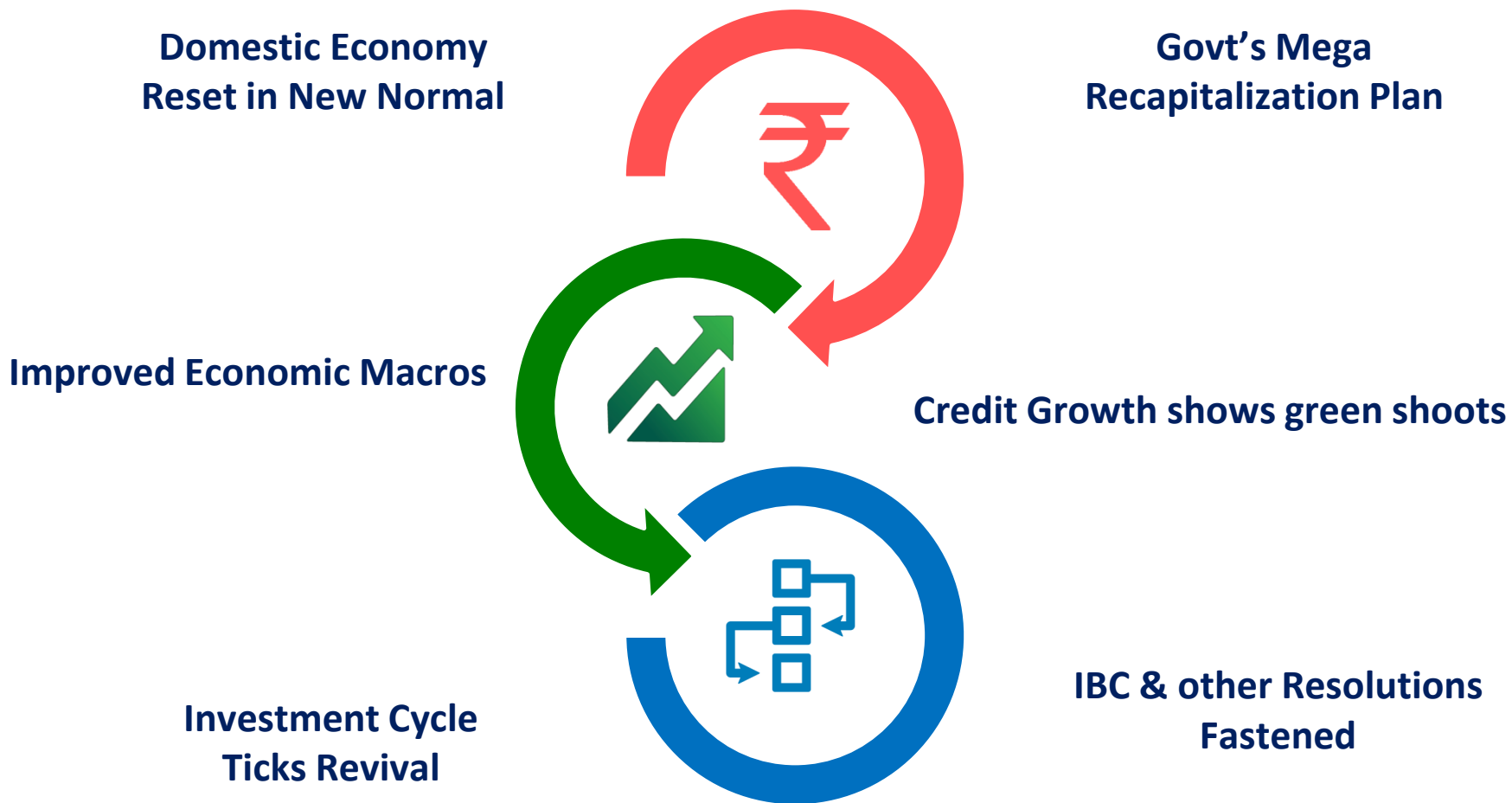
...the name you can BANK upon !

FINANCIAL RESULTS

HY 1 / Q2 FY'18

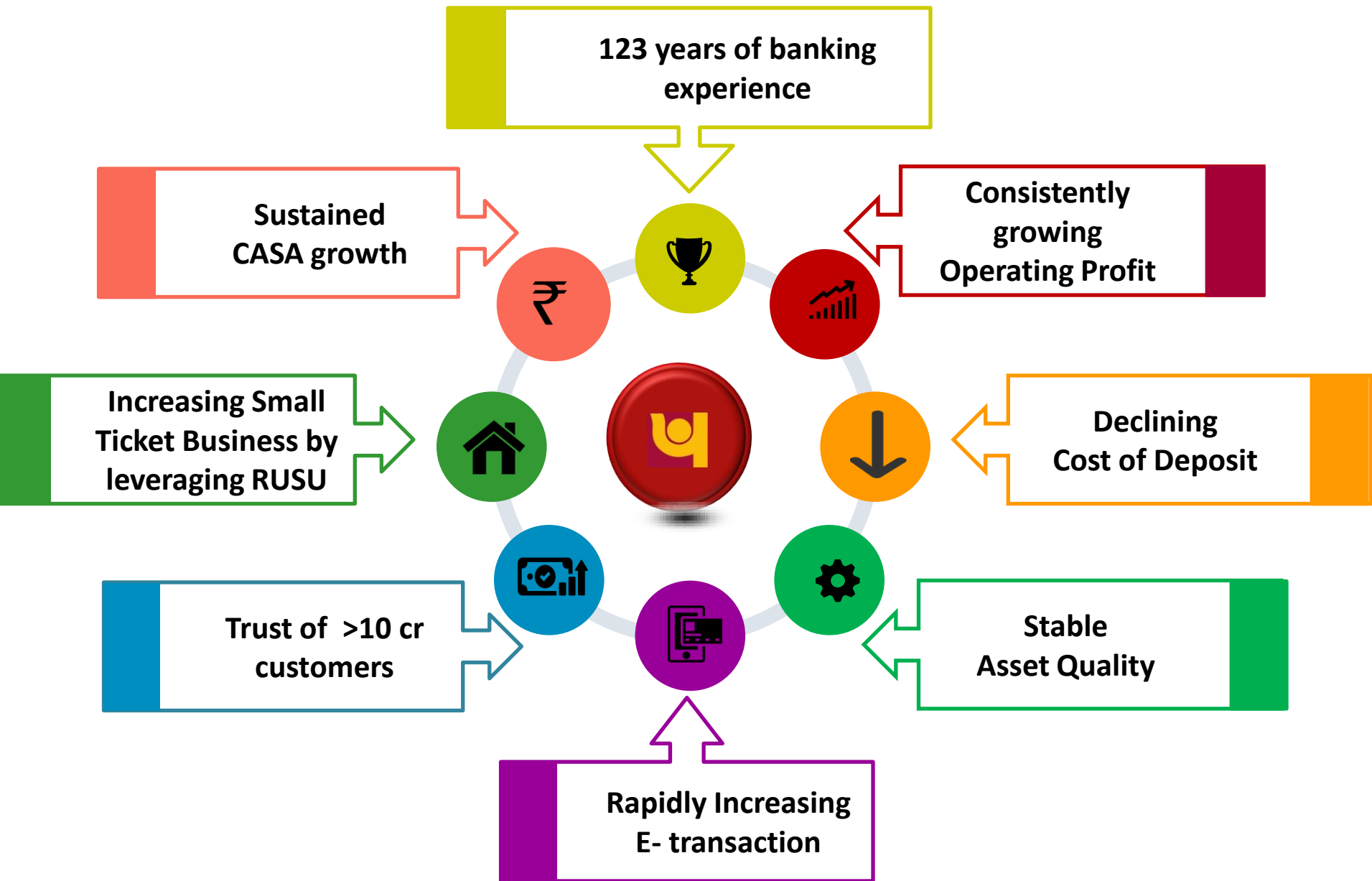


EMERGING ECONOMIC & BANKING SCENARIO





CORE STRENGTHS OF THE BANK

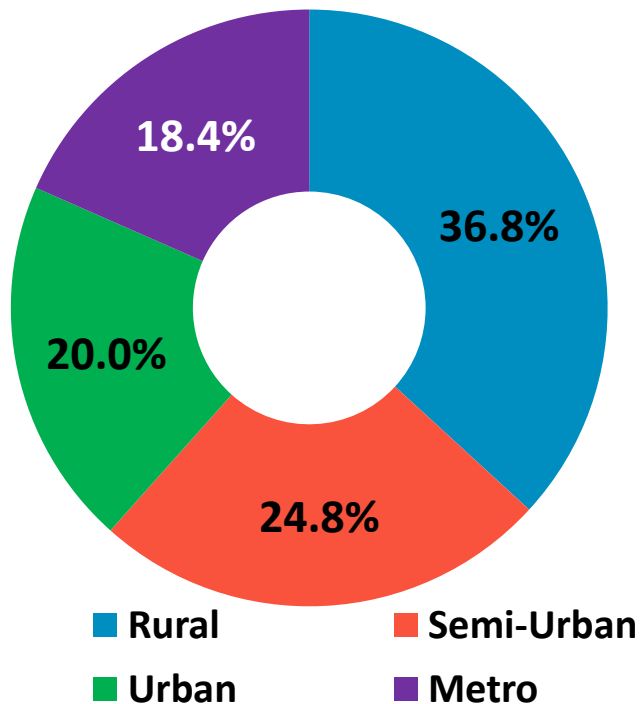




BRANCH & ATM NETWORK SEPT.'17-PAN INDIA PRESENCE



% Share of Branches



Overseas Presence

Type of Office	Destination
Branches (4)	Hong Kong Main, Kowloon Hong Kong, DIFC, Dubai, Mumbai.
Subsidiary (2)	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 AS ON SEPTEMBER '17

Domestic Business growth 10.9%

Dom. Credit Growth 8.3%

Retail Advances Growth 15.9%

Robust CASA growth 18.8%

Fee Based Income HY Growth 17.8%

PCR improved from 53.32% to 59.23% YoY

Stable Asset Quality

Cost to Income Ratio improved from 51.96% to 44.62% YoY

BALANCE SHEET - PNB STANDALONE

Rs. Cr.

Sl.	Parameters	Sep'16	Mar'17	Sep'17	YoY Variation	
					Amt.	%
CAPITAL & LIABILITIES						
1	Capital	426	426	426	-	-
2	Reserves and Surplus	42097	41421	43348	1251	3.0
3	Deposits	574884	621704	636208	61324	10.7
4	Borrowings	36805	40763	36350	-455	-1.2
5	Other Liabilities and Provisions	15935	16016	15784	-151	-0.9
	Total	670146	720331	732116	61969	9.2
ASSETS						
1	Cash and Balances with RBI	23819	25210	26492	2673	11.2
2	Balances with Banks	56042	63122	55779	-263	-0.5
3	Investments	171514	186725	210571	39057	22.8
4	Loans & Advances	393731	419493	410266	16535	4.2
5	Fixed Assets	6154	6273	6456	302	4.9
6	Other Assets	18887	19507	22553	3666	19.4
	Total	670146	720331	732116	61969	9.2



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BUSINESS PERFORMANCE - MAJOR COMPONENTS

Rs. Cr.

(TERMINAL LEVEL)

Sl.	Parameters	Sep'16	Mar'17	Sep'17	YoY Variation	
					Amt.	%
1	Global Business	968615	1041197	1046474	77859	8.0
	Domestic Business	853954	935065	946951	92997	10.9
	Overseas Business	114661	106132	99523	-15138	-13.2
	Overseas Business (In USD Mio)	16981	16366	15244	-1736	-10.2
	Share of Overseas Business (%)	11.84	10.19	9.51		
2	Global Deposits	574884	621704	636208	61324	10.7
	Gross Advances	414206	441751	432987	18781	4.5
3	Global Net Advances	393731	419493	410266	16535	4.2
4	CD Ratio (%)	68.49	67.47	64.49		
5	CASA Deposits	216224	260016	256855	40631	18.8
6	Saving Deposits	180147	214163	217798	37651	20.9
7	CASA Share Domestic (%)	42.10	45.97	44.38		

**BUSINESS PERFORMANCE - MAJOR COMPONENTS**

Rs. Cr.

(DAILY AVERAGE BASIS)

Sl.	Parameters	Sep'16 (HY)	Mar'17 (FY)	Sep'17 (HY)	YoY Variation	
					Amt.	%
1	Global Business	916804	938457	990312	73508	8.0
	Domestic Business	807062	831673	895493	88431	11.0
	Overseas Business	109742	106784	94819	-14923	-13.6
	Share of Overseas Business (%)	11.97	11.38	9.57		
2	Global Deposits	539739	561543	603885	64146	11.9
	Gross Advances	397523	397341	408911	11388	2.9
3	Global Net Advances	377065	376914	386427	9362	2.5
4	CD Ratio [%]	69.86	67.12	63.99		
5	CASA Deposits	190988	211211	237228	46240	24.2
6	Saving Deposits	168326	185805	208825	40499	24.1
7	CASA Share Domestic (%)	39.62	41.72	42.86		

**BUSINESS PERFORMANCE - DEPOSITS**

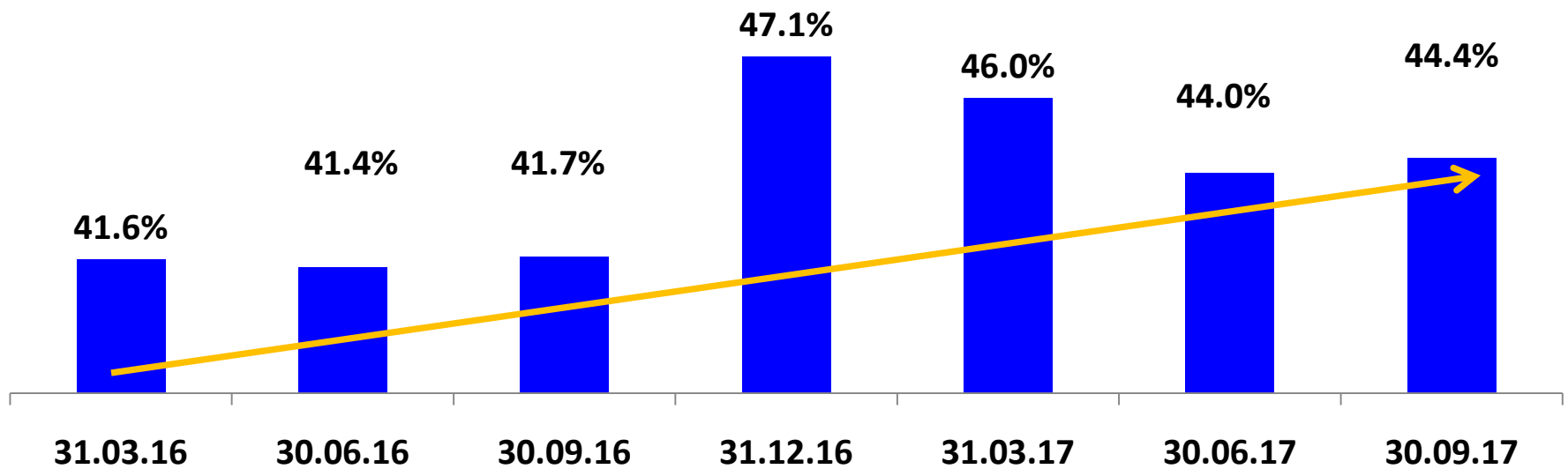
Rs. Cr.

Sl.	Parameters	Sep'16	Mar'17	Sep'17	YoY Variation	
					Amt.	%
1	Global Deposits	574884	621704	636208	61324	10.7
2	Domestic Deposits	513544	565573	578740	65195	12.7
3	Overseas Deposits	61340	56131	57469	-3871	-6.3
4	CASA Deposits	216224	260016	256855	40631	18.8
5	Current Deposits	36077	45853	39057	2981	8.3
6	SB Deposits	180147	214163	217798	37651	20.9
	Share of CASA To Domestic Deposit	42.1%	46.0%	44.4%		
7	Term Deposits	358660	361688	379353	20693	5.8
	<i>Of Which</i>					
8	Core Term Deposit	290051	296930	312281	22230	7.7

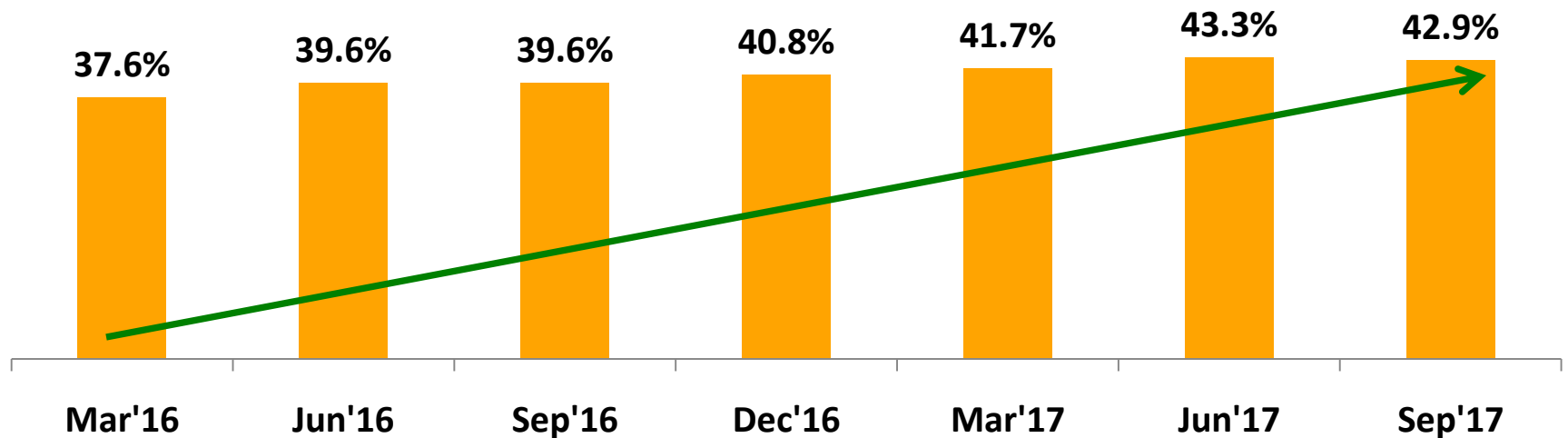


SUSTAINABLE CASA

CASA Share : Absolute

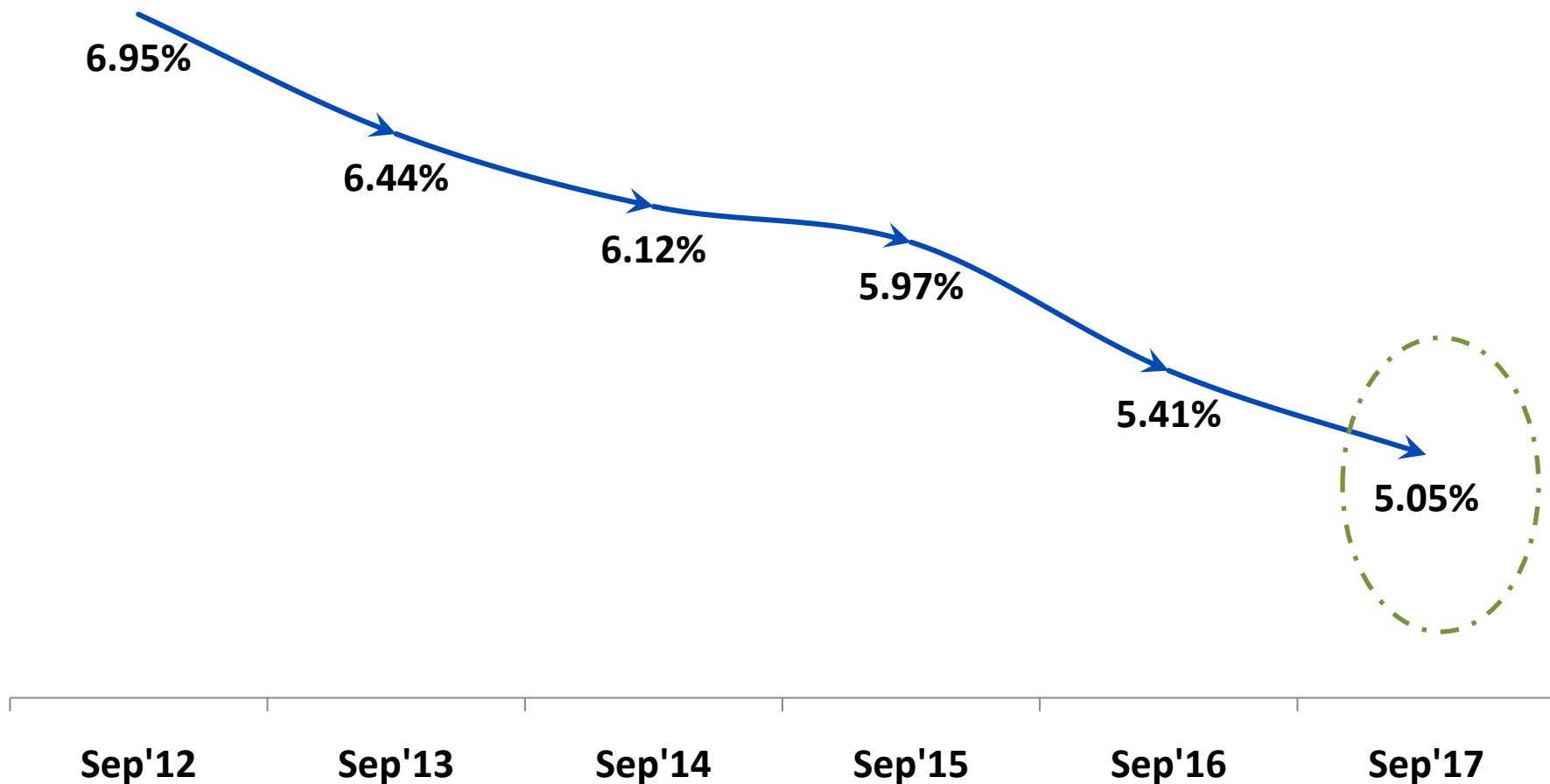


CASA Share % - Average





DECLINING AVERAGE COST OF DEPOSIT (HY)



CREDIT

Rs. Cr.

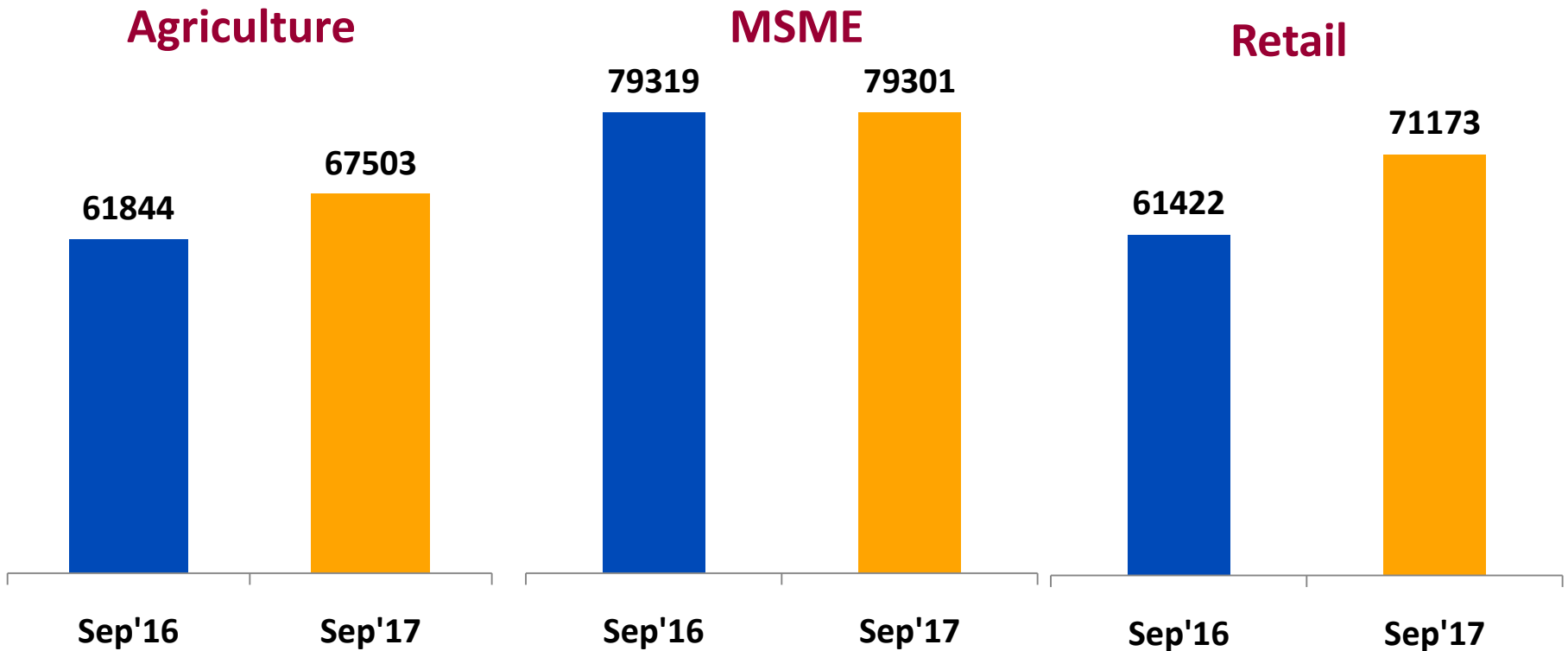
Sl.	Parameters	Sep'16	Mar'17	Sep'17	Share %	YoY Variation	
						Amt.	%
1	Global Gross Advances	414206	441751	432987	100%	18781	4.5
2	Overseas Advances	53322	50001	42055	9.7%	-11267	-21.1
3	Domestic Advances	360884	391750	390932	90.3%	30048	8.3
4	Large Industry	120242	125579	122604	28.3%	2362	2.0
5	Agriculture & Allied	61844	66675	67503	15.6%	5659	9.2
6	MSME	79319	81592	79301	18.3%	-18	
7	Retail Loans	61422	65982	71173	16.4%	9751	15.9
8	Others (Incl. NBFC)	38057	51922	50351	11.6%	12294	32.3

Parameters	Sep'16	Mar'17	Sep'17	% Share	YoY	
					Amt.	%
Domestic Advances	360884	391750	390932	100%	30048	8.3
Upto Rs. 5 Cr.	143045	154517	157105	40.2%	14060	9.8
Above Rs. 5 Cr.	217839	237233	233827	59.8%	15988	7.3



SMALL TICKET ADVANCES – CLASSIFICATION

Rs. Cr.



Composition of Retail Advances				
Scheme	Sep'16	Sep'17	YoY %	% Share
Housing	32276	38630	19.7	54.3%
Car/Vehicle	4957	5841	17.8	8.2%
Education	4811	5381	11.8	7.6%
Others	19378	21321	10.0	30.0%
Total Retail	61422	71173	15.9	100%

**PERFORMANCE UNDER NATIONAL GOALS**

Rs. Cr.

Parameter	National Goals	Sep'17	
		Ach.	O/S Balance
Priority Sector			
Priority Sector (%age of ANBC)	40%	40.1%	146603
Total Agriculture Adv. (%age of ANBC)	18%	18.5%	67503
Small & Marginal Farmers (%age of ANBC)	8%	9.0%	32865
Other National Goals			
Micro Enterprises Accounts (YoY Gr.)	10%	15.9%	780530
Credit to Micro Entrp. (%age of ANBC)	7.50%	6.9%	25290



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PROFITABILITY HIGHLIGHTS-Q2FY17

1

Operating Profit

Consistently growing Operating Profit and Net Interest Income

2

Improving Financial Ratios

Improving sequentially : Cost to Income Ratio: ↓ 44.62%
 ↑YoA :7.94%, ↑NIM: 2.35%, ↓ CoD: 5.01%,

3

Treasury Income

Sustained, Despite adverse market condition

4

Commission, Exchange & Brokerage

Commission, Exchange & Brokerage 15.4% YoY increase



PROFIT

Rs. Cr.

Sl.	Parameters	Q2' FY 17	Q1' FY 18	Q2' FY 18	YoY Gr. %		HY Sep'16	HY Sep'17	YoY Gr. %
1	Interest Income	11830	12136	12299	4.0		23405	24436	4.4
2	Interest Expenses	7951	8281	8284	4.2		15826	16565	4.7
3	NII (Spread) (1-2)	3880	3855	4015	3.5		7579	7870	3.8
4	Other Income	1808	2332	1906	5.4		3709	4238	14.3
5	Operating Income (3+4)	5688	6187	5921	4.1		11288	12108	7.3
6	Operating Expenses	2956	2970	2642	-10.6		5735	5612	-2.2
7	Burden (6-4)	1147	638	736	-35.8		2026	1374	-32.2
8	Operating Profit (3-7)	2732	3217	3279	20.0		5552	6496	17.0
9	Provisions	2183	2874	2718	24.5		4697	5592	19.1
10	Net Profit	549	343	561	2.0		856	904	5.6



PROVISIONS

Rs. Cr.

Sl.	Parameters	Q2' FY 17	Q1' FY 18	Q2' FY 18	YoY Gr. %		HY Sep'16	HY Sep'17	YoY Gr. %
1	Provision towards NPAs	1638	2560	2694	64.4		4804	5253	9.4
2	Standard Advances incl. Standard Restructured	-60	-295	-268	345.5		-889	-563	-36.6
3	Depreciation on Investment	368	241	84	-77.1		149	326	118.6
4	Income Tax	229	265	278	21.3		459	543	18.3
5	Others	8	103	-70			174	33	-80.7
6	Total Provision	2183	2874	2718	24.5		4697	5592	19.1



NET INTEREST INCOME

Rs. Cr.

Sl	Parameters	Q2' FY 17	Q1' FY 18	Q2' FY 18	YoY Gr. %	HY Sep'16	HY Sep'17	YoY Gr. %
1	Interest Income (2+3+4)	11830	12136	12299	4.0	23405	24436	4.4
2	Interest on Advances	8467	8145	8058	-4.8	16977	16203	-4.6
3	Interest on Investments	2909	3404	3527	21.2	5695	6931	21.7
4	Other Interest Income	454	588	714	57.4	734	1302	77.5
5	Total Interest Paid (6+7+8)	7951	8281	8284	4.2	15826	16565	4.7
6	Intt. Paid on Deposits	7350	7630	7631	3.8	14608	15261	4.5
7	Intt. Paid on Borrowings	63	119	133	109.3	147	252	71.7
8	Others	537	532	520	-3.2	1071	1052	-1.8
9	NII (Spread) (1-5)	3880	3855	4015	3.5	7579	7870	3.8



FEE BASED INCOME COMPOSITION

Rs. Cr.

Sl	Parameters	Q2' FY 17	Q1' FY 18	Q2' FY 18	YoY Gr. %	HY Sep'16	HY Sep'17	YoY Gr. %
1	Processing Fees	113	376	133	17.5	490	509	3.7
2	LC/LG Income	174	224	191	9.9	350	415	18.6
3	Bills & Remittance	108	107	102	-5.6	223	210	-5.8
4	Incidental Charges	50	55	69	36.4	72	124	72.5
5	Income from Ins & MF	32	34	44	37.3	56	78	39.3
6	Govt. Business Income	27	17	34	25.0	48	51	6.4
7	Misc Fee Income	230	258	278	21.0	392	536	36.7
8	Exchange Profit	165	268	73	-55.9	292	341	17.0
	Fee Based Income	900	1340	924	2.6	1922	2264	17.8



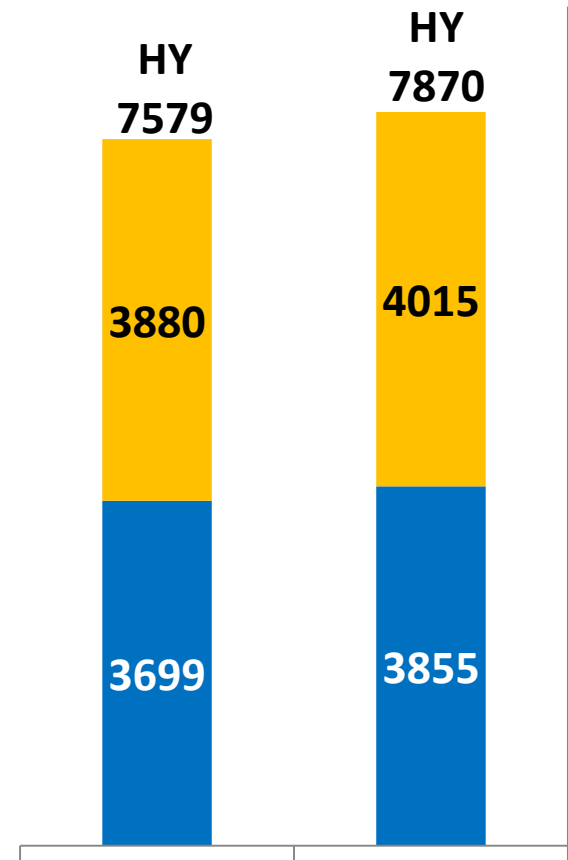
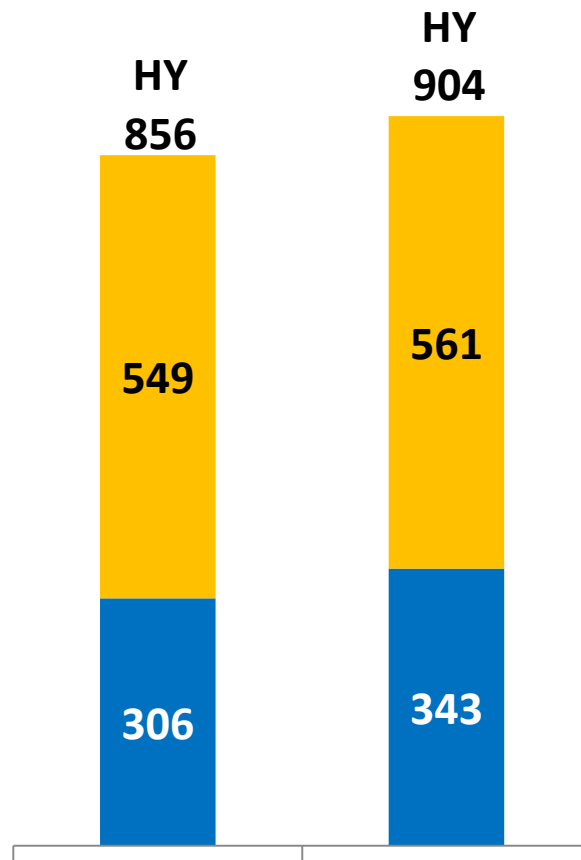
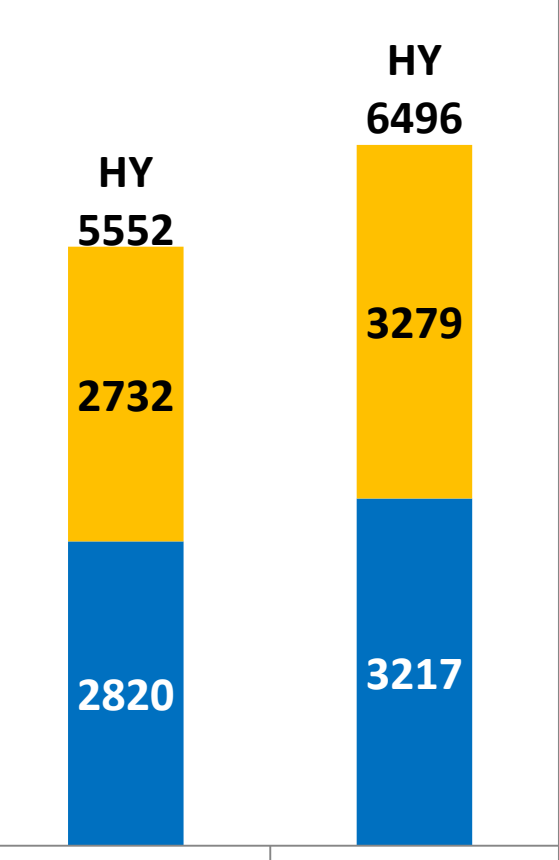
INCOME & PROFITABILITY

Rs. Cr.

Operating Profit

Net Profit

Net Intt. Income



■ QTR 1 ■ QTR 2

■ QTR 1 ■ QTR 2

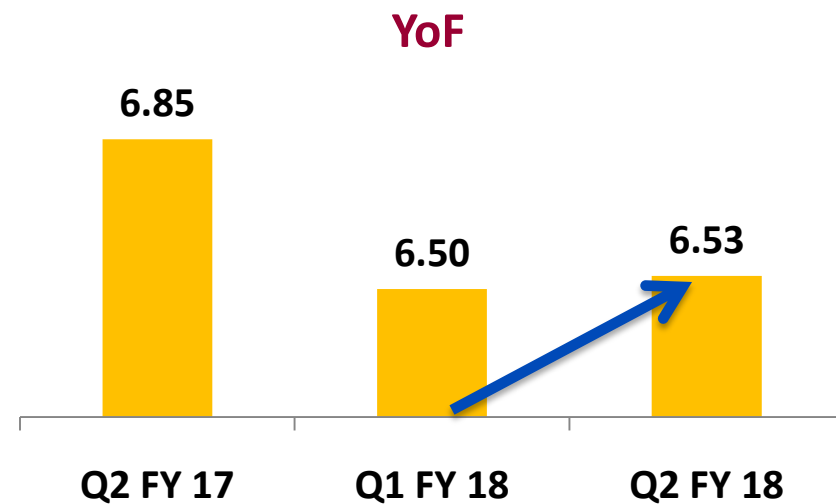
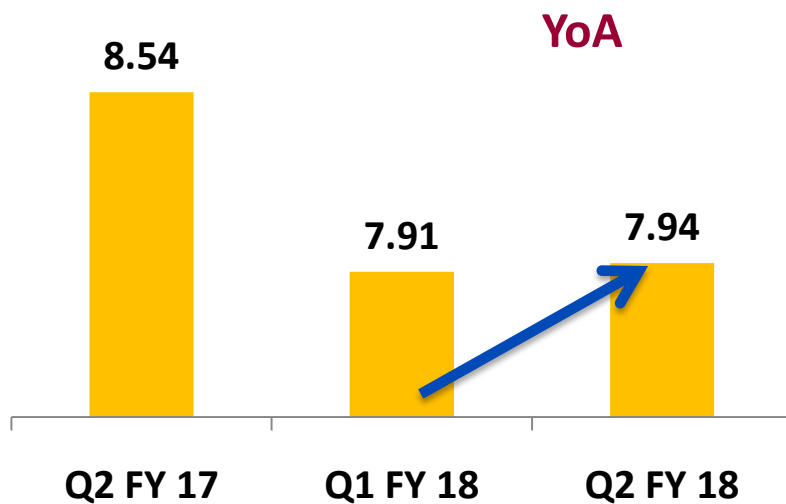
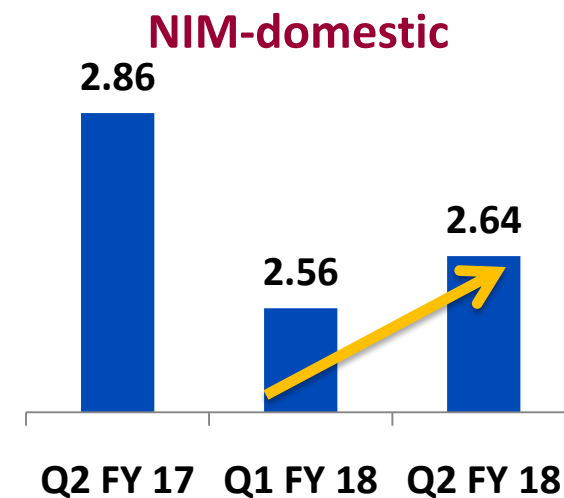
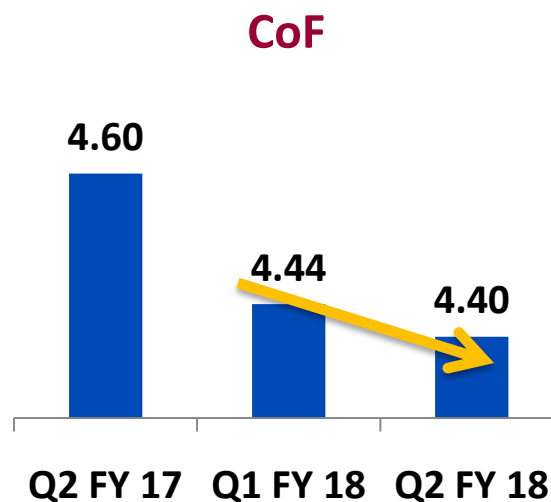
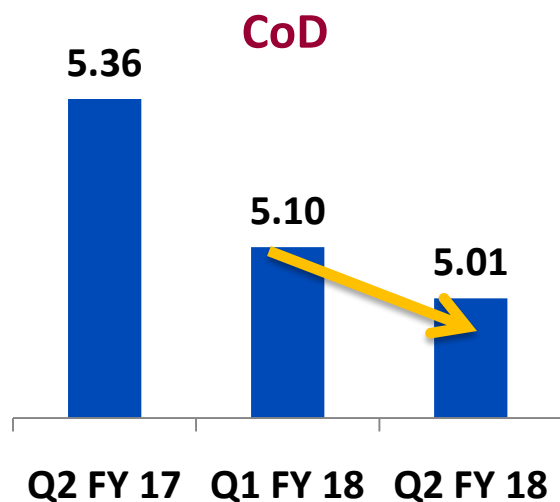
■ QTR 1 ■ QTR 2

PROFITABILITY RATIOS

Sl.	Particulars	Q2' FY 17	Q1' FY 18	Q2' FY 18	Sep'16 (HY)	Sep'17 (HY)
1	Return on Assets [%]	0.32	0.18	0.30	0.25	0.24
2	Return on Net worth [%]	5.67	3.54	5.60	4.42	4.51
3	Opt. Profit to AWF [%]	1.58	1.72	1.74	1.64	1.73
4	Cost to Income Ratio [%]	51.96	48.00	44.62	50.81	46.35
5	Estb. Exp. To Total Exp. [%]	18.04	17.22	14.55	17.93	15.90
6	Opt. Exp. To AWF [%]	1.71	1.59	1.40	1.70	1.50
7	Book Value per Share [Rs]	182.06	182.27	188.23	182.06	188.23
8	Earnings per share [Rs]	11.02	6.45	10.54	8.65	8.50



IMPROVING COST & YIELD RATIOS (%)





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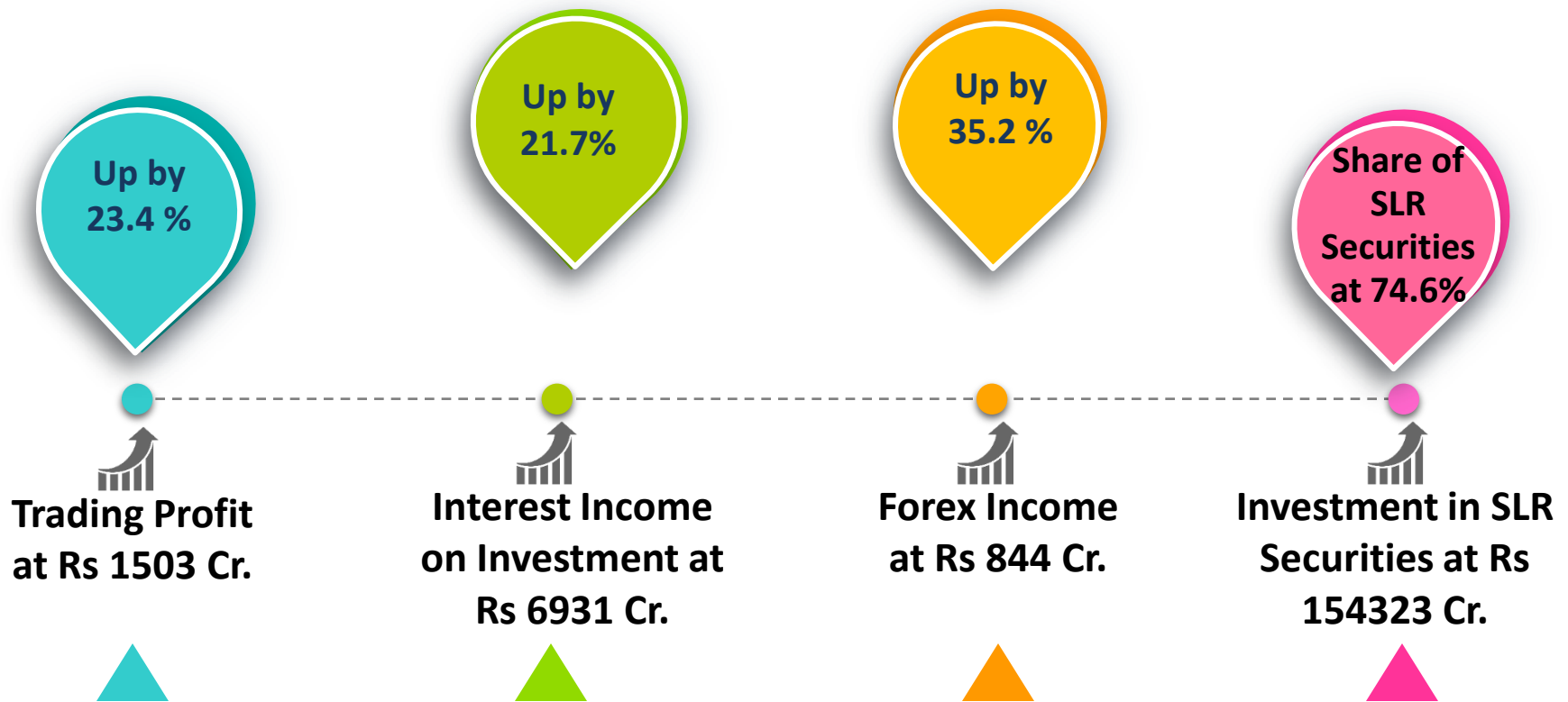
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Digitalization

Way Forward

TREASURY HIGHLIGHTS-H1FY18



Performance Highlight

- Continued robust performance in Trading Profit at 23.42% and Interest Income on Investment at 21.7% with Yield on Investment at 7.40% for Qtr ended Sep'17

Outlook

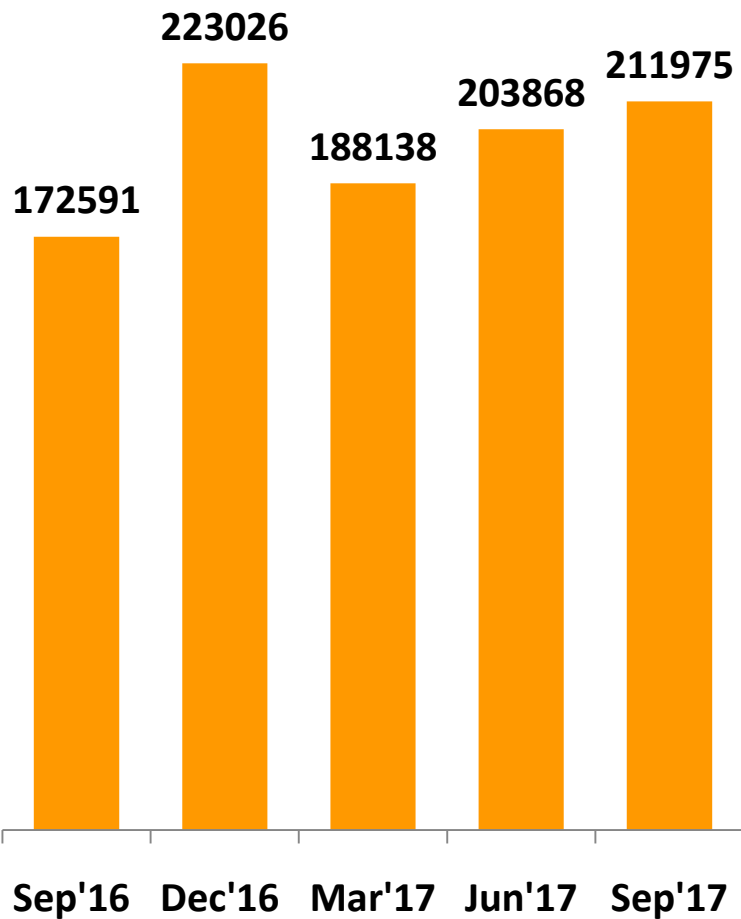
- Considering the present rate outlook, Interest Income on Investment is seen growing



TREASURY OPERATIONS

Rs. Cr.

Investment Portfolio



Parameters	Sep'16	Mar'17	Sep'17
Domestic Investment	168072	183297	207009
SLR	129890	144417	154323
Non SLR	38182	38880	52686
Held To Maturity (HTM)	111329	116117	122211
Available For Sale (AFS)	54723	65606	84227
Held For trading (HFT)	2020	1574	571
Investment by Overseas Branches	4519	4841	4966
Global Investment	172591	188138	211975



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RECOVERY AND REDUCTION ANALYSIS

Rs. Cr.

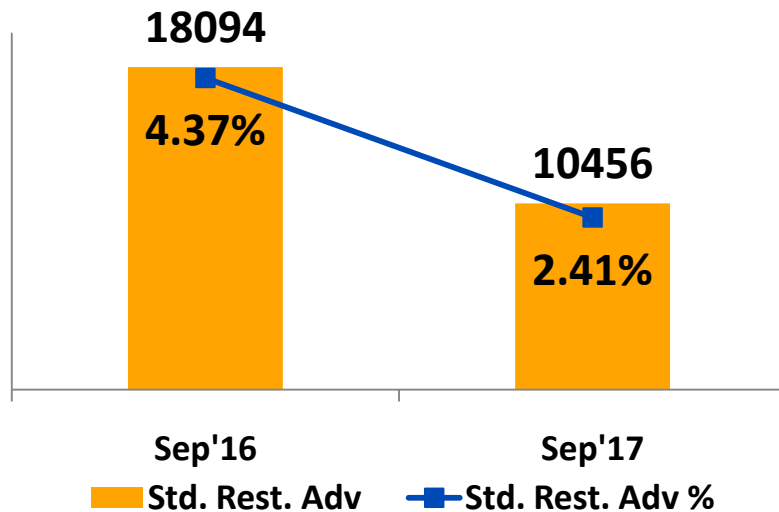
Sl.	Parameters	Sep'16	Mar'17	Sep'17
1	NPA as at the beginning of Yr.	55818	55818	55370
2	Cash Recovery	7339	10677	2819
3	Upgradation	1920	2981	1252
4	Write Off	4004	9205	3778
5	Total Reduction (2+3+4)	13264	22863	7849
6	Fresh Addition	13912	22415	10109
	-Fresh slippages	11245	20252	8449
	-Debits in existing NPA A/cs	2667	2163	1660
7	Gross NPAs end period	56466	55370	57630
8	Eligible Deductions incl. Provisions	20743	22668	23060
9	Net NPAs	35722	32702	34570
10	Recovery in written-off debt A/Cs	492	2133	353

Particulars	Sep'16	Mar'17	Sep'17
Gross NPA	13.63%	12.53%	13.31%
Net NPA	9.10%	7.81%	8.44%
Provision Coverage Ratio	53.32%	58.57%	59.23%

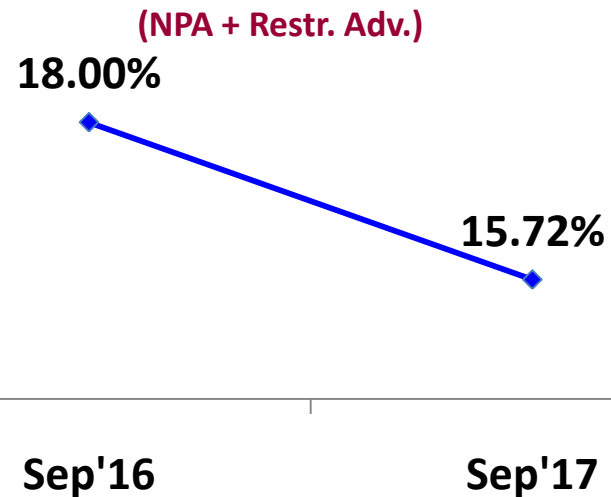


DECLINING STRESS

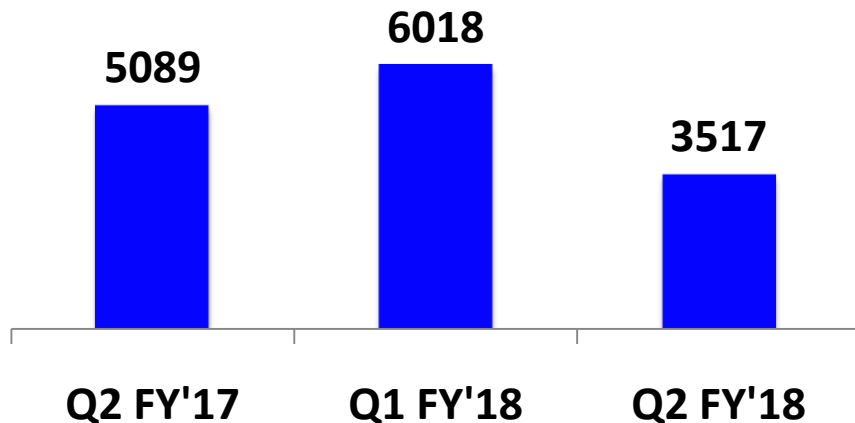
Standard Restructured Adv.



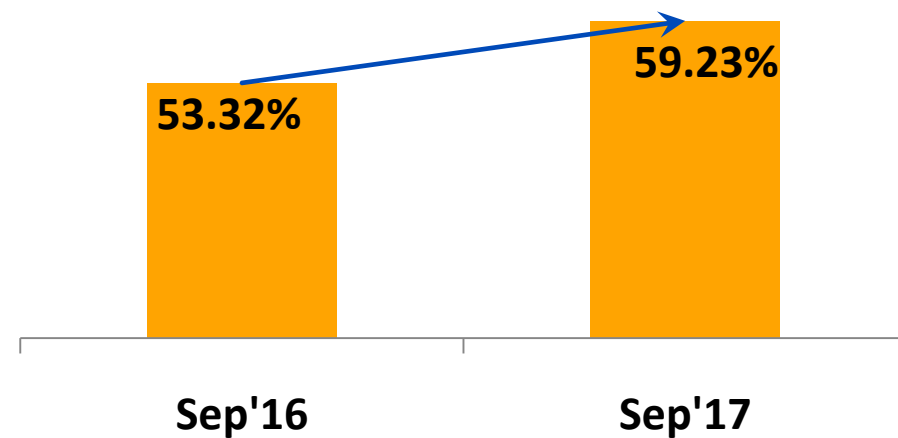
Stressed Assets %



Fresh Slippages



Provision Coverage Ratio





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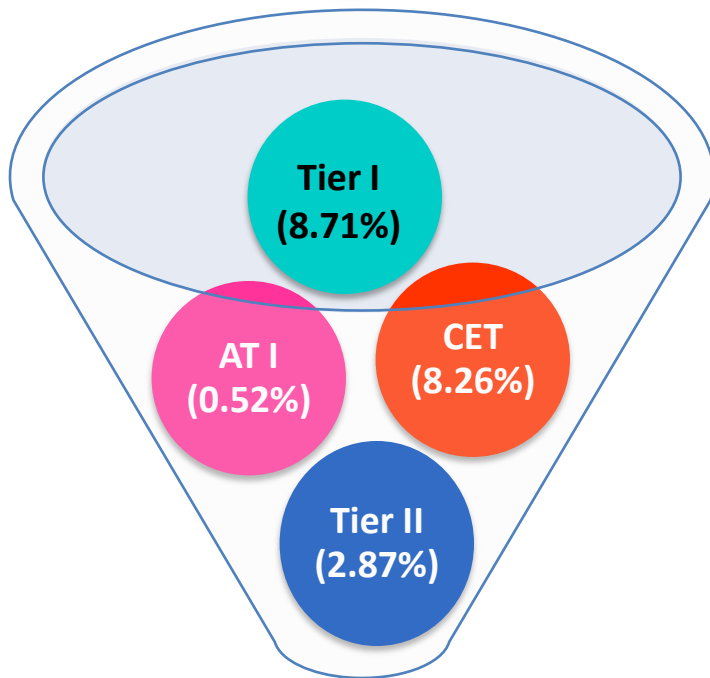
MAJOR HIGHLIGHTS FOR CAPITAL

Adequate Capital	To support Business Growth and Regulatory Requirement
CET 1	Approvals obtained to raise CET 1 upto Rs. 5000 crore.
AT-I and Tier- II Bonds	Permission to raise Rs. 6000 crore in place [Rs. 3000 crore AT- I and Rs. 3000 crore Tier -II Bonds] .
Capital raised in FY 18	Rs. 1500 crore AT 1 Bonds raised during July 2017
Merchant Bankers	Empanelled for expeditious execution of Capital Raising Plan.
Sale of Non-core assets	Identified for sale to shore up CET 1.

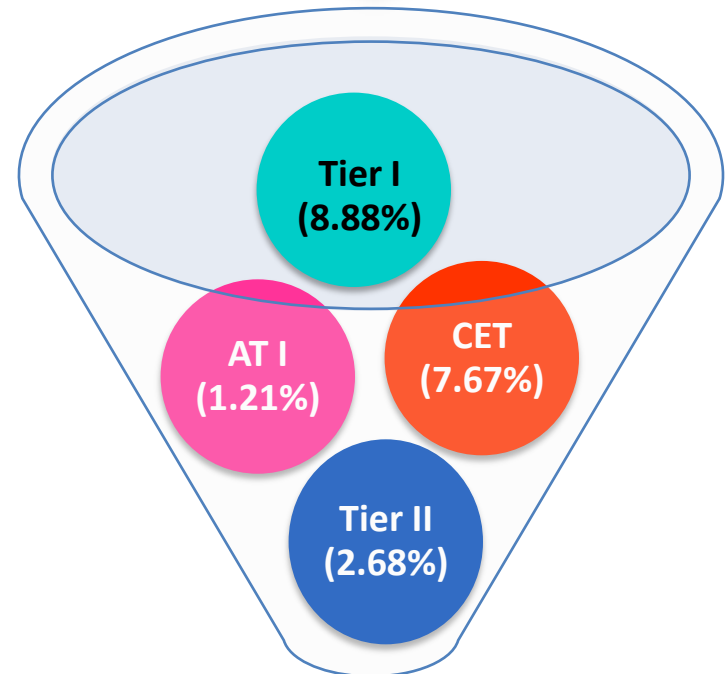


CAPITAL ADEQUACY RATIO

Sep'16



Sep'17



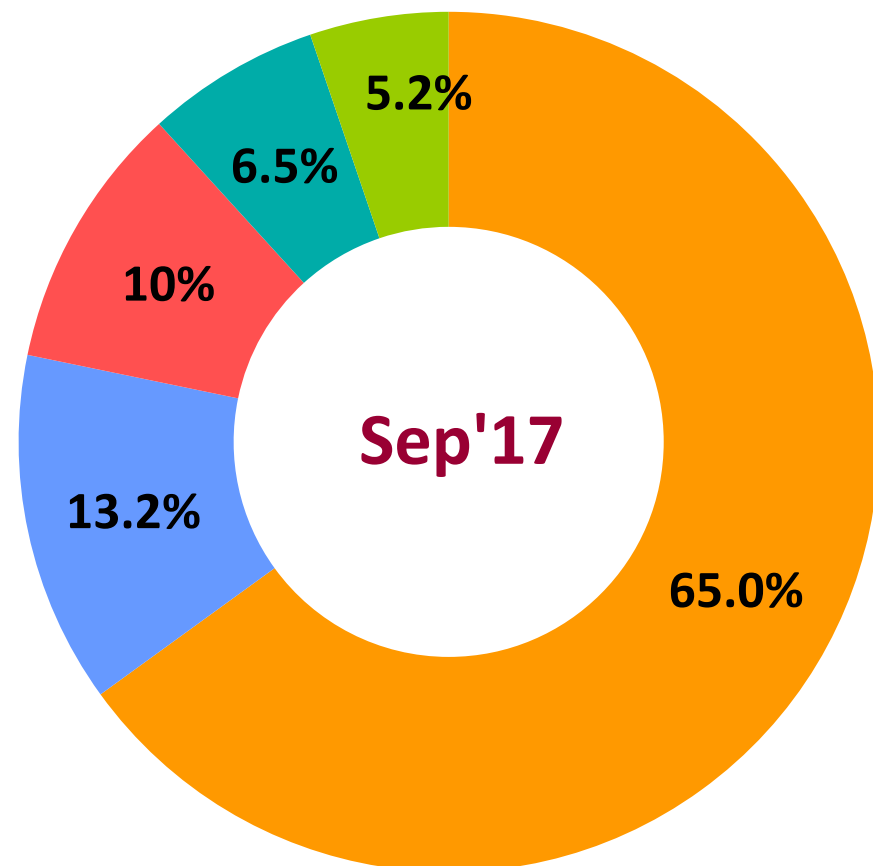
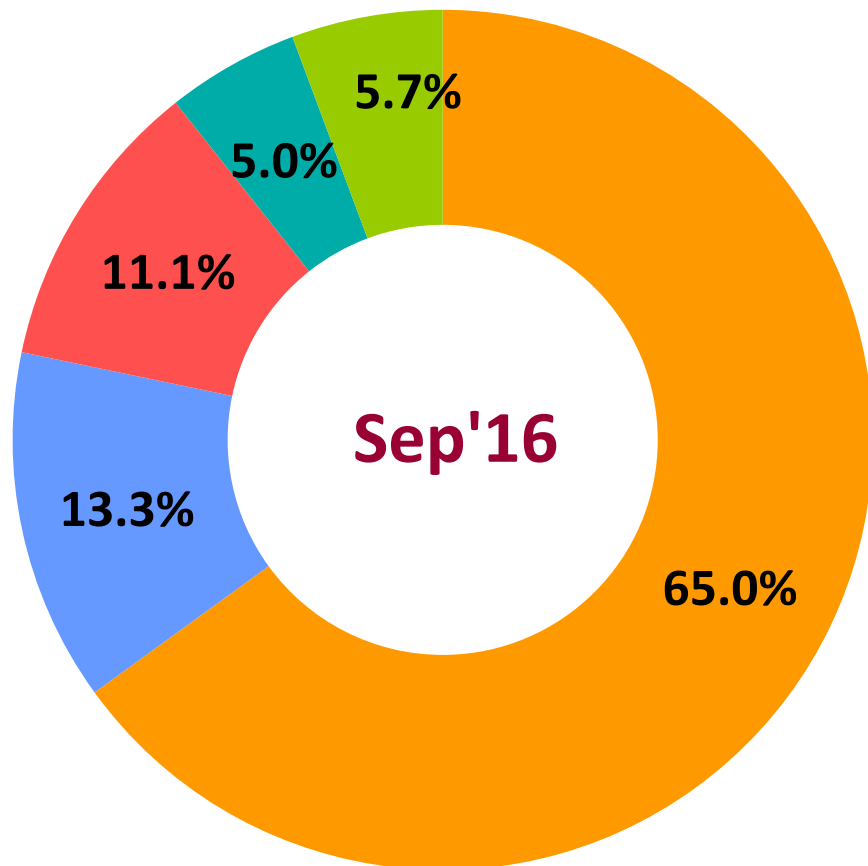
CAPITAL ADEQUACY (BASEL III)

(Rs. Cr.)

Sl.	Particulars	Sep'16	Mar'17	Sep'17
1	Tier I	38577	40575	41323
	Common Equity	36283	35845	35684
	Additional Tier I	2294	4730	5639
2	Tier II	12567	12534	12459
3	Total (Tier I+II)	51144	53109	53782
4	Risk-weighted Assets	439161	455608	465232
1	Tier I	8.78%	8.91%	8.88%
	Common Equity	8.26%	7.87%	7.67%
	Additional Tier I	0.52%	1.04%	1.21%
2	Tier II	2.87%	2.75%	2.68%
3	Total (Tier I+II)	11.65%	11.66%	11.56%



SHARE HOLDING PATTERN



- GOVT. (CENTRAL/STATE)
- FIS/BANKS/INSURANCE
- FIIs
- MF & UTI
- NON-INSTITUTIONS



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DIGITAL BANKING

Crossing new Frontiers in Digital Transactions...



ATM

- Crossed 13 Cr. Transactions.



Internet Banking

- Crossed 83 Lac Transactions



Mobile Banking

- Crossed 38 Lac. Transactions.



PoS & E-Com

- Crossed 3.13 Cr. Transactions



BHIM

- Crossed 31 Lac Transactions.

Three-fourth of customer induced transactions by digital channels by the end of FY 18

Establishing 'Digital Branches' to provide faster banking services.

Innovations & Tie-ups for more value added services

Implementation of PNB E-RUPAYA Solution in villages not having internet connectivity in FY 18



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APPROACH & WAY FORWARD

Asset Quality	Contain Fresh Slippages Exclusive War Room for Pro-active Monitoring of weak accounts
Resolution of Large Accounts	Leveraging New Windows for Resolution in Large Accounts
Credit	Accelerating Small Ticket Advances Growth
Capital	Adequately Capitalized for Growth in Business
Net Interest Income	Increase in NII by Fresh Credit Growth, Reduced SB - CoD & Managing Asset Quality
Digital Banking	Upgraded Technology to Facilitate Digital Applications & Processes.



Launched in Q1 FY'18



Work in Progress under PARIVARTAN

- 1. Strengthening Capital**
- 2. Step up Monitoring to Control Slippages**
- 3. Fasten Resolution of Large Stressed Accounts**
- 4. Qualitative Fresh Credit Growth for increasing NII**
- 5. Launched Focused Campaigns e.g “Get Them” and “Bring Them Back” for qualitative growth in credit**

Thank you!!!