punjab national bank

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Presentation on Performance for the Quarter /9M December 2011

Overview of Performance – Q3 December 2011

		Rs cr.		YOY Growth %
Operating Profit	:	2676	↑	13.9
Net Profit	:	1150	↑	5.5
Total Business	:	619122	↑	21.4
Total Assets	:	421873	↑	22.8
Deposits	:	356517	↑	23.4
Credit	:	262605	↑	18.7

Profit -Qtr

(Rs. Crore)

Sl.	Parameters	Q3' FY 11	Q3' FY 12	Q2' FY 12	Variation (Q3'12 over Q3'11)	
					Amt.	(%)
1	Interest Income	7119	9481	8952	2362	33.2
2	Interest Expenses	3916	5944	5499	2029	51.8
3	NII (Spread) (1-2)	3203	3537	3453	333	10.4
4	Other Income	857	954	889	97	11.3
5	Operating Expenses	1711	1814	1814	104	6.1
6	Contribution (4-5)	-853	-860	-925	-7	-0.8
7	Operating Profit (3+6)	2350	2676	2528	327	13.9
8	Provisions	1260	1526	1323	266	21.1
9	Net Profit	1090	1150	1205	60	5.5

Profit from Core Operations

(Rs. crore)

Particulars	Q3' FY 11	Q3' FY 12	Q2' FY 12	Variation (Q3'12 over Q3'11)	
				Amt.	Gr. (%)
Net Profit Declared	1090	1150	1205	60	5.5
Treasury Trading Profit	87	87	53	0	-0.4
Depreciation	44	143	161	98	221.5
Net Profit (Excl. Trading Profit & impact of Depreciation)	1047	1205	1313	159	15.2
Operating Profit Declared	2350	2676	2528	327	13.9
Treasury Trading Profit	87	87	53	0	-0.4
Core Operating Profit (Excl. Trading Profit)	2262	2589	2475	327	14.4

Provisions

(Rs. Crore)

Sl.	Particulars	Q3' FY 11	Q3' FY 12	Q2' FY 12	Variation (Q3'12 over Q3'11) Amt.	%
1	Provision towards NPAs (Net of floating provisions)	555	579	319	24	4.3
2	Standard Adv. Incl. Standard Restructured	109	167	174	58	53.7
3	Depreciation on Investment	44	143	161	98	221.5
4	Income Tax	546	580	613	34	6.2
5	Others	6	57	57	52	934.6
6	Total Provision	1260	1526	1323	266	21.1

Break-up : Income

(Rs. Crore)

Sl.	Parameters	Q3' FY 11	Q3' FY 12	Q2' FY 12	Variation (Q3'12 over Q3'11) Amt.	Variation (Q3'12 over Q3'11) (%)
1	Interest on Advances	5489	7331	7045	1842	33.6
2	Interest on Investments	1493	2027	1852	535	35.8
3	Other Interest Income	137	123	55	-15	-10.7
4	Interest Income (1+2+3)	7119	9481	8952	2362	33.2
5	Other Income	857	954	889	97	11.3
	of which					
6	Core Non-Interest Income	626	768	693	142	22.7
7	Recovery in Written off A/cs	123	92	68	-31	-24.9
8	Trading Profit	87	87	53	0	-0.4
9	Dividend from Liquid MF	17	8	52	-9	-50.9
10	Residual (incl Derivative inc)	4	-1	24	-6	-133.9
11	Total Income (4+5)	7976	10435	9841	2459	30.8

Fee Based Income

(Rs. Crore)

Sl.	Particulars	Q3' FY 11	Q3' FY 12	Q2' FY 12	Variation (Q3'12 over Q3'11)	
					Amt.	(%)
1	Processing Fees	102	119	110	17	16.6
2	LC/LG Income	148	176	158	28	19.2
3	Bills & Remittance	73	104	98	32	43.5
4	Incidental Charges	36	28	33	-8	-22.6
5	Inc from ATM operations	52	77	72	24	46.7
6	Income from Ins & MF	2	6	5	5	273.3
7	Misc. Income	88	104	84	15	17.6
8	Exchange Profit	125	154	133	29	22.9
9	Core Non Interest Income	626	768	693	142	22.7

Break-up : Expenditure

(Rs. Crore)

Sl.	Parameters	Q3' FY 11	Q3' FY 12	Q2' FY 12	Variation (Q3'12 over Q3'11) Amt.	(%)
1	Intt. Paid on Deposits	3499	5586	5152	2087	59.6
2	Intt. Paid on Borrowings	103	66	43	-38	-36.6
3	Others	313	293	305	-20	-6.4
4	Total Interest Paid (1+2+3)	3916	5944	5499	2029	51.8
5	Estab. Expenses	1224	1264	1240	40	3.3
	Of Which					
5a	Employee Benefits (AS-15)	545	512	519	-33	-6.1
6	Other Operating Expenses	487	551	573	64	13.1
7	Operating Expenses (5+6)	1711	1814	1814	104	6.1
8	Total Expenses (4+7)	5626	7759	7313	2132	37.9

Cost & Yield Ratios

(Annualized)

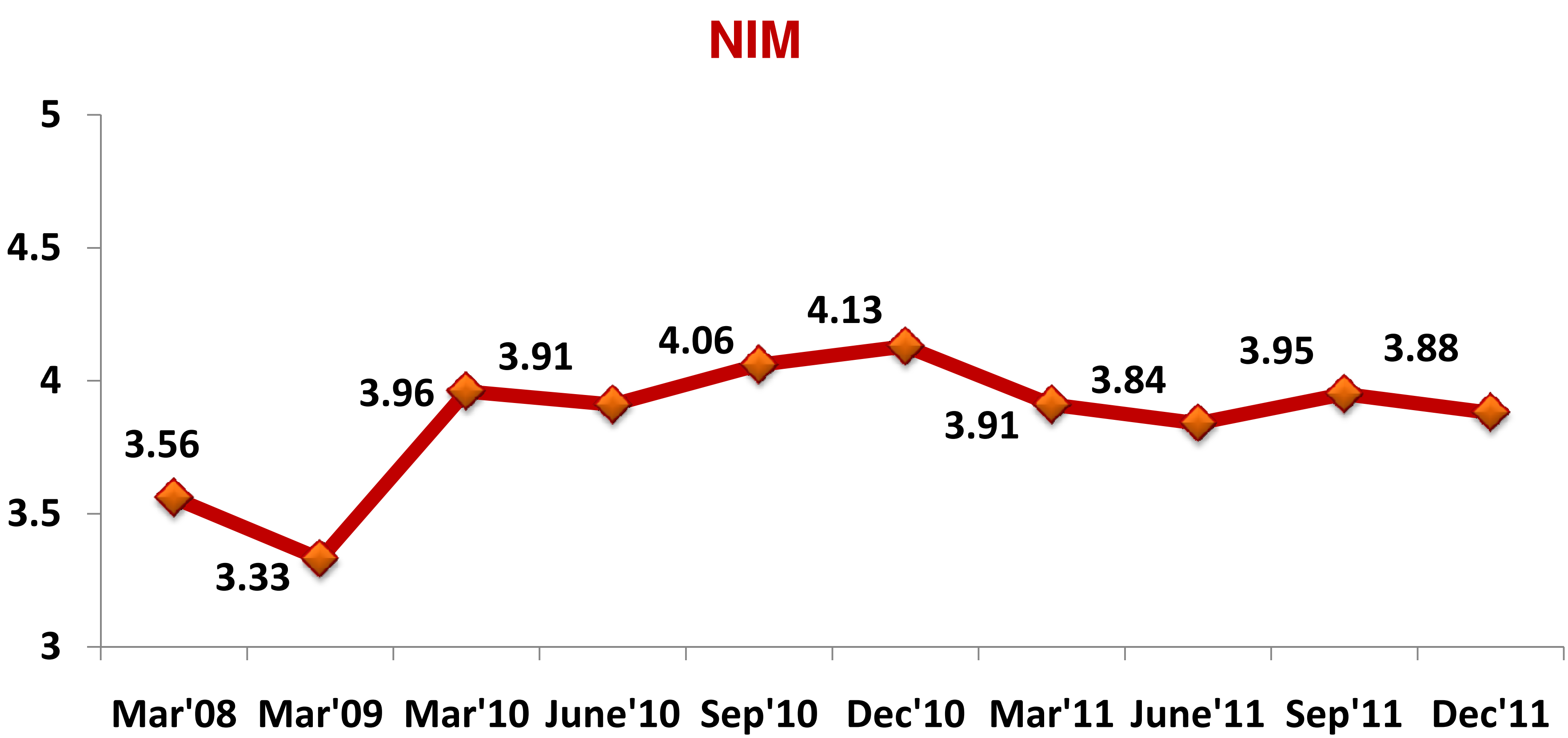
Sl.	Particulars	Q 3' FY 2011	Q 3' FY 2012	Q 2' FY 2012
1	Cost of Deposit [%]	5.20	6.74	6.52
2	Cost of Fund [%]	4.54	5.76	5.54
3	Yield on Advances [%]	10.59	11.97	11.92
4	Yield on Investment [%]	6.82	7.86	7.78
5	Yield on Fund [%]	8.25	9.18	9.01
6	Net Interest Margin [%]	4.13	3.88	3.95

Profitability Ratios

(Annualized)

Sl.	Particulars	Q 3' FY 2011	Q 3' FY 2012	Q2' FY 2012
1	Return on Assets [%]	1.27	1.11	1.21
2	Return on Net worth [%]	22.40	19.57	21.57
3	Opt. Profit to AWF [%]	2.72	2.59	2.54
4	Cost to Income Ratio [%]	42.13	40.40	41.78
5	Estb. Exp. To Total Exp. [%]	21.75	16.29	16.96
6	Opt. Exp. To AWF [%]	1.98	1.76	1.83
7	Book Value per Share [Rs]	617.28	741.83	705.40
8	Earnings per share [Rs]	138.25	145.20	152.15

Quarterly Net Interest Margin



Profit: 9 Months

(Rs. Crore)

Sl.	Parameters	Dec'10	Dec'11	Mar'11	Variation (Dec'11 over Dec'10)	
					Amt.	(%)
1	Interest Income	19546	26748	26986	7202	36.8
2	Interest Expenses	10768	16644	15179	5876	54.6
3	NII (Spread) (1-2)	8778	10105	11807	1326	15.1
4	Other Income	2467	2927	3613	459	18.6
5	Operating Expenses	4697	5353	6364	656	14.0
6	Contribution (4-5)	-2230	-2426	-2752	-196	8.8
7	Operating Profit (3+6)	6548	7678	9056	1130	17.3
8	Provisions	3316	4218	4622	902	27.2
9	Net Profit	3233	3460	4433	228	7.0

Profit from core Operations: 9 Months

(Rs. Crore)

Particulars	Dec'10	Dec'11	Mar'11	Variation (Dec'11 over Dec'10)	
				Amt.	(%)
Net Profit Declared	3233	3460	4433	228	7.0
Treasury Trading Profit	246	188	299	-59	-23.8
Depreciation	125	437	147	312	249.6
Net Profit (Excl. Trading Profit & impact of Depreciation)	3111	3709	4282	598	19.2
Operating Profit Declared	6548	7678	9056	1130	17.3
Treasury Trading Profit	246	188	299	-59	-23.8
Core Operating Profit (Excl. Trading Profit)	6302	7490	8757	1189	18.9

Provisions: 9 Months

(Rs. Crore)

Sl.	Particulars	Dec'10	Dec'11	Mar'11	Variation (Dec'11 over Dec'10)	
					Amt.	(%)
1	Provision towards NPAs (Net of floating provisions)	1462	1464	2004	2	0.2
2	Standard Adv. Incl. Standard Restructured	204	484	330	279	136.6
3	Depreciation on Investment	125	437	147	312	249.6
4	Income Tax	1552	1668	2130	117	7.5
5	Others	-27	165	11	193	
6	Total Provision	3316	4218	4622	902	27.2

Income: 9 Months

(Rs. Crore)

Sl.	Parameters	Dec'10	Dec'11	Mar'11	Variation (Dec'11 over Dec'10)	
					Amt.	(%)
1	Interest on Advances	15200	20952	21105	5752	37.8
2	Interest on Investments	4165	5565	5638	1400	33.6
3	Other Interest Income	181	231	244	50	27.9
4	Interest Income (1+2+3)	19546	26748	26986	7202	36.8
5	Other Income	2467	2927	3613	459	18.6
	of which					
6	Core Non-Interest Income	1804	2261	2554	457	25.3
7	Recovery in Written off a/cs	288	268	510	-20	-7.0
8	Trading Profit	246	188	299	-59	-23.8
9	Dividend from Liquid MF	96	186	216	90	93.4
10	Residual (incl. Derivative inc)	32	24	34	-9	-26.9
11	Total Income (4+5)	22013	29675	30599	7662	34.8

Fee Based Income: 9 Months

(Rs. Crore)

Sl.	Particulars	Dec'10	Dec'11	Mar'11	Variation (Dec'11 over Dec'10)	
					Amt.	(%)
1	Processing Fees	461	474	580	14	3.0
2	LC/LG Income	419	499	584	80	19.1
3	Bills & Remittance	203	288	283	85	41.7
4	Incidental Charges	84	95	120	11	13.1
5	Inc from ATM operations	138	212	201	74	53.3
6	Income from Ins & MF	9	14	16	5	60.0
7	Misc Income	220	260	390	40	18.1
8	Exchange Profit	270	418	379	149	55.2
9	Core Non Interest Income	1804	2261	2554	457	25.3

Expenditure: 9 Months

(Rs. Crore)

Sl.	Parameters	Dec'10	Dec'11	Mar'11	Variation (Dec'11 over Dec'10)	
					Amt.	(%)
1	Intt. Paid on Deposits	9744	15563	13795	5820	59.7
2	Intt. Paid on Borrowings	188	168	258	-20	-10.6
3	Others	836	912	1126	76	9.1
4	Total Interest Paid (1+2+3)	10768	16644	15179	5876	54.6
5	Estab. Expenses	3332	3717	4461	385	11.6
	Of Which					
5a	Employee Benefits (AS-15)	1332	1535	1750	203	15.2
6	Other Operating Expenses	1366	1636	1903	271	19.8
7	Operating Expenses (5+6)	4697	5353	6364	656	14.0
8	Total Expenses (4+7)	15465	21997	21543	6532	42.2

Cost & Yield Ratios: 9 Months

Sl.	Particulars	9 M Dec'10	9 M Dec'11	FY Mar'11
1	Cost of Deposit [%]	5.09	6.51	5.24
2	Cost of Fund [%]	4.44	5.56	4.57
3	Yield on Advances [%]	10.48	11.77	10.58
4	Yield on Investment [%]	6.58	7.74	7.05
5	Yield on Fund [%]	8.06	8.94	8.12
6	Net Interest Margin [%]	3.99	3.85	3.96

Profitability Ratio: 9 Months

Sl.	Particulars	9 M Dec'10	9 M Dec'11	FY Mar'11
1	Return on Assets [%]	1.34	1.16	1.34
2	Return on Net worth [%]	22.15	19.63	22.13
3	Opt. Profit to AWF [%]	2.70	2.57	2.72
4	Cost to Income Ratio [%]	41.77	41.08	41.27
5	Estb. Exp. To Total Exp. [%]	21.54	16.90	20.71
6	Opt. Exp. To AWF [%]	1.94	1.79	1.91
7	Book Value per Share [Rs]	617.28	741.83	632.48
8	Earnings per share [Rs]	136.70	145.62	140.60

Business

(Rs. Crore)

Sl.	Parameters	Dec'10	Dec'11	Mar'11	Variation (Dec'11) Over Mar'11	Variation (Dec'11) Over Dec'10
1	Total Business	510125	619122	555005	11.6	21.4
2	Total Deposit	288873	356517	312899	13.9	23.4
3	Total Advances	221252	262605	242107	8.5	18.7
4	CD Ratio [%]	76.59%	73.66%	77.38%		

Deposit

(Rs. Crore)

Sl.	Parameters	Dec'10	Dec'11	Mar'11	Variation (Dec'11)	
					Over Mar'11	Over Dec'10
1	Total Deposit	288873	356517	312899	13.9	23.4
2	Bulk incl. CD	64797	85594	71405	19.9	32.1
	Share of Bulk to Total %	*22.43*	*24.01*	*22.82*		
3	Core Deposit	224076	270923	241494	12.2	20.9
4	Core Dep. To Total (%)	*77.57%*	*75.99%*	*77.18%*		
5	SB Deposit	89860	102705	93487	9.9	14.3
6	Current Deposit	22945	23260	26838	-13.3	1.4
7	CASA Deposit	112806	125966	120325	4.7	11.7
8	Share of CASA (%)	39.7%	36.2%	39.2%		

CASA as percentage to Core Deposit is at 46.50%.

Advances- Sectoral

(Rs. Crore)

Sl.	Parameters	Dec'10	Mar'11	Dec'11	% Share in Gr. Non-food cr.	Variation Dec'11 over Dec 10	
						Amt.	(%)
1	Global Gross Advances	223744	243998	265884		42140	18.8
2	Overseas Advances	10817	12904	19778		8961	82.8
3	Domestic Gross Advances	212927	231094	246106		33179	15.6
3a	Food Credit	4485	4421	5424		939	20.9
3b	Dom. Non-Food Gross Adv.	208442	226673	240682	100.0	32240	15.5
	- of Which						
4	Agriculture & Allied	33909	35462	38306	15.9	4397	13.0
5	Industry	101794	114072	118324	49.2	16530	16.2
5a	MSME Manufacturing	25249	26848	29912	12.4	4663	18.5
5b	Large Industry	76545	87224	88412	36.7	11867	15.5
6	Retail Loans	21731	23621	26009	10.8	4278	19.7
	Of which						
6a	Housing	11008	11816	12373	5.1	1365	12.4
6b	Other Retail Loans	10723	11805	13637	5.7	2914	27.2
7	Commercial Real Estate	9729	9731	10382	4.3	653	6.7
	of which Lease Rental	2079	3839	4936	2.1	2857	137.4
8	Services & Others	41279	43787	47660	19.8	6382	15.5

MSME Advances: Rs 52309 cr YOY 18.55%

Advances –Industry wise Breakup

(Rs. Crore)

Major Industry wise Deployment	Dec'10		Mar'11		Dec'11		Variation Dec' 11 over Dec'10	
	Amt.	Share (%)	Amt.	Share (%)	Amt.	Share (%)	Amt.	(%)
Food Processing	3035	3.0	3495	3.1	2830	2.4	-205	-6.8
Textiles	6771	6.7	7785	6.8	7070	6.0	299	4.4
Chemical & Chemical Products	3067	3.0	3082	2.7	2578	2.2	-489	-15.9
Cement & Cement Products	1728	1.7	1178	1.0	1838	1.6	110	6.4
Basic Metal & Metal Products	10086	9.9	11639	10.2	14751	12.5	4665	46.3
-Iron & Steel	8430	8.3	9930	8.7	11535	9.7	3105	36.8
Petroleum	2072	2.0	2566	2.2	2121	1.8	49	2.4
Rubber & plastic products	1252	1.2	1322	1.2	1565	1.3	313	25.0
Vehicles parts & equipments	1455	1.4	1472	1.3	1526	1.3	71	4.9
Gems & Jewellery	1419	1.4	1343	1.2	1631	1.4	212	14.9
Infrastructure	33787	33.2	35596	31.2	41031	34.7	7244	21.4
-Power	13498	13.3	16299	14.3	19757	16.7	6259	46.4
-Tele-Communication	7628	7.5	8414	7.4	7429	6.3	-199	-2.6
- Roads & Ports	5553	5.5	6501	5.7	7791	6.6	2238	40.3
- Others	7108	7.0	4382	3.8	6054	5.1	-1054	-14.8
Residual	37122	36.5	44594	39.1	41383	35.0	4261	11.5
Industry	101794	100.0	114072	100.0	118324	100.0	16530	16.2

Investment

(Rs. Crore)

Sl.	Particulars	Dec'10	Mar'11	Dec'11
1	Gross Investment	88619	95513	117468
2	Held To Maturity (HTM)	68775	71820	84895
3	Available For Sale (AFS)	18468	21067	29888
4	Held For trading (HFT)	1376	2626	2686
5	Duration (AFS)	3.36	2.86	2.84
6	Modified Duration (AFS)	3.19	2.71	2.68
7	Duration Total Portfolio	4.86	4.63	4.51
8	Modified Duration Total Portfolio	4.66	4.44	4.32
9	Net demand & time Liabilities	285585	300464	337346
10	SLR (%)	26.55	24.44	28.05
11	SLR HTM to Total SLR (%)	88.75	87.73	88.82
12	HTM To Gross Investment (%)	77.61	75.19	72.27
13	Total SLR	75436	79694	93568
14	Total Non SLR	13183	15819	23900

Non-Performing Assets

(Rs. Crore)

Sl.	Parameters	Dec'10	Mar'11	Dec'11
1	NPA as at the beginning of Yr.	3214	3214	4379
2	Cash Recovery	723	938	1265
	Recovery through Debt relief	232	232	0
3	Upgradation	232	410	465
4	Write Off	590	1592	60
5	Total Reduction (2+3+4)	1777	3172	1790
6	Fresh Addition	3104	4337	3853
7	Gross NPAs end period	4541	4379	6442
8	Eligible Deductions incl. Provisions	2966	2341	3540
9	Net NPAs	1575	2039	2901
10	Recovery in written-off debt A/Cs	288	510	268

Particulars	Dec'10	Mar'11	Dec'11
Gross NPA%	2.03%	1.79%	2.42%
Net NPA%	0.72%	0.85%	1.11%
NPA Coverage Ratio	77.18%	73.21%	70.01%

Restructured Accounts

(Rs. Crore)

YEAR of Restructuring	OUTSTANDING AS ON 31.12.2011					
	STANDARD CATEGORY		NPA CATEGORY		Grand Total	
	No of A/Cs	Amount	No of A/Cs	Amount	No of A/Cs	Amount
2008-09	6381	1331.1	1549	272.7	7930	1603.8
2009-10	1435	5007.1	298	640.8	1733	5647.8
2010-11	682	2705.4	34	197.4	716	2902.8
Apr'11-Dec'11	202	6504.3	11	229.0	213	6733.3
TOTAL	8700	15547.8	1892	1339.9	10592	16887.7

Out of Rs 6504.3 crore restructured during Apr-Dec'11, Rs 734 crore pertains to the other facilities of the borrowers which were not restructured *(included in restructured portfolio as per RBI guidelines).*

Restructured Accounts

(Rs. Crore)

Asset Quality Movement of Restructured portfolio

STANDARD A/Cs Restructured	Out of which Slipped to NPA	Slippage %age
21526.2	2353.7	10.9%
About 89% of the standard accounts restructured continue to be standard		

NPA A/Cs Restructured	Out of which Improved to standard	Upgradation %age
520.9	103.4	19.9%
About 20% of the NPA restructured portfolio has upgraded to standard category		

Sectorwise O/S Restructured Accounts

(Rs. Crore)

01.04.2011 to 31.12.2011

Sl.	Restructured Accounts	No.	Amt. O/s	Diminution in Fair Value
1	Standard Adv.	202	6504	268
2	Sub Standard Adv.	10	214	9
3	Doubtful Adv.	1	15	4
	Total	213	6733	281

01.04.2008 to 31.12.2011

Sl.	Restructured Accounts	No.	Amt. Restructured
1	Under CDR	38	3630
2	Under SME	971	1081
3	Others (Non-CDR)	9583	12177
	Total	10592	16888

Sl.	Particulars	Apr'08-Mar'11	Apr-Dec.'11	Total
A	Agriculture	140	10	150
B	Housing	12	0	12
C	Real Estate	534	138	672
D	Industry	8331	5990	14321
E	Others	1137	595	1732
	Out of the Above Major Sectors			
1	Iron & Steel	1384	755	2139
2	Infrastructure	1563	3726	5289
Out of which				
	Power	375	2183	2558
	Telecom	0	978	978
3	Drilling	1121	663	1784
4	Textiles	997	236	1233
5	Aviation	867	0	867
6	Sugar	463	229	692
7	Paper/Printing	403	100	503
8	Pharma	89	60	149
9	Cement	505	42	547
10	Manufacturing	187	102	289
11	Engineering	55	0	55
12	Auto	120	0	120
13	Hotel	531	272	803
14	Education	412	170	582
15	Finance	64	143	207
17	Service	163	64	227

Capital Adequacy (Basel II)

(Rs. Crore)

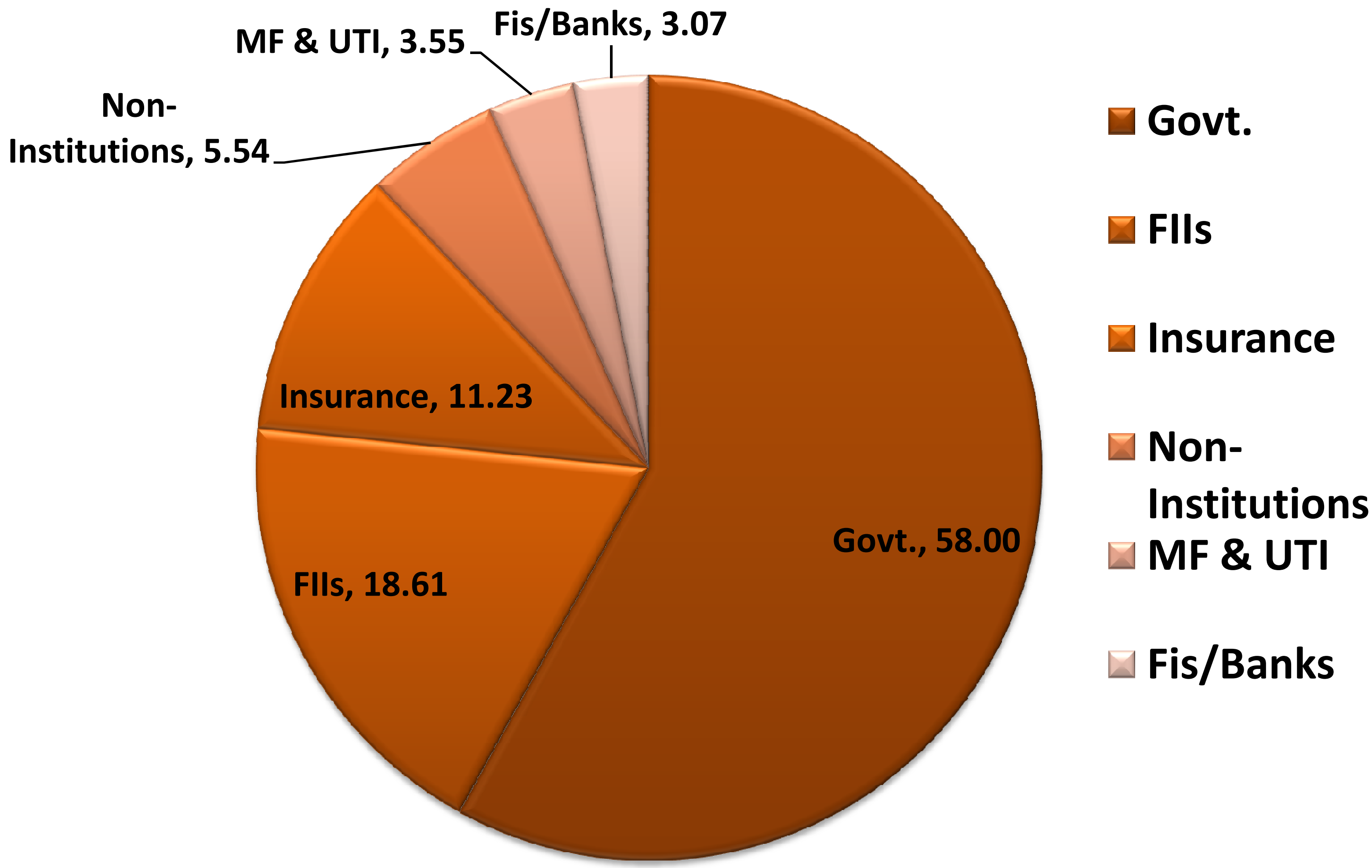
Sl.	Particulars	Dec'10	Mar'11	Dec'11
	Capital Fund			
1	Tier I	17302	20979	20837
2	Tier II	9874	9909	9639
3	Total (Tier I+II)	27176	30888	30476
4	Risk-weighted Assets	228395	248760	265423
5	Capital Adequacy Ratio (%)	11.90%	12.42%	11.48%
6	Tier I (%)	7.58%	8.44%	7.85%
7	Tier II (%)	4.32%	3.98%	3.63%

CRAR position with profit plough back: 12.79% out of which Tier-I: 9.15%

Improved market Share –Improved Productivity

Sl.	Parameters	Dec'10	Mar'11	Dec'11
1	Deposit Market Share (%)	5.55	5.28	5.69
2	Credit Market Share (%)	5.63	5.43	5.50
3	Business Per Branch (Rs. Cr.)	100.3	104.8	112.2
4	Business Per Employee (Rs. Cr.)	9.5	10.2	10.8

Shareholding Pattern (As on 31st Dec 2011



Current Overseas Presence

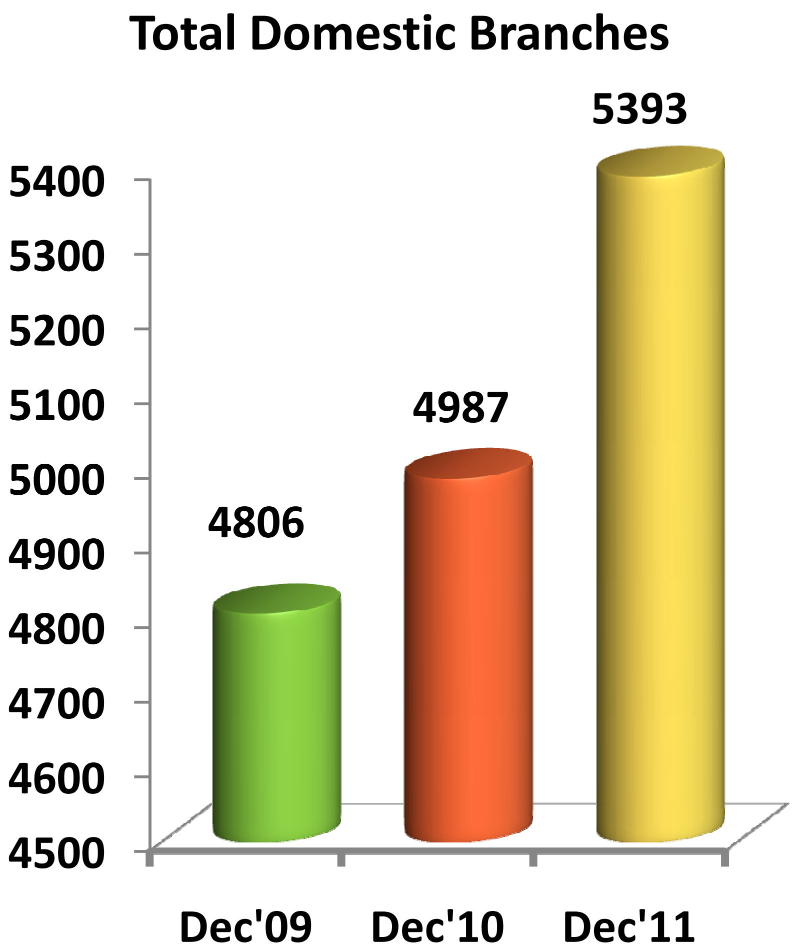
Type of office		Destination	Commencement of Operations
Branch	1	Offshore Banking Unit, Mumbai	25th September, 2003
	2	Kabul, Afghanistan	26th July 2004
	3	Hong Kong Main	17th December 2007
	4	Kowloon Hong Kong	6th April 2009
	5	DIFC, Dubai	20th December 2009
Subsidiary	1	PNBIL, UK (7 branches)	10th May 2007
	2	DRUK PNB Ltd., Bhutan (3 Branches)	27th January 2010
	3	JSC SB PNB, Kazakhstan (5 Branches)	*13th December 2010
Joint Venture	1	Everest Bank Limited, Kathmandu, Nepal (44 Branches)	January, 1997
Rep. Offices	1	Almaty, Kazakhstan	23rd October, 1998
	2	Shanghai, China	3rd September 2004
	3	Dubai, UAE	29th June, 2005
	4	Oslo, Norway	1st October 2008
	5	Sydney, Australia	15th September 2011

**Date of Acquisition*

Increasing Global Footprints…

- *Opening of fifth rep office in Sydney, Australia marks the Bank's presence in 10th international destination.*
- *Bank is in Process of:-*
  - *Setting up of wholly owned subsidiary in Canada.*
  - *up gradation of rep office in Oslo (Norway) & Shanghai (China).*
- *Exploring possibilities for presence in - Maldives, Bangladesh, Brazil & Singapore*
- *PNB has increased its stake in JSC DANA Bank to 80.96%.*

Capacity Building – Expanding Network



ATM Network			
	Dec'09	Dec'10	Dec'11
ATMs	2910	4431	5793

Population Group wise Branches (31st Dec'11)			
Metro	Urban	Semi-Urban	Rural
894	1160	1249	2090
16.58	21.51	23.16	38.75

78 new branches & 174 new ATMs added during Quarter 3 FY 12.

Recognitions…..

- Most Socially Responsive Bank Award 2011 by Business world-PricewaterhouseCoopers (PwC).
- India Prides Award in Corporate Social Responsibility (CSR) for the year 2011 by Dainik Bhaskar with Daily News Analysis.
- Golden Peacock National Training Award 2011 by Institute of Directors.
- SKOCH Financial Inclusion Award 2012 under livelihood.
- PNB has been conferred with the Best Bank Award 2011 amongst all the Banks in India by Business India.
- PNB has bagged the prestigious ‘Most Productive Public Sector Bank’ Award 2011, instituted by Federation of Indian Chambers of Commerce and Industry (FICCI) and Indian Banks’ Association (IBA).
- PNB’s Overseas Branch, IDFC, Dubai has received ‘Business Super Achiever Award’ under individual category from Asian Leadership Awards in addition to the Asia’s Most Preferred Branch (Banking & Finance) Award.
- Received “Technology Adoption’ Award in Public Sector Bank Category instituted by Dun & Bradstreet and Polaris software.

Thank You