



Punjab National Bank
...the name you can BANK upon !

Presentation on Performance for the 9M/Quarter December 2013

Overview of Performance

Particulars		Rs. Crore		YOY Growth %
Operating Profit	:			
- Q3 Dec'13		2702	↑	0.8
- 9M Dec'13		8211	↑	1.9
Net profit	:			
- Q3 Dec'13		755		-42.1
- 9M Dec'13		2536		-29.9
Total Business	:	746780	↑	9.3
Total Assets	:	521918	↑	11.0
Deposits	:	420647	↑	9.0
Credit	:	326133	↑	9.7

Profit (Rs. Crore)						
Sl.	Parameters	Q3' FY 13	Q3' FY 14	Q2' FY 14	Variation (Q3'14 over Q3 '13)	
					Amt.	(%)
1	Interest Income	10527	10984	10734	457	4.3
2	Interest Expenses	6795	6763	6718	-33	-0.5
3	NII (Spread) (1-2)	3732	4221	4016	489	13.1
4	Other Income	972	938	899	-34	-3.5
5	Operating Expenses	2022	2457	2380	435	21.5
6	Contribution (4-5)	-1050	-1519	-1481	-469	44.7
7	Operating Profit (3+6)	2682	2702	2535	20	0.8
8	Provisions	1376	1947	2029	571	41.5
9	Net Profit	1306	755	505	-550	-42.1

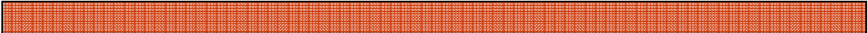
3

Profit from Core Operations (Rs. crore)					
Particulars	Q3' FY 13	Q3' FY 14	Q2' FY 14	Variation (Q3' 14 over Q3 '13)	
				Amt.	Gr. (%)
Net Profit Declared	1306	755	505	-550	-42.1
Treasury Trading Profit	73	24	53	-49	-67.5
Depreciation	32	219	443	187	584.8
Net Profit (Excl. Trading Profit & impact of Depreciation)	1265	951	896	-314	-24.8
Operating Profit Declared	2682	2702	2535	20	0.8
Treasury Trading Profit	73	24	53	-49	-67.5
Core Operating Profit (Excl. Trading Profit)	2609	2679	2482	70	2.7

4

 Provisions (Rs. Crore)						
Sl.	Particulars	Q3' FY 13	Q3' FY 14	Q2' FY 14	Variation (Q3' 14 over Q3 '13)	
					Amt.	%
1	Provision towards NPAs (Net of floating provisions)	466	1083	1005	616	132.2
2	Standard Adv. incl. Standard Restructured	310	278	434	-33	-10.5
4	Depreciation on Investment	32	219	443	187	584.8
5	Income Tax	575	357	131	-218	-37.9
6	Others	-7	11	17	18	
7	Total Provision	1376	1947	2029	571	41.5
						

5

 Break-up : Income (Rs. Crore)						
Sl.	Parameters	Q3' FY 13	Q3' FY 14	Q2' FY 14	Variation (Q3' 14 over Q3 '13)	
					Amt.	(%)
1	Interest on Advances	7885	8246	8023	361	4.6
2	Interest on Investments	2507	2599	2568	92	3.7
3	Other Interest Income	136	139	142	3	2.2
4	Interest Income (1+2+3)	10527	10984	10734	457	4.3
5	Other Income	972	938	899	-34	-3.5
	<i>of which</i>					
6	Core Non-Interest Income	708	775	783	67	9.5
7	Recovery in Written off a/cs	145	86	69	-59	-40.7
8	Trading Profit	73	24	53	-49	-67.5
9	Dividend from Liquid MF	50	41	30	-9	-18.0
10	Residual (incl. Derivative inc)	-4	13	-35	16	-464.2
11	Total Income (4+5)	11499	11922	11633	423	3.7
						

6

Fee Based Income						(Rs. Crore)
Sl.	Particulars	Q3' FY 13	Q3' FY 14	Q2' FY 14	Variation (Q3' 14 over Q3 '13)	
					Amt.	(%)
1	Processing Fees	72	87	102	15	21.1
2	LC/LG Income	190	199	178	9	4.7
3	Bills & Remittance	93	106	107	13	13.5
4	Incidental Charges	58	64	43	6	9.6
5	Inc from ATM operations	83	95	87	13	15.3
6	Income from Ins & MF	13	15	13	2	16.9
7	Misc. Income	84	101	91	17	20.6
8	Exchange Profit	114	107	161	-7	-6.3
9	Core Non Interest Income	708	775	783	67	9.5

7

Break-up : Expenditure						(Rs. Crore)
Sl.	Parameters	Q3' FY 13	Q3' FY 14	Q2' FY 14	Variation (Q3' 14 over Q3 '13)	
					Amt.	(%)
1	Intt. Paid on Deposits	6407	6315	6335	-92	-1.4
2	Intt. Paid on Borrowings	107	178	116	71	66.6
3	Others	282	270	267	-12	-4.2
4	Total Interest Paid (1+2+3)	6795	6763	6718	-33	-0.5
5	Estab. Expenses	1407	1758	1659	351	24.9
	Of Which					
5a	Employee Benefits (AS-15)	515	649	579	134	26.1
6	Other Operating Expenses	614	699	721	85	13.8
7	Operating Expenses (5+6)	2022	2457	2380	435	21.5
8	Total Expenses (4+7)	8817	9220	9098	403	4.6

8

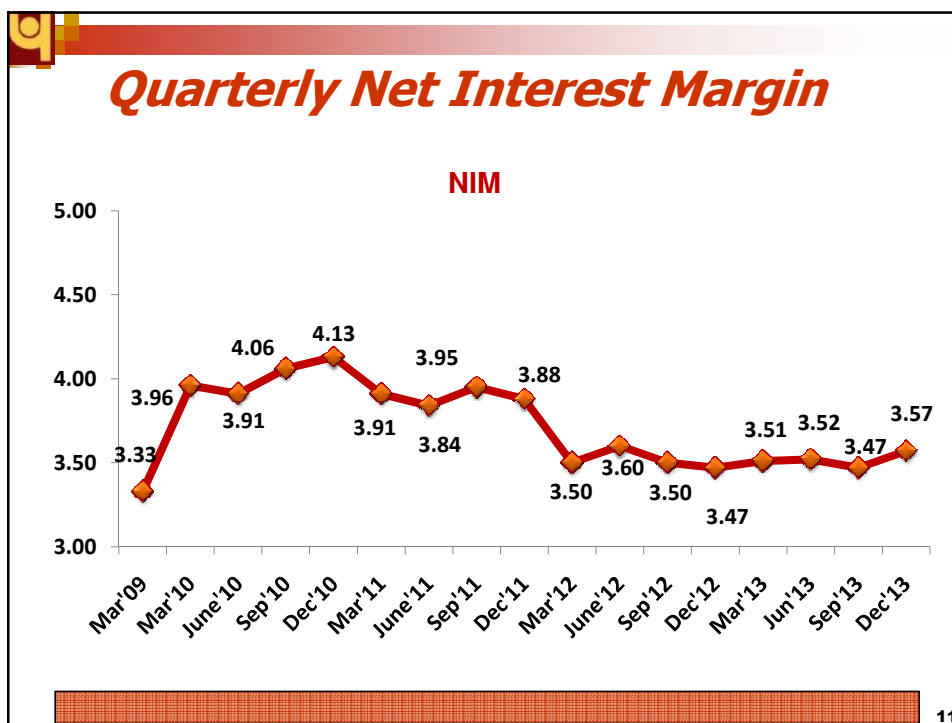
Cost & Yield Ratios (Annualized)				
Sl.	Particulars	Q 3' FY 2013	Q 3' FY 2014	Q 2' FY 2014
1	Cost of Deposit [%]	6.75	6.33	6.44
2	Cost of Fund [%]	5.70	5.18	5.26
3	Yield on Advances [%]	10.90	10.60	10.44
4	Yield on Investment [%]	7.93	7.84	7.89
5	Yield on Fund [%]	8.83	8.41	8.41
6	Net Interest Margin [%]	3.47	3.57	3.47

9

Profitability Ratios (Annualized)				
Sl.	Particulars	Q 3' FY 2013	Q 3' FY 2014	Q 2' FY 2014
1	Return on Assets [%]	1.09	0.58	0.40
2	Return on Net worth [%]	17.42	8.91	6.11
3	Opt. Profit to AWF [%]	2.24	2.07	1.99
4	Cost to Income Ratio [%]	42.98	47.62	48.43
5	Estb. Exp. To Total Exp. [%]	15.96	19.07	18.23
6	Opt. Exp. To AWF [%]	1.69	1.88	1.86
7	Book Value per Share [Rs]	884.01	936.85	936.06
8	Earnings per share [Rs]	153.97	85.15	57.20

Cost to Income Ratio excl. Wage Revision: 44.13%

10



Profit

(Rs. Crore)

Sl.	Parameters	Dec'12	Dec'13	Mar'13	Variation (Dec'13 over Dec'12)	
					Amt.	(%)
1	Interest Income	31509	32122	41893	613	1.9
2	Interest Expenses	20437	19978	27037	-459	-2.2
3	NII (Spread) (1-2)	11073	12144	14857	1072	9.7
4	Other Income	3047	3180	4216	133	4.4
5	Operating Expenses	6064	7113	8165	1049	17.3
6	Contribution (4-5)	-3017	-3933	-3949	-916	30.4
7	Operating Profit (3+6)	8056	8211	10907	155	1.9
8	Provisions	4439	5675	6160	1236	27.8
9	Net Profit	3617	2536	4748	-1081	-29.9

12

Profit from Core Operations (Rs. crore)					
Particulars	Dec'12	Dec'13	Mar'13	Variation (Dec'13 over Dec'12)	
				Amt.	(%)
Net Profit Declared	3617	2536	4748	-1081	-29.9
Treasury Trading Profit	219	360	487	141	64.1
Depreciation	-87	754	104	841	
Net Profit (Excl. Trading Profit & impact of Depreciation)	3311	2930	4365	-380	-11.5
Operating Profit Declared	8056	8211	10907	155	1.9
Treasury Trading Profit	219	360	487	141	64.1
Core Operating Profit (Excl. Trading Profit)	7836	7851	10421	15	0.2

13



Provisions

(Rs. Crore)

Sl.	Particulars	Dec'12	Dec'13	Mar'13	Variation (Dec'13 over Dec'12)	
					Amt.	(%)
1	Provision towards NPAs (Net of floating provisions)	2506	2762	3336	256	10.2
2	Standard Adv. Incl. Standard Restructured	490	994	874	504	102.9
4	Depreciation on Investment	-87	754	104	841	
5	Income Tax	1531	1120	1774	-411	-26.9
6	Others	-2	44	71	46	
7	Total Provision	4439	5675	6160	1236	27.8

14

14

Break-up : Income (Rs. Crore)						
Sl.	Parameters	Dec'12	Dec'13	Mar'13	Variation (Dec'13 over Dec'12)	
					Amt.	(%)
1	Interest on Advances	24057	24144	31855	87	0.4
2	Interest on Investments	7124	7606	9530	482	6.8
3	Other Interest Income	328	372	509	43	13.2
4	Interest Income (1+2+3)	31509	32122	41893	613	1.9
5	Other Income	3047	3180	4216	133	4.4
	of which					
6	Core Non-Interest Income	2338	2469	3054	131	5.6
7	Recovery in Written off a/cs	292	241	421	-51	-17.5
8	Trading Profit	219	360	487	141	64.1
9	Dividend from Liquid MF	179	134	233	-45	-25.1
10	Residual (incl. Derivative inc)	19	-24	21	-43	-225.4
11	Total Income (4+5)	34556	35302	46109	745	2.2

15

Fee Based Income (Rs. Crore)						
Sl.	Particulars	Dec'12	Dec'13	Mar'13	Variation (Dec'13 over Dec'12)	
					Amt.	(%)
1	Processing Fees	419	455	519	36	8.6
2	LC/LG Income	545	556	735	11	2.0
3	Bills & Remittance	302	309	395	6	2.1
4	Incidental Charges	117	137	153	19	16.6
5	Inc from ATM operations	234	263	311	30	12.7
6	Income from Ins & MF	33	43	55	10	29.5
7	Misc. Income	234	275	305	41	17.5
8	Exchange Profit	454	431	581	-23	-5.0
9	Core Non Interest Income	2338	2469	3054	131	5.6

16

Break-up : Expenditure						
(Rs. Crore)						
Sl.	Parameters	Dec'12	Dec'13	Mar'13	Variation (Dec'13 over Dec'12)	
					Amt.	(%)
1	Intt. Paid on Deposits	19261	18801	25501	-459	-2.4
2	Intt. Paid on Borrowings	325	372	416	47	14.4
3	Others	851	804	1120	-46	-5.5
4	Total Interest Paid (1+2+3)	20437	19978	27037	-459	-2.2
5	Estab. Expenses	4253	5033	5675	779	18.3
	Of Which					
5a	Employee Benefits (AS-15)	1795	1807	2102	12	0.7
6	Other Operating Expenses	1811	2080	2490	270	14.9
7	Operating Expenses (5+6)	6064	7113	8165	1049	17.3
8	Total Expenses (4+7)	26501	27091	35202	590	2.2

17

Cost & Yield Ratios				
(Annualized)				
Sl.	Particulars	9M Dec'12	9M Dec'13	FY Mar'13
1	Cost of Deposit [%]	6.88	6.40	6.82
2	Cost of Fund [%]	5.80	5.24	5.70
3	Yield on Advances [%]	11.17	10.51	11.06
4	Yield on Investment [%]	7.90	7.84	7.89
5	Yield on Fund [%]	8.94	8.43	8.83
6	Net Interest Margin [%]	3.52	3.52	3.52

18

Profitability Ratios (Annualized)				
Sl.	Particulars	9M Dec'12	9M Dec'13	FY Mar'13
1	Return on Assets [%]	1.03	0.67	1.00
2	Return on Net worth [%]	16.08	9.97	15.19
3	Opt. Profit to AWF [%]	2.29	2.15	2.30
4	Cost to Income Ratio [%]	42.95	46.42	42.81
5	Estb. Exp. To Total Exp. [%]	16.05	18.58	16.12
6	Opt. Exp. To AWF [%]	1.72	1.87	1.72
7	Book Value per Share [Rs]	884.01	936.85	884.03
8	Earnings per share [Rs]	142.19	95.54	139.52
Cost to Income Ratio excl. Wage Revision: 42.89%				

19

Business (Rs. Crore)						
Sl.	Parameters	Dec'12	Mar'13	Dec'13	Variation % Over	
					Mar'13	Dec'12
1	Total Business	683098	700285	746780	6.6	9.3
	<i>Out of Which</i>					
	Overseas Business	45362	48335	57112	18.2	25.9
	Overseas Business (USD Mio)	8370	9057	9265	2.3	10.7
2	Total Deposit	385785	391560	420647	7.4	9.0
3	Total Advances	297313	308725	326133	5.6	9.7
4	CD Ratio [%]	77.07%	78.84%	77.53%		

20

Deposit (Rs. Crore)						
Sl.	Parameters	Dec'12	Mar'13	Dec'13	Variation % Over	
					Mar'13	Dec'12
1	Total Deposit	385785	391560	420647	7.4	9.0
2	Overseas Deposit	15263	16277	22220	36.5	45.6
	Overseas Deposit (USD Mio)	2885	3139	3595	14.5	24.6
3	Differential Rate Dep. Incl. CD	59071	48921	21396	-56.3	-63.8
	Share of DRI Dep. to Total %	15.31	12.49	5.09		
4	Inter Bank Deposit (Term)	13919	11114	12174	9.5	-12.5
5	Inter Bank Deposit (CA)	2160	2974	1990	-33.1	-7.8
6	Core Deposit	312795	331525	387077	16.8	23.7
	Core Dep. To Total (%)	81.08%	84.67%	92.02%		
7	SB Deposit	117097	123470	133814	8.4	14.3
8	Current Deposit	25345	29874	27147	-9.1	7.1
9	CASA Deposit	142442	153344	160961	5.0	13.0
	Share of CASA To Dom. Dep. (%)	38.4%	40.9%	40.4%		
10	Core Term Deposit	172513	181154	228106	25.9	32.2
CASA as percentage to Core Deposit is at 41.58%						

21

Advances- Sectoral (Rs. Crore)						
Sl.	Parameters	Dec'12	Mar'13	Dec'13	% Share in Gr. Non-food cr.	Variation Dec'13/Dec'12
						Amt. (%)
1	Global Gross Advances	303759	315243	334581		30822 10.1
2	Overseas Advances	30100	32058	34893		4793 15.9
3	Domestic Gross Advances	273659	283185	299688		26029 9.5
3a	Food Credit	6691	6057	7146		455 6.8
3b	Dom. Non-Food Gross Adv.	266968	277128	292542	100.0	25574 9.6
	- of Which (Sl. No. 4 to 9)					
4	Agriculture & Allied	41750	38055	44149	15.1	2399 5.7
5	Industry	123210	125415	137318	46.9	14108 11.5
	- of Which					
5a	MSME Manufacturing	35894	37593	43661	14.9	7767 21.6
5b	Large Industry	87316	87822	93657	32.0	6341 7.3
6	Retail Loans	30695	31721	36066	12.3	5371 17.5
	Of which					
6a	Housing	13715	14332	16005	5.5	2291 16.7
6B	Car/Vehicle	2785	2880	3239	1.1	454 16.3
6c	Education	3976	3999	4228	1.4	252 6.3
6d	Other Retail Loans	10219	10510	12593	4.3	2374 23.2
7	Commercial Real Estate	9140	9220	7666	2.6	-1474 -16.1
8	NBFC	11513	11052	11728	4.0	215 1.9
9	Services & Others	50660	61665	55615	19.0	4954 9.8
MSME Advances: Rs. 69918 Cr. YoY Gr. 24.99%						

22

Advances – Industry wise Breakup (Rs. Crore)								
Particulars	Dec-12		Mar'13		Dec'13		Variation Dec'13/Dec'12	
	Amt.	Share % to NFC	Amt.	Share % to NFC	Amt.	Share % to NFC	Amt.	(%)
Food Processing	5716	2.1	6240	2.3	7317	2.5	1601	28.0
Textiles	8560	3.2	9269	3.3	9841	3.4	1281	15.0
Chemical & Chemical Products	3563	1.3	4022	1.5	4844	1.7	1281	36.0
Cement & Cement Products	2315	0.9	2295	0.8	2354	0.8	39	1.7
Basic Metal & Metal Products	19442	7.3	20430	7.4	23116	7.9	3674	18.9
-Iron & Steel	15901	6.0	16810	6.1	20359	7.0	4458	28.0
Paper & paper products	1399	0.5	1482	0.5	1535	0.5	136	9.7
Petroleum	1447	0.5	1496	0.5	1552	0.5	105	7.3
All Engineering Products	4831	1.8	5088	1.8	5234	1.8	403	8.3
Vehicles & Vehicle parts	958	0.4	1143	0.4	941	0.3	-17	-1.8
Construction	1871	0.7	1806	0.7	2274	0.8	403	21.5
Infrastructure	52529	19.7	53277	19.2	56870	19.4	4341	8.3
-Power	27651	10.4	27726	10.0	31985	10.9	4334	15.7
-Tele-Communication	8066	3.0	8116	2.9	6599	2.3	-1467	-18.2
- Roads & Ports	10446	3.9	11145	4.0	11408	3.9	962	9.2
- Others	6366	2.4	6289	2.3	6877	2.4	511	8.0
Residual	20579	7.7	18867	6.8	21441	7.3	862	4.2
Industry	123210	46.2	125415	45.3	137318	47.0	14108	11.5

23

Investment (Rs. Crore)				
Sl	Particulars	Dec'12	Mar'13	Dec'13
1	Gross Investment	130712	130313	141851
2	Held To Maturity (HTM)	92670	91267	96424
3	Available For Sale (AFS)	36726	37027	44247
4	Held For trading (HFT)	1316	2019	1180
5	Duration (AFS)	4.57	4.39	4.30
6	Modified Duration (AFS)	4.35	4.17	4.05
7	Duration Total Portfolio	4.90	4.76	4.78
8	Modified Duration Total Portfolio	4.70	4.56	4.56
9	Net demand & time Liabilities	368327	378653	403177
10	SLR (%)	29.82	27.98	28.80
11	SLR HTM to Total SLR (%)	82.01	82.99	82.11
12	HTM To Gross Investment (%)	70.90	70.04	67.98
13	Total SLR	110228	107445	114948
14	Total Non SLR	20065	22868	26903

24

Break up of Gross Credit as per Asset Class (Rs. Crore)				
	Standard Adv. (Excl. Std. Restructured)	Restructured Standard (O/S)	NPA	Gross Advances
FY 2008-09	153234	466	2507	156207
FY 2009-10	183261	1830	3214	188306
FY 2010-11	237356	2264	4379	243999
FY 2011-12	277618	11555	8720	297893
FY 2012-13	276658	25119	13466	315243
FY 2013-14				
9M Dec'13	286504	31285	16596*	334385

***This includes restructured NPA amounting to Rs. 434.83 cr. as on Dec'13**

01.04.2013 to 31.12.2013 (Current 9M)

Sl.	Standard Restructured A/cs (O/s)	No.	Amt. O/s	DFV
1	Under CDR	31	4068	379.3
2	Under SME	290	232	7.51
3	Others (Non-CDR)	34	1867	122.28
	Total	355	6167	509.09

25

Sectorwise O/S Restructured Accounts (Rs. Crore)				
01.04.2013 to 31.12.2013 (Current 9M)				
Sl.	Restructured Accounts	No.	Amt. O/s	Diminution in Fair Value
1	Standard Adv.	355	6167	509
2	NPA	5	119	32
	Total	360	6285	541

Cumulative

Sl.	Standard Restructured A/cs (O/s)	No.	Amt. O/s
1	Under CDR	92	13958
2	Under SME	482	1157
3	Others (Non-CDR)	393	16170
	Total	967	31285

Sl.	Sector (Standard A/Cs)	Mar'13	Apr-Dec'13	O/S Amt	%age Share
A	Agriculture	140	150	289	0.9
B	Housing	1	0	1	0.0
C	Real Estate	347	18	365	1.2
D	Industry	21030	4535	25565	81.7
E	Others	3601	1464	5065	16.2
	Total	25119	6167	31285	100.0
Out of the Above Major Industries/Sectors					
1	Iron & Steel	4221	1643	5864	18.7
2	Infrastructure	11344	958	12302	39.3
	Out of which				0.0
	Power	9075	659	9734	31.1
	Telecom	948	142	1090	3.5
3	Drilling	615	0	615	2.0
4	Textiles	793	573	1365	4.4
5	Aviation	1615	0	1615	5.2
6	Sugar	548	193	741	2.4
7	Paper/Printing	174	0	174	0.6
8	Chemical/Fertiliser/Drugs	684	94	778	2.5
9	Cement	22	18	40	0.1
10	Manufacturing	42	15	56	0.2
11	Engineering	360	0	360	1.2
12	Auto parts	5	140	145	0.5
13	Hotel	582	154	736	2.4
14	Education	450	291	740	2.4
15	Finance	83	0	83	0.3

26

Non-Performing Assets (Rs. Crore)				
Sl.	Parameters	Dec'12	Mar'13	Dec'13
1	NPA as at the beginning of Yr.	8720	8720	13466
2	Cash Recovery	1499	1942	2107
3	Upgradation	809	962	623
4	Write Off	90	997	1256
5	Total Reduction (2+3+4)	2399	3901	3985
6	Fresh Addition	7677	8647	7115
	-Fresh slippages	6978	7809	6255
	-Debits in existing NPA A/cs	699	838	860
7	Gross NPAs end period	13998	13466	16596
8	Eligible Deductions incl. Provisions	6412	6229	7512
9	Net NPAs	7586	7237	9084
10	Recovery in written-off debt A/Cs	292	421	241

Particulars	Dec'12	Mar'13	Dec'13
Gross NPA%	4.61%	4.27%	4.96%
Net NPA%	2.56%	2.35%	2.80%
NPA Coverage Ratio	55.97%	58.83%	58.55%

27

Capital Adequacy (Basel III) (Rs. Crore)					
Sl.	Particulars	Dec'12	Mar'13	Dec'13	Dec'13
	Capital Fund	BASEL II			BASEL III
1	Tier I	26897	31664	32038	30562
2	Tier II	9485	9608	9491	8871
3	Total (Tier I+II)	36382	41273	41529	39433
4	Risk-weighted Assets	312143	324380	357489	357924
5	Capital Adequacy Ratio	11.66%	12.72%	11.62%	11.02%
6	Tier I	8.62%	9.76%	8.96%	CET: 8.16%
					Add. T I: 0.38%
					Total Tier I: 8.54%
7	Tier II	3.04%	2.96%	2.65%	2.48%

28

Market Share & Productivity

Sl.	Parameters	Dec'12	Mar'13	Dec'13
1	Deposit Market Share (%)	5.37	5.18	5.01
2	Credit Market Share (%)	5.22	5.11	4.99
3	Business Per Branch (Rs. Cr.)	115.12	116.84	120.60
4	Business Per Employee (Rs. Cr.)	11.66	11.65	12.01

29

