FINANCIAL RESULTS

Q3 & 9M FY'19

The Rebound

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BANK HAS BOUNCED BACK

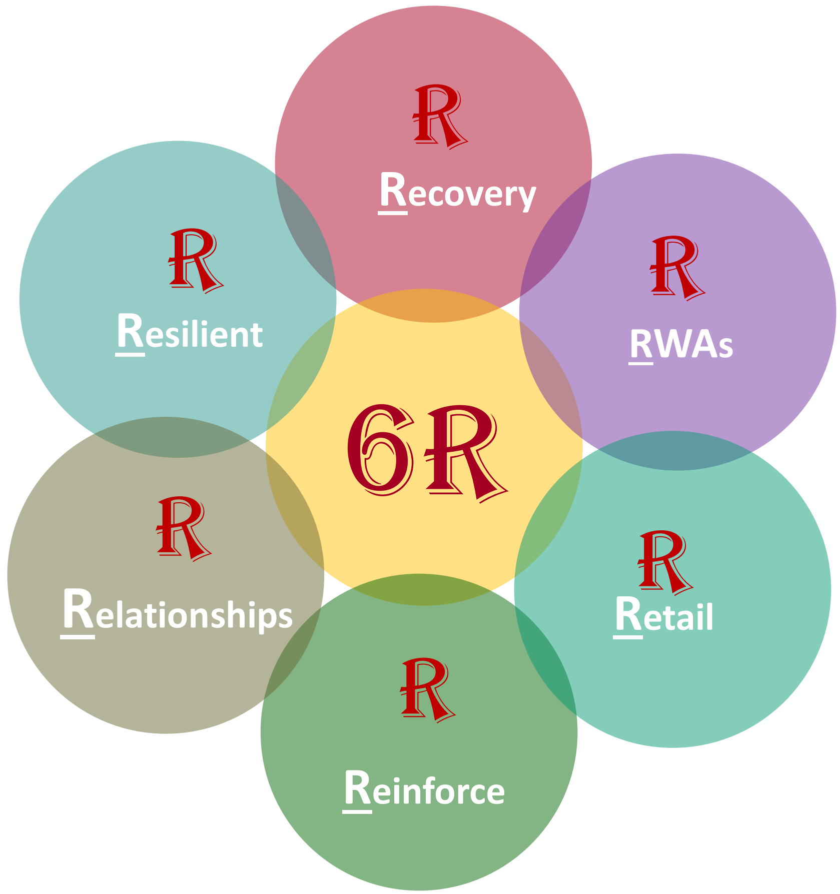
NET PROFIT ₹ 247 CRORE

The Rebound....

• Gross recovery of ₹ 16600 Cr in 9M

•Resilient Bank
•100% Provision for one-off event

•RWAs reduced by ₹ 89000 Cr. YoY



•33 Lacs+ SF A/c's added in 9M FY19

•Retail Credit Growth 15%

•Trust: Above 90 % Subscription of ESPS

The Rebound....

RECOVERY IN NPA ACCOUNTS

1. Created Stressed Asset Management Vertical (SAMV).
2. Portals for SARFAESI, OTS and DRT for better monitoring and expediting the process.
3. Recognition and reward of "Recovery Champions"

CONSISTENT CREDIT GROWTH

1. Achieved 6.7% growth in Domestic Credit on a base of 20.7% growth in Dec.'17.
2. Housing loan growth 19.4% YoY

REDUCTION IN RWA

1. 84% of fresh sanction to A and above rated a/cs.
2. Domestic credit RWA density reduced by 1100 bps YoY

The Rebound....

STRENGTHENED THE PROCEDURE AND CONTROL

1. Mission Parivartan: Think-tank to provide directional and policy inputs for PPP i.e. People, Products and Processes.
2. Risk Management and Audit Procedure being strengthened.
3. Centralised Loan Processing Centres (CLPCs) for efficient credit delivery and monitoring.

TRUST AND SUPPORT

1. Customer base continues to grow stronger
2. Strong CASA base continues to hover around 43% to drive Bank's bottom-line
3. 90% subscription by employees under ESPS

RATIONALISING OPERATIONS –DOMESTIC & OVERSEAS

1. Rationalized 65 Domestic branches by way of merger or relocation.
2. Overseas Representative Offices closed : 3
3. Merger of one overseas branch in Hongkong

Highlights

Key Financial Highlights

Net profit of ₹ 247 crore

Recovery of ₹ 16600 cr

Net NPA Reduced by 302 bps over Mar’18 to 8.22%

PCR Increased by 1043 bps over Mar’18 to 68.85%

Total RWA reduced by more than ₹ 89000 crore (YoY)

Saving Deposit increased – more than ₹ 8000 crore over March’18

Domestic NIM Increased to 2.64% in Dec’18 up by 22 bps over Mar’18

Deposits

Domestic Deposits increased by ₹ 42619 crore YoY to reach ₹ 6.31 lakh crore

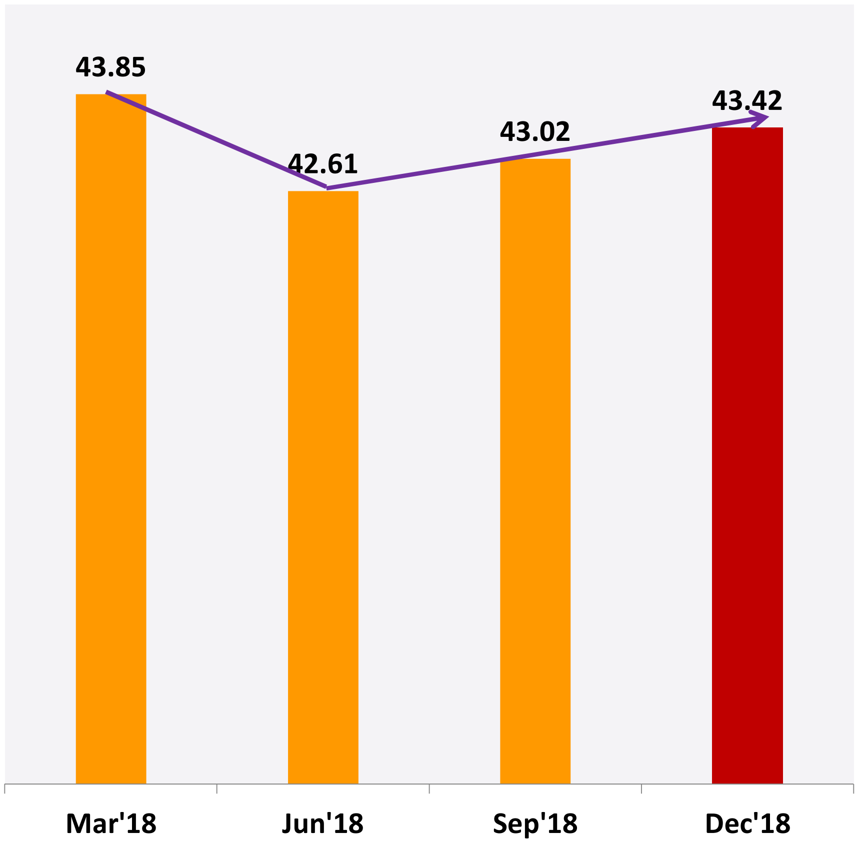
CASA share at 43.42% improved by 40 bps over Sep'18

Increase of more than ₹ 8000 crore in Saving Deposits over Mar'18

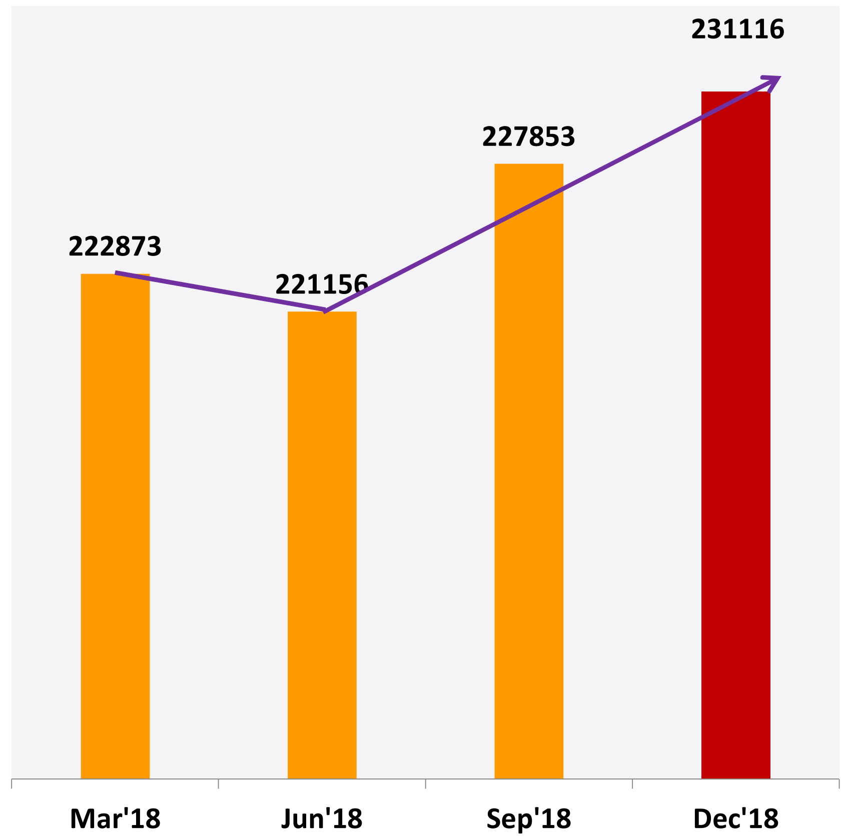
More than 33 lac new accounts added in Saving Deposits during 9M FY19

Improving CASA

CASA Share %



Saving Deposit (₹ crore)



Credit

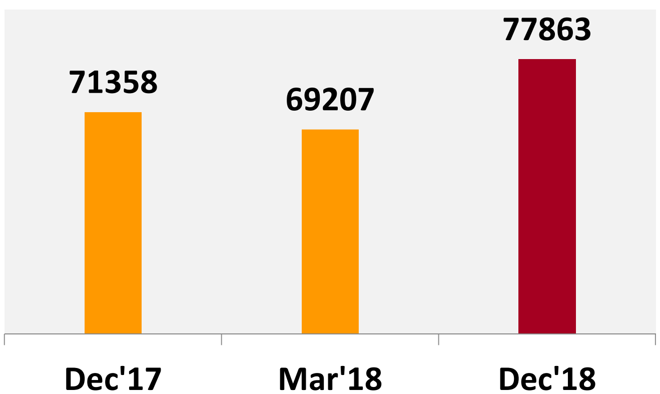
- Retail loans growth of 15.0% YoY
- Medium enterprise growth 28.0%
- Share of Small Ticket Advances 54.4% as on Dec'18
- Achieved national goals under Priority Sector with 41.95%, Total Agriculture Advance with 18.47% & Small & Marginal Farmers with 8.08% of ANBC

Small Ticket Advances – Classification

₹ crore

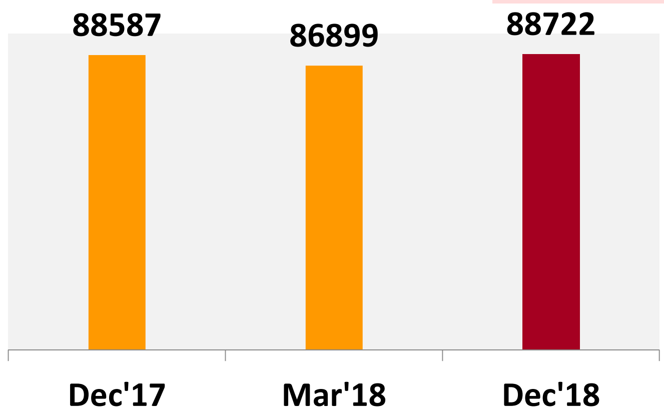
Agriculture

YoY :9.1%



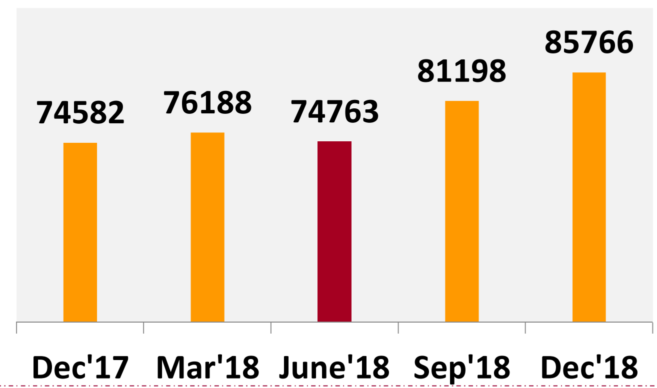
MSME

YoY : 0.2%



Retail

YoY : 15.0%



Performance under National Goals

Parameter	National Goals %	Dec'18	
		Ach. %	O/S
Priority Sector*	40	41.95	176787
Total Agriculture Adv.*	18	18.47	77863
Small & Marginal Farmers*	8	8.08	34051

* %age of ANBC

Composition of Retail Advances

Components	Dec'17	Dec'18	% Share	YoY %
Housing	40489	48333	56.4	19.4
Education	5483	5980	7.0	9.1
Pensioners	2388	2627	3.1	10.0
Others	26222	28826	33.6	9.9
Total Retail	74582	85766	100.0	15.0

Initiatives under Retail Advances

Online loan application portal revamped to provide in-principle sanctions

Developed in-house Centralized Loan Application Processing System covering all retail loans to reduce TAT

Customer friendly modification of retail advances schemes

Strengthened Retail Asset Processing Centers

Leveraging Social media for publicity

Initiatives under Agricultural advances

Online mode for generation of business through R-SETI (Rural Self Employment Training Institute) /FTC (Farmer Training Centre).

20 Specialized Agriculture Finance Branches (SAFBs) and 16 Specialized Agriculture Focus Cells (SAFCs).

Online loan application facility and Lending Automation Processing System (LAPS) to increase business and reduce TAT

Opening and operations in SHG accounts under dual authentication facility at BC Locations.

Promoting SHG Bank Linkage particularly in NLRM intensified 250 districts.

Initiatives in MSME

Co-orgination Model with NBFCs being explored.

MSME Relationship Officers for top 20 MSME accounts in all the 87 MSME Specialized branches.

Online portal for in principal sanction of small loans upto Rs 1 lakh to MSEs being launched.

E-TReDS scheme for on line discounting of trade receivables.

Introduced a scheme for **financing of GST input Credit**.

2nd highest in-principle Sanctions of MSME customers through www.psbloansin59minutes.com portal .

Improving Asset quality: Reduction in NPA

Consistent reduction in NPA

NNPA declined by ₹ 13009 crore over Mar'18

Net NPA ratio reduced by 302 bps

GNPA declined by ₹ 8886 crore over Mar'18

GNPA ratio reduced by 205 bps

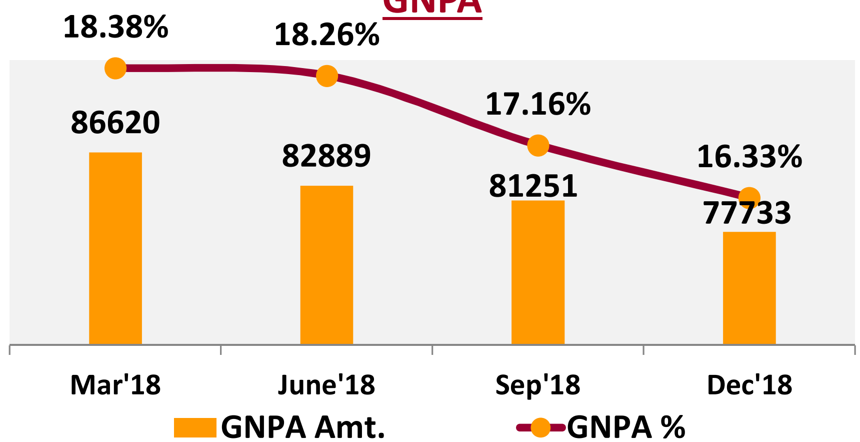
Overall stressed assets reduced by 265 bps over Mar'18

Provision Coverage Ratio improved by 1043 bps over Mar'18 to 68.85%.
Provision coverage under NCLT accounts stands at 75.1%.

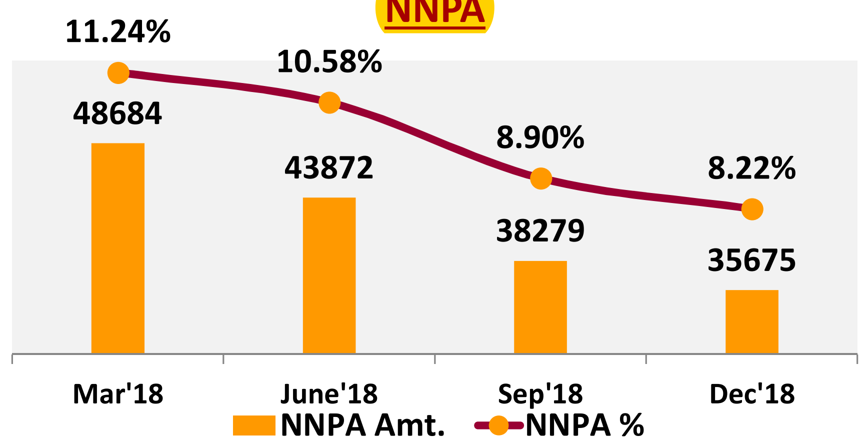
Consistent Improvement in Asset Quality

₹ crore

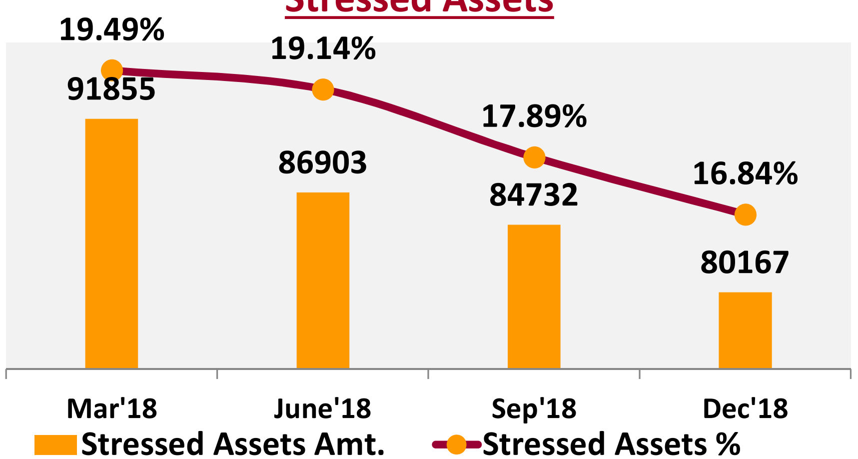
GNPA



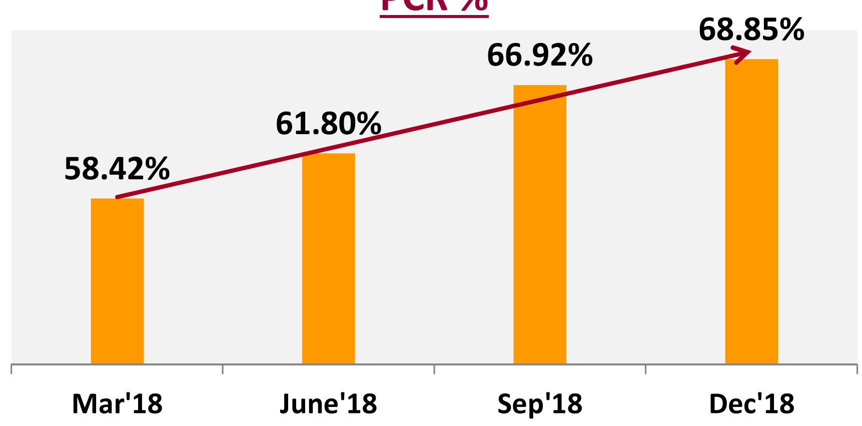
NNPA



Stressed Assets

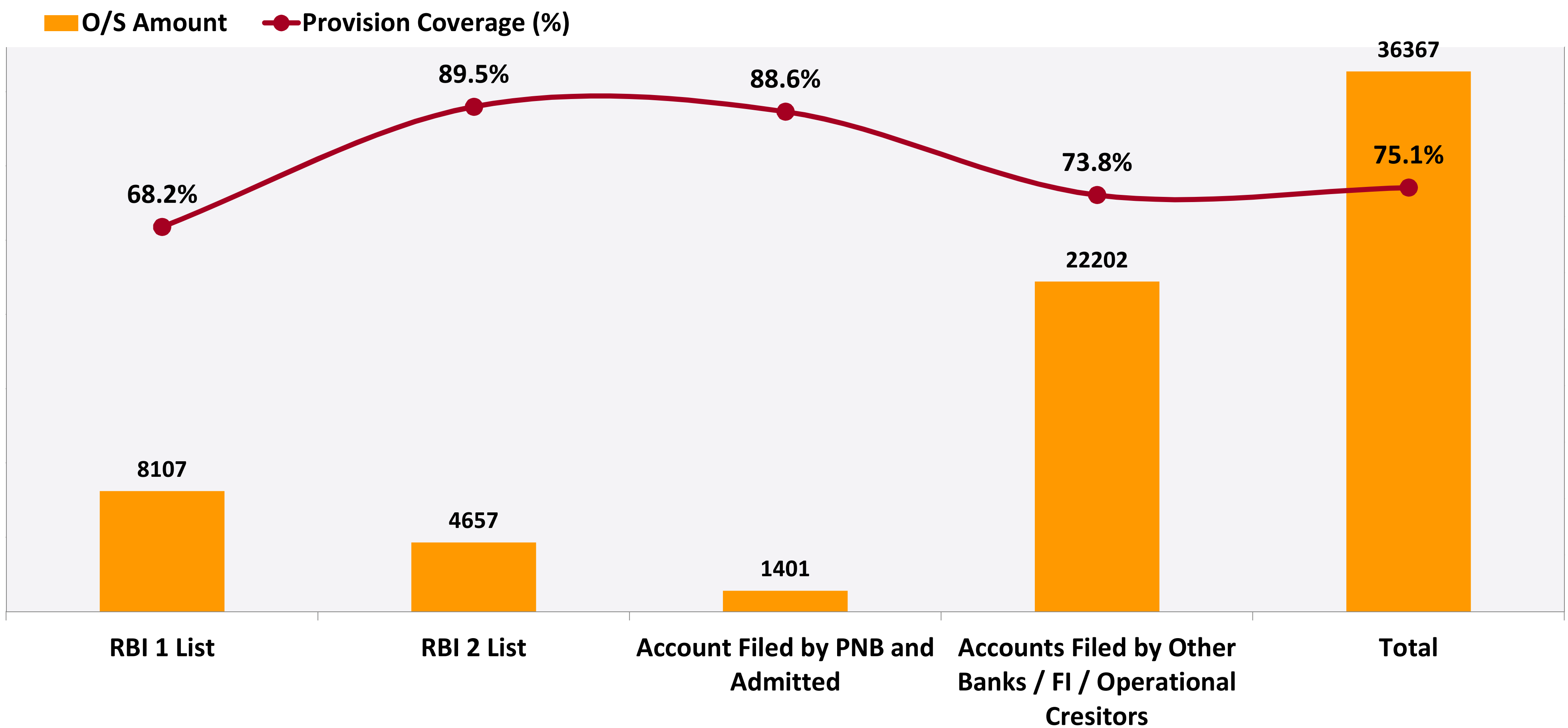


PCR %



Exposure to NCLT accounts

₹ crore



Improving Credit quality: Risk Rating

Reduction in RWA density

Domestic Credit exposure increased by ₹ 15,308 crore over Dec'17, while Domestic credit RWA declined by ₹ 51,199 crore

RWA density has declined by 11% over Dec'17 to reach 52.2%.

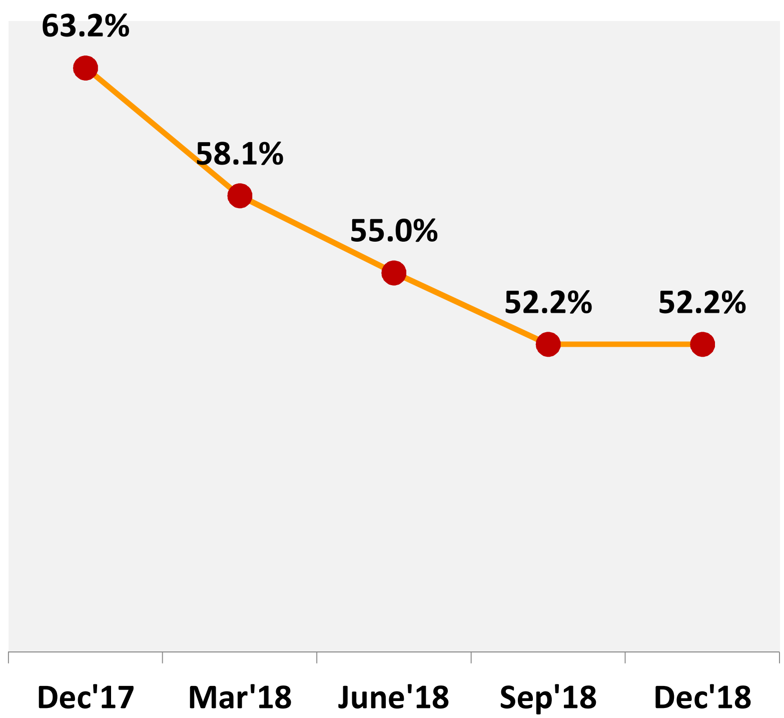
Fresh Sanctions with external rating A and above increased by 5.7% on YoY basis to reach 84.0%.

Capital Optimization and Conservation

₹ crore

Credit RWA Density: Domestic

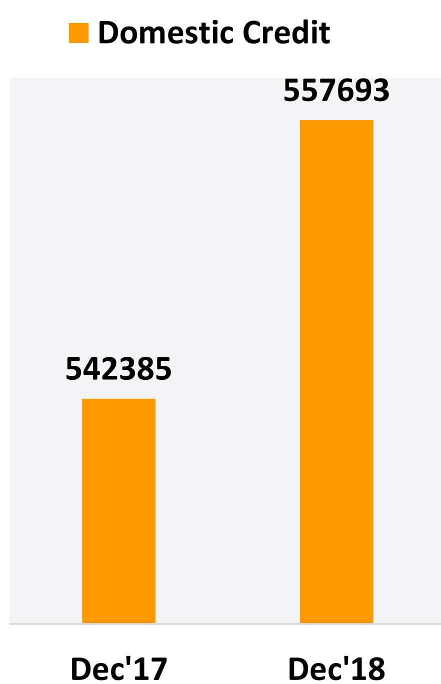
Decrease in Domestic Credit RWA density **by 1100 bps**

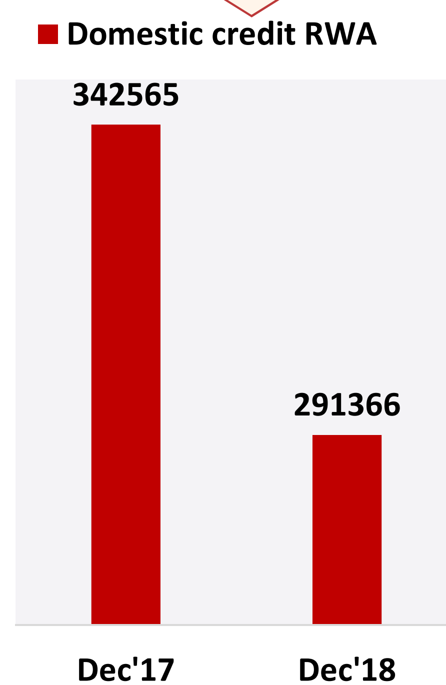


RWAs vis-a-vis Advances

Increase in Gross Domestic credit Exposure by **₹ 15,308 crore**(YoY)

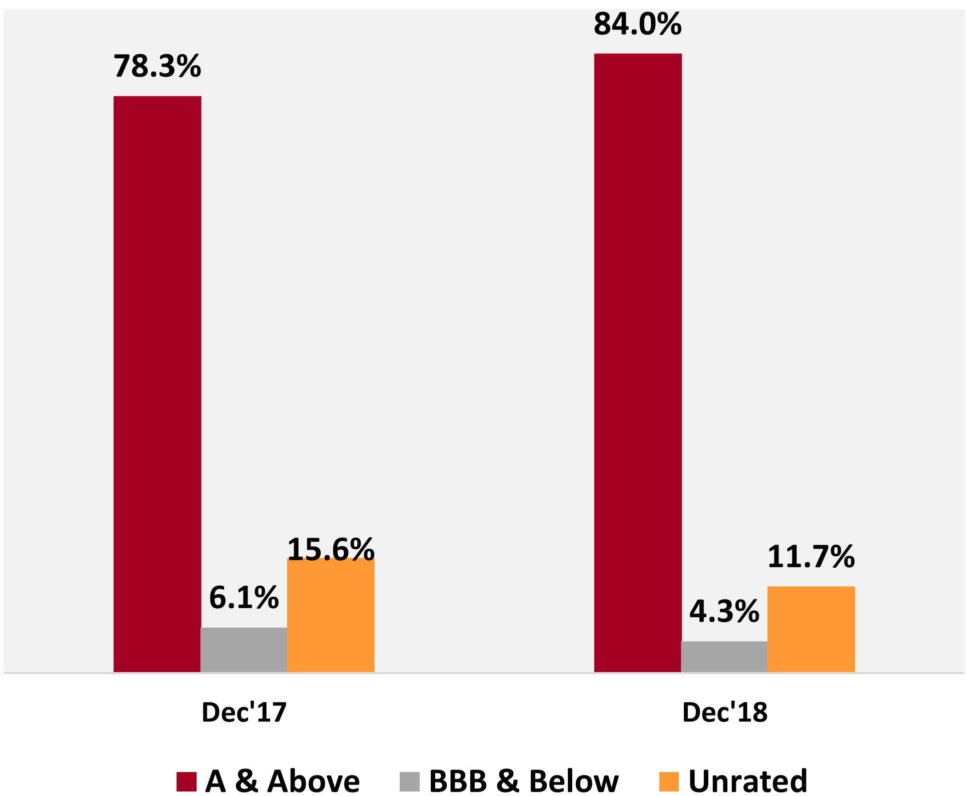
Decrease in domestic credit exposure RWA by **₹51,199crore(YoY)**



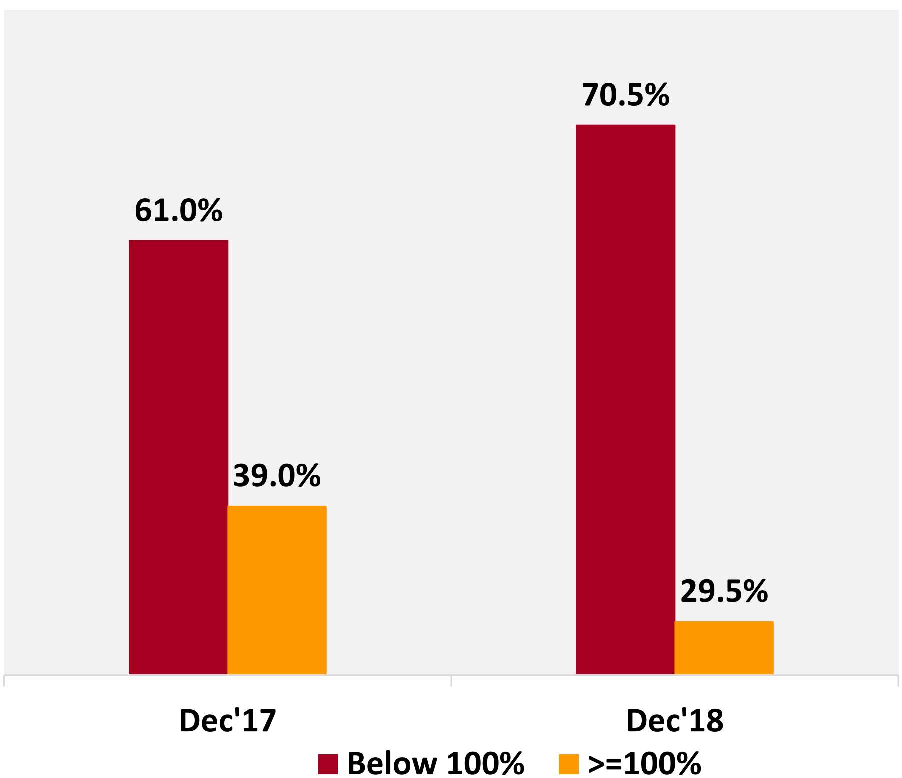


Increasing High Rated Portfolio

External Rating of Fresh Sanctions



Risk Weight wise Portfolio



Exposure after risk mitigation

Content

Business Performance (Terminal Level)

₹ crore

Sl.	Parameters	Dec'17	Mar'18	Dec'18	YoY Variation	
					Amt.	%
1	**Gross Global Business**	**1122950**	**1113523**	**1126431**	**3481**	**0.3**
1a	**Gross Domestic Business**	**1017782**	**1030681**	**1089286**	**71505**	**7.0**
1b	**Overseas Business (In ₹ crore)**	**105168**	**82842**	**37144**	**-68024**	**-64.7**
	Overseas Business (In USD Mio)	16465	12711	5323	-11141	-67.7
2	**Global Deposit**	**647998**	**642226**	**650389**	**2391**	**0.4**
3	**Gross Global Advances**	**474952**	**471297**	**476042**	**1090**	**0.2**
4	**Gross Domestic Advances**	**429755**	**430294**	**458641**	**28886**	**6.7**
5	**Overseas Advances**	**45197**	**41003**	**17401**	**-27796**	**-61.5**
6	**Net Global Advances**	**452110**	**433735**	**434399**	**-17711**	**-3.9**
7	**CD Ratio [%]**	**69.77**	**67.54**	**66.79**		

Business Performance: Deposits

₹ crore

Sl.	Parameters	Dec'17	Mar'18	Dec'18	YoY Variation	
					Amt.	%
1	Global Deposit	647998	642226	650389	2391	0.4
2	Domestic Deposit	588027	600387	630646	42619	7.2
3	Overseas Deposit	59971	41839	19743	-40228	-67.1
4	CASA Deposit	267685	263247	273856	6171	2.3
5	Current Deposit	43853	40374	42740	-1113	-2.5
6	Saving Deposit	223832	222873	231116	7284	3.3
	CASA Share Domestic (%)	45.52	43.85	43.42		

Business Performance (Daily Average Basis)

₹ crore

Sl.	Parameters	Dec'17 (9M)	Mar'18 (FY)	Dec'18 (9M)	YoY Variation	
					Amt.	%
1	Gross Global Business	1025268	1038992	1073222	47954	4.7
1a	Gross Domestic Business	928042	941051	1014650	86608	9.3
1b	Gross Overseas Business	97226	97941	58573	-38654	-39.8
2	Domestic Deposit	557328	560721	594660	37332	6.7
3	Domestic Gross Advances	370714	380327	419989	49275	13.3
4	Domestic Net Advances	360922	357695	380801	19879	5.5
5	CASA Deposits	239341	241559	249353	10011	4.2
5a	Saving Deposits	210677	212606	221370	10694	5.1

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Profit

₹ crore

Sl.	Parameters	Q3' FY 18	Q2' FY 19	Q3' FY 19	YoY Variation		9M FY18	9M FY19	YoY Gr. %
					Amt.	Gr. %			
1	Interest Income	12175	12326	13035	860	7.1	36611	38475	5.1
2	Interest Expenses	8187	8352	8745	558	6.8	24752	25519	3.1
3	NII (Spread) (1-2)	3989	3974	4290	301	7.6	11859	12956	9.3
4	Other Income	3082 #	1710	1819	-1263	-41.0	7320 #	5488	-25.0
5	Operating Expenses	2826	2844	3009	184	6.5	8437	8310	-1.5
5A	Other Op. Expenses	1084	1182	1125	41	3.8	3168	3337	5.3
5B	Staff Expenses	1742	1662	1884	143	8.2	5269	4973	-5.6
6	Operating Profit (3+4-5)	4245 #	2839	3100	-1145	-27.0	10742 #	10134	-5.7
7	Provisions	4015	7372	2853	-1162	-28.9	9607	15360	59.9
8	Net Profit (6-7)	230	-4532	247	16	7.1	1134	-5226	-560.8

Including sale of PNB HFL of Rs 1231 cr.

Interest Income & Expenditure

₹ crore

Sl.	Parameters	Q3' FY 18	Q2' FY 19	Q3' FY 19	YoY Variation		9M FY18	9M FY19	YoY Gr. %
					Amt.	Gr. %			
1	Interest Income (2+3+4)	12175	12326	13035	860	7.1	36611	38475	5.1
2	Interest on Advances	8219	8149	8918	698	8.5	24422	26275	7.6
3	Interest on Investments	3546	3542	3617	71	2.0	10477	10563	0.8
4	Other Interest Income	410	636	500	91	22.1	1712	1636	-4.4
5	Total Interest Paid (6+7+8)	8187	8352	8745	558	6.8	24752	25519	3.1
6	Intt. Paid on Deposits	7623	7891	8214	592	7.8	22884	23888	4.4
7	Intt. Paid on Borrowings	48	178	85	37	76.4	301	418	39.0
8	Others	516	283	446	-70	-13.6	1568	1213	-22.6
9	Net Interest Income	3989	3974	4290	301	7.6	11859	12956	9.3

Provisions

₹ crore

Sl.	Parameters	Q3' FY 18	Q2' FY 19	Q3' FY 19	YoY Variation		9M FY18	9M FY19	YoY Gr. %
					Amt.	Gr. %			
1	Provision towards NPAs	2996	7733	2566	-431	-14.4	8250	15281	85.2
2	Standard Advances incl. Std. Restructured	159	0	9	-150	-	-404	-15	-
3	Depreciation on Investment	1075	1267	-490	-1566	-	1401	1494	6.6
4	Income Tax	-452	-2386	100	551	-	91	-2910	-
5	Others	235	758	669	434	184.3	269	1510	461.7
6	**Total Provision**	**4015**	**7372**	**2853**	**-1162**	**-28.9**	**9607**	**15360**	**59.9**

Fee Based Income

₹ crore

Sl.	Parameters	Q3' FY 18	Q2' FY 19	Q3' FY 19	YoY Variation		9M FY18	9M FY19	YoY Gr. %
					Amt.	Gr. %			
1	Processing Fees	99	60	130	31.1	31.4	608	510	-16.1
2	LC/LG Income	192	174	153	-38.9	-20.3	607	506	-16.6
3	Income from Ins & MF	50	53	62	12.4	24.9	128	157	22.5
4	Govt. Business	17	26	25	7.7	44.0	68	74	9.0
5	Misc Fee Income	504	539	535	30.3	6.0	1374	1568	14.1
6	Exchange Profit	204	153	100	-103.2	-50.7	545	407	-25.2
	Fee Based Income	1066	1006	1005	-60.7	-5.7	3330	3222	-3.2

Cost & Yield Ratios

Annualized %

Sl.	Parameters	Dec'17 (9M)	Mar'18 (FY)	Dec'18 (9M)
1	Cost of Deposit	5.00	4.96	5.11
2	Cost of Fund	4.36	4.31	4.31
3	Yield on Advances	7.84	7.49	7.79
4	Yield on Investment	7.37	7.35	7.42
5	Yield on Fund	6.45	6.26	6.50
6	Domestic Net Interest Margin	2.59	2.42	2.64

Profitability Ratios

Annualized %

Sl.	Parameters	Q3' FY 18	Q2' FY 19	Q3' FY 19	9M FY 18	9M FY 19
1	Return on Assets	0.12	Negative	0.12	0.20	Negative
2	Return on Net worth	2.03	Negative	2.40	3.34	Negative
3	Opt. Profit to AWF	2.21	1.43	1.56	1.89	1.71
4	Cost to Income Ratio	39.96	50.04	49.26	43.99	45.06
5	Opt. Exp. To AWF	1.47	1.43	1.51	1.49	1.40
6	Book Value per Share [₹]	186.7	113.0	107.9	186.7	107.9
7	Earnings per share [₹]	4.21	Negative	2.82	7.04	Negative

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Treasury Portfolio

₹ crore

Sl.	Parameters	Dec'17	Mar'18	Dec'18
1	Domestic Investment	204365	197328	193152
	SLR	152556	145271	134860
	Non SLR	51809	52057	58292
	Held To Maturity	120158	119439	129658
	Available For Sale	83969	77839	63355
	Held For trading	238	50	139
2	Investment by Overseas Branches	5461	6081	5702
3	Global Investment	209826	203409	198848

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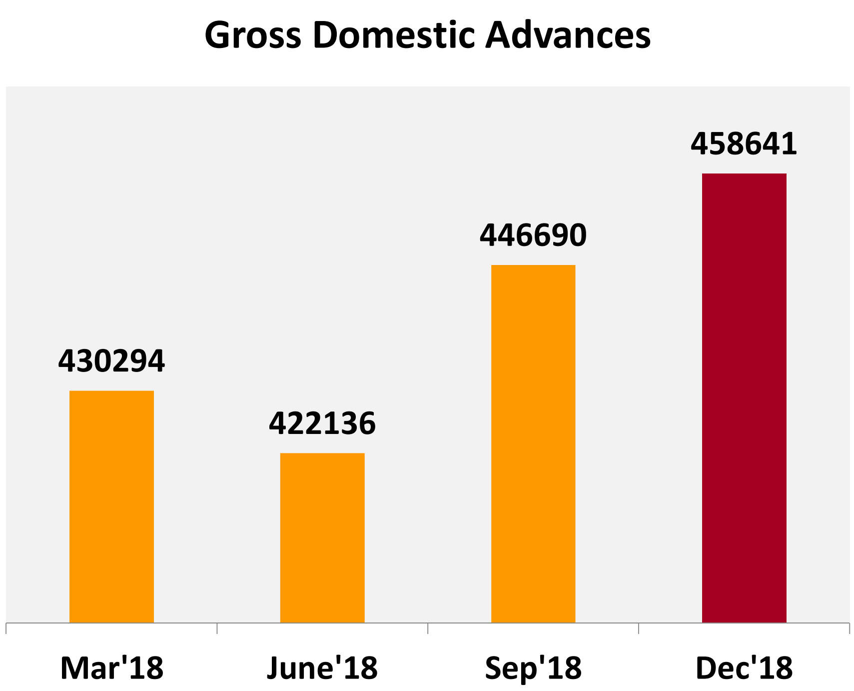
Improving Asset Quality

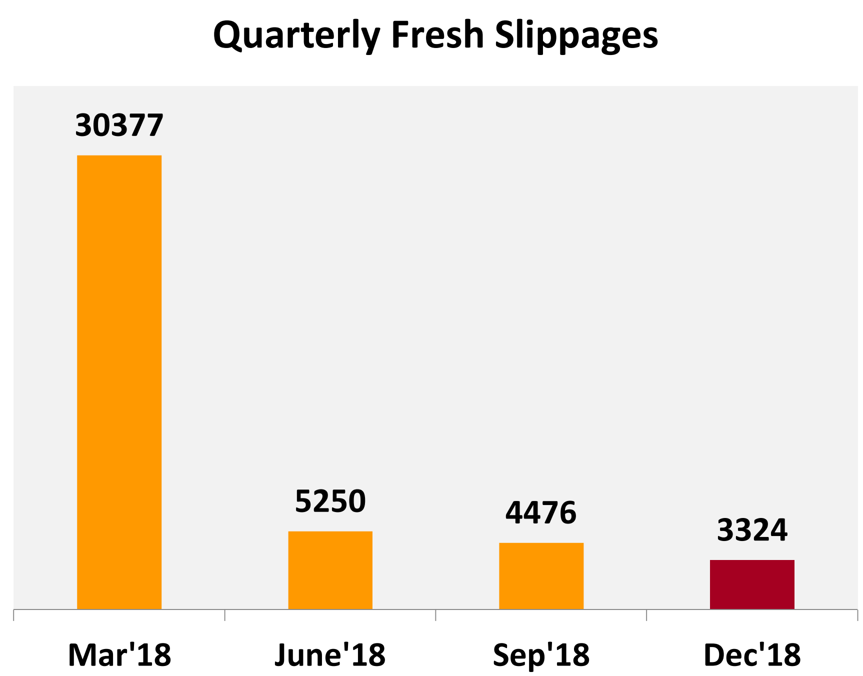
₹ crore

Sl.	Parameters	Dec'17	Mar'18	Dec'18	Q1FY19	Q2FY19	Q3FY19
1	NPA as at the beginning of Year	55370	55370	86620	86620	82889	81251
2	-Cash Recovery	3720	4443	10736	5519	2321	2967
3	-Up-gradation	1286	1174	2985	2926	1418	1457
4	-Write Off	6128	7407	9273	2648	3543	3082
5	Total Reduction (2+3+4)	11134	13025	22994	11094	7282	7505
6	Fresh Addition	13283	44274	14107	7363	5644	3988
	-Fresh slippages	11204	40672	11122	5250	4476	3324
	-Debits in existing NPA A/cs	2079	3602	2985	2113	1167	664
7	Gross NPAs at end of the period	57519	86620	77733	82889	81251	77733
8	Eligible Deductions incl. Provisions	23444	37936	42058	39016	42972	42058
9	Net NPAs	34076	48684	35675	43872	38279	35675
10	Recovery in written-off debt A/Cs	353	981		508	377	
11	Gross NPA (%)	12.11	18.38	16.33	18.26	17.16	16.33
12	Net NPA (%)	7.55	11.24	8.22	10.58	8.90	8.22
13	Provision Coverage Ratio (%)	60.78	58.42	68.85	61.80	66.92	68.85

₹ 16608 crore

Credit Growth and Slippages





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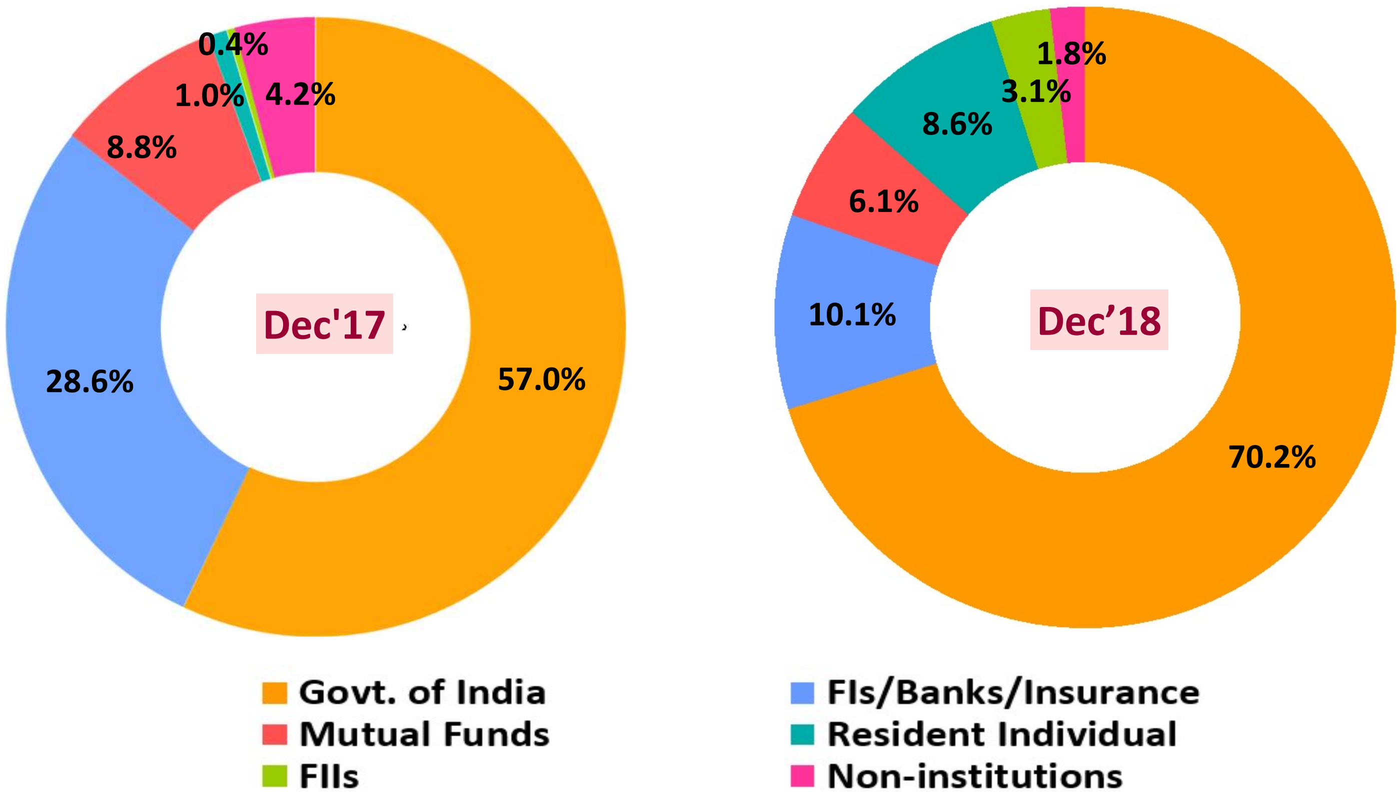
Capital Adequacy (Basel III)

₹ crore

Sl.	Parameters	Dec'17	Mar'18	Dec'18
1	Tier I	45058	32267	33234
	Common Equity	39616	26971	27934
	Additional Tier I	5442	5296	5300
2	Tier II	11954	9413	9144
3	Total (Tier I+II)	57012	41680	42377
4	Risk-weighted Assets	492407	453070	402843
1	Tier I %	9.15	7.12	8.25
	Common Equity %	8.05	5.95	6.93
	Additional Tier I %	1.11	1.17	1.32
2	Tier II %	2.43	2.08	2.27
3	Total (Tier I+II) %	11.58	9.20	10.52

Share holding Pattern



Successful mobilization under ESPS with 90% subscription by staff, raised ₹ 649 crore

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PNB One: The all in one app for Digital Banking

Unified Mobile application with advanced features under the name "PNB ONE" has been launched on 15.12.2018 for both Android and IOS users.

Interactive Interface

Scan and Pay through QR Code

Simplified Dashboard to manage key Banking Activities

Value Added Services with Complaint Service Management

Pay Bills/Recharge

Available in English and Hindi

Manage Debit and Credit Card

Bio-metric authentication for greater Security

PNB – The Digital Partner at Kumbh Mela

PNB eRupaya, **Made in India** solution

- No dependency on internet
- Low Transaction Time
- Convenient, Simple & Easy to use
- At Kumbh provided
    - ✓Devices to 1000 shopkeepers
    - ✓Stalls for distribution of cards
    - ✓20 mobile ATMs

Expanding Digital Footprints

▲ **UPI txns**

581 lakh txns in Q3.
315% gr YoY

Debit ▲ Card

Users Crossed
4.03 Crores
YoY: 16%

Internet ▲ Banking

Users Crossed
142.09 Lacs
YoY: 15.53%

Mobile ▲ Banking

Users Crossed
148.52 Lacs
YoY: 29.90%

BHIM
Bharat Interface for Money by NPCI

▲ **BHIM**

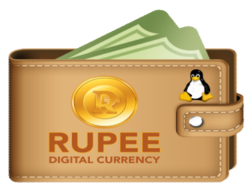
Users Crossed
22.90Lacs

Credit ▲ Card

Total issued
331069
YoY:19.9%

▲ **PoS**

Total Installed
56746
YoY:46.10%



PNB ▲ E-Rupaya

Digital Solution in Villages without internet connectivity

BHARATQR

Bharat ▲ QR Code

Total Installed
38,280

Bank is on 2nd position in No. of O/S Debit cards in the industry*
Bank is on 2nd position in No. of O/S Credit cards among all PSBs*
YoY increase in Number of ATM transaction is more than 46%

*As per latest report(Nov'18) of RBI

Awards for Excellence

NSDL Star Performer Awards -2018
1^{st} position in Demat account growth rate
&
Top Performer in New Accounts opened (Banks category)

Aadhar Excellence Award-

2nd Best PSB for Aadhar Generation and Seeding

Skoch Order of Merit Awards
1. M-Touch
2. ATM Switch Migration
3. Finacle X Upgrade
4. PIM

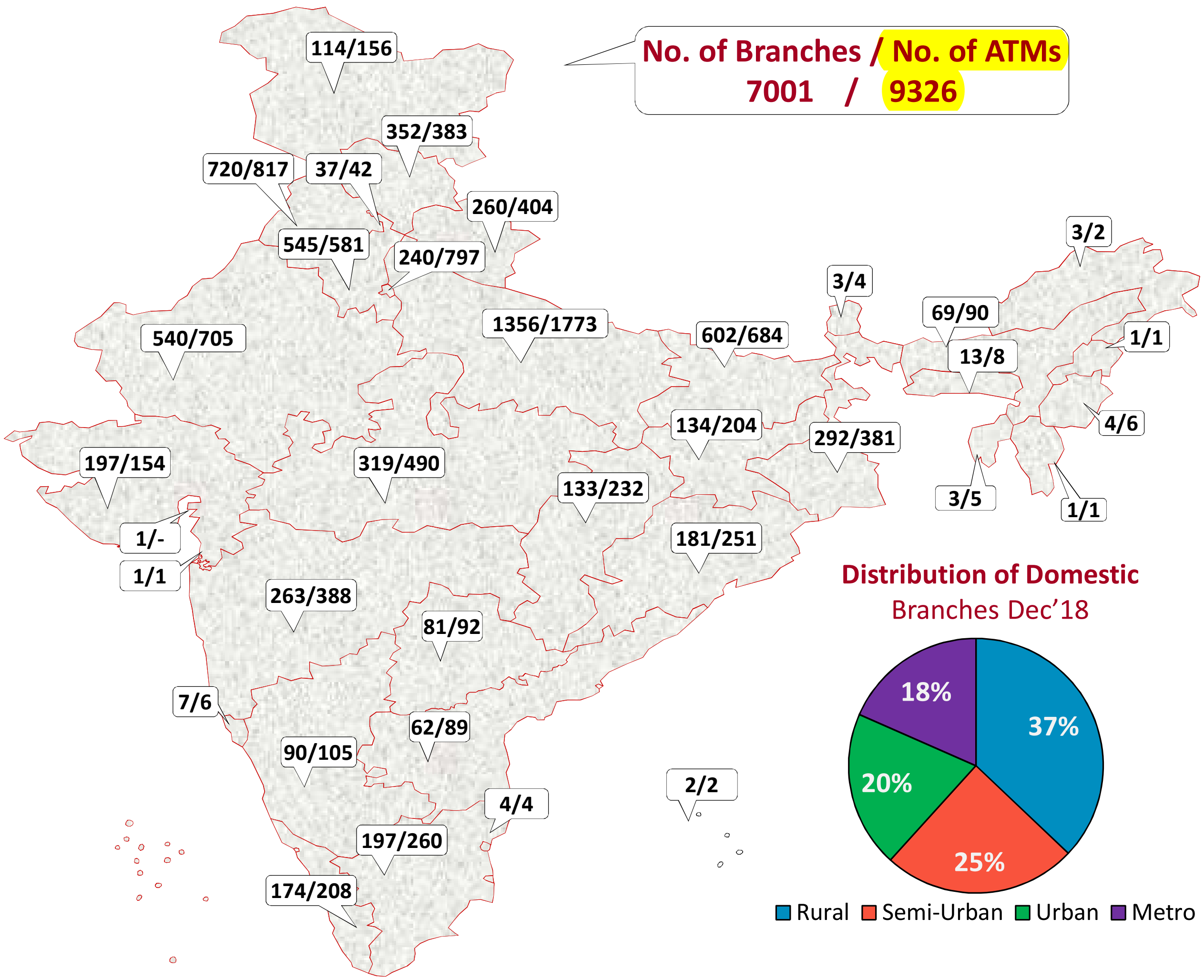
Rajbhasha Kirti Purashkar

1^{st} position in K shetra

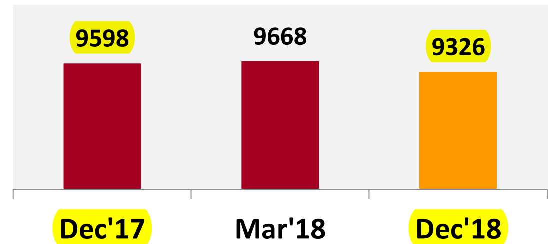
Bank set up a Hockey academy in 2002 for Junior Players and in 2004 for Senior Players. Recently the Senior team has won 29^{th} Lal Bahadur Shashtri Hockey Tournament

Dominant Pan India Presence

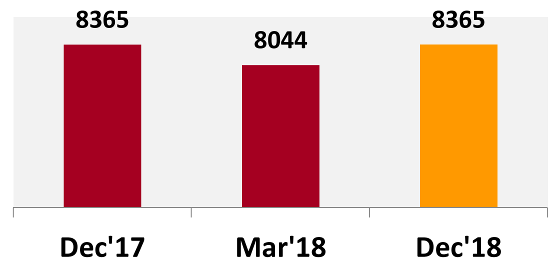
No. of Branches / No. of ATMs
7001 / 9326



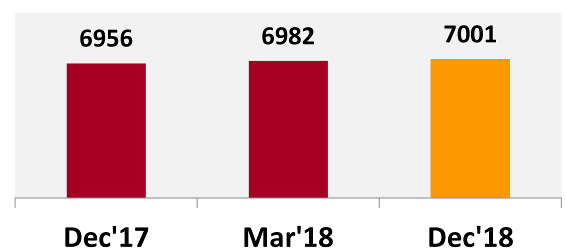
ATMs



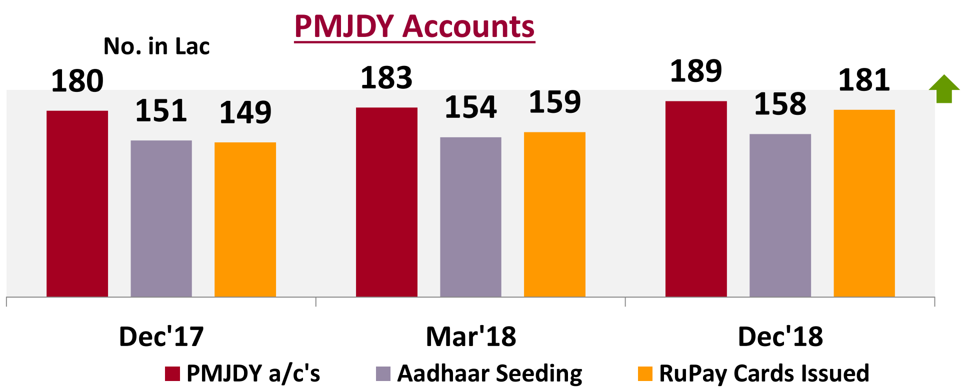
BCs

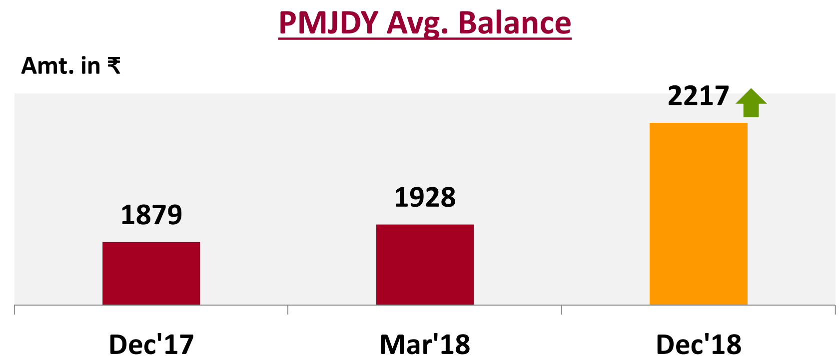


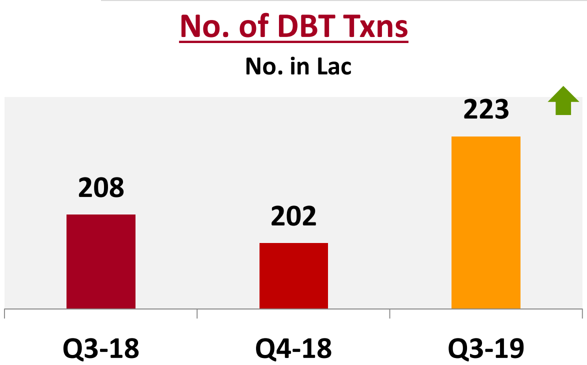
Domestic Branches

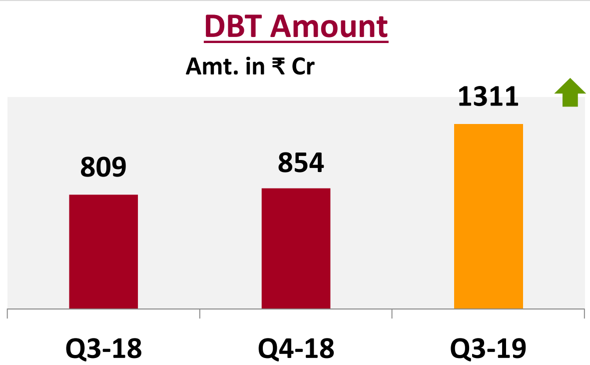


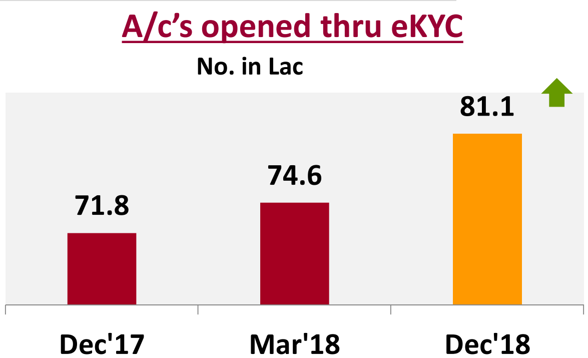
Financial Inclusion











No. in Lac

Sl.	Jansuraksha Schemes Enrollment Up To	Dec'17	Mar'18	Dec'18
1	Pradhan Mantri Jeevan Jyoti Bima Yojana	13.5	13.9	14.7
2	Pradhan Mantri Suraksha Bima Yojana	65.0	65.5	67.4
3	Atal Pension Yojana	2.8	3.1	3.7

CSR & Corporate Business Strategy

CSR is at the core of PNB's Corporate Business Strategy and the Bank makes following commitments:

Schemes for empowerment & upliftment : PNB Ladli, PNB Vikas, PNB Ujala, Mahila Kaushal Vikas Yojna , PNB Kisan Balak Shiksha protsahan Yojana

Some CSR Activities during the quarter

Contributed to "KERALA CHIEF MINISTER'S RELIEF FUND" for flood affected victims

Financial assistance for infrastructure to Schools for water purifiers, water coolers etc.

Clothes & Woolens to Safai Sevaks and under previleged

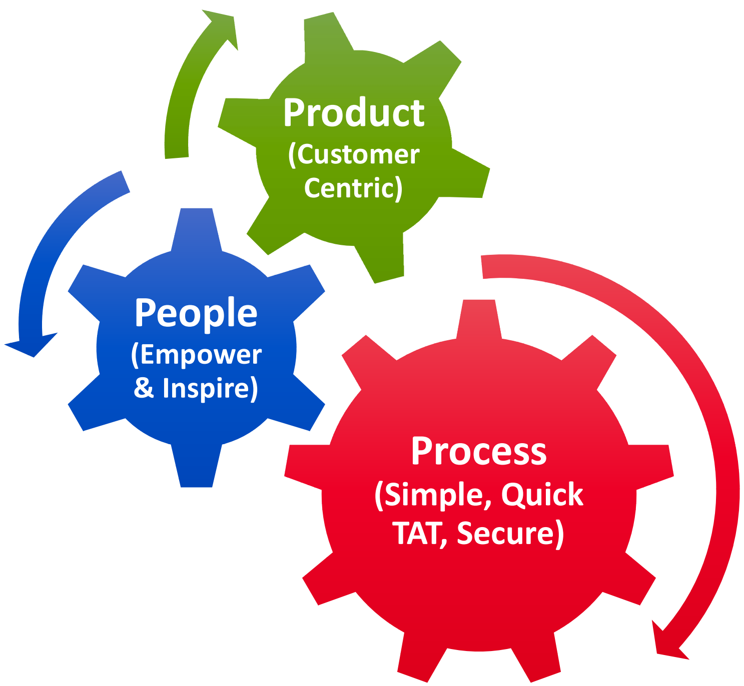
Sewing machines to women beneficiaries

Content

Mission Parivartan

Think-tank to provide Directional and Policy Inputs

Aligns Bank's activities relating to ***3 Ps i.e.,*** PEOPLE, PROCESSES **&** PRODUCTS *more with the business strategy & vision.*



- Implemented CLPC Model
- Undertaking digitalization of Trade Finance Centres
- Revamped Marketing Structure to be Customer Centric
- Strengthening Inspection and Audit System
- Branch Rationalisation

'LEAD THE PARIVARTAN' PORTAL – THE PLATFORM OFFERIING OPPORTUNITY TO ALL PNBIANS TO CONTRIBUTE AS IDEATORS. OVER 5000 IDEAS RECEIVED

Way Forward…

DATA Analytics Centre to leverage Big Data and Artificial Intelligence.

Algorithm based decision making in MSME loans.

Digitalisation of credit processing as well as monitoring system.

Hub and Spoke model in Agriculture Finance.

Differentiated deposit products for growth in retail deposits.

Robust Marketing Structure.

Rationalization of branches by leveraging synergies in the network

Pioneering initiative: Completion of all promotion processes by 31st March.

Focus for the FY19

- RECOVERY IN NPA ACCOUNTS
- CAPITAL CONSERVATION AND OPTIMISATION OF RWAS
- RATIONALISING OPERATIONS
- SALE OF NON CORE ASSETS
- LEVERAGING TECHNOLOGY FOR BUSINESS GROWTH AND ENHANCED CUSTOMER EXPERIENCE

Disclaimer

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Note: All financial numbers in the presentation are from Audited Financials or Limited Reviewed financials or based on Management estimates.

Thank You