

**FINANCIAL
RESULTS**

**Quarter & FY
Ended March
2017**

**123
Years
of
Leadership
in
Banking**



MAJOR HIGHLIGHTS

01

Higher Operating Profit : Rs. 14565 Cr

02

Gross & Net NPA below March'16 as well as Dec'16 Level
GNNPA = Rs. 55370 Cr. NNPA= Rs. 32702 cr.

03

PCR Increased from 51.06% in Mar'16 to 58.57% in Mar'17

04

Stable Asset Quality in Large Credit Portfolio

05

Sustained Cash Recovery & Up-gradation

06

Sustained High Growth : 26.5% in CASA Deposits

KEY STRENGTHS

Vast Branch
& ATM
Network



17618

Commanding
Share in
CASA



46.0%

Sustainable
Operating
Profit



Rs. 14565 Cr.

Strong &
Consistent Cash
Recovery



Rs. 10677 Cr.

Increased
Digitization



54% Txns
through ADC



MAJOR BANKING EVENTS DURING Q4 FY'17

<i>Event</i>	<i>Implication</i>
Re-Monetization	Going forward, new normal in currency is likely to accelerate economic activity and so in bank's business.
Neutral Stance of Monetary Policy	Control on Inflation is seen to pave the path for credit growth.
Growth Oriented Union Budget	Orientation of Budget towards Rural & Semi-Urban Areas and Housing offers opportunity for the large network of PNB (over 61% Branches in Rural & Semi-Urban areas).
Liquidity	Liquidity may find Directional Change from deployment in low yield securities to high yielding fresh credit.
Insolvency and Bankruptcy laws	Reforms in Recovery and Debt Recast are likely to smoothen the process of Reduction of Stressed Assets.



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 Punjab National Bank						
BUSINESS PERFORMANCE - MAJOR COMPONENTS						Rs. Cr.
(TERMINAL LEVEL)						
Sl.	Parameters	Mar'16	Dec'16	Mar'17	YoY Variation	
					Amt.	%
1	Global Business	965377	997907	1041197	75820	7.9
	Domestic Business	853254	893862	935065	81811	9.6
	Overseas Business	112123	104045	106132	-5990	-5.3
	Overseas Business (In USD Mio)	17010	15493	16552	-458	-2.7
	Share of Overseas Business (%)	11.61%	10.43%	10.19%		
2	Global Deposits	553051	612180	621704	68653	12.4
	Gross Advances	432775	406042	441751	8976	2.1
3	Global Net Advances	412326	385727	419493	7167	1.7
4	CD Ratio [%]	74.55%	63.01%	67.47%		
5	CASA Deposits	205583	262775	260016	54433	26.5
6	Saving Deposits	169426	221997	214163	44736	26.4
7	CASA Share (%)	41.6%	47.1%	46.0%		

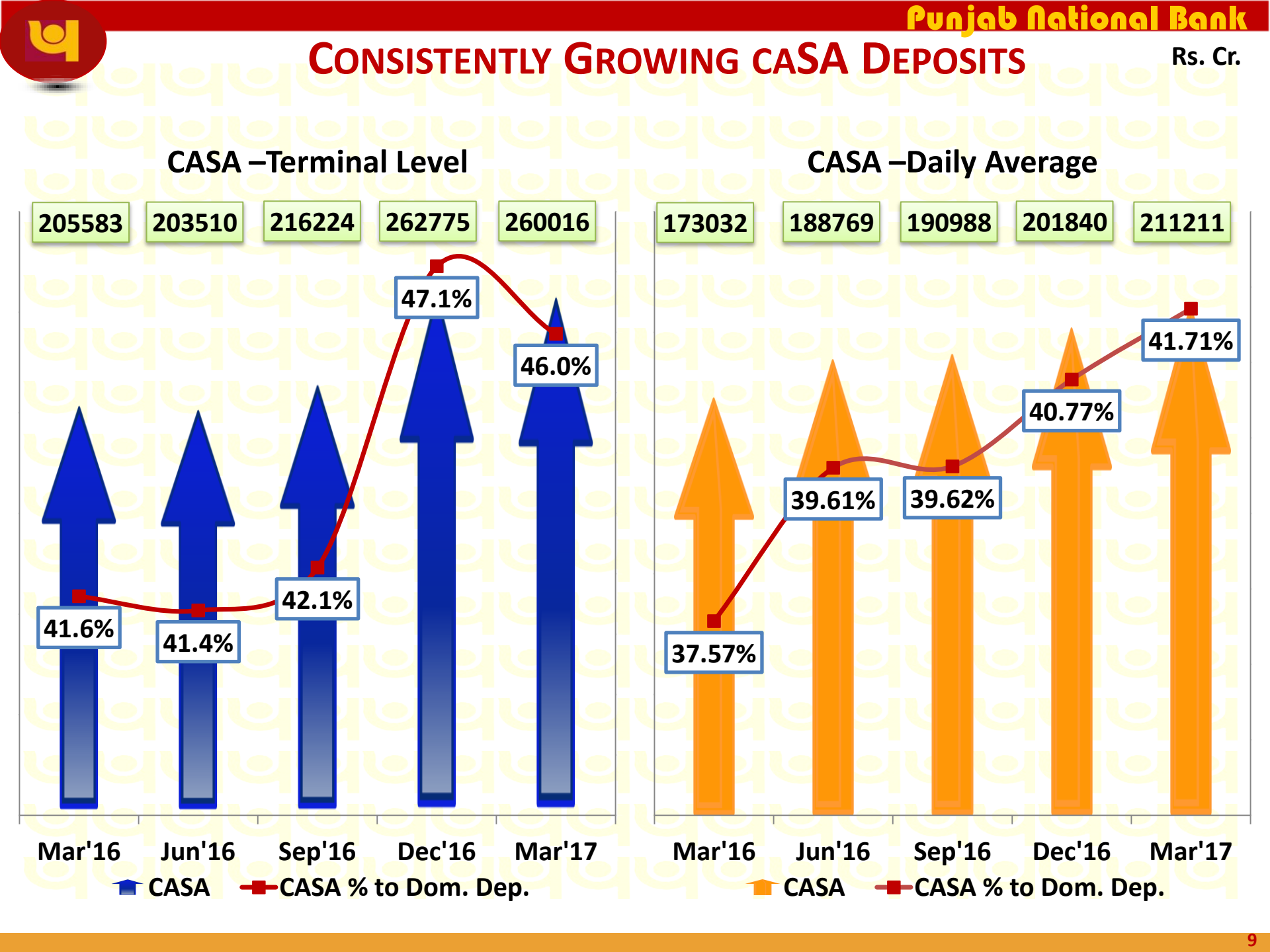


BUSINESS PERFORMANCE - MAJOR COMPONENTS

Rs. Cr.

(DAILY AVERAGE BASIS)

Sl.	Parameters	Mar'16	Dec'16	Mar'17	YoY Variation	
					Amt.	%
1	Global Business	876676	928441	938457	61782	7.0
	<i>Domestic Business</i>	772672	818699	831673	59002	7.6
	Overseas Business	104004	109742	106784	2780	2.7
	Share of Overseas Business (%)	11.86%	11.82%	11.38%		
2	Global Deposits	509869	552340	561543	51674	10.1
	Gross Advances	378477	396566	397341	18864	5.0
3	Global Net Advances	366807	376101	376914	10107	2.8
4	CD Ratio [%]	71.94%	68.09%	67.12%		
5	CASA Deposits	173032	201840	211211	38178	22.1
6	Saving Deposits	151298	177809	185805	34507	22.8
7	CASA Share (%)	37.6%	40.8%	41.7%		





BUSINESS PERFORMANCE - DEPOSITS

Rs. Cr.

Sl.	Parameters	Mar'16	Dec'16	Mar'17	YoY Variation	
					Amt.	%
1	Global Deposits	553051	612180	621704	68653	12.4
2	Domestic Deposits	493855	557980	565573	71718	14.5
3	Overseas Deposits	59196	54200	56131	-3065	-5.2
4	CASA Deposits	205583	262775	260016	54433	26.5
5	Current Deposits	36157	40778	45853	9696	26.8
6	SB Deposits	169426	221997	214163	44736	26.4
	Share of CASA To Dom. Dep. (%)	41.63%	47.09%	45.97%		
7	Term Deposits	347468	349405	361688	14220	4.1
8	Differential Rate Dep. Incl. CD	3167	1354	403	-2764	-87.3
	Share of DRI Dep. to Total %	0.57%	0.22%	0.06%		



CREDIT: STEADY & QUALITATIVE FRESH BUILDUP

Vast Rural & Semi-Urban Network

Normal Monsoon → Good Crop → Better Rural Income → and Housing offers scope for expansion in fresh credit.

Small Ticket Advances

Leveraging vast branch network for acquiring higher market share in Agriculture, MSMEs and Retail credit.

Fresh Credit linkages

Leveraging Technology to Integrate Financial Inclusion & India Post Payments Bank customers

Large Corporate

Strengthening JLF Mechanism to resolve large accounts

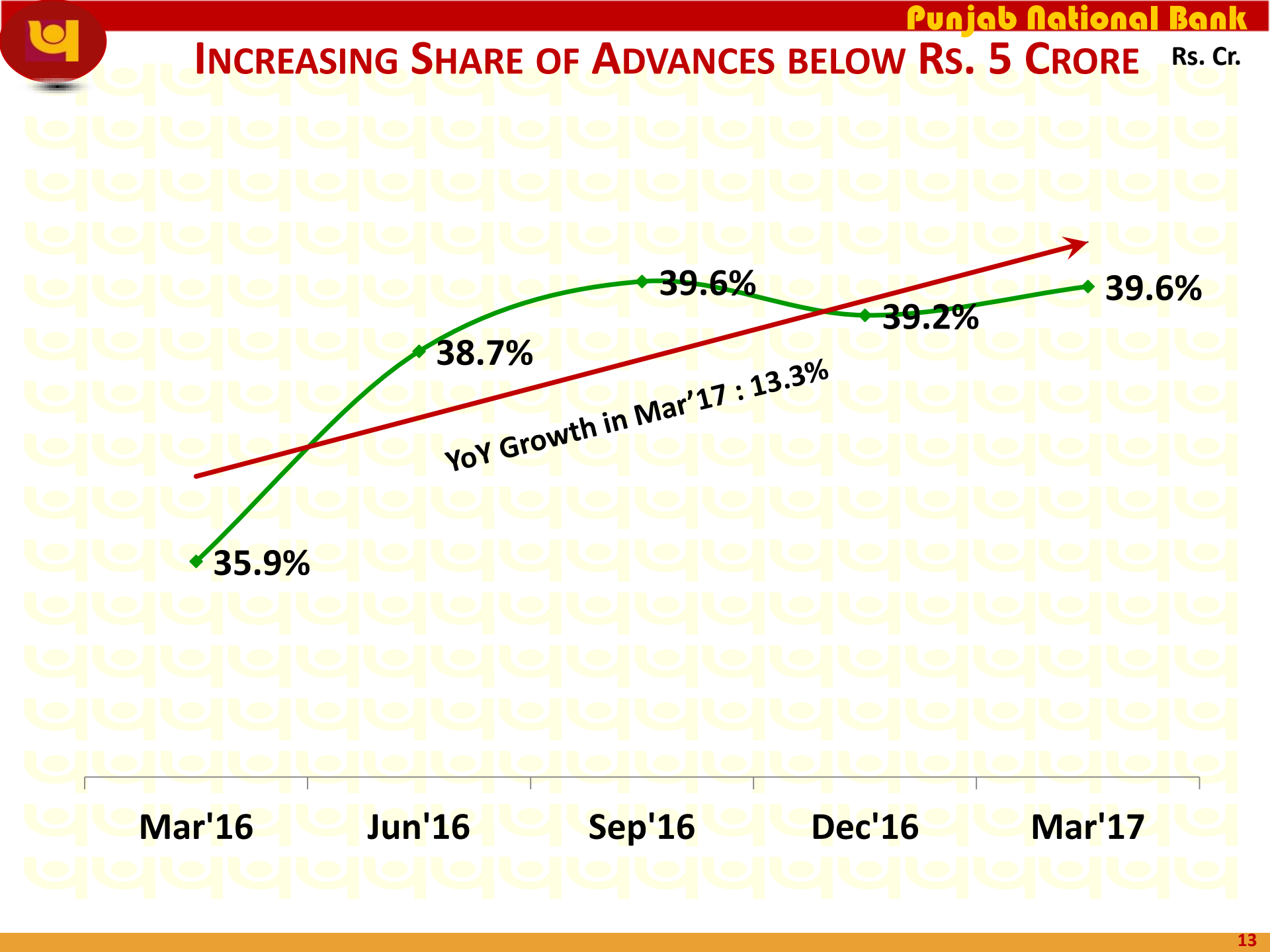


CREDIT

Rs. Cr.

Sl.	Parameters	31.03.16	31.12.16	31.03.17	YoY Variation	
					Amt.	%
1	Global Gross Advances	432775	406042	441751	8976	2.1
2	Overseas Advances	52926	49845	50001	-2925	-5.5
3	Domestic Advances	379849	356197	391750	11901	3.1
4	Large Industry	123180	113612	120634	-2547	-2.1
5	Agriculture & Allied	62604	61709	66931	4327	6.9
6	MSME	80354	78933	81592	1238	1.5
7	Retail Loans	57801	61035	65982	8181	14.2
8	Others (Incl. NBFC)	55910	40908	56611	702	1.3

	Mar'16	Dec'16	Mar'17	% Share	YoY Variation	
					Amt.	%
Domestic Advances	379849	356197	391750		11901	3.1
Advances Upto Rs. 5 Cr.	136322	139573	154517	39.4%	18196	13.3
Above Rs. 5 Cr.	243527	216624	237233	60.6%	-6295	-2.6

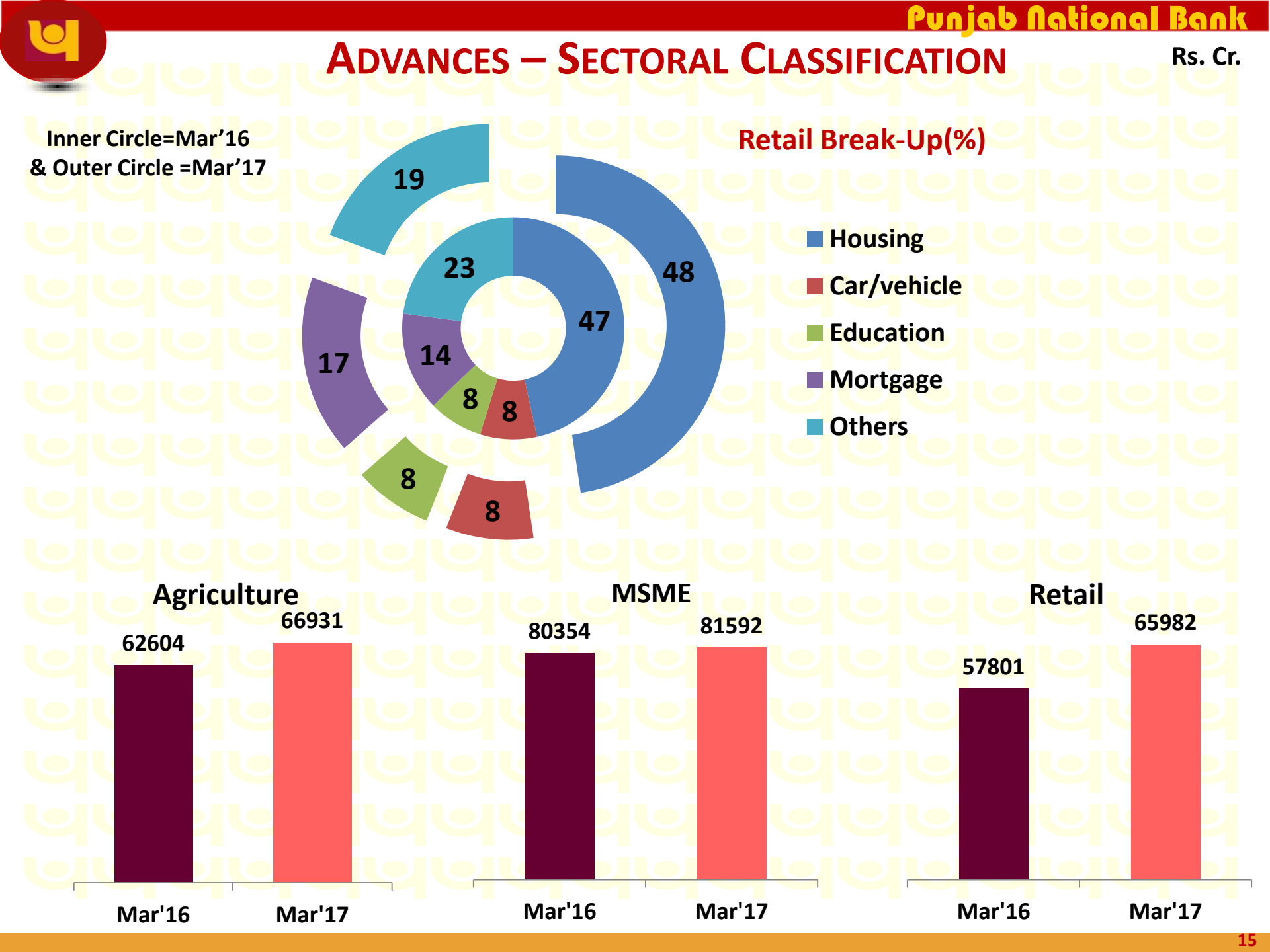




PERFORMANCE UNDER NATIONAL GOALS

Rs. Cr.

Parameter	National Goals	March 17	
		% Ach.	O/S Balance
Priority Sector			
Priority Sector (%age of ANBC)	40%	40.52%	140730
Total Agriculture Adv. (%age of ANBC)	18%	18.66%	66931
Small & Marginal Farmers (%age of ANBC)	8%	8.96%	33037
Other National Goals			
Micro Enterprises Accounts (YoY Gr.)	10%	19.38%	738634
Credit to Micro Entrp. (%age of ANBC)	7.50%	8.79%	28851





ADVANCES TO INDUSTRY - BREAKUP

Rs. Cr.

Sl.	Major Industry	31.03.16		31.12.16		31.03.17		YoY Variation	
		Amt.	Share % DC*	Amt.	Share % DC	Amt.	Share % DC	Amt.	%
1	Food Processing	13390	3.5	11688	3.3	11254	2.9	-2136	-16.0
2	Textiles	12082	3.2	11334	3.2	11828	3.0	-254	-2.1
3	Chemical & Chemical Products	7013	1.8	6130	1.7	9431	2.4	2418	34.5
4	Cement & Cement Products	2298	0.6	2303	0.6	2322	0.6	24	1.1
5	Basic Metal & Metal Products	29988	7.9	28302	7.9	27576	7.0	-2412	-8.0
5a	-Iron & Steel	27766	7.3	26087	7.3	25401	6.4	-2365	-8.5
6	Paper & Paper Products	1503	0.4	1543	0.4	1404	0.4	-99	-6.6
7	Petroleum	1992	0.5	1564	0.4	1938	0.5	-54	-2.7
8	All Engineering Products	4827	1.3	4711	1.3	4499	1.1	-328	-6.8
9	Vehicles & Vehicle parts	867	0.2	817	0.2	748	0.2	-119	-13.7
10	Construction	3660	1.0	3837	1.1	3722	0.9	62	1.7
11	Infrastructure	59521	15.7	58756	16.5	63951	16.2	4430	7.4
12	Others	19822	5.2	15965	4.5	11226	2.8	-8596	-43.4
	Industry Total	156962	41.3	146951	41.3	149899	38.0	-7064	-4.5

*DC : Domestic Credit



ADVANCES TO INFRASTRUCTURE SECTOR- BREAKUP

Rs. Cr.

Major Industry	31.03.16		31.12.16		31.03.17		YoY Variation	
	Amt.	Share % DC	Amt.	Share % DC	Amt.	Share % DC	Amt.	%
Infrastructure	59521	15.7	58756	16.5	63951	16.2	4430	7.4
-Power	32207	8.5	31529	8.9	32874	8.3	667	2.1
-Tele-Communication	7331	1.9	7001	2.0	9126	2.3	1795	24.5
- Roads & Ports	14318	3.8	13805	3.9	15357	3.9	1039	7.3
- Others	5665	1.5	6421	1.8	6593	1.7	929	16.4

DC : Domestic Credit



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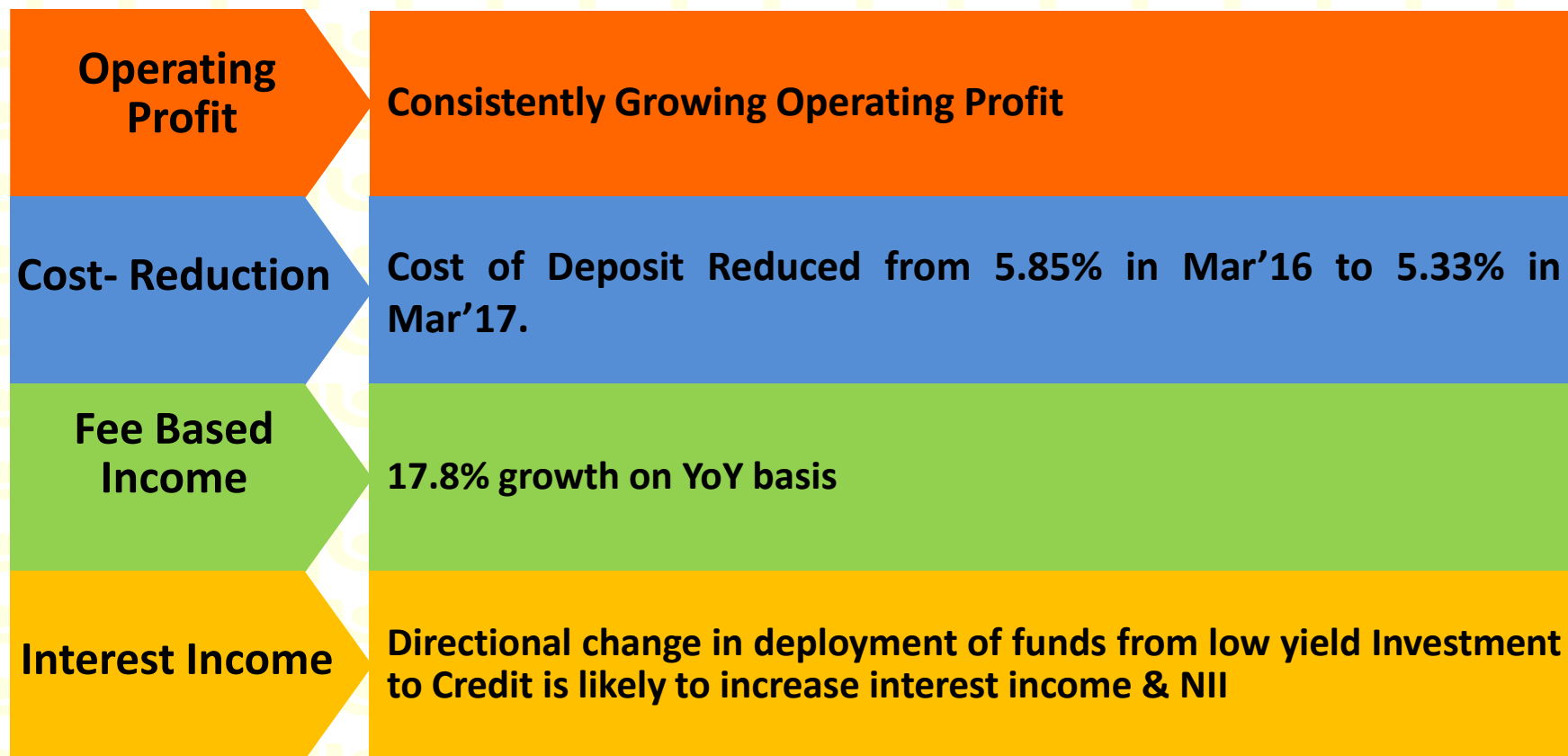
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PROFIT





PROFIT

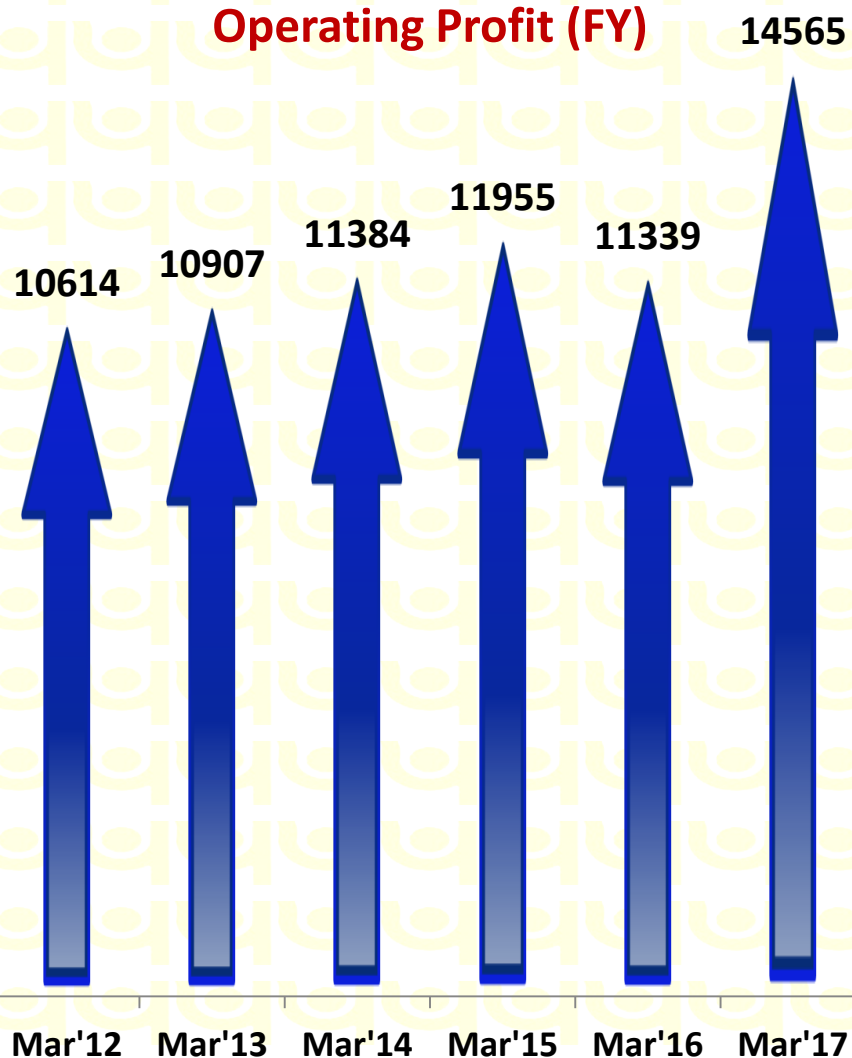
Rs. Cr.

Sl.	Parameters	Q4 FY 16	Q3 FY 17	Q4' FY 17	YoY Gr. %	FY Mar'16	FY Mar'17	YoY Gr. %
1	Interest Income	10824	11984	11887	9.8	47424	47276	-0.3
2	Interest Expenses	8056	8253	8203	1.8	32113	32283	0.5
3	NII (Spread) (1-2)	2768	3731	3684	33.1	15312	14993	-2.1
4	Other Income	1845	2140	3103	68.2	6000	8951	49.2
5	Operating Income (3+4)	4613	5871	6786	47.1	21312	23945	12.4
6	Operating Expenses	1992	3090	555	-72.2	9972	9379	-5.9
7	Contribution (4-6)	-147	-950	2548		-3972	-428	
8	Operating Profit (3+7)	2621	2781	6232	137.8	11339	14565	28.4
9	Provisions	7987	2574	5970	-25.3	15313	13240	-13.5
10	Net Profit	-5366	207	262		-3974	1325	

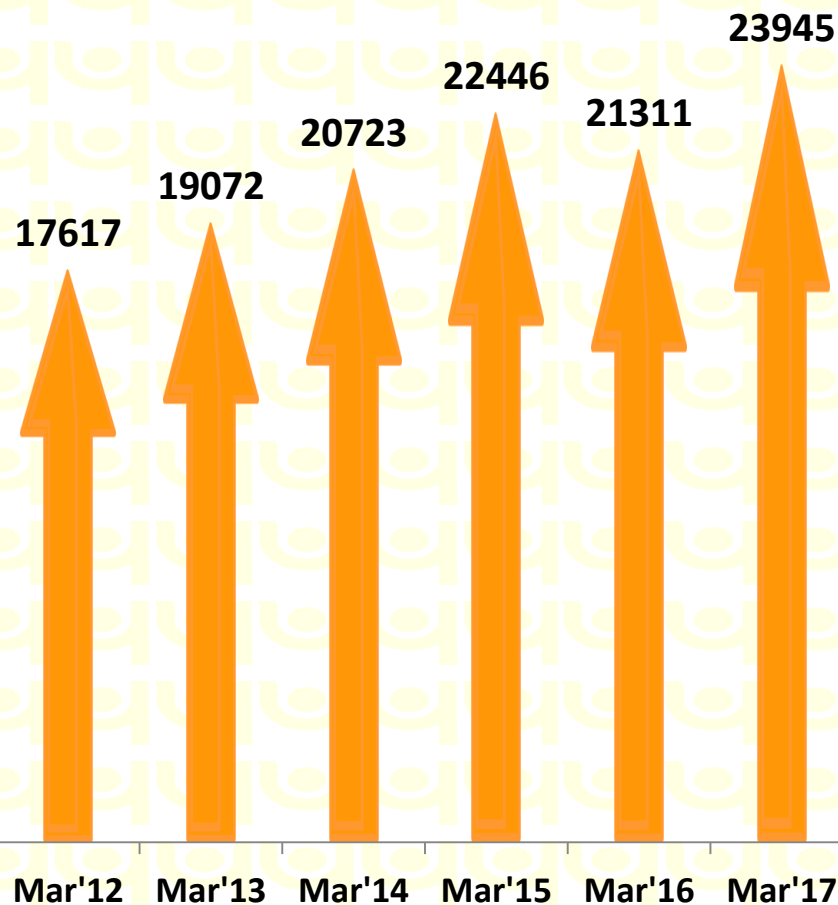
CONSISTENTLY HIGHER OPERATING PROFIT & OPERATING INCOME

Rs. Cr.

Operating Profit (FY)



Operating Income (FY)





PROVISIONS

Rs. Cr.

Sl.	Parameters	Q4 FY 16	Q3 FY 17	Q4 FY 17	YoY Gr. %	FY Mar'16	FY Mar'17	YoY Gr. %
1	Provision towards NPAs	10773	2990	4910	-54.4	17591	12704	-27.8
2	Standard Advances incl. Standard Restructured	-1019	-393	79	-107.7	-1385	-1203	-13.1
3	Depreciation on Investment	-80	130	208		345	487	40.9
4	Income Tax	-1890	11	217		-1763	687	
5	Others	203	-164	556	173.8	524	567	8.1
6	Total Provision	7987	2574	5970	-25.3	15313	13240	-13.5



BREAK UP - NET INTEREST INCOME

Rs. Cr.

Sl.	Parameters	Q4' FY 16	Q3' FY 17	Q4' FY 17	YoY Gr. %		FY Mar'16	FY Mar'17	YoY Gr. %
1	Interest Income (2+3+4)	10824	11984	11887	9.8		47424	47276	-0.3
2	Interest on Advances	7592	8263	7719	1.7		34446	32959	-4.3
3	Interest on Investments	2980	3372	3511	17.8		12034	12577	4.5
4	Other Interest Income	251	349	657	161.4		945	1740	84.1
5	Total Interest Paid (6+7+8)	8056	8253	8203	1.8		32113	32283	0.5
6	Intt. Paid on Deposits	7448	7667	7659	2.8		29803	29934	0.4
7	Intt. Paid on Borrowings	51	42	52	1.7		250	242	-3.5
8	Others	557	544	492	-11.6		2060	2108	2.3
9	NII (Spread) (1-5)	2768	3731	3684	33.1		15312	14993	-2.1



BREAK-UP : FEE BASED INCOME

Rs. Cr.

Sl.	Parameters	Q4 FY 16	Q3 FY 17	Q4 FY 17	YoY Gr. %	FY Mar'16	FY Mar'17	YoY Gr. %
1	Processing Fees	133	106	178	34.4	606	774	27.7
2	LC/LG Income	197	183	223	13.3	727	756	4.0
3	Bills & Remittance	110	107	100	-9.5	473	430	-9.2
4	Incidental Charges	53	118	69	30.6	194	259	34.0
5	Inc. from ATM operations	118	131	157	33.3	402	501	24.6
6	Income from Ins. & MF	42	34	52	24.3	114	142	24.2
7	Govt. Business	33	23	76	131.7	103	147	43.3
8	Misc. Income	125	207	110	-12.0	423	496	17.3
9	Exchange Profit	109	145	146	33.6	427	583	36.5
	Fee Based Income	920	1055	1112	20.9	3470	4089	17.8



COST & YIELD RATIOS

Sl.	Particulars	FY Mar'16	FY Mar'17
1	Cost of Deposit [%]	5.85	5.33
2	Cost of Fund [%]	4.93	4.60
3	Yield on Advances [%]	9.10	8.29
4	Yield on Investment [%]	7.94	7.69
5	Yield on Fund [%]	7.28	6.74
6	Net Interest Margin [%]		
	-Global	2.60	2.38
	-Domestic	2.95	2.69



PROFITABILITY RATIOS

Sl.	Particulars	FY Mar'16	FY Mar'17
1	Return on Assets [%]	Negative	0.19
2	Return on Net worth [%]	Negative	3.52
3	Opt. Profit to AWF [%]	1.74	2.08
4	Cost to Income Ratio [%]	46.79	41.57*
5	Estb. Exp. To Total Exp. [%]	15.27	12.36*
6	Opt. Exp. To AWF [%]	1.53	1.34
7	Book Value per Share [Rs]	180.61	177.03
8	Earnings per share [Rs]	Negative	6.45

*Net of Extra ordinary items



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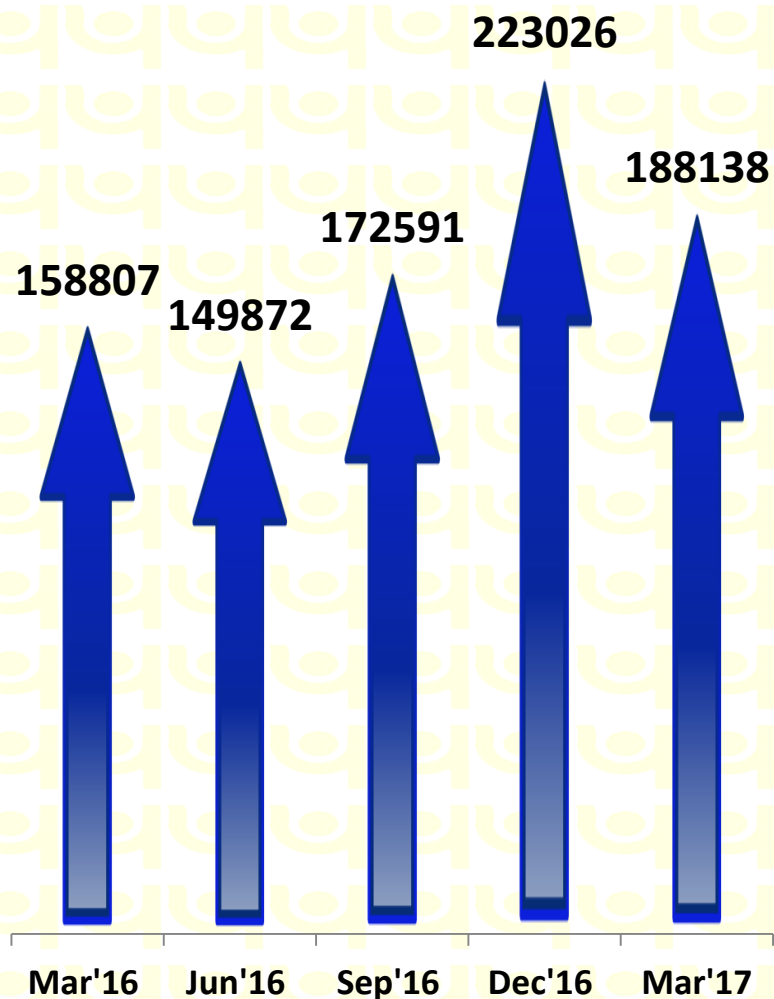
Way Forward



TREASURY OPERATIONS

Rs. Cr.

Investment Portfolio



Parameters	Mar'16	Mar'17
Gross Domestic Investment	154727	183297
SLR	119364	144417
Non SLR	35363	38880
Held To Maturity (HTM)	100410	116117
Available For Sale (AFS)	53909	65606
Held For trading (HFT)	408	1574
Investment by Overseas Branches	4080	4841
Total (Global)	158807	188138



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STRATEGIC FOCUS-RESOLUTION OF NPAs

Intensification of War Room Efforts

JLF mechanism Strengthened – Flexible Approach

Recovery through Gandhi-Giri

Accelerated Pace of Reduction

Focus on e-auctions of collaterals



NON-PERFORMING ASSETS

Rs. Cr.

Parameter	Mar'15	Mar'16	Mar'17
NPA as at the beginning of Year	18880	25695	55818
Cash Recovery	1958	4262	10677
Up-gradation	1000	1382	2981
Write-Off	5920	6485	9205
Total Reduction	8878	12129	22863
Fresh slippages	15692	42252	22415
Gross NPAs (Closing)	25694	55818	55370
Eligible Deductions incl. Provisions	10298	20396	22668
Net NPAs	15397	35423	32702

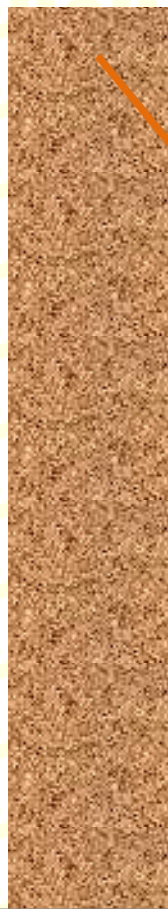


DECLINING GNPA & NNPA

Rs. Cr.

Gross NPA

55818

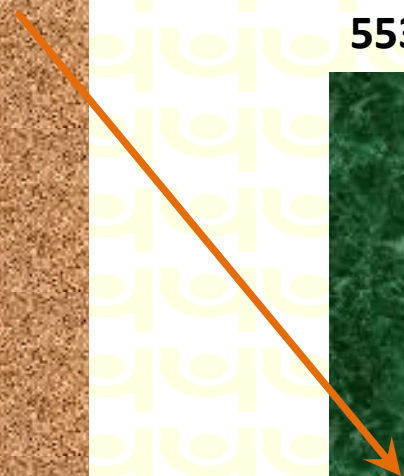


Mar'16

55370



Mar'17



Net NPA

35422

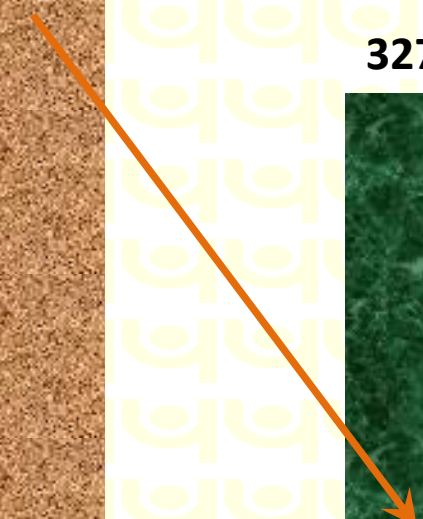


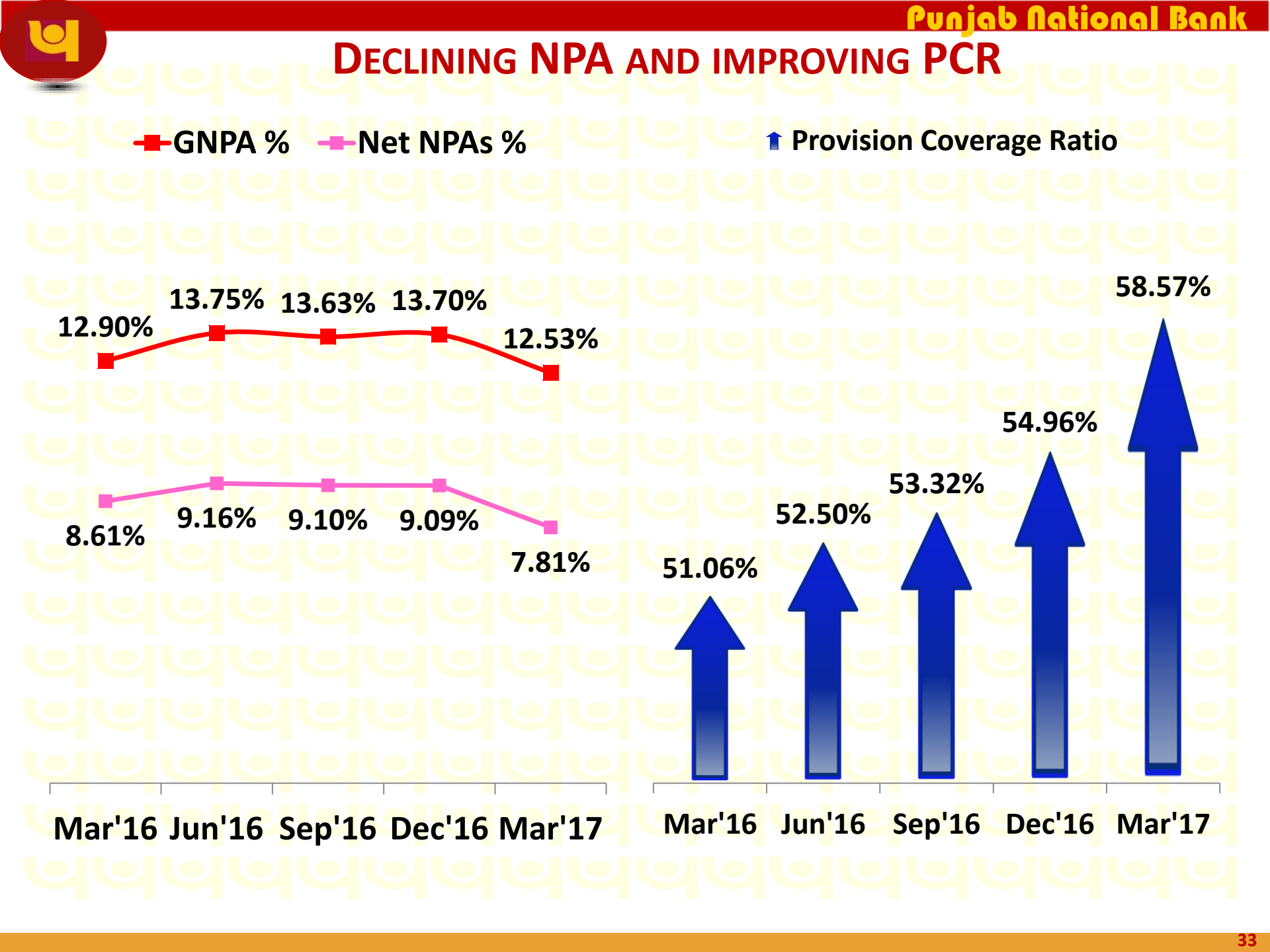
Mar'16

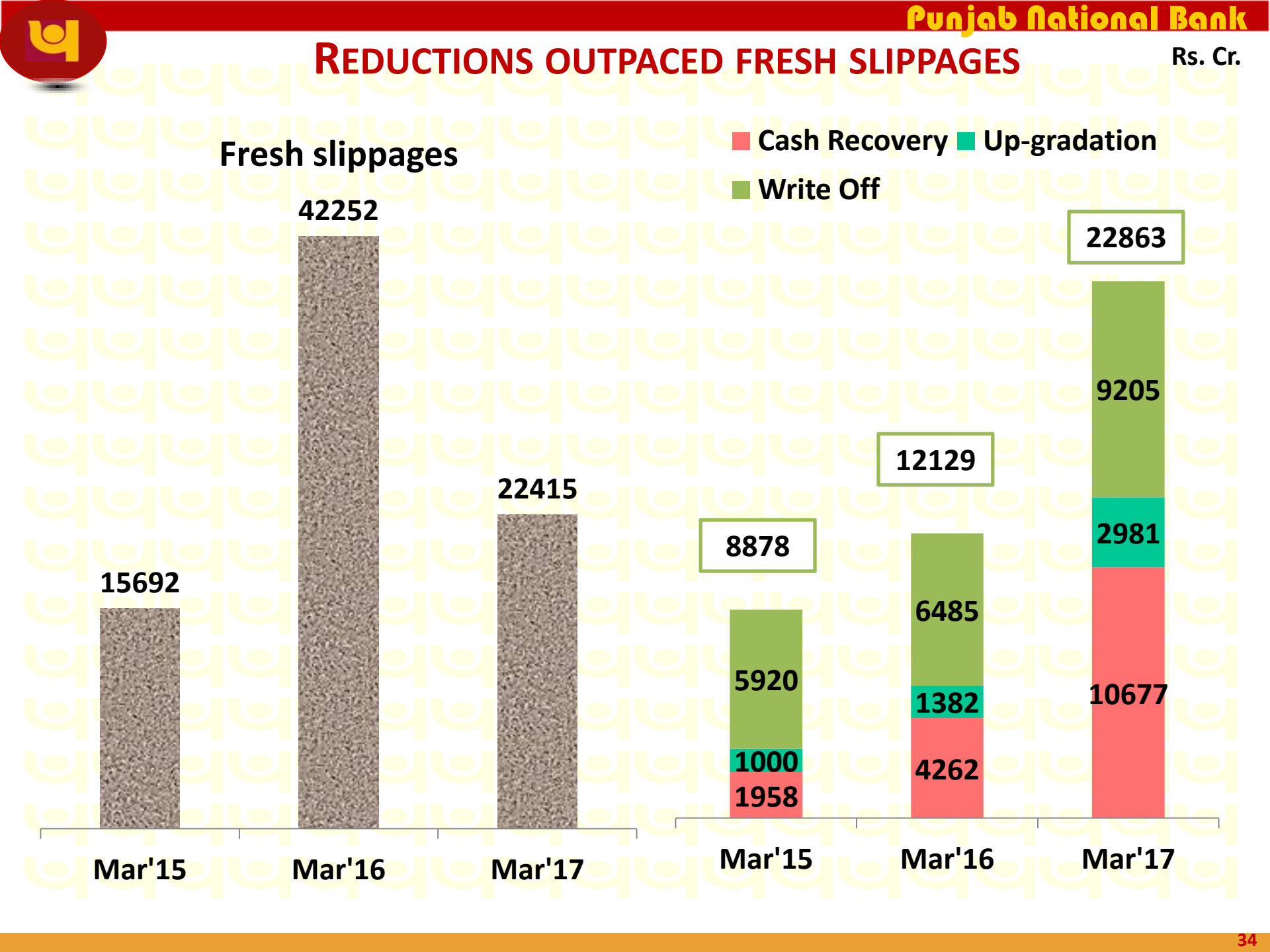
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Mar'17





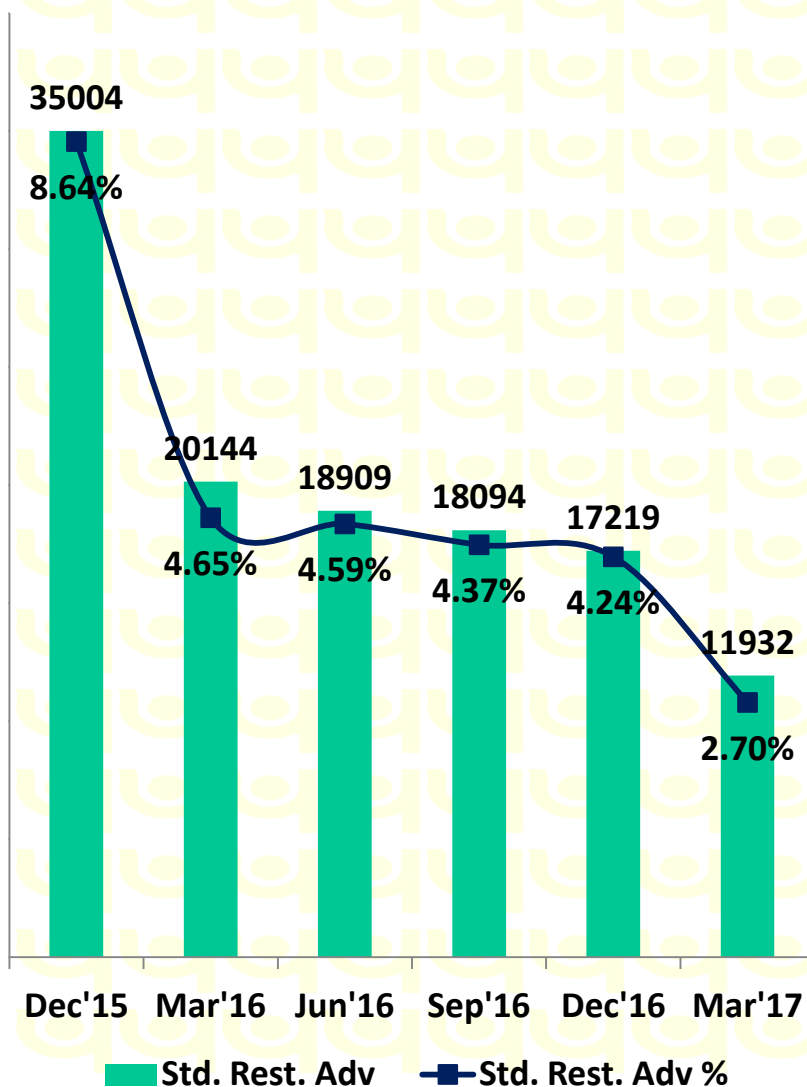




INDUSTRY WISE O/S RESTRUCTURED ACCOUNTS

Rs. Cr.

Standard Restructured Adv.



	Mar'16		Mar'17	
	Amt.	Share %	Amt.	Share %
Power	5635	30.95%	2865	22.4%
Road and Port	2879	15.81%	1572	12.3%
Sugar	1391	7.64%	1331	10.4%
Iron & Steel	2562	14.07%	1300	10.2%
construction	1181	6.49%	830	6.5%
Others	470	2.58%	873	6.8%
Cement	357	1.96%	355	2.8%
Textiles	1000	5.49%	350	2.7%
Telecom	263	1.44%	249	1.9%
Chemical/Fertiliser/ Drugs/others	613	3.37%	213	1.7%
Hotel	409	2.25%	157	1.2%
Services	373	2.05%	124	1.0%
Total	18208	100%	11932	100%



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CAPITAL ADEQUACY (BASEL III)

(Rs. Cr.)

Sl.	Particulars	Mar'16	Dec'16	Mar'17
1	Tier I	35718	38912	40575
	Common Equity	33435	36569	35845
	Additional Tier I	2283	2343	4730
2	Tier II	12203	12258	12534
3	Total (Tier I+II)	47921	51170	53109
4	Risk-weighted Assets	424868	440424	455608
1	Tier I	8.41%	8.84%	8.91%
	Common Equity	7.87%	8.31%	7.87%
	Additional Tier I	0.54%	0.53%	1.04%
2	Tier II	2.87%	2.78%	2.75%
3	Total (Tier I+II)	11.28%	11.62%	11.66%



CAPITAL OPTIMIZATION AND CONSERVATION

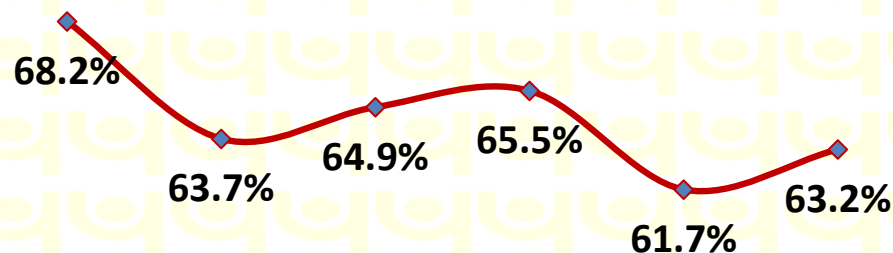
(Rs. Cr.)

Composition of RWAs

	Mar'16	Dec'16	Mar'17
Credit	351735	360479	372075
Market	34508	41584	45147
Operational	38625	38361	38386
Total RWAs	424868	440424	455608
Total Assets	667390	713975	720331

Improving RWAs Density

RWAs to Total Assets Ratio



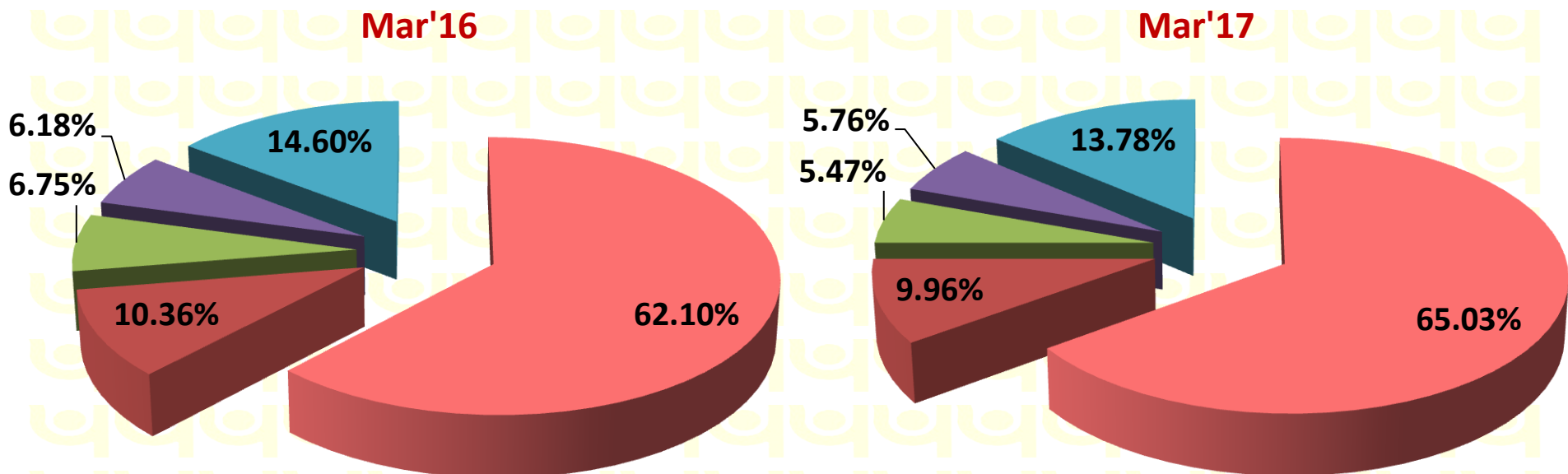
Dec'15 Mar'16 Jun'16 Sep'16 Dec'16 Mar'17

Capital Optimization

- ✓ Capital Conservation through Sale of Non-Core Asset and optimization of RWAs are under sharp focus
- ✓ Preparedness to shore up Tier I Capital
- ✓ Option to raise Additional Tier I is always available
- ✓ Integration of Business Plan with Capital Planning by Zone wise allocation of Capital.



SHARE HOLDING PATTERN



- GOVT. (CENTRAL/STATE)
- FIIs
- NON-INSTITUTIONs
- MF & UTI
- FIIs/BANKs/INSURANCE

	Mar'16	Mar'17
GOVT. (CENTRAL/STATE)	62.10%	65.03%
FIIs	10.36%	9.96%
NON-INSTITUTIONs	6.75%	5.47%
MF & UTI	6.18%	5.76%
FIIs/BANKs/INSURANCE	14.60%	13.78%
Total	100%	100%



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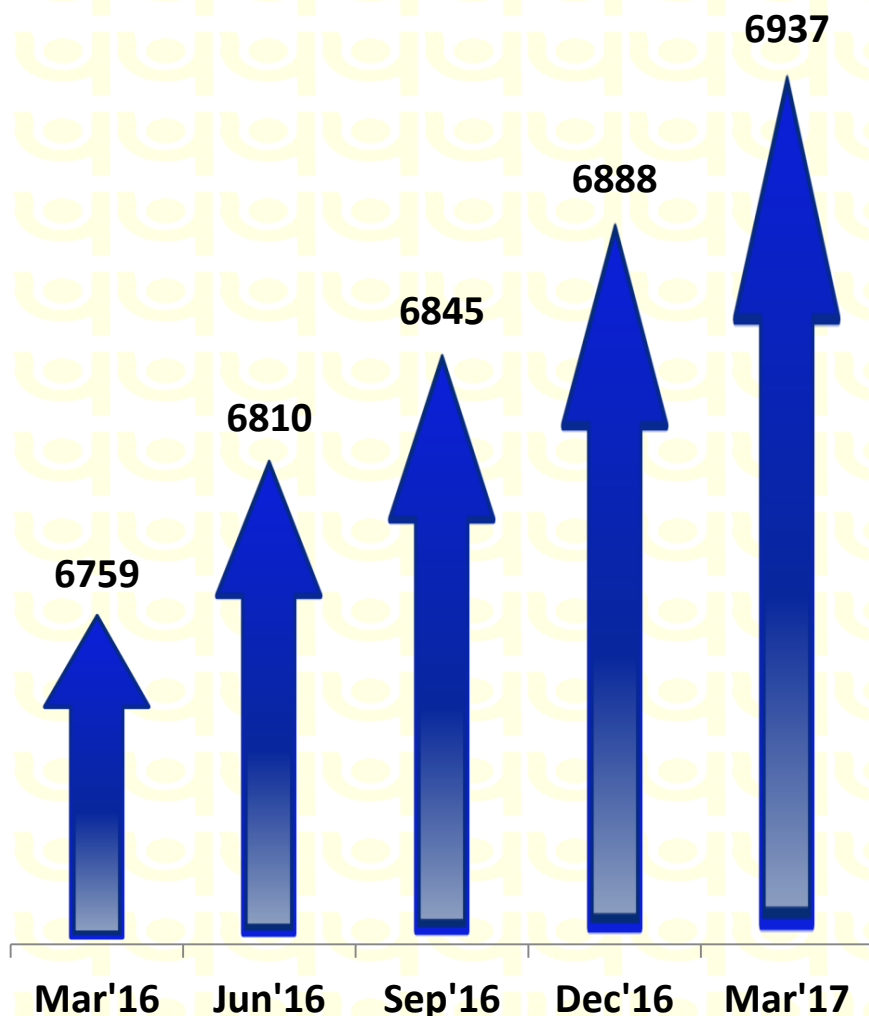
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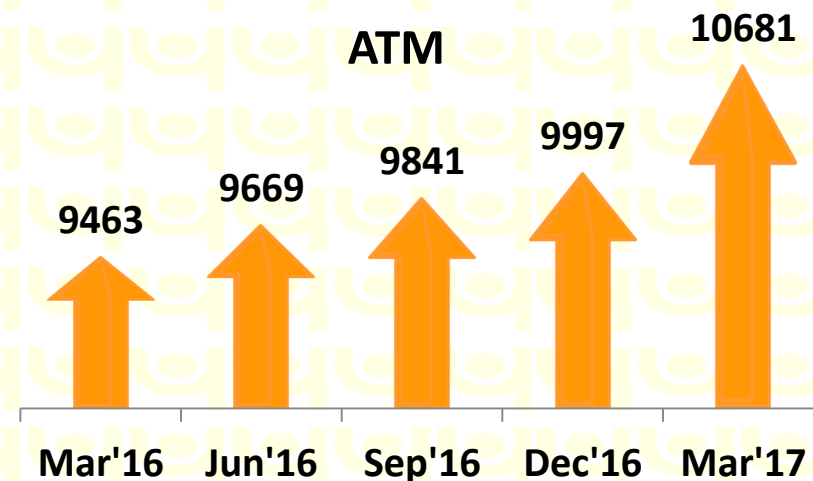


NETWORK

Branches



ATM



Overseas Presence

Type of office	Destination
Branches (4)	Mumbai, Hong Kong Main, Kowloon Hong Kong, DIFC, Dubai
Subsidiary (3)	PNBIL, UK (7 branches), DRUK PNB Ltd., Bhutan (6 Branches), One Associate at JSC SB PNB, Kazakhstan (4 Branches)
Joint Venture (1)	Everest Bank Limited, Kathmandu, Nepal (61 Branches), Bank also provides Managerial Support to EBL.
Representative Office (4)	Shanghai(China), Dubai (UAE), Sydney (Australia), Dhaka (Bangladesh)



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TECHNOLOGICAL UP-GRADATION : FINACLE

Up-gradation of CBS Technology to Finacle 10

01

**Web Based and
Customer Friendly
Banking**

02

**Integration of existing
Network with Gen
Next Apps.**

03

**Digital
Intensification**



FAST PACE OF DIGITALIZATION

No. of Transaction in Lacs

Internet Banking

371

187

FY'16

FY'17

Mobile Banking

181

174

FY'16

FY'17

POS & E-Comm

1008

695

FY'16

FY'17

ECS

109

101

FY'16

FY'17

RTGS

249

42

FY'16

FY'17

NEFT

1986

1743

FY'16

FY'17

RECENT DIGITAL LAUNCHES



PNB
Genie



PNB
Parivar



PNB Toll
Tax



PEOPLE DEVELOPMENT



An On boarding & Mentoring Program titled “PNB Navodaya” has been introduced for newly recruited employees as well as for those recently promoted and first time Branch Heads.



The process of Competency Mapping of critical roles has been initiated with a view to identify and develop key competencies in the employees. For assessment of demonstrated competencies, Behavioral event interview have been used in this year promotional process from Scale V-VI and Scale VI-VII.



An Online Duty Sheet Management System titled “e-Duty Sheet” has been introduced to digitalize the process of ‘Duty Sheet Assignment’ to employees and make it easier, uniform and efficient.



CONTENTS

Business

Profitability

Treasury Operations

Asset Quality

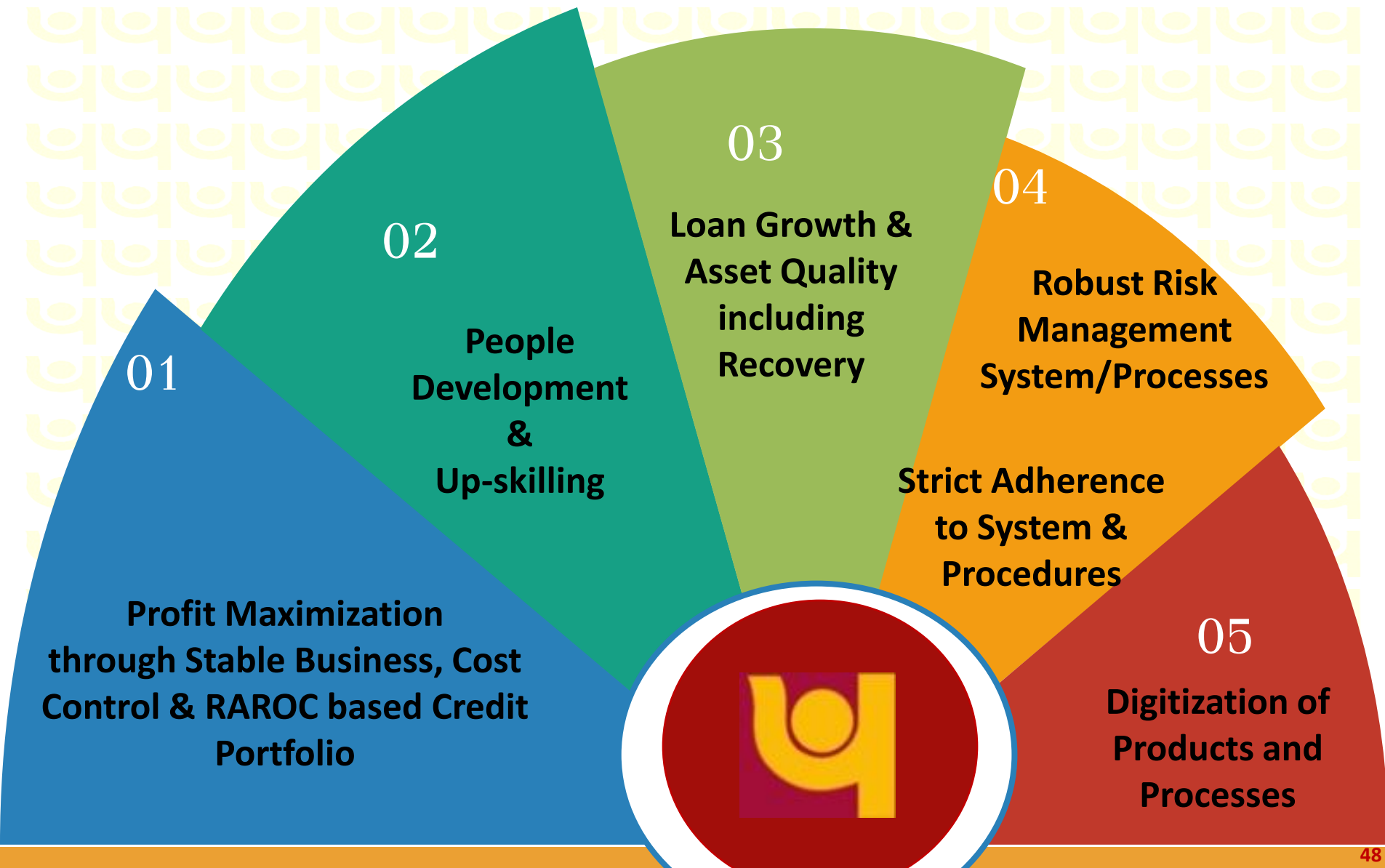
Capital & Shareholding

PAN India Presence

Digitalization

Way Forward

WAY AHEAD





thank
you!