punjab national bank
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Presentation on Performance for the Quarter /HY September 2012

Overview of Performance

Particulars		Rs. Crore		YOY Growth %
Operating Profit				
- Q2 Sep'12	:	2533	↑	0.2
- HY Sep'12		5374	↑	7.4
Net profit				
- Q2 Sep'12	:	1066		-11.6
- HY Sep'12		2311		0.0
Total Business	:	695534	↑	17.7
Total Assets	:	471967	↑	17.1
Deposits	:	400747	↑	17.3
Credit	:	294787	↑	18.4

Profit -Qtr

(Rs. Crore)

Sl.	Parameters	Q2' FY 12	Q2' FY 13	Q1' FY 13	Variation (Q2'13 over Q2'12) Amt.	(%)
1	Interest Income	8952	10421	10545	1469	16.4
2	Interest Expenses	5499	6772	6850	1272	23.1
3	NII (Spread) (1-2)	3453	3649	3695	197	5.7
4	Other Income	889	905	1166	17	1.9
5	Operating Expenses	1814	2022	2020	208	11.5
6	Contribution (4-5)	-925	-1117	-854	-192	-20.7
7	Operating Profit (3+6)	2528	2533	2841	5	0.2
8	Provisions	1323	1467	1595	145	10.9
9	Net Profit	1205	1066	1246	-139	-11.6

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Profit from Core Operations

(Rs. crore)

Particulars	Q2' FY 12	Q2' FY 13	Q1' FY 13	Variation (Q2'13 over Q2'12) Amt.	Gr. (%)
Net Profit Declared	1205	1066	1246	-139	-11.6
Treasury Trading Profit	53	59	88	6	11.9
Depreciation	51	-14	-105	-64	
Net Profit (Excl. Trading Profit & impact of Depreciation)	1203	993	1053	-210	-17.5
Operating Profit Declared	2528	2533	2841	5	0.2
Treasury Trading Profit	53	59	88	6	11.9
Core Operating Profit (Excl. Trading Profit)	2475	2474	2753	-1	0.0

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Provisions

(Rs. Crore)

Sl.	Particulars	Q2' FY 12	Q2' FY 13	Q1' FY 13	Variation (Q2'13 over Q2'12)	
					Amt.	%
1	Provision towards NPAs (Net of floating provisions)	319	1140	900	821	257.0
2	Standard Advances incl. Standard Restructured	174	-4	183	-177	-102.0
4	Depreciation on Investment	51	-14	-105	-64	-127.2
5	Income Tax	612	393	563	-219	-35.8
6	Others	167	-49	54	-216	-129.4
7	Total Provision	1323	1467	1595	145	10.9

Break-up : Income

(Rs. Crore)

Sl.	Parameters	Q2' FY 12	Q2' FY 13	Q1' FY 13	Variation (Q2'13 over Q2'12)	
					Amt.	(%)
1	Interest on Advances	7045	7987	8197	943	13.4
2	Interest on Investments	1852	2311	2283	459	24.8
3	Other Interest Income	55	123	65	68	123.8
4	Interest Income (1+2+3)	8952	10421	10545	1469	16.4
5	Other Income	889	905	1166	17	1.9
	of which					
6	Core Non-Interest Income	688	688	943	0	0.1
7	Recovery in Written off a/cs	80	60	87	-20	-25.4
8	Trading Profit	53	59	88	6	11.9
9	Dividend from Liquid MF	52	81	48	29	55.9
10	Residual (incl. Derivative inc)	16	17	1	1	8.4
11	Total Income (4+5)	9841	11326	11711	1486	15.1

Fee Based Income

(Rs. Crore)

Particulars	Q2' FY 12	Q2' FY 13	Q1' FY 13	Variation (Q2'13 over Q2'12)	
				Amt.	(%)
Processing Fees	107	85	262	-22	-20.8
LC/LG Income	158	180	175	22	14.3
Bills & Remittance	98	97	112	-1	-1.1
Incidental Charges	33	30	29	-3	-9.7
Inc from ATM operations	72	76	75	4	5.6
Income from Ins & MF	5	7	13	2	47.3
Misc. Income	83	86	65	4	4.3
Exchange Profit	133	127	212	-5	-4.0
Core Non Interest Income	688	688	943	0	0.1

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Break-up : Expenditure

(Rs. Crore)

Parameters	Q2' FY 12	Q2' FY 13	Q1' FY 13	Variation (Q2'13 over Q2'12)	
				Amt.	(%)
Intt. Paid on Deposits	5152	6428	6426	1276	24.8
Intt. Paid on Borrowings	43	69	144	26	61.3
Others	305	274	280	-30	-9.9
Total Interest Paid (1+2+3)	5499	6772	6850	1272	23.1
Estab. Expenses	1240	1426	1420	186	15.0
Of Which					
Employee Benefits (AS-15)	519	640	640	121	23.3
Other Operating Expenses	573	596	601	22	3.9
Operating Expenses (5+6)	1814	2022	2020	208	11.5
Total Expenses (4+7)	7313	8794	8870	1481	20.2

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Cost & Yield Ratios

(Annualized)

Sl.	Particulars	Q 2' FY 2012	Q 2' FY 2013	Q 1' FY 2013
1	Cost of Deposit [%]	6.52	6.91	6.98
2	Cost of Fund [%]	5.54	5.77	5.93
3	Yield on Advances [%]	11.92	11.09	11.52
4	Yield on Investment [%]	7.78	7.86	7.92
5	Yield on Fund [%]	9.01	8.87	9.13
6	Net Interest Margin [%]	3.95	3.50	3.60

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Profitability Ratios

(Annualized)

Sl.	Particulars	Q 2' FY 2012	Q 2' FY 2013	Q 1' FY 2013
1	Return on Assets [%]	1.21	0.91	1.08
2	Return on Net worth [%]	21.57	14.86	18.04
3	Opt. Profit to AWF [%]	2.54	2.16	2.46
4	Cost to Income Ratio [%]	41.78	44.39	41.56
5	Estb. Exp. To Total Exp. [%]	16.96	16.22	16.01
6	Opt. Exp. To AWF [%]	1.83	1.72	1.75
7	Book Value per Share [Rs]	705.40	845.54	814.14
8	Earnings per share [Rs]	152.15	125.67	146.90

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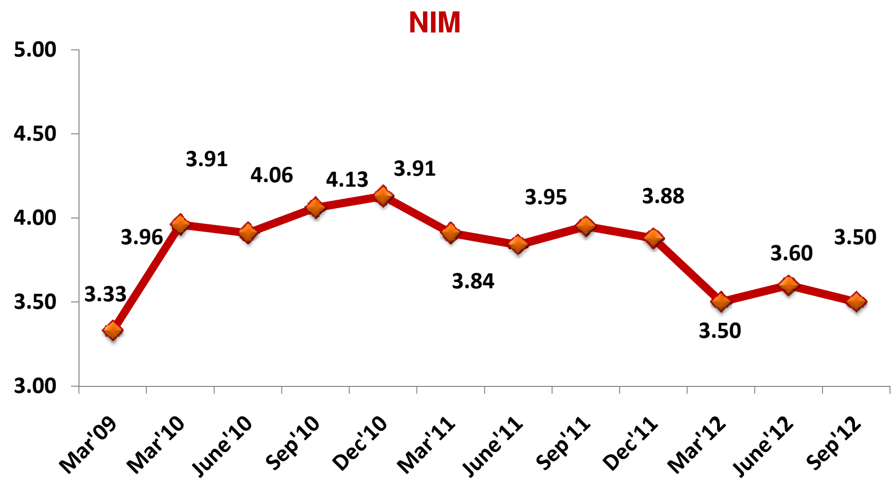
Quarterly Net Interest Margin



Profit: Half Year

(Rs. Crore)

Sl.	Parameters	Sep'11	Sep'12	Gr. %
1	Interest Income	17267	20966	21.4
2	Interest Expenses	10699	13622	27.3
3	NII (Spread) (1-2)	6568	7345	11.8
4	Other Income	1973	2071	5.0
5	Operating Expenses	3539	4042	14.2
6	Contribution (4-5)	-1566	-1971	-25.8
7	Operating Profit (3+6)	5002	5374	7.4
8	Provisions	2692	3063	13.8
9	Net Profit	2310	2311	0.0

Profit from core Operations: HY

(Rs. Crore)

Particulars	Sep'11	Sep'12	Gr. (%)
Net Profit Declared	2310	2311	0.0
Treasury Trading Profit	101	147	45.9
Depreciation	184	-119	-164.3
Net Profit (Excl. Trading Profit & impact of Depreciation)	2394	2046	-14.5
Operating Profit Declared	5002	5374	7.4
Treasury Trading Profit	101	147	45.9
Core Operating Profit (Excl. Trading Profit)	4901	5227	6.6

Provisions: Half Year

(Rs. Crore)

Sl.	Particulars	Sep'11	Sep'12	Gr. (%)
1	Provision towards NPAs (Net of floating provisions)	885	2040	130.4
2	Standard Adv. Incl. Standard Restructured	316	180	-43.2
4	Depreciation on Investment	184	-119	-164.3
5	Income Tax	1088	956	-12.1
6	Others	218	5	-97.6
7	Total Provision	2692	3063	13.8

Income: Half Year

(Rs. Crore)

Sl.	Parameters	Sep'11	Sep'12	Gr. (%)
1	Interest on Advances	13621	16184	18.8
2	Interest on Investments	3538	4594	29.8
3	Other Interest Income	108	188	73.5
4	Interest Income (1+2+3)	17267	20966	21.4
5	Other Income	1973	2071	5.0
	of which			
6	Core Non-Interest Income	1483	1631	10.0
7	Recovery in Written off a/cs	189	146	-22.6
8	Trading Profit	101	147	45.9
9	Dividend from Liquid MF	178	129	-27.6
10	Residual (incl Derivative inc)	21	18	-14.0
11	Total Income (4+5)	19240	23037	19.7

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Fee Based Income: Half Year

(Rs. Crore)

Sl.	Particulars	Sep'11	Sep'12	Gr. (%)
1	Processing Fees	355	347	-2.3
2	LC/LG Income	323	355	10.0
3	Bills & Remittance	183	209	14.2
4	Incidental Charges	68	59	-13.0
5	Inc from ATM operations	135	151	12.0
6	Income from Ins & MF	8	20	153.9
7	Misc. Income	148	151	1.9
8	Exchange Profit	264	339	28.5
9	Core Non Interest Income	1483	1631	10.0

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Expenditure: Half Year

(Rs. Crore)

Sl.	Parameters	Sep'11	Sep'12	Gr. (%)
1	Intt. Paid on Deposits	9977	12854	28.8
2	Intt. Paid on Borrowings	103	213	107.6
3	Others	620	554	-10.6
4	Total Interest Paid (1+2+3)	10699	13622	27.3
5	Establishment Expenses	2453	2846	16.0
	Of Which			
5a	Employee Benefits (AS-15)	1023	1280	25.1
6	Other Operating Expenses	1086	1196	10.2
7	Operating Expenses (5+6)	3539	4042	14.2
8	Total Expenses (4+7)	14238	17664	24.1

Cost & Yield Ratios: Half Year

Sl.	Particulars	HY Sep'11	HY Sep'12	FY Mar'12
1	Cost of Deposit [%]	6.39	6.95	6.59
2	Cost of Fund [%]	5.49	5.86	5.62
3	Yield on Advances [%]	11.65	11.30	11.67
4	Yield on Investment [%]	7.71	7.89	7.57
5	Yield on Fund [%]	8.86	9.02	8.89
6	Net Interest Margin [%]	3.88	3.55	3.84

Profitability Ratio: Half Year

Sl.	Particulars	HY Sep'11	HY Sep'12	FY Mar'12
1	Return on Assets [%]	1.18	1.00	1.19
2	Return on Net worth [%]	20.67	16.12	18.52
3	Opt. Profit to AWF [%]	2.57	2.31	2.59
4	Cost to Income Ratio [%]	41.43	42.93	39.75
5	Estb. Exp. To Total Exp. [%]	17.23	16.11	15.74
6	Opt. Exp. To AWF [%]	1.81	1.74	1.71
7	Book Value per Share [Rs]	705.40	845.54	777.42
8	Earnings per share [Rs]	145.83	136.29	154.02

Business

(Rs. Crore)

Sl.	Parameters	Sep'11	Mar'12	Sep'12	Variation % Over	
					Mar'12	Sep'11
1	Total Business	590803	673363	695534	3.3	17.7
	Out of Which					
	Overseas Business	24041	30748	40317	31.1	67.7
2	Total Deposit	341783	379588	400747	5.6	17.3
3	Total Advances	249020	293775	294787	0.3	18.4
4	CD Ratio [%]	72.86%	77.39%	73.56%		

Deposit

(Rs. Crore)

Sl.	Parameters	Sep'11	Mar'12	Sep'12	Variation % Over Mar'12	Variation % Over Sep'11
1	Total Deposit	341783	379588	400747	5.6	17.3
	Overseas Deposit	7528	8993	13545	50.6	79.9
2	Bulk incl. CD	81117	88297	83314	-5.6	2.7
	Share of Bulk to Total %	*23.73*	*23.26*	*20.79*		
3	Core Deposit	260666	291291	317433	9.0	21.8
4	*Core Dep. To Total (%)*	*76.27%*	*76.74%*	*79.21%*		
5	SB Deposit	100491	105657	115389	9.2	14.8
6	Current Deposit	23531	28472	28040	-1.5	19.2
7	CASA Deposit	124022	134129	143429	6.9	15.6
8	*Share of CASA (%)*	37.1%	36.2%	37.0%		
9	*Core Term Deposit*	136645	157162	174004	10.7	27.3

CASA as percentage to Core Deposit is at 45.18%.

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Advances- Sectoral

(Rs. Crore)

Sl.	Parameters	Sep'11	Mar'12	Sep'12	% Share in Gr. Non-food cr.	Variation Sep'12 over Sep'11 Amt.	Variation Sep'12 over Sep'11 (%)
1	Global Gross Advances	251705	297892	300873		49168	19.5
2	Overseas Advances	16511	21755	26772		10261	62.1
3	Domestic Gross Advances	235194	276137	274101		38907	16.5
3a	Food Credit	4214	5186	5723		1509	35.8
3b	Dom. Non-Food Gross Adv.	230980	270951	268378	100.0	37398	16.2
	- of Which						
4	Agriculture & Allied	35076	45917	40291	15.0	5215	14.9
5	Industry	116463	128162	124188	46.3	7725	6.6
5a	MSME Manufacturing	29145	32391	30701	11.4	1556	5.3
5b	Large Industry	87318	95771	93487	34.8	6169	7.1
6	Retail Loans	24732	29196	29745	11.1	5013	20.3
	Of which						
6a	*Housing*	11920	13808	14420	5.4	2500	21.0
6B	*Car/Vehicle*	1885	2502	2645	1.0	760	40.3
6c	*Other Retail Loans*	10927	12887	12680	4.7	1753	16.0
7	Commercial Real Estate	10353	9661	9473	3.5	-880	-8.5
	of which Lease Rental	4803	5427	5523	2.1	720	15.0
8	Services & Others	44356	58015	64681	24.1	20325	45.8

MSME Advances: Rs 54905 cr YOY 11.10%

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Advances –Industry wise Breakup

(Rs. Crore)

Major Industry wise Deployment	Sep'11		Mar'12		Sep'12		Variation Sep'12/Sep'11	
	Amt.	Share % to N F Credit	Amt.	Share % to N F Credit	Amt.	Share % to N F Credit	Amt.	(%)
Food Processing	2942	1.3	3459	1.3	2658	1.0	-284	-9.7
Textiles	7207	3.1	7114	2.6	6769	2.5	-438	-6.1
Chemical & Chemical Products	3136	1.4	3752	1.4	3597	1.3	461	14.7
Cement & Cement Products	1821	0.8	1869	0.7	1981	0.7	160	8.8
Basic Metal & Metal Products	13818	6.0	15682	5.8	16817	6.3	2999	21.7
-Iron & Steel	10762	4.7	11903	4.4	12769	4.8	2007	18.6
Petroleum	3707	1.6	1773	0.7	1413	0.5	-2294	-61.9
Rubber & plastic products	1864	0.8	1494	0.6	1358	0.5	-506	-27.1
All Engineering Products	2698	1.2	3082	1.1	3086	1.1	388	14.4
Construction	2641	1.1	2949	1.1	2950	1.1	309	11.7
Infrastructure	36184	15.7	45894	16.9	50478	18.8	14294	39.5
-Power	15482	6.7	23370	8.6	26167	9.8	10685	69.0
-Tele-Communication	7829	3.4	8301	3.1	8005	3.0	176	2.2
- Roads & Ports	6833	3.0	8365	3.1	10021	3.7	3188	46.7
- Others	6040	2.6	5858	2.2	6285	2.3	245	4.1
Residual	43086	18.7	41094	15.2	36031	13.4	-7055	-16.4
Industry	116463	50.4	128162	47.3	124188	46.3	7725	6.6

Investment

(Rs. Crore)

SL	Particulars	Sep'11	Mar'12	Sep'12
1	Gross Investment	111010	123148	129176
2	Held To Maturity (HTM)	80250	86083	93863
3	Available For Sale (AFS)	27174	32370	33468
4	Held For trading (HFT)	3586	4695	1845
5	Duration (AFS)	2.90	3.24	3.85
6	Modified Duration (AFS)	2.74	3.07	3.66
7	Duration Total Portfolio	4.51	4.46	4.79
8	Modified Duration Total Portfolio	4.32	4.26	4.59
9	Net demand & time Liabilities	326952	349229	376876
10	SLR (%)	28.41	26.37	30.06
11	SLR HTM to Total SLR (%)	85.97	84.13	85.14
12	HTM To Gross Investment (%)	72.29	69.90	72.66
13	Total SLR	91421	99859	107686
14	Total Non SLR	19589	23288	21490

Non-Performing Assets

(Rs. Crore)

Sl.	Parameters	Sep'11	Mar'12	Sep'12
1	NPA as at the beginning of Yr.	4379	4379	8720
2	Cash Recovery	931	1675	954
3	Upgradation	440	530	1004
4	Write Off	29	126	50
5	Total Reduction (2+3+4)	1400	2331	2009
6	Fresh Addition	2170	6672	7313
	-Fresh slippages	1878	6183	6875
	-Debits in existing NPA A/cs	292	489	438
7	Gross NPAs end period	5150	8720	14024
8	Eligible Deductions including Provisions	3062	4265	6140
9	Net NPAs	2089	4454	7883
10	Recovery in written-off debt A/Cs	189	509	146

	Particulars	Sep'11	Mar'12	Sep'12
1	Gross NPA%	2.05%	2.93%	4.66%
2	Net NPA%	0.84%	1.52%	2.69%
3	NPA Coverage Ratio	75.08%	62.73%	54.31%

Restructured Accounts

(Rs. Crore)

YEAR of Restructuring	OUTSTANDING AS ON 30.09.2012 UNDER					
	STANDARD CATEGORY		NPA CATEGORY		Grand Total	
	No of A/Cs	Amount	No of A/Cs	Amount	No of A/Cs	Amount
2008-09	4741	1019	1446	185	6187	1204
2009-10	1013	4333	397	242	1410	4575
2010-11	467	1824	84	695	551	2518
2011-12	405	14761	32	780	437	15540
April'12-Sep'12	114	3959	3	56	117	4015
TOTAL	6740	25895	1962	1957	8702	27852

Restructured accounts include the following amounts pertaining to other facilities of the borrowers not restructured (*included in restructured portfolio as per RBI guidelines):*

2010-11:	*Rs 544.51 crore*
2011-12:	*Rs 1623.98 crore*
Apr'12-Sep'12	*Rs. 571.17 Crore*
Total	*Rs. 2739.66 Ctore*

Restructured Accounts

(Rs. Crore)

Asset Quality Movement of Restructured portfolio

STANDARD A/Cs Restructured	Out of which Slipped to NPA	Slippage %age
33789	3625	10.7

About 89% of the standard accounts restructured continue to be standard

NPA A/Cs Restructured	Out of which Improved to standard	Upgradation %age
875	103	11.8

About 12% of the NPA restructured portfolio has upgraded to standard category

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Sectorwise O/S Restructured Accounts

(Rs. Crore)

01.04.2012 to 30.09.2012 (Current HY)

Sl.	Restructured Accounts	No.	Amt. O/s	Diminution in Fair Value
1	Standard Adv.	114	3959	223
2	Sub Standard Adv.	3	56	3
3	Doubtful Adv.	0	0	0
	Total	117	4015	226

01.04.2008 to 30.09.2012 (Total)

Sl.	Restructured A/cs (O/s)	No.	Amt.O/s
1	Under CDR	54	5443
2	Under SME	853	1355
3	Others (Non-CDR)	7795	21054
	Total	8702	27852

Sl.	Sector	Mar'12	Q2	O/S Amt	%age Share
A	Agriculture	151	88	240	0.86
B	Housing	8	0	8	0.03
C	Real Estate	503	0	503	1.81
D	Industry	18813	3650	22462	80.65
E	Others	4362	278	4639	16.66
	Total	23837	4015	27852	100.00
	Out of the Above Major Industries/Sectors				
1	Iron & Steel	1809	182	1991	7.15
2	Infrastructure	8757	2104	10861	39.00
	Out of which				
	Power	7367	1133	8500	30.52
	Telecom	954	109	1063	3.82
3	Drilling	163	164	327	1.17
4	Textiles	1369	239	1608	5.77
5	Aviation	2998	0	2998	10.76
6	Sugar	662	0	662	2.38
7	Paper/Printing	452	0	452	1.62
8	Chem/Ferti/Drg	361	134	495	1.78
9	Cement	576	0	576	2.07
10	Manufacturing	159	71	231	0.83
11	Engineering	195	15	209	0.75
12	Auto parts	23	0	23	0.08
13	Hotel	702	79	781	2.80
14	Education	528	160	688	2.47
15	Finance	150	16	166	0.60

Capital Adequacy (Basel II)

(Rs. Crore)

Sl.	Particulars	Sep'11	Mar'12	Sep'12
	Capital Fund			
1	Tier I	20947	27080	26975
2	Tier II	9672	9773	9295
3	Total (Tier I+II)	30619	36853	36270
4	Risk-weighted Assets	250297	291919	309271
5	Capital Adequacy Ratio (%)	12.23%	12.63%	11.73%
6	Tier I (%)	8.37%	9.28%	8.72%
7	Tier II (%)	3.86%	3.35%	3.01%

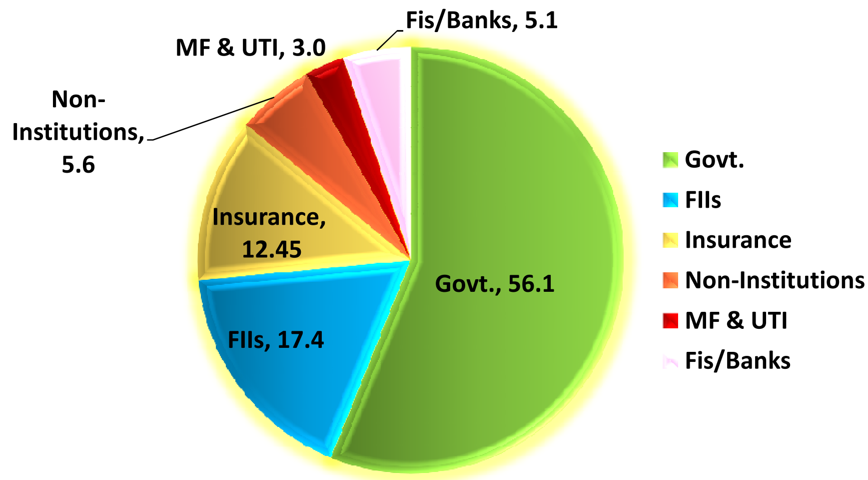
With Profit plough back upto H1 FY 2013, CRAR works out to 12.47% with Tier -I at 9.47%.

Improved market Share –Improved Productivity

Sl.	Parameters	Sep'11	Mar'12	Sep'12
1	Deposit Market Share (%)	5.65	5.60	5.58
2	Credit Market Share (%)	5.55	5.55	5.43
3	Business Per Branch (Rs. Cr.)	108.57	116.03	117.73
4	Business Per Employee (Rs. Cr.)	10.91	11.32	11.76

Shareholding Pattern

(As on 30th Sep'12)



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…

- *Bank in Process of:-*
  - *up gradation of rep office in Oslo (Norway) and Sydney (Australia).*
- *Exploring possibilities for presence in - Maldives, Bangladesh, Pakistan, Canada, Singapore, Mozambique and Brazil.*
- *Business of Overseas branches recorded a YoY growth of 55.52%, from USD 4977 Mio to USD 7740 Mio.*
- *Business of Overseas Subsidiaries recorded a YoY growth of 31.44%, from USD 1751 Mio to USD 2301 Mio.*

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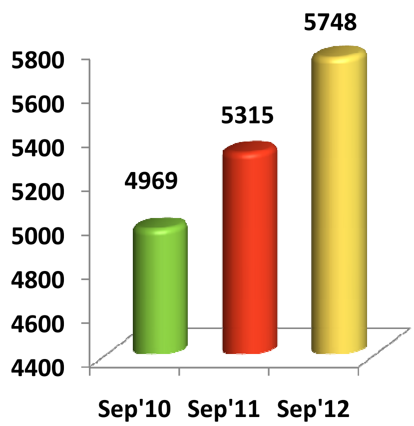
Capacity Building – Expanding Network

Total Domestic Branches



ATM Network			
	Sep'10	Sep'11	Sep'12
ATMs	4042	5619	6005

Population Group wise Branches (30th September'2012)			
Metro	Urban	Semi-Urban	Rural
962	1220	1350	2216
16.74	21.22	23.49	38.55

51 new branches added during Quarter 2 FY 13.

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Recognitions…..

- Best Public Sector Bank by CNBC TV 18
- Excellence in Business Communication by Association of Business Communicators of India (ABCI).
- Organization with Innovative HR Practices by ASIA Pacific HRM Congress.
- Prestigious Awards by Indian Banks' Association:
  - Best Use of Business intelligence - Winner
  - Best Risk Management and Security Initiatives - Winner
  - Best Bank Online – First Runner up
  - Best financial Inclusion Initiatives – Second Runner up
- Best Banker Award under Agriculture Credit (Large Bank) by The Sunday Standard.
- Best Public Sector bank under Priority Sector Lending by Dun & Bradstreet Polaris Financial Technology Banking Awards 2012
- CMO Asia Excellence for Branding and Marketing under BFSI
- 3rd Asia's Best Employer Brand Awards 2012-Excellence in Training by Employer Brand Awards & World HRD Congress.
- Third Rank among Top 50 Financial Companies by Business World

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Thank You

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