



FINANCIAL RESULTS

Q2 & HY FY'20

Core Strengths of the Bank

125 Years of banking Experience

**Core Operations
Profitable**

High CASA Share

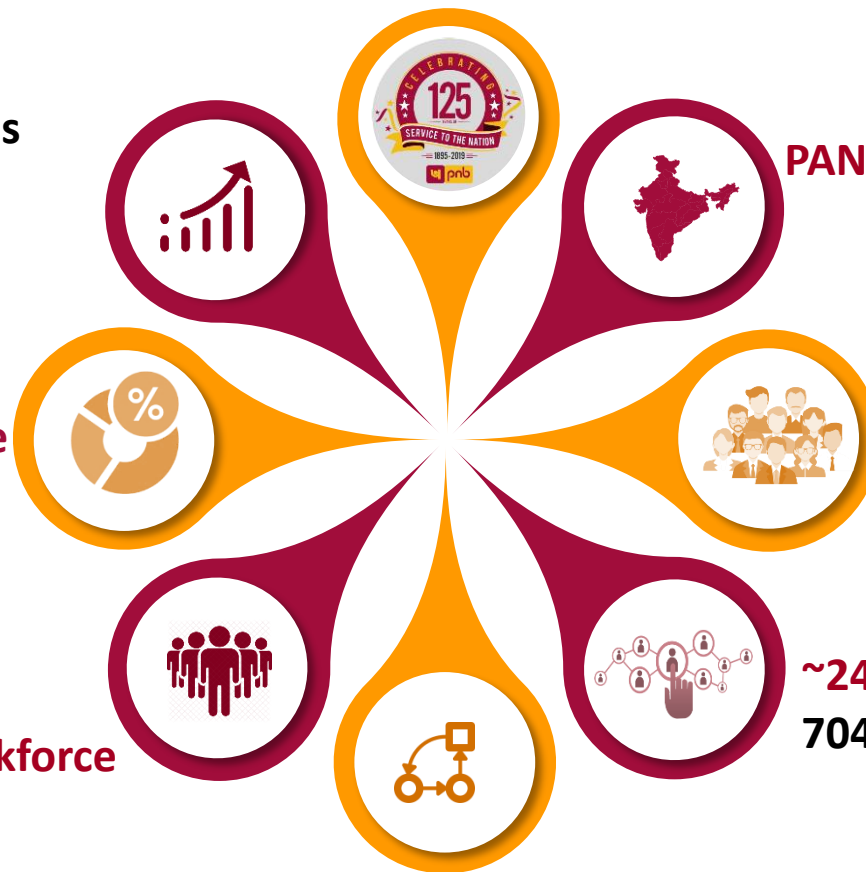
**Dedicated Workforce
~70000**

Resilient Business Model

PAN India Presence

**Trust of 11.7 crore
+ customers**

**~24000 Touch Points:
7040 Branches, 8985 ATMs, 7945 BCs**



Key Financial Highlights Q2 FY'20



Operating Profit
25.4% YoY Gr



Net Profit
₹ 507 Crore



Other Income
32.5% YoY Gr



CASA Deposit
9.4% YoY Gr



CASA Share
43.51 %



Domestic Deposit
8.2% YoY Gr



Retail Loans
18.8% YoY Gr



Housing Loans
27.9% YoY Gr



Agriculture Advances
9.7% YoY Gr



-  **Business Performance**
-  **Profitability**
-  **Investment**
-  **Asset Quality**
-  **Capital & Share Holding**
-  **Digitalization & Financial Inclusion**
-  **Performance of Subsidiaries, JVs & Assoc**
-  **Awards & Accolades**
-  **Way Forward**



Business Performance

Business Performance As at 30th Sep'19

₹ Crore

Sl.	Parameters	Sep'18	Mar'19	Sep'19	YoY variation	
					Amount	%
1	Gross Domestic Business	1067630	1144348	1128208	60578	5.7
	Gross Overseas Business	55614	37876	41659	-13955	-25.1
	Gross Global Business	1123244	1182224	1169867	46623	4.2
2	Domestic Deposits	622329	654536	673078	50749	8.2
	Overseas Deposits	27397	21494	22705	-4693	-17.1
	Global Deposits	649726	676030	695782	46056	7.1
3	Gross Domestic Advances	445301	489812	455130	9829	2.2
	Gross Overseas Advances	28217	16382	18955	-9262	-32.8
	Gross Global Advances	473518	506194	474085	567	0.1
	Net Advances	430968	458249	427903	-3065	-0.7
	CD Ratio	66.33	67.79	61.50		

Business Performance (Daily Average Basis)

₹ Crore

Sl.	Parameters	Sep'18	Mar'19	Sep'19	YoY Variation	
					Amt.	%
1	Gross Domestic Business	1005260	1028192	1077029	71769	7.1
	Gross Overseas Business	65407	53323	39539	-25868	-39.5
	Gross Global Business	1070667	1081515	1116569	45902	4.3
2	Domestic Deposits	590228	601091	633967	43739	7.4
	Overseas Deposits	31458	26053	22278	-9180	-29.2
	Global Deposits (1+2)	621686	627144	656245	34559	5.6
3	Gross Domestic Advances	415033	427101	443062	28029	6.8
	Gross Overseas Advances	33949	27270	17262	-16687	-49.2
	Gross Global Advances	448982	454371	460324	11342	2.5
	CD Ratio	66.19	66.11	63.25		

Segment Wise Deposits

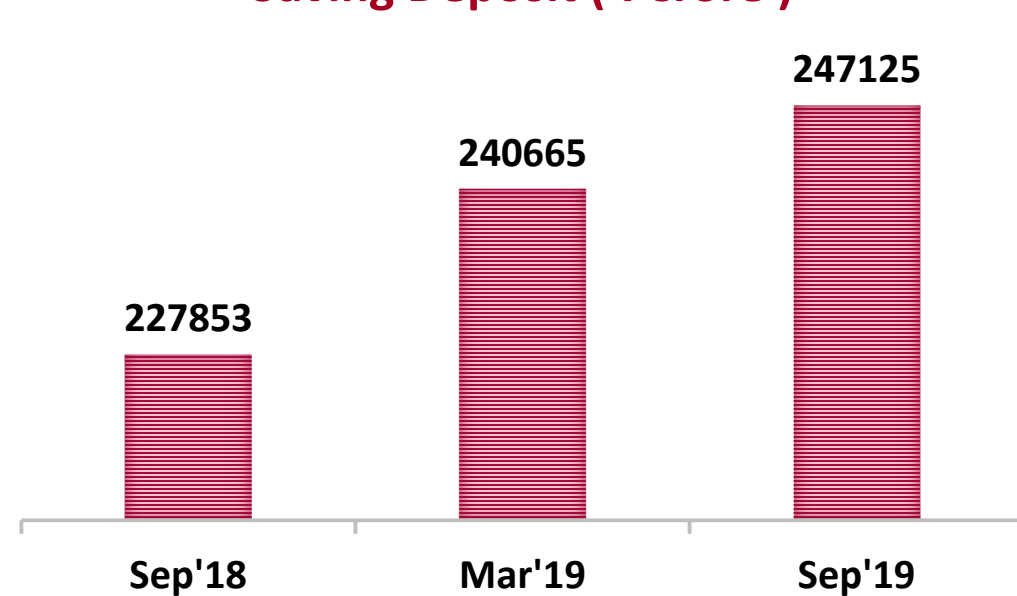
₹ Crore

Sl.	Parameters	Sep'18	Mar'19	Sep'19	YoY Growth %	
					Last Year	This Year
1	Domestic Deposit	622329	654536	673078	50749	8.2
2	Overseas Deposit	27397	21494	22705	-4693	-17.1
3	Global Deposit	649726	676030	695782	46056	7.1
4	CASA Deposit	267726	285040	292940	25213	9.4
5	Current Deposit	39874	44375	45815	5942	14.9
6	Saving Deposit	227853	240665	247125	19272	8.5
	CASA Share Domestic (%)	42.99	43.51	43.51		

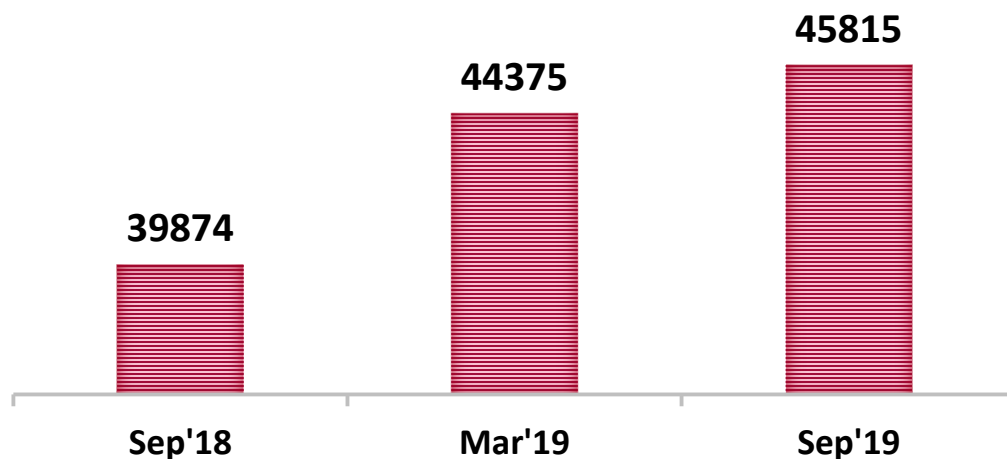
Consistent CASA Share

₹ Crore

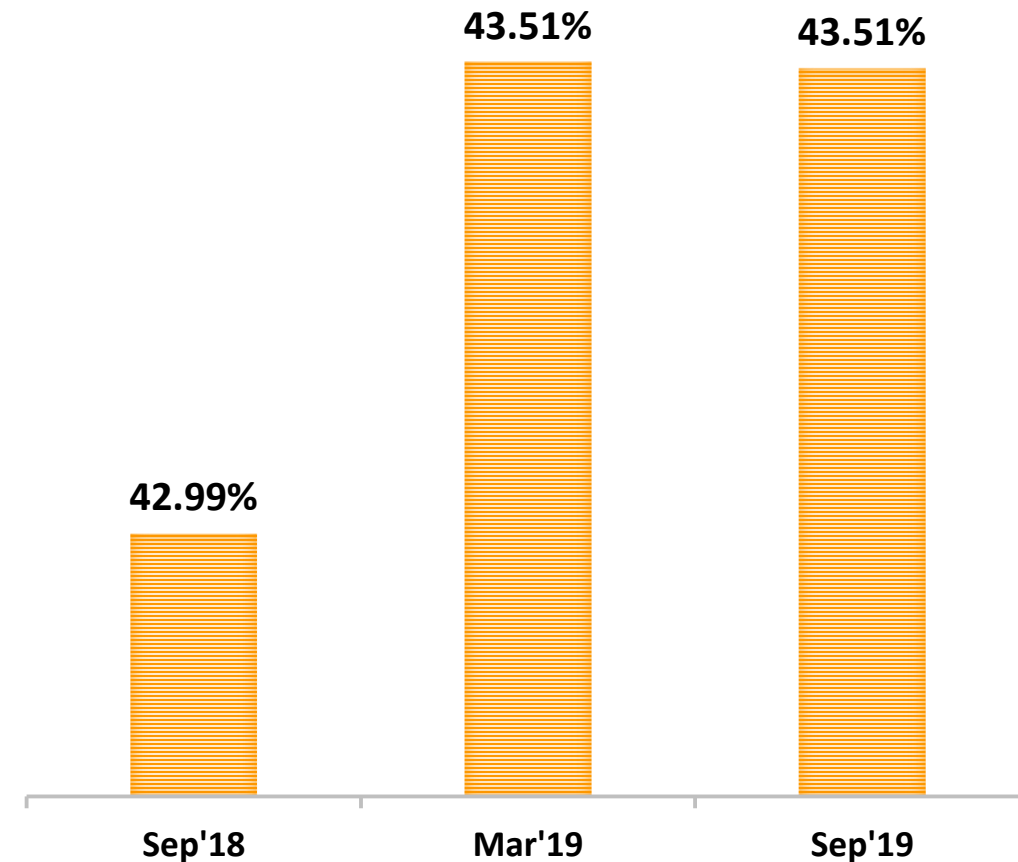
Saving Deposit (₹ Crore)



Current Deposits (₹ Crore)

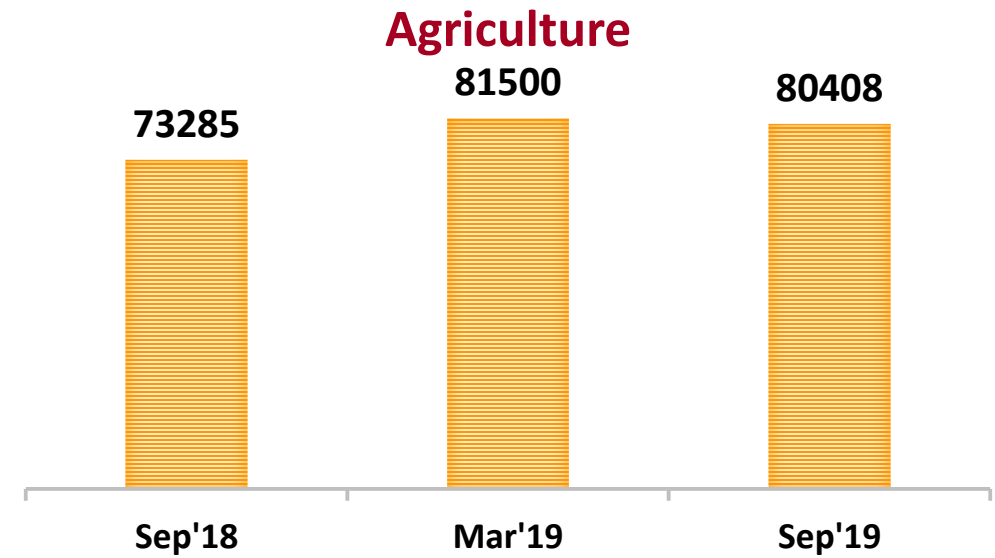
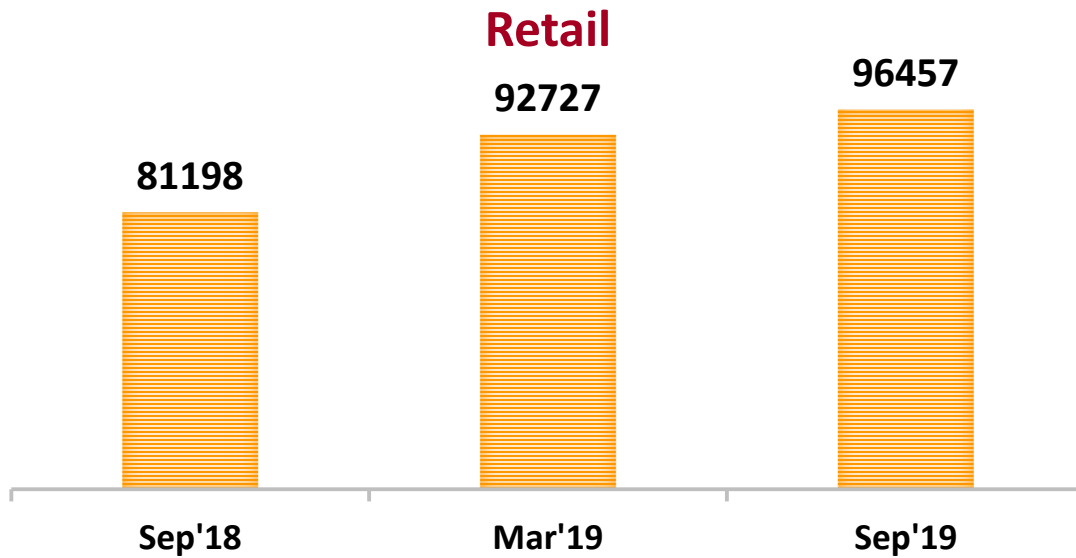


CASA Share %

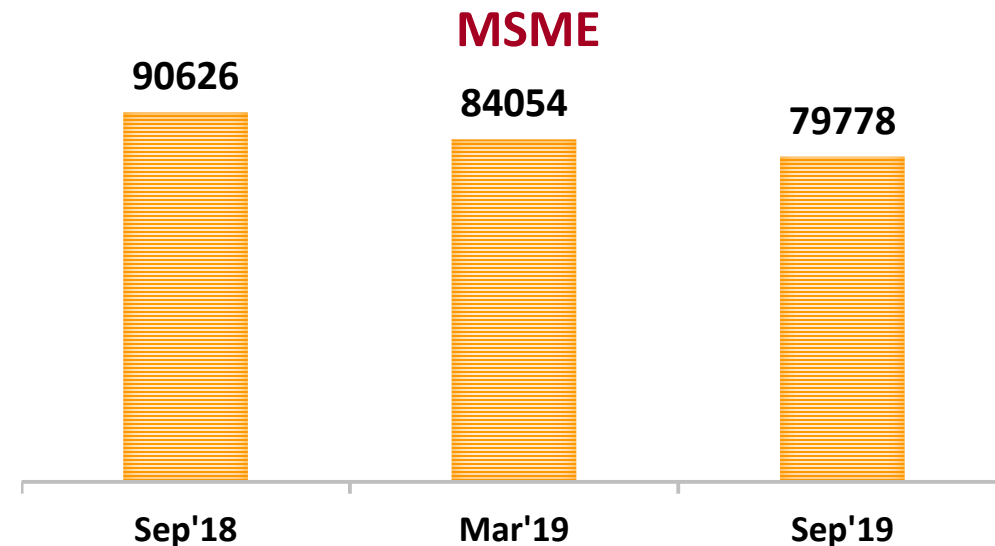


Retail Agriculture MSME (RAM)

₹ Crore



Composition of Retail Advances			
Components	Sep'18	Sep'19	YoY %
Total Retail	81198	96457	18.8
Housing	44232	56586	27.9
Mortgage	8659	10074	16.3
Education	5904	6246	5.8



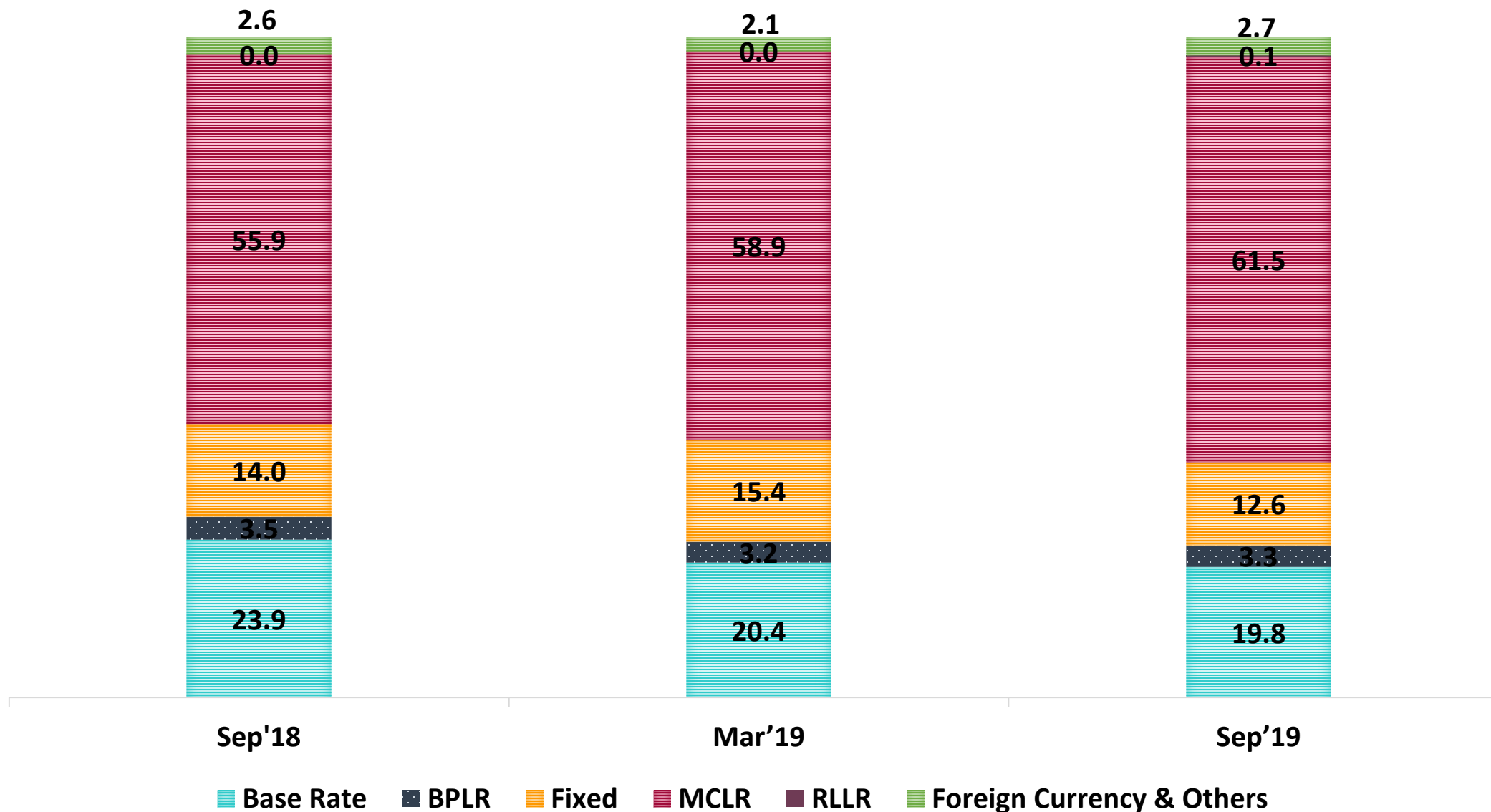
Share of RAM advances in Sep'19 increased to 56.4% as compared to 55.0% in Sep'18

National Goals

Sl.	Parameters	National Goals	Sep'18	Mar'19	Sep'19
1	Priority Sector		173303	178644	172161
	% to ANBC	40%	43.8%	41.9%	40.0%
2	Total Agriculture		73285	81500	80408
	% to ANBC	18%	18.5%	18.4%	18.7%
3	Small and Marginal Farmers		33670	36826	39919
	% to ANBC	8%	8.5%	8.4%	9.3%
4	Weaker Section		44651	49595	50909
	% to ANBC	10%	11.3%	11.3%	11.8%
5	Women Beneficiaries		27390	29813	29856
	% to ANBC	5%	6.9%	6.8%	6.9%
6	Micro Enterprises (PS)		33851	31552	32396
	% to ANBC	7.5%	8.3%	7.7%	7.5%

% Ach. For Mar'19 is on Quarterly Annual Average Basis.

Advances Mix of Benchmark Rate (%)



Exposure to Sensitive Sector

Sl.	Parameters	Sep'18	Mar'19	Sep'19
1	Capital Market	4367	4849	3700
2	Commercial Real Estate	9833	15083	19318
3	NBFC	42089	40771	44577
	<i>of which HFC</i>	7443	15116	14377
4	Aviation	7703	7426	6703



Profitability

Interest Income & Expenditure

₹ Crore

Sl.	Parameters	Q2' FY19	Q1' FY20	Q2' FY20	YoY Variation		HY19	HY20	YoY Gr. %
					Amt.	%			
1	Total Interest Income (2+3+4)	12326	13086	13292	966	7.8	25439	26378	3.7
2	Interest on Advances	8149	8880	8876	728	8.9	17357	17757	2.3
3	Interest on Investments	3542	3620	3755	214	6.0	6947	7375	6.2
4	Other Interest Income	636	586	660	24	3.8	1136	1246	9.7
5	Total Interest Paid (6+7+8)	8352	8945	9028	676	8.1	16773	17973	7.2
6	Intt. Paid on Deposits	7891	8510	8655	763	9.7	15673	17165	9.5
7	Intt. Paid on Borrowings	178	79	130	-48	-26.8	333	209	-37.2
8	Others	283	356	243	-40	-14.1	768	600	-21.9
9	Net Interest Income (1-5)	3974	4141	4264	290	7.3	8666*	8405	-3.0

*On Excluding Exceptional interest income (Rs. 827 cr) from NCLT A/C Bhushan Steel Limited, HY20 NII growth 7.2%

Non Interest Income

₹ Crore

Sl.	Parameters	Q2' FY 19	Q1' FY20	Q2' FY 20	YoY Variation		HY19	HY20	YoY Gr. %
					Amt.	%			
A	Fee Based Income	1006	1237	1051	45	4.5	2217	2288	3.2
1	Processing Fees	60	353	110	50	83.9	380	463	22.0
2	LC/LG Income	174	142	175	1	0.5	354	317	-10.4
3	Income from Ins & MF	53	51	59	5	10.2	94	110	16.3
4	Govt. Business	26	20	38	12	48.2	49	58	18.5
5	Exchange Profit	153	110	124	-29	-18.7	307	234	-23.6
6	Misc Fee Income	539	561	544	4	0.8	1033	1105	6.9
B	Trading Profit	189	502	519	330	175.2	420	1021	142.8
C	Other Non intt Income	515	337	695	180	34.9	1031	1031	0.0
	-Income from Dividend	100	9	105	5	5.1	108	114	5.0
	-Realization in write off A/C's	377	325	571	194	51.4	885	896	1.3
	Total Non Interest Income(A+B+C)	1710	2075	2265	555	32.5	3669	4340	18.3

Profitability

Sl.	Parameters	Q2' FY19	Q1' FY20	Q2' FY20	YoY Variation			HY19	HY20	YoY Gr. %
					Amt.	%				
1	Net Interest Income	3974	4141	4264	290	7.3		8666	8405	-3.0
2	Other Income	1710	2075	2265	555	32.5		3669	4340	18.3
3	Operating Income (1+2)	5684	6217	6529	845	14.9		12335	12745	3.3
4	Operating Expenses	2844	2735	2967	122	4.3		5301	5702	7.6
4a	Staff Expenses	1662	1682	1675	13	0.8		3089	3356	8.7
	-Employee Benefits (AS-15)	215	203	144	-71	-33.0		353	347	-1.9
4b	Other Op. expenses	1182	1054	1292	109	9.2		2212	2345	6.1
5	Operating Profit (3-4)	2839	3481	3562	722	25.4		7034	7043	0.1
6	Provisions	7372	2463	3055	-4317	-58.6		12507	5518	-55.9
7	Net Profit (5-6)	-4532	1019	507	-	-		-5472	1526	-

*On Excluding Exceptional interest income (Rs. 827 cr) from NCLT A/C Bhushan Steel Limited, HY20 Operating profit growth 13.5%

Provisions

Sl.	Parameters	Q2' FY 19	Q1' FY20	Q2' FY20	YoY Variation		HY19	HY20
1	Provision towards NPAs	7733	2147	3253	-4480		12715	5400
2	Standard Advances incl. Std. Restructured	0	280	-438	-438		-24	-159
3	Depreciation on Investment	1267	-52	196	-1071		1984	144
4	Income Tax	-2386	439	126	2512		-3010	565
5	Others	758	-352	-82	-840		841	-434
B	Total Provision	7372	2463	3055	-4317		12507	5518

Profitability Ratios

(% Annualized)

Sl.	Parameters	Q2' FY19	Q1' FY20	Q2' FY20	HY19	HY20
1	Opt. Profit to AWF	1.43	1.70	1.70	1.79	1.70
2	Opt. Exp. To AWF	1.43	1.33	1.42	1.35	1.38
3	Estab. Exp. to Total Exp.	14.84	14.40	13.96	13.99	14.18
4	Cost to Income Ratio	50.04	44.00	45.44	42.97	44.74
5	Book Value per Share [₹]	130.65	90.73	127.10	130.65	127.1
6	Return on Assets	-2.29	0.50	0.24	-1.39	0.37
7	Return on Net worth	-45.15	2.44	3.42	-13.63	2.61
8	Earnings per share [₹]	-64.72	8.85	4.41	-39.35	6.63

Cost & Yield Ratios

(% Annualized)

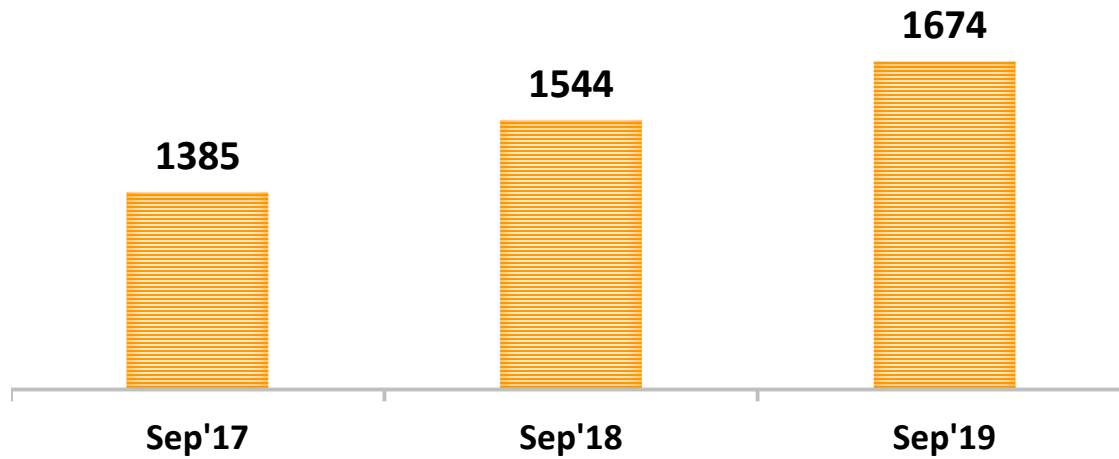
Sl.	Parameters	Q2' FY19	Q1' FY20	Q2' FY20	HY19	HY20
1	Cost of Deposit	5.09	5.21	5.25	5.04	5.23
2	Cost of Fund	4.21	4.36	4.31	4.27	4.34
3	Yield on Advances	7.46	7.61	7.82	7.36*	7.71
4	Yield on Investment	7.41	7.35	7.26	7.39	7.30
5	Yield on Fund	6.22	6.37	6.35	6.26*	6.36
6	Net Interest Margin (Domestic)	2.46	2.36	2.39	2.43*	2.38

**Excluding Exceptional interest income (Rs. 827 Crore) from BSL in June'18*

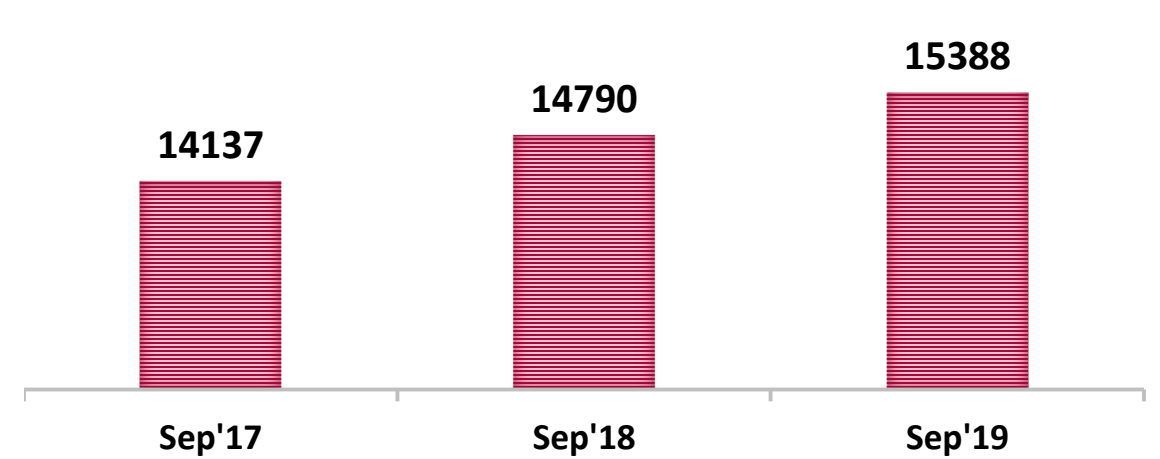
Improving Productivity

₹ in lakhs

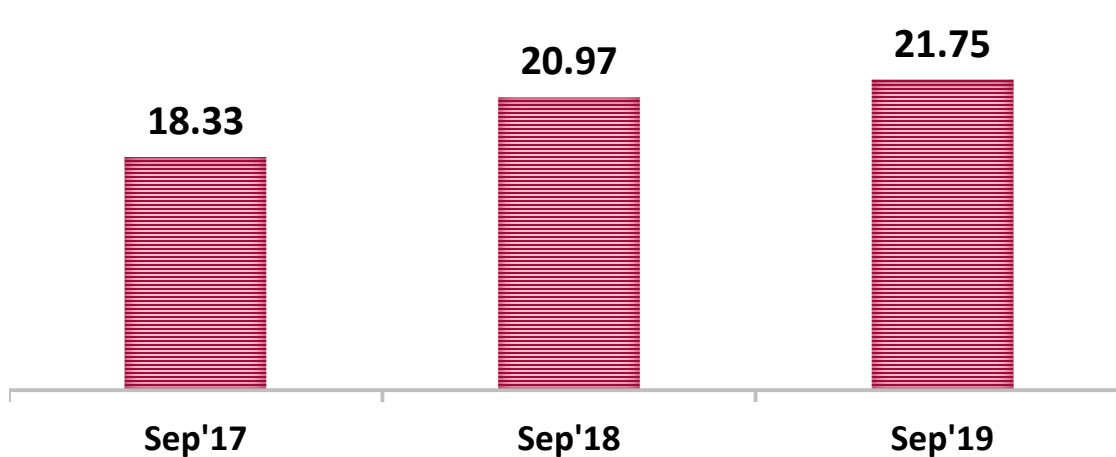
Business Per Employee



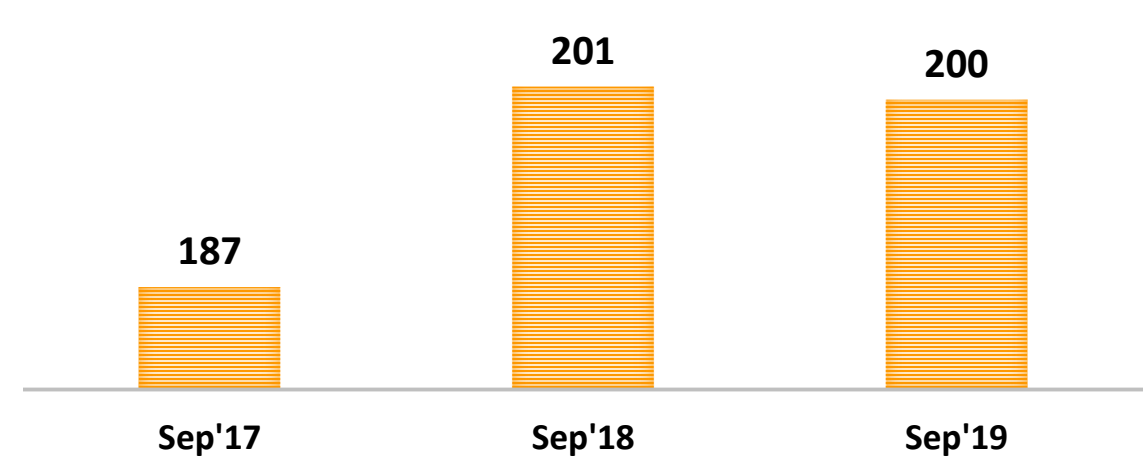
Business per Branch



Operating Profit per Employee



Operating Profit per Branch





Investment

Investment Portfolio

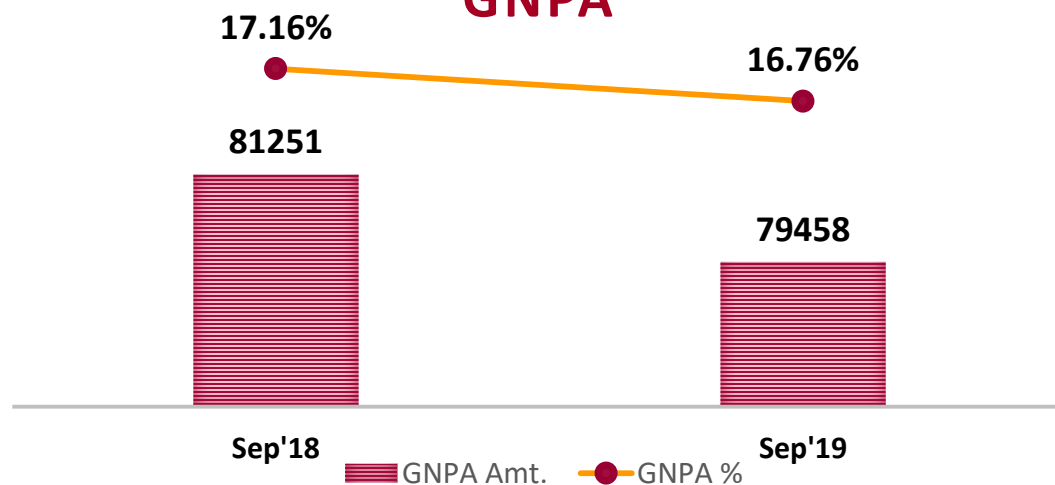
Sl.	Parameters	Sep'18	Mar'19	Sep'19
1	Domestic Investment	209837	200632	236258
a	SLR	148107	140391	162105
b	Non SLR	61730	60241	74153
	SLR as % to Dom. Investment	70.58	69.97	68.61
I	Held To Maturity	133003	135102	159318
II	Available For Sale	76656	65280	76476
III	Held For trading	178	250	465
2	SLR HTM to Total SLR (%)	75.93	77.45	72.19
3	HTM To Investment (%)	63.40	67.33	67.43
4	Duration (AFS)	3.37	3.42	3.41
5	Modified Duration (AFS)	3.19	3.26	3.27
6	Net demand & time Liabilities	604485	639565	670764
7	Investment by Overseas Branches	6093	5493	6794
8	Total Gross Investment (1+7)	215930	206125	243053



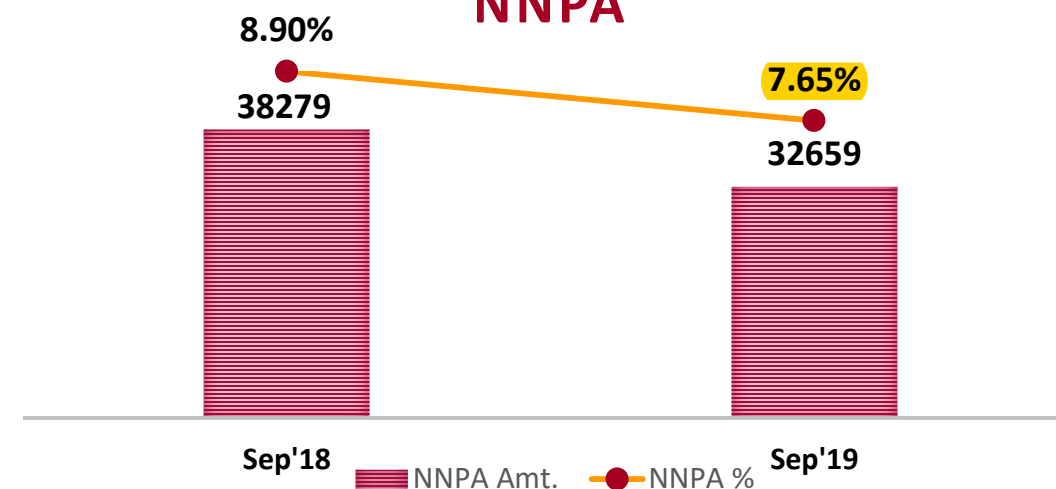
Asset Quality

Asset Quality

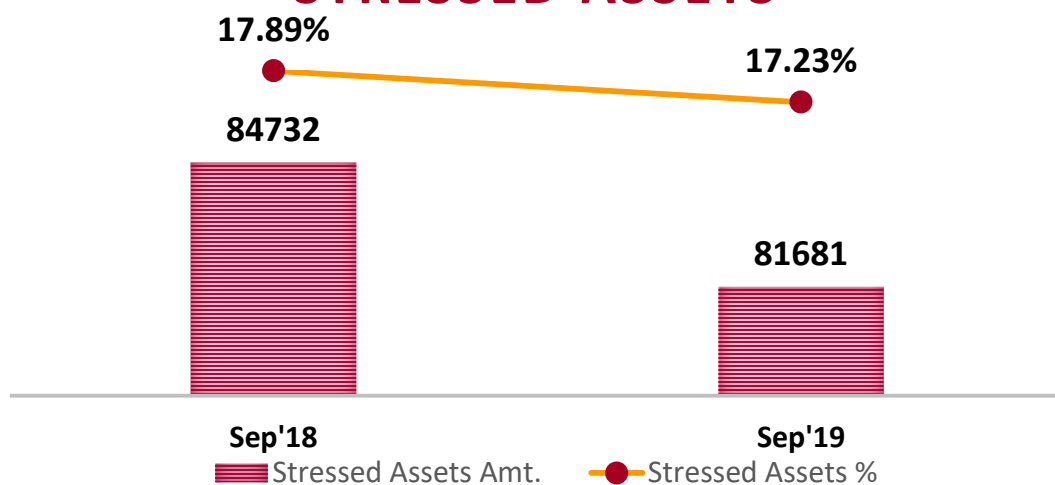
GNPA



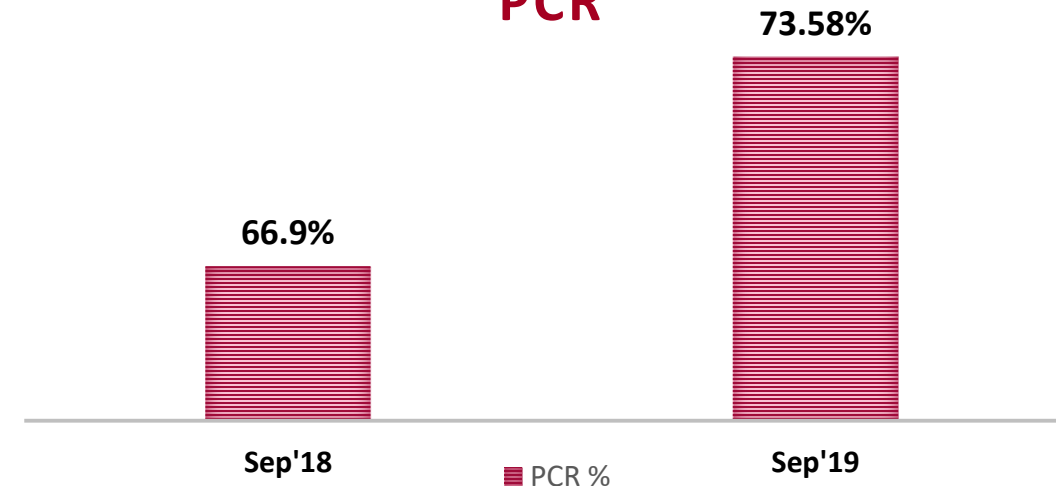
NNPA



STRESSED ASSETS



PCR



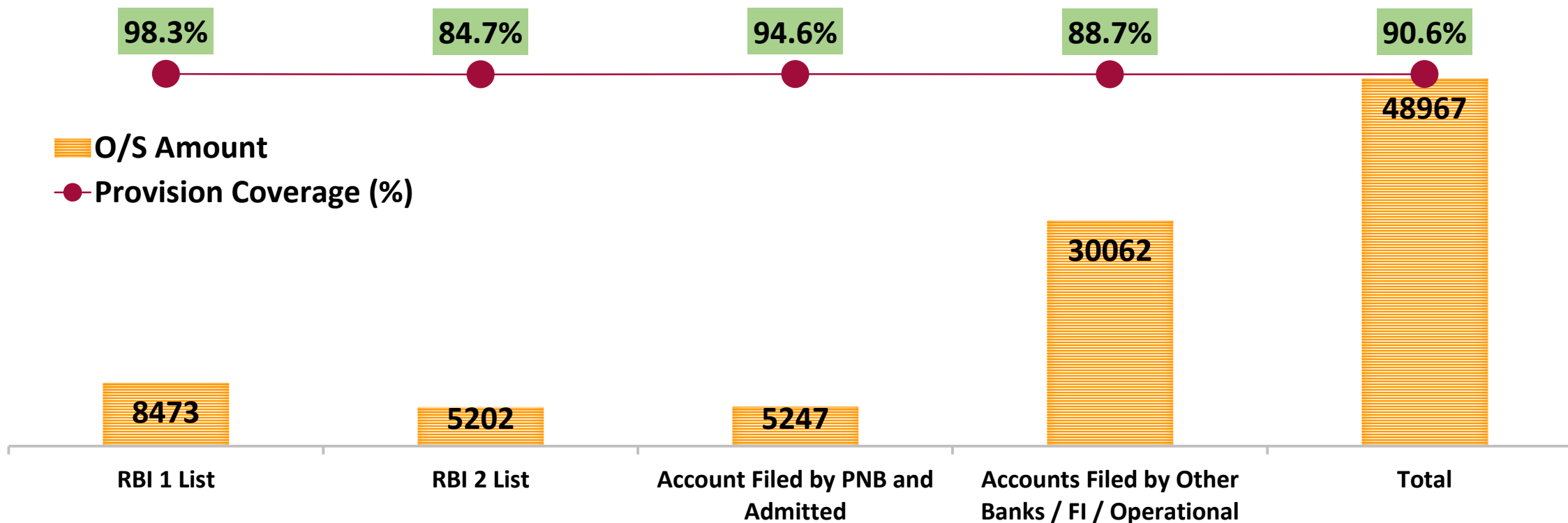
Asset Quality

Sl.	Parameters	Sep'18 (Q2FY19)	Mar'19 (FY)	June'19 (Q1FY20)	Sep'19 (Q2FY20)
1	NPA as at the beginning of Year	82889	86620	78473	77267
2	-Cash Recovery	2321	12165	2305	1891
3	-Up-gradation	1418	3633	1554	1141
4	-Write Off	3543	12253	2758	2896
5	Total Reduction (2+3+4)	7282	28051	6617	5928
6	Fresh Addition	5644	19904	5412	8119
	-Fresh slippages	4476	16616	4711	7462
	-Debits in existing NPA A/cs	1167	3288	701	656
7	Gross NPAs at end of the period	81251	78473	77267	79458
8	Eligible Deductions incl. Provisions	42972	48435	47088	46799
9	Net NPAs	38279	30038	30180	32659
10	Recovery in written-off A/cs	377	1808	325	571
11	Gross NPA (%)	17.16	15.50	16.49	16.76
12	Net NPA (%)	8.90	6.56	7.17	7.65
13	Provision Coverage Ratio (%)	66.92	74.50	74.63	73.58

Asset Quality Classification: Advance

Sl.	Parameters	Sep'18		Mar'19		Sep'19		YoY Variation	
		O/S	Share%	O/S	Share%	O/S	Share%	Amt.	Gr. %
1	Standard	392267	82.8	427722	84.5	394627	83.2	2360	0.60
2	Gross NPA	81251	17.2	78473	15.5	79458	16.8	-1793	-2.21
2a	Sub-Standard	19683	4.2	14053	2.8	16152	3.4	-3531	-17.94
2b	Doubtful	49349	10.4	51657	10.2	52202	11.0	2853	5.78
2c	Loss	12219	2.6	12763	2.5	11104	2.3	-1115	-9.13
	Total Advances(1+2)	473518	100	506194	100	474085	100	567	0.12

Exposure to NCLT accounts: 30th Sep 2019



Sl.	Parameters	Accounts	Balance	Provision	PCR%
1	RBI list 1	6	8473	8330	98.3
2	RBI list 2	14	5202	4407	84.7
3	Filed by PNB	59	5247	4961	94.6
5	Filed by other lenders	207	30062	26661	88.7
6	Total	286	48983	44359	90.6

Movement of Watch list : SMA2

Parameter	Mar'19	Jun'19	Sep'19	Oct'19
SMA2	14120	24682	21165	11094

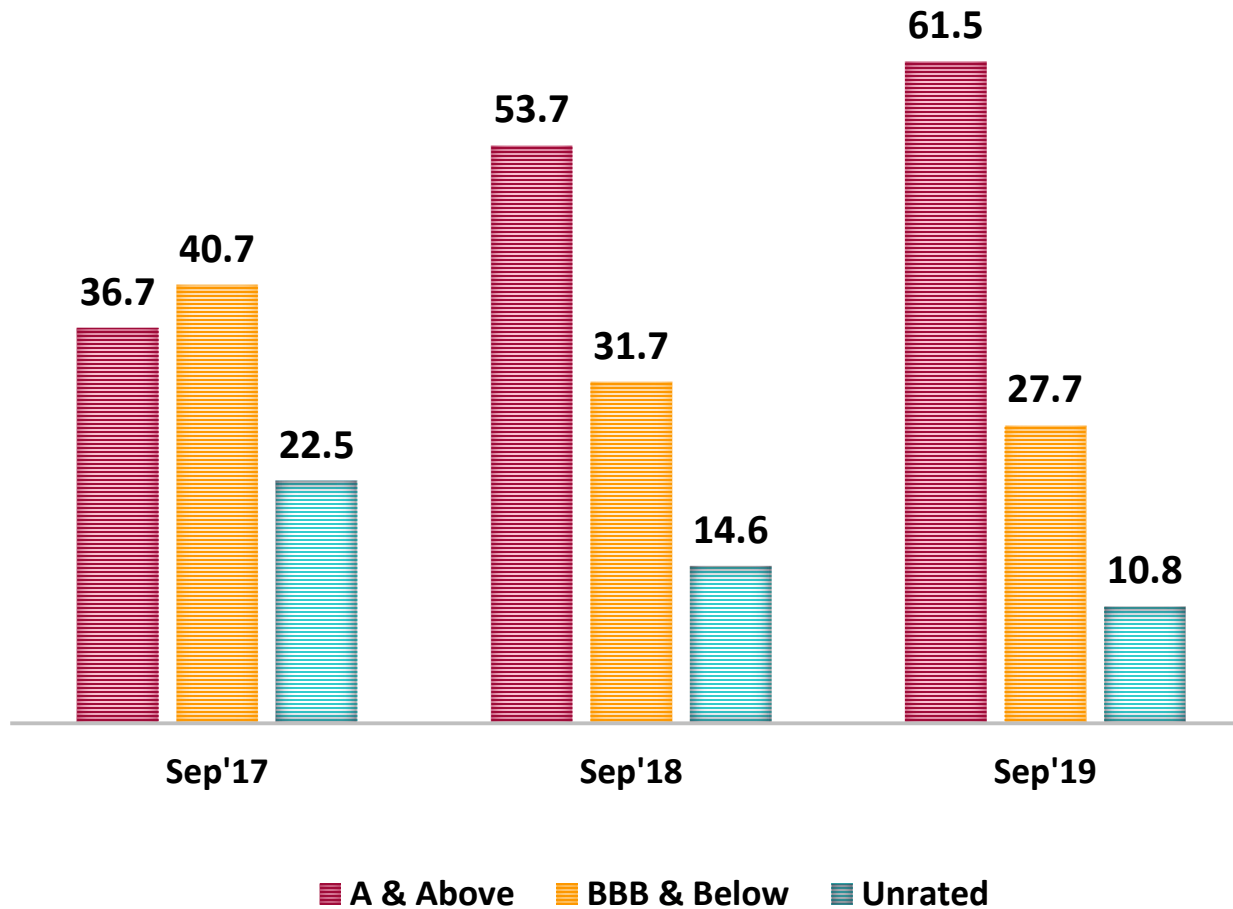
External Rating Outstanding Portfolio

Sl.	Rating Grade	Sep'18	Mar'19	Sep'19
1	AAA & AAA+	46636	65839	50912
2	AA	21480	36886	33254
3	A	19631	22393	26004
4	BBB	24201	24597	21801
5	BB	15566	12713	15368
6	B	5805	4403	4703
7	C	162	198	571
8	D	6126	6017	7114
9	Unrated	23918	36176	19449
	Total	163525	209222	179176

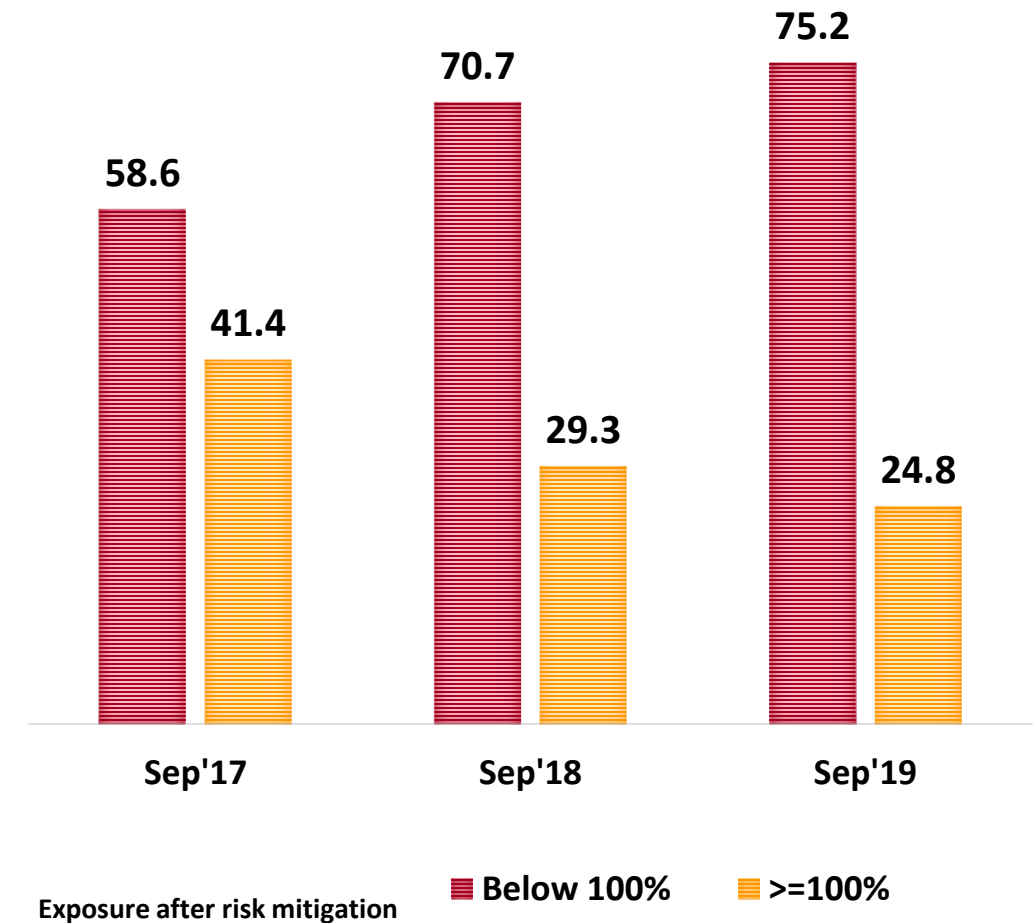
Portfolio: Rating Wise

(in %)

External Rating O/S Standard Portfolio



Risk Weight wise Portfolio





Capital and Shareholdings

Capital Adequacy (Basel III)

Sl.	Parameters	Sep'18	Mar'19	Sep'19
1	Tier I	31978	30309	49702
	Common Equity	26680	25107	44650
	Additional Tier I	5298	5202	5052
2	Tier II	9426	9057	7724
3	Total (Tier I+II)	41404	39366	57426
4	Risk-weighted Assets	410833	404622	408065
1	Tier I %	7.78	7.49	12.18
	Common Equity %	6.49	6.21	10.94
	Additional Tier I %	1.29	1.29	1.24
2	Tier II %	2.29	2.24	1.89
3	Total (Tier I+II) %	10.08	9.73	14.07

Capital Optimization

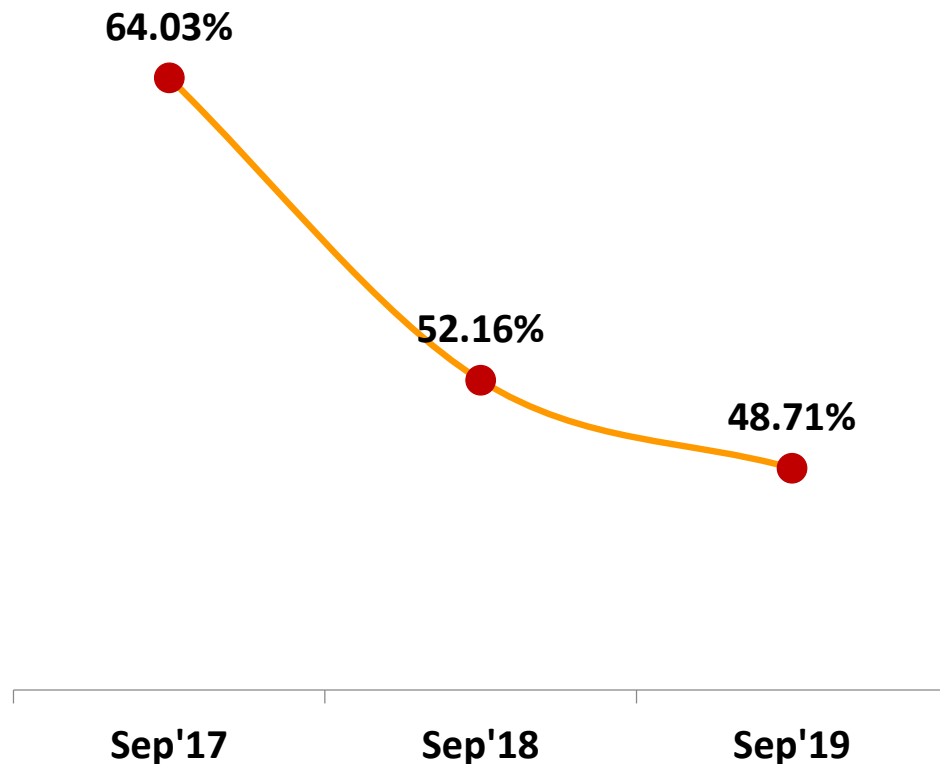
₹ Crore

Sl.	Parameters	Sep'18	Dec'18	Mar'19	June'19	Sep'19
1	Credit RWA (Includes NFB RWA)	334010	330114	331929	329591	329747
2	Market RWAs	38512	34419	34382	34019	38296
3	Operational RWAs	38310	38310	38310	40022	40022
4	Total RWAs	410832	402843	404621	403632	408065
5	Credit RWA/Advances	52.16%	52.23%	48.72%	51.28%	48.71%
6	Total NFB O/S	68617	64494	56520	55802	54620
7	Conversion factor for NFB	20%-100%	20%-100%	20%-100%	20%-100%	20%-100%
8	NFB RWA	23452	22907	21070	22977	23859
9	Credit equivalent after CCF	36173	33114	31192	32410	35579
10	RWA/Advances	71.18%	69.82%	67.11%	70.96%	69.76%
11	Leverage Ratio	3.87%	4.13%	3.72%	3.89%	5.95%

Capital Optimization and Conservation

Credit RWA Density: Domestic

Decrease in Domestic Credit RWA density by 1532 bps over Sep'17

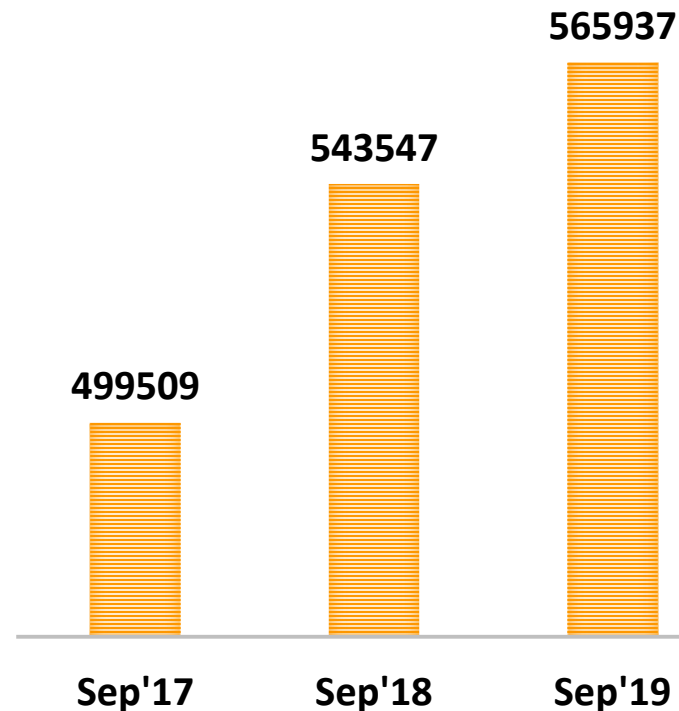


RWAs vis-a-vis Advances

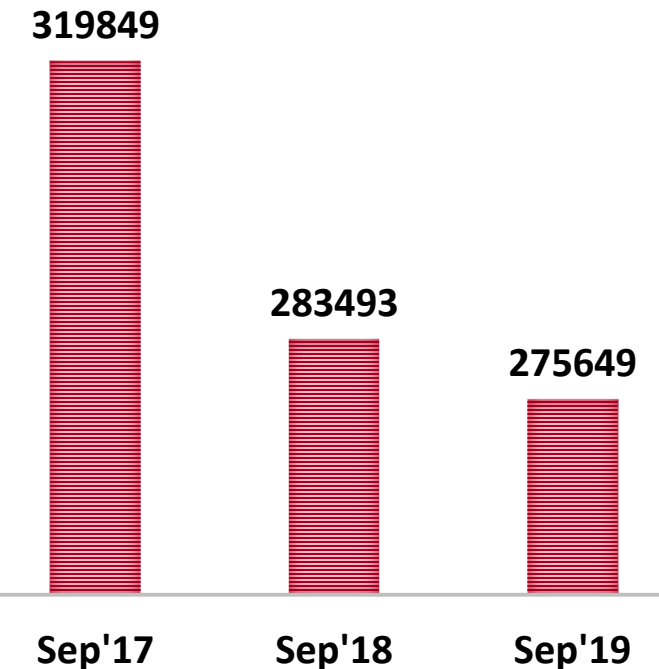
Increase in Gross Domestic credit Exposure by ₹ 22390 crore (YoY)

Decrease in domestic credit RWA by ₹ 7845 crore (YoY)

Domestic Credit Exposure (FB+NFB)

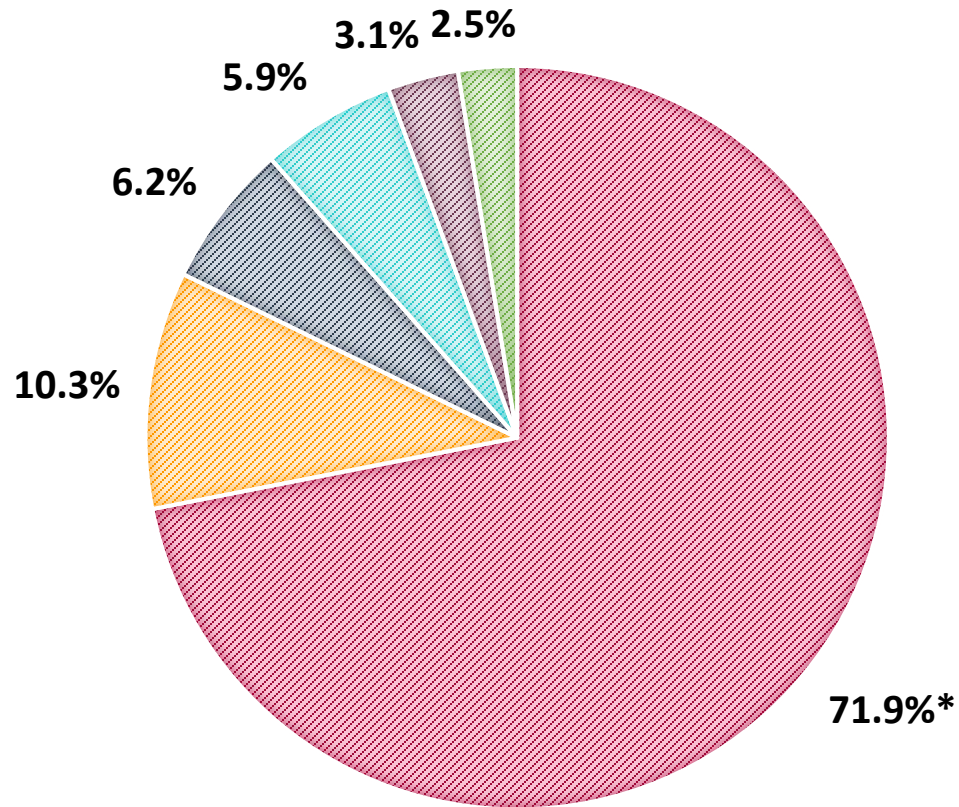


Domestic Credit RWA

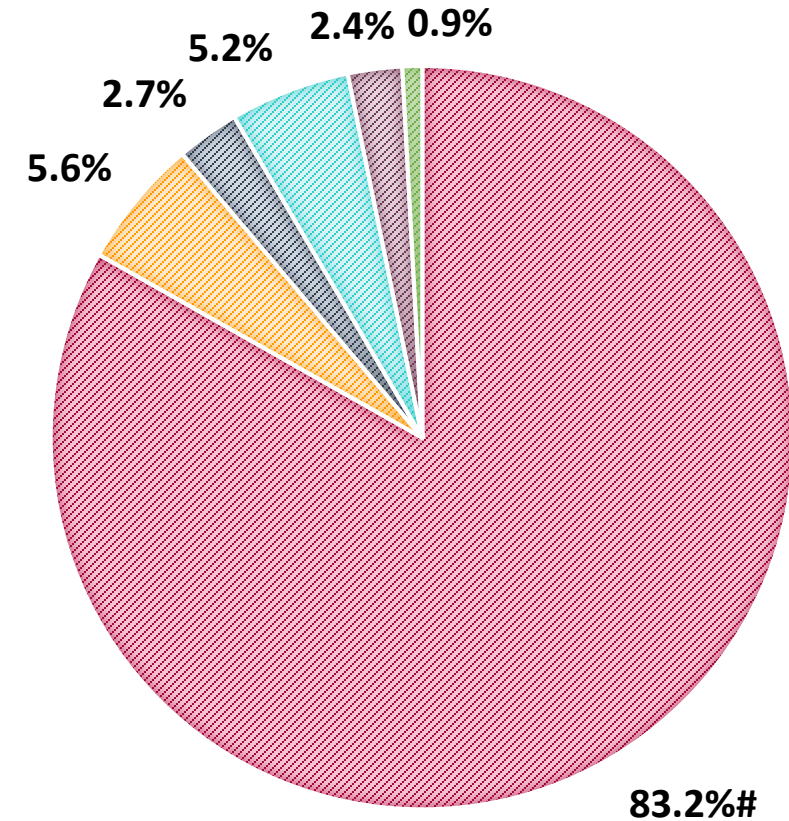


Share holding Pattern

SEP'18



SEP'19



■ Govt. of India
 ■ FIIs/Banks/Insurance
 ■ Mutual Funds
 ■ Resident Individual
 ■ FIIs
 ■ Non-institutions

*As at 01.11.2018, after allotment of 63.81 crore shares to the GoI against Capital infusion of ₹ 5431 crore.
 #As at 04.11.2019, after allotment of 213.35 crore shares to the GoI against Capital infusion of ₹ 16091 crore.



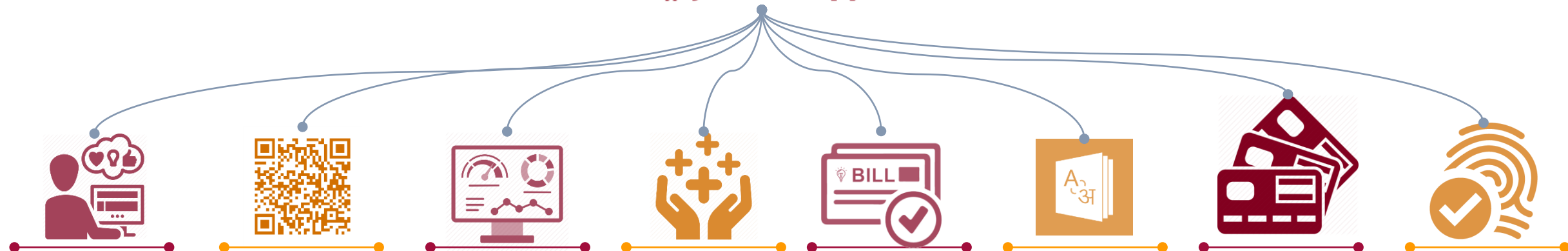
Digitalization & Financial Inclusion

PNB One: 'One for All' 'All for One'

Unified Mobile application with advanced features



pnb one
just one app



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

Expanding Digital Footprints



▲ UPI txns

8.95 Crore



▲ Debit Card

Card Issued
17.84 Crore



▲ Internet Banking

Users Crossed
167.66 Lakh
YoY: 22.95%



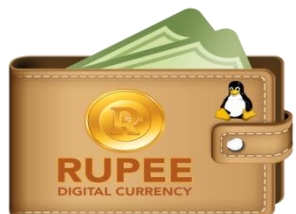
▲ PoS

Total Installed
78540
YoY:23.98%



▲ Credit Card

Total issued
338001



▲ PNB E-Rupaya

Digital Solution in
Villages without
internet
connectivity



▲ Bharat/BHIM QR Code

Total Installed
66566

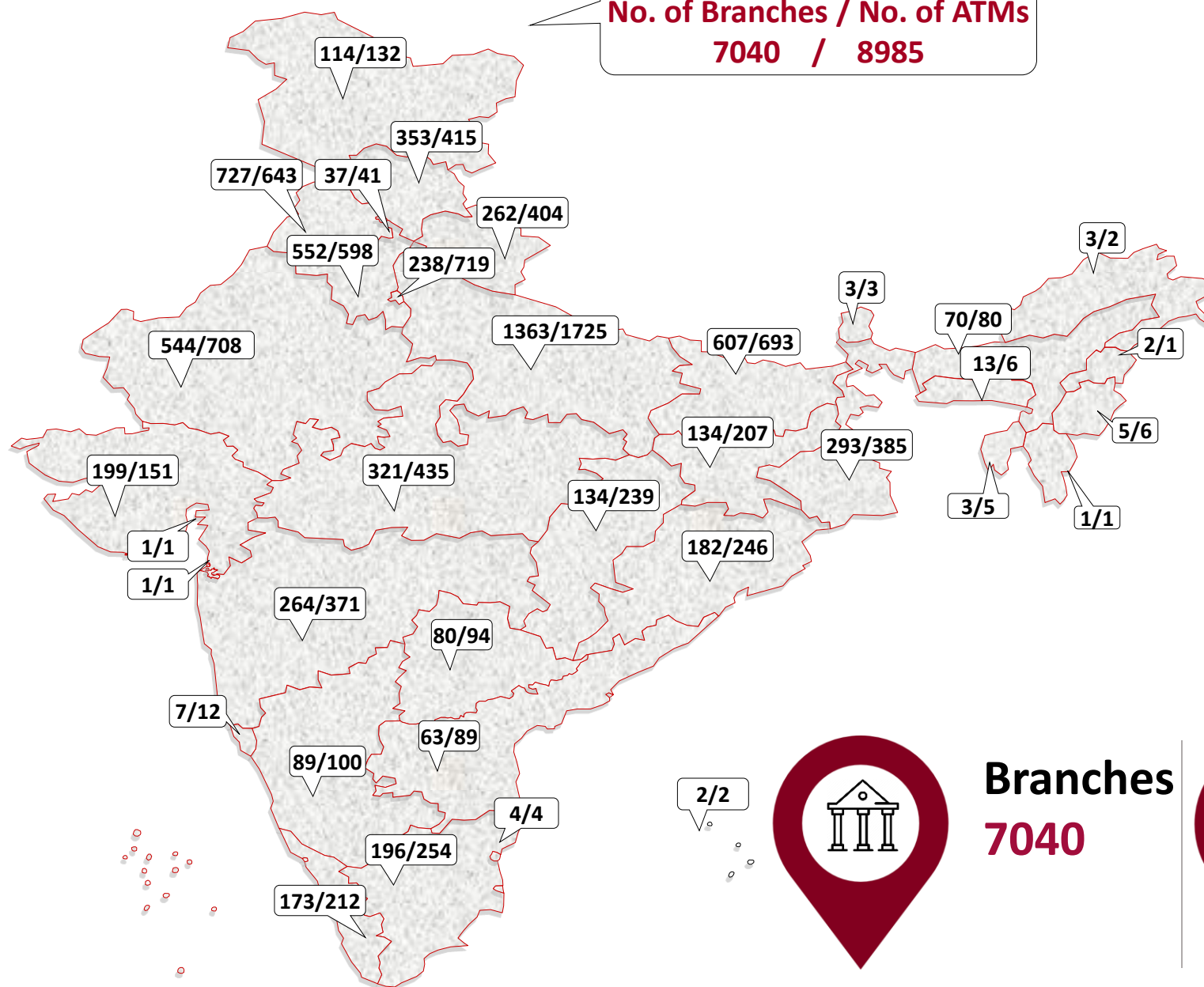
Alternate Delivery Channels

TXNs in lakhs

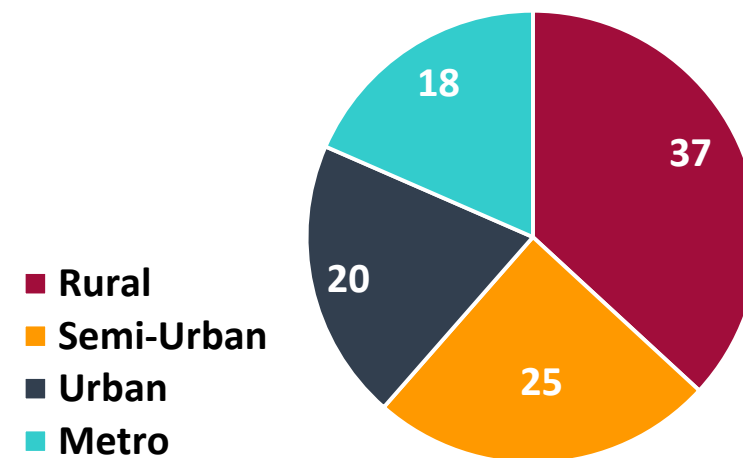
Sl.	Parameters	Sep'18		Mar'19		Sep'19	
		Transaction	% Share to Total Transaction	Transaction	% Share to Total Transaction	Transaction	% Share to Total Transaction
1	ATM	892	27.3	830.27	21.9	904	22.4
2	POS	80	2.5	76	2.0	79	1.9
3	Internet Banking	71	2.2	47.16	1.2	47	1.2
4	Mobile Banking	9	0.3	6.61	0.2	9	0.2
5	UPI	327	10.0	801.31	21.2	895	22.2
6	IMPS	20	0.6	21.9	0.6	26	0.6
7	RTGS & NEFT	135	4.1	148.77	3.9	137	3.4
8	Cash Deposit Kiosk	52	1.6	58.95	1.6	62	1.5
	Total ADC (1 to 8)	1587	48.5	1991	52.6	2159	53.5
9	Branches & Others	1684	51.5	1795	47.4	1878	46.5
	Total Transaction	3271	100.0	3786.2	100.0	4038	100.0

Pan India Presence

No. of Branches / No. of ATMs
7040 / 8985



Population Group wise Break up of Dom. branches



Branches
7040



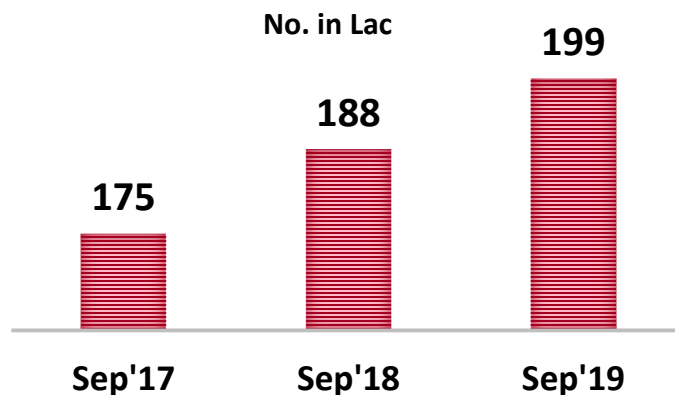
BCs
7945



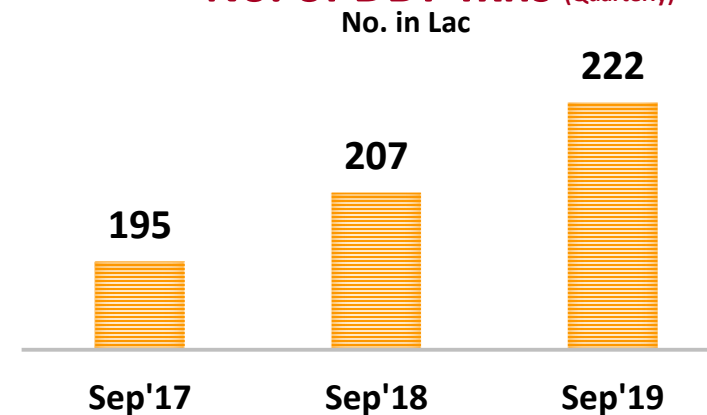
ATM
8985

Financial Inclusion : Profitable Business Proposition

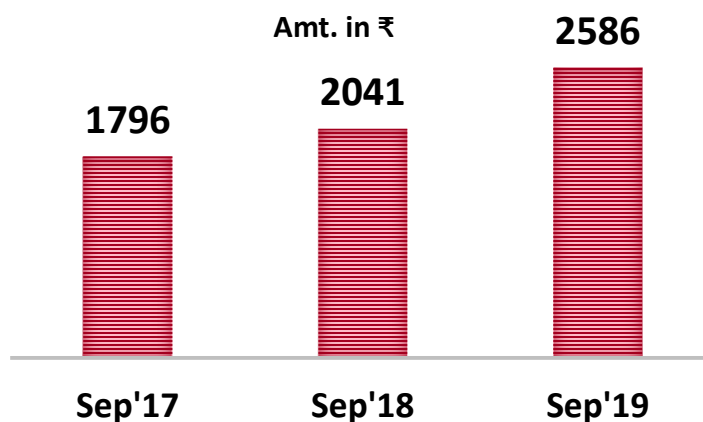
PMJDY Accounts



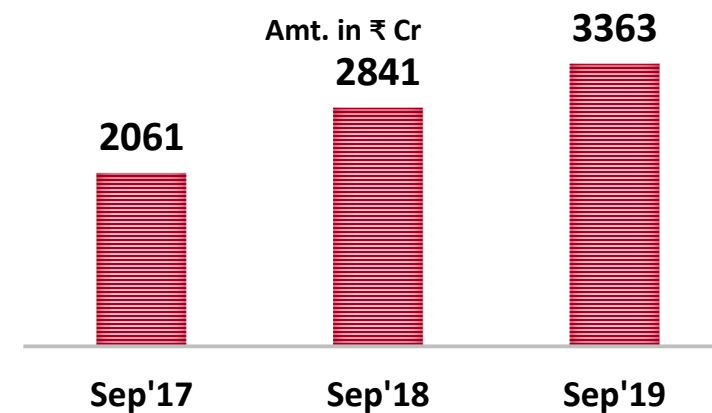
No. of DBT Txns (Quarterly)



PMJDY Avg. Balance



Deposit Mobilized by BCs



		No. in Lac		
Sl.	Jansuraksha Schemes Enrollment Up To	Sep'17	Sep'18	Sep'19
1	Pradhan Mantri Jeevan Jyoti Bima Yojana	13.4	14.3	16.5
2	Pradhan Mantri Suraksha Bima Yojana	64.7	66.8	71.7
3	Atal Pension Yojana	2.6	3.5	4.4



Awards & Accolades

**1st Prize - Rajbhasha Kirti Award
by Govt. of India (Home Ministry)**



**BFSI Awards 2019- Mobile App and
SME Connect
by Governance Now**

**3rd Prize – Crisis Handling
Scope Excellence Award 2019**

**‘Bank of the year’
by Indo-American Chamber Of
Commerce (IACC)**

**‘Digital Payments Award 2018-19’
At MeiTY Start Up Summit 2019**

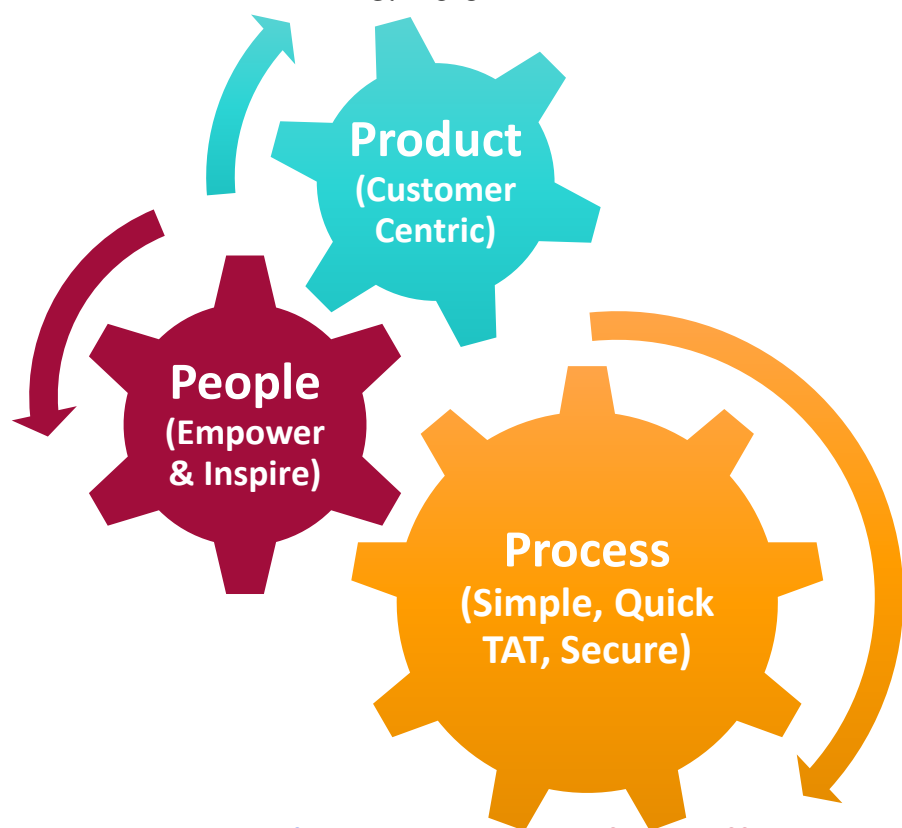


Way Forward

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.*



‘Lead The Parivartan’ Portal – The platform offering opportunity to all PNBians including retired staff to Contribute as ideators.
OVER 8100 IDEAS RECEIVED



Initiatives Undertaken

Credit process revamping: Agri and MSME hub



Strengthening of SAMV vertical through automation



Customer Service Index



Branch ambience improvement



Revamping of inland trade finance



Strengthening of Inspection and Audit function



Restructuring the marketing structure

Focus area FY20: 'Year of Profitability and Creating Value'



R.A.M.

Digitization of Processes for enhancing access and quicker TAT.
Algorithm based lending..

Asset Quality

Recovery in NPA Accounts.
Optimization of RWA.

Digitalization

Increased Digitalization for reducing cost, Enhancing Productivity & Reach.
PNB One for better customer experience.

Strengthening Verticals

- Centralized back offices for opening of new CASA accounts.
- Credit verticals to be strengthened.

This presentation has been prepared by **Punjab National Bank** (the“Bank”) solely for information purposes, without regard to any specific objectives, financial situations or informational needs of any particular person. Except for the historical information contained herein, statements in this release which contain words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “strategy”, “philosophy”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion, the adequacy of our allowance for credit losses, our provisioning policies, technological changes, investment income, cash flow projections, our exposure to market risks as well as other risks. Punjab National Bank undertakes no obligation to update the forward-looking statements to reflect events or circumstances after the date thereof.

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

Thank You!