

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

**Presentation on Performance for the  
Quarter June 2013**

1

**Overview of Performance**

Particulars		Rs. Crore		YOY Growth %
Operating Profit	:	2974	↑	4.7
Net profit	:	1275	↑	2.4
Total Business	:	701894	↑	3.2
Total Assets	:	481102	↑	4.8
Deposits	:	396828	↑	3.0
Credit	:	305066	↑	3.6

2

**Profit** (Rs. Crore)

Sl.	Parameters	Q1' FY 13	Q1' FY 14	Q4' FY 13	Variation (Q1' 14/Q1 '13)	
					Amt.	(%)
1	Interest Income	10554	10405	10379	-149.42	-1.4
2	Interest Expenses	6861	6497	6600	-363.79	-5.3
3	NII (Spread) (1-2)	3693	3908	3779	214.38	5.8
4	Other Income	1168	1342	1174	174.04	14.9
5	Operating Expenses	2020	2276	2101	255.51	12.6
6	Contribution (4-5)	-852	-934	-927	-81.47	9.6
7	Operating Profit (3+6)	2841	2974	2852	132.91	4.7
8	Provisions	1595	1698	1721	103.26	6.5
9	Net Profit	1246	1275	1131	29.65	2.4

3

**Profit from Core Operations** (Rs. crore)

Particulars	Q1' FY 13	Q1' FY 14	Q4' FY 13	Variation (Q1' 14/Q1 '13)	
				Amt.	Gr. (%)
Net Profit Declared	1246	1275	1131	30	2.4
Treasury Trading Profit	88	284	267	196	223.4
Depreciation	-105	92	190	197	
Net Profit (Excl. Trading Profit & impact of Depreciation)	1053	1084	1054	31	2.9
Operating Profit Declared	2841	2974	2852	133	4.7
Treasury Trading Profit	88	284	267	196	223.4
Core Operating Profit (Excl. Trading Profit)	2753	2690	2585	-63	-2.3

4

**Provisions** (Rs. Crore)

Sl.	Particulars	Q1' FY 13	Q1' FY 14	Q4' FY 13	Variation (Q1' 14/Q1 '13)	
					Amt.	%
1	Provision towards NPAs (Net of floating provisions)	900	675	830	-225	-25.0
2	Standard Adv. incl. Standard Restructured	183	283	384	100	54.4
4	Depreciation on Investment	-105	92	190	197	
5	Income Tax	563	632	243	69	12.3
6	Others	54	17	73	-37	-69.0
7	<b>Total Provision</b>	<b>1595</b>	<b>1698</b>	<b>1721</b>	<b>103</b>	<b>6.5</b>

5

**Break-up : Income** (Rs. Crore)

Sl.	Parameters	Q1' FY 13	Q1' FY 14	Q4' FY 13	Variation (Q1' 14/Q1 '13)	
					Amt.	(%)
1	Interest on Advances	8189	7875	7780	-314	-3.8
2	Interest on Investments	2296	2439	2418	143	6.2
3	Other Interest Income	69	90	181	21	30.9
4	Interest Income (1+2+3)	10554	10405	10379	-149	-1.4
5	Other Income	1168	1342	1174	174	14.9
	of which					
6	Fee Based Income	945	911	721	-33	-3.5
7	Recovery in W/O a/cs	87	85	130	-2	-1.8
8	Trading Profit	88	284	267	196	223.4
9	Dividend from Liquid MF	48	63	54	15	31.2
10	Residual (incl. Derivative inc)	1	-1	2	-2	-305.3
11	<b>Total Income (4+5)</b>	<b>11722</b>	<b>11747</b>	<b>11553</b>	<b>25</b>	<b>0.2</b>

6

**Fee Based Income** (Rs. Crore)

Sl.	Particulars	Q1' FY 13	Q1' FY 14	Q4' FY 13	Variation (Q1' 14/Q1 '13)	
					Amt.	(%)
1	Processing Fees	262	266	100	4	1.6
2	LC/LG Income	174	179	190	5	2.6
3	Bills & Remittance	113	96	93	-18	-15.5
4	Incidental Charges	29	30	36	1	4.2
5	Inc from ATM operations	75	81	78	6	7.6
6	Income from Ins & MF	13	14	22	1	11.4
7	Misc. Income	67	84	76	16	24.3
8	Exchange Profit	211	162	128	-49	-23.3
9	Fee Based Income	945	911	721	-33	-3.5

7

**Break-up : Expenditure** (Rs. Crore)

Sl.	Parameters	Q1' FY 13	Q1' FY 14	Q4' FY 13	Variation (Q1' 14/Q1 '13)	
					Amt.	(%)
1	Intt. Paid on Deposits	6426	6151	6240	-275	-4.3
2	Intt. Paid on Borrowings	148	79	91	-69	-46.9
3	Others	287	267	270	-20	-6.9
4	Total Interest Paid (1+2+3)	6861	6497	6600	-364	-5.3
5	Estab. Expenses	1420	1616	1421	196	13.8
	Of Which					
5a	Employee Benefits (AS-15)	640	579	307	-61	-9.5
6	Other Operating Expenses	601	660	680	59	9.9
7	Operating Expenses (5+6)	2020	2276	2101	256	12.6
8	Total Expenses (4+7)	8881	8773	8701	-108	-1.2

8

**Cost & Yield Ratios** (Annualized)

Sl.	Particulars	Q 1' FY 2013	Q 1' FY 2014	Q 4' FY 2013
1	Cost of Deposit [%]	6.98	6.42	6.62
2	Cost of Fund [%]	5.93	5.28	5.40
3	Yield on Advances [%]	11.52	10.50	10.73
4	Yield on Investment [%]	7.92	7.79	7.86
5	Yield on Fund [%]	9.13	8.46	8.50
6	Net Interest Margin [%]	3.60	3.52	3.51

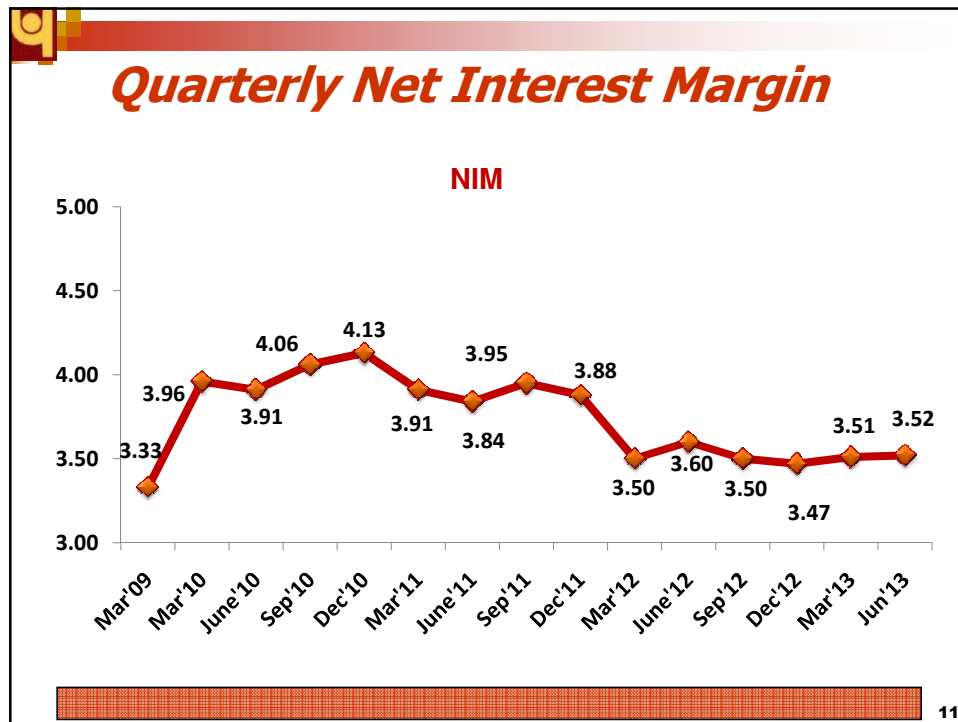
9

**Profitability Ratios** (Annualized)

Sl.	Particulars	Q 1' FY 2013	Q 1' FY 2014	Q 4' FY 2013
1	Return on Assets [%]	1.08	1.04	0.93
2	Return on Net worth [%]	18.04	*15.68	14.48
3	Opt. Profit to AWF [%]	2.46	2.42	2.33
4	Cost to Income Ratio [%]	41.56	43.35	42.42
5	Estb. Exp. To Total Exp. [%]	15.99	18.42	16.33
6	Opt. Exp. To AWF [%]	1.75	1.85	1.72
7	Book Value per Share [Rs]	814.14	920.22	884.03
8	Earnings per share [Rs]	146.90	144.32	131.63

\*ROE on Average basis:16.00%

10



### Business

(Rs. Crore)

Sl.	Parameters	Jun'12	Mar'13	Jun'13	Variation % Over	
					Mar'13	Jun'12
1	Total Business	679823	700285	701894	0.2	3.2
	<i>Out of Which</i>					
	Overseas Business	37081	48335	51732	7.0	39.5
2	Total Deposit	385355	391560	396828	1.3	3.0
3	Total Advances	294468	308725	305066	-1.2	3.6
4	CD Ratio [%]	76.41%	78.84%	76.88%		

12

<b>Deposit</b>		<b>(Rs. Crore)</b>				
Sl.	Parameters	Jun'12	Mar'13	Jun'13	Variation % Over	
					Mar'13	Jun'12
1	Total Deposit	385355	391560	396828	1.3	3.0
	Overseas Deposit	11094	16277	18422	13.2	66.1
2	Differential Rate Dep. Incl. CD	85390	48921	34954	-28.6	-59.1
	Share of DRI Dep. to Total %	22.16	12.49	8.81		
3	Core Deposit	299965	342639	361874	5.6	20.6
4	Core Dep. To Total (%)	77.84%	87.51%	91.19%		
5	SB Deposit	107425	123470	123228	-0.2	14.7
6	Current Deposit	25723	29874	26718	-10.6	3.9
7	CASA Deposit	133149	153344	149947	-2.2	12.6
8	Share of CASA To Dom. Dep. (%)	35.6%	40.9%	39.6%		
9	Core Term Deposit	166816	189295	211927	12.0	27.0

**CASA as percentage to Core Deposit is at 41.44%.**

13

<b>Advances- Sectoral</b>		<b>(Rs. Crore)</b>					
Sl.	Parameters	Jun'12	Mar'13	Jun'13	% Share in Gr. Non-food cr.	Variation Jun'13/Jun'12	
						Amt.	(%)
1	Global Gross Advances	299429	315243	311611		12183	4.1
2	Overseas Advances	25987	32058	33310		7322	28.2
3	Domestic Gross Advances	273441	283185	278301		4860	1.8
3a	Food Credit	6615	6057	6933		318	4.8
3b	Dom. Non-Food Gross Adv.	266826	277128	271368	100.0	4542	1.7
	- of Which						
4	Agriculture & Allied	44591	38055	36858	13.6	-7733	-17.3
5	Industry	118446	131989	129569	47.7	11123	9.4
5a	MSME Manufacturing	30960	33568	32432	12.0	1472	4.8
5b	Large Industry	87486	98421	97137	35.8	9651	11.0
6	Retail Loans	29280	31310	31573	11.6	2293	7.8
	Of which						
6a	Housing	12949	14332	14749	5.4	1800	13.9
6B	Car/Vehicle	2600	2880	2906	1.1	306	11.8
6c	Education	3364	3588	3616	1.3	252	7.5
6d	Other Retail Loans	10366	10510	10301	3.8	-65	-0.6
7	Commercial Real Estate	9759	9220	8475	3.1	-1284	-13.2
	Of which -Lease Rental	5492	5531	5247	1.9	-246	-4.5
8	NBFC	13131	11052	10034	3.7	-3097	-23.6
9	Services & Others	51620	55502	54860	20.2	3240	6.3

**MSME Advances: Rs.59421 Cr. YoY Gr. 5.42%**

14

**Advances – Industry wise Breakup** (Rs. Crore)

	Jun'12		31st Mar'13		Jun'13		Variation Jun'13/Jun'12	
	Amt.	Share % to NFB	Amt.	Share % to NFB	Amt.	Share % to NFB	Amt.	(%)
Food Processing	4832	1.8	5451	2.0	5489	2.0	657	13.6
Textiles	8513	3.2	9332	3.4	9105	3.4	592	7.0
Chemical & Chemical Products	3777	1.4	4266	1.5	4558	1.7	781	20.7
Cement & Cement Products	2236	0.8	2525	0.9	2322	0.9	86	3.8
Basic Metal & Metal Products	18387	6.9	21791	7.9	21574	8.0	3187	17.3
-Iron & Steel	15068	5.6	17477	6.3	17624	6.5	2556	17.0
Paper & paper products	1479	0.6	1518	0.5	1411	0.5	-68	-4.6
Petroleum	1247	0.5	1234	0.4	1220	0.4	-27	-2.2
All Engineering Products	4000	1.5	4749	1.7	4654	1.7	654	16.4
Vehicles & Vehicle parts	1231	0.5	1092	0.4	838	0.3	-393	-31.9
Construction	2306	0.9	2353	0.8	2115	0.8	-191	-8.3
Infrastructure	46565	17.5	53277	19.2	55288	20.4	8723	18.7
-Power	23960	9.0	27726	10.0	31400	11.6	7440	31.1
-Tele-Communication	7816	2.9	8116	2.9	6697	2.5	-1119	-14.3
- Roads & Ports	8625	3.2	11145	4.0	11092	4.1	2467	28.6
- Others	6164	2.3	6289	2.3	6098	2.2	-66	-1.1
Residual	23873	8.9	24401	8.8	20995	7.7	-2878	-12.1
Industry	118446	44.4	131989	47.6	129569	47.7	11123	9.4

15

**Investment** (Rs. Crore)

SI	Particulars	Jun'12	Mar'13	Jun'13
1	Gross Investment	120958	130313	132872
2	Held To Maturity (HTM)	92555	91267	86525
3	Available For Sale (AFS)	28202	37027	45626
4	Held For trading (HFT)	201	2019	721
5	Duration (AFS)	2.88	4.39	4.89
6	Modified Duration (AFS)	2.72	4.17	4.66
7	Duration Total Portfolio	4.66	4.76	5.02
8	Modified Duration Total Portfolio	4.46	4.56	4.82
9	Net demand & time Liabilities	373341	378653	386632
10	SLR (%)	25.92	27.98	29.23
11	SLR HTM to Total SLR (%)	89.6	82.99	75.54
12	HTM To Gross Investment (%)	76.52	70.04	65.12
13	Total SLR	100965	107445	112259
14	Total Non SLR	19993	22868	20613

16



### Non-Performing Assets (Rs. Crore)

Sl.	Parameters	Jun'12	Mar'13	Jun'13
1	NPA as at the beginning of Yr.	8720	8720	13466
2	Cash Recovery	570	1942	803
3	Up gradation	896	962	367
4	Write Off	34	997	799
5	Total Reduction (2+3+4)	1500	3901	1969
6	Fresh Addition	2769	8647	3594
	-Fresh slippages	2506	7809	3271
	-Debits in existing NPA A/cs	263	838	323
7	Gross NPAs end period	9988	13466	15091
8	Eligible Deductions incl. Provisions	5071	6229	6031
9	Net NPAs	4917	7237	9060
10	Recovery in written-off debt A/Cs	87	421	85

Particulars	Jun'12	Mar'13	Jun'13
Gross NPA%	3.34%	4.27%	4.84%
Net NPA%	1.68%	2.35%	2.98%
NPA Coverage Ratio	62.81%	58.83%	54.67%

17

### Restructured Accounts (Rs. Crore)

YEAR	OUTSTANDING AS ON 30.06.2013					
	STANDARD		NPA		Grand Total	
	No of A/Cs	Amount	No of A/Cs	Amount	No of A/Cs	Amount
Upto 2008-09	6	504	1416	257	1422	762
2009-10	6	957	496	178	502	1135
2010-11	92	1111	97	461	189	1571
2011-12	239	12197	98	989	337	13186
2012-13	290	14374	8	354	298	14728
2013-14						
June Qtr	29	2770	1	2	30	2772
<b>TOTAL</b>	<b>662</b>	<b>31913</b>	<b>2116</b>	<b>2241</b>	<b>2778</b>	<b>34154</b>

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. 233.10 crore
2011-12:	Rs. 2631.57 crore
2012-13:	Rs. 2104.18 Crore
Jun'13 Qtr:	Rs. 735.43 Crore
Total	Rs. 5704.28 Crore

**Restructured advances as %age to Gross Advances: 10.96%**

18

<b>Restructured Accounts</b> (Rs. Crore)		
<b>Asset Quality Movement of Restructured portfolio</b>		
<b>STANDARD A/Cs Restructured</b>	<b>Out of which Slipped to NPA</b>	<b>Slippage %age</b>
38560	5223.91	13.55
<i>About 86.45 % of the standard accounts restructured continue to be standard</i>		
<b>Accounts with balance O/S above Rs. 1 Crore</b>		
<b>NPA A/Cs Restructured</b>	<b>Out of which Improved to standard</b>	<b>Upgradation %age</b>
807.21	151.87	18.81%
<i>About 18.81% of the NPA restructured portfolio has upgraded to standard category</i>		

19

<b>Sectorwise O/S Restructured Accounts</b> (Rs. Crore)					
<b>01.04.2013 to 30.06.2013 (Current Qtr)</b>					
Sl.	Restructured Accounts	No.	Amt. O/s	Diminution in Fair Value	
1	Standard Adv.	29	2771	120.0	
2	Sub Standard Adv.	1	2	0.1	
3	Doubtful Adv.	0	0	0.0	
	<b>Total</b>	<b>30</b>	<b>2772</b>	<b>120.1</b>	
<b>01.04.2008 to 30.06.2013 (Total)</b>					
Sl.	Restructured A/cs (O/s)	No.	Amt. O/s		
1	Under CDR	90	11630		
2	Under SME	482	1233		
3	Others (Non-CDR)	2206	21291		
	<b>Total</b>	<b>2778</b>	<b>34154</b>		
Sl.	Sector	Upto Mar'13	Qtr Jun'13	O/S Amt	%age Share
A	Agriculture	192	11	203	0.6
B	Housing	3	0	3	0.0
C	Real Estate	420	0	420	1.2
D	Industry	27694	2227	29921	87.6
E	Others	3072	535	3607	10.6
	<b>Total</b>	<b>31381</b>	<b>2772</b>	<b>34154</b>	<b>100.0</b>
<b>Out of the Above Major Industries/Sectors</b>					
1	Iron & Steel	3691	175	3866	11.3
2	Infrastructure	15270	1287	16558	48.5
	<i>Out of which</i>				
2.a	Power	12726	1123	13849	40.5
2.b	Telecom	996	117	1112	3.3
3	Drilling	491	0	491	1.4
4	Textiles	1017	336	1352	4.0
5	Aviation	1610	0	1610	4.7
6	Sugar	706	106	812	2.4
7	Paper/Printing	194	0	194	0.6
8	Chemical/Fertiliser/Drugs	1391	10	1401	4.1
9	Cement	671	0	671	2.0
10	Manufacturing	504	13	516	1.5
11	Engineering	362	0	362	1.1
12	Auto parts	40	74	114	0.3
13	Hotel	758	25	783	2.3
14	Education	594	74	667	2.0
15	Finance	156	0	156	0.5

20

**Capital Adequacy (Basel III)** (Rs. Crore)

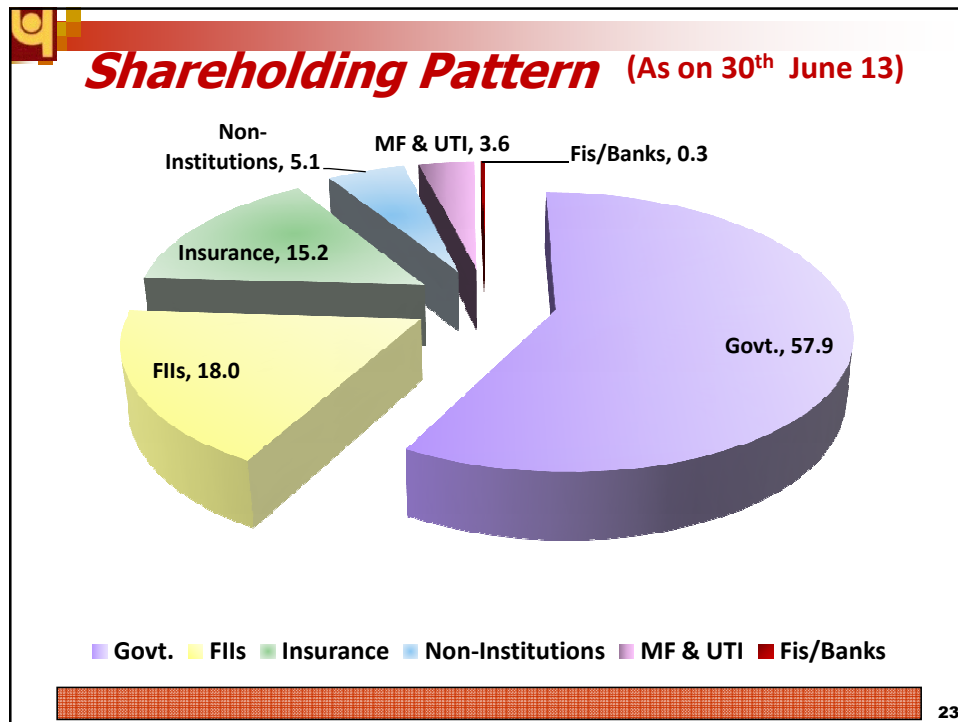
Sl.	Particulars	BASEL II			BASEL III
		Jun'12	Mar'13	Jun'13	Jun'13
	<b>Capital Fund</b>				
1	Tier I	26919	31664	31561	29829
2	Tier II	9355	9608	9403	9049
3	<b>Total (Tier I+II)</b>	<b>36274</b>	<b>41273</b>	<b>40965</b>	<b>38878</b>
4	Risk-weighted Assets	288555	324380	329428	329855
5	<b>Capital Adequacy Ratio</b>	<b>12.57%</b>	<b>12.72%</b>	<b>12.44%</b>	<b>11.79%</b>
6	Tier I	9.33%	9.76%	9.58%	CET: 8.90%
					AT I: 0.15%
					<b>Total Tier I: 9.05%</b>
7	Tier II	3.24%	2.96%	2.86%	2.74%

21

**Market Share & Productivity**

Sl.	Parameters	Jun'12	Mar'13	Jun'13
1	Deposit Market Share (%)	5.65	5.18	5.11
2	Credit Market Share (%)	5.60	5.11	4.99
3	Business Per Branch (Rs. Cr.)	116.13	116.84	115.95
4	Business Per Employee (Rs. Cr.)	11.42	11.65	11.68

22



### Current Overseas Presence

Type of office	Destination	Commencement of Operations
Branch	1 Offshore Banking Unit, Mumbai	25 <sup>th</sup> September, 2003
	2 Kabul, Afghanistan	26 <sup>th</sup> July 2004
	3 Hong Kong Main	17 <sup>th</sup> December 2007
	4 Kowloon Hong Kong	6 <sup>th</sup> April 2009
	5 DIFC, Dubai	20 <sup>th</sup> December 2009
Subsidiary	1 PNBIL, UK (7 branches)	10 <sup>th</sup> May 2007
	2 DRUK PNB Ltd., Bhutan (5 Branches)	27 <sup>th</sup> January 2010
	3 JSC SB PNB, Kazakhstan (4 Branches)	*13 <sup>th</sup> December 2010
Joint Venture	1 Everest Bank Limited, Kathmandu, Nepal (48 Branches)	January, 1997
Rep. Offices	1 Almaty, Kazakhstan	23 <sup>rd</sup> October, 1998
	2 Shanghai, China	3 <sup>rd</sup> September 2004
	3 Dubai, UAE	29 <sup>th</sup> June, 2005
	4 Oslo, Norway	1 <sup>st</sup> October 2008
	5 Sydney, Australia	15 <sup>th</sup> September 2011

\*Date of Acquisition

24

## Increasing Global Footprints...

Bank has got permission from RBI for:

- Opening of a Qualifying Full Bank (QFB), in Singapore.
- Opening of a Representative Office in Yangon, Myanmar and Bangladesh.

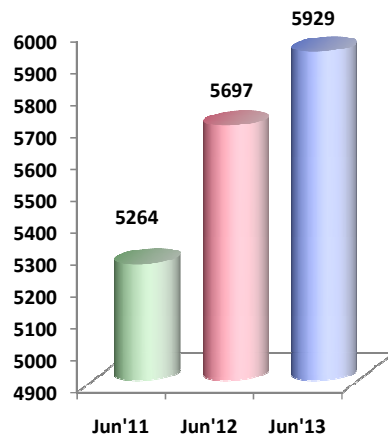
Bank is in process of:-

- Up gradation of Representative Office in Oslo (Norway) and Sydney (Australia).
- Exploring possibilities for presence in – Bangladesh, Pakistan, Maldives, Canada and Mozambique.
- Business of overseas branches recorded a YoY growth of 31.23%, from USD 6752.52 Mio to USD 8861.63 Mio.
- Business of overseas subsidiaries recorded a YoY growth of 23.48% , from USD 2108.17 Mio to USD 2603.20 Mio.

25

## Capacity Building – Expanding Network

Total Domestic Branches



Population Group wise Branches (30<sup>th</sup> Jun'13)

Metro	Urban	Semi-Urban	Rural
985	1253	1410	2281
16.61	21.13	23.78	38.47

ATM Network

Jun'11	Jun'12	Jun'13
5375	6059	6460

56 new branches & 147 new ATMs added during Quarter 1 FY 14.

26

## ***Recognitions...***

- 1. Golden Peacock Business Excellence Award 2013 by Institute of Directors.***
- 2. Social and Corporate Governance Award - Best Corporate Social Responsibility Practices for the year 2011-12 by Bombay Stock Exchange & World CSR Day.***
- 3. Shri K.R. Kamath, CMD, PNB has been ranked 39 in 2013 amongst the Most Powerful CEOs by Economic Times. This rank has improved from 50 last year***

27



***Thank You***

28