

**Punjab national bank**  
...the name you can BANK upon !

**Presentation on Financial Performance  
for the  
HY/Quarter September 2014**

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**Overview of Performance**

Particulars		Rs. Crore		YOY Growth %
<b>Operating Profit</b>	:			
- Q2 Sep'14		2876	↑	13.5
- HY Sep'14		6001	↑	8.9
<b>Net profit</b>	:			
- Q2 Sep'14		575	↑	13.8
- HY Sep'14		1980	↑	11.2
<b>Total Business</b>	:	830604	↑	15.4
<b>Total Assets</b>	:	566291	↑	14.5
<b>Deposits</b>	:	473511	↑	16.7
<b>Credit</b>	:	357093	↑	13.7

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**Profitability:**

**Performance of The Bank**

**during Q2 FY 15**

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**Profit** (Rs. Crore)

Sl.	Parameters	Q2 FY 14	Q2 FY 15	Q1 FY 15	Variation (Q2 15 over Q2 14)	
					Amt.	(%)
1	Interest Income	10734	11462	11589	729	6.8
2	Interest Expenses	6718	7311	7209	593	8.8
3	NII (Spread) (1-2)	4016	4151	4380	136	3.4
4	Other Income	899	1558	1236	659	73.3
5	Operating Expenses	2380	2834	2491	454	19.1
6	Contribution (4-5)	-1481	-1275	-1254	206	13.9
7	Operating Profit (3+6)	2535	2876	3125	341	13.5
8	Provisions	2029	2301	1720	271	13.4
9	Net Profit	505	575	1405	70	13.8

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<b>Profit from Core Operations</b> (Rs. crore)					
Particulars	Q2 FY 14	Q2 FY 15	Q1 FY 15	Variation (Q2 15 over Q2 14)	
				Amt.	(%)
Net Profit Declared	505	575	1405	70	13.8
Treasury Trading Profit	53	125	149	72	136.4
Depreciation	443	-26	-381	-470	
Core Net Profit (Excl. Trading Profit & impact of Depreciation)	896	424	874	-472	-52.7
Operating Profit Declared	2535	2876	3125	341	13.5
Treasury Trading Profit	53	125	149	72	136.4
Core Operating Profit (Excl. Trading Profit)	2482	2751	2976	269	10.8

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<b>Provisions</b> (Rs. Crore)						
Sl.	Particulars	Q2 FY 14	Q2 FY 15	Q1 FY 15	Variation (Q2 15 over Q2 14)	
					Amt.	(%)
1	Provision towards NPAs (Net of floating provisions)	1005	1638	1336	633	63.0
2	Standard Advances (incl. Standard Restructured)	434	120	-88	-314	-72.3
4	Depreciation on Investment	443	-26	-381	-470	
5	Income Tax	131	533	793	402	307.9
6	Others	17	36	61	19	111.9
7	Total Provision	2029	2301	1720	271	13.4

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<b>Break-up : Income</b>						(Rs. Crore)
Sl.	Parameters	Q2 FY 14	Q2 FY 15	Q1 FY 15	Variation (Q2 15 over Q2 14)	
					Amt.	(%)
1	Interest on Advances	8023	8654	8836	631	7.9
2	Interest on Investments	2568	2609	2599	41	1.6
3	Other Interest Income	142	199	154	56	39.6
4	Interest Income (1+2+3)	10734	11462	11589	729	6.8
5	Other Income	899	1558	1236	659	73.3
	of which					
6	Core Non-Interest Income	783	822	925	40	5.1
7	Recovery in Written off a/cs	69	483	91	413	595.5
8	Trading Profit	53	125	149	72	136.4
9	Dividend from Liquid MF	30	103	70	73	243.7
10	Residual (incl Derivative inc)	-35	26	2	61	-173.4
11	Total Income (4+5)	11633	13020	12825	1388	11.9

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<b>Fee Based Income-Qtr</b>						(Rs. Crore)
Sl.	Particulars	Q2 FY 14	Q2 FY 15	Q1 FY 15	Variation (Q2 15 over Q2 14)	
					Amt.	(%)
1	Processing Fees	102	105	274	2	2.2
2	LC/LG Income	178	224	196	46	25.9
3	Bills & Remittance	107	128	119	21	19.8
4	Incidental Charges	43	17	47	-25	-58.9
5	Income from ATM operations	87	96	86	9	9.8
6	Income from Ins & MF	13	21	13	8	60.8
7	Misc. Income	91	103	92	12	13.3
8	Exchange Profit	161	128	97	-34	-20.8
9	Core Non Interest Income	783	822	925	40	5.1

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**Break-up : Expenditure**

(Rs. Crore)

Sl.	Parameters	Q2 FY 14	Q2 FY 15	Q1 FY 15	Variation (Q2 15 over Q2 14)	
					Amt.	(%)
1	Intt. Paid on Deposits	6335	6867	6603	532	8.4
2	Intt. Paid on Borrowings	116	136	295	20	17.4
3	Others	267	308	311	41	15.2
4	Total Interest Paid (1+2+3)	6718	7311	7209	593	8.8
5	Estab. Expenses	1659	2034	1767	375	22.6
	Of Which					
5a	Employee Benefits (AS-15)	579	852	663	273	47.2
6	Other Operating Expenses	721	799	723	78	10.8
7	Operating Expenses (5+6)	2380	2834	2491	454	19.1
8	Total Expenses (4+7)	9098	10144	9700	1046	11.5

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**Cost & Yield Ratios**

(Annualized)

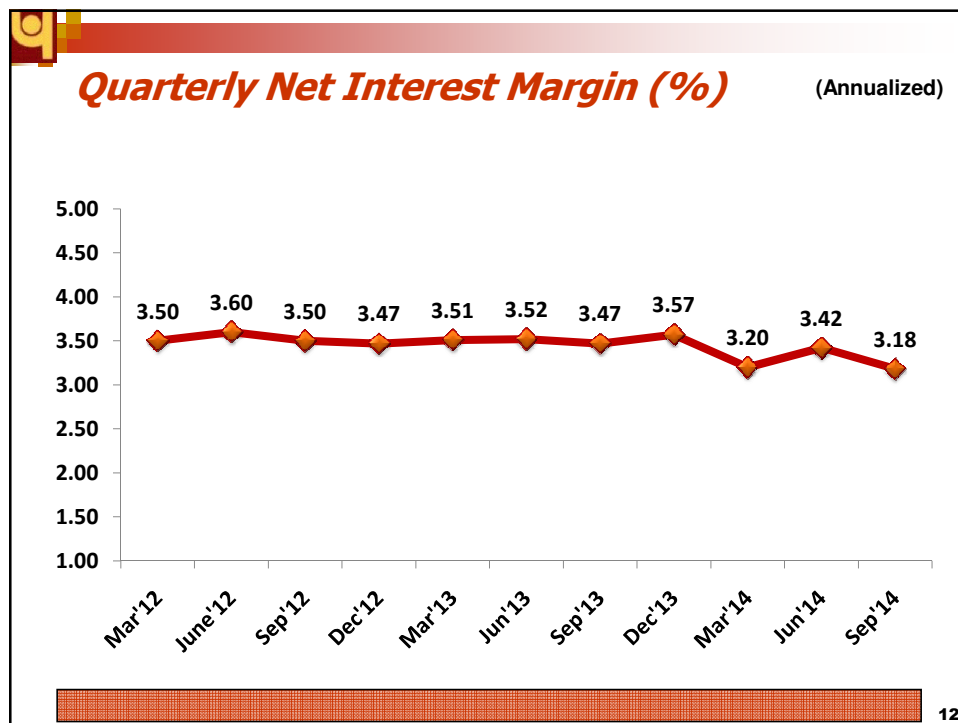
Sl.	Particulars	Q 2 FY 14	Q 2 FY 15	Q 1 FY 15
1	Cost of Deposit [%]	6.44	6.14	6.11
2	Cost of Fund [%]	5.26	5.10	5.14
3	Yield on Advances [%]	10.44	9.90	10.28
4	Yield on Investment [%]	7.89	7.99	7.97
5	Yield on Fund [%]	8.41	8.00	8.26
6	Net Interest Margin [%]	3.47	3.18	3.42

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### *Profitability Ratios* (Annualized)

Sl.	Particulars	Q 2 FY 14	Q 2 FY 15	Q 1 FY 15
1	Return on Assets [%]	0.40	0.40	1.00
2	Return on Net worth [%]	6.11	6.31	15.66
3	Opt. Profit to AWF [%]	1.99	2.01	2.23
4	Cost to Income Ratio [%]	48.43	49.63	44.35
5	Estb. Exp. To Total Exp. [%]	18.23	20.05	18.22
6	Opt. Exp. To AWF [%]	1.86	1.98	1.78
7	Book Value per Share [Rs]	936.06	1007.13	991.33
8	Earnings per share [Rs]	57.20	63.56	155.23

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**Profitability:**

**Performance of The Bank**

**during HY1 FY 15**

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**Profit -HY** (Rs. Crore)

Sl.	Parameters	HY Sep'13	HY Sep'14	FY Mar'14	Variation (Sep'14 over Sep'13)	
					Amt.	(%)
1	Interest Income	21138	23051	43223	1913	9.0
2	Interest Expenses	13215	14520	27077	1305	9.9
3	NII (Spread) (1-2)	7923	8531	16146	608	7.7
4	Other Income	2241	2795	4577	553	24.7
5	Operating Expenses	4656	5324	9338	669	14.4
6	Contribution (4-5)	-2414	-2530	-4762	-115	4.8
7	Operating Profit (3+6)	5509	6001	11384	493	8.9
8	Provisions	3728	4021	8042	293	7.9
9	Net Profit	1781	1980	3343	200	11.2

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### **Profit from Core Operations-HY** (Rs. crore)

Particulars	HY Sep'13	HY Sep'14	FY Mar'14	Variation (Sep'14 over Sep'13)	
				Amt.	(%)
Net Profit Declared	1781	1980	3343	200	11.2
Treasury Trading Profit	337	274	549	-62	-18.5
Depreciation	535	-408	783	-943	
Net Profit (Excluding Trading Profit & impact of Depreciation)	1980	1299	3576	-681	-34.4
Operating Profit Declared	5509	6001	11384	493	8.9
Treasury Trading Profit	337	274	549	-62	-18.5
Core Operating Profit (Excluding Trading Profit)	5172	5727	10835	555	10.7

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### **Provisions-HY**

(Rs. Crore)

Sl.	Particulars	HY Sep'13	HY Sep'14	FY Mar'14	Variation (Sep'14 over Sep'13)	
					Amt.	(%)
1	Provision towards NPAs (Net of floating provisions)	1679	2975	4517	1295	77.1
2	Standard Adv. Incl. Standard Restructured	717	32	1374	-685	-95.5
4	Depreciation on Investment	535	-408	783	-943	
5	Income Tax	763	1325	1348	563	73.8
6	Others	34	97	20	63	185.2
7	Total Provision	3728	4021	8042	293	7.9

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

Sl.	Parameters	HY Sep'13	HY Sep'14	FY Mar'14	Variation (Sep'14 over Sep'13)	
					Amt.	(%)
1	Interest on Advances	15898	17490	32393	1592	10.0
2	Interest on Investments	5008	5208	10266	200	4.0
3	Other Interest Income	233	353	564	120	51.6
4	Interest Income (1+2+3)	21138	23051	43223	1913	9.0
5	Other Income	2241	2795	4577	553	24.7
	of which					
6	Core Non-Interest Income	1694	1747	3320	53	3.1
7	Recovery in Written off a/cs	154	574	515	419	271.5
8	Trading Profit	337	274	549	-62	-18.5
9	Dividend from Liquid MF	93	173	206	80	85.7
10	Residual (incl Derivative inc)	-37	27	-13	64	-174.6
11	Total Income (4+5)	23379	25846	47800	2466	10.5

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

Sl.	Particulars	HY Sep'13	HY Sep'14	FY Mar'14	Variation (Sep'14 over Sep'13)	
					Amt.	(%)
1	Processing Fees	368	378	582	10	2.8
2	LC/LG Income	357	421	765	64	17.8
3	Bills & Remittance	203	248	426	45	22.1
4	Incidental Charges	73	64	190	-8	-11.5
5	Inc from ATM operations	168	182	349	14	8.2
6	Income from Ins & MF	28	34	69	7	23.7
7	Misc. Income	174	194	395	20	11.7
8	Exchange Profit	324	225	544	-98	-30.4
9	Core Non Interest Income	1694	1747	3320	53	3.1

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**Break-up : Expenditure- HY**

(Rs. Crore)

Sl.	Parameters	HY Sep'13	HY Sep'14	FY Mar'14	Variation (Sep'14 over Sep'13)	
					Amt.	(%)
1	Intt. Paid on Deposits	12487	13470	25222	984	7.9
2	Intt. Paid on Borrowings	194	431	768	236	121.6
3	Others	534	619	1087	85	15.9
4	Total Interest Paid (1+2+3)	13215	14520	27077	1305	9.9
5	Estab. Expenses	3275	3801	6510	527	16.1
	Of Which					
5a	Employee Benefits (AS-15)	1158	1515	2158	357	30.9
6	Other Operating Expenses	1381	1523	2828	142	10.3
7	Operating Expenses (5+6)	4656	5324	9338	669	14.4
8	Total Expenses (4+7)	17871	19844	36416	1973	11.0

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**Cost & Yield Ratios**

(Annualized)

Sl.	Particulars	HY Sep'13	HY Sep14	FY Mar'14
1	Cost of Deposit [%]	6.44	6.12	6.33
2	Cost of Fund [%]	5.27	5.12	5.20
3	Yield on Advances [%]	10.47	10.08	10.36
4	Yield on Investment [%]	7.84	7.98	7.85
5	Yield on Fund [%]	8.43	8.13	8.31
6	Net Interest Margin [%]	3.49	3.30	3.44

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<b><i>Profitability Ratios</i></b>		<b>(Annualized)</b>		
<b>Sl.</b>	<b>Particulars</b>	<b>HY Sep'13</b>	<b>HY Sep14</b>	<b>FY Mar'14</b>
1	Return on Assets [%]	0.71	0.70	0.64
2	Return on Net worth [%]	10.76	10.86	9.69
3	Opt. Profit to AWF [%]	2.20	2.12	2.19
4	Cost to Income Ratio [%]	45.80	47.01	45.06
5	Estb. Exp. To Total Exp. [%]	18.32	19.16	17.88
6	Opt. Exp. To AWF [%]	1.86	1.88	1.79
7	Book Value per Share [Rs]	936.06	1007.13	952.50
8	Earnings per share [Rs]	100.76	109.40	93.91

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***Business:***

***Performance of the Bank***

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<b>Business</b>						
(Rs. Crore)						
Sl.	Parameters	Sep'13	Mar'14	Sep'14	Variation % Over	
					Mar'14	Sep'13
1	Total Business	719666	800666	830604	3.7	15.4
	<i>Out of Which</i>					
	Overseas Business	54031	73447	94067	28.1	74.1
	Overseas Business (USD Mio)	8631	12282	15263	24.3	76.8
2	Total Deposit	405699	451397	473511	4.9	16.7
3	Total Advances	313967	349269	357093	2.2	13.7
4	CD Ratio [%]	77.39%	77.38%	75.41%		

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<b>Deposit</b>						
(Rs. Crore)						
Sl.	Parameters	Sep'13	Mar'14	Sep'14	Variation % Over	
					Mar'14	Sep'13
1	Global Deposit	405699	451397	473511	4.9	16.7
2	Overseas Deposit	21840	32972	43428	31.7	98.8
	Overseas Deposit (USD Mio)	3489	5500	7033	27.9	101.6
3	Domestic Deposit	383859	418425	430084	2.8	12.0
3a	Current Deposit	26175	31499	29497	-6.4	12.7
3b	SB Deposit	130207	141373	142079	0.5	9.1
3c	CASA Deposit	156382	172872	171576	-0.7	9.7
	<i>Share of CASA To Dom. Dep. (%)</i>	40.74%	41.31%	39.89%		
3d	Term Deposit	227477	245553	259217	5.6	14.0
	1)Core Term	196730	212940	220578	3.6	12.1
	2) Interbank	5207	10101	10217	1.1	96.2
	3)Differential Rate Dep. Incl. CD	25540	22512	28422	26.3	11.3
	4)Share of DRI Dep. to Total %	6.30%	4.99%	6.00%		
3e	Core Deposit	353112	385812	392154	1.6	11.1
	<i>Core Dep. To Total (%)</i>	91.99%	92.21%	91.18%		

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(Rs. Crore)

### Advances- Sectoral

Sl.	Parameters	Sep'13	Mar'14	Sep'14	% Share in Gr. Non-food cr.	Variation Sep'14/Sep'13	
						Amt.	(%)
1	Global Gross Advances	321539	359646	367422		45883	14.3
2	Overseas Advances	32190	40475	50639		18449	57.3
3	Domestic Gross Advances	289349	319171	316783		27434	9.5
3a	Food Credit	6318	6251	6762		444	7.0
3b	Dom. Non-Food Gross Adv.	283031	312920	310021	100.00	26990	9.5
	- of Which (Sl. No. 4 to 9)						
4	Agriculture & Allied	40947	53053	50492	15.86	9545	23.3
5	Industry	133348	142013	139794	46.05	6446	4.8
5a	MSME Manufacturing	38567	46499	47957	14.45	9390	24.3
5b	Large Industry	94781	95514	91837	31.61	-2944	-3.1
6	Retail Loans	34226	38864	40976	12.66	6750	19.7
6a	Housing	15332	17038	18454	5.74	3122	20.4
6b	Car/Vehicle	2901	3577	3751	1.20	850	29.3
6c	Education	3776	4258	4380	1.38	604	16.0
6d	Other Retail Loans	12217	13991	14391	4.34	2174	17.8
7	Commercial Real Estate	8453	7795	7115	2.50	-1338	-15.8
8	NBFC	11692	13473	12850	3.98	1158	9.9
9	Services & Others	54365	57722	58793	18.95	4428	8.1

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(Rs. Crore)

### Advances –Industry wise Breakup

Major Industry wise Deployment	Sep'13		Mar'14		Sep'14		Variation Sep'14/Sep'13	
	Amt.	Share % to NFC	Amt.	Share % to NFC	Amt.	Share % to NFC	Amt.	(%)
Food Processing	5721	2.0	9307	3.0	7789	2.5	2068	36.2
Textiles	9128	3.2	10593	3.4	10253	3.3	1125	12.3
Chemical & Chemical Products	4466	1.6	5579	1.8	5043	1.6	577	12.9
Cement & Cement Products	2361	0.8	2571	0.8	2350	0.8	-11	-0.5
Basic Metal & Metal Products	20803	7.4	23325	7.5	22453	7.2	1650	7.9
-Iron & Steel	18131	6.4	21028	6.7	20777	6.7	2646	14.6
Paper & paper products	1464	0.5	1554	0.5	1582	0.5	118	8.1
Petroleum	1498	0.5	1593	0.5	1445	0.5	-53	-3.5
All Engineering Products	5054	1.8	5317	1.7	5353	1.7	299	5.9
Vehicles & Vehicle parts	881	0.3	864	0.3	591	0.2	-290	-32.9
Construction	1993	0.7	2363	0.8	2599	0.8	606	30.4
Infrastructure	56842	20.1	58077	18.6	60321	19.5	3479	6.1
-Power	32108	11.3	32747	10.5	33989	11.0	1882	5.9
-Tele-Communication	6855	2.4	6349	2.0	6326	2.0	-529	-7.7
- Roads & Ports	10991	3.9	12813	4.1	13197	4.3	2206	20.1
- Others	6888	2.4	6168	2.0	6808	2.2	-80	-1.2
Residual	23137	8.2	20870	6.7	20015	6.5	-3122	-13.5
Industry	133348	47.1	142013	45.4	139794	45.1	6446	4.8

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<b>Investment</b>		<b>(Rs. Crore)</b>		
SL	Particulars	Sep'13	Mar'14	Sep'14
1	Gross Investment	132725	140466	141528
2	Held To Maturity (HTM)	96017	95694	94433
3	Available For Sale (AFS)	36245	41439	44112
4	Held For trading (HFT)	463	3333	2983
5	Duration (AFS)	4.01	4.55	3.73
6	Modified Duration (AFS)	3.77	4.29	3.53
7	Duration Total Portfolio	4.85	4.73	4.44
8	Modified Duration Total Portfolio	4.62	4.51	4.24
9	Net demand & time Liabilities	398969	413619	435077
10	SLR (%)	27.03	25.02	26.55
11	SLR HTM to Total SLR (%)	84.49	83.18	79.46
12	HTM To Gross Investment (%)	72.31	68.13	66.72
13	Total SLR	111233	112644	116099
14	Total Non SLR	21554	27822	25429

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<b>Break up of Gross Credit as per Asset Class</b>		<b>(Rs. Crore)</b>		
	Standard Adv. (Excl. Std. Restructured)	Restructured Standard (O/S) Cumulative (As on 30/09/14)	*NPA	Gross Advances
Upto 2008-09	153760	201	2507	156468
FY 2009-10	183508	1584	3214	188306
FY 2010-11	237766	1853	4379	243999
FY 2011-12	276439	12734	8720	297893
FY 2012-13	278521	23256	13466	315243
FY 2013-14	308421	32345	18880	359646
FY 2014-15				
Sep'14 (HY)	310293	36377	20752	367422

*\*This includes restructured NPA amounting to Rs. 2799.26 cr. as on Sep'14*

<b>01.04.2014 to 30.09.2014 (Current HY)</b>					
Sl.	Standard Restructured A/cs (O/s)	No.	Amt. O/s	DFV	
1	Under CDR	12	2708.85	287.64	
2	Under SME	28	149.41	4.42	
3	Others (Non-CDR)	68	1886.53	81.32	
	Total	108	4744.79	405.06	

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Sector wise O/S Restructured Accounts					(Rs. Crore)					
01.04.2014 to 30.09.2014 (Current HY)					Industry wise Restructuring (Standard)					
Sl.	Restructured Accounts	No.	Amt. O/s	Diminution in Fair Value	Sl.	Sector	Mar'14	Sep'14	O/S Amt	%age Share
1	Standard Adv.	108	4745	405	A	Agriculture	130	37	167	0.5
2	NPA	1	4	0	B	Housing	0	3	3	0.0
	Total	109	4749	405	C	Real Estate	313	0	313	0.9
					D	Industry	26550	4142	30692	84.4
					E	Others	4639	564	5203	14.3
						Total	31633	4745	36377	100.0
					Out of the Above Major Industries/Sectors					
					1	Iron & Steel	5408	238	5646	15.5
					2	Infrastructure	13087	1180	14266	39.2
					Out of which					
						Power	10544	898	11443	31.5
						Telecom	934	0	934	2.6
					3	Drilling	639	0	639	1.8
					4	Textiles	1261	577	1838	5.1
					5	Aviation	1605	0	1605	4.4
					6	Sugar	533	0	533	1.5
					7	Paper/Printing	98	0	98	0.3
					8	Chemical/Fertiliser/Drug	740	990	1730	4.8
					9	Cement	367	0	367	1.0
					10	Manufacturing	51	399	451	1.2
					11	Engineering	10	190	200	0.5
					12	Auto parts	161	2	163	0.4
					13	Hotel	643	57	700	1.9
					14	Education	589	101	690	1.9
					15	Finance	8	0	8	0.0

Cumulative			
Sl.	Standard Restructured A/cs (O/s)	No.	Amt. O/s
1	Under CDR	87	16987
2	Under SME	420	972
3	Others (Non-CDR)	211	18418
	Total	718	36377

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Non-Performing Assets					(Rs. Crore)		
Sl.	Parameters	Sep'13	Mar'14	Sep'14			
1	NPA as at the beginning of Yr.	13466	13466	18880			
2	Cash Recovery	1474	2611	1641			
3	Upgradation	567	1429	724			
4	Write Off	872	1355	2337			
5	Total Reduction (2+3+4)	2913	5396	4702			
6	Fresh Addition	5973	10810	6574			
	-Fresh slippages	5280	9865	5977			
	-Debits in existing NPA A/cs	693	945	597			
7	Gross NPAs end period	16526	18880	20752			
8	Eligible Deductions incl. Provisions	6917	8963	9134			
9	Net NPAs	9609	9917	11618			
10	Recovery in written-off debt A/Cs	146	515	574			

Particulars	Sep'13	Mar'14	Sep'14
Gross NPA%	5.14%	5.25%	5.65%
Net NPA%	3.07%	2.85%	3.26%
NPA Coverage Ratio	55.27%	59.07%	59.10%

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## Capital Adequacy (Basel III)

(Rs. Crore)

Sl.	Particulars	Sep'13	Mar'14	Sep'14
	<b>Capital Fund</b>			
1	<b>Tier I</b>	29942	33059	33431
	<i>Of Which</i>			
	<b>Common Equity</b>	28563	31842	32267
	<b>Additional Tier I</b>	1379	1217	1164
2	<b>Tier II</b>	8831	9867	11880
3	<b>Total (Tier I+II)</b>	38773	42927	45312
4	<b>Risk-weighted Assets</b>	333586	372548	384429
5	<b>Capital Adequacy Ratio</b>	11.62%	11.52%	11.79%
6	<b>Tier I</b>	8.97%	8.87%	8.70%
	<i>Of Which</i>			
	<b>Common Equity</b>	8.56%	8.55%	8.40%
	<b>Additional Tier I</b>	0.41%	0.33%	0.30%
7	<b>Tier II</b>	2.65%	2.65%	3.09%

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## Market Share & Productivity

Sl.	Parameters	Sep'13	Mar14	Sep'14
1	<b>Deposit Market Share (%)</b>	5.07	4.98	4.97
2	<b>Credit Market Share (%)</b>	4.94	4.98	4.88
3	<b>Business Per Branch (Rs. Cr.)</b>	117.43	126.10	125.00
4	<b>Business Per Employee (Rs. Cr.)</b>	11.54	12.83	12.76

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