

HO:FINANCE DIVISION (SHARE DEPARTMENT), 5, SANSAD MARG, NEW DELHI-110001
 Tel Nos : 011-23708257 Fax No : 011-23766079 E-mail : hosd@pnb.co.in

SDFD/SE/61/63



24.02.2016

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Script Code : PNB | Script Code : 532461 |
| The Assistant Vice President National Stock Exchange of India Limited "Exchange Plaza", Bandra – Kurla Complex, Bandra (E), <u>Mumbai – 400 051</u> | The Dy. General Manager Bombay Stock Exchange Limited 1 st Floor, Phiroze Jeejeebhoy Towers Dalal Street, <u>Mumbai – 400 001</u> |

Dear Sir,

Reg: Investors'/Analysts' Meet with respect to Financial Results for the 3rd quarter ended 31.12.2015

The Exchange is hereby informed that investors'/Analysts' meet with respect to Financial Results of the Bank for the 3rd quarter ended 31.12.2015 was held on 23.2.2016 at Mumbai.

In compliance with Regulation 30 (6) read with Part A, Para A (15) of schedule III of the SEBI (LODR), we are enclosing the copy of the presentation for your records.

Thanking you.

Yours sincerely,

(A. GOPINATHAN)
 COMPANY SECRETARY



**Presentation on Financial Performance
for the
Quarter/9M December 2015**

Key Business figures- Dec '15

- ✱ Global Business increased by 11.2% to Rs. 941468 Cr.
- ✱ Global Deposits increased by 13.3% to Rs. 548531 Cr.
- ✱ CASA Deposits increased by 14.3% to Rs. 197922 Cr.
- ✱ CASA share to Domestic Deposits stood at 40.38%
- ✱ Global Net Advances increased by 8.4 % to Rs. 392937 Cr.
- ✱ Share of Small Ticket Adv. at 60.3% of Domestic Non Food Credit.
- ✱ Operating Profit stood at Rs. 2918 cr. in Q3FY16, grew 6.1% YoY.
- ✱ NIM stood at 2.87% during 9M FY 16 and 2.75% during Q3FY16.

PNB - Key Strengths

- Experience of more than 120 years of delivering banking services.
- Strong positioning with Pan India presence of 6692 branches, 8884 ATMs, 8316 BCs and 100 million customers. 64% branches in R/SU locations give us additional advantage.
- Sound NIM with Low Cost Deposits Share around 40.38%.
- Well placed funding and liquidity: low dependence on high cost deposits.
- Orientation of credit growth through Small ticket Advances.
- Robust and agile risk management system: One of the pioneer Bank to get RBI's permission to migrate to Advanced Measurement Approach for calculating Operational Risk Capital Charge on Parallel run Basis.
- Digitalization : After pioneering in IT initiatives, Bank is moving fast towards Digitalization.

PNB is ranked 1st among PSBs in the overall list of 'Most Respected Companies' by BW Business World Survey 2015; over all ranking being 51st.

Profitability:

Performance of The Bank

during Q3 FY 16

| Profit | | | | | | | (Rs. Cr.) |
|--------|------------------------|-------------|-------------|-------------|---------------------------------|-------|-----------|
| Sl. | Parameters | Q3 FY 15 | Q3 FY 16 | Q2 FY 16 | Variation (Q3'16 over Q3'15) | | |
| | | | | | Amt. | (%) | |
| 1 | Interest Income | 11614 | 12221 | 12345 | 607 | 5.2 | |
| 2 | Interest Expenses | 7381 | 8101 | 8023 | 720 | 9.8 | |
| 3 | NII (Spread) (1-2) | 4233 | 4120 | 4322 | -113 | -2.7 | |
| 4 | Other Income | 1291 | 1671 | 1357 | 380 | 29.4 | |
| 5 | Operating Expenses | 2773 | 2872 | 2740 | 99 | 3.6 | |
| 6 | Contribution (4-5) | -1482 | -1202 | -1383 | 280 | -18.9 | |
| 7 | Operating Profit (3+6) | 2751 | 2918 | 2939 | 167 | 6.1 | |
| 8 | Provisions | 1976 | 2867 | 2318 | 891 | 45.1 | |
| 9 | Net Profit | 775 | 51 | 621 | -724 | -93.4 | |

| Provisions | | | | | | | (Rs. Cr.) |
|------------|--------------------------------------------------------|-------------|-------------|-------------|---------------------------------|--------|-----------|
| Sl. | Particulars | Q3 FY 15 | Q3 FY 16 | Q2 FY 16 | Variation (Q3'16 over Q3'15) | | |
| | | | | | Amt. | (%) | |
| 1 | Provision towards NPAs (Net of floating provisions) | 1723 | 3767 | 2031 | 2044 | 118.6 | |
| 2 | Standard Advances (incl. Standard Restructured) | 135 | -392 | -43 | -527 | -390.7 | |
| 3 | Depreciation on Investment | -445 | 123 | -73 | 568 | -127.7 | |
| 4 | Income Tax | 508 | -909 | 435 | -1417 | -278.7 | |
| 5 | Others | 55 | 277 | -33 | 223 | 409.1 | |
| 6 | Total Provision | 1976 | 2867 | 2318 | 891 | 45.1 | |

Break-up : Income

(Rs. Cr.)

| Sl. | Parameters | Q3 FY 15 | Q3 FY 16 | Q2 FY 16 | Variation (Q3'16 over Q3'15) | |
|-----|---------------------------------|-------------|-------------|-------------|---------------------------------|-------|
| | | | | | Amt. | (%) |
| 1 | Interest on Advances | 8736 | 8881 | 9064 | 146 | 1.7 |
| 2 | Interest on Investments | 2612 | 3119 | 3029 | 508 | 19.4 |
| 3 | Other Interest Income | 267 | 220 | 253 | -47 | -17.5 |
| 4 | Interest Income (1+2+3) | 11614 | 12221 | 12345 | 607 | 5.2 |
| 5 | Other Income | 1291 | 1671 | 1357 | 380 | 29.4 |
| | of which | | | | | |
| 6 | Fee Based Income | 888 | 823 | 784 | -65 | -7.3 |
| 7 | Recovery in Written off a/cs | 109 | 519 | 236 | 410 | 377.0 |
| 8 | Trading Profit | 211 | 233 | 217 | 22 | 10.2 |
| 9 | Dividend from Liquid MF | 77 | 75 | 111 | -2 | -2.4 |
| 10 | Residual (incl. Derivative inc) | 6 | 21 | 10 | 15 | 229.3 |
| 11 | Total Income (4+5) | 12905 | 13891 | 13702 | 986 | 7.6 |

Break-up : Expenditure

(Rs. Cr.)

| Sl. | Parameters | Q3 FY 15 | Q3 FY 16 | Q2 FY 16 | Variation (Q3'16 over Q3'15) | |
|-----|-----------------------------|-------------|-------------|-------------|---------------------------------|-------|
| | | | | | Amt. | (%) |
| 1 | Intt. Paid on Deposits | 6990 | 7534 | 7452 | 544 | 7.8 |
| 2 | Intt. Paid on Borrowings | 55 | 35 | 69 | -20 | -36.1 |
| 3 | Others | 336 | 532 | 502 | 196 | 58.4 |
| 4 | Total Interest Paid (1+2+3) | 7381 | 8101 | 8023 | 720 | 9.8 |
| 5 | Estab. Expenses | 2029 | 1991 | 1878 | -37 | -1.8 |
| | Of Which | | | | | |
| 5a | Employee Benefits (AS-15) | 853 | 747 | 677 | -106 | -12.5 |
| 6 | Other Operating Expenses | 745 | 881 | 863 | 137 | 18.3 |
| 7 | Operating Expenses (5+6) | 2773 | 2872 | 2740 | 99 | 3.6 |
| 8 | Total Expenses (4+7) | 10154 | 10973 | 10763 | 819 | 8.1 |

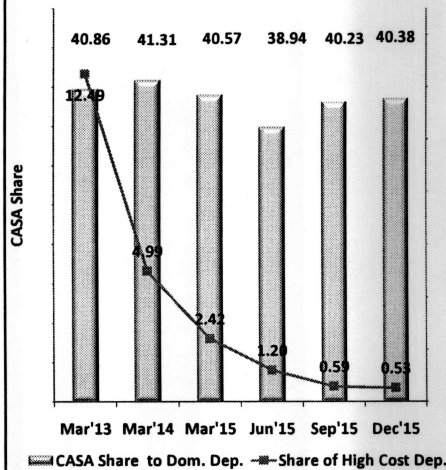
Cost & Yield Ratios

(Annualized)

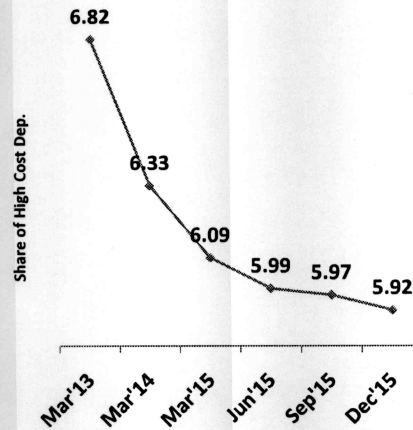
| Sl. | Particulars | Q 3 FY 15 | Q 3 FY 16 | Q 2 FY 16 |
|-----|-------------------------|--------------|--------------|--------------|
| 1 | Cost of Deposit [%] | 6.11 | 5.81 | 5.95 |
| 2 | Cost of Fund [%] | 5.09 | 4.90 | 4.99 |
| 3 | Yield on Advances [%] | 9.86 | 9.47 | 9.76 |
| 4 | Yield on Investment [%] | 8.05 | 7.93 | 7.96 |
| 5 | Yield on Fund [%] | 8.00 | 7.39 | 7.68 |
| 6 | Net Interest Margin [%] | 3.21 | 2.75 | 2.97 |

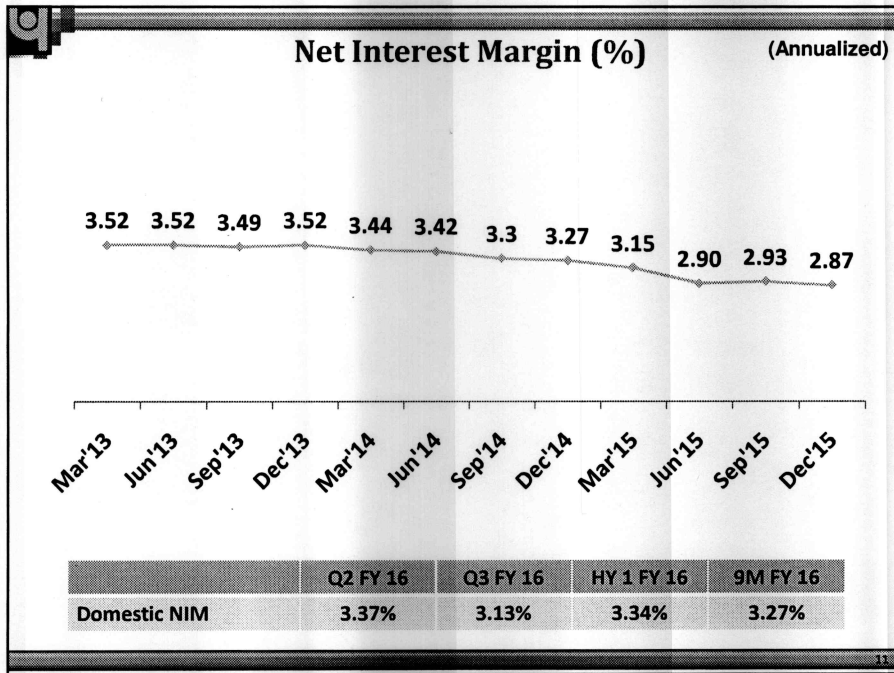
Reducing Dependence on High Cost Deposits

Share of CASA & High Cost Dep.



Cost of Deposits





Profitability Ratios (Annualized)

| Sl. | Particulars | Q 3 FY 15 | Q 3 FY 16 | Q 2 FY 16 |
|-----|------------------------------|--------------|--------------|--------------|
| 1 | Return on Assets [%] | 0.53 | 0.03 | 0.39 |
| 2 | Return on Net worth [%] | 8.32 | 0.50 | 6.09 |
| 3 | Opt. Profit to AWF [%] | 1.90 | 1.76 | 1.83 |
| 4 | Cost to Income Ratio [%] | 50.20 | 49.61 | 48.26 |
| 5 | Estb. Exp. To Total Exp. [%] | 19.98 | 18.15 | 17.44 |
| 6 | Opt. Exp. To AWF [%] | 1.91 | 1.74 | 1.70 |
| 7 | Book Value per Share [Rs] | 205.73 | 207.92 | 207.65 |
| 8 | Earnings per share [Rs] | 17.11 | 1.08 | 13.39 |

Profitability:

Performance of The Bank

during 9M FY 16

| Profit | | | | | | (Rs. Cr.) | |
|--------|------------------------|--------------|--------------|--------------|--------------------------------------|-----------|--|
| Sl. | Parameters | 9M Dec'14 | 9M Dec'15 | FY Mar'15 | Variation (Dec'15 over Dec'14) | | |
| | | | | | Amt. | (%) | |
| 1 | Interest Income | 34665 | 36600 | 46315 | 1935 | 5.6 | |
| 2 | Interest Expenses | 21901 | 24056 | 29760 | 2155 | 9.8 | |
| 3 | NII (Spread) (1-2) | 12764 | 12544 | 16556 | -220 | -1.7 | |
| 4 | Other Income | 4086 | 4425 | 5891 | 339 | 8.3 | |
| 5 | Operating Expenses | 8098 | 7980 | 10492 | -117 | -1.4 | |
| 6 | Contribution (4-5) | -4012 | -3556 | -4601 | 456 | -11.4 | |
| 7 | Operating Profit (3+6) | 8752 | 8988 | 11955 | 236 | 2.7 | |
| 8 | Provisions | 5997 | 7596 | 8893 | 1599 | 26.7 | |
| 9 | Net Profit | 2755 | 1393 | 3062 | -1362 | -49.4 | |

Provisions

(Rs. Cr.)

| Sl. | Particulars | 9M Dec'14 | 9M Dec'15 | FY Mar'15 | Variation (Dec'15 over Dec'14) | |
|-----|--------------------------------------------------------|--------------|--------------|--------------|--------------------------------------|-------------|
| | | | | | Amt. | (%) |
| 1 | Provision towards NPAs (Net of floating provisions) | 4698 | 7089 | 7979 | 2391 | 50.9 |
| 2 | Standard Adv. Incl. Standard Restructured | 167 | -366 | 491 | -533 | -319.2 |
| 3 | Depreciation on Investment | -853 | 425 | -567 | 1278 | -149.9 |
| 4 | Income Tax | 1834 | 127 | 896 | -1707 | -93.1 |
| 5 | Others | 151 | 321 | 94 | 170 | 112.4 |
| 6 | Total Provision | 5997 | 7596 | 8893 | 1599 | 26.7 |

Break-up : Income

(Rs. Cr.)

| Sl. | Parameters | 9M Dec'14 | 9M Dec'15 | FY Mar'15 | Variation (Dec'15 over Dec'14) | |
|-----|--------------------------------|--------------|--------------|--------------|-----------------------------------|------------|
| | | | | | Amt. | (%) |
| 1 | Interest on Advances | 26226 | 26853 | 34794 | 627 | 2.4 |
| 2 | Interest on Investments | 7819 | 9054 | 10600 | 1234 | 15.8 |
| 3 | Other Interest Income | 620 | 694 | 921 | 74 | 11.9 |
| 4 | Interest Income (1+2+3) | 34665 | 36600 | 46315 | 1935 | 5.6 |
| 5 | Other Income | 4086 | 4425 | 5891 | 339 | 8.3 |
| | of which | | | | | |
| 6 | Fee Based Income | 2635 | 2550 | 3485 | -85 | -3.2 |
| 7 | Recovery in Written off a/cs | 682 | 972 | 1017 | 289 | 42.4 |
| 8 | Trading Profit | 485 | 612 | 1023 | 127 | 26.1 |
| 9 | Dividend from Liquid MF | 249 | 259 | 334 | 10 | 4.0 |
| 10 | Residual (incl Derivative inc) | 34 | 32 | 32 | -2 | -6.4 |
| 11 | Total Income (4+5) | 38750 | 41025 | 52206 | 2275 | 5.9 |

Break-up : Expenditure

(Rs. Cr.)

| Sl. | Parameters | 9M Dec'14 | 9M Dec'15 | FY Mar'15 | Variation (Dec'15 over Dec'14) | |
|-----|-----------------------------|--------------|--------------|--------------|--------------------------------------|-------|
| | | | | | Amt. | (%) |
| 1 | Intt. Paid on Deposits | 20460 | 22354 | 27621 | 1894 | 9.3 |
| 2 | Intt. Paid on Borrowings | 486 | 199 | 567 | -287 | -59.1 |
| 3 | Others | 955 | 1503 | 1571 | 548 | 57.4 |
| 4 | Total Interest Paid (1+2+3) | 21901 | 24056 | 29760 | 2155 | 9.8 |
| 5 | Estab. Expenses | 5830 | 5418 | 7337 | -412 | -7.1 |
| | Of Which | | | | | |
| 5a | Employee Benefits (AS-15) | 2368 | 1844 | 3218 | -524 | -22.1 |
| 6 | Other Operating Expenses | 2267 | 2562 | 3155 | 295 | 13.0 |
| 7 | Operating Expenses (5+6) | 8098 | 7980 | 10492 | -117 | -1.4 |
| 8 | Total Expenses (4+7) | 29998 | 32037 | 40251 | 2038 | 6.8 |

Cost & Yield Ratios

(Annualized)

| Sl. | Particulars | 9M Dec'14 | 9M Dec'15 | FY Mar'15 |
|-----|-------------------------|--------------|--------------|--------------|
| 1 | Cost of Deposit [%] | 6.12 | 5.92 | 6.09 |
| 2 | Cost of Fund [%] | 5.11 | 4.98 | 5.14 |
| 3 | Yield on Advances [%] | 10.01 | 9.59 | 9.88 |
| 4 | Yield on Investment [%] | 8.00 | 7.94 | 7.99 |
| 5 | Yield on Fund [%] | 8.09 | 7.58 | 8.00 |
| 6 | Net Interest Margin [%] | 3.27 | 2.87 | 3.15 |

Profitability Ratios

(Annualized)

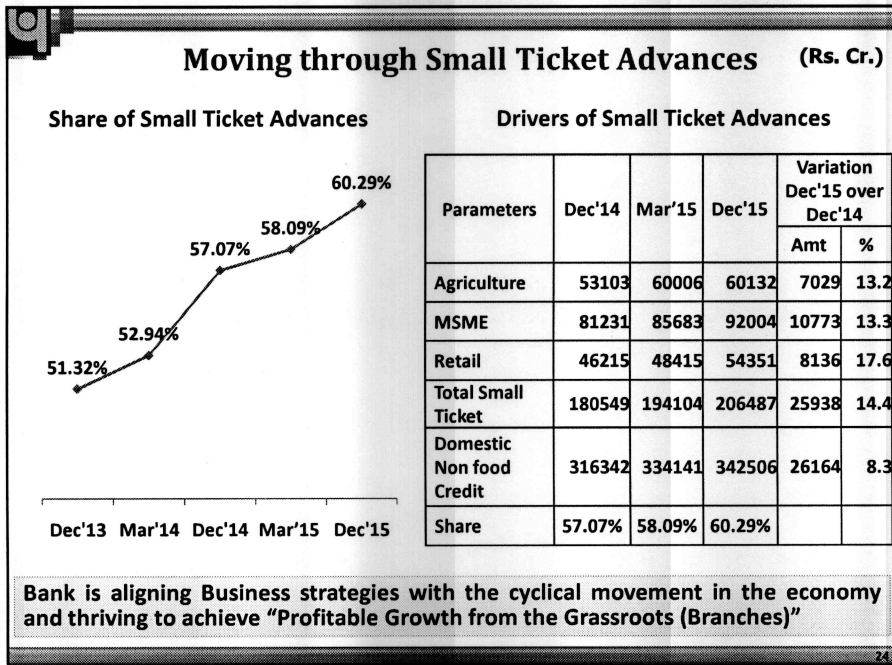
| Sl. | Particulars | 9M Dec'14 | 9M Dec'15 | FY Mar'15 |
|-----|------------------------------|--------------|--------------|--------------|
| 1 | Return on Assets [%] | 0.64 | 0.29 | 0.53 |
| 2 | Return on Net worth [%] | 9.86 | 4.55 | 8.12 |
| 3 | Opt. Profit to AWF [%] | 2.04 | 1.86 | 2.06 |
| 4 | Cost to Income Ratio [%] | 48.06 | 47.03 | 46.74 |
| 5 | Estb. Exp. To Total Exp. [%] | 19.43 | 16.91 | 18.23 |
| 6 | Opt. Exp. To AWF [%] | 1.89 | 1.65 | 1.81 |
| 7 | Book Value per Share [Rs] | 205.73 | 207.92 | 203.24 |
| 8 | Earnings per share [Rs] | 20.29 | 9.82 | 16.91 |

Business:***Performance of the Bank***

| Business | | | | | | | (Rs. Cr.) |
|-----------------|---------------------------------------|--------|--------|--------|--------------------------------|------|-----------|
| Sl. | Parameters | Dec'14 | Mar'15 | Dec'15 | Variation (Dec'15 over Dec'14) | | |
| | | | | | Amt. | (%) | |
| 1 | Total Business | 846634 | 881913 | 941468 | 94834 | 11.2 | |
| | <i>Out of Which</i> | | | | | | |
| | Overseas Business | 93975 | 100785 | 114267 | 20292 | 21.6 | |
| | Overseas Business (USD Mio) | 14940 | 16161 | 17316 | 2376 | 15.9 | |
| | Share of Overseas Business [%] | 11.10% | 11.43% | 12.14% | | | |
| 2 | Total Deposit | 484138 | 501379 | 548531 | 64393 | 13.3 | |
| 3 | Total Advances | 362496 | 380534 | 392937 | 30441 | 8.4 | |
| 4 | CD Ratio[%] | 74.87% | 75.90% | 71.63% | | | |

| Deposit | | | | | | | (Rs. Cr.) |
|----------------|----------------------------------------|--------|--------|--------|--------------------------------|-------|-----------|
| Sl. | Parameters | Dec'14 | Mar'15 | Dec'15 | Variation (Dec'15 over Dec'14) | | |
| | | | | | Amt. | (%) | |
| 1 | Global Deposit | 484138 | 501379 | 548531 | 64393 | 13.3 | |
| 2 | Overseas Deposit | 45201 | 48350 | 58437 | 13236 | 29.3 | |
| | Overseas Deposit (USD Mio) | 7171 | 7736 | 8833 | 1662 | 23.2 | |
| 3 | Domestic Deposit | 438937 | 453029 | 490095 | 51157 | 11.7 | |
| 1.1 | Current Deposit | 29674 | 33581 | 36462 | 6788 | 22.9 | |
| 1.2 | SB Deposit | 143463 | 150200 | 161460 | 17997 | 12.5 | |
| | CASA Deposit (1.1+1.2) | 173137 | 183780 | 197922 | 24785 | 14.3 | |
| | <i>Share of CASA To Dom. Dep. (%)</i> | 39.44% | 40.57% | 40.38% | | | |
| 1.3 | Term Deposit | 311001 | 317598 | 350610 | 39608 | 12.7 | |
| | Differential Rate Dep. Incl. CD | 24183 | 12123 | 2913 | -21270 | -88.0 | |
| | <i>Share of DRI Dep. to Total %</i> | 5.00% | 2.42% | 0.53% | | | |

| Advances- Sectoral (Rs. Cr.) | | | | | | | |
|------------------------------|------------------------------|--------|--------|--------|----------------|--------------------------|-------|
| Sl. | Parameters | Dec'14 | Mar'15 | Dec'15 | Share % to NFC | Variation Dec'15/ Dec'14 | |
| | | | | | | Amt. | (%) |
| 1 | Global Gross Advances | 372086 | 392422 | 405210 | | 33124 | 8.9 |
| 2 | Overseas Advances | 48774 | 52435 | 55830 | | 7056 | 14.5 |
| | Overseas Advances (USD Mio) | 7769 | 8425 | 8483 | | 714 | 9.2 |
| 3 | Domestic Gross Advances | 323312 | 339987 | 349381 | | 26069 | 8.1 |
| 3a | Food Credit | 6970 | 5846 | 6875 | | -95 | -1.4 |
| 3b | Dom. Non-Food Gr. Adv. [NFC] | 316342 | 334141 | 342506 | | 26164 | 8.3 |
| | - of Which [Sl.No.4 to 9] | | | | | | |
| 4 | Agriculture & Allied | 53103 | 60006 | 60132 | 17.6% | 7029 | 13.2 |
| 5 | Industry | 142064 | 146351 | 159811 | 46.7% | 17747 | 12.5 |
| 5a | MSME Manufacturing | 46660 | 46879 | 50598 | 14.8% | 3938 | 8.4 |
| 5b | Large Industry | 95404 | 99472 | 109213 | 31.9% | 13809 | 14.5 |
| 6 | Retail Loans | 46215 | 48415 | 54351 | 15.9% | 8136 | 17.6 |
| 6a | Housing | 19759 | 21544 | 25061 | 7.3% | 5302 | 26.8 |
| 6b | Car/Vehicle | 3923 | 4089 | 4572 | 1.3% | 649 | 16.5 |
| 6c | Education | 4379 | 4397 | 4598 | 1.3% | 219 | 5.0 |
| 6d | Other Retail Loans | 18154 | 18385 | 20120 | 5.9% | 1966 | 10.8 |
| 7 | Commercial Real Estate | 8717 | 9636 | 10538 | 3.1% | 1821 | 20.9 |
| 8 | NBFC | 11572 | 14191 | 18485 | 5.4% | 6913 | 59.7 |
| 9 | Services & Others | 54671 | 55542 | 39189 | 11.4% | -15482 | -28.3 |



Advances – Industry wise Breakup

(Rs. Cr.)

| Sl. | Major Industry | Dec'14 | | Mar'15 | | Dec '15 | | Variation Dec'15/Dec'14 | |
|-----|------------------------------|--------|-------------------|--------|-------------------|---------|-------------------|----------------------------|-------|
| | | Amt. | Share % to NFC | Amt. | Share % to NFC | Amt. | Share % to NFC | Amt. | (%) |
| 1 | Food Processing | 10426 | 3.3 | 11789 | 3.5 | 12714 | 3.7 | 2288 | 21.9 |
| 2 | Textiles | 10327 | 3.3 | 10546 | 3.2 | 11749 | 3.4 | 1422 | 13.8 |
| 3 | Chemical & Chemical Products | 5590 | 1.8 | 5734 | 1.7 | 6835 | 2.0 | 1245 | 22.3 |
| 4 | Cement & Cement Products | 1911 | 0.6 | 2101 | 0.6 | 2333 | 0.7 | 422 | 22.1 |
| 5 | Basic Metal & Metal Products | 23487 | 7.4 | 23652 | 7.1 | 27839 | 8.1 | 4352 | 18.5 |
| 5a | -Iron & Steel | 21308 | 6.7 | 21445 | 6.4 | 25494 | 7.4 | 4186 | 19.6 |
| 6 | Paper & paper products | 1370 | 0.4 | 1432 | 0.4 | 1607 | 0.5 | 237 | 17.3 |
| 7 | Petroleum | 1243 | 0.4 | 1267 | 0.4 | 1503 | 0.4 | 260 | 20.9 |
| 8 | All Engineering Products | 4517 | 1.4 | 4405 | 1.3 | 4832 | 1.4 | 315 | 7.0 |
| 9 | Vehicles & Vehicle parts | 850 | 0.3 | 789 | 0.2 | 862 | 0.3 | 12 | 1.5 |
| 10 | Construction | 3457 | 1.1 | 3558 | 1.1 | 3986 | 1.2 | 529 | 15.3 |
| 11 | Infrastructure | 56126 | 17.7 | 58184 | 17.4 | 61764 | 18.0 | 5639 | 10.0 |
| 11a | -Power | 33592 | 10.6 | 34620 | 10.4 | 37443 | 10.9 | 3851 | 11.5 |
| 11b | -Tele-Communication | 6398 | 2.0 | 5676 | 1.7 | 4959 | 1.4 | -1439 | -22.5 |
| 11c | -Roads & Ports | 10021 | 3.2 | 10459 | 3.1 | 12132 | 3.5 | 2112 | 21.1 |
| 11d | -Others | 6115 | 1.9 | 7429 | 2.2 | 7230 | 2.1 | 1115 | 18.2 |
| 12 | Residual | 22759 | 7.2 | 22895 | 6.9 | 23787 | 6.9 | 1027 | 4.5 |
| 13 | Industry | 142064 | 44.9 | 146351 | 43.8 | 159811 | 46.7 | 17747 | 12.5 |

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Investment

(Rs. Cr.)

| Sl. | Particulars | Dec'14 | Mar'15 | Dec'15 |
|-----|-----------------------------------|--------|--------|--------|
| A | Gross Domestic Investment | 139943 | 149266 | 162532 |
| 1 | Total SLR | 113450 | 123133 | 128561 |
| 2 | Total Non SLR | 26493 | 26133 | 33971 |
| 3 | Held To Maturity (HTM) | 98547 | 106969 | 104103 |
| 4 | Available For Sale (AFS) | 39037 | 39116 | 58211 |
| 5 | Held For trading (HFT) | 2359 | 3181 | 218 |
| 6 | Duration (AFS) | 4.04 | 4.97 | 4.31 |
| 7 | Modified Duration (AFS) | 3.82 | 4.73 | 4.10 |
| 8 | Duration Total Portfolio | 4.78 | 5.09 | 4.79 |
| 9 | Modified Duration Total Portfolio | 4.58 | 4.89 | 4.59 |
| 10 | Net demand & time Liabilities | 434885 | 455134 | 480521 |
| 11 | SLR (%) | 26.93 | 27.19 | 26.75 |
| 11a | SLR HTM to Total SLR (%) | 84.93 | 84.97 | 79.07 |
| 12 | HTM To Gross Investment (%) | 70.42 | 71.66 | 64.05 |
| B | Investment by overseas branches | 1251 | 2620 | 3607 |
| C | Total Gross Investment (A+B) | 141194 | 151886 | 166139 |

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Domestic Treasury Highlights

- ✓ Total size of Bank's Domestic Investment Book as on 31st Dec '15 stood at Rs.162532 cr.
- ✓ Yield on Investment stood at 7.93% during Q3 FY 16.
- ✓ As on 31st Dec '15, the share of SLR Securities in Total Investment was 79.10 %.
- ✓ The Bank had 64% of total domestic in HTM and 36% in AFS as on Dec 2015.
- ✓ The per cent of SLR to NDTL as on Dec 2015 was at 26.75 %.
- ✓ As on 31st Dec, 2015, the modified duration of AFS investments was 4.10.
- ✓ Trading Profit stood at Rs. 612 crore in Q3, FY16 and recorded impressive yoy growth of 26.1% on yoy basis.

Break up of Gross Credit as per Asset Class (Rs. Cr.)

| Financial Year | Standard Adv. (Excl. Std. Restructured) | Restructured Standard (O/S) | *NPA | Gross Advances |
|----------------|-----------------------------------------------|--------------------------------|-------|-------------------|
| 1 | 2 (5-4-3) | 3 | 4 | 5 |
| FY 2012-13 | 288362 | 13415 | 13466 | 315243 |
| FY 2013-14 | 321329 | 19437 | 18880 | 359646 |
| FY 2014-15 | 332643 | 34084 | 25695 | 392422 |
| Dec'15 (9M) | 335868 | 35004 | 34338 | 405210 |

| Standard Restructured (as on 31.12.15) | CDR | SME | NON CDR | Total |
|-------------------------------------------|-------|-----|---------|-------|
| Amount O/S | 12462 | 946 | 21596 | 35004 |

| Restructured Accounts (01.04.2015 to 31.12.2015) | | | | | |
|--------------------------------------------------|-----------|------------|------------|------------|--------------------------|
| | CDR | SME | Non CDR | Total | Diminution in Fair Value |
| Standard Adv. | 38 | 240 | 643 | 920 | 31 |
| NPA | 0 | 33 | 27 | 60 | 6 |
| Total | 38 | 272 | 669 | 980 | 37 |

Sector/Industry wise O/S Restructured Accounts-Dec'15 (Rs. Cr.)

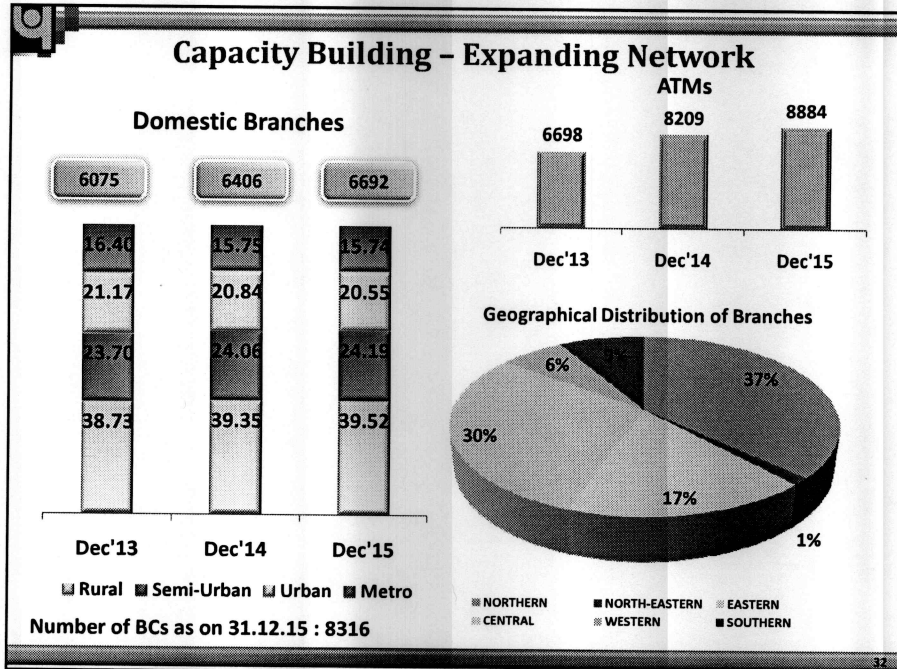
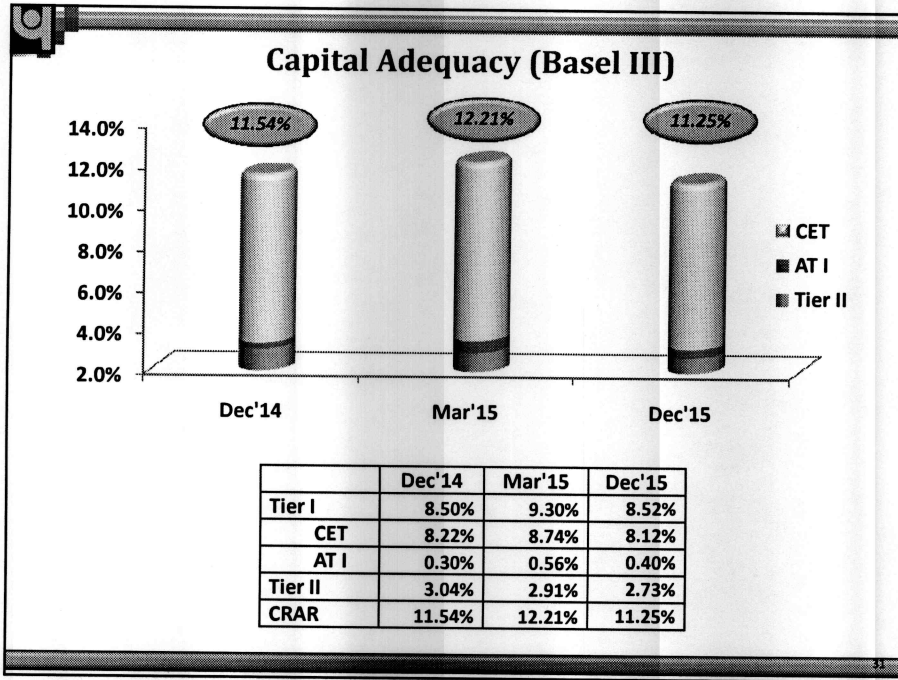
| Sector wise Restructuring (Standard) | | | |
|--------------------------------------|--------------|--------------|--------------|
| Sl. | Sector | O/S Amt | %age Share |
| A | Agriculture | 254 | 0.7 |
| B | Housing | 0 | 0.0 |
| C | Real Estate | 44 | 0.1 |
| D | Industry | 32730 | 93.5 |
| E | Others | 1975 | 5.6 |
| | Total | 35004 | 100.0 |

| Restructuring (Standard): Major Industries | | | |
|--------------------------------------------|---------------------------|---------|------------|
| Sl. | Sector | O/S Amt | %age Share |
| 1 | Iron & Steel | 5979 | 17.1 |
| 2 | Infrastructure | 15792 | 45.1 |
| | Out of which | | |
| | Power | 12976 | 37.1 |
| | SEBs | 8136 | 23.2 |
| | Telecom | 260 | 0.7 |
| 3 | Chemical/Fertiliser/Drugs | 2181 | 6.2 |
| 4 | Sugar | 1377 | 3.9 |
| 5 | Textiles | 1125 | 3.2 |
| 6 | Manufacturing | 1009 | 2.9 |
| 7 | Cement | 545 | 1.6 |
| 8 | Hotel | 497 | 1.4 |
| 9 | Education | 363 | 1.0 |
| 10 | Drilling | 196 | 0.6 |

Non-Performing Assets (Rs. Cr.)

| Sl. | Parameters | Dec'14 | Mar'15 | Dec'15 |
|-----|--------------------------------------|--------|--------|--------|
| 1 | NPA as at the beginning of Yr. | 18880 | 18880 | 25695 |
| 2 | Cash Recovery | 2234 | 2925 | 3357 |
| 3 | Up-gradation | 830 | 1000 | 1630 |
| 4 | Write Off | 4754 | 5920 | 5076 |
| 5 | Total Reduction (2+3+4) | 7818 | 9845 | 10064 |
| 6 | Fresh Addition | 11149 | 16660 | 18707 |
| | -Fresh slippages | 10327 | 15692 | 17655 |
| | -Debits in existing NPA A/cs | 822 | 968 | 1052 |
| 7 | Gross NPAs end period | 22211 | 25695 | 34338 |
| 8 | Eligible Deductions incl. Provisions | 8424 | 10298 | 11355 |
| 9 | Net NPAs | 13788 | 15396 | 22983 |
| 10 | Recovery in written-off debt A/Cs | 682 | 1017 | 972 |

| Particulars | Dec'14 | Mar'15 | Dec'15 |
|--------------------|--------|--------|--------|
| Gross NPA% | 5.97% | 6.55% | 8.47% |
| Net NPA% | 3.82% | 4.06% | 5.86% |
| NPA Coverage Ratio | 57.27% | 58.21% | 53.85% |



Global Network

- Bank has overseas presence in 9 countries. We have 4 overseas branches (2) in Hong Kong, (1) in Dubai and (1) offshore banking unit at Mumbai. We have 2 subsidiaries viz. UK (Punjab National Bank International Ltd) with 7 branches & Druk PNB Bank Ltd Bhutan with 6 branches and one Associate at JSC SB PNB Kazakhstan with 4 branches.
- Besides these we have 4 Representative Offices at Dubai-UAE, Sydney-Australia, Shanghai-China and Dhaka- Bangladesh.
- Bank is having Joint Venture with Everest Bank Ltd. Kathmandu Nepal, (EBL) with 61 branches. Under a Technical Services Agreement, our bank also provides Managerial Support to EBL. Bank has a Rupee Drawing Arrangement for facilitating inward remittances from Nepal and a INREMIT scheme for remittances from India to Nepal. EBL has a representative office in Delhi and branches can contact them for any business query.

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International Forays-Highlights

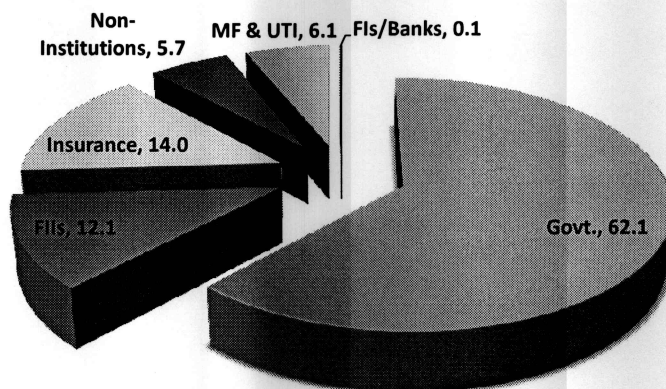
(USD MIO)

| Overseas Business as on 31.12.2015 | | | |
|------------------------------------|--------------|--------------|---------------|
| Branches | Deposit | Advances | Business |
| Hong Kong | 5704 | 4036 | 9741 |
| Dubai | 3064 | 4374 | 7438 |
| OBU | 65 | 73 | 138 |
| TOTAL | 8833 | 8483 | 17316 |
| TOTAL – INR Crore | 58437 | 55830 | 114267 |

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Shareholding Pattern (%)

(31st Dec'15)



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Financial Inclusion as a Business Driver

| Sl | Particulars (No. in Lakhs) | Dec' 14 | Dec' 15 |
|----|--------------------------------------------------------|---------|---------|
| 1 | Accounts opened under PMJDY | 58 | 123 |
| 2 | -Amt. mobilized under PMJDY (in cr.) | 776.4 | 1324.2 |
| 3 | -No. of Rupay Card Issued | 40 | 100 |
| 4 | - A/cs where OD facility is sanctioned under PMJDY | nil | 1.35 |
| 5 | A/c s where General Credit cards issued | 2.18 | 2.56 |
| 6 | Credit provided in various credit based projects - KCC | 22.6 | 23.6 |
| 7 | Progress under Aadhaar Seeding in PMJDY A/Cs | 19.85 | 57.26 |

(No. in Lakhs)

| Social Security Schemes- | Enrolments | Amount mobilized in BSBDA as on 31.12.15 is Rs. 2828 cr. | |
|----------------------------------------|-------------|----------------------------------------------------------|-----------|
| | | Transaction through BCs | |
| Pradhan Mantri Jivan Jyoti Bima Yojana | 12.47 | | |
| Pradhan Mantri Suraksha Bima Yojana | 52.14 | Dec'14 | Dec'15 |
| Atal Pension Yojna | 1.49 | No of BCs (Number) | 5948 8316 |
| Total | 66.1 | No of Transactions (In Lakh) | 23 186 |
| | | Business mobilized (In cr.) | 342 1293 |

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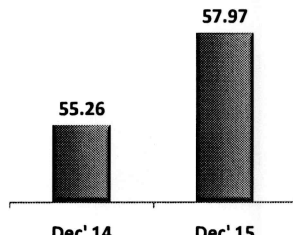
Digitalization Initiatives

- New 'PNB Digital Village' concept to align with Govt. initiative of Digitising India.
- Mobile App based Banking - 'PNB Mobilease' and 'ATMAssist', - for a complete SMS Banking solution and ATM related queries, respectively.
- Online Opening of PPF, RD & Saving A/cs introduced in Internet Banking(IBS).
- Applying for OD in PMJDY A/Cs, Digital Certificate Authentication, E- Interest Certificate introduced in IBS.
- New 'Online Locker Booking' facility throughout the country.
- 'PIN @ last' for enhance ATM security.
- Green PIN Model ' adopted for setting duplicate PIN for Debit Card.
- Bulk note acceptor cum ATM' a highly efficient multifunction kiosk, launched .
- Tab Banking, PNB Wallet, innovative cards like Image card and other new digital initiative in offing.
- Focus on expanding base of off-site and on-site e-lobbies with 24*7 services, provided through 5 machines i.e. ATM, CDM, Cheque deposit machine, PUM and PC with IBS.
- As per Infosys, we are 1st Bank globally to implement Finacle Payment Enterprise Payments for its domestic set up.
- PNB is the first in implementation of Sparc Super Cluster (M6-32) server in India (across all sectors) to cater Bank's requirement.

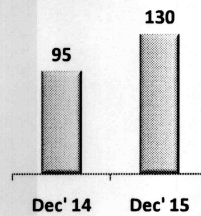
Striving for Digitalization of operations for better customer experience.

Leveraging of Digital platform - (Transactions in lakh)

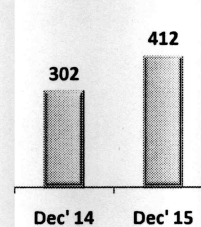
% of business through Electronic Transactions



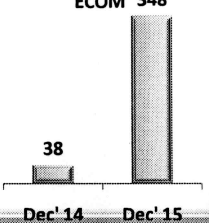
INTERNET BANKING



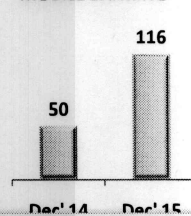
Debit Card Base



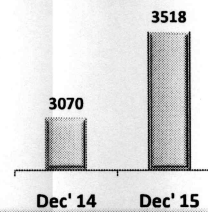
ECOM



MOBILE BANKING



ATM



BANK'S PRESENCE IN SOCIAL MEDIA LIKE TWITTER, LINKEDIN ENSURED FOR BETTER CUSTOMER SERVICE

Strategies Going Forward : PNB Indradhanush

MOVING TOWARDS DIGITAL BANKING: Leveraging technology & multiple channels of delivery to ensure excellent customer experience

IMPROVE ASSET QUALITY AND RISK MANAGEMENT: Thrust on Credit through better due diligence and Post Sanction follow-up

IMPROVE CD RATIO: Moving through small ticket advances and better rated corporate accounts

IMPROVE CASA: Improving distribution reach through value added offerings

IMPROVE CUSTOMER SERVICES : Through marketing culture

PEOPLE DEVELOPMENT: Bridging resource gaps through skill development

INCREASE INCOME & CONTROL EXPENDITURE: Shedding high cost deposits and cost rationalization

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Awards & Accolades

In recognition of Bank's effort in the multifarious areas, it has been bestowed with various awards in different categories as under:

| Award | Organisation |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| ABP News Brand Excellence Awards 2015 under Banking Financial Services and Insurance Category | CMO Asia with World Marketing Congress |
| Best Bank Award for PMJDY (Large Bank)- Winner | CIMSME- Banking Excellence Awards 2015 |
| Inspiring Work Place Awards 2015 under the category Best HR and Talent Management Practices | Banking Frontiers |
| Agriculture Leadership Award 2015 | Agriculture Today Group |
| FICCI CSR Awards 2014 | FICCI |
| Social Banking Excellence Awards 2015 under Rural banking Category (Large Bank)-Runners Up | ASSOCHAM |
| Best Bank for CSR and Business Responsibility Award (Large Bank)-Runners Up | CIMSME- Banking Excellence Awards 2016 |
| Best MSME Bank (Large Bank)-Runners Up | CIMSME- Banking Excellence Awards 2017 |
| 3 rd among Nationalised Banks; performance Improved by 4 Notches | BT KPMG |
| One of the Top 50 Most valuable Brand in India at 22 nd position with the brand value rising by 61% in 2015. | Brandz |

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