



PUNJAB & SIND BANK

(A GOVERNMENT OF INDIA UNDERTAKING)

Corporate Presentation

September 2019

PSB - where service is a way of life....



Disclaimer

This presentation has been prepared by Punjab and Sind Bank (the “Bank”) for general information purposes only, without regard to any specific objectives, suitability, financial situations and needs of any particular person and does not constitute any recommendation or form part of any offer or invitation, directly or indirectly, in any manner, or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of the Bank, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment therefor. This presentation does not solicit any action based on the material contained herein. Nothing in this presentation is intended by the Bank to be construed as legal, accounting or tax advice. This presentation has been prepared by the Bank based upon information available in the public domain. This presentation has not been approved and will not or may not be reviewed or approved by any statutory or regulatory authority in India or by any stock exchanges in India.

This presentation contains certain forward-looking statements relating to the business, financial performance, strategy and results of the Bank and/or the industry in which it operates. Forward-looking statements are statements concerning future circumstances and results, and any other statements that are not historical facts, sometimes identified by the words including, without limitation “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, and similar expressions. The forward-looking statements, including those cited from third party sources, contained in this presentation are based on numerous assumptions and are uncertain and subject to risks. The actual results could differ materially from those projected in any such forward-looking statements because of various factors. Neither the Bank nor its affiliates or advisors or representatives nor any of its or their parent or subsidiary undertakings or any such person’s officers or employees guarantees that the assumptions underlying such forward-looking statements are free from errors nor does either accept any responsibility for the future accuracy of the forward-looking statements contained in this presentation or the actual occurrence of the forecasted developments. Given these uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements.

The information contained in these materials has not been independently verified. None of the Bank, its directors, its affiliates, nor any of its or their respective employees, advisers or representatives or any other person accepts any responsibility or liability whatsoever, whether arising in tort, contract or otherwise, for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred howsoever arising, directly or indirectly, from any use of this presentation or its contents or otherwise in connection with this presentation, and makes no representation or warranty, express or implied, for the contents of this presentation including its accuracy, fairness, completeness or verification or for any other statement made or purported to be made by any of them, or on behalf of them, and nothing in this presentation or at this presentation shall be relied upon as a promise or representation in this respect, whether as to the past or the future. Past performance is not a guide for future performance. The information contained in this presentation is current, and if not stated otherwise, made as of the date of this presentation. The Bank undertakes no obligation to update or revise any information in this presentation as a result of new information, future events or otherwise. Any person/ party intending to provide finance/ invest in the shares/ businesses of the Bank shall do so after seeking their own professional advice and after carrying out their own due diligence procedure to ensure that they are making an informed decision.

This presentation is not a prospectus, a statement in lieu of a prospectus, an offering circular, an advertisement or an offer document under the Companies Act, 2013, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, or any other applicable law in India.

This presentation is strictly confidential and may not be copied or disseminated, in whole or in part, and in any manner or for any purpose. No person is authorized to give any information or to make any representation not contained in or inconsistent with this presentation and if given or made, such information or representation must not be relied upon as having been authorized by any person. Failure to comply with this restriction may constitute a violation of the applicable securities laws. This presentation is not intended for distribution or publication in the United States. Neither this document nor any part or copy of it may be distributed, directly or indirectly, in the United States. The distribution of this presentation in certain jurisdictions may be restricted by law and persons in to whose possession this presentation comes should inform themselves about and observe any such restrictions. By reviewing this presentation, you agree to be bound by the foregoing limitations.

This presentation is not an offer to sell or a solicitation of any offer to buy the securities of the Bank in the United States or in any other jurisdiction where such offer or sale would be unlawful. Securities may not be offered, sold, resold, pledged, delivered, distributed or transferred, directly or indirectly, in to or within the United States absent registration under the Securities Act of 1933, as amended (the “Securities Act”) and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Bank’s securities have not been and will not be registered under the Securities Act.



Table of Contents

- Punjab & Sind Bank: Genesis & Key Milestones**
- Operational Highlights
- Asset Quality & Capital Adequacy
- Digital & Financial Inclusion Initiatives
- Experienced Management Team
- Growth Strategies
- Appendix



Punjab & Sind Bank - At A Glance

Business Overview

- Punjab & Sind Bank (P&SB) is a Gol undertaking, incorporated in June 1908 in Amritsar.
- In over 100 years of operation, it has significantly grown its presence with a focus on north India.
- P&SB's operations can be classified into:
 - Retail Banking
 - Corporate Banking
 - Priority Sector Banking
 - Treasury
 - International Banking

Network & Presence



1518
branches



8,999
Employees



1201
ATMs



11 mn+
Customers

Notable Awards & Accolades



Banking Technology, Conference, Expo & Awards 2019 - Runner Up in Best Financial Inclusion Initiatives amongst Small Banks by Indian Banks Association



Social Banking Excellence Awards from ASSOCHAM as the **Best Bank** under the “Priority Sector Lending other than Agriculture” and **Runner up** under the **Agricultural Banking Category for Small Class** at the 14th Annual Banking Social Banking Excellence Awards, 2018



MSME Banking Excellence Award in Micro Credit category: Chamber of Indian Micro Small & Medium Enterprises - July 2018



SKOCH Award for PMJDY performance: 51st SKOCH Summit - March 2018



Best Bank in “Agriculture Banking” and “Implementation of Government Schemes” under Small Bank category: ASSOCHAM 13th Annual Banking Summit-Social Banking Excellence Awards - 2017

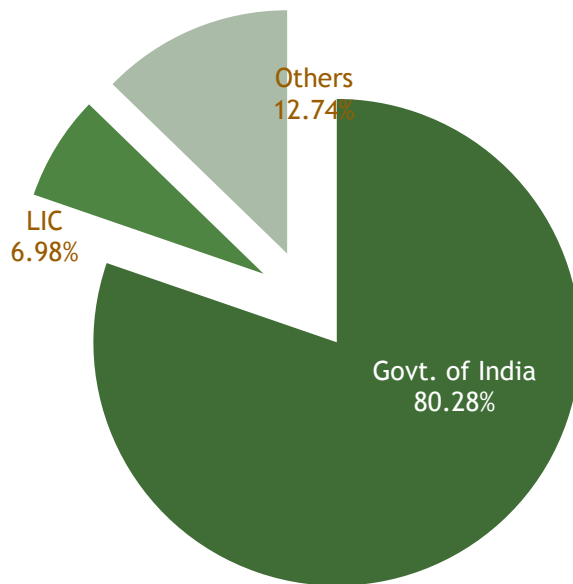


Banking Excellence Awards for outstanding performance for (1) Financial Inclusion through BC Model, and (2) Contribution to Micro Credit: Chamber of Indian Micro Small and Medium Enterprises (CIMSME) - April 2017



Punjab & Sind Bank - At A Glance

Shareholding Pattern (Jun 30, 2019)





Punjab & Sind Bank - Key Milestones

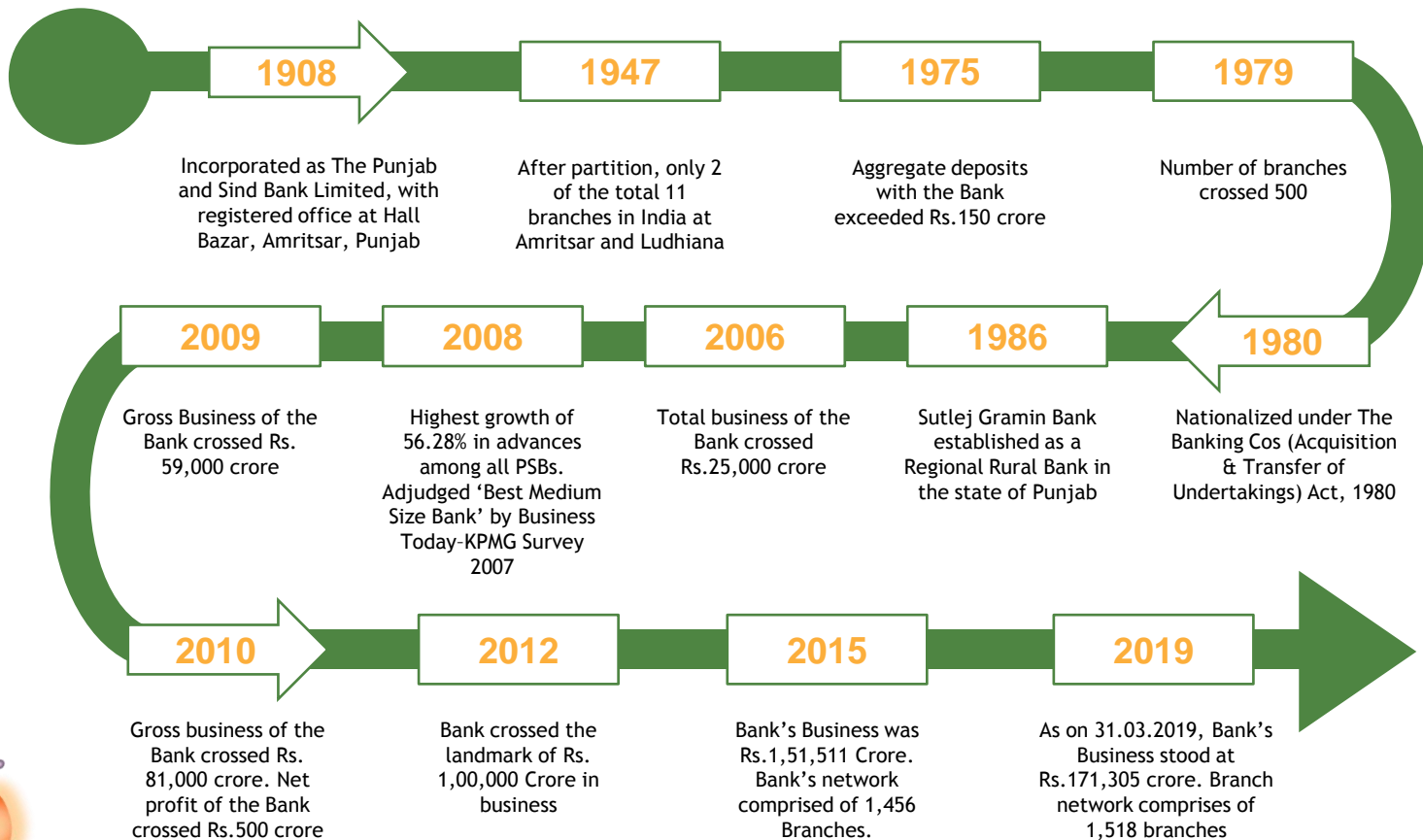




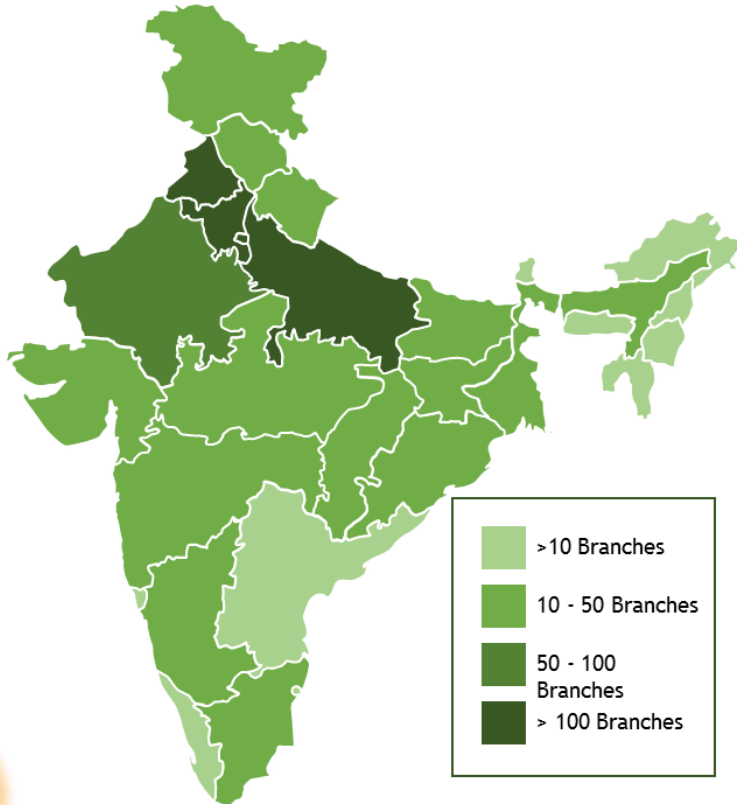
Table of Contents

- Punjab & Sind Bank: Genesis & Key Milestones
- **Operational Highlights**
- Asset Quality & Capital Adequacy
- Digital & Financial Inclusion Initiatives
- Experienced Management Team
- Growth Strategies
- Appendix



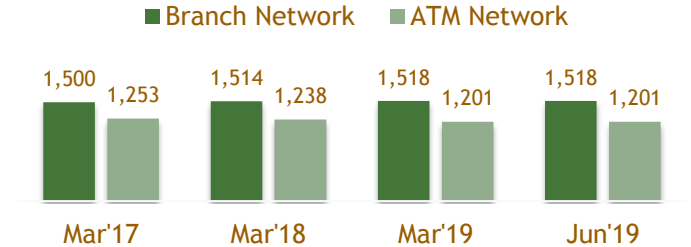
Widespread Network with Strong Rural Presence

Pan-India Network With Focus on North India



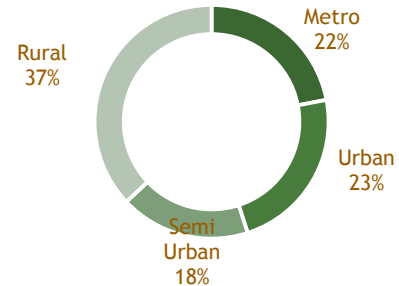
Widespread Distribution

Branch & ATM Network



55% of Branches in RUSU Regions

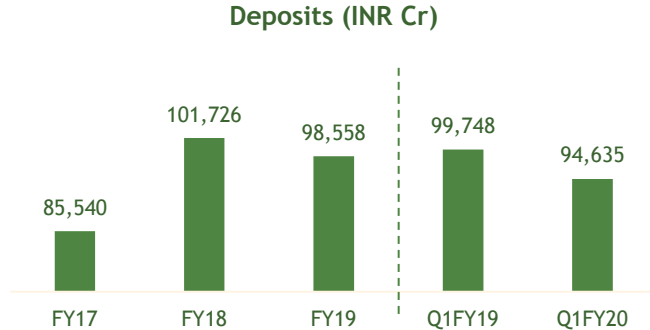
Branch Distribution By Urbanization





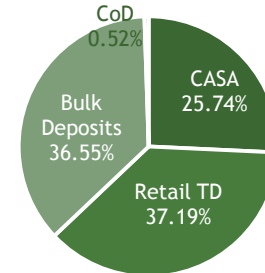
Strong Liability Franchise

Deposits Exhibited 7% CAGR



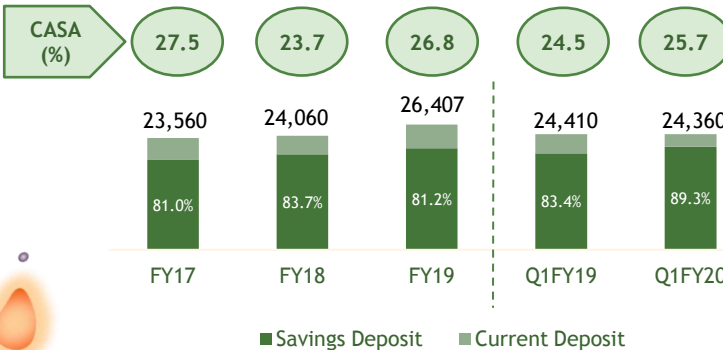
Retail Deposits Account For 60%+

Composition of Deposits - Jun'19



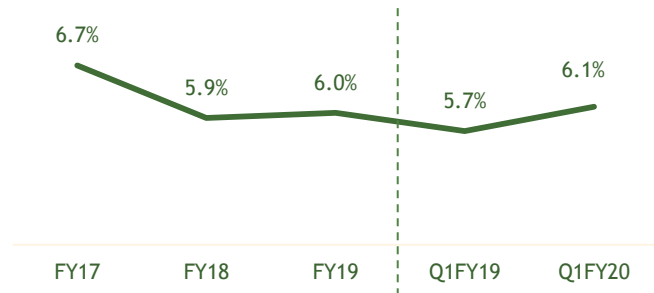
Steady Growth In CASA Deposits

CASA Deposits (INR Cr)



Cost of Deposits At 6% Levels

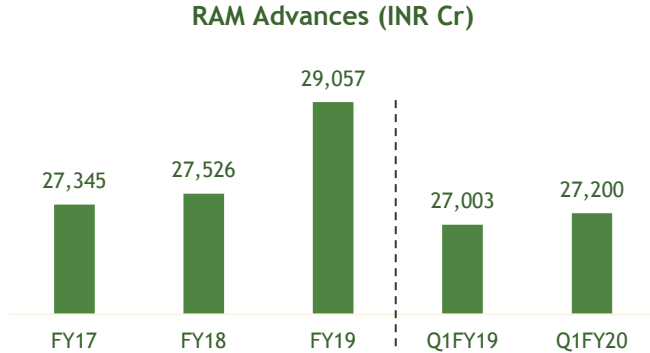
Cost of Deposit



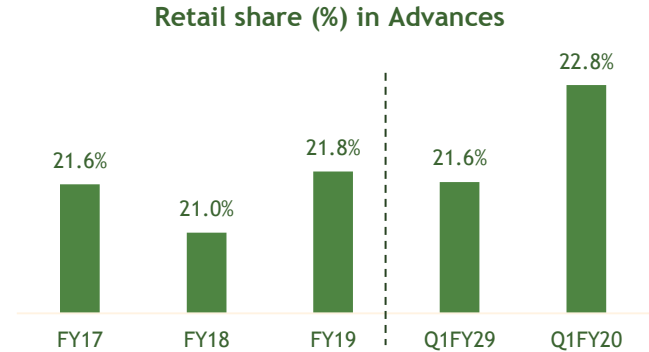


Focus on Retail Advances

RAM Advances Have Grown at 3% CAGR



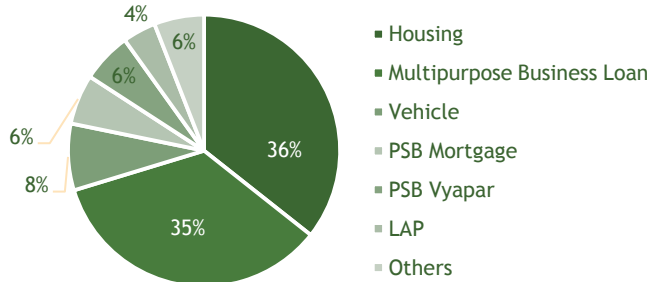
Consistent Increase In Share Of Retail Credit*



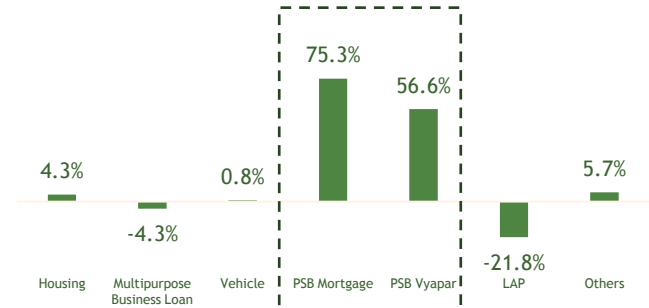
Housing & Business Loans Are Major Segments

Rapid Scale Up In Mortgage & Vyapar Loans

Composition of Retail Advances - Jun'19



Y-o-Y Growth Across Retail Segments (Jun'19)



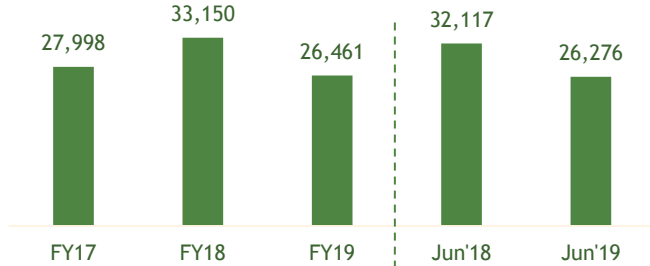
*Retail Credit includes all advances up to INR 5 crore, as per RBI directive



Robust Investment Book

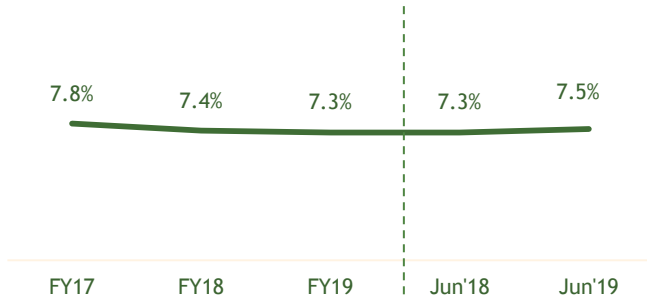
Investment Book Stands At 26,000+ Crore

Gross Investment (INR Cr)



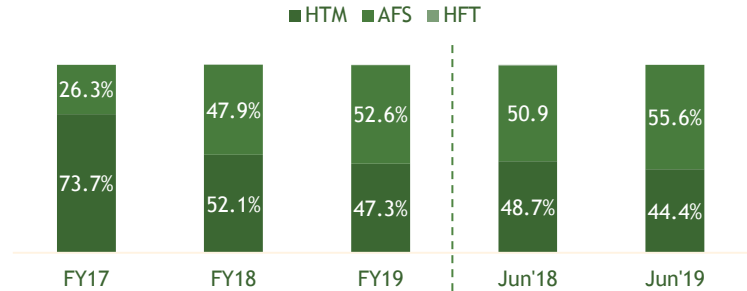
Yield From Investment At 8.7%

Average Yield on Investment



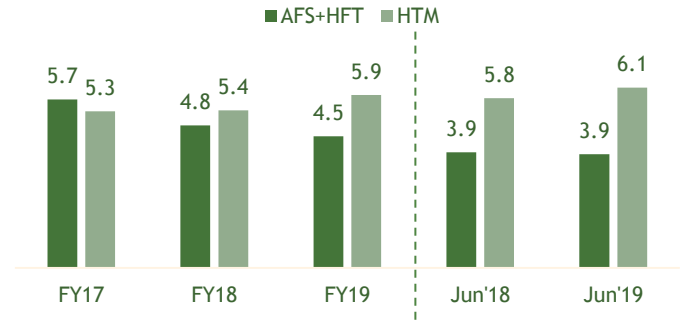
Across Long Term and Trading Investments

Investment Composition (%)



With Maturity of 6 Years For Long Term Holdings

Maturity Duration (Yrs)

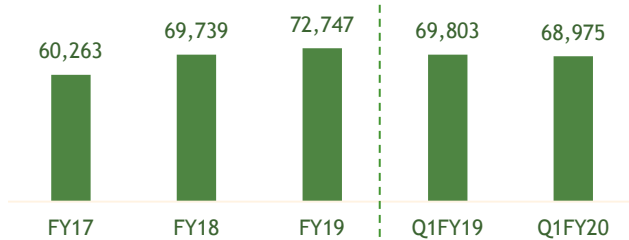




Diversified Credit Portfolio

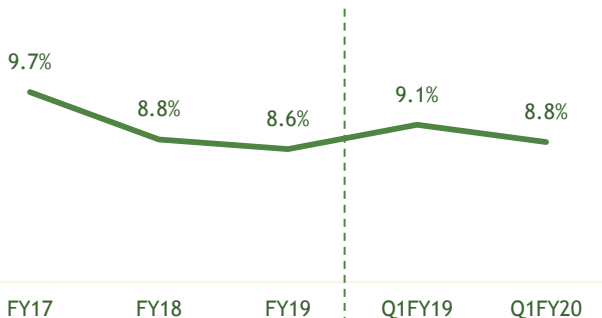
Advances Have Grown at ~10% CAGR

Gross Advances (INR Cr)



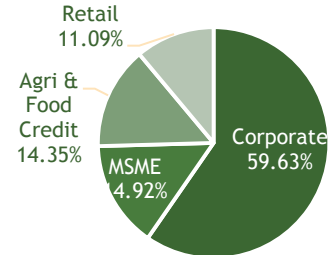
Yield on Advances At 8.8% for Q1FY20

Yield on Advances



Corporate Advances Comprise ~60% Of Portfolio

Composition of Advances - Jun'19

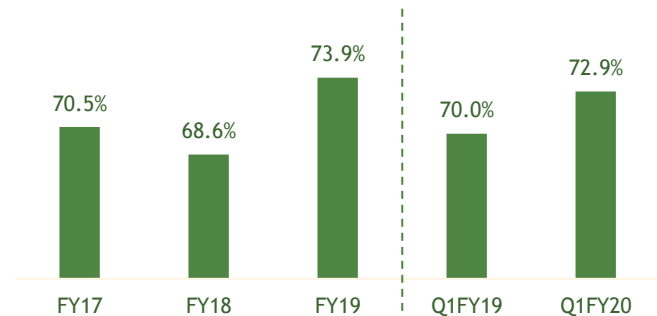


Major Industries

- Infrastructure - 22.22%
- Metals - 1.95%
- Textiles - 1.94%
- Food Processing - 1.42%

~300bps Y-o-Y Increase in CD Ratio

Credit - Deposit Ratio

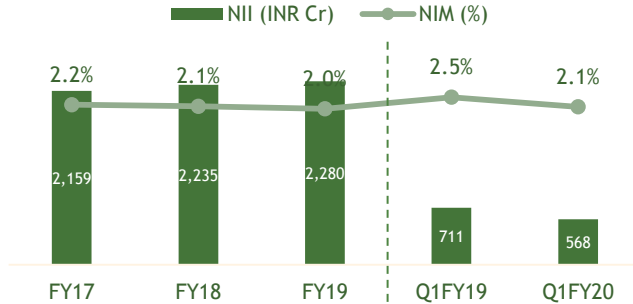




Financial & Operational Performance

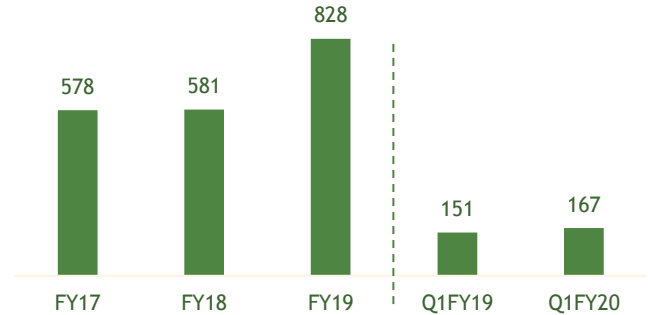
Net Interest Margins Stable At 2% Level

Net Interest Income & Margin



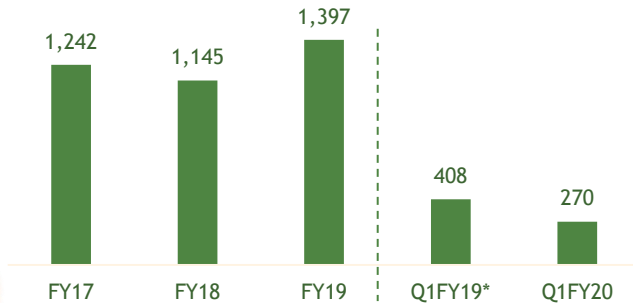
~20% CAGR In Non-Interest Income

Non-Interest Income (INR Cr)



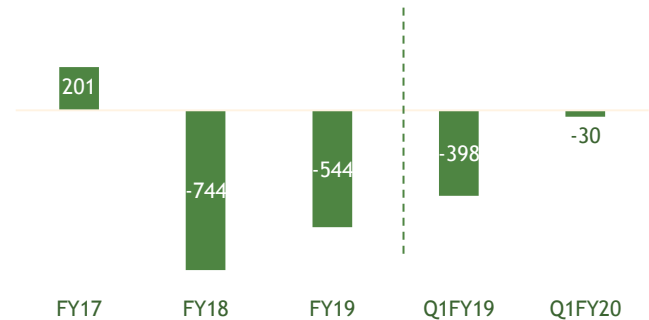
Consistently Maintaining Operating Profitability

Operating Profit (INR Cr)



While Contracting Net Losses

Net Profit (INR Cr)



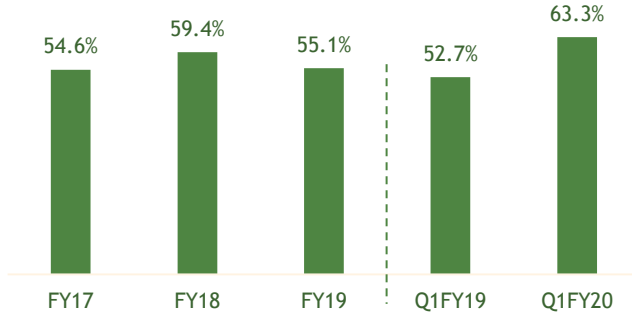
*Includes recovery of INR 143 crore from Bhushan Steel



Financial & Operational Performance

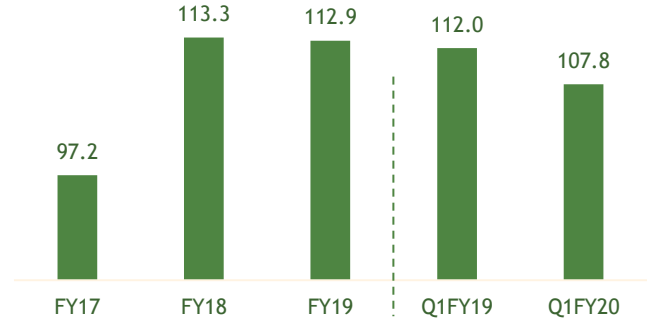
Cost to Income Ratio Stands at 63%

Cost to Income (%)



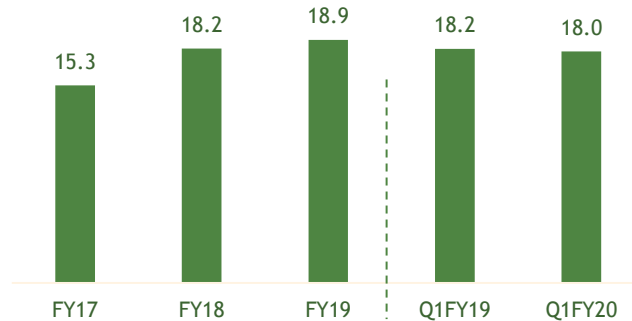
~8% CAGR In Business per Branch

Business per Branch (INR Cr)



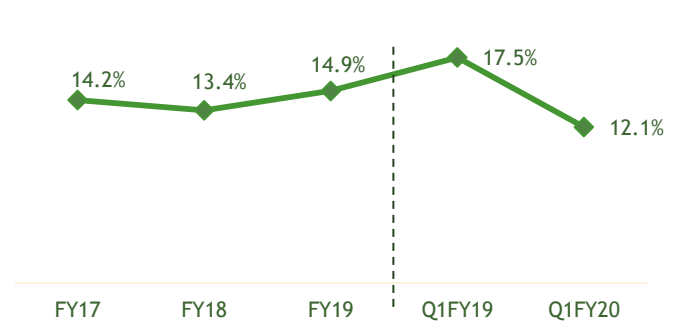
~11% CAGR In Business Per Employee

Business per Employee (INR Cr)



Operating Margin of 12% in Q1FY20

Operating Profit / Total Income





Key Operational Strategies

- Launched **Cen-MARG** for centralized processing of MSME & Retail credit proposals
 - Ensures qualitative improvement in credit appraisal/ sanctioning.
 - Maintain high standards of assets quality
 - Uniform Appraisal Standards & Documentation
 - Reduced credit sanction turnaround time (TAT).
 - Transparency & compliance.
 - Segregates sourcing of proposals and credit decisions.
 - Risk Mitigation through integrated software (LOS) and multilevel processing.
- Simplified NEFT/ RTGS form
- Introduction of Door Step Banking Services for Senior Citizens (70 yrs and above) and Differently abled Customers.
- Operation of locker through Password
- Introduction of two Annuity Deposit Schemes: “PSB Railway Accident Claims Annuity Deposit Scheme” and “PSB Motor Accident Claims Annuity Deposit Scheme”; to facilitate the disbursement of compensation amount to the victims/ claimants of Railway and Road accidents respectively



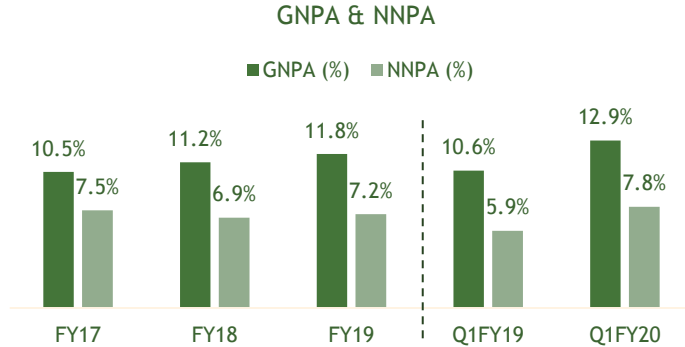
Table of Contents

- Punjab & Sind Bank: Genesis & Key Milestones
- Operational Highlights
- Asset Quality & Capital Adequacy**
- Digital & Financial Inclusion Initiatives
- Experienced Management Team
- Growth Strategies
- Appendix

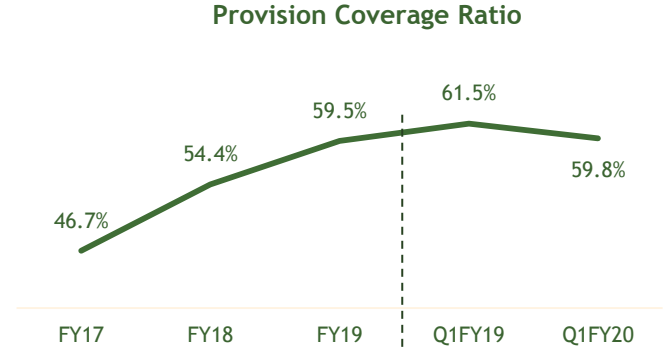


Asset Quality Metrics

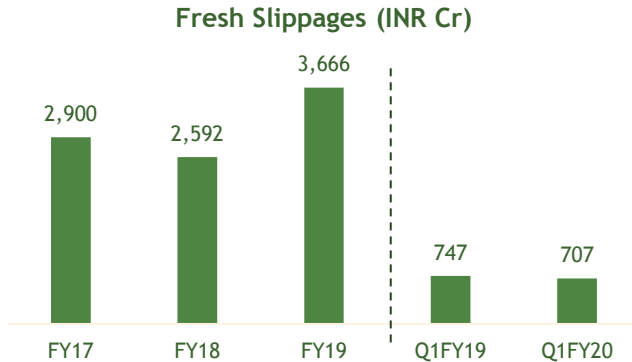
Net NPAs at 7.8%



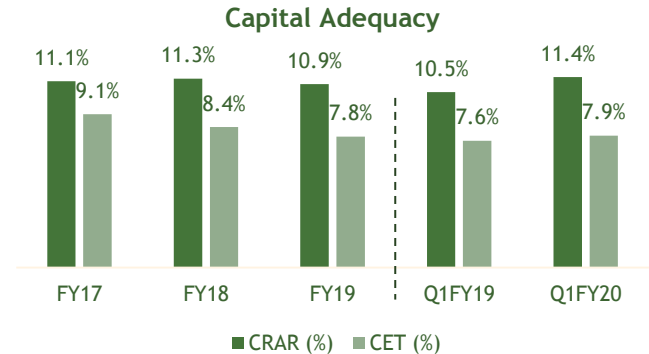
With ~60% Provision Coverage



Slippages Moderating in Q1FY20



With Improved Capital Adequacy

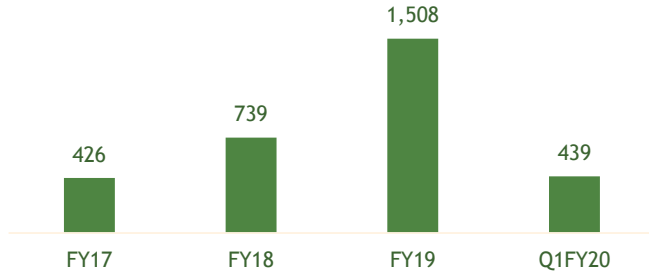




Increasing Recoveries, Moderating Stress

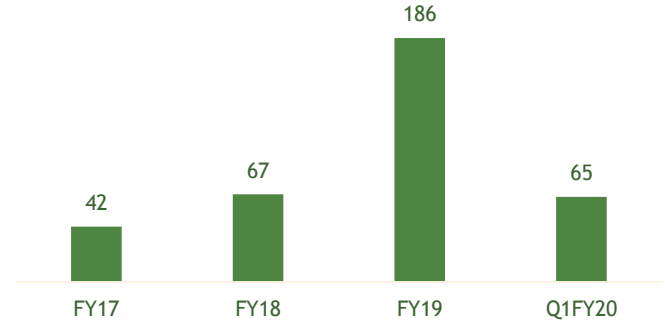
Increasing Recoveries from NPA Accounts

Cash Recoveries + Upgradation (INR Cr)



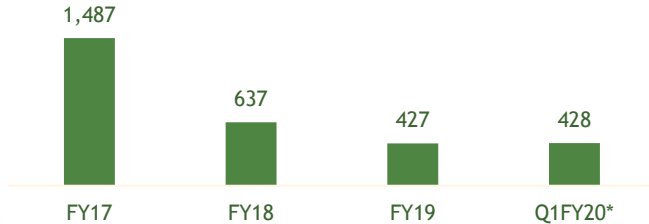
With Substantial Recovery In T.W.O Accounts

Recovery in T.W.O. A/Cs (INR Cr)



Restructured Accounts Steadily Declining

O/S Balance Restructured Accounts (INR Cr)



*Of which, INR 100 crore is NPA

With Fresh / Incremental Facilities Moderating

Fresh & Additional/Incremental Facilities (INR Cr)

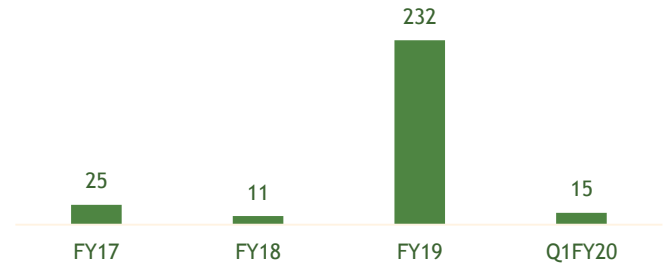




Table of Contents

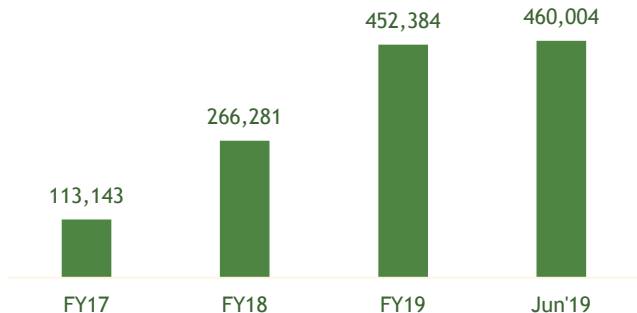
- Punjab & Sind Bank: Genesis & Key Milestones
- Operational Highlights
- Asset Quality & Capital Adequacy
- Digital & Financial Inclusion Initiatives**
- Experienced Management Team
- Growth Strategies
- Appendix



Focus on Alternate Delivery Channels

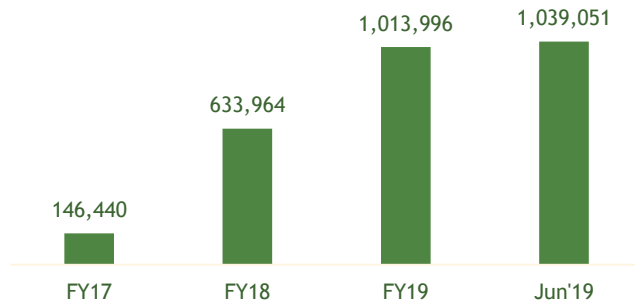
Internet Banking Users Have Grown At ~100% CAGR

Internet Banking Users



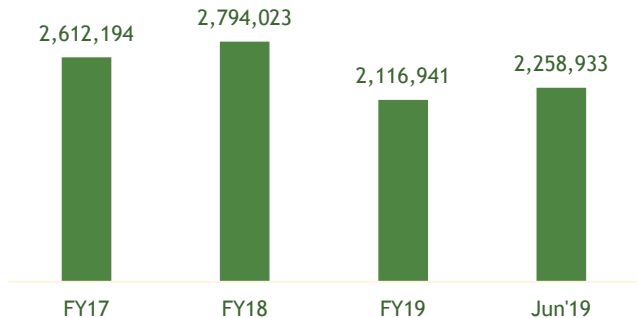
Mobile Banking Users Have Grown At 160%+ CAGR

Mobile Banking Users



Strong Network of 2.3 Mn Debit Cards

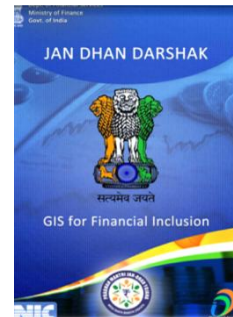
Debit Cards



Key Digital Offerings



BHARAT BILLPAY





Key Digital Strategies

- Launch of a common Omni Channel Application comprising Internet Banking, Mobile Banking, IMPS and UPI facility
- Reduction in TAT for Card dispute resolution under NPCI/MasterCard
- Increase in daily POS limit in Debit card as per customer segment
- Immediate activation of Non-Personalized Debit Card through Finacle, by integration of DCMS (Debit Card Management System) with Bank's CBS
- Loyalty point program to benefit debit card holders
- Proposed ATM Switch providing additional features, including:
 - Temporary Blocking of Card,
 - Setting Transaction Limit/Restriction for both International and Domestic Transactions,
 - POS Transaction Limit,
 - e-Commerce restriction Limit,
 - ATM Transaction Limit.
- Advertisement of PSB digital product on social media platforms like Facebook, Twitter, YouTube etc.
- Awareness campaign to promote digital transactions
- Rural and semi urban coverage be improved by specific digital products and targeted marketing strategies
- Customer Awareness programs for offers provided on Rupay/ Master Cards.
- Digital Banking desk at branches for guidelines, awareness, and assistance in use of digital products
- ➤ Decrease charges related to merchant on-boarding



Steady Strides in Financial Inclusion

Progress Under Financial Inclusion Schemes



Pradhan Mantri
Jan Dhan
Yojana (PMJDY)

13.15 lk
Accounts Opened

INR 680 Cr
Deposits

INR 5,170
Avg Deposit / Account



Pradhan Mantri
Mudra Yojana
(PMMY)*

INR 3.9 Cr
Sanctioned under
Shishu (<50k)
Category

INR 70.5 Cr
Sanctioned under
Kishor (<50k-5lk)
Category

INR 84.2 Cr
Sanctioned under
Tarun(>5lk-10lk)
Category

Pradhan Mantri
Suraksha Bima
Yojana

10.6 Lakh
Persons enrolled

Pradhan Mantri
Jeevan Jyoti
Bima Yojana

2.3 Lakh
Persons enrolled

Atal Pension
Yojana

1.6 Lakh
Persons enrolled



Table of Contents

○	Punjab & Sind Bank: Genesis & Key Milestones
○	Operational Highlights
○	Asset Quality & Capital Adequacy
○	Digital & Financial Inclusion Initiatives
○	Experienced Management Team
○	Growth Strategies
○	Appendix



Experienced Management Team



S Harisankar
MD & CEO

Shri S. Harisankar has joined as MD and CEO of the Bank in Sept 2018.

He has 30+ years of experience and worked in almost all key segments of banking in various capacities at Branches, Administrative Offices & Controlling Offices of State Bank of Travancore.

In his long stint in banking career, in the capacity of General Manager he handled many important portfolios like IT, BPR, New Business Initiatives and Operations, etc.

He became Chief General Manager in May 2016 and was deputed to State Bank of Bikaner & Jaipur, heading Retail Banking. He was appointed as Executive Director of Allahabad Bank in February 2017.

A graduate in Agriculture Sciences, he has also undergone many prestigious training programs at IIM Kozhikode, ASCI, Hyderabad, etc.



Fareed Ahmed
Executive Director

Shri Fareed Ahmed joined the Bank as Executive Director in Feb 2017

He has worked in various places and capacities in key segments of banking at branches, Zonal Offices, Circle Offices and Corporate Office of Corporation Bank.

He has handled large branches in Delhi, Hyderabad and Kolkata and headed Vijaywada and Jaipur zones and Bangalore (Karnataka) and Gujarat circles.

He has established himself as a practical banker known for his quick decisions.

He holds a Masters Degree in Agricultural Economics. He is a Certified Associate of Indian Institute of Banking, among other qualifications.



Govind N Dongre
Executive Director

Shri Govind N. Dongre joined the Bank as Executive Director in Oct 2017.

He is an M.Sc in Horticulture and a Certified Associate of Indian Institute of Bankers. In his banking career of more than three decades, he had held several distinguished positions in the Bank's hierarchy.

He has served as Regional Head of Bangalore (North) region, besides heading Vishveshvaraya Grameena Bank, sponsored by Vijaya Bank, as its Chairman.

He has also worked as General Manager in Corporate Office of Vijaya Bank as head of various verticals such as Retail Credit, Credit (MSME) and Financial Inclusion.



Harvinder Sachdev
CFO, General Manager

Mrs. Harvinder Sachdev, GM (Accounts) joined Punjab & Sind Bank in 1983.

She has rich experience of more than 35 years across various functions like Information Technology, Financial Inclusion, Alternate Delivery Channel, Risk Management, Marketing and Insurance, Govt Business, Foreign Exchange and Investment.

Prior to working with the Bank, she was with Citi Bank.

She has done B.Sc., M.A. from Delhi University and MBA(Finance) from IGNOU and holds a certificate of CAIB conducted by IIBF.



Table of Contents

○	Punjab & Sind Bank: Genesis & Key Milestones
○	Operational Highlights
○	Asset Quality & Capital Adequacy
○	Digital & Financial Inclusion Initiatives
○	Experienced Management Team
○	Growth Strategies
○	Appendix



Key Business Strategies Going Forward

- Increase customer penetration through expansion of branch and ATM network and strengthening alternate delivery channels
- Increase focus on improving asset quality and containing NPA levels by building effective risk management systems
- Focus on improving CASA deposits and expand retail banking operations
- Expand customer outreach through continuous technology upgradation
- Focus on improving fee based income and other income
- Attract young talented professionals and retain experienced employees



Table of Contents

○	Punjab & Sind Bank: Genesis & Key Milestones
○	Operational Highlights
○	Asset Quality & Capital Adequacy
○	Digital & Financial Inclusion Initiatives
○	Experienced Management Team
○	Growth Strategies
○	Appendix



Summary Financials - Balance Sheet

In INR Cr

Balance Sheet	FY17	FY18	FY19	Q1FY19	Q1FY20
Cash And Balances With Reserve Bank Of India	4,364.68	6,256.38	4,941.08	4,352.21	4,366.95
Balances With Banks And Money At Call And Short Notice	225.10	876.31	1,677.14	797.98	1,837.15
Investments	27,948.50	32,981.76	26,172.93	31,873.75	25,892.65
Advances	58,334.53	66,569.44	69,175.53	66,405.58	65,194.54
Fixed Assets	1,095.43	1,082.60	1,230.39	1,073.57	1,243.41
Other Assets	4,675.20	5,992.74	5,784.98	6,417.54	6,205.56
Total Assets	96,643.44	113,759.24	108,982.05	110,920.63	104,740.26
Capital	400.41	564.91	564.91	564.91	602.06
Reserves And Surplus	5,742.06	5,617.77	5,136.49	5,219.75	5,168.86
Deposits	85,540.16	101,726.17	98,557.61	99,747.55	94,634.72
Borrowings	2,958.44	3,682.98	2,714.00	3,432.83	2,376.30
Other Liabilities And Provisions	2,002.37	2,167.41	2,009.04	1,955.59	1,958.32
Total Liabilities	96,643.44	113,759.24	108,982.05	110,920.63	104,740.26



Summary Financials - Profit & Loss

In INR Cr

Profit and Loss	FY17	FY18	FY19	Q1FY19	Q1FY20
Interest Earned	8,172.87	7,948.75	8,558.67	2,184.79	2,070.94
Interest Expended	6,013.54	5,713.56	6,278.97	1,474.06	1,503.35
Net Interest Income	2,159.33	2,235.19	2,279.70	710.73	567.59
Other Income	578.10	581.20	828.28	151.25	166.97
Operating Income	2,737.43	2,816.39	3,107.98	861.98	734.56
Operating Expenses	1,495.55	1,671.68	1,711.12	453.84	465.02
Operating Profit	1,241.88	1,144.71	1,396.86	408.14	269.54
Provisions for NPA	1,106.00	1,722.43	1,962.25	795.38	211.13
Net Profit after Tax	201.08	(743.80)	(543.48)	(398.02)	(30.28)

Key Ratios	FY17	FY18	FY19	Q1FY19	Q1FY20
EPS - Basic (INR) (Not Annualized)	5.02	(18.49)	(9.62)	(7.05)	(0.53)
EPS - Diluted (INR) (Not Annualized)	5.02	(18.49)	(9.62)	(7.05)	(0.53)
Return on Average Assets (%) (Annualized)	0.20%	(0.69%)	(0.47%)	(1.40%)	(0.11%)
CRAR (%)	11.05%	11.25%	10.93%	10.46%	11.35%
Tier I Capital	9.14%	9.85%	9.50%	9.08%	9.58%
Tier II Capital	1.91%	1.40%	1.43%	1.38%	1.77%



Thank You !