

## Punjab National Bank

### Performance Highlights

Particulars (₹ cr)	1QFY16	4QFY15	% chg (qoq)	1QFY15	% chg (yoy)
NII	4,102	3,792	8.2	4,380	(6.3)
Pre-prov. profit	3,132	3,203	(2.2)	3,125	0.2
<b>PAT</b>	<b>721</b>	<b>307</b>	<b>135.1</b>	<b>1,405</b>	<b>(48.7)</b>

Source: Company, Angel Research

Punjab National Bank (PNB) reported a mixed set of numbers for 1QFY2016 with subdued operating performance, while its asset quality improved marginally.

#### Loan growth remains modest; NIM improves qoq

During 1QFY2016, advances and deposits grew by 9.6% and 16.4% yoy, respectively, with the CD ratio at 73.6%. Domestic advances grew at a sluggish pace at 6.7% yoy, while international advances grew at a healthy pace by 31.4% yoy. As a result, the share of international advances went up to 14.1% as against 11.8% in 1QFY2015. In domestic advances, the retail loan book grew by 25.3% yoy, aided by 26.6% yoy growth in housing. Industry loans grew by 9% yoy as the bank was cautious to lend to the large industry segment. CASA deposits grew by 10.9% yoy with Current deposits growing by 18% yoy. The Domestic CASA ratio declined by 92bp qoq to 38.9%, due to higher growth in term deposits. The NIM improved by 11bp qoq to 2.9%, due to lower cost of funds. Other income (excl. treasury) grew at 13.9% yoy with traction in recovery from written off accounts. Operating expense was down 4.9% due to change in discount rate and completion of second pension liability provision in FY2015.

Asset quality improved marginally as the Gross NPA ratio decreased by 8bp to 6.47% after 5 consecutive quarters of uptick, while the Net NPA was flat on a sequential basis. The bank reported significant decline in slippages on a qoq basis to ₹3,382cr (annualized slippage ratio stood at 8.5%) as compared to ₹7,424cr in 4QFY2015. Out of the total slippages, fresh slippage for the quarter was to the tune of ₹2,802cr, while slippage from restructured book was ₹536cr. Fresh restructuring during the quarter was lower at ₹676cr spread across 22 accounts. The outstanding restructured book stood at ₹39,969cr, 10.5% of the loan book. The Management has identified assets worth ₹2,500-3,000cr to be sold to ARCs in the current fiscal as compared to ₹75cr in FY2015. PNB has approved 5/25 scheme for 6 accounts of ₹2,600cr and has a pipeline of ₹10,000-11,000cr of 20-25 accounts.

**Outlook and valuation:** PNB has witnessed marginal improvement in asset quality after severe asset quality pain over the several quarters. The bank's Management, now expects asset quality pressure to ease from here on. However, we remain watchful on incremental asset quality pressures for the bank, in the near term. At the current market price, the stock trades at 0.7x FY2017E ABV. **We recommend a Neutral rating on the stock.**

#### Key financials

Y/E March (₹ cr)	FY2014	FY2015	FY2016E	FY2017E
NII	16,146	16,556	17,245	19,959
% chg	8.7	2.5	4.2	15.7
Net profit	3,343	3,061	3,301	5,091
% chg	(29.6)	(8.4)	7.8	54.2
NIM (%)	3.2	2.9	2.8	2.9
EPS (₹)	18.5	16.5	17.8	27.5
P/E (x)	8.3	9.3	8.6	5.6
P/ABV (x)	0.9	0.9	0.8	0.7
RoA (%)	0.6	0.5	0.5	0.7
RoE (%)	10.2	8.5	8.5	12.1

Source: Company, Angel Research; Note: CMP as of August 13, 2015

Please refer to important disclosures at the end of this report

## NEUTRAL

CMP	₹153
Target Price	-

Investment Period	-
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#### Stock Info

Sector	Banking
Market Cap (₹ cr)	28,347
Beta	1.3
52 Week High / Low	232/130
Avg. Daily Volume	6,34,247
Face Value (₹)	2
BSE Sensex	27,550
Nifty	8,356
Reuters Code	PNBK.NS
Bloomberg Code	PNB@IN

#### Shareholding Pattern (%)

Promoters	59.9
MF / Banks / Indian Fls	19.6
FII / NRIs / OCBs	15.0
Indian Public / Others	5.6

Abs. (%)	3m	1yr	3yr
Sensex	1.1	6.3	56.2
PNB	5.2	(15.8)	6.0

#### 3-year price chart



Source: Company, Angel Research

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**Exhibit 1: 1QFY2016 performance**

Particulars (₹ cr)	1QFY16	4QFY15	% chg (qoq)	1QFY15	% chg (yoy)	FY2015	FY2014	% chg
<b>Interest earned</b>	<b>12,035</b>	<b>11,651</b>	<b>3.3</b>	<b>11,589</b>	<b>3.8</b>	<b>46,315</b>	<b>43,223</b>	<b>7.2</b>
- on Advances / Bills	8,908	8,569	4.0	8,836	0.8	34,794	32,393	7.4
- on investments	2,906	2,781	4.5	2,599	11.8	10,600	10,266	3.3
- on balance with RBI & others	169	191	(11.4)	93	82.8	632	362	74.5
- on others	52	110	(53.1)	62	(16.5)	289	202	42.9
<b>Interest Expended</b>	<b>7,932</b>	<b>7,859</b>	<b>0.9</b>	<b>7,209</b>	<b>10.0</b>	<b>29,760</b>	<b>27,077</b>	<b>9.9</b>
<b>Net Interest Income</b>	<b>4,102</b>	<b>3,792</b>	<b>8.2</b>	<b>4,380</b>	<b>(6.3)</b>	<b>16,556</b>	<b>16,146</b>	<b>2.5</b>
<b>Other income</b>	<b>1,397</b>	<b>1,805</b>	<b>(22.6)</b>	<b>1,236</b>	<b>13.0</b>	<b>5,891</b>	<b>4,577</b>	<b>28.7</b>
Other income excl. treasury	1,159	1,184	(2.1)	1,017	13.9	4,529	3,843	17.9
- Fee Income	721	617	17	735	(1.9)	2,526	2,380	6.1
- Treasury Income incl. MF Div.	238	621	(61.7)	219	8.7	1,362	734	85.6
- Recov. from written off a/cs	217	335	(35.2)	91	138.5	1,018	514	98.1
- Others	221	232	(4.6)	191	15.6	985	949	3.8
<b>Operating income</b>	<b>5,500</b>	<b>5,597</b>	<b>(1.7)</b>	<b>5,616</b>	<b>(2.1)</b>	<b>22,446</b>	<b>20,723</b>	<b>8.3</b>
<b>Operating expenses</b>	<b>2,368</b>	<b>2,394</b>	<b>(1.1)</b>	<b>2,491</b>	<b>(4.9)</b>	<b>10,492</b>	<b>9,338</b>	<b>12.4</b>
- Employee expenses	1,550	1,507	2.8	1,767	(12.3)	7,337	6,510	12.7
- Other Opex	818	887	(7.8)	723	13.1	3,155	2,828	11.6
<b>Pre-provision Profit</b>	<b>3,132</b>	<b>3,203</b>	<b>(2.2)</b>	<b>3,125</b>	<b>0.2</b>	<b>11,955</b>	<b>11,384</b>	<b>5.0</b>
<b>Provisions &amp; contingencies</b>	<b>1,811</b>	<b>3,834</b>	<b>(52.8)</b>	<b>928</b>	<b>95.3</b>	<b>7,998</b>	<b>6,694</b>	<b>19.5</b>
- Provisions for NPAs	1,291	3,281	(60.7)	1,336	(3.4)	7,978	4,518	76.6
- Other Provisions	520	553	(5.9)	(408)	(227.4)	20	1,394	(98.6)
<b>PBT</b>	<b>1,321</b>	<b>(632)</b>	<b>(309.1)</b>	<b>2,198</b>	<b>(39.9)</b>	<b>3,957</b>	<b>4,691</b>	<b>(15.6)</b>
Provision for Tax	600	(938)	(164.0)	793	(24.3)	896	1,348	(33.6)
<b>PAT</b>	<b>721</b>	<b>307</b>	<b>135.1</b>	<b>1,405</b>	<b>(48.7)</b>	<b>3,062</b>	<b>3,343</b>	<b>(8.4)</b>
Effective Tax Rate (%)	45.4	148.5	(10311)bp	36.1	937bp	22.6	28.7	(610)bp

Source: Company, Angel Research

**Exhibit 2: 1QFY2016 performance analysis**

Particulars	1QFY16	4QFY15	% chg (qoq)	1QFY15	% chg (yoy)
Advances (₹ cr)	3,80,880	3,80,534	0.1	3,47,485	9.6
Deposits (₹ cr)	5,17,733	5,01,379	3.3	4,44,920	16.4
Credit-to-Deposit Ratio (%)	73.6	75.9	(233)bp	78.1	(453)bp
Current deposits (₹ cr)	31,938	33,581	(4.9)	27,057	18.0
Saving deposits (₹ cr)	1,49,555	1,50,200	(0.4)	1,36,586	9.5
CASA deposits (₹ cr)	1,81,493	1,83,781	(1.2)	1,63,643	10.9
Reported CASA ratio (%)	38.9	40.6	(163)bp	39.9	(96)bp
CAR (%)	12.1	12.2	(13)bp	11.5	56bp
Tier 1 CAR (%)	9.2	9.3	(12)bp	8.8	36bp
<b>Profitability Ratios (%)</b>					
Cost of deposits	5.99	6.0	(5)bp	6.1	(12)bp
Yield on advances	9.56	9.51	5bp	10.3	(72)bp
Yield on investments	7.9	7.9	1bp	8.0	(3)bp
Yield on funds	7.69	7.73	(4)bp	8.3	(57)bp
Cost of funds	5.1	5.2	(15)bp	5.1	(7)bp
Reported NIM	2.90	2.8	11bp	3.4	(52)bp
Cost-to-income ratio	43.1	42.8	28bp	44.4	(130)bp
<b>Asset quality</b>					
Gross NPAs (₹ cr)	25,397	25,695	(1.2)	19,606	29.5
Gross NPAs (%)	6.47	6.55	(8)bp	5.5	99bp
Net NPAs (₹ cr)	15,394	15,397	(0.0)	10,464	47.1
Net NPAs (%)	4.05	4.1	(1)bp	3.0	103bp
Provision Coverage Ratio (%)	59.3	58.2	111bp	60.0	(68)bp
Slippage ratio (%)	3.6	8.5	(495)bp	3.4	17bp
Credit cost (%)	0.9	2.3	(142)bp	1.0	(14)bp

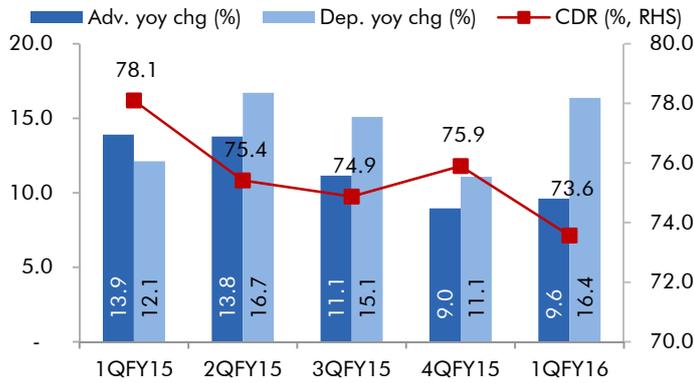
Source: Company, Angel Research

**Loan book grows at modest pace**

During 1QFY2016, advances and deposits grew by 9.6% and 16.4% yoy, respectively, with the CD ratio at 73.6%. Domestic advances grew at a sluggish pace at 6.7% yoy, while international advances grew at a healthy pace by 31.4% yoy. As a result, the share of international advances went up to 14.1% as against 11.8% in 1QFY2015. In domestic advances, the retail loan book grew by 25.3% yoy, aided by 26.6% yoy growth in housing. Industry loans grew by 9% yoy as the bank was cautious to lend to the large industry segment. The Management has guided that loan book will grow in line with industry growth.

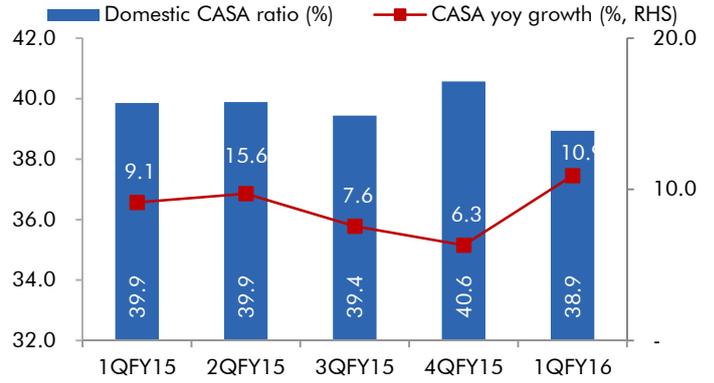
On the liabilities front, CASA deposits grew by 10.9% yoy with Current deposits growing by 18% yoy. Domestic CASA ratio declined by 92bp qoq to 38.9%, due to higher growth in term deposits. The bank's differential rate deposits dipped sharply by 48.7% yoy and its share to total deposits now stands at 1.2%.

**Exhibit 3: Business growth moderates**



Source: Company, Angel Research

**Exhibit 4: CASA ratio lower qoq and yoy**

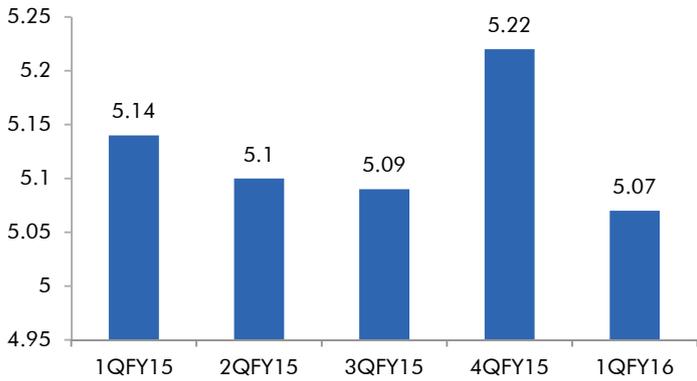


Source: Company, Angel Research

**NIM improves by 11 bp qoq**

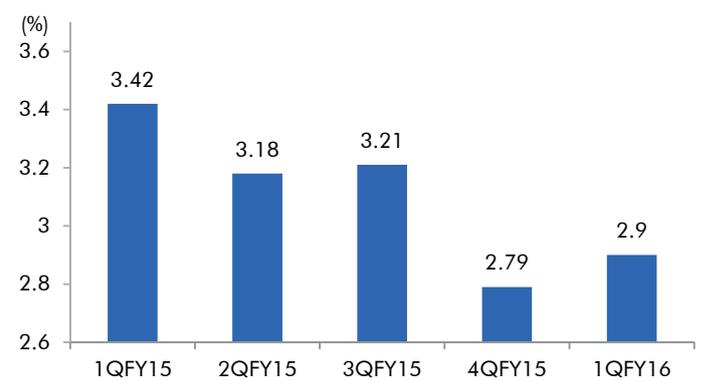
The bank's cost of funds increased sequentially by 15bp to 5.1% for the quarter while yield on advances improved by 5bp qoq to 9.56% with higher growth in retail loan book. The reported NIM for the bank increased by 11bp qoq to 2.9%.

**Exhibit 5: Cost of funds down by 15bp qoq**



Source: Company, Angel Research

**Exhibit 6: NIM increases by 11 bp qoq to 2.9%**



Source: Company, Angel Research

**Non-interest income (excluding treasury) grows at steady pace**

During 1QFY2016, the non-interest income (excl. treasury) grew by 13.9% yoy on back of higher recoveries from written off accounts. Recoveries went up by 138.5% yoy to ₹217cr, whereas treasury income grew to ₹238cr as compared to ₹219cr in 1QFY2015. Overall the other income for the bank grew by 13% yoy to ₹1,397cr.

**Exhibit 7: Recoveries aid non-interest income performance**

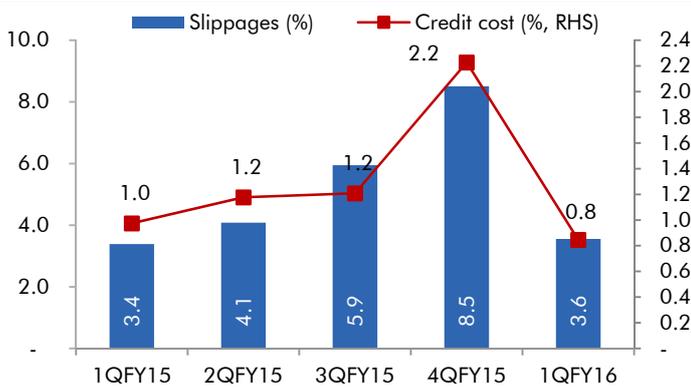
Particulars (₹ cr)	1QFY16	4QFY15	% chg (qoq)	1QFY15	% chg (yoy)
CEB	721	617	16.9	735	(1.9)
Treasury incl. MF Dividend	238	621	(61.7)	219	8.7
Forex	94	98	(4.1)	97	(3.1)
Recoveries	217	335	(35.2)	91	138.5
Others	127	134	(5.0)	94	34.9
<b>Other income</b>	<b>1,397</b>	<b>1,805</b>	<b>(22.6)</b>	<b>1,236</b>	<b>13.0</b>
Other income excl. treasury	1,159	1,184	(2.1)	1,017	13.9

Source: Company, Angel Research

**Asset quality improves marginally**

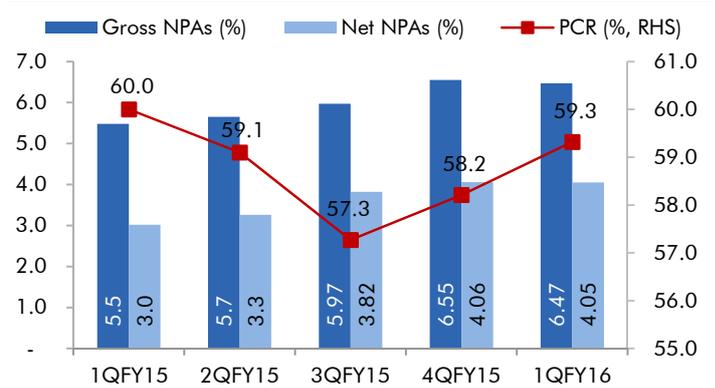
Asset quality improved marginally as the Gross NPA ratio decreased by 8bp qoq to 6.47% after 5 consecutive quarters of uptick, while the Net NPA ratio was flat on a sequential basis. The bank reported significant decline in slippages qoq to ₹3,382cr (annualized slippage ratio stood at 8.5%) as compared to ₹7,424cr in 4QFY2015. Out of the total slippages, fresh slippage for the quarter was to the tune of ₹2,802cr, while slippage from restructured book was ₹536cr. Fresh restructuring during the quarter was lower at ₹676cr spread across 22 accounts. The outstanding restructured book stands at ₹39,969cr, 10.5% of the loan book. The Management has identified assets worth ₹2,500-3,000cr to be sold to ARCs in the current fiscal as compared to ₹75cr in FY2015. PNB has approved 5/25 scheme for 6 accounts of ₹2,600cr and has a pipeline of ₹10,000-11,000cr of 20-25 accounts.

**Exhibit 8: Slippages ratio falls sharply qoq**



Source: Company, Angel Research

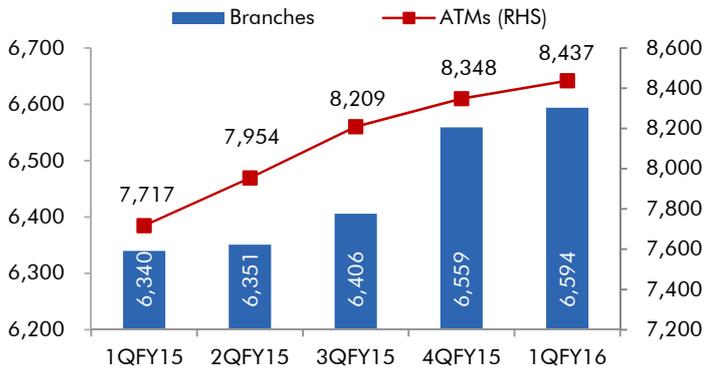
**Exhibit 9: ...resulting in lower Gross NPA ratio qoq**



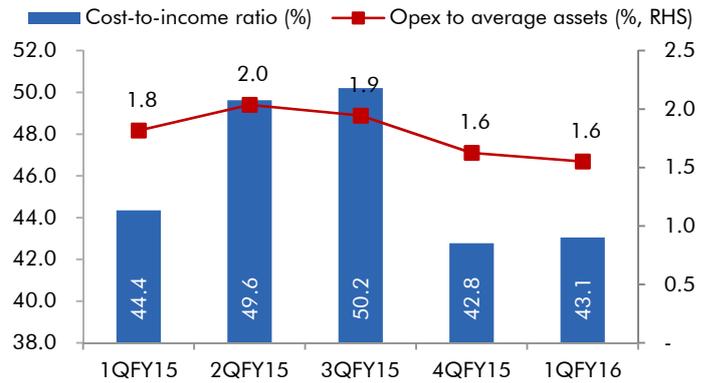
Source: Company, Angel Research;

**Cost-to-income ratio decreases on account of lower other expenses**

Operating expense was down 4.9% yoy due to change in discount rate and completion of second pension liability provision in FY2015. A lower opex and an improvement in NIM enabled the bank to reduce cost/income ratio by 130bp yoy to 43%.

**Exhibit 10: Steady branch expansion continues**


Source: Company, Angel Research

**Exhibit 11: Cost to income ratio decreases yoy**


Source: Company, Angel Research

## Outlook and valuation

PNB has witnessed marginal improvement in asset quality after severe asset quality pain over the past several quarters. The bank's Management now expects the asset quality pressures to ease from here on. However, we remain watchful on incremental asset quality pressures for the bank, in the near term. At the current market price, the stock trades at 0.7x FY2017E ABV. **We recommend a Neutral rating on the stock.**

**Exhibit 12: Recommendation summary**

Company	Reco.	CMP (₹)	Tgt. Price (₹)	Upside (%)	FY2017E P/ABV (x)	FY2017E Tgt. P/ABV (x)	FY2017E P/E (x)	FY15-17E EPS CAGR (%)	FY2017E RoA (%)	FY2017E RoE (%)
HDFCBk	Buy	1,076	1,255	16.6	3.2	3.8	17.2	24.1	2.0	20.2
ICICIBk*	Buy	292	370	26.7	1.9	2.2	11.2	16.9	1.6	15.6
YesBk	Buy	764	953	24.8	2.0	2.5	11.0	20.3	1.5	19.6
AxisBk	Buy	567	701	23.8	2.3	2.8	12.2	22.3	1.8	20.0
SBI*	Buy	259	307	18.2	1.2	1.3	10.3	19.6	0.7	13.1
FedBk	Neutral	65	-	-	1.2	1.2	9.7	6.7	1.1	12.7
SIB	Neutral	23	-	-	0.8	0.8	6.3	26.5	0.7	12.5
BOB	Neutral	177	-	-	0.9	0.9	7.2	26.6	0.6	12.1
<b>PNB</b>	<b>Neutral</b>	<b>153</b>	<b>-</b>	<b>-</b>	<b>0.7</b>	<b>0.7</b>	<b>5.6</b>	<b>29.0</b>	<b>0.7</b>	<b>12.1</b>
BOI	Neutral	158	-	-	0.4	0.4	3.9	26.2	0.4	9.1
IndBk	Neutral	141	-	-	0.4	0.4	4.4	23.9	0.7	9.3
Vijaya Bank	Neutral	38	-	-	0.5	0.5	5.4	17.7	0.4	9.3
OBC	Neutral	159	-	-	0.3	0.3	3.3	69.1	0.5	9.8
Allahabad Bank	Neutral	86	-	-	0.4	0.4	3.2	57.6	0.6	11.5
UnionBk	Neutral	197	-	-	0.6	0.6	4.9	19.3	0.6	11.6
CanBk	Neutral	289	-	-	0.5	0.5	4.1	11.7	0.5	11.0
IDBI#	Neutral	63	-	-	0.4	0.4	4.0	69.1	0.6	10.1
DenaBk	Neutral	43	-	-	0.4	0.4	4.0	50.0	0.4	8.4

Source: Company, Angel Research; Note: \*Target multiples=SOTP Target Price/ABV (including subsidiaries), #Without adjusting for SASF

### **Company Background**

Punjab National Bank is the country's third-largest PSU bank, with a balance sheet size of around ₹6.18lakh cr and a pan-India network of around 6,594 branches. The bank's network is primarily spread across north India, ie in Punjab, Haryana and Uttar Pradesh. Almost 64% of its branches are based in rural and semi-urban hinterland, which results in a large legacy of low-cost CASA deposits.

**Income statement**

Y/E March (₹ cr)	FY12	FY13	FY14	FY15	FY16E	FY17E
<b>Net Interest Income</b>	<b>13,414</b>	<b>14,857</b>	<b>16,146</b>	<b>16,556</b>	<b>17,245</b>	<b>19,959</b>
- YoY Growth (%)	13.6	10.8	8.7	2.5	4.2	15.7
<b>Other Income</b>	<b>4,203</b>	<b>4,216</b>	<b>4,577</b>	<b>5,891</b>	<b>6,201</b>	<b>6,665</b>
- YoY Growth (%)	16.3	0.3	8.6	28.7	5.3	7.5
<b>Operating Income</b>	<b>17,617</b>	<b>19,073</b>	<b>20,723</b>	<b>22,446</b>	<b>23,446</b>	<b>26,624</b>
- YoY Growth (%)	14.2	8.3	8.7	8.3	4.5	13.6
<b>Operating Expenses</b>	<b>7,003</b>	<b>8,165</b>	<b>9,338</b>	<b>10,492</b>	<b>10,649</b>	<b>11,714</b>
- YoY Growth (%)	10.0	16.6	14.4	12.3	1.5	10.0
<b>Pre - Provision Profit</b>	<b>10,614</b>	<b>10,908</b>	<b>11,384</b>	<b>11,955</b>	<b>12,797</b>	<b>14,910</b>
- YoY Growth (%)	17.2	2.8	4.4	5.0	7.0	16.5
<b>Prov. &amp; Cont.</b>	<b>3,577</b>	<b>4,386</b>	<b>6,694</b>	<b>7,998</b>	<b>7,942</b>	<b>7,423</b>
- YoY Growth (%)	43.6	22.6	52.6	19.5	(0.7)	(6.5)
<b>Profit Before Tax</b>	<b>7,037</b>	<b>6,522</b>	<b>4,691</b>	<b>3,957</b>	<b>4,855</b>	<b>7,487</b>
- YoY Growth (%)	7.2	(7.3)	(28.1)	(15.6)	22.7	54.2
<b>Prov. for Taxation</b>	<b>2,153</b>	<b>1,774</b>	<b>1,348</b>	<b>895</b>	<b>1,553</b>	<b>2,396</b>
- as a % of PBT	30.6	27.2	28.7	22.6	32.0	32.0
<b>PAT</b>	<b>4,884</b>	<b>4,748</b>	<b>3,343</b>	<b>3,061</b>	<b>3,301</b>	<b>5,091</b>
- YoY Growth (%)	10.2	(2.8)	(29.6)	(8.4)	7.8	54.2

**Balance sheet**

Y/E March (₹ cr)	FY12	FY13	FY14	FY15	FY16E	FY17E
Share Capital	339	354	362	371	371	371
Reserve & Surplus	27,476	32,323	35,533	38,707	41,271	45,233
Deposits	3,79,588	3,91,560	4,51,397	5,01,379	5,61,544	6,40,160
- Growth (%)	21.3	3.2	15.3	11.1	12.0	14.0
Borrowings	26,074	28,726	36,404	34,331	36,900	41,816
Tier 2 Capital	11,190	10,895	11,630	11,340	11,056	10,780
Other Liab. & Prov.	13,524	15,019	15,093	17,206	19,760	21,926
<b>Total Liabilities</b>	<b>4,58,192</b>	<b>4,78,877</b>	<b>5,50,420</b>	<b>6,03,334</b>	<b>6,70,901</b>	<b>7,60,285</b>
Cash Balances	18,493	17,886	22,246	24,225	28,077	32,008
Bank Balances	10,335	9,249	22,973	31,709	35,260	39,958
Investments	1,22,703	1,29,896	1,43,786	1,51,282	1,60,350	1,74,443
Advances	2,93,775	3,08,725	3,49,269	3,80,534	4,30,004	4,94,504
- Growth (%)	21.3	5.1	13.1	9.0	13.0	15.0
Fixed Assets	3,169	3,358	3,420	3,552	3,831	4,211
Other Assets	9,718	9,763	8,727	12,031	13,379	15,161
<b>Total Assets</b>	<b>4,58,192</b>	<b>4,78,877</b>	<b>5,50,420</b>	<b>6,03,334</b>	<b>6,70,901</b>	<b>7,60,285</b>
- Growth (%)	21.1	4.5	14.9	9.6	11.2	13.3

**Ratio analysis**

Y/E March	FY12	FY13	FY14	FY15	FY16E	FY17E
<b>Profitability ratios (%)</b>						
NIMs	3.3	3.3	3.2	2.9	2.8	2.9
Cost to Income Ratio	39.8	42.8	45.1	46.7	45.4	44.0
RoA	1.2	1.0	0.6	0.5	0.5	0.7
RoE	21.1	16.5	10.2	8.5	8.5	12.1
<b>B/S ratios (%)</b>						
CASA Ratio	35.3	39.2	38.3	36.7	36.7	36.7
Credit/Deposit Ratio	77.4	78.8	77.4	75.9	76.6	77.2
CAR	12.6	12.3	12.1	11.9	11.2	10.7
- Tier I	9.3	9.4	9.3	9.3	8.9	8.6
<b>Asset Quality (%)</b>						
Gross NPAs	2.9	4.3	5.3	6.6	8.1	7.9
Net NPAs	1.5	2.3	2.8	4.0	4.2	3.3
Slippages	2.7	2.9	3.4	5.3	4.8	3.5
Loan Loss Prov. /Avg. Assets	0.6	0.7	0.9	1.4	1.2	1.0
Provision Coverage	62.7	58.8	59.1	57.5	60.0	67.5
<b>Per Share Data (₹)</b>						
EPS	28.8	26.9	18.5	16.5	17.8	27.5
ABVPS (75% cover.)	146.7	160.4	168.7	168.9	180.0	218.3
DPS	22.0	27.0	10.0	17.3	17.0	26.0
<b>Valuation Ratios</b>						
PER (x)	5.3	5.7	8.3	9.3	8.6	5.6
P/ABVPS (x)	1.0	1.0	0.9	0.9	0.8	0.7
Dividend Yield	14.4	17.7	6.5	11.3	11.1	17.0
<b>DuPont Analysis</b>						
NII	3.2	3.2	3.1	2.9	2.7	2.8
(-) Prov. Exp.	0.9	0.9	1.3	1.4	1.2	1.0
Adj. NII	2.4	2.2	1.8	1.5	1.5	1.8
Treasury	0.1	0.1	0.1	0.2	0.2	0.2
Int. Sens. Inc.	2.4	2.3	1.9	1.6	1.6	1.9
Other Inc.	0.9	0.8	0.8	0.9	0.8	0.8
Op. Inc.	3.4	3.1	2.7	2.5	2.4	2.7
Opex	1.7	1.7	1.8	1.8	1.7	1.6
PBT	1.7	1.4	0.9	0.7	0.8	1.0
Taxes	0.5	0.4	0.3	0.2	0.2	0.3
<b>RoA</b>	<b>1.2</b>	<b>1.0</b>	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>	<b>0.7</b>
Leverage	18.0	16.3	15.7	16.0	16.4	17.0
<b>RoE</b>	<b>21.1</b>	<b>16.5</b>	<b>10.2</b>	<b>8.5</b>	<b>8.5</b>	<b>12.1</b>

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Disclosure of Interest Statement	Punjab National Bank
1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below ₹1 lakh for Angel, its Group companies and Directors

<b>Ratings (Based on expected returns over 12 months investment period):</b>	Buy (> 15%)	Accumulate (5% to 15%) Reduce (-5% to -15%)	Neutral (-5 to 5%) Sell (< -15%)
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