



पंजाब नैशनल बैंक  
... भरोसे का प्रतीक !



punjab national bank  
... the name you can BANK upon !

# FINANCIAL RESULTS

FOR THE PERIOD ENDED

**31<sup>st</sup> December 2018**



**FINANCE DIVISION  
HEAD OFFICE: NEW DELHI**

**PUNJAB NATIONAL BANK**  
**REVIEWED FINANCIAL RESULTS**  
**FOR THE QUARTER/NINE MONTHS ENDED 31st DECEMBER 2018**

₹ In lacs

	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	Interest Earned ( a+b+c+d )	1303508	1232628	1217548	3847452	3661113	4799576
	a) Interest/discount on advances/bills	891769	814868	821930	2627474	2442230	3183308
	b) Income on Investments	361690	354163	354630	1056344	1047692	1394698
	c) Interest on Balances with RBI & other Inter Bank Funds	46014	58673	37092	149423	154478	200142
	d) Others	4035	4924	3896	14212	16713	21428
2	Other Income	181916	170960	308202	548800	731982	888087
A	<b>TOTAL INCOME (1+2)</b>	<b>1485424</b>	<b>1403588</b>	<b>1525750</b>	<b>4396252</b>	<b>4393095</b>	<b>5687663</b>
3	Interest Expended	874503	835217	818678	2551851	2475212	3307336
4	Operating Expenses (a+b)	300935	284421	282553	830996	843725	1350907
	(a) Employees' Cost	188422	166173	174158	497328	526883	916880
	(b) Other operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	112513	118248	108395	333668	316842	434027
B	<b>TOTAL EXPENSES (3+4)</b> (excluding provisions & contingencies)	<b>1175438</b>	<b>1119638</b>	<b>1101231</b>	<b>3382847</b>	<b>3318937</b>	<b>4658243</b>
C	Operating Profit (A-B) (Profit before Provisions & Contingencies)	309986	283950	424519	1013405	1074158	1029420
D	Provisions (other than tax) and contingencies	275384	975790	446668	1826990	951618	2986928
	of which provisions for Non-performing Assets	256577	773327	299642	1528103	824991	2445273
E	Exceptional items	0	0	0	0	0	0
F	Provision for taxes( Tax Expense)	9951	-238605	-45160	-290999	9131	-729226
G	<b>Net Profit (+)/Loss(-) from ordinary activities after tax (C-D-E-F)</b>	<b>24651</b>	<b>-453235</b>	<b>23011</b>	<b>-522586</b>	<b>113409</b>	<b>-1228282</b>
H	Extraordinary items (net of tax expense)	0	0	0	0	0	0
I	<b>Net Profit (+)/Loss(-) for the period (G-H)</b>	<b>24651</b>	<b>-453235</b>	<b>23011</b>	<b>-522586</b>	<b>113409</b>	<b>-1228282</b>
5	Paid up equity Share Capital (Face value ₹2/- each)	76040	61471	48512	76040	48512	55211
6	Reserves excluding revaluation reserves (As per Balance Sheet of previous year)						3792134
7	<b>Analytical Ratios</b>						
	(i) Share holding of Govt. of India (%)	70.22	66.09	57.04	70.22	57.04	62.25
	(ii) Capital Adequacy Ratio - BaseI III (%)	10.52	10.08	11.58	10.52	11.58	9.20
	(a) CET 1 Ratio	6.93	6.49	8.05	6.93	8.05	5.96
	(b) Additional Tier 1 Ratio	1.32	1.29	1.11	1.32	1.11	1.17





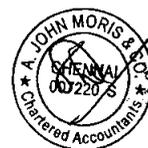
**SUMMARISED BALANCE SHEET**

(₹ in lacs)

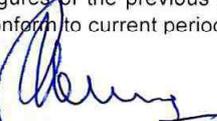
Particulars	As at Dec 2018 (Reviewed)	As at Dec 2017 (Reviewed)	As at Mar 2018 (Audited)
<b>Capital and Liabilities</b>			
Capital	76040	48512	55211
Reserves and Surplus	4386132	4851163	4052219
Deposits	65038900	64799767	64222619
Borrowings	3292595	5879296	6085075
Other Liabilities and Provisions	1986943	1549034	2167886
<b>Total</b>	<b>74780610</b>	<b>77127772</b>	<b>76583010</b>
<b>Assets</b>			
Cash and Balances with Reserve Bank of	4995175	2685929	2878903
Balances with bank and Money at call and short notice	2862665	5294755	6667297
Investments	19500375	20734756	20030598
Advances	43439930	45211016	43373472
Fixed Assets	623862	637711	634933
Other assets	3358603	2563605	2997807
<b>Total Assets</b>	<b>74780610</b>	<b>77127772</b>	<b>76583010</b>

**NOTES**

- The financial results for the quarter/ nine months ended 31st December, 2018, have been prepared in accordance with the recognition and measurement principles laid down in AS 25 Interim Financial Reporting issued by ICAI, following the same accounting policies and practices as those followed in the annual financial statements for the year ended 31st March, 2018.
- The above financial results have been reviewed by the Audit Committee of Board and approved by the Board of Directors in the meeting held on 05.02.2019. The same have been subjected to a limited review by the Statutory Central Auditors of the Bank, in line with the guidelines issued by the Reserve Bank of India and as per the requirement of Listing agreement with Stock Exchanges.
- The financial results of the bank for the quarter/nine months have been arrived at after considering provisions for non-performing assets, standard assets, restructured advances, standard derivative exposures, unhedged foreign currency exposure and investment depreciation on the basis of extant guidelines issued by Reserve Bank of India.
- Provisions for employee benefits pertaining to pension, gratuity and leave encashment has been made on estimated basis. Other usual and necessary provisions including income tax and depreciation on fixed assets have been made on estimated basis for the quarter/nine months and are subject to adjustments, if any, at the year end.
- In terms of RBI circular no. DBR.No.BP.BC.1/21.06.201/2015-16 dated 01.07.2015 read together with RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 banks are required to make Pillar 3 disclosures including leverage ratio & liquidity coverage ratio under BASEL III capital regulations. Accordingly, Pillar 3 disclosures under BASEL III capital regulations are being made available on Bank's website i.e. www.pnbindia.in. These disclosures have not been subjected to Limited Review by the Statutory Central Auditors.
- During the quarter the bank has written back provision of Rs 162.84 crores (previous corresponding quarter Rs Nil) in respect of 22 borrowal accounts under the provisions of Insolvency and Bankruptcy code (IBC) and RBI directions. The total provision made in these accounts is Rs 10573.30 crores (previous corresponding quarter Rs Nil).
- During the quarter ended 31st March 2018, a fraud was detected at Brady house Mumbai Branch involving certain accounts under Gems & Jewellery sector amounting to Rs. 14356.84 crores wherein RBI vide their letter no. 8720/21.04.132/2017-18 dtd 28.03.2018 had given dispensation to the Bank to make provisions against the fraud @ 25% without debiting "Other Reserves" in the quarter ended 31st March 2018 and to provide remaining amount during first three quarters of the ensuing financial year. During the quarter Bank has made provision of Rs 2014.04 crores thereby making full provision for the fraud at Brady House branch as per terms of RBI's dispensation.



- 8 RBI vide its circular dated April 2, 2018 and June 15, 2018 has permitted banks an option to spread Mark to Market (MTM) loss on AFS and HFT investment for the quarters ended March 31, 2018 and June 30, 2018 equally over four quarters commencing with the quarter in which the loss is incurred. Accordingly, the bank has charged depreciation of Rs. 456.25 Crores during this quarter pertaining to above two quarters and the balance MTM losses of Rs. 27.82 Crores has been spread to the subsequent quarter of current financial year.
- 9 The Bank made an offer of 10 crore fresh equity shares of face value of Rs 2 each to its eligible employees under an Employee Share Purchase Scheme at an issue/exercise price of Rs 53.95 per share. The Issue/Exercise Price was fixed by the Remuneration Committee at a discount of 25.00% on the floor price of Rs 71.93 per share. Out of said Ten crore shares offered by the Bank to its Eligible Employees, 9,02,26,683 shares were allotted to the 66,240 Eligible Employees. The allotment of shares under the ESPS were made on 24.12.2018. The Bank received an amount of Rs 486,77,29,547.85 (Rupees Four Hundred Eighty Six Crore Seventy Seven Lakh Twenty Nine Thousand Five Hundred Forty Seven and Paise Eighty Five only) as subscription/exercise money for the issue and allotment of 902,26,683 new equity shares to its Eligible Employees under PNB-ESPS. Pursuant to SEBI (Share Based Employee Benefits) Regulations, 2015 and as per Guidance Note issued by the Institute of Chartered Accountant of India, the element of the discount amounting to Rs 17.98 per share (i.e. the discount allowed per share) aggregating to Rs 162,22,75,760.34 (Rupees One Hundred Sixty Two Crore Twenty Two Lakh Seventy Five Thousand Seven Hundred Sixty and Paise Thirty Four only) has been debited to P & L Account as Employee Expenses. Post allotment of shares under ESPS, the shareholding of the Government of India (President of India) has come down to 70.22%.
- 10 RBI vide circular no. DBR. No. BP.BC.108/21.04.048/2017-18 dated June 6,2018 permitted banks to continue the exposure to MSME borrowers to be classified as standard assets where the dues between September 1,2017 and December 31,2018 have not been paid not later than 180 days from their respective original due dates. Accordingly, the bank has retained advances of Rs 3045.71 crores as standard as on December 31,2018. In accordance with the provisions of the circular, the Bank has not recognized interest on these accounts and is maintaining a standard provision of Rs 152.28 crores as on December 31,2018 in respect of such borrowers.
- 11 During the quarter the Bank has availed dispensation for deferment of provision in respect of frauds reported in the quarter of Rs 508.74 crores in terms of option available as per RBI circular no DBR No.BP.BC.92/21.04.048/2015-16 dated 18.04.2016. Accordingly an amount of Rs 127.18 crores has been charged to profit and loss account and an amount of Rs 381.42 crores have been deferred for subsequent three quarters.
- 12 Pursuant to the proposed bipartite agreement on wage revision (due with effect from November 2017), a sum of Rs 123.10 crore has been provided during the quarter towards wage revision on estimated basis.(Cumulative provision; Rs 590.50 crores).
- 13 The Provision Coverage Ratio as at 31st December 2018 works out to 68.85%.
- 14 Details of Investor's complaints for the quarter ended December 31,2018: Pending at Beginning:1; Received:06;Disposed off:07;Closing:00.
- 15 Figures of the previous period have been regrouped / rearranged / re-classified wherever necessary to conform to current period's classification.



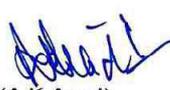
(P K Varshney)  
Chief Manager



(S K Jain)  
Dy. General Manager



(P K Sharma)  
General Manager



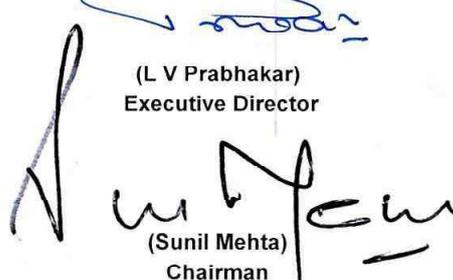
(A K Azad)  
Executive Director



(L V Prabhakar)  
Executive Director



(Sunil Mehta)  
Managing Director & C.E.O.



(Sunil Mehta)  
Chairman

Date : 05/02/2019  
Place : New Delhi



**SEGMENT REPORTING FOR THE QUARTER/NINE MONTHS ENDED 31st DECEMBER 2018**

**PART A – BUSINESS SEGMENTS**

₹ In lacs

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
<b>1</b>	<b>Segment Revenue</b>						
	(a) Treasury Operations	448365	431837	542274	1284192	1509220	1910190
	(b) Corporate/Wholesale Banking	504260	510555	528270	1584331	1542882	1719642
	(c) Retail Banking	503542	422799	421726	1423398	1238895	1907807
	(d) Other Banking Operations	29256	38397	33480	104331	102098	150024
	<b>Total Revenue</b>	<b>1485423</b>	<b>1403588</b>	<b>1525750</b>	<b>4396252</b>	<b>4393095</b>	<b>5687663</b>
<b>2</b>	<b>Segment Results</b>						
	(a) Treasury Operations	201029	13589	176879	261829	457245	447483
	(b) Corporate/Wholesale Banking	-173147	-663125	-210952	-1133400	-424475	-2233709
	(c) Retail Banking	71567	5025	40171	187098	222064	24920
	(d) Other Banking Operations	6280	8172	5845	25367	22355	23798
	<b>Total</b>	<b>105729</b>	<b>-636339</b>	<b>11943</b>	<b>-659106</b>	<b>277189</b>	<b>-1737508</b>
	Unallocated Expenditure	71128	55501	34092	154479	154649	220000
	<b>Profit before Tax</b>	<b>34601</b>	<b>-691840</b>	<b>-22149</b>	<b>-813585</b>	<b>122540</b>	<b>-1957508</b>
	Provision for Tax	9951	-238605	-45160	-290999	9131	-729226
	Extraordinary items	-	-	-	-	-	-
	<b>Net profit</b>	<b>24650</b>	<b>-453235</b>	<b>23011</b>	<b>-522586</b>	<b>113409</b>	<b>-1228282</b>
<b>3</b>	<b>Segment Assets</b>						
	(a) Treasury Operations	21072084	22967467	21923939	21072084	21923939	23249398
	(b) Corporate/Wholesale Banking	33296627	33157357	35313760	33296627	35313760	33640800
	(c) Retail Banking	15647687	15587801	16595210	15647687	16595210	15368372
	(d) Other Banking Operations	2428716	2230608	2056767	2428716	2056767	2252920
	(e) Unallocated	2335496	2351745	1238096	2335496	1238096	2071520
	<b>Total</b>	<b>74780610</b>	<b>76294978</b>	<b>77127772</b>	<b>74780610</b>	<b>77127772</b>	<b>76583010</b>
<b>4</b>	<b>Segment Liabilities</b>						
	(a) Treasury Operations	20453301	22346097	20865898	20453301	20865898	22613886
	(b) Corporate/Wholesale Banking	32318872	32244800	33609532	32318872	33609532	32721245
	(c) Retail Banking	15188192	15157226	15794332	15188192	15794332	14948285
	(d) Other Banking Operations	2357397	2169208	1957508	2357397	1957508	2191338
	(e) Unallocated	676	676	827	676	827	826
	<b>Total</b>	<b>70318438</b>	<b>71918007</b>	<b>72228097</b>	<b>70318438</b>	<b>72228097</b>	<b>72475580</b>
<b>5</b>	<b>Capital Employed</b>						
	(a) Treasury Operations	618783	621370	1058041	618783	1058041	635512
	(b) Corporate/Wholesale Banking	977755	912557	1704228	977755	1704228	919556
	(c) Retail Banking	459495	430575	800878	459495	800878	420087
	(d) Other Banking Operations	71319	61400	99259	71319	99259	61583
	(e) Unallocated	2334820	2351069	1237269	2334820	1237269	2070693
	<b>Total Capital Employed</b>	<b>4462172</b>	<b>4376971</b>	<b>4899675</b>	<b>4462172</b>	<b>4899675</b>	<b>4107431</b>

**PART B - GEOGRAPHICAL SEGMENTS**

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
<b>1</b>	<b>Revenue</b>						
	(a) Domestic	1446180	1353498	1473660	4261200	4247672	5487561
	(b) International	39243	50090	52090	135052	145423	200102
	<b>Total</b>	<b>1485423</b>	<b>1403588</b>	<b>1525750</b>	<b>4396252</b>	<b>4393095</b>	<b>5687663</b>
<b>2</b>	<b>Assets</b>						
	(a) Domestic	70854859	71256894	68365639	70854859	68365639	68744009
	(b) International	3925751	5038084	8762133	3925751	8762133	7839001
	<b>Total</b>	<b>74780610</b>	<b>76294978</b>	<b>77127772</b>	<b>74780610</b>	<b>77127772</b>	<b>76583010</b>

**Notes :**

1. Segment Liabilities are distributed in the ratio of their respective Segment Assets.
2. Figures of the previous period have been re-grouped/re-classified wherever necessary.



GS MATHUR & CO.  
CHARTERED ACCOUNTANTS

MKPS & ASSOCIATES  
CHARTERED ACCOUNTANTS

HDSG & ASSOCIATES  
CHARTERED ACCOUNTANTS

MK AGGARWAL & CO.  
CHARTERED ACCOUNTANTS

A JOHN MORIS & CO.  
CHARTERED ACCOUNTANTS

“LIMITED REVIEW REPORT”

To  
The Board of Directors,  
Punjab National Bank  
New Delhi

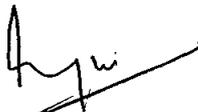
1. We have reviewed the accompanying statements of unaudited financial results (“Statements”) of **Punjab National Bank** (the “Bank”) for the quarter ended December 31, 2018. The disclosures relating to “Pillar 3 under Basel III Capital Regulations” as have been disclosed on the Banks website and in respect of which a link has been provided in the aforesaid Statements have not been reviewed by us. These statements are the responsibility of the Bank’s Management and have been approved by the Board of Directors. Our responsibility is to issue a report on these interim financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to making inquiries of the Bank personnel and applying analytical and other review procedures to financial data and thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. The Financial results incorporate the relevant returns of 20 Branches reviewed by us, two foreign branch reviewed by local auditors specially appointed for this purpose and unreviewed returns in respect of 5364 branches which include one foreign branch. In the conduct of our review, we have taken note of review reports in respect of non-performing assets submitted by external concurrent auditors (including retired employees of the Bank) of 837 branches, in-house concurrent auditors of 782 branches to the Bank Management. These review reports cover 81.67% (of which 51.71% has been covered by us) of the advances portfolio of the bank (excluding the advances of asset recovery branches and outstanding food credit) as at December 31, 2018. Apart from these review reports, in the conduct of our review, we have also relied upon various information and returns received from un-reviewed branches/other offices of the Bank and generated through centralized database at the Bank’s Head Office.



4. Based on our review conducted as above, subject to limitation in scope as mentioned in Para 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited interim financial results together with the notes thereon, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.
5. Without qualifying our conclusion as above, we draw attention to:
- Note no 7 regarding Provision amounting to Rs 2014.04 crores in respect of Fraud involving certain accounts under Gems & Jewellery sector as per dispensation given by the Reserve Bank of India vide their letter No. 8720/21.04.132/2017-18 dated 28.03.2018.
  - Note no 11 regarding deferment of provision in respect of fraud reported during the quarter in terms of RBI circular no DBR No.BP.BC.92/21.04.048/2015-16 dated 18.04.2016

FOR GS MATHUR & CO.  
CHARTERED ACCOUNTANTS

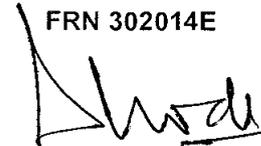
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CA RAJIV KUMAR WADHAWAN  
PARTNER  
(M.NO. 091007)

FOR MKPS & ASSOCIATES  
CHARTERED ACCOUNTANTS

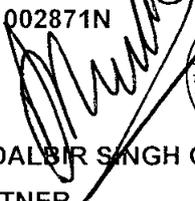
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CA SURGYAN MODI  
PARTNER  
(M.NO. 051361)

FOR HDSG & ASSOCIATES  
CHARTERED ACCOUNTANTS

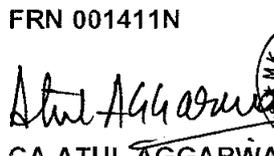
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CA DALBIR SINGH GULATI  
PARTNER  
(M.NO.081024)

FOR MK AGGARWAL & CO.  
CHARTERED ACCOUNTANTS

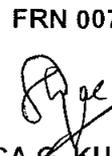
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CA ATUL AGGARWAL  
PARTNER  
(M.NO. 099374)

FOR A JOHN MORIS & CO.  
CHARTERED ACCOUNTANTS

FRN 0072200S



CA G. KUMAR  
PARTNER  
(M.NO.023082)

Place: New Delhi

Date: 05.02.2019