PUNJAB NATIONAL BANK

REVIEWED FINANCIAL RESULTS

FOR THE QUARTER/NINE MONTHS ENDED 31st DECEMBER 2017

₹ In lacs

	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	**Interest Earned (a+b+c+d)**	**1217548**	**1229929**	**1198416**	**3661113**	**3538946**	**4727599**
	a) Interest/discount on advances/bills	821930	805819	826294	2442230	2524008	3295882
	b) Income on Investments	354630	352699	337212	1047692	906664	1257717
	c) Interest on Balances with RBI & other Inter Bank Funds	37092	62253	29900	154478	78787	135420
	d) Others	3896	9158	5010	16713	29487	38580
2	Other Income	308202	190602	213982	731982	584857	895137
A	**TOTAL INCOME (1+2)**	**1525750**	**1420531**	**1412398**	**4393095**	**4123803**	**5622736**
3	Interest Expended	818678	828411	825336	2475212	2407981	3228282
4	**Operating Expenses (a+b)**	**282553**	**264212**	**308969**	**843725**	**882485**	**937938**
	(a) Employees' Cost	174158	158998	210213	526883	596908	542072
	(b) Other operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	108395	105214	98756	316842	285577	395866
B	**TOTAL EXPENSES (3+4)** (excluding provisions & contingencies)	**1101231**	**1092623**	**1134305**	**3318937**	**3290466**	**4166220**
C	**Operating Profit (A-B)** (Profit before Provisions & Contingencies)	**424519**	**327908**	**278093**	**1074158**	**833337**	**1456516**
D	Provisions (other than tax) and contingencies	446668	244079	256219	951618	680011	1255362
	of which provisions for Non-performing Assets	299642	269378	298954	824991	779333	1270372
E	Exceptional items	0	0	0	0	0	0
F	Provision for taxes(Tax Expense)	-45160	27771	1156	9131	47036	68674
G	**Net Profit (+)/Loss(-) from ordinary activities after tax (C-D-E-F)**	**23011**	**56058**	**20718**	**113409**	**106290**	**132480**
H	Extraordinary items (net of tax expense)	0	0	0	0	0	0
I	**Net Profit (+)/Loss(-) for the period (G-H)**	**23011**	**56058**	**20718**	**113409**	**106290**	**132480**
5	Paid up equity Share Capital (Face value ₹2/- each)	48512	42559	42559	48512	42559	42559
6	Reserves excluding revaluation reserves (As per Balance Sheet of previous year)						3507264
7	**Analytical Ratios**						
	(i) Share holding of Govt. of India (%)	57.04	65.01	65.01	57.04	65.01	65.01
	(ii) Capital Adequacy Ratio - Basel III (%)	11.58	11.56	11.62	11.58	11.62	11.66
	(a) CET 1 Ratio	8.05	7.67	8.31	8.05	8.31	7.87
	(b) Additional Tier 1 Ratio	1.11	1.21	0.53	1.11	0.53	1.04

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SPMG & COMPANY Chartered Accountants New Delhi 509249 C

MKPS & ASSOCIATES Chartered Accountants MUMBAI 302014 E

G.S. Mathur & Company Chartered Accountants New Delhi 008744 N

H.D. Sharma & Associates Chartered Accountants New Delhi 002671 N

(iii) Earnings per Share (EPS) not annualized (in ₹)						
(a) Basic & diluted EPS before extraordinary items	1.04	2.63	0.97	5.29	5.24	6.45
(b) Basic & diluted EPS after extraordinary items	1.04	2.63	0.97	5.29	5.24	6.45
(iv) **NPA Ratios:**						
(a) Amount of Gross NPAs	5751941	5763011	5562751	5751941	5562751	5537045
(b) Amount of Net NPAs	3407565	3457015	3499353	3407565	3499353	3270211
(c) % of gross NPAs	12.11	13.31	13.70	12.11	13.70	12.53
(d) % of net NPAs	7.55	8.44	9.09	7.55	9.09	7.81
(v) **Return on Assets (Annualised) %**	0.12	0.30	0.12	0.20	0.21	0.19

SUMMARISED BALANCE SHEET

(₹ in lacs)

Particulars	As at Dec 2017 (Reviewed)	As at Dec 2016 (Reviewed)	As at Mar 2017 (Audited)
Capital and Liabilities			
Capital	48512	42559	42559
Reserves and Surplus	4851163	4232356	4167187
Deposits	64799767	61218031	62170402
Borrowings	5879296	4320543	4076334
Other Liabilities and Provisions	1549034	1584042	1576573
Total	**77127772**	**71397531**	**72033055**
Assets			
Cash and Balances with Reserve Bank of	2685929	2761951	2521000
Balances with bank and Money at call and short notice	5294755	5213920	6312165
Investments	20734756	22181871	18672544
Advances	45211016	38572693	41949315
Fixed Assets	637711	611811	627325
Other assets	2563605	2055285	1950706
Total Assets	**77127772**	**71397531**	**72033055**

NOTES

1 The financial results for the quarter/ nine months ended 31st December, 2017, 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, 2017.

2 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 06.02.2018. 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.

3 The financial results of the bank have been arrived at after considering provisions for non-performing assets, standard assets, restructured advances, standard derivative exposures and investment depreciation on the basis of extant guidelines and directions issued by the Reserve Bank of India.

4 Provisions for employees' benefits pertaining to pension, gratuity, leave encashment, depreciation and other usual and necessary provisions including unhedged foreign currency exposure and income tax have been made on estimated basis for the quarter/nine month ended 31st December 2017.

5 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 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.

6 During the nine months ended December 31,2017 the Bank has raised capital bonds of ₹1500 crore.

7 During the quarter the Bank has issued 29,76,19,047 equity shares having Face Value of ₹2 each for cash pursuant to a Qualified Institutional Placement (QIP) in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 at a premium of ₹166 per share aggregating ₹5,000 crores. This has resulted in an increase of ₹59.52 crores in Share Capital and ₹4,898.65 crores (Net of Issue Expenses) in Share Premium Account.

8 Pursuant to the revised Accounting Standard- 10 'Property, Plant & Equipment', applicable from 1st April 2017, depreciation of ₹47.13 Crores for the nine months period (for the quarter ₹15.71 Crores) on the revalued portion of fixed assets has been transferred from the Revaluation Reserve to Revenue Reserve instead of crediting to Profit & Loss Account.

9 In terms of RBI directions vide letter No. DBR.No.BP:15199/21.04.048/2016-17 dated 23rd June 2017, in respect of accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the Bank is required to make additional provision of ₹1,112 crores by 31-03-2018, of which the Bank has already provided ₹854 Crores upto 31-12-2017 and the balance will be provided by 31-3-2018

10 In terms of RBI directions vide letter No. DBR.No.BP.BC.1908/21.04.048/2017-18 dated 28th August, 2017, in respect of accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the Bank is required to make additional provision of ₹875 Crores by 31st March 2018. The Bank has made a provision of ₹75 Crores upto 31-12-2017 and the balance will be provided by 31-3-2018.

11 During the quarter, Bank has sold 98,15,860 equity shares in its associate concern PNB Housing Finance Limited amounting to ₹ 1,311.40 Crore including profit of ₹ 1,231.59 Crore.

12 The Provision Coverage Ratio as at 31st December 2017 works out to 60.78%.

13 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

(Sanjiv Sharan)
Executive Director

(Dr. Ram S. Sangapure)
Executive Director

(K Veera Brahmaji Rao)
Executive Director

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

(Sunil Mehta)
Chairman

Date : 06/02/2018
Place: New Delhi

SURI & COMPANY Chennai 004283 S Chartered Accountants

SPMG & COMPANY New Delhi 509248 C Chartered Accountants

MKPS & ASSOCIATES MUMBAI 302014 E Chartered Accountants

G. S. Mathur & Company New Delhi 008744 N Chartered Accountants

H.D.S.G. & Associates New Delhi 002871 N Chartered Accountants

SEGMENT REPORTING FOR THE QUARTER/NINE MONTHS ENDED 31st DECEMBER 2017

PART A – BUSINESS SEGMENTS

₹ In lacs

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	**Segment Revenue**						
	(a) Treasury Operations	542274	491083	430668	1509220	1204140	1694593
	(b) Corporate/Wholesale Banking	528270	485365	492553	1542882	1626918	2304307
	(c) Retail Banking	421726	409259	465660	1238895	1212706	1511675
	(d) Other Banking Operations	33480	34824	23517	102098	80039	112161
	Total Revenue	**1525750**	**1420531**	**1412398**	**4393095**	**4123803**	**5622736**
2	**Segment Results**						
	(a) Treasury Operations	176879	157258	73619	457245	285489	469076
	(b) Corporate/Wholesale Banking	-210952	-112970	-150180	-424475	-342344	-519704
	(c) Retail Banking	40171	93983	130541	222064	292775	357733
	(d) Other Banking Operations	5845	8429	6225	22355	19962	30577
	Total	**11943**	**146700**	**60205**	**277189**	**255882**	**337682**
	Unallocated Expenditure	34092	62871	38331	154649	102556	136528
	Profit before Tax	**-22149**	**83829**	**21874**	**122540**	**153326**	**201154**
	Provision for Tax	-45160	27771	1156	9131	47036	68674
	Extraordinary items	-	-	-	-	-	-
	Net profit	**23011**	**56058**	**20718**	**113409**	**106290**	**132480**
3	**Segment Assets**						
	(a) Treasury Operations	21923939	21930860	24072142	21923939	24072142	21272894
	(b) Corporate/Wholesale Banking	35313760	31422215	29943739	35313760	29943739	32431692
	(c) Retail Banking	16595210	16094694	14823660	16595210	14823660	15234994
	(d) Other Banking Operations	2056767	2616792	1469160	2056767	1469160	1933664
	(e) Unallocated	1238096	1146992	1088830	1238096	1088830	1159811
	Total	**77127772**	**73211553**	**71397531**	**77127772**	**71397531**	**72033055**
4	**Segment Liabilities**						
	(a) Treasury Operations	20865898	20947526	22992954	20865898	22992954	20357164
	(b) Corporate/Wholesale Banking	33609532	30013309	28601320	33609532	28601320	31035611
	(c) Retail Banking	15794332	15373042	14159095	15794332	14159095	14579177
	(d) Other Banking Operations	1957508	2499461	1403296	1957508	1403296	1850426
	(e) Unallocated	827	828	0	827	0	931
	Total	**72228097**	**68834166**	**67156665**	**72228097**	**67156665**	**67823309**
5	**Capital Employed**						
	(a) Treasury Operations	1058041	983334	1079188	1058041	1079188	915730
	(b) Corporate/Wholesale Banking	1704228	1408906	1342419	1704228	1342419	1396081
	(c) Retail Banking	800878	721652	664565	800878	664565	655817
	(d) Other Banking Operations	99259	117331	65864	99259	65864	83238
	(e) Unallocated	1237269	1146164	1088830	1237269	1088830	1158880
	Total Capital Employed	**4899675**	**4377387**	**4240866**	**4899675**	**4240866**	**4209746**

PART B - GEOGRAPHICAL SEGMENTS

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	**Revenue**						
	(a) Domestic	1473660	1370940	1368841	4247672	3997599	5464487
	(b) International	52090	49591	43557	145423	126204	158249
	Total	**1525750**	**1420531**	**1412398**	**4393095**	**4123803**	**5622736**
2	**Assets**						
	(a) Domestic	68365639	64501499	62596985	68365639	62596985	63503755
	(b) International	8762133	8710054	8800546	8762133	8800546	8529300
	Total	**77127772**	**73211553**	**71397531**	**77127772**	**71397531**	**72033055**

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.

SURI & CO.
CHARTERED ACCOUNTANTS

SPMG & CO.
CHARTERED ACCOUNTANTS

MKPS & ASSOCIATES
CHARTERED ACCOUNTANTS

GS MATHUR & CO.
CHARTERED ACCOUNTANTS

HDSG & ASSOCIATES
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, 2017. The disclosures relating to "Pillar 3 under Basel III Capital Regulations", "Leverage Ratio" and Liquidity Coverage Ratio" 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 Financials results incorporate the relevant returns of 21 branches reviewed by us, 1 foreign branch reviewed by other firm of auditors specially appointed for this purpose and unreviewed returns in respect of 6938 branches. In the conduct of our review, we have relied on the review reports in respect of non-performing assets submitted by external concurrent auditors (including retired employees of the Bank) of 675 branches, in-house concurrent auditors of 912 branches to the bank management. These review reports cover 82.06%of the advances portfolio of the bank (excluding the advances of asset recovery branches and outstanding food credit) as at December 31, 2017. 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 as aforesaid, subject to limitation in scope as mentioned in Para3 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.

FOR SURI & CO.
CHARTERED ACCOUNTANTS
FRN004283S

CA P. VENUGOPAL
PARTNER
(M.NO. 035034)

FOR SPMG & CO.
CHARTERED ACCOUNTANTS
FRN509249C

CA AVADESH GUPTA
PARTNER
(M.NO. 516769)

FOR MKPS & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 302014E

CA SANJAY JAIN
PARTNER
(M.NO.086784)

FOR GS MATHUR & CO.
CHARTERED ACCOUNTANTS
FRN 008744N

CA AJAY MATHUR
PARTNER
(M.NO. 082223)

FOR HDSG & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 002871N

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

Place: New Delhi
Date: February 6, 2018