

**PUNJAB NATIONAL BANK**  
**REVIEWED FINANCIAL RESULTS**  
**FOR THE QUARTER/NINE MONTHS ENDED 31st DECEMBER 2016**

₹ In lacs

|   | Particulars                                                                                                                            | Quarter Ended  |                |                | Nine Months Ended |                | Year Ended     |
|---|----------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|-------------------|----------------|----------------|
|   |                                                                                                                                        | 31.12.2016     | 30.09.2016     | 31.12.2015     | 31.12.2016        | 31.12.2015     | 31.03.2016     |
|   |                                                                                                                                        | Reviewed       | Reviewed       | Reviewed       | Reviewed          | Reviewed       | Audited        |
| 1 | Interest Earned ( a+b+c+d )                                                                                                            | 1198416        | 1183036        | 1222060        | 3538946           | 3660032        | 4742435        |
|   | a) Interest/discount on advances/bills                                                                                                 | 826294         | 846729         | 888143         | 2524008           | 2685308        | 3444554        |
|   | b) Income on Investments                                                                                                               | 337212         | 290933         | 311916         | 906664            | 905351         | 1203365        |
|   | c) Interest on Balances with RBI & other Inter Bank Funds                                                                              | 29900          | 25317          | 18428          | 78787             | 57167          | 73050          |
|   | d) Others                                                                                                                              | 5010           | 20057          | 3573           | 29487             | 12206          | 21466          |
| 2 | Other Income                                                                                                                           | 251349         | 238791         | 167060         | 725646            | 442486         | 687702         |
| A | <b>TOTAL INCOME (1+2)</b>                                                                                                              | <b>1449765</b> | <b>1421827</b> | <b>1389120</b> | <b>4264592</b>    | <b>4102518</b> | <b>5430137</b> |
| 3 | Interest Expended                                                                                                                      | 825336         | 795051         | 810097         | 2407981           | 2405625        | 3211257        |
| 4 | Operating Expenses (a)+(b)                                                                                                             | 308969         | 295572         | 287235         | 882485            | 798043         | 997245         |
|   | (a) Employees' Cost                                                                                                                    | 210213         | 196716         | 199118         | 596908            | 541838         | 642595         |
|   | (b) Other operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately) | 98756          | 98856          | 88117          | 285577            | 256205         | 354650         |
| B | <b>TOTAL EXPENSES (3+4)</b><br>(excluding provisions & contingencies)                                                                  | <b>1134305</b> | <b>1090623</b> | <b>1097332</b> | <b>3290466</b>    | <b>3203668</b> | <b>4208502</b> |
| C | <b>Operating Profit (A-B)</b><br>(Profit before Provisions & Contingencies)                                                            | <b>315460</b>  | <b>331204</b>  | <b>291788</b>  | <b>974126</b>     | <b>898850</b>  | <b>1221635</b> |
| D | Provisions (other than tax) and contingencies                                                                                          | 293586         | 253376         | 377553         | 820800            | 746900         | 1795423        |
|   | of which provisions for Non-performing Assets                                                                                          | 336321         | 221775         | 376706         | 920122            | 708880         | 1846915        |
| E | Exceptional items                                                                                                                      | 0              | 0              | 0              | 0                 | 0              | 0              |
| F | Provision for taxes( Tax Expense)                                                                                                      | 1156           | 22892          | -90866         | 47036             | 12675          | -176349        |
| G | <b>Net Profit (+)/Loss(-) from ordinary activities after tax (C-D-E-F)</b>                                                             | <b>20718</b>   | <b>54936</b>   | <b>5101</b>    | <b>106290</b>     | <b>139275</b>  | <b>-397439</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>20718</b>   | <b>54936</b>   | <b>5101</b>    | <b>106290</b>     | <b>139275</b>  | <b>-397439</b> |
| 5 | Paid up equity Share Capital (Face value ₹2/ )                                                                                         | 42559          | 42559          | 39272          | 42559             | 39272          | 39272          |
| 6 | Reserves excluding revaluation reserves (As per Balance Sheet of previous year)                                                        |                |                |                |                   |                | 3732106        |



|       |                                                |         |         |         |         |         |         |
|-------|------------------------------------------------|---------|---------|---------|---------|---------|---------|
| 7     | <b>Analytical Ratios</b>                       |         |         |         |         |         |         |
| (i)   | Share holding of Govt. of India (%)            | 65.01   | 65.01   | 62.08   | 65.01   | 62.08   | 62.08   |
| (ii)  | Capital Adequacy Ratio - Basel III (%)         | 11.62   | 11.65   | 11.25   | 11.62   | 11.25   | 11.28   |
| (a)   | CET 1 Ratio                                    | 8.31    | 8.26    | 8.12    | 8.31    | 8.12    | 7.87    |
| (b)   | Additional Tier 1 Ratio                        | 0.53    | 0.52    | 0.40    | 0.53    | 0.40    | 0.54    |
| (iii) | Earnings per Share (EPS) not annualized in ₹   |         |         |         |         |         |         |
| (a)   | Basic & diluted EPS before extraordinary items | 0.97    | 2.76    | 0.26    | 5.24    | 7.36    | -20.82  |
| (b)   | Basic & diluted EPS after extraordinary items  | 0.97    | 2.76    | 0.26    | 5.24    | 7.36    | -20.82  |
| (iv)  | <b>NPA Ratios:</b>                             |         |         |         |         |         |         |
| (a)   | Amount of gross non-performing assets          | 5562751 | 5646563 | 3433822 | 5562751 | 3433822 | 5581833 |
| (b)   | Amount of net non-performing assets            | 3499353 | 3572232 | 2298340 | 3499353 | 2298340 | 3542257 |
| (c)   | % of gross NPAs                                | 13.70   | 13.63   | 8.47    | 13.70   | 8.47    | 12.90   |
| (d)   | % of net NPAs                                  | 9.09    | 9.10    | 5.86    | 9.09    | 5.86    | 8.61    |
| (v)   | <b>Return on Assets (Annualised) %</b>         | 0.12    | 0.32    | 0.03    | 0.21    | 0.29    | -0.61   |



# SUMMARISED BALANCE SHEET

(₹ in lacs)

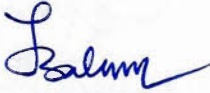
| Particulars                                           | As at Dec 2016<br>(Reviewed) | As at Dec 2015<br>(Reviewed) | As at Mar 2016<br>(Audited) |
|-------------------------------------------------------|------------------------------|------------------------------|-----------------------------|
| <b>Capital and Liabilities</b>                        |                              |                              |                             |
| Capital                                               | 42559                        | 39272                        | 39272                       |
| Reserves and Surplus                                  | 4198307                      | 4180655                      | 3791742                     |
| Deposits                                              | 61218031                     | 54853159                     | 55305113                    |
| Borrowings                                            | 4320543                      | 3998861                      | 5975524                     |
| Other Liabilities and Provisions                      | 1618091                      | 1783432                      | 1627394                     |
| <b>Total</b>                                          | <b>71397531</b>              | <b>64855379</b>              | <b>66739045</b>             |
| <b>Assets</b>                                         |                              |                              |                             |
| Cash and Balances with Reserve Bank of                | 2761951                      | 2222292                      | 2647907                     |
| Balances with bank and Money at call and short notice | 5213920                      | 4730661                      | 4914402                     |
| Investments                                           | 22181871                     | 16510100                     | 15784589                    |
| Advances                                              | 38572693                     | 39293669                     | 41232580                    |
| Fixed Assets                                          | 611811                       | 365008                       | 522273                      |
| Other assets                                          | 2055285                      | 1733649                      | 1637294                     |
| <b>Total Assets</b>                                   | <b>71397531</b>              | <b>64855379</b>              | <b>66739045</b>             |

## NOTES

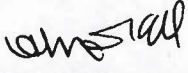
- The financial results for the quarter ended 31st December, 2016, have been prepared following the same accounting policies and practices as those followed in the annual financial statements for the year ended 31st March, 2016 except -
  - The guidelines pertaining to "Sale of Financial assets to SCs/RCs/Banks etc. in terms of RBI circular with ref. no. DBR.NO.BP.BC.102/21.04/048/2015-16 and
  - Additional provision of 2% on credit facilities to overseas step - down subsidiaries of Indian corporates in terms of RBI circular with ref. no. DBR.IBD.BC.NO.68/23.37.001/2015-16.
  - Earlier the dividend was accounted on realization basis and now the same is accounted for as and when the right to receive the dividend is established
 However there is no impact of the above changes on the financial statements for the quarter/nine months ended 31st December, 2016.
- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors in the meeting held on 07.02.2017. 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 provision for non-performing assets, standard assets, standard derivative exposures and investment depreciation has been made on the basis of extant guidelines on prudential norms for income recognition, asset classification and provisioning issued by the Reserve Bank of India.
- All usual and necessary provisions including provisions for employee benefits pertaining to pension, gratuity and leave encashment, depreciation on fixed assets and income tax have been made on estimated basis.
- 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](http://www.pnbindia.in). These disclosures have not been subjected to Limited Review.



- 6 In compliance of RBI letter no. DBR.NO.BP.13018/21.04.048/2015-16 dated 12.04.2016, Bank has made a provision of ₹ 211.97 crore being 15 % of the existing outstanding of ₹ 1413.16 crore as on 31.12.2016 under food credit availed by State Government of Punjab.
- 7 The Provision Coverage Ratio as at 31st Dec 2016 works out to 54.96%.
- 8 Figures of the previous period have been regrouped / rearranged / re-classified wherever necessary to conform to current period's classification.



(T K Balamukundan)  
Asstt. General Manager



(Sanjiv Sharan)  
Executive Director



(S K Jain)  
Dy. General Manager



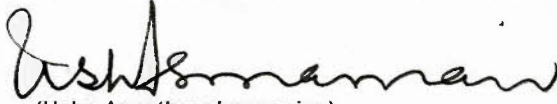
(Dr. Ram S. Sangapure)  
Executive Director



(P K Sharma)  
General Manager



(K Veera Brahmaji Rao)  
Executive Director



(Usha Ananthasubramanian)  
Managing Director & C.E.O.

07/02/17



Date : 07/02/2017  
Place: New Delhi



**SEGMENT REPORTING FOR THE QUARTER/NINE MONTHS ENDED 31st DECEMBER 2016**

**PART A - BUSINESS SEGMENTS**

| Sr. No.  | Particulars                         | Quarter Ended  |                |                | Nine Months Ended |                | Year Ended     |
|----------|-------------------------------------|----------------|----------------|----------------|-------------------|----------------|----------------|
|          |                                     | 31.12.2016     | 30.09.2016     | 31.12.2015     | 31.12.2016        | 31.12.2015     | 31.03.2016     |
|          |                                     | Reviewed       | Reviewed       | Reviewed       | Reviewed          | Reviewed       | Audited        |
| <b>1</b> | <b>Segment Revenue</b>              |                |                |                |                   |                |                |
|          | (a) Treasury Operations             | 430668         | 399561         | 390023         | 1204140           | 1112184        | 1463544        |
|          | (b) Corporate/Wholesale Banking     | 529920         | 584269         | 630088         | 1767707           | 1707869        | 2343543        |
|          | (c) Retail Banking                  | 465660         | 400702         | 347093         | 1212706           | 1231244        | 1535575        |
|          | (d) Other Banking Operations        | 23517          | 37295          | 21916          | 80039             | 51221          | 87475          |
|          | <b>Income from Operations</b>       | <b>1449765</b> | <b>1421827</b> | <b>1389120</b> | <b>4264592</b>    | <b>4102518</b> | <b>5430137</b> |
| <b>2</b> | <b>Segment Results</b>              |                |                |                |                   |                |                |
|          | (a) Treasury Operations             | 86646          | 129093         | 85692          | 313412            | 238363         | 336886         |
|          | (b) Corporate/Wholesale Banking     | 140034         | 138033         | 158299         | 440862            | 448137         | 625145         |
|          | (c) Retail Banking                  | 120886         | 95284          | 85307          | 302446            | 323073         | 409617         |
|          | (d) Other Banking Operations        | 6225           | 8947           | 5559           | 19962             | 13440          | 23334          |
|          | <b>Total</b>                        | <b>353791</b>  | <b>371357</b>  | <b>334857</b>  | <b>1076682</b>    | <b>1023013</b> | <b>1394982</b> |
|          | Less Other Un-allocable Expenditure | 331917         | 293529         | 420622         | 923356            | 871063         | 1968770        |
|          | <b>Total Profit before Tax</b>      | <b>21874</b>   | <b>77828</b>   | <b>-85765</b>  | <b>153326</b>     | <b>151950</b>  | <b>-573788</b> |
| <b>3</b> | <b>Capital Employed</b>             |                |                |                |                   |                |                |
|          | (a) Treasury Operations             | 1079188        | 874098         | 951914         | 1079188           | 951914         | 705170         |
|          | (b) Corporate/Wholesale Banking     | 1342419        | 1452295        | 1753437        | 1342419           | 1753437        | 1446251        |
|          | (c) Retail Banking                  | 664565         | 699621         | 737010         | 664565            | 737010         | 578699         |
|          | (d) Other Banking Operations        | 65864          | 130755         | 157771         | 65864             | 157771         | 111321         |
|          | (e) Unallocated                     | 1088830        | 1064968        | 619796         | 1088830           | 619796         | 989573         |
|          | <b>Total</b>                        | <b>4240866</b> | <b>4221737</b> | <b>4219928</b> | <b>4240866</b>    | <b>4219928</b> | <b>3831014</b> |

**PART B - GEOGRAPHICAL SEGMENTS**

| Sr. No.  | Particulars       | Quarter Ended   |                 |                 | Nine Months Ended |                 | Year Ended      |
|----------|-------------------|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|
|          |                   | 31.12.2016      | 30.09.2016      | 31.12.2015      | 31.12.2016        | 31.12.2015      | 31.03.2016      |
|          |                   | Reviewed        | Reviewed        | Reviewed        | Reviewed          | Reviewed        | Audited         |
| <b>1</b> | <b>Revenue</b>    |                 |                 |                 |                   |                 |                 |
|          | (a) Domestic      | 1406208         | 1378799         | 1353302         | 4138388           | 3999368         | 5288906         |
|          | (b) International | 43557           | 43028           | 35818           | 126204            | 103150          | 141231          |
|          | <b>Total</b>      | <b>1449765</b>  | <b>1421827</b>  | <b>1389120</b>  | <b>4264592</b>    | <b>4102518</b>  | <b>5430137</b>  |
| <b>2</b> | <b>Assets</b>     |                 |                 |                 |                   |                 |                 |
|          | (a) Domestic      | 62596985        | 57410483        | 55366631        | 62596985          | 55366631        | 57232861        |
|          | (b) International | 8800546         | 9604131         | 9488748         | 8800546           | 9488748         | 9506184         |
|          | <b>Total</b>      | <b>71397531</b> | <b>67014614</b> | <b>64855379</b> | <b>71397531</b>   | <b>64855379</b> | <b>66739045</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.



CHHAJED & DOSHI  
CHARTERED ACCOUNTANTS

R. DEVENDRA KUMAR & ASSOCIATES  
CHARTERED ACCOUNTANTS

HEM SANDEEP & CO.  
CHARTERED ACCOUNTANTS

SURI & CO.  
CHARTERED ACCOUNTANTS

SPMG & 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 / nine months ended December 31, 2016. 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. In the conduct of our review, we have reviewed the returns of 21 branches. We have relied on the review reports in respect of non-performing assets received from external concurrent auditors (including retired employees of the Bank) of 659 branches, in-house concurrent auditors of 731 branches and returns of 3 foreign branches reviewed by audit firm operating at that centre. These review reports cover 82.38% of the advances portfolio of the bank (excluding the advances of asset recovery branches and outstanding food credit) as at December 31, 2016. Apart from these review reports, in the conduct of our review, we have also relied up on 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 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.

FOR CHHAJED & DOSHI  
CHARTERED ACCOUNTANTS  
FIRM REGN.NO. 101794W

  
CA DEEPAK PURSWANI  
PARTNER (M.NO.114051)



FOR R. DEVENDRA KUMAR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN.NO. 114207W

  
CA NEERAJ GOLAS  
PARTNER (M.NO.074392)



FOR HEM SANDEEP & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGN.NO.009907N

  
CA SANDEEP JAIN  
PARTNER (M.NO.087977)

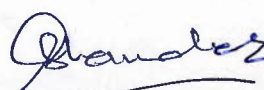


FOR SURI & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGN.NO.004283S

  
CA R. MAHESH  
PARTNER (M.NO.024775)



FOR SPMG & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGN.NO.509249C

  
CA SATISH CHANDER  
PARTNER (M.NO.087562)



Place: New Delhi

Date: February 7, 2017