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	**TOTAL INCOME (1+2)**	**1449765**	**1421827**	**1389120**	**4264592**	**4102518**	**5430137**
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	**TOTAL EXPENSES (3+4)** (excluding provisions & contingencies)	**1134305**	**1090623**	**1097332**	**3290466**	**3203668**	**4208502**
C	**Operating Profit (A-B)** (Profit before Provisions & Contingencies)	**315460**	**331204**	**291788**	**974126**	**898850**	**1221635**
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	**Net Profit (+)/Loss(-) from ordinary activities after tax (C-D-E-F)**	**20718**	**54936**	**5101**	**106290**	**139275**	**-397439**
H	Extraordinary items (net of tax expense)	0	0	0	0	0	0
I	**Net Profit (+)/Loss(-) for the period (G-H)**	**20718**	**54936**	**5101**	**106290**	**139275**	**-397439**
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

CHHAJED & DOSHI MUMBAI 101794 W Chartered Accountants

R. DEVENDRA KUMAR & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

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SURI & CO. Chennai 004283 S Chartered Accountants

SPMG & COMPANY New Delhi 509249 C Chartered Accountants

7	**Analytical Ratios**						
	(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) **NPA Ratios:**						
	(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) **Return on Assets (Annualised) %**	0.12	0.32	0.03	0.21	0.29	-0.61

SUMMARISED BALANCE SHEET

(₹ in lacs)

Particulars	As at Dec 2016 (Reviewed)	As at Dec 2015 (Reviewed)	As at Mar 2016 (Audited)
Capital and Liabilities			
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
Total	**71397531**	**64855379**	**66739045**
Assets			
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
Total Assets	**71397531**	**64855379**	**66739045**

NOTES

1. 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 -
   a) 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
   b) 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.
   c) 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.

2. 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.

3. 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.

4. 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.

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 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**	**(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**

(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

₹ In lacs

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
1	**Segment Revenue**						
	(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
	Income from Operations	**1449765**	**1421827**	**1389120**	**4264592**	**4102518**	**5430137**
2	**Segment Results**						
	(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
	Total	**353791**	**371357**	**334857**	**1076682**	**1023013**	**1394982**
	Less Other Un-allocable Expenditure	331917	293529	420622	923356	871063	1968770
	Total Profit before Tax	**21874**	**77828**	**-85765**	**153326**	**151950**	**-573788**
3	**Capital Employed**						
	(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
	Total	**4240866**	**4221737**	**4219928**	**4240866**	**4219928**	**3831014**

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
1	**Revenue**						
	(a) Domestic	1406208	1378799	1353302	4138388	3999368	5288906
	(b) International	43557	43028	35818	126204	103150	141231
	Total	**1449765**	**1421827**	**1389120**	**4264592**	**4102518**	**5430137**
2	**Assets**						
	(a) Domestic	62596985	57410483	55366631	62596985	55366631	57232861
	(b) International	8800546	9604131	9488748	8800546	9488748	9506184
	Total	**71397531**	**67014614**	**64855379**	**71397531**	**64855379**	**66739045**

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, Mumbai 101794 W, Chartered Accountants
R. Devendra Kumar & Associates, Mumbai, Chartered Accountants
Hem Sandeep & Co., Lucknow 009907 N, Chartered Accountants
Suri & Co., Chennai 004283 S, Chartered Accountants
SPMG & Company, New Delhi, Chartered Accountants

CHHAJED & DOSHI
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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.

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SPMG & COMPANY New Delhi Chartered Accountants

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

CHHAJED & DOSHI MUMBAI 101794 W Chartered Accountants

CA DEEPAK PURSWANI
PARTNER (M.NO.114051)

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

R. DEVENDRA KUMAR & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

CA NEERAJ GOLAS
PARTNER (M.NO.074392)

FOR HEM SANDEEP & CO.
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HEM SANDEEP & CO. LUCKNOW 009907 N Chartered Accountants

CA SANDEEP JAIN
PARTNER (M.NO.087977)

FOR SURI & CO.
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SURI & CO. Chennai 004283 S Chartered Accountants

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

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

SPMG & COMPANY New Delhi 509249 C Chartered Accountants

CA SATISH CHANDER
PARTNER (M.NO.087562)

Place: New Delhi
Date: February 7, 2017