PUNJAB NATIONAL BANK

FINANCIAL RESULTS (REVIEWED) FOR THE QUARTER / HALF YEAR ENDED 30th SEPTEMBER, 2018

₹ In lacs

S.No.	Particulars	Quarter Ended			Half-Year Ended		Year Ended
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	**Interest Earned (a+b+c+d)**	**1232628**	**1311317**	**1229929**	**2543945**	**2443565**	**4799576**
	a) Interest / discount on advances / bills	814868	920837	805819	1735705	1620300	3183308
	b) Income on Investments	354163	340491	352699	694654	693062	1394698
	c) Interest on Balances with RBI & other Inter Bank Funds	58673	44736	62253	103409	117386	200142
	d) Others	4924	5253	9158	10177	12817	21428
2	Other Income	170960	195924	190602	366884	423780	888087
A	**TOTAL INCOME (1+2)**	**1403588**	**1507241**	**1420531**	**2910829**	**2867345**	**5687663**
3	Interest Expended	835217	842131	828411	1677348	1656534	3307336
4	**Operating Expenses (a+b)**	284421	**245640**	**264212**	**530061**	**561172**	**1350907**
	(a) Employees Cost	166173	142733	158998	308906	352725	916880
	(b) Other operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	118248	102907	105214	221155	208447	434027
B	**TOTAL EXPENDITURE (3+4)** (excluding provisions & contingencies)	**1119638**	**1087771**	**1092623**	**2207409**	**2217706**	**4658243**
C	**Operating Profit (A-B)** (before Provisions & Contingencies)	**283950**	**419470**	**327908**	**703420**	**649639**	**1029420**
D	Provisions (other than tax) and contingencies	975790	575816	244079	1551606	504950	2986928
	of which provisions for Non Performing Assets	773327	498199	269378	1271526	525349	2445273
E	Exceptional items	0	0	0	0	0	0
F	Provision for Taxes (Tax Expenses)	-238605	-62345	27771	-300950	54291	-729226
G	**Net Profit (+)/Loss(-) from ordinary activities after tax (C-D-E-F)**	**-453235**	**-94001**	**56058**	**-547236**	**90398**	**-1228282**
H	Extraordinary items (net of tax expense)	0	0	0	0	0	0
I	**Net Profit / (Loss) for the period (G-H)**	**-453235**	**-94001**	**56058**	**-547236**	**90398**	**-1228282**
5	Paid up equity Share Capital (Face value ₹ 2/-each)	61471	55211	42559	61471	42559	55211
6	Reserves excluding revaluation reserves (as per Balance sheet of previous year)						3792134
7	**Analytical Ratios**						
	(i) Share holding of Govt. of India (%)	66.09	62.25	65.01	66.09	65.01	62.25
	(ii) Capital Adequacy Ratio - Basel-III (%)	10.08	9.62	11.56	10.08	11.56	9.2
	a) CET 1 Ratio	6.49	6.05	7.67	6.49	7.67	5.96
	b) Additional Tier 1 Ratio	1.29	1.28	1.21	1.29	1.21	1.17
	(iii) Earnings per Share (EPS) not annualized (in ₹)						
	(a) Basic and diluted EPS before extraordinary items	-16.18	-3.41	2.63	-19.68	4.25	-55.39
	(b) Basic and diluted EPS after extraordinary items	-16.18	-3.41	2.63	-19.68	4.25	-55.39
	(iv) **NPA Ratios:**						
	(a) Amount of Gross NPAs	8125083	8288879	5763011	8125083	5763011	8662005
	(b) Amount of Net NPAs	3827884	4387247	3457015	3827884	3457015	4868429
	(c) % of Gross NPAs	17.16	18.26	13.31	17.16	13.31	18.38
	(d) % of Net NPAs	8.90	10.58	8.44	8.90	8.44	11.24
	(v) Return on Assets (Annualised) %	-2.29	-0.48	0.30	-1.39	0.24	-1.60

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

SURI & CO. Chennai 004283 S Chartered Accountants

SPMG & COMPANY New Delhi 509249 C Chartered Accountants

MKPS & ASSOCIATES MUMBAI 302014 E Chartered Accountants

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

SUMMARISED BALANCE SHEET

(₹ in Lakhs)

Particulars	As at Sept 2018 (Reviewed)	As at Sept 2017 (Reviewed)	As at Mar 2018 (Audited)
Capital and Liabilities			
Capital	61471	42559	55211
Reserves and Surplus	3772400	4334828	4052219
Share application, pending allotment	543100	0	0
Deposits	64972607	63620835	64222619
Borrowings	5540419	3634958	6085075
Other Liabilities and Provisions	1404981	1578373	2167886
Total	**76294978**	**73211553**	**76583010**
Assets			
Cash and Balances with Reserve Bank of India	3446156	2649189	2878903
Balances with bank and Money at call and short notice	4527565	5577901	6667297
Investments	21158133	21057052	20030598
Advances	43096790	41026563	43373472
Fixed Assets	630057	645592	634933
Other assets	3436277	2255256	2997807
Total Assets	**76294978**	**73211553**	**76583010**

NOTES

1 The financial results for the quarter/ half year ended 30th September, 2018, have been prepared in accordance with 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.

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 02.11.2018. The same have been subjected to 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 issued by Reserve Bank of India.

4 Provisions for employee benefits pertaining to pension, gratuity and leave encashment has been made on acturial basis. Other usual and necessary provisions including unhedged foreign currency exposure,income tax and depreciation on fixed assets have been made on estimated basis for the quarter/half year and are subject to adjustments, if any, at the year end.

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 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.

6 During the quarter the bank has made provision of Rs 519.18 crores (previous corresponding quarter Rs Nil) in respect of 24 borrowal accounts under the provisions of Insolvency and Bankruptcy code (IBC) and RBI directions. The total provision made in these accounts is Rs 10736.14 crores (previous corresponding quarter Rs Nil).

7 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. Bank had made provisions amounting to Rs 9041.88 crore upto 30.06.2018. Further, Bank has made provision of Rs.3295.12 crores during quarter ended 30.09.2018. The remaining provision will be made during the next quarter of the current financial year 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 December 31, 2017; 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. 724.63 Crores during the quarter related to above three quarters and spread MTM losses of Rs. 484.08 Crores to the subsequent quarters of current financial year. Further, MTM losses for the quarter ended September 30, 2018 amounting to Rs. 529.33 Crores have been fully provided during the quarter.

9(a) During the quarter, the bank has made preferential allotment of 31,29,93,219 Equity shares of Rs 2 each at a premium of Rs 87.97, in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements Regulations, 2009), for which details are as under:-

Date of Allotment	Name of the Shareholder	No. of equity shares Face Value of Rs. 2 each	Issue Price per share (Amt in Rs.)	Amount (Rs. in Crore)
19.09.2018	Govt. of India	31,29,93,219.00	89.97/-	2,816.00

9(b) During the quarter Government of India infused Rs 5431 Crore which has been shown under Share Application Money, pending allotment. The said share application money has been treated as part of capital for the QE Sep'2018 as permitted by RBI vide its letter No. DBR.CO.BP.No. 2948/21.01.002/2018-19 dated 10.10.2018 .The Bank has alloted the shares on 01.11.2018.

10 During the quarter RBI has permitted the Bank to make payment of Interest on Additional Tier -1 Bonds of Rs 202.37 Crore by debiting Statutory Reserves. Accordingly during the quarter Bank has reversed provision of Rs 201.64 Crore made towards interest payable on Bonds.

11 RBI, vide its communication DBR. No. BP.BC. 9730/21.04.018/2017-18 dated April 27,2018, has given the option to Banks to spread additional liability on account of enhancement in gratuity limits from Rs 10 Lakhs to Rs 20 Lakhs from 29/03/2018 under the Payment of Gratuity Act, 1972, over four quarters beginning with the quarter ended March 31,2018. The Bank exercised that option and had charged Rs 63.33 crores in Sept 2018 out of an unamortised portion of Rs 126.67 crores as on June 30, 2018 to the profit and loss account and the unamortised gratuity expenditure as at Sept, 30,2018 is Rs 63.34 crores to be provided in next quarter.

G.S. Mathur & Co. New Delhi 008744 N Chartered Accountants
SURI & CO. Chennai 004283 S Chartered Accountants
SPMG & COMPANY New Delhi 509249 C Chartered Accountants
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H.D.S. & Associates New Delhi 012871 N Chartered Accountants
वित्त प्रभाग

12 Pursuant to the proposed bipartite agreement on wage revision (due with effect from November 2017), a sum of Rs 123.93 crore has been provided towards wage revision.(Cumulative provision; Rs 467.41 crores).

13 The Provisioning Coverage Ratio as at 30th September 2018 works out to 66.92% .

14 Details of Investor's complaints for the quarter ended September 30,2018: Pending at Beginning:0; Received:03;Disposed off:02;Closing:01.

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)
Deputy General Manager

(P K Sharma)
General Manager

(L V Prabhakar)
Executive Director

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

(Sunil Mehta)
Chairman

Place : New Delhi
Date : 02.11.2018

SEGMENT REPORTING FOR THE QUARTER/HALF YEAR ENDED 30TH SEPTEMBER 2018

PART A – BUSINESS SEGMENTS

₹In lacs

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	**Segment Revenue**						
	(a) Treasury Operations	431837	403990	491083	835827	966946	1910190
	(b) Corporate/Wholesale Banking	510555	569516	485365	1080071	1014612	1719642
	(c) Retail Banking	422799	497057	409259	919856	817169	1907807
	(d) Other Banking Operations	38397	36678	34824	75075	68618	150024
	Total Revenue	**1403588**	**1507241**	**1420531**	**2910829**	**2867345**	**5687663**
2	**Segment Results**						
	(a) Treasury Operations	13589	47211	157258	60800	280366	447483
	(b) Corporate/Wholesale Banking	-663125	-297128	-112970	-960253	-213523	-2233709
	(c) Retail Banking	5025	110506	93983	115531	181893	24920
	(d) Other Banking Operations	8172	10915	8429	19087	16510	23798
	Total	**-636339**	**-128496**	**146700**	**-764835**	**265246**	**-1737508**
	Unallocated Expenditure	55501	27850	62871	83351	120557	220000
	Profit before Tax	**-691840**	**-156346**	**83829**	**-848186**	**144689**	**-1957508**
	Provision for Tax	-238605	-62345	27771	-300950	54291	-729226
	Extraordinary items	-	-	-	-	-	-
	Net profit	**-453235**	**-94001**	**56058**	**-547236**	**90398**	**-1228282**
3	**Segment Assets**						
	(a) Treasury Operations	22967467	20963442	21930860	22967467	21930860	23249398
	(b) Corporate/Wholesale Banking	33157357	32296150	31422215	33157357	31422215	33640800
	(c) Retail Banking	15587801	15919784	16094694	15587801	16094694	15368372
	(d) Other Banking Operations	2230608	2482084	2616792	2230608	2616792	2252920
	(e) Unallocated	2351745	2127902	1146992	2351745	1146992	2071520
	Total	**76294978**	**73789362**	**73211553**	**76294978**	**73211553**	**76583010**
4	**Segment Liabilities**						
	(a) Treasury Operations	22346097	20409698	20947526	22346097	20947526	22613886
	(b) Corporate/Wholesale Banking	32244800	31443055	30013309	32244800	30013309	32721245
	(c) Retail Banking	15157226	15499267	15373042	15157226	15373042	14948285
	(d) Other Banking Operations	2169208	2416521	2499461	2169208	2499461	2191338
	(e) Unallocated	676	823	828	676	828	826
	Total	**71918007**	**69769364**	**68834166**	**71918007**	**68834166**	**72475580**
5	**Capital Employed**						
	(a) Treasury Operations	621370	553744	983334	621370	983334	635512
	(b) Corporate/Wholesale Banking	912557	853095	1408906	912557	1408906	919556
	(c) Retail Banking	430575	420517	721652	430575	721652	420087
	(d) Other Banking Operations	61400	65563	117331	61400	117331	61583
	(e) Unallocated	2351069	2127079	1146164	2351069	1146164	2070693
	Total Capital Employed	**4376971**	**4019998**	**4377387**	**4376971**	**4377387**	**4107431**

PART B - GEOGRAPHICAL SEGMENTS

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	**Revenue**						
	(a) Domestic	1353498	1461522	1370940	2815020	2774012	5487561
	(b) International	50090	45719	49591	95809	93333	200102
	Total	**1403588**	**1507241**	**1420531**	**2910829**	**2867345**	**5687663**
2	**Assets**						
	(a) Domestic	71256894	67583668	64501499	71256894	64501499	68744009
	(b) International	5038084	6205694	8710054	5038084	8710054	7839001
	Total	**76294978**	**73789362**	**73211553**	**76294978**	**73211553**	**76583010**

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

SURI & CO.
CHARTERED ACCOUNTANTS

SPMG & CO.
CHARTERED ACCOUNTANTS

MKPS & ASSOCIATES
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/half ended September 30, 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 5362 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 762 branches, in-house concurrent auditors of 856 branches to the Bank Management. These review reports cover 81.80% (of which 50.04% 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 September 30, 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:

a. Note no 7 regarding Provision amounting to Rs 3295.12 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.

b. Note no 8 regarding the recalculation of Mark to Market (MTM) losses charged to the Profit & Loss Account in the quarter ended 31st March 2018.

FOR GS MATHUR & CO.
CHARTERED ACCOUNTANTS
FRN008744N



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

FOR SURI& CO.
CHARTERED ACCOUNTANTS
FRN004283S



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

FOR SPMG & CO.
CHARTERED ACCOUNTANTS
FRN 509249C



CA AVADESH GUPTA
PARTNER
(M.NO.516769)

FOR MKPS & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 302014E



CA MAHENDRA K AGRAWALA
PARTNER
(M.NO. 051764)

FOR HDSG & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 002871N



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

Place: New Delhi
Date: 02.11. 2018