

PUNJAB NATIONAL BANK
ANNUAL FINANCIAL RESULTS FOR THE PERIOD ENDED 31st MARCH, 2017

₹ In lacs

S.No.	Particulars	Quarter Ended (Standalone)			Year Ended (Standalone)		Year Ended (Consolidated)	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
		AUDITED	REVIEWED	AUDITED	AUDITED		AUDITED	
1	Interest Earned (a+b+c+d)	1188653	1198416	1082403	4727599	4742435	4805808	5080387
	a) Interest/discount on advances/bills	771874	826294	759246	3295882	3444554	3370140	3728786
	b) Income on Investments	351053	337212	298014	1257717	1203365	1260532	1253980
	c) Interest on Balances with RBI and other Inter Bank Funds	56633	29900	15883	135420	73050	136567	74050
	d) Others	9093	5010	9260	38580	21466	38569	23571
2	Other Income	310280	213982	184518	895137	600005	916758	609963
A	TOTAL INCOME (1+2)	1498933	1412398	1266921	5622736	5342440	5722566	5690350
3	Interest Expended	820301	825336	805632	3228282	3211257	3272231	3433059
4	Operating Expenses (a+b)	55453	308969	199202	937938	997245	952355	1034988
	(a) Employees Cost	-54836	210213	100757	542072	642595	548233	656449
	(b) Other operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	110289	98756	98445	395866	354650	404122	378539
B	TOTAL EXPENDITURE (3+4) (excluding provisions & contingencies)	875754	1134305	1004834	4166220	4208502	4224586	4468047
C	Operating Profit (A-B) (Profit before Provisions & Contingencies)	623179	278093	262087	1456516	1133938	1497980	1222303
D	Provisions (other than tax) and contingencies	575351	256219	987825	1255362	1707726	1343971	1748986
	of which provisions for Non Performing Assets	491039	298954	1077337	1270372	1759218	1358039	1790376
E	Exceptional items	0	0	0	0	0	0	0
F	Provision for Taxes (Tax Expenses)	21638	1156	-189024	68674	-176349	63896	-160356
G	Less : Minority Interest	NA	NA	NA	NA	NA	5198	17969
H	Add : Share of earnings in Associates	NA	NA	NA	NA	NA	33809	15319
I	Net Profit (+)/Loss (-) from ordinary activities after tax (C-D-E-F-G+H)	26190	20718	-536714	132480	-397439	118724	-368977
J	Extraordinary items (net of tax expense)	0	0	0	0	0	0	0
K	Net Profit (+)/Loss(-) for the period (I-J)	26190	20718	-536714	132480	-397439	118724	-368977
L	Paid up equity Share Capital (Face value ₹ 2/-each)	42559	42559	39272	42559	39272	42559	39272
M	Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)				3507264	3732106	3856675	4027646
7	Analytical Ratios							
	(i) Share holding of Govt. of India (%)	65.01	65.01	62.08	65.01	62.08		
	(ii) Capital Adequacy Ratio - Basel-III (%)	11.66	11.62	11.28	11.66	11.28	11.98	13.15
	a) CET 1 Ratio	7.87	8.31	7.87	7.87	7.87	8.17	8.48
	b) Additional Tier 1 Ratio	1.04	0.53	0.54	1.04	0.54	1.08	1.68
	(iii) Earnings per Share (EPS) not annualized (in ₹)							
	(a) Basic and diluted EPS before extraordinary items	1.23	0.97	-27.33	6.45	-20.82	5.78	-19.32
	(b) Basic and diluted EPS after extraordinary items	1.23	0.97	-27.33	6.45	-20.82	5.78	-19.32



S.No.	Particulars	Quarter Ended (Standalone)			Year Ended (Standalone)		Year Ended (Consolidated)	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
		AUDITED	REVIEWED	AUDITED	AUDITED		AUDITED	
(iv) NPA Ratios:								Not Applicable
(a) Amount of gross non-performing assets	5537045	5562751	5581833	5537045	5581833			
(b) Amount of net non-performing assets	3270211	3499353	3542257	3270211	3542257			
(c) % of gross NPAs	12.53	13.70	12.90	12.53	12.90			
(d) % of net NPAs	7.81	9.09	8.61	7.81	8.61			
(v) Return on Assets (Annualised) %	0.14	0.12	-3.18	0.19	-0.61			

SUMMARISED BALANCE SHEET

(₹ in lacs)

Particulars	Standalone As at Mar 2017 (Audited)	Standalone As at Mar 2016 (Audited)
CAPITAL & LIABILITIES		
Capital	42559	39272
Reserves & Surplus	4142139	3791742
Deposits	62170402	55305113
Borrowings	4076334	5975524
Other Liabilities and Provisions	1601621	1627394
TOTAL	72033055	66739045
ASSETS		
Cash & Balances with Reserve Bank of India	2521000	2647907
Balances with Banks & Money at Call & Short Notice	6312165	4914402
Investments	18672544	15784589
Advances	41949315	41232580
Fixed Assets	627325	522273
Other Assets	1950706	1637294
TOTAL	72033055	66739045



NOTES

- 1 The financial results for the year ended 31st March, 2017, 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/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 16.05.2017. The same have been subjected to audit 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 have been made on the basis of actuarial valuation. All other usual and necessary provisions 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 Audit.
- 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 ₹ 209.07 crore being 15 % of the existing outstanding of ₹ 1393.79 crore as on 31.03.2017 in respect of restructured Food Credit advance availed by State Government of Punjab.
- 7 During the year bank has allotted 16,43,70,768 equity shares to Govt. of India of face value of ₹ 2/- each at a premium of ₹126.49 per share determined in accordance with Regulation 76 (1) of SEBI ICDR Regulations on preferential basis. Consequently the Government share holding as on 31.03.2017 is 65.01% as compared to 62.08% before preferential allotment.
- 8 During the year, bank has raised amount of ₹ 2250 cr through issue of Perpetual Basel III compliant Bonds which are eligible to be considered as Additional tier I capital.
- 9 During the year the Bank has revalued immovable properties (forming part of Schedule 10) based on the reports obtained from external independent valuers. The revaluation surplus amounting to ₹ 964.24 crore is credited to revaluation reserve.



- 10 The Provisioning Coverage Ratio as at 31st March 2017 works out to 58.57 %.
- 11 In accordance with AS-15 issued by ICAI, during the current quarter while considering the fair value of plan assets relating to pension and gratuity fund being long term benefits of employees, interest accrued on investments has also been taken into account as against principal amount in earlier quarters/years. Consequent to this, employer contribution to pension and gratuity funds representing excess of fair value of plan assets over present value of obligation amounting to ₹ 2026.60 crores has been credited to "Payments to and Provisions for Employees- Employee Cost" during the current quarter/year. Figures of earlier quarters/years are not comparable to that extent.
- 12 The figures of last quarter of the year are the balancing figures between audited figures in respect of the financial year and the published year to date figures upto the third quarter of the respective financial year.
- 13 Figures of the previous periods have been regrouped / rearranged / re-classified wherever necessary to conform to current period's classification.



(T K Balamukundan)
 Deputy General Manager


(S K Jain)
 Deputy General Manager

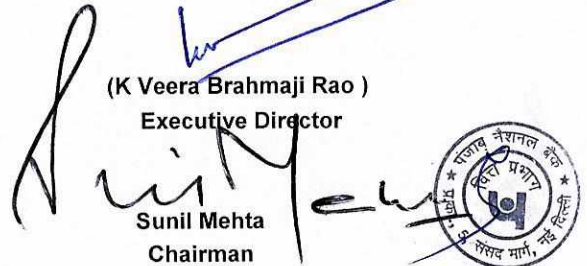

(P K Sharma)
 General Manager


(Sanjiv Sharan)
 Executive Director









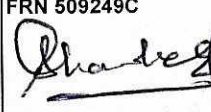


(Dr. Ram S. Sangapure)
 Executive Director


(K Veera Brahmaji Rao)
 Executive Director


Sunil Mehta
 Managing Director & C.E.O.


Sunil Mehta
 Chairman



<p>For Chhajed & Doshi Chartered Accountants FRN 101794W</p> <p> (Sudesh Punhani) Partner M No. 017222</p> <p></p>	<p>For R. Devendra Kumar & Associates Chartered Accountants FRN 114207W</p> <p> (Neeraj Golase) Partner (M No. 074392) M No. 074392</p> <p></p>	<p>For Hem Sandeep & Co. Chartered Accountants FRN 009907N</p> <p> (Manish Gupta) Partner M No. 092257</p> <p></p>
<p>For Suri & Co. Chartered Accountants FRN 004283S</p> <p> (R. Mahesh) Partner M No. 024775</p> <p></p>	<p>For SPMG & Co. Chartered Accountants FRN 509249C</p> <p> (Satish Chander) Partner M No. 087562</p> <p></p>	

Place : New Delhi
 Date : 16.05.2017

SEGMENT REPORTING FOR THE QUARTER/YEAR ENDED 31st MARCH 2017

PART A – BUSINESS SEGMENTS

₹ In lacs

Sr. No.	Particulars	Quarter Ended			Year Ended		Year Ended	
		Standalone			Standalone		Consolidated	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
		Audited	Reviewed	Audited	Audited	Audited	Audited	Audited
1	Segment Revenue							
	(a) Treasury Operations	490453	430668	351360	1694593	1463544	1750557	1515055
	(b) Corporate/Wholesale Banking	677389	492553	574976	2304307	2255846	2341662	2518439
	(c) Retail Banking	298969	465660	304331	1511675	1535575	1519487	1566951
	(d) Other Banking Operations	32122	23517	36254	112161	87475	110860	89905
	Total Revenue	1498933	1412398	1266921	5622736	5342440	5722566	5690350
2	Segment Results							
	(a) Treasury Operations	183587	73619	106485	469076	302337	489518	321294
	(b) Corporate/Wholesale Banking	-177360	-150180	-911809	-519704	-1137962	-593494	-1119535
	(c) Retail Banking	64958	130541	118876	357733	411850	366246	424769
	(d) Other Banking Operations	10615	6225	9894	30577	23334	29655	22355
	Total	81800	60205	-676554	337682	-400441	291925	-351117
	Unallocated Expenditure	33972	38331	49184	136528	173347	137917	175566
	Profit before Tax	47828	21874	-725738	201154	-573788	182619	-529333
	Provision for Tax	21638	1156	-189024	68674	-176349	63895	-160356
	Extraordinary items	-	-	-	-	-	-	-
	Share of Earning in Associates(Net)						33809	15319
	Minority Interest						5198	17969
	Net profit	26190	20718	-536714	132480	-397439	118724	-368977
3	Segment Assets							
	(a) Treasury Operations	21272894	24072142	16317272	21272894	16317272	22125727	17336034
	(b) Corporate/Wholesale Banking	32431692	29943739	33465504	32431692	33465504	32951504	36899694
	(c) Retail Banking	15234994	14823660	13390791	15234994	13390791	15304512	13726920
	(d) Other Banking Operations	1933664	1469160	2575905	1933664	2575905	1789697	2327075
	(e) Unallocated	1159811	1088830	989573	1159811	989573	1159651	989573
	Total	72033055	71397531	66739045	72033055	66739045	73331091	71279296
4	Segment Liabilities							
	(a) Treasury Operations	20364682	22992954	15612102	20364682	15612102	20779194	16293061
	(b) Corporate/Wholesale Banking	31047074	28601320	32019253	31047074	32019253	31286141	34267176
	(c) Retail Banking	14584561	14159095	12812092	14584561	12812092	15220660	14420525
	(d) Other Banking Operations	1851109	1403296	2464584	1851109	2464584	1726133	2118109
	(e) Unallocated	931	0	0	931	0	2476	0
	Total	67848357	67156665	62908031	67848357	62908031	69014604	67098871
5	Capital Employed							
	(a) Treasury Operations	908212	1079188	705170	908212	705170	1346533	1042973
	(b) Corporate/Wholesale Banking	1384618	1342419	1446251	1384618	1446251	1665363	2632518
	(c) Retail Banking	650433	664565	578699	650433	578699	83852	-693605
	(d) Other Banking Operations	82555	65864	111321	82555	111321	63564	208966
	(e) Unallocated	1158880	1088830	989573	1158880	989573	1157175	989573
	Total Capital Employed	4184698	4240866	3831014	4184698	3831014	4316487	4180425

PART B - GEOGRAPHICAL SEGMENTS

Sr. No.	Particulars	Quarter Ended			Year Ended		Year Ended	
		Standalone			Standalone		Consolidated	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
		Audited	Reviewed	Audited	Audited	Audited	Audited	Audited
1	Revenue							
	(a) Domestic	1466888	1368841	1228840	5464487	5201209	5460886	5492785
	(b) International	32045	43557	38081	158249	141231	261680	197565
	Total	1498933	1412398	1266921	5622736	5342440	5722566	5690350
2	Assets							
	(a) Domestic	63503755	62596985	57232861	63503755	57232861	63266974	60367422
	(b) International	8529300	8800546	9506184	8529300	9506184	10064117	10911874
	Total	72033055	71397531	66739045	72033055	66739045	73331091	71279296

- 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

SURI & CO.

Chartered Accountants

R. DEVENDRA KUMAR & ASSOCIATES

Chartered Accountants

SPMG & CO.

Chartered Accountants

HEM SANDEEP & CO.

Chartered Accountants

INDEPENDENT AUDITORS' REPORT (REVISED)

To
The Board of Directors
Punjab National Bank

1. This is with reference to our report dated May 16, 2017 issued as per requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period ended March 31, 2017. In line number 2 of para number 4 (ii) of the same, word "net loss" was mentioned instead of "net profit" due to typographical error. This report may be treated as revised version of our original report.
2. We have audited the standalone financial results for the year ended March 31, 2017, included in the accompanying Statement of Standalone Financial Results of Punjab National Bank (the 'Bank') for the year ended March 31, 2017 (the 'Statement'), being submitted by the Bank pursuant to the requirement of Regulation 33 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Bank's management and approved by the Board of Directors, has been prepared on the basis of the related financial statements for the year ended March 31, 2017 prepared in accordance with the Banking Regulation Act, 1949, accounting principles generally accepted in India along-with recognition and measurement principles laid down in the Accounting Standards issued by the Institute of Chartered Accountants of India so far as they are applicable to the Bank and Reserve Bank of India guidelines from time to time. Our responsibility is to express an opinion on the presentation of the Statement and the financial results for the year ended March 31, 2017.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Results are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Bank's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
4. Incorporated in these financial statements are the returns of 21 branches, Treasury Division and 34 other offices audited by us, 3607 branches audited by Statutory Branch Auditors (including 1 off-shore banking unit and 3 foreign branches audited by local auditors in respective countries). Also incorporated in the Balance Sheet and the Profit and Loss Account are the returns from 3310 branches, 114 other offices of the Bank, which have not been subjected to audit.
5. In our opinion and to the best of our information and according to the explanations given to us, the Statement:




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- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (ii) the financial results give a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the **net profit** and other financial information for the year ended March 31, 2017.
6. Without qualifying our opinion, we draw attention to Note No.11 regarding valuation of Plan Assets of long-term benefits, resulting in excess of fair value of plan assets over present value of obligation amounting to Rs.2026.60 crores credited to "Payments to and Provisions for Employees- Employee Cost" with consequential impact on results for the current quarter/year.
7. The "Pillar 3 disclosures under the Basel III Capital Regulation" as set out in Note 7 of the Statement have not been subjected to our audit
8. The Statement includes the financial results for the quarter ended March 31, 2017 being the balancing figure between audited figures in respect of the full financial year and the published year to date unaudited figures up to the third quarter of the current financial year which were subject to limited review by us.

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


KIRAN K DAFATRA
PARTNER
M.NO.010279



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


NEERAJ GOLAS
PARTNER
M.NO.074392



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


SANDEEP JAIN
PARTNER
M.NO.087977




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


R. MAHESH
PARTNER
M.NO.024775



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


AVADESH GUPTA
PARTNER
M.NO.516769



Place: New Delhi
Date: June 21, 2017

CHHAJED & DOSHI
Chartered Accountants
SURI & CO.
Chartered Accountants

R. DEVENDRA KUMAR & ASSOCIATES
Chartered Accountants
SPMG & CO.
Chartered Accountants

HEM SANDEEP & CO.
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors
Punjab National Bank

1. We have audited the standalone financial results for the year ended March 31, 2017, included in the accompanying Statement of Standalone Financial Results of Punjab National Bank (the 'Bank') for the year ended March 31, 2017 (the 'Statement'), being submitted by the Bank pursuant to the requirement of Regulation 33 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Bank's management and approved by the Board of Directors, has been prepared on the basis of the related financial statements for the year ended March 31, 2017 prepared in accordance with the Banking Regulation Act, 1949, accounting principles generally accepted in India along-with recognition and measurement principles laid down in the Accounting Standards issued by the Institute of Chartered Accountants of India so far as they are applicable to the Bank and Reserve Bank of India guidelines from time to time. Our responsibility is to express an opinion on the presentation of the Statement and the financial results for the year ended March 31, 2017.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Results are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Bank's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
3. Incorporated in these financial statements are the returns of 21 branches, Treasury Division and 34 other offices audited by us, 3607 branches audited by Statutory Branch Auditors (including 1 off-shore banking unit and 3 foreign branches audited by local auditors in respective countries. Also incorporated in the Balance Sheet and the Profit and Loss Account are the returns from 3310 branches, 114 other offices of the Bank, which have not been subjected to audit.
4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and



(ii) the financial results give a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net loss and other financial information for the year ended March 31, 2017.

5. Without qualifying our opinion, we draw attention to Note No.11 regarding valuation of Plan Assets of long-term benefits, resulting in excess of fair value of plan assets over present value of obligation amounting to Rs.2026.60 crores credited to "Payments to and Provisions for Employees- Employee Cost" with consequential impact on results for the current quarter/year.
6. The "Pillar 3 disclosures under the Basel III Capital Regulation" as set out in Note 7 of the Statement have not been subjected to our audit
7. The Statement includes the financial results for the quarter ended March 31, 2017 being the balancing figure between audited figures in respect of the full financial year and the published year to date unaudited figures up to the third quarter of the current financial year which were subject to limited review by us.

FOR CHHAJED & DOSHI
CHARTERED ACCOUNTANTS
FIRM REGN.NO. 1142794W


SUDESH PUNHANI
PARTNER
M.NO.017222



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


NEERAJ GOLAS
PARTNER
M.NO.074392



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


MANISH GUPTA
PARTNER
M.NO.092257

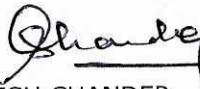


FOR SURI & CO.
CHARTERED ACCOUNTANTS
FIRM REGN.NO.004283S


R. MAHESH
PARTNER
M.NO.024775



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


SATISH CHANDER
PARTNER
M.NO.087562



Place: New Delhi
Date: May 16, 2017

CHHAJED & DOSHI

Chartered Accountants

SURI & CO.

Chartered Accountants

**R. DEVENDRA KUMAR HEM SANDEEP & CO.
& ASSOCIATES**

Chartered Accountants

SPMG & CO.

Chartered Accountants

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors
Punjab National Bank,

1. We have audited the consolidated financial results for the year ended March 31, 2017, included in the accompanying Statement of Consolidated Financial Results of Punjab National Bank (the 'Bank') for the year ended March 31, 2017 (the 'Statement'), being submitted by the Bank pursuant to the requirement of Regulation 33 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Bank's management and approved by the Board of Directors, has been prepared on the basis of the related financial statements for the year ended March 31, 2017 prepared in accordance with the Banking Regulation Act, 1949, accounting principles generally accepted in India alongwith recognition and measurement principles laid down in the Accounting Standards issued by the Institute of Chartered Accountants of India so far as they are applicable to the Bank and Reserve Bank of India guidelines from time to time. Our responsibility is to express an opinion on the presentation of the Statement and the financial results for the year ended March 31, 2017.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Results are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Group's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
3. Incorporated in these financial statements are the returns of 21 branches, Treasury Division and 34 other offices audited by us, 3610 branches audited by Statutory Branch Auditors (including 1 off-shore banking unit) and 3 foreign branches audited by local auditors in respective countries. Also incorporated in the Balance Sheet and the Profit and Loss Account are the returns from 3310 branches, 114 other offices of the Bank, which have not been subjected to audit.
4. We have not audited the following financial statements incorporated in the consolidated financial statements:
 - a. i. Three domestic subsidiaries, whose financial statements reflect total assets (net) of Rs.4637.12 crores as at March 31, 2017, total revenues of Rs.38.91 crores on that date; and
 - ii. Ten associates & one joint ventures whose financial statements reflect total assets (net) of Rs. 101611.97 crores as at March 31, 2017, total revenues of Rs.996.48 crores on that date; and
 - iii. Two international subsidiaries, whose financial statements reflect total assets of Rs.10711.05 crores as on March 31, 2017 and total revenue of (Rs.594.85 crores) and cash outflows amounting to Rs.1841.73 crores for the year then ended. The financial statements and other financial information of said subsidiary has been audited by other auditors as per the requirement of respective local Generally Accepted Accounting Principles (GAAP). These financial statements have been converted as per the requirements of Indian GAAP by the management.These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.
- (b). The Financial Statements of four Associates (including 1 RRBs) and one Joint Venture which have not been audited reflect total assets (net) of Rs.16932.25 crores as at March 31, 2017, total revenues of Rs.184.18 crores on that date for the year then ended. Our opinion is based on the Un-audited financial statements of 4 associates (including one Regional Rural Banks) and one joint venture.

5. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors/unaudited information as referred to in paragraph 4 above, the Statement:



(i) includes the results of the following entities:

i. Subsidiaries

- a. PNB Investment Services Limited
- b. PNB Insurance Broking Pvt. Ltd (Under liquidation)
- c. PNB Gilts Limited
- d. PNB International Limited
- e. Druk PNB Bank Limited, Bhutan

ii. Associates

- a. JSC Tengri Bank, Kazakhstan
- b. Principal PNB Asset Management Company Pvt. Ltd.
- c. Principal Trustee Company Pvt. Ltd.
- d. PNB Metlife India Insurance Co. Ltd
- e. PNB Housing Finance Limited
- f. Madhya Bihar Gramin Bank, Patna
- g. Sarva Haryana Gramin Bank, Rohtak
- h. Himachal Pradesh Gramin Bank, Mandi
- i. Punjab Gramin Bank, Kapurthala
- j. Sarva UP Gramin Bank, Meerut

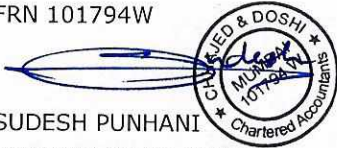
iii. Joint Venture

- a. Everest Bank, Nepal

6. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
7. Without qualifying our opinion, we draw attention to Note No.11 regarding valuation of Plan Assets of long-term benefits, resulting in excess of fair value of plan assets over present value of obligation amounting to Rs.2026.60 crores credited to "Payments to and Provisions for Employees- Employee Cost" with consequential impact on results for the current quarter/year.
8. the financial results give a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and other financial information for the year ended March 31, 2017.
9. The "Pillar 3 disclosures under the Basel III Capital Regulation" as set out in Note 7 of the Statement have not been subjected to our audit

FOR CHHAJED & DOSHI

CHARTERED ACCOUNTANTS
FRN 101794W



SUDESH PUNHANI
PARTNER (M.NO.017222)

FOR R. DEVENDRA KUMAR & ASSOCIATES

CHARTERED ACCOUNTANTS
FRN 114207W



NEERAJ GOLAS
PARTNER (M.NO.074392)

FOR HEM SANDEEP & CO.
CHARTERED ACCOUNTANTS
FRN 009907N

MANISH GUPTA
PARTNER (M.NO.092257)

FOR SURI & CO.

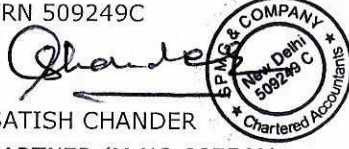
CHARTERED ACCOUNTANTS
FRN 004283S



R. MAHESH
PARTNER (M.NO.024775)

FOR SPMG & CO.

CHARTERED ACCOUNTANTS
FRN 509249C



SATISH CHANDER
PARTNER (M.NO.087562)

Place: New Delhi
Date: May 16, 2017