

HO:FINANCE DIVISION (SHARE DEPARTMENT), 5,SANSAD MARG, NEW DELHI-110001
Tel Nos : 011-23708257 Fax No : 011-23766079, E-mail : hosd@pnb.co.in

SDFD/SE/61/63

16.05.2017

| | |
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| Script Code : PNB The Asstt. Vice President National Stock Exchange of India Limited "Exchange Plaza", Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051 Email: cmlist@nse.co.in | Script Code : 532461 The Dy. General Manager Bombay Stock Exchange Limited 1 st Floor, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001 Email: corprelations@bse.co.in |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Dear Sir,

The Exchange is hereby informed that the Board of Directors of the Bank at its meeting held today i.e. 16.05.2017 which concluded at ~~12.50 PM~~ considered and approved the Standalone (audited) and Consolidated (audited) financial results of the Bank with the relevant segment reporting for the quarter/financial year ended 31st March 2017.

A copy of the Standalone and Consolidated audited financial results in the prescribed formats including Form A is enclosed.

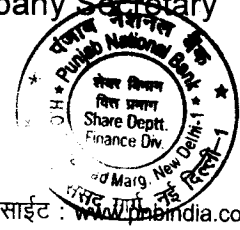
We request you to please take note of the results in terms of Regulation 33 of the SEBI (LODR) Regulations 2015. The Annual Financial Results shall also be placed on Bank's website (www.pnbindia.in).

Thanking you,

Yours faithfully,



Balbir Singh
Company Secretary



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 |

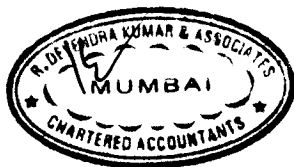


| S.No. | Particulars | Quarter Ended (Standalone) | | | Year Ended (Standalone) | | Year Ended (Consolidated) | |
|-------------------------------------------|-------------|----------------------------|------------|------------|-------------------------|------------|---------------------------|----------------|
| | | 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 | Standaone As at Mar 2017 (Audited) | Standaone 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 |

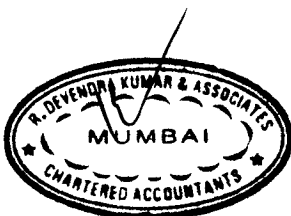


NOTES

- 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.

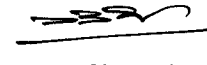
- 2 The above financial results have been reviewed by the Audit Committee of Board and approved by the Board of Directors in the meeting held on 16.05.2017. The same have been subjected to audit by the Statutory Central Auditors of the bank, in line with the guidelines issued by the Reserve Bank of India 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.

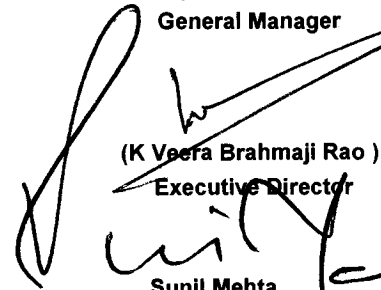

(T K Balamukundan)
 Deputy General Manager


(S K Jain)
 Deputy General Manager


(P K Sharma)
 General Manager


(Sanjiv Sharan)
 Executive Director




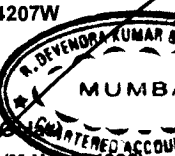




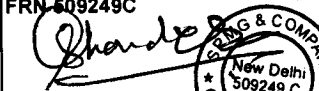


(Dr. Ram S. Sangapore)
 Executive Director


(K Veefa Brahmaji Rao)
 Executive Director


Sunil Mehta
 Managing Director & C.E.O.


Sunil Mehta
 Chairman



| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>For Chhajer & Doshi Chartered Accountants FRN 101794W</p> <p> (Sudesh Punh) Partner M No. 017222</p> <p></p> | <p>For R. Devendra Kumar & Associates Chartered Accountants FRN 114207W</p> <p> (Neeral) 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

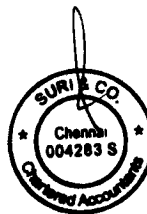
| Sr. No. | Particulars | Quarter Ended | | | Year Ended | | Year Ended | |
|----------|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | Standalone | | | Standalone | | Consolidated | |
| | | 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 | |
|----------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | 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 :

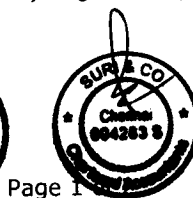
1. Segment Liabilities are distributed in the ratio of their respective Segment Assets.
2. Figures of the previous period have been re-grouped/re-classified wherever necessary.



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. 101794W


SUDESH PUNNANI
PARTNER
M.NO.017222





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


NEERAJ GOLD
PARTNER
M.NO.074392

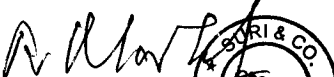



FOR HEM SANDEEP & CO.
CHARTERED ACCOUNTANTS
FIRM REGN.NO. 009907N


MANISH GUPTA
PARTNER
M.NO.092257

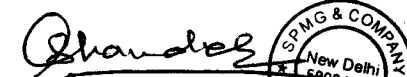



FOR SURI & CO.
CHARTERED ACCOUNTANTS
FIRM REGN.NO.004283S


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**

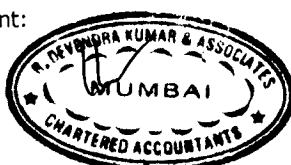
Chartered Accountants Chartered Accountants
SPMG & CO.
Chartered Accountants

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:

Page 2 of 2

(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

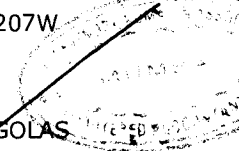

SUDESH PUNHANI
PARTNER (M.NO.017222)




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)

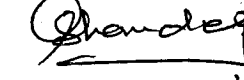


FOR SURI & CO.
CHARTERED ACCOUNTANTS
FRN 004283S


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