Share Department, Finance Division, HO Plot No.4 Sector 10, Dwarka, New Delhi–110075
Tel Nos : 011-28044866 E-mail : hosd@pnb.co.in

Ref: FD/SD/2018-2018-19 Date: 07-08-2018

Script Code : PNB	**Script Code : 532461**
The Asstt. Vice President National Stock Exchange of India Limited "Exchange Plaza", Bandra – Kurla Complex, Bandra (E), **Mumbai – 400 051**	The Dy. General Manager Bombay Stock Exchange Limited 1st Floor, Phiroze Jeejeebhoy Towers Dalal Street, **Mumbai – 400 001**

Dear Sir (s),

Reg.: Outcome of the Board Meeting

The Exchange is hereby informed that the Board of Directors of the Bank in its meeting on held today i.e. 07.08.2018, has approved Reviewed/ Unaudited Financial Results of the Bank for the 1st Quarter of FY 2018-2019 i.e. quarter ended 30.06.2018 (copy enclosed).

The meeting started at 10.00 AM and concluded at 12.30 PM

We request you to please take note of the results in terms of Regulation 30 schedule III of the SEBI (LODR) Regulations 2015.

Thanking you,

Yours faithfully,

(Balbir Singh)
Company Secretary

Encl: as above.

PUNJAB NATIONAL BANK

FINANCIAL RESULTS (REVIEWED) FOR THE QUARTER ENDED 30th JUNE, 2018

₹ In lacs

S.No.	Particulars	Quarter Ended			Year Ended
		30.06.2018	31.03.2018	30.06.2017	31.03.2018
		Reviewed	Audited	Reviewed	Audited
1	**Interest Earned (a+b+c+d)**	**1311317**	**1138463**	**1213636**	**4799576**
	a) Interest / discount on advances / bills	920837	741078	814481	3183308
	b) Income on Investments	340491	347006	340363	1394698
	c) Interest on Balances with RBI & other Inter Bank Funds	44736	45664	55133	200142
	d) Others	5253	4715	3659	21428
2	Other Income	195924	156105	233178	888087
A	**TOTAL INCOME (1+2)**	**1507241**	**1294568**	**1446814**	**5687663**
3	Interest Expended	842131	832124	828123	3307336
4	**Operating Expenses (a+b)**	**245640**	**507182**	**296960**	**1350907**
	(a) Employees Cost	142733	389997	193727	916880
	(b) Other operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	102907	117185	103233	434027
B	**TOTAL EXPENDITURE (3+4)** (excluding provisions & contingencies)	**1087771**	**1339306**	**1125083**	**4658243**
C	**Operating Profit (A-B)** (before Provisions & Contingencies)	**419470**	**-44738**	**321731**	**1029420**
D	Provisions (other than tax) and contingencies	575816	2035310	260871	2986928
	of which provisions for Non Performing Assets	498199	1620282	255971	2445273
E	Exceptional items	0	0	0	0
F	Provision for Taxes (Tax Expenses)	-62345	-738357	26520	-729226
G	**Net Profit (+)/Loss(-) from ordinary activities after tax (C-D-E-F)**	**-94001**	**-1341691**	**34340**	**-1228282**
H	Extraordinary items (net of tax expense)	0	0	0	0
I	**Net Profit / (Loss) for the period (G-H)**	**-94001**	**-1341691**	**34340**	**-1228282**
5	Paid up equity Share Capital (Face value ₹ 2/-each)	55211	55211	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 (%)	62.25	62.25	65.01	62.25
	(ii) Capital Adequacy Ratio - Basel-III (%)	9.62	9.2	11.64	9.2
	a) CET 1 Ratio	6.05	5.96	7.91	5.96
	b) Additional Tier 1 Ratio	1.28	1.17	1.03	1.17
	(iii) Earnings per Share (EPS) not annualized (in ₹)				
	(a) Basic and diluted EPS before extraordinary items	-3.41	-54.89	1.61	-55.39
	(b) Basic and diluted EPS after extraordinary items	-3.41	-54.89	1.61	-55.39
	(iv) **NPA Ratios:**				
	(a) Amount of Gross NPAs	8288879	8662005	5772070	8662005
	(b) Amount of Net NPAs	4387247	4868429	3457271	4868429
	(c) % of Gross NPAs	18.26	18.38	13.66	18.38
	(d) % of Net NPAs	10.58	11.24	8.67	11.24
	(v) Return on Assets (Annualised) %	-0.48	-6.72	0.18	-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

MMS & ASSOCIATES MUMBAI 302014 E Chartered Accountants

H.D.S.G. & Associates New Delhi 002871 N Chartered Accountants

SUMMARISED BALANCE SHEET

(₹ in Lakhs)

Particulars	As at June 2018 (Reviewed)	As at June 2017 (Reviewed)	As at Mar 2018 (Audited)
Capital and Liabilities			
Capital	55211.46	42559.37	55211.46
Reserves and Surplus	3964787.00	4234566.88	4052219.15
Deposits	63031140.93	62561610.51	64222619.19
Borrowings	4331776.25	4043912.62	6085074.80
Other Liabilities and Provisions	2406446.57	1638013.30	2167885.85
Total	**73789362.21**	**72520662.67**	**76583010.45**
Assets			
Cash and Balances with Reserve Bank of India	4161373.70	2766538.51	2878903.24
Balances with bank and Money at call and short notice	4771572.88	6500355.88	6667297.11
Investments	19389074.61	20254836.45	20030598.16
Advances	41533948.92	39974983.59	43373472.13
Fixed Assets	636016.56	641256.83	634932.72
Other assets	3297375.54	2382691.41	2997807.09
Total Assets	**73789362.21**	**72520662.67**	**76583010.45**

NOTES

1 The financial results for the quarter ended 30th June, 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 the Board and approved by the Board of Directors in their respective meetings held on 07.08.2018. 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 financial results of the bank have been arrived at after considering provisions for non-performing assets, standard assets, restructured advances, standard derivative exposures and Depreciation/Provision for investment on the basis of extant guidelines issued by Reserve Bank of India.

4 Provisions for employee benefits pertaining to pension, gratuity, leave encashment and other usual and necessary provisions including unhedged foreign currency exposure and income tax have been made on estimated basis for the quarter 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 320.83 crores (previous corresponding quarter Rs Nil) in respect of 27 borrower accounts under the provisions of Insolvency and Bankruptcy code (IBC) and RBI directions. The total provision made on these accounts is Rs 10670.75 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. However, Bank had made higher than required provisions @ 50% amounting to Rs 7178.42 crore upto 31.03.2018. Further, Bank has made provision of Rs.1863.46 crores during quarter ended 30.06.2018 making the total amount of provision more than required by RBI. The remaining provision will be made during the next two quarters of the current financial year as per terms of RBI's dispensation.

8 RBI vide its circular dated April 2, 2018 and dated June 15, 2018 permitted banks to spread provisioning for Mark to Market (MTM) losses on investments for the quarters ended December 31,2017, March 31, 2018 and June 30, 2018 equally over the four quarters. The bank had calculated MTM losses in all the securities held in AFS and HFT for the quarter ended December 31, 2017 and March 31, 2018 amounting to Rs. 2787.06 crores out of which Rs. 1829.70 crores related to certain securities held in AFS and HFT for which the bank exercised the option to spread to four quarters, consisting of Rs. 741.42 crores charged to the profit & loss account and Rs. 1088.28 crores spread over the subsequent quarters and the balance amount of Rs. 957.36 crores relate to MTM losses where the bank did not exercise the option of spread. Pursuant to RBI clarification dt 16.07.2018 to IBA that the option to spread provisioning for MTM losses is available for entire investment held in AFS and HFT portfolio, the bank decided to avail the benefit of spread over of MTM losses on the entire investment equally in the four quarters from the quarter ended December 31, 2017 and thus recalculated the amount to be charged to the profit and loss account in the quarters ended on December 31, 2017 and March 31, 2018 and the amount to be deferred to subsequent quarters. The MTM losses ought to have been charged for the quarters ended 31st December 2017 and 31st March 2018 are Rs. 965.18 crores as against Rs. 1698.94 crores already charged to profit & loss account in the quarters ended 31st December 2017 and 31st March 2018, thus resulting into an excess provision of Rs. 733.76 crores. The additional provision for MTM losses on all the investments in AFS and HFT required for the quarter ended June 30, 2018 is Rs. 724.63 crores, thus resulting into a net write back of Rs. 9.13 crore in the profit & loss account for the quarter ended 30th June, 2018 and the remaining MTM losses of Rs. 1208.71 crores have been deferred to the subsequent three quarters.

9 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 out of an unamortised portion of Rs 190 crores as on March 31, 2018 to the profit and loss account during the quarter ended June 30,2018 and the unamortised gratuity expenditure as at June 30,2018 is Rs 126.67 crores to be provided in subsequent two quarters.

10 During the quarter, the bank has appropriated the recovery of Rs.335.84 crores in a NPA account (fully provided already) in accordance with the resolution plan approved vide order of National Company Law Tribunal (NCLT). Based on the legal opinion obtained and pending issuance of final order from National Company Law Appellate Tribunal (NCLAT) on the appeal filed, the amount received has been considered as eligible credit for the calculation of NPA provision.

11 The Provisioning Coverage Ratio as at 30th June 2018 works out to 61.80% .

12 Details of Investor's complaints for the quarter ended June 30,2018: Pending at Beginning:0; Received:06;Disposed off:06;Closing:0.

13 The figures for the quarter ended March 31,2018 are the balancing figures between audited figures in respect of Financial Year 2017-18 and published year to date figures upto December 31,2017.

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.K. & Associates New Delhi 002871 N Chartered Accountants

14 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 & CEO

Sunil Mehta
Chairman

Place : New Delhi
Date : 07.08.2018

G.S. Mathur & Co. New Delhi 008741N Chartered Accountants

SURI & CO. Chennai 004283S Chartered Accountants

SPMG & COMPANY New Delhi 509249 C Chartered Accountants

MKPS & ASSOCIATES MUMBAI 302014 E Chartered Accountants

H.D.S.G. & Associates New Delhi 002671 N Chartered Accountants

वित्त प्रभाग

SEGMENT REPORTING FOR THE QUARTER ENDED 30TH JUNE 2018

PART A – BUSINESS SEGMENTS

₹ In lacs

Sr. No.	Particulars	Quarter Ended			Year Ended
		30.06.2018	31.03.2018	30.06.2017	31.03.2018
		Reviewed	Audited	Reviewed	Audited
1	**Segment Revenue**				
	(a) Treasury Operations	403990	400970	475863	1910190
	(b) Corporate/Wholesale Banking	569516	176760	529247	1719642
	(c) Retail Banking	497057	668912	407910	1907807
	(d) Other Banking Operations	36678	47927	33794	150024
	Total Revenue	**1507241**	**1294569**	**1446814**	**5687663**
2	**Segment Results**				
	(a) Treasury Operations	47211	-9762	123108	447483
	(b) Corporate/Wholesale Banking	-297128	-1809234	-100553	-2233709
	(c) Retail Banking	110506	-197143	87910	24920
	(d) Other Banking Operations	10915	1444	8081	23798
	Total	**-128496**	**-2014695**	**118546**	**-1737508**
	Unallocated Expenditure	27850	65351	57686	220000
	Profit before Tax	**-156346**	**-2080046**	**60860**	**-1957508**
	Provision for Tax	-62345	-738357	26520	-729226
	Extraordinary items	-	-	-	-
	Net profit	**-94001**	**-1341689**	**34340**	**-1228282**
3	**Segment Assets**				
	(a) Treasury Operations	20963442	23249398	21868231	23249398
	(b) Corporate/Wholesale Banking	32296150	33640800	31014451	33640800
	(c) Retail Banking	15919784	15368372	15898258	15368372
	(d) Other Banking Operations	2482084	2252920	2546391	2252920
	(e) Unallocated	2127902	2071520	1193332	2071520
	Total	**73789362**	**76583010**	**72520663**	**76583010**
4	**Segment Liabilities**				
	(a) Treasury Operations	20409698	22613886	20930167	22613886
	(b) Corporate/Wholesale Banking	31443055	32721245	29684048	32721245
	(c) Retail Banking	15499267	14948285	15216283	14948285
	(d) Other Banking Operations	2416521	2191338	2437161	2191338
	(e) Unallocated	823	826	927	826
	Total	**69769364**	**72475580**	**68268586**	**72475580**
5	**Capital Employed**				
	(a) Treasury Operations	553744	635512	938064	635512
	(b) Corporate/Wholesale Banking	853095	919556	1330403	919556
	(c) Retail Banking	420517	420087	681975	420087
	(d) Other Banking Operations	65563	61583	109230	61583
	(e) Unallocated	2127079	2070693	1192405	2070693
	Total Capital Employed	**4019998**	**4107431**	**4252077**	**4107431**

PART B - GEOGRAPHICAL SEGMENTS

Sr. No.	Particulars	Quarter Ended			Year Ended
		30.06.2018	31.03.2018	30.06.2017	31.03.2018
		Reviewed	Audited	Reviewed	Audited
1	**Revenue**				
	(a) Domestic	1461522	1239890	1403072	5487561
	(b) International	45719	54679	43742	200102
	Total	**1507241**	**1294569**	**1446814**	**5687663**
2	**Assets**				
	(a) Domestic	67583668	68744009	63973999	68744009
	(b) International	6205694	7839001	8546664	7839001
	Total	**73789362**	**76583010**	**72520663**	**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 ended June 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, one foreign branch reviewed by local auditors specially appointed for this purpose and unreviewed returns in respect of 5356 branches which include two foreign branches. 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 784 branches, in-house concurrent auditors of 838 branches to the Bank Management. These review reports cover 77.44% (of which 49.37% 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 June 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.

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.Gor & Associates New Delhi 002871 N Chartered Accountants

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 Rs1863.46 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.

c. Note no.10.regarding appropriation of Recovery in an account referred to National Company Law Tribunal (NCLT) on the basis of legal opinion where Appeal is pending before the National Company Law Appellate Tribunal (NCLAT).

FOR GS MATHUR & CO.
CHARTERED ACCOUNTANTS
FRN 008744N

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

FOR SURI & CO.
CHARTERED ACCOUNTANTS
FRN 004283S

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: August 7, 2018