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STRICLTY CONFIDENTIAL

Dated: March 5th 2020

The Board of Directors
Punjab National Bank,
Plot No 4, Sector -10 Dwarka,
New Delhi -110075, India

Dear Members on the Board,

Subject: Fairness Opinion on the Share Swap Ratio for the proposed amalgamation of Oriental Bank of Commerce and United Bank of India into Punjab National Bank (the "Transaction")

This is with reference to our appointment vide letter dated November 14th 2019 ("**Appointment Letter**") ref no.: HO/FD/M&A/2019 wherein we have been requested to provide fairness opinion to the Board of Directors of Punjab National Bank on the Share Swap Ratio relating to the proposed amalgamation of Oriental Bank of Commerce and United Bank of India into Punjab National Bank.

1. Background and Scope of Engagement:

We understand that Punjab National Bank, Oriental Bank of Commerce and United Bank of India are envisaged to be amalgamated by a Scheme of Amalgamation under Sections Sec. 9 (2) (c) of The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. For this purpose, Punjab National Bank, Oriental Bank of Commerce and United Bank of Commerce have appointed Chartered Accountant firms: S. R. Batliboi & Co LLP, Haribhakti & Co LLP and Deloitte Haskins & Sells (collectively referred to as "Valuers") respectively to prepare a Valuation Report and recommend a Share Swap Ratio for distribution of equity shares of Punjab National Bank to the equity shareholders of Oriental Bank of Commerce and United Bank of India ("Share Exchange Ratio").

As per the Valuation Report dated **March 4th 2020** the valuers have recommended the Share Exchange Ratio of **1150 (One Thousand One Hundred and Fifty)** equity shares of Punjab National Bank of INR 2/- each fully paid up for every **1000 (One Thousand)** equity shares of Oriental Bank of Commerce of INR 10/- each fully paid up and the Share Exchange Ratio of **121 (One Hundred and Twenty One)** equity shares of Punjab National Bank of INR 2/- each fully paid up for every **1000 (One Thousand)** equity shares of United Bank of India of INR 10/- each fully paid up.

As required by SEBI Circular CIR/CFD/CMD/16/2015, dated November 30, 2015, Punjab National Bank has invited us to review the valuation reports dated **March 4th 2020** prepared by the valuers and

provide a Fairness Opinion as to whether the Share Swap Ratio arrived at is fair and reasonable. This fairness opinion is being provided solely to the Board of Directors of Punjab National Bank and strictly within this context and is not intended to represent the valuation at which such a transaction is carried out, and does not address Oriental Bank of Commerce and United Bank of India (or any other party's) underlying business decision to proceed with or effect any commercial decisions relating to the proposed amalgamation.

For the avoidance of doubt, this fairness opinion is not to be construed as financial advice in relation to the sale of, or subscription for, any shares in Punjab National Bank, Oriental Bank of Commerce or United Bank of India to any person.

2. Source of Information:

In arriving at the opinion set forth below, we have relied on the following:

1. Valuation Report dated **March 4th 2020** prepared by S. R. Batliboi & Co LLP (Chartered Accountants), Haribhakti & Co LLP (Chartered Accountants) and Deloitte Haskins & Sells (Chartered Accountants).

2. Historical financial information of the Banks as on September 30th 2019.

3. Draft Harmonized net worth of the Banks as on September 30th 2019 based on harmonization of accounting policies followed by the Banks.

4. Additional information provided at the data room by the banks. Information including but not limited to those mentioned hereinabove.

5. Data available on National Stock Exchange of India (NSE), Bloomberg database and Capitaline database.

3. Scope Limitations and Disclaimers:

- This fairness opinion is being provided solely to and from the perspective of Board of Directors of Punjab National Bank and only in connection with the Transaction.
- This fairness opinion is confidential and is provided pursuant to and subject to the terms of our appointment and terms of business.
- It is being made available for information purposes only and on a confidential basis.
- This opinion is for the exclusive use of Board of Directors of Punjab National Bank and it may be disclosed to such persons and authorities as may be required under Law.

- This opinion must not be copied, reproduced, distributed or passed, in whole or in part, to any other person at any time without our prior written consent.

Each recipient acknowledges that some or all of the information contained in the opinion is or may be inside information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each recipient undertakes not to use any information contained in the opinion for any unlawful purpose.

This opinion does not constitute an offer or invitation or a solicitation of any offer or invitation for the sale or purchase of securities or of any of the assets, business or undertaking of Punjab National Bank, Oriental Bank of Commerce or United Bank of India. In addition, it is not intended to form the basis of or act as an inducement to enter into any contract or investment activity, and should not be considered as a recommendation by us, Punjab National Bank or any other person in relation to Punjab National Bank.

The information used for this opinion, which does not purport to be comprehensive, has been provided to us by Punjab National Bank and its advisors and/or obtained from publicly available sources. We have assumed the accuracy of the information so received and this has not been verified by us. No representation or warranty, express or implied, is or will be given by us or our respective directors, officers, employees or advisers or any other person as to the accuracy or completeness of this opinion and, so far as permitted by law, no responsibility or liability is accepted for the accuracy or sufficiency thereof, or for any errors, omissions or misstatements, negligent or otherwise, relating thereto.

In particular, but without limitation, (subject as aforesaid) no representation or warranty, express or implied, is given as to the achievement or reasonableness of, and no reliance should be placed on, any projections, targets, estimates or forecasts and nothing in this opinion is or should be relied on as a promise or representation as to the future. Accordingly, (subject as aforesaid) neither us, nor any of our respective directors, officers, employees or advisers, nor any other person, shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in or omission from this opinion or any other written or oral communication with the recipient or its advisors in connection with its evaluation of Punjab National Bank, Oriental Bank of Commerce and United Bank of India and (save in the case of fraudulent misrepresentation or wilful non-disclosure) any such liability is expressly disclaimed.

The receipt of this opinion by any person is not to be taken as constituting the giving of investment opinion by us to any such person, nor to constitute such person our client.

For avoidance of any doubts, it is clarified that fees payable to IDBI Capital Markets & Securities Limited by Punjab National Bank is not in any way contingent upon nature of opinion provided to Punjab National Bank.

4. Conclusion:

In our opinion, in the given circumstances, based on all relevant factors, information and subject to the scope limitations & disclaimers on the date hereof, the Share Swap Ratio as recommended by the Valuers, is fair and reasonable.

5. Distribution of the Fairness Opinion

The Fairness Opinion is addressed only to the Board of Directors of Punjab National Bank. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to other third party without IDBI Capital Market & Securities Ltd.'s (IDBI Capital) prior written consent.

However, Punjab National Bank (PNB) may provide a copy of the Fairness Opinion if required / called upon by any regulatory authorities of India subject to PNB promptly intimating IDBI Capital in written about receipt of such request from the regulatory authority. The Fairness Opinion should be read in totality & not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose other than to whom it is addressed or for any purpose than the purpose stated hereinabove, then, we will not be liable for any consequences thereof & shall not take any responsibility for the same. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement documents given to third parties. In no circumstances however, will IDBI Capital or its management, directors, officers, employees, agents, advisors, representatives and controlling persons of IDBI Capital accept any responsibility or liability including any pecuniary or financial liability to any third party.

Yours Faithfully,

For and on behalf of

IDBI Capital Markets & Securities Limited



Authorised Signatory

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