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Azadi Ka Amrit Mahotsav

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Share Department, Board & Coordination Division, HO Plot No.4 Sector 10, Dwarka, New Delhi–110075 Tel No. : 011-28044857, E-mail: hosd@pnb.co.in

Scrip Code : PNB	**Scrip Code : 532461**
National Stock Exchange of India Limited "Exchange Plaza" Bandra – Kurla Complex, Bandra (E) Mumbai – 400 051	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

Date: 04.10.2024

Dear Sir(s),

Reg.: Rating Action by CRISIL Ratings

The Exchange is hereby informed that CRISIL Ratings vide its rating action dated 04.10.2024 has **assigned/reaffirmed/withdrawn** the ratings as given below:

Instrument Type	**Rating / Outlook**
Basel II Perpetual Tier-I Bonds	CRISIL AAA/Stable (withdrawn)
Basel III Tier I Bonds	CRISIL AA+/Stable (reaffirmed)
Basel III Tier II Bonds	CRISIL AAA/Stable (reaffirmed)
Basel II Lower Tier-II Bonds	CRISIL AAA/Stable (withdrawn)
Infrastructure Bonds*	CRISIL AAA/Stable (assigned)
Infrastructure Bonds	CRISIL AAA/Stable (reaffirmed)
Basel II Upper Tier-II Bonds	CRISIL AAA/Stable (withdrawn)
Certificate of Deposits	CRISIL A1+ (reaffirmed)

** Rating has been assigned to new Infrastructure Bonds under Basel III of Punjab National Bank.*

A copy of the detailed rating rationale is enclosed.

The above is submitted in compliance with Regulation 30 and 51 of SEBI (LODR) Regulations, 2015.

Thanking You,
Yours faithfully,
Ekta Pasricha

(Ekta Pasricha)
Company Secretary
Encl.: A/a

पंजाब नैशनल बैंक P.N.B. शेयर विभाग बोर्ड व समन्वय प्रभाग Board & Coord. Division Share Department H.O., New Delhi-110075 प्र.का., नई दिल्ली-110075

CRISIL Ratings

Rating Rationale

October 04, 2024 | Mumbai

Punjab National Bank

'CRISIL AAA/Stable' assigned to Infrastructure Bonds; Perpetual Tier-I Bonds (under Basel II), Lower Tier-II Bonds (under Basel II), Upper Tier-II Bonds (under Basel II) Withdrawn

Rating Action

Rs.3000 Crore Infrastructure Bonds	**CRISIL AAA/Stable (Assigned)**
Rs.642.5 Crore Perpetual Tier-I Bonds (under Basel II)	**Withdrawn (CRISIL AAA/Stable)**
Rs.35000 Crore Certificate of Deposits&	**CRISIL A1+ (Reaffirmed)**
Infrastructure Bonds Aggregating Rs.5000 Crore	**CRISIL AAA/Stable (Reaffirmed)**
Lower Tier-II Bonds (under Basel II) Aggregating Rs.560 Crore	**Withdrawn (CRISIL AAA/Stable)**
Tier I Bonds (Under Basel III) Aggregating Rs.10000 Crore	**CRISIL AA+/Stable (Reaffirmed)**
Tier II Bonds (Under Basel III) Aggregating Rs.8510 Crore (Reduced from Rs.11010 Crore)	**CRISIL AAA/Stable (Reaffirmed)**
Upper Tier-II Bonds (under Basel II) Aggregating Rs.1390 Crore	**Withdrawn (CRISIL AAA/Stable)**

&Transferred from Oriental Bank of Commerce
Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its **'CRISIL AAA/Stable'** rating to Rs 3,000 crore infrastructure bonds of Punjab National Bank (PNB) and has reaffirmed its 'CRISIL AAA/CRISIL AA+/Stable/CRISIL A1+' ratings on the existing debt instruments.

CRISIL Ratings has also **withdrawn** its ratings on redeemed Tier II bonds (under Basel III) aggregating Rs. 2500 crore (See 'Annexure - Details of Rating Withdrawn' for details) on receipt of requisite documentation for redemption and at issuer's request. Further rating on Rs 560 crore lower Tier II Bonds, Rs 1390 upper Tier II bonds (under Basel II) and Rs 642.5 crore Perpetual Tier I Bonds (under Basel II) has been withdrawn based on issuer request as these remain unutilised post implementation of BASEL III implementation . The withdrawal is in line with the CRISIL Ratings' policy on withdrawal of ratings.

The ratings on the debt instruments of PNB continue to factor in the expectation of strong support from the majority owner, Government of India (GoI), bank's established market position, adequate capitalisation and healthy resource profile. These strengths are partially offset by modest, albeit improving asset quality and profitability.

Analytical Approach

For arriving at the ratings, CRISIL Ratings has considered the consolidated business and financial risk profile of PNB and its subsidiaries. The ratings continue to factor in the support the bank is expected to receive from GoI. This is because GoI is both the majority shareholder in PSBs and the guardian of India's financial system. The stability of the banking sector is of prime importance to GoI, given the criticality of the sector to the economy, the strong public perception of government backing for PSBs, and the severe implications of any PSB failure in terms of political fallout, systemic stability, and investor confidence in public sector institutions.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation

Key Rating Drivers & Detailed Description

Strengths:

Strong expectation of support from the GoI

The ratings continue to factor in the expectation of strong government support, both on an ongoing basis and in the event of any distress. This is because the government is both the majority shareholder in PSBs, and the guardian of India's financial system. The stability of the banking sector is of prime importance to the government, given the criticality of the sector to the economy, strong public perception of sovereign backing for PSBs, and severe implications of any PSB failure, in terms of political fallout, systemic stability, and investor confidence in public sector institutions.

CRISIL Ratings believes the majority ownership creates a moral obligation on government to support PSBs, including PNB. As part of the 'Indradhanush' framework, the government had pledged to infuse at least Rs 70,000 crore in PSBs, over fiscals 2015 to 2019, of which Rs 25,000 crore was infused in both fiscals 2016 and 2017. Further, in October 2017, the government had outlined a recapitalisation package of Rs 2.11 lakh crore over fiscals 2018 and 2019; PNB, erstwhile Oriental Bank of Commerce (OBC) and erstwhile United Bank of India (UBI) received aggregate Rs 11,678 crore in fiscal 2018 and Rs 25,839 crore in fiscal 2019. Also, as part of GoI's announcement in August 2019 regarding its plan to merge 10 PSBs into four and first round of capital infusion of Rs 55,250 crore for fiscal 2020, PNB and erstwhile UBI had received Rs 16,091 crore and Rs 1,666 crore respectively. Apart from these, PNB raised Rs 1,800 crore in fiscal 2022 and ~Rs 5,000 crore in September 2024 in the form of Qualified Institutional Placement (QIP).

CRISIL Ratings believes that GoI will continue to provide distress support to all PSBs and will not allow any of them to fail; it will also support them to meet Basel III capital regulations.

Adequate capitalisation

PNB remains adequately capitalized with consolidated networth of Rs 1,17,070^ crore as on June 30, 2024. The standalone networth was Rs 1,11,860 crore^ and Tier I and overall CAR (under Basel III) was 13.04% and 15.79% respectively, as on June 30, 2024. Capitalisation has been supported by regular infusion from the government and ~Rs 25,006 crore total capital raised during fiscals 2022 to 2024 in the form of Tier-I and Tier-II. This includes QIP of Rs 1800 crore in fiscal 2022. Additionally, the bank has raised Rs 5000 crore in September 2024 through QIP, which will also support the overall capitalisation going forward.

On a standalone basis, the bank's networth coverage of net NPA has improved to 18.9 times as on June 30, 2024, from 15.7 times as on March 31, 2024, and 4.4 times as on March 31, 2023. CRISIL Ratings believes that PNB will be able to maintain adequate capitalisation over the medium term, backed by capital support from the government. CRISIL Ratings believes the government will continue to provide distress support to all PSBs, including PNB. It will also support them in meeting Basel III capital regulations.

Established market position
PNB is the third largest public sector bank with gross advances of Rs 10,28,682 crore as on June 30, 2024 (Rs 9,83,325 crore as on March 31, 2024) holding a market share of ~5.8% in the Indian Banking sector. It is the second largest public sector bank in terms of deposits which stood at Rs 14,08,247 crore as on June 30, 2024 (Rs 1,369,713 crore as on March 31, 2024).

The bank reported 4.6% growth in global advances on a q-o-q basis in first quarter of fiscal 2025 and 11% growth on-year in fiscal 2024. The Bank's retail focus continues with retail, agriculture and MS ME (RAM) advances at 55.5% of gross advances as on June 30, 2024, against 55.2% as on March 31, 2024 (55.3% as on March 31, 2023). Corporate loans and overseas loans comprised 43% and 4% respectively as on June 30, 2024.

Healthy resource profile
PNB has a large, stable and diversified resource profile and remains healthy. The bank had a large and geographically diversified deposit base which grew by ~2.3% q-o-q to Rs 14,08,247 crore as on June 30, 2024. The domestic CASA ratio declined to ~40.1% as on June 30, 2024 (~41.4% as on March 31, 2024). Moreover, term deposits (with size less than Rs 2 crore) and savings deposits comprised around 79.8% of total deposits as on June 30, 2024. The cost of domestic deposit stood at 5.08% in the first quarter of fiscal 2025 from 4.89% In fiscal 2024.

Overall, CRISIL Ratings believes that the bank will continue to maintain a healthy resource profile over the medium term.

Weaknesses:
Modest asset quality, albeit on improving trend:
PNB has reported improvement in the asset quality with gross non-performing assets (GNPA) improving to 4.98% (Rs 51,263 crore) as on June 30, 2024, against 5.73% (Rs 56343 crore) as on March 31, 2024, driven by improvement in both retail as well as corporate segments.

In retail, the gross NPA (GNPA) reduced to 1.4% (Rs 3340 crore) as on June 30, 2024, from 2.3% (Rs 5060 crore) as on March 31, 2024. Corporate loans GNPA reduced to 1.3% (Rs 5500 crore) as on June 30, 2024, from 1.9% (Rs 7953 crore) as on March 31, 2024. Agri and MSME loans contribute highest to the GNPAs with GNPA of 12.6% (Rs 21,301 crore) and 13.6% (Rs 19,499 crore) respectively as on June 30, 2024.

Overall slippage ratio (calculated as additions to NPA as a proportion of opening gross advances) was 0.76% in the first quarter of fiscal 2025 (annualised) as against 0.6% in fiscal 2024 and 1.8% in fiscal 2023.

The bank has enhanced its provision coverage to 88.4% as on June 30, 2024 from 87.9% and 70.8% as on March 2024 and March 2023 respectively, resulting in overall Net NPA improving to 0.6% as on June 30, 2024, from 0.7% as on March 31, 2024 and 2.7% as on March 31, 2023.

CRISIL Ratings expects the trajectory of improving asset quality metrics to continue going forward. The bank's ability to improve its collection especially in the Agriculture and MSME segments, contain the slippages at current levels and thereby improve the overall asset quality remains a key monitorable.

Average, albeit improving, profitability
PNB's profitability was impacted in the past owing to elevated GNPA metrics, leading to higher credit costs. While the profitability has improved in the recent times, it remains average.

On a consolidated basis, PNB reported return on assets of 1% in the first quarter of fiscal 2025 against 0.6% for fiscal 2024. On a standalone basis, the bank reported return on assets (RoA) of 0.84% in the first quarter of fiscal 2025 against 0.55% in fiscal 2024 and 0.18% in fiscal 2023. This is supported by improvement in net interest margins and lower credit costs.

The Net Interest Income by average total assets was 2.72% for first quarter of fiscal 2025 against 2.65% in fiscal 2024 and 2.48% in fiscal 2023. Further credit costs to average total assets improved to 0.34% in the first quarter of fiscal 2025, from 0.8% and 1.3% in fiscal 2024 and fiscal 2023.

However, the bank's ability to sustainably improve its overall earnings profile while containing credit costs would remain a key monitorable.

Liquidity: Superior
Liquidity is comfortable, supported by a strong retail deposit base. Liquidity coverage ratio (based on simple average for daily observations) stood at 134.76% as on June 30, 2024, against the regulatory requirement of 100%. The bank also has access to systemic sources of funds, such as the liquidity adjustment facility from Reserve Bank of India, access to the call money market, and refinance limits from sources such as the National Housing Bank and the National Bank for Agriculture and Rural Development.

ESG profile
CRISIL Ratings believes that PNB's Environment, Social, and Governance (ESG) profile supports its already strong credit risk profile.

The ESG profile for financial sector entities typically factors in governance as a key differentiator between them. The sector has reasonable social impact because of its substantial employee and customer base and can play a key role in promoting financial inclusion. While the sector does not have a direct adverse environmental impact, the lending decisions may have a bearing on the environment.

PNB has an ongoing focus on strengthening various aspects of its ESG profile.

PNB's key ESG highlights:
- As a policy, the Bank restricts extending finance for setting up new units producing / consuming Ozone Depleting Substances (ODS) and does not advocate financial assistance to small / medium scale units engaged in the manufacturing of aerosol units using Chlorofluorocarbons (CFC), thus enabling reduction in greenhouse effect.
- For promoting green economy, the bank has introduced various financing schemes like PNB Solar Energy Scheme, scheme for financing e-rickshaws, scheme for financing setting up of bio-gas units, solar power project financing, scheme for financing Green houses, soil conservation, and schemes for installation of solar water pumping system.
- The bank has introduced products like PNB Green Car loan (purchase of new electronic car for personal use), financing of solar power systems under Housing Loan scheme (installation of rooftop solar system at residential house) and PNB Green ride (to assist operators of e-rickshaws).
- Of the total workforce, around 24.42% comprised of women as on March 31, 2024. Further, the bank has taken initiatives to promote gender equity within the organization.

- As of June 30, 2024, 17% of the board members are independent directors, and none of them have tenure exceeding 10 years. The bank also has a dedicated investor grievance redressal mechanism.
- ESG disclosures of the bank are evolving; and it is in the process of further strengthening the disclosures going forward.

There is growing importance of ESG among investors and lenders. PNB's commitment to ESG will play a key role in enhancing stakeholder confidence, given shareholding by foreign portfolio investors and access to both domestic and foreign capital markets.

Outlook: Stable
CRISIL Ratings believes PNB will maintain its strong market position in the financial services sector in India and will continue to benefit from strong support from GoI,

Rating Sensitivity Factors
Downward factors:

- Material change in shareholding and/or expectation of support from GoI
- Substantial deterioration in the asset quality metrics from its current levels, thereby also impacting earnings profile
- Decline in capital adequacy ratios below minimum regulatory requirements (including capital conservation buffer, which is Tier I of 9.5% and overall CAR of 11.5%) for an extended period
- Significant deterioration in the eligible reserves available with the bank (for Tier-I bonds under Basel III)
- Downward revision in Tier-II bonds will result in corresponding change in rating of Tier-I bonds (under Basel III).

About the Bank
PNB, established in 1895 in Lahore, Pakistan, expanded its operations through mergers and acquisitions before being nationalised in 1969. On March 4, 2020, the Union Cabinet approved the amalgamation of PNB, UBI and OBC, and the merger got effective from April 1, 2020. The GoI owned 73.15% of the bank as on June 30, 2024.

Key Financial Indicators: Consolidated

As on/for the period ended		June -24	Mar-24	Mar-23	Mar-22
Total assets	Rs cr	1639584	1598636	1493649	1339301
Total income (net of interest expenses)	Rs cr	14224	53860	47267.89	41516.41
Profit after tax (PAT)	Rs cr	3976	9107	3348.45	3860.74
Return on assets (ROA)^^	%	1.0%*	0.6%	0.2%	0.6%

**annualized; CRISIL Ratings calculations*
^^PAT/average of total assets

Key Financial Indicators: Standalone

As on/for the period ended		June -24	Mar-24	Mar-23	Mar-22
Total assets	Rs cr	16,03,314	1,561,835	14,61,831	13,14,805
Total income (net of interest expenses)	Rs cr	14086	53,467	46,634	41,014
Profit after tax (PAT)	Rs cr	3252	8,245	2,507	3,457
Gross NPA	%	4.98	5.73	8.74	11.78
Overall capital adequacy ratio	%	15.79	15.97	15.50	14.50
Return on assets(ROA)^^	%	0.84*	0.55	0.18	0.27

**annualised; CRISIL Ratings calculations*
^^PAT/average of total assets

^networth includes capital, reserves & surplus and minority interest

Any other information
Note on Tier-I Instruments (under Basel III)
The distinguishing features of non-equity Tier-I capital instruments (under Basel III) are the existence of coupon discretion at all times, high capital thresholds for likely coupon non-payment, and principal write-down (on breach of a pre-specified trigger). These features increase risk attributes of non-equity Tier-I instruments over those of Tier-II instruments under Basel III, and capital instruments under Basel II. To factor in these risks, CRISIL notches down the rating on these instruments from the bank's corporate credit rating. The rating on PNB's Tier-I bonds (under Basel III) has, therefore, been lowered by two notches from its corporate credit rating to 'CRISIL AA-, in line with CRISIL's criteria (refer to 'CRISIL's rating criteria for BASEL III compliant instruments of banks').

The factors that could trigger a default event for non-equity Tier-I capital instruments (under Basel III) resulting in non-payment of coupon are: i) the bank exercising coupon discretion; ii) inadequacy of eligible reserves to honour coupon payment if the bank reports losses or low profits; or iii) the bank breaching the minimum regulatory Common Equity Tier-I ratio. Moreover, given the additional risk attributes, the rating transition for non-equity Tier-I capital instruments (under Basel III) can potentially be higher and faster than that for Tier-II instruments.

CRISIL's rating on the Tier I bonds (under Basel III) of PNB is as per the criteria 'CRISIL's rating criteria for BASEL III-compliant instruments of banks'. CRISIL evaluates the bank's (i) reserves position (adjusted for any medium-term stress in profitability) and (ii) cushion over regulatory minimum CET1 (including CCB) capital ratios. Also evaluated is the demonstrated track record and management philosophy regarding maintaining sufficient CET1 capital cushion above the minimum regulatory requirements. Post the completion of the merger with OBC and UBI, the merged PNB reported huge losses. Subsequently, on August 4, 2020, the bank has taken shareholder approval for utilisation of share premium account for the purpose of setting off accumulated losses. This has supported the eligible reserves which post the adjustment stood at around Rs 26515 crores as on June 30, 2020. Consequently, the eligible reserves to total asset ratio was adequateat 2.2%. A material reduction in this cushion would be a rating sensitivity factor for Tier I bonds.

Note on Tier-II Instruments (under Basel III)
The distinguishing feature of Tier-II capital instruments under Basel II, is the existence of the point of non-viability (PONV) trigger, occurrence of which may result in loss of principal to the investors, and hence, to default on the instrument by the issuer. According to the Basel III guidelines, the PONV trigger will be determined by the RBI. CRISIL believes that the PONV trigger is a remote possibility in the Indian context, given the robust regulatory and supervisory framework and the systemic importance of the banking sector. The inherent risk associated with the PONV feature is adequately factored into the rating on the instrument.

Note on Hybrid Instruments (under Basel II)
Given that hybrid capital instruments (tier-I perpetual bonds and upper tier-II bonds; under Basel II) have characteristics that set them apart from lower tier-II bonds (under Basel II), the ratings on the two instruments may not necessarily be identical. The factors that could trigger a default event for hybrid instruments include: the bank breaching the regulatory minimum capital requirement, or the regulator's denial of permission to the bank to make payments of interest and principal if the bank reports losses. Hence, the transition from one rating category to

another may be significantly sharper for these instruments than in the case of Lower Tier-II bonds; this is because debt servicing on hybrid instruments is far more sensitive to the bank's overall capital adequacy levels and profitability

Note on complexity levels of the rated instrument:
CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of the Instrument	Date of Allotment	Coupon rate (%)	Maturity Date	Issue Size (Rs.in Crs)	Complexity levels	Rating assigned with outlook
INE160A08209	Tier I Bonds (under Basel III)	9-Dec-21	8.40%	31-Dec-99	2000	Highly Complex	CRISIL AA+/Stable
INE160A08217	Tier I Bonds (under Basel III)	17-Jan-22	8.50%	31-Dec-99	1971	Highly Complex	CRISIL AA+/Stable
INE160A08225	Tier I Bonds (under Basel III)	6-Jul-22	8.75%	31-Dec-99	2000	Highly Complex	CRISIL AA+/Stable
INE160A08290	Tier I Bonds (under Basel III)	28-Dec-23	8.55%	31-Dec-99	1153	Highly Complex	CRISIL AA+/Stable
INE160A08308	Tier I Bonds (under Basel III)	22-Mar-24	8.47%	31-Dec-99	1859	Highly Complex	CRISIL AA+/Stable
NA	Tier I Bonds (under Basel III)^	NA	NA	NA	1017	Highly Complex	CRISIL AA+/Stable
INE160A08068	Infrastructure Bonds	9-Feb-15	8.23	9-Feb-25	1000	Simple	CRISIL AAA/Stable
INE160A08084	Infrastructure Bonds	24-Mar-15	8.35	24-Mar-25	1800	Simple	CRISIL AAA/Stable
NA	Infrastructure Bonds^	NA	NA	NA	5200	Simple	CRISIL AAA/Stable
INE160A08050	Tier II Bonds (Under Basel III)	30-Sep-14	9.25	30-Sep-24	1000	Complex	CRISIL AAA/Stable
INE160A08142	Tier II Bonds (Under Basel III)	26-Dec-19	8.15	26-Dec-29	1500	Complex	CRISIL AAA/Stable
INE160A08159	Tier II Bonds (under Basel III)^	29-Jul-20	7.25	29-Jul-30	994	Complex	CRISIL AAA/Stable
INE160A08167	Tier II Bonds (under Basel III)^	14-Oct-20	7.25	14-Oct-30	1500	Complex	CRISIL AAA/Stable
INE160A08175	Tier II Bonds (under Basel III)^	11-Nov-20	7.1	9-Nov-35	1500	Complex	CRISIL AAA/Stable
INE160A08191	Tier II Bonds (under Basel III)	18-Nov-21	7.10%	18-Nov-26	1919	Complex	CRISIL AAA/Stable
NA	Tier II Bonds (under Basel III)^	NA	NA	NA	97	Complex	CRISIL AAA/Stable
NA	Certificates of Deposit Programme	NA	NA	7-365 days	35000	Simple	CRISIL A1+

^Yet to be issued

Annexure - Details of Rating Withdrawn

ISIN	Name Of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Levels	Rating Outstanding with Outlook
INE160A08019	Tier II Bonds (Under Basel III)	24-Feb-14	9.65%	24-Feb-24	1000	Complex	Withdrawn
INE160A08027	Tier II Bonds (Under Basel III)	28-Mar-14	9.68%	28-Mar-24	500	Complex	Withdrawn
INE160A08035	Tier II Bonds (Under Basel III)	3-Apr-14	9.68%	3-Apr-24	500	Complex	Withdrawn
INE160A08043	Tier II Bonds (Under Basel III)	9-Sep-14	9.35%	9-Sep-24	500	Complex	Withdrawn
NA	Upper Tier-II Bonds (under Basel II)#	NA	NA	NA	390	Highly Complex	Withdrawn
NA	Lower Tier-II Bonds (under Basel II)#	NA	NA	NA	500	Complex	Withdrawn
NA	Perpetual Tier-I Bonds (under Basel II)#	NA	NA	NA	642.5	Highly Complex	Withdrawn
NA	Lower Tier-II Bonds (under Basel II)#	NA	NA	NA	60	Complex	Withdrawn
NA	Upper Tier-II Bonds (under Basel II)#	NA	NA	NA	1000	Highly Complex	Withdrawn

#Yet to be issued

Annexure - List of Entities Consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
PNB Gilts	Full	Subsidiary
PNB Investment Services Ltd.	Full	Subsidiary
Punjab National Bank (International) Ltd.	Full	Subsidiary
Druk PNB Bank Ltd	Full	Subsidiary

Annexure - Rating History for last 3 Years

	Current			2024 (History)		2023		2022		2021		Start of 2021
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Certificate of Deposits	ST	35000.0	CRISIL A1+		--	13-12-23	CRISIL A1+	22-06-22	CRISIL A1+	02-12-21	CRISIL A1+	CRISIL A1+
			--		--	29-11-23	CRISIL A1+		--	04-10-21	CRISIL A1+	--
			--		--	21-06-23	CRISIL A1+		--	29-09-21	CRISIL A1+	--
Infrastructure Bonds	LT	8000.0	CRISIL AAA/Stable		--	13-12-23	CRISIL AAA/Stable	22-06-22	CRISIL AA+/Stable	02-12-21	CRISIL AA+/Stable	CRISIL AA+/Stable
			--		--	29-11-23	CRISIL AAA/Stable		--	04-10-21	CRISIL AA+/Stable	--

			--		--	21-06-23	CRISIL AA+/Positive		--	29-09-21	CRISIL AA+/Stable	--
Lower Tier-II Bonds (under Basel II)	LT	560.0	Withdrawn		--	13-12-23	CRISIL AAA/Stable	22-06-22	CRISIL AA+/Stable	02-12-21	CRISIL AA+/Stable	CRISIL AA+/Stable
			--		--	29-11-23	CRISIL AAA/Stable		--	04-10-21	CRISIL AA+/Stable	--
			--		--	21-06-23	CRISIL AA+/Positive		--	29-09-21	CRISIL AA+/Stable	--
Perpetual Tier-I Bonds (under Basel II)	LT	642.5	Withdrawn		--	13-12-23	CRISIL AAA/Stable	22-06-22	CRISIL AA+/Stable	02-12-21	CRISIL AA+/Stable	CRISIL AA+/Stable
			--		--	29-11-23	CRISIL AAA/Stable		--	04-10-21	CRISIL AA+/Stable	--
			--		--	21-06-23	CRISIL AA+/Positive		--	29-09-21	CRISIL AA+/Stable	--
Tier I Bonds (Under Basel III)	LT	10000.0	CRISIL AA+/Stable		--	13-12-23	CRISIL AA+/Stable	22-06-22	CRISIL AA/Stable	02-12-21	CRISIL AA/Stable	CRISIL AA-/Stable
			--		--	29-11-23	CRISIL AA+/Stable		--	04-10-21	CRISIL AA/Stable	--
			--		--	21-06-23	CRISIL AA/Positive		--	29-09-21	CRISIL AA/Stable	--
Tier II Bonds (Under Basel III)	LT	8510.0	CRISIL AAA/Stable		--	13-12-23	CRISIL AAA/Stable	22-06-22	CRISIL AA+/Stable	02-12-21	CRISIL AA+/Stable	CRISIL AA+/Stable
			--		--	29-11-23	CRISIL AAA/Stable		--	04-10-21	CRISIL AA+/Stable	--
			--		--	21-06-23	CRISIL AA+/Positive		--	29-09-21	CRISIL AA+/Stable	--
Upper Tier-II Bonds (under Basel II)	LT	1390.0	Withdrawn		--	13-12-23	CRISIL AAA/Stable	22-06-22	CRISIL AA+/Stable	02-12-21	CRISIL AA+/Stable	CRISIL AA+/Stable
			--		--	29-11-23	CRISIL AAA/Stable		--	04-10-21	CRISIL AA+/Stable	--
			--		--	21-06-23	CRISIL AA+/Positive		--	29-09-21	CRISIL AA+/Stable	--

All amounts are in Rs.Cr.

Criteria Details

Links to related criteria
[Rating Criteria for Banks and Financial Institutions]
[Rating criteria for Basel III - compliant non-equity capital instruments]
[Rating Criteria for Hybrid Capital instruments issued by banks under Basel II guidelines]
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