



...the name you can BANK upon!



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: 25.11.2022

Dear Sir(s),

Reg.: Rating Action by India Ratings and Research Pvt. Ltd

The Exchange is hereby informed that 'India Ratings and Research Pvt. Ltd' vide its rating action dated 25.11.2022 has **assigned/ affirmed** ratings as given below:

Instrument Type	Rating / Outlook	Rating Action
Issuer Rating	IND AAA/Stable/IND A1+	Affirmed
Basel III Tier 2 Bonds	IND AAA/Stable	Assigned
Fixed Deposits	IND AAA/Stable	Affirmed
Certificates of Deposit (CDs)	IND A1+	Affirmed
Basel III Tier 2 Bonds	IND AAA/Stable	Affirmed
AT1 Bonds	IND AA+/Stable	Affirmed
Senior infrastructure Bonds	IND AAA/Stable	Affirmed

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)
Company Secretary
Encl.: A/a



pnbindia.in

T: 011 28075000, 28045000

पंजाब नैशनल बैंक punjab national bank

कॉर्पोरेट कार्यालय: प्लॉट सं.4, सेक्टर-10, द्वारका, नई दिल्ली-110075
Corp. Office: Plot No. 4, Sector - 10, Dwarka, New Delhi 110075 India



pnbindia.in



www.pnbindia.in

पंजाब नैशनल बैंक
...भरोसे का प्रतीक !



punjab national bank
...the name you can BANK upon !

India Ratings Assigns Punjab National Bank's Tier II Bonds 'IND AAA'/Stable; Affirms Existing Ratings

Nov 25, 2022 | Banks

India Ratings and Research (Ind-Ra) has taken the following rating actions on Punjab National Bank (PNB):

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook	Rating Action
Issuer rating	-	-	-	-	IND AAA/Stable/IND A1+	Affirmed
Basel III Tier 2 bonds*	-	-	-	INR30.00	IND AAA/Stable	Assigned
Fixed deposits	-	-	-	-	IND AAA/Stable	Affirmed
Certificates of deposit (CDs)	-	-	1-365 days	INR600.00	IND A1+	Affirmed
Basel III Tier 2 bonds*	-	-	-	INR140.00	IND AAA/Stable	Affirmed
AT1 bonds*	-	-	-	INR 109.95	IND AA+/Stable	Affirmed
Senior infrastructure bonds*	-	-	-	INR20.00	IND AAA/Stable	Affirmed

*Details in Annexure

Analytical Approach: The Long-Term Issuer Rating factors in PNB's systemically important position and the likelihood of the bank continuously receiving the support from the government of India (GoI). The rating also considers PNB's demonstrated equity raising ability and the likelihood of an improvement in its pre-provisioning operating profitability over FY23, helping the bank maintain and possibly grow its market share in advances and deposits.

For AT1 instruments, the agency considers the discretionary component, coupon omission risk and the write-down/conversion risk as the key parameters to arrive at the rating. The agency recognises the unique going-concern loss absorption features that these bonds carry and differentiates them from the bank's senior debt, factoring in a higher probability of an ultimate loss for investors in these bonds.

Key Rating Drivers

For a detailed rationale, please [click here](#).

Rating Sensitivities

Negative: PNB's Basel III Tier 2 bond ratings have been equated to its Long-Term Issuer Rating, which could change if, in Ind-Ra's opinion, the GoI's support stance for public sector banks changes or there is a material drop in the banks' systemic importance which could, among other things, reflect in a material decline in PNB's market share or a loss of deposit franchise.

The notching of the AT1 bonds could be widened from its anchor ratings if Ind-Ra believes that there is a dilution in the government's support stance towards hybrid instruments of public sector banks or any delay in the timeliness of extending this support. This could reflect, among other things, in capital buffers continuing to be close to the regulatory levels. Ind-Ra also expects that for banks with weaker unsupported profiles, the capital buffers would be higher; if not, it could reflect in wider notching from the Long-Term Issuer Rating. These capital buffers could be important as PNB's ability to service the instrument could be impaired in the event of the bank making losses and/or if the capital levels are below the regulatory minimum.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on PNB, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please [click here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please [click here](#).

Company Profile

PNB had a domestic branch network of 10,038 branches, two international branches and 12,966 automated teller machines as of September 2022. Of the existing branches, 38% are located in rural areas, 24% in semi-urban and the balance 38% in urban and metro regions.

FINANCIAL SUMMARY

Particulars	FY22	FY21
Total assets (INR billion)	13,148.0	12,606.3
Total equity (INR billion)	954.8	909.4
Net income/loss (INR billion)	34.6	20.2

Return on assets (%)	0.26	0.15
CET-1 (%)	10.56	10.62
CAR (%)	14.50	14.32
Source: PNB, Ind-Ra		

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

Rating History

Instrument Type	Current Rating/Outlook					
	Rating Type	Rated Limits (billion)	Rating	9 November 2022	8 September 2022	22 June 2022
Issuer rating	Long-term/Short-term	-	IND AAA/Stable/IND A1+	IND AAA/Stable/IND A1+	IND AAA/Stable/IND A1+	IND AAA/Stable/IND A1+
Basel III Tier 2 bonds	Long-term	INR170	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
Basel III AT1 bonds	Long-term	INR109.95	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable
Senior infrastructure bonds	Long-term	INR20	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
Fixed Deposit	Long-term		IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
Certificate of Deposit	Short-term	INR600	IND A1+	IND A1+	IND A1+	IND A1+

Annexure

Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
Basel III AT1 bonds series VII	INE160A08076	13 February 2015	9.15	Perpetual	INR15	IND AA+/Stable
Basel III AT1 bonds series XII	INE160A08183	22 January 2021	8.60	Perpetual	INR4.95	IND AA+/Stable
Basel III AT1 bonds series XIII	INE160A08209	9 December 2021	8.40	Perpetual	INR20.00	IND AA+/Stable
Basel III AT1 bonds series XIV	INE160A08217	17 January 2022	8.50	Perpetual	INR19.71	IND AA+/Stable

Basel III AT1 bonds series XV	INE160A08225	6 July 2022	8.75	Perpetual	INR20.00	IND AA+/Stable
Basel III AT1 bonds series XVI	INE160A08233	21 September 2022	8.30	Perpetual	INR6.58	IND AA+/Stable
Total utilised					INR86.24	
Total unutilised					INR23.71	
Basel III Tier 2 bonds series XV	INE160A08027	28 March 2014	9.68	28 March 2024	INR5	IND AAA/Stable
Basel III Tier 2 bonds series XVI	INE160A08035	3 April 2014	9.68	3 April 2024	INR5	IND AAA/Stable
Basel III Tier 2 bonds series XVII	INE160A08043	9 September 2014	9.35	9 September 2024	INR5	IND AAA/Stable
Basel III Tier 2 bonds series XVIII	INE160A08050	30 September 2014	9.25	30 September 2024	INR10	IND AAA/Stable
Basel III Tier 2 bonds Series XIX	INE160A08092	5 February 2016	8.65	5 February 2026	INR15	IND AAA/Stable
Basel III Tier 2 bonds Series XX	INE160A08142	26 December 2019	8.15	26 December 2029	INR15	IND AAA/Stable
Basel III Tier 2 bonds Series XXI	INE160A08159	29 July 2020	7.25	29 July 2030	INR9.94	IND AAA/Stable
Basel III Tier 2 bonds Series XXII	INE160A08167	14 October 2020	7.25	14 October 2030	INR15	IND AAA/Stable
Basel III Tier 2 bonds Series XXIII	INE160A08175	11 November 2020	7.10	11 November 2030	INR15	IND AAA/Stable
Basel III Tier 2 bonds Series XXIV	INE160A08191	18 November 2021	7.10	18 November 2031	INR19.19	IND AAA/Stable
Basel III Tier 2 bonds	INE695A09103	25 June 2013	8.75	25 June 2023	INR5.00	IND AAA/Stable
Total utilised						INR119.13
Total unutilised						INR50.87
Senior infrastructure bonds Series I	INE160A 08068	9 February 2015	8.23	9 February 2025	INR10	IND AAA/Stable
Total utilised					INR10	
Total unutilised					INR10	

Complexity Level of Instruments

Instrument Type	Complexity Indicator
Fixed deposits	Low

Certificate of deposits	Low
Basel III Tier 2 instrument	Low
Basel III AT1 bonds	High
Senior infrastructure bonds	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

Contact

Primary Analyst

Karan Gupta

Director

India Ratings and Research Pvt Ltd

Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai - 400051

+91 22 40001744

For queries, please contact: infogrp@indiaratings.co.in

Secondary Analyst

Ankit Jain

Senior Analyst

+91 22 40356160

Chairperson

Prakash Agarwal

Director and Head Financial Institutions

+91 22 40001753

Media Relation

Ankur Dahiya

Senior Manager – Corporate Communication

+91 22 40356121

APPLICABLE CRITERIA

Evaluating Corporate Governance

Rating Bank Subordinated and Hybrid Securities

Financial Institutions Rating Criteria

Rating FI Subsidiaries and Holding Companies

The Rating Process

DISCLAIMER

All credit ratings assigned by india ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.indiaratings.co.in/rating-definitions>. In addition, rating definitions and the terms of use of such ratings are available on the agency's public website www.indiaratings.co.in. Published ratings, criteria, and methodologies are available from this site at all times. India ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site.