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**
The Assistant Vice President National Stock Exchange of India Limited "Exchange Plaza" Bandra – Kurla Complex, Bandra (E) Mumbai – 400 051	The Deputy General Manager BSE Limited 1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

Date: 05.10.2021

Dear Sir(s),

Reg.: Rating Action by CRISIL Ratings

In continuation to our communication dated 30.09.2021 on the captioned subject, the Exchange is hereby informed that CRISIL Ratings has vide its rating action dated 04.10.2021 **assigned** 'CRISIL AA+/Stable' rating to Rs. 2,000 Crore Tier II Bonds (under Basel III) of the Bank. A copy of the rating action is enclosed as Annexure.

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

Thanking you,

Yours faithfully,

(Ekta Pasricha)
Company Secretary
Encl.: as above

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

Ratings
CRISIL Ratings Limited (A subsidiary of CRISIL Limited)

CRISIL
An S&P Global Company

Rating Rationale

October 04, 2021 | Mumbai

Punjab National Bank

'CRISIL AA+/Stable' assigned to Tier II Bonds (Under Basel III)

Rating Action

Rs.2000 Crore Tier II Bonds (Under Basel III)	**CRISIL AA+/Stable (Assigned)**
Rs.642.5 Crore Perpetual Tier-I Bonds (under Basel II)	**CRISIL AA+/Stable (Reaffirmed)**
Rs.300 Crore Perpetual Tier-I Bonds (under Basel II)&	**CRISIL AA+/Stable (Reaffirmed)**
Rs.3000 Crore Tier I Bonds (Under Basel III)	**CRISIL AA/Stable (Reaffirmed)**
Rs.1000 Crore Tier II Bonds (Under Basel III)	**CRISIL AA+/Stable (Reaffirmed)**
Rs.500 Crore Tier II Bonds (Under Basel III)	**CRISIL AA+/Stable (Reaffirmed)**
Rs.1000 Crore Tier II Bonds (Under Basel III)	**CRISIL AA+/Stable (Reaffirmed)**
Rs.3000 Crore Tier II Bonds (Under Basel III)	**CRISIL AA+/Stable (Reaffirmed)**
Rs.1500 Crore Tier II Bonds (Under Basel III)&	**CRISIL AA+/Stable (Reaffirmed)**
Lower Tier-II Bonds (under Basel II) Aggregating Rs.560 Crore	**CRISIL AA+/Stable (Reaffirmed)**
Rs.200 Crore Lower Tier-II Bonds (under Basel II)&	**CRISIL AA+/Stable (Reaffirmed)**
Infrastructure Bonds Aggregating Rs.5000 Crore	**CRISIL AA+/Stable (Reaffirmed)**
Tier II Bonds (Under Basel III) Aggregating Rs.3500 Crore	**CRISIL AA+/Stable (Reaffirmed)**
Upper Tier-II Bonds (under Basel II) Aggregating Rs.4500 Crore	**CRISIL AA+/Stable (Reaffirmed)**
Rs.35000 Crore Certificate of Deposits$	**CRISIL A1+ (Reaffirmed)**

& Originally issued and now transferred from United Bank of India
$ Transferred from Oriental Bank of Commerce
1 crore = 10 million
Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its **'CRISIL AA+/Stable'** rating to the Rs.2000 crore tier II bonds (under Basel III) of Punjab National Bank (PNB). CRISIL Ratings has also reaffirmed its 'CRISIL AA+/CRISIL AA/Stable/CRISIL A1+' ratings on the Tier II Bonds (under Basel III), Lower Tier II Bonds (Under Basel II), Perpetual Tier I Bonds (Under Basel II), Tier I Bonds (Under Basel III), Infrastructure Bonds and Certificate of Deposits.

The rating of Tier I bonds (under Basel III) factors in position of PNB to make future coupon payments, supported by an adjustment of accumulated losses with share premium account, and the improved capital ratios. Pursuant to the adjustment, the eligible reserve to total assets ratio for the bank has improved. CRISIL has also taken into consideration, Department of Financial Services Gazette notification no. CG-DL-E-23032020-218862 (S.O. 1200 E) dated 23.03.2020 referred to as Nationalised Banks (Management and Miscellaneous Provisions) Amendment Scheme, 2020, which specifies that share premium reserves can be utilised to set off any losses in future. PNB has significant share premium reserves which can be utilised in the future, if required, thereby protecting from any depletion in eligible reserves. This supports the credit profile of Tier I (under Basel III) instruments. CRISIL Ratings also notes precedents whereby many banks have initiated the process of setting off losses with share premium reserves successfully. However, any substantial depletion of the share premium account or any regulatory changes to appropriation of the share premium account pertaining to adjustment of accumulated losses are key monitorables.

Supported by Tier I Equity raise of Rs 1800 crore via Qualified Institutional Placement during Q1FY22 and higher accrual, PNB's capital ratios have improved, as reflected in Tier 1 and Overall capital to risk-weighted adequacy ratio (CRAR) of 12.5% and 15.2%, respectively, as on June 30, 2021 as against 11.5% and 14.3%, respectively, as on March 31, 2021.

The outstanding ratings on the debt instruments of PNB continue to factor in the expectation of strong support from the majority owner, Government of India (GoI), established market position and the bank's healthy resource profile. The ratings also factor in the modest asset quality and profitability metrics.

The rating on the Tier I bonds (under Basel III) meets 'CRISIL's rating criteria for BASEL III-compliant instruments of banks'. CRISIL Ratings 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 maintenance of sufficient CET1 capital cushion above the minimum regulatory requirements.

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 the 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 Ratings notches down the rating on these instruments from the bank's corporate credit rating.

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 a loss or low profit; or iii) the bank breaching the minimum regulatory Common Equity Tier I (CET I; including the Capital Conservation Buffer) 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.

In line with relief measures announced by the Reserve Bank of India (RBI) during the Covid-19 pandemic, PNB had provided a moratorium to its borrowers. Though collections declined during the initial months of moratorium, they moved up subsequently. However, the second wave of the pandemic led to intermittent lockdowns and localised restrictions, thus impacting collections once again. Although the impact has been moderate during this phase, any adverse change in payment discipline of borrowers may lead to higher delinquencies.

Under the RBI's resolution framework 1.0 and RBI's resolution framework 2.0 announced by the RBI, PNB has restructured 1.8% of gross advances as on June 30, 2021. However under RBI's resolution framework 2.0 announced in May 2021, restructuring stands at 0.9% of gross advances; the ratio could be higher and is still under review. Bank has also disbursed 1.7% of gross advances to

MSME segment under the ECLGS scheme. Nevertheless, the ability of the bank to manage collections and asset quality going forward this fiscal, is a key monitorable. Going forward too, the impact of the third wave of the pandemic, if and when it comes in terms of its spread, intensity and duration, will also be closely monitored.

Analytical Approach

For arriving at the ratings, CRISIL has factored 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 GoI is both the majority shareholder in PSBs, and the guardian of India's financial system. Stability of the banking sector is of prime importance to GoI, 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 believes the majority ownership creates a moral obligation on GoI 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 25,789 crore in fiscal 2019. Also, on August 30, 2019, GoI announced its plan to merge 10 PSBs into four along with its plan for first round of capital infusion of Rs 55,250 crore for fiscal 2020 out of which PNB and erstwhile UBI received Rs 16,091 crore and Rs 1,666 crore respectively. Thus, over the past three fiscals, GoI infused around Rs 55,224 crore into the combined entity. For the first quarter of fiscal 2022, the bank raised Rs 1800 crore via QIP issue.CRISIL 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.

- **Established market position:**
  PNB has a strong presence and it has increased its market share to 6.6% of the system's advances as on June 30, 2021.It has become the second largest public sector bank in India. As on June, 30, 2021, PNB's total business stood at Rs 18,23,685 crore with advances and deposits at Rs 7,26,036 crore and Rs 10,97,649 crore respectively. Bank's pan-India presence has also improved through a network of10,641 branches as on June 30, 2021. The Bank also has increased it share of retail, agriculture and MSME advances to 52.6% as on June 30, 2021.

- **Healthy resource profile:**
  The resource profile of the bank remains healthy. The bank had a large and geographically diversified deposit base of Rs 10,97,649 crore as on June 30, 2021(Rs 11,06,332 crore as on March 31, 2021). The decline in deposits can be mainly attributed to decline in overseas deposits and current deposits. The domestic CASA ratio was relatively steady at 45.15% as on June 30, 2021 (45.48% as on March 31, 2021). Moreover, around 85% of total deposits as on June 30, 2021 comprised of retail term deposits and savings deposits (~79% as on June 30, 2020). The average cost of domestic deposit stood at 4.14% as on June 30, 2021. Overall, CRISIL believes that the bank will maintain a healthy resource profile over the medium term.

Weaknesses:

- **Modest asset quality:**
  Asset quality for the bank remains modest. GNPA of the bank stood at 14.33% as on June 30, 2021 (as compared to 14.12% as on March 31, 2021). Slippage as a percentage of opening net advances remained high at 6.0% (annualised) for first quarter of fiscal 2022 compared to 4.2% for fiscal 2021. The slippages primarily stemmed from the Retail and SME portfolio for the bank which faced challenges on account of nationwide lockdown and standstill in economic activity. Under the RBI's resolution framework 1.0 and RBI's resolution framework 2.0 announced by the RBI, PNB has restructured 1.8% of gross advances as on June 30, 2021. However under RBI's resolution framework 2.0 announced in May 2021, restructuring stands at 0.9% of gross advances; the ratio could be higher and is still under review. Bank has also disbursed 1.7% of gross advances to MSME segment under the ECLGS scheme. Nevertheless, the ability of the bank to manage collections and asset quality going forward this fiscal, is a key monitorable. Going forward too, the impact of the third wave of the pandemic, if and when it comes in terms of its spread, intensity and duration, will also be closely monitored.

  CRISIL also expects slippages from the large corporate accounts to be lower in the medium term as significant part of the stress is already recognised; however, impact of pandemic on the mid-corporate, SME and retail segments will be a key rating sensitivity factor.

- **Modest profitability metrics:**
  Primarily as a result of the elevated asset quality metrics, PNB's earnings profile has been constrained over the last few years because of high provisioning costs.The Bank has steadily increased its overall provisioning and the provision coverage ratio (PCR) excluding technical write-off stands at 62.93% as on June 30, 2021. The Bank has also provided aggressively for all NCLT accounts with PCR at 97.4%. For first quarter of fiscal 2022, the bank recorded a profit of Rs 1023 crore (against a net profit of Rs 2022 crore for fiscal 2021). Net interest margin and annualised return on assets (RoA) stood at 2.3% and 0.3% respectively as on June 30, 2021.

  Asset quality may witness pressure because of the second wave Covid-19 pandemic and possible slowdown in recoveries in the near to medium term. This could be partly offset by the restructuring scheme. Ability to contain deterioration in the asset quality will remain a key monitorable, as will the impact of this on the bank's profitability levels.

Liquidity: Strong

Liquidity is comfortable, supported by a strong retail deposit base. Liquidity coverage ratio (based on simple average for daily observations) stood at 188.47% as on June 30, 2021, against the regulatory requirement of 100% (171.90% as on June 30, 2020). 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.

Outlook: Stable

CRISIL believes that PNB will continue to benefit from strong GoI support and maintain its healthy market position and resource profile over the medium term. The Bank's asset quality and earnings profile is expected to remain modest but not deteriorate significantly from current levels.

Rating Sensitivity factors

Upward factors:

- Improvement in asset quality with GNPA reducing to below 10% or the Bank reporting a sustained increase in profitability metrics
- The capitalisation metrics improving considerably with significant cushion over the regulatory requirements

Downward factors:

- Higher than expected deterioration in asset quality with GNPA increasing beyond current levels
- Decline in capital adequacy ratios (including CCB) with CET I remaining below 9.5% and overall CAR below 12.5% on sustained basis.
- Material change in shareholding and/or expectation of support from GoI
- 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. The Board of Directors of the bank finalised the share exchange ratio on March 5, 2020, and the merger got effective from April 1, 2020. The GoI owned 73.1% of the bank as on June 30, 2021. As on June 30, 2021, Bank's CET 1,Tier I and Overall CAR for the bank stood at 11.56%, 12.47% and 15.19%, respectively, compared to 10.62%, 11.50% and 14.32% , respectively , as on March 31,2021.

For first quarter of fiscal 2022, PNB reported a net profit of Rs 1023 crore on total income (net of interest expenses) of Rs 10,821 crore as against net profit of Rs 308 crore (including UBI and OBC) on total income (net of interest expenses) of Rs 10436 crore, respectively, in corresponding period of previous year.

Key Financial Indicators

As on / for the period / year ended		Jun-21	Mar-2021
Total assets	Rs crore	12,48,532	12,606,33
Total income (net of interest expenses)	Rs crore	10,821	43,289
Profit after tax	Rs crore	1023	2022
Gross NPA	%	14.33	14.12
Overall capital adequacy ratio	%	15.19	14.32
Return on assets (annualized)	%	0.33	0.16

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. The CRISIL Ratings' complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL Ratings' complexity levels for instruments that they consider for investment. 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	Complexity levels	Rating assigned with outlook

					(Rs in crs)		
NA	Tier II Bonds (under Basel III)^	NA	NA	NA	2000	Highly Complex	CRISIL AA+/Stable
NA	Tier II Bonds (under Basel III)^	NA	NA	NA	6	Highly Complex	CRISIL AA+/Stable
NA	Tier I Bonds (under Basel III)*	NA	NA	NA	1500	Highly Complex	CRISIL AA/Stable
INE160A08134	Additional Tier I (Under Basel III)	25-Jul-17	8.98	Perpetual	1500	Highly Complex	CRISIL AA/Stable
NA	Perpetual Tier-I Bonds (under Basel II)^	NA	NA	Perpetual	642.5	Highly Complex	CRISIL AA+/Stable
INE160A08159	Tier II Bonds (under Basel III)^	29-Jul-20	7.25	29-Jul-30	994	Highly Complex	CRISIL AA+/Stable
INE160A08167	Tier II Bonds (under Basel III)^	14-Oct-20	7.25	14-Oct-30	1500	Highly Complex	CRISIL AA+/Stable
INE160A08175	Tier II Bonds (under Basel III)^	11-Nov-20	7.10	09-Nov-35	1500	Highly Complex	CRISIL AA+/Stable
INE160A09207	Upper Tier-II Bonds (under Basel II)	05-Mar-08	9.35% (First 10 Years) 9.85% (Last 5 Years)	05-Mar-23	510	Highly Complex	CRISIL AA+/Stable
INE160A09215	Upper Tier-II Bonds (under Basel II)	27-Mar-08	9.45 %(First 10 Years) 9.95% (Last 5 Years)	27-Mar-23	600	Highly Complex	CRISIL AA+/Stable
INE160A09223	Upper Tier-II Bonds (under Basel II)	29-Sep-08	10.85 %(First 10 Years) 11.35% (Last 5 Years)	29-Sep-23	500	Highly Complex	CRISIL AA+/Stable
INE160A09256	Upper Tier-II Bonds (under Basel II)	18-Feb-09	9.15 %(First 10 Years) 9.65% (Last 5 Years)	18-Feb-24	1000	Highly Complex	CRISIL AA+/Stable
INE160A09322	Upper Tier-II Bonds (under Basel II)	24-May-10	8.50 %(First 10 Years) 9.00% (Last 5 Years)	24-May-25	500	Highly Complex	CRISIL AA+/Stable
NA	Upper Tier-II Bonds (under Basel II)^	NA	NA	NA	1390	Highly Complex	CRISIL AA+/Stable
INE160A08019	Tier II Bonds (Under Basel III)	24-Feb-14	9.65	24-Feb-24	1000	Complex	CRISIL AA+/Stable
INE160A08027	Tier II Bonds (Under Basel III)	28-Mar-14	9.68	28-Mar-24	500	Complex	CRISIL AA+/Stable
INE160A08035	Tier II Bonds (Under Basel III)	03-Apr-14	9.68	03-Apr-24	500	Complex	CRISIL AA+/Stable
INE160A08043	Tier II Bonds (Under Basel III)	09-Sep-14	9.35	09-Sep-24	500	Complex	CRISIL AA+/Stable
INE160A08050	Tier II Bonds (Under Basel III)	30-Sep-14	9.25	30-Sep-24	1000	Complex	CRISIL AA+/Stable
INE160A08068	Infrastructure Bonds	09-Feb-15	8.23	09-Feb-25	1000	Simple	CRISIL AA+/Stable
INE160A08084	Infrastructure Bonds	24-Mar-15	8.35	24-Mar-25	1800	Simple	CRISIL AA+/Stable
NA	Infrastructure Bonds^	NA	NA	NA	2200	Simple	CRISIL AA+/Stable
NA	Lower Tier-II Bonds (under Basel II)*	NA	NA	NA	560	Complex	CRISIL AA+/Stable
INE160A08142	Tier II Bonds (Under Basel III)	26-Dec-19	8.15	26-Dec-29	1500	Complex	CRISIL AA+/Stable
INE695A08048	Tier II bonds (Under Basel III)	27-Sep-17	10.5	27-Sep-27	150	Complex	CRISIL AA+/Stable
INE695A08063	Tier II bonds (Under Basel III)	10-Nov-17	9.05	10-Nov-27	340	Complex	CRISIL AA+/Stable
INE695A08030	Tier II bonds (Under Basel III)	23-Aug-17	9.00 (annual)	23-Aug-27	500	Complex	CRISIL AA+/Stable
INE695A09103	Tier II bonds (Under Basel III)	25-Jun-13	8.75 (annual)	25-Jun-23	500	Complex	CRISIL AA+/Stable
INE695A09087	Lower tier II bonds (Under Basel II)	28-Dec-11	9.20 (annual)	28-Dec-21	200	Complex	CRISIL AA+/Stable
NA	Tier II bonds (Under Basel III)^	NA	NA	NA	10	Complex	CRISIL AA+/Stable
INE695A09095	Perpetual Tier-I Bonds (under Basel II)	05-Dec-12	9.27 (annual)	Perpetual	300	Highly Complex	CRISIL AA+/Stable
NA	Certificates of deposit Programme	NA	NA	7-365 days	35000	Simple	CRISIL A1+

**details awaited*
^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			2021 (History)		2020		2019		2018		Start of 2018
Instrument	**Type**	**Outstanding Amount**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Rating**
Certificate of Deposits	ST	35000.0	CRISIL A1+	29-09-21	CRISIL A1+	25-09-20	CRISIL A1+		--		--	--
			--		--	01-09-20	CRISIL A1+		--		--	--
Infrastructure Bonds	LT	5000.0	CRISIL AA+/Stable	29-09-21	CRISIL AA+/Stable	25-09-20	CRISIL AA+/Stable	17-12-19	CRISIL AA+/Watch Developing	20-12-18	CRISIL AA+/Stable	CRISIL AAA/Negative
			--		--	01-09-20	CRISIL AA+/Stable	05-09-19	CRISIL AA+/Stable	16-05-18	CRISIL AAA/Watch Negative	--
			--		--	07-07-20	CRISIL AA+/Watch Developing	26-06-19	CRISIL AA+/Stable	16-02-18	CRISIL AAA/Watch Developing	--
			--		--		--		--	25-01-18	CRISIL AAA/Stable	--
Lower Tier-II Bonds (under Basel II)	LT	760.0	CRISIL AA+/Stable	29-09-21	CRISIL AA+/Stable	25-09-20	CRISIL AA+/Stable	17-12-19	CRISIL AA+/Watch Developing	20-12-18	CRISIL AA+/Stable	CRISIL AAA/Negative
			--		--	01-09-20	CRISIL AA+/Stable	05-09-19	CRISIL AA+/Stable	16-05-18	CRISIL AAA/Watch Negative	--
			--		--	07-07-20	CRISIL AA+/Watch Developing	26-06-19	CRISIL AA+/Stable	16-02-18	CRISIL AAA/Watch Developing	--
			--		--		--		--	25-01-18	CRISIL AAA/Stable	--
Perpetual Tier-I Bonds (under Basel II)	LT	942.5	CRISIL AA+/Stable	29-09-21	CRISIL AA+/Stable	25-09-20	CRISIL AA+/Stable	17-12-19	CRISIL AA+/Watch Developing	20-12-18	CRISIL AA+/Stable	CRISIL AAA/Negative
			--		--	01-09-20	CRISIL AA+/Stable	05-09-19	CRISIL AA+/Stable	16-05-18	CRISIL AAA/Watch Negative	--
			--		--	07-07-20	CRISIL AA+/Watch Developing	26-06-19	CRISIL AA+/Stable	16-02-18	CRISIL AAA/Watch Developing	--
			--		--		--		--	25-01-18	CRISIL AAA/Stable	--
Tier I Bonds (Under Basel III)	LT	3000.0	CRISIL AA/Stable	29-09-21	CRISIL AA/Stable	25-09-20	CRISIL AA-/Stable	17-12-19	CRISIL AA-/Watch Developing	20-12-18	CRISIL AA-/Stable	CRISIL AA/Negative
			--		--	01-09-20	CRISIL AA-/Stable	05-09-19	CRISIL AA-/Stable	16-05-18	CRISIL AA/Watch Negative	--
			--		--	07-07-20	CRISIL AA-/Watch Developing	26-06-19	CRISIL AA-/Stable	16-02-18	CRISIL AA/Watch Developing	--
			--		--		--		--	25-01-18	CRISIL AA/Negative	--
Tier II Bonds (Under Basel III)	LT	12500.0	CRISIL AA+/Stable	29-09-21	CRISIL AA+/Stable	25-09-20	CRISIL AA+/Stable	17-12-19	CRISIL AA+/Watch Developing	20-12-18	CRISIL AA+/Stable	CRISIL AAA/Negative
			--		--	01-09-20	CRISIL AA+/Stable	05-09-19	CRISIL AA+/Stable	16-05-18	CRISIL AAA/Watch Negative	--
			--		--	07-07-20	CRISIL AA+/Watch Developing	26-06-19	CRISIL AA+/Stable	16-02-18	CRISIL AAA/Watch Developing	--
			--		--		--		--	25-01-18	CRISIL AAA/Stable	--
Upper Tier-II Bonds (under Basel II)	LT	4500.0	CRISIL AA+/Stable	29-09-21	CRISIL AA+/Stable	25-09-20	CRISIL AA+/Stable	17-12-19	CRISIL AA+/Watch Developing	20-12-18	CRISIL AA+/Stable	CRISIL AAA/Negative
			--		--	01-09-20	CRISIL AA+/Stable	05-09-19	CRISIL AA+/Stable	16-05-18	CRISIL AAA/Watch Negative	--
			--		--	07-07-20	CRISIL AA+/Watch Developing	26-06-19	CRISIL AA+/Stable	16-02-18	CRISIL AAA/Watch Developing	--
			--		--		--		--	25-01-18	CRISIL AAA/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]
[Criteria for Notching up Stand Alone Ratings of Entities Based on Government Support]
[CRISILs Criteria for Consolidation]

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