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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.bank.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: 05.12.2025

Dear Sir(s),

Reg.: Rating Action by ICRA Limited

The Exchange is hereby informed that ICRA Limited vide its rating action dated 05.12.2025 has **reaffirmed/withdrawn** the ratings as given below:

Instrument Type	Rating / Outlook
Basel III Tier I Bonds	ICRA AA+/Stable (Reaffirmed)
Infrastructure Bonds	ICRA AAA/Stable (Reaffirmed)
Infrastructure Bonds*	ICRA AAA/ Stable (Reaffirmed and withdrawn)
Basel III Tier II Bonds*	ICRA AAA/ Stable (Reaffirmed and withdrawn)
Certificate of Deposits	ICRA A1+ (Reaffirmed)
Fixed Deposits	ICRA AAA/ Stable (Reaffirmed)

**Withdrawn on redemption of Bonds*

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,

Bikramjit Shom

Digitally signed by Bikramjit Shom
DN: st=DELHI, serialNumber=6f2651546fb6d9dcaa692694280f1d0198f3f1283652a85f10889a45fae593e8, postalCode=110075, ou=HO Board, o=Punjab National Bank, c=IN, cn=Bikramjit Shom
Date: 2025.12.05 19:42:17 +05'30'

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

(Bikramjit Shom)
Company Secretary
Encl.: A/a

December 05, 2025

Punjab National Bank: Ratings reaffirmed; rating reaffirmed and withdrawn for matured instruments

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Basel III Tier I bonds	7,000.00	7,000.00	[ICRA]AA+ (Stable); reaffirmed
Infrastructure bonds	1,200.00	1,200.00	[ICRA]AAA (Stable); reaffirmed
Infrastructure bonds	1,800.00	-	[ICRA]AAA (Stable); reaffirmed and withdrawn
Basel III Tier II bonds	1,000.00	-	[ICRA]AAA (Stable); reaffirmed and withdrawn
Certificates of deposit	60,000.00	60,000.00	[ICRA]A1+; reaffirmed
Fixed deposits	-	-	[ICRA]AAA (Stable); reaffirmed
Total	**71,000.00**	**68,200.00**	

**Instrument details are provided in Annexure I*

Rationale

The ratings continue to factor in Punjab National Bank's (PNB) sovereign ownership, its robust deposit franchise, resulting in a high share of retail deposits, and its strong liquidity profile. The capitalisation profile remains comfortable, supported by steady internal accruals and the capital raise through a qualified institutional placement (QIP) in FY2025. It is expected to remain comfortable with limited need for fresh capital infusions to meet the growth requirements. However, ICRA expects the bank to continue receiving support from the Government of India (GoI), if required. Furthermore, PNB's systemic importance in the Indian banking sector remains high with a market share of 5.9% in net advances and 6.9% in total deposits as on September 30, 2025. Moreover, it is the third largest public sector bank (PSB) and the fifth largest bank, as on September 30, 2025, in the Indian financial system in terms of net advances.

PNB continues to report an improvement in its headline asset quality indicators, driven by the moderation in the fresh non-performing advances (NPA) generation rate. Additionally, with a provision cover of 90% (excluding write-offs), it has witnessed a significant improvement in its net NPA (NNPA) levels and overall solvency profile. With credit costs declining, the profitability levels remain on an improving trajectory, barring a decline in H1 FY2026 as the bank took a one-time hit on a deferred tax asset (DTA) reversal after transitioning to the new tax regime in Q1 FY2026. PNB is expected to maintain healthy internal capital generation in the near-to-medium term with credit costs projected to remain under control. ICRA expects the bank to maintain sufficient capital cushions over the regulatory levels, although the impact of the transition to provisioning based on the expected credit loss (ECL) framework on the capital and profitability levels will remain monitorable. The management estimates an impact of 75-80 basis points (bps) on capital ratios.

While the vulnerable book, primarily comprising restructured advances, as well as the overdue book (special mention account (SMA)-1 and SMA-2)[1] moderated from the elevated levels in the past, their performance will be critical from an asset quality and profitability perspective. Additionally, the asset quality would remain monitorable in the backdrop of uncertainties around tariffs and evolving trends regarding the asset quality in the retail unsecured and micro, small and medium enterprise (MSME)

[1] *SMA is defined as a special mention account (SMA), which is an account exhibiting signs of incipient stress resulting in the borrower defaulting in the timely servicing of their debt obligations though the account has not yet been classified as an NPA as per the extant RBI guidelines; SMA-1 accounts are overdue by 31-60 days while SMA-2 accounts are overdue by 61-90 days*

segments. Nevertheless, ICRA expects the bank's operating profit to be sufficiently above the credit provisions in case any stress materialises.

Apart from the comfortable capital position, the rating for the Basel III Tier I bonds {Additional Tier-I (AT-I) bonds} factors in the healthy level of distributable reserves (DRs), which can be used to service the coupon on these bonds in the unforeseeable event of a loss.

The Stable outlook on the ratings reflects ICRA's expectation that the bank will be able to maintain a steady credit profile, with stable asset quality as well as healthy profitability and capitalisation.

ICRA has withdrawn the rating assigned to the Rs. 1,000-crore Basel III Tier II bonds and Rs. 1,800-crore infrastructure bonds as these bonds have been fully redeemed with no amount outstanding against the same. This is in accordance with ICRA's policy on the withdrawal of credit ratings.

Key rating drivers and their description

Credit strengths

Sovereign ownership with demonstrated capital support from GoI – The GoI remains PNB's largest shareholder, accounting for a 70.08% equity stake as on September 30, 2025. Its stake declined from 85.59% as on September 30, 2020 after three rounds of equity capital raising, totalling Rs. 10,588 crore, from the markets in FY2021 and FY2022 as well as Rs. 5,000 crore in Q2 FY2025. This follows the significant capital support received by PNB and other amalgamating banks {erstwhile Oriental Bank of Commerce (e-OBC) and United Bank of India (e-UBI)} from the GoI during FY2018-FY2020 (Rs. 55,274 crore).

Following PNB's merger with e-UBI and e-OBC, its overall market share increased and stood at 5.9% of advances and 6.9% of total deposits as on September 30, 2025. This signifies its high systemic importance in the Indian banking system. While the bank has raised capital over the last few years, internal capital generation has also improved, limiting its capital dependence on the GoI. Nevertheless, ICRA expects PNB to continue receiving support from the GoI if required.

Comfortable capitalisation levels; solvency profile improves – The bank's core equity capital (CET I) and Tier I capital stood at 12.75%[2] and 14.41%[2], respectively, as on September 30, 2025 (11.59% and 13.63%, respectively, as on September 30, 2024). While the capitalisation profile was supported by infusions in the past, PNB remained profitable during FY2021-H1 FY2026 after incurring huge losses in prior years, which had led to capital erosion. With the increase in the provision coverage ratio (PCR) on stressed assets, the solvency level[3] improved to 3.68% as on September 30, 2025 from 5.25% as on September 30, 2024. Going forward, ICRA expects the bank to sustain the improvement in the solvency level, which will also be key from a credit perspective.

ICRA expects the bank to maintain healthy internal capital generation to meet its growth requirements. The capital position is thus expected to remain well above the negative triggers. Besides this, the subsidiaries largely remain self-sufficient in meeting their capital requirements although a few may require capital support, which is likely to stay manageable in relation to PNB's profits and existing capital levels. Notwithstanding the adequate internal accruals and capital position for growth, the Reserve Bank of India's (RBI) implementation of the ECL framework for credit exposures remains monitorable for the capital position. The management estimates an impact of 75-80 bps on capital ratios, which, if required, can be spread over the transition period till March 31, 2031.

Healthy earnings profile – PNB's operating profit declined to 1.36% of average total assets (ATA) in FY2025 from 1.61% in FY2024, trending below the public sector bank (PSB) average of 1.68% in FY2025. This was primarily due to lower net interest margins (NIMs) and reduced non-interest income (NOI). The trend continued in H1 FY2026 with the operating profitability further moderating to 1.16% due to lower NIMs on account of the delayed transmission of interest rate cuts on advances, which was partially offset by lower operating expenses. However, with improving asset quality indicators and the higher PCR, credit costs continued to decline in FY2025 and H1 FY2026. PNB also took a one-time hit of DTA reversal in Q1 FY2026 as it

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[2] *Capital ratios exclude interim profits*

[3] *Solvency is defined as NNPA/CET I*

transitioned to a lower tax regime, which resulted in a significant decline in the profit after tax in Q1 FY2026/H1 FY2026. Consequently, the bank reported a decrease in the return on assets (RoA) to 0.71% (annualised) in H1 FY2026 from 0.99% in FY2025, though it remained higher than the RoA of 0.55% in FY2024. ICRA expects the profitability to remain healthy, going forward.

Well-developed deposit franchise – The bank's overall deposit base grew by 10.9% year-on-year (YoY) to Rs. 16.17 lakh crore as on September 30, 2025. The share of PNB's deposits in the banking system stood at 6.9% as on September 30, 2025, supported by its extensive network of 10,228 domestic branches. Further, its current account and savings account (CASA) base stood at 36.06% of the total deposits as on September 30, 2025, in line with the PSB average of 36.38%.

Besides the reasonably high share of CASA deposits, the share of the top 20 depositors in total deposits remained low at 3.41% as on March 31, 2025. The granular deposit base and the high share of CASA deposits continue to strengthen the bank's resource and liquidity profile while keeping the overall cost of interest-bearing funds in line with the PSB average at 5.11%[4] in H1 FY2026. Given its strong core deposit base, widespread branch network, and comfortable credit-to-deposit ratio of 70.11% as on September 30, 2025, ICRA expects PNB's liability profile to remain a significant positive for supporting its credit growth while maintaining strong liquidity and profitability.

Credit challenges

Asset quality remains monitorable – The gross annualised fresh NPA generation rate moderated to 0.72% of standard advances in H1 FY2026 (0.94% in FY2025, 1.02% in FY2024, 2.51% in FY2023, 3.89% in FY2022, 4.21% in FY2021). The bank's gross NPA (GNPA) declined to 3.45% as on September 30, 2025 from 4.48% as on September 30, 2024, driven by limited slippages, healthy recoveries and write-offs in FY2025 and H1 FY2026. Further, the PCR remained at 90% (excluding written-off accounts) as on September 30, 2025 (90% as on September 30, 2024), leading to a decline in the NNPAs to 0.36% from 0.46% during this period.

While PNB's vulnerable pool, as indicated by SMA-1, SMA-2 and standard restructured advances, has moderated, it remains high in relation to the core capital. The performance of the vulnerable book and the impact of macroeconomic shocks, geopolitical concerns, and the emerging stress in the retail and MSME sector on the servicing abilities of many borrowers will be key monitorable factors, where the asset quality is concerned.

Environmental and social risks

While banks like PNB do not face material physical climate risks, they are exposed to environmental risks indirectly through their portfolio of assets. If the entities or businesses, to which banks and financial institutions have an exposure, face business disruptions because of physical climate adversities or if such businesses face climate transition risks because of technological, regulatory or customer behaviour changes, the same could translate into credit risks for banks. However, such risk is not material for PNB as it benefits from adequate portfolio diversification. Further, the lending is typically short-to-medium term, allowing it to adapt and take incremental exposure to businesses that face relatively fewer downside environmental risks.

With regard to social risks, data security and customer privacy are among the key sources of vulnerability for banks as material lapses could be detrimental to their reputation and invite regulatory censure. PNB has not faced material lapses over the years. Customer preferences are increasingly shifting towards digital banking, which provides an opportunity to reduce the operating costs. PNB has been making the requisite investments to enhance its digital interface with its customers. While it contributes to promoting financial inclusion by lending to the underserved segments, its lending practices remain prudent as reflected in the healthy asset quality numbers in this segment compared with its peers.

Liquidity position: Strong

The bank's liquidity profile remains strong, as depicted by the positive cumulative mismatches in the up to 1-year maturity bucket as per the structural liquidity statement for September 30, 2025. This is supported by the high share of core deposits and the excess statutory liquidity ratio (SLR) position. The liquidity coverage ratio remained strong at 142% (daily average for

[4] *As per ICRA's calculations*

Q2 FY2026) while the reported net stable funding ratio (NSFR) stood at 129% in Q2 FY2026 against the regulatory requirement of 100%. Supported by its sovereign ownership, healthy liabilities profile and excess SLR holdings, ICRA expects PNB to continue maintaining a strong liquidity profile. The excess SLR holding above the regulatory level can be utilised to avail liquidity support from the RBI (through repo) apart from the marginal standing facility of the RBI in case of urgent liquidity requirements.

Rating sensitivities

Positive factors – Not applicable as all the ratings are at the highest level for the respective instruments

Negative factors – The ratings will be reassessed in case of a change in the sovereign ownership. ICRA could also downgrade the ratings if the bank witnesses pressure on profitability, leading to an RoA of less than 0.3% and/or a decline in the capital cushions over the regulatory levels to less than 100 bps on a sustained basis. A sharp deterioration in the profitability and weakening of the distributable reserves (DRs) eligible for the coupon payment on the Basel III Tier I bonds (AT-I bonds) will be negative triggers for the rating for these bonds.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	ICRA's Rating Methodology for Banks and Financial Institutions Policy on Withdrawal of Credit Ratings
Parent/Group support	The ratings factor in PNB's sovereign ownership and the demonstrated track record of capital infusions by the GoI. ICRA expects the GoI to support the bank with capital infusions, if required.
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financials of PNB. However, in line with ICRA's consolidation approach, the standalone assessment of the bank factors in the ordinary and extraordinary support it is expected to extend to its various subsidiaries/joint ventures.

About the company

Incorporated in 1894, Punjab National Bank merged with erstwhile United Bank of India (e-UBI) and erstwhile Oriental Bank of Commerce (e-OBC) on April 1, 2020 to form the third largest PSB and the fifth largest bank in the Indian banking system in terms of net advances as on September 30, 2025. It had a market share of 5.9% and 6.9% in net advances and total deposits, respectively, as on September 30, 2025 with the GoI holding a majority stake (70.08%). It had a network of 10,228 domestic branches and 11,187 ATMs as on September 30, 2025.

Key financial indicators (standalone)

Punjab National Bank	FY2024	FY2025	H1 FY2026
Total income^	52,777	55,168	27,436
Profit after tax	8,245	16,630	6,579
Total assets (Rs. lakh crore)*	15.54	18.10	18.68
CET I	11.04%	12.33%	12.75%#
CRAR	15.97%	17.01%	17.19%#
PAT/ATA	0.55%	0.99%	0.72%
Gross NPAs	5.73%	3.95%	3.45%
Net NPAs	0.73%	0.40%	0.36%

Source: PNB, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore unless mentioned otherwise
^ Total income = Net interest income + Non-interest income (excluding trading gains)
**Total assets exclude revaluation reserves*
#Excluding profits for the period

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	**Type**	**Amount rated (Rs. crore)**	**Dec 05, 2025**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Certificates of deposit	Short term	60,000.00	[ICRA]A1+	Dec-09-2024	[ICRA]A1+	Dec-12-2023	[ICRA]A1+	Nov-22-2022	[ICRA]A1+
						Nov-23-2023	[ICRA]A1+	Jun-08-2022	[ICRA]A1+
						Aug-10-2023	[ICRA]A1+	-	-
Fixed deposits	Long term	-	[ICRA]AAA (Stable)	Dec-09-2024	[ICRA]AAA (Stable)	Dec-12-2023	[ICRA]AAA (Stable)	Nov-22-2022	[ICRA]AA+ (Stable)
						Nov-23-2023	[ICRA]AAA (Stable)	Jun-08-2022	[ICRA]AA+ (Stable)
						Aug-10-2023	[ICRA]AA+ (Positive)	-	-
Infrastructure bonds	Long term	1,200.00	[ICRA]AAA (Stable)	Dec-09-2024	[ICRA]AAA (Stable)	Dec-12-2023	[ICRA]AAA (Stable)	Nov-22-2022	[ICRA]AA+ (Stable)
						Nov-23-2023	[ICRA]AAA (Stable)	Jun-08-2022	[ICRA]AA+ (Stable)
						Aug-10-2023	[ICRA]AA+ (Positive)	-	-
Infrastructure bonds	Long term	1,800.00	[ICRA]AAA (Stable); withdrawn	Dec-09-2024	[ICRA]AAA (Stable)	Dec-12-2023	[ICRA]AAA (Stable)	Nov-22-2022	[ICRA]AA+ (Stable)
						Nov-23-2023	[ICRA]AAA (Stable)	Jun-08-2022	[ICRA]AA+ (Stable)
						Aug-10-2023	[ICRA]AA+ (Positive)	-	-
Basel II Lower Tier II bonds	Long term	-	-	Dec-09-2024	[ICRA]AAA (Stable); withdrawn	Dec-12-2023	[ICRA]AAA (Stable)	Nov-22-2022	[ICRA]AA+ (Stable)
						Nov-23-2023	[ICRA]AAA (Stable)	Jun-08-2022	[ICRA]AA+ (Stable)
						Aug-10-2023	[ICRA]AA+ (Positive)	-	-
Basel II Lower Tier II bonds	Long term	-	-	-	-	-	-	Nov-22-2022	[ICRA]AA+ (Stable)
						-	-	Jun-08-2022	[ICRA]AA+ (Stable)
						Aug-10-2023	[ICRA]AA+ (Positive) withdrawn	-	-
Basel III Tier II bonds	Long term	1,000.00	[ICRA]AAA (Stable); withdrawn	Dec-09-2024	[ICRA]AAA (Stable)	Dec-12-2023	[ICRA]AAA (Stable)	Nov-22-2022	[ICRA]AA+ (Stable)
						Nov-23-2023	[ICRA]AAA (Stable)	Jun-08-2022	[ICRA]AA+ (Stable)
						Aug-10-2023	[ICRA]AA+ (Positive)	-	-
Basel III Tier II bonds	Long term	-	-	Dec-09-2024	[ICRA]AAA (Stable); withdrawn	Dec-12-2023	[ICRA]AAA (Stable)	Nov-22-2022	[ICRA]AA+ (Stable)

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Dec 05, 2025	Date	Rating	Date	Rating	Date	Rating
						Nov-23-2023	[ICRA]AAA (Stable)	Jun-08-2022	[ICRA]AA+ (Stable)
						Aug-10-2023	[ICRA]AA+ (Positive)	-	-
Basel III Tier I bonds	Long term	4,000.00	[ICRA]AA+ (Stable)	Dec-09-2024	[ICRA]AA+ (Stable)	Dec-12-2023	[ICRA]AA+ (Stable)	Nov-22-2022	[ICRA]AA (Stable)
						Nov-23-2023	[ICRA]AA+ (Stable)	Jun-08-2022	[ICRA]AA (Stable)
						Aug-10-2023	[ICRA]AA (Positive)	-	-
Basel III Tier I bonds	Long term	2,000.00	[ICRA]AA+ (Stable)	Dec-09-2024	[ICRA]AA+ (Stable)	Dec-12-2023	[ICRA]AA+ (Stable)	-	-
						Nov-23-2023	[ICRA]AA+ (Stable)	-	-
Basel III Tier I bonds	Long term	1,000.00	[ICRA]AA+ (Stable)	Dec-09-2024	[ICRA]AA+ (Stable)	Aug-10-2023	[ICRA]AA+ (Stable)	-	-

Complexity level of the rated instrument

Instrument	Complexity indicator
Fixed deposits	Very Simple
Infrastructure bonds	Very Simple
Basel II Lower Tier II bonds	Simple
Basel III Tier II bonds	Highly Complex
Basel III Tier I bonds	Highly Complex
Certificates of deposit	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here]

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating & outlook
INE141A08035	**Basel III Tier II bonds**	Oct-26-2015	8.34%	Oct-26-2025	1,000	[ICRA]AAA (Stable); reaffirmed and withdrawn
INE160A08290	**Basel III Tier I bonds**	Dec-28-2023	8.55%	Dec-28-2028^	1,153	[ICRA]AA+ (Stable)
INE160A08308	**Basel III Tier I bonds**	Mar-22-2024	8.47%	Mar-22-2029^	1,859	[ICRA]AA+ (Stable)
Unplaced	**Basel III Tier I bonds**	-	-	-	1,330	[ICRA]AA+ (Stable)
INE160A08209	**Basel III Tier I bonds**	Dec-09-2021	8.40%	Dec-09-2026^	2,000	[ICRA]AA+ (Stable)
INE160A08233	**Basel III Tier I bonds**	Sep-21-2022	8.30%	Sep-21-2027^	658	[ICRA]AA+ (Stable)
INE160A08084	**Infrastructure bonds**	Mar-24-2015	8.35%	Mar-24-2025	1,800	[ICRA]AAA (Stable); reaffirmed and withdrawn
Unplaced	**Infrastructure bonds**	-	-	-	1,200	[ICRA]AAA (Stable)
-	**Fixed deposits**	-	-	-	-	[ICRA]AAA (Stable)
Unplaced*	**Certificates of deposit**	-	-	-	60,000	[ICRA]A1+

Source: Punjab National Bank

**Certificates of deposit are outstanding as on November 26, 2025*

^Call option due date

Key features of rated debt instruments

The servicing of the Basel III Tier II bonds, infrastructure bonds, fixed deposits and certificates of deposit is not subject to any capital ratios and profitability. However, the Basel III Tier II bonds and Basel III Tier I bonds (AT-I bonds) are expected to absorb losses once the point of non-viability (PONV) trigger is invoked. The Basel III bonds have equity-like loss-absorption features. Such features may translate into higher loss severity vis-à-vis conventional debt instruments.

The rated AT-I bonds have the following loss-absorption features that make them riskier:

- Coupon payments are non-cumulative and discretionary, and the bank has full discretion at all times to cancel coupon payments. Cancellation of discretionary payments shall not be an event of default.
- Coupons can be paid out of the current year's profits. However, if the current year's profit is not sufficient or if the payment of the coupon is likely to result in a loss, the coupon payment can be made through the reserves and surpluses created through the appropriation of profits (including statutory reserves). The coupon payment is subject to the bank meeting the minimum regulatory requirements for CET I, Tier I and total capital ratios (including capital conservation buffer, CCB) at all times as prescribed by the RBI under the Basel III regulations.

These Tier I bonds are expected to absorb losses through the write-down mechanism at the objective prespecified trigger point fixed at the bank's (CET I) ratio as prescribed by the RBI, i.e. 6.125% of the total risk-weighted assets (RWAs) of the bank or when the PONV trigger is breached in the RBI's opinion.

Given the above distinguishing features of the Tier I bonds, ICRA has assigned a one notch lower rating to these than the rating for the Tier II instruments. The DRs[5] that can be used for servicing the coupon in a situation of inadequate profit or a loss during the year stood at a comfortable 6.36% of RWAs as on March 31, 2025. The rating on the Tier I bonds continues to be supported by the bank's capital profile, which is likely to remain comfortable given its healthy capital-raising ability and the expectation that it will remain profitable. However, the transition to the ECL framework and its impact on the capital and DRs remain monitorable.

[5] *Calculated as per the amendment in Basel III capital regulations for Tier I bonds by the RBI, vide its circular dated February 2, 2017. As per the amended definition, DRs include all reserves created through appropriations from the profit and loss account*

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership^	Consolidation approach[6]
PNB Cards & Services Ltd.	100.00%	Full consolidation
PNB Investment Services Ltd.	100.00%	Full consolidation
Punjab National Bank (International) Ltd.UK	100.00%	Full consolidation
PNB Gilts Ltd.	74.07%	Full consolidation
Druk PNB Bank Ltd., Bhutan	51.00%	Full consolidation
JSC Tengri Bank*	41.64%	Full consolidation
Bihar Gramin Bank	35.00%	Full consolidation
Sarva Haryana Gramin Bank	35.00%	Full consolidation
Himachal Pradesh Gramin Bank	35.00%	Full consolidation
Punjab Gramin Bank	35.00%	Full consolidation
Assam Gramin Bank	35.00%	Full consolidation
Manipur Rural Bank	35.00%	Full consolidation
Tripura Gramin Bank	35.00%	Full consolidation
West Bengal Gramin Bank	35.00%	Full consolidation
PNB Housing Finance Ltd.	28.04%	Full consolidation
PNB MetLife India Insurance Ltd.	30.00%	Full consolidation
Canara HSBC Life Insurance Ltd. (CANH)#	23.00%	Full consolidation
India SME ARC Ltd. (ISARC)	20.90%	Full consolidation
Everest Bank Nepal	20.02%	Full consolidation

Source: PNB, ICRA Research; ^ Ownership as on September 30, 2025

** Under liquidation*

 # Following its listing on October 17, 2025, CANH ceased to be an associate

[6] *For ICRA's analysis*

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA

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