

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

Punjab National Bank (herein after referred to as the 'Bank') is the top consolidated entity in the Banking group to which the Capital Adequacy Framework under Basel III applies. The consolidated financial statements of the group conform, in all material aspects, to Generally Accepted Accounting Principles (GAAP) in India, encompassing applicable statutory provisions, regulatory norms prescribed by Reserve Bank of India (RBI), circulars and guidelines issued by RBI from time to time, Banking Regulation Act 1949, Companies Act, 2013, Accounting Standards (AS) and pronouncements issued by The Institute of Chartered Accountants of India (ICAI) and prevailing practices in Banking industry in India.

Table DF-1: Scope of Application

(i) Qualitative Disclosures:

a. List of group entities considered for consolidation

- For accounting scope of consolidation, all the group entities of the Bank are considered for consolidation in accordance with AS 21, Consolidated Financial Statements and AS 23, Accounting for Investments in Consolidated Financial Statements.
- For regulatory scope of consolidation, all the group entities, except insurance and non-financial subsidiaries / joint ventures / associates, are fully consolidated for the purpose of capital adequacy. Regulatory scope of consolidation refers to consolidation in such a way as to result in the assets of the underlying group entities being included in the calculation of consolidated risk-weighted assets of the group.

Name of the entity & Country of incorporation	Whether the entity is included under accounting scope of consolidation (Yes/No)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (Yes/No)	Explain the method of consolidation	Reasons for difference in the method of consolidation	Reasons for consolidation under only one of the scopes of consolidation
PNB Gilts Ltd. (India)	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements	Not applicable	
PNB Investment Services Ltd. (India)						
Punjab National Bank (International) Ltd.						

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

Name of the entity & Country of incorporation	Whether the entity is included under accounting scope of consolidation (Yes/No)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (Yes/No)	Explain the method of consolidation	Reasons for difference in the method of consolidation	Reasons for consolidation under only one of the scopes of consolidation
(U.K.)						
Druk PNB Bank Ltd (Bhutan)						
PNB Cards and Services Ltd. (India)			No	Not applicable	In terms of Basel III norms Chapter 1 (B) 8 (1)(ii): Non-Financial subsidiary should not be consolidated for the purpose of capital adequacy. Hence, not under the Scope of regulatory Consolidation	
PNB MetLife India Insurance Co Ltd (India)	Yes	Consolidated in accordance with AS-23, Accounting for Investments in Associates in Consolidated Financial Statements	No	Not applicable	Not applicable	Associate: Not under the Scope of regulatory Consolidation
PNB Housing Finance Ltd, (India)						
Bihar Gramin Bank, Patna						
Haryana Gramin Bank, Rohtak						
Himachal Pradesh Gramin Bank, Mandi						
Punjab Gramin Bank, Kapurthala						

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

Name of the entity & Country of incorporation	Whether the entity is included under accounting scope of consolidation (Yes/No)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (Yes/No)	Explain the method of consolidation	Reasons for difference in the method of consolidation	Reasons for consolidation under only one of the scopes of consolidation
Assam Gramin Vikas Bank, Guwahati	Yes	Consolidated in accordance with AS-23, Accounting for Investments in Associates in Consolidated Financial Statements	No	Not applicable	Not applicable	Associate: Not under Scope of regulatory Consolidation
West Bengal Gramin Bank, Murshidabad						
Manipur Rural Bank, Imphal						
Tripura Gramin Bank, Agartala						
Everest Bank Ltd., (Nepal)						
JSC Tengri Bank, Almaty, (Kazakhstan) \$	No					

\$Agency of the Republic of Kazakhstan revoked license of JSC Tengri Bank w.e.f. 18th September, 2020 and is under liquidation.

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

b. List of group entities not considered for consolidation both under accounting and regulatory scope of consolidation.

(Rs. in millions)

Name of the entity Country of Incorporation	Principle & activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet)	% of bank's Holding in the total equity	Regulatory treatment of bank's investments in the capital instruments of the entity	Total balance sheet assets (as stated in the accounting balance sheet)
Nil					

(ii) Quantitative Disclosures:

c. List of group entities considered for regulatory consolidation.

(Rs. in millions)

Name of the entity & Country of incorporation	Principle activity of the entity	Total balance sheet equity (As per accounting balance sheet)*	Total balance sheet Assets (As per accounting balance sheet)
PNB Gilts Ltd. (India)	Primary Dealer	17235.35	267273.14
PNB Investment Services Ltd. (India)	Merchant Banking, Corporate Advisory & Debenture Trustee & Security Trustee	562.90	591.20
Punjab National Bank (International) Ltd. (U.K.)	Banking	12929.48	127926.90
Druk PNB Bank Ltd. (Bhutan)	Banking	4730.44	38887.01

*comprises equity share capital and reserves & surplus

d. The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e., that are deducted

(Rs. in millions)

Name of the entity & Country of incorporation	Principle activity of the entity	Total balance sheet equity (As per accounting balance sheet)	% of bank's holding in the total equity	Capital deficiencies
Nil				

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

e. The aggregate amounts (e.g. current book value) of the Bank's total interests in insurance entities, which are risk-weighted:

(Rs. in millions)

Name of the Insurance entities / country of incorporation	Principle activity of the entity	Total balance sheet equity (as per accounting Balance sheet)*	% of Bank's Holding in the Total equity / Proportion of voting power	Quantitative Impact on regulatory capital of using risk weighting method versus using the full deduction method
PNB Metlife India Insurance Company Ltd (India)	Life Insurance/ Bancassurance	26104.10	30%	Insignificant impact with either method

*comprises equity share capital and reserves & surplus

f. Any restrictions or impediments on transfer of funds or regulatory capital within the banking group:

With regard to restriction and impediments, local laws and regulation of host countries are applicable

Table DF-2: Capital Adequacy

Qualitative Disclosures:

(a)

1. Capital Adequacy

The Bank believes in the policy of total risk management. The bank views the risk management function as a holistic approach whereby risk retention is considered appropriate after giving due consideration to factors such as specific risk characteristics of obligor, inter relationship between risk variables and corresponding return and achievement of various business objectives within the controlled operational risk environment. Bank believes that risk management is one of the foremost responsibilities of top/ senior management. The Board of Directors decides the overall risk management policies and approves the Risk Management Philosophy & Policy, Credit Management & Risk policy, Investment policy, ALM policy, Operational Risk Management policy, Policy for internal capital adequacy assessment process (ICAAP), Credit Risk Mitigation & Collateral Management Policy, Stress Testing Policy and Policy for Mapping Business Lines/Activities, containing the direction and strategies for integrated management of the various risk exposures of the Bank. These policies, inter alia, contain various trigger levels, exposure levels, thrust areas etc.

The Bank has constituted a Board level subcommittee namely Risk Management Committee (RMC). The committee has the overall responsibility of risk management functions and oversees the function of Credit Risk Management Committee (CRMC), Asset Liability Committee (ALCO), Market Risk Management Committee (MRMC) and Operational Risk Management Committee (ORMC). The meeting of RMC is held at least once in a quarter. The bank recognizes that the management of risk is integral to the effective and efficient management of the organization.

2. Credit Risk Management

2.1.1 Credit Risk Management Committee (CRMC) headed by MD & CEO is the top-level functional committee for Credit risk. The committee considers and takes decisions necessary to manage and control credit risk within overall quantitative prudential limit set up by Board. The committee is entrusted with the job of approval of policies on standards for presentation of credit proposal, fine-tuning required in various models based on feedbacks or change in market scenario, approval of any other action necessary to comply with requirements set forth in Credit Risk Management Policy/ RBI guidelines or otherwise required for managing credit risk.

2.1.2 To provide a robust risk management structure, the Credit Management and Risk policy of the Bank aims to provide a basic framework for implementation of sound credit risk management system in the bank. It deals with various areas of credit risk, goals to be achieved, current practices and future strategies. As such, the credit policy deals with short term implementation as well as long term approach to credit risk management. The policy of the bank embodies in itself the areas of risk identification, risk measurement, risk grading techniques, reporting and risk control systems / mitigation techniques and documentation practice.

Centralized Rating Cells (CRCs) have been set up at Gurugram and Panchkula in place of ZRMCs. The new risk assessment structure continues focus on complete segregation of credit risk assessment system from credit underwriting by centralizing the risk rating process under direct control of Integrated Risk Management Division at Head Office, whereas the credit delivery system shall continue through business delivery structure of credit verticals and zones.

The centralization of credit risk rating will improve efficient risk assessment and third eye view-based calculation of risk over a borrowing entity, its business and credit proposal. It will also enable credit delivery structure as business assessment centre in true sense while establishing risk assessment process through CRC as risk analyzer.

For better support, control & transparent structure of reporting, organization structure in the bank has been revamped. In this regard, Bank has introduced specialized lending branches for catering to loans from Rs 10 lacs to Rs 1 Crore through PNB Loan Point (PLP) in respect of Retail, Agriculture and MSME segments. Mid Corporate Centres (MCC) shall sanction loans above Rs. 1 crore upto Rs. 10 Crores. Corporate Banking Branches (CBBs) shall handle Non Retail Credit proposals above Rs.10 Crores. LCB & ELCBs for loans above Rs.50 Crores and Rs.500 Crores respectively have been put in place. All loan proposals falling under the powers of MCC, Circle Office, Zonal Office and Head office are considered by Credit Approval Committees.

2.1.3 Bank has developed comprehensive risk rating system that serves as a single point indicator of diverse risk factors of counterparty and for taking credit decisions in a consistent manner. The risk rating system is drawn up in a structured manner, incorporating different factors such as borrower's specific

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

characteristics, industry specific characteristics etc. Risk rating system applicable to all borrowers with total limits above Rs.100 Lacs w.e.f. 07.05.2022 (previously the minimum threshold for considering Internal Risk Ratings was above Rs.50 Lacs). Bank is undertaking periodic validation exercise of its rating models and also conducting migration of Internal Risk Ratings and default rate analysis to test robustness of its internal risk rating models.

Small & Medium Enterprise (SME), Retail advances and lending to agriculture are subjected to scorecard assessment which support "Accept/ Reject" decisions based on the scores obtained. All eligible SME, Retail loan and Agriculture lending applications are necessarily to be evaluated under score card system. All rating models/ scorecards developed by the Bank are online at bank's central server network and can be accessed through any office of the bank. Additionally, bank has also developed score cards, for evaluating lending proposals under other schemes/ product arrangements such as co-lending arrangement with NBFCs, digital lending & credit cards and these are placed within the portals being utilized for these products/ arrangements.

To strengthen the credit monitoring landscape, Bank has implemented a new Early Warning system i.e., PNB SAJAG 2.0, a fully digitized and automated Early Warning Signal (EWS), which monitors all eligible borrowal accounts through 132 early warning signals (including 42 EWS prescribed by RBI and 85 EWS prescribed by DFS), powered by automated continuous flow of both internal and external data.

In addition to these 132 alerts, PNB SAJAG 2.0 also incorporates overrides, to highlight certain critical risk parameters, which if invoked, escalates the EWS score of the borrower to pre-defined levels. These 132 alerts have been categorized into 4 severity categories, viz. Critical, High, Medium and Low, and timelines for closure of alerts falling under each of these categories have been prescribed.

PNB SAJAG 2.0 also displays last 5-year financials, key ratios, list of suspicious transactions, round-tripping transactions, transactions with suppliers and clients, any cases pending in NCLT, etc. for each borrower. Further, the system also provides intuitive graphical time charts for trends in key risk factors such as transaction count, Drawing Power, Key financial ratios, etc. to provide a 360-degree view on the borrower.

- 2.1.4 Bank has implemented enterprise-wide data warehouse (EDW) project, to cater to the requirement for the reliable and accurate historical data base and to implement the sophisticated risk management solutions/ techniques and the tools for estimating risk components {PD (Probability of Default), LGD (loss Given Default), EAD (Exposure at Default)} and quantification of the risks in the individual exposures to assess risk contribution by individual accounts in total portfolio and identifying buckets of risk concentrations.
- 2.1.5 As an integral part of Risk Management System, bank has put in place a well-defined Loan Review Mechanism (LRM). This helps bring about qualitative improvements in credit administration. A separate Division known as Credit Audit & Review Division has been formed to ensure LRM implementation.

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

2.1.6 The risk rating and vetting process is done independent of credit appraisal function to ensure its integrity and independency. The rating category wise portfolio of loan assets is reviewed on half yearly basis to analyze mix of quality of assets etc.

2.1.7 The bank has implemented the Standardized Approach of credit risk for RWA computation as per RBI extant guidelines and further we are in the process of adoption of Internal Rating Based Approaches (IRB). Bank has received approval from RBI for adoption of Foundation Internal Rating Based Approach (FIRB) on parallel run basis w.e.f. 31.07.2013. Further, bank has placed notice of intention to RBI for implementing Advanced Internal Rating Based (AIRB) approach for credit risk.

Major initiatives taken for implementation of IRB approach are as under:

- For corporate assets class, bank has estimated the TTC-PD (Through the Cycle Probability of Default) based upon model wise default rates viz. Large Corporate, Mid Corporate and Small borrowers using Rating Migration Approach. For retail asset class, PD is computed for identified homogeneous pool by using exponential smoothing technique.
- LGD (Loss Given Default) values have been calculated by using workout method for Corporate Asset Class as well as for each homogenous pool of Retail Asset Class.
- Bank has also put in place a mechanism to arrive at the LGD rating grade apart from the default rating of a borrower. The securities eligible for LGD rating are identified facility wise and the total estimated loss percentage in the account is computed using supervisory LGD percentage prescribed for various types of collaterals and accordingly LGD rating grades are allotted.
- Benchmarking of Cumulative Default Rates: Benchmark values of cumulative default rates for internal rating grades have been calculated based on the published default data of external rating agencies. The benchmark values are used for monitoring of cumulative default rates of internal rating grades and PD validation.
- Bank has adopted supervisory slotting criteria approach for calculation of capital under specialised lending (SL) exposure falling under corporate asset class.
- Bank has put in place a comprehensive "Credit Risk Mitigation & Collateral Management Policy", which ensures that requirements of FIRB approach are met on consistent basis.
- For Low Default Portfolios, separate model has been deployed and PD is being estimated based on the same, tailored to the unique characteristics of these portfolios. Additionally, Bank has also developed Exposure at Default Model for corporates asset class-based utilizing internally estimated conversion factors to account for the undrawn portion of credit limits.

2.2 Market Risk

2.2.1 The investment policy covering various aspects of market risk attempts to assess and minimize risks inherent in treasury operations through various risk management tools. Broadly, it incorporates policy prescriptions for measuring, monitoring and managing systemic risk, credit risk, market risk, operational risk and liquidity risk in treasury operations.

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

2.2.2 Besides regulatory limits, the Bank has put in place internal limits and ensures adherence thereof on continuous basis for managing market risk in trading book of the bank and its business operations. Bank has prescribed entry level barriers, exposure limits, stop loss limits, VaR limits, Duration limits and Risk Tolerance limits for trading book investments. Bank is keeping constant track on Migration of Credit Ratings of investment portfolio. Limits for exposures to Counterparties, Industry Segments and Countries are monitored. The risks under Forex operations are monitored and controlled through Stop Loss Limits, Overnight limit, Daylight limit, Aggregate Gap limit, Individual Gap limit, Value at Risk (VaR) limit, Inter-Bank dealing and investment limits etc.

2.3 Operational Risk

Basel Committee and subsequently RBI have defined Operational Risk (OR) as “the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events”. This definition includes legal risk, but excludes strategic and reputational risk. The Bank has also adopted the same definition for management of operational risk within the bank.

The Bank has a robust Board approved Operational Risk Management policy with clearly defined roles and responsibilities to mitigate operational risk arising out of the Bank’s business and operations. The Bank adopts three lines of defense model for management of operational risk.

First line of defence are the Business Divisions. These Divisions being owner of various banking activities, take up management of operational risks within their owned activities, undertake actions for management/mitigation of these risks and take any business line/division level decisions with respect to operational risk. They propagate Operational Risk Management (ORM) policies as laid down by the Board. They analyse the findings of Risk & Control Self- Assessment (RCSA), Key Risk Indicators (KRI) & loss events and initiate action for strengthening of internal processes, management/ mitigation of Operational Risk and explore use of insurance and other mitigating options.

Second Line of defence is Risk Management Division which is responsible for framing the Operational Risk Framework/Policy and ensuring implementation thereof. Operational Risk Management Division acts as a repository of Operational Risk Loss Data Base, KRIs, RCSA Surveys results, and uses the same for root cause analyses, Operational Risk Management and Measurement. Certain information collected and published by Control Units like Inspection & Audit Division, Transaction Monitoring Division and Security Department etc. are used to identify, control, monitor and mitigate the operational risk at Bank wide level.

Third line of defence is Inspection & Audit Division which is responsible for independent review and validation of Operational Risk Management Framework (ORMF) and Operational Risk Management System (ORMS) at Bank wide level.

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

Governance and Organizational Structure for Managing Operational Risk:

Operational Risk Management Committee (**ORMC**), headed by MD, oversee the bank's consolidated operational risk exposure, understand future changes/ threats, key operational risk loss areas, review of risk profile, and recommend suitable controls/ mitigations for managing operational risk, etc.

Further, ED headed Business Continuity & Operational Resilience Committee (**BCORE**) has been formed in the bank to oversee the bank's business continuity & operational resilience through development, implementation, and maintenance of a robust policy/ framework on Business Continuity Management & Operational Resilience

Operational Risk Management Committee (ORMC) and Business Continuity & Operational Resilience Committee (**BCORE**) report to Risk Management Committee (**RMC**) which is a sub-committee of the Board to oversee the overall risk management of the bank.

An independent Operational Risk Management Department (**ORMD**) is a sub-division under Integrated Risk Management Division headed by Group Chief Risk Officer. ORMD is responsible for implementation of ORM Policies for ensuring a strong ORM culture and effective operational risk management across the Bank. It works in co-ordination with the business divisions, control divisions and all other functions of the bank.

With increasing digitization and role of IT in banking operation, the bank has set up IT risk vertical under ORMD to effectively identify, assess, monitor and address ICT risk and build IT operational resilience in the bank. Further, Bank has also set-up a dedicated third party vertical under ORMD to effectively address the risks associated with resorting to services of third-party vendors.

To address risk and control in product and process, the Bank has a product approval policy. All the product/processes are routed through System and Product Approval Committee of Executives (**SPACE**). The policy defines the roles and responsibilities of First, Second and Third line of defence to establish effective governance for product and processes.

For management of operational risks at HO division level, each business line/division has a Risk Assessment Committee (**RAC**). This committee is headed by Divisional Head of the concerned division. The committee identifies the operational risks present in the existing/new products/processes/activities of that business line/division, take corrective/preventive/pre-emptive steps to monitor and control the Operational Risk within the overall ORM Policy of the Bank.

In order to ensure completeness and correctness of loss data and also to inculcate risk culture deep down the ladder in the Bank, committees named as 'Checks on Threats to Reduce Op-risk Losses (**CONTROL**) and Joint Action Group on Op-risk Control (**JAGROC**) have been formed at Circle level and Zonal level respectively which also identify and evaluate the internal and external factors that could adversely affect the achievement of Bank's performance, corporate goals, information system, and compliance objective of the Bank guidelines.

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

Tools to measure & monitor Operational Risk

Internal Control is an essential pre-requisite for efficient and effective operational risk management. Bank has clearly laid down policies and procedures to ensure the integrity of its operations, appropriateness of operating systems and compliance with the management policies. Apart from the Operational Risk Management (ORM) Policy and the Policy for approval of New Product, other established Frameworks/Policies for control and mitigation of operational risk includes

- 1) Policy for Business Continuity Management (BCM) and Operational Resilience
- 2) Third Party Risk Management Policy
- 3) Loss Data Collection Framework
- 4) IT and Information Security Risk Management Framework.
- 5) Risk & Control Self-Assessment Framework- It's a proactive exercise which helps in identifying control gaps and consequent actions proposed to close the gaps. RCSA is used for identification & mitigation of operational risks, reporting of control deficiencies, monitoring of changes in control environment and assessment of operational risk profile.
- 6) Business Line Mapping Framework as per Basel defined 8 Business Lines and 7 Loss Event Types.
- 7) Key Risk Indicator Framework-The indicators have been defined subject to annual review with threshold and monitoring mechanism. These indicators are metrics/ measures that are derived from various factors to indicate an early warning of or to monitor increasing risk or control failures in an activity.
- 8) Stress testing/Scenario analysis to assess the operational risk impact based on hypothetical severe loss situation.
- 9) Incident Reporting Mechanism.

Quantitative Disclosures:

(b) Capital requirement for credit risk:

(Rs. in millions)

Particulars	Amount
Portfolios subject to standardized approach	917279.76
Securitization exposures	0.00

(c) Capital requirement for market risk (under standardized duration approach):

(Rs. in millions)

Risk Category	Amount
i) Interest Rate Risk	5246.87
ii) Foreign Exchange Risk (including Gold)	1624.83
iii) Equity Risk	3278.84
iv) CDS	0.00
Total capital charge for market risks under Standardized duration approach (i + ii + iii + iv)	10150.54

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

(d) Capital requirement for operational risk:

(Rs. in millions)

Capital requirement for operational risk	Amount
i) Basic indicator approach	70458.59
ii) The Standardized approach (if applicable)	NA

(e) Common Equity Tier 1, Tier 1 and Total Capital ratios:

Particulars	Standalone	Consolidated
Common equity Tier 1 Capital ratio	12.52%	12.54%
Tier 1 Capital ratio	14.13%	14.15%
Total Capital ratio (CRAR)	16.77%	16.76%

For Significant Bank Subsidiaries:

Name of subsidiary	Common equity Tier 1 Capital ratio	Tier 1 Capital ratio	Total Capital ratio (CRAR)
PNB Gilts Ltd.	27.35%	27.35%	27.35%
Punjab National Bank (International) Ltd.	9.05%	11.74%	14.78%
PNB Investment Services Ltd.	NA	NA	NA
Druk PNB Bank Ltd.	17.18%	17.18%	17.83%

Table DF- 3: Credit Risk: General Disclosures

(i) Qualitative Disclosures:

(a)

3.1. Any amount due to the Bank under any credit facility is overdue if it is not paid on the due date fixed by the Bank. Further, an impaired asset is a loan or an advance where:

- (i) Interest and/or installment of principal remains overdue for a period of more than 90 days in respect of a term loan.
- (ii) The account remains out of order in respect of an overdraft/cash credit continuously for a period of 90 days.

Account will be treated out of order, if:

- the outstanding balance in CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days, or
- the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but credits are not enough to cover the interest debited during the previous 90 days period ('Previous 90 days period' shall be inclusive of the day for which the day-end process is being run).

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

- (iii) In case of bills purchased & discounted, the bill remains overdue for a period of more than 90 days.
- (iv) The installment or principal or interest thereon remains overdue for two crop seasons for short duration and the installment of principal or interest thereon remains overdue for one crop season for long duration crops in case of Agricultural loans.

The classification of an assets as overdue/impaired, reflects the status of an account at the day-end of that calendar date, irrespective of the time of running of such processes.

Credit approving authority, prudential exposure limits, industry exposure limits, credit risk rating system, risk based pricing and loan review mechanisms are the tools used by the bank for credit risk management. All these tools have been defined in the Credit Management & Risk Policy of the Bank. At the macro level, policy document is an embodiment of the Bank's approach to understand measure and manage the credit risk and aims at ensuring sustained growth of healthy loan portfolio while dispensing the credit and managing the risk.

(ii) Quantitative Disclosures

(b) The total gross credit risk exposures:

(Rs. in millions)

Category	Amount
Fund Based exposure	20371307.73
Non Fund Based exposure	1284241.23
Total gross credit risk exposure	21655548.96

Note: Exposure includes credit exposure (funded and non-funded) & Investments (including Placements, RIDF)

(c) The geographic distribution of exposures:

(Rs. in millions)

Category	Overseas	Domestic
Fund Based exposure	1378500.54	18992807.19
Non Fund Based exposure	613.29	1283627.94
Total gross credit risk exposure	1379113.83	20276435.13

(d) Industry type distribution of exposures

(i) Industry type fund based exposure is as under:

(Rs. in millions)

Industry Name	Amount
A. Mining and Quarrying	61158.32
A.1 Coal	51454.24
A.2 Others	9704.08
B. Food Processing	263634.14
B.1 Sugar	27735.56
B.2 Edible Oils and Vanaspati	24788.08
B.3 Tea	11813.66

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

Industry Name	Amount
B.4 Coffee	609.63
B.5 Others	198687.21
C. Beverages (excluding Tea & Coffee) and Tobacco	6177.50
C.1 Tobacco and tobacco products	47.00
C.2 Others	6130.50
D. Textiles	167645.45
D.1 Cotton	40117.46
D.2 Jute	268.87
D.3 Man-made	37304.83
D.4 Others	89954.27
E. Leather and Leather products	15763.83
F. Wood and Wood Products	17607.78
G. Paper and Paper Products	36531.13
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	173898.94
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	133310.08
I.1 Fertilizers	26746.73
I.2 Drugs and Pharmaceuticals	35007.81
I.3 Petro-chemicals (excluding under Infrastructure)	19994.17
I.4 Others	51561.38
J. Rubber, Plastic and their Products	38662.08
K. Glass & Glassware	12895.47
L. Cement and Cement Products	32891.74
M. Basic Metal and Metal Products	318332.45
M.1 Iron and Steel	277315.11
M.2 Other Metal and Metal Products	41020.08
N. All Engineering	184193.89
N.1 Electronics	22733.72
N.2 Others	161467.37
O. Vehicles, Vehicle Parts and Transport Equipments	13113.49
P. Gems and Jewellery	12951.02
Q. Construction	30951.04
R. Infrastructure	1532820.26
R.1 Energy	723478.29
R.2 Transport	597178.90
R.3 Communication	125624.73
R.4 Others	90686.14
S. Other Industries	2217562.53
All Industries (A to S)	5274258.90
T. Residuary other advances	10478391.07
Total fund based (Domestic + Overseas) exposure	15752649.96

Industry where Fund-Based Exposure is more than 5% of Gross Fund Based Exposure: **NIL**

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

(ii) Industry type non fund based exposure is as under:

Industry Name	Amount
A. Mining and Quarrying	2716.74
A.1 Coal	2412.77
A.2 Others	303.98
B. Food Processing	39183.09
B.1 Sugar	6446.70
B.2 Edible Oils and Vanaspati	10483.38
B.3 Tea	254.39
B.4 Coffee	10.37
B.5 Others	21988.26
C. Beverages (excluding Tea & Coffee) and Tobacco	6.46
C.1 Tobacco and tobacco products	0.00
C.2 Others	6.46
D. Textiles	18191.92
D.1 Cotton	3939.21
D.2 Jute	0.00
D.3 Man-made	6335.69
D.4 Others	7917.01
E. Leather and Leather products	1624.93
F. Wood and Wood Products	3968.94
G. Paper and Paper Products	2531.52
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	15424.20
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	9052.80
I.1 Fertilizers	10.67
I.2 Drugs and Pharmaceuticals	1907.71
I.3 Petro-chemicals (excluding under Infrastructure)	49.51
I.4 Others	7084.90
J. Rubber, Plastic and their Products	10704.35
K. Glass & Glassware	4337.50
L. Cement and Cement Products	8887.06
M. Basic Metal and Metal Products	148645.19
M.1 Iron and Steel	138848.45
M.2 Other Metal and Metal Products	9796.75
N. All Engineering	190196.95
N.1 Electronics	23539.51
N.2 Others	166657.44
O. Vehicles, Vehicle Parts and Transport Equipment's	2165.86
P. Gems and Jewellery	12.59
Q. Construction	100110.02
R. Infrastructure	236311.02
R.1 Energy	85213.10
R.2 Transport	78242.86
R.3 Communication	4899.70
R.4 Others	67955.35
S. Other Industries, pl. specify	56401.52
All Industries (A to S)	850472.67

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

Industry Name	Amount
T. Residuary other advances	433768.56
Total non-fund based (Domestic+Overseas) exposure	1284241.23

Industry where Non- Fund based Exposure is more than 5% of Gross Non-Fund based Exposure:

(Rs. in millions)

S. No.	Industry Name	Amount
1.	Infrastructure (Others)	67955.35
2.	Construction	100110.02
3.	Iron & Steel	138848.45
4.	Energy	85213.10
5.	Transport	78242.86
6.	All Engineering (Others)	166657.44

Note: It includes Credit Exposure, Investments (Non SLR excluding Special Govt Securities) and placements.

(e) The residual contractual maturity break down of assets:

(Rs. in millions)

Maturity Pattern	Advances*	Investments (Gross)	Foreign Currency Assets
Next day	85881.31	622.77	97871.97
2 - 7 days	156816.65	12580.78	125202.21
8 -14 days	195720.02	22935.00	55886.42
15- 30 days	503530.98	38010.02	149845.12
31days - 2months	652455.68	30503.87	170490.23
Over 2 months & upto 3 Months	707201.64	11895.30	158901.89
Over 3 Months to 6 months	830168.52	86453.84	110861.71
Over 6 Months & upto 1 year	1235294.68	114632.36	137046.12
Over 1Year & upto 3 Years	4284358.20	812094.86	301188.25
Over 3 Years & upto 5 Years	1344346.13	1129712.04	220995.31
Over 5 Years	2078475.60	2917325.44	35035.27
Total	12074249.42	5176766.28	1563324.49

*Figures are shown on net basis.

(f) Amount of gross NPAs are:

(Rs. in millions)

Category	Amount
Sub Standard	58322.90
Doubtful – 1	29684.83
Doubtful – 2	75649.24
Doubtful – 3	102750.17
Loss	135602.37
Total NPAs (Gross)	402009.51

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

(g) Amount of Net NPAs are:

(Rs. in millions)

Particulars	Amount
Net NPA	38967.12

(h) The NPA Ratios are as under:

Particulars	Standalone	Consolidated
% of Gross NPAs to Gross Advances	3.19%	3.23%
% of Net NPAs to Net Advances	0.32%	0.32%

(i) Movement of gross NPAs are as under:

(Rs. in millions)

Particulars	Amount
i) Opening Balance at the beginning of the year	452026.60
ii) Additions during the period	45566.50
iii) Reductions during the period	95583.59
iv) Closing Balance at the end of the period (i + ii - iii)	402009.51

(j) The movement of provision with a description of each type of provision is as under:

(Rs. in millions)

Name of Provisions	Opening balance as on 01.04.2025	Provision made during the period	Adjustment / Transfer / Write-off	Closing balance as on 31.12.2025
Provision for Standard Assets including derivatives	76363.83	5996.71	210.33	82570.87
Provision for NPAs	402156.54	62957.88	-106732.57	358381.85

The amount of recovery in write off accounts booked directly in income statement is Rs. 30965.08 Million.

(k) The amount of non-performing investments are:

(Rs. in millions)

Particulars	Amount
Gross amount of non-performing investment	41301.17

(l) The amount of provisions held for non-performing investments are:

(Rs. in millions)

Particulars	Amount
Amount of provision held for non-performing investment	41301.17

(m) The movement of provisions for depreciation (including NPI) on investments are:

(Rs. in millions)

Particulars	Amount
i) Opening balance at the beginning of the year	53217.91
ii) Provisions made during the period	-4027.70

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

iii) Write-off made during the period	17395.29
vi) Closing balance as at the end of the period (i + ii –iii)	31794.92

(n) Amount of NPAs and provisions against major industry or counterparty type:
(Rs. in million)

Name of major industry or counter-party type	Amount of NPA	Specific and general provisions	Write-offs during the current period	Specific provisions during the current period
Food Processing	22789.09	20951.58	96.17	0.00
Textiles	8262.75	7977.42	1147.41	0.00
Basic Metal and Metal products	6746.15	6418.99	294.18	0.00
All Engineering	3457.29	3378.79	38.85	0.00
Gems and Jewellery	869.82	864.48	2710.20	0.00
Infrastructure	3923.58	3198.27	1074.21	0.00
Rubber, plastic and their products	3189.28	2678.67	229.21	0.00
Construction	1753.26	1719.23	51.35	0.00

(o) Geography-wise NPA and provisions

(Rs. in million)

Particulars	Overseas	Domestic	Total
Amount of Gross NPA	2418.86	399590.65	402009.51
General and Specific Provisions	1688.07	356693.77	358381.84

Table DF- 4 - Credit Risk: Disclosures for Portfolios Subject to the Standardized Approach

Qualitative Disclosures:

(a)

4.1. Bank has the following seven approved domestic credit rating agencies circulated vide IRMD circular no. 03/2023 dated 19.01.2023, 45/2024 dated 01.10.2024 accredited by RBI vide “Basel III Capital Regulations - Eligible Credit Rating Agencies” notification dated 09.01.2023 & 10.07.2024 for mapping its exposure with domestic borrowers under standardized approach of credit risk.

- CARE
- CRISIL
- ICRA
- India Ratings
- Acuite (Erstwhile SMERA)
- INFOMERICS
- BRICKWORK

Bank has also approved the following three international credit rating agencies accredited by RBI in respect of exposure with overseas borrowers.

- FITCH

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

- Moody's
- Standard & Poor

These agencies are being used for rating (Long Term & Short Term) of fund based/ non-fund-based facilities provided by the bank to the borrowers. The bank uses solicited rating from the chosen credit rating agencies.

The ratings available in public domain are mapped according to mapping process as envisaged in RBI guidelines on the subject.

Quantitative Disclosures:

(b) For exposure amounts after risk mitigation subject to the standardized approach, amount of a bank's outstanding (rated and unrated) in the following three major risk buckets as well as those that are deducted are as under:

Particulars	Amount
i) Below 100% risk weight exposure outstanding	17239904.01
ii) 100% risk weight exposure outstanding	2141301.07
iii) More than 100% risk weight exposure outstanding	1571303.34
iv) Deducted	703040.54

(Rs. in millions)

Note: Exposure includes credit exposure (funded and non-funded) & Investments (including Placements, RIDF)

TABLE DF 13 - Main Features of Regulatory Capital instruments

TABLE DF – 14: Full Terms and Conditions of Regulatory Capital Instruments of PNB Bonds

These disclosures i.e. DF 13 and DF 14 have been uploaded on the Bank's website i.e. [www.pnbindia.in>Regulatory Disclosures>Basel III Disclosures>Financial year 2025-2026](http://www.pnbindia.in/Regulatory_Disclosures/Basel_III_Disclosures/Financial_year_2025-2026)

Weblink: (<https://www.pnbindia.in/Basel-III-Disclosures.html>)

Table DF 17 - Summary comparison of accounting assets vs. leverage ratio exposure measure		
	Item	(Rs. In Million)
1	Total consolidated assets as per published financial statements	19762278.40
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purpose but outside the scope of regulatory consolidation	(53492.60)
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0.00
4	Adjustments for derivative financial instruments	154472.00
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	2419.59

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	1311605.90
7	Other adjustments	(70557.30)
8	Leverage ratio exposure	21106725.99

DF-18 Leverage ratio common disclosure template		
Item		Leverage Ratio Framework (Rs. In millions)
On-balance sheet exposures		
1.	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	19706366.20
2.	(Asset amounts deducted in determining Basel III Tier 1 capital)	(68137.70)
3.	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	19638228.50
Derivative exposures		
4.	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	41169.30
5.	Add-on amounts for PFE associated with all derivatives transactions	113302.70
6.	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0.00
7.	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0.00
8.	(Exempted CCP leg of client-cleared trade exposures)	0.00
9.	Adjusted effective notional amount of written credit derivatives	0.00
10.	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0.00
11.	Total derivative exposures (sum of lines 4 to 10)	154472.00
Securities financing transaction exposures		
12.	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	2419.59
13.	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0.00
14.	CCR exposure for SFT assets	0.00
15.	Agent transaction exposures	0.00
16.	Total securities financing transaction exposures (sum of lines 12 to 15)	2419.59
Other off-balance sheet exposures		
17.	Off-balance sheet exposure at gross notional amount	5059831.80
18.	(Adjustments for conversion to credit equivalent amounts)	(3748225.90)
19.	Off-balance sheet items (sum of lines 17 and 18)	1311605.90
Capital and total exposures		
20.	Tier 1 capital	1270145.20

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

21. Total exposures (sum of lines 3, 11, 16 and 19)	21106725.99
Leverage ratio	
22. Basel III leverage ratio (per cent)	6.02%

Regulatory disclosures in respect of computation of leverage ratio:

(Rs. in million)

Item	31.12.2024	31.03.2025	30.06.2025	30.09.2025	31.12.2025
Capital Measure	1061173.10	1189884.50	1272585.40	1262921.10	1270145.20
Exposure Measure	19070413.50	19740426.70	20015921.14	20518406.75	21106725.99
Leverage Ratio	5.56%	6.03%	6.36%	6.16%	6.02%

Industry type fund based exposures on Standalone basis is as under:

(Rs. in million)

Industry Name	Amount
A. Mining and Quarrying	59772.18
A.1 Coal	50406.39
A.2 Others	9365.79
B. Food Processing	262444.02
B.1 Sugar	27735.56
B.2 Edible Oils and Vanaspati	24788.08
B.3 Tea	11813.66
B.4 Coffee	609.63
B.5 Others	197497.08
C. Beverages (excluding Tea & Coffee) and Tobacco	4701.06
C.1 Tobacco and tobacco products	47.00
C.2 Others	4654.06
D. Textiles	167613.37
D.1 Cotton	40117.46
D.2 Jute	268.87
D.3 Man-made	37304.83
D.4 Others	89922.21
E. Leather and Leather products	15763.83
F. Wood and Wood Products	17082.74
G. Paper and Paper Products	36519.96
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	173241.53
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	132508.10
I.1 Fertilizers	26746.73
I.2 Drugs and Pharmaceuticals	34402.03
I.3 Petro-chemicals (excluding under Infrastructure)	19994.17
I.4 Others	51365.17
J. Rubber, Plastic and their Products	38662.08
K. Glass & Glassware	12895.47
L. Cement and Cement Products	32844.24
M. Basic Metal and Metal Products	316860.88
M.1 Iron and Steel	276382.64
M.2 Other Metal and Metal Products	40478.24
N. All Engineering	184180.67
N.1 Electronics	22713.30

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

N.2 Others	161467.37
O. Vehicles, Vehicle Parts and Transport Equipments	11788.81
P. Gems and Jewellery	12951.02
Q. Construction	28027.57
R. Infrastructure	1531305.04
R.1 Energy	721081.12
R.2 Transport	595636.57
R.3 Communication	123901.20
R.4 Others	90686.14
S. Other Industries	2049120.40
All Industries (A to S)	5088282.96
T. Residuary other advances	10485238.78
TOTAL Fund Based (Domestic+ Overseas) exposure	15573521.74

Industry where Fund-Based Exposure on Standalone basis is more than 5% of Gross Fund Based Exposure:

(Rs. in million)

S. No.	Industry Name	Amount
	NIL	

Industry type Non Fund exposure on Standalone basis is as under:

(Rs. in million)

Industry Name	Amount
A. Mining and Quarrying	2716.66
A.1 Coal	2412.69
A.2 Others	303.98
B. Food Processing	39179.03
B.1 Sugar	6446.70
B.2 Edible Oils and Vanaspati	10483.38
B.3 Tea	254.39
B.4 Coffee	10.37
B.5 Others	21984.20
C. Beverages (excluding Tea & Coffee) and Tobacco	5.00
C.1 Tobacco and tobacco products	0.00
C.2 Others	5.00
D. Textiles	18191.92
D.1 Cotton	3939.21
D.2 Jute	0.00
D.3 Man-made	6335.69
D.4 Others	7917.02
E. Leather and Leather products	1624.93
F. Wood and Wood Products	3968.94
G. Paper and Paper Products	2531.52
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	15424.20
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	9036.10
I.1 Fertilizers	10.67
I.2 Drugs and Pharmaceuticals	1891.01
I.3 Petro-chemicals (excluding under Infrastructure)	49.51

PUNJAB NATIONAL BANK
Pillar 3 Disclosures (consolidated) under Basel III Framework
as on 31.12.2025

Industry Name	Amount
I.4 Others	7084.90
J. Rubber, Plastic and their Products	10704.35
K. Glass & Glassware	4337.50
L. Cement and Cement Products	8886.91
M. Basic Metal and Metal Products	148644.68
M.1 Iron and Steel	138848.45
M.2 Other Metal and Metal Products	9796.22
N. All Engineering	190196.87
N.1 Electronics	23539.43
N.2 Others	166657.44
O. Vehicles, Vehicle Parts and Transport Equipment's	2164.43
P. Gems and Jewellery	12.59
Q. Construction	100050.28
R. Infrastructure	236311.02
R.1 Energy	85213.10
R.2 Transport	78242.86
R.3 Communication	4899.70
R.4 Others	67955.35
S. Other Industries, pl. specify	56084.04
All Industries (A to S)	850070.96
T. Residuary other advances	432695.61
TOTAL Non-Fund Based (Domestic+ Overseas) Exposure	1282766.57

Industry where Non- Fund based Exposure on Standalone basis is more than 5% of Gross Non-Fund based Exposure:

(Rs. in million)

S. No.	Industry Name	Amount
1.	Infrastructure (Others)	67955.35
2.	Construction	100050.28
3.	Iron & Steel	138848.45
4.	Energy	85213.10
5.	Transport	78242.86
6.	All Engineering (Others)	166657.44

Note: It includes Credit Exposure, Investments (Non SLR excluding Special Govt Securities) and placements.