

Share Department, Finance Division, HO Plot No.4 Sector 10, Dwarka, New Delhi-110075
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The Assistant Vice President
National Stock Exchange of India Limited
"Exchange Plaza"
Bandra – Kurla Complex, Bandra (E)
Mumbai – 400 051

05.07.2019

Dear Madam/Sir,

Reg.: Rating of Bonds

Please refer your mail dated 04.07.2019 vide which exchange has sought clarification as under:

"In case of downward rating, the disclosure may include reasons published by rating agency for such downward rating."

In this regard, we submit that the major factors mentioned in rating agency press release are the Negative ROA for two consecutive years, weak capitalization with common equity tier 1 of 6.21% in 4QFY19 (regulatory CET I requirement at 7.375%; it will increase further to 8.0% by end-FY20) and net non-performing assets at 6.56% at end-FY19 which indicate the inherent weakness in the standalone operations of the bank.

Further the rating agency's press release also mentioned that the "Bank would continue to receive support from the government of India (GoI; holds 75.4% stake in PNB) owing to its systemically important position in the Banking sector."

This is for your record please.

Thanking you

Yours faithfully,



(Balbir Singh)
Company Secretary

