QUANTITATIVE DISCLOSURES UNDER BASEL II (PILLAR 3) IN TERMS OF RBI CIRCULAR ON PRUDENTIAL GUIDELINES ON CAPITAL ADEQUACY AND MARKET DISCIPLINE FOR THE HALF YEAR ENDED 30.09.2015:

Disclosures in this report pertain to Punjab National Bank (Solo).

DF 1. Scope of application

(a) There is no capital deficiency in any of the subsidiaries.

(b) The bank presently is not involved in insurance manufacturing activity. However, bank has invested in the share capital of the following two insurance related Subsidiaries/Associates:

Sl. No.	Name of the company	Country of Incorporation	Proportion of ownership	Face Value (₹in crore)	Book value (₹ in crore)
1.	PNB Insurance Broking Pvt. Ltd@	India	81%	4.05	11.73
2.	PNB Metlife India Insurance Company Ltd.	India	30%	603.86	0.0001

@PNB Insurance Broking Pvt Ltd was licensed by Insurance Regulatory & Development Authority (IRDA) to carry out " Direct Broker" activity. It is a shell Company and has surrendered the broking license to IRDA on 14.02.2011. Steps are being taken for winding up of the Company.

DF.2. Capital Structure

(a) The Tier 1 capital of the bank comprises:

(₹ in crores)

	Particulars	30.09.2015	30.09.2014
i)	Paid up share capital	392.72	362.07
ii)	Reserves (excluding revaluation reserves)	38606.50	33971.68
iii)	Innovative Perpetual Debt Instruments	3520.50	2020.50
iv)	Other Capital Instruments	0.00	0.00
	Deductions		
v)	Equity Investment in subsidiaries (50%)	887.32	721.42
vi)	Intangible Assets (Deferred Tax Assets + Computer Software)	1629.73	714.54
Tier I Capital (i + ii + iii + iv –v –vi)		40002.67	34918.29

(b) The amount of Tier II capital (net of deductions) is:

(₹ in crores)

Particulars	30.09.2015	30.09.2014
The amount of Tier II capital (net of deductions)	13437.73	13099.72

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(c) The debt capital instruments eligible for inclusion in Upper Tier II capital are:

(₹ in crores)

Particulars	30.09.2015	30.09.2014
Total amount outstanding	6610.00	6610.00
Of which amount raised during the current half year	0.00	0.00
Amount eligible to be reckoned as capital funds	6610.00	6610.00

(d) The subordinated debts eligible for inclusion in Lower Tier II capital is:

(₹ in crores)

Particulars	30.09.2015	30.09.2014
Total amount outstanding	4999.80	4999.80
Of which amount raised during the current half year	0.00	2000.00
Amount eligible to be reckoned as capital funds	3500.00	3799.96

(e) Other deductions from capital, if any:

(₹ in crores)

Particulars	30.09.2015	30.09.2014
Other deductions from capital, if any:	NIL	NIL

(f) The total eligible capital comprises:

(₹ in crores)

Particulars	30.09.2015	30.09.2014
Tier – I Capital	40002.67	34918.29
Tier – II Capital	13437.73	13099.72
Total Capital	53440.40	48018.01

DF 3. Capital Adequacy

(a) The capital requirements for credit risk are:

(₹ in crores)

Particulars	30.09.2015	30.09.2014
Portfolios subject to standardized approach	28993.30	28357.44
Securitization exposure	NIL	NIL

(b) The capital requirements for market risk (under standardized duration approach) are:

(₹ in crores)

Risk Category	30.09.2015	30.09.2014
i) Interest Rate Risk	1805.55	1460.38
ii) Foreign Exchange Risk (including Gold)	18.00	18.00
iii) Equity Risk	1008.29	656.77
iv) Total capital charge for market risks under Standardized duration approach (i + ii + iii)	2831.84	2135.15

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(c) The capital requirement for operational risk :

(₹ in crores)

Capital requirement for operational risk under:	**30.09.2015**	**30.09.2014**
Basic Indicator Approach	3012.10	2850.37
The Standardised Approach	2955.65	2787.99

(d) The capital ratios of the bank and subsidiaries are:
Punjab National Bank

	30.09.2015	**30.09.2014**
CRAR (%)	13.17	12.54
CRAR – Tier I capital (%)	9.86	9.12
CRAR – Tier II capital (%)	3.31	3.42

Subsidiaries:

Name of Subsidiary	CRAR % Tier 1		CRAR % Tier 2		CRAR % Total	
	30.09. 15	30.09.14	30.09.15	30.09.14	30.09.15	30.09.14
PNB Gilts Ltd	69.50	39.36	-	-	69.50	39.36
PNB Housing Finance Ltd	10.57	10.51	2.83	2.46	13.40	12.97
PNB Investment Services Ltd	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
PNB Insurance Broking Pvt. Ltd	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Punjab National Bank(International) Ltd., UK	9.84	10.26	5.38	5.73	15.22	15.99
Druk PNB Bank Ltd., Bhutan	13.40	17.24	3.46	5.73	16.87	22.97

DF 4. Credit Risk: General Disclosures

(a) The total gross credit risk exposures are:

(`₹ in Crores)

Category	**30.09.2015**	**30.09.2014**
Fund Based	392109.68	367421.95
Non Fund Based	82752.88	93022.56

(b) The geographic distribution of exposures is:

(₹ in crores)

Category	**Overseas**		**Domestic**	
	30.09.2015	**30.09.2014**	**30.09.2015**	**30.09.2014**
Fund Based	55683.59	50821.89	336426.09	316600.06
Non Fund Based	8920.70	22328.26	73832.18	70694.30

(c) (i) Industry type distribution of exposures (Fund Based) is as under:

Industry Name	(₹. in crores)
A. Mining and Quarrying (A.1 + A.2)	1384.43
A.1 Coal	542.69
A.2 Others	841.74
B. Food Processing (B.1 to B.4)	12454.29
B.1 Sugar	5757.26
B.2 Edible Oils and Vanaspati	962.77
B.3 Tea	3.92
B.4 Others	5730.34
C. Beverages (excluding Tea & Coffee) and Tobacco	1060.08
D. Textiles (a to c)	11393.22
a. Cotton	3461.46
b. Jute	173.92
c. Others	7757.84
E. Leather and Leather products	918.82
F. Wood and Wood Products	314.72
G. Paper and Paper Products	1576.27
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	1581.13
I. Chemicals and Chemical Products (Dyes, Paints, etc.) (I.1 to I.4)	6744.76
I.1 Fertilizers	335.74
I.2 Drugs and Pharmaceuticals	2543.32
I.3 Petro-chemicals (excluding under Infrastructure)	649.95
I.4 Others	3215.75
J. Rubber, Plastic and their Products	1183.50
K. Glass & Glassware	112.87
L. Cement and Cement Products	2309.80
M. Basic Metal and Metal Products (M.1 + M.2)	25810.42
M.1 Iron and Steel	23461.13
M.2 Other Metal and Metal Products	2349.29
N. All Engineering (N.1 + N.2)	4611.74
N.1 Electronics	1228.04
N.2 Others	3383.71
O. Vehicles, Vehicle Parts and Transport Equipments	812.00
P. Gems and Jewellery	3104.66
Q. Construction	3750.38
R. Infrastructure (a to d)	60102.17
a. Energy	37415.38
b. Transport	12562.59
c. Communication	3560.33
d. Other infrastructure	6563.88

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S. Other Industries	15797.45
T. All Industries (A to S) (Total)	**155022.73**
Residuary advances	**237086.95**
Total Loans and Advances	**392109.68**

Industry where fund- based exposure is more than 5% of gross fund based exposure:

Industry Name	**Amount**
Basic Metal and Metal Products	25810.42
Infrastructure	60102.17

(ii) - Industry type distribution of exposures (Non Fund Based) is as under:

Industry Name	(₹. in crores)
A. Mining and Quarrying (A.1 + A.2)	64.70
A.1 Coal	23.70
A.2 Others	41.00
B. Food Processing (B.1 to B.4)	2155.02
B.1 Sugar	663.90
B.2 Edible Oils and Vanaspati	1092.04
B.3 Tea	0.46
B.4 Others	398.62
C. Beverages (excluding Tea & Coffee) and Tobacco	164.60
D. Textiles (a to c)	1268.61
a. Cotton	209.44
b. Jute	50.46
c. Others	1008.71
E. Leather and Leather products	75.40
F. Wood and Wood Products	179.91
G. Paper and Paper Products	308.36
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	334.23
I. Chemicals and Chemical Products (Dyes, Paints, etc.) (I.1 to I.4)	1059.22
I.1 Fertilizers	152.04
I.2 Drugs and Pharmaceuticals	409.61
I.3 Petro-chemicals (excluding under Infrastructure)	69.77
I.4 Others	427.80
J. Rubber, Plastic and their Products	290.39
K. Glass & Glassware	11.67
L. Cement and Cement Products	147.07
M. Basic Metal and Metal Products (M.1 + M.2)	12191.55
M.1 Iron and Steel	11014.01
M.2 Other Metal and Metal Products	1177.54

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N. All Engineering (N.1 + N.2)	5546.63
N.1 Electronics	1700.39
N.2 Others	3846.24
O. Vehicles, Vehicle Parts and Transport Equipments	142.50
P. Gems and Jewellery	139.03
Q. Construction	2499.11
R. Infrastructure (a to d)	12597.61
a. Power	7616.40
b. Road & Port	1941.10
c. Communication	913.03
d. Other Infrastructure	2127.08
S. Other Industries	7180.43
T. All Industries (A to S)	46356.03
Residuary advances	36396.85
Total Loans and Advances	82752.88

Industry where non- fund based exposure is more than 5% of gross non-fund based exposure:

Industry Name	**Amount**
Basic Metal and Metal Products	12191.55
Infrastructure	12597.61
All Engineering	5546.63

(d) The residual contractual maturity break down of assets is:

(₹ in Crores)

Maturity Pattern	Advances*	Investments (gross)	Foreign Currency Assets*
Next day	7958.18 (19669.30)	140.62 (400.00)	2645.20 (7689.66)
2 - 7 days	8147.06 (5882.76)	88.14 (2157.52)	1516.18 (2401.79)
8 -14 days	4709.69 (6355.78)	825.26 (1125.54)	2165.04 (1820.16)
15- 28 days	8478.89 (6760.23)	1457.24 (4257.60)	7724.35 (6140.93)
29 days – 3 months	41064.03 (19896.34)	5613.70 (5520.49)	23755.59 (24042.26)
>3 months-6 months	32035.38 (32248.67)	4929.19 (2904.07)	21747.70 (32530.02)
>6 months- 1 yr	18585.66 (23609.36)	9352.01 (2591.48)	13416.16 (12539.73)
>1 yr-3 yrs	181580.23 (175268.43)	19552.84 (20339.40)	11272.08 (10614.96)
>3 yrs-5 yrs	29232.64	27763.12	2301.83

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	(31328.53)	(22883.38)	(1604.48)
>5 yrs	48411.03 (36073.52)	98891.91 (83143.42)	568.07 (343.40)
Total	380202.78 (357092.94)	168614.04 (145322.91)	87112.18 (99727.40)

*Figures are shown on net basis
(Figures in brackets relate to previous year)

(e) The gross NPAs are:

(₹ in Crores)

Category	30.09.2015	30.09.2014
Sub Standard	10933.66	9530.35
Doubtful – 1	5907.63	4933.58
Doubtful – 2	6377.71	3568.53
Doubtful – 3	1025.19	456.50
Loss	701.05	2262.93
Total NPAs (Gross)	24945.24	20751.89

(f) The amount of net NPAs is:

(₹ in Crores)

Particulars	30.09.2015	30.09.2014
Net NPA	15186.98	11617.77

(g) The NPA ratios are as under:

NPA Ratios	30.09.2015	30.09.2014
% of Gross NPAs to Gross Advances	6.36%	5.65
% of Net NPAs to Net Advances	3.99%	3.26

(h) The movement of gross NPAs is as under:

(₹ in Crores)

Movement of gross NPAs	30.09.2015	30.09.2014
i) Opening Balance at the beginning of the year	25694.86	18880.06
ii) Addition during the half year	5994.93	6574.21
iii) Reduction during the half year	6744.55	4702.38
iv) Closing balance as at the end of half year	24945.24	20751.89

(i) The movement of provision for NPAs is as under:

(₹ in Crores)

Movement of provision for NPAs	30.09.2015	30.09.2014
i) Opening Balance at the beginning of the year	9801.76	8737.15
ii) Provisions made during the half year	4180.71	1319.34
iii) Write-off made during the half year	3205.10	32.77
iv) Write –back of excess provisions made during the half year	1413.83	1201.05
v) Closing Balance as at the end of the half year (i + ii - iii-iv)	9363.54	8822.67

(j) The amount of non-performing investment is:

(₹ in Crores)

Particulars	30.09.2015	30.09.2014
Amount of non-performing investment	321.44	156.57

(k) The amount of provisions held for non-performing investment is:

(₹ in Crores)

Particulars	30.09.2015	30.09.2014
Amount of provision held for non-performing investment	253.60	152.98

(l) The movement of provisions for depreciation on investments is as under:

(₹ in Crores)

Movement of provisions for depreciation on investments	30.09.2015	30.09.2014
i) Opening balance at the beginning of the year	603.44	1188.99
ii) Provisions made during the half year	374.58	0.06
iii) Write-off made during the half year	66.18	443.18
iv) Write-back of excess provisions made during the half year	NIL	NIL
v) Closing balance as at the end of the half year (i + ii -iii-iv)	911.84	745.87

DF 5. Credit Risk: disclosure for portfolios subject to the standardized approach

The exposure amounts after risk mitigation (subject to the standardized approach) in different risk buckets are as under:

(₹ in Crores)

Particulars	30.09.2015	30.09.2014
i) Below 100% risk weight exposure outstanding	215307.52	186562.83
ii) 100% risk weight exposure outstanding	170162.41	197583.61
iii) More than 100% risk weight exposure outstanding	81514.41	68773.70
iv) Deducted	NIL	NIL

DF 6. Credit Risk Mitigation: disclosures for standardized approaches

(₹ in Crores)

Particulars	30.09.2015	30.09.2014
(a) For each separately disclosed credit risk portfolio the total exposure (after, where applicable, on or off balance sheet netting) that is covered by eligible financial collateral after the application of haircuts.	30357.20	38065.16

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(b) For each separately disclosed portfolio the total exposure (after, where applicable, on or off-balance sheet netting) that is covered by guarantees/credit derivatives (whenever specifically permitted by RBI)	17882.20	18457.07

DF 7. Securitization: disclosure for standardized approach

Bank does not have any securitization exposure.

DF 8. Market Risk in Trading Book

The capital requirements for market risk are as under:

(₹ in Crores)

Risk Category	30.09.2015	30.09.2014
i) Interest Rate Risk	1805.55	1460.38
ii) Foreign Exchange Risk (including Gold)	18.00	18.00
iii) Equity Position Risk	1008.29	656.77
iv) Total capital charge for market risks under Standardized duration approach (i+ii+iii)	2831.84	2135.15

DF 9. Operational Risk (Being qualitative disclosures, not required for half year)

DF 10. Interest rate risk in the banking book (IRRBB)

Quantitative Disclosure

A. Earning Approach as on:

1 Earning Approach – Interest rate sensitivity (Net gaps) as on 30.09.2015

(₹ in Crore)

Maturity Period	GAP (RSA-RSL)	Other Products* (Int. rate)	Net Gap (1+2)	Total Assets	Net Gaps as % to Total Assets
	(1)	(2)	(3)	(4)	(5)
1-28 days	4266.27	-325.00	3941.27	49765.26	8%
29 days - 3months	183259.44	0.00	183259.44	249161.07	74%
>3 to 6 months	-39231.83	0.00	-39231.83	40312.98	-97%
>6 to 12 months	-68209.26	-475.00	-68684.26	27063.98	-254%
>1 to 3 years	-170719.53	900.00	-169819.53	79049.63	-215%
>3 to 5 years	17133.16	-100.00	17033.16	38185.96	45%
>5 years	80923.09	0.00	80923.09	98455.03	82%

* Other products include FRAs, Swaps, Futures, Options & Other Derivatives. The repricing assumptions on assets and liabilities are as per RBI guidelines. The floating rate advances are assumed to be repriced in 29 days to 3 months bucket.

Earning at Risk: Impact of 0.5% adverse change in interest rate on NII.

(₹ in Crore)

Remaining period	Estimated impact on NII with adverse change in rate of interest by 0.50%
Up to 6 months	Rs. 291.27
Up to 1 year	Rs. 575.33

2. Economic Value Approach

The economic value approach involves analyzing the impact on the capital funds due to change in interest rate by 200 bps using Duration gap Approach. It assesses the intrinsic values of assets and liabilities from time to time thereby improving banks insight into the profile of assets and liabilities vis-a vis contractual rate and market rate. As a prudential measure, a limit has been fixed for net duration gap of the assets and liabilities and the same is monitored at regular interval.

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