

## IDBI Bank Limited

August 30, 2018

### Summary of rated instruments

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Upper Tier II Bonds Programme	4,286.20	4,286.20	[ICRA]BBB+&, placed on watch with developing implications
Basel II Compliant Perpetual Bonds	1,708.80	1,708.80	[ICRA]BBB+&, placed on watch with developing implications
Infrastructure Bonds	8,000.00	8,000.00	[ICRA]A(negative); outstanding
Flexi Bond Series	230.50	230.50	[ICRA]A(negative); outstanding
Senior & Lower Tier II (Subordinated Bonds)	25,742.72	25,742.72	[ICRA]A(negative); outstanding
Subordinated Debt Programme	70.00	70.00	[ICRA]A(negative); outstanding
Basel III Compliant Tier II Bonds	5,000.00	5,000.00	[ICRA]A(hyb)(negative); outstanding
Fixed Deposits Programme	-	-	MAA-(negative); outstanding
Certificates of Deposit Programme	35,000.00	35,000.00	[ICRA]A1; outstanding
<b>Total</b>	<b>80,038.22</b>	<b>80,038.22</b>	

*& Under Rating Watch with Developing Implications*

### Rating action

ICRA has placed the long-term ratings of [ICRA]BBB+ (pronounced ICRA triple B plus) for the Rs. 4,286.20-crore upper Tier II Bonds programme and Rs. 1,708.80-crore Basel II compliant perpetual bonds of IDBI Bank Limited (IDBI) on Rating Watch with Developing Implications (RWD)<sup>1</sup>. ICRA has an outstanding long-term rating of [ICRA]A (pronounced ICRA A) on the Rs. 8,000.00-crore infrastructure bonds, Rs. 230.50-crore flexi bond series, Rs. 25,742.72-crore senior & lower tier II (subordinated) bonds and Rs. 70 crore-subordinated debt programme of IDBI Bank. ICRA also has an outstanding long-term rating of [ICRA]A(hyb) (pronounced ICRA A hybrid) on Rs. 5,000-crore Basel III compliant tier II bonds of IDBI Bank. ICRA has a medium-term rating outstanding of MAA- (pronounced M double A minus) on the fixed deposits programme and a short-term rating of [ICRA]A1 (pronounced ICRA A one) on Rs. 35,000 crore certificate of deposit programme of IDBI Bank. ICRA believes that the rating on other debt instruments are likely to remain unchanged and has not placed them on RWD. The outlook on the long-term ratings is Negative (except upper Tier II Bonds and Basel II compliant perpetual bonds).

The letters “hyb” in parenthesis suffixed to a rating symbol stand for “hybrid”, indicating that the rated instrument is a hybrid subordinated instrument with equity-like loss-absorption features; such features may translate into higher levels of rating transition and loss-severity vis-à-vis conventional debt instruments.

### Rationale

The ratings on the upper Tier II bonds and Basel II compliant perpetual bonds are placed on RWD due to the deterioration in the capital adequacy ratios, which were below the regulatory levels. Maintaining the capital ratios above regulatory levels is critical for servicing the bank’s Basel II debt capital instruments<sup>2</sup>. Earlier in May 2018 ([Click here](#) for

<sup>1</sup> For complete rating scale and definitions, please refer to ICRA's website ([www.icra.in](http://www.icra.in)) or other ICRA rating publications

<sup>2</sup> Innovative perpetual debt instruments (IPDI) and upper Tier II bonds – in a year of loss, the capital instruments can be serviced with prior approval from the RBI subject to the bank meeting minimum regulatory capital ratios (tier I of 7.0% and CRAR of 9.0%)

the previous rationale), ICRA had highlighted the bank's weak capital ratios and had noted that IDBI will require regular capital infusion from the Government of India (GoI) to keep its capital ratios above regulatory levels. In June 2018, Insurance Regulatory and Development Authority of India (IRDAI) approved Life Insurance Corporation (LIC) of India's proposal to take over 51% stake in IDBI. LIC, which holds ~7.98% stake currently, is proposed to be increased to 51% in the near term through fresh capital infusion and secondary market purchase. Although it is expected to improve the capital ratios above the regulatory levels, the timing of the capital infusion before the coupon payment dates will be critical for the servicing of coupon on the bank's Basel II debt capital instruments. On August 28, 2018, LIC has given in-principle approval to infuse capital in the Bank, raising its shareholding to 14.90%, before the acquisition of majority ownership from GoI. The transaction, which would raise the capital ratios to the regulatory levels in the immediate term and thereby enable the servicing of the Basel II capital instruments, requires approval of the Bank's shareholders.

The bank's asset quality ratios deteriorated further during Q1FY2019 with GNPA's and NNPA's at 30.78% and 18.76% respectively as on June 30, 2018 up from 27.95% and 16.69% respectively as on March 31, 2018. IDBI's profitability remains under pressure with compressed NIMs and NII coupled with high credit costs. It has continued to report a net loss even after availing the deferment of MTM losses and gratuity to subsequent quarters, which would have further increased the quantum of losses. ICRA estimates IDBI Bank to continue to post a net loss during FY2019, as credit costs will remain elevated (though have come down since Q4 FY2018) above operating profits during the year. ICRA notes the capital infusion plans of LIC in IDBI Bank but LIC's acquisition of stake in IDBI is likely to be done under the policyholder's accounts of LIC and hence even a 51% stake in the bank will not make IDBI Bank a subsidiary of LIC. Further, being an investment in the policyholder's account, the stake will be transient in nature and LIC will have to reduce its stake in the bank going forward and bring it down to the regulatory requirement of 15%. Hence the intent of LIC/GoI on the long-term ownership structure will be key rating drivers, going forward.

## Outlook: Negative

In ICRA's opinion, the bank's profitability, and consequently its capital position is expected to remain weak. The outlook may be revised to Stable if there is a significant improvement in its capitalisation, solvency and asset quality indicators. The ratings may be downgraded if the bank is unable to raise sufficient capital in a timely manner to augment the capital adequacy ratios, thereby impacting its ability to service its debt capital instruments.

## Key rating drivers

### Credit strengths

**Sovereign ownership with demonstrated capital support from GoI** – The ratings continue to factor in IDBI's majority sovereign ownership (85.96% equity shares held by the GoI, as on June 30, 2018) and demonstrated capital infusions from the parent (Rs. 1,900 in FY2017 and Rs. 12,471 crore in FY2018) to support IDBI's capitalisation ratios. The rating also note the proposed acquisition of stake by LIC, which has an equally strong ability to infuse capital. ICRA will continue to monitor the capital support from the LIC given the expectations of continued capital requirements during FY2019. Further, maintenance of majority shareholding in IDBI by LIC/GoI will remain a key rating sensitivity.

**Standing as a large development financial institution** – Though IDBI's gross advances have witnessed a YoY decline of ~10%, its gross advances, which stood at Rs. 1,87,814 crore as on June 30, 2018, account for ~1.9% of the banking system advances. The decline in gross advances reflected a conscious strategy on the part of the bank to reduce RWAs with the aim of conserving capital. A large part of the decrease came from the corporate segment, resulting in a decline in its proportion in overall advances to 52.93% on June 30, 2018 (55.44% as on March 31, 2018), while the proportion of the retail segment banking improved to 47.07% as on June 30, 2018 (44.56% as on March 31, 2018). Going ahead, with a planned reduction in corporate exposure, the proportion of retail and agri advances are expected to increase to over 50% in the near term.

## Credit challenges

**Asset quality to deteriorate further before improving; solvency to remain weak** – The asset quality pressure continued with IDBI witnessing fresh gross slippages (including ageing) of ~Rs. 8,750 crore during Q1 FY2019. As these slippages were only partly offset by recoveries, upgradations and write-offs (amounting to Rs. 6,529 crore in Q1 FY2019), IDBI's asset quality deteriorated as reflected by GNPA and NNPA of 30.78% and 18.76%, respectively, as on June 30, 2018 (27.95% and 16.69%, respectively, as on March 31, 2018). Because of high exposure to the corporate segment, IDBI's asset quality is one of the weakest in the banking sector. In addition, IDBI has exposures (~Rs. 6,291 crores as on June 30, 2018) outstanding under SMA 1 and SMA 2 category, a major portion of which can slip to NPAs in the near term, upon revision in the RBI's guidelines for the resolution of stressed assets. The bank has exposure of Rs. 25,290 crore to the corporate accounts on RBI lists I and II referred to NCLT, on which the total provision held is Rs. 16,319 crore as on June 30, 2018 (Avg PCR of 73-74%). With continued slippages, the provision coverage ratio (excluding technical write-offs) though has improved remains below the industry average of 51.7% as on June 30, 2018. High net NPAs resulted in weak solvency levels with net NPA/net worth of 138.63%, as on June 30, 2018. ICRA expects the vulnerable exposure to be largely recognised as NPAs by Q2 FY2019 and, consequently, the GNPA to peak out for the bank. Thereafter, with the resolution of the stressed accounts under IBC, ICRA expects GNPA to start declining but remain elevated at ~23% by the end of FY2019.

**Earnings profile to remain weak in medium term** – Due to higher cost of borrowings for IDBI, the interest spreads for the bank have been lower than the public sector bank (PSB) average. Lower spreads, along with reduced stock of income-earning assets for IDBI, translated into lower net interest margins (NIMs) at 1.61% for FY2018. However, with moderation in the cost of funds due to a decrease in high-cost bulk deposits, NIMs improved in Q1 FY2019 to 1.98%. With limited support from non-interest income, higher operating expenses and high credit costs, IDBI's core profitability (after provisions) was negative in the last 11 quarters. Though some support was provided to the bottom line through the divestment of non-core assets, the quantum of losses exceeds core operating profits and profits from the sale of these assets. Consequently, IDBI reported return on assets and return on net worth of -0.99% and -20.40%, respectively, for FY2018 and -2.91% and -51.03%, respectively, for Q1 FY2019. ICRA expects IDBI to incur losses during FY2019 given the expected credit provisions and haircuts seen in the slipped accounts.

**Capitalisation likely to remain weak in near to medium term** – IDBI Bank's CET which improved in Q4 FY2018, with the capital infusion of Rs. 7,881 crore from GoI, slipped below the minimum regulatory requirement, with the bank reporting a loss before tax of Rs. 4,155 crore in Q1 FY2019. IDBI's CET-I, Tier-I and CRAR stood at 5.84%, 6.18% and 8.18%, respectively, as on June 30, 2018 as against the minimum regulatory requirements of 7.375%, 8.875% and 10.875%, respectively, as on March 31, 2018 and 8.00%, 9.50% and 11.50% as on March 30, 2019. Though ICRA expects some improvement in the CET-I capitalisation levels as on March 31, 2019 with capital infusion by LIC, the probable improvement, which would be moderated by the high expected losses of FY2019, remains to be seen. With weak internal capital generation, the extent of haircuts in the existing and likely stressed accounts will determine the bank's incremental capital requirement and the extent of further capital infusion by LIC that can offset future losses and support the growth requirements to restore the bank's profitability will be a key determinant of its capital position and will remain a key rating sensitivity.

**Ability to retain and improve deposit base** – Historically, IDBI has been dependent on bulk deposits because of its lower level of CASA deposits, which resulted in a higher cost of deposits for the bank. However, with a declining credit book, the need to raise bulk deposits has reduced significantly, thus reducing the bank’s overall deposit base. Bulk deposits<sup>3</sup>, as % of total deposits, though has inched up to 34.33% of total deposits as on June 30, 2018 from 32.49% of total deposits as on June 30, 2017 and 33.35% of total deposits as of March 31, 2018, it has decreased on an absolute basis. CASA deteriorated on sequential basis to 35.51% as on June 30, 2018 as against 37.15% as on March 31, 2018 (31.5% as on March 31, 2017) with decrease in both in savings and current account deposit. Further, with the reduction in bulk deposits, which tend to be of shorter tenure, the ALM gaps in near-term buckets have improved. However, the gaps in the up to 1-year bucket remain high. Given the higher gaps in the up to 1-year bucket, IDBI’s ability to rollover the existing deposits will be critical for maintaining a satisfactory liquidity profile.

**Analytical approach:** For arriving at the ratings, ICRA has applied its rating methodologies as indicated below.

**Links to applicable criteria:**

[ICRA Rating Methodology for Banks](#)

### About the company:

IDBI Bank Limited (IDBI), founded in 1964, is a public sector bank headquartered in Mumbai. It is one of the 21 public sector banks owned by the GoI. The GoI’s holding in the bank as on June 30, 2018 stood at 85.96%, which is expected to fall below 50% with the acquisition of stake by LIC. Subsequently, LIC would be the largest shareholder in the entity with a stake of over 51%. As on June 30, 2018, the bank operated through 1,899 branches and 3,735 ATMs, and had a net worth of Rs. 21,627 crore<sup>4</sup> and an asset base of Rs. 322,675 crore.

The bank reported net loss of Rs. 8,238 crore in FY2018 on an asset base of Rs. 3.50 lakh crore as on March 2018 compared to a net loss of Rs. 5,158 crore in FY2017 on an asset base of Rs. 3.62 lakh crore as on March 31, 2017. The bank reported net losses of Rs. 2,410 crore in Q1 FY2019 compared to net losses of Rs. 853 crore in Q1 FY2018.

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<sup>3</sup> Bulk deposit is defined as deposits above Rs. 1 crore

<sup>4</sup> excludes revaluation reserves and intangible assets but includes DTA

## Key financial indicators

	FY2016	FY2017	FY2018	Q1 FY2018	Q1 FY2019
Net interest income	6,089	5,759	5,640	1,402	1,639
Profit before tax	(4,971)	(8,618)	(12,593)	(1,193)	(4,155)
Profit after tax	(3,665)	(5,158)	(8,238)	(853)	(2,410)
Net advances	215,893	190,826	171,740	187,266	159,799
Total assets	375,390	361,768	350,314	336,689	322,675
% CET I + CCB	7.98%	5.64%	7.42%	5.71%	5.84%
% Tier I + CCB	8.89%	7.81%	7.73%	7.98%	6.18%
% CRAR	11.67%	10.70%	10.41%	10.92%	8.18%
% Net interest margin / Average total assets	1.68%	1.59%	1.61%	1.63%	1.81%
% Net profit / Average total assets	(1.01%)	(1.42%)	(2.35%)	(0.99%)	(2.91%)
% Return on net worth	(16.37%)	(26.28%)	(49.47%)	(20.40%)	(51.03%)
% Gross NPAs	10.98%	21.25%	27.95%	24.11%	30.78%
% Net NPAs	6.78%	13.21%	16.69%	15.80%	18.76%
% Provision coverage excl. technical write offs	41.28%	43.76%	48.50%	41.12%	48.20%
% Net NPA/ Net worth	66.22%	147.01%	177.43%	181.42%	138.63%

All ratios as per ICRA calculations

Amount is Rs. crore

Source: Bank; ICRA research

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

## Rating history for last three years:

Instrument	Type	Current Rating (FY2019)		Chronology of Rating History for the past 3 years								
		Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	August 2018	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014	FY2013	
1	Upper Tier II Bonds Programme	4,286.20	4,286.20	[ICRA] BBB+&	[ICRA] BBB+ (negative)	[ICRA] BBB+@	[ICRA] BBB+@	[ICRA]A+ (negative)	[ICRA]AA - (negative)	[ICRA]AA - (negative)	[ICRA]AA - (negative)	[ICRA]AA - (negative)
2	Basel II Compliant Perpetual Bonds Programme	1,708.80	1,708.80	[ICRA] BBB+&	[ICRA] BBB+ (negative)	[ICRA] BBB+@	[ICRA] BBB+@	[ICRA]A+ (negative)	[ICRA]AA - (negative)	[ICRA]AA - (negative)	[ICRA]AA - (negative)	[ICRA]AA - (negative)
3	Basel III Compliant Tier II Bonds Programme	5,000.00	1,900.00	[ICRA]A (hyb) (negative)	[ICRA]A (hyb) (negative)	[ICRA]A (hyb)@	[ICRA]A (hyb)@	[ICRA]AA - (hyb) (negative)	[ICRA]AA (hyb) (negative)	[ICRA]AA (hyb) (negative)	[ICRA]AA (hyb) (negative)	[ICRA]AA + (hyb) (negative)
4	Infrastructure Bonds Programme	8,000.00	5,000.00	[ICRA]A (hyb) (negative)	[ICRA]A (hyb) (negative)	[ICRA]A@	[ICRA]A@	[ICRA]AA - (negative)	[ICRA]AA - (negative)	[ICRA]AA - (negative)	[ICRA]AA - (negative)	[ICRA]AA + (negative)
5	Flexi Bond Series	230.50	126.82	[ICRA]A (hyb) (negative)	[ICRA]A (hyb) (negative)	[ICRA]A@	[ICRA]A@	[ICRA]AA - (negative)	[ICRA]AA - (negative)	[ICRA]AA - (negative)	[ICRA]AA - (negative)	[ICRA]AA + (negative)
6	Senior and Lower Tier II Bonds	25,742.72	9,748.09	[ICRA]A (hyb) (negative)	[ICRA]A (hyb) (negative)	[ICRA]A@	[ICRA]A@	[ICRA]AA - (negative)	[ICRA]AA - (negative)	[ICRA]AA - (negative)	[ICRA]AA - (negative)	[ICRA]AA + (negative)
7	Subordinated Debt Programme	70.00	50.00	[ICRA]A (hyb) (negative)	[ICRA]A (hyb) (negative)	[ICRA]A@	[ICRA]A@	[ICRA]AA - (negative)	[ICRA]AA - (negative)	[ICRA]AA - (negative)	[ICRA]AA - (negative)	[ICRA]AA + (negative)
8	Fixed Deposits Programme	-	-	MAA- (negative)	MAA- (negative)	MAA-@	MAA-@	MAA (negative)	MAA+ (negative)	MAA+ (negative)	MAA+ (negative)	MAA+ (stable)
9	Certificate of Deposits Programme	35,000.00	-	[ICRA]A1	[ICRA]A1	[ICRA]A1@	[ICRA]A1@	[ICRA]A1 +	[ICRA]A1 +	[ICRA]A1 +	[ICRA]A1 +	[ICRA]A1 +

@ Rating Watch with negative implications, & Rating Watch with developing implications

## Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

## Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE008A08UA8	Senior Bonds	12-Jan-2004	7.00%	12-Jan-2019	25.00	[ICRA]A(negative)
INE008A08N67	Senior Bonds	23-Sep-2007	10.07%	23-Sep-2022	4.20	[ICRA]A(negative)
INE008A08Q07	Senior Bonds	26-Sep-2008	11.00%	26-Sep-2018	895.80	[ICRA]A(negative)
INE008A08Q72	Senior Bonds	15-Dec-2008	11.30%	15-Dec-2018	1439.90	[ICRA]A(negative)
INE008A08R30	Senior Bonds	13-Jun-2009	9.56%	13-Jun-2029	1.00	[ICRA]A(negative)
INE008A08R71	Senior Bonds	26-Sep-2009	9.67%	26-Sep-2029	2.00	[ICRA]A(negative)
INE008A08U27	Senior Bonds	13-Mar-2012	9.33%	13-Mar-2022	300.00	[ICRA]A(negative)
INE008A08U35	Senior Bonds	30-May-2012	9.03%	30-May-2022	250.00	[ICRA]A(negative)
INE008A08PO9	Senior Bonds	01-Aug-2003	8.00%	01-Aug-2018	0.45	[ICRA]A(negative)
8006	Senior Bonds	01-Aug-2003	8.00%	01-Aug-2018	499.55	[ICRA]A(negative)
INE008A08PU6	Senior Bonds	18-Aug-2003	7.75%	18-Aug-2018	0.19	[ICRA]A(negative)
INE008A08U68	Senior Bonds	26-Dec-2012	9.40%	Perpetual (Call: 26-Dec-2022)	850.00	[ICRA]A(negative)
INE008A09885	Flexi Bonds	12-Jan-2004	7.00%	12-Jan-2019	107.45	[ICRA]A(negative)
INE008A09AM3	Flexi Bonds	12-Jan-2004	6.75%	20-Apr-2019	19.38	[ICRA]A(negative)
Proposed	Infrastructure Bonds	NA	NA	NA	3,000.00	[ICRA]A(negative)
INE008A08U76	Infrastructure Bonds	12-Sep-2014	9.27%	12-Sep-2024	1,000.00	[ICRA]A(negative)
INE008A08U92	Infrastructure Bonds	21-Jan-2015	8.725%	21-Jan-2025	3,000.00	[ICRA]A(negative)
INE008A08V26	Infrastructure Bonds	09-Feb-2016	8.80%	09-Feb-2026	1,000.00	[ICRA]A(negative)
INE008A08R89	Lower Tier II Bonds	29-Sep-2009	9.37%	29-Sep-2018	40.00	[ICRA]A(negative)
INE008A08S13	Lower Tier II Bonds	23-Nov-2009	8.53%	23-Nov-2019	302.50	[ICRA]A(negative)
INE008A08S62	Lower Tier II Bonds	23-Mar-2010	9.05%	23-Mar-2020	600.00	[ICRA]A(negative)
INE008A08S88	Lower Tier II Bonds	08-Jul-2010	8.57%	8-Jul-2025	302.00	[ICRA]A(negative)
INE008A08S96	Lower Tier II Bonds	29-Sep-2010	8.63%	29-Sep-2020	40.00	[ICRA]A(negative)
INE008A08T20	Lower Tier II Bonds	20-Jan-2011	9.04%	20-Jan-2026	856.10	[ICRA]A(negative)
INE008A08T61	Lower Tier II Bonds	4-Aug-2011	9.38%	4-Aug-2021	484.40	[ICRA]A(negative)
INE008A08T79	Lower Tier II Bonds	26-Nov-2011	9.72%	26-Nov-2021	250.00	[ICRA]A(negative)
INE008A08T87	Lower Tier II Bonds	30-Nov-2011	9.70%	30-Nov-2021	500.00	[ICRA]A(negative)
INE008A08T95	Lower Tier II Bonds	13-Dec-2011	9.45%	13-Dec-2021	600.00	[ICRA]A(negative)
INE008A08U19	Lower Tier II Bonds	15-Mar-2012	9.25%	15-Mar-2022	1000.00	[ICRA]A(negative)
INE008A08U50	Lower Tier II Bonds	13-Dec-2012	8.99%	13-Dec-2027	505.00	[ICRA]A(negative)
INE979F08037	Subordinated Debt	28-Mar-2009	10.50%	27-Mar-2019	50.0	[ICRA]A(negative)
INE008A08Q15	Upper Tier II Bonds	29-Sep-2008	11.15%	29-Sep-2023 (Call: 29-Sep-2018)	650.00	[ICRA]BBB+&
INE008A08Q56	Upper Tier II Bonds	29-Oct-2008	11.40%	29-Oct-2023 (Call: 29-Oct-2018)	500.00	[ICRA]BBB+&
INE008A08R14	Upper Tier II Bonds	31-Mar-2009	9.50%	31-Mar-2024 (Call: 31-Mar-2019)	350.00	[ICRA]BBB+&

INE008A08R55	Upper Tier II Bonds	26-Jun-2009	8.95%	26-Jun-2024 (Call: 26-Jun-2019)	500.00	[ICRA]BBB+&
INE008A08R63	Upper Tier II Bonds	25-Sep-2009	9.00%	25-Sep-2024 (Call: 25-Sep-2019)	500.00	[ICRA]BBB+&
INE008A08R97	Upper Tier II Bonds	19-Nov-2009	8.90%	19-Nov-2024 (Call: 19-Nov-2019)	285.00	[ICRA]BBB+&
INE008A08S47	Upper Tier II Bonds	03-Feb-2010	8.65%	03-Feb-2025 (Call: 03-Feb-2020)	501.20	[ICRA]BBB+&
INE008A08T46	Upper Tier II Bonds	25-Mar-2011	9.40%	25-Mar-2026 (Call: 25-Mar-2021)	1000.00	[ICRA]BBB+&
INE008A08Q80	Basel II Compliant Perpetual Bonds	26-Mar-2009	9.50%	Perpetual (Call: 26-Mar-2019)	332.00	[ICRA]BBB+&
INE008A08S21	Basel II Compliant Perpetual Bonds	23-Dec-2009	9.20%	Perpetual (Call: 23-Dec-2019)	275.50	[ICRA]BBB+&
INE008A08S39	Basel II Compliant Perpetual Bonds	29-Jan-2010	9.25%	Perpetual (Call: 29-Jan-2020)	306.20	[ICRA]BBB+&
INE008A08S54	Basel II Compliant Perpetual Bonds	10-Mar-2010	9.65%	Perpetual (Call: 10-Mar-2020)	550.00	[ICRA]BBB+&
INE008A08S70	Basel II Compliant Perpetual Bonds	22-Jun-2010	9.15%	Perpetual (Call: 22-Jun-2020)	245.10	[ICRA]BBB+&
Proposed	Basel III Compliant Tier II Bonds	NA	NA	NA	3,100.00	[ICRA]A(hyb)(negative)
INE008A08V00	Basel III Compliant Tier II Bonds	31-Dec-2015	8.62%	31-Dec-2030	1,000.0	[ICRA]A(hyb)(negative)
INE008A08V18	Basel III Compliant Tier II Bonds	02-Jan-2016	8.62%	02-Jan-2026	900.0	[ICRA]A(hyb)(negative)
NA	Medium Term Deposits	NA	NA	NA	-	MAA-(negative)
NA	Certificates of Deposits	NA	-	7-365 days	-	[ICRA]A1

& Rating Watch with developing implications

Source: IDBI Bank

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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](http://www.icra.in)

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HO.DRD. OMNI Bonds 644/F- No.361

September 01, 2018

SBICAP Trustee Company Ltd.  
6th Floor, Apeejay House,  
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Mumbai - 400 020.

एसबीआईकैप ट्रस्टी कंपनी एलटीडी  
६थ मंजिल, अपीजे हाउस,  
३, दिनशा वाचचा मार्ग,  
चर्चगेट,  
मुंबई-४०००२०

**Revision in rating of Debt instruments**

*Kind Attn :PrivankaChavan*

Dear Madam/महोदया,

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Schedule III, Part B A(13) & 56 1(c) issued on September 2, 2015, the revision in ratings is to be informed to the Stock Exchanges and Debenture/Bond Trustees.

ICRA has revised the rating of various debt instruments issued by IDBI Bank Ltd. based on a recent review undertaken by them. The rating given by the rating agencies earlier and revised ratings are indicated below:

Rating Agency	Instruments rated	Earlier Rating	Revised Rating
ICRA Ltd.	Senior& Lower tier II Bonds, Subordinated Debt IHFL & Infrastructure Bonds	(ICRA)A reaffirmed; 'rating watch with negative implications' removed and 'Negative' outlook assigned	(ICRA)A (negative);Outstanding
	Upper Tier 2 Bonds and	(ICRA) BBB+ reaffirmed; 'rating watch with negative implications' removed and 'Negative' outlook assigned	(ICRA)BBB+ &.Placed on watch with developing implications
	Basel III compliant Tier II Bonds	(ICRA)A (hyb) reaffirmed; 'rating watch with negative implications' removed and 'Negative' outlook assigned	(ICRA)A (hyb)(negative);Outstanding

The aforesaid revision in rating is submitted in compliance with Regulation 56 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Copy of revised rating letter issued by rating agency in this regard is forwarded herewith. Request you to kindly register the necessary changes in your records.



भविष्य,  
(मुकेश कुमार नागर)  
सहायक महाप्रबंधक  
देशी संसाधन विभाग

Encl: As above