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जुलाई २३, २०१९

The Manager (Listing) BSE Ltd., 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	The Manager (Listing) National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra(E), Mumbai - 400 051
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Dear Sir,

**Revision in Ratings by India Ratings and Research**

This is to inform that India Ratings and Research (Ind-Ra) has vide their press release dated July 23, 2019 affirmed IDBI's Long-Term Issuer Rating at 'IND A' and Short-Term Issuer Rating at 'IND A1'. Rating outlook has been changed from "Rating Watch Negative" to "Negative". Instrument-wise ratings are as under :

Instrument Type	Rating/ Outlook	Rating Action
Long-term Issuer Rating	IND A/ Negative	Rating Affirmed. Outlook changed from RWN to Negative
Short-Term Issuer Rating	IND A1	Affirmed
Upper Tier II subordinated bond programme	Withdrawn	Since Repaid in Full
Basel III compliant bonds\$	IND A/ Negative	Rating Affirmed. Outlook changed from RWN to Negative
Omni infrastructure bonds	IND A/ Negative	
Basel III-complaint Tier II bonds	IND A/ Negative	
Deposit rating	IND tA/ Negative	
Senior debt	IND A/ Negative	
Lower Tier II bonds	IND A/ Negative	
Certificates of deposits	IND A1	Affirmed

\$-Yet to be issued

RWN - Rating Watch Negative

## Rationale for Rating

The Negative Outlook reflects the agency's expectation that the bank is likely to require sizeable equity infusion over FY20-FY21, and while LIC has articulated its commitment to the same, the quantum and timing is not known at present. The Outlook also reflects the continued pressure on the bank's franchise and its inability to materially grow its asset book, which could result in its operating buffers facing recovery challenges. In addition, the Negative Outlook factors in Ind-Ra's expectation that IDBI would continue to grapple under the Reserve Bank of India's prompt corrective action framework (which would continue to weigh on its share of systemic assets and liabilities) and credit costs over corporate accounts inspite of a high coverage ratio, as its GNPA's are among the highest in its peer group (27.47% at end-FY19). There has been a weakening in IDBI's standalone franchise, a continued fall in its share of systemic assets and liabilities, and a sharp deterioration in its asset quality. These three factors are likely to persist at least until the resolution of asset quality issues and the stabilisation of capital buffers. These concerns could ease out over medium term if the expected strategy with LIC plays out and the franchise starts gaining market share.

You are requested to kindly take the above intimation on record in terms of the provisions of Regulations 30 & 51 of SEBI (LODR) Regulations, 2015.

भवदीया,  
कृते आईडीबीआई बैंक लिमिटेड

23/7/19

[ज्योति नायर]

उप महा प्रबन्धक  
बोर्ड विभाग