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आईडीबीआई बैंक लिमिटेड

पंजीकृत कार्यालय : आईडीबीआई टॉवर,

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जुलाई २७, २०१७

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

This is to inform that IDBI Bank has received following revised ratings from India Ratings on July 26, 2017:

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (INR billion)	Rating/ Outlook	Rating Action
Issuer Rating (Long- term)	-	-	-	-	IND AA/Negative	Affirmed
Issuer Rating (Short- term)	-	-	-	-	IND A1+	Affirmed
Upper Tier II subordinated bond programme	March 2009	9.5	March 2024	INR3.5	IND BBB+/Negative	Downgraded
AT1 perpetual debt	October 2014- January 2017	10.75- 11.09	August 2021- October 2024	INR50	IND BBB+/Negative	Downgraded
Basel III compliant bonds*	-	-	-	INR20	IND AA/Negative	Affirmed
Omni infrastructure bonds	September 2014- February 2016	8.73- 9.27	September 2024- February 2026	INR80	IND AA/Negative	Affirmed
Basel III-complaint Tier II bonds	December 2015- January 2016	8.62	January 2026- December 2030	INR30	IND AA/Negative	Affirmed



Deposit rating	-	-	-	-	IND tAA+/Negative	Affirmed
Senior debt	August 2003- December 2012	7.00- 11.30	August 2018- September 2029	INR71.2	IND AA/Negative	Affirmed
Lower Tier II bonds	February 2007- March 2010	8.53- 10.10	February 2017- March 2020	INR37.7	IND AA/Negative	Affirmed
Certificates of deposits	-	-	-	INR160	IND A1+	Affirmed

*Yet to be issued

The rating downgrade of AT1 bond and upper Tier II subordinated debt reflects the structural weakening of standalone profile, likely elevated levels of credit costs with an expectation of loss in FY18, significant erosion of capital, significant capital infusion requirement and dependence on timely garner of equity capital by monetisation of its non-core assets. The downgrade of AT1 instrument also factors in weakening of Bank's distributable reserve position which depleted to around 1% at end-March 2017, much lower than peers median of 4.8% for the same period. Also, there is increased risk of coupon deferral, led by an enforced dip into distributable reserves for coupon payment in case of a loss according to the applicable Basel III minimum capital conversation standards.

For AT1 instruments, the agency considers discretionary component, coupon omission risk and write-down/conversion risk as key parameters to arrive at the rating. The agency recognises the unique going-concern loss absorption features that these bonds carry and differentiates them from the bank's senior debt, factoring in a higher probability of an ultimate loss for investors in these bonds. The rating on AT1 bond reflects the Bank's standalone credit profile, along with its ability to service coupons and manage principal write-down risk over the Basel III transition period. Ind-Ra recognises that government support may be difficult to be relied upon by the holders of AT1 bonds considering loss absorption nature of these instruments.


IDBI's Long-Term Issuer Rating (and rating on linked debt instruments) reflects Ind-Ra's expectation of continued support from the government of India. This reflects its majority government ownership (73.6% at end-June 2017), its systemic importance as the eight-largest government-owned bank and 11th largest bank including private banks by asset market share (2.4% by assets and 2.5% by deposits at FYE17).



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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.

भवदीय,
कृते आईडीबीआई बैंक लिमिटेड


[पवन अग्रवाल] 27/07/17
कंपनी सचिव

