

IDBI Bank Limited

April 25, 2019

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Lower Tier II Bonds	-	-	Withdrawn

Details of instruments/facilities in Annexure-1
Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the ratings assigned to the Lower Tier II Bonds of IDBI Bank with immediate effect, as the company has fully redeemed with interest the Lower Tier II Bonds under Basel II rated by us and there is no outstanding under the said issue as on date.

Analytical approach: Not Applicable

Applicable Criteria
[Policy on Withdrawal of ratings](#)
About the Company

Industrial Development Bank of India (IDBI) was established under the IDBI Act, 1964 as a Development Financial Institution (DFI). Initially, IDBI was set up as a wholly-owned subsidiary of the RBI to provide credit and other facilities for the development of industry. However, The IDBI Act, 1964 was repealed and IDBI Ltd. was incorporated as Banking Company on September 27, 2004 under the Companies Act, 1956. Thereafter, IDBI Ltd. was merged with IDBI Bank Ltd. with effect from October 1, 2004.

LIC infused total equity capital of Rs.21,624 crore during FY19 to acquire the majority shareholding of 51% in the bank. Post-acquisition, GOI has become the second major shareholder at 46.46% shareholding. RBI vide its press release dated March 14, 2019 has indicated that the bank has been classified as a 'Private Sector Bank' with effect from January 21, 2019 consequent to LIC acquiring 51% shareholding in the bank.

As on December 31, 2018, the bank had a network of 1,894 branches pan India and 3,713 ATMs. IDBI Bank has five subsidiaries, viz., IDBI Asset Management Ltd. (66.67% stake), IDBI Capital Market Services Ltd (100%), IDBI Intech Ltd (100%), IDBI Trusteeship Services Ltd (54.7%) and IDBI MF Trustee Company Ltd. (100%). The bank also has a JV, IDBI Federal Life Insurance Company Limited with the bank holding 48% stake, and Ageas Insurance International holding 26%.

Brief Financials (Rs. Crore)	FY17 (A)	FY18 (A)
Total Income	31,799	30,035
PAT	(5,158)	(8,238)
Total Assets	3,48,853	3,33,301
Net NPA (%)	13.21	16.69
ROTA (%)	(1.44)	(2.42)

A: Audited
Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Bonds-Lower Tier II	-	-	-	-	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Bonds-Lower Tier II	LT	-	-	-		-	1)Withdrawn (22-Mar-17) 2)CARE AA; Negative (29-Dec-16)
2.	Bonds-Lower Tier II	LT	-	-	-	1) CARE A; Stable (15-Mar-19)	1) CARE A; Stable (8-Feb-18) 2) CARE A; Stable (5-Feb-18) 3)CARE A; Negative (26-May-17)	1)CARE AA-; Negative (22-Mar-17) 2)CARE AA; Negative (29-Dec-16)

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