

## Yes Bank Limited

November 28, 2018

### Summary of rated instruments

| Instrument   | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action                                       |
|--|-----------------------------------|----------------------------------|---|
| Basel III Compliant Tier II Bond Programme           | 10,900.00                         | 10,900.00                        | [ICRA]AA (hyb) @; downgraded from [ICRA]AA+ (hyb) @ |
| Basel II Compliant Lower Tier II Bond Programme      | 2,530.60                          | 2,530.60                         | [ICRA]AA @; downgraded from [ICRA]AA+ @             |
| Basel II Compliant Upper Tier II Bond Programme      | 1,344.10                          | 1,344.10                         | [ICRA]AA- @; downgraded from [ICRA]AA @             |
| Basel II Compliant Tier I Bond Programme             | 461.00                            | 461.00                           | [ICRA]AA- @; downgraded from [ICRA]AA @             |
| Infrastructure Bond Programme                        | 7,030.00                          | 7,030.00                         | [ICRA]AA @; downgraded from [ICRA]AA+ @             |
| Basel III Compliant Additional Tier I Bond Programme | 10,800.00                         | 10,800.00                        | [ICRA]AA- (hyb) @; downgraded from [ICRA]AA (hyb) @ |
| Short Term Fixed Deposit Programme                   | NA                                | NA                               | [ICRA]A1+; outstanding                              |
| Certificate of Deposit Programme                     | 20,000.00                         | 20,000.00                        | [ICRA]A1+; outstanding                              |
| <b>Total</b>   | <b>53,065.70</b>                  | <b>53,065.70</b>                 |   |

@ Rating watch with negative implications

### Rating action

ICRA has downgraded the long-term ratings for Yes Bank Limited (YBL). The ratings has been downgraded to [ICRA]AA (pronounced ICRA double A) from [ICRA]AA+ (pronounced ICRA double A plus) for the Rs. 2,530.60 crore Basel II compliant lower tier II bonds and the Rs. 7,030 crore infrastructure bonds and to [ICRA]AA- (pronounced ICRA double A minus) from [ICRA]AA for the Rs. 1,344.10 crore Basel II compliant upper tier II bonds and Rs. 461 crore Basel II complaint innovative perpetual tier I debt Instruments of the bank. In addition, ICRA has also downgraded the rating for the Rs. 10,900 crore Basel III Compliant Tier II Bonds to [ICRA]AA(hyb) (pronounced as ICRA double A hybrid) from [ICRA]AA+ (hyb) (pronounced as ICRA double A plus hybrid) and the rating for the Rs. 10,800 crore Basel III compliant additional tier I bonds to [ICRA]AA- (hyb) (pronounced as ICRA double A minus hybrid) from [ICRA]AA (hyb). ICRA also has rating outstanding of [ICRA]A1+ (pronounced ICRA A one plus) for the Rs. 20,000 crore certificate of deposit programme and the short term fixed deposits of the bank. The long-term ratings continue to remain on watch with negative implications.

The rating for the Basel III Compliant AT-I Bonds is one notch lower than the rating for the Basel III Compliant Tier II Bonds of the bank as these instruments have the following loss absorption features that make them riskier.

- Coupon payments are non-cumulative and discretionary and the bank has the full discretion at all times to cancel coupon payments. Cancellation of discretionary payments shall not be an event of default.
- Coupon can be paid out of current year profits. However, if current year profit is not sufficient, or, if the payment of coupon is likely to result in a loss, the coupon payment can be done through reserves and surpluses created through appropriation of profits (including statutory reserves). However, the coupon payment is subject to the bank meeting the minimum regulatory requirements for CET I, Tier I and total capital ratios (including capital conservation buffer, CCB) at all times as prescribed by the Reserve Bank of India (RBI) under Basel III regulations.

These AT-I bonds are expected to absorb losses through a write-down mechanism at the objective pre-specified trigger point fixed at the bank's Common Equity Tier-I (CET-1) ratio as prescribed by the RBI, 5.5%<sup>1</sup> till March 2019 and thereafter 6.125% of the total risk weighted assets (RWA) of the bank or when the point of non-viability trigger is breached in the RBI's opinion.

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

ICRA had earlier placed the long-term ratings of YBL on watch with negative implications on November 16, 2018 ([click here](#) for last rationale), subsequent to which one more independent director has resigned from the board of the bank. The rating downgrade considers the series of resignations from the board of directors, which raises concerns on corporate governance at the bank. ICRA had earlier highlighted that these developments will adversely impact the YBL's ability to raise capital, which otherwise were always factored in as one of the key credit strengths. Notwithstanding these developments, ICRA takes note of the stability in the deposit base and liquidity profile of the bank, with no significant change in the deposit levels of the bank between August 2018 and November 2018.

ICRA will continue to monitor the progress made by bank on the appointment of new MD&CEO, outcomes of the risk supervision audit by the regulator, capital raising to improve the capital cushion and any further developments which may impact the credit profile. The rating may be downgraded in case of any adverse developments on the above issues, the outcome of risk-based supervision exercise of RBI for FY2018 results, that may have any material adverse impact on asset quality parameters of the bank. Amid all these developments, the stability in the deposit base will remain a key monitorable. However, the rating may be removed from watch, in case the bank is able to maintain the asset quality/ensure continued stability in its depositor base and is able to improve capital buffers.

With core equity Tier 1 (CET-1) capital of 9.0% as on September 30, 2018 as against the regulatory requirements of 7.375%<sup>2</sup> for March 31, 2019, the capital cushion have been weakening vis a vis regulatory level. In this regard, the management has guided for scaling down the growth and loan sell-downs to reduce risk weighted assets and improve capital buffers, however ability of the bank to improve capital cushion by scale down of growth, fresh capital raising amid the impending transitioning to Indian accounting standard (IND-AS) remains to be seen.

Earlier during September 2018, RBI had communicated to bank that the existing MD&CEO, i.e. Mr. Rana Kapoor, can continue till January 31, 2019 as against three-year extension approved by the shareholders in June 2018. Subsequently, upon the recommendations of nomination and remuneration committee (NRC) of the bank, the bank had constituted search and selection committee (SSC) for search of new MD&CEO. The SSC and the NRC are scheduled to meet on December 12, 2018 to discuss the final short-list of new MD&CEO appointment, subsequent to which the board will review the final list on December 13, 2018. After approval from board the list will be submitted to RBI for approval.

The rating continues to factor YBL's robust operating performance, its demonstrated ability to maintain comfortable asset quality through cycles, its high levels of fee income. Notwithstanding the increase in the concentration of deposit and exposures during FY2018, the bank's asset and liability profile has seen an improvement over the last 3-4 years supported

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<sup>1</sup> 6.125% for the additional tier 1 bonds issued on December 31, 2013

<sup>2</sup> RBI has deferred the schedule increase of 0.625% in capital conservation buffer (CCB) to March 31, 2020. Hence the regulatory minimum CET-I including CCB of 2.5% will become 8.00% from March 31, 2020 onwards.

by an increase in the current and savings account (CASA) base. A high growth of 54% in advances during FY2018 led to a marginal increase in concentration in the exposures and deposit base.

The bank's credit strengths are partially offset by its relatively high – though steadily declining – share of corporate deposit funding, relatively high exposure to the corporate sector and relatively high capital consumption rate on account of robust growth leading to weakening of capital cushion. However, the bank's demonstrated ability to raise capital at regular intervals alleviates this concern to some extent. Going ahead, the bank's ability to maintain its asset quality, improve CET-I capital cushion, diversification of advances across retail and corporate, successful scale up of retail banking operations, reducing the concentration risk in the loan book, and lower reliance on bulk funding are the key rating sensitivities.

## Key rating drivers

### Credit strengths

**Continued loan book growth with a reduction in concentration of exposures** – YBL reported a robust YoY growth of 54% in advances during FY2018 to Rs. 203,534 crore as on March 31, 2018 and further by 61% on a YoY basis to Rs. 239,627 crore as on September 30, 2018. YBL's loan book remains dominated by corporate advances with corporate banking forming 68.2% of the total advances as on September 30, 2018 (67.9% as on March 31, 2018 and 67.7% as on March 31, 2017). While the bank has steadily reduced concentration of its book with the top 20 exposures forming 13.7% of its total exposures as on March 31, 2018 vis-a-vis 16.1% as on March 31, 2014, the same has increased in FY2018 compared to 12.6% as on March 31, 2017. The increase was largely on account of the bank witnessing significant growth in FY2018 contributed by the increase in its market share across top groups. Within the corporate segment, the bank's portfolio continues to be well diversified across sectors. With the impending change in management and the low capital cushion, the bank's credit growth is expected to be subdued in the short to medium term.

**Increased granularity of deposits following a steady improvement in CASA and retail deposits** – The bank's Current account and savings account deposits (CASA) ratio improved from 22.0% as on March 31, 2014 to 36.5% as on March 31, 2018 (33.8% as on September 30, 2018) driven by growth in both CA and SA deposits. The growth in CASA was largely due to the bank's branch expansion and leveraging of its existing branch network and partly due to demonetisation. The bank has been increasing its branch network and opened 100 branches in FY2018. YBL was the first bank to raise saving account rates following their deregulation in October 2011 which, coupled with the continuous expansion of its branch network, enabled it to record a significant improvement in its CASA base in the past five years. However, the CASA base and the share of non-retail deposits still remains lower as compared to its higher rated peers. Further, with the rapid growth in advances witnessed by the bank in FY2018 and H1FY2019, the bank witnessed an increase in share of non-retail term deposits to 42.8% as on March 31, 2018 (42.8% as on September 30, 2018) from 38.5% as on March 31, 2017. As a consequence, the improvement in CASA ratio was limited.

**Demonstrated track record of capital raising** – The bank's overall capital adequacy under Basel III remained comfortable at 17.0%, though with CET I of 9.0%, the capital cushion over the regulatory levels have weakened as on September 30, 2018. The bank last raised equity capital of Rs. 4,907 crore during March 2017. Apart from equity capital, the bank raised significant AT-1 bonds of Rs. 3,000 crore during FY2017 and Rs. 5,415 crore during FY2018 and Basel III compliant Tier II bonds of Rs. 7000 crore in FY2018 which helped in boosting the capitalisation ratios. ICRA draws comfort from the bank's demonstrated track record of mobilising equity capital at regular intervals to support business volumes and also maintain adequate cushion over the minimum regulatory capitalisation levels. However, with recent events including non-extension of MD&CEO tenure, the capital raising of the bank may be deferred. Supported by stability in asset quality and new leadership, if the bank can raise equity capital to improve capital ratio, the same will be critical to resolve the rating watch apart from other factors like asset quality, liability profile and profitability.

**Continued robust operating performance and stable profitability indicators** – YBL's operating performance has been robust over the years. During FY2018, its net interest margin (NIM; computed as % of average total assets) was marginally lower at 2.9% (3.0% in FY2017). The bank's non-interest based income remains robust, accounting for almost a third of its operating income. While the operating expenses moderated to 2.0% of ATA in FY2018 from 2.2% in FY2017, ICRA expects YBL's operating expenses to remain elevated with further expansion of the branch network. The bank's credit costs increased marginally during FY2018; YBL reported credit costs at 0.59% of ATA during FY2018 as compared with 0.42% of ATA during FY2017. However, the costs remain lower than its peer private sector banks. The return on average assets (RoA) has been consistently maintained at more than 1.5% over the past few years. The return on equity (RoE) stood at 17.7% in FY2018 as compared to 18.6% in FY2017. For H1FY2019 the bank reported RoA of 1.30% (1.60% in FY2018) largely on account of moderation in NIMs.

**Comfortable asset quality indicators** – The bank's reported asset quality stood comfortable with gross and net NPA of 1.6% and 0.8% as on September 30, 2018 (1.3% and 0.6% respectively as on March 31, 2018). While historically slippages for the bank has been limited, the bank has reported material divergences in its asset quality during the last two risk-based supervision audits conducted by the RBI (FY2016 and FY2017). Yes Bank reported a divergence of Rs. 6,355 crore in the gross NPA amount (~4.5% of gross advances) as on March 31, 2017 from the RBI-assessed amount. Of the total amount reported as divergence as on March 31, 2017, only 7.63% stood as NPAs as on March 31, 2018 while the balance was either repaid in full /partially (38.3%) or upgraded as standard (41.4%) due to the satisfactory performance of the account or was sold to ARCs (12.6%). Divergences, as assessed by the RBI, to remain monitorable for asset quality.

The bank's standard restructured exposure including bank's exposure to accounts under 5/25 refinancing scheme, strategic debt restructuring (SDR), scheme for sustainable structuring of stressed assets remained low at 0.08% of gross advances as on September 30, 2018. The bank has exposure of Rs 678 crore to 8 accounts in the NCLT list as on June 30, 2018. The bank carries provision of 50% on aggregate funded exposure of List 1 and 43% on aggregate funded exposure of the subsequent list. The bank has seen minimal impact of the RBI circular of Feb 2018 which notified the revised criterion for resolution of stressed assets.

YBL's provision coverage ratio (including technical write-offs) stood at 47.8% as on September 30, 2018 (55.3% as on June 30, 2018). Going forward, the bank's ability to maintain its asset quality given the relatively higher exposure to corporate sector wherein the asset quality is under stress in the past 2-3 years will remain a key rating sensitivity.

## Credit challenges

**High capital consumption resulting into weakening of capital cushion above the regulatory requirement** – With the high credit growth witnessed by the bank in the last one year, the capital consumption for the bank has been higher than the internal accruals. While its CET I of 9.0% as on September 30, 2018 is higher than the RBI threshold for CET I % of 7.375% required as on March 31, 2019, in ICRA's view it is lower in relation to rating category. While the shareholders of the bank, in their meeting held in June 2018, have approved raising of capital upto USD 1 Billion by issue of shares or convertible securities; with ongoing transition in management, capital raising could be delayed. As a consequence, the buffer over and above the regulatory requirement is expected to remain subdued for the bank in the short to medium term.

**Relatively high, albeit steadily declining, share of corporate deposits funding** – Despite an improvement in the granularity of its deposit profile over the last 3-4 years, YBL's share of non-retail deposits remains high compared to higher rated peer banks. Going forward, the bank's ability to improve its funding profile further with a continued reduction in its reliance on non-retail deposits will be a key rating sensitivity.

**High exposure to corporate sector:** Yes Bank’s exposure to the corporate sector remained high at 68.2% as on September 30, 2018 (67.4% as on September 30, 2017) compared to the banking sector average exposure of ~40%. During the last 2-3 years, the asset quality in the corporate sector has been under stress. Going ahead, the bank’s ability to maintain its asset quality will remain a key rating sensitivity.

**Liquidity Position:**

The bank’s daily average liquidity coverage ratio (LCR) 99.44% for Q2FY2019 and 101.0% for Q1FY2019 compared to the RBI’s requirement of 90% as on January 1, 2018 and 100% as on January 1, 2019 remains comfortable. The deposits for the bank has remained stable which provides further comfort.

**Analytical approach:**

| Analytical Approach             | Comments  |
|---------------------------------|---|
| Applicable Rating Methodologies | <a href="#">ICRA Rating Methodology for Banks</a>         |
| Parent/Group Support            | Not Applicable  |
| Consolidation / Standalone      | Rating is based on standalone financial statements of YBL |

**About the company:**

YBL is a new private sector bank set up in 2004. Over the years, the bank’s strong business growth, healthy net interest margins, stable profitability and healthy capitalisation have made it one of the top five private sector banks in India. As on June 30, 2018, the bank had a network of 1,110 branches and 1,781 ATMs (including BNAs). It also has a branch in Gift City. The bank’s regulatory capital adequacy ratio (Basel III) stood at 17.0% (CET I of 9.0% and Tier I of 11.9%) as on September 30, 2018.

### Key financial indicators (audited)

|   | FY2017  | FY2018  | Q2FY2018 | Q2FY2019 |
|---|---------|---------|----------|----------|
| Net interest income                             | 5,797   | 7,737   | 1,885    | 2,418    |
| Profit before tax                               | 5,044   | 6,194   | 1,460    | 1,426    |
| Profit after tax                                | 3,330   | 4,225   | 1,003    | 965      |
| Net advances                                    | 132,263 | 203,534 | 148,675  | 239,627  |
| Total assets                                    | 215,060 | 312,446 | 237,394  | 371,647  |
| % CET   | 11.4%   | 9.7%    | 11.5%    | 9.0%     |
| % Tier 1  | 13.3%   | 13.2%   | 13.2%    | 11.9%    |
| % CRAR  | 17.0%   | 18.4%   | 17.8%    | 17.0%    |
| % Net interest margin / Average total assets    | 3.0%    | 2.9%    | 3.3%     | 2.8%     |
| % Net profit / Average total assets             | 1.8%    | 1.6%    | 1.7%     | 1.1%     |
| % Return on net worth                           | 18.6%   | 17.7%   | 17.5%    | 14.4%    |
| % Gross NPAs                                    | 1.52%   | 1.28%   | 1.82%    | 1.60%    |
| % Net NPAs                                      | 0.81%   | 0.64%   | 1.04%    | 0.84%    |
| % Provision coverage incl. technical write offs | 46.9%   | 50.0%   | 43.3%    | 47.8%    |
| % Net NPA/ Net worth                            | 4.86%   | 5.10%   | 6.59%    | 7.39%    |

Amount in Rs. crore

Source: YBL; ICRA research

All ratios are as per ICRA calculations

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

**Any other information: None**

## Rating history for three years

| S<br>r<br>.<br>N<br>o<br>. | Name of<br>Instrument                                | Type       | Rated<br>amount<br>(Rs.<br>crore) | Amount<br>Outstan<br>ding<br>(Rs.<br>Crore) | Current Rating (FY2019) |                   |                          |                            |                            | Chronology of Rating History for the past 3 years |                            |                            |                            |                            |                          |                          |                          |                          |                          |                          |                          |
|----------------------------|--|------------|-----------------------------------|---|-------------------------|-------------------|--------------------------|----------------------------|----------------------------|---|----------------------------|----------------------------|----------------------------|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                            |  |            |                                   |   | Nov-18                  | Nov<br>2018       | Sep 2018                 | August<br>2018             | April<br>2018              | FY2018  |                            |                            | FY2017                     |                            |                          | FY2016                   |                          |                          |                          |                          |                          |
|                            |  |            |                                   |   |                         |                   |                          |                            |                            | Feb<br>2018                                       | Nov<br>2017                | Oct<br>2017                | Sep<br>2017                | Aug<br>2017                | March<br>2017            | Oct<br>2016              | March<br>2016            | Jan<br>2016              | Dec<br>2015              | Jul<br>2015              | Jun<br>2015              |
| 1                          | Certificate of Deposit Programme                     | Short Term | 20,000.00                         | NA  | [ICRA]A1+               | [ICRA]A1+         | [ICRA]A1+                | [ICRA]A1+                  | [ICRA]A1+                  | [ICRA]A1+   | [ICRA]A1+                  | [ICRA]A1+                  | [ICRA]A1+                  | [ICRA]A1+                  | [ICRA]A1+                | [ICRA]A1+                | [ICRA]A1+                | [ICRA]A1+                | [ICRA]A1+                | [ICRA]A1+                | [ICRA]A1+                |
| 2                          | Lower Tier II Bond Programme                         | Long Term  | 2,530.60                          | 2,530.60                                    | [ICRA]AA @              | [ICRA]AA+ @       | [ICRA]AA+ (stable)       | [ICRA]AA+ (positive)       | [ICRA]AA+ (positive)       | [ICRA]AA+ (positive)                              | [ICRA]AA+ (positive)       | [ICRA]AA+ (positive)       | [ICRA]AA+ (positive)       | [ICRA]AA+ (positive)       | [ICRA]AA+ (stable)       | [ICRA]AA+ (stable)       | [ICRA]AA+ (stable)       | [ICRA]AA+ (stable)       | [ICRA]AA+ (stable)       | [ICRA]AA+ (stable)       | [ICRA]AA+ (stable)       |
| 3                          | Upper Tier II Bond Programme                         | Long Term  | 1,344.10                          | 1,344.10                                    | [ICRA]AA- @             | [ICRA]AA @        | [ICRA]AA (stable)        | [ICRA]AA (positive)        | [ICRA]AA (positive)        | [ICRA]AA (positive)                               | [ICRA]AA (positive)        | [ICRA]AA (positive)        | [ICRA]AA (positive)        | [ICRA]AA (positive)        | [ICRA]AA (stable)        | [ICRA]AA (stable)        | [ICRA]AA (stable)        | [ICRA]AA (stable)        | [ICRA]AA (stable)        | [ICRA]AA (stable)        | [ICRA]AA (stable)        |
| 4                          | Hybrid Tier I Bond Programme                         | Long Term  | 461.00                            | 461.00                                      | [ICRA]AA- @             | [ICRA]AA @        | [ICRA]AA (stable)        | [ICRA]AA (positive)        | [ICRA]AA (positive)        | [ICRA]AA (positive)                               | [ICRA]AA (positive)        | [ICRA]AA (positive)        | [ICRA]AA (positive)        | [ICRA]AA (positive)        | [ICRA]AA (stable)        | [ICRA]AA (stable)        | [ICRA]AA (stable)        | [ICRA]AA (stable)        | [ICRA]AA (stable)        | [ICRA]AA (stable)        | [ICRA]AA (stable)        |
| 5                          | Infrastructure Bond Programme                        | Long Term  | 7,030.00                          | 3,780.00 <sup>^</sup>                       | [ICRA]AA @              | [ICRA]AA+ @       | [ICRA]AA+ (stable)       | [ICRA]AA+ (positive)       | [ICRA]AA+ (positive)       | [ICRA]AA+ (positive)                              | [ICRA]AA+ (positive)       | [ICRA]AA+ (positive)       | [ICRA]AA+ (positive)       | [ICRA]AA+ (positive)       | [ICRA]AA+ (stable)       | [ICRA]AA+ (stable)       | [ICRA]AA+ (stable)       | [ICRA]AA+ (stable)       | [ICRA]AA+ (stable)       | [ICRA]AA+ (stable)       | [ICRA]AA+ (stable)       |
| 6                          | Basel III Compliant Tier II Bond Programme           | Long Term  | 10,900.00                         | 10,899.00 <sup>^</sup>                      | [ICRA]AA (hyb) @        | [ICRA]AA+ (hyb) @ | [ICRA]AA+ (hyb) (stable) | [ICRA]AA+ (hyb) (positive) | [ICRA]AA+ (hyb) (positive) | [ICRA]AA+ (hyb) (positive)                        | [ICRA]AA+ (hyb) (positive) | [ICRA]AA+ (hyb) (positive) | [ICRA]AA+ (hyb) (positive) | [ICRA]AA+ (hyb) (positive) | [ICRA]AA+ (hyb) (stable) | [ICRA]AA+ (hyb) (stable) | [ICRA]AA+ (hyb) (stable) | [ICRA]AA+ (hyb) (stable) | [ICRA]AA+ (hyb) (stable) | [ICRA]AA+ (hyb) (stable) | [ICRA]AA+ (hyb) (stable) |
| 7                          | Basel III Compliant Additional Tier I Bond Programme | Long Term  | 10,800.00                         | 8,695.00 <sup>^</sup>                       | [ICRA]AA- (hyb) @       | [ICRA]AA (hyb) @  | [ICRA]AA (hyb) (stable)  | [ICRA]AA (hyb) (positive)  | [ICRA]AA (hyb) (positive)  | [ICRA]AA (hyb) (positive)                         | [ICRA]AA (hyb) (positive)  | [ICRA]AA (hyb) (positive)  | [ICRA]AA (hyb) (positive)  | [ICRA]AA (hyb) (positive)  | [ICRA]AA (hyb) (stable)  | [ICRA]AA (hyb) (stable)  | [ICRA]AA (hyb) (stable)  | [ICRA]AA (hyb) (stable)  | [ICRA]AA (hyb) (stable)  | [ICRA]AA (hyb) (stable)  | [ICRA]AA (hyb) (stable)  |
| 8                          | Short Term Fixed Deposit Programme                   | Short-term | NA                                | NA  | [ICRA]A1+               | [ICRA]A1+         | [ICRA]A1+                | [ICRA]A1+                  | [ICRA]A1+                  | [ICRA]A1+   | [ICRA]A1+                  | [ICRA]A1+                  | [ICRA]A1+                  | [ICRA]A1+                  | [ICRA]A1+                | [ICRA]A1+                | [ICRA]A1+                | [ICRA]A1+                | [ICRA]A1+                | [ICRA]A1+                | [ICRA]A1+                |

<sup>^</sup> Balance amount yet to be placed

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### **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 |
|--------------|----------------------------------|-----------------------------|-------------|---------------|--------------------------|----------------------------|
| INE528G08196 | Lower Tier II Bonds (Basel II)   | 25-Jul-11                   | 10.30%      | 25-Jul-21     | 322                      | [ICRA]AA@                  |
| INE528G08204 | Lower Tier II Bonds (Basel II)   | 28-Oct-11                   | 10.20%      | 28-Oct-21     | 243                      | [ICRA]AA@                  |
| INE528G08212 | Lower Tier II Bonds (Basel II)   | 28-Mar-12                   | 9.90%       | 28-Mar-22     | 300                      | [ICRA]AA@                  |
| INE528G08220 | Lower Tier II Bonds (Basel II)   | 23-Aug-12                   | 10          | 23-Aug-22     | 300                      | [ICRA]AA@                  |
| INE528G08238 | Lower Tier II Bonds (Basel II)   | 10-Sep-12                   | 10          | 10-Sep-22     | 300                      | [ICRA]AA@                  |
| INE528G09129 | Lower Tier II Bonds (Basel II)   | 16-Oct-12                   | 10          | 16-Oct-22     | 200                      | [ICRA]AA@                  |
| INE528G08246 | Lower Tier II Bonds (Basel II)   | 31-Oct-12                   | 9.90%       | 31-Oct-22     | 260                      | [ICRA]AA@                  |
| INE528G08170 | Lower Tier II Bonds (Basel II)   | 30-Sep-10                   | 9.30%       | 30-Apr-20     | 306                      | [ICRA]AA@                  |
| INE528G08147 | Lower Tier II Bonds (Basel II)   | 22-Jan-10                   | 9.65%       | 22-Jan-20     | 300                      | [ICRA]AA@                  |
| INE528G08154 | Upper Tier II Bonds (Basel II)   | 14-Aug-10                   | 9.65%       | 14-Aug-25     | 440                      | [ICRA]AA-@                 |
| INE528G08162 | Upper Tier II Bonds (Basel II)   | 08-Sep-10                   | 9.50%       | 08-Sep-25     | 200                      | [ICRA]AA-@                 |
| INE528G09103 | Upper Tier II Bonds (Basel II)   | 29-Jun-12                   | 10.25       | 29-Jun-27     | 60                       | [ICRA]AA-@                 |
| INE528G09111 | Upper Tier II Bonds (Basel II)   | 28-Sep-12                   | 10.15       | 28-Sep-27     | 200                      | [ICRA]AA-@                 |
| INE528G08253 | Upper Tier II Bonds (Basel II)   | 10-Nov-12                   | 10.25%      | 10-Nov-27     | 275                      | [ICRA]AA-@                 |
| INE528G09137 | Upper Tier II Bonds (Basel II)   | 27-Dec-12                   | 10.05       | 27-Dec-27     | 169                      | [ICRA]AA-@                 |
| INE528G09046 | Tier I Perpetual Bond (Basel II) | 21-Feb-09                   | 10.25%      | N.A           | 115                      | [ICRA]AA-@                 |
| INE528G09053 | Tier I Perpetual Bond (Basel II) | 09-Mar-09                   | 10.25%      | N.A           | 39                       | [ICRA]AA-@                 |
| INE528G09061 | Tier I Perpetual Bond (Basel II) | 05-Mar-10                   | 10.25%      | N.A           | 82                       | [ICRA]AA-@                 |
| INE528G09079 | Tier I Perpetual Bond (Basel II) | 21-Aug-10                   | 9.90%       | N.A           | 225                      | [ICRA]AA-@                 |
| INE528G08279 | Infrastructure Bonds             | 24-Feb-15                   | 8.85%       | 24-Feb-25     | 1,000                    | [ICRA]AA@                  |
| INE528G08295 | Infrastructure Bonds             | 05-Aug-15                   | 8.95%       | 05-Aug-25     | 315                      | [ICRA]AA@                  |
| INE528G08345 | Infrastructure Bonds             | 30-Sep-16                   | 8.00%       | 30-Sep-26     | 2,135                    | [ICRA]AA@                  |
| INE528G08360 | Infrastructure Bonds             | 29-Dec-16                   | 7.62%       | 29-Dec-23     | 330                      | [ICRA]AA@                  |

| ISIN No      | Instrument Name                              | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (Rs. crore) | Current Rating and Outlook |
|--------------|--|-----------------------------|-------------|---------------|--------------------------|----------------------------|
| INE528G08287 | Basel III compliant Tier 2 Bonds             | 29-Jun-15                   | 9.15%       | 30-Jun-25     | 554                      | [ICRA]AA (hyb) @           |
| INE528G08303 | Basel III compliant Tier 2 Bonds             | 31-Dec-15                   | 8.90%       | 31-Dec-25     | 1,500                    | [ICRA]AA (hyb) @           |
| INE528G08311 | Basel III compliant Tier 2 Bonds             | 15-Jan-16                   | 9.00%       | 15-Jan-26     | 800                      | [ICRA]AA (hyb) @           |
| INE528G08329 | Basel III compliant Tier 2 Bonds             | 20-Jan-16                   | 9.05%       | 20-Jan-26     | 500                      | [ICRA]AA (hyb) @           |
| INE528G08337 | Basel III compliant Tier 2 Bonds             | 31-Mar-16                   | 9.00%       | 31-Mar-26     | 545                      | [ICRA]AA (hyb) @           |
| INE528G08378 | Basel III compliant Tier 2 Bonds             | 29-Sep-17                   | 7.80%       | 29-Sep-27     | 2,500                    | [ICRA]AA (hyb) @           |
| INE528G08386 | Basel III compliant Tier 2 Bonds             | 03-Oct-17                   | 7.80%       | 01-Oct-27     | 1,500                    | [ICRA]AA (hyb) @           |
| INE528G08402 | Basel III compliant Tier 2 Bonds             | 22-Feb-18                   | 8.73%       | 22-Feb-28     | 3,000                    | [ICRA]AA (hyb) @           |
| INE528G08261 | Additional Tier I Perpetual Bonds- BASEL III | 31-Dec-13                   | 10.5        | N.A.          | 280                      | [ICRA]AA- (hyb) @          |
| INE528G08352 | Additional Tier I Perpetual Bonds- BASEL III | 23-Dec-16                   | 9.50%       | N.A.          | 3,000                    | [ICRA]AA- (hyb) @          |
| INE528G08394 | Additional Tier I Perpetual Bonds- BASEL III | 18-Oct-17                   | 9.00%       | N.A.          | 5,415                    | [ICRA]AA- (hyb) @          |
| -            | Certificate of Deposit Programme             | -                           | -           | -             | 20,000                   | [ICRA]A1+                  |
| -            | Short Term Fixed Deposit Programme           | -                           | -           | -             | NA                       | [ICRA]A1+                  |

Source:YBL

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