July 24, 2019

Yes Bank Limited: Long-term ratings downgraded; Outlook remains Negative

Summary of rating action

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]A+ (hyb) (Negative); downgraded from [ICRA]AA- (hyb) (Negative)
Basel II Compliant Lower Tier II Bond Programme	2,530.60	2,530.60	[ICRA]A+ (Negative); downgraded from [ICRA]AA- (Negative)
Basel II Compliant Upper Tier II Bond Programme	1,344.10	1,344.10	[ICRA]A (Negative); downgraded from [ICRA]A+ (Negative)
Basel II Compliant Tier I Bond Programme	307.00	307.00	[ICRA]A (Negative); downgraded from [ICRA]A+ (Negative)
Infrastructure Bond Programme	7,030.00	7,030.00	[ICRA]A+ (Negative); downgraded from [ICRA]AA- (Negative)
Basel III Compliant Additional Tier I Bond Programme	10,800.00	10,800.00	[ICRA]BBB+ (hyb) (Negative); downgraded from [ICRA]A (hyb) (Negative)
Short-term Fixed Deposit Programme	NA	NA	[ICRA]A1+; reaffirmed
Certificates of Deposit Programme	20,000.00	20,000.00	[ICRA]A1+; reaffirmed
Basel II Compliant Tier I Bond Programme	154.00	-	[ICRA]A (Negative) downgraded from [ICRA]A+ (Negative) and withdrawn
Total	**53,065.70**	**52,911.70**	

The rating for the Basel III Compliant AT-I Bonds is three notches lower than the rating for the Basel III Compliant Tier II Bonds of Yes Bank Limited (YBL) as these instruments have the following loss-absorption features that make them riskier.

- The coupon payments are non-cumulative and discretionary, and the bank has full discretion at all times to the cancel the coupon payments. The cancellation of discretionary payments shall not be an event of default.
- Coupons can be paid out of the current year's profits. However, if the current year's profit is not sufficient or if the payment of the coupon is likely to result in a loss, the coupon payment can be made through the reserves and surpluses created through the appropriation of profits (including statutory reserves) [1]. However, the coupon payment is subject to the bank meeting the minimum regulatory requirements for common equity tier I *(*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 CET-I ratio as prescribed by the RBI, 5.5% till March 2020, and thereafter 6.125% of the total risk weighted assets (RWAs) of the bank or when the point of non-viability trigger is breached in the RBI's opinion.

[1] *The reserves, which can be used for coupon servicing in a year of loss, stood at ~5.1% of RWAs as on June 30, 2019 for YBL compared to 5.3% as on March 31, 2019. The decline was on account of an increase in RWAs, even though the absolute amount of reserves increased*

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.
The one notch lower rating assigned to the Basel II Upper Tier II Bonds and Basel II Compliant Tier I Bond Programme compared with the rating for the bank's Tier II Bonds reflects the specific features of these instruments wherein the debt servicing is additionally linked to meeting the regulatory norms on capitalisation and reported profitability. The regulatory norms for hybrid debt capital instruments need regulatory approval from the RBI for debt servicing (including principal repayments) in case the bank reports a loss and is not liable to service the debt if it breaches the minimum regulatory capitalisation norms, i.e. CRAR of 9.0% without CCB.

ICRA has withdrawn the ratings for Rs. 154 crore Basel II Compliant Tier I Bond Programme as the amount has been redeemed.

Rationale

ICRA had earlier downgraded its long-term ratings on YBL, on May 3, 2019, and had kept them on a Negative outlook (click here for the previous rationale). The bank's ability to reduce its BB and below rated exposures through resolution and prevent a further increase in the same, as well as its ability to improve its CET-I capital cushion, were highlighted as key rating sensitivities among others.

The rating downgrade factors in the increase in stress, as reflected by the increase in BB and below rated exposures despite slippages from these exposures, as well as the lack of resolutions. YBL's gross non-performing advances (GNPAs) and BB and below rated exposures increased to Rs. 41,558 crore as on June 30, 2019 from Rs. 30,772 crore as on March 31, 2019. After the provisions made on these exposures, the net BB and below rated exposures and net NPAs (NNPAs) were Rs. 34,082 crore as on June 30, 2019 compared to Rs. 24,741 crore as on March 31, 2019. With the increased stressed portfolio, the credit provisioning is expected to remain high, translating into a moderation in the earnings profile in the near term. Any normalisation thereafter will be driven by the resolution of stressed advances. Given the sizeable stressed exposure in relation to the equity capital, the accelerated resolution of these exposures would remain a key rating sensitivity. The inability to reduce the stressed exposure book or a further increase in the same will remain a rating negative.

The rating downgrade also factors in the further weakening in YBL's core equity (CET-I) capital cushions with the growth in RWAs and elevated provisioning leading to subdued profitability. The CET-I declined to 8.0% as on June 30, 2019 (8.4% as on March 31, 2019 and 9.70% as on March 31, 2018) against the minimum regulatory requirement of 7.375% for March 31, 2019 and 8.0% for March 31, 2020[2]. Hence, the bank would need to raise capital on an immediate basis. While the board has approved a capital raise of $1 billion, YBL's ability to raise capital considering its recent performance and earnings guidance remains to be seen. The bank will also need to accelerate the resolution and recovery from stressed exposures and will also need to calibrate growth to restore the capital cushion.

YBL reported high slippages in Q1 FY2020, which resulted in high provisioning apart from mark-to-market (MTM) provisions on the corporate investment book. The earnings continue to be impacted by the decline in corporate fees, given the relative reduction in fresh corporate lending and increased focus on the retail lending segment, as well as the amortisation of high-ticket fee income over the tenure of the loans instead of the earlier practice of upfront recognition. While management maintained the guidance of credit costs of 125 bps in FY2020 (32 bps consumed in Q1 FY2020 in

[2] *Including CCB of 1.875% as on March 31, 2019 and 2.50% from March 31, 2020 onwards*

addition to the partial consumption of contingency provisions made in Q4 FY2019), the ability to remain within the guided provisioning levels will be driven by the resolutions in the stressed book.

ICRA takes note of the stability in the bank's overall deposits base, even though the current account and savings account (CASA) deposits declined in Q1 FY2020 while term deposits (TDs) witnessed a growth, which could be a negative for the cost of funds and earnings. The CASA deposits plus retail TDs stood at 58.2% of the total deposits as on June 30, 2019 (58.8% as on March 31, 2019 and 57.2% as on March 31, 2018). YBL, under its new MD& CEO, has guided towards improved focus on the granularisation of liabilities, as the cost of interest-bearing funds for the bank remains high in relation to the private banks' average. Further, the management guided towards an increase in the share of granular retail and small and medium enterprise (SME) assets to ~50% over the medium to long term from the existing level of 36.1% (up from 34.4% as on March 31, 2019 and 32.1% as on March 31, 2018), even though the same will remain dependent on the bank's ability to raise growth capital. The ratings continue to factor in YBL's position as the fourth largest private sector bank, in terms of total assets as on March 31, 2019, its satisfactory operating profitability and wide branch network. These strengths are offset by the deterioration in its asset quality, increase in the stressed portfolio, weakened capital cushion, the relatively high though steadily declining share of wholesale liabilities as well as the relatively high exposure to the corporate sector.

The rating on the AT-I bonds has been downgraded by two notches, given the further weakening in the capital cushions, as well as the increase in the BB and below rated advances, thereby weakening the outlook on profitability. The distributable reserves[3], in relation to RWAs, stood at 5.1% as on June 30, 2019 compared to 5.3% as on March 31, 2019. In ICRA's view, the ability to maintain the capital ratios above the regulatory thresholds (while maintaining NNPAs below 6.0%) will be critical for servicing these bonds and will remain a rating trigger for these bonds.

Outlook: Negative

With a sizeable increase in GNPAs and BB and below rated exposures and the weakened capital cushions, the outlook on the ratings remains Negative. The bank's ability to resolve these advances in a timely manner will remain a key driver of its asset quality, profitability and capital position. YBL's ability to reduce its GNPAs plus BB and below rated exposures, improve the CET-I capital cushion and diversify the advances and liabilities will result in a change in the outlook to Stable from Negative.

Conversely, the ratings could be downgraded if the GNPAs plus BB and below rated exposures materially increase or if there are delayed/limited recoveries in stressed exposures, resulting in higher-than-expected credit provisioning. Moreover, given the immediate need for improvement in the capital cushion, the inability to do so or to granularise the advances and liabilities will be a credit negative.

Key rating drivers

Credit strengths

Focus on improving the share of granular loan book, going forward – YBL reported a YoY growth of 19% in advances in FY2019 to Rs. 2,41,500 crore as on March 31, 2019 (54% in FY2018). With a sequential degrowth of 4.3% in Q4 FY2019 in the corporate sector, YBL's overall growth moderated on a YoY basis in FY2019 compared to the previous year. Further, overall advances for the bank degrew by 2.2% on a sequential basis in Q1 FY2020 to Rs. 2,36,300 crore with the corporate book declining by 4.5%. The slowdown in corporate advances was due to the limited capital cushion and the

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[3] *Calculated as per the amendment in Basel III capital regulations for AT-I bonds by the RBI, vide its circular dated February 2, 2017. As per the amended definition, distributable reserves include all reserves created through appropriation from the profit and loss account*

management's focus on growing the retail book. As a result, while the loan book remains dominated by corporate advances, its share has reduced to 63.9% of the total advances as on June 30, 2019 (65.6% as on March 31, 2019 and 67.9% as on March 31, 2018). Retail loans, however, continued to grow, albeit on a small base with a growth of 43% YoY in Q1 FY2020 (share of 18.3% as on June 30, 2019 compared to 16.7% as on March 31, 2019 and 12.2% as on March 31, 2018). Within this segment, SMEs grew 15.2% YoY (share of 10.1% as on June 30, 2019 compared to 9.9% as on March 31, 2019 and 10.3% as on March 31, 2018) while loans to medium enterprises declined by 3.3% YoY (share of 7.7% as on June 30, 2019 compared to 7.8% as on March 31, 2019 and 9.7% as on March 31, 2018). Given the current capital cushion, the bank's credit growth is dependent on its ability to raise growth capital. ICRA notes YBL's strategy to increase the share of retail advances and improve the granularity of the loan book. As a result, the growth in corporate advances is expected to remain low, going forward. As per the guidance given by the management, the share of retail and SME is expected to increase to 50% over the medium to long term (from 36.1% as on June 30, 2019) with corporate being 50% (higher than the sector average of ~40%).

Stable deposit profile offset by decline in CASA base – The bank's CASA and retail term deposits were stable at 58.2% of the total deposits as on June 30, 2019 (58.8% as on March 31, 2019; higher than 47.9% as on March 31, 2015). While the share of retail TDs increased to 28.0% of total deposits as on June 30, 2019 from 25.7% as on March 31, 2019, it was offset by a decline in CASA deposits to 30.2% of total deposits as on June 30, 2019 (33.1% as on March 31, 2019 and 36.5% as on March 31, 2018). The decline in current accounts (CA) was primarily on account of a reduction in CA balances with the decreased focus on the corporate lending segment. ICRA takes note of the growth in CASA deposits over the years (33.1% as on March 31, 2019 from 23.1% as on March 31, 2015) largely due to the bank's branch expansion and the leveraging of its existing branch network and partly due to demonetisation. YBL continues to offer differentiated rates on savings accounts, which supported its CASA balances growth, apart from the continuous expansion of its branch network. The bank's CASA base and the share of retail deposits still remain lower compared to its higher rated peers. Further, the rapid growth in advances witnessed by the bank in FY2018 and H1 FY2019 led to an increase in the share of non-retail TDs to 42.8% as on September 30, 2018 from 38.5% as on March 31, 2017. As the growth in advances moderated in H2 FY2019, the reliance on bulk deposits reduced with the share of non-retail TDs of 41.2% as on March 31, 2019. With expected moderation in credit growth, the requirement of raising bulk deposits may reduce if retail TDs continue to improve. YBL's ability to retain its deposit base will remain a key monitorable for liquidity, even as reducing the CASA deposit base will remain a negative for its cost of funds and profitability.

Credit challenges

Decline in operating profitability on account of interest reversals and moderation in fee income – Historically, the bank's non-interest income has remained robust, accounting for almost a third of its operating income. However, with the moderation in the growth in corporate advances since H2 FY2019, the corporate fee income, which accounted for 37% of the overall non-interest income in FY2019 (43% in FY2018) has declined, thereby impacting the bank's non-interest income. The non-interest income declined to 1.3% of average total assets (ATA) in FY2019 from 2.0% in FY2018. Further, with the degrowth in the corporate book in Q1 FY2020, the corporate fee income accounted for ~7% of the non-interest income[4]. Given the increased focus on the retail lending segment as well as the amortisation of high-ticket fee income over the tenure of loans instead of the earlier practice of upfront recognition, the non-interest income is expected to be lower going forward. Apart from non-interest income, the net interest margins (NIMs; computed as a percentage of average total assets [ATA]) were lower at 2.4% in Q1 FY2020 (2.8% in FY2019 and 2.9% in FY2018) because

[4] *Non Interest Income and Operating Profit are excluding treasury gains*

of the impact of interest reversals on slippages and the increase in the cost of interest-bearing funds. With the lower non-interest income and lower NIMs, YBL's operating profitability declined to 1.6% of ATA in Q1 FY2020 (2.3% of ATA in FY2019 and 2.7% in FY2018). The ability to arrest fresh slippages and maintain and improve low-cost CASA deposits will drive the operating profitability going ahead.

Significant increase in GNPAs and BB and below rated exposures; ability to resolve and reduce will drive profitability and capitalisation – The bank's reported asset quality deteriorated further in Q1 FY2020 with gross and net NPA of 5.0% and 2.9%, respectively (3.2% and 1.9%, respectively, as on March 31, 2019; 1.3% and 0.6%, respectively, as on March 31, 2018). YBL's net slippages stood high at Rs. 4,553 crore in Q1 FY2020 with annualised fresh NPA generation of 7.7% (Rs. 5,725 crore and 2.8%, respectively, in FY2019). Despite the slippages in Q1 FY2020 being from the BB and below rated exposures, these exposures increased significantly to Rs. 29,470 crore (9.4% of gross exposures) as on June 30, 2019 from ~Rs. 23,000 crore (7.1%) as on March 31, 2019 partly on account of a downgrade in the ratings of the bank's investment in two corporate groups.

The high slippages reported by YBL in Q1 FY2020 resulted in high credit provisioning, which coupled with the increased MTM provisions on corporate investments book as the underlying credit quality of these investments deteriorated resulted into high provisioning for Q1FY2020. Despite the utilisation of Rs. 1,399 crore out of the contingency provision of Rs. 2,100 crore created in Q4 FY2019, the bank's provisions (including MTM provisions) at 1.9% of ATA remained higher than its operating profits in Q1 FY2020 (credit provisions of 3.9% in Q4 FY2019 and 0.78% in Q1 FY2019). Supported by treasury gains of Rs. 450 crore on Government securities, YBL reported a marginal profit of Rs. 114 crore (0.12% of ATA) compared to a net loss of Rs. 1,507 crore in Q4 FY2020 (net loss of 1.6%) and net profits of Rs. 1,260 crore in Q1FY2019(1.56%). Despite an increase in the stressed book, management continues to maintain the guidance of credit costs of 125 bps in FY2020 (32 bps consumed in Q1 FY2020 in addition to the partial consumption of contingency provisions). The actual credit provisioning will be driven by resolutions in the stressed book.

The NNPAs and net BB and below rated exposures are sizeable and the bank's capitalisation would be driven by the extent of resolution and recovery in the existing stressed advances. Further, the ability to reduce the stressed book will be a key monitorable.

Weakened capital cushions; immediate need to raise capital – With the high credit growth witnessed by the bank in FY2018 and H1 FY2019, its capital consumption has been higher than its internal accruals. Further, with YBL reporting a loss in Q4 FY2019, its capital cushion deteriorated. While the bank reported a net profit in Q1 FY2020, the profitability was weak (0.12% of ATA). Moreover, the capitalisation was impacted by the increase in RWAs, given the regulatory requirement of an increase in risk weights for unrated exposures to 150% from 100%, apart from the higher capital requirements because of rating downgrades of exposures. YBL's overall capital adequacy under Basel III stood at 15.7% with CET-I of 8.0% as on June 30, 2019 (16.5% and 8.4% as on March 31, 2019). While the CET-I of 8.0% as on June 30, 2019 was higher than the RBI threshold of 7.375% as on March 31, 2019, the need to raise capital is immediate, given the CET-I requirement of 8.0% for March 31, 2020. The board has approved a capital raise of $1 billion though YBL's ability to raise capital, given its recent performance and earnings guidance, can be a challenge and needs to be watched. The bank will need to accelerate the resolution and recovery from BB and below rated advances and will also need to calibrate growth to improve the capital cushion. Increased slippages translating into high credit provisions could further weaken YBL's capital ratios. In case the capital cushions remain weak or deteriorate further, the same will remain a credit negative.

High share of wholesale liabilities leading to higher cost of interest-bearing funds – 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 (41.8% as on June

30, 2019) compared to the higher rated peer banks. As a result, the cost of interest-bearing funds is higher compared to the private banks' average (6.5% for FY2019 compared to private banks' average of 5.4%). Going forward, YBL'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. Management has guided towards reduced cost of interest-bearing funds, which will be critical for profitability in the backdrop of lower corporate fee income.

Concentrated loan book with high share of corporate advances – YBL's exposure to the corporate sector remained high at 63.9% as on June 30, 2019 (65.6% as on March 31, 2019 and 67.9% as on March 31, 2018) compared to the banking sector average of ~40%. The high share of corporate advances has impacted the bank's asset quality. YBL's top 10 group exposures accounted for 18.8% of the total exposures and 272% of the Tier I capital as on March 31, 2019, while the top 20 advances stood at 14.3% of the overall advances as on March 31, 2019. Going forward, the bank's ability to improve the granularity of the loan book will be a key monitorable.

Liquidity position

The bank's daily average liquidity coverage ratio (LCR) of 117.3% for Q1 FY2020 and 110.9% for Q4 FY2019 compared to the RBI's requirement of 100% as on January 1, 2019 remains comfortable. YBL's deposits have remained stable and will remain critical for its liquidity profile. According to the structural liquidity statement as of May 15, 2019, YBL has 1-year negative cumulative asset-liability mismatches of 10.8% of total outflows (5.9% including off-balance sheet exposure) compared to 8.0% as on March 31, 2019. ICRA draws comfort from the bank's access to call money markets and the RBI's repo and marginal standing facility mechanism in case of urgent liquidity requirement.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA Rating Methodology for Banks
Parent/Group Support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financial statements of YBL

About the company

YBL is a new private sector bank that was 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 March 31, 2019, the bank had a network of 1,120 branches. It also has a branch in Gift City. YBL's regulatory capital adequacy ratio (Basel III) stood at 15.7% (CET-I of 8.0% and Tier I of 10.7%) as on June 30, 2019.

Key financial indicators (audited)

	FY2018	FY2019	Q1 FY2019	Q1 FY2020
Net interest income	7,737	9,809	2,219	2,281
Profit before tax	6,194	2,357	1,829	175
Profit after tax	4,225	1,720	1,260	114
Net advances	2,03,534	2,41,500	2,14,720	2,36,300
Total assets	3,12,446	3,80,826	3,32,549	3,71,161
% CET	9.7%	8.4%	9.5%	8.0%
% Tier I	13.2%	11.3%	12.80%	10.7%
% CRAR	18.4%	16.5%	17.3%	15.7%
% Net interest margin / Average total assets	2.9%	2.8%	2.75%	2.43%
% Net profit / Average total assets	1.6%	0.5%	1.56%	0.12%
% Return on net worth	17.7%	6.5%	19.36%	1.69%
% Gross NPAs	1.28%	3.22%	1.31%	5.01%
% Net NPAs	0.64%	1.86%	0.59%	2.91%
% Provision coverage excl. technical write-offs	50.02%	43.10%	55.30%	43.10%
% Net NPA/ Net worth	5.10%	16.67%	4.80%	25.98%

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

Sr. No.	Name of Instrument	Type	Rated amount (Rs. crore)	Amount Outstanding (Rs. crore)	Current Rating (FY2020)		Chronology of Rating History for the Past 3 Years											
							FY2019					FY2018				FY2017		
					Jul-19	May 19	Nov-18	Nov 2018	Sep 2018	August 2018	April 2018	Feb 2018	Nov 2017	Oct 2017	Sep 2017	Aug 2017	March 2017	Oct 2016
1	Certificates 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+
2	Basel II Compliant Lower Tier II Bond Programme	Long Term	2,530.60	2,530.60	[ICRA]A+ (Negative)	[ICRA]AA- (Negative)	[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)
3	Basel II Compliant Upper Tier II Bond Programme	Long Term	1,344.10	1,344.10	[ICRA]A (Negative)	[ICRA]A+ (Negative)	[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)
4	Basel II Compliant Tier I Bond Programme	Long Term	307.00	307.00	[ICRA]A (Negative)	[ICRA]A+ (Negative)	[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)
5	Infrastructure Bond Programme	Long Term	7,030.00	3,780.00^	[ICRA]A+ (Negative)	[ICRA]AA- (Negative)	[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)
6	Basel III Compliant Tier II Bond Programme	Long Term	10,900.00	10,899.00^	[ICRA]A+ (hyb) (Negative)	[ICRA]AA- (hyb) (Negative)	[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)
7	Basel III Compliant Additional Tier I Bond Programme	Long Term	10,800.00	8,695.00^	[ICRA]BBB+ (hyb) (Negative)	[ICRA]A (hyb) (Negative)	[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]A+ (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+
9	Basel II Compliant Tier I	Long Term	154.00	154.00	[ICRA]A+ (Negative);	[ICRA]A+ (Negative)	[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)

Sr. No.	Name of Instrument	Current Rating (FY2020)				Chronology of Rating History for the Past 3 Years												
						FY2019						FY2018					FY2017	
		Type	Rated amount (Rs. crore)	Amount Outstanding (Rs. crore)	Jul-19	May 19	Nov-18	Nov 2018	Sep 2018	August 2018	April 2018	Feb 2018	Nov 2017	Oct 2017	Sep 2017	Aug 2017	March 2017	Oct 2016
	Bond Programme				withdrawn													

^ Balance amount yet to be placed

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

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	Basel II Compliant Lower Tier II Bond Programme	25-Jul-11	10.30%	25-Jul-21	322	[ICRA]A+(Negative)
INE528G08204	Basel II Compliant Lower Tier II Bond Programme	28-Oct-11	10.20%	28-Oct-21	243	[ICRA]A+(Negative)
INE528G08212	Basel II Compliant Lower Tier II Bond Programme	28-Mar-12	9.90%	28-Mar-22	300	[ICRA]A+(Negative)
INE528G08220	Basel II Compliant Lower Tier II Bond Programme	23-Aug-12	10	23-Aug-22	300	[ICRA]A+(Negative)
INE528G08238	Basel II Compliant Lower Tier II Bond Programme	10-Sep-12	10	10-Sep-22	300	[ICRA]A+(Negative)
INE528G09129	Basel II Compliant Lower Tier II Bond Programme	16-Oct-12	10	16-Oct-22	200	[ICRA]A+(Negative)
INE528G08246	Basel II Compliant Lower Tier II Bond Programme	31-Oct-12	9.90%	31-Oct-22	260	[ICRA]A+(Negative)
INE528G08170	Basel II Compliant Lower Tier II Bond Programme	30-Sep-10	9.30%	30-Apr-20	306	[ICRA]A+(Negative)
INE528G08147	Basel II Compliant Lower Tier II Bond Programme	22-Jan-10	9.65%	22-Jan-20	300	[ICRA]A+(Negative)
INE528G08154	Basel II Compliant Upper Tier II Bond Programme	14-Aug-10	9.65%	14-Aug-25	440	[ICRA]A (Negative)
INE528G08162	Basel II Compliant Upper Tier II Bond Programme	08-Sep-10	9.50%	08-Sep-25	200	[ICRA]A (Negative)
INE528G09103	Basel II Compliant Upper Tier II Bond Programme	29-Jun-12	10.25	29-Jun-27	60	[ICRA]A (Negative)
INE528G09111	Basel II Compliant Upper Tier II Bond Programme	28-Sep-12	10.15	28-Sep-27	200	[ICRA]A (Negative)
INE528G08253	Basel II Compliant Upper Tier II Bond Programme	10-Nov-12	10.25%	10-Nov-27	275	[ICRA]A (Negative)
INE528G09137	Basel II Compliant Upper Tier II Bond Programme	27-Dec-12	10.05	27-Dec-27	169	[ICRA]A (Negative)
INE528G09061	Basel II Compliant	05-Mar-10	10.25%	N.A	82	[ICRA]A (Negative)

ISIN No.	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
	Tier I Bond Programme					
INE528G09079	Basel II Compliant Tier I Bond Programme	21-Aug-10	9.90%	N.A	225	[ICRA]A (Negative)
INE528G08279	Infrastructure Bonds	24-Feb-15	8.85%	24-Feb-25	1,000	[ICRA]A+ (Negative)
INE528G08295	Infrastructure Bonds	05-Aug-15	8.95%	05-Aug-25	315	[ICRA]A+ (Negative)
INE528G08345	Infrastructure Bonds	30-Sep-16	8.00%	30-Sep-26	2,135	[ICRA]A+ (Negative)
INE528G08360	Infrastructure Bonds	29-Dec-16	7.62%	29-Dec-23	330	[ICRA]A+ (Negative)
INE528G08287	Basel III Compliant Tier 2 Bonds	29-Jun-15	9.15%	30-Jun-25	554	[ICRA]A+ (hyb) (Negative)
INE528G08303	Basel III Compliant Tier 2 Bonds	31-Dec-15	8.90%	31-Dec-25	1,500	[ICRA]A+ (hyb) (Negative)
INE528G08311	Basel III Compliant Tier 2 Bonds	15-Jan-16	9.00%	15-Jan-26	800	[ICRA]A+ (hyb) (Negative)
INE528G08329	Basel III Compliant Tier 2 Bonds	20-Jan-16	9.05%	20-Jan-26	500	[ICRA]A+ (hyb) (Negative)
INE528G08337	Basel III Compliant Tier 2 Bonds	31-Mar-16	9.00%	31-Mar-26	545	[ICRA]A+ (hyb) (Negative)
INE528G08378	Basel III Compliant Tier 2 Bonds	29-Sep-17	7.80%	29-Sep-27	2,500	[ICRA]A+ (hyb) (Negative)
INE528G08386	Basel III Compliant Tier 2 Bonds	03-Oct-17	7.80%	01-Oct-27	1,500	[ICRA]A+ (hyb) (Negative)
INE528G08402	Basel III Compliant Tier 2 Bonds	22-Feb-18	8.73%	22-Feb-28	3,000	[ICRA]A+ (hyb) (Negative)
INE528G08261	Basel III Compliant Additional Tier I Bond Programme	31-Dec-13	10.5	N.A.	280	[ICRA]BBB+ (hyb) (Negative)
INE528G08352	Basel III Compliant Additional Tier I Bond Programme	23-Dec-16	9.50%	N.A.	3,000	[ICRA]BBB+ (hyb) (Negative)
INE528G08394	Basel III Compliant Additional Tier I Bond Programme	18-Oct-17	9.00%	N.A.	5,415	[ICRA]BBB+ (hyb) (Negative)
-	Certificates of Deposit Programme	-	-	-	20,000	[ICRA]A1+
-	Short-term Fixed Deposit Programme	-	-	-	NA	[ICRA]A1+

Source: YBL

ANALYST CONTACTS

Karthik Srinivasan
+91 22 6114 3444
karthiks@icraindia.com

Anil Gupta
+91 124 4545 314
anilg@icraindia.com

Neha Parikh
+91 22 6114 3426
neha.parikh@icraindia.com

Sainath Chandrasekaran
+91 22 6114 3439
Sainath.chandrasekaran@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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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.

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For more information, visit www.icra.in

ICRA Limited

Corporate Office
Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002
Tel: +91 124 4545300
Email: info@icraindia.com
Website: www.icra.in

Registered Office
1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001
Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87
Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore + (91 80) 2559 7401/4049
Ahmedabad+ (91 79) 2658 4924/5049/2008
Hyderabad + (91 40) 2373 5061/7251
Pune + (91 20) 2556 0194/ 6606 9999