

October 26, 2026

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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Madam/Sir,

Revision in Rating by ICRA

This is to inform that ICRA Ratings vide its report dated October 26, 2026 has placed IDBI Bank Limited's long-term ratings on [ICRA] AA on Rating Watch with Developing Implications and the rating assigned to Bank's Certificate of Deposit Programme remains unchanged at [ICRA]A1+. The detailed report is attached herewith.

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

Yours faithfully,
For IDBI Bank Ltd.

JYOTHI
BIJU NAIR
Digitally signed
by JYOTHI BIJU
NAIR
Date: 2026.10.26
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Company Secretary

October 26, 2026

IDBI Bank Limited: Long-term rating placed on Watch with Developing Implications

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulators#
Infrastructure bonds	10,000.00	10,000.00	[ICRA]AA; placed on Rating Watch with Developing Implications	SEBI
Senior bonds	3.00	3.00	[ICRA]AA; placed on Rating Watch with Developing Implications	SEBI
Basel III Tier II bonds	3,100.00	3,100.00	[ICRA]AA; placed on Rating Watch with Developing Implications	SEBI
Fixed deposits programme	-	-	[ICRA]AA; placed on Rating Watch with Developing Implications	..+
Certificates of deposit programme	35,000.00	35,000.00	[ICRA]A1+; outstanding	RBI
Total	48,103.00	48,103.00		

*Instrument details are provided in Annexure I

SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of financial sector regulators (FSRs) other than SEBI

* To be finalised following a discussion with the regulatory authorities

Rationale

Material event

In a press release dated October 14, 2026, the Ministry of Finance announced the Government of India's (GoI) approval for the strategic restructuring of IDBI Bank Limited (IDBI). As a part of the transaction, a 60.72% equity stake in the bank, subject to requisite regulatory approvals, will be acquired by M/S 10955230 Canada Inc. (Canada Inc), a wholly-owned subsidiary of Fairfax Financial Holdings Ltd. (Fairfax; rated baa2 by Moody's), which emerged as the successful strategic bidder. The acquisition comprises the purchase of a 30.48% stake held by the GoI and a 30.24% stake held by Life Insurance Corporation of India (LIC) for an aggregate consideration of Rs. 52,878 crore, translating into a purchase price of Rs. 81 per share. Upon completion of the transaction, the GoI and LIC will retain residual stakes of 15.0% and 19.0%, respectively, and will cease to be controlling shareholders of the bank.

Fairfax is a Canada-based diversified insurance and investment holding company headquartered in Toronto and led by its founder, Chairman and Chief Executive Officer, Prem Watsa. It has a well-established global presence through its property and casualty insurance, reinsurance and investment operations, with key subsidiaries including Odyssey Group, Allied World, Crum & Forster, Northbridge Financial, Zenith National and Brit Limited. As on December 31, 2025, Fairfax reported total assets of \$107.8 billion, shareholders' equity of \$26.3 billion and a net profit of \$4.8 billion.

Impact of material event

Upon the completion of the transaction on the receipt of the requisite regulatory approvals, Fairfax, through its acquisition vehicle, will become the promoter of IDBI, acquiring a controlling stake of 60.72% along with management control. It has stated its intention to transform IDBI into a leading financial services platform and will look to consolidate its interests in Go Digit Insurance and IIFL Capital Services to the bank, subject to regulatory approvals. Additionally, Fairfax's existing investment in another private sector bank will remain a monitorable factor from a regulatory and ownership perspective.

ICRA has placed IDBI's long-term rating on Watch with Developing Implications and will continue to monitor the progress of the transaction, including the receipt of requisite regulatory approvals, Fairfax's strategic plans for IDBI, the extent of its

involvement in the bank's operations and governance framework, and any implications for the bank's financial profile. ICRA will resolve the rating watch as more clarity emerges on these aspects.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, environmental and social risks, and rating sensitivities: [Click here](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	ICRA's Rating Methodology for Banks and Financial Institutions
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financials of IDBI. However, in line with ICRA's consolidation approach, the standalone assessment of the bank factors in the ordinary and extraordinary support that it is expected to extend to its subsidiaries.

About the company

IDBI Bank Limited, founded in 1964, is a private sector bank headquartered in Mumbai. It was a public sector bank till February 2019 with the GoI holding a majority stake. In January 2019, LIC increased its stake in the bank to 51% by infusing capital of Rs. 21,624 crore, resulting in the dilution of the GoI's ownership to 46.46% as on January 24, 2019 from 85.96%. LIC maintained its holding at 51% during the subsequent capital raise of Rs. 9,300 crore in September 2020, while the GoI's share remained at a similar level of 47.11%. However, LIC's and the GoI's stakes in the bank declined to 49.24% and 45.48%, respectively, after it raised capital via a qualified institutional placement (QIP) in FY2021. Given the decline in the GoI's majority shareholding, the Reserve Bank of India (RBI) classified IDBI as a private sector bank w.e.f. March 2019. As on March 31, 2026, the bank operated a network of 2,174 branches and 3,011 ATMs across India.

Pursuant to the strategic disinvestment process initiated by it in 2022, the GoI made an announcement on October 14, 2026 regarding the approval of Canada Inc.; a wholly-owned subsidiary of Fairfax Financial Holdings Ltd.) as the strategic buyer of IDBI. Under the proposed transaction, Fairfax will acquire a controlling stake of 60.72%, comprising 30.48% held by the GoI and 30.24% held by LIC, for a total consideration of Rs. 52,878 crore (Rs. 81 per share).

Key financial indicators (standalone)

IDBI Bank	FY2025	FY2026	H1 FY2027
Total income	18,738	17,629	18,438
Profit after tax	7,515	9,512	4,321
Total assets (Rs. lakh crore)	4.01	4.58	4.74
CET I	23.51%	25.56%	26.55%
CRAR	25.05%	26.65%	27.10%
PAT/ATA	1.99%	2.21%	1.85%^
Gross NPA	3.06%	2.39%	2.12%
Net NPA	0.15%	0.15%	0.17%

Source: IDBI, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore unless mentioned otherwise

Total assets exclude revaluation reserves; Total income includes net interest income and non-interest income (excluding trading profit)

^Annualised

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

Name of instrument	Current (FY2027)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	FY2027			2026		FY2025		FY2024	
			Oct 26, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Basel III Tier II bonds	Long term	3,100.00	[ICRA]AA; Rating Watch with Developing Implications	Aug 28, 2026	[ICRA]AA (Stable)	Sep 18, 2025	[ICRA]AA (Stable)	Jan 17, 2025	[ICRA]AA (Stable)	Aug 11, 2023	[ICRA]AA- (Stable)
								Aug 02, 2024	[ICRA]AA (Stable)		
Infrastructure bonds	Long term	10,000.00	[ICRA]AA; Rating Watch with Developing Implications	Aug 28, 2026	[ICRA]AA (Stable)	Sep 18, 2025	[ICRA]AA (Stable)	Jan 17, 2025	[ICRA]AA (Stable)	Aug 11, 2023	[ICRA]AA- (Stable)
								Aug 02, 2024	[ICRA]AA (Stable)		
Senior bonds	Long term	3.00	[ICRA]AA; Rating Watch with Developing Implications	Aug 28, 2026	[ICRA]AA (Stable)	Sep 18, 2025	[ICRA]AA (Stable)	Jan 17, 2025	[ICRA]AA (Stable)	Aug 11, 2023	[ICRA]AA- (Stable)
								Aug 02, 2024	[ICRA]AA (Stable)		
Fixed deposits programme	Long term	-	[ICRA]AA; Rating Watch with Developing Implications	Aug 28, 2026	[ICRA]AA (Stable)	Sep 18, 2025	[ICRA]AA (Stable)	Jan 17, 2025	[ICRA]AA (Stable)	Aug 11, 2023	[ICRA]AA- (Stable)
								Aug 02, 2024	[ICRA]AA (Stable)		
Certificates of deposit	Short term	35,000.00	[ICRA]A1+	Aug 28, 2026	[ICRA]A1+	Sep 18, 2025	[ICRA]A1+	Jan 17, 2025	[ICRA]A1+	Aug 11, 2023	[ICRA]AA- (Stable)
								Aug 02, 2024	[ICRA]A1+		

Complexity level of the rated instruments

Instrument	Complexity indicator
Infrastructure bonds	Simple
Senior bonds	Simple
Basel III Tier II bonds	Highly Complex
Fixed deposits programme	Simple
Certificates of deposit programme	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook	Financial Sector Regulators [#]
INE008A08R30*	Senior bonds	Jun 13, 2009	9.56%	Jun 13, 2029	1.00	[ICRA]AA; Rating Watch with Developing Implications	SEBI
INE008A08R71*	Senior bonds	Sep 26, 2009	9.67%	Sep 26, 2029	2.00	[ICRA]AA; Rating Watch with Developing Implications	SEBI
Proposed	Infrastructure bonds	NA	NA	NA	10,000.00	[ICRA]AA; Rating Watch with Developing Implications	SEBI
Proposed	Basel III Tier II bonds	NA	NA	NA	3,100.00	[ICRA]AA; Rating Watch with Developing Implications	SEBI
NA	Fixed deposits	NA	NA	NA	-	[ICRA]AA; Rating Watch with Developing Implications	- ⁺
Unplaced [@]	Certificates of deposit [^]	NA	NA	7-365 days	35,000.00	[ICRA]A1+	RBI

Source: IDBI

[#] SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI

⁺ To be finalised following a discussion with the regulatory authorities

[^] As on August 27, 2026; ^{*}Call option exercised on Sep 15, 2026, [@]Yet to be issued/allocated

Key features of the rated instruments

The servicing of the senior bonds, infrastructure bonds, fixed deposits and certificates of deposit is not subject to any capital ratios and profitability. However, the Basel III Tier II bonds are expected to absorb losses once the point of non-viability (PONV) trigger is invoked. The Basel III instrument is a hybrid subordinated instrument with equity-like loss-absorption features. Such features may translate into higher loss severity vis-à-vis conventional debt instruments.

Annexure II: List of entities considered for limited consolidated analysis

Company name	IDBI ownership [^]	Consolidation approach
IDBI Capital Markets & Securities Ltd.	100%	Full consolidation
IDBI Intech Ltd.	100%	Full consolidation
IDBI Asset Management Ltd.	66.67%	Full consolidation
IDBI MF Trustee Company Ltd.	100%	Full consolidation
IDBI Trusteeship Services Ltd.	54.70%	Full consolidation

Source: IDBI; [^] Ownership as on September 30, 2026

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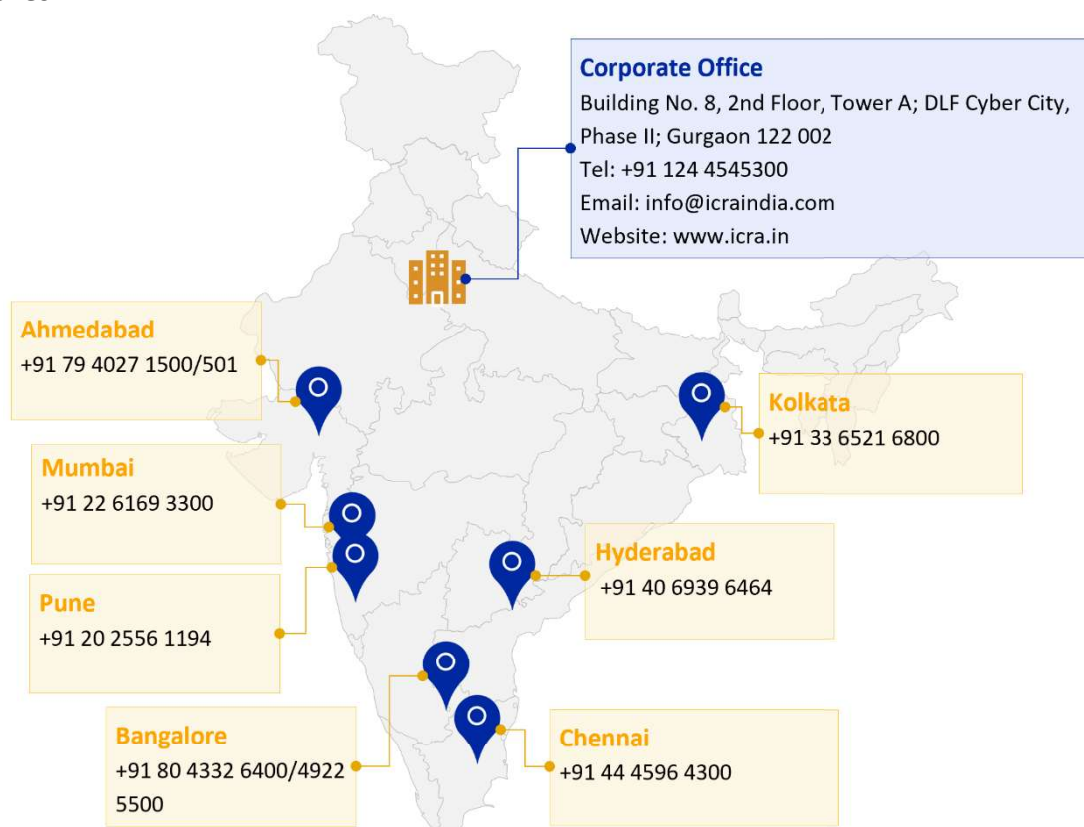


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Branches



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