



Shares and Bonds Department
Head Office

Ref. No. HO/SD/87

Dated: 22.05.2018

The Vice President
IDBI Trusteeship Services Limited
Asian Building, Ground Floor
17, R Kamani Marg, Ballard Estate
Mumbai-400001

Dear Sir/Madam,

Subject: Review of Credit Rating to Bank's proposed/ Outstanding Basel-III compliant Additional Tier 1 (Perpetual)/, Basel-III compliant Tier 2 Bonds and Basel-II compliant Perpetual Tier 1, Upper Tier 2 and Lower Tier 2 Bonds

On the captioned matter, we have to inform you that CARE Ratings Ltd. has reviewed the existing rating of Bank's proposed/outstanding Tier 1/Tier 2 Bonds rated by them and has revised their rating downward as detailed below:

Particular of Outstanding/Proposed Bonds					
₹850 crore Tier 2 Bonds (under Basel II)	₹1000 crore Tier 2 Bonds (under Basel III)	₹1000 crore Upper Tier 2 Bonds (under Basel II)	₹300 crore Tier 1 Perpetual Bonds (under Basel II)	₹800 crore Proposed Basel III Additional Tier 1 Bonds (proposed/rating un-utilized)	
CARE A+ /Negative (Revised from 'CARE AA /Negative')	CARE A+ /Negative (Revised from 'CARE AA /Negative')	CARE A /Negative (Revised from 'CARE AA- /Negative')	CARE A /Negative (Revised from 'CARE AA- /Negative')	CARE A- /Negative (Revised from 'CARE A+ /Negative')	

CARE Ratings Ltd. vide their letter of date i.e. 22.05.2018 have communicated that the revision in the ratings of Allahabad Bank (AB) takes into account the sharp deterioration in performance of the Bank in FY18 marked by Capital Adequacy Ratio (CAR) declining below statutory requirement, deterioration in the asset quality and profitability parameters and additional restrictions imposed on the Bank under Prompt Corrective Action Framework (PCA).



(2)

Further, they have commented that the aforesaid ratings continue to draw strength from the Bank's strong parentage support from the Government of India. The ratings are however, constrained by weak liquidity parameters. The Bank's ability to come out of PCA restriction, shore up its CAR, improve its profitability and asset quality will remain the key rating sensitivities.

This is for your information and records.

Yours faithfully,

For Allahabad Bank

Dina Nath Kumar
Chief Manager (C.S.)