

October 14, 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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Dear Madam/Sir,

**Press Release by Ministry of Finance on the Strategic Restructuring
of IDBI Bank Ltd.**

It is hereby informed that, Ministry of Finance has published Press Release captioned “Government Approves Strategic Restructuring of IDBI Bank Ltd.” and Frequently Asked Questions (FAQs) on the Strategic Restructuring of IDBI Bank Ltd. on October 14, 2026 available on Press Information Bureau website. The Press Release and FAQs are attached herewith.

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

Yours faithfully,
For IDBI Bank Ltd.

**JYOTHI
BIJU
NAIR**
Digitally signed
by JYOTHI BIJU
NAIR
Date: 2026.10.14
20:40:37 +05'30'
Company Secretary



Government Approves Strategic Restructuring of IDBI Bank Ltd.

प्रविष्टि तिथि: 14 OCT 2026 4:50PM by PIB Delhi

IDBI Bank Ltd. is a scheduled commercial bank regulated by the Reserve Bank of India (RBI). Due to its poor financial health, the Bank required repeated infusion of capital, initially provided by the Government of India and later by the LIC. On 5th May, 2017, the Reserve Bank of India (RBI) put the IDBI Bank under the Prompt Corrective Action Framework and imposed several restrictions in view of its non-performing assets and losses incurred by the Bank. After considering the improvement in the Bank's financial health, the RBI later, vide its letter dated 10th March, 2021, lifted the restrictions imposed on the IDBI Bank subject to certain conditions and continuous monitoring.

It was against this backdrop that the Cabinet Committee on Economic Affairs (CCEA) approved strategic restructuring of the IDBI Bank Ltd., and in compliance thereof, it was decided that an aggregate 60.72% of the equity stake in the IDBI Bank Ltd be sold to a Strategic Buyer, of which, the GoI share would be 30.48% and the LIC share would be 30.24%, leaving a residual shareholding of 15% with the GoI and 19% with the LIC.

The decision of the CCEA was implemented through a two-stage, competitive bidding process supported by a multi-layered, collective decision-making mechanism consisting of the Inter-Ministerial Group (IMG), the Core Group of Secretaries on Disinvestment (CGD) and the Alternative Mechanism (AM) consisting of an empowered Group of Cabinet Ministers.

The Preliminary Information Memorandum (PIM) inviting Expression of Interest (EoI) from all interested parties was issued on 07.10.2022. Only the parties found 'Fit and Proper' by the RBI and granted security clearance by the MHA could participate in the bidding stage, for which a Request for Proposal was issued for inviting technical and financial bids from the Qualified Interested Parties (QIPs). Of the five parties who initially submitted their expression of interest, four parties qualified as per the eligibility criteria and disqualification conditions prescribed therein, of which, two finally submitted their techno-financial bids and became Qualified Bidders (QBs) for this Transaction.

After comprehensive evaluation by the CGD and after considering the recommendations of the Alternative Mechanism, the Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 14/10/2026 approved M/s 10955230 Canada Inc. (parent entity M/s Fairfax Financial Holdings Ltd.) as the Strategic Buyer for this Transaction for a purchase consideration of Rs.52,878.0806181 Crores (in words Rupees Fifty-Two Thousand Eight Hundred Seventy-Eight Crore Eight Lakh Six Thousand and One Hundred Eighty-One only) for the acquisition of 60.72% stake in the IDBI Bank Ltd, comprising 30.48% equity shareholding held by the Gol and 30.24% equity shareholding held by the LIC.

In such transactions, there is no *a-priori* benchmark for bidding. The bidders do their own valuation and submit their bids in sealed envelopes in a confidential manner. Independent agencies are hired to do a fair valuation of the enterprise contemporaneously, which is then used as a comparator to assess the reasonableness of the bids submitted.

Under this transaction, the initial bids were invited in the financial year 2025-26. For comparison, a reserve price of Rs.94.42 per share was fixed at that time, which was directly and indirectly influenced by the impacted market price. The unimpacted counter-factual was not visible at that time, except that the unimpacted pre-EoI price of the IDBI stock was Rs.42.40 per share on the last trading day before the issue of the PIM/EoI on 07.10.2022. In contrast, the impacted price was Rs.108.12 per share on the last trading day before the invitation of initial bids on 08.01.2026. The initial bids fell short of the reserve price arrived at that time and were not approved. When it became known that the initial bids have not succeeded, the impacted stock market price itself corrected, and fell significantly below the discovered bid price of Rs.75 per share.

Subsequently, in exercise of the powers delegated and conferred upon the collective decision-making mechanism, and to enhance the value of the transaction as far as possible, sealed bids reflecting their best offers were invited from the qualified bidders in the financial year 2026-27. The stock price of the IDBI Stock was Rs.70.38 per share on the trading day last before the invitation of best offer bids on 18.05.2026.

The stock market price of the narrowly traded IDBI stock continued to be volatile and fluctuated both above and below the bid discovered price with a high-low range of Rs.118.38 to Rs.61.01 per share over the valuation period. The stock market price was consequently disregarded, as it tended to misalign valuation with the intrinsic value of the enterprise. Instead, Relative Valuation by the Market Multiple Method, which overcomes this problem, was used to determine the fair market value of the enterprise on the basis of 31st March, 2026 closing accounts of all public sector banks. Additionally, the Asset Valuation Method, which considers both tangible and intangible assets, including land and properties along with the liabilities, was used to determine the fair net asset value of the enterprise as per the 31st March, 2026 audited accounts of the IDBI Bank Ltd.

Accordingly, the fair valuation of the enterprise was carried out by two professional valuation agencies using two independent methodologies as explained above. The average of these fair valuations was Rs.75.99 per share, which served as the benchmark price for the evaluation of the qualified bids. Since the winning best offer bid of Rs.81 per share was above the benchmark price, as well as fair value estimates of both the independent valuation agencies, it was adjudged to be reasonable and approved.

The successful bidder will be required to present its credentials to the Reserve Bank of India in accordance with the Fit and Proper Assessment conducted at the EoI stage and submit its roadmap for the compliance of regulatory conditions prescribed therein. Once completed, this will be the largest FDI in the financial sector of our economy so far.

The CCEA has also delegated powers to the Alternative Mechanism to undertake minority stake sales of the GoI residual shareholding (15% of the total shareholding of the IDBI Bank Ltd.) through the open market in accordance with the standard operating procedure. The LIC will be free to manage its residual shareholding in accordance with its internal procedures while ensuring compliance with the directions of its regulators.

KT/AD

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Frequently Asked Questions (FAQs) on Strategic Restructuring of IDBI Bank Ltd.

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Q1. Who is the Strategic Buyer for the IDBI Bank Ltd.?

Answer: M/s 10955230 Canada Inc. (parent entity M/s Fairfax Financial Holdings Ltd.) has been approved as the Strategic Buyer for the IDBI Bank Ltd.

Q2. What is the size of this Transaction?

Answer: The purchase consideration for this transaction is Rs.52,878.0806181 Crores (in words Rupees Fifty-Two Thousand Eight Hundred Seventy-Eight Crore Eight Lakh Six Thousand and One Hundred Eighty-One only).

Q3. How will it be split between the Government of India (GoI) and the Life Insurance corporation of India (LIC)?

Answer: 60.72% stake out of the total shareholding of the IDBI Bank Ltd is being sold through this transaction, comprising 30.48% shareholding held by the GoI and 30.24% shareholding held by the LIC. The proceeds will be divided in the same proportion.

Q4. How many entities were involved in the bidding process?

Answer: Of the five parties who initially submitted their Expression of interest, four parties qualified as per the eligibility criteria and disqualification conditions prescribed in the Preliminary Information Memorandum (PIM), of which, two finally submitted their techno- financial bids and became Qualified Bidders (QBs) for this transaction.

Q5. What methodologies were used for the valuation of IDBI Bank Ltd.?

Answer: The fair value of the enterprise was determined using two alternate methodologies, namely the Market Multiple Method and the Asset Valuation Method.

Q6. Who carried out the valuation exercise?

Answer: The valuation of enterprise was carried out by two independent, professional valuation agencies appointed for the purpose. Their names cannot be disclosed due to confidential guarantees enshrined in the process.

Q7. What role did the stock market price play in the valuation of the IDBI Bank?

Answer: The volatile stock market price of the narrowly traded IDBI stock fluctuated both above and below the bid offer price (low high range of Rs.61.01 to Rs.118.38 over the valuation period). It was disregarded, as it tended to misalign the valuation with the intrinsic value of the enterprise, and instead, relative valuation by the market multiple method, which overcomes this problem, was used to determine the fair market value of the enterprise based on the 31st March, 2026 closing accounts for all public sector banks.

Q8. How have the assets, including land and properties, been valued for the IDBI Bank?

Answers: The Asset Valuation Method, which considered both tangible and intangible assets, including land and properties, along with the liabilities, was used to determine the fair net asset value of the enterprise as per the 31st March, 2026 audited accounts of the IDBI Bank.

Q9. What was the benchmark price used for this transaction?

Answer: The average of the two independent valuations (Rs.75.99 per share) served as the benchmark price for the evaluation of the qualified bids. The winning bid was found to be higher than the benchmark price as well as the fair value estimates of both the independent valuation agencies.

Q10. How was the benchmark price determined?

Answer: The benchmark price was the average of the fair market value determined by the Market Multiple Method and the fair net asset value determined by the Asset Valuation Method.

Q11. What is the further course of action?

Answer: The Successful Bidder would now present its credentials to the RBI in accordance with the 'Fit & Proper' assessment conducted at the EoI stage and submit a roadmap for the compliance of regulatory conditions prescribed therein.

Q12. What is the residual equity stake left with the GoI and the LIC?

Answer: GoI will retain 15% residual equity stake while the LIC will retain 19% equity stake. Both of them will withdraw their nominees from the Board and become public shareholders.

Q13. How will the GoI and LIC dissolve their residual shareholding in the IDBI Bank?

Answer: The Cabinet Committee on Economic Affairs has delegated powers to the Alternative Mechanism to undertake minority stake sales of the residual GoI shareholding through the open market in accordance with the standard operating procedure. The LIC

will be free to manage its residual shareholding in accordance with its internal procedures while ensuring compliance with the direction of its regulators.

Q14. What impact will it have on the banking sector and the economy at large?

Answer: It will have a significantly positive effect on the banking and financial sector of our economy. The IDBI Bank, post-privatization, would be able to generate funds without any dependence on government assistance as has been the experience in the past. It is expected that the strategic buyer will infuse private capital, bring-in new technology and better management practices, which will help enhance its business potential and make it more competitive for both credit and deposit growth.

Q15. What impact will it have on India's external sector at the time of geo-political strain?

Answer: It will be the largest FDI in the financial sector of our economy so far, and will help generate a positive sentiment for economic reforms, while improving the investment climate in the country at large.

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