राष्ट्रीय अवसंरचना वित्तपोषण और विकास बैंक
National Bank for Financing Infrastructure and Development

July 23, 2025

To

BSE Limited
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

National Stock Exchange of India Limited
Listing Department Exchange Plaza,
5th floor Plot No. C/1, G,
Block Bandra-Kurla Complex,
Bandra (East),
Mumbai 400 051

Dear Sir/Madam,

Subject: Disclosure of International Credit Rating under Regulation 51 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In compliance with Regulation 51 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the National Bank for Financing Infrastructure and Development has received International Credit Ratings as follows:

Rating Agency	Date of Rating	Rating	Rating Outlook
Fitch Ratings	July 22, 2025	BBB-	(Stable)
Moody's Ratings	July 23, 2025	Baa3	(Stable)

You are requested to take the above information on record.

Thanking you.

Yours faithfully,
For National Bank for Financing Infrastructure and Development

Aishwarya Vikas Mhatre
Digitally signed by Aishwarya Vikas Mhatre
Date: 2025.07.23 15:36:18 +05'30'

Aishwarya Mhatre
Company Secretary

FitchRatings

RATING ACTION COMMENTARY

Fitch Assigns NaBFID First-Time 'BBB-' IDRs; Outlook Stable

Tue 22 Jul, 2025 - 10:15 PM ET

Fitch Ratings - Singapore - 22 Jul 2025: Fitch Ratings has assigned India's National Bank for Financing Infrastructure and Development (NaBFID) first-time Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDRs) of 'BBB-'. The Outlook is Stable.

We classify NaBFID as a government-related entity (GRE) that is credit-linked to the Indian sovereign (BBB-/Stable). NaBFID is under the administrative control of the Ministry of Finance and is listed as one of India's seven public financial institutions. It is regulated by the Reserve Bank of India (RBI) as an All India Financial Institution (AIFI). The GRE's close government ties are reflected in its policy mission to offer long-term financing to infrastructure projects in India.

KEY RATING DRIVERS

Support Score Assessment 'Virtually certain'

We consider that extraordinary support from the government of India to NaBFID would be "Virtually Certain" in case of need, reflecting a support score of 55 (out of a maximum 60) under Fitch Government-Related Entities Rating Criteria. This reflects a combination of responsibility to support and incentive to support factor assessments as below.

Responsibility to Support

Decision Making and Oversight 'Very Strong'

NaBFID was established by the National Bank for Financing Infrastructure and Development Act, 2021 to support the development of long-term, non-recourse infrastructure financing in India. Its developmental and financial objectives are set by the government via the Act. Government oversight of the bank is carried out through two nominee directors on its board and regular performance monitoring by the board.

The two directors nominated by the government are senior officials, who are currently both joint secretaries of key departments in the Ministry of Finance and the Ministry of Commerce and Industry. NaBFID also adheres to regulations set by the RBI.

Precedents of Support 'Strong'

Evidence of government financial support to NaBFID includes capital injections since its establishment, exemption from tax payments for the first 10 years of operations, and provisions for concessions to ease financing costs, such as reduced government guarantee charges and reimbursement of foreign-currency hedging costs, if the bank takes on borrowing from multilateral institutions. However, this attribute is not assessed as "Very Strong" because there is no mechanism for unconditional funding or liability transfers.

Incentives to Support

Preservation of Government Policy Role 'Very Strong'

The assessment considers our expectations that NaBFID will be increasingly important in its policy role of providing long-term infrastructure financing, as we anticipate it will grow rapidly and expand its market share. NaBFID is among the five AIFIs regulated by the RBI. Each AIFI has its own policy focus, with NaBFID addressing the long-term financing needs of the infrastructure sector in India, including power, roads, logistics and communication infrastructure.

NaBFID benefits from a preferential minimum capital adequacy ratio of 9%, lower than the 15% required for other infrastructure finance companies. This enables NaBFID to provide larger volumes and longer tenors of financing, as reflected in its weighted-average debt maturity profile of around 10 years, and ensures the availability of long-term lending essential for infrastructure development in India.

Contagion Risk 'Very Strong'

We view NaBFID as a reference issuer for the Indian government. As one of the five AIFIs, which the RBI regards as apex institutions for long-term sectoral financing, NaBFID is perceived as an important government entity. Its primary role is to channel long-term funding into infrastructure projects, underscoring its systemic importance. Given its status as a key GRE and its close association with the government, any financial distress at NaBFID would likely disrupt access to, or increase the cost of, financing for other GREs.

Operating Performance

The issuer currently syndicates and lends to infrastructure projects across India, including energy, transport, and telecommunications sectors. It is rapidly ramping up operations, with operating and financial performance likely to stabilise over time.

Derivation Summary

We assess NaBFID's rating under our Government-Related Entities Rating Criteria, which results in an overall government support score of 55 and an equalisation of NaBFID's rating with that of the Indian sovereign. There is currently no need for an SCP. The support, based on the entity's clear policy role, is assessed as very high. Fitch has confirmed the entity's financial position is supported by the framework as intended.

Criteria Variation

A variation to the Government-Related Entities Rating Criteria was applied to the "Issuers with no SCPs" provision, under which Fitch determined that assigning a Standalone Credit Profile (SCP) to NaBFID is unnecessary for the analysis, even though the specific conditions to consider an SCP "not meaningful" defined in the criteria were not strictly met.

Government support, underpinned by a clear policy mandate, is assessed as "Virtually Certain". Along with our assessment that the entity is not in financial distress (where default is a real possibility) and that the supporting government would have ample access to the cash or assets of the GRE so that the rating would be constrained by that of the Indian government, we conclude there is no risk that the IDR would differ if an SCP were assigned, nor that an assessment of SCP would enhance the analysis at this stage.

Issuer Profile

NaBFID was established under the National Bank for Financing Infrastructure and Development Act, 2021, as a development financial institution. Its development goal is to develop and promote long-term non-recourse infrastructure financing in India.

Liquidity and Debt Structure

NaBFID has an established presence in the domestic loan and bond market. Its total debt has increased rapidly, in line with its business expansion and asset growth.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Negative rating action on the India sovereign would result in similar rating action on the issuer.

- A significant weakening in the government's control and oversight, precedents of support or incentive to provide support that lowers the overall support score to below 45.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Any positive action on the Indian sovereign rating would be reflected in NaBFID's ratings.

ESG Considerations

Fitch does not provide ESG relevance scores for National Bank for Financing Infrastructure and Development.

In cases where Fitch does not provide ESG relevance scores in connection with the credit rating of a transaction, programme, instrument or issuer, Fitch will disclose any ESG factor that is a key rating driver in the key rating drivers section of the relevant rating action commentary. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

NaBFID's IDR is credit-linked to India's sovereign IDR.

References for Substantially Material Source Cited as Key Driver Rating

The principal sources of information used in the analysis are described in the Applicable Criteria.

RATING ACTIONS

ENTITY / DEBT	RATING		
National Bank for Financing Infrastructure and Development	LT IDR	BBB-	New Rating

LC LT IDR	BBB-	New Rating

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VIEW ADDITIONAL RATING DETAILS

Additional information is available on www.fitchratings.com

PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

Public Policy Revenue-Supported Entities Rating Criteria (pub. 13 Jan 2024) (including rating assumption sensitivity)

Government-Related Entities Rating Criteria - Effective from 9 July 2024 to 18 July 2025 (pub. 09 Jul 2024)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

National Bank for Financing Infrastructure and Development	-

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MOODY'S RATINGS

Rating Action: Moody's Ratings assigns first-time Baa3 rating to National Bank for Financing Infrastructure and Development; outlook stable

23 Jul 2025

Singapore, July 23, 2025 -- Moody's Ratings (Moody's) has assigned a first-time Baa3 long-term foreign and local currency issuer ratings to National Bank for Financing Infrastructure and Development (NaBFID). The outlook is stable.

RATINGS RATIONALE

NaBFID's Baa3 long-term issuer ratings are three notches above its ba3 standalone assessment, reflecting the government-backed level of support from the Government of India (Baa3 stable) in times of need. Our government support assumption is driven by NaBFID's status as a specialized Development Financial Institution and its policy role to support the growth and development of infrastructure sector in India. The support assumption also takes into consideration the government's full ownership of NaBFID, financial support in the form of capital infusion, government grants, and support for wholesale borrowing, as well as its influence on the board. NaBFID has been established under an act of parliament (NaBFID Act) and is one of the 5 All India Financial Institutions.

NaBFID's ba3 standalone assessment reflects our expectation that the company's credit profile will normalize over the next two to three years as it builds its lending book. The standalone assessment assumes that its capitalization and robust access to funding will remain as credit strengths, offset by modest asset quality and profitability.

As of March 2025, NaBFID does not have any problem loans, as the company only started lending in the fiscal year ended March 2023. However, strong loan growth will raise unseasoned loan risk, and we expect some loans to become delinquent as they enter repayment phases. The company also intends to increase its exposure to greenfield projects, which will pose higher asset risk due to their riskier nature. Meanwhile, NaBFID is vulnerable to large defaults due to its significant single-borrower concentration risk.

In the fiscal year ended March 2025, the company's return on assets was strong at 2.6%, lower than 2.9% in the fiscal year earlier. We expect NaBFID's profitability to moderate from this level, as it increases leverage to support loan growth. We also expect credit costs to increase, in line with our view on asset quality.

NaBFID's solvency is supported by its strong capitalization. As of March 2025, the company's tangible common equity as a percentage of tangible managed assets (TCE/TMA) was approximately 37%. We expect the company's TCE/TMA ratio to continue to normalize as the loan portfolio expands over the next two to three years. Yet, we expect NaBFID's capitalization to remain strong as the company aims to maintain its capital adequacy ratio above 15%. The Indian government also has a track record of infusing capital into public sector financial institutions, and we expect the government to inject capital into NaBFID when necessary to facilitate loan growth.

NaBFID is dependent on confidence-sensitive market funding. Nonetheless, its refinancing risks are offset by its strong access to funding, underpinned by its close relationship with the Indian government. NaBFID also has access to the central bank, which will help to fill any short-term liquidity gaps.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS

The rating incorporates the following ESG considerations as per our General Principles for Assessing Environmental, Social and Governance Risks methodology. NaBFID faces moderate environmental and governance risks, as well as low social risks.

We have assigned NaBFID an overall Credit Impact Score (CIS) of CIS-2, indicating that ESG considerations have no material impact on the current ratings because strong government support mitigates the impact of environmental, social, and governance risks on the company's ratings. NaBFID's environmental Issuer Profile Score (IPS) of E-3 considers its moderate environmental risks related to carbon transition due to its sizable exposure to conventional generation companies in India. This is balanced against its other exposures to renewable energy portfolios and projects such as roads or ports, which are less subject to decarbonization policies. NaBFID's social IPS of S-2 reflects low social risks, as the company primarily transacts with sophisticated counterparties, including government-owned entities and large corporations. The company's governance IPS score of G-3 reflects moderate governance risks, given the nascent stage of its operations and limited track record of managing asset quality during credit cycles. NaBFID's management team has a long track record in the banking sector, which provides some comfort against these risks.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

WHAT COULD MOVE THE RATING UP

An upgrade of NaBFID's ratings is unlikely because they are already in line with India's Baa3 sovereign rating.

We could upgrade NaBFID's ba3 standalone assessment if the company's financial performance normalizes and becomes in-line other peer with higher standalone profile. Specifically its problem loans ratio stays below 3% and return on assets remains above 1.1%, while its capitalization (TCE/ TMA) stays above 15% on a sustained basis.

WHAT COULD MOVE THE RATING DOWN

We could downgrade NaBFID's ba3 standalone assessment if the company's TCE/TMA declines below 10% due to aggressive loan growth or losses, without clear capital raising plans. A deterioration in the company's access to funding will also be negative for its standalone assessment.

We could downgrade NaBFID's ratings if the sovereign rating is downgraded or if government support for the company weakens.

The principal methodology used in these ratings was Finance Companies published in July 2024 and available at https://ratings.moodys.com/rmc-documents/425167. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

NaBFID's ba3 standalone assessment is eight notches lower than the scorecard-indicated outcome of a1. This difference reflects our expectation that the bank's credit metrics will normalize, given that the bank has a short period of operating history.

NaBFID is headquartered in Mumbai and reported consolidated assets of INR832 billion as of March 2025.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

These ratings are solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website https://ratings.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

At least one ESG consideration was material to the credit rating action(s) announced and described above. Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://ratings.moodys.com/rmc-documents/435880.

The Global Scale Credit Rating(s) discussed in this Credit Rating Announcement was(were) issued by one of Moody's affiliates outside the EU and UK and is(are) endorsed for use in the EU and UK in accordance with the EU and UK CRA Regulation.

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