



Presentation to Analysts

April 2011

Genesis

1964-1976

- Set up by an Act of Parliament in 1964 as a subsidiary of the Central Bank (RBI)
- Ownership transferred to Govt. in 1976
- IDBI had been a policy bank in the area of industrial financing and development

1994-00

- IDBI Act amended to permit private ownership upto 49%.
- Domestic IPO in 1995, reduces Govt. stake to 72%.
- Post capital restructuring in 2000, Govt. stake reduced to 58.5%

2003 - 06

- IDBI Repeal Act passed in December 2003 for conversion to a banking company.
- Govt. ownership to be not below 51%
- Amalgamation of IDBI Bank Ltd. With IDBI Ltd. W.e.f. April 2, 2005
- Oct. 2006 amalgamated erstwhile UWB.

2007- 10

- Complete Networking (100% Core Banking)
- Organization structure redesigned on Customer Segmentation basis
- Name changed to IDBI Bank Ltd
- Achieved regulatory norms of SLR, CME

Status as Leading DFI

- Leading provider of long term finance
 - Played an apex role in helping create the industrial and infrastructural base in the country
 - Total Investments generated - ₹ 4000 billion (approx.) (over USD 80 bn)
 - Significant player in domestic debt syndication.
- Played a pivotal role in developing institutions that shaped the country's financial architecture
 - NSE - Electronic Stock Exchange,
 - NSDL - Securities Depository,
 - CARE - Rating Agency,
 - SHCIL - Depository Participant, e-stamping etc.
 - SIDBI - Funding institution for SSI and ME
 - Exim Bank- A bank to finance export Import
 - ARCIL - Asset reconstruction company
 - NeDFI - For development of North-East Region

Systemic Importance

- Minimum 51% shareholding by Govt. at all times as specified in the Memorandum & Articles of Association
- Large size and retail base
- Large investments by PF / Superannuation funds
- Continued Govt. support - Infusion of ₹ 3119.04 crore as preferential allotment of equity.
- Designated as the lead DFI
- Large and continuing investments in strategic sectors
 - In-house expertise in project appraisal / syndication

Transition from DFI to a full-service bank

- In September 2004, IDBI moved from its erstwhile DFI status into a full-service commercial bank offering the entire suite of banking products
- Today, IDBI has positioned itself as a bank of choice with corporate and retail customers alike
 - Created a niche for itself as a nimble, swift and sure footed, technologically driven bank offering the added benefit of security on account of its majority Government ownership
 - Undertaken extensive organisational restructuring post-conversion and post-merger of two banks with itself
 - Operates off a customer-centric vertical structure to ensure lowest TATs and total customer satisfaction

Operating Profile

- Range of products for its Retail and Corporate customers
 - Retail - Suite of value added asset & liability products leveraging off a strong technology platform
 - SME & Agri business
 - Corporate - Infrastructure financing, Project loans, Working Capital loans, Loan Syndication & Advisory, financial assistance and advisory for Carbon Credit business
 - Treasury related products
 - Fee based products
- Operates off an integrated core banking system with all the branches networked
 - Put in place a state of the art data center and disaster recovery center
 - Reduction in EOD processing time; ensures 100% data availability
 - Complete infrastructure available on demand ensuring scalability

Distinctive strengths

Description

Business strengths

- Privileged corporate banking relationships and unparalleled reputation in project finance and infrastructure lending
 - Sophisticated retail banking operations and capability
-

Nimble in size

- Amongst lowest staff strength (with about 13800 employees)
 - Good branch network without any legacy constraints
-

Distinctive technology

- State-of-the-art technology and fully integrated core banking solution rolled out across 100% of branches
 - Best-in-class ATM and alternate channel technology
-

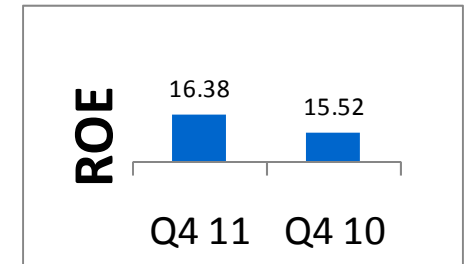
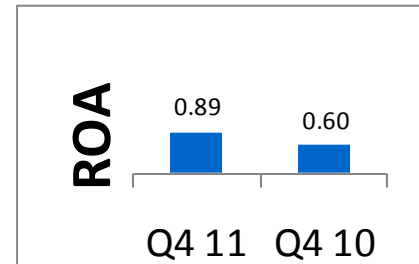
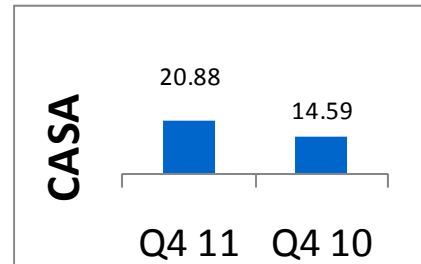
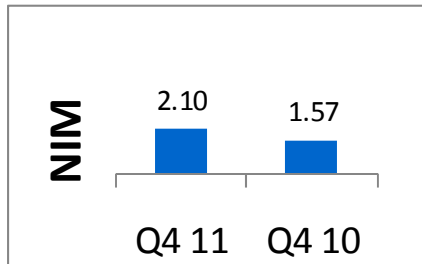
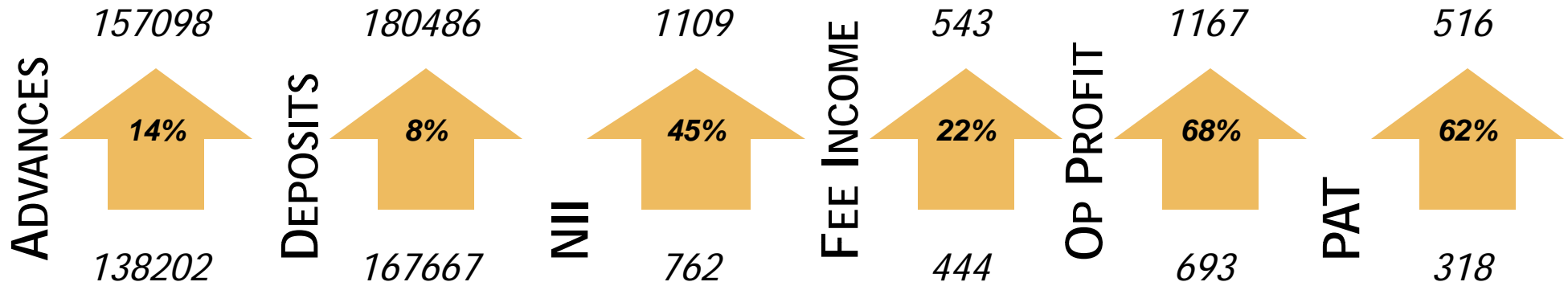
Lean operations

- Centralized, automated and lean operating architecture for back-office operations, cheque clearing and loan sanctions
 - Competitive cost structure
-

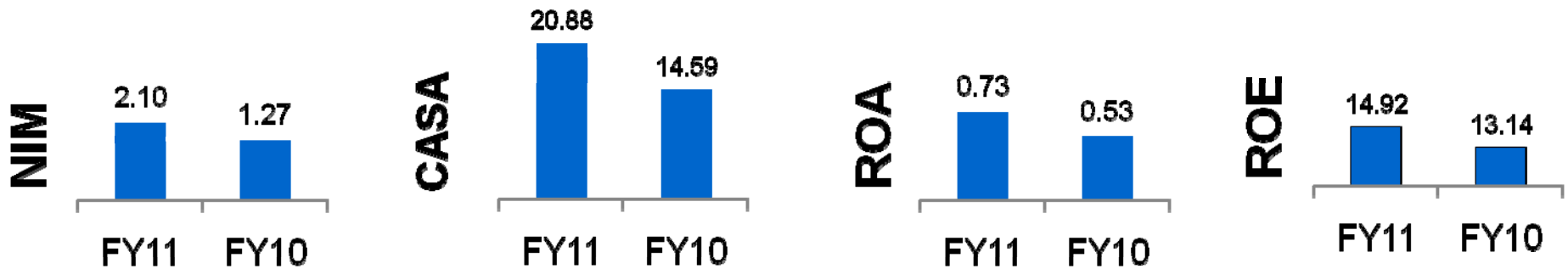
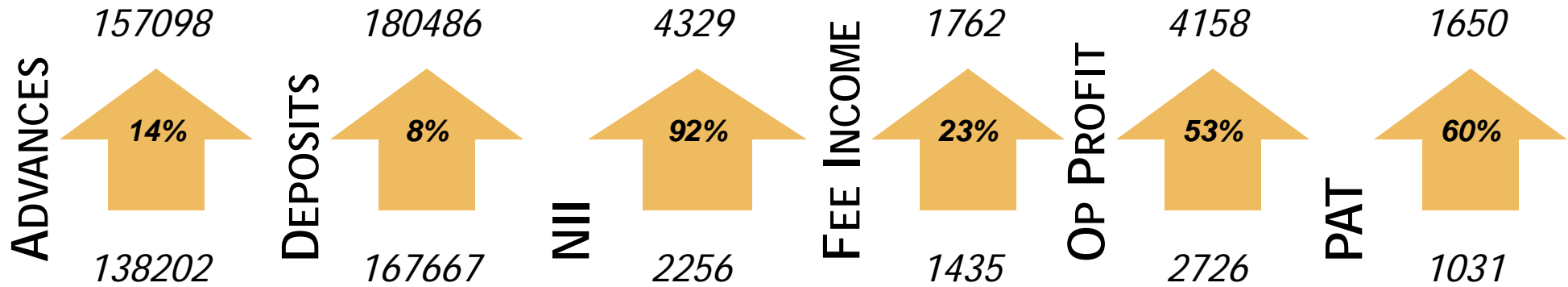
Integration capability

- Institutionalised ability to rapidly integrate and extract value / synergies from acquisition based on experience of two integrations

Highlights *(Q4 FY 11 over Q4 FY 10)*



Highlights *(FY 11 over FY 10)*



Profit & Loss

(₹ in Crore)

Particulars	Quarter Ended		Year Ended	
	Mar.11	Mar.10	Mar.11	Mar.10
Interest income	5025	4083	18601	15261
Interest expenses	3917	3321	14272	13005
Net Interest income	1109	762	4329	2256
Other Income	676	545	2084	2302
Total income	1784	1307	6413	4558
Operating Expenses	617	613	2255	1831
- Employee Cost	305	286	1046	773
- Other Operating Expenses	313	328	1208	1058
Operating Profit	1167	693	4158	2726
Provisions & contingencies	651	375	2508	1695
- NPAs / Write offs	131	398	1255	723
- Restructured Assets	7	47	123	599
- Others (Inv., Std Asset, etc)	144	98	499	360
- Tax	167	166	735	346
- Deffered Tax	202	-333	-104	-333
Profit After Tax	516	318	1650	1031

Details of Other Income

(₹ in Crore)

Particulars	Quarter Ended		Year Ended	
	Mar.11	Mar.10	Mar.11	Mar.10
Commission, Excg & Brkg	462	368	1470	1225
Profit on sale of investments	48	67	143	748
Profit/(Loss) on revaluation of investment	4	-8	-20	-52
Profit on sale of Fixed Assets	-2	-1	-3	-1
Profit on forex/derivatives	57	26	190	98
Dividend from subsidiaries	0	0	33	18
Recovery from written off cases	73	37	144	121
Other misc income	34	56	126	144
Total *	676	545	2084	2302
* Fee Based Income	543	444	1762	1435

Details of Operating Expenses

(₹ in Crore)

Particulars	Quarter Ended		Year Ended	
	Mar.11	Mar.10	Mar.11	Mar.10
Staff Cost	305	286	1046	773
Rent, taxes & lighting	58	62	208	178
Printing & stationery	11	8	35	29
Advertisement & Publicity	8	7	46	46
Depreciation	29	32	127	91
Postage, Telegram, Teleph., etc	13	23	51	64
Repairs and maintenance	20	25	96	84
Insurance	35	30	152	114
Banking expenses	17	13	57	47
Expenses for recovery of write off cases	0	1	4	4
Outsourcing expenses	45	55	174	153
Fee and other expenses for borrowing	8	18	29	74
Other expenditure	70	53	229	173
TOTAL	617	613	2255	1831

Key Profitability Indicators

Particulars	Quarter Ended		Year Ended	
	Mar.11	Mar.10	Mar.11	Mar.10
Net Interest Margin (%)	2.10%	1.57%	2.10%	1.27%
Return on Assets (%)	0.89%	0.60%	0.73%	0.53%
Return on Equity (%)	16.38%	15.52%	14.92%	13.14%
Cost of all liabilities (%)	6.73%	6.25%	6.31%	6.69%
Yield on Total Assets (%)	9.80%	8.71%	9.15%	9.03%
Margin (%)	3.07%	2.46%	2.84%	2.34%
Cost of Funds (%)	7.45%	6.86%	6.94%	7.35%
Return on Earning Assets (%)	10.05%	8.94%	9.39%	9.29%
Spread (%)	2.60%	2.07%	2.45%	1.94%
Low cost funds to Total Funds (%)	20.88%	14.59%	20.88%	14.59%
Net NPA Ratio (%)	1.06%	1.02%	1.06%	1.02%

Key Operating Indicators

Particulars	Quarter Ended		Year Ended	
	Mar.11	Mar.10	Mar.11	Mar.10
Non-interest income to Total Income	11.85%	11.77%	10.07%	13.11%
Efficiency [Cost- Net Income] Ratio	34.60%	46.93%	35.16%	40.18%
Staff Expenses to total income	5.34%	6.17%	5.06%	4.31%
Staff Expenses to total expenses	6.72%	7.26%	6.33%	5.10%
Overhead efficiency ratio	109.44%	88.80%	92.41%	125.68%

Balance Sheet

(₹ in Crore)

As at	31-Mar-11	31-Mar-10
LIABILITIES		
Capital	985	725
Reserve & Surplus	13582	9438
[Net Worth]	12642	8197
Deposits	180486	167667
Borrowings	51570	47709
Other Liabilities & provisions	6755	8033
Total	253377	233573
ASSETS		
Cash & balance with RBI	19559	13903
Bal. with banks & money at call	1207	679
Investments	68269	73345
Advances	157098	138202
Fixed Assets [incl leased assets]	3037	2997
Other Assets	4206	4446
Total	253377	233573

NPAs

(₹ in Crore)

As at 31-Mar-2011	(₹ in Crore)
Gross Advances	158205
Gross NPAs	2785
Gross NPAs as % of Gross Advances	1.76
Total Provisions held	1107
Net Advances	157098
Net NPAs	1678
Net NPAs as % of Net Advances	1.06
Provision Coverage Ratio	39.75
Provision Coverage Ratio as per RBI Guidelines	74.66

Sectoral Net NPAs	%
Agri & Allied activities	1.57
Industry (Micro, Small, Medium & Large)	1.95
Services	0.88
Personal Loans	1.13

Summary of NPAs as on Mar 31, 2011

(₹ in Crore)

	Gross NPA	Provision	Net NPA
As on 01.04.2010	2129	723	1406
Additions on account of merger	30	17	13
Additions (First time NPA)	1958	1373	585
Less:			
(i) Upgradations	277	71	206
(ii) Recoveries	171	50	121
(iii) Write Offs	884	884	0
As on 31.03.2011	2785	1107	1678

Advances

(₹ in Crore)

Vertical	31-Mar-11	31-Mar-10
Corporate	103388	101109
SME	13527	10159
Agri	10741	8240
Retail	29442	18694
Total	157098	138202

Nature	31-Mar-11	31-Mar-10
Bills	2659	3074
CC, OD, WCDL etc	33098	20268
Term Loans	121340	114860
Total	157098	138202
Top 20 Borrowers	38256	

Maturity profile	Amount
Upto 6 Months	29226
6 Months-1 Year	7523
1-3 Years	63331
3-5 Years	23375
> 5 Years	33643
Total	157098

Advances

(₹ in Crore)

Industry	Outstanding	Committed Exposure (FB + NFB)
POWER	23242	33424
RETAIL LOANS	24985	26870
IRON AND STEEL	15611	23174
ROADS & BRIDGES / PORTS	13027	19683
TELECOM	12162	17752
OIL & GAS/PETROLEUM PRODUCTS	10928	16399
NBFC	11294	14578
AGRICULTURE AND RELATED SERVICES ACTIVITY	10694	13932
GENERAL MACHINERY & EQUIPMENTS	8006	11593
CONSTRUCTION	7962	10306
TEXTILES	7256	10151
TRADING	4341	7369
METAL PRODUCTS	4124	7307
CEMENT	5796	7105
INFRASTRUCTURE OTHER	4974	7102
CHEMICAL & CHEMICAL PRODUCTS	3371	5473
COMMERCIAL REAL ESTATE	3799	5009
HOUSING FINANCE COMPANIES	2948	4992
ELECTRICAL MACHINERY & EQUIPMENTS	3611	4846
FERTILIZERS	987	4372

Restructuring

(₹ in Crore)

Indus try	Mar- 11
Metal Indus try	2743
Electric ity	2383
Textiles	1512
Air Trans port	698
Food & Beverages	620
Other Services	524
Electical Machinery	387
Teleco mmunications	331
Infras tructure	199
Health Care	181
Real Es tate	161
Motor Vehicles	156
Chemical & Fertilizers	113
P aper	100
Diamond Indus try	96
Financial Services	90
P rinting	72
Mis c. Indus try	57
Electro nics	38
Retail Store	29
IT	25
Agro Indus tries	24
Mining and quarrying	8
Total	10547

Investments *(₹ in Crore)*

Category	HTM	AFS	HFT	TOTAL
Government securities	44034	3807	636	48477
SASF Securities	5541	0	0	5541
Shares	287	3237	3	3527
Debentures/ Bonds	232	2135	77.35	2444
Subsidiaries/ Joint Ventures	566	0	0	566
Others (CPs/CD/MF)etc.	2065	3390	3316	8771
Total	52725	12569	4032	69326

List of some strategic investments

Entity	%
IDBI ASSET MANAGEMENT LTD.	100.00
IDBI CAPITAL MARKET SERVICES LIMITED	100.00
IDBI INTECH LIMITED	100.00
IDBI MF TRUSTEE COMPANY LTD.	100.00
IDBI FEDERAL LIFE INSURANCE COMPANY LIMITED	48.00
IDBI TRUSTEESHIP SERVICES LIMITED	39.78
NATIONAL SECURITIES DEPOSITORY LIMITED	30.00
BIOTECH CONSORTIUM INDIA LIMITED	27.93
CREDIT ANALYSIS AND RESEARCH LIMITED	25.79
SIKKIM INDUSTRIAL DEVELOPMENT AND INVESTMENT CORPORATION LIMITED	37.15
MANIPUR INDUSTRIAL DEVELOPMENT CORPORATION LIMITED	34.67
NAGALAND INDUSTRIAL DEVELOPMENT CORPORATION LIMITED	30.34
ZORAM INDUSTRIAL DEVELOPMENT CORPORATION LIMITED	27.12
NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED	25.00
INVESTORS SERVICES OF INDIA LIMITED	24.21
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	19.21
ASSET RECONSTRUCTION COMPANY (INDIA) LIMITED	19.18
STOCK HOLDING CORPORATION OF INDIA LIMITED	18.95
OTC EXCHANGE OF INDIA LIMITED	17.00
NEPAL DEVELOPMENT BANK LIMITED	10.00
SECURITIES TRADING CORPORATION OF INDIA LIMITED	6.60
CLEARING CORPORATION OF INDIA LIMITED	6.50
NATIONAL STOCK EXCHANGE OF INDIA LIMITED	5.00
UNITED STOCK EXCHANGE OF INDIA LIMITED	1.20
PONDICHERRY INDUSTRIAL PROMOTION DEVELOPMENT AND INVT CORP LTD	21.14
EDC LIMITED	11.43
TRIPURA INDUSTRIAL DEVELOPMENT CORPORATION LIMITED	11.36

Liabilities

(₹ in Crore)

Deposits	31-Mar-11	31-Mar-10
Current	23742	15673
Savings	13936	8787
Term	142808	143207
Total	180486	167667

Borrowings	31-Mar-11	31-Mar-10
Tier I	3839	3594
Upper Tier II	4286	3286
Lower Tier II	6837	5819
Flexibonds	493	7759
Omnibonds	15479	10687
Refinance/Borrowings	12002	12806
SLR Bonds	1177	2243
Outside India	8633	3758
Total	51570	47709



Thank You