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*Presentation on Performance*  
*Q1 (2017–18)*

*August 14, 2017*

# Turnaround Strategy of the Bank

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## Focus Areas

- Improving CRAR in the short and medium term through fresh resource raising from the government as well as market at an appropriate time and reducing risk weighted assets.
- Improving asset Quality- Aggressive recovery and prevention of further slippages.
- Reducing operational cost .
- Sale of non-core assets.
- Improving Income .

# Turnaround Strategy - Capital Adequacy

Particulars	Jun-17	Mar-17	After GoI Infusion of Rs. 1861 Cr on 09/08/2017
CET 1+CCB Ratio	5.71%	5.64%	6.49%
AT 1	2.27%	2.17%	2.26%
Tier 1 Ratio	<b>7.98%</b>	<b>7.81%</b>	<b>8.75%</b>
Tier 2 Ratio	<b>2.95%</b>	<b>2.89%</b>	<b>2.94%</b>
<b>CRAR</b>	<b>10.92%</b>	<b>10.70%</b>	<b>11.69%</b>
RWA (Rs.)	258332	268997	258797

- ❑ *Improvement in CET 1 is due to Capital infusion and curtailment of Losses over Q4 2017.*
- ❑ *Q1 FY18 PAT ₹ -853 Cr vs Q4 FY17 PAT ₹ -3200 Cr*
- ❑ *CET1 includes the capital infusion of ₹ 394 Cr from LIC in June 2017.*
- ❑ *Subsequent to the quarter ended 30th June, 2017 the Bank has received ₹ 1861 Cr from GoI by way of capital infusion. Had this infusion towards share application been considered as on June 30, 2017 the CET 1 would have been 6.49% and overall CRAR would have been 11.69%.*

# Turnaround Strategy –Asset Quality

(Rs. Crore)		
Particulars	Qtr Jun 2017	Qtr Mar 2017
Fresh Slippages	7659	11531
Recovery & Upgradation	2118	1790
Provision for NPA	1892	6503

- ❑ *The Fresh Slippages were contained in Q1 FY18 despite continuance of stressed industrial scenario.*
- ❑ *Bank in Q1 FY18 has implemented focused strategy for NPA Resolution by carving out specialized NPA Management Group (NMG) & Credit Monitoring Group (CMG). Recovery has improved from ₹ 778 Cr in Q4 FY17 to ₹ 1492 Cr in Q1 FY18, growth of 91% (Q o Q).*
- ❑ *Despite high FTNPA, provision for NPA was lower due to upgradation and recovery impact.*

# Turnaround Strategy – Cost Reduction

Particulars	Quarter Ended	
	Jun-17	Mar-17
Interest on deposits	3582	4268
Cost of deposits (%)	5.78%	6.07%
Other Operating Expenses	741	833

- ❑ *Interest on deposits has gone down with reduction in Bulk Deposits from ₹ 96542 Cr in Mar 17 to ₹ 79025 Cr in Jun 17, which is in line with banks Strategy of reducing dependence on high cost Bulk deposits.*
- ❑ *Further, there is improvement in CASA Ratio to 33.67 % as on 30 Jun,2017 from 31.46% as on 31 Mar, 2017, resulting in a decrease in Cost of Deposits & Cost of Funds Ratio.*
- ❑ *Operating Cost has been reduced .Various initiatives have been taken viz. reduction in Rental cost , reduction in other administrative cost and outsourcing cost.*

# Turnaround Strategy – Sale of Non Core Asset

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- ❑ *Bank is in process to raise additional capital by selling non core assets.*
- ❑ *During Q1 FY18, Bank sold 2.5% stake in CCIL resulting in capital gain of ₹ 71 Cr. Process for sale of balance 5% is already under way.*
- ❑ *Bank is in advanced stage for sale of its stake in SIDBI for which bids have been invited. Sale expected to materialize in Q2 FY18*
- ❑ *For other Divestments, Bank has appointed advisors and an internal committee has been constituted to take the matter forward.*

# Turnaround Strategy – Improving Income

Particulars	Quarter Ended	
	Jun-17	Mar-17
Interest Income	6011	6987
Other Income	720	1062
- of which Treasury Income	138	271

(₹ in Crore)

- ❑ During Q4 FY17 the FTNPA were to the tune of ₹ 11531 Cr and ₹ 7659 Cr in Q1 FY18.
- ❑ Bank did not earn interest on FTNPAs of Q4 FY17 and had to reverse interest on FTNPA of Q1 FY18. Hence the reduction in Interest on Advances.
- ❑ Initiative taken for funding of AA & AAA rated clients for a shorter tenure by way of WCDL linked to MCLR to improve interest income/ deployment of excess funds.
- ❑ Treasury Income reduced by ₹ 133 Cr Q o Q, mainly on account of reduction in profit on revaluation of investments by ₹ 311 Cr.
- ❑ Focus on improving third party distribution income through subsidiaries and associates.

# Turnaround Strategy – Retail & Corporate Mix

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- ❑ *Strategy to improve the % of Retail business to overall book size to 50% over next 3 years*
- ❑ *Focus on affordable housing, retail housing loans and micro enterprises to shore up the retail base.*
- ❑ *Cross selling to existing HNI clients.*



# Profit & Loss Account

(₹ in Crore)

Particulars	Quarter Ended		
	Jun-17	Mar-17	Jun-16
Interest income	6011	6987	7303
Interest expenses	4609	5353	5597
Other Income	720	1062	916
Net Total income	2122	2695	2623
Operating Expenses	1245	1305	1156
- Employee Cost	504	472	543
- Other Operating Expenses	741	833	613
Operating Profit	877	1390	1467
Provisions & contingencies	1730	4590	1226
- NPAs and write offs	1892	6503	1384
- Restructured Assets	-286	-314	-1
- Others (Invnt., Std Asset, etc)	464	21	1049
- Tax	-340	-1620	-1207
Profit After Tax	<b>-853</b>	<b>-3200</b>	<b>241</b>

# Performance Highlights

(₹ in Crore)

Particulars	Quarter Ended		
	Jun-17	Mar-17	Jun-16
Advances	18 72 66	19 08 41	21 73 77
Deposits	24 30 58	26 85 38	25 40 31
Business	43 03 25	45 93 79	47 14 09
CASA	8 18 37	8 44 69	6 49 85
Retail TD	8 21 97	8 75 26	7 89 98
Bulk TD	7 90 25	9 65 42	11 00 49

# Ratio Highlights

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Particulars	Quarter Ended		
	Jun-17	Mar-17	Jun-16
CASA Ratio	33.67%	31.46%	25.58%
Net Interest Margin	1.72%	1.75%	2.08%
Cost of all liabilities	5.35%	5.62%	6.14%
Yield on Total Assets	7.86%	8.45%	9.02%
Margin	2.51%	2.83%	2.88%
Cost of Funds	5.99%	6.18%	6.91%
Yield on Advances	8.43%	8.75%	9.62%

# Balance Sheet Ratios

(₹ in Crore)

Particulars	Jun-17	Mar-17	Jun-16
Total Business [Dep. + Adv.]	430325	459364	471409
SB Deposits to Total Deposits (EOP)	20.37%	18.76%	15.40%
Current Account Deposits to Total Deposits(EOP)	13.30%	12.69%	10.18%
Time Deposits to Total Deposits(EOP)	66.33%	68.54%	74.42%
of which Bulk Deposits to Total Deposits	32.51%	35.95%	43.32%
Book Value - Rs.	51.49	55.51	95.77
Owned Funds to total outside liabilities	6.23%	5.86%	6.91%
<b>Number Of Accounts</b>			
(i) Savings	10486397	10232607	8728996
(ii) Current	892786	861830	583114
(iii) Term deposits	2972192	2985532	2029632

# Industry-wise Advances

(₹ in Crore)

Top 20 Industries	Outstanding as on 30-Jun-17				Outstanding as on 31-Mar-17	
	FB	NFB	Total	% of Total Outstanding advances (Fund based+Non fund based)	Total	% of Total Outstanding advances (Fund based+Non fund based)
<b>Infrastructure of which:</b>	<b>49560</b>	<b>26945</b>	<b>76505</b>	<b>19.72%</b>	<b>77173</b>	<b>19.55%</b>
-Transport	15948	5812	21760	5.61%	21320	5.40%
-Energy	26807	7967	34774	8.96%	34436	8.72%
-Water and Sanitation	2392	3724	6116	1.58%	7188	1.82%
-Communication	3248	9410	12658	3.26%	13032	3.30%
-Social and Commercial Infrastructure	1165	32	1197	0.31%	1197	0.30%
Basic Metal and Metal Products	14220	8696	22916	5.91%	22599	5.73%
Housing Loans (Incl priority sector housing)	28654	4	28658	7.39%	28111	7.12%
All Engineering	8717	10806	19524	5.03%	18354	4.65%
Chemicals and Chemical Products (Dyes, Paints, etc.)	8848	4208	13056	3.37%	13074	3.31%
Agriculture & Allied Activities	17255	226	17481	4.51%	18138	4.60%
Trade	13660	2633	16294	4.20%	16400	4.16%
Other Services	5290	4164	9453	2.44%	10736	2.72%
Residuary other advances	1623	5339	6962	1.79%	9284	2.35%
NBFCs	5928	847	6775	1.75%	6100	1.55%
Mining and Quarrying	4818	6318	11137	2.87%	10369	2.63%
Construction	4525	4721	9246	2.38%	7323	1.86%
Food Processing	6699	1414	8114	2.09%	8096	2.05%
Textiles	4955	1023	5978	1.54%	5943	1.51%
Vehicles, Vehicle Parts and Transport Equipments	6911	1015	7925	2.04%	7880	2.00%
Commercial Real Estate	3195	334	3530	0.91%	3324	0.84%
Cement and Cement Products	2656	384	3040	0.78%	4843	1.23%
Rubber, Plastic and their Products	2571	254	2825	0.73%	2886	0.73%
Other Retail Loans	3666	0	3667	0.95%	3842	0.97%
Paper and Paper Products	2069	166	2235	0.58%	2314	0.59%
<b>Total</b>	<b>1 95 820</b>	<b>79 499</b>	<b>2 75 319</b>	<b>70.97%</b>	<b>2 76 790</b>	<b>70.13%</b>

# Provisions & Contingencies

(₹ in Crore)

Particulars	Quarter Ended		
	Jun-17	Mar-17	Jun-16
Depreciation on Investment	438	615	118
Provision for NPAs	1 069	5 333	768
Provision towards standard assets	99	(604)	885
Provision for Restructured Assets (including FITL)	(286)	(314)	(1)
Income Tax	(340)	(1620)	(1207)
Bad Debts Written off	824	1 170	616
Other Provisions	(74)	9	46
<b>Total</b>	<b>1730</b>	<b>4590</b>	<b>1226</b>

# NPAs

(₹ in Crore)

Particulars	Jun-17	Jun-16	Mar-17
Gross Advances	208085	228738	210610
Gross NPAs	50173	27275	44753
Gross NPAs as % of Gross Advances	24.11%	11.92%	21.25%
Total Provisions held (including NPV Loss)	20593	11027	19547
Net Advances	187266	217363	190826
Net NPAs	29580	16248	25206
Net NPAs as % of Net Advances	15.80%	7.47%	13.21%
Provision Coverage Ratio as per RBI Guidelines *	52.42%	56.14%	54.96%

\* Including Prudential written off cases

Category	Outstanding Advances (A)	Gross NPA (B)	GNPA % to Total GNPA	GNPA % of Sector wise O/S (B/A)	GNPA % of Total O/S
Agri and Allied Activities	17831	1858	3.70%	10.42%	0.89%
Industry (Micro, Small, Medium & Large)	105966	40145	80.01%	37.89%	19.29%
-of which Infrastructure	43540	10858	21.64%	24.94%	5.22%
Services	34480	6114	12.19%	17.73%	2.94%
Personal Loans	35976	508	1.01%	1.41%	0.24%
Others	13832	1548	3.08%	11.19%	0.74%
<b>Total</b>	<b>208085</b>	<b>50173</b>			<b>24.11%</b>

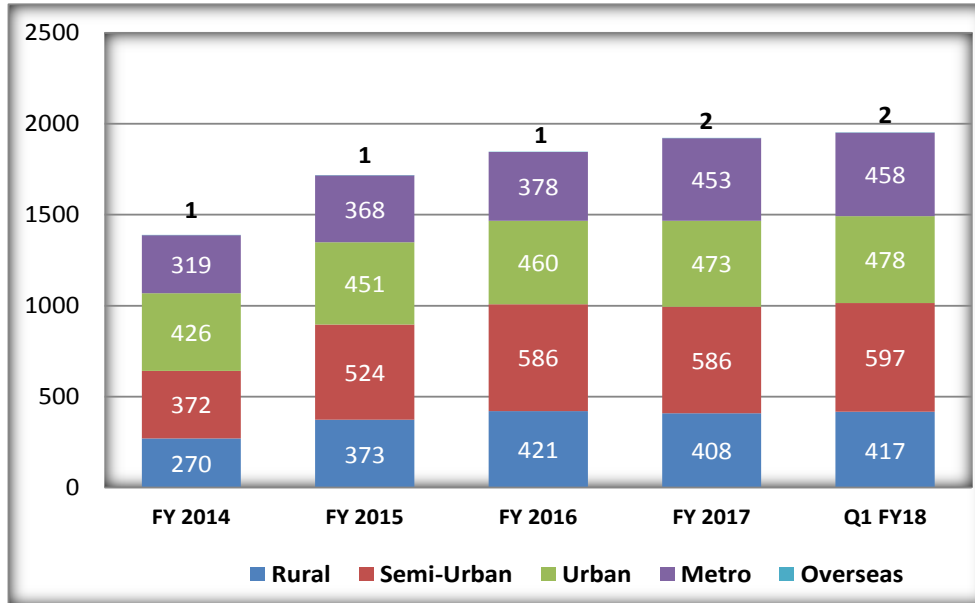
# NPA Movement

(₹ in Crore)

Particulars	For the Quarter Jun 17	For FY ended Mar 17
Opening Balance	44753	24875
Add:		
-Fresh Slippages*	8364	27595
Of Which Restructured A/cs are	1054	5366
Less:		
-Settled	1492	1413
-Upgradation	626	3436
-Write-off	825	2868
Closing Balance	50173	44753
Gross NPA %	24.11%	21.25%
Net NPA %	15.80%	13.21%
Prov. Coverage Ratio as per RBI Guidelines	52.42%	54.96%
<i>* Including Increase in Balance of existing NPAs</i>		



# Distribution Network



- ❖ 1952 Branches
- ❖ 3824 ATMs
- ❖ 56 E-Lounges
- ❖ 78 Retail Asset Centers
- ❖ 6 Regional Processing Units

# Digital Footprint

Digital Initiatives	Jun-17	
	No. of Customer Registrations	Transaction Amt for Qtr Jun 17 (Rs in Cr.)
Mobile Banking	8,96,920	90.09
Internet Banking	84,79,891	101751.64
ATM Banking	-	10762.73
Bunch Note Acceptors (Cash Deposit)	-	1546.29
Bunch Note Acceptors(Cash Dispense)	-	400.58
POS Transactions	-	3670.01

# Awards

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- ❑ **IDBI Bank** has been rated 'High' as per the Banking Codes & Standards Board of India (BCSBI) Code Compliance Rating 2017. IDBI Bank is the only PSB to be rated 'High' by BCSBI and overall rank is 7 out of 51 member banks.
  
- ❑ **IDBI Bank** won 2nd prize at the National Awards to Banks by Ministry of MSME for "Excellence in Lending to Micro Enterprises" for year 2015-16. The Bank was also awarded by CIMSME (Chamber of Indian Micro Small and Medium Enterprises) for "Best Bank for Promotional Schemes" - Runner Up in Mid-Sized Category.

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*Thank You*