



Presentation to Analysts

October 2010

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

Aspiring to become the 5th largest Bank by 2012 in terms of assets and market capitalization

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 leading to boost in Tier I to 8.88% and overall Capital Adequacy to 14.17%
- 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

Distribution Network

- Reach

- 759 branches; 1295 ATMs
- 1- Overseas, 218-Metro, 290-Urban, 168-Semi Urban & 82-Rural
- Presence in 514 locations
- Network of :
 - 56 Retail Asset Centres
 - 31 City SME Centres
 - 15 Agri Processing Centres
 - 4 Regional Processing Units
 - 21 Central Clearing Units
- 5 Currency Chests across the country
- Internet banking
- 4 Regional & 1 Central Training College

- Corporate customers:3000+

- Retail customer base:5 million+

- Global expansion plans

- Initiated the process for setting up Branch Offices at Singapore and Representative Office at Shanghai



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
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Nimble in size

- Amongst lowest staff strength (with about 13350 employees)
 - Good branch network without any legacy constraints
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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
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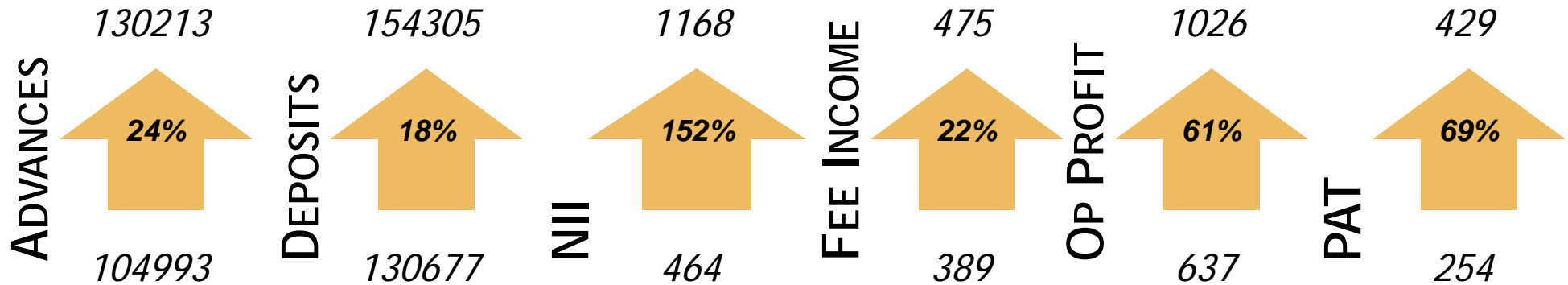
Lean operations

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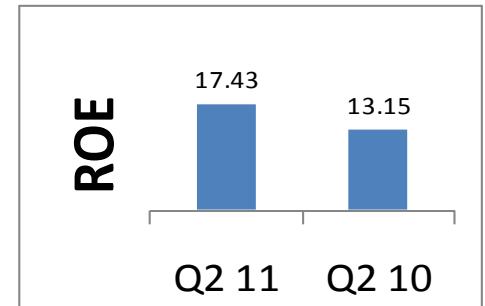
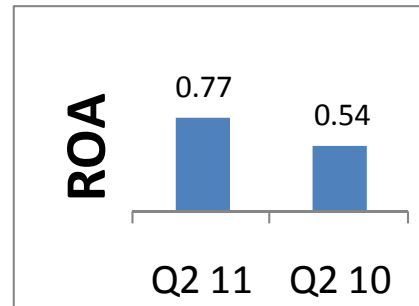
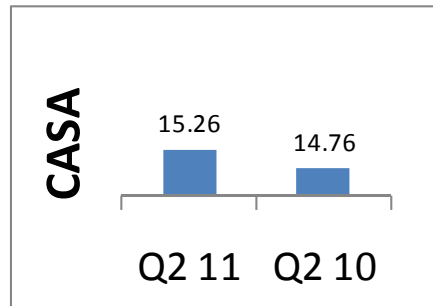
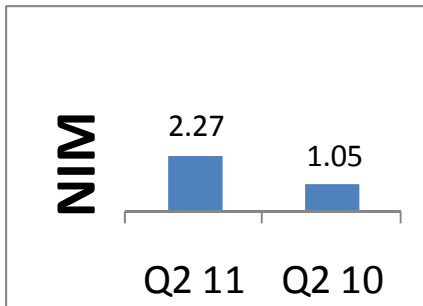
Integration capability

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

Highlights *(Q2 FY 11 over Q2 FY 10)*



- MAT tax credit of ₹ 113.17 Crore has been considered for tax provision



Profit & Loss

(₹ in Crore)

Particulars	Q2 - 11	Q2 - 10	HY - 11	HY - 10
Interest income	4577	3712	8866	7174
Interest expenses	3409	3248	6847	6395
Net Interest income	1168	464	2019	779
Other Income	492	571	958	1328
Total income	1660	1035	2978	2107
Operating Expenses	635	398	1121	714
- Employee Cost	342	172	576	291
- Other Operating Expenses	292	226	545	423
Operating Profit	1026	637	1857	1393
Provisions & contingencies	597	383	1177	967
- NPAs / Write offs	319	117	634	154
- Restructured Assets	18	11	49	530
- Others (Invnt., Std Asset, etc)	105	205	260	209
- Tax	155	50	234	74
Profit After Tax	429	254	680	426

Details of Other Income

(₹ in Crore)

Particulars	Q2 - 11	Q2 - 10	HY - 11	HY - 10	FY - 10
Commission, Excg & Brkg	396	347	716	560	1225
Profit on sale of investments	20	167	30	633	748
Profit/(Loss) on revaluation of investment	-14	-31	-15	-33	-51
Profit on sale of Fixed Assets	0	0	-1	0	-1
Profit on forex/derivatives	44	25	87	40	98
Dividend from subsidiaries	0	4	33	18	18
Recovery from written off cases	19	27	49	52	121
Other misc income	27	33	58	57	144
Total	492	571	958	1328	2302

Fee Based Income	475	389	860	641	1435
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Details of Operating Expenses

(₹ in Crore)

Particulars	Q2 - 11	Q2 - 10
Staff Cost	342	172
Rent, taxes & lighting	49	47
Printing & stationery	5	7
Advertisement & Publicity	20	7
Depreciation	26	20
Postage, Telegram, Teleph., etc	18	12
Repairs and maintenance	21	20
Insurance	40	27
Banking expenses	13	11
Expenses for recovery of write off cases	1	1
Outsourcing expenses	39	17
Fee and other expenses for borrowing	12	6
Other expenditure	48	52
TOTAL	635	398

Key Profitability Indicators

	Q2 - 11	Q2 - 10	HY - 11	HY - 10	FY - 10
Net Interest Margin	2.27%	1.05%	1.96%	0.94%	1.27%
Return on Assets	0.77%	0.54%	0.61%	0.47%	0.53%
Return on Equity	17.43%	13.15%	13.81%	11.21%	13.14%
Cost of all liabilities	6.10%	6.85%	6.12%	7.09%	6.69%
Yield on Total Assets	9.07%	9.03%	8.78%	9.42%	9.03%
Margin	2.97%	2.18%	2.66%	2.33%	2.34%
Cost of Funds	6.65%	7.45%	6.67%	7.63%	7.35%
Return on Earning Assets	9.33%	9.40%	9.04%	9.83%	9.38%
Spread	2.69%	1.94%	2.37%	2.19%	2.03%
Low cost funds to Total Funds	15.26%	14.76%	15.26%	14.76%	14.59%
Net NPA Ratio	1.19%	1.19%	1.19%	1.19%	1.02%

Key Operating Indicators

	Q2 - 11	Q2 - 10	HY - 11	HY - 10	FY - 10
Non-interest income to Total Income	9.71%	13.37%	9.75%	15.62%	13.11%
Efficiency [Cost- Net Income] Ratio	38.22%	38.47%	37.64%	33.89%	40.18%
Staff Expenses to total income	6.75%	4.00%	5.86%	3.34%	4.31%
Staff Expenses to total expenses	8.47%	4.69%	7.23%	3.99%	5.10%
Overhead efficiency ratio	77.56%	143.81%	85.51%	186.01%	125.71%

Balance Sheet

(₹ in Crore)

As at	30-Sep-10	30-Sep-09
LIABILITIES		
Capital	984	725
Reserve & Surplus	12958	9102
[Net Worth]	11997	7839
Deposits	154305	130677
Borrowings	49410	41526
Other Liabilities & Provisions	7231	6153
Total	224888	188183
ASSETS		
Cash & balance with RBI	14380	10476
Bal. with banks & money at call	3604	1530
Investments	69223	63689
Advances	130213	104993
Fixed Assets [incl leased assets]	3049	2873
Other Assets	4419	4622
Total	224888	188183

NPAs

(₹ in Crore)

As at 30-Sept-2010	
Gross Advances	131136
Gross NPAs	2472
Gross NPAs as % of Gross Advances	1.88
Total Provisions held	923
Net Advances	130213
Net NPAs	1549
Net NPAs as % of Net Advances	1.19
Provision Coverage Ratio (%)	37.34
Provision Coverage Ratio as per RBI Guidelines (%)	74.51

Sectoral Net NPAs	%
Agri & Allied activities	1.11
Industry (Micro, Small, Medium & Large)	1.42
Services	0.62
Personal Loans	1.06

Advances

(₹ in Crore)

Vertical	30-Sep-10	30-Sep-09
Corporate	89435	80929
SME	11632	5754
Agri	7768	3545
Retail	21378	14765
Total	130213	104993

Nature	30-Sep-10	30-Sep-09
Bills	2596	2187
CC, OD, WCDL etc	22464	13484
Term Loans	105153	89322
Total	130213	104993
Top 20 Borrowers	33765	

Maturity profile	Amount
Upto 6 Months	23345
6 Months-1 Year	8460
1-3 Years	46351
3-5 Years	19532
> 5 Years	32525
Total	130213

Advances

(₹ in Crore)

Industry	Outstanding	Committed Exposure (FB+NFB)
Power	18626	29150
Iron & Steel	12304	18913
Construction	11791	18247
Telecom Services	9124	14419
NBFC	8395	11968
Textiles	6034	8405
Electrical Machinery	7053	8402
Engineering	5222	8326
Food & Beverages	5309	7741
Fertilizers	2221	6988
Commercial Real Estate	4323	6207
Roads / Bridges	4035	6121
Sugar	3507	5651
Oil & Gas Extraction	4131	5530
Refined Petroleum Products	2284	5371
Trading	2065	5006
Chemical & Chemical Products	2810	4692
Electronics/Communication	3753	4534
Cement	2940	4490
Metal Products	2643	4105

Restructuring *(₹ in Crore)*

Industry	Sep 10	Jun 10
Financial Services	90.43	98.56
Infrastructure	183.13	301.97
Diamond Industry	94.78	97.53
Other Services	74.05	41.94
Electricity	2554.91	2773.01
Electronics	41.12	45.89
Agro Industries	23.53	18.42
Information Technology	23.02	21.39
Health Care	180.74	84.41
Metal Industry	2936.83	2952.17
Chemical & Fertilizers	170.92	191.95
Electical Machinery	343.56	280.22
Motor Vehicles	161.91	60.14
Paper	107.98	119.98
Textiles	1166.11	1141.35
Food & Beverages	512.06	473.65
Printing	68.01	4.00
Telecommunications	307.19	425.27
Real Estate	235.80	207.13
Others	18.48	4.67
Mining and quarrying	6.08	5.22
Retail Stores	14.47	13.95
Total	9315.10	9362.81

Investments *(₹ in Crore)*

Category	HTM	AFS	HFT	TOTAL
Government securities	44622	3862	2962	51446
SASF Securities	5841	0	0	5841
Shares	306	2834	20	3160
Debentures/ Bonds	253	1986	0	2239
Subsidiaries/ Joint Ventures	791	0	0	791
Others (CPs/CD/MF)etc.	648	3438	2467	6553
Total	52461	12120	5449	70030

List of some strategic investments

Entity	%
IDBI ASSET MANAGEMENT LTD.	100.00
IDBI CAPITAL MARKET SERVICES LIMITED	100.00
IDBI GILTS LTD	100.00
IDBI HOMEFINANCE LIMITED	100.00
IDBI INTECH LIMITED	100.00
IDBI MF TRUSTEE COMPANY LTD.	100.00
IDBI FORTIS LIFE INSURANCE COMPANY LIMITED	48.00
IDBI TRUSTESHIP SERVICES LIMITED	39.78
NATIONAL SECURITIES DEPOSITORY LIMITED	30.00
BIOTECH CONSORTIUM INDIA LIMITED	27.93
CREDIT ANALYSIS AND RESEARCH LIMITED	25.79
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

Liabilities

(₹ in Crore)

Deposits	30-Sep-10	30-Sep-09
Current	12621	12213
Savings	10925	7075
Term	130759	111389
Total	154305	130677

Borrowings	30-Sep-10	30-Sep-09
Tier I	3839	2463
Upper Tier II	3286	2500
Lower Tier II	5851	4917
Senior Bonds etc	26459	24358
Flexibonds	570	1111
SLR Bonds	1893	2742
Outside India	7512	3435
Total	49410	41526



Thank You