



प्रेस विज्ञप्ति
PRESS RELEASE

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IDBI Bank Charting A New Course Stepping Towards Turnaround.

Highlights of FY 2019 Financial Results

Capital

All regulatory capital ratios achieved

- **Life Insurance Corporation of India (LIC) completed acquisition of 51% controlling stake in IDBI Bank on January 21, 2019.** The bank received total capital of Rs.21,624 crore from LIC.
- **CET 1 capital** of the Bank improved to 8.91% as on March 31, 2019 as against 7.42% as on March 31, 2018.
- **CRAR improved** to 11.58% as on March 31, 2019 as compared to 10.41% as on March 31, 2018.
- **Risk Weighted Assets (RWA)** reduced by 17% to Rs.1,83,457 crore as on March 31, 2019 as against Rs.2,20,864 crore as on March 31, 2018.

Profitability

- **Operating profit (excluding gain on strategic sale)** for Q4-2019 was Rs.1,405 crore as against Rs.518 crore for Q4-2018. For the year Operating Profit (excluding gain on strategic sale) was Rs.3,909 crore (PY Rs. 4039 crore)
- **Operating profit (incl. gain on strategic sale)** for Q4-2019 was Rs.1,396 crore as against Rs.2,363 crore for Q4-2018. For the year Operating Profit (including gain on strategic sale) was Rs.4,052 crore (PY Rs.7,909 crore)

- **Net Interest Income** has increased by 76% to Rs.1,609 crore for Q4-2019 from Rs.915 crore for Q4-2018. For the year, NII increased by 5% to Rs.5,906 crore.
- **Net Interest Margin (NIM)** improved to 2.26% for Q4-2019 as compared to 1.19% for Q4-2018. For the year, NIM improved by 22 bps to 2.03%.
- **Net Loss** reported for Q4 -2019 was Rs.4,918 crore and Rs.15,116 crore for FY 2019
- **Yield on Advances** improved to 9.11% for Q4-2019 from 7.18% for Q4-2018. For the year, Yield on Advances improved by 43 bps to 8.82%.
- **Cost of Funds** improved to 5.74% for Q4-2019 as compared to 5.83% for Q4-2018. For the year, Cost of funds improved by 7 bps to 5.78%.
- **Cost to income Ratio (excluding gain on strategic sale)** has improved to 49.47% for Q4-2019 as compared to 70.82% for Q4-2018. The ratio for the year stood at 56.95% (PY 54.04%).

Business

i. Business Composition improved in respect of CASA and Retail Advance portfolio

- **CASA** increased to Rs.96,730 crore as on March 31, 2019 as against Rs.92,102 crore as on March 31, 2018.
- **Share of CASA in Total Deposits** improved to 42.54% as on March 31, 2019 as against 37.15% as on March 31, 2018.
- The **composition of Advances portfolio** Corporate V/s Retail was realigned to 49:51 as on March 31, 2019 as against 55:45 as on March, 2018.
- **Structured Retail Assets portfolio increased** by Rs.8,183 crore (18%) to Rs.54,034 crore as on March 31, 2019 from Rs.45,846 crore as on March 31, 2018.

ii. Asset Quality

- **Gross NPA** ratio improved to 27.47% as on March 31, 2019 as against 27.95% as on March 31, 2018.
- **Net NPA** ratio improved to 10.11% as on March 31, 2019 as against 16.69% as on March 31, 2018.

- **Provision Coverage Ratio (PCR-including Technical Write-Offs)** improved to 82.88% as on March 31, 2019 from 63.40% as on March 31, 2018.
- **Recovery from technically write off accounts** improved by 113% to Rs.468 crore in FY 2019 as against Rs.219 crore in FY 2018.
- **Recovery from NPAs** was Rs.9,326 crore in FY 2019 (including interest recovery of Rs.2,883 crore)

Achievements & Business potentials :

- LIC of India, the biggest insurance company in India, and IDBI Bank Ltd, have entered into a Service Level Agreement to offer LIC's insurance products through IDBI Bank's branches. IDBI Bank as a Corporate Agent of LIC would get a window to provide LIC's entire gamut of insurance offerings to the Bank's 1.80 Crore customer base spread over 1800 branches across the country. Further, the Bank will become the preferred bank for LIC premium payments and also function as premium point to boost sale of LIC products thereby gaining from fees and float income.

Focus Area

- Emphasis on Retail Business, improving Asset Quality & Efficiency.
- Improving CASA and Retail Deposit base thereby containing cost of deposits.
- Strengthening the Balance Sheet through augmenting Retail Business and realignment of Corporate and Retail portfolio.
- Focus on NPA resolution, recovery from written off cases and improving the provision coverage and containing the slippages.
- Reviewing all the Risk Management and Credit Policies to strengthen the portfolio.
- Improvement in HR policies by implementing new performance appraisal system, viz. IDBI Bank Performance Assessment and Continuous Evaluation (i-PACE), which ensures stronger role clarity, transparency and objectivity in scoring.

- **LIC Synergies:**

- Revenue through cross selling opportunity from BANCA TPD / other TPD
- Cash Management Products & Services
- Augment the retail business, thereby de-risking the business portfolio and ensuring increasing of other income/operating profit, NIM and substantial increase in CASA.
- Leveraging mutual business synergy through collective Network of LIC and IDBI branches.
- Joint Branding & Technology Integration
- Synergy with Subsidiaries

Mumbai, May 30, 2019: The Board of Directors of **IDBI Bank Ltd. (IDBI Bank)** met in Mumbai today and approved the financial results for the Quarter and Year ended March 31, 2019.

Significant developments during FY 2018-19

- The Bank was conferred as Top Performer in new accounts opened (PSU- Bank category) in the Star Performer Awards 2018 announced by NSDL.
- The Bank received the “Leadership Capital” award from PFRDA as recognition of the superlative performance of the Bank in the interbank contest for APY Subscriptions in November 2018. The Bank was also awarded the “Rise Above the Rest” award from PFRDA.
- The Bank’s Hindi Magazine ‘Vikas Prabha’ was awarded three prizes (two silver and one bronze) under Indian Language Category by the Association of Business Communicators of India (ABCI).

Mumbai, May 30 2019

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