



प्रेस विज्ञप्ति
PRESS RELEASE

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Turnaround Strategies Leads To Transformation – Exits PCA Framework

IDBI Bank Back In Black, Reports Profit of ₹ 1,359 crore for FY 21 after 5 years

Highlights of Q4 FY 2021 (Quarter ending March 31, 2021) Financial Results

Major Highlights

- Net profit of ₹ 512 crore for Q4 FY 2021 against net profit of ₹135 crore for Q4 FY 2020, YoY growth 278%.
- Profit Before Tax (PBT) of ₹ 423 crore for Q4 FY 2021 , YoY growth 46%.
- Operating Profit for Q4 FY 2021 is ₹ 2,879 crore , YoY growth of 54%.
- NII at ₹ 3,240 crore for Q4 FY 2021, YoY growth of 38%.
- NIM at 5.14% for Q4 FY 2021, YoY growth of 134 bps. NIM (excluding interest on income tax refund) at 3.06% for Q4 FY 2021.
- Return on Assets (ROA) stands at 0.70% for Q4 FY 2021 and 0.46% for FY 2021.
- Return on Equity (ROE) stands at 13.13% for Q4 FY 2021 and 10.06% for FY 2021.
- CASA ratio at 50.45%, YoY growth of 271 bps.
- Net NPA at 1.97% as against 4.19% as on March 31, 2020.
- CRAR at 15.59% as against 13.31% as on March 31, 2020.
- PCR stood at 96.90% as against 93.74% as on March 31, 2020.

Operating Performance

- **Net Profit** reported for Q4-2021 is ₹ 512 crore as against net profit of ₹ 135 crore for Q4-2020. Net Profit for Q4-2021 has improved by 35% against ₹ 378 crore reported for Q3-2021.
- **PBT improved** by 46% for Q4-2021 to ₹ 423 crore as against ₹ 290 crore for Q4-2020. PBT stood at ₹ 843 crore for Q3-2021.
- **Operating profit improved** by 54% for Q4-2021 to ₹ 2,879 crore as against ₹ 1,874 crore for Q4-2020. Operating Profit for Q4-2021 has improved by 76% against ₹ 1,639 crore reported for Q3-2021.
- **Net Interest Income (NII) improved** by 38% for Q4-2021 to ₹ 3,240 crore as against ₹ 2,356 crore for Q4-2020. NII for Q4-2021 has improved by 79% against ₹ 1,810 crore reported for Q3-2021.
- **Net Interest Margin (NIM) improved** by 134 bps to 5.14% for Q4-2021 as compared to 3.80% for Q4-2020 and 2.87% for Q3-2021. NIM (excluding interest on income tax refund) stood at 3.06% for Q4-2021 as compared to 3.32% for Q4-2020 and 2.87% for Q3-2021
- **Cost of Deposit improved** by 91 bps to 3.91% for Q4-2021 as compared to 4.82% for Q4-2020 and 4.18% for Q3-2021.
- **Cost of Funds improved** by 103 bps to 4.16% for Q4-2021 as compared to 5.19% for Q4-2020 and 4.39% for Q3-2021.

Business Growth

- **CASA increased** to ₹ 1,16,491 crore as on March 31, 2021 as against ₹ 1,06,188 crore as on March 31, 2020 and ₹ 1,09,880 crore as on December 31, 2020 (YoY growth of 10%).
- **Share of CASA in Total Deposits** improved to 50.45% as on March 31, 2021 as against 47.74% as on March 31, 2020 and 48.97% as on December 31, 2020.
- The **composition of Advances portfolio** Corporate V/s Retail was realigned to 38:62 as on March 31, 2021 as against 44:56 as on March 31, 2020.

Asset Quality

- **Gross NPA ratio improved** to 22.37% as on March 31, 2021 as against 27.53% as on March 31, 2020 and 23.52% as on December 31, 2020 (Proforma GNPA Ratio as on December 31, 2020 was 24.33%).
- **Net NPA ratio improved** to 1.97% as on March 31, 2021 as against 4.19% as on March 31, 2020. NNPA stood at 1.94% as on December 31, 2020 (Proforma Net NPA Ratio as on December 31, 2020 was 2.75%).
- **Provision Coverage Ratio (including Technical Write-Offs)** improved to 96.90% as on March 31, 2021 from 93.74% as on March 31, 2020. PCR stood at 97.08% as on December 31, 2020. (Proforma PCR Ratio as on December 31, 2020 was 95.90%).
- **Recovery from technically write off accounts** improved to ₹ 269 crore in Q4-2021 as against ₹ 105 crore in Q3-2021.

Capital Position

- **Tier 1 improved** to 13.06% as on March 31, 2021 as against 10.57% as on March 31, 2020 and 12.22% as on December 31, 2020.
- **CRAR improved** to 15.59% as on March 31, 2021 as against 13.31% as on March 31, 2020 and 14.77% as on December 31, 2020.
- **Risk Weighted Assets (RWA)** reduced by 0.80 % to ₹ 1,57,471 crore as on March 31, 2021 as against ₹ 1,58,746 crore as on March 31, 2020. Credit Risk weighted assets reduced by 1.58% to ₹ 1,28,419 crore from ₹ 1,30,480 crore as on March 31, 2020.

COVID 19 Impact

- At March 31, 2021, the Bank has made COVID-19 related provisions of ₹ 363 Crore. The provision made by the Bank is more than minimum required as per the RBI guidelines. Considering that there is still stress in the economy due to the COVID situation, Bank has continued with the COVID-19 provision. Considering the second wave of COVID from mid of March 2021 which is again threatening to disrupt the economic activities in many states, where the pandemic is more severe and possibilities of lockdown going forward in case situation does not improve.

Since the intensity of the local lockdowns is still evolving and dynamic, Bank has preferred to have conservative and a pragmatic approach and have adequate provision made in March 2021 quarter to partially offset the impact and accordingly has provided ₹ 500 crore in addition to the COVID-19 provision. The total cumulative provisions held towards COVID-19 are ₹ 863 crore (other than provisions held for restructuring under COVID-19 norms)

- In accordance with the RBI notification dated April 07, 2021, the Bank is required to refund / adjust 'interest on interest' to borrowers. The methodology for calculation of such interest on interest has been recently circulated by Indian Bank's Association. The Bank is in process of implementing the same. At March 31, 2021, the Bank has created liability towards estimated interest refund and reduced same from interest income.

IDBI – LIC Synergies for FY 2021

- Bank is progressing on realizing business synergies with LIC. For the year, Bank has done a premium collection of ₹ 863 crore for LIC and earned a fee income of ₹ 62 crores. The premium collected accounts for 50% of the total premium collected by LIC through Bancassurance. Apart from the above, Bank is providing cash management services, savings and current accounts to LIC and its employees and asset products.

Significant Developments

I. General Developments

- IDBI Bank is taken out of PCA Framework by RBI on March 10, 2021, which was imposed in May 2017. The Bank has complied with all parameters of PCA with sufficient margin viz norms of minimum regulatory capital, Net NPA and Leverage ratio.
- The Bank inaugurated its specialized remodeled Swarna Kalash branch at Varaccha Road, Surat, Ahmedabad Zone. During FY 2020-21, this is 9th Swarna Kalash branch which has been remodeled for focused sourcing of Gold loans.

II. Significant Development in IT/Digital Banking

- The Bank launched its Video Account Opening (VAO) facility for opening of Savings Account for new customers at the newly inaugurated Video-KYC hub set up in the Bank's Mumbai Zonal Office. Video-KYC is a completely contactless and paperless mode of on-boarding a customer and tailor made for the demands of post pandemic world.
- The Bank has launched a Loan Processing System (LPS) for AGRI & MSME on March 24, 2021, with a view to have IT enabled processes and well defined systems to maintain the quality of the credit proposals as also the compliance of policy & product guidelines. LPS has replaced existing systems and enhanced the Bank's capability in handling loan origination, underwriting the loans, sanction, generation of pre-filled documents, disbursement management and enabled opening of loan accounts in Bank's core banking software (Finacle 10.X) by Straight Through Processing (STP).
- The Bank has launched virtual debit cards on all the three card issuance networks viz. VISA, Mastercard and RuPay. A reward program for the awareness and usage for virtual Debit Cards was also completed.
- IDBI Bank is among the first few banks to have enabled Electronic Payment advice (ePA) mode of payment in PFMS where agencies can authorize the payment to beneficiaries through Internet Banking.
- The Bank has enabled the below mentioned functionalities in the Mobile Banking application (IDBI Go Mobile +).
 - Deals-n-Delight (an online marketplace platform).
 - Biometric Login to the Mobile Banking App.
 - Issuance of Interest Certificate for loan accounts
 - Debit Card & Credit Card control features as per the regulation specified by RBI, by this customers can enable /disable the card as per their choice of mode (POS, Ecomm, ATM and Contactless).
 - Online loan application for Housing Loan, Auto Loan, Education Loan and Personal Loan.

- The Bank launched its FASTag Acquiring Solutions and has acquired the toll collection at three toll plazas of Yamuna Expressway, as well as one toll plaza each on Pune- Aurangabad Road, Maharashtra and Raichur Koppal Road, Karnataka.
 - The Bank has also entered into a Partner Bank Arrangement with Tamilnad Mercantile Bank (TMB) for FASTag Sales through their network of 509 branches pan-India.
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- **Mumbai, May 03, 2021:** The Board of Directors of **IDBI Bank Ltd. (IDBI Bank)** met in Mumbai today and approved the financial results for the Quarter ended March 31, 2021.

[\(Click here for attachment\)](#)

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IDBI Bank Ltd

Key Summary of Q4 FY 2021 Results

P&L Highlights					
(INR in Crores)	Q4FY21	Q3FY21	Growth % q-o-q	Q4FY20	Growth % y-o-y
Interest Income	5,782	4,564	27%	5,598	3%
Non-Interest Income	1,181	1,368	-14%	1,326	-11%
Net Interest Income	3,240	1,810	79%	2,356	38%
Operating Profit	2,879	1,639	76%	1,874	54%
Provisions	2,367	1,261	88%	1,738	36%
Profit/(loss) after Tax	512	378	35%	135	278%
Basic EPS (INR)	0.48	0.36	31%	0.13	266%
Key P&L Ratios					
Return on Assets*	0.70%	0.51%		0.18%	
Return on Equity*	13.13%	11.04%		4.60%	
NIM*	5.14%	2.87%		3.80%	
Cost to Income Ratio	34.87%	48.42%		49.12%	
Non-Interest Income to Total Income	16.96%	23.06%		19.16%	

Balance Sheet Highlights					
(INR in Crores)	31-Mar-21	31-Dec-20	Growth % q-o-q	31-Mar-20	Growth % y-o-y
Gross Advances	1,61,901	1,59,663	1%	1,71,690	-6%
Deposits	2,30,898	2,24,399	3%	2,22,424	4%
Shareholders' Funds	36,811	36,297	1%	34,024	8%
Total Balance Sheet	2,97,764	3,02,674	-2%	2,99,928	-1%
Key Balance Sheet Ratios					
Capital Adequacy	15.59%	14.77%		13.31%	
CET I Ratio	13.06%	12.22%		10.54%	
Book Value Per share (INR)#	14.83	14.11		11.21	
Gross NPA	22.37%	23.52%		27.53%	
Net NPA	1.97%	1.94%		4.19%	
Provision Coverage ratio	96.90%	97.08%		93.74%	
CASA Ratio	50.45%	48.97%		47.74%	

*Annualized

#excluding intangible assets and revaluation reserve.