

Presentation to Analysts

Q2 FY 2018



Financial Highlights Q2 FY18 vs Q2 FY17

Operating Profit Growth 82%

NII Growth 4%

NIM at 2.17% up by 27 Bps

Operating expenses is reduced by 21.15%

Fresh Slippages reduced to 3381 Cr from 5587 Cr

CRAR increased to 11.98% from 11.64%

CASA Growth 16.06%

CASA Share 35.34%

Provision Coverage Ratio 54.56%

Balance Sheet - Snapshot

₹ in Crore

As at	30-Sep-16	30-Jun-17	30-Sep-17
LIABILITIES			
Capital	2 059	2 071	2 358
Reserve & Surplus	25 960	19 731	21 449
Deposits	2 65 679	2 43 058	2 41 566
Borrowings	68 146	56 204	52 201
Other Liabilities & Provisions	14 793	15 640	15 529
Total	3 76 637	3 36 704	3 33 103
ASSETS			
Cash & Balance with RBI	11 731	13 020	12 125
Bal. with banks & money at call	10 269	2 288	4 414
Investments	92 228	87 495	85 902
Advances	2 18 673	1 87 266	1 83 568
Fixed Assets	7 433	7 351	7 291
Other Assets	36 304	39 284	39 803
- of which RIDF	23 724	22 628	22 660
Total	3 76 637	3 36 704	3 33 103

Profit & Loss - Snapshot

₹ in Crore

Particulars	Quarter ended		
	Sep 2016	Jun 2017	Sep 2017
Interest Income	6986	6011	6004
Interest Expenses	5387	4609	4347
Net Interest Income	1599	1402	1657
Other Income	1402	720	2293
Net Total Income	3000	2122	3951
Operating Expenses	1461	1245	1152
- of which Other Operating Cost	777	741	722
Operating Profit	1540	877	2798
Provisions & Contingencies	1484	1730	2996
- NPAs and write offs Incl. NCLT Prov	1385	1892	2862
- Restructured Assets	-56	-286	-38
- Others (Invt., Std Asset, etc)	19	464	433
- Tax	135	-340	-261
Profit After Tax	56	-853	-198

Balance Sheet Parameters

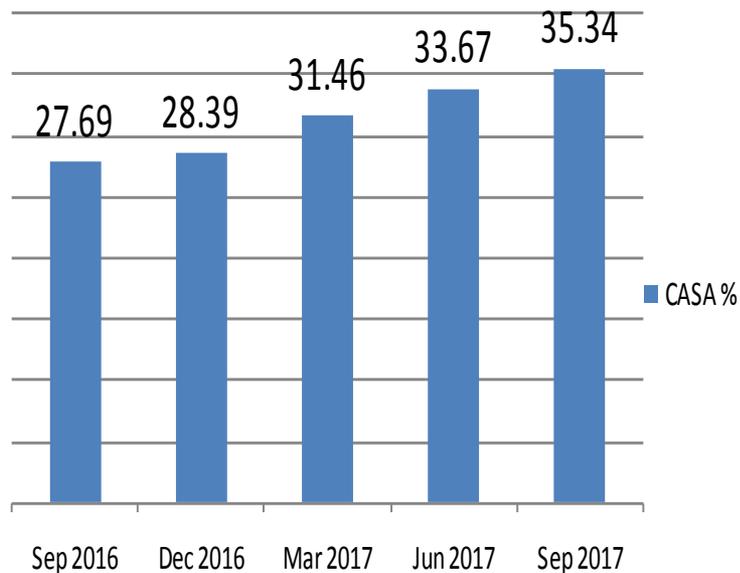
₹ in Crore

Sr. No	Terminal level	Sep 16	Jun-17	Sep 17	YoY variation	
	Parameters				Amt.	%
1	Global Deposits	265679	243058	241566	-24113	-9.08
	CASA Share (%)	27.69	33.67	35.34		
	CASA Deposits	73561	81837	85376	11814	16.06
	Saving Deposits	41860	49521	51488	9628	23.00
	Current Deposits	31702	32315	33888	2186	6.90
	Term Deposits	192117	161222	156190	-35927	-18.70
	Core Term Deposits (RTD)	83228	82197	78818	-4410	-5.30
2	Gross Advances	230947	208085	205670	-25277	-10.94
	Global Net Advances	218673	187266	183568	-35105	-16.05
3	CD Ratio % (Gross Credit)	86.93%	85.61%	85.14%		

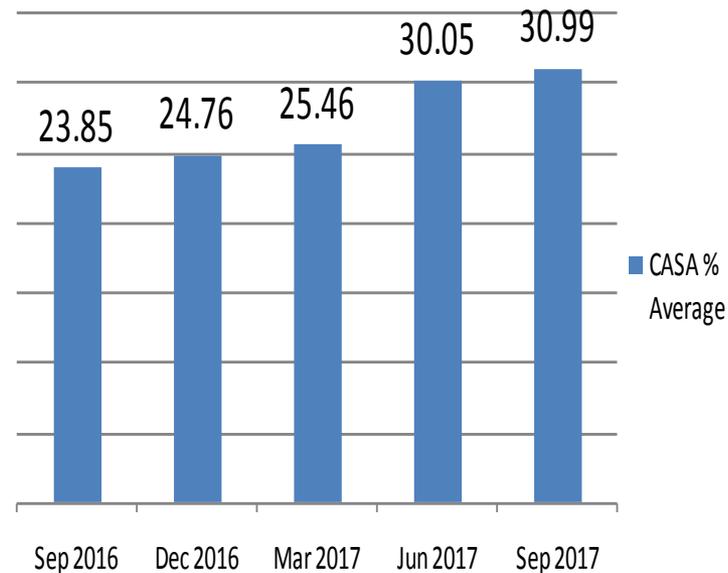
Sr. No	Daily Average basis	Sep 16	Jun-17	Sep 17	YoY variation	
	Parameters				Amt.	%
1	Global Deposits	252051	247958	242937	-9113	-3.62
	CASA Share (%)	23.85	30.05	30.99		
	CASA Deposits	60117	74504	75274	15157	25.21
	Saving Deposits	37762	48332	48225	10463	27.71
	Current Deposits	22354	26172	27049	4694	21.00
	Term Deposits	191934	173455	167663	-24271	-12.65
	Core Term Deposits	77970	85028	82584	4614	5.92
2	Global Net Advances	212519	192959	188561	-23958	-11.27

CASA-Low Cost Deposit

CASA%

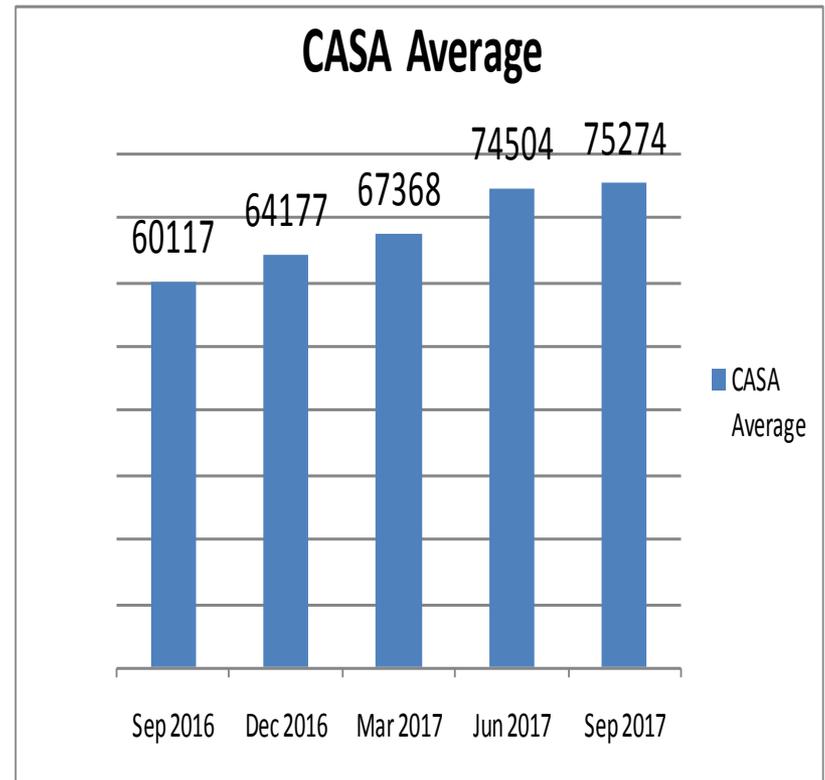
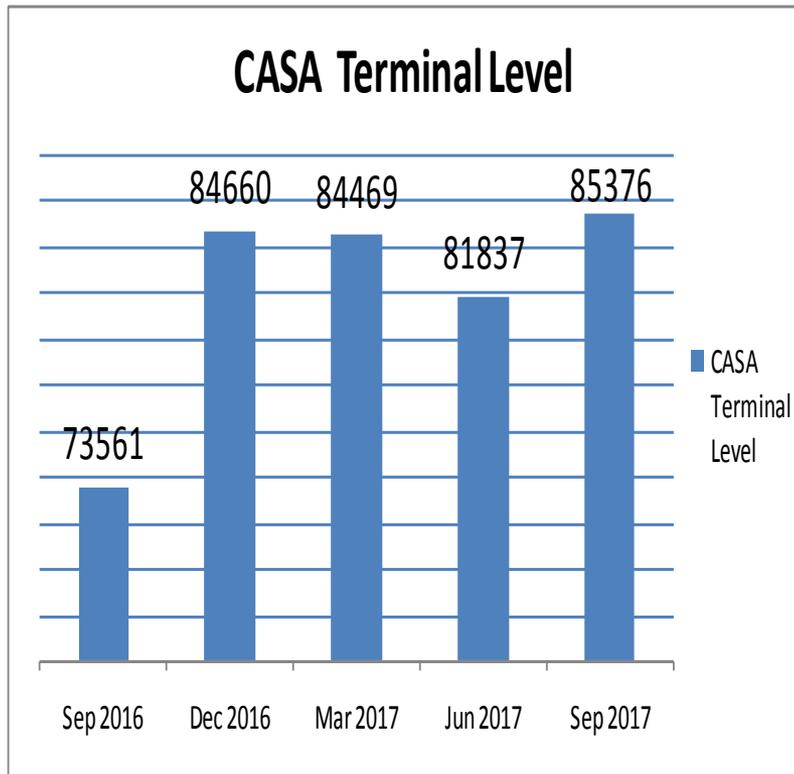


CASA% Average



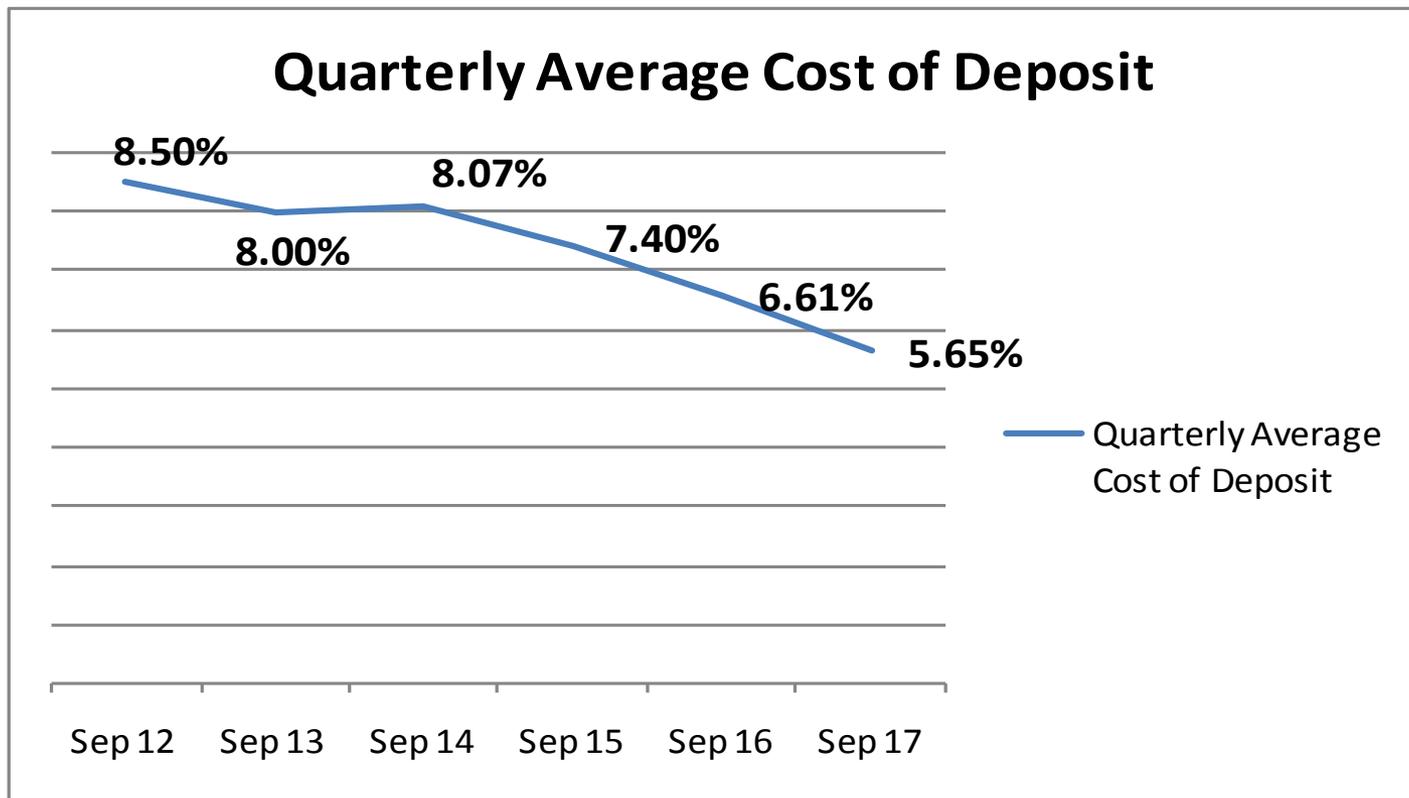
Share of CASA in Total Deposits exceeded 35%

Consistently Growing CASA Deposits



*Bank is strategically moving towards "Funding through CASA".
Term Deposits have come down, partly compensated by CASA*

Declining Average Cost of Deposit



Advances

₹ in Crore

Parameters	Sep 16	Jun-17	Sep 17	YoY variation	
				Amt.	%
Global Gross Advances	230947	208085	205670	-25276	-10.94
Overseas Advances	26528	22552	20801	-5727	-21.59
Domestic Advances	204419	185533	184870	-19549	-9.56
Agri and Allied Activities	15842	17831	16891	1049	6.62
Industry (Micro, Small, Medium & Large)	114986	105966	109305	-5681	-4.94
Services	31199	34480	36327	5128	16.44
Personal Loans	35251	35976	36362	1111	3.15
Others	33669	13832	6786	-26883	-79.85

Parameters	Sep 16	Jun-17	Sep 17	YoY variation	
				Amt.	%
Domestic Advances	204419	185533	184870	-19549	-9.56
Upto Rs. 5 Cr	67445	71836	68997	1552	2.30
Above Rs. 5 Cr	136974	113696	115873	-21101	-15.41

Priority Sector

₹ in Crore

Particulars	Sep-16	Sep-16 as Percentage of ANBC	Jun-17	Jun-17 as Percentage of ANBC	Sep-17	Sep-17 as Percentage of ANBC
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals
ANBC	219104		233830		235929	
Priority Sector Advances (a+b+c)	83029	37.89	88701	37.93	89863	38.09
(a) Agriculture (i+ii+iii)	35656	16.27	38672	16.54	39701	16.83
(i) Direct Lending to Agri-Non Corporate	16108	5.68	19880	8.50	21327	9.04
(ii) Other Agri	1408	2.31	1929	0.82	1612	0.68
(iii) Indirect Agriculture (RIDF)	18140	8.28	16863	7.21	16762	7.10
(b) Micro, Small & Medium Enterprises	27145	12.39	29819	12.75	29683	12.58
(c) Other Priority Sector Advances (i+ii)	20228	9.23	20210	8.64	20478	8.68
(i) Housing	19501	8.90	19441	8.31	19676	8.34
(ii) Others	727	0.33	769	0.33	802	0.34

Top 20 Industry-wise Advances

₹ in Crore

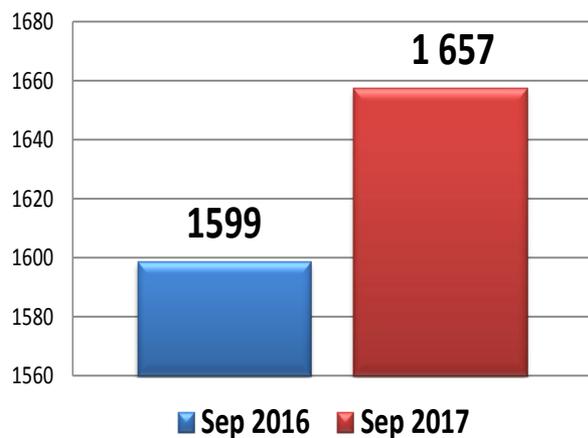
Top 20 Industries	Outstanding as on 30-Sep-17			
	FB	NFB	Total	% of Total Outstanding advances (Fund based+Non fund based)
Infrastructure of which:	49308	27698	77005	17.59%
-Transport	15600	7558	23157	5.29%
-Energy	27321	8806	36128	8.25%
-Water and Sanitation	2294	2238	4532	1.04%
-Communication	2938	9075	12013	2.74%
-Social and Commercial Infrastructure	1154	21	1175	0.27%
Basic Metal and Metal Products	15153	9744	24897	5.69%
Housing Loans (Incl priority sector housing)	29458	4	29462	6.73%
All Engineering	8713	10340	19053	4.35%
Chemicals and Chemical Products (Dyes, Paints, etc.)	8323	3695	12018	2.74%
Trade	12855	2930	15785	3.60%
Agriculture & Allied Activities	16623	25	16649	3.80%
Other Services	4257	4580	8837	2.02%
Residuary other advances	1982	5210	7192	1.64%
Mining and Quarrying	4881	6884	11765	2.69%
NBFCs	5458	675	6133	1.40%
Construction	4672	5294	9966	2.28%
Food Processing	6314	1194	7508	1.71%
Vehicles, Vehicle Parts and Transport Equipments	6552	859	7410	1.69%
Textiles	5012	753	5766	1.32%
Commercial Real Estate	3430	415	3845	0.88%
Rubber, Plastic and their Products	2776	414	3190	0.73%
Other Retail Loans	3159	48	3207	0.73%
Cement and Cement Products	1774	474	2248	0.51%
Paper and Paper Products	2061	195	2256	0.52%
Total	1 92 762	81 430	2 74 192	62.62%

Balance Sheet Ratios

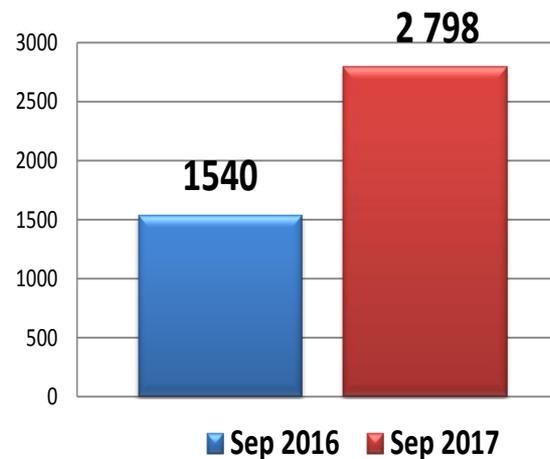
Particulars	Sep 16	Jun-17	Sep 17
Total Business [Dep. + Adv.]	484352	430325	425133
SB Deposits to Total Deposits (EOP)	15.76%	20.37%	21.31%
Current Account Deposits to Total Deposits(EOP)	11.93%	13.30%	14.03%
Time Deposits to Total Deposits(EOP)	72.31%	66.33%	64.66%
-Bulk Deposits to Total Deposits	40.99%	32.51%	32.03%
Book Value - Rs.	83.32	51.49	50.52
Owned Funds to total outside liabilities	6.74%	6.23%	6.92%
Number Of Accounts			
(i) Savings	13962324	15832616	15859987
(ii) Current	624184	772018	774973
(iii) Term deposits	2956180	3303576	2955840

Income & Profitability Q2 FY18 vs Q2 FY17

Net Interest Income

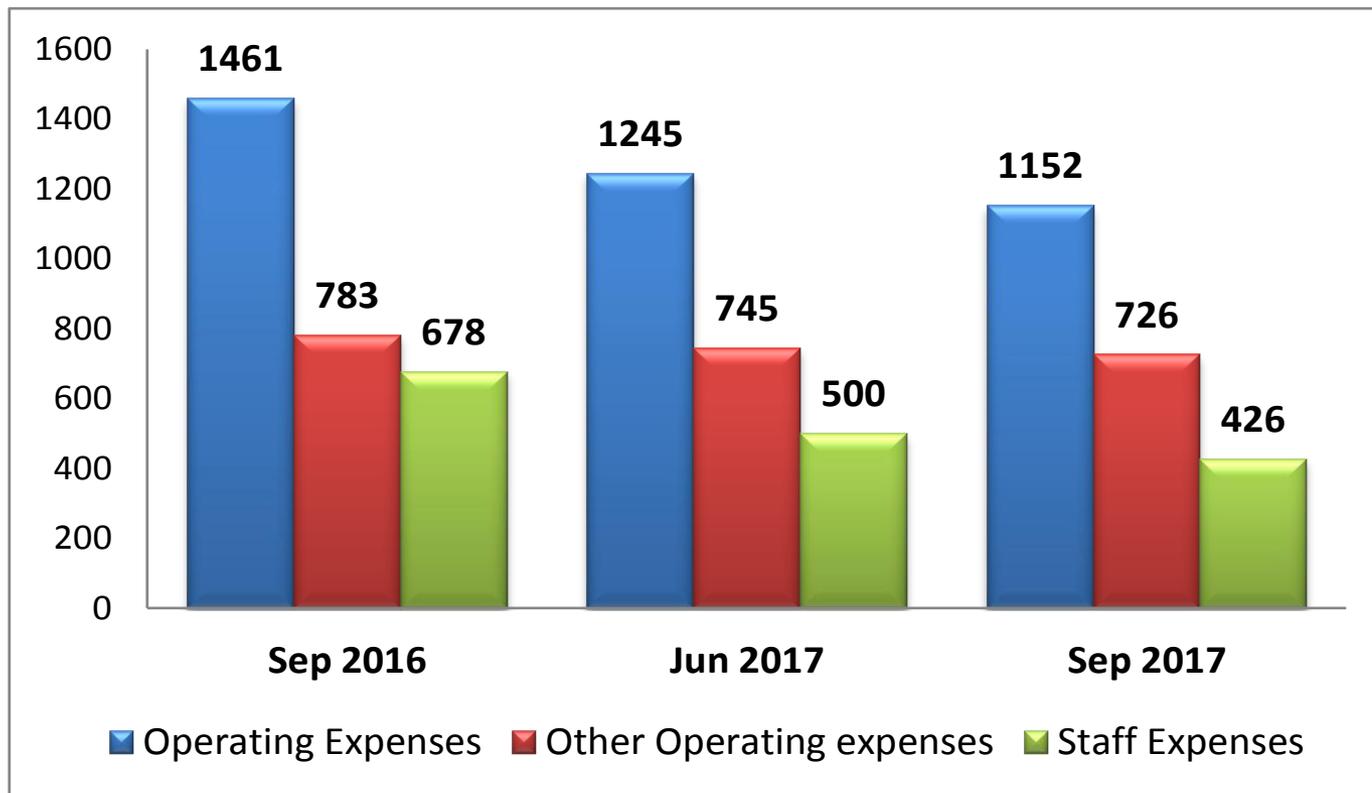


Operating Profit



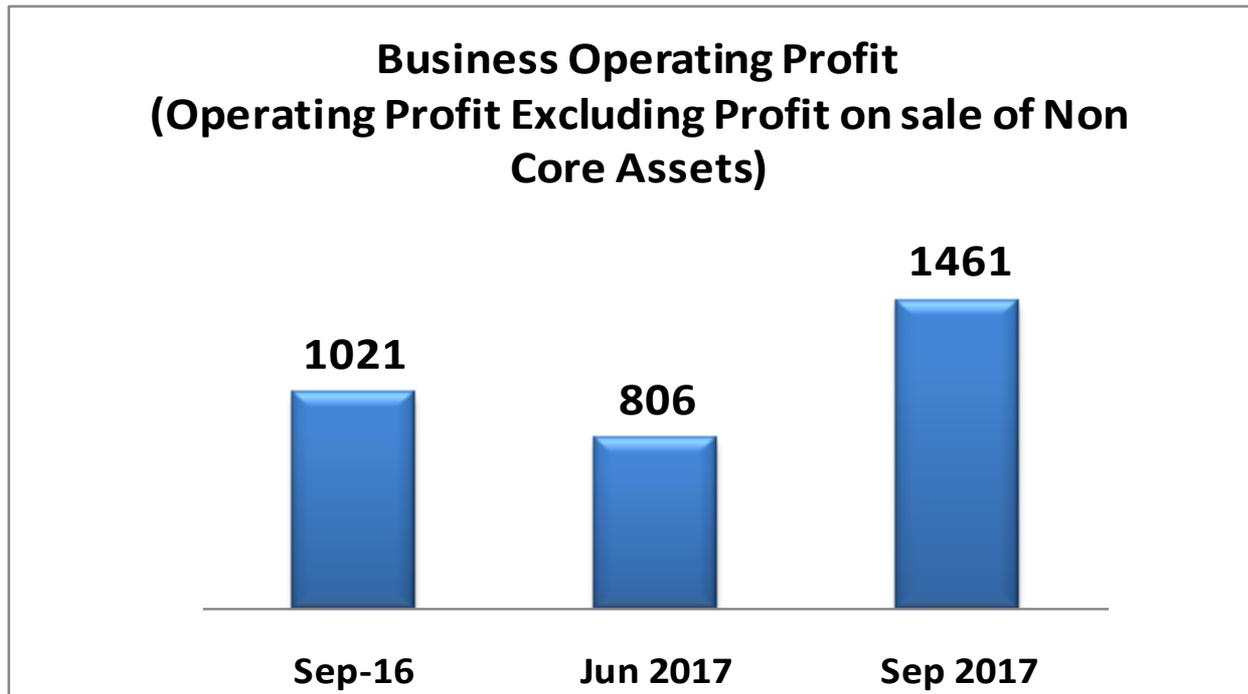
Declining Operating Expenses (Quarterly)

₹ in Crore



Business Operating Profit

₹ in Crore



Sale of Non Core Assets in HY Sep 17

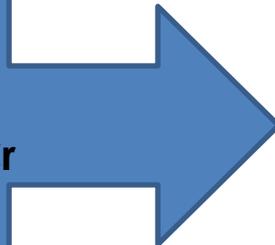
SIDBI Stake Sale in Sep17

- Stake Sold: 10.03 %
- Sale Proceeds: 1319.81 Cr
- Capital Gain: 1266.45 Cr



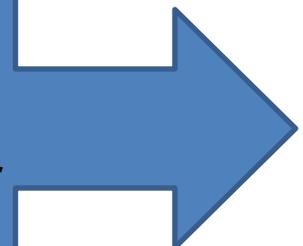
CCIL Stake Sale in Jun17

- Stake Sold: 2.50 %
- Sale Proceeds: 75.13 Cr
- Capital Gain: 70.71Cr



CCIL Stake Sale in Sep17

- Stake Sold: 2.50 %
- Sale Proceeds: 75.38 Cr
- Capital Gain: 70.96 Cr



Provisions & Contingencies

(₹ in Crore)

Particulars	Quarter Ended			YoY Variation	
	Sep-16	Jun-17	Sep-17	Amt.	Growth%
Depreciation on Investment	237	438	199	(38)	(16)
Provision for NPAs	920	1 069	1 276	355	39
Provision towards standard assets	(254)	99	156	410	(161)
Provision for Restructured Assets (including FITL)	(56)	(286)	(38)	18	(32)
Income Tax	135	(340)	(261)	(396)	(293)
Bad Debts Writen off	465	824	1 586	1121	241
Other Provisions	36	(74)	78	42	115
Total	1484	1730	2996	1512	

Net Interest Income

(₹ in Crore)

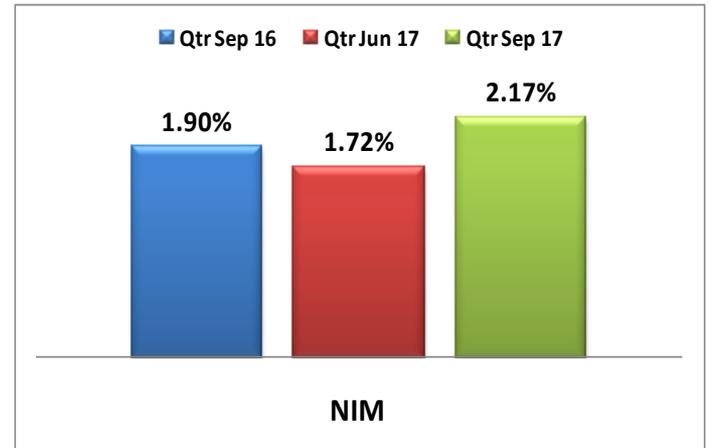
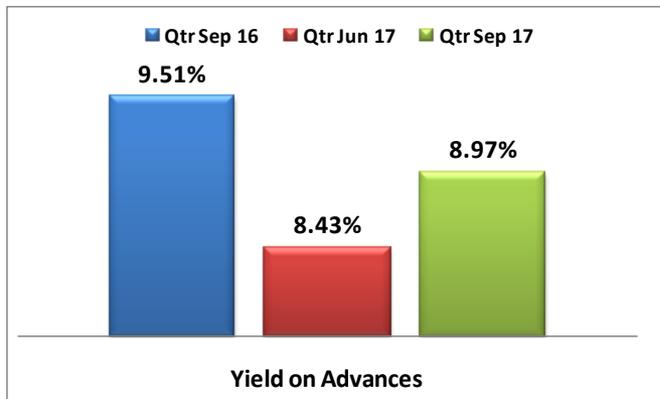
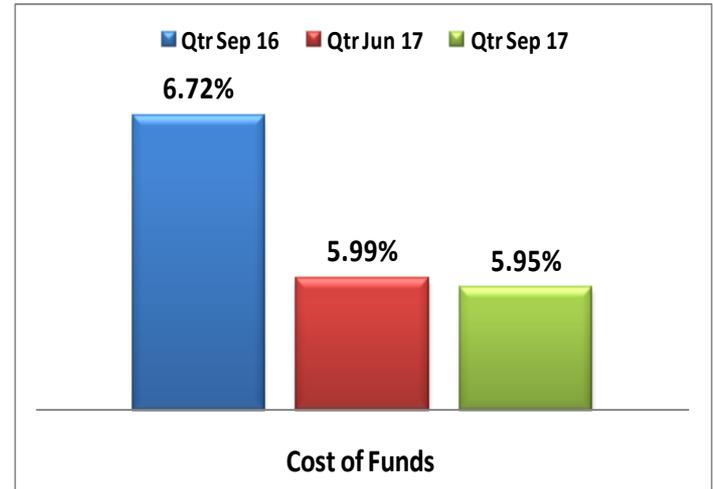
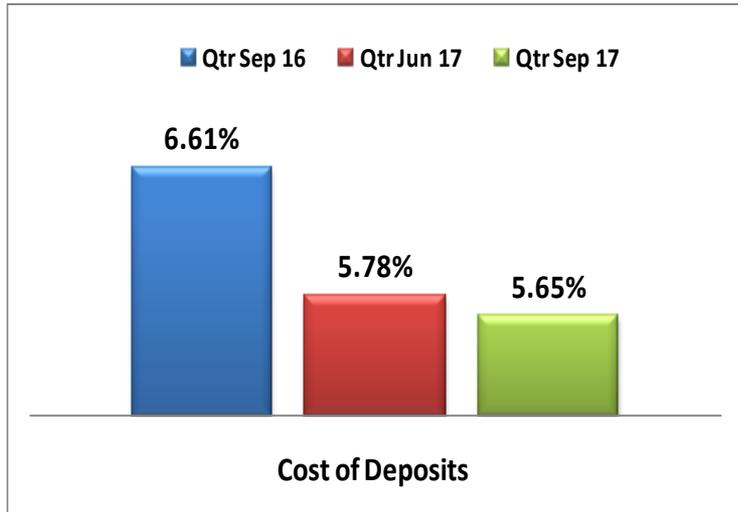
Sr.No	Particulars	Quarter ended			YoY Growth %
		Sep 2016	Jun-17	Sep 2017	
1	Interest Income (2+3+4)	6986	6011	6004	(14)
2	Interest on Advances	5101	4068	4260	(16)
3	Interest on Investments	1578	1669	1464	(7)
4	Other Interest Income	306	274	280	(9)
5	Total Interest paid (6+7+8)	5387	4609	4347	(19)
6	Interest paid on Deposits	4145	3582	3359	(19)
7	Interest on RBI / inter bank borrowings	360	69	72	(80)
8	Interest paid on Borrowings	882	958	916	4
9	NII (Spread) (1-5)	1599	1402	1657	4

Fee Income Breakup

₹ in Crore

Particulars	Quarter Ended			YoY Growth (%)
	Sep-16	Jun-17	Sep-17	
BG Commission	109	94	92	-16
LC Commission	106	99	88	-17
Bills Commission	6	5	6	0
Proc Fee & Incidental Charges	176	171	117	-33
Remittances Fees	18	29	25	40
Sourcing Syndication & Advisory Fees	4	23	7	75
Cash Mgmt.Services Fees	4	5	3	-25
Card Fees	23	28	39	70
ATM Charges	33	36	43	30
Alternate Channel Fees	1	2	1	0
Third Party Dist. Fees	10	23	25	150
Demat Fees	2	4	2	0
Govt. Business Fees	5	3	7	40
Misc Fees	4	6	-31	-
Total	500	526	423	-15

Cost & Yield Ratio



Profitability Ratio

Particulars	Quarter Ended			HY Ended	
	Sep 16	Jun-17	Sep 17	Sep 17	Sep 16
Net Interest Margin	1.90%	1.72%	2.17%	1.94%	1.99%
Return on Assets	0.06%	-ve	-ve	-ve	0.16%
Return on Equity	1.31%	-ve	-ve	-ve	2.66%
Cost of all liabilities	5.93%	5.35%	5.29%	5.31%	6.03%
Yield on Total Assets	9.23%	7.86%	10.12%	8.97%	9.12%
Margin	3.30%	2.51%	4.84%	3.66%	3.09%
Cost of Funds	6.72%	5.99%	5.95%	5.97%	6.82%
Return on Earning Assets	9.62%	8.25%	10.71%	9.42%	9.49%
Spread	2.90%	2.25%	4.77%	3.45%	2.67%
Yield on Advances	9.51%	8.43%	8.97%	8.70%	9.56%
Cost of Deposits	6.61%	5.78%	5.65%	5.71%	6.75%
Particulars	Quarter Ended			HY Ended	
	Sep 16	Jun-17	Sep 17	Sep 17	Sep 16
Non-interest income to Total Income	16.71%	10.70%	27.64%	20.05%	13.96%
Efficiency [Cost- Net Income] Ratio	48.68%	58.67%	29.17%	39.48%	46.53%
Staff Expenses to total income	14.62%	7.49%	5.18%	6.22%	7.39%
Staff Expenses to total expenses	17.91%	8.61%	7.82%	8.23%	9.02%
Overhead efficiency ratio	95.96%	57.84%	198.98%	125.69%	88.59%
CD Ratio	86.93%	85.61%	85.14%	85.14%	86.93%

Treasury Operations

Parameters	Sep 16	Jun 17	Sep 17
SLR	73987	73875	73170
Non SLR	15842	12507	11070
Non SLR (Overseas)	0	226	489
Non SLR (SASF)	4389	3959	3862
Total Investment	94218	90567	88591

Particulars	Sep 2017			
	HTM	AFS	HFT	Total
Government securities	53 036	20 025	109	73 170
SASF Securities	3 862	-	-	3 862
Shares (Equity)	-	2 145	16	2 161
Shares (Preference)	-	243	-	243
Debentures/ Bonds	-	2 820	-	2 820
Subsidiaries / Joint Ventures	702	-	-	702
Security Receipts	-	527	-	527
Others (CPs/CDs/MF/VCF,etc)	29	1 899		1 928
Total Domestic Investments	57 630	27 659	125	85 413
Overseas Investments		488		488
Total Global Investments	57 630	28 147	125	85 902

Asset Quality

₹ in Crore

Particulars	Sep 16	Jun-17	Sep-17
Gross Advances	230947	208085	205670
Gross NPAs	30134	50173	51368
Gross NPAs as % of Gross Advances	13.05%	24.11%	24.98%
Total Provisions held (including NPV Loss)	12289	20593	21879
Net Advances	218658	187266	183568
Net NPAs	18195	29580	29489
Net NPAs as % of Net Advances	8.32%	15.80%	16.06%
Provision Coverage Ratio as per RBI Guidelines	54.91%	52.42%	54.56%

NPA Movement

₹ in Crore

Particulars	For the Quarter Sep 16	For the Quarter Jun 17	For the Quarter Sep 17
Opening Balance	27275	44753	50173
Add:			
-First Time NPA	5587	7659	3381
-Increase/Ageing	111	705	1321
Of Which Restructured A/cs are	1533	1054	324
Less:			
-Settled	252	1492	1297
-Upgradation	2123	626	620
-Write-off	465	825	1591
Closing Balance	30134	50173	51368
Gross NPA %	13.05%	24.11%	24.98%
Net NPA %	8.32%	15.80%	16.06%
Prov. Coverage Ratio as per RBI Guidelines	54.91%	52.42%	54.56%

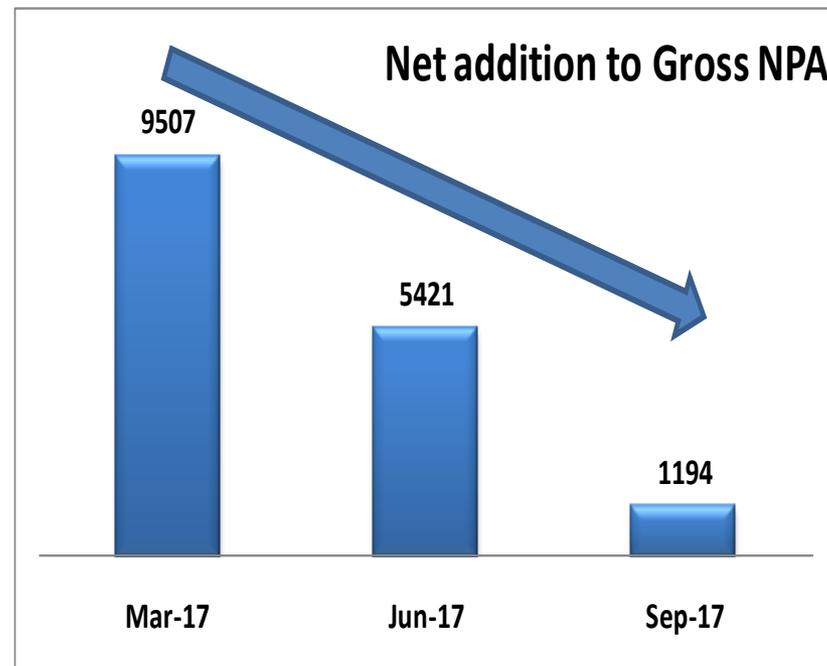
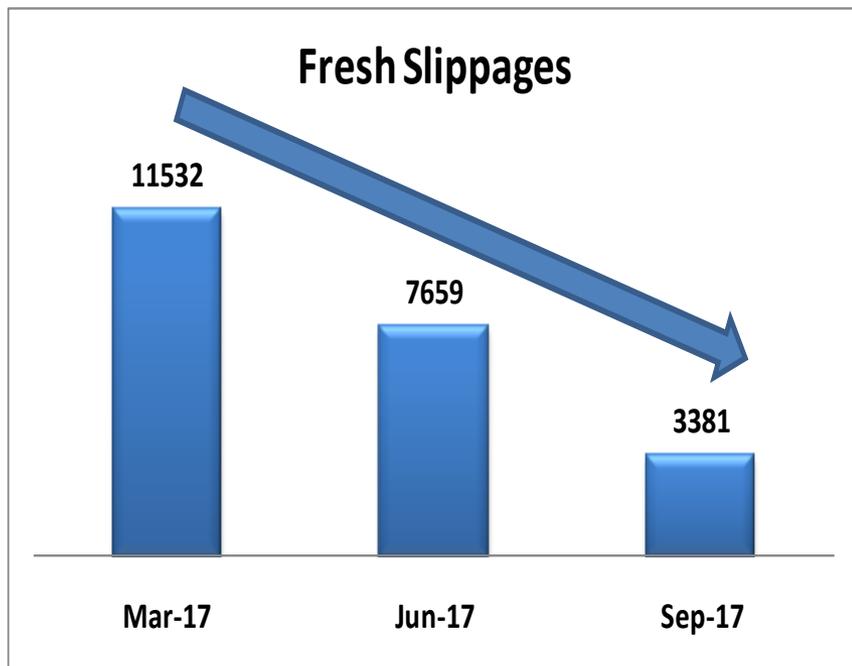
Sector Wise Analysis

₹ in Crore

Category	Outstanding Advances (A)	Gross NPA (B)	GNPA % to Total GNPA	Qtrly FTNPA	Restructured Standard Advances
Agri and Allied Activities	16891	1868	3.64%	164	57
Industry (Micro, Small, Medium & Large)	109305	42092	81.94%	2328	12095
Services	36327	5437	10.58%	335	328
Personal Loans	36362	522	1.02%	94	0
Others	6786	1449	2.82%	460	456
Total	205670	51368		3381	12937

Declining Fresh Slippages

₹ in Crore



Restructured Standard Accounts Industry Wise

₹ in Crore

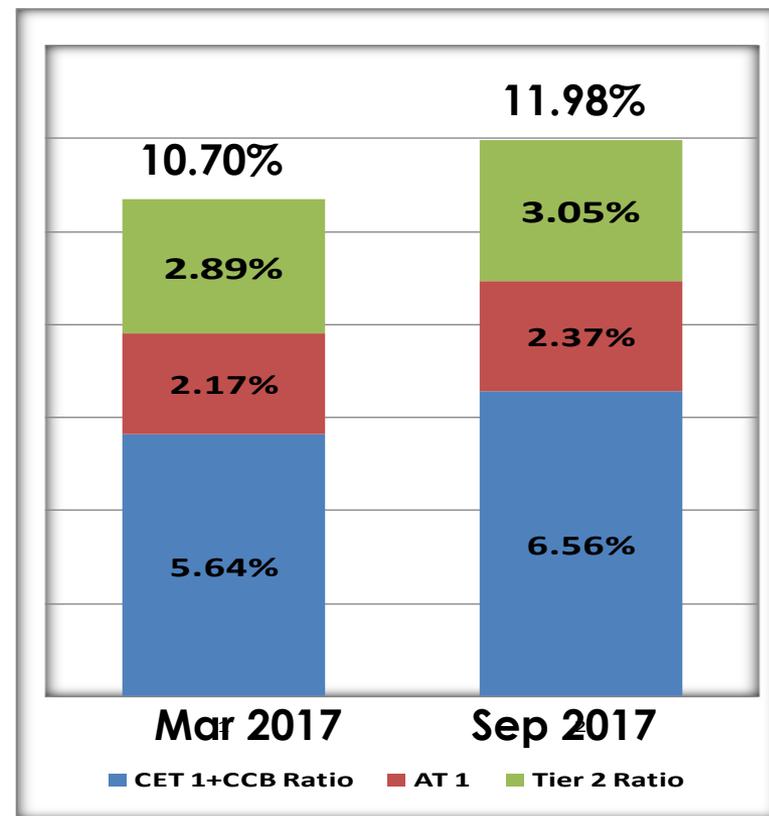
Industry	Net Outstanding		
	Sep-16	'Jun 17	Sep 17
Infrastructure	7480	7046	6739
Rubber, Plastic and their Products	1728	1663	1662
Chemicals and Chemical Products (Dyes, Paints, etc.)	305	1663	1700
Vehicles, Vehicle Parts and Transport Equipments	1040	850	794
All Engineering	650	652	620
Food Processing	638	483	471
Gems and Jewellery	276	223	226
Basic Metal and Metal Products	424	218	213
Construction	352	153	150
Textiles	208	117	114
Computer Software	67	75	75
Other Industries	58	50	46
Agriculture & Allied Activities	50	35	35
Mining and Quarrying	63	30	29
Cement and Cement Products	10	28	26
Other Services	22	20	19
Tourism, Hotel and Resturants	9	9	11
Paper and Paper Products	6	4	3
Education Loans	22	4	0
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	1	2	4
Beverages (excluding Tea & Coffee) and Tobacco	1	1	1
Trade	9	0	0
Shipping	601	0	0
Glass & Glassware	45	0	0
Total	14069	13325	12937

Capital Adequacy

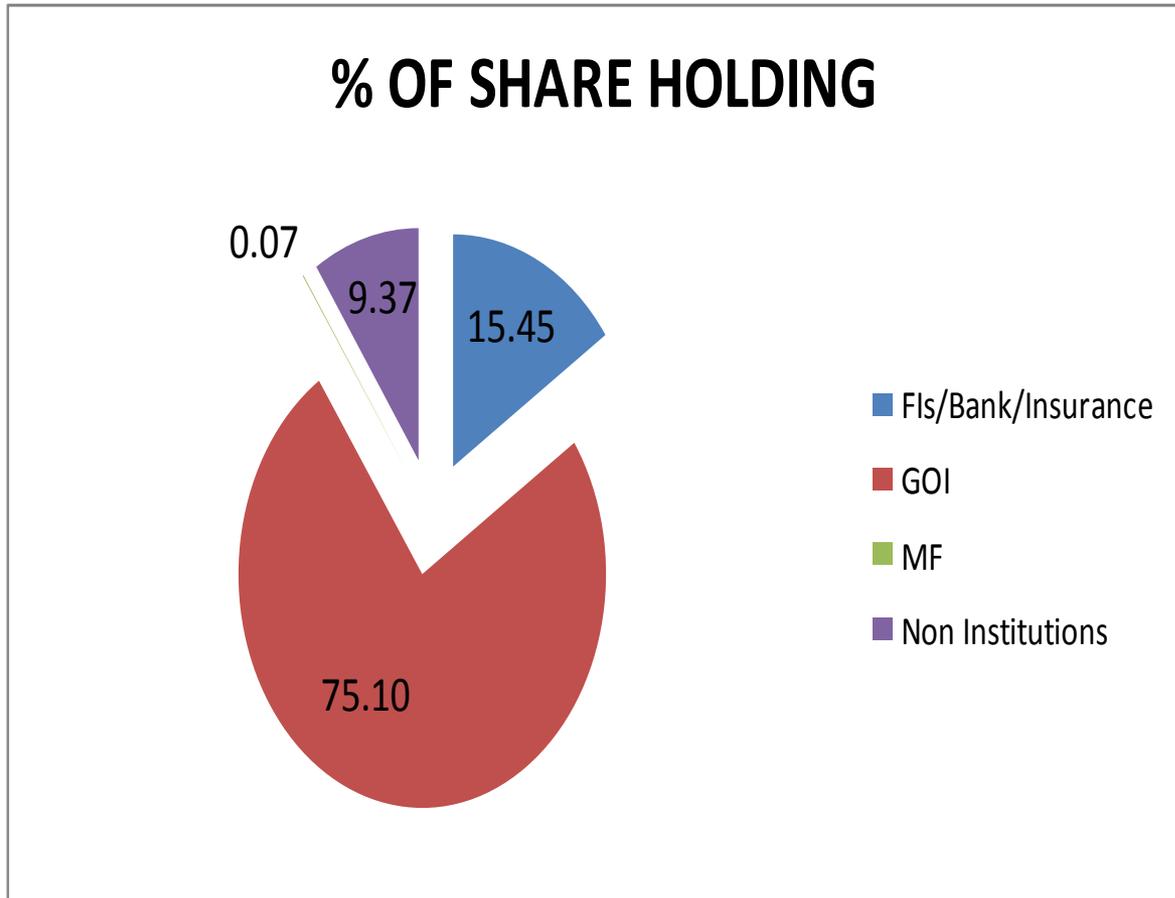
Particulars	Mar-17	Sep-17
CET 1 + CCB (Rs.)	15160	16208
AT 1 (Rs.)	5854	5854
Tier 1 Capital (Rs.)	21014	22062
Tier 2 Capital (Rs.)	7765	7540
Total Capital (Rs.)	28779	29602
RWA (Rs.)	268997	247005
CET 1+CCB Ratio	5.64%	6.56%
AT 1	2.17%	2.37%
Tier 1 Ratio	7.81%	8.93%
Tier 2 Ratio	2.89%	3.05%
CRAR	10.70%	11.98%

Tier 1 at 8.93 % as at Sep 17 increased by 112 Basis Points compared to Mar 17

Since April 2017, GoI and LIC infused Equity Capital of Rs.1861 Cr and Rs.394 Cr respectively.



Shareholding Pattern Sep 2017



Digital Products

Next Gen Payment Solutions for a Cashless environment

For Individuals



inet Banking

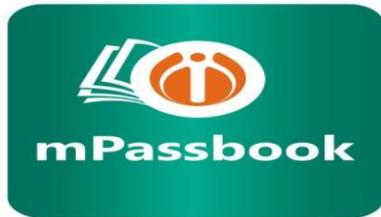
Internet Banking



Mobile Banking App



BHIM UPI App



Passbook on Mobile



Banking through
Basic Mobile Set



Card Control App



Card payments



Apt way to pay

Mobile Wallet

For Merchants

BHIM
Aadhaar



BHIM UPI
POS



Mobile
POS



IDBI BANK

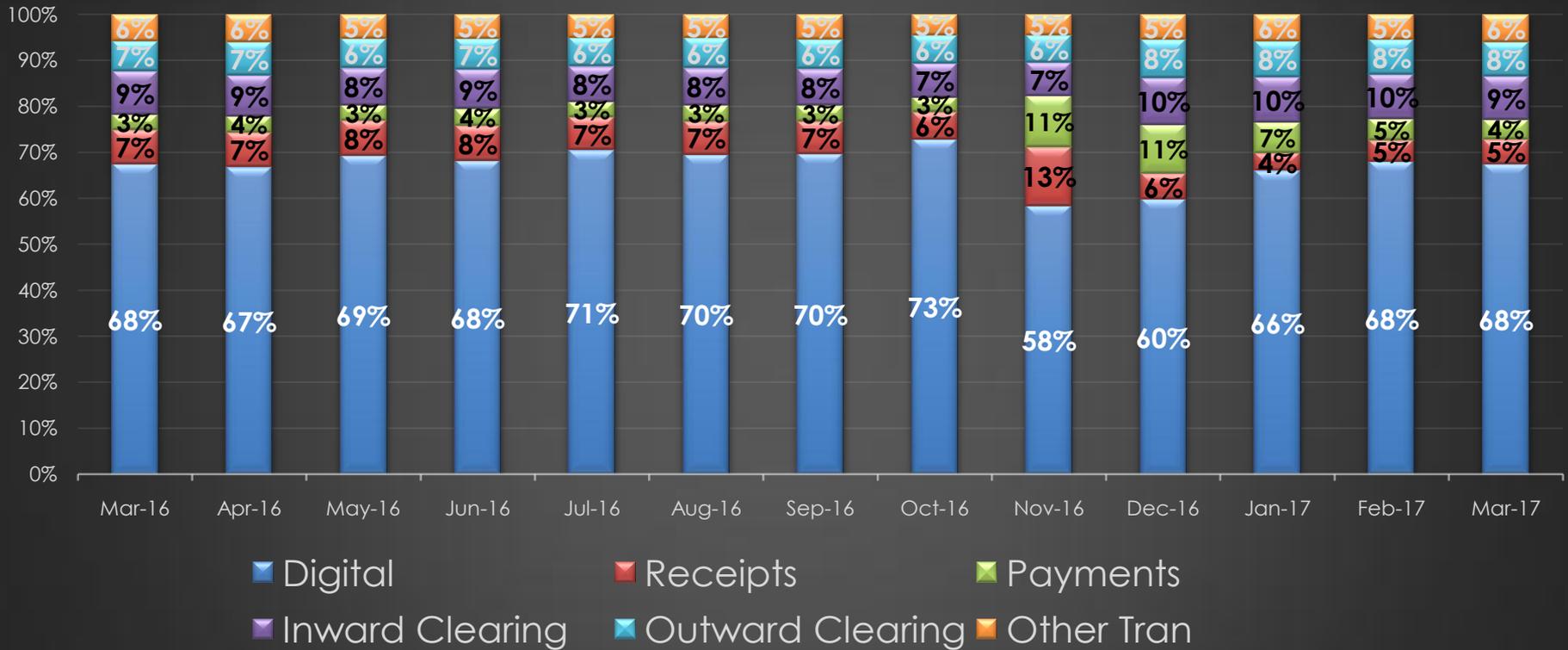
Digital Banking & Emerging Payments Products

Products (Numbers)		As on March 17			As on Sept 17		
		Installations/ Registrations	No. of Transactions for FY Mar17 (in lakh)	Volume of Transactions for FY Mar17 (in crore)	Installations/ Registrations	No. of Transactions for HY Sep17 (in lakh)	Volume of Transactions for HY Sep17 (in crore)
ATMs	actuals	3537	1410.11	NA	3816	804.25	NA
Debit Cards	in lakh	106.04	1304.16	5393.33	110.74	746.95	3702.84
Credit Cards	in lakh	0.21	5.89	133.08	0.24	5.69	127.76
POS Terminals	actuals	34469	391.21	15284.76	33472	223.55	6641.35
Internet Banking	in lakh	81.88	390.38	452617.50	88.05	214.89	216119.19
Mobile Banking	in lakh	9.17	4.33	188.49	9.28	2.08	110.98

Digital Banking & Emerging Payments Products

Products (Numbers)	As on Sept 17
	Installations / Registrations
Digital PoS (Bharat QR)	4061
Mobile PoS	5032
eWallet (merchants)	6138
UPI App (merchants)	17350
BHIM Aadhaar Pay	467
Mobile Passbook	33500
PayApt Users	250000
Abhap: Card Control App users	72500

Digital Banking Transactions Vs. Total Customer Induced Transactions

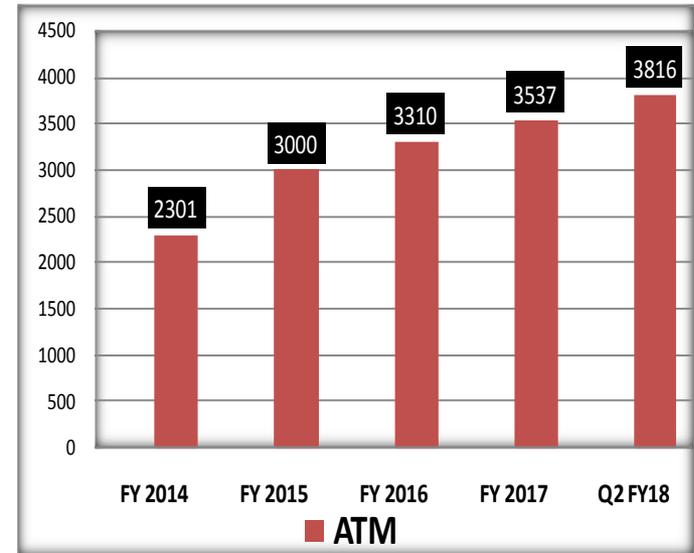
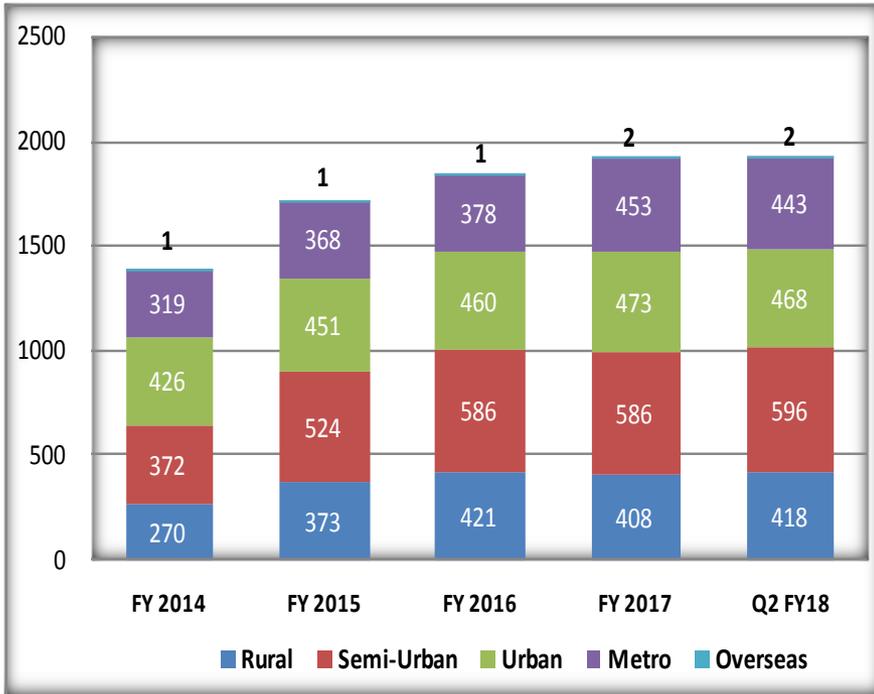


Digital Banking Transactions form ~68% of the total customer induced transactions.

Total Number of Digital Banking Transactions Processed (figures in lakhs)



Distribution Network



- ❖ 1927 Branches
- ❖ 3816 ATMs
- ❖ 58 e-Lounges
- ❖ 78 Retail Assets Centers
- ❖ 6 Regional Processing Units

- ❖ Presence in 1426 locations

Turnaround Strategy

Focus Areas

Improving CRAR

- CRAR : 11.98% in Sep 17 V/s 10.70% in Mar 17
- CET 1 + CCB: 6.56% in Sep 17 V/s 5.64% in Mar 17

Improving Asset Quality

- Declining Fresh Slippages from 11532 Cr in Qtr Mar 17 to 3381 Cr in Qtr Sep 17.
- Decline in Net Addition to Gross NPA from 9507 Cr in Mar 17 to 1194 in Sep 17.

Reducing operational cost

- Decline in Opex from 1305 Cr in Mar 17 to 1152 Cr in Sep 2017.

Sale of non-core assets

- Capital Gain on sale of CCIL & SIDBI is Rs. 1337 Cr.

Improving Income

- Increase in NII and NIM at 2.17% up by 27 Bps (YoY)

Way Forward

- *Project Nishchay initiated to drive **sustainable growth and profitability** for IDBI Bank*

**Nishchay**

Our Resolve to Succeed

Objectives of Project Nishchay

Driving short term profitability impact

- Quick win to improve operating profits
- Identify next set of growth opportunities
- Improve employee engagement and morale

Developing structure for long term sustainability of results

- Identifying long term growth and profitability initiatives
- Putting structures & processes in place to ensure sustainable results
- Enabling organization and drive change

Way Forward

4 broad areas identified to drive IDBI Bank to improved profitability position

Nishchay @ IDBI Bank

Revenue Maximization

Improving fees income

Assets growth

Margin improvement

Treasury & trade
finance opportunities

Driving cost efficiency

Rental &
maintenance cost

IT, ATM & Digital
Banking

Efficiency in Other
Operating Costs

Manpower Planning

Increasing sales
focus of workforce

Optimization in
branches and
controlling units

Asset Utilization

Improving
utilization of real
estate
Non-core business
assessment

NPA Management

Capital
Optimization

Change management, Engagement and Communication

Significant developments

- ❖ IDBI Bank signed MoUs with 14 state Governments for credit linkage of SHGs under the State Rural Livelihoods Mission (SRLM).
- ❖ IDBI Bank was awarded with Rajbhasha Kirti Puraskar for Hindi Magazine 'VikasPrabha' by Department of Official Language, Ministry of Home Affairs, Government of India.
- ❖ IDBI Bank initiated 'Project Nishchay – Resolve to succeed' in partnership with 'The Boston Consulting Group'(BCG) to accelerate its turnaround programme and improve financial performance.



Thank You

Bank Aisa Dost Jaisa