



Presentation to Analysts

January 2011

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

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.
- 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

- 766 branches; 1319 ATMs
- 1- Overseas, 223-Metro, 292-Urban, 169-Semi Urban & 82-Rural
- Presence in 519 locations
- Network of :
 - 58 Retail Asset Centres
 - 31 City SME Centres
 - 14 Agri Processing Centres
 - 4 Regional Processing Units
 - 22 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
-

Nimble in size

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

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
-

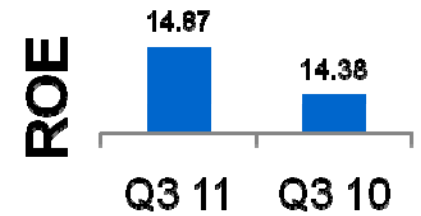
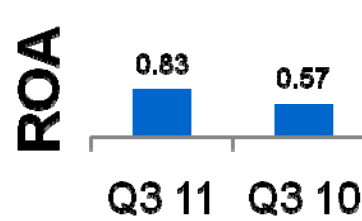
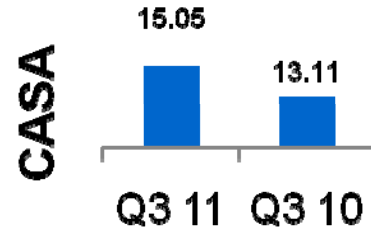
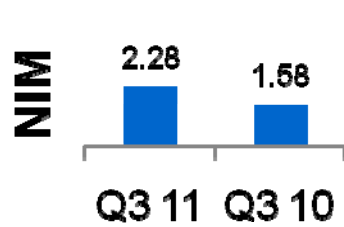
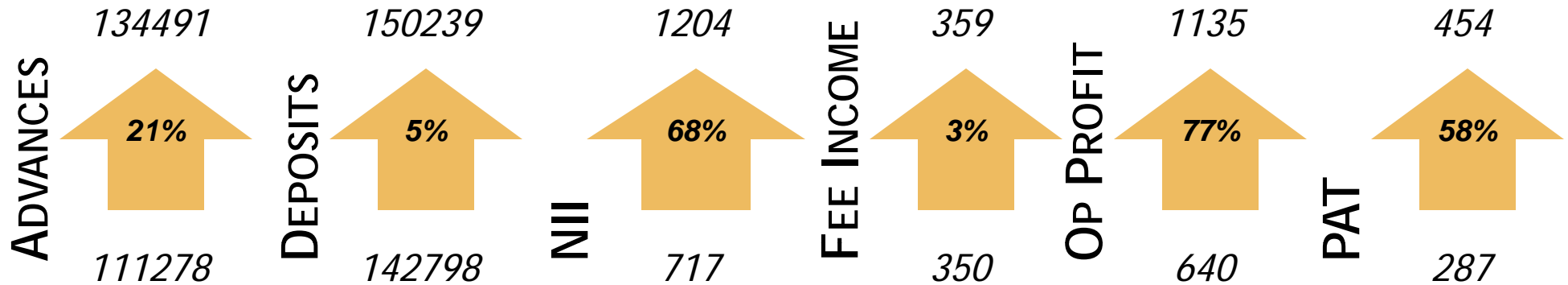
Lean operations

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

Integration capability

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

Highlights *(Q3 FY 11 over Q3 FY 10)*



Profit & Loss

(₹ in Crore)

Particulars	Quarter Ended		Nine Months Ended		Year Ended
	Dec.10	Dec.09	Dec.10	Dec.09	Mar.10
Interest income	4712	4006	13576	11178	15261
Interest expenses	3508	3289	10355	9684	13005
Net Interest income	1204	717	3220	1494	2256
Other Income	447	427	1408	1757	2302
Total income	1651	1144	4628	3251	4558
Operating Expenses	517	504	1637	1218	1831
- Employee Cost	166	197	742	488	773
- Other Operating Expenses	351	308	896	730	1058
Operating Profit	1135	640	2991	2033	2726
Provisions & contingencies	680	353	1857	1320	1695
- NPAs / Write offs	490	171	1124	325	723
- Restructured Assets	66	22	115	553	599
- Others (Invt., Std Asset, etc)	96	53	355	262	360
- Tax	307	107	568	181	346
- Deferred Tax	-278	0	-306	0	-333
Profit After Tax	454	287	1134	713	1031

Details of Other Income

(₹ in Crore)

Particulars	Quarter Ended		Nine Months Ended		Year Ended
	Dec.10	Dec.09	Dec.10	Dec.09	Mar.10
Commission, Excg & Brkg	292	298	1008	858	1225
Profit on sale of investments	65	48	95	681	748
Profit/(Loss) on revaluation of investment	-12	-13	-24	-43	-52
Profit on sale of Fixed Assets	0	-1	-1	-1	-1
Profit on forex/derivatives	46	32	133	72	98
Dividend from subsidiaries	0	0	33	18	18
Recovery from written off cases	22	32	71	84	121
Other misc income	34	31	92	88	144
Total *	447	427	1408	1757	2302

* Fee Based Income	359	350	1219	991	1435
--------------------	------------	------------	-------------	------------	-------------

Details of Operating Expenses

(₹ in Crore)

Particulars	Quarter Ended		Nine Months Ended		Year Ended
	Dec.10	Dec.09	Dec.10	Dec.09	Mar.10
Staff Cost	166	197	742	488	773
Rent, taxes & lighting	59	45	150	116	178
Printing & stationery	11	8	25	21	29
Advertisement & Publicity	14	24	38	38	46
Depreciation	48	20	98	59	91
Postage, Telegram, Teleph., etc	18	15	38	41	64
Repairs and maintenance	30	21	76	60	84
Insurance	36	31	116	84	114
Banking expenses	14	10	40	33	47
Expenses for recovery of write off cases	1	1	4	3	4
Outsourcing expenses	49	45	129	98	153
Fee and other expenses for borrowing	6	46	21	56	74
Other expenditure	65	41	160	120	173
TOTAL	517	504	1637	1218	1831

Key Profitability Indicators

Particulars	Quarter Ended		Nine Months Ended		Year Ended
	Dec.10	Dec.09	Dec.10	Dec.09	Mar.10
Net Interest Margin	2.28%	1.58%	2.11%	1.16%	1.27%
Return on Assets	0.83%	0.57%	0.68%	0.51%	0.53%
Return on Equity	14.87%	14.38%	14.30%	12.30%	13.14%
Cost of all liabilities	6.40%	6.57%	6.20%	6.87%	6.69%
Yield on Total Assets	9.41%	8.86%	8.97%	9.17%	9.03%
Margin	3.01%	2.29%	2.77%	2.31%	2.34%
Cost of Funds	7.11%	7.36%	6.82%	7.54%	7.35%
Return on Earning Assets	9.69%	9.04%	9.23%	9.42%	9.29%
Spread	2.58%	1.68%	2.41%	1.89%	1.94%
Low cost funds to Total Funds	15.05%	13.11%	15.05%	13.11%	14.59%
Net NPA Ratio	1.20%	1.40%	1.20%	1.40%	1.02%

Key Operating Indicators

Particulars	Quarter Ended		Nine Months Ended		Year Ended
	Dec.10	Dec.09	Dec.10	Dec.09	Mar.10
Non-interest income to Total Income	8.67%	9.64%	9.40%	13.58%	13.11%
Efficiency [Cost- Net Income] Ratio	31.29%	44.05%	35.38%	37.47%	40.18%
Staff Expenses to total income	3.21%	4.35%	4.95%	3.69%	4.31%
Staff Expenses to total expenses	4.12%	5.09%	6.18%	4.37%	5.10%
Overhead efficiency ratio	86.55%	198.66%	85.99%	144.25%	125.68%

Balance Sheet

(₹ in Crore)

As at	31-Dec-10	31-Dec-09
LIABILITIES		
Capital	984	725
Reserve & Surplus	13403	9379
[Net Worth]	12452	8127
Deposits	150239	142798
Borrowings	49612	43396
Other Liabilities & provisions	6860	7013
Total	221098	203311
ASSETS		
Cash & balance with RBI	11211	8899
Bal. with banks & money at call	1649	4423
Investments	66123	71488
Advances	134491	111278
Fixed Assets [incl leased assets]	3036	2980
Other Assets	4588	4243
Total	221098	203311

NPAs

(₹ in Crore)

As at 31-Dec-2010	
Gross Advances	135902
Gross NPAs	3021
Gross NPAs as % of Gross Advances	2.22
Total Provisions held	1411
Net Advances	134491
Net NPAs	1610
Net NPAs as % of Net Advances	1.20
Provision Coverage Ratio (%)	46.71
Provision Coverage Ratio as per RBI Guidelines (%)	75.61

Sectoral Net NPAs	%
Agri & Allied activities	1.67
Industry (Micro, Small, Medium & Large)	1.32
Services	0.78
Personal Loans	0.87

Advances

(₹ in Crore)

Vertical	31-Dec-10	31-Dec-09
Corporate	90969	83239
SME	11905	7530
Agri	8744	4553
Retail	22873	15955
Total	134491	111278

Nature	31-Dec-10	31-Dec-09
Bills	2364	2345
CC, OD, WCDL etc	27681	14119
Term Loans	104445	94814
Total	134491	111278
Top 20 Borrowers	33587	

Maturity profile	Amount
Upto 6 Months	23610
6 Months-1 Year	8828
1-3 Years	53310
3-5 Years	19475
> 5 Years	29267
Total	134491

Advances

(₹ in Crore)

Industry	Outstanding	Committed Exposure (FB + NFB)
Power	20851	33167
Iron & Steel	13243	20896
Construction	12133	18136
Telecom Services	9626	15744
NBFC	6924	10400
Engineering	5470	9009
Textiles	5988	8569
Electrical Machinery	6122	7756
Oil & Gas Extraction	3370	6452
Fertilizers	1648	6446
Sugar	3513	6131
Roads / Bridges	4101	5983
Commercial Real Estate	4279	5817
Food & Beverages	4002	5661
Refined Petroleum Products	2355	5490
Cement	3204	4728
Banking	563	4712
Non-Ferrous Metal	2545	4694
Housing Finance Companies (HFC's)	3023	4635
Electronics/Communication	3908	4524

Restructuring

(₹ in Crore)

Industry	Dec 10	Sep 10
Financial Services	90.43	90.43
Infrastructure	197.40	183.13
Diamond Industry	95.32	94.78
Other Services	86.10	74.05
Electricity	2545.14	2554.91
Electronics	36.74	41.12
Agro Industries	25.36	23.53
Information Technology	25.42	23.02
Health Care	176.04	180.74
Metal Industry	2880.93	2936.83
Chemical & Fertilizers	185.76	170.92
Electical Machinery	366.95	343.56
Motor Vehicles	139.58	161.91
Paper	101.12	107.98
Textiles	1349.74	1166.11
Food & Beverages	545.55	512.06
Printing	70.27	68.01
Telecommunications	431.96	307.19
Real Estate	235.82	235.8
Others	63.69	18.48
Mining and quarrying	7.76	6.08
Retail Stores	69.23	14.47
Air Transport	885.40	0
Total	10611.70	9315.11

Investments *(₹ in Crore)*

Category	HTM	AFS	HFT	TOTAL
Government securities	44290	5040	910	50240
SASF Securities	5841	0	0	5841
Shares	302	2865	47	3214
Debentures/ Bonds	264	2107	0	2371
Subsidiaries/ Joint Ventures	791	0	0	791
Others (CPs/CD/MF)etc.	646	2744	1185	4575
Total	52134	12756	2142	67032

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 FEDERAL 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
SIKKIM INDUSTRIAL DEVELOPMENT AND INVESTMENT CORPORATION LIMITED	37.15
MANIPUR INDUSTRIAL DEVELOPMENT CORPORATION LIMITED	34.67
NAGALAND INDUSTRIAL DEVELOPMENT CORPORATION LIMITED	30.34
ZORAM INDUSTRIAL DEVELOPMENT CORPORATION LIMITED	27.12
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
PONDICHERY INDUSTRIAL PROMOTION DEVELOPMENT AND INVT CORP LTD	21.14
EDC LIMITED	11.43
TRIPURA INDUSTRIAL DEVELOPMENT CORPORATION LIMITED	11.36

Liabilities

(₹ in Crore)

Deposits	31-Dec-10	31-Dec-09
Current	11020	10959
Savings	11588	7757
Term	127630	124082
Total	150239	142798

Borrowings	31-Dec-10	31-Dec-09
Tier I	3839	2738
Upper Tier II	3286	2785
Lower Tier II	5851	5220
Senior Bonds etc	27372	17703
Flexibonds	567	7918
SLR Bonds	1493	2742
Outside India	7204	4289
Total	49612	43396



Thank You