

Absolutely! Let's break down the extensive history and operations of IDBI Bank Limited, highlighting key points, salient features, and factual figures.

## **IDBI Bank Limited: A Comprehensive Overview**

IDBI Bank Limited is a significant player in the Indian banking sector, transitioning from a Development Financial Institution (DFI) to a full-fledged commercial bank. Its journey is marked by strategic shifts, technological advancements, and a focus on expanding its retail and corporate banking services.

### **Historical Evolution:**

- Foundation and DFI Role (1964-2004):**

- Incorporated in 1964 as the Industrial Development Bank of India, a wholly-owned subsidiary of the Reserve Bank of India (RBI).
- Served as a DFI for 40 years, focusing on industrial financing and development.
- Ownership transferred to the Government of India (GOI) in 1976.
- Key milestones during this phase:
  - Formation of subsidiaries like IDBI Capital Market Services Ltd.
  - Initial Public Offering (IPO) in 1995, reducing GOI holding.
  - Establishment of IDBI Intech Ltd. and IDBI Homefinance Ltd.
  - Divestment of non-core businesses to focus on core activities.

- Transformation into a Commercial Bank (2004-Present):**

- Transformed into a banking company in 2004, enabling it to undertake all banking activities.
- Merged its banking subsidiary, IDBI Bank, in 2005.
- Amalgamated United Western Bank Ltd. in 2006 for inorganic growth.
- Key developments:
  - Expansion of branch and ATM network.
  - Introduction of innovative products and services (Wealthsure, Homesure, 3-in-1 accounts).
  - Focus on technology and digital banking.
  - The entry into the life insurance sector by creating IDBI Fortis life insurance.
  - The opening of a Dubai international finance center branch.
  - The change of the banks name to IDBI Bank Ltd.
  - The launching of many mobile and digital banking products.
  - The acquisition of controlling stake by LIC, and the change of the banks regulatory classification to a private sector bank.

### **Key Operational Segments:**

- Wholesale Banking:**

- Provides financial solutions to large corporations and institutions.

- Retail Banking:**

- Offers a wide range of products and services to individual customers.

- **Treasury Services:**

- Manages the bank's financial assets and liabilities.

- **Other Banking Operations:**

- Encompasses various ancillary banking activities.

### **Subsidiaries and Amalgamations:**

- **Wholly-owned Subsidiaries (as of 2019):**

- IDBI Intech Ltd.
- IDBI Capital Markets & Securities Ltd.
- IDBI Asset Management Ltd.
- IDBI MF Trustee Company Ltd.
- IDBI Trusteeship Services Ltd.

- **Amalgamations:**

- United Western Bank Ltd. (2006)
- IDBI Home Finance Ltd and IDBI Gilts Ltd were amalgamated with the bank in 2011.

- **Joint Ventures:**

- IDBI Fortis Life Insurance.

### **Technological Advancements and Digital Initiatives:**

- Implementation of a cutting-edge core banking IT platform.
- Launch of mobile banking services, debit cards, and online payment facilities.
- Establishment of e-lounges for self-service banking.
- Development of advanced treasury and security operations centers.
- The launching of "IDBI Bank Go Mobile" application.
- Implementation of digital signature authentication.
- Implementation of the "G-Sec investment facility through ATM for retail investors".
- The creation of "IDBI express" for banking outside of normal banking hours.

### **Financial Inclusion and Social Initiatives:**

- Participation in government schemes like Pradhan Mantri Jan Dhan Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana, and Pradhan Mantri Suraksha Bima Yojana.
- Focus on providing financial services to Economically Weaker Sections (EWSs) and Lower Income Groups (LIG).
- The implementation of the "Stand Up India" scheme.
- Partnerships with tribal development departments and UIDAI.
- The MUDRA loan program.

### **Key Figures and Facts:**

- **Branch Network:**

- As of March 31, 2024: 2,004 branches.
- As of March 31, 2023: 1,928 branches.
- As of March 31, 2018: 1,916 branches.

- **ATM Network:**

- As of March 31, 2024: 3,303 ATMs.
- As of March 31, 2023: 3,334 ATMs.
- As of March 31, 2018: 3,779 ATMs.

- **e-lounges:**

- 58 e-lounges consistently reported.

- **Overseas Presence:**

- Branch at Dubai International Finance Centre (DIFC).

- **Ownership Change:**

- Life Insurance Corporation of India (LIC) acquired a 51% controlling stake, leading to IDBI Bank being reclassified as a private sector bank in 2019.

- **Capital Infusion:**

- Significant capital infusions from GOI and LIC in recent years to strengthen the bank's capital adequacy.

- **Bond Issues:**

- Successful issuance of Basel III compliant bonds and green bonds.

- **Prompt Corrective Action (PCA):**

- RBI initiated PCA in 2017 due to high net NPAs and negative RoA, which was subsequently addressed.

### **Salient Points:**

- IDBI Bank's transformation from a DFI to a commercial bank is a significant achievement.
- The bank's focus on technology and digital banking has enhanced customer experience.
- Its commitment to financial inclusion and social initiatives is commendable.
- The acquisition by LIC has brought about a significant change in the bank's ownership and regulatory status.
- The bank's focus on MSME lending.

In essence, IDBI Bank has evolved into a versatile and dynamic financial institution, adapting to the changing landscape of the Indian banking sector while maintaining its commitment to development and customer service.