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# The New Corporate Bank

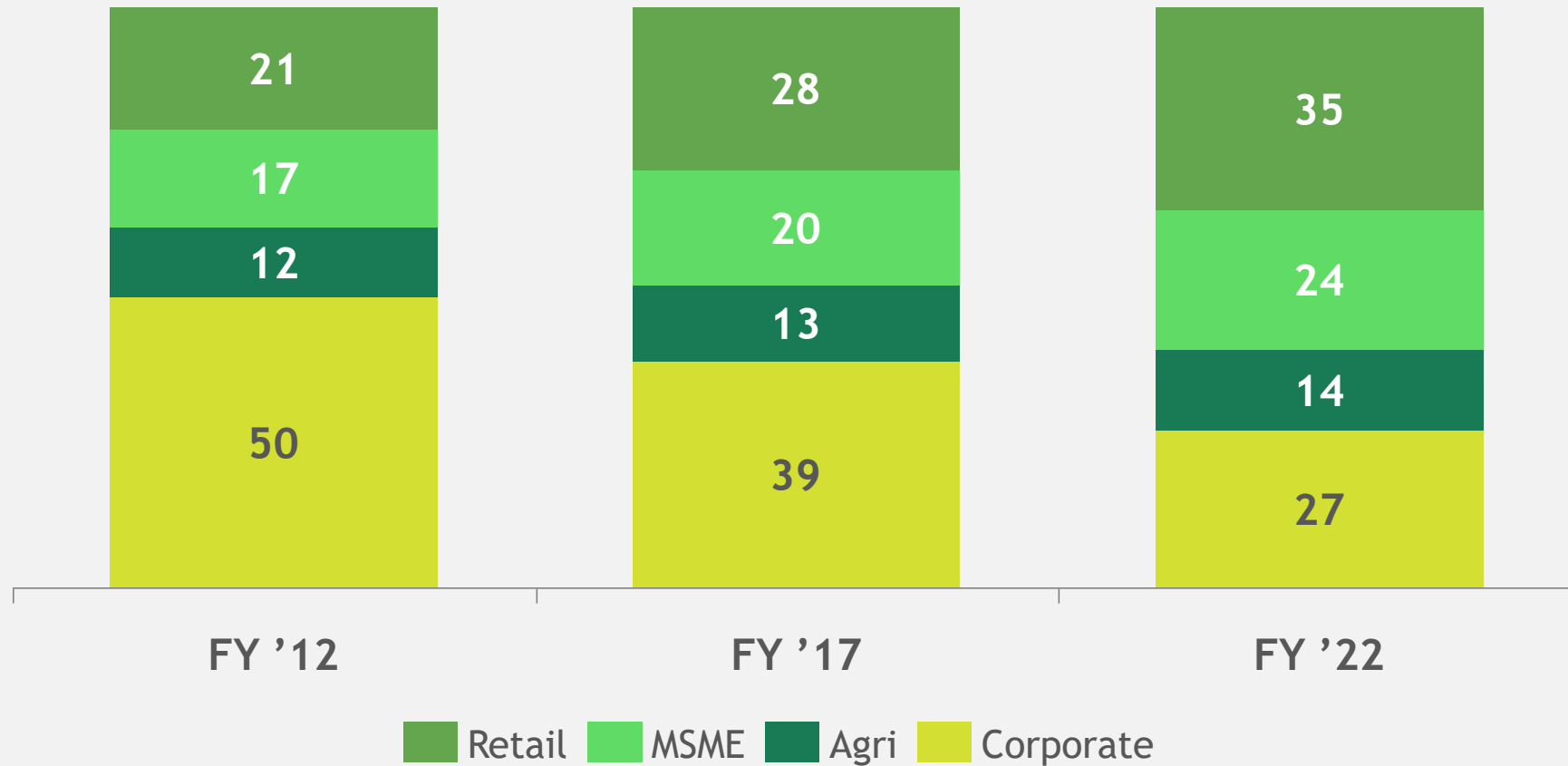
Evolution of the approach to financing, risk management and credit

MUMBAI, AUG 2018

FIBAC  
Financial Institution Benchmarking And Calibration

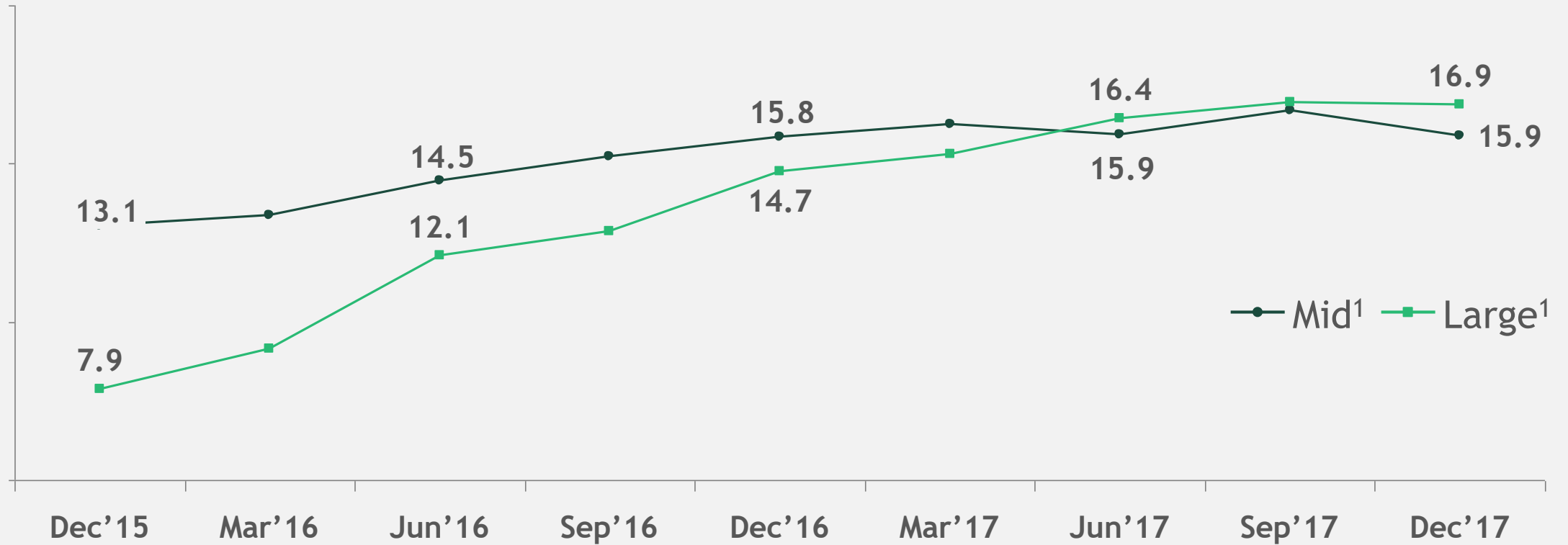
# Indian corporate banks' share in lending shrinking

Revenue pool from advances %



# NPA's are increasing

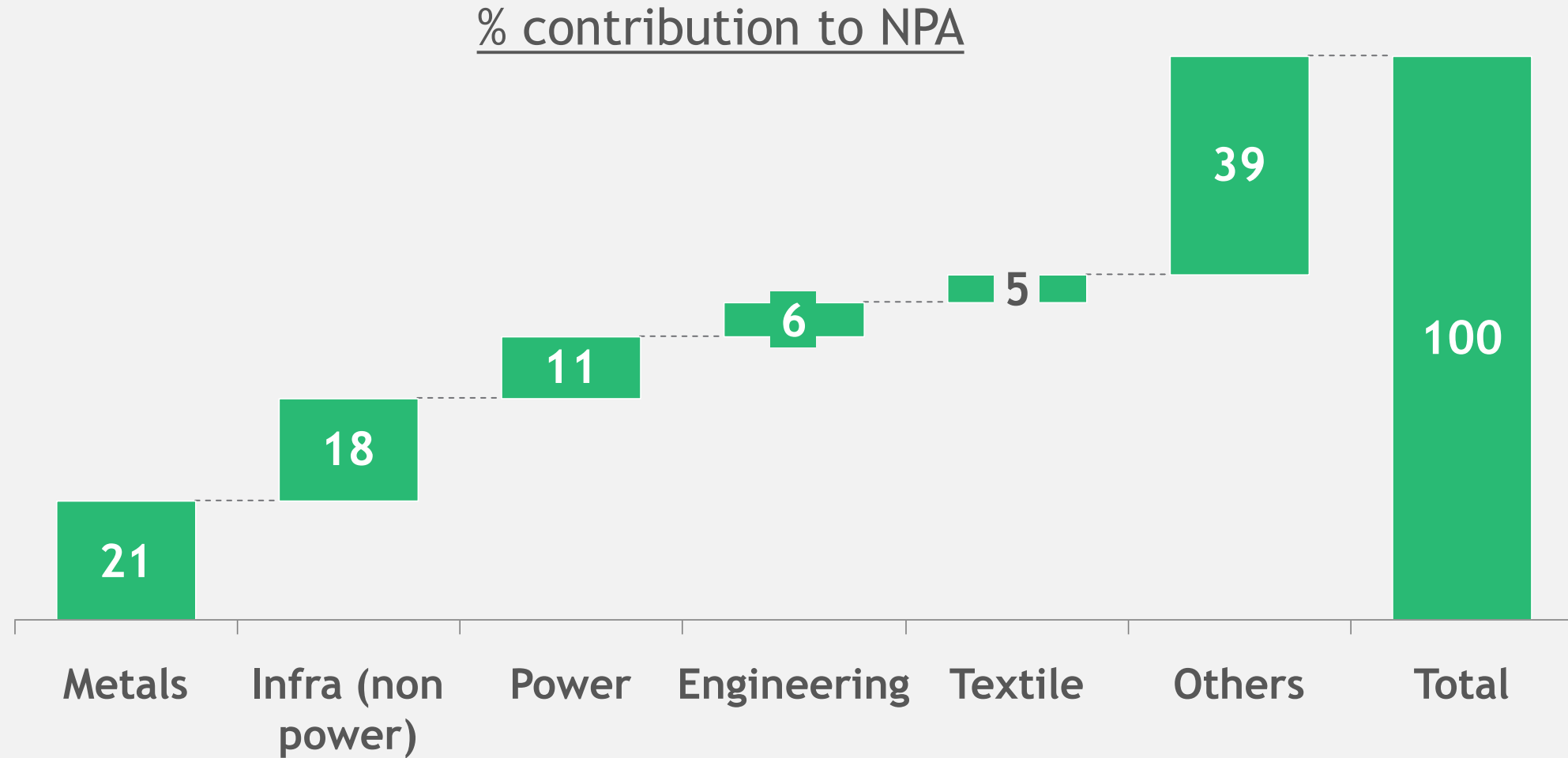
Gross NPA<sup>2</sup> (%)



1. Commercial loans classified into various segments basis ticket size of loan amount disbursed, Mid 25cr-100cr, Large >100 cr.

2. Stated credit exposure is fund based ; source : TU CIBIL

# Metals, infra and power account for 50% of total stressed assets



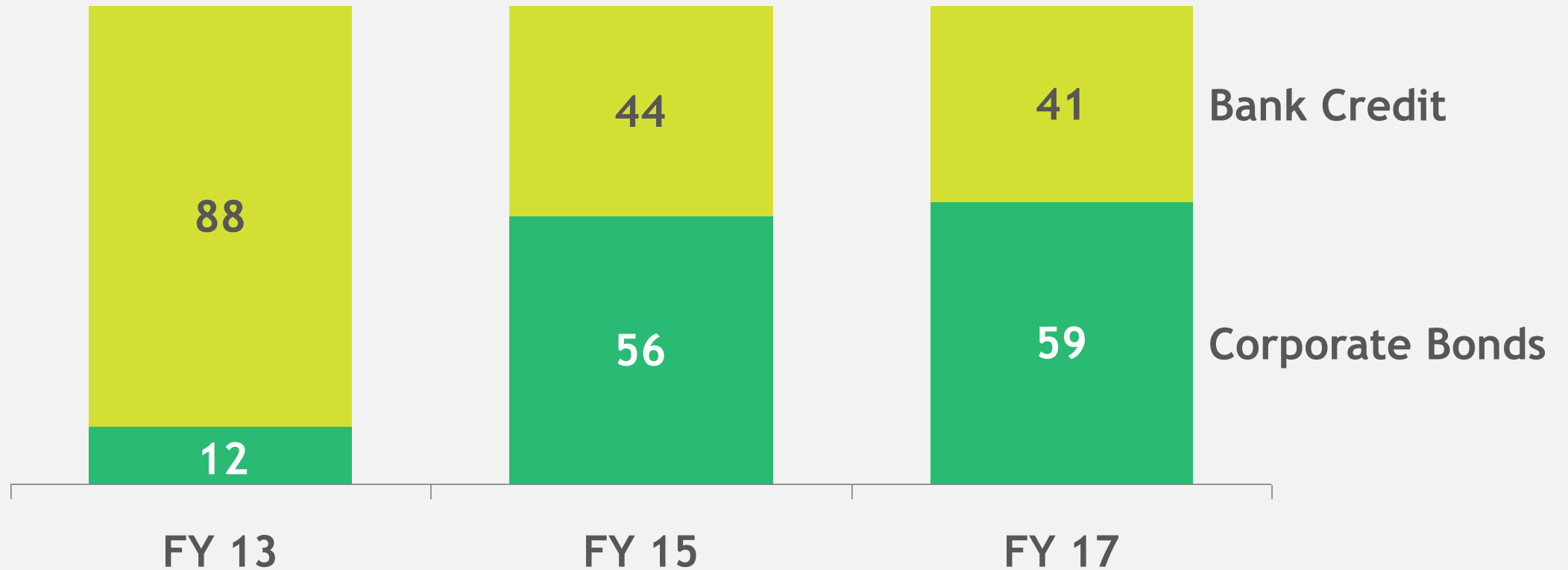
# Even globally, corporate banks are struggling

Three-year economic profit trends of corporate banking divisions globally, 2014-2017



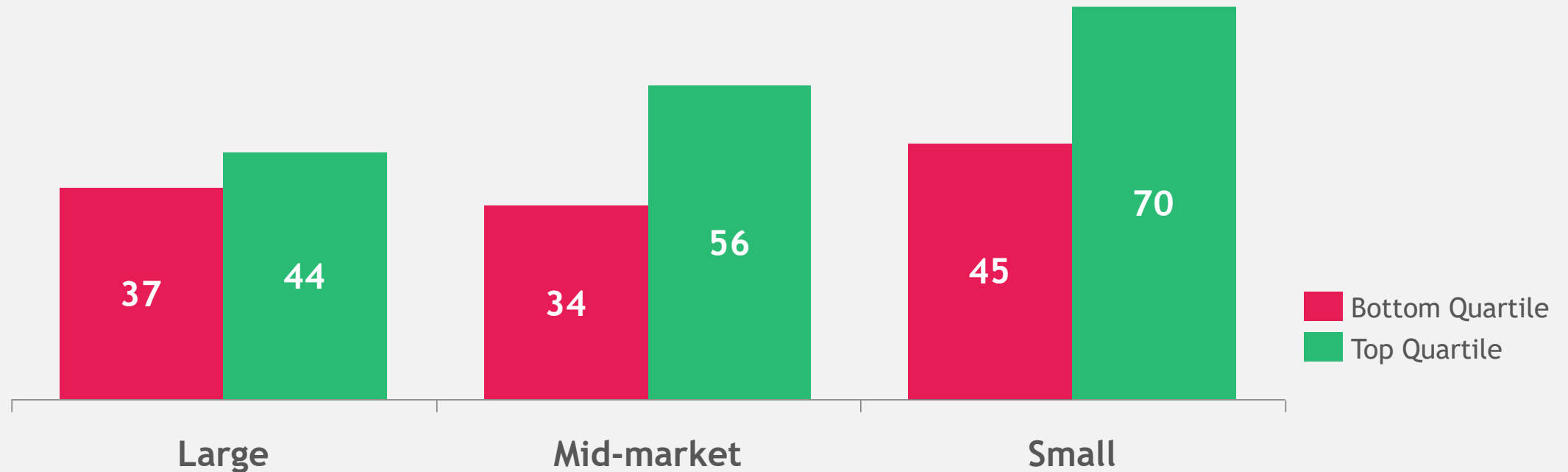
# Indian corporates are increasingly tapping bond market

% of incremental financing during the year



# Transaction banking champions win over the long term

- Revenue mix for top and bottom-performing corporate banking divisions by profitability  
(% Revenue from non-lending products)



# Digitization of corporate journeys is key to unlock value

## 30%+

Corporates are not satisfied with the level of digital services provided by their primary corporate bank<sup>1</sup>

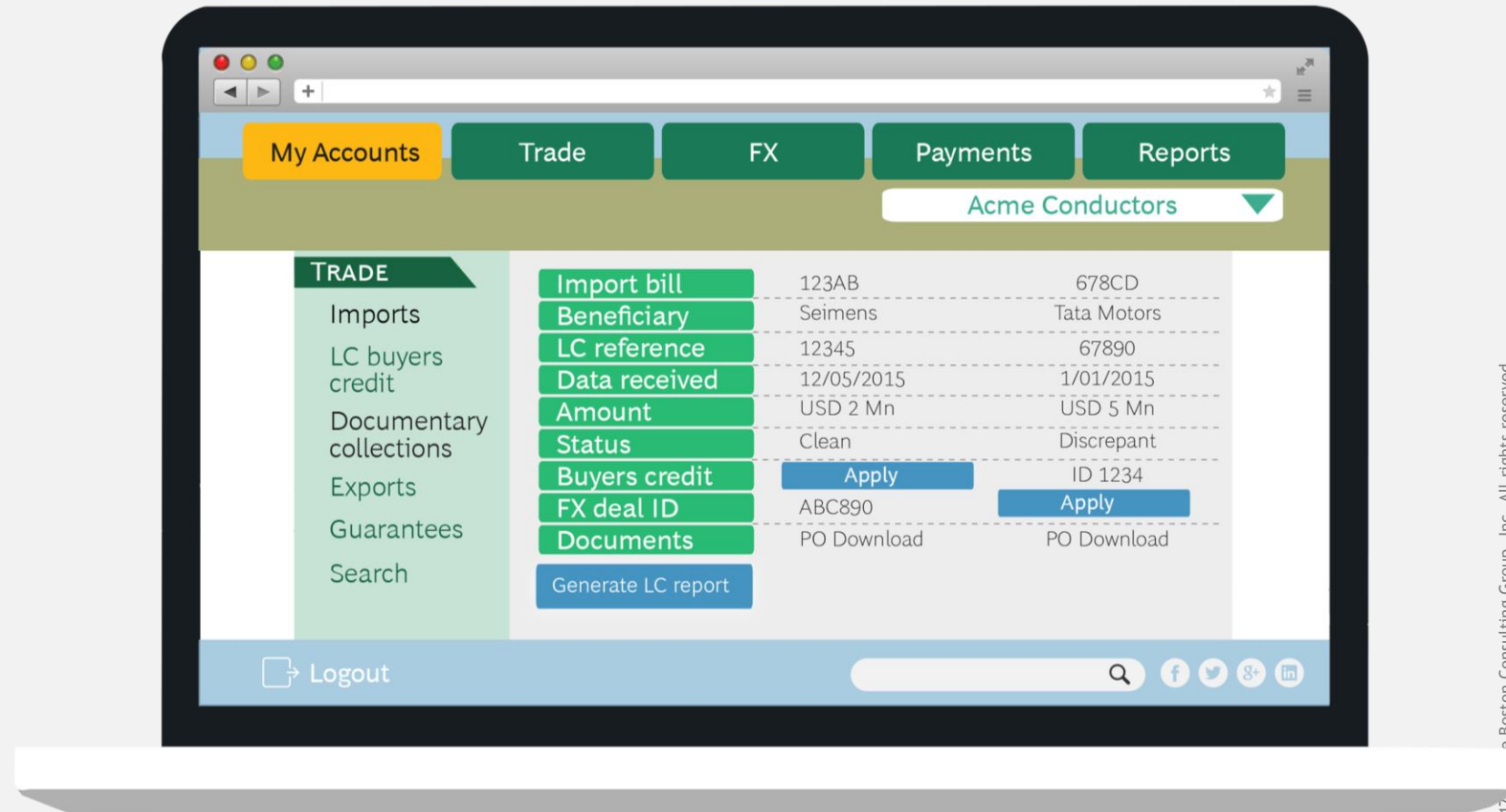
## 60-80%

TAT reduction in key corporate banking process via digitization<sup>2</sup>

## 20-30%

Improvement in bank efficiency from E2E digitization<sup>2</sup>

Exemple : End to end digitization of Trade Finance





## To Summarize ...

Corporate banking **revenue pools shrinking**

**Very high NPAs**, mainly due to project finance loans to a few sectors

Corporate customers **increasing tapping secondary markets** for credit

**New Corporate Bank for future**

- Originate to distribute vs originate to hold
- Increase focus on non credit revenues
- Leverage power of digital
- Holistic risk management

"Failure is simply opportunity to begin again, this time more intelligently"

- Henry Ford

A close-up photograph of a lit sparkler against a dark background. The sparkler is the central focus, with numerous bright, golden-yellow sparks radiating outwards in all directions. The sparks vary in length and intensity, creating a dynamic and celebratory atmosphere. The background is dark, making the bright sparks stand out prominently.

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