



Indian Overseas Bank

Central Office
Chennai

Press Release

23.07.2019

Performance Highlights – 30.06.2019



Top Line – Milestones (Rs. Crores)

- Deposits Rs. 221,171
- Advances Rs. 147,606
- Business Mix Rs. 368,777
- CASA Rs. 84,145
- CASA (%) 38.05

Bottom Line (Rs. Crores)

- Operating Profit Rs. 828.15
- Net Loss Rs. 342.08
- Gross NPA (%) 22.53
- Net NPA (%) 11.04

Key Performance indicators:

| | Global | Domestic |
|----------------------|--------|----------|
| CASA Ratio | 38.05 | 38.38 |
| Net Interest Margin | 2.01 | 2.01 |
| Cost of Deposit | 5.37 | 5.45 |
| Yield on Advances | 7.22 | 7.36 |
| Cost to Income Ratio | 57.72 | 59.20 |

Net Loss is due to provisions and not due to operations

Performance Highlights For The Quarter Ended June 30, 2019 - YoY

1. **Total business** stood at Rs. 3,68,777 crore as on 30th June 2019 as against Rs. 3,61,928 crore as on 30th June 2018.
2. **Total deposits** increased to Rs.2,21,171 crore as on 30th June 2019 as against Rs. 2,13,168 crore as on 30th June 2018.
3. **CASA of the Bank improved to 38.05 % as on 30th June 2019 as against 36.85% as on 30th June 2018. Total CASA has increased from Rs. 78560 crores as on 30.06.2018 to Rs. 84145 crores as on 30.06.2019, SB (Savings Bank) registered 5.81% YoY growth as at 30th June '19 over 30th June '18.**



4. Gross Advances stood at Rs. 147606 crore as on 30th June 2019 as against Rs. 1,48,760 crore as on 30th June 2018. The Bank has evolved a policy of not taking fresh exposures in stressed sectors, below hurdle rated accounts and BB and below rated accounts. The Bank has also exited from accounts in the stressed sectors.

The Bank has rebalanced the credit portfolio with RAM's (Retail, Agri and MSME) share of total domestic advances improving from 66.04 % to 68.07% YoY (June'19 over June'18). Bank also increased its share of A and above rated accounts by 25.05 % over June '18 and 4.55% over March'2019

- 5. MSME Segment** grew by 1.46% YoY (June'19 over June'18).
- 6. Retail Segment** grew by 11.17% YoY (June '19 over June '18).
- 7. Operating Profit for Quarter ended 30th June 2019 stood at Rs.828.15 crore as against Rs. 1132.03 crore for the quarter ended 30th June 2018.**
- 8. Provisions & Contingencies** for quarter ended June'19 is Rs. 1,170.24 crore as against Rs. 2051.47 crore for quarter ended June'18.
- 9. Net Profit:** Net Loss for the quarter ended 30th June 2019 is Rs.342.08 crore as against Rs. 919.44 crore for the quarter ended 30th June 2018.
- 10.Total income for the quarter ended 30th June 2019 is Rs.5,006.48 crore as against Rs. 5,326.71 crore for the quarter ended 30th June 2018.**
- 11.Interest income registered a growth of 2.07% YoY**, increasing to Rs. 4,336.39 crore for the quarter ended 30th June 2019 as against Rs. 4248.60 crore for the quarter ended 30th June 2018
- 12.Non-interest income** is Rs.670.09 crore for the quarter ended 30th June 2019 as against Rs. 1078.11crore for the quarter ended 30th June 2018.
- 13.Total Expenditure** decreased marginally from Rs.4194.68 crore for the quarter ended 30th June 2018 to Rs.4178.32 crore for the quarter ended 30th June 2019.



14. NPA MANAGEMENT: Gross NPA as at 30th June 2019 is at Rs. 33262 crore with ratio of 22.53 % as against Rs. 38146 crore with ratio of 25.64% as on 30th June 2018.

15. Total recovery of Rs. 2238 crore achieved for quarter ended June '19 as against the recovery of Rs. 3389 crore during quarter ended June '18 while the total fresh slippage (other than debits to existing NPA accounts) for quarter ended June '19 stood at Rs. 2,050 crore. Recovery achieved is higher than slippages during the quarter mainly due to focused efforts towards recovery.

16. Net NPA is at Rs. 14174 crore with ratio of 11.04% as on 30th June 2019 as against Rs. 19642 crore with ratio of 15.10% as on 30th June 2018, reducing it by Rs. 5468 crore in absolute terms.

17. Provision Coverage Ratio is improved to 72.24 % as on 30th June 2019 as against 61.10% as on 30th June 2018.

Performance Highlights for the Quarter ended June 30, 2019 QoQ (Sequential)

- 1. Total business** stood at Rs. 3,68,777 crore as on 30th June 2019 as against Rs. 3,74,530 crore as on 31st March 2019.
- 2. Total deposits** stood at Rs. 2,21,171 crore as on 30th June 2019 as against Rs. 2,22,534 crore as on 31st March 2019.
- 3. CASA** of the Bank stood at 38.05 % as on 30th June 2019 as against 38.30% as on 31st March 2019.
- 4. Gross Advances** stood at Rs. 1,47,606 crore as on 30th June 2019 as against Rs. 1,51,996 crore as on 31st March 2019, as part of consolidation and reducing concentration risk.
- 5. Operating Profit** for Quarter ended 30th June 2019 stood at Rs. 828 crore as against Rs. 1132 crore for the quarter ended 31st March 2019.
- 6. Net Profit: Net loss** for the quarter ended 30th June 2019 reduced to Rs. 342 crore as against Rs. 1985 crore for quarter ended 31st March 2019, mainly due to lower provisioning and improved recovery.



- 7. Total income** for the quarter ended 30th June 2019 is Rs. 5006 crore as against Rs. 5474 crore for the quarter ended 31st March 2019.
- 8. Interest income** stood at Rs. 4336 crore for the quarter ended 30th June 2019 as against Rs. 4556 crore for the quarter ended 31st March 2019
- 9. Non-interest income** is Rs. 670 crore for the quarter ended 30th June 2019 as against Rs. 917 crore for the quarter ended 31st March 2019
- 10. Total Expenditure reduced by 3.78%** from Rs. 4342 crore for the quarter ended 31st March 2019 to Rs.4178 crore for the quarter ended 30th June 2019.
- 11. NPA MANAGEMENT: Gross NPA** as at 30th June 2019 is at Rs. 33,262 crore with ratio of 22.53% as against Rs. 33398 crore with ratio of 21.97% as at 31st March 2019. The increase is due to prudential provision made in stressed assets proactively.
- 12. Total recovery** of Rs. 2,238 crore achieved for quarter ended June '19 as against Rs. 4102 crore achieved for quarter ended March '19 while the total fresh slippage (other than debits to existing NPA accounts) for quarter ended June'19 stood at Rs. 2,050 crore. Recovery achieved is higher than slippages during the quarter mainly due to focused efforts towards recovery.
- 13. Net NPA as at 30th June 2019 stood at Rs. 14174 crore with ratio of 11.04 % as against Rs. 14368 crore with ratio of 10.81% as on 31st March 2019 thus** reducing it by Rs. 194 crore in absolute terms.
- 14. Provision Coverage Ratio is improved to 72.24 % as against 71.39% as on 31st March 2019.**

➤ **CAPITAL ADEQUACY RATIO (CRAR):**

| Particulars | Basel III as on 30.06.2019 | Regulatory Requirement |
|-------------------|----------------------------|------------------------|
| CET 1 | 7.59% | 5.50% |
| CCB in CET1 | 2.09% | 1.875% |
| Tier I | 7.62% | 7.00% |
| Tier II | 2.40 % | 2.00% |
| Total CRAR | 10.02% | 9.00%* |

* Excluding CCB



➤ **KEY FINANCIAL RATIOS:**

- **Credit Deposit Ratio** is 66.74 % as on 30.06.2019 as against 68.30% as on 31.03.2019 and 69.79% as on 30.06.2018.
- **Average Cost of Deposit** is 5.37 % as on 30.06.2019 as against 5.32% as on 30.06.2018.
- **Average Yield on Advances improved by 10 bps** and is 7.22% as on 30.06.2019 as against 7.12% as on 30.06.2018.
- **Cost to Income Ratio** is 57.72% as on 30.06.2019
- **Net Interest Margin improved by 9 bps** and is 2.01% for quarter ended 30.06.2019 as against 1.92% as on 30.06.2018 .

➤ **Awards**

NABARD has awarded Indian Overseas Bank, the Second prize among the Public Sector Commercial Banks for excellence in performance under SHG Bank Linkage Programme in the State of Tamil Nadu and Chattishgarh for the year 2018-19.

➤ **IT & Digital Banking initiatives**

- End-to-End Automation of Online Credit Proposal Processing from Sourcing (Application) to Disbursal extended to 3 schemes in Retail and 2 schemes in MSME. Online Processing from Sourcing to Sanction extended to one scheme in Retail and one Scheme in Agri.
- Automation of 15G/15H declaration forms in CBS & IOB Online.
- Automation of Charges thereby preventing leakage of income.
- NCMC (National Common Mobility Card) - Integration through Net Banking implemented.
- Integration in Finacle for Account Opening through E-KYC. This will facilitate opening accounts using Aadhaar authentication.
