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इण्डियन ओवरसीज़ बैंक

केंद्रीय कार्यालय- पोस्ट बॉक्स सं 3765, 763 अण्णा सालै, चेन्नै 600 002

Indian Overseas Bank

Central Office: P.B.No.: 3765, 763 Anna Salai, Chennai 600 002

Investor Relations Cell

IRC/323 /2019-20

10.02.2020

The General Manager,
Department of Corporate Services
BSE Limited
Floor 1, P.J. Towers, Dalal Street
Mumbai 400 001

The Vice President
National Stock Exchange Ltd.
"Exchange Plaza", C-1 Block G
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051

Dear Sir/Madam,

Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- Audited Financial Results of the Bank for the Quarter ended 31st December 2019

We refer our letter no. IRC/322/19-20 dated 10.02.2020 enclosing the Unaudited Financial Results / Press Release of the Bank for the quarter ended 31st December 2019.

We are submitting revised Press Release incorporating the following corrections:

In Page No.6, Under the Tabular Column Capital Adequacy Ratio (CRAR) the figures CET 1 and Tier I should be read as 3.53 instead of 5.53 and

In the Tabular column below, under the caption Capital Infusion by Government of India, Tier I to be read as 3.53 and 7.88 instead of 5.53 and 10.43 respectively.

The errors are regretted.

Please take the same on record.

Thanking you

Yours faithfully,

S Nandakumaran
Company Secretary



Indian Overseas Bank

Central Office
Chennai

Press Release

10.02.2020

Performance Highlights – 31.12.2019

Top Line – Milestones (Rs. in Crores)

- Deposits - Rs.221290
- Advances - Rs.138643
- Business Mix - Rs.359933
- CASA - Rs. 86530
- CASA Ratio - 39.10%

Bottom Line – (Rs. in Crores)

- Operating Profit: Rs. 762 (3M)
- Net Loss: Rs.6075 (3M)
- Operating Profit: Rs.2336 (9M)
- Net Loss - Rs.8671 (9M)
- Gross NPA - 17.12%
- Net NPA - 5.81%

Key Performance Indicators

	Global	Domestic
CASA Ratio	39.10	39.54
Net Interest Margin	1.94	1.93
Cost of Deposits	5.37	5.46
Yield on Advances	6.96	7.10
Cost to Income Ratio	64.12	65.99

- The year 2019-20 is declared **as year of resurgence**. The Bank plans to come out of Prompt Corrective Action by focusing on Recovery, low cost deposits and less capital consuming advances
- Due to provisions made during the quarter the Net NPA has improved to 5.81% which is less than 6.00% prescribed by RBI
- During the quarter GNPA reduced by Rs.5939 crore. GNPA ratios stands at 17.12 reduced from 20% QoQ
- The provision coverage ratio improved to 86.20%
- During the current quarter the Government of India has sanctioned capital infusion of Rs.4360 crore and the CRAR is stands at 10.43% post infusion of capital.





Performance Highlights for the Quarter ended December 31, 2019 QoQ (Sequential)

1. **Total business** stood at Rs.359933 crore as on 31st December 2019 as against Rs.365609 crore as on 30th September 2019.
2. **Total deposits** stood at Rs.221290 crore as on 31st December 2019 as against Rs.222258 crore as on 30th September 2019.
3. **CASA** of the Bank stood at Rs.86530 crores as on 31st December 2019 as against Rs.84595 crores as on 30th September 2019, an increase by Rs.1935 crores.
4. **Gross Advances** stood at Rs.138643 crore as on 31st December 2019 as against Rs.143351 crore as on 30th September 2019.
5. **Operating Profit** registered an increase of 2.14% for Quarter ended 31st December 2019 and stood at Rs.762 crore as against Rs.746.00 crore for the quarter ended 30th September 2019.
6. **Net loss** for quarter ended 31st December 2019 is Rs.6075 crore as against Rs.2254 crore for quarter ended 30th September 2019, due to provision of Rs.6664 crores made during the quarter for NPAs and Investments.
7. **Total income** registered an increase of 3.46% for the quarter ended 31st December 2019 and is Rs.5198 crore as against Rs.5024 crore for the quarter ended 30th September 2019.
8. **Interest income** registered marginal increase and stood at Rs.2868 crore for the quarter ended 31st December 2019 as against Rs.2840 crore for the quarter ended 30th September 2019. This mainly due to increased recovery performance of NPA in particular recovery of technically written off accounts.
9. **Non-interest income** registered an increase of 13.10% and stood at Rs.846 crore for the quarter ended 31st December 2019 as against



Rs.748 crore for the quarter ended 30th September 2019.

10. **Total Expenditure** stood at Rs.4435 crore for the quarter ended 31st December 2019 as against Rs.4278 crore for the quarter ended 30th September 2019. The increase is due to employee's cost increased by Rs.146 crores on account of provisions made for impending wage arrears.
11. **NPA MANAGEMENT:** Gross NPA as at 31st December 2019 reduced by 2.88% and stood at Rs.23734 crore with ratio of 17.12% as against Rs.28673 crore with ratio of 20% as at 30th September 2019. GNPA has reduced both in quantum and as a percentage of Gross Advances QoQ.
12. **Total recovery including technical write off** stood at Rs.7085 crore achieved for quarter ended December '19 as against Rs.6720 crore achieved for quarter ended September '19 while the total fresh slippage (other than debits to existing NPA accounts) for quarter ended December '19 was Rs.1648 crore as against Rs.1795 crores for the previous quarter.
13. **Net NPA reduced by 4.03% as at 31st December 2019 and stood at Rs.7087 crore with ratio of 5.81% as against Rs.12508 crore with ratio of 9.84% as on 30th September 2019 thus reducing NNPA by Rs.5421 crore in absolute terms.**
14. **Provision Coverage Ratio improved to 86.20% as on 31st December 2019 as against 75.85% as on 30th September 2019.**

Performance Highlights for the Quarter ended December 31, 2019 - YoY

1. **Total business** stood at Rs.359933 crore as on 31st December 2019 as against Rs.3,70,901 crore as on 31st December 2018.
2. **Total deposits marginally** increased to Rs.221290 crore as on 31st December 2019 as against Rs.2,20,311 crore as on 31st December 2018. The Bank has reduced the concentration of Bulk Deposits and high cost deposits and increased Retail Term Deposits to have a stable and sustainable deposit profile and reduce the cost of funds.





3. **CASA** of the Bank improved to 39.10% as on 31st December 2019 as against 37.26% as on 31st December 2018 with YoY growth at 1.84 bps. Total CASA has increased from Rs.82081 crores as on 31.12.2018 to Rs.86530 crores as on 31.12.2019.
4. **Gross Advances** stood at Rs.1,38,643 crore as on 31st December 2019 as against Rs.1,50,590 crore as on 31st December 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, wherever feasible.
5. **Retail Segment** grew by 9.21 YoY (Rs. 31336 crores on 31.12.2019 over Rs.28693 crores on 31.12.2018).
6. **Core Retail Advances** especially Housing Loans segment grew by 7.45 % YoY. (Rs.14549 crores on 31.12.2019 as against Rs.13541 crores on 31.12.2018)
7. **Operating Profit** for quarter ended 31st December 2019 stood at Rs.762.35 crore as against Rs. 1466.15 crore for the quarter ended 31st December 2018.
8. **Net Loss** for the quarter ended 31st December 2019 increased to Rs.6075 crore. This was due to provisions made during the quarter.
9. **Total income** for the quarter ended 31st December 2019 registered stood at Rs.5197.95 crore
10. **Interest income** stood at Rs.2867.66 crore for the quarter ended 31st December 2019.
11. **Total Expenditure** stood at Rs.4435.60 for the quarter ended 31st December.





12. **NPA MANAGEMENT: Gross NPA** as at 31st December 2019 stood at Rs.23733.86 crore with ratio of 17.12% as against Rs.35787 crore with ratio of 23.76% as at 31st December 2018.
13. **Total recovery including technically written off accounts registered an increase** to Rs.7085.04 crore for quarter ended December '19 as against the recovery of Rs.3723 crore during quarter ended December '18 while the total fresh slippage for quarter ended December '19 stood at Rs.1647.82 crore. Recovery achieved is substantially higher than slippages during the quarter mainly due to focused priority action on arresting slippages and improving recovery in NPA / OTS accounts.
14. **Net NPA** is contained to Rs.7087.09 crore with ratio of 5.81% as at 31st December 2019 as against Rs.17988 crore with ratio of 13.56% as on 31st December 2018.
15. **Provision Coverage Ratio improved to 86.20% as on 31st December 2019 as against 64.23% as on 31st December 2018.**

Performance Highlights for the Nine Months ended December 31, 2019

1. **Operating Profit** stood at Rs.2336.51 crore as on 31.12.2019 against Rs.3902.37 crore for Nine Months ended 31.12.2018.
2. **Net loss** for Nine Months ended 31.12.2019 stood at Rs.8671.20 crore due to provisions made as against Rs.1752.72 crore for the corresponding period of the previous year ended 31.12.2018.
3. **Total income** for Nine Months ended 31.12.2019 stood at Rs.15228 crore as against Rs.16364 crore for the corresponding period.
4. **Interest income** stood at Rs.8664.96 crore for Nine Months ended 31.12.2019 as against Rs.8797 crore for the corresponding period.
5. **Non interest Income** stood at Rs.2264 crore for Nine Months ended 31.12.2019 as against Rs.3289 crore for Nine Months ended 31.12.2018.





6. **Total Expenditure** stood at Rs.12891 crore for Nine Months ended 31st December 2019 as against Rs.12461 crore for Nine Months ended 31st December 2018.
7. **Recovery including technically written off accounts in NPA** for Nine Months ended 31.12.2019 is significantly higher at Rs.16529 crore as compared to Rs.11662 crore for Nine Months ended 31.12.2018 against the fresh slippage of Rs.5875 crore for Nine Months ended December '19 and debits in existing NPA accounts of Rs.381 crore for Nine Months ended December '19. Recovery is higher by 41.73% over total NPA debits (slippage + debits).

CAPITAL ADEQUACY RATIO (CRAR):

Particulars	Basel III as on 31.12.2019	Regulatory Requirement*
CET 1	3.53	5.50%
Tier I	3.53	7.00%
Total CRAR	5.53	9.00%

* Excluding CCB

Capital Infusion by Government of India:

Government of India has sanctioned capital of Rs.4360 crores on 26.12.2019 and the Bank has received the same on January 3, 2020 towards preferential allotment of equity shares of the Bank as Government's investment, which is pending for allotment as on date. Approval of shareholders for issue of shares to Government of India on preferential basis is being obtained through Postal Ballot and voting period for the same begins on 28th January 2020, 9.00 AM and ends on 26th February 2020, 5.00 PM. With the capital infusion, the revised / improved capital ratios will be as follows:

	Before Infusion of Rs.4360 crore as Capital	After Infusion of Rs.4360 Crore as Capital	Regulatory Requirement*
CET 1	3.53	7.88	5.50%
Tier I	3.53	7.88	7.00%
Total CRAR	5.53	10.43	9.00%

* Excluding CCB





❖ **KEY FINANCIAL RATIOS:**

- **Average Cost of Deposit** is 5.37% as on 31.12.2019 as against 5.41% as on 30.09.2019.
- **Average Yield on Advances** is 6.96% as on 31.12.2019 as against 6.95% as on 30.09.2019.
- **Cost to Income Ratio** is 64.12% as on 31.12.2019 as against 61.79% as on 30.09.2019.
- **Net Interest Margin** is 1.94% for the quarter ended 31.12.2019 as against 1.86% as on 30.09.2019.
- **Credit Deposit Ratio** is 62.65% as on 31.12.2019 as against 64.50% as on 30.09.2019.

INTRODUCTION OF NEW PRODUCT – IOB LOAN SECURE INSURANCE POLICY

Our Bank recently on 04.11.2019 introduced an Insurance Policy - IOB Loan Secure Policy.

Loan Secure Insurance Policy is specially designed for customers of Banks. This Insurance Policy serves as safety net about repayment of the loan in the event the borrower suffers unfortunate diagnose of listed 18 Major Medical Illnesses or undergoing of Surgical Procedures or witness Accidental Death, or Permanent Total Disablement on account of Accident resulting in inability to remain gainfully employed. Under this Insurance Plan coverage can be provided to any borrowers like Educational Loans, Housing Loans, Vehicle loans, Clean loans, personal loans, MSME /SME Loans including Mudra Loans, Gold Loans and also other loans supported by collateral security.

Principal Loan Borrowers and Co Applicants can be covered (The apportionment of Sum Insured shall be on equal basis amongst all insured persons) from age 20 yrs to 65 yrs.





Sum insured option available ranging from minimum Rs.50000/- to max Rs 3 Crores. The Policy can be taken for 1 year / 2 Years / 3 Years. All the covers opted for, shall be renewed till the loan tenure or lifetime of insured whichever is earlier.

"FX-RETAIL"

Treasury (F) has launched **"FX-RETAIL"** trading platform promoted by Clearcorp Dealing Systems (India) Ltd, a subsidiary of Clearing Corporation of India Ltd. The platform enables retail, MSME and Corporate customers to fix Foreign Exchange Rates.

Revision of Service Charges for LGs/SBLCs issued for Buyer's Credit to comply with RBI guidelines, to keep the rates competitive and to augment fresh Buyer's Credit business under Trade Credit.

"Auto FX "

Bank has tied up with J. P. Morgan Chase Bank (JPMC) for a new product named **Auto FX** which enables branches to pay over 120+ currencies and receive in 40 currencies on behalf of our customers through USD account maintained with them.

Claim Settlements:

Capturing of death claim settlements time period is introduced in finacle as per initiative under EASE

To reduce the customer complaint and hassle-free customer service, Bank has enhanced the threshold limits for death claim settlement from 25,000/- to Rs.1,00,000/- under simplified procedure.

