इण्डियन ओवरसीज़ बैंक

Indian Overseas Bank

Performance Analysis

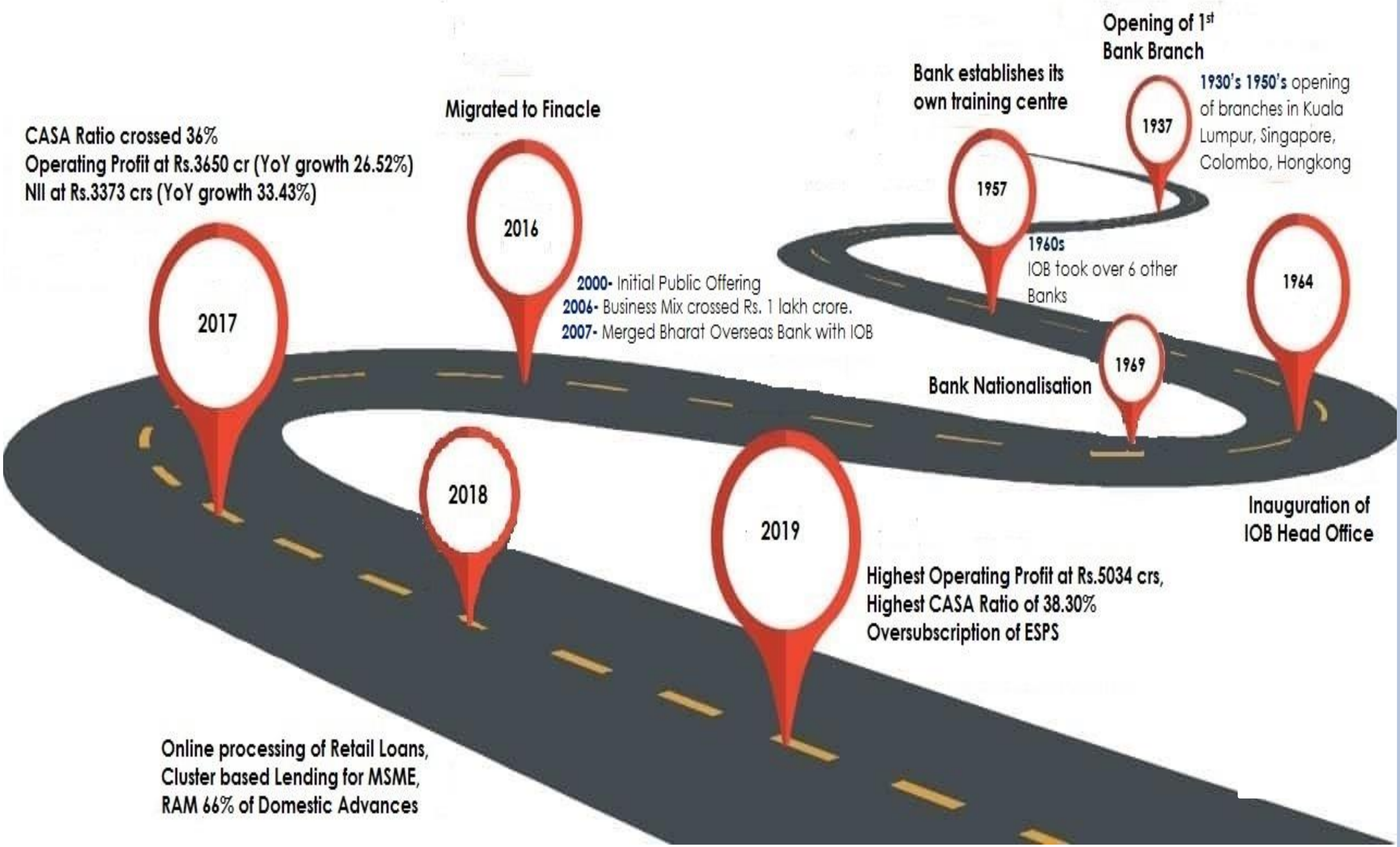
Q4/FY 2018-19

Our Heritage

- Indian Overseas Bank (IOB) was founded on 10th February 1937 by **Shri.M.Ct.M. Chidambaram Chettyar**.
- Objective was to specialize in foreign exchange business and take Bank across the globe.
- IOB started business simultaneously – at Karaikudi, Chennai and Rangoon in Burma (presently Myanmar) followed by a branch in Penang, Malaysia.
- At the dawn of Independence IOB had 38 branches in India and 7 branches abroad –and Deposits stood at Rs.6.64 crores and Advances at Rs.3.23 crores at that time.
- IOB was one of the 14 major banks that were nationalized in 1969. On the eve of Nationalization in 1969, IOB had 195 branches in India with aggregate deposits of Rs.67.70 crores and Advances of Rs.44.90 crores.
- IOB sponsored two Regional Rural Banks. Pandiyan Grama Bank in Tamil Nadu and Odisha Gramya Bank in Odisha.
- Bank’s overseas presence in 4 countries namely Singapore, Hongkong, Thailand and Sri Lanka.

82 years of Glorious History !

Good People to Grow with



KEY STRENGTHS - QUALITATIVE

82 years of Banking Expertise

Customer Touch Points: 3280 Domestic Branches, **5** Overseas Branches, **3450** ATMs, **2705** BCs

Highest Operating Profit at **Rs. 5,034** crores reflects improved efficiency in operations

67% RAM share to Domestic Advances (Retail 21.64%, Agri 22.84% & MSME 22.72%)

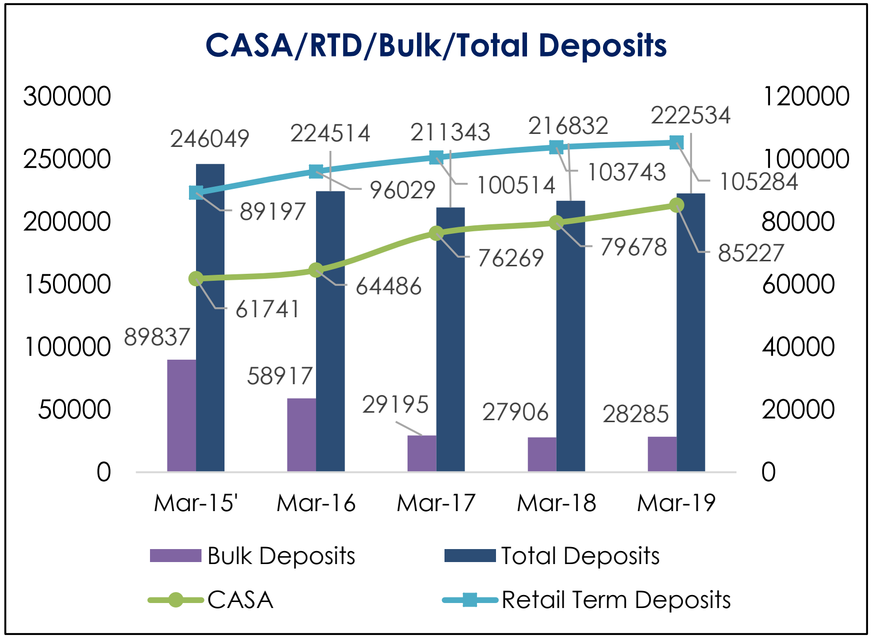
Declining Cost to Income Ratio at **46.93%**

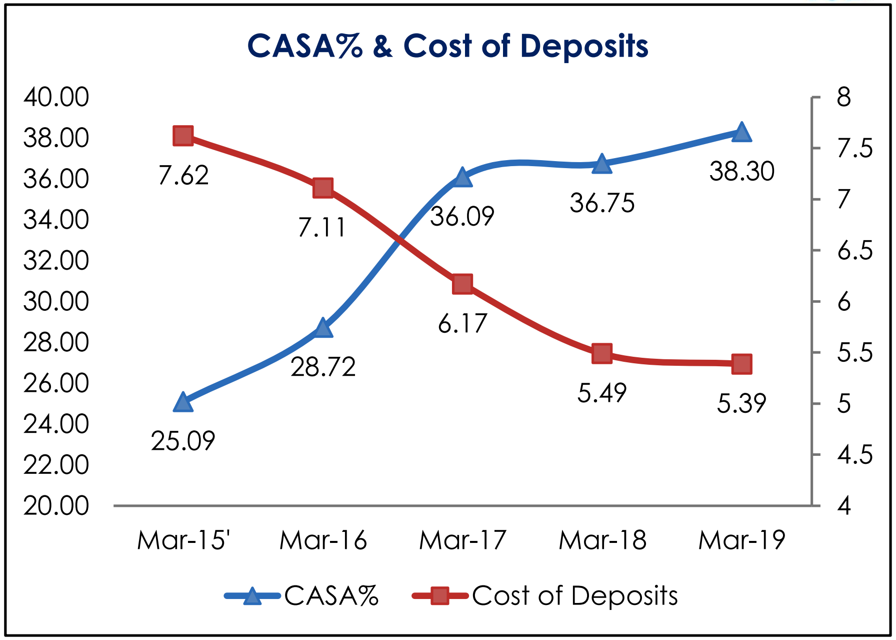
Higher CASA Ratio of **38.30%** and Favourable Cost of Deposits at **5.39%**

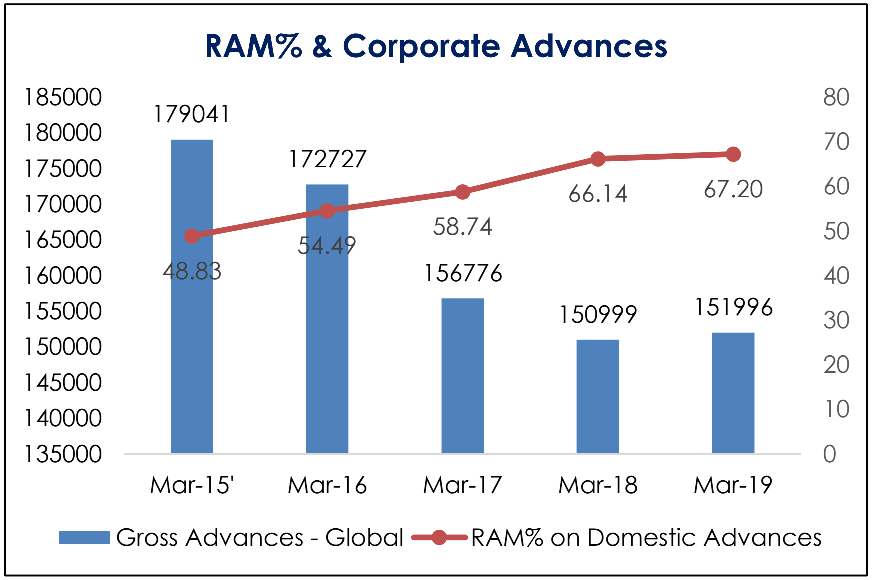
More than **50%** of Corporate loans are rated A & above

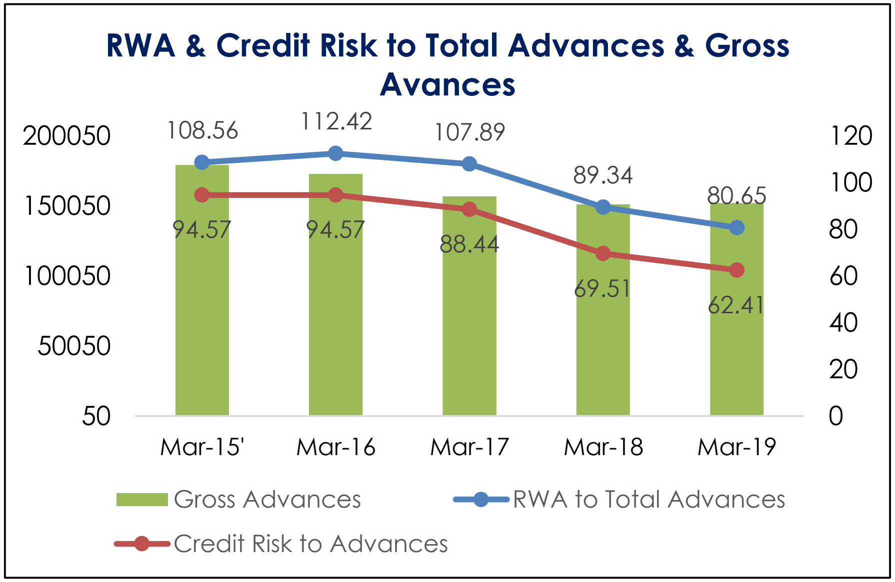
57% branches in Rural and SU centres

Progressive Turnaround Metrics





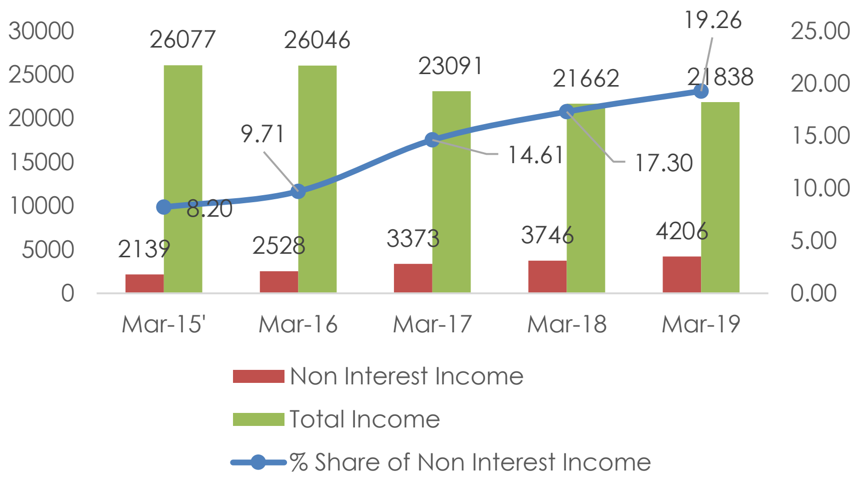




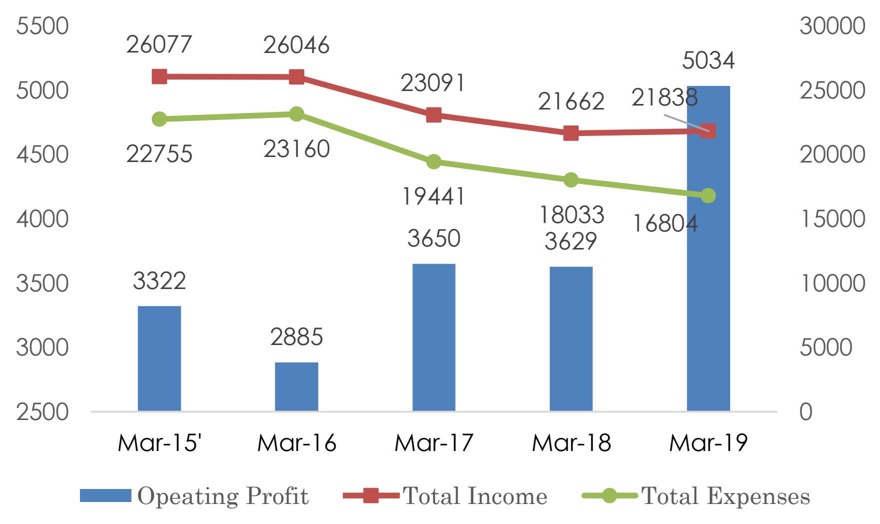
PROGRESSIVE TURNAROUND METRICS

IOB

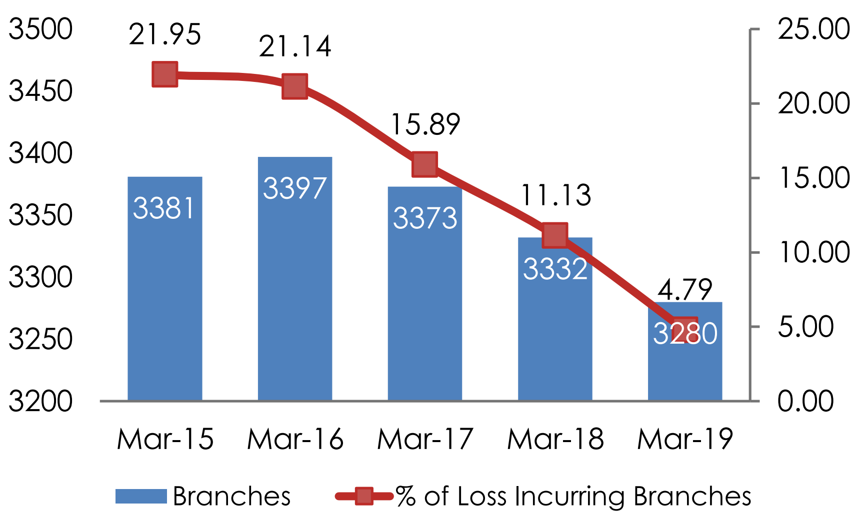
Total Income/Non Interest Income/% Share of Non Interest Income



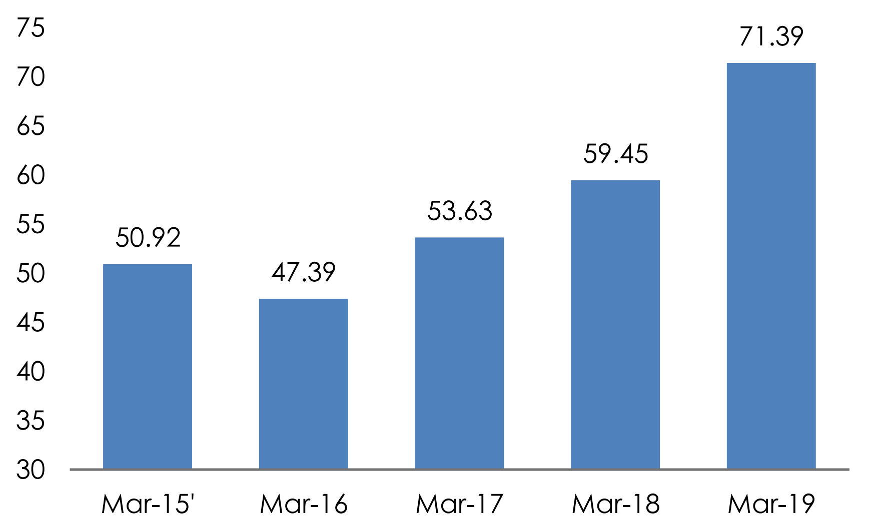
Operating Profit/Total Income/Total Expense



Loss Incurring Branches



Provision Coverage Ratio



Top Line Movement– Mar-19

		Y-o-Y Growth Mar-19 over Mar 18	Q-o-Q Growth Sequential
Savings Bank	Rs.70,652 Crs	5.86%	3.32%
Current Account	Rs.14,575 Crs	12.68%	6.41%
CASA Deposits	Rs.85,227 Crs	6.96%	3.83%
Term Deposits	Rs.1,37,307 Crs	0.11%	-0.67%
Deposits	Rs.2,22,534 Crs	2.63%	1.01%
Gross Advances	Rs.1,51,996 Crs	0.66%	0.93%

Headline Numbers – FY 2018-19

		Y-o-Y Growth Mar-19 over Mar 18
Interest Income	Rs.17,631 Crs	-1.58%
Non Interest Income	Rs.4,206 Crs	12.28%
Interest Expenditure	Rs.12,352 Crs	-0.77%
Operating Expenses	Rs.4,452 Crs	-20.29%
Operating Profit	Rs.5,034 Crs	38.71%
Net Interest Income	Rs.5,279 Crs	-3.45%

Headline Numbers – Q4 2018-19

IOB

		Y-o-Y Growth Mar-19 over Mar 18	Q-o-Q Growth Sequential
Interest Income	Rs.4,556 Crs	-5.61%	0.31%
Non Interest Income	Rs.917 Crs	-7.04%	-19.96%
Interest Expenditure	Rs.3,077 Crs	-0.55%	-2.57%
Operating Expenses	Rs.1,265 Crs	-20.48%	18.91%
Operating Profit	Rs.1,132 Crs	0.21%	-22.83%
Net Interest Income	Rs.1,479 Crs	-14.66%	6.89%

HIGHLIGHTS – QUANTITATIVE – MAR 19

Maintains Healthy CASA of **38.30%** with a Y-o-Y growth of **6.96%**

RAM portfolio grew by **7.08%** (Y-o-Y)

Net Interest Income for Q4 2018-19 grew by **6.89%** on sequential basis

Loss Incurring Branches to Total Branches decreased to **4.79%** from **11.13%** in Mar18 (**58%** Reduction in number of branches)

Operating Profit for FY 2018-19 increased by **38.71%** (Y-o-Y)

GNPA Ratio reduced by **331 bps** and Net NPA reduced by **452 bps** on Y-o-Y basis

Cost to Income Ratio stood at **46.93%** for FY 2018-19

Non Interest Income for FY 2018-19 increased by **12.28%** (Y-o-Y)

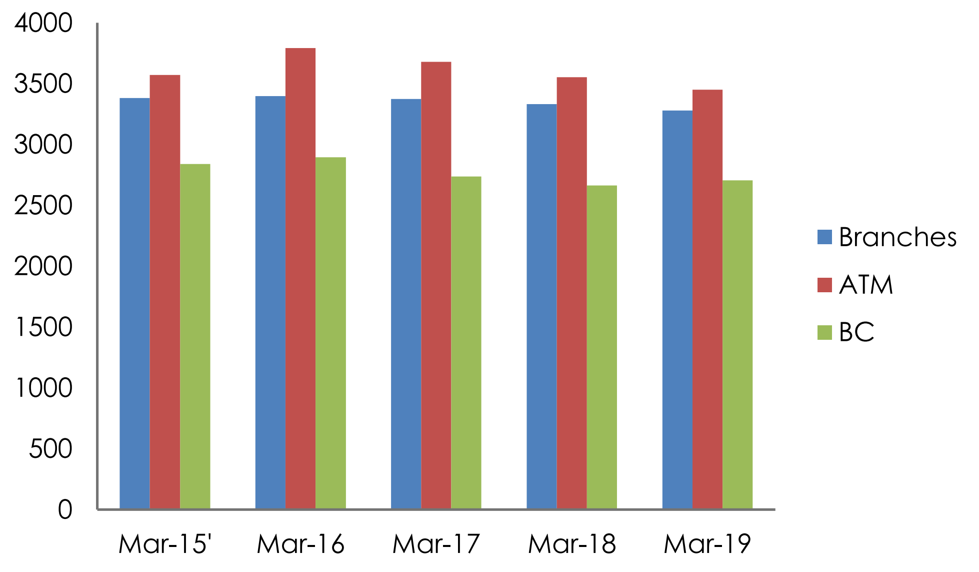
HIGHLIGHTS

- Maintains healthy Global CASA Ratio of **38.30%** and Domestic CASA Ratio of **38.72%** as at Mar 2019.
- Global Deposits recorded a growth of **2.63%** on Y-o-Y basis and ended at Rs. **2,22,534** crores.
- Global Advances ended at Rs. **1,51,996** crores with improved RAM concentration of Rs. **98,105** crores.
- Retail Credit recorded a growth **12.08%** & Agri grew by **8.22%** on Y-o-Y basis.
- Better NPA Management, Slippages lesser than Recovery in Q4.
- Provision Coverage Ratio improved from **59.45%** in Mar 18 to **71.39%** in Mar 19.
- Cost to Income Ratio stood favourably lower at **46.93 %** for FY 2018-19 as against **60.61%** for FY 2017-18.

HIGHLIGHTS

- Other Income grew by **12.28%** for FY 2018-19.
- Operating Profit for FY 2018-19 stood at **Rs. 5,034** crores with a growth rate of **38.71%** (Y-o-Y).
- Net Loss stood at Rs. **3,738** crores for FY 2018-19 as against s loss of Rs.6299 crores for FY 2017-18 (Reduction of **41%**).
- Cost of Deposits dipped by **10** basis points and ended at 5.39% for FY 2018-19.
- Business per employee consistently improved to **Rs. 14.21** crores as of Mar -19 as against Rs. **13.10** crores as of Mar-18.

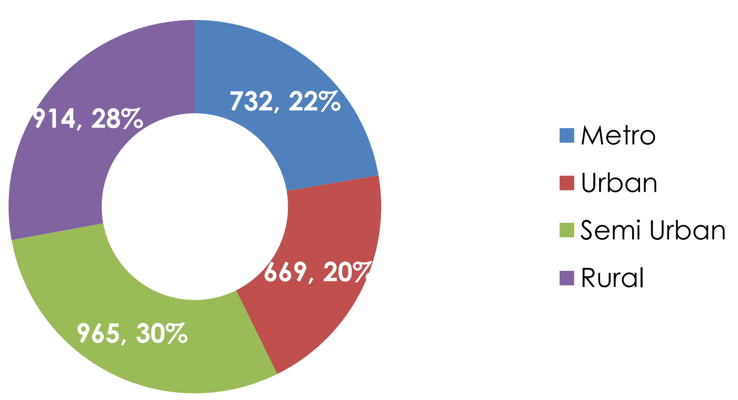
CUSTOMER TOUCH POINTS



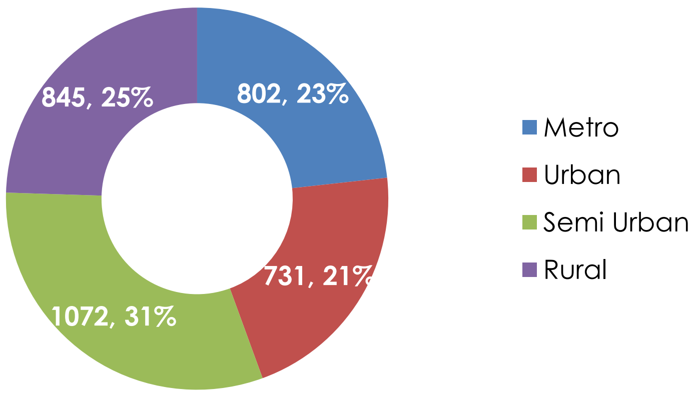
Year	Branches	ATM	IOB Mitra
Mar-15	3381	3571	2841
Mar-16	3397	3793	2894
Mar-17	3373	3679	2738
Mar-18	3332	3552	2663
Mar-19	3280	3450	2705

BC: IOB Mitra
CR: Cash Recyclers

Branch Network - Mar-19



ATM Network - Mar-19



Note: Merged 53 branches and opened 1 branch during FY 2018-19

GLOBAL FOOTPRINTS – FOREIGN BRANCHES

IOB

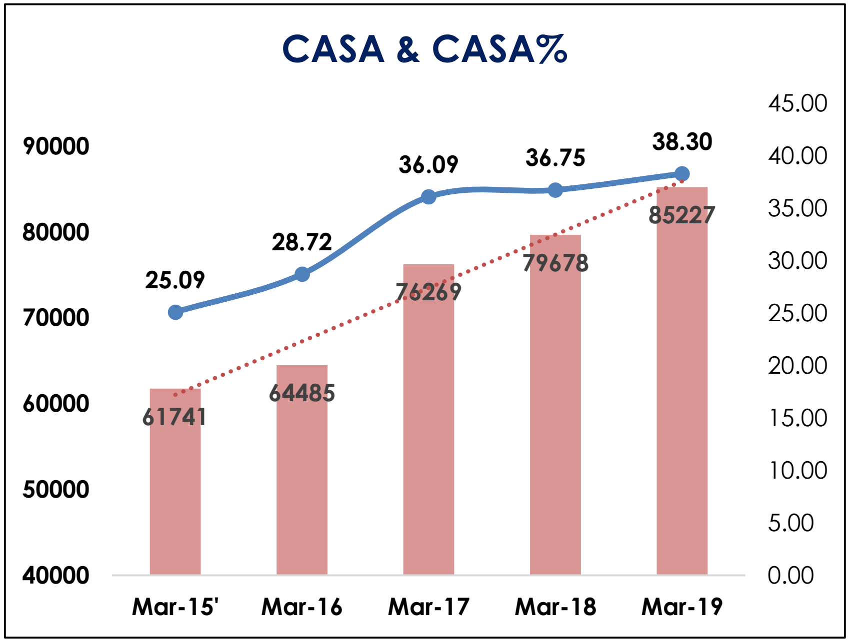
Branches	Representative Office	JV Subsidiary	Remittance Centres
• Singapore • Hong Kong Main • Colombo • Bangkok • Sukhumvit, Bangkok	• Dubai	• Malaysia	• Singapore – Serangoon Road

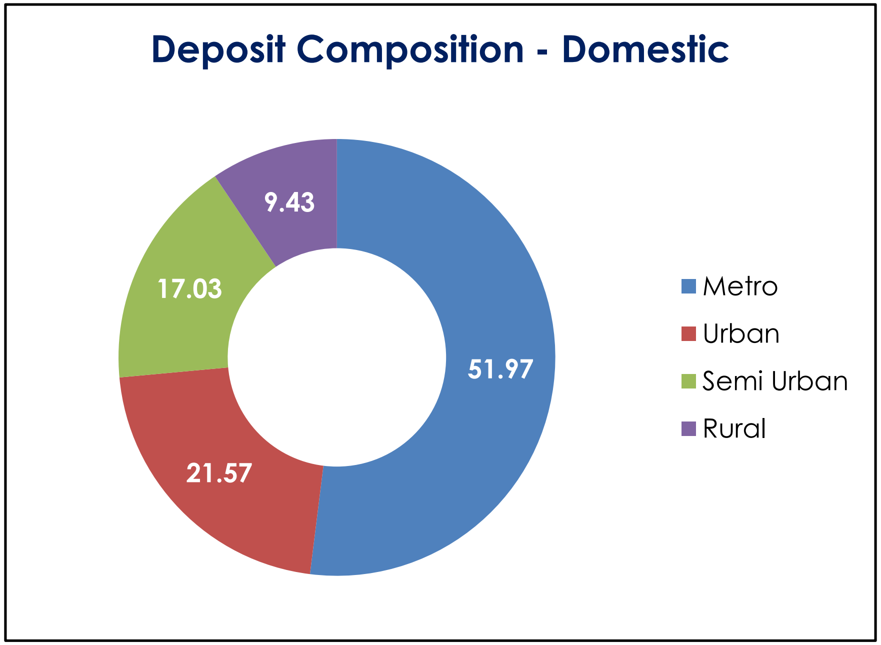
Joint Venture in Malaysia: Joint Venture with Bank of Baroda (40%) and Andhra Bank (25%) with IOB share of 35%

Business Performance - Global

Rs in Crores

Particulars	Mar-17	Mar-18	Dec-18	Mar-19	YoY(%)	QoQ(%)
CASA Deposits	76269	79678	82081	85227	6.96	3.83
Total Deposits	211343	216832	220311	222534	2.63	1.01
Advances	156776	150999	150590	151996	0.66	0.93
Business Mix	**368118**	**367831**	**370901**	**374530**	1.82	0.98
CASA%	36.09	36.75	37.26	38.30	1.55	1.04
CD Ratio%	74.18	69.64	68.35	68.30	-1.34	-0.05

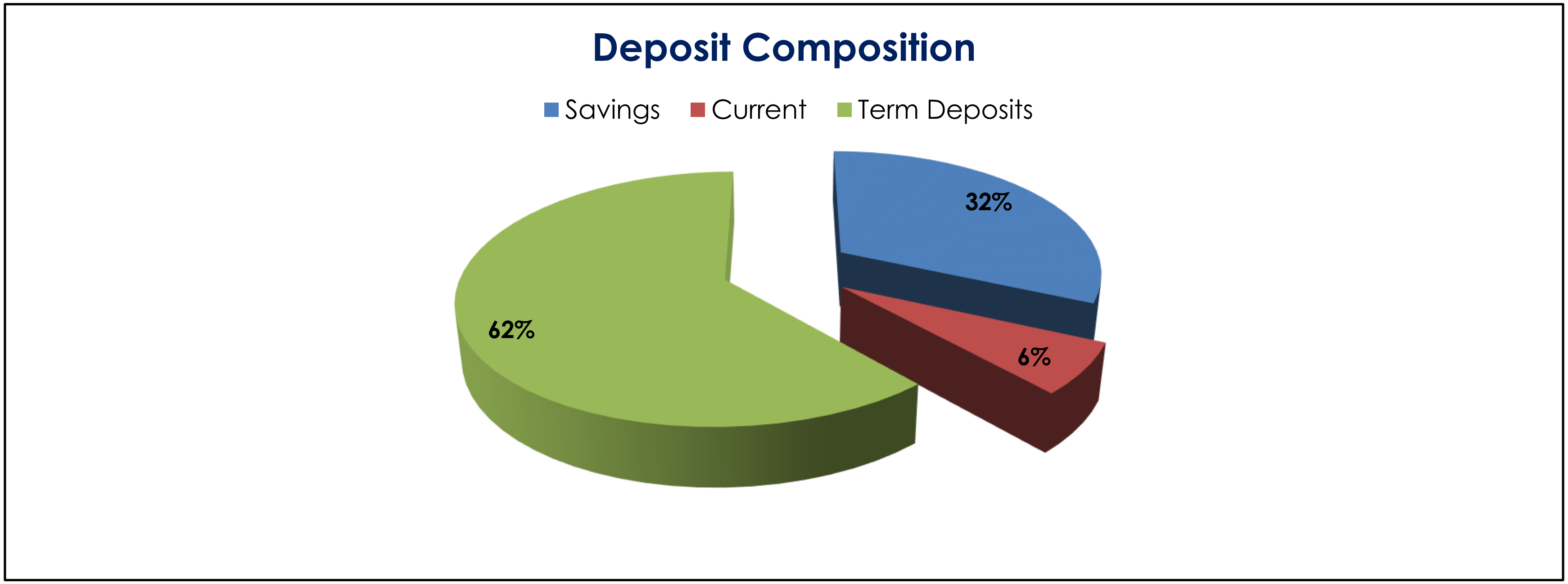




Deposit Composition

Rs in Crores

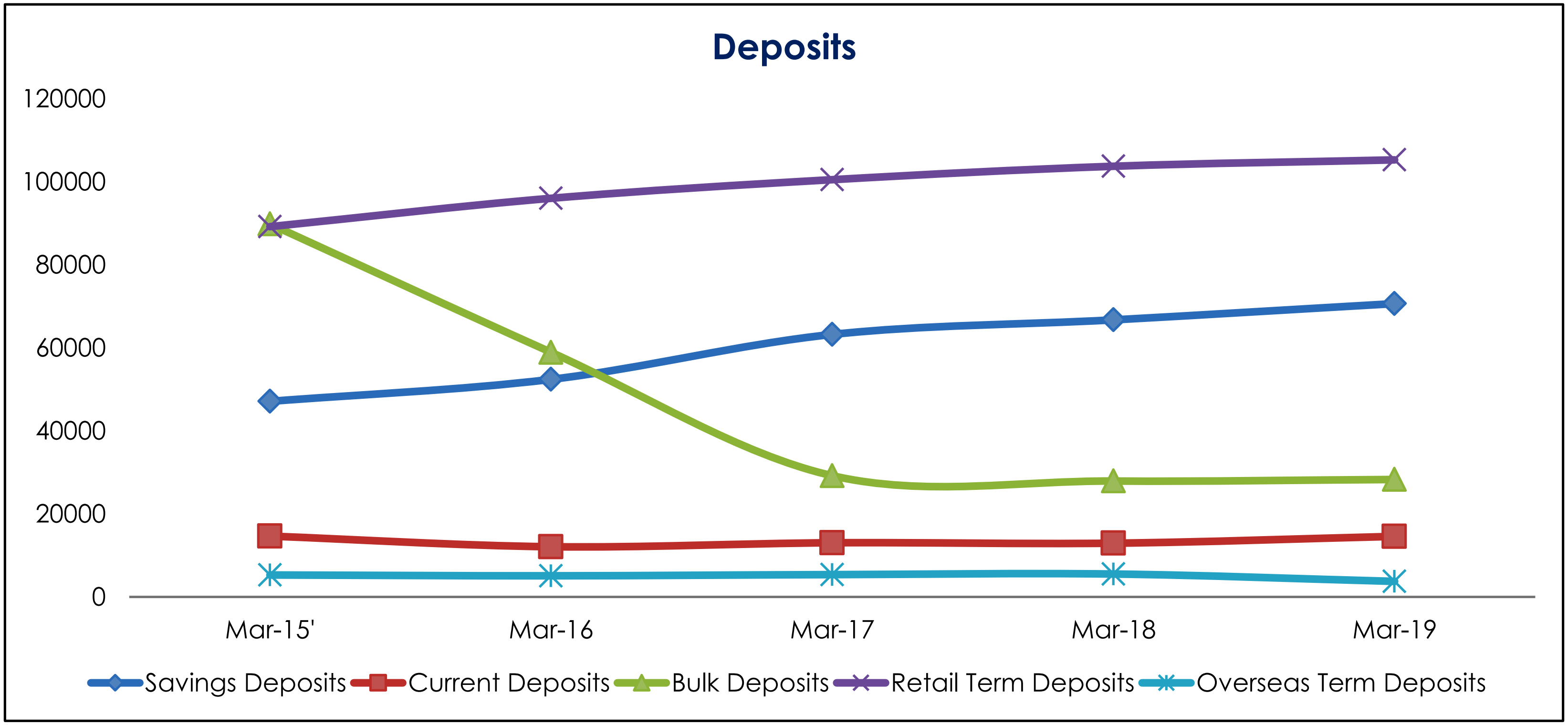
Particulars	Mar-17	Mar-18	Dec-18	Mar-19	YoY(%)	QoQ(%)
Savings	63232	66742	68385	70652	5.86	3.32
Current	13037	12936	13697	14575	12.68	6.41
CASA Deposits	76269	79678	82081	85227	6.96	3.83
Term Deposits	135074	137154	138230	137307	0.11	-0.67
Total Deposits	211343	216832	220311	222534	2.63	1.01
CASA%	**36.09**	**36.75**	**37.26**	**38.30**	**1.55**	**1.04**



DEPOSITS & COST

Rs in Crores

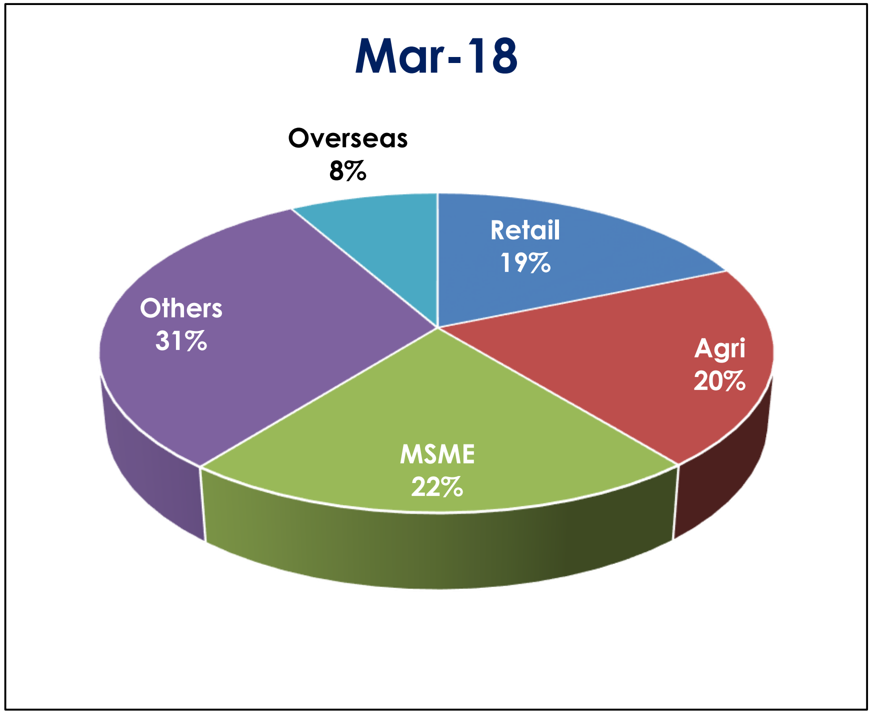
Parameters	Mar-15	Mar-16	Mar-17	Mar-18	Dec-18	Mar-19
Savings Deposits	47101	52404	63232	66742	68385	70652
Current Deposits	14640	12082	13037	12936	13697	14575
Bulk Deposits	89837	58917	29195	27906	30594	28285
Retail Term Deposits	89197	96029	100514	103743	103460	105284
Overseas Term Deposits	5274	5082	5366	5505	4176	3738
Total Deposits	246049	224514	211343	216832	220311	222534
CASA%	25.09	28.72	36.09	36.75	37.26	38.30
Cost of Deposits	7.62	7.11	6.17	5.49	5.38	5.39

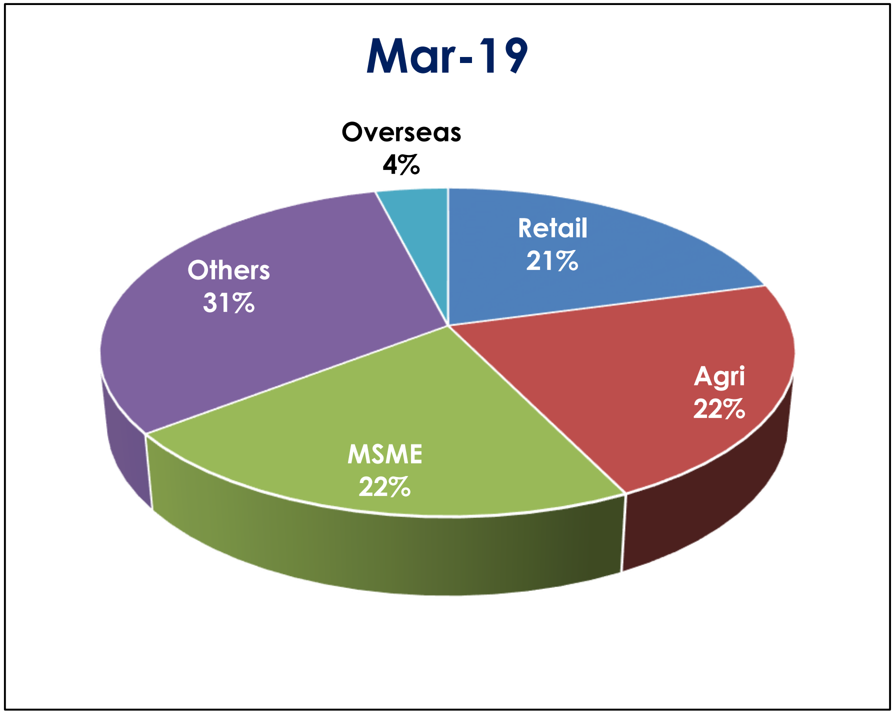


RISK SPREAD - ASSETS

Rs in Crores

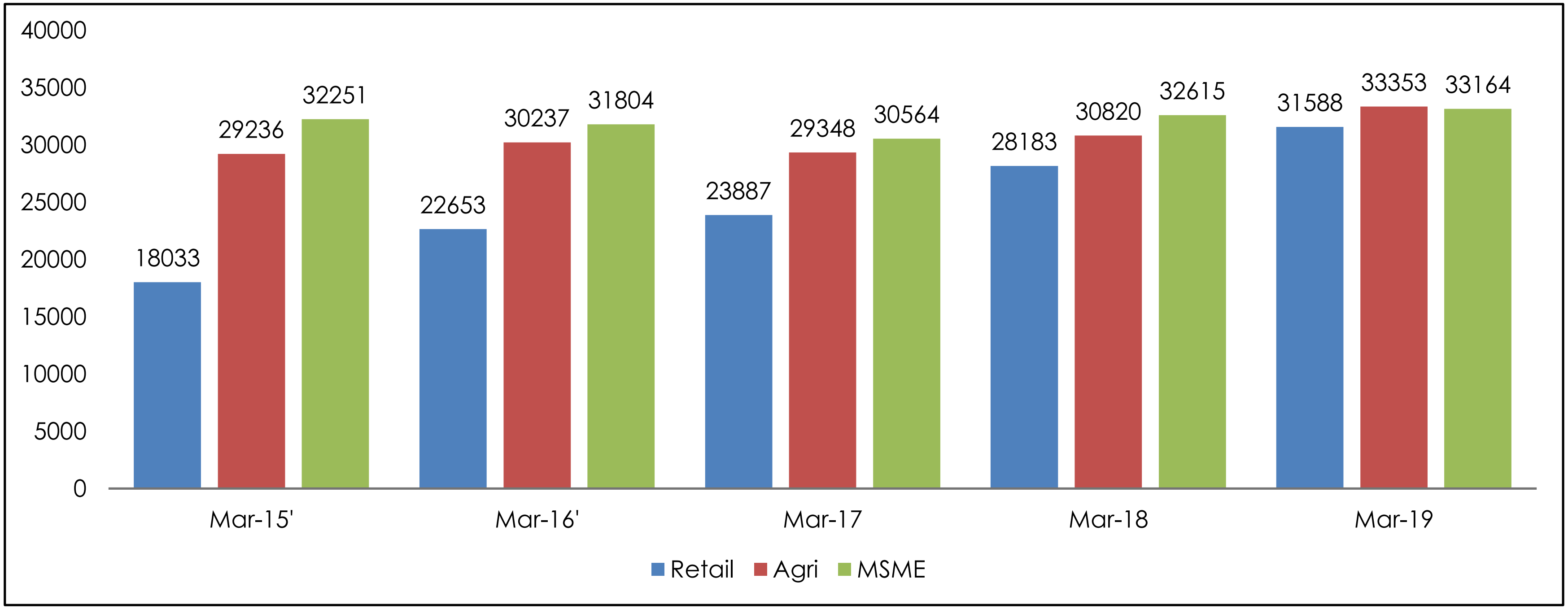
Details	Mar-15	Mar-16	Mar-17	Mar-18	Dec-18	Mar-19
Retail	18033	22653	23887	28183	28693	31588
Agri	29236	30237	29348	30820	32151	33353
MSME	32251	31804	30564	32615	33738	33164
Others	83317	70734	58852	46898	49147	47895
Overseas	16204	17299	14125	12483	6861	5996
Global	**179041**	**172727**	**156776**	**150999**	**150590**	**151996**





RAM – The Growth Driver

Rs in Crores



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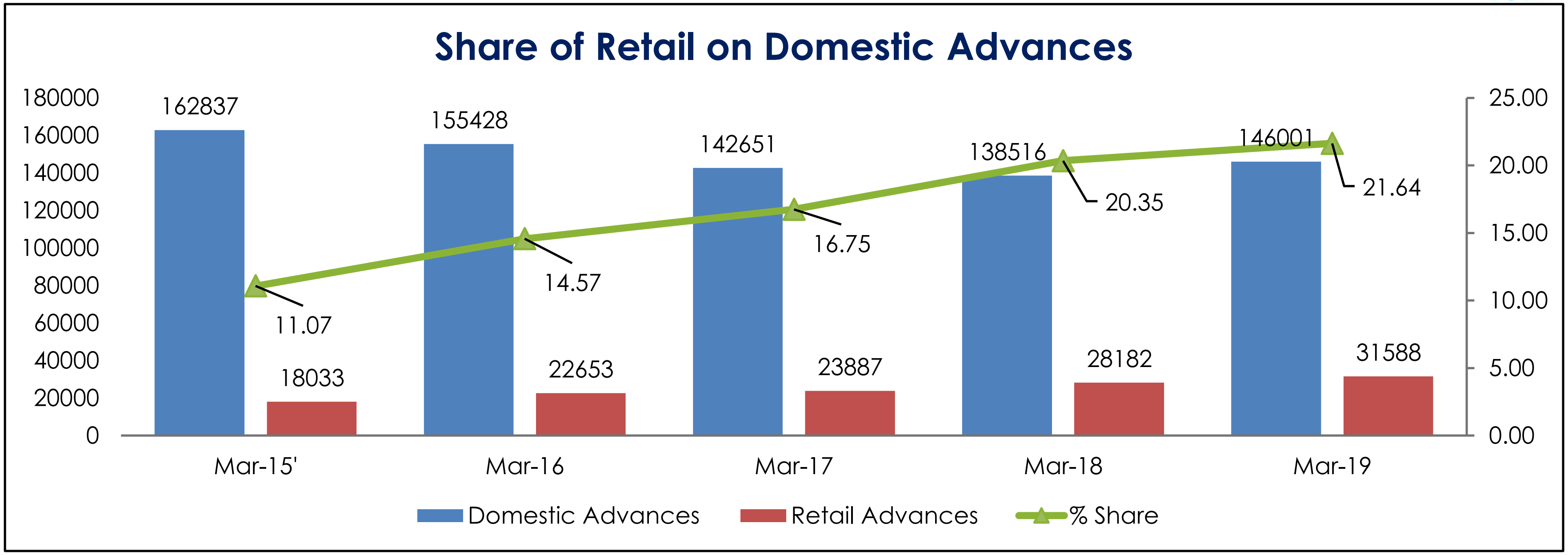
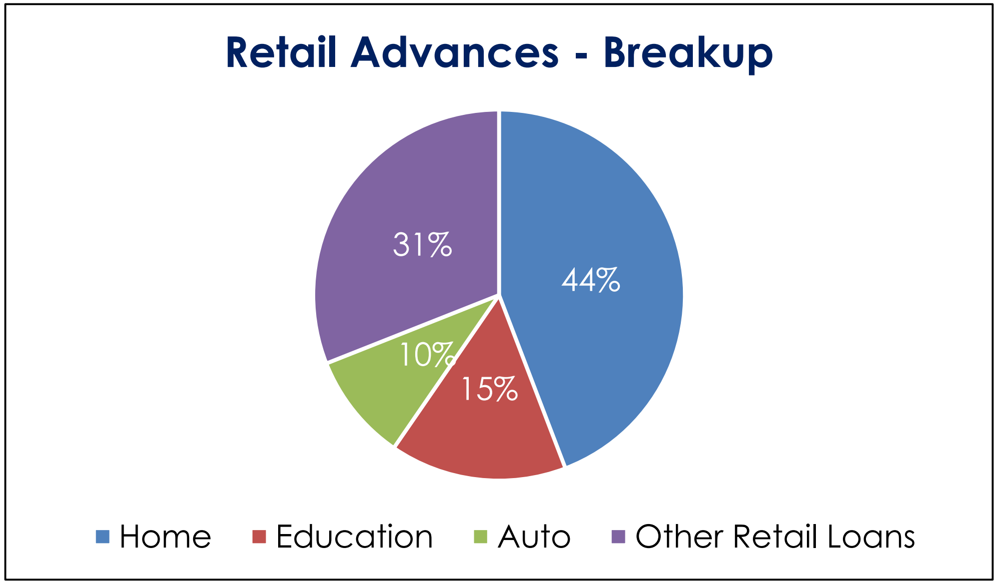
Agri	29236	30237	29348	30820	32151	33353
MSME	32251	31804	30564	32615	33738	33164
Total RAM	79520	84694	83799	91618	94582	98105
Domestic Advances	**162837**	**155428**	**142651**	**138516**	**143729**	**146001**
% Share of RAM	**48.83**	**54.49**	**58.74**	**66.14**	**65.81**	**67.20**

RETAIL PERFORMANCE

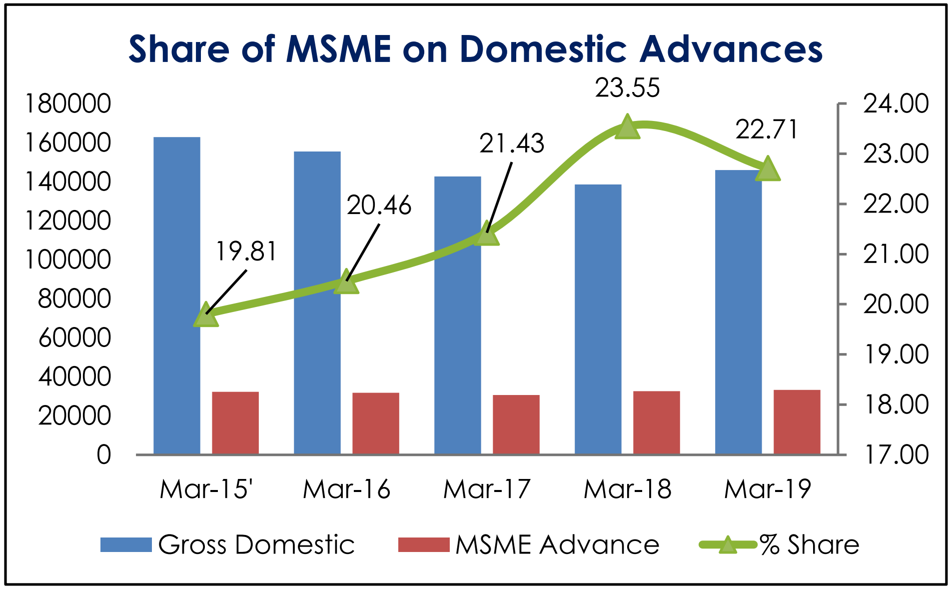
Rs in Crores





Details	Mar-2019
Home	13957
Education	4865
Auto	2972
Other Retail Loans	9794
Total	31588

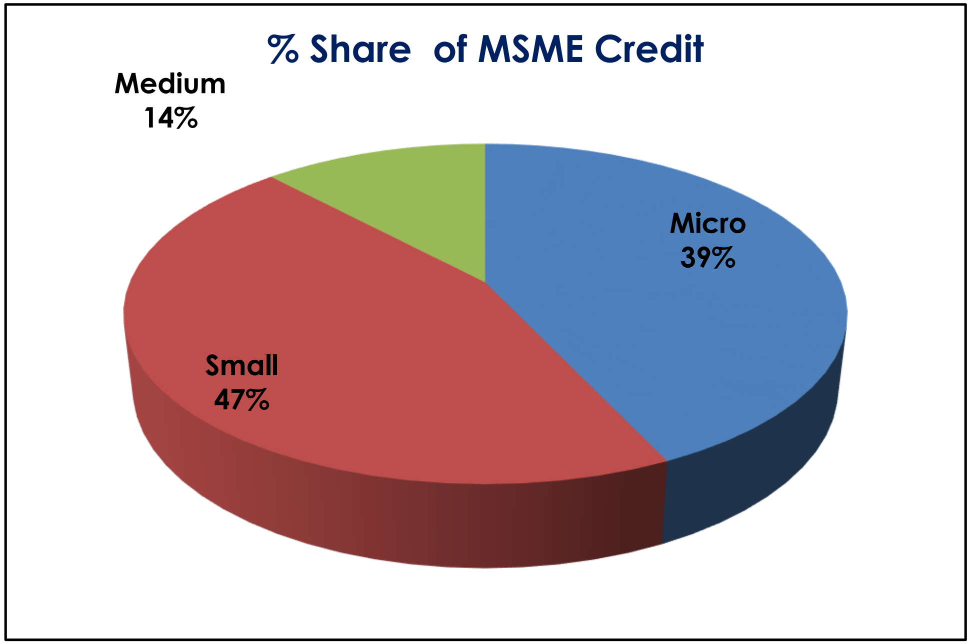
MSME Performance



Rs in Crores

Year	Gross Domestic	MSME Advance	% Share
Mar'15	162837	32251	19.81%
Mar'16	155428	31804*	20.46%
Mar'17	142651	30564*	21.43%
Mar' 18	138516	32615*	23.55%
Mar '19	146001	33164	22.71%

* Netting of Rs. 7500 crores related to Food & Agro processing units migrated and classified under Agriculture

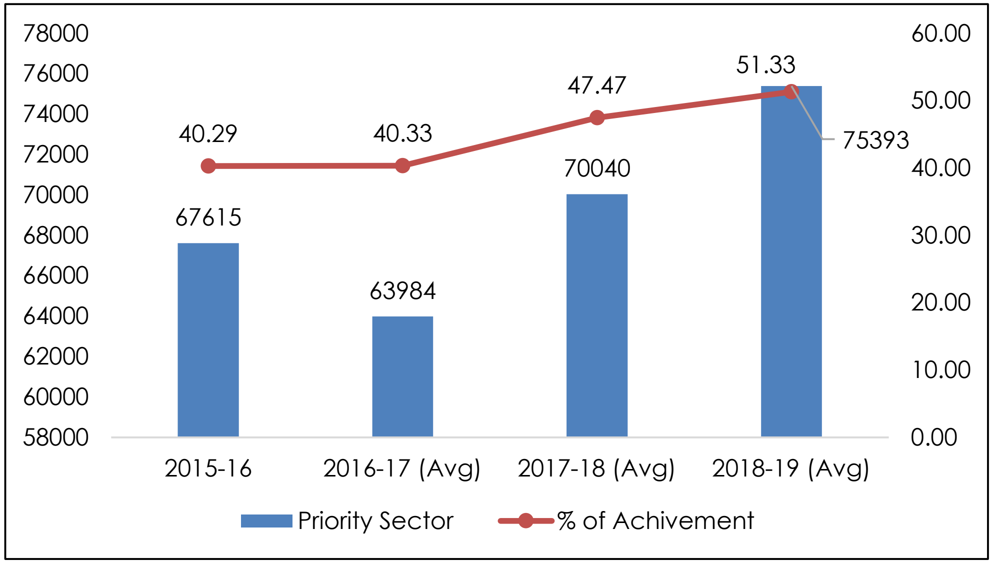


% Share of MSME Credit
(O/S as on Mar' 19) Rs. In Crores

Category	No of Accounts	Amount in Crores	% Share
Micro	443141	13000	39%
Small	27640	15528	47%
Medium	1498	4636	14%
Total	472279	33164	100%

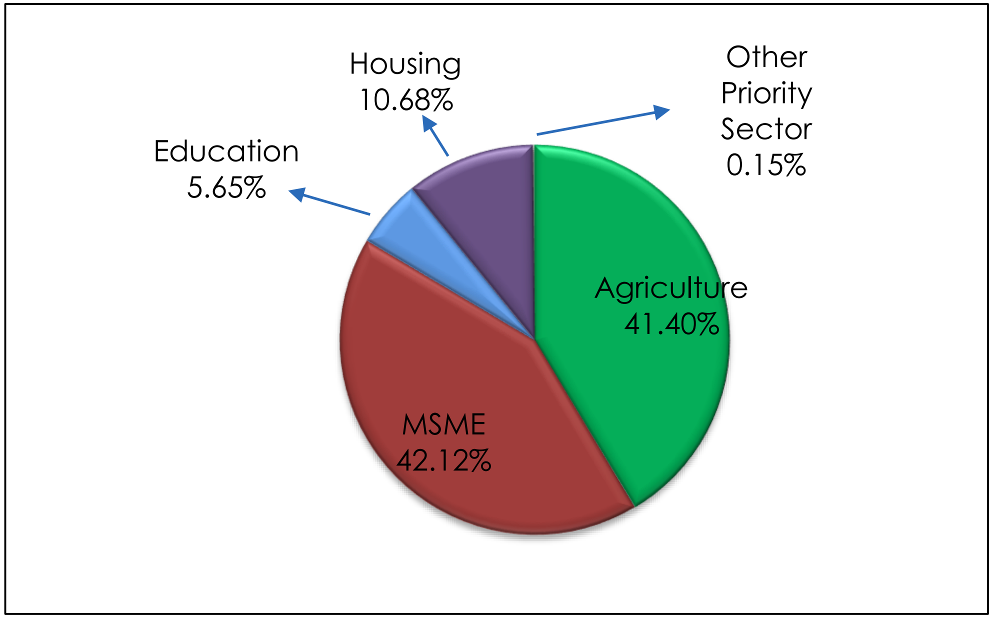
Priority Sector Advances - Overview

Rs. In Crore



Financial Year	Priority sector Achievement	% of achievement
2015-16	67615	40.29%
2016-17 (Avg 4 qtrs)	63984	40.33%
2017-18 (Avg 4 qtrs)	70040	47.47%
2018-19 (Avg 4 qtrs)	75393	51.33%

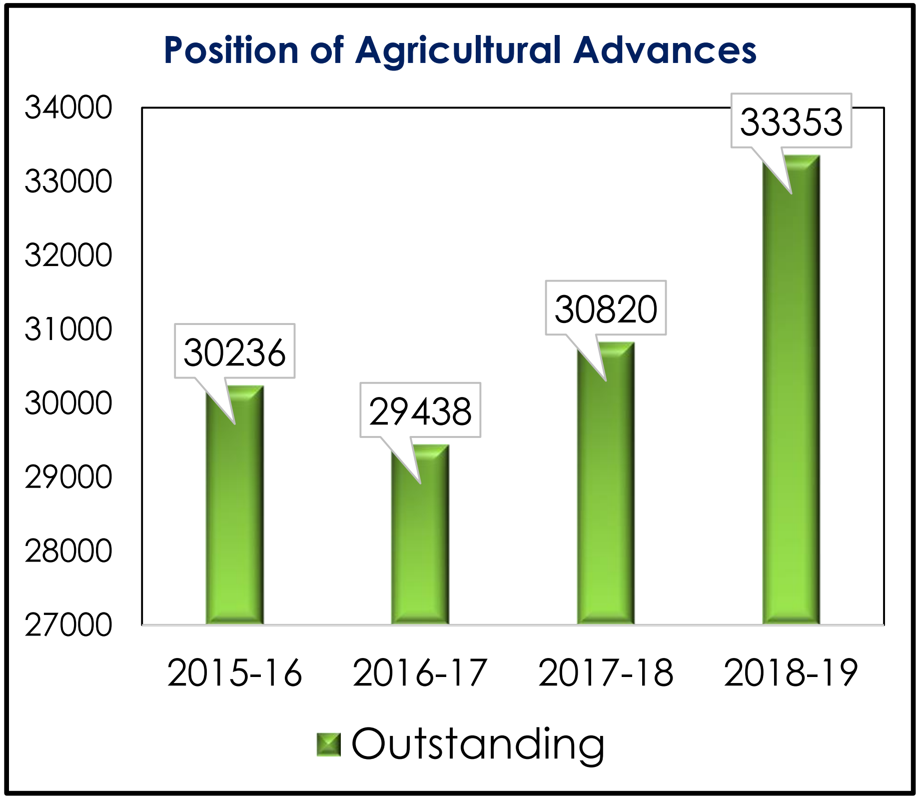
Priority Sector Exposure as on 31.03.2019

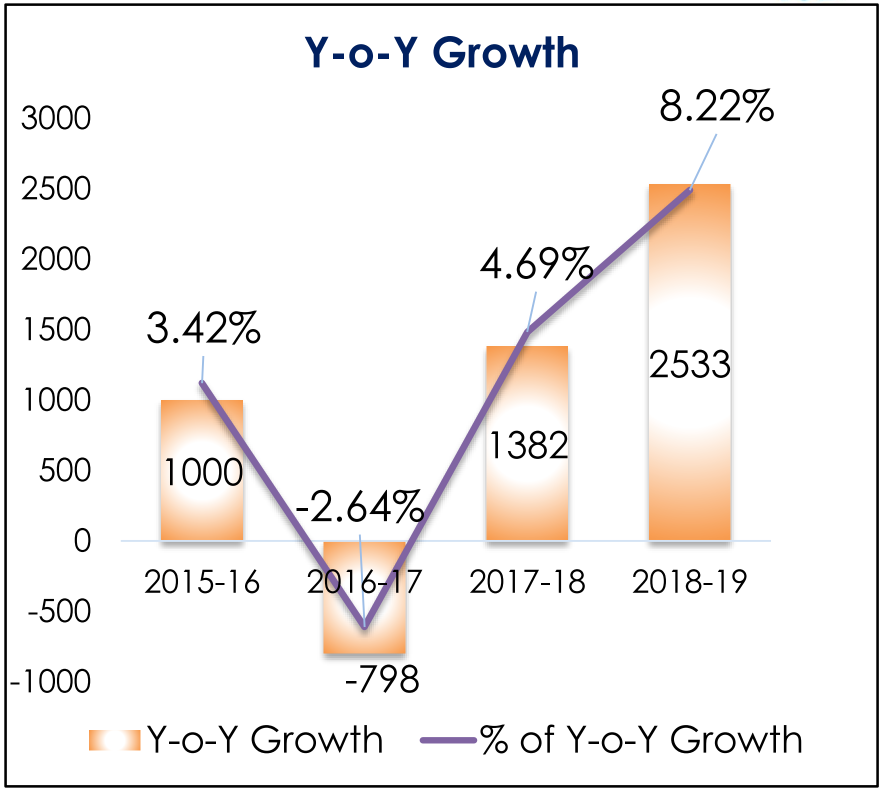


Priority sector exposure	O/s as on 31.03.2019	% Share
Agriculture	33353	41.40%
MSME	33935	42.12%
Education	4548	5.65%
Housing	8601	10.68%
Other Priority Sector	123	0.15%
Total	**80560**	**100 %**
Less sale of PSLC	-3736	
Net Priority Sector Advances	**76824**	**100%**

Agriculture Advance Performance

Rs. In Crs

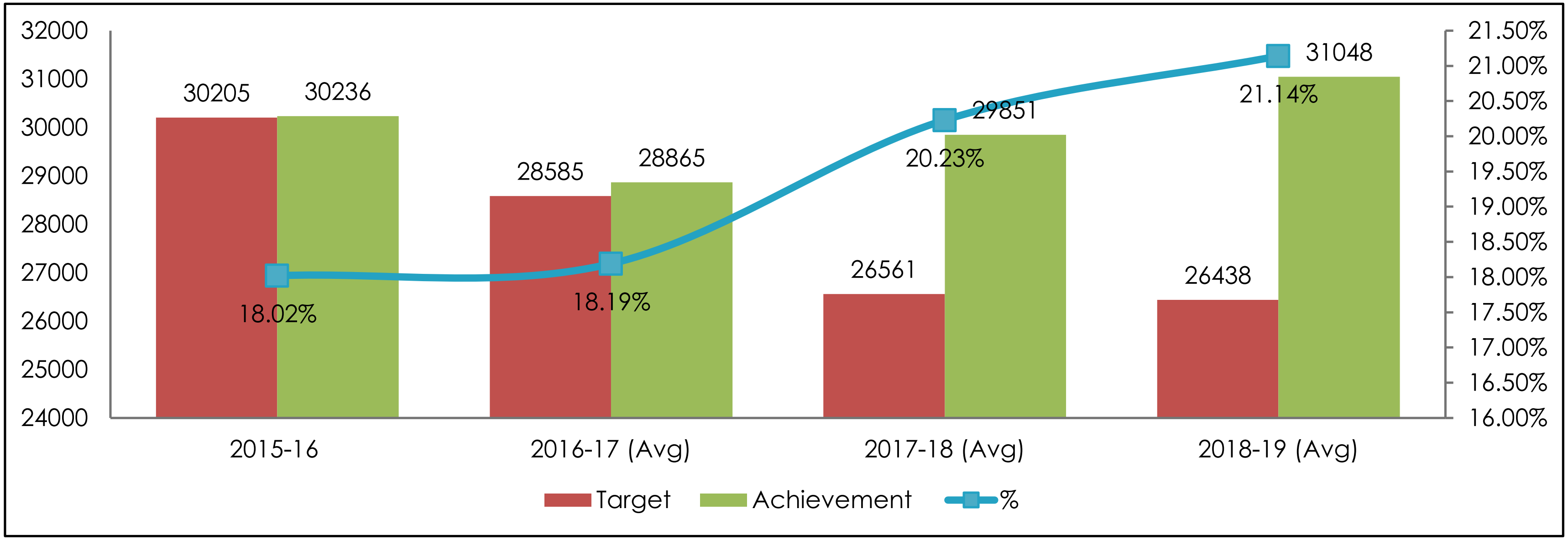




Financial Year	Outstanding	Y-o-Y Growth	% of Y-o-Y Growth
2015-16	30236	+1000	3.42%
2016-17	29438	-798	-2.64%
2017-18	30820	+1382	4.69%
2018-19	33353	+2533	8.22%

AGRI ADVANCES – PRIORITY SECTOR

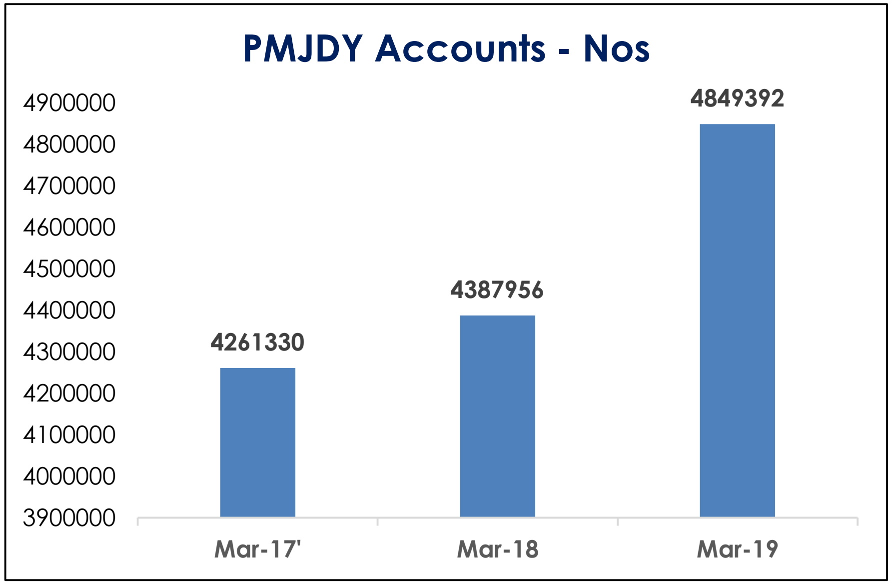
Rs. In Crore

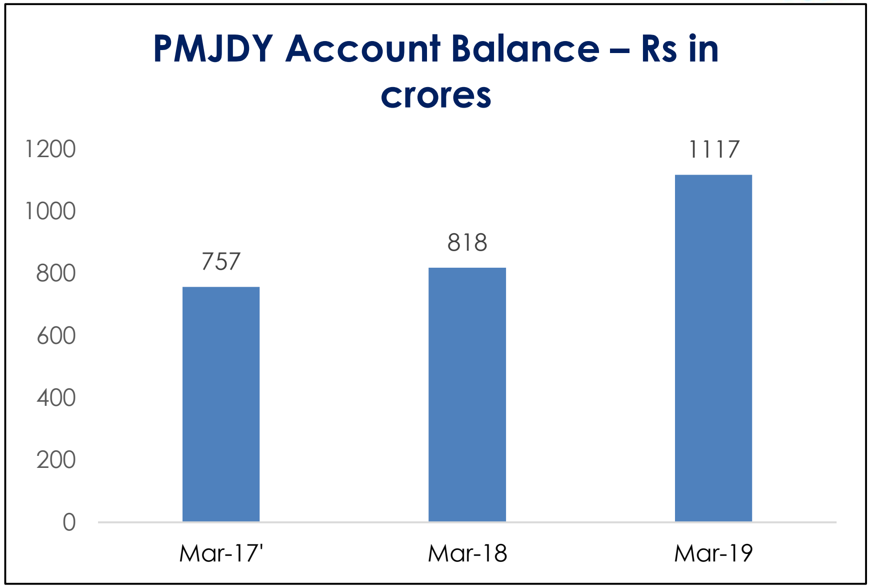


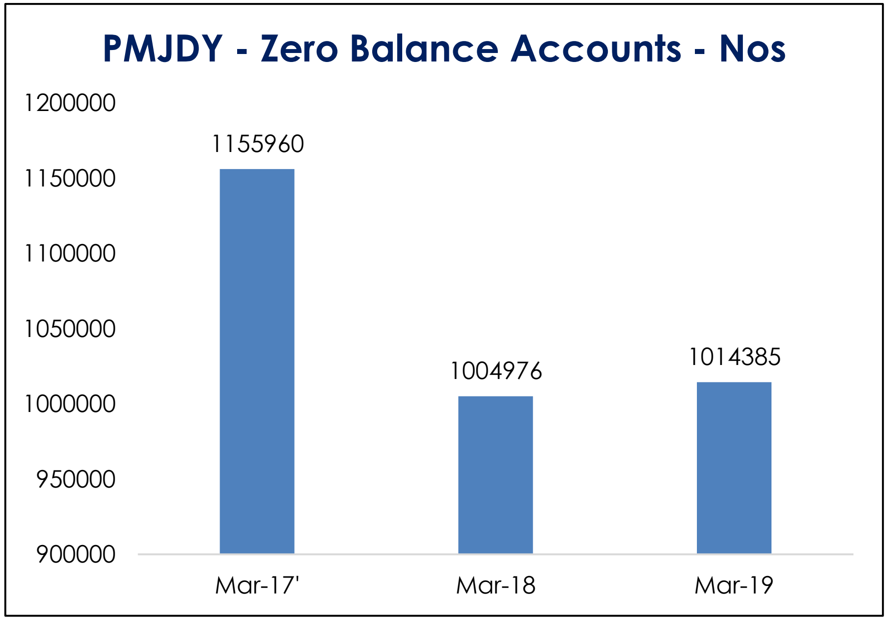
Financial Year	ANBC	Target (18% of ANBC)	Achievement	
			Amount	%
2015-16	167805	30205	30236	18.02%
2016-17 (4 Quarters' Avg)	158808	28585	28865	18.19%
2017-18 (4 Quarters' Avg)	147561	26561	29851*	20.24%
2018-19 (4 Quarters' Avg)	146878	26438	31048*	21.14%

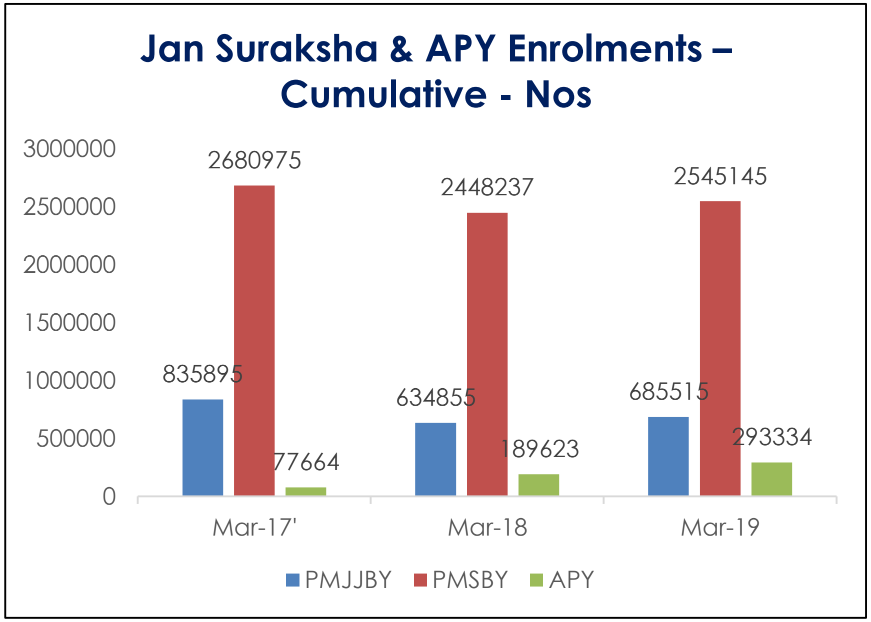
*After reduction of PSLC sale of Rs.1300 Crs in FY 17-18 and Rs.1500 Crs in FY 18-19.

Financial Inclusion









INCOME & EXPENSES

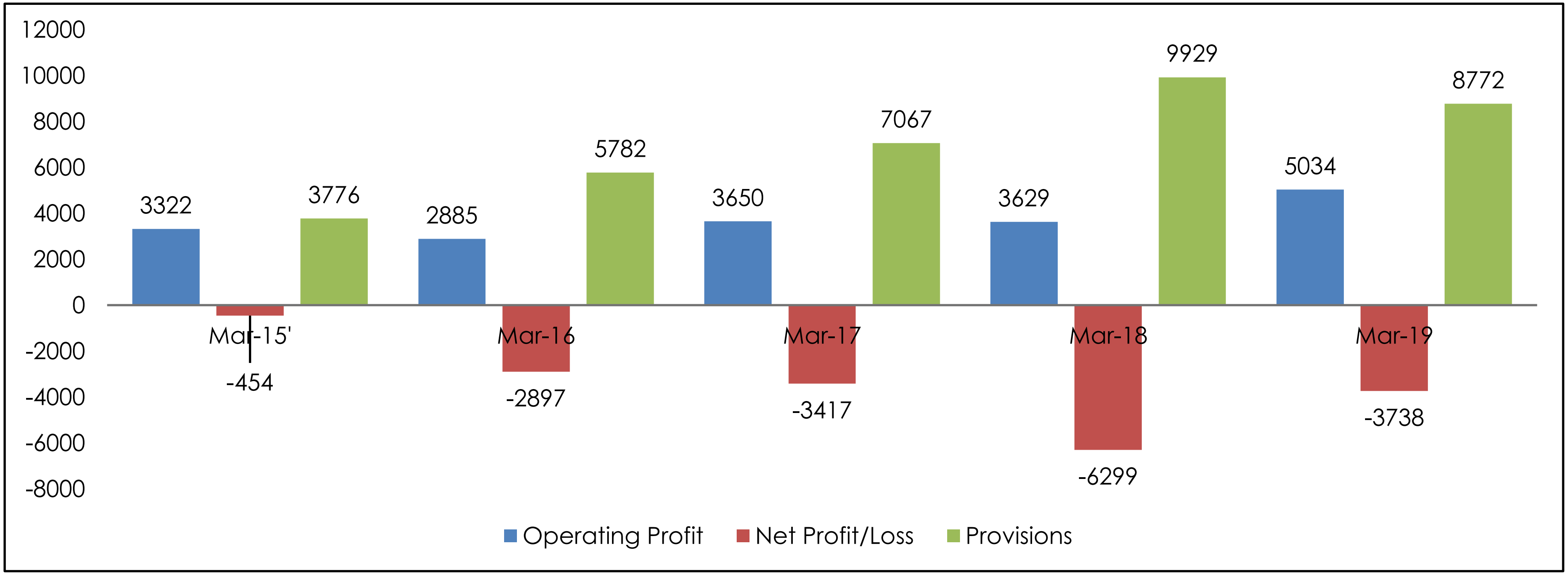
Rs in Crores

Particulars	Q4 17-18	Q3 18-19	Q4 18-19	YoY (%)	QoQ (%)	FY 2017-18	FY 2018-19	YoY(%)
Interest Income	4828	4542	4556	-5.61	0.31	17915	17631	-1.58
Non Interest Income	987	1146	917	-7.04	-19.96	3746	4206	12.28
Total Income	**5814**	**5689**	**5474**	**-5.86**	**-3.77**	**21662**	**21838**	**0.81**
Interest Expended	3095	3159	3077	-0.55	-2.57	12448	12352	-0.77
Staff Expenses	745	652	706	-5.25	8.21	2994	2647	-11.60
Other Expenses	846	412	559	-33.89	35.86	2591	1805	-30.34
Total Expenses	4685	4222	4342	-7.32	2.84	18033	16804	-6.81
Operating Profit	**1129**	**1466**	**1132**	**0.21**	**-22.82**	**3629**	**5034**	**38.71**

PROFITABILITY

Rs in Crores

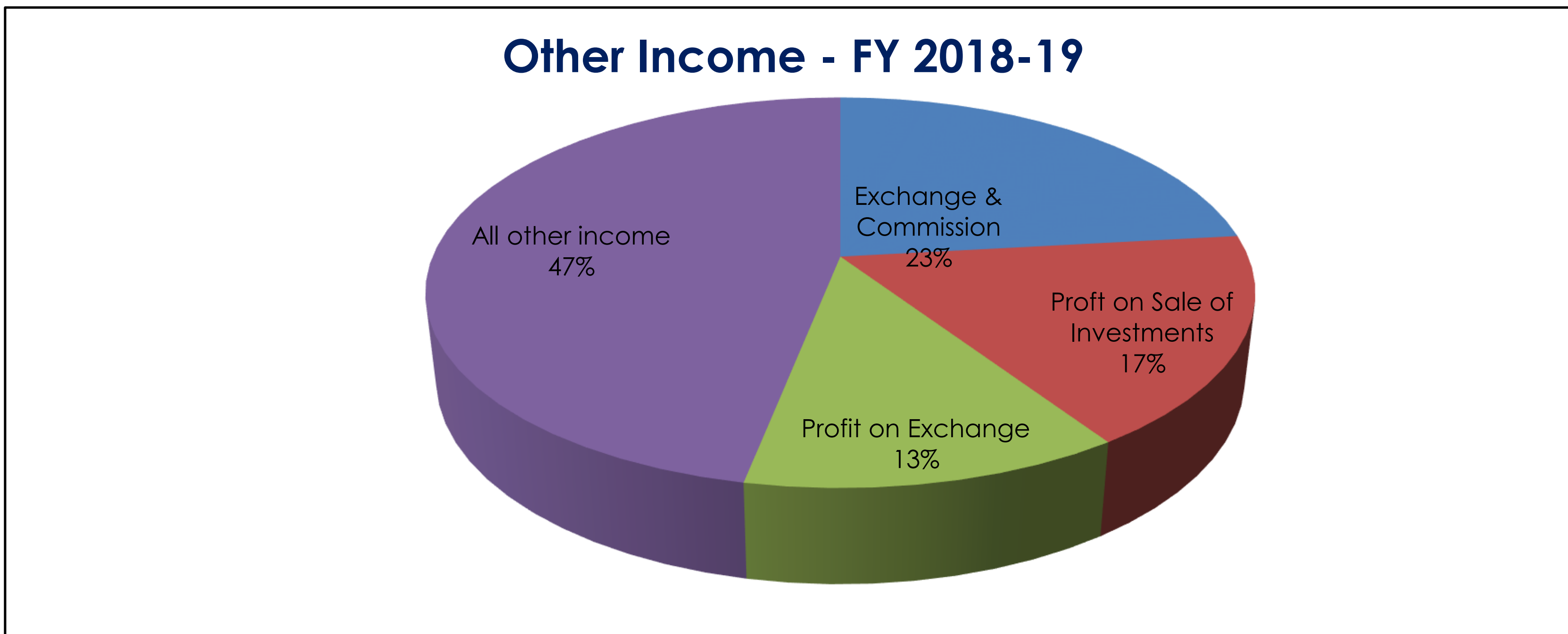
Particulars	Q4 17-18	Q3 18-19	Q4 18-19	YoY (%)	QoQ (%)	FY 2017-18	FY 2018-19	YoY(%)
Operating Profit	1129	1466	1132	0.21	-22.82	3629	5034	38.71
Provisions	4736	1812	3117	-34.19	71.99	9929	8772	-11.65
of which NPA Provisions	6738	1948	3961	-41.22	103.27	11935	9881	-17.21
Other Provisions	-2002	-136	-844	-57.85	519.49	-2006	-1109	-44.70
Net Profit/Loss	**-3607**	**-346**	**-1985**	-44.96	473.71	**-6299**	**-3738**	**-40.66**



OTHER INCOME

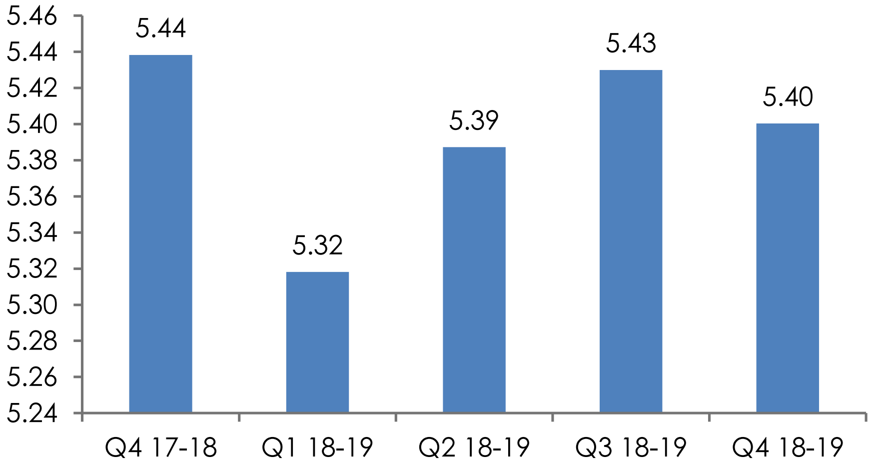
Rs in Crores

Particulars	Q4 17-18	Q3 18-19	Q4 18-19	YoY (%)	QoQ (%)	FY 2017-18	FY 2018-19	YoY (%)
Exchange & Commission	324	230	281	-13.09	22.19	1022	977	-4.43
Proft on Sale of Investments	40	540	110	174.56	-79.63	455	732	61.03
Profit on Exchange	151	127	144	-4.89	12.91	590	525	-11.07
All other income	472	248	382	-19.00	53.85	1679	1972	17.45
Total Other Income	**987**	**1146**	**917**	**-7.04**	**-19.96**	**3746**	**4206**	**12.28**

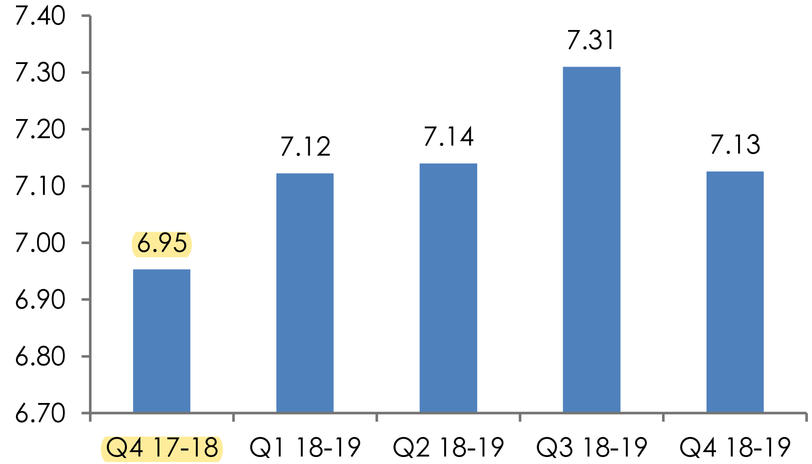


Performance Ratios

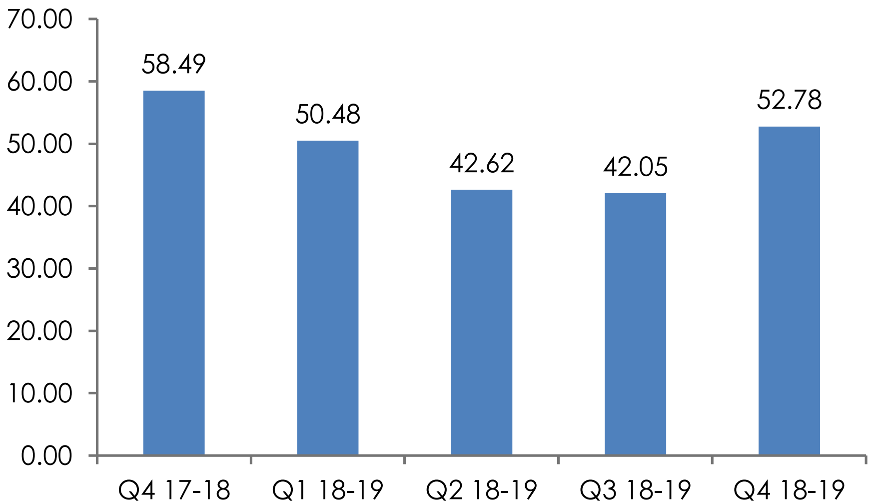
Cost of Deposits (%)



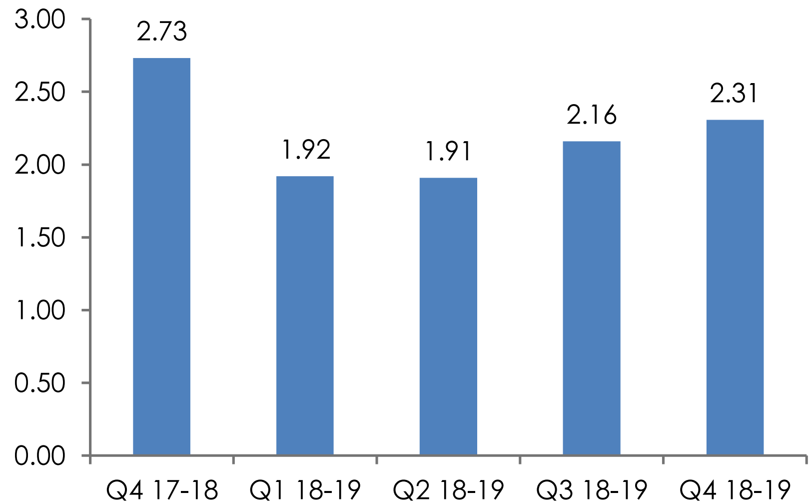
Yield on Advances (%)



Cost to Income Ratio (%)



NIM (%)



MOVEMENT OF RWA & CRAR

Rs in Crores

Particulars	Mar-18	June-18	Sep-18	Dec-18	Mar-19
Market Risk RWA	15189.38	15189.38	14859.25	12537.89	11944.14
Operational Risk RWA	14758.84	14758.84	15778.67	15778.67	15778.67
Credit Risk RWA	104960.48	104960.48	96903.45	96769.59	94862.36
Total RWA **(A)**	134908.69	134908.69	127541.37	125086.14	122585.17
CET 1	8626.32	8626.32	9071.53	8376.04	9586.31
CET 1%	**6.39%**	**6.39%**	**7.11%**	**6.70%**	**7.82%**
Tier 1	9666.32	9666.32	9111.53	8416.04	9626.31
Tier 1%	**7.17%**	**7.17%**	**7.15%**	**6.73%**	**7.85%**
Tier 2	2816.58	2816.58	2566.91	2666.22	2889.26
Tier 2%	**2.08%**	**2.08%**	**2.01%**	**2.13%**	**2.36%**
Total Capital **(B)**	12482.90	12482.90	11678.44	11082.26	12515.56
CRAR (B/A)	**9.25%**	**9.25%**	**9.16%**	**8.86%**	**10.21%**
Total RWA to Advance Ratio	**89.34%**	**89.34%**	**85.00%**	**83.06%**	**80.65%**
Credit RWA to Advance Ratio	**69.51%**	**69.51%**	**64.58%**	**64.26%**	**62.41%**

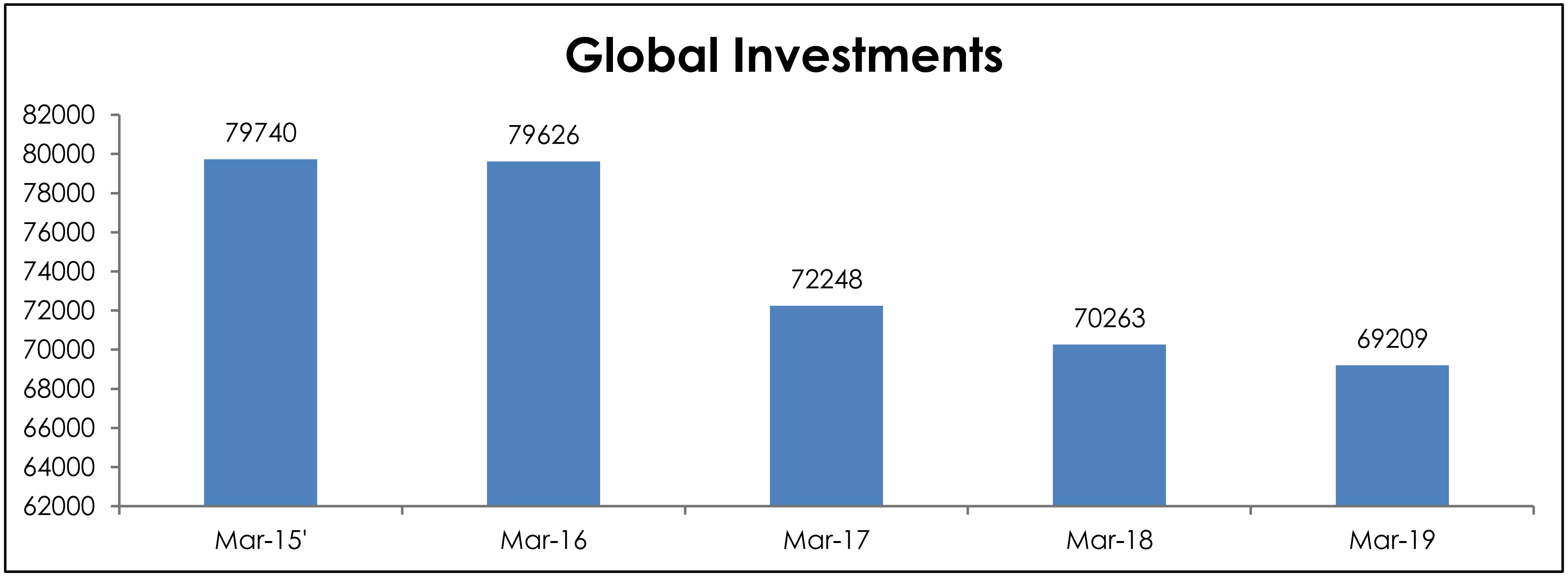
NPA Management

Rs in Crores

Details	FY 2017-18	Q1 2018-19	Q2 2018-19	Q3 2018-19	Q4 2018-19	FY 2018-19
i) Opening Gross NPAs	35098	38180	38146	37110	35787	38180
a. Cash Recoveries	1105	565	1723	750	635	3673
b. Upgradation	2330	467	342	197	446	1452
c. Write-Offs	7018	1262	1425	2294	2701	7683
d. Sale to ARCs	3254	268	289	150	0	708
e. Other Reductions	36	0	0	86	25	111
ii) Total Reductions (a+b+c+d+e)	13743	2563	3779	3477	3807	13627
iii) Fresh Slippages to NPA category + Other Debits	16825	2529	2743	2154	1419	8845
Closing Gross NPAs (i-ii+iii)	38180	38146	37110	35787	33398	33398
Gross NPA (%)	25.28	25.64	24.73	23.76	21.97	21.97
Net NPAs (Absolute)	20400	19642	18876	17988	14368	14368
Net NPA (%)	15.33	15.10	14.34	13.56	10.81	10.81
Provision Coverage Ratio	59.45	61.10	61.97	64.23	71.39	71.39

INVESTMENTS

Rs in Crores

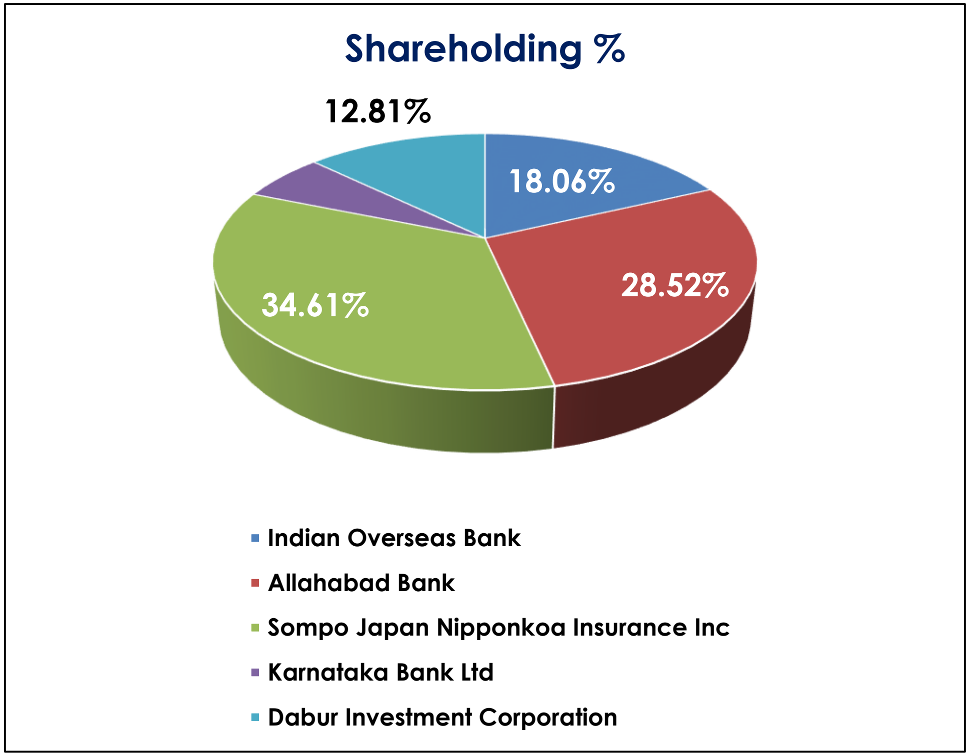


Parameters	Mar-16	Mar-17	Mar-18	Mar-19
Domestic Investments	**76155**	**68627**	**66619**	**65380**
SLR	64028	58009	53019	47858
Non SLR	12127	10618	13600	17522
Held to Maturity	50862	45709	46543	45975
Available for Sale	25273	22816	20076	19345
Held for Trading	20	102	0	60
Investment by Overseas Branches	**3471**	**3621**	**3644**	**3829**
Global Investments	**79626**	**72248**	**70263**	**69209**

STRATEGIC INVESTMENTS – JOINT VENTURE

IOB entered into Non Life Insurance Business with Universal Sompo General Insurance (USGI) Company Limited with equity participation of **18%** along with the other Banks and Institutions

Name of Entity	Shareholding %	Investment
Indian Overseas Bank	18.06%	66
Allahabad Bank	28.52%	105
Sompo Japan Nipponkoa Insurance Inc	34.61%	127
Karnataka Bank Ltd	6.00%	22
Dabur Investment Corporation	12.81%	47
Total	**100.00%**	**368**



- USGIC has entered into Bancassurance tie up with Allahabad Bank, IOB & Karnataka Bank.
- IOB entered into Corporate Agency arrangements with effect from 20th December 2008 for distribution of USGI products.

VALUATIONS

Particulars (Rs. Crs)	Q4 18-19	Q4 17-18	FY 18-19
Earning per Share (`)	(3.06)	(12.25)	(6.83)
Book Value per Share (`)	6.43	11.13	6.43
Adjusted Book Value per Share (`) [(Net Worth - Net NPA)/No of Shares]	- ve	- ve	- ve
Price/Book Value (`)	2.25	1.57	2.25
Price/Adjusted Book Value (`)	-ve	-ve	- ve
PE Ratio	- ve	- ve	- ve

*** Price as on 31.03.2019 Rs. 14.45 (NSE)**

AWARDS & ACCOLADES

CVC adjudged our Bank for **Vigilance Innovation Awards** under Vigilance Excellence Awards 2018
Received from Hon'ble President of India

" **Vani"** Bank's Quarterly Hindi Magazine - Bronze Prize in the **"Indian Language Publication"** by (ABCI) for 2018
Received from Hon'ble Vice President of India

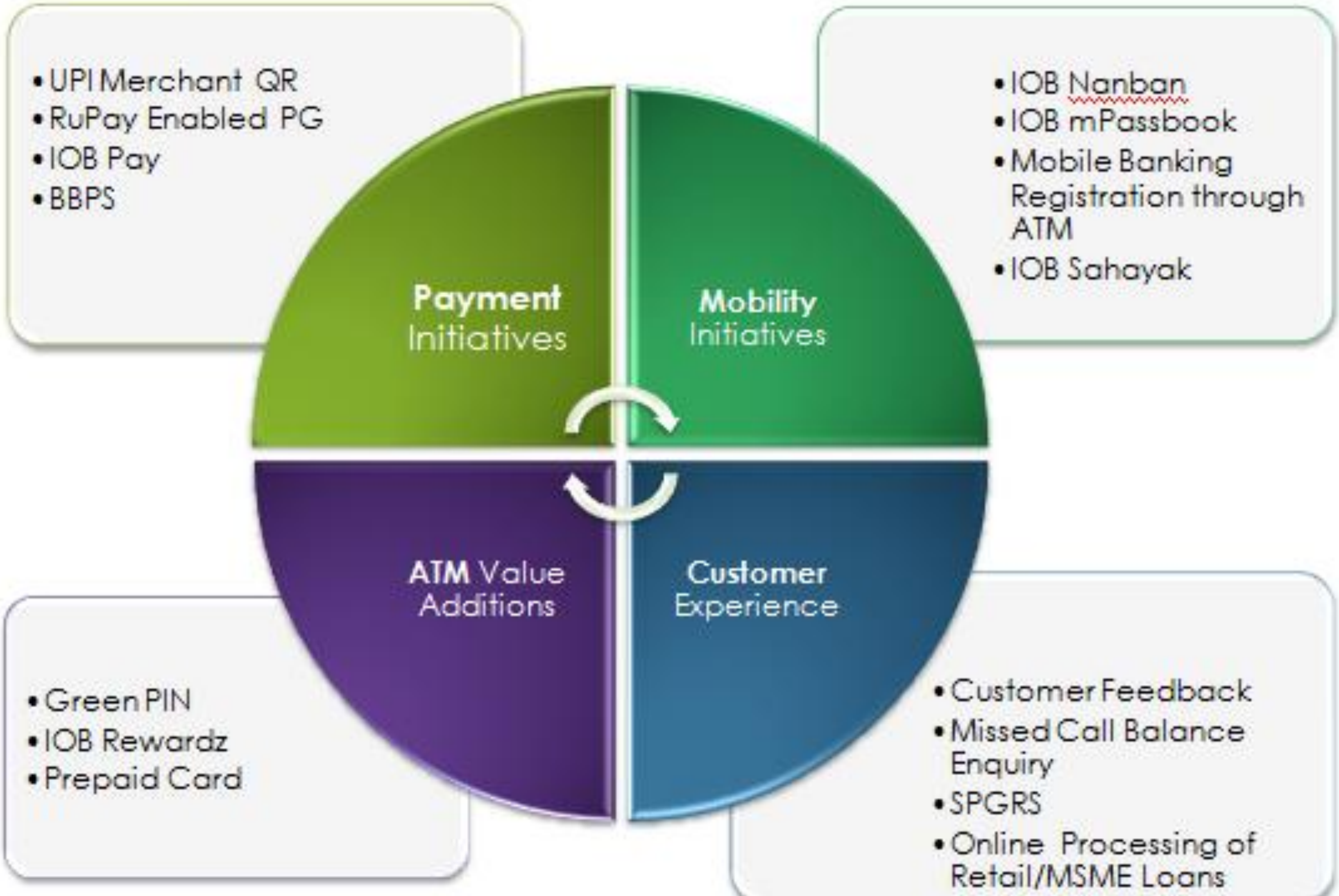
Ease Banking Reform Awards 2019 – Winner – **Deepening Financial Inclusion and Digitalisation**
Received from Hon'ble Finance Minister

Ease Banking Reform Awards 2019 – Winner – **Reforms Excellence**
Received from Hon'ble Finance Minister

IBA Banking Technology Conf Expo 2017-18**"Best Payment Initiatves"** among Medium sized Banks

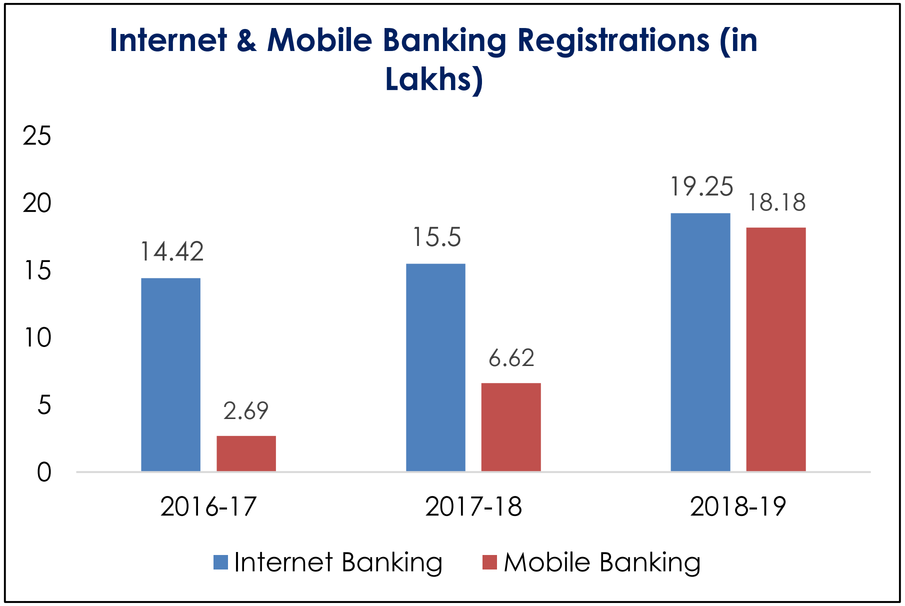
IBA Banking Technology Award under **"Best use of Data and Analytics"** among Medium sized Banks
Received from…..

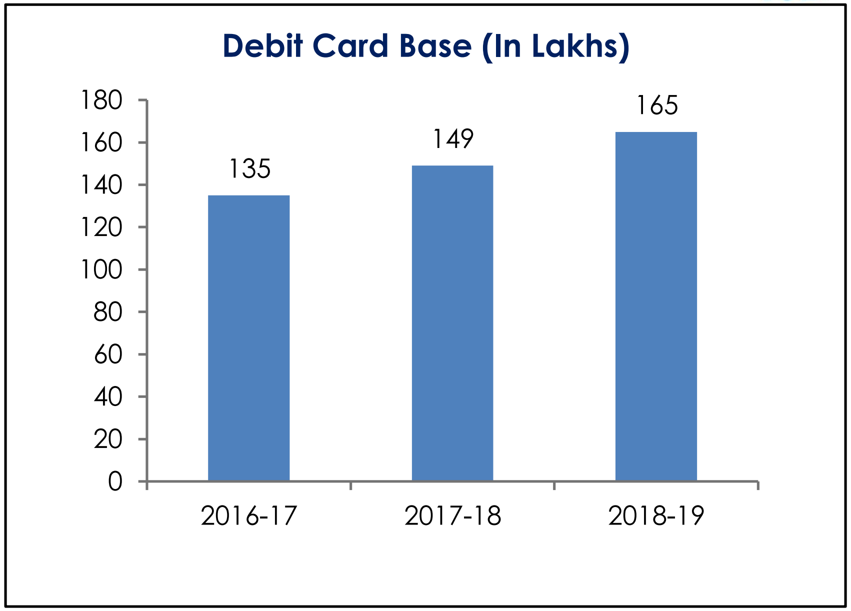
DIGITAL INITIATIVES

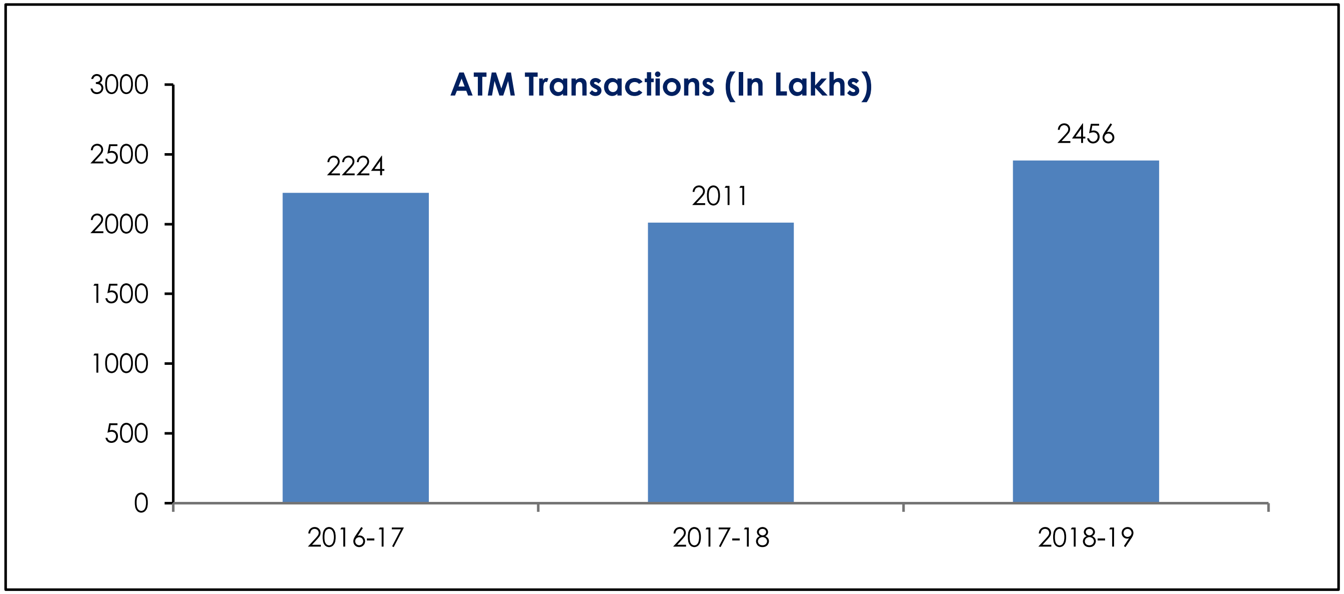


Digital Initiatives

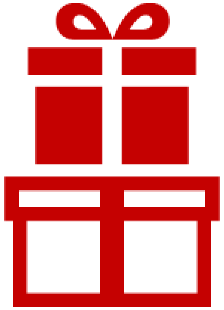
DIGITAL INITIATIVES







CUSTOMER EXPERIENCE INITIATIVES

 	✓Customer can call to the specified number for to provide a feedback about our service ✓If you are unhappy with our service please call **8828846220** ✓ If you are happy with our service please call **8828846225**
 	✓Customer can give missed call to **9210622122** to know your account balance ✓ All account balance linked to the mobile number will be sent as SMS
 	✓Automated voice call wishes for HNI customers On their Birthdays

DISCLAIMER

- Except for the historical information contained herein, statements in this release which contain words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “strategy”, “philosophy”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions may constitute "forward-looking statements".

- These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion, the adequacy of our allowance for credit losses, our provisioning policies, technological changes, investment income, cash flow projections, our exposure to market risks as well as other risks. Indian Overseas Bank undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

IOB

Thank you