



Telephone : 044 – 28889333/28415702
E-Mail : investor@iobnet.co.in

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/322/19-20

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- Unaudited (Reviewed) Financial Results of the Bank for the
Quarter ended 31st December 2019**

We refer our letter no. IRC/309/2019-20 dated 30.01.2020 and inform that the Unaudited (Reviewed) Financial Results of the Bank for the quarter ended 31st December 2019 was approved by the Board at its meeting held today (i.e., 10.02.2020).

The Meeting of the Board of Directors commenced at 1.00 PM and concluded at 2.00 p.m.

In this connection, we enclose the following:

1. Unaudited (Reviewed) Financial Results for the quarter ended 31st December 2019
2. Press Release – Performance Highlights for the quarter ended 31st December 2019
3. Auditors' Limited Review Report

The above information pursuant to Regulation 33 of SEBI (LODR) Regulations may be taken on record.

Thanking you.

Yours faithfully,


Bhuvan Chandra
General Manager & CFO
Encl: As above





Indian Overseas Bank

CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600 002

UNAUDITED (REVIEWED) FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER 2019

Rs. in lakh

SL. NO.	Particulars	Quarter ended			9 Months ended		Year ended
		31.12.2019 (Reviewed)	30.09.2019 (Reviewed)	31.12.2018 (Reviewed)	31.12.2019 (Reviewed)	31.12.2018 (Reviewed)	31.03.2019 (Audited)
1	Interest Earned (a) + (b) + (c) + (d)	4,35,190	4,27,565	4,54,242	12,96,394	13,07,476	17,63,127
	(a) Interest/discount on advances/bills	2,86,765	2,83,976	2,98,801	866,496	879,700	11,72,701
	(b) Income on Investments	1,34,616	1,26,438	1,26,183	380,949	370,684	4,92,228
	(c) Interest on Balances with Reserve Bank of India and other Inter Bank Funds	13,809	17,151	16,669	48,949	44,503	61,415
	(d) Others	0	0	12,589	0	12,589	36,783
2	Other Income	84,604	74,835	1,14,617	226,448	328,890	4,20,632
3	TOTAL INCOME (1+2)	5,19,794	5,02,400	5,68,859	15,22,842	16,36,366	21,83,759
4	Interest Expended	3,07,319	3,07,176	3,15,871	919,288	927,464	12,35,213
5	Operating Expenses (i) + (ii)	1,36,241	1,20,623	1,06,374	3,69,903	3,18,665	4,45,158
	(i) Employees Cost	88,850	74,181	65,196	236,626	194,134	2,64,685
	(ii) Other Operating expenses	47,391	46,442	41,178	133,277	124,531	1,80,473
6	TOTAL EXPENDITURE (4+5) (excluding Provisions & Contingencies)	4,43,560	4,27,799	4,22,245	12,89,191	12,46,129	16,80,371
7	OPERATING PROFIT before Provisions & Contingencies (3-6)	76,234	74,601	1,46,614	2,33,651	3,90,237	5,03,388
8	Provisions (other than tax) and Contingencies	6,66,394	2,99,604	2,07,528	1,081,780	649,249	10,99,442
9	Exceptional Items	0	0	0	0	0	0
10	Profit (+)/Loss(-) from Ordinary Activities before tax(7-8-9)	(590,160)	(225,003)	(60,914)	(848,129)	(259,012)	(596,054)
11	Tax expenses	17389	361	(26,312)	18,992	(83,740)	(222,266)
12	Net Profit (+) / Loss(-) from Ordinary Activities after tax (10-11)	(607,549)	(225,364)	(34,602)	(867,121)	(175,272)	(373,788)
13	Extraordinary items (net of tax expense)	0	0	0	0	0	0
14	Net Profit (+) / Loss (-) for the period (12-13)	(607,549)	(225,364)	(34,602)	(867,121)	(175,272)	(373,788)
15	Paid up equity share capital (Face value of each share - Rs.10/-)	12,58,540	9,14,165	6,26,378	12,58,540	6,26,378	9,14,165
16	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)						4,73,324
17	Analytical Ratios						
	(i) Percentage of shares held by Govt. of India	94.56	92.52	91.99	94.56	91.99	92.52
	(ii) Capital Adequacy Ratio (%) (BASEL III)	5.53	11.86	8.86	5.53	8.86	10.21
	(a) CET 1 Ratio	3.53	9.20	6.70	3.53	6.70	7.82
	(b) Additional Tier 1 Ratio	0.00	0.00	0.03	0.00	0.03	0.03
	(iii) Earning Per Share (EPS) - in Rupees						
	a) Basic and diluted EPS before Extraordinary items (Net of tax expense) for the period, for the year to date and for the previous year (not annualized)	(5.83)	(2.47)	(1.16)	(9.06)	(4.12)	(6.83)
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized)	(5.83)	(2.47)	(1.16)	(9.06)	(4.12)	(6.83)
	(iv) NPA Ratios						
	a) Gross NPA	23,73,386	28,67,395	35,78,657	23,73,386	35,78,657	33,39,812
	b) Net NPA	7,08,709	12,50,797	17,98,792	7,08,709	17,98,792	14,36,830
	c) % of Gross NPA	17.12	20.00	23.76	17.12	23.76	21.97
	d) % of Net NPA	5.81	9.84	13.56	5.81	13.56	10.81
	Return on assets (Annualised) (%)	(8.07)	(3.15)	(0.50)	(3.94)	(0.85)	(1.35)

AJAY KUMAR SRIVASTAVA
EXECUTIVE DIRECTOR

K SWAMINATHAN
EXECUTIVE DIRECTOR

KARNAM SEKAR
MANAGING DIRECTOR & CEO

Place: Chennai
Date : 10.02.2020



INDIAN OVERSEAS BANK			
CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600 002			
Notes forming part of the Unaudited Financial Results (Reviewed) of the Bank for the Quarter / Nine months ended December 31, 2019			
1	The above financial results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors in the meeting held on February 10, 2020. The results have been subjected to limited review by the Statutory Central Auditors of the Bank in line with the guidelines issued by the Reserve Bank of India and as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.		
2	The above financial results have been prepared following the same accounting policies and practices as those followed in the Annual Financial Statements for the year ended March 31, 2019.		
3	The working results for the Quarter ended / 9 months period December 31, 2019 have been arrived at after considering provision for NPAs, Standard Assets, Unhedged Foreign Currency Exposure, Depreciation on Investments & Non - Performing Investments, as per RBI guidelines. All other usual and necessary provisions including Gratuity, Pension, Leave encashment, other long term employee benefits and taxation have been made on estimated basis and are subject to adjustments if any at the year end.		
4	In accordance with RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015, banks are required to make Quarterly Pillar 3 disclosures including Leverage Ratio and Liquidity Coverage Ratio under Basel III Framework. The disclosures are being made available on bank website at the following link http://www.ioab.in/investor_cell.aspx . The disclosures are not subjected to verification by the Statutory Central Auditors of the Bank.		
5	Based on the available financial statements and the declaration from borrowers, the Bank has estimated the liability towards Unhedged Foreign Currency Exposure to their constituents in terms of RBI circular DBOD.NO.BP.BC.85/21.06.200/2013-14 dated January 15, 2014 and holds a provision of Rs. 11.08 crores as on December 31, 2019.		
6	During the quarter ended 30th September 2019, Bank has received Rs.3857 crores from Government of India towards preferential allotment of equity shares. On 28.11.2019, Bank has allotted 344,37,50,000 equity shares of face value of Rs.10/- each at an issue price of Rs.11.20 per equity share (including a premium of Rs.1.20 per equity share) to Government of India, the promoter of the Bank on preferential basis.		
7	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. Pending receipt of Capital of Rs.4360 crores as on 31/12/2019 the same has not been considered for the purposes of CRAR position as on 31/12/2019. However in the opinion of the Management after infusion of Capital the CRAR would be as follows and the same has not been reviewed and certified by Statutory Auditors.		
	After Infusion of Rs.4360 Crore as Capital	CET I	7.88%
		CRAR	10.43%
8	The Bank has restructured 21607 MSME accounts and treated them as standard assets amounting to Rs.691.69 Crores upto 31st December 2019, as per RBI circular 2018-19 DBR No.BP.BC.18/21.04.048/2018-19 dated 1st January 2019 and maintained provision of Rs.37.76 crores on such standard assets.		
9	Bank is in the process of reassessing various components of deferred tax asset/liabilities and necessary adjustments if any will be recognised at the year end.		
10	Government of India has pronounced Section 115BAA of Income Tax Act 1961 through Taxation Laws (Amendment) Ordinance, 2019 which provides a non reversible option to pay corporate tax at reduced rate effective 1st April 2019 subject to certain conditions. The Bank is currently in the process of evaluating this option. Bank continues to recognize the taxes on income for the quarter and nine months period ended 31.12.2019 as per earlier provisions of Tax Laws.		
11	The Bank has during the Quarter ended December 2019, made a provision of Rs.186 crore towards revision of wages due with effect from November 2017 and cumulative provision as on 31/12/2019 stood at Rs.224.64 crore.		
12	The position of investors' complaints for the period from October 1, 2019 to December 31, 2019 is as under:		
	Pending Complaints at the beginning of the Quarter	1	
	Complaints received during the Quarter	3	
	Complaints redressed during the Quarter	4	
	Closing balance at the end of the Quarter	0	
13	The provision coverage ratio of the Bank as on December 31, 2019 stood at 86.20%		



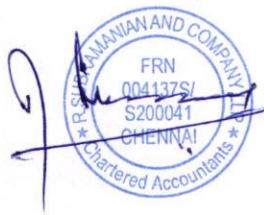
14	In line with RBI Circular No.DBR.BP.BC No.32.21.04.018.2018-19 dated April, 2019 the Banks are required to disclose divergence from prudential norms on income recognition, assets classification and provisioning and the details of divergence reported by RBI is as under:	
S. No.	Particulars	Amount
		Rs. in 000s
1	Gross NPAs as on March 31, 2019 as reported by the Bank	333981200
2	Gross NPAs as on March 31, 2019 as assessed by RBI	337561200
3	Divergence in Gross NPAs(2-1)	3580000
4	Net NPAs as on March 31, 2019 as reported by the Bank	143683000
5	Net NPAs as on March 31, 2019 as assessed by RBI	147263000
6	Divergence in Net NPAs(5-4)	3580000
7	Provisions for NPAs as on March 31, 2019 as reported by the Bank	186472339
8	Provisions for NPAs as on March 31, 2019 as assessed by RBI	208552339
9	Divergence in provisioning (8-7) #	22080000
10	Reported Net Profit/(Loss) after TAX(PAT) for the year ended March 31, 2019	(37,378,810)
11	Adjusted (notional) NPAT (PAT)/(Loss) for the year ended March 31, 2019 after taking into account the divergence in provisioning	(59,998,810)
# (includes provisions attributed to valuation of investments - Rs.281 crores) Note: The impact of above divergence has been duly accounted for in the quarter ended Dec 2019.		
15	The figures for the quarter ended 31st December 2019 are the balancing figures between reviewed figures in respect of the 9 months ended 31st December 2019 and the published year to date figures upto 30th September 2019.	
16	Previous period / year figures have been regrouped / reclassified / rearranged wherever necessary	

AJAY KUMAR SRIVASTAVA
EXECUTIVE DIRECTOR

K SWAMINATHAN
EXECUTIVE DIRECTOR

KARNAM SEKAR
MANAGING DIRECTOR & CEO

Place: Chennai
Date : 10.02.2020





INDIAN OVERSEAS BANK
CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600002
SEGMENT REPORTING FOR THE QUARTER ENDED 31ST DECEMBER 2019

Rs. in lakh

Particulars	Quarter ended			9 Months ended		Year ended
	31.12.2019 (Reviewed)	30.09.2019 (Reviewed)	31.12.2018 (Reviewed)	31.12.2019 (Reviewed)	31.12.2018 (Reviewed)	31.03.2019 (Audited)
1) Segment Revenue						
a) Treasury Operations	1 64 332	1 59 567	2 02 744	4 78 603	4 94 950	6 52 771
b) Corporate / Wholesale Banking	1 69 483	1 46 179	1 81 111	4 80 258	5 36 811	7 01 945
c) Retail Banking	1 70 878	1 87 089	1 59 497	5 29 175	5 62 011	7 41 775
d) Other Banking Operations	15 011	9 444	12 901	34 089	29 906	40 427
e) Unallocated	90	121	12 606	717	12 686	46 842
Total	5 19 794	5 02 400	5 68 859	15 22 842	16 36 364	21 83 760
Less: Inter segment Revenue	0	0	0	0	0	0
Income from Operations	5 19 794	5 02 400	5 68 859	15 22 842	16 36 364	21 83 760
2) Segment Results: Profit (+) / Loss (-)						
a) Treasury Operations	19 079	26 856	71 072	75 623	1 17 854	1 45 535
b) Corporate / Wholesale Banking	2 920	- 21 422	9 813	- 22 442	26 440	13 511
c) Retail Banking	42 440	61 706	41 820	1 52 995	2 08 976	2 65 051
d) Other Banking Operations	11 742	7 361	11 338	26 845	25 299	33 578
e) Unallocated	53	100	12 570	630	11 665	45 709
Operating Profit	76 234	74 601	1 46 613	2 33 651	3 90 234	5 03 384
Less: Provisions and Contingencies	6 66 394	2 99 604	2 07 528	10 81 780	6 49 248	10 99 442
Profit After Provisions and before Tax	-5 90 160	-2 25 003	- 60 915	-8 48 129	-2 59 014	-5 96 058
3) Segment Assets						
a) Treasury Operations	87 62 154	87 99 869	78 80 210	87 62 154	78 80 210	77 51 307
b) Corporate / Wholesale Banking	76 50 554	81 11 577	87 38 854	76 50 554	87 38 854	87 93 605
c) Retail Banking	70 05 102	72 10 476	70 57 215	70 05 102	70 57 215	74 79 978
d) Other Banking Operations	34 537	42 821	40 002	34 537	40 002	15 978
e) Unallocated	9 40 716	9 57 898	7 44 001	9 40 716	7 44 001	9 59 969
Total	243 93 063	251 22 641	244 60 282	243 93 063	244 60 282	250 00 837
4) Segment Liabilities						
a) Treasury Operations	86 62 201	85 43 781	77 72 116	86 62 201	77 72 116	75 30 039
b) Corporate / Wholesale Banking	75 86 292	78 16 116	84 48 697	75 86 292	84 48 697	85 30 873
c) Retail Banking	69 72 765	69 75 559	68 30 116	69 72 765	68 30 116	72 62 801
d) Other Banking Operations	1 210	16 572	24 661	1 210	24 661	35 519
e) Unallocated	3 993	3 89 460	1 835	3 993	1 835	5 616
Total	232 26 461	237 41 488	230 77 425	232 26 461	230 77 425	233 64 848
5) Capital Employed :						
Segment Assets - Segment Liabilities						
a) Treasury Operations	99 953	2 56 088	1 08 094	99 953	1 08 094	2 21 268
b) Corporate / Wholesale Banking	64 262	2 95 461	2 90 157	64 262	2 90 157	2 62 732
c) Retail Banking	32 337	2 34 917	2 27 099	32 337	2 27 099	2 17 177
d) Other Banking Operations	33 327	26 249	15 341	33 327	15 341	- 19 541
e) Unallocated	9 36 723	5 68 438	7 42 166	9 36 723	7 42 166	9 54 353
Total	11 66 602	13 81 153	13 82 857	11 66 602	13 82 857	16 35 989

Notes on Segment Reporting

- Segment expenses and liabilities have been apportioned on the basis of average segment assets, wherever direct allocation is not possible.
- Figures of the previous year's/nine months/quarters have been regrouped / reclassified / rearranged wherever considered necessary to correspond with the current nine months /quarters classification / presentation

(Signature)

(Signature)

(Signature)

Chennai
10.02.2020

AJAY KUMAR SRIVASTAVA
EXECUTIVE DIRECTOR

K. SWAMINATHAN
EXECUTIVE DIRECTOR

KARNAM SEKAR
MANAGING DIRECTOR & CEO



Independent Auditor's Limited Review Report on Unaudited Standalone Financial Results of Indian Overseas Bank for the quarter ended / period 9 months ended on 31st December 2019 pursuant to Regulations 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
**The Board of Directors of
Indian Overseas Bank
Chennai**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Indian Overseas Bank ('the Bank') for the quarter ended December 31, 2019 and year to date results for the period from 1st April 2019 to 31st December 2019 ("the Statement") attached herewith. The disclosures relating to "Pillar 3 under Basel III Capital Regulations", "Leverage Ratio" and "Liquidity Coverage Ratio" as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid statements have not been reviewed by us.
2. This Statement which is the responsibility of the Bank's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", ('AS 25') the relevant provisions of Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to making inquiries of the bank's personnel and applying analytical and other review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



4. The statement incorporates the relevant returns of 20 branches reviewed by us, 1 foreign branch reviewed by other auditors specially appointed for this purpose, and unreviewed returns in respect of 3308 branches (including 3 foreign branches, 48 Regional Offices and 7 Zonal Offices). In the conduct of our Review, we have relied on the review reports in respect of non-performing assets submitted by the Internal Inspectors of bank for 105 branches. These review reports cover 56.24 percent (of which 40.53 percent has been covered by us) of the advances portfolio of the bank. Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from the branches of the bank.
5. Based on our review conducted as above, subject to limitation in scope as mentioned in Para 3 above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Statements together with the Notes thereon, prepared in accordance with applicable accounting standards issued by the Institute of Chartered Accountants of India and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

6. Emphasis of Matter:

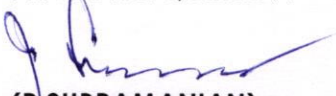
We draw attention to:

- Note No 7 relating to computation of CRAR after the infusion of Capital not reviewed by us
- Note No. 8 to the statement relating to MSME restructuring and
- Note No. 9 to the statement relating to adjustments to Deferred Tax Asset/ Liability.

Our Opinion is not modified in respect of the above matters.

For **R SUBRAMANIAN AND COMPANY LLP**

Chartered Accountants
FRN 004137S/S200041



(R SUBRAMANIAN)

Partner

M.No.8460

UDIN: 20008460AAAAAD6087



For **S A R C & ASSOCIATES**

Chartered Accountants
FRN 006085N



(CHETAN THAKKAR)

Partner

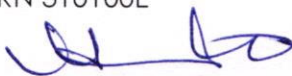
M.No. 114196

UDIN: 20114196AAAAAF2702



For **PATRO & CO**

Chartered Accountants
FRN 310100E



(N ANANDA RAO)

Partner


M.No.051656

UDIN: 20051656AAAAAG3477



For **M. SRINIVASAN & ASSOCIATES**

Chartered Accountants
FRN 004050S



(S. SANTHOSH)

Partner

M.No.230839

UDIN: 20230839AAAAAF2948



Place : Chennai

Date : 10.02.2020



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	5.53	5.50%
Tier I	5.53	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	5.53	10.43	7.00%
Total CRAR	5.53	10.43	9.00%



❖ 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.

