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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/ 35 /20-21

25.06.2020

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
Financial Year ended 31st March 2020**

We refer our letter no. IRC/34/20-21 dated 25.06.2020 and inform that we are attaching Financial Results along with Cash Flow, Independent Auditor Report and Press Release of the Bank for the Quarter and Financial Year ended 31st March, 2020

The above information pursuant to Regulation 33 of SEBI (LODR) Regulation 2015 may be taken on record.

Thanking you,

Yours faithfully,

S Nandakumaran
DGM & Company Secretary

Encl: As above



**Indian Overseas Bank**

Central Office, 763, Anna Salai Chennai - 600 002

Audited Standalone Financial Results for the Quarter / Year ended 31st March 2020

(Rs. in Lakhs)

S No.	Particulars	Quarter ended			Year ended	
		31.03.2020 (Audited)	31.12.2019 (Reviewed)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
1	Interest Earned (a) + (b) + (c) + (d)	4,44,217	4,35,190	4,55,650	17,40,611	17,63,126
	(a) Interest/discount on advances/bills	284,759	2,86,765	293,000	11,51,255	11,72,701
	(b) Income on investments	139,846	1,34,616	121,544	5,20,795	4,92,228
	(c) Interest on Balances with Reserve Bank of India and other Inter Bank Funds	13,505	13,809	16,912	62,454	61,415
	(d) Others	6,107	0	24,194	6,107	36,783
2	Other Income	104,189	84,604	91,742	3,30,637	4,20,632
3	TOTAL INCOME (1+2)	5,48,406	5,19,794	5,47,392	20,71,248	21,83,758
4	Interest Expended	2,91,040	3,07,319	3,07,749	12,10,328	12,35,213
5	Operating Expenses (i) + (ii)	142,980	136,241	126,493	5,12,883	4,45,158
	(i) Employees Cost	87,446	88,850	70,551	3,24,072	2,64,685
	(ii) Other Operating expenses	55,534	47,391	55,942	1,88,811	1,80,473
6	TOTAL EXPENDITURE (4+5) (excluding Provisions & Contingencies)	434,020	4,43,560	4,34,242	17,23,211	16,80,371
7	OPERATING PROFIT before Provisions & Contingencies(3-6)	1,14,386	76,234	1,13,150	3,48,037	5,03,387
8	Provisions (other than tax) and Contingencies	106,038	6,66,394	450,192	11,87,816	10,99,442
9	Exceptional Items	0	0	0	0	0
10	Profit (+)/Loss(-) from Ordinary Activities before tax(7-8-9)	8,348	(590,160)	(337,042)	(839,779)	(596,054)
11	Tax expenses	(700)	17389	(138,526)	18,292	(222,266)
12	Net Profit (+) / Loss(-) from Ordinary Activities after tax (10-11)	9,048	(607,549)	(198,516)	(858,071)	(373,788)
13	Extraordinary items-Income (net of tax expense)	5,331	0	0	5331	0
14	Net Profit (+) / Loss (-) for the period (12-13)	14,379	(607,549)	(198,516)	(852,740)	(373,788)
15	Paid up equity share capital (Face value of each share - Rs.10/-)	16,43,699	12,58,540	9,14,165	16,43,699	9,14,165
16	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)				(261338)	4,73,324
17	Analytical Ratios					
	(i) Percentage of shares held by Govt. of India	95.84	94.56	92.52	95.84	92.52
	(ii) Capital Adequacy Ratio (%) (Basel III)	10.72	5.53	10.21	10.72	10.21
	(a) CET 1 Ratio	8.21	3.53	7.82	8.21	7.82
	(b) Additional Tier 1 Ratio	0.00	0	0.03	0.00	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)	0.06	(5.83)	(3.06)	(8.04)	(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)	0.10	(5.83)	(3.06)	(7.99)	(6.83)
	(iv) NPA Ratios					
	a) Gross NPA	19,91,270	23,73,386	33,39,812	19,91,270	33,39,812
	b) Net NPA	6,60,280	7,08,709	14,36,830	6,60,280	14,36,830
	c) % of Gross NPA	14.78	17.12	21.97	14.78	21.97
	d) % of Net NPA	5.44	5.81	10.81	5.44	10.81
	e) Return on assets (Annualised) (%)	0.20	(8.07)	(2.82)	(2.95)	(1.35)

Place: Chennai
Date : 25.06.2020AJAY KUMAR SRIVASTAVA
EXECUTIVE DIRECTORKARNAM SEKAR
MANAGING DIRECTOR & CEO

Summarised Balance Sheet		(Rs. In lakhs)	
		As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
Capital & Liabilities			
Capital		16,43,699	9,14,165
Reserve & Surplus		-28,201	7,21,823
Deposits		2,22,95,188	2,22,53,408
Borrowings		5,41,973	6,14,604
Other Liabilities & Provisions		16,20,024	4,96,752
Total		2,60,72,683	2,50,00,752
Assets			
Cash & Balances with RBI		3,15,522	10,29,253
Balances with Banks and Money at Call and Short Notice		20,90,543	20,59,897
Investments		79,41,608	66,93,227
Advances		1,21,33,341	1,32,59,763
Fixed Assets		3,12,734	3,33,690
Other Assets		32,78,935	16,24,922
Total		2,60,72,683	2,50,00,752

Indian Overseas Bank

Central Office, 763, Anna Salai Chennai 600 002

Notes forming part of the Audited Standalone Financial Results of the Bank for the Quarter/Year ended March 31, 2020

1	The above Standalone Financial Results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors in their meeting held on 25th June, 2020. The results have been subjected to audit 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. The Statutory Central Auditors have issued Unmodified Opinion on the Standalone Financial Results for the Year 2019-20.
2	The above standalone 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 figures of the last quarter in each of the financial years are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the respective financial year.
4	The working results for the Quarter/Year ended 31st March 2020 have been arrived at after considering provision for NPAs, Standard Assets, Unhedged Foreign Currency Exposure, Depreciation on Investments & Non - Performing Investments on the basis of prudential norms and specific guidelines issued by Reserve Bank of India, Provision for taxes (after adjustment for Deferred Taxes), Provision for Contingencies, Employee Benefits (including wage revision), Depreciation on Fixed Assets and other usual and necessary provisions.
5	In accordance with RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated 1st July, 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's website at the following link http://www.iob.in/investor_cell.aspx . The disclosures are not subjected to verification by the Statutory Central Auditors of the Bank.
6	In accordance with Accounting Standard : 10 – "Property, Plant and Equipment" , depreciation of Rs. 132.58 crore for the year on the revalued portion of the fixed assets has been charged to Profit and Loss account. Equivalent amount has been transferred from the Revaluation Reserve to the Revenue Reserve.
7	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 at Rs.2.79 crore. However the Bank holds a provision of Rs.11.08 crores against the said liability as on 31.03.2020.
8	In respect of various Direct Tax and Indirect litigation pending before appellate authorities, taking into consideration certain judicial rulings and expert advice from independent tax consultants bank is of the view that there is a fair chance of succeeding in the appeals filed with the appellate authorities and accordingly no additional provision has been made in respect of disputed income tax liability of Rs.5734.33 Crores and Indirect tax liability of Rs.192.28 Crores which has been disclosed as contingent liability.
9	The Bank, based on internal evaluation, presently has decided to continue with the existing tax regime. Further, the bank has recognized net Deferred Tax Assets as on 31st March, 2020 aggregating to Rs. 6285.40 Crore (PY Rs. 6454.76 crore) on timing differences in accordance with Accounting Standard - 22 on "Accounting for Taxes on Income" issued by the Institute of chartered Accountants of India and adjustment if any to be carried out on reassessment at appropriate stage.
10	During the Financial Year ended 31.03.2020, the Bank has successfully raised Basel III Compliant Tier II Bonds Series III to the tune of Rs. 500 crore.
11	During the Financial Year ended 31.03.2020, a. Bank has allotted 344,37,50,000 equity shares of Rs 10 each (Rupees Ten Only) for cash at the Issue Price of Rs 11.20 per share (Including Premium of Rs 1.20 per equity share) on preferential basis to GOI on 28.11.2019 for Capital Infusion of Rs. 3857 crore. b. Bank has allotted 385,15,90,106 equity shares of Rs. 10/- (Rupees Ten Only) for Cash at Issue Price of Rs 11.32 per equity share (Including Premium of Rs. 1.32 per equity share) on 27.02.2020 for capital infusion of Rs 4360 crore.
12	During the year our Bank has redeemed Lower Tier II Bonds Series XIII aggregating Rs.290 cores in August 2019. The Bank has exercised call option on Upper Tier II Bonds Series III aggregating Rs.510 crores in September 2019. The Bank has also exercised call option on perpetual Bonds Series IV aggregating Rs.300 crores in September 2019.



13 In Conformity with the RBI Circular No.DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1 2019, DBR.BP.BC.No.63/21.04.018/2016-17 dated 18.04.2017, banks are required to disclose the divergence in asset classification and provisioning consequent to RBI's Risk Assessment Report in their notes to accounts to the financial statements. Divergence in the Asset Classification and Provisioning for NPAs in compliance to Risk Assessment Report (RAR) of RBI for the Year 2018-19 are reported as under :

	Particulars	Amount (Rs. in Thousands)
i	Gross NPA as on March 31, 2019 as reported by the Bank	333981200
ii	Gross NPA as on March 31, 2019 as assessed by RBI	337561200
iii	Divergence in Gross NPA (2-1)	3580000
iv	Net NPA as on March 31, 2019 as reported by the Bank	143683000
v	Net NPA as on March 31, 2019 as assessed by RBI	147263000
vi	Divergence in Net NPAs (5-4)	3580000
vii	Provision for NPA as on March 2019 as reported by the Bank	186472339
viii	Provision for NPA as on March 31, 2019 as assessed by RBI	208552339
ix	Divergence in Provisioning (8-7)	22080000#
x	Reported Net Profit after Tax (NPAT) for the year ended March 31, 2019	-37378810
xi	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2019 after taking into account the divergence in provisioning.	-59998810

Includes Provisions attributed to valuation of investments-Rs.281 crores)

Bank has duly recorded the impact of the above divergence in its working results for the quarter/ 9 Months ended 31st Dec 2019

14 Bank has restructured 19043 MSME accounts and treated them as standard assets aggregating to Rs.694.21 crore as on 31st march 2020 in terms of RBI Circular 2018-19 DBR No BP.BC. 18/21.04.048/2018-19 dated January 1, 2019 and maintains a provision of Rs.38.72 crore on such standard advances

15 Pending Bipartite settlement, the Bank has during the year 2019-20 made an adhoc provision of Rs.460.41 crore towards revision of wages due with effect from November 2017.

16 Extraordinary income represents exchange differences recognised as income on account of disposal of net investment in respect of one of the foreign branches.

17 The Provision Coverage Ratio of the Bank as on 31st March, 2020 stood at 86.94% as against 71.39% as on 31.03.2019.

18 During the year ended 31.03.2020, loans and advances amounting to Rs. 6492.53 Crores have been classified as fraud in terms of RBI guidelines and bank holds 100% provision in respect of such advances as on 31.03.2020.

19 The spread of SARS - Cov 2 virus responsible for COVID - 19 has resulted in a lockdown in India and across the globe. The continued lockdown has resulted in significant decline in global and local economic activities. The situation continues to be uncertain and Bank is closely monitoring the situation. Despite these prevalent conditions, there would not be significant impact on Bank's results and going concern assumptions.

20 In accordance with RBI guidelines related to 'COVID 19 Regulatory Package' on asset classification and provisioning, dated 27.03.2020 17.04.2020 and 23.05.2020 and clarification issued by RBI through Indian Banks Association dated 06.05.2020, Bank has granted a moratorium of instalments and or interest as applicable, falling due between March 1, 2020 and August 31, 2020 to eligible borrowers classified as Standard, even if overdue, as on February 29, 2020 . The moratorium period wherever granted, shall be excluded by the Bank from the number of days the account is past due for the purpose of asset classification under IRAC norms. As on 31.03.2020, the bank has extended moratorium/deferment in respect of advances aggregating to Rs.22529 Crores , out of which Asset Classification benefit was extended to advances with aggregate outstanding of Rs. 945.67 Crores. Bank has made a provision of Rs.97.00 crores and derecognise interest income to the extent of Rs.29.92 crores in respect of such advances wherein asset classification benefit was extended.

21 The position of Investors' Complaints for the period from 01.01.2019 to 31.03.2020 is as under:
 Pending complaints at the beginning of the Quarter - 0
 Complaints received during the Quarter - 1
 Complaints redressed during the Quarter - 1
 Closing balance at the end of the Quarter - 0

22 Previous period / year figures have been regrouped / reclassified / rearranged wherever necessary to conform to current year/period classification


AJAY KUMAR SRIVASTAVA
 EXECUTIVE DIRECTOR


KARNAM SEKAR
 MANAGING DIRECTOR & CEO

Place: Chennai
 Date : 25.06.2020





INDIAN OVERSEAS BANK

CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600002

SEGMENT RESULTS FOR THE QUARTER / YEAR ENDED 31ST MARCH 2020

Rs. in lakh

Particulars	Quarter ended			Year ended	
	31.03.2020 (Audited)	31.12.2019 (Reviewed)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
1) Segment Revenue					
a) Treasury Operations	1 85 247	1 64 332	1 57 821	6 63 850	6 52 771
b) Corporate / Wholesale Banking	1 68 863	1 69 483	1 65 134	6 49 121	7 01 945
c) Retail Banking	1 84 249	1 70 878	1 79 764	7 13 424	7 41 775
d) Other Banking Operations	9 425	15 011	10 521	43 514	40 427
e) Unallocated	5 953	90	34 153	6 672	46 842
Total	5 53 737	5 19 794	5 47 393	20 76 581	21 83 760
Less: Inter segment Revenue	0	0	0	0	0
Income from Operations	5 53 737	5 19 794	5 47 393	20 76 581	21 83 760
2) Segment Results Before Provisions & Before Tax					
a) Treasury Operations	40 254	19 079	27 681	1 15 877	1 45 535
b) Corporate / Wholesale Banking	9 794	2 920	(12,929)	(12,648)	13 511
c) Retail Banking	57 209	42 440	56 075	2 10 204	2 65 051
d) Other Banking Operations	6 542	11 742	8 279	33 387	33 578
e) Unallocated	5 918	53	34 044	6 548	45 709
Operating Profit	1 19 717	76 234	1 13 150	3 53 368	5 03 384
Less: Provisions and Contingencies	1 06 038	6 66 394	4 50 192	11 87 816	10 99 442
Profit After Provisions and before Tax	13 679	(590,160)	(337,042)	(834,449)	(596,058)
3) Segment Assets					
a) Treasury Operations	93 92 721	87 62 154	77 51 307	93 92 721	77 51 307
b) Corporate / Wholesale Banking	80 05 573	76 50 554	87 93 605	80 05 573	87 93 605
c) Retail Banking	76 56 054	70 05 102	74 79 978	76 56 054	74 79 978
d) Other Banking Operations	51 458	34 537	15 978	51 458	15 978
e) Unallocated	9 66 877	9 40 716	9 59 969	9 66 877	9 59 969
Total	2 60 72 683	2 43 93 063	2 50 00 837	2 60 72 683	2 50 00 837
4) Segment Liabilities					
a) Treasury Operations	91 12 666	86 62 201	75 30 039	91 12 666	75 30 039
b) Corporate / Wholesale Banking	77 98 956	75 86 292	85 30 873	77 98 956	85 30 873
c) Retail Banking	74 84 805	69 72 765	72 62 801	74 84 805	72 62 801
d) Other Banking Operations	56 420	1 210	35 519	56 420	35 519
e) Unallocated	4 339	3 993	5 616	4 339	5 616
Total	2 44 57 186	2 32 26 461	2 33 64 848	2 44 57 186	2 33 64 848
5) Capital Employed : Segment Assets - Segment Liabilities					
a) Treasury Operations	2 80 055	99 953	2 21 268	2 80 055	2 21 268
b) Corporate / Wholesale Banking	2 06 617	64 262	2 62 732	2 06 617	2 62 732
c) Retail Banking	1 71 249	32 337	2 17 177	1 71 249	2 17 177
d) Other Banking Operations	(4,962)	33 327	(19,541)	(4,962)	(19,541)
e) Unallocated	9 62 538	9 36 723	9 54 353	9 62 538	9 54 353
Total	16 15 497	11 66 602	16 35 989	16 15 497	16 35 989

Notes on Segment Reporting

1. Segment expenses and liabilities have been apportioned on the basis of average segment assets, wherever direct allocation is not possible.

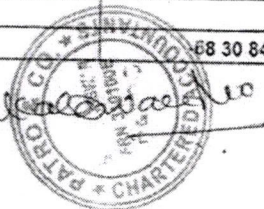
2. Figures of the previous years/Current year/quarters have been regrouped / reclassified / rearranged wherever considered necessary to correspond with the current year /quarters classification / presentation

Chennai
25.06.2020AJAY KUMAR SRIVASTAVA
EXECUTIVE DIRECTORKARNAM SEKAR
MANAGING DIRECTOR & CEO

INDIAN OVERSEAS BANK
CASH FLOW STATEMENT

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.03.2020

	Rs in '000s
	Year ended
	31.03.2020
CASH FLOW FROM OPERATING ACTIVITIES	
Net (Loss) After Tax	-85 27 40 35
Add: Provision for Tax	13 55 92
Net (Loss) before Income Tax	-85 13 84 42
<i>Adjustments for :</i>	
Amortisation of HTM Investments	- 42 19 67
Loss on Revaluation of Investments	1 20 75 85
Depreciation on Fixed Assets	3 00 60 83
(Profit) / Loss on Sale of Assets	- 5 63 25
Transfer from Reserves	1 05 49 77
Provision for NPAs	110 74 20 03
Provision for Standard Assets	2 13 62 21
Depreciation on Investments	5 60 59 26
Provision for Other Items	1 99 11 00
Interest on IOB Bonds	3 52 48 60
	128 79 04 62
<i>Adjustments for :</i>	
Increase / (Decrease) in Deposits	4 17 80 28
Increase / (Decrease) in Borrowings	-1 26 30 71
Increase / (Decrease) in Other Liabilities & Provisions	108 06 58 02
(Increase) / Decrease in Investments	-131 22 96 10
(Increase) / Decrease in Advances	1 90 02 28
(Increase) / Decrease in Other Assets	-160 57 79 01
	-178 92 65 24
Direct Taxes (Net)	-4 95 06 05
NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)	-140 22 51 09
CASH FLOW FROM INVESTING ACTIVITIES	
Sale / disposal of Fixed Assets	43 61 55
Purchase of Fixed Assets	-1 29 02 92
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	- 85 41 37
CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds of Equity Share Issue (including Share premium)	82 17 00 00
Redemption of Tier I & Tier II Bonds (Net)	-6 00 00 00
Issue of Basel III Tier II Bonds	
Interest Paid on Tier II Capital	-3 39 91 75
Interest paid on perpetual (AT1) bonds	
Share Application Money received from GOI	
NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES (C)	72 77 08 25
NET INCREASE IN CASH AND CASH EQUIVALENTS (A) +(B) + (C)	-68 30 84 21
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	
Cash & Balances with RBI	102 92 53 22
Balances with Banks & Money at Call	205 98 96 56
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	
Cash & Balances with RBI	31 55 22 13
Balances with Banks & Money at Call	209 05 43 44
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS	-68 30 84 21



INDEPENDENT AUDITORS REPORT

To
The Board of Directors
Indian Overseas Bank,
Chennai

Report on the Audit of the Standalone Financial Results

Opinion

We have audited the accompanying Statement of Standalone Financial Results of **Indian Overseas Bank** (the "Bank") for the quarter and year ended March 31, 2020 ("the Statement") attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") except for the disclosures relating to Pillar 3 disclosure as at March 31, 2020 including leverage and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement (Note No.5) and have not been audited by us.

The Standalone Financial Statements include returns for the year ended on that date of:

- i) 20 branches audited by us.
- ii) 1586 branches (including 3 foreign branches and 2 Regional offices) audited Statutory Branch auditors and 1 overseas branch reviewed by an Independent auditor and
- iii) Unaudited returns in respect of 1724 branches which includes 7 Zonal Offices and 46 Regional Offices

The Branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also incorporated in the Balance Sheet, the Profit and Loss Account and Cash Flow Statement are the returns from 1724 Indian branches (including 7 Zonal Offices and 46 Regional Offices) which have not been subjected to audit. These unaudited branches



account for 11.85 percent of advances, 30.84 percent of deposits, 9.02 percent of interest income and 28.99 percent of interest expenses.

In our opinion and to the best of our information and according to explanation give to us, the aforesaid Statement:

- a) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at March 31, 2020 including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's Website and in respect of which a link has been provided in the Standalone Financial Results and have not been audited by us; and
- b) gives a true and fair view in conformity with the recognition and measurements principles laid down in the applicable accounting standards, the relevant provisions of the 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 of the net loss and other financial information of the Bank for the year ended March 31, 2020.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountants of India (ICAI). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the bank in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements in India, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters-

We draw attention to:

- a. **Note No 8 relating to additional provisioning towards various disputed income tax and Indirect taxes for the reasons stated therein,**
- b. **Note no 9 relating to adjustments if any required in respect of deferred tax assets carried over, and**
- c. **Note No 19 to the Statement which explains that the extent to which the COVID-19 Pandemic will impact the bank's operations will depend on future developments, which are highly uncertain.**

Our opinion is not modified in respect of these matters.



Responsibilities of Board of Directors for the Standalone Financial Results

The Statement has been prepared from the related audited Annual Standalone Financial Statements. The Bank's Board of Directors are responsible for the preparation and presentation of these Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India including the Accounting Standards issued by ICAI, the relevant provisions of the Banking Regulation Act, 1949, the RBI Guidelines and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent ; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error,

In preparing the Statement, Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve



collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Annual Standalone Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the annual standalone financial results, including the disclosures, and whether the annual standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

- a. We report that the figures for the quarter ended March 31, 2020 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2020 and the published unaudited year-to-date figures up to December 31, 2019 being the date of the end of the third quarter of the current financial year, which were subjected to limited review by us, as required under Listing Regulations.
- b. We did not audit the financial statements/information of 1724 branches included in Standalone Financial Results of the Bank whose financial statements/financial information reflects total assets of Rs. 72443.71 Crores as at March 31, 2020 and



total revenue of Rs. 16331.38 Crores for the year ended on that date, as considered in the standalone Financial Results. The Financial statements/information of these branches have been audited by branch auditors whose reports have been furnished to us and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

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

For **R SUBRAMANIAN AND COMPANY LLP**

Chartered Accountants

FRN 004137S/S200041


(**N KRISHNAMURTHY**)

Partner

M.No.019339

UDIN:20019339AAAABK9664

For **PATRO & CO**

Chartered Accountants

FRN 310100E

(**P VENKATESWARA RAO**)

Partner

M.No.208606

UDIN:20208606AAAADU1248

For **S A R C & ASSOCIATES**

Chartered Accountants

FRN 006085N

(**CHETAN THAKKAR**)

Partner

M.No. 114196

UDIN:20114196AAAABB3331

For **M. SRINIVASAN & ASSOCIATES**

Chartered Accountants

FRN 004050S



(**M. SRINIVASAN**)

Partner

M.No.022959

UDIN:20022959AAAAAM9384





Indian Overseas Bank
 Central Office
 Chennai
Press Release

25.06.2020

Performance Highlights – 31.03.2020

Top Line – Milestones (Rs. in Crore)

- Deposits Rs. 222,952
- Gross Advances Rs. 134,771
- Business Mix Rs. 357,723
- CASA Rs. 89,751
- CASA Ratio 40.26 %

Bottom Line (Rs. in Crore)

- Operating Profit Rs. 1,197 (3 M)
- Net Profit Rs. 144 (3 M)
- Operating Profit Rs. 3,534 (12 M)
- Net Loss Rs. 8,527 (12 M)
- Gross NPA Rs. 19,913 (14.78 %)
Decrease by 719 bps Y-o-Y
- Net NPA Rs. 6,603 (5.44 %)
Decrease by 537 bps Y-o-Y

Key Performance Indicators:

Particulars	Global
CASA Ratio	40.26%
Net Interest Margin	2.30 (Q4)
Gross NPA Ratio	14.78%
Net NPA Ratio	5.44%
PCR	86.94%

2

- ❖ CASA all time high at 40.26%
- ❖ Audited net profit of Rs 144 crore for the Q4





Performance Highlights for the Financial Year ended March 31, 2020

1. **CASA of the Bank improved to 40.26 % (Domestic 40.67%) as on 31st March 2020 as against 38.30% (Domestic 38.72%) as on 31st March 2019 with YoY growth at 196 bps . Total CASA has increased from Rs.85227 crores as on 31.03.2019 to Rs.89751 crores as on 31.03.2020, SB (Savings Bank) registered 6.96 % YoY growth as at 31st March '20 over 31st March '19.**
2. **Total business** stood at Rs.3,57,723 crore as on 31st March 2020 as against Rs.3,74,530 crore as on 31st March 2019.
3. **Total deposits** increased to Rs. 2,22,952 crore as on 31st March 2020 as against Rs.2,22,534 crore as on 31st March 2019. 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.
4. **Gross Advances** stood at Rs. 1,34,771 crore as on 31st March 2020 as against Rs.1,51,996 crore as on 31st March 2019. 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. **Operating Profit for the year ended 31.03.2020 stood at Rs.3534 crore.**
6. **Total income** for the year ended 31.03.2020 stands at Rs.20766 crore as against Rs.21838 crore for the previous year (2018-19).
7. **Interest income** stands at Rs. 17406 crore for the year ended 31.03.2020.
8. **Non-interest Income stands at Rs 3360 crore which is 16% of total income**





9. Total Expenditure stands at Rs 17232 crore for the year ended 31.03.2020 as against Rs.16804 crore for the year ended 31st March 2019.

Staff expenses stands at Rs 3241 crore as on 31.03.2020 as against Rs. 2647 cr as at March 2019 on account of wage arrears (part) paid.

Cost to Income Ratio increased from 46.93 % as at March 2019 to 59.21% as at March '20.

10. Recovery in NPA accounts for the year ended 31.03.2020 is Rs. 21430 crore as compared to Rs.14669 crore for the year ended 31.03.2019 against the fresh slippage of Rs. 7225 crore for the year ended March'20 and debits in existing NPA accounts of Rs. 438 crore for the year ended March '20.

- GNPA reduced from 21.97% as at March '19 to 14.78 % as at March '20.
- NNPA reduced from 10.81% as at March '19 to 5.44 % as at March'20
- Provision Coverage Ratio (PCR) improved by from 71.39% as at March '19 to 86.94 % as at March '20

Performance Highlights for the Quarter ended March 31, 2020 QoQ (Sequential)

1. **Total business** stood at Rs.3,57,723 crore as on 31st March 2020
2. **Total deposits** stood at Rs. 2,22,952 crore as on 31st March 2020
3. **CASA of the Bank** stood at 40.26 % as on 31st March 2020 as against 39.10 % as on 31st December 2019.
4. **Gross Advances stands** at Rs.1,34,771 crore as on 31st March 2020 as against Rs. 1,38,643 crore as on 31st December 2019. Bank focused on re-aligning its loan book for efficient capital utilization.
5. **Operating Profit** stood at Rs. 1197 crore for quarter ended 31st March 2020 as against Rs. 762 crore for the quarter ended 31st December 2019.





6. Net profit for quarter ended 31st March 2020 is Rs.144 crore.
7. Total income is Rs. 5,537 crore for the quarter ended 31st March 2020 as against Rs.5198 crore for the quarter ended 31st December 2019.
It is due to increase in profit on sale of the property by Rs 132 crore misc income of Rs 80 crore and Rs 52 crore by way of interest on investments
8. Interest income stood at Rs. 4,442 crore for the quarter ended 31st March 2020 as against Rs. 4352 crore for the quarter ended 31st December 2019.
9. Non-interest income stood at Rs. 1,095 crore for the quarter ended 31st March 2020 as against Rs. 846 crore for the quarter ended 31st December 2019.
10. **Total Expenditure** stood at Rs. 4,340 crore for the quarter ended 31st March 2020 as against Rs. 4435 crore for the quarter ended 31st December 2019. thereby reduced by Rs. 95 crore
11. **NPA MANAGEMENT:** Gross NPA as at 31st March 2020 stands at Rs. 19913 as against Rs. 23734 crore as at 31st December 2019. GNPA has reduced both in quantum and as a percentage of Gross Advances QoQ.
12. **Total Recovery** stood at Rs. 5386 crore achieved for quarter ended March '20 as against Rs. 7085 crore achieved for quarter ended December '19. The total fresh slippage (other than debits to existing NPA accounts) for quarter ended March '20 was Rs. 1293 crore as against Rs.1648 crore for quarter ended December '19.
13. Net NPA as on 31st March 2020 stood at Rs.6603 crore with ratio of 5.44 % as against Rs.7087 crore with ratio of 5.81 % as on 31st December 2019 thus reducing NNPA by Rs.484 crore in absolute terms.
14. Provision Coverage Ratio improved to 86.94 % as on 31st March 2020 as against 86.20 % as on 31st December 2019.





Performance Highlights for the Quarter ended March 31, 2020 - Q4 March'20 over Q4 March'19

1. **Operating Profit** for quarter ended 31st March 2020 registered growth of 5.83 % and stands at Rs.1197 crore as against Rs.1131.50 crore for the quarter ended 31st March 2019.
2. **Net profit** for the quarter ended 31st March 2020 stands at Rs.144 crore from net loss of Rs. 1985.16 crore for the quarter ended 31st March 2019.
3. **Total income** stood at Rs. 5,537 crore for the quarter ended 31st March 2020 as against Rs.5474 crore for the quarter ended 31st March 2019.
4. **Interest income** stood at Rs. 4,442 crore for the quarter ended 31st March 2020 as against Rs. 4556 crore for the quarter ended 31st March 2019.
5. **Non-interest income** stood at Rs. 1,095 crore for the quarter ended 31st March 2020 as against Rs. 917 crore for the quarter ended 31st March 2019.
6. **Total Expenditure for the quarter ended 31st March 2020 continued to remain at Rs.4340 crore.** Operating expenses stands at Rs. 1430 crore for the quarter ended 31st March 2020 as against Rs. 1265 crore for the quarter ended 31st March 2019.
7. **NPA MANAGEMENT: Gross NPA** as at 31st March 2020 stood at Rs. 19913 crore with ratio of 14.78 % as against Rs. 33398 crore with ratio of 21.97% as at 31st March 2019.
8. **Total recovery** stands at to Rs. 5386 crore achieved for quarter ended March '20 while the total fresh slippage for quarter ended March '20 stood at Rs. 1350 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.





9. **Net NPA** is contained to Rs. 6603 crore with ratio of 5.44 % as at 31st March '20 as against Rs. 14368 crore with ratio of 10.81% as on 31st March '19.
10. **Provision Coverage Ratio is improved to 86.94 % as on 31st March 2020 as against 71.39% as on 31st March 2019.**

❖ **CAPITAL ADEQUACY RATIO (CRAR):**

Particulars	Basel III as on 31.03.2020	Regulatory Requirement
CET I	8.21%	5.50%
Tier I	8.21%	7.00%
Tier II	2.51%	2.00%
Total CRAR	10.72%	9.00%*

Total Capital includes Capital infusion by GOI in 2 tranches of Rs.3857 cr and Rs. 4360 cr received during FY 2019-20. Tier II Capital raised through issue of Basel III compliant Tier II bonds aggregating Rs. 500 cr.

- RWA to Total Advances as on 31.03.2020 which is 84.32 %
- Credit RWA to Total Advances as on 31.03.2020 stands at 62.83%

❖ **KEY FINANCIAL RATIOS:**

- **Credit Deposit Ratio** is 60.45 % as on 31.03.2020 as against 68.32% as on 31.03.2019
- **Average Cost of Deposit** is 5.33 % for the year ended 31.03.2020 as against 5.39% for the year ended 31.03.2019
- **Average Yield on Advances** is 7.01 % for the year ended 31.03.2020 as against 7.18% for the year ended 31.03.2019.
- **Cost to Income Ratio** is 59.21% for the year ended 31.03.2020 as against 46.93% for the year ended 31.03.2019





- **Net Interest Margin** is 2.30 % for the quarter ended 31.03.2020 and 2.03 % for the year ended 31.03.2020.

❖ **CAPITAL INFUSION BY GOVERNMENT OF INDIA**

During the quarter ended 31.03.2020, the Bank has received Rs. 4360 crore on 27.02.2020 as capital infusion by the Government of India for which the Bank has allotted 385,15,90,106 equity shares of Rs.10/- each for cash at Issue Price of Rs. 11.32 per equity share (including premium of Rs. 1.32 per equity share) on preferential basis, to Government of India. GOI's shareholding has increased to 95.84%.

❖ **REDUCTION OF LOSS INCURRING BRANCHES:**

The movement of Loss Incurring branches for the last six years is given below.

Details	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20
Branches	3381	3397	3373	3332	3280	3270
Loss Incurring Branches	742	718	536	371	157	115
% of Loss Incurring Branches	21.95	21.14	15.89	11.13	4.79	3.52

The Bank had 772 loss incurring branches in March 2014 which was one of the immediate effects of rapid branch expansion. The continuous follow up from the administrative layers and efforts taken at the branch level has helped to reduce the number of loss incurring branches from 772 branches in March 2014 to 115 branches in March 2020. Higher thrust on Retail and MSME lending is laid down to improve the yield level apart from diversification of the risk. The Bank would continue to focus closely on the loss incurring branches towards reporting a profitable trend.

Developments/ initiatives / Accolades and awards / implementation of new programmes

Digital Banking Department-Initiatives FY 2019-20

ATM & Cash Recyclers:

The total number of ATMs/Cash Recyclers of the Bank stood at 3,032 as on 31st March 2020. During the year 110 Branch managed ATMs/Cash Recyclers and 48 vendor managed Cash Recyclers were deployed. ATM transactions have improved by 23% from 8.42 crore to 10.34 crore and ATM uptime which was 88.00% in 2018-19 has increased to 91.50% in 2019-2020.





Pass Book Kiosks:

- Three hundred eighty Passbook Kiosks have been added during the year 2019-2020 and our total Pass Book Kiosk portfolio stands at 2351 installed in branches across Pan India as on 31.03.2020.

Bank On Wheels (Mobile ATM):

- Our Bank has launched "Bank on Wheels" (Mobile ATMs) in 13 districts of Tamilnadu, one district in Kerala and one in Andhra Pradesh under EASE.
- Each Bank on Wheel is equipped with One ATM, Passbook Kiosk and LED with display.

Debit Cards:

- To promote the 'one nation one card' our Bank has implemented **National Common Mobility Card (NCMC)** under Rupay category. Rolling out of NCMC cards under Visa and Master networks are planned in the ensuing period.

Internet Banking/Mobile Banking:

- New user interface of Internet Banking and Mobile banking application with additional services and functionalities with flavour of ten languages including eight Regional languages has been introduced.

IOB-Pay:

- The in-house developed integrated online payment gateway platform offers Online fees collection for schools & colleges, merchant payments, donations for charitable institutions etc with / without their websites. No technical changes required at the merchant side.
- More than 256 Institutions including TNHRNCE, IENS etc have been registered under this utility.

BBPS:

- Pondicherry Electricity Board has been on boarded as a new biller under Bharat Bill Payment System (BBPS), an integrated bill payment system, which offers inter operable bill payment service to customers online.





WEB SITE :

- Bank has revamped web site www.iob.in with new design, trendy outlook with enhanced customer friendly features.

Retail Banking Division FY 2019-20

Housing Loan Cell was formed in our Bank in the month of July 2019 with a focus to increase Housing Loan Portfolio of Bank.

1. Direct Selling Agents – introduced in the month of September 2019: To improve our competitive edge in the market and to enable Branches to double the performance, the following lead sources were introduced:

1. Housing Loan Counselors- (Individual DSAs)
2. Direct Selling Agents (Non Individuals like Firms, Companies etc.)

Total 196 DSA/HLC have been registered so far.

2. Miss Call Facility for Housing Loans: **Missed Call facility** has been successfully launched for Housing loans with end to end digitalization. Lead is being sourced by customer giving miss call to 7039166269. Under Missed call facility for Housing Loans, 5309 leads generated by Lead Management System and 567 leads converted into sanctions.
3. Staff Referral Program – Housing Loans : . Total 2839 leads were generated for Housing Loans of which 1927 loans were sanctioned for Rs. 291.21 crores.

Marketing Department during FY 2019-20

1) Loan secure Policy- Launched

Our Bank has launched IOB Loan Secure Insurance policy during the year 2019-20. This policy serves as safety net for repayment of the loan in the event of borrower suffers unfortunate diagnose of 18 Major illness or death due to Accident. This Policy provides coverage to all Loans from Rs.50,000 to Rs. 3.00 Crores to our IOB Customers.





2) IOB Healthcare Plus-- Revised Launched

During the financial year 2019-20 Our Bank has launched revised IOB healthcare Policy providing coverage up to Rs.15 Lakhs from existing Rs.5 Lakhs with lifelong renewal and value added features with end to end automation.

Official Language Department FY 2019-20

Central Office has received Second Prize from Chennai Town Official Language Implementation Committee, Chennai for doing commendable work in implementation of Official Language.

Compliance Department FY 2019-20

IBA released the EASE 1.0 index for Q4 of FY 2018-19 on 22nd May 2019, Our Bank Ranked **5th position as on March 2019 under EASE 1.0.**

IBA continued the EASE Reform agenda for FY 2019-20 and named as EASE 2.0. EASE 2.0 has shifted the focus on new Metrics IDs. Our Bank started with 13th position for under EASE 2.0 as on June 2019 Index with 48% score. Our Bank improved to 9th position for September 2019 with 58% score. IBA published the EASE 2.0 Index for December 2019 on February 26, 2020 and **our Bank has improved the rank to 7th out of 19 PSBs with 70.8% score.**"

Information Security Department FY 2019-20

Bank has received Information security management system (ISMS) ISO 27001:2013 certification for Bank's Information Technology Department which is a recognition for following the information security best practice.

This certification is awarded to the Bank by BSI – The British Standards Institution on 07.03.2020.



