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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/ 59 /2018-19

29.05.2018

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 - Financial Results of the Bank
for the Financial Year ended 31st March 2018 – Press Release**

We refer our letter dated IRC/58/2018-19 dated 29.05.2018 and enclose Press Release on the Performance Highlights of the Audited Financial Results of the Bank for the Financial Year ended 31st March 2018.

Please take the above information on record.

Thanking you,

Yours faithfully,

C Haridas

General Manager & CFO

Encl: As above





INDIAN OVERSEAS BANK
CENTRAL OFFICE
CHENNAI

PRESS RELEASE

29.05.2018

Performance Highlights – 31.03.2018

Top Line – Business (Rs. Crores)

- Deposits Rs. 216,832
- Advances Rs. 150,999
- Business Mix Rs. 367,831
- CASA Rs. 79,678
- CASA (%) 36.75

Bottom Line (Rs. Crores)

- Operating Profit Rs. 3,629
- Net Loss Rs. 6,299

- Gross NPA Rs. 38,180
- Net NPA Rs. 20,400

Key Performance indicators:

- Net Interest Margin: 2.19%
- Cost of Deposit : 5.49%
- Yield on Advances : 7.50 %
- Cost to Income Ratio : 60.61%

Loss is due to provisions and not due to operations

Performance Highlights For The Quarter Ended March 31, 2018 - YoY

- (1) **Total business** stood at Rs. 3,67,831 crore as on 31st March 2018 as against Rs. 3,68,119 crore as on 31st March 2017.
- (2) **Total deposits** increased to Rs. 2,16,832 crore as on 31st March 2018 as against Rs. 2,11,343 crore as on 31st March 2017. The Bank has reduced the concentration of Bulk Deposits and increased Retail Term Deposits to have a stable deposit profile and reduce the cost of funds.





- (3) **CASA of the Bank improved to 36.75% as on 31st March 2018 as against 36.09% as on 31st March 2017. Total CASA has increased from Rs. 76269 crores as on 31.03.2017 to Rs.79678 crores as on 31.03.2018, SB registered 5.35% YoY growth as at 31st March '18 over 31st March '17.**
- (4) **Gross Advances** stood at Rs.1,50,999 crore as on 31st March 2018 as against Rs. 1,56,776 crore as on 31st March 2017. The Bank has rebalanced the credit portfolio with RAM's (Retail, Agri and MSME) share of total domestic advances improving from 58.74% to 64.82% YoY (March '18 over March '17).
- (5) **MSME Segment** grew by 6.71% YoY (March '18 over March '17).
- (6) **Retail Segment** grew by 17.98% YoY (March '18 over March '17).
- (7) **Core Retail Advances (Housing Loans, Vehicle Loans, Clean Loans, Education Loans, Mortgage Loans)** grew by 26.26% YoY.
- (8) **Priority Sector Lending** as a % of ANBC as on 31.03.2018 is 47.47% as against the requirement of 40%. Agriculture as a % of ANBC as on 31.03.2018 is 20.23% as against the requirement of 18%.
- (9) **Operating Profit for Quarter ended 31st March 2018 stood at Rs.1129.15 crore as against Rs. 1040.98 crore for the quarter ended 31st March 2017, registering growth of 8.47%**
- (10) **Net Profit:** Net Loss for the quarter ended 31st March 2018 is Rs. 3606.73 crore as against Rs. 646.66 crore for the quarter ended 31st March 2017 mainly due to provisioning requirements including higher provisions on account of RBI guidelines on revised framework on Resolution of Stressed Assets. Pursuant to the revised framework, the Bank has classified the specific restructured accounts in accordance with extant IRAC norms and made a provision of Rs.799.37 crores towards such accounts during the current quarter.
- (11) **Total income for the quarter ended 31st March 2018 is Rs.5814 crore as against Rs.5662 crore for the quarter ended 31st March 2017 registering a growth of 2.68% YoY.**
- (12) **Interest income stood at Rs.4828 crore for the quarter ended 31st March 2018 as against Rs. 4630 crore for the quarter ended 31st March 2017 registering a growth of 4.28% YoY.**





- (13) **Non-interest income** is Rs. 987 crore for the quarter ended 31st March 2018 as against Rs. 1032 crore for the quarter ended 31st March 2017.
- (14) **Total Expenditure** increased from Rs. 4621 crore for the quarter ended 31st March 2017 to Rs. 4685 crore for the quarter ended 31st March 2018.
- (15) **NPA MANAGEMENT: Gross NPA** as at 31st March 2018 is at Rs.38180 crore with ratio of 25.28% as against Rs.35098 crore with ratio of 22.39% as on 31st March 2017, with the fresh slippage due to revised framework of stressed asset of Rs. 3629 crore.
- (16) **Total recovery** of Rs. 5726 crore achieved for quarter ended March '18 as against the recovery of Rs. 2729 crore during quarter ended March '17 while the total slippage for quarter ended March '18 stood at Rs. 9868 crore mainly on account of the impact of RBI guidelines on revised framework on Resolution of Stressed Assets. Pursuant to the revised framework, the Bank has classified the specific restructured accounts in accordance with extant IRAC norms.
- (17) **Net NPA** is at Rs. 20400 crore with ratio of 15.33 % as on 31st March 2018 as against Rs. 19749 crore with ratio of 13.99% as on 31st March 2017.
- (18) **Provision Coverage Ratio** is improved to 59.45% as on 31st March 2018 as against 53.63% as on 31st March 2017.

Performance Highlights For The Quarter Ended March 31, 2018 QoQ (Sequential)

- (1) **Total business** stood at Rs. 3,67,831 crore as on 31st March 2018 as against Rs. 3,68,128 crore as on 31st December 2017.
- (2) **Total deposits** stood at Rs. 2,16,832 crore as on 31st March 2018 as against Rs. 2,16,592 crore as on 31st December 2017.
- (3) **CASA** of the Bank has improved to 36.75% as on 31st March 2018 as against 35.33% as on 31st December 2017.
- (4) **Gross Advances** stood at Rs.1,50,999 crore as on 31st March 2018 as against Rs. 1,51,536 crore as on 31st December 2017.
- (5) **Operating Profit for Quarter ended 31st March 2018** stood at Rs.1129.15 crore as against Rs. 684.77 crore for the quarter ended 31st December 2017, registering a growth of 65.90%





(6) Net Profit: Net loss for quarter ended 31st March 2018 is Rs.3606.73 crore as against Rs. 971.17 crore for quarter ended 31st December 2017, mainly due to NPA provisioning of Rs 3155.20 crore additionally.

Net loss is due to provisions including higher provisions on account of RBI guidelines on revised framework on Resolution of Stressed Assets. Pursuant to the revised framework, the Bank has classified the specific restructured accounts in accordance with extant IRAC norms and made a provision of Rs.799.37 Crores towards such accounts during the current quarter.

(7) Total income for the quarter ended 31st March 2018 is Rs.5814 crore as against Rs.5062 crore for the quarter ended 31st December 2017 registering a growth of 14.86% QoQ.

(8) Interest income stood at Rs. 4828 crore for the quarter ended 31st March 2018 as against Rs. 4255 crore for the quarter ended 31st December 2017 registering a growth of 13.46% QoQ.

(9) Non-interest income is Rs. 987 crore for the quarter ended 31st March 2018 as against Rs. 808 crore for the quarter ended 31st December 2017 registering a growth of 22.18% QoQ.

(10) NPA MANAGEMENT: Gross NPA as at 31st March 2018 is at Rs. 38180 crore with ratio of 25.28% as against Rs. 33267crore with ratio of 21.95% as on 31st December 2017.

(11) Total recovery of Rs. 5726 crore achieved for quarter ended March '18 as against the recovery of Rs. 3021crore during quarter ended December '17 while the total slippage for quarter ended March '18 stood at Rs. 9868 crore as against Rs. 1432crore for quarter ended December '17. The fresh slippage increased due to compliance of RBI guidelines on revised framework for stressed assets.

(12) Net NPA stood at Rs. 20400 crore with ratio of 15.33% as on 31st March 2018 as against Rs. 17761 crore with ratio of 13.08% as on 31st December 2017.

(13) Provision Coverage Ratio is improved to 59.45% as on 31st March 2018 as against 57.83% as on 31st December 2017.





Performance Highlights for the Financial Year ended March 31, 2018

- (1) **Operating Profit** for the year ended 31.03.2018 is Rs.3628.08 crore as against Rs.3650.20 crore for the year ended 31.03.2017.
- (2) **Net Profit: Net loss** for the year ended 31.03.2018 is Rs.6299.49 crore as against Rs.3416.74 crore for the year ended 31.03.2017, mainly due to increase in provision by Rs. 2937 crore.
- (3) **Total income** for the year ended 31.03.2018 is Rs. 21662 crore as against Rs.23091 crore for the previous year (2016-17) on account of less treasury income and contraction of credit.
- (4) **Interest income** stood at Rs.17915 crore for the year ended 31.03.2018 as against Rs. 19719 crore for the previous year (2016-17), mainly due to additional slippage.
- (5) **Non Interest Income: Non-interest income is Rs. 3746 crore for the year ended 31.03.2018 as against Rs.3373 crore for the previous year (2016-17) registering a growth of 11.08%.**
- (6) **Total Expenditure declined by 7.24% from Rs. 19441 crore for the year ended 31st March 2017 to Rs. 18033 crore for the year ended 31st March 2018.**
- (7) **Recovery in NPA accounts** for the year ended 31.03.2018 is significantly higher at Rs. 15496 crore as against Rs. 8710 crore for the year ended 31.03.2017.

➤ CAPITAL ADEQUACY RATIO (CRAR):

Particulars	Basel III	Regulatory Requirement
CET I	6.39%	5.50%
CCB in CET1	0.89%	1.875%
Tier I	7.17%	7.00%
Tier II	2.09%	2.00%
Total	9.25%	9.00%
CCB in CRAR	0.25%	1.875%

➤ KEY FINANCIAL RATIOS:

- **Credit Deposit Ratio** is 69.64% as on 31.03.2018





- **Average Cost of Deposit** is 5.49% for the year ended 31.03.2018 as against 6.17% for the year ended 31.03.2017.
- **Average Yield on Advances** is 7.50% for the year ended 31.03.2018.
- **Cost to Income Ratio** is 60.61% for the year ended 31.03.2018.
- **Net Interest Margin** is 2.73% for the quarter ended 31.03.2018 and 2.19% for the year ended 31.03.2018, mainly due to increase in other interest income.

➤ **CAPITAL INFUSION BY GOVERNMENT OF INDIA**

During the quarter ended 31.03.2018, the Bank has received an aggregate sum of Rs. 4694 crore as capital infusion by the Government of India for 2017-18 as part of the Recapitalisation Plan for Public Sector Banks for which the Bank has allotted 203,82,11,029 equity shares of Rs.10/- each for cash at Issue Price of Rs.23.03 per equity share (including premium of Rs.13.03 per equity share) aggregating to Rs.4694 crore on preferential basis, to Government of India. GOI's shareholding has increased to 89.74%.

➤ **RATINGS OUTLOOK UPGRADE**

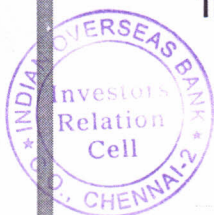
- ✓ International Credit Rating Agency, Moody's Investors Service, Singapore has revised their rating outlook on our Bank and our Hongkong Branch to "POSITIVE" from "STABLE" (09.02.2018)
- ✓ CRISIL Limited has revised its outlook on the long term debt instruments of Indian Overseas Bank (IOB) to 'STABLE' from 'NEGATIVE', while reaffirming the ratings at CRISIL A+/A-/FAA. The rating on the certificates of deposits programme of the bank has been reaffirmed at 'CRISIL A1+'. (25.01.2018)

➤ **DIGITAL BANKING INITIATIVES:**

Indian Overseas Bank, has always been a pioneer in launching various digital products and schemes that benefit customers the most along with utmost convenience.

The following are some of the latest Digital Initiatives:

- ❖ **IOB Nanban** is a mobile app launched for the benefit of our customers for performing non-financial transactions. Customers can download the app from Google playstore.
 - Branch Locator





- ATM Locator
- CDM Locator
- Products and Services
- Facebook chat bot link
- Balance Enquiry of the following accounts
 - Savings
 - Current
 - Deposit
 - Loan
- Cheque status
- Stop Cheque

❖ **IOB Sahayak**, a mobile app for our Staff has been released by our bank. The following features are available currently.

- NPA Recovery Visit
- NPA War
- Security Inspection Visit
- Viewing Internal Circulars
- Lead Generation
- Reminder Service

This app will be a comprehensive app for staff to improve productivity.

❖ **Bharat Bill Payment System (BBPS)** is an integrated bill payment system introduced by National Payments Corporation of India (NPCI), offering interoperable online bill payment service to customers. IOB Customers can now pay the following through BBPS system using Internet banking and Mobile banking.

- Electricity
- Telecom
- DTH
- Water and
- Gas payments

There are two modes of integration.

- Customer Operating unit
- Biller Operating unit

Tamilnadu Electricity Board has been made ONLINE as the Bank's FIRST Biller in BBPS.

Indian Overseas Bank is the FIRST Public Sector Bank to Go LIVE as a Biller Operating unit in BBPS.

