



# Analyst Presentation

June 2017



**Indian Overseas Bank**

**इण्डियन ओवरसीज़ बैंक**

Good People to Grow with

## Disclaimer

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

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

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- **Turn Around Strategy**

# Financial Performance

# Overview

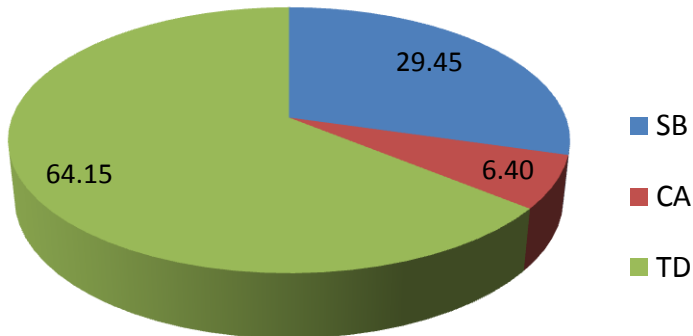
Indian Overseas Bank



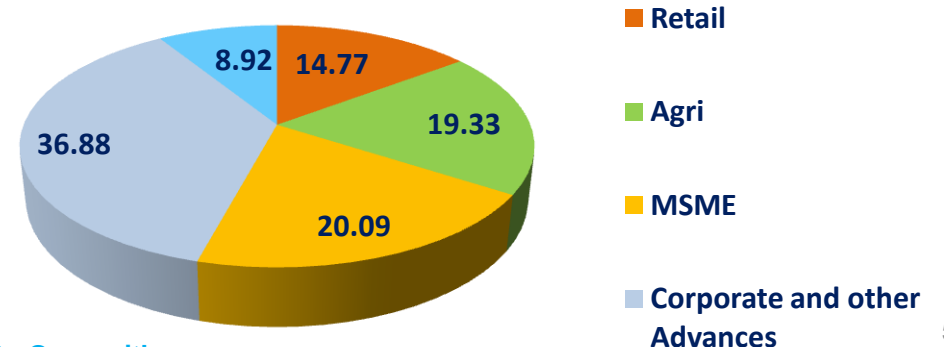
	Rs.in Crs.
<b>Business Mix</b>	<b>360986</b>
<b>Deposits</b>	<b>210748</b>
<b>Advances</b>	<b>150238</b>
<b>Operating Profit</b>	<b>776.60</b>
<b>Net Profit/Loss</b>	<b>-499.09</b>
<b>Gross NPA</b>	<b>35453</b>
<b>Net NPA</b>	<b>20165</b>
<b>CRAR (%)</b>	<b>10.64</b>
<b>CET 1 (%)</b>	<b>7.57</b>

	Global	Domestic
<b>CASA Ratio</b>	<b>35.85</b>	<b>36.52</b>
<b>NIM</b>	<b>1.65</b>	<b>1.68</b>
<b>Cost Of Deposit</b>	<b>5.57</b>	<b>5.70</b>
<b>Yield on Advances</b>	<b>7.12</b>	<b>7.52</b>

**Deposits (%)**



**Advances (%)**



# Highlights

- **Total Business** stood at Rs. 3,60,986 crore as on 30<sup>th</sup> June 2017 as against Rs. 3,84,040 crore as on 30<sup>th</sup> June 2016.
- **Total deposits** stood at Rs. 2,10,748 crore as on 30<sup>th</sup> June 2017 as against Rs. 2,18,484 crore as on 30<sup>th</sup> June 2016. The Bank has reduced the concentration of Bulk Deposits to have a stable deposit profile and reduce the cost of funds.
- **Gross Advances** stood at Rs. 1,50,238 crore as on 30<sup>th</sup> June 2017 as against Rs. 1,65,556 crore for the quarter ended 30<sup>th</sup> June 2016. The decline in advances is due to the Bank rebalancing the credit portfolio with focus on Mid & Retail & MSME segment.
- **CASA** of the Bank is 36.52% as on 30<sup>th</sup> June 2017 increased from 30.70% as on 30<sup>th</sup> June 2016 with YOY growth at 582 bps.
- **Operating Profit** for the quarter ended 30<sup>th</sup> June 2017 is Rs. 776.60 crore as against Rs. 690.55 crore for the quarter ended 30<sup>th</sup> June 2016 registering a growth of 12.46%.
- **Non Interest Income** is Rs. 987.30 crore for the quarter ended 30<sup>th</sup> June 2017 as against Rs. 652.90 crore for the quarter ended 30<sup>th</sup> June 2016 registering a growth of 51.22% y-o-y.
- **Recovery in NPA** for the quarter ended 30<sup>th</sup> June 2017 is significantly higher at Rs. 2784 crore as against Rs. 1465 crore for the corresponding quarter of last year.
- **Provision Coverage Ratio** is improved to 53.09% as on 30<sup>th</sup> June 2017 as against 47.61% as on 30<sup>th</sup> June 2016.
- **CRAR: 10.64%**
- **Cost to Income Ratio** is 61.40% as on 30.06.2017 reduced from 63.62% as on 30.06.2016.

## Major Business Parameters

INR Crs

Key Performance Indicators	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Business Mix	3,84,040	3,67,580	3,64,736	3,68,119	3,60,986
Deposits	2,18,484	2,08,058	2,10,861	2,11,343	2,10,748
Advances (Gross)	1,65,556	1,59,522	1,53,875	1,56,776	1,50,238
Operating Profit	691	1,064	855	1,041	777
Net Profit / Net Loss	(1451)	(765)	(554)	(647)	(499)
N I M (%)	1.87	2.02	2.14	2.09	1.65
Gross NPA	33,913	34,724	34,502	35,098	35,453
Net NPA	21,321	20,765	19,901	19,749	20,166
Return on Assets (%)	-ve	-ve	-ve	-ve	-ve
Return on Equity (%)	-ve	-ve	-ve	-ve	-ve
Book Value (INR)	48.57	40.65	38.39	34.52	30.70

# Business Mix-Geographical

INR Crs

Particulars	Q1 17-18	Q1 16-17	Mar-17
<b>DEPOSITS</b>			
Domestic	204,567	211,818	205,154
Overseas	6,181	6,666	6,189
Global	210,748	218,484	211,343
<b>ADVANCES</b>			
Domestic	137,693	149,217	142,651
Overseas	12,545	16,339	14,125
Global	150,238	165,556	156,776
<b>BUSINESS MIX</b>			
Domestic	342,261	361,035	347,804
Overseas	18,726	23,004	20,314
Global	360,986	384,040	368,118



# Deposits & Advances

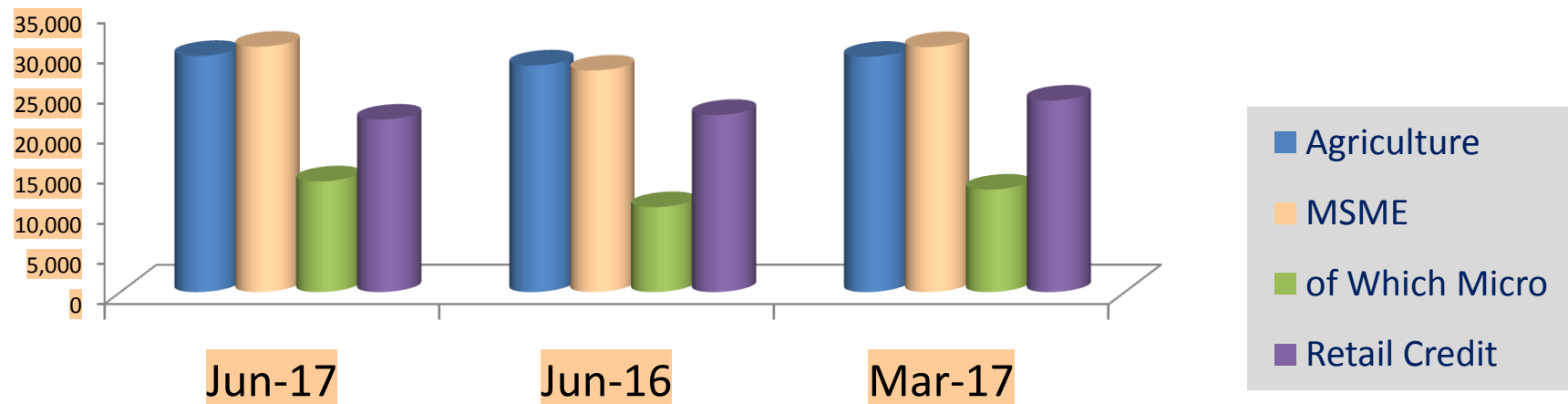
		INR Crs		
Particulars		Jun-17	Jun-16	Mar-17
<b>DEPOSITS</b>		<b>2,10,748</b>	<b>2,18,484</b>	<b>2,11,343</b>
	Current	13,488	13,117	13,037
	Savings	62,073	52,799	63,232
	Term Deposit	1,35,188	1,52,567	1,35,074
<b>CASA</b>		<b>75,561</b>	<b>65,916</b>	<b>76,269</b>
<b>CASA RATIO</b>	Global	35.85	30.17	36.09
	Domestic	36.52	30.70	36.78
<b>ADVANCES</b>		<b>1,50,238</b>	<b>1,65,556</b>	<b>1,56,776</b>
<b>BUSINESS MIX</b>		<b>3,60,986</b>	<b>3,84,039</b>	<b>3,68,118</b>
<b>CD Ratio</b>		<b>71.29</b>	<b>75.77</b>	<b>74.18</b>

INR Crs

## Key Sectors (Domestic Credits)

INR Crs

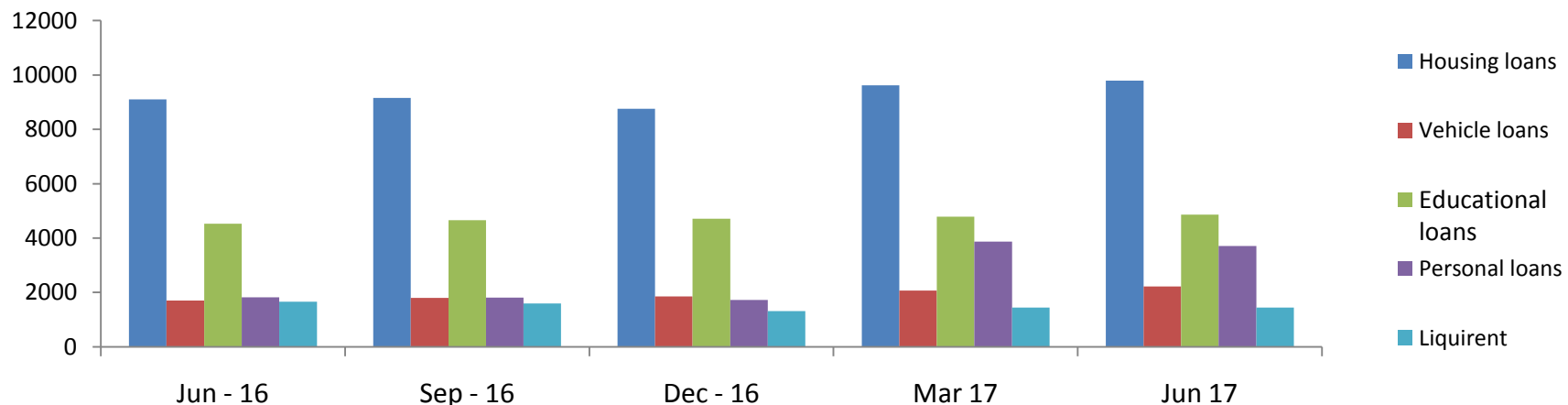
Sector	Jun-17	Jun-16	Mar-17
Agriculture	29,449	28,274	29,348
MSME	29,782	27,638	30,564
<i>of Which Micro</i>	<i>13,433</i>	<i>10,598</i>	<i>12,781</i>
Retail Credit	22,508	22,828	23,887



# Retail Credit (Breakup)

INR Crs

Sector	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
<b>Retail Credit</b>	<b>22,828</b>	<b>21,513</b>	<b>20,304</b>	<b>23,887</b>	<b>22,508</b>
<b>of which</b>					
<b>Housing Loans</b>	<b>9,099</b>	<b>9,157</b>	<b>8,755</b>	<b>9,614</b>	<b>9,788</b>
<b>Vehicle Loans</b>	<b>1703</b>	<b>1804</b>	<b>1852</b>	<b>2068</b>	<b>2217</b>
<b>Educational Loan</b>	<b>4,532</b>	<b>4655</b>	<b>4,708</b>	<b>4,792</b>	<b>4,861</b>
<b>Personal Loans</b>	<b>1,823</b>	<b>1810</b>	<b>1,727</b>	<b>3,876</b>	<b>3,713</b>
<b>Liquirent</b>	<b>1,657</b>	<b>1599</b>	<b>1,315</b>	<b>1,445</b>	<b>1,446</b>
<b>Core Retail Total</b>	<b>18,814</b>	<b>19,025</b>	<b>18,357</b>	<b>21,795</b>	<b>22,025</b>
<b>Jewel Loans</b>	<b>3,282</b>	<b>2,488</b>	<b>1,947</b>	<b>236</b>	<b>483</b>
<b>Other RetailLoans</b>	<b>733</b>			<b>1,856</b>	



## Status of Priority Sector

INR Crs

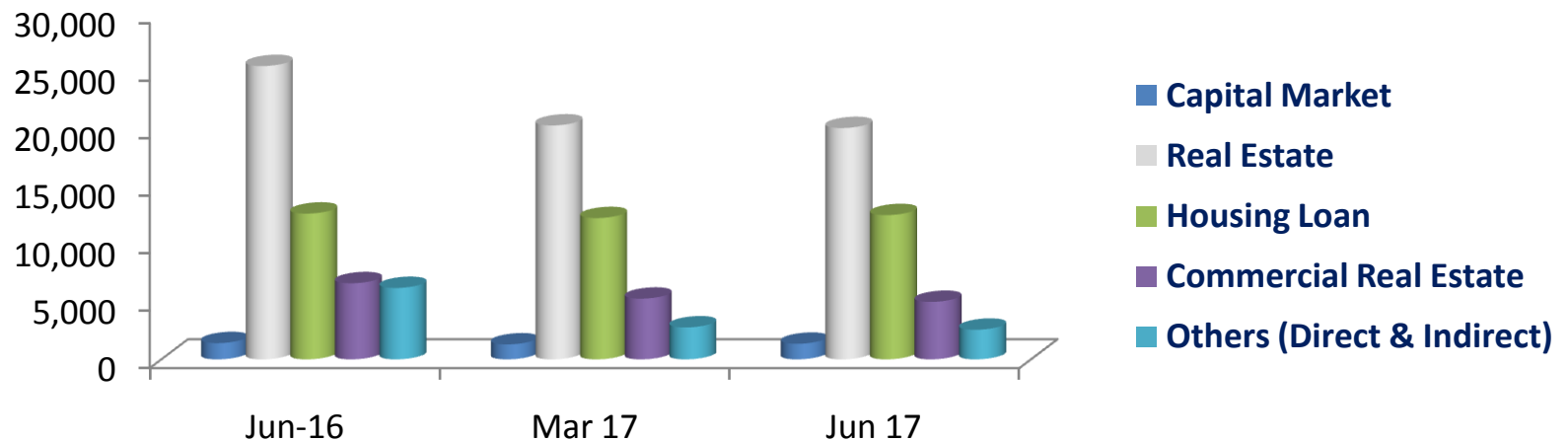
Details	31.03.2016		31.03.2017		30.06.2017		Mandatory Target to ANBC (%)	Status
	Amt o/s	% to ANBC	Amt o/s	% to ANBC	Amt o/s	% to ANBC		
<b>Priority Sector</b>	<b>67615</b>	<b>40.29</b>	<b>67401</b>	<b>43.10</b>	<b>66558</b>	<b>44.54</b>	<b>40</b>	<b>Achieved</b>
<b>Sub-targets :</b>								
<b>Agriculture</b>	<b>30236</b>	<b>18.02</b>	<b>29348</b>	<b>18.76</b>	<b>29449</b>	<b>19.71</b>	<b>18</b>	<b>Achieved</b>
<b>Small &amp; Marginal Farmers</b>	<b>11783</b>	<b>7.02</b>	<b>15332</b>	<b>9.80</b>	<b>15604</b>	<b>10.44</b>	<b>8</b>	<b>Achieved</b>
<b>Loans to Non-corporate farmers</b>	<b>20,710</b>	<b>12.34</b>	<b>18,665</b>	<b>11.93</b>	<b>19365</b>	<b>12.96</b>	<b>11.70</b>	<b>Achieved</b>
<b>Weaker Section</b>	<b>21824</b>	<b>13.01</b>	<b>19088</b>	<b>12.20</b>	<b>19365</b>	<b>12.96</b>	<b>10</b>	<b>Achieved</b>
<b>Micro Entps under MSME</b>	<b>11746</b>	<b>6.80</b>	<b>12162</b>	<b>7.78</b>	<b>12181</b>	<b>8.15</b>	<b>7.50</b>	<b>Achieved</b>

# Advances to Sensitive Sectors - Domestic

(FUND + NON FUND)

INR Crs

Sector	Jun 17	Jun-16	Mar 17
Capital Market	1,355	1,413	1,301
Real Estate	20,145	25,541	20,369
<i>of Which</i>			
Housing Loan *	12,563	12,693	12,304
Commercial Real Estate	5,005	6,630	5,286
Others (Direct & Indirect)	2,577	6,218	2,779
<i>* Includes Non-Priority Housing Loans</i>			



## Financial Inclusion

- 3,04,884 SB accounts were opened by 2751 Business Correspondents through their Micro ATM using e-KYC
  - 21,52,457 smart cards were issued by BCs as on 30.06.2017.
  - Cumulative number of transactions undertaken in the smart card terminal is 6,65,32,521.
  - The total number of transactions as on 30.06.2017 is 64,83,711 for the FY 2017-18
  - 60,56,496 AEPS ON-US and 4,98,585 AEPS OFF-US transactions were carried out by BCs.
  - 4,92,649 RuPay ON-US, 1,85,949 RuPay OFF-US (Acquirer) and 1,39,410 RuPay OFF-US(Issuer) transactions were carried out by our BCs.
  - Out of 13 RSETIs set-up by the Bank, 9 were awarded AA grade and 4 with AB grade. They have trained 1895 unemployed youth through 87 training programme during FY 2017-18
- FY 2017-18**
- Bank has established Financial Literacy Centers (SNEHA) at 23 centres under Corporate social responsibility.
  - Our FLCs are conducting Financial Literacy Camps, periodically in various places.
  - During current year, they have handled sessions on Financial Literacy to 2079 student centers and various schools in the state of Tamil Nadu and Kerala.



## Financial Inclusion (Contd.)

### JanSuraksha Schemes

Schemes	Status of renewal as on 31.05.2017	Status of Active Policies as on 30.06.2017 (cumulative)	Status of Enrollment during the Year 2016-2017 (01.06.2017 – 30.06.2017)
PMJJBY	5,91,097	5,95,138	4,041
PMSBY	23,67,107	23,72,944	5,837
<b>Total</b>	<b>29,58,204</b>	<b>29,68,082</b>	<b>9,878</b>

### Atal Pension Yojana

2015-2016 (cumulative)	17,744
2016- 2017 (cumulative)	59,989
2017- 2018 (cumulative)	12,732
<b>Total APY Enrolments</b>	<b>90,465</b>



# PROFIT - Q1

INR Crs

Particulars	Q1 17-18	Q1 16-17	inc/dec	Growth	FY 16-17
<b>TOTAL INCOME</b>	<b>5174.50</b>	<b>5868.44</b>	<b>-693.94</b>	<b>(11.82)</b>	<b>23091.24</b>
Interest Earned	4187.20	5215.54	-1028.34	(19.72)	19718.60
Other Income	987.30	652.90	334.40	51.22	3372.64
<b>TOTAL EXPENDITURE (Excl. Provisions and Contingencies)</b>	<b>4397.90</b>	<b>5177.89</b>	<b>-779.99</b>	<b>(15.06)</b>	<b>19441.03</b>
Interest Expended	3162.59	3970.47	-807.88	(20.35)	14529.02
Operating Expenses	1235.31	1207.42	27.89	2.31	4912.01
1) Payments to and Prov for Employees	791.04	820.08	-29.04	(3.54)	3044.67
2) Other Operating Expenses	444.27	387.34	56.93	14.70	1867.34
<b>OPERATING PROFIT (Profit before Provisions and Contingencies)</b>	<b>776.60</b>	<b>690.55</b>	<b>86.05</b>	<b>12.46</b>	<b>3650.21</b>
Total Provisions and Contingences of Which	1275.69	2141.05	-865.36	(40.42)	7066.94
Provision for NPAs	1799.69	2064.92	-265.23	(12.84)	6948.26
Provision for Taxes	-332.19	3.24	-335.43	#####	35.81
Others	-191.81	72.89	-264.7	(363.15)	82.87
<b>NET PROFIT</b>	<b>-499.09</b>	<b>-1450.50</b>	<b>951.41</b>	<b>-65.59</b>	<b>-3416.73</b>



# Profit – Net Interest Income

INR Crs

Particulars	Q1 17-18	Q1 16-17	inc/dec	Growth	FY 16-17
<b>TOTAL INTEREST INCOME</b>	<b>4187.20</b>	<b>5215.54</b>	<b>-1028.34</b>	<b>(19.72)</b>	<b>19718.60</b>
of which					
Int Income from Advances	2819.11	3740.68	-921.57	(24.64)	14045.62
Int Income from Investments	1287.75	1374.32	-86.57	(6.30)	5613.79
Other Interest Income	80.34	100.54	-20.2	(20.09)	59.19
<b>TOTAL INTEREST EXPENDED</b>	<b>3162.59</b>	<b>3970.47</b>	<b>-807.88</b>	<b>(20.35)</b>	<b>14529.02</b>
of Which					
Int Expended on Deposits	2876.65	3504.18	-627.53	(17.91)	13025.93
Int Expended on Borrowings	285.93	466.28	-180.35	(38.68)	1503.05
Other Int. Expenses	0.01	0.01	0.00	-	0.04
<b>NET INTEREST INCOME</b>	<b>1024.61</b>	<b>1245.07</b>	<b>-220.46</b>	<b>-17.71</b>	<b>5189.58</b>
<b>NET INTEREST MARGIN (on Avg. Earning Assests)</b>	<b>1.65%</b>	<b>1.87%</b>			<b>2.03%</b>
<b>Domestic</b>	<b>1.68%</b>	<b>1.92%</b>			<b>2.08%</b>
<b>Overseas</b>	<b>1.19%</b>	<b>1.36%</b>			<b>1.41%</b>

# OPERATING PROFIT Q1

INR Crs

Particulars	Q1 17-18	Q1 16-17	inc/dec	Growth	FY 16-17
<b>TOTAL NON INTEREST INCOME</b>	<b>987.30</b>	<b>652.90</b>	<b>334.40</b>	<b>51.22</b>	<b>3372.64</b>
of which					
Exchange/Commission	204.71	200.95	3.76	1.87	950.00
Profit on Sale of Investment	426.39	155.34	271.05	174.49	638.16
Loss on Revaluation of Investment	0.00	-15.92	15.92	(100)	-16.19
Other Non Interest Income	356.20	312.53	43.67	13.97	1800.67
<b>Operating Income (Net Int Income + Non Interest Income)</b>	<b>2011.91</b>	<b>1897.97</b>	<b>113.94</b>	<b>6.00</b>	<b>8562.22</b>
<b>Operating Expenses</b>	<b>1235.31</b>	<b>1207.42</b>	<b>27.89</b>	<b>2.31</b>	<b>4912.01</b>
of which					
Staff Cost	791.04	820.08	-29.04	(3.54)	3,044.67
Other Operating Expenses	444.27	387.34	27.18	7.55	1867.34
<b>OPERATING PROFIT</b>	<b>776.60</b>	<b>690.55</b>	<b>86.05</b>	<b>12.46</b>	<b>3650.21</b>
Staff to Total Operating Cost %	64.04	67.92	-4.54	(6.26)	61.98

## PROFIT – Domestic / Overseas Operations- Q1

INR Crs

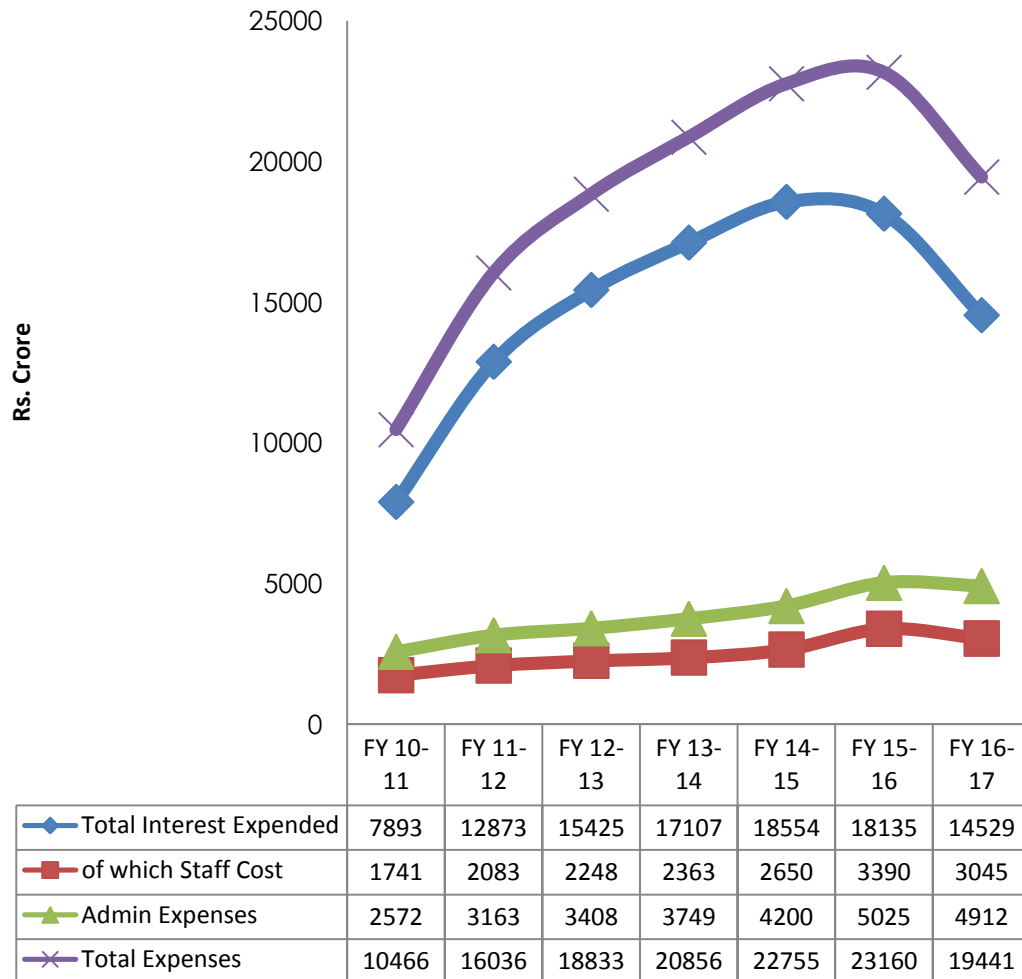
Particulars	Q1 17-18	Q1 16-17	inc/dec	Growth	FY 16-17
<b>OPERATING PROFIT</b>					
Global	776.60	690.55	86.05	12.46	3650.21
Domestic	676.85	619.62	57.23	9.24	3370.67
Overseas	99.75	70.93	28.82	40.63	279.54
<b>PROVISIONS</b>					
Global	1275.69	2141.05	-865.36	-40.42	7066.94
Domestic	1192.28	2073.49	-881.21	-42.50	6831.57
Overseas	83.41	67.56	15.85	23.46	235.37
<b>NET PROFIT/LOSS</b>					
Global	-499.09	-1450.50	951.41	-65.59	-3416.73
Domestic	-515.43	-1453.87	938.44	-64.55	-3460.90
Overseas	16.34	3.37	12.97	384.87	44.17

## RATIOS

Particulars	Q1 17-18	Q1 16-17	FY 16-17
Average Cost of Deposits	5.57	6.42	6.17
Average Yield on Advances	7.12	8.53	8.43
Average Cost of Funds	5.66	6.45	6.17
Average Yield on Funds	6.73	7.85	7.70
Average Yield on Investments	8.10	7.15	7.17
Cost to Income Ratio	61.40	63.62	57.37
Return on Average Assets	-ve	-ve	-ve
Return on Average Equity	-ve	-ve	-ve
Credit Deposit Ratio	71.29	75.77	74.18
CASA Ratio	35.85	30.17	36.09
Net Interest Margin	1.65	1.84	2.03
Domestic	1.68	1.92	2.08
Overseas	1.19	1.36	1.41

# Revenue Analysis

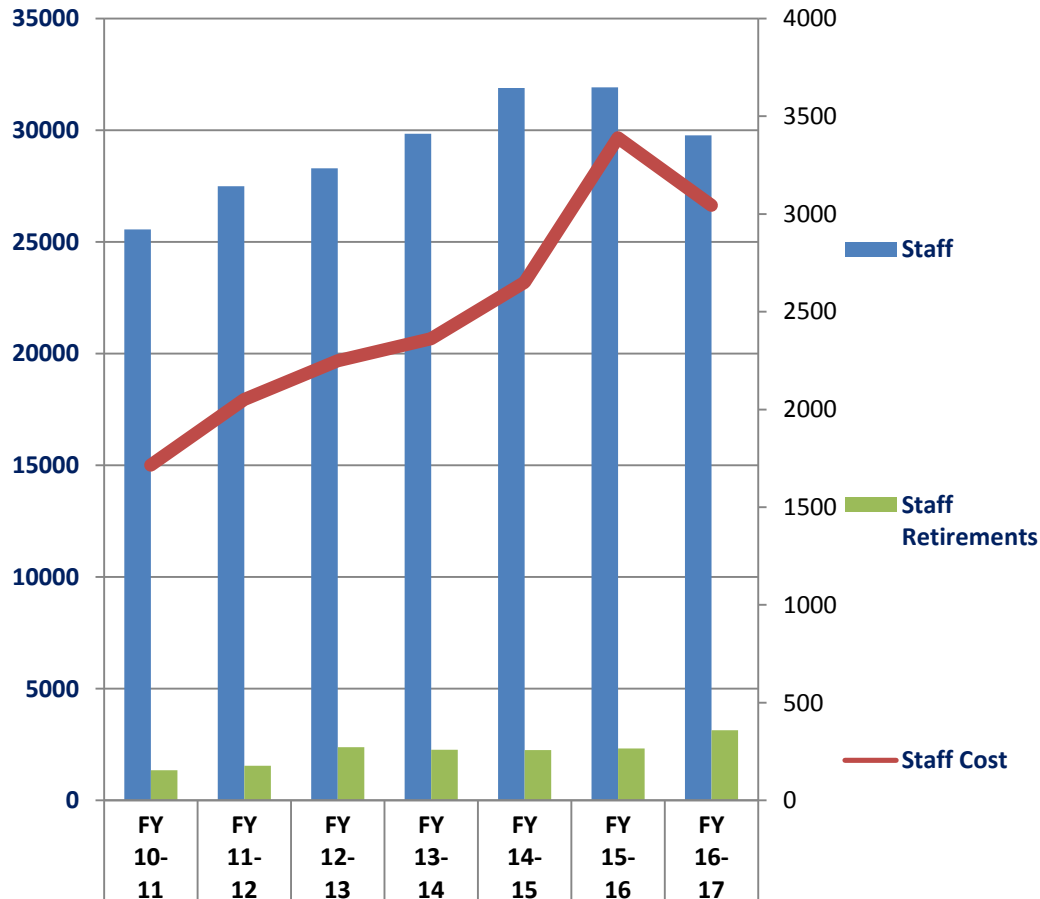
# Movement of Expenses



Due to higher credit growth during the period from 2011 to 2015, the corresponding growth under Deposits was also witnessed.

To meet the requirement Bank had acquired high value/high cost deposits. This had staggered effect on the cost and the CoD went up resulting in increased expenditure on mobilising resources.

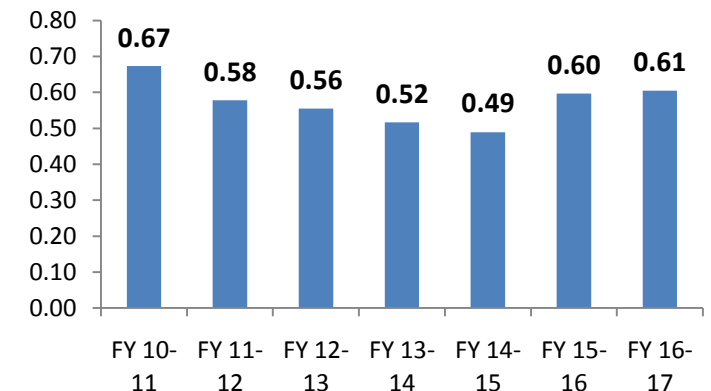
# Impact on Staff Cost



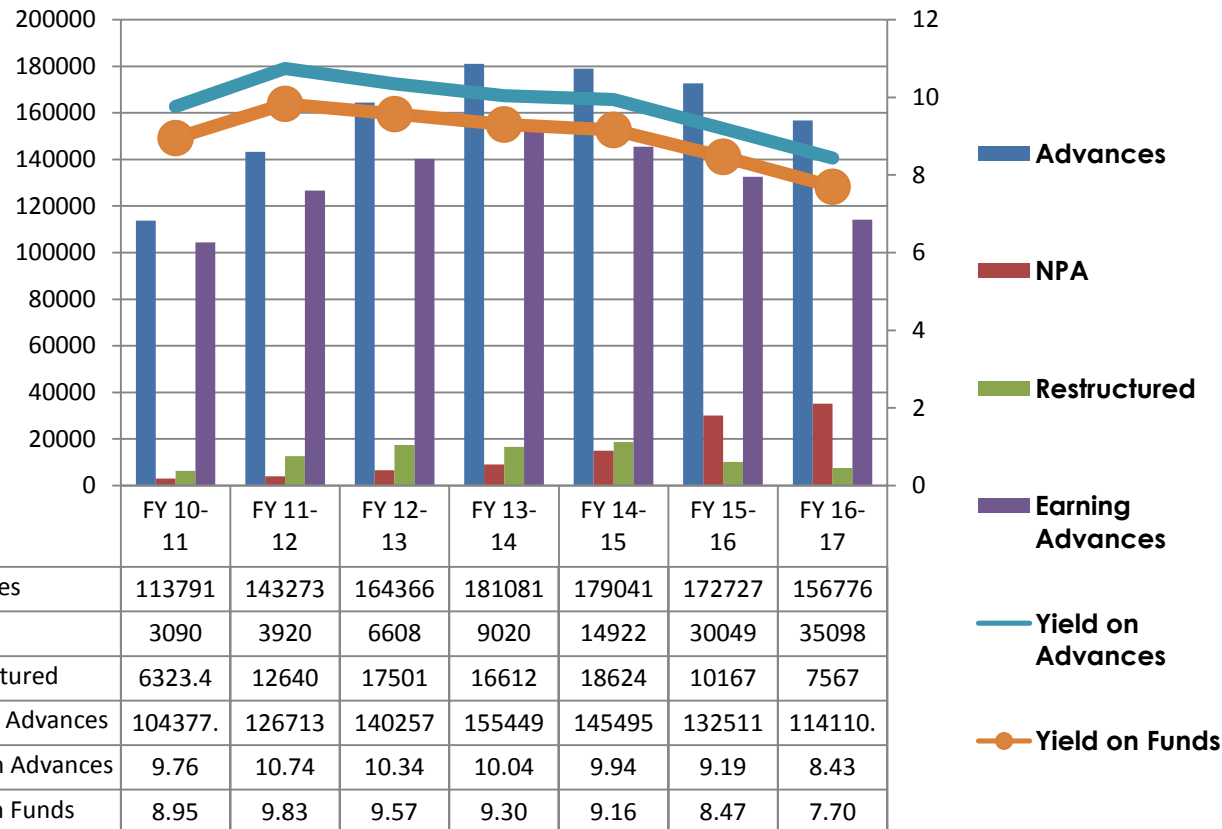
Staff	25554	27491	28291	29845	31895	31916	29767
Staff Retirements	1346	1544	2382	2257	2252	2320	3136
Staff Cost	1715	2050	2248	2362	2650	3390	3045

- Considering the ideal staff of 3 per new Branches and retirements, till 2014-15, 8435 staff should have been recruited.
- However during 2011 to 2015 12026 staff were added. The same has started being absorbed from 15-16 onwards since no recruitment.
- Taking an average of 3 lacs per new incumbent around Rs. 108 Crore per annum extra staff cost was incurred during the period.

## Ratio of RO Staff to Branches



# Deployment and income



- ❖ % of earning advances started declining from 91.7% for FY 11 to 76.72% for 2015-16 and 72.8% for 2016-17.
- ❖ The increase in Non earning advances reduced the interest income and made the YoA shrink over the period.
- ❖ NPA % increased to 17.4% for FY 16 and 22.39% for FY 17 from just 2.72% for FY 2011.



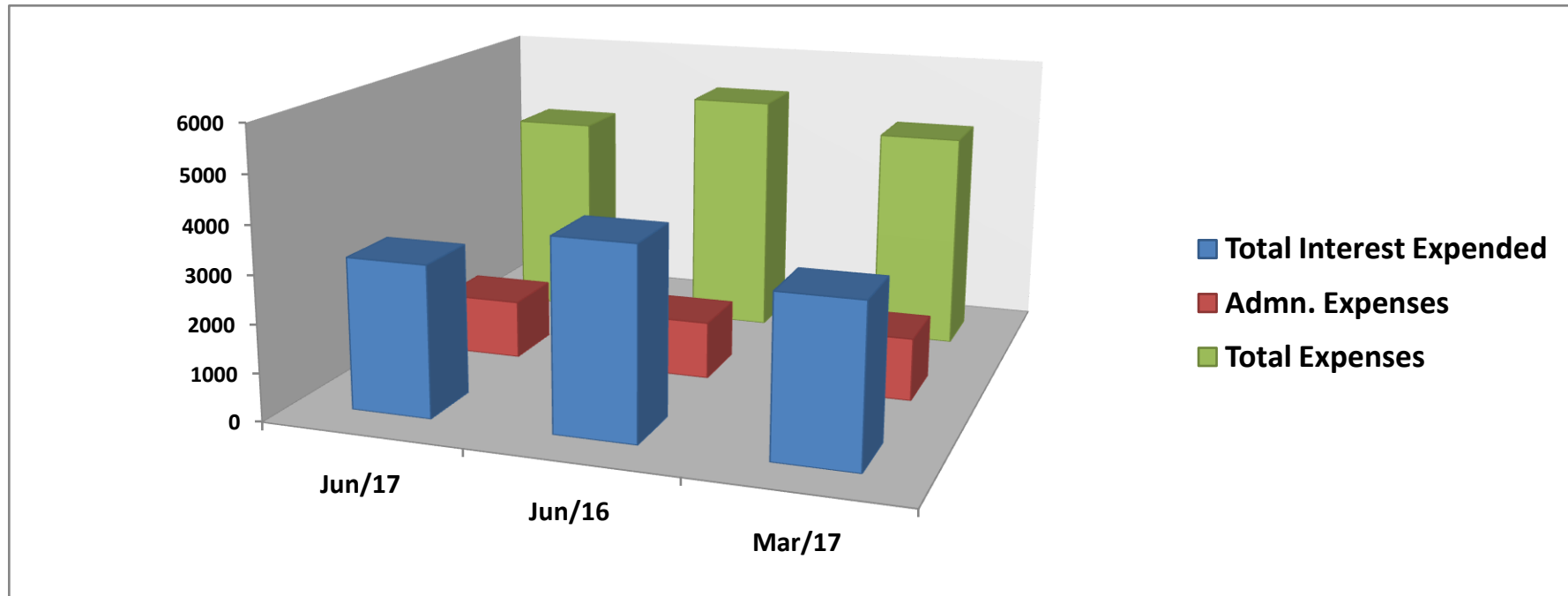
## Impact on Earnings

- Growth under Advances showed growth till FY 2013-14.
- NPA which stood at Rs. 3090 crores in 2011 ended at Rs. 35,098 crores in 2017.
- Earning Assets which stood above 91% in 2011 stands at 72% in 2017 reducing the income earning capacity from the deployed assets.
- Further, the negative growth under advances strained its capacity to create new assets and generate revenue.
- The interest on advances which grew fairly well till 2014 turned down to a single low digit growth rate in 2015 and has been negative in the last two years mainly backed by steep increase in NPAs. The decrease in Base rate also had an impact.
- As a result, the yield on advances which stood at 10.74% in FY 2011-12 ended lower at 8.43% for FY 2016-17

## Movement of Expenses

INR Crs

Particulars	Jun-17	Jun-16	Mar-17
Total Interest Expended	3162.59	3970.47	3305.64
Admn. Expenses	1235.31	1207.42	1315.06
of which Staff Expenses	791.04	820.08	687.52
Total Expenses	4397.90	5177.89	4620.70

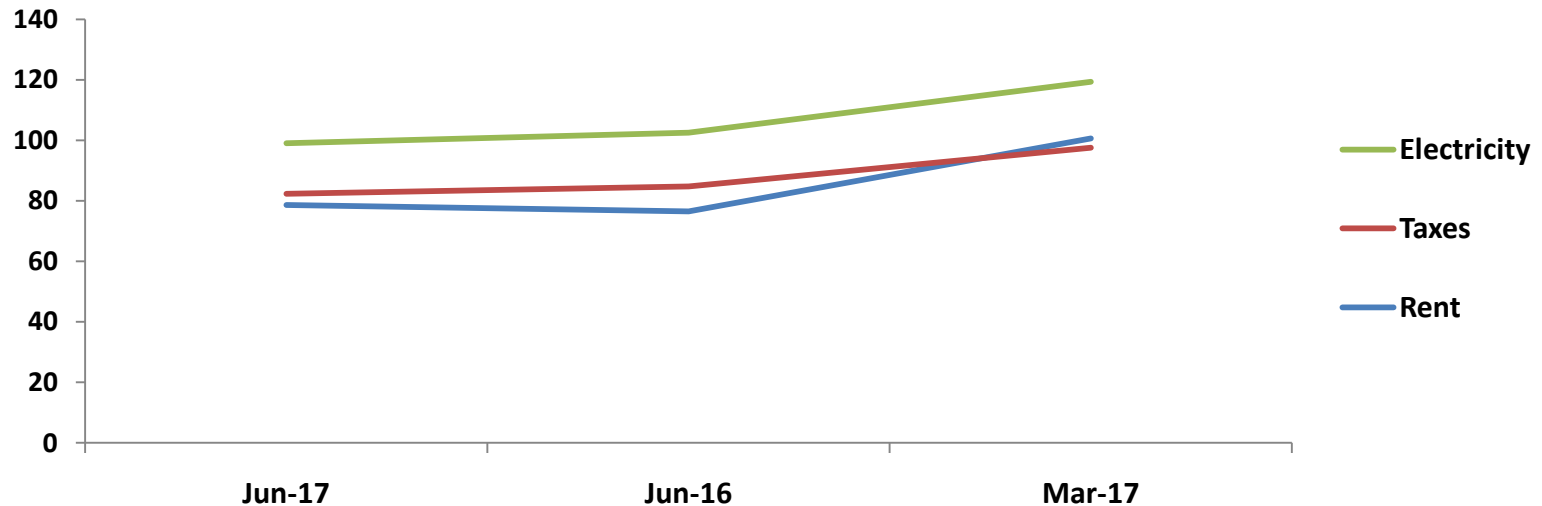


# Administrative Expenses

## Movement of Rent, Taxes and Electricity

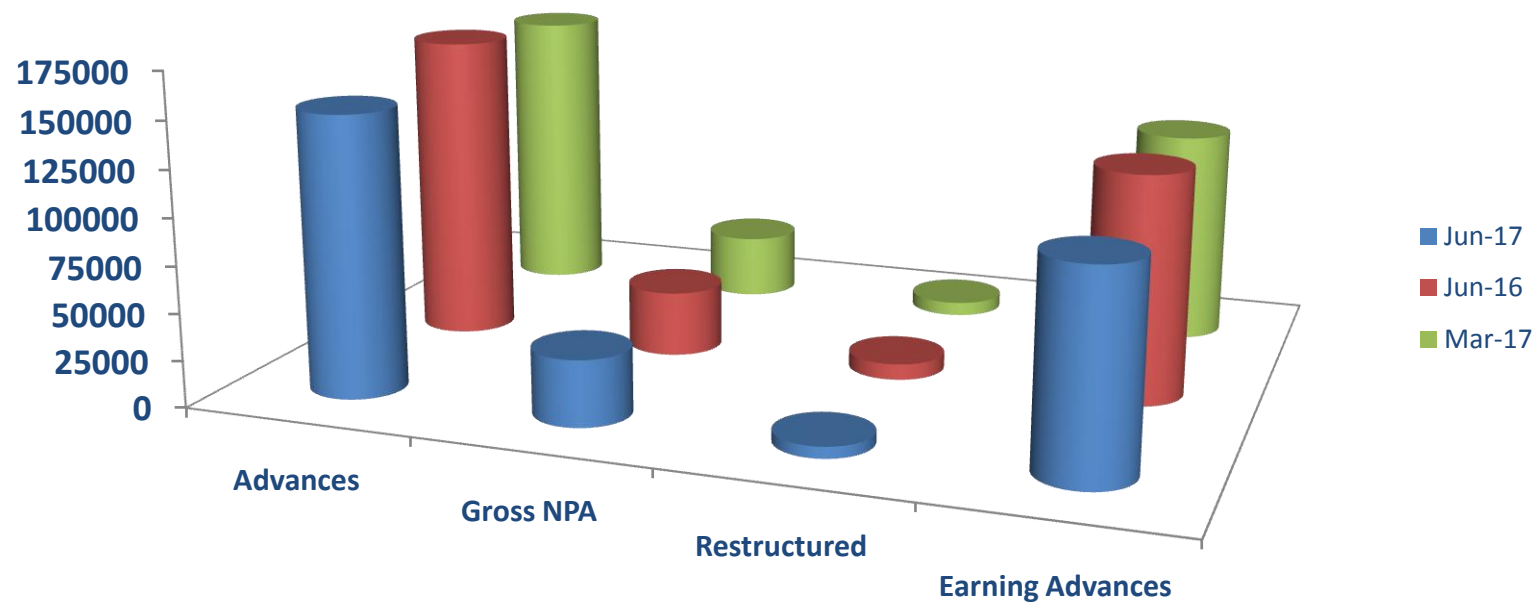
INR Crs

Expenses Head	Jun-17	Jun-16	Mar-17
Rent	78.58	76.45	100.65
Taxes	3.72	8.24	-3.10
Electricity	16.76	17.84	21.79



# Deployment and income

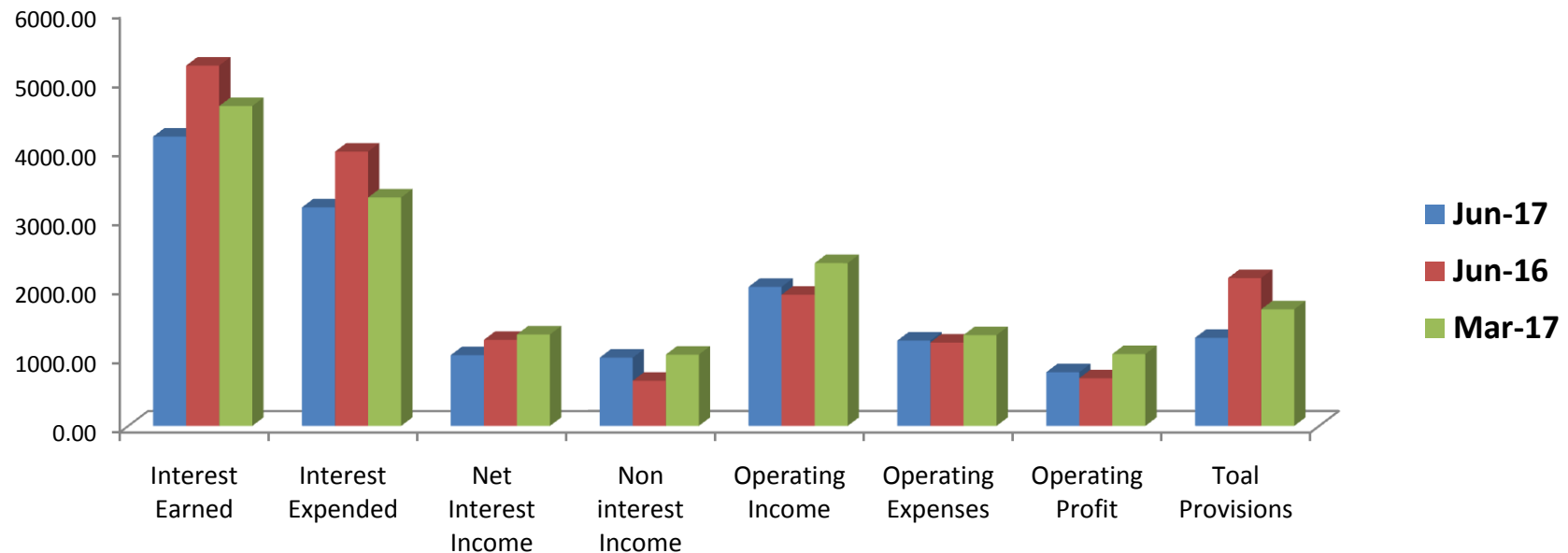
Particulars	Jun-17	Jun-16	Mar-17
Advances	150238	165556	156776
Gross NPA	35453	34502	35098
Restructured	6152	8545	7367
Earning Advances	108633	122509	114311
Yield on Advances	7.12	8.53	8.43
Yield on Funds	6.73	7.85	7.25



## Statistics - Movement of Income Earned

INR Crs

Particulars	Jun-17	Jun-16	Mar-17
Interest Earned	4187.20	5215.54	4629.58
Interest Expended	3162.59	3970.47	3305.64
Net Interest Income	1024.61	1245.07	1323.94
Non interest Income	987.30	652.90	1032.10
Operating Income	2011.91	1897.97	2356.04
Operating Expenses	1235.31	1207.42	1315.06
Operating Profit	776.60	690.55	1040.98
Toal Provisions	1275.69	2141.05	1687.64



# Asset Quality

# NPA Sequential Movement – 30.06.2017

**INR Crs**

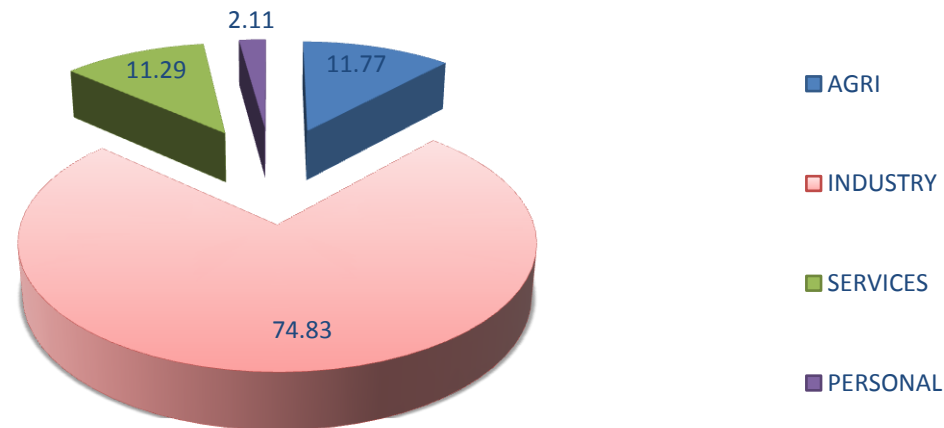
Particulars	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
OPENING GROSS NPA	30049	33913	34724	34502	35098
ADD Slippages	5330	2881	1892	3019	2720
LESS					
Cash Recovery	458	574	324	320	529
Upgradation	346	917	1106	955	758
Write Off	408	528	648	710	1343
Sale to ARC	253	0	0	172	0
of which Tech. Write off Sale					152
Exchange Fluctuation	0	51	0	148	2
De-recog. Interest	0	0	36	118	0
Total Reduction in NPA	1465	2070	2114	2423	2365
Provision for Bad & Doubtful Debts	11100	12393	13130	13812	14115
CLOSING GROSS NPA	33913	34724	34502	35098	35453
Net NPA	21321	20765	19901	19749	20165
Gross NPA Ratio %	20.48	21.77	22.42	22.39	23.60
Net NPA Ratio %	13.97	14.30	14.32	13.99	14.97
Provision Coverage Ratio %	47.61	50.19	52.17	53.63	53.09
NPA of Overseas Branches (Included in Gross NPA above)	3675	3651	3484	2577	1552
Gross Advances	165556	159522	153875	156776	150238

# Sectorwise Breakup of NPA

INR Crs

CATEGORY	NPA	% TO TOTAL DOMESTIC NPA
AGRI	3988.75	11.77
INDUSTRY	25361.17	74.83
SERVICES	3827.59	11.29
PERSONAL	715.66	2.11
<b>TOTAL</b>	<b>33893.17</b>	<b>100</b>
<i>OF WHICH COMMERCIAL REAL ESTATE</i>	<i>182.46</i>	<i>0.54</i>

% TO TOTAL DOMESTIC NPA





## Sectoral Slippages during the quarter 30.062017

INR Crs

AGRI & ALLIED ACTIVITIES	132.03
SERVICES	318.61
PERSONAL LOANS	141.2
COMMERCIAL REAL ESTATE	42.38
SUB TOTAL(A)	634.23
INDUSTRY	
OTHER METAL & METAL PRODUCTS	12.56
GEMS & JEWELLERY	0.97
Other Food Processing	0.08
TEXTILES	13.66
STEEL	288.99
MINNING	5.02
CHEMICALS,DYES,PHARMA& DRUGS	3.59
Paper & Paper Products	3.06
RUBBER, PLASTIC & THEIR PRODUCTS	3.46
All Engineering	897.89
OTHER INDUSTRIES	1112.18
SUB TOTAL(B)	2341.45
TOTAL SLIPPAGES DOMESTIC(A+B)	2975.68
OVERSEAS SLIPPAGES	5.03
<b>TOTAL</b>	<b>2980.71</b>

## NPA – Industrywise - Domestic

INR Crs

INDUSTRY	GROSS NPA	% TO TOTAL DOMESTIC NPA
COTTON/OTHER TEXTILES	1574.94	4.65
Iron & Steel	9926.98	29.29
Infrastructure	4254.28	12.55
Chemical Dyes Paints	696.55	2.06
Construction	246.45	0.73
Gems & Jewellery	174.97	0.52
Other Metal & Metal Products	680.45	2.01
Paper & Paper Products	376.23	1.11
Food Processing	252.54	0.75
Sugar	0	0
all other industries	7177.78	21.18
<b>TOTAL INDUSTRY</b>	<b>25361.17</b>	<b>74.83</b>

## Restructured Standard A/cs Sector-wise As On 30.06.2017

INR Crs

Sector	31.03.2017	31.03.2017	31.03.2017	30.06.2017	30.06.2017	30.06.2017
	Accounts	Amount	%	Accounts	Amount	%
Chemical & Pharma	2	168.51	2.29	2	164.66	2.68
Sugar	1	15.86	0.22	1	15.75	0.26
Textile	1	53.75	0.73	0	0	0.00
Iron & Steel	10	824.29	11.19	8	627.10	10.19
Auto & Ancillary	0	0.00	0.00	1	21.48	0.35
Paper	1	47.94	0.65	1	46.45	0.76
Food Processing	1	159.00	2.16	1	161.58	2.63
Engineering	3	904.88	12.28	2	270.98	4.40
Telecom	0	0.00	0.00	0	0.00	0.00
Metal Processing	0	0.00	0.00	1	67.20	1.09
Power	16	3829.11	51.98	14	3602.73	58.56
Airways	0	0.00	0.00	0	0.00	0.00
Electronic & Software	0	0.00	0.00	0	0.00	0.00
Cement	2	123.26	1.67	2	108.65	1.77
Logistics	0	0.00	0.00	0	0.00	0.00
Other industries	1	3.82	0.05	1	3.90	0.06
<b>Sub Total</b>	<b>38</b>	<b>6130.42</b>	<b>83.22</b>	<b>34</b>	<b>5090.48</b>	<b>82.75</b>

# Restructured Standard A/cs Sector-wise As On 30.06.2017 (Contd.,)

INR Crs

Sector	31.03.2017 Accounts	31.03.2017 Amount	31.03.2017 %	30.06.2017 Accounts	30.06.2017 Amount	30.06.2017 %
<b>Sub Total</b>	<b>38</b>	<b>6130.42</b>	<b>83.88</b>	<b>34</b>	<b>5090.48</b>	<b>82.75</b>
<b>SME</b>	<b>17</b>	<b>129.79</b>	<b>1.76</b>	<b>12</b>	<b>113.03</b>	<b>1.84</b>
Micro Finance	0	0.00	0.00	0	0.00	0.00
Infrastructure	10	878.50	11.93	8	800.39	13.01
Comm. Real Estate(CRE)	0	0.00	0.00	0	0.00	0.00
Trade	2	7.38	0.10	1	8.71	0.14
Agriculture	8	56.39	0.77	7	55.70	0.91
HL/EDU/Others	2	11.31	0.15	2	11.01	0.18
Real Estate (other than CRE)	2	109.65	1.49	1	30.06	0.49
Ceramic, Granite, marble	1	1.42	0.02	0	0.00	0.00
Rubber & Plastic	1	41.69	0.57	1	42.39	0.69
Gem & Jewels	0	0.00	0.00	0	0.00	0.00
<b>GRAND TOTAL</b>	<b>81</b>	<b>7366.55</b>	<b>100.00</b>	<b>66</b>	<b>6151.76</b>	<b>100.00</b>

## Restructured A/cs Asset Classificationwise

INR Crs

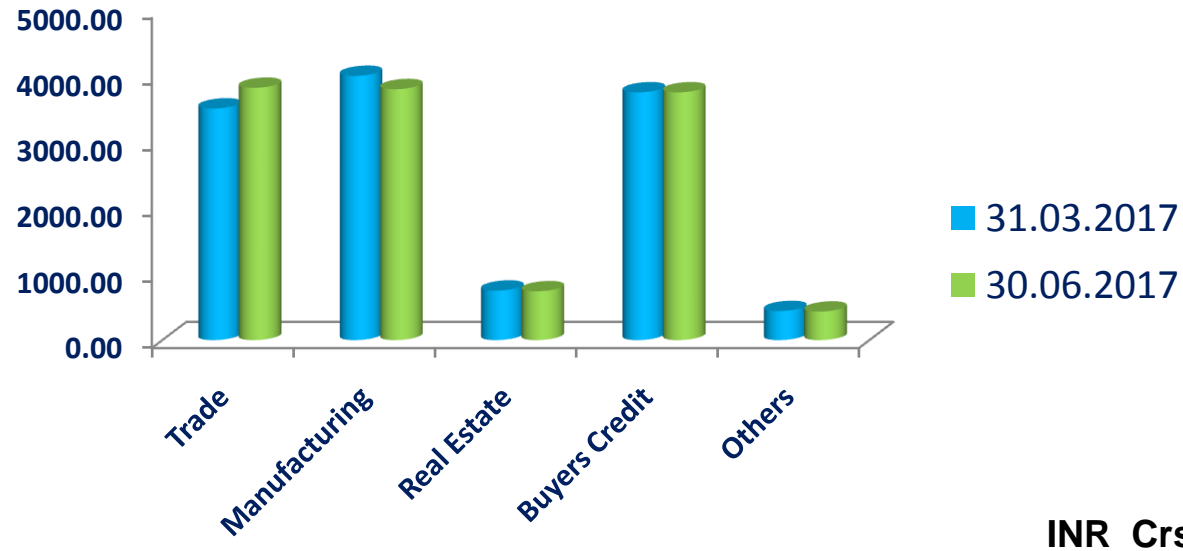
Asset Classification	No. of Accounts (31.03.2017)	Amount (INR Crs) (31.03.2017)	% to Total	No. of Accounts (30.06.2017)	Amount (INR Crs) (30.06.2017)	% to Total
Standard Assets	81	7366.54	52	66	6151.76	44
Sub-Standard Assets	32	1646.07	12	37	1228.08	9
Doubtful Assets	173	5091.24	36	195	6752.76	48
Loss Assets	1	0.47	0	1	0.46	0
<b>Total</b>	<b>287</b>	<b>14104.32</b>	<b>100</b>	<b>299</b>	<b>14133.06</b>	<b>100</b>

	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17
No. of A/cs slipped during the quarter	34	9	6	5	4
Amount in INR Crs	1115	463	136	182.87	868.34

**Movement of Restructured Accounts as on 30.06.2017  
(Includes All F.B. Facilities of the Borrower)**

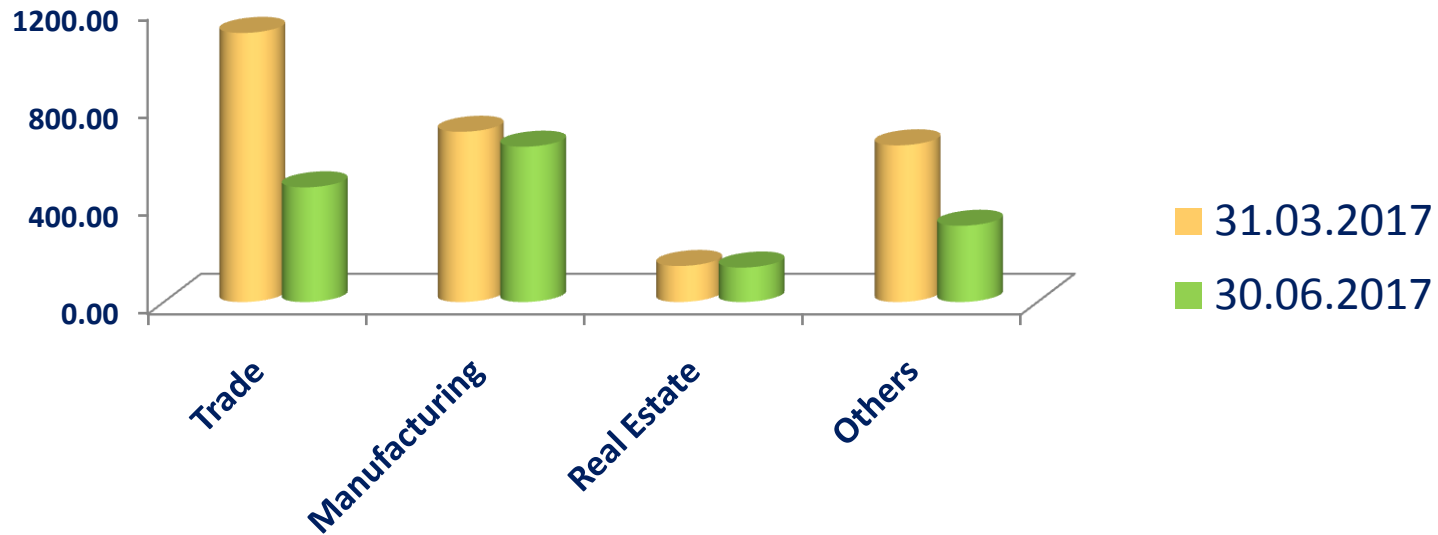
	INR Crs				
	Domestic			Foreign	Global
	> 1 crore	< 1 crore	Total		
<b>As on 31.03.2017 O/S</b>	<b>7364.90</b>	<b>1.64</b>	<b>7366.54</b>	<b>200.84</b>	<b>7567.38</b>
<b>Additions during Q1 FY 2017-18</b>	<b>186.25</b>	<b>3.27</b>	<b>189.52</b>	<b>53.28</b>	<b>242.80</b>
<b>Less: Recovery / Slippages During Q1 2017-18</b>	<b>1400.15</b>	<b>4.15</b>	<b>1404.30</b>	<b>0.00</b>	<b>1404.30</b>
<b>As on 30.06.2017 O/S</b>	<b>6151.00</b>	<b>0.76</b>	<b>6151.76</b>	<b>254.12</b>	<b>6405.88</b>

## Overseas Advances - Breakup



	INR Crs	
	31.03.2017	30.06.2017
Trade	3508.33	3821.11
Manufacturing	4002.07	3800.84
Real Estate	749.44	739.23
Buyers Credit	3752.32	3752.61
Others	440.54	431.85
<b>Total</b>	<b>12452.70</b>	<b>12545.64</b>

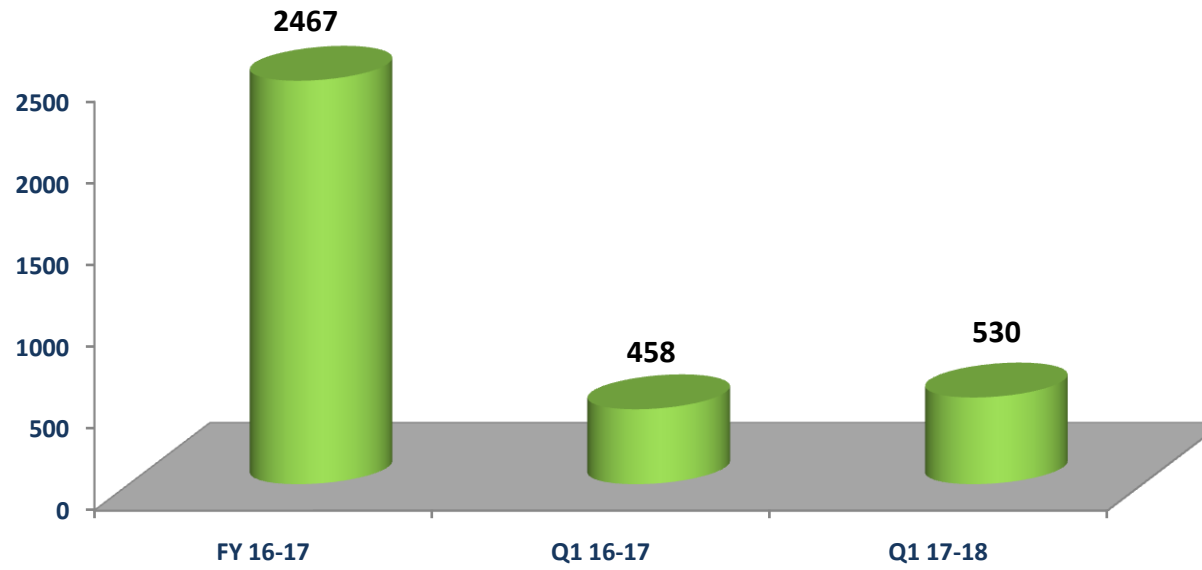
## Overseas NPA – Breakup



	INR Crs	
	31.03.2017	30.06.2017
Trade	1097.06	467.54
Manufacturing	694.04	633.16
Real Estate	146.91	140.42
Others	638.85	310.84
<b>Total</b>	<b>2576.87</b>	<b>1551.95</b>



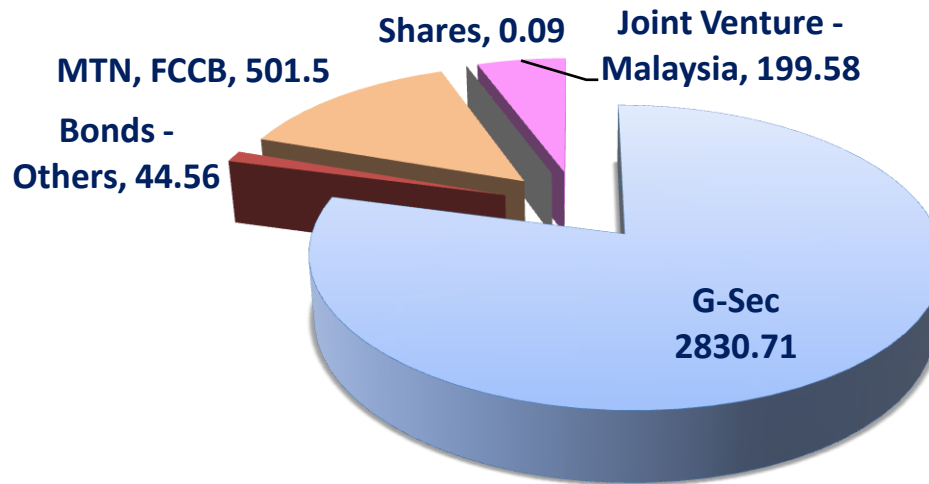
## Cash Recovery in NPA A/C



	<b>INR Crs</b>		
Particulars	Q1 17-18	Q1 16-17	FY 16-17
<b>(12 Mths)</b>			
Cash Recovery in NPA A/C	530	458	2467
<i>of which</i>			
Credit to P & L	106		275
Cash Recovery in Tech. Write off A/C	161	103	787
Cash Recovery in Write off A/C	0	1	7
Upgradation	758	346	3324
Write Off	1343	409	2295
Sale to A R C	152	253	425
Exchange Fluctuation	2	0	199
<b>Total</b>	<b>2784</b>	<b>1465</b>	<b>8710</b>

# Investments

# INVESTMENTS - Foreign As On 30.06.2017



Type of Investment	Book Value (Gross)	Rs. In Crores	
		Total	Provision
G-Sec	2830.71	0.51	
Bonds - Others	44.56	0	
MTN, FCCB	501.5	63.64	
Shares	0.09	0	
Joint Venture - Malaysia	199.58	0	
<b>Total</b>	<b>3576.44</b>	<b>64.15</b>	

# INVESTMENTS - Domestic

INR Crs

	AS ON 31.03.2017				As on 30.06.2017			
	AFS	HTM	HFT	TOTAL	AFS	HTM	HFT	TOTAL
SLR Investments	15,128.38	42,779.48	101.59	58,009.45	8,919.27	35,226.14	635.14	44,780.55
<i>of which</i>								
G-Sec	15,128.36	42,776.37	101.59	58,006.32	8,919.27	35,224.78	635.14	44,779.19
Other Approve Sec.	0.02	3.11	0.00	3.13	0.00	1.36	0.00	1.36
M Duration				6.09				6.50
Non SLR Investments	7,840.10	2,929.77	0.00	10,769.87	7,921.94	1,759.88	0.00	9,681.82
M Duration (Non SLR)				4.89				4.32
M Duration ( Entire Portfolio)				5.97				6.30
<b>Total</b>	<b>22,968.48</b>	<b>45,709.25</b>	<b>101.59</b>	<b>68,779.32</b>	<b>16,841.21</b>	<b>36,986.02</b>	<b>635.14</b>	<b>54,462.37</b>

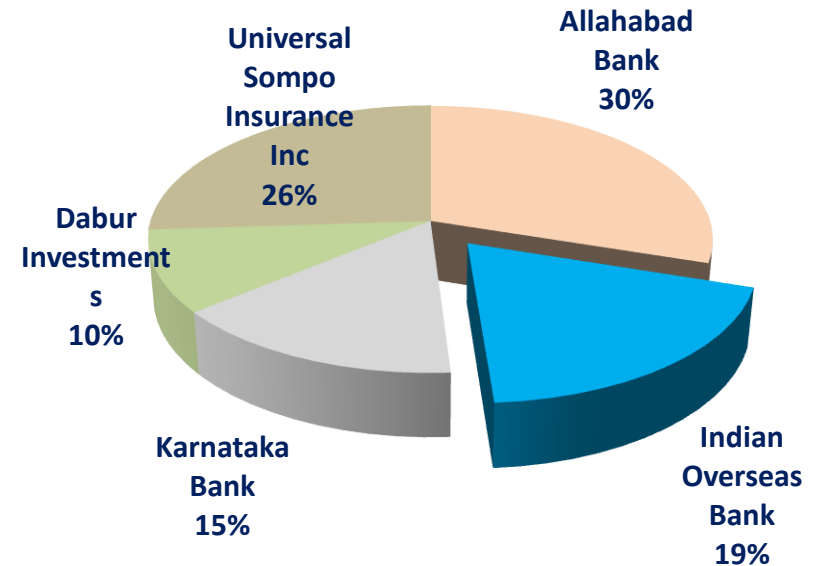
## INVESTMENTS – Domestic Q1 FY 2017-18

Net Investments (Domestic)	30.06.17 (Rs. Crores)	% of Total Investment	Regulatory %
SLR	44780.55	82.22	Total Non-SLR should not exceed 30 % of total Investments
Non-SLR	9681.82	17.78	
HTM	36986.02	67.91	
AFS	16841.21	30.92	
	HFT	635.14	1.17
Portfolio Duration (in Years)	6.52		Limit : 6.80
AFS & HFT (Trading Book) Duration (in Years)	3.49		Limit : 5.00

## Strategic Investments – Joint Ventures

IOB entered into Non Life Insurance Business with Universal Sampo General Insurance (USGI) Company Limited with equity participation of 19% along with the Following Banks and Institutions

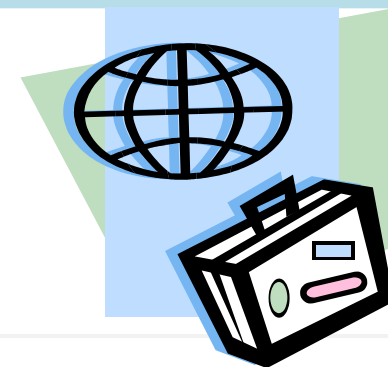
Joint venture Equity Contributors	%	INR Crs
Allahabad Bank	30	105.00
Indian Overseas Bank	19	66.50
Karnataka Bank	15	52.50
Dabur Investments	10	35.00
Universal Sampo Insurance Inc	26	91.00
<b>Total</b>	<b>100</b>	<b>350.00</b>



- The Company has entered into Bancassurance tie up with Allahabad Bank, IOB and Karnataka Bank.
- Our Bank has entered into Corporate Agency arrangements with effect from 20.12.08 for distribution of USGI products
- Bank earned net commission of Rs. 2.99 crore on Health Care Policy in the current financial year .

## Global Footprints – Foreign Branches of the Bank

Branches	Representative Office	J V Subsidiary	Remittance Centres
<ul style="list-style-type: none"> <li>❖ Singapore</li> <li>❖ Hong Kong Main</li> <li>❖ Hong Kong TST</li> <li>❖ Colombo</li> <li>❖ Bambalapitiya</li> <li>❖ Seoul</li> <li>❖ Bangkok</li> <li>❖ Sukhumvit, Bangkok</li> </ul>	<ul style="list-style-type: none"> <li>❖ Dubai</li> </ul>	<ul style="list-style-type: none"> <li>❖ Malaysia</li> </ul>	<ul style="list-style-type: none"> <li>❖ Singapore - Serangoon Road</li> <li>❖ Singapore - Boon Lay</li> </ul>



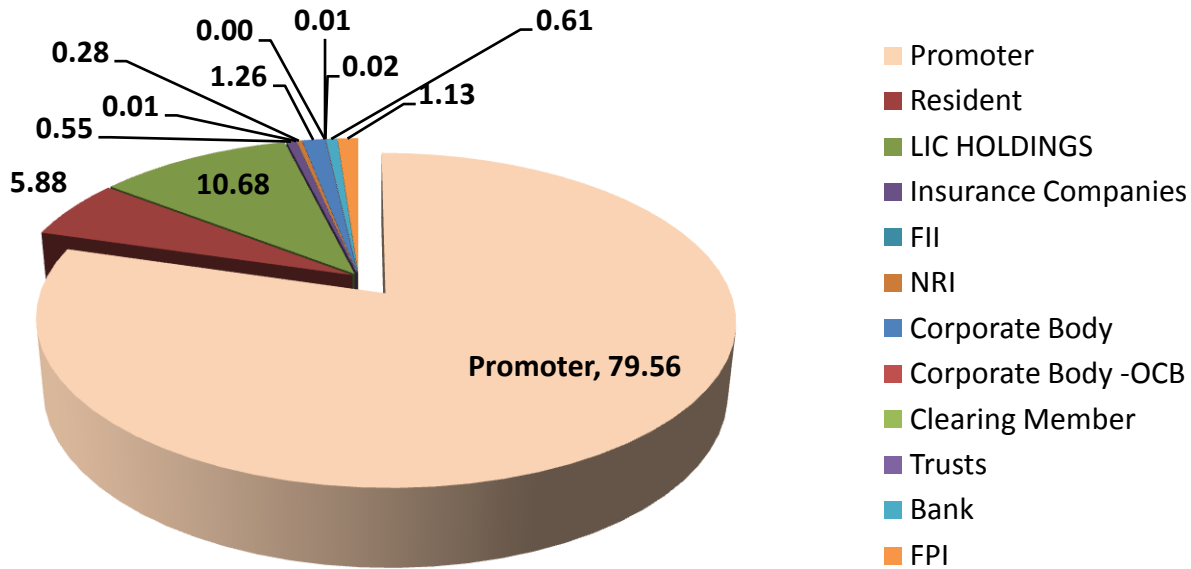
■ Malaysia: Joint Venture with Bank of Baroda (40%) and Andhra Bank (25%) with our Bank share of 35%

# Capital Structure



## Shareholding Pattern as on 30.06.2017

(In %)



**Government of India has infused a capital of Rs.1100 Crore in March 2017 For which funds are received and allotment is pending. With this GOI holding is Increased to 82.41%**

## DIVIDEND DECLARED AND PAID

YEAR	Interim Dividend	Final Dividend
2000-01		10%
2001-02		12%
2002-03		16%
2003-04	12%	8%
2004-05	14%	10%
2005-06		26%
2006-07		30%
2007-08		35%
2008-09		45%
2009-10		35%
2010-11		50%
2011-12		45%
2012-13		20%
2013-14	7%	5%
2014-15	-	-
2015-16	-	-
2016-17	-	-

## VALUATIONS

Particulars	Q1 17-18	Q1 16-17	FY 16-17
Earning Per Share (₹) (Annualised for Q3 & 9m)	-ve	-ve	-ve
Book Value Per Share (₹)	30.70	48.57	34.52
Adjusted Book Value per Share (₹) ([Net Worth - Net NPA]/No of Shares)	-51.45	-ve	-ve
Price / Book Value (₹)	0.80	1.35	0.77
Price / Adj. Book Value (₹)	-ve	-ve	-ve
PE RATIO	-ve	-ve	-ve

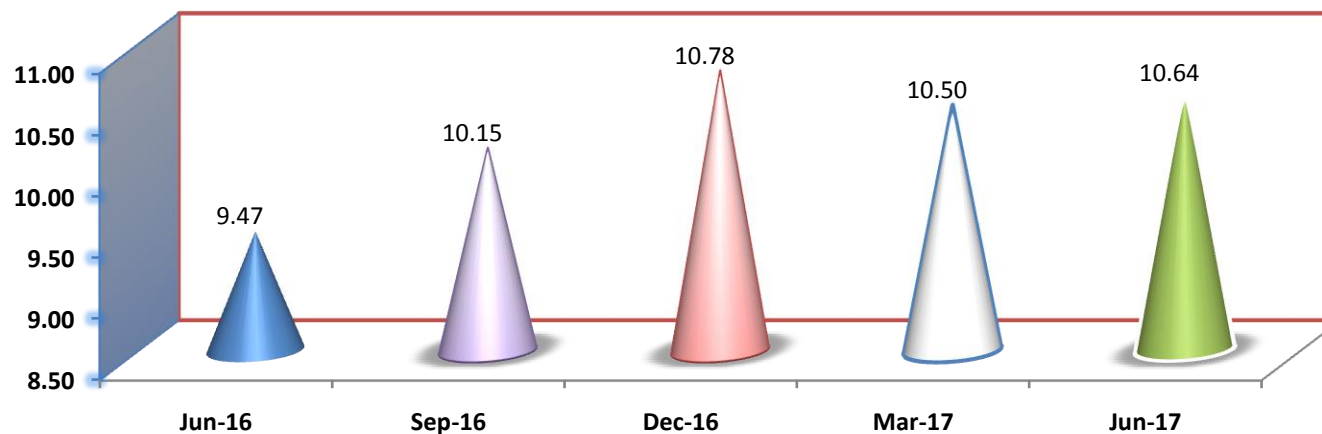
\* Price as on 30.06.2017 ₹ 24.70

# CAPITAL ADEQUACY

INR Crs

Particulars	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Common Equity Tier I	12472	13319.00	12699	12822	11891
Tier I Capital	13587	14419.00	13799	13892	12961
Tier II Capital	3823	3288.00	4153	3861	3746
Total Capital	17410	17707.00	17952	17753	16707
Total Net Assets (Terminal)	268312	251900.00	255085	247167	251782
Risk Weighted Assets	183871	174432.00	166567	169148	157010
CET I(%)	6.78	7.64	7.62	7.58	7.57
CRAR – TIER I (%)	7.39	8.27	8.28	8.21	8.25
CRAR – TIER II (%)	2.08	1.88	2.49	2.28	2.39
CRAR (%)	9.47	10.15	10.78	10.50	10.64

## CRAR (%)



# Turnaround Strategy

## Strategies for MSME

- **Introduced a “New Scoring Model for MSME”** on a pilot basis for the NEW MSME proposals amount ranging from Rs.2.00 lacs to Rs.2.00 crores, to facilitate the branches for selection of good entrepreneurs at the initial stage of processing itself.
- Implemented the **“Policy on Revival and Rehabilitation of MSME”** under the New Frame work effective from 01.07.2016.
- We have designed a new scheme **“IOB SME 300- DAILY”** which facilitates **Hassle free loan to the Micro entrepreneurs under MSME.** Borrowers can repay the loan in petty amounts on a daily basis through the Business Correspondents of the banks at their door step.
- **Activated all the SME Specialized branches** and advised them to improve the business under the MSME sector.

## Strategies to arrest slippages

Existing tools	Newly introduced tools
Daily report of SMA accounts with Exposure of Rs 5.00 Crs and above	SMA Portal with colour coding of all SMA accounts.
Online monthly review of SMA 1 and SMA2 accounts with exposure of Rs 5.00 Crs and above.	Using JAWS (Job Accessory With Speech) software
Monthly review of SMA 1 and SMA 2 accounts with exposure of Rs 40 Crs and above by GMs' Committee.	Follow up through call centers
Weekly report on probable slippages for the quarter	SMS Alert to SMA 0, SMA1 and SMA2 borrowers
Stock Audit / ERI / Overdue / Excess Reports	Report on limit expired. made available online.
	Letters to individual SMA 0, SMA1 and SMA2 borrowers followed by personal visits
	Capturing certain EWS through system (under development)
	Report on non financial issues prompting slippage (under development)

## Major Initiatives taken and its Impact

### Compliance

- Full fledged compliance team formed and RBI RBS stand addressed
- ADF ( automated data flow )and the data submission to RBI automated
- level of compliance improved with increased oversight at every level including the Board by introducing effective monitoring and reporting mechanism
- PCA achievement has improved with monthly monitoring by Board.
- ACE has been made mandatory and it enhanced the ACB oversight

### Credit expansion

- Retail vertical created in the bank with Retail loan scoring model and end to end digital processing of retail loans
- MSME strengthened and branch level sanctions introduced

## IT Initiatives

### Core Banking Solution

- The Bank has successfully migrated all the Overseas Branches except Seoul to Finacle 10.2.17 version.

### Developments in CBS

- Online Retail Loan Processing in Intranet
- Clean Loan & Vehicle loan – online credit processing implemented.
- Data Archival Solution for CBS(Domestic) Implemented
- Finacle menu for generation of CRCC reports enabled



## IT Initiatives – Cont..d - 2

# Digital Banking



- IOB PAY - a comprehensive fee payment platform made live which onboards merchants and educational institutions for e-Payments.
- USSD(\*99#) – IMPS Using Aadhaar: Currently, IMPS in USSD can be done in any of the following ways : Using Account number (or) Using MMID
- UPI - Bank has gone live as issuer in BHIM app of GOI. UPI mobile app of the bank has been implemented in Closed User Group
- PrePaid Card: VISA Prepaid Cards are launched
- BBPS - All types of Utility Payments can be done through BBPS in [www.iob.in](http://www.iob.in) and our Internet banking [www.iobnet.co.in](http://www.iobnet.co.in)
- E-TDS/ Interest Certificate/Account statement-Customers can download E-statement for SB and Current account. Deposit TDS and interest details, Interest certificate for loan accounts can also be downloaded. Suitable authentication mechanism has been put in place.

## IT Initiatives – Cont..d - 3

### Payment Gateway

- Our bank's Payment gateway is offered through M/s FSS under OPEX model. The payment gateway switch is connected to our YSE switch for validation. Around 80 direct merchants and 4 merchant aggregators are connected to our payment gateway. The payment gateway application is PCIDSS compliant.



### Mobile Banking

- Both for Windows OS mobiles and Android OS mobiles.
- USSD by dialing \*99#
- Funds transfer thro' IMPS (Immediate Payment Service) is made available to customers through USSD.
- Mobile POS at 13000 Plus merchant locations across the country
- Currently, GPRS POS terminals has been launched with the following variants.
  - Digital GPRS POS – receipt will be sent as SMS
  - Non-Digital GPRS POS – printed receipt will be generated
- With the recent less-cash thrust, GPRS POS terminals are being deployed across the country in an aggressive manner.
- Deposit Opening through Mobile Enabled.
- IOB Connect an all-in-one Android Mobile app has been launched.

## IT Initiatives – Cont..d - 4

### Other Developments



- **Biometric attendance implemented PAN India**
- **In house developed FINS for forex transactions has been developed for overseas and is deployed in Bangkok, Hong Kong and Singapore for testing. Post confirmation and testing the same will made online.**
- **SOC infrastructure put in place and has implemented majority of the products for monitoring.**
- **A comprehensive standard grievance redressal portal is developed and made available with all the Alternate Delivery Channels (ADC)**

## Strategies to achieve targets

CREDIT	NON CREDIT
Focus to sanction capital efficient growth (A, AA, AAA rated accounts)	To insist on maintaining Escrow accounts to get CASA
Increased exposure in Government guaranteed accounts (20% Risk Weight)	To tap wallet share of clients (Retail, insurance, Digital Products)
Tap quality Assets in Liquirent / Residential Projects.	To insist for fair share of NFB and Forex Business
Cautious approach in stressed sectors/ industry.	Branch wise targets fixed taking into account the present exposure and scope available in the command area
Bring down the TAT of proposals	47 additional branches with potential identified to improve lending under the Mid Corporate segment



# Retail Credit (Breakup)

INR Crs

Sector	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
<b>Retail Credit</b>	<b>22,828</b>	<b>21,513</b>	<b>20,304</b>	<b>23,887</b>	<b>22,508</b>
<b>of which</b>					
<b>Housing Loans</b>	<b>9,099</b>	<b>9,157</b>	<b>8,755</b>	<b>9,614</b>	<b>9,788</b>
<b>Vehicle Loans</b>	<b>1703</b>	<b>1804</b>	<b>1852</b>	<b>2068</b>	<b>2217</b>
<b>Educational Loan</b>	<b>4,532</b>	<b>4655</b>	<b>4,708</b>	<b>4,792</b>	<b>4,861</b>
<b>Personal Loans</b>	<b>1,823</b>	<b>1810</b>	<b>1,727</b>	<b>3,876</b>	<b>3,713</b>
<b>Liquirent</b>	<b>1,657</b>	<b>1599</b>	<b>1,315</b>	<b>1,445</b>	<b>1,446</b>
<b>Core Retail Total</b>	<b>18,814</b>	<b>19,025</b>	<b>18,357</b>	<b>21,795</b>	<b>22,025</b>
<b>Jewel Loans</b>	<b>3,282</b>	<b>2,488</b>	<b>1,947</b>	<b>236</b>	<b>483</b>
<b>Other RetailLoans</b>	<b>733</b>			<b>1,856</b>	

