



इण्डियन ओवरसीज़ बैंक  
Indian Overseas Bank

*Good People to Grow With*

*Touching Hearts Spreading Smiles*

*since 1937*

*Presentation to Analysts*  
*March 2013*  
*(in INR)*



*75 Years of Quiet & Dignified Service to the Society*

*Good People to Grow With*

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## FIRST 50 YEARS

1937	Opening of Bank Branch simultaneously in India & Abroad
1938	Opening Branch in Kuala Lumpur
1941	Opening Branch in Singapore
1945	Opening Branch in Colombo
1955	Opening Branch in Hong Kong
1957	Bank established its own training centre
1960s	Was a decade of inorganic expansion for the Bank. The Bank took over: The Coimbatore Standard Bank Ltd., The Nanjinnad Bank Ltd., The Coimbatore Vasunthara Bank Ltd., The Kulitalai Bank Ltd., The Srinivasaperumal Bank and The Venkateswara Bank
1964	Inauguration of IOB's Head Office in Mount Road – A monument of highest banking tradition
1969	Nationalisation of the Bank
1973	Formation of United Asian Bank Berhad (Indian Bank / IOB / United Commercial Bank)
1974	Official Language Department established in 1974
1977	Bank opened its Tsim Tsa Tsui Branch at Kowloon side of Hongkong
1984	1000 <sup>th</sup> branch – Commercial & Industrial Credit – opened
1990	Took over Bank of Tamilnad
1991	Bank moved its Staff College premises to a own spacious learning zone at Koyambedu
1996	Banks profit reached INR 100 cr. For the first time

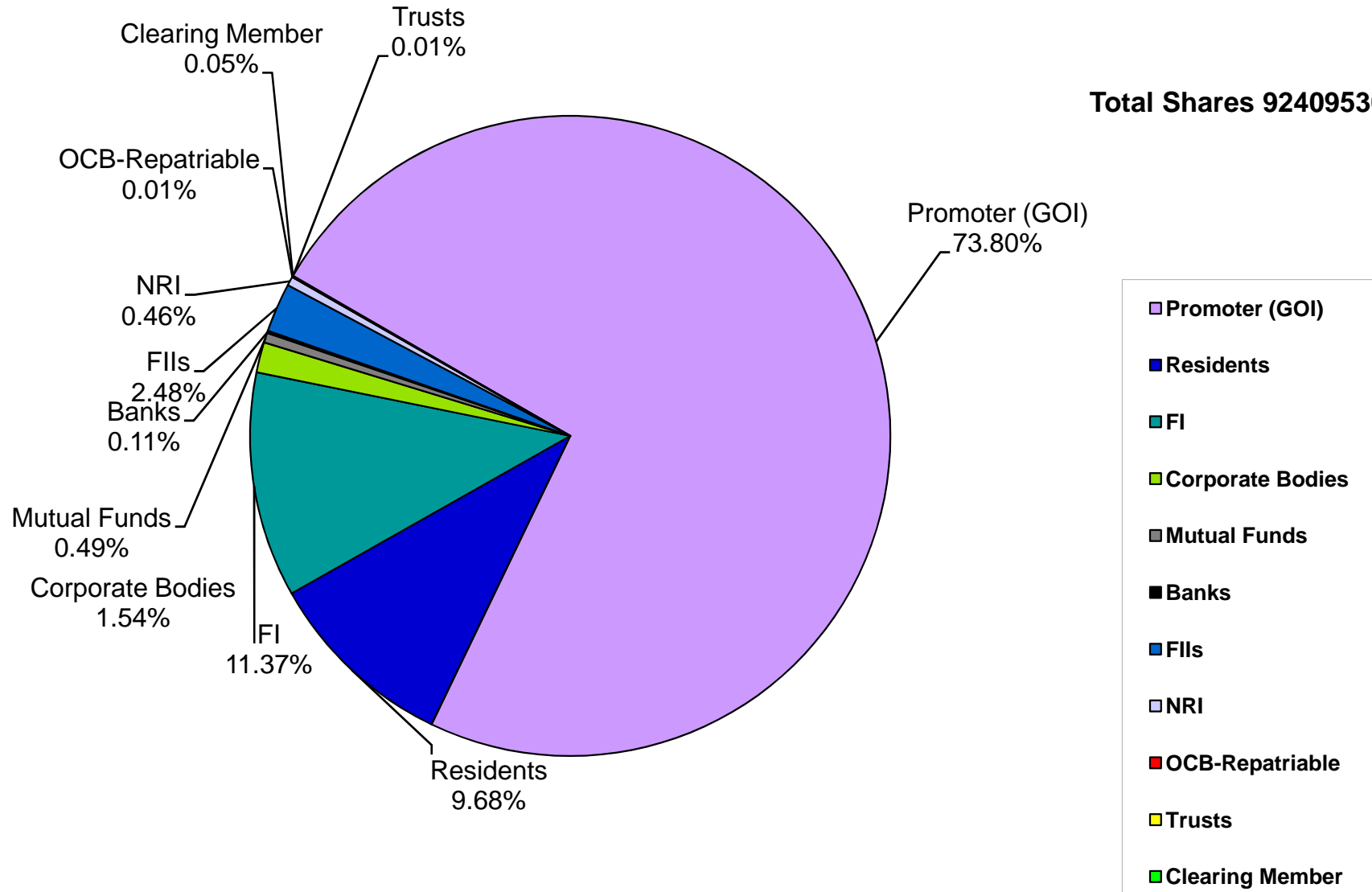
# Milestones - IOB Young at 75 Years

## NEXT 25 YEARS

2000	Initial Public Offer
2003	Follow on Public Offer
2005	Launched Debit Card
2006	Launched VISA Card
	Launched Retail Sale of Gold , Non Life Joint Insurance
	Bank reached INR 1 lac crore mark in Total Business
2006-07	Net Profit reached INR 1000 Cr.
	Bharat Overseas Bank Ltd. Was merged with IOB
	Total branches reached 1800
2007	First Off site ATM at Kamatchi Hospital, Chennai
2009	100% CBS
2010	2000 <sup>th</sup> Branch - Yamuna Vihar, New Delhi - opened
2011-12	No. of Branches in Tamil Nadu reached One Thousand
2011-12	IOB celebrated Platinum Jubilee
2012-13	Total Deposit reached INR 2,02,135 cr.
	Total Advances reached INR 1,64,366 cr.
	Total Business Mix is at INR 3,66,501 cr.
2012-13	Total No. of Branches as on 31.03.2013 is 2908
2012-13	Received National Award For Excellence in MSME Lending and for outstanding performance for implementing PMEGP programme in South Zone.
2012-13	Received BANKERS' EXCELLENCE AWARD from <u>ROTARY INTERNATIONAL, USA</u>

# Investor Profile – Shareholding Pattern (%) as on 31.03.2013

Total Shares 924095300



# Global Footprints – Foreign Branches of the Bank

Branches / Extension Counter	Representative Office	J V Subsidiary	Remittance Centres
❖ Singapore	❖ Guangzhou – China	❖ Malaysia	❖ Singapore - Serangoon Road
❖ Hong Kong Main	❖ Vietnam		❖ Singapore - Boon Lay
❖ Hong Kong TST	❖ Dubai		
❖ Colombo			
❖ Seoul			
❖ Bangkok			
❖ New Kathiresan Temple Extension Road-Colombo (EC)			

- Malaysia: Joint Venture with Bank of Baroda and Andhra Bank
- The bank is awaiting RBI permission to upgrade its Representative Offices at Dubai, Vietnam and China into full fledged branches.
- During February 2013, Bank has obtained RBI permission for opening a branch at Sukhumvit, Bangkok and for opening an FCBU in Colombo.
- Ministry of Finance, Government of India has allocated the following overseas centres for opening of overseas JV/WOS by the Bank. 1. Thailand, 2. Vietnam, 3. Mongolia, 4. Srilanka and 5. Republic of Korea.

# Strategic Investments - Joint Ventures

- IOB entered into Non Life Insurance Business with Universal Sompo 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 Sompo Insurance Inc	26	91.00
<b>Total</b>		<b>350.00</b>

- The Company has entered into Bancassurance tie ups 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 INR 2.95 crores up to 31.03.2013 compared to INR 1.80 crores up to 31.03.2012 from Health Care Policies
- During the current year up to 31.03.2013, the Bank earned commission from Non Life Sompo (Asset) insurance INR 8.00 crores compared to INR 6.07 crores up to 31.03.2012.



# Credit Rating – International & Domestic

Rating Agency	Rating	
Standard and Poor	BBB- / Negative / A-3	BBB- Adequate capacity to meet its financial commitments A-3 Adequate capacity to meet its financial obligations
CRISIL	AA+ for all Bonds	High Safety
ICRA	AA+ Lower Tier II Bonds/Outlook Negative	LAA+ High credit quality Low credit risk
CARE	AA+ Lower Tier II Bonds	AA+ 1)ownership by Government of India & Support from GOI 2)IOB's large scale operations 3)Adequate capitalisation 4) Healthy resources 5)Ability to improve spreads
ICRA	AA upper Tier II & Perpetual Tier I/Outlook Negative	LAA High credit quality & Low Credit Risk
CARE	AA upper Tier II & Perpetual Tier I	AA High safety for timely servicing of debt obligations Very low credit risk
Moody	Baa 3/Outlook Negative	Moderate Credit Risk

- ② Business touched INR 3,66,501 Crores ( **YoY Growth 13.92%**)
- ② Deposits stood at INR 2,02,135 Crores (**YoY Growth 13.28%**)
- ② CASA stood at 26.51%
- ② Advances is INR1,64,366 Crores (**YoY Growth14.72%**)
- ② Operating Profit for FY stood at INR 3,817.01Crores (**YOY Growth 8%**)
- ② Net Profit for FY stands at INR 567.23Crores
- ② Provision Coverage Ratio stood at 58.89%

- **Awards and Accolades :**

- During the year, our Bank was awarded the “SAP ACE award for Database Use” by SAP and
- “Skoch Digital Award for Technology” by Skoch in recognition of its Technology initiatives.

- **Initiatives taken**

- **Core Banking, Internet Banking Software is developed in house :**

- Our Bank stands tall, in developing our own CBS software and internet Banking software, UNIQUE in the Indian Banking Scenario.
- It has stood the test of time and scaled up to accommodate 100% of the bank’s business. Our CBS software ‘CROWN’ implemented in both RRBs sponsored by the BANK. All branches are enabled for NEFT/RTGS. NEFT is implemented in both RRBs.
- Our Information Technology Department is ISO:9001:2008 certified.
- All the Overseas branches under a common CBS platform-MIDAS PLUS Core Banking Software of M/S Misys Ltd., under HUB and SPOKES Model, with the HUB at Singapore. At present, Singapore, Bangkok and Sri Lanka branches are brought under Midas Plus CBS software.

- **Alternate Delivery Channels :**

- As on 31.03.2013 our Bank has 1883 ATMs spread across the country, of which 1164 are onsite, 719 ATMs are off-site of which 44 are at various Railway stations. Our bank is a member of NPCI and VISA consortiums. The average number of ATM transactions per ATM per day is 83. Under the new GOI Directives, a common RFP was floated for selection of vendors for ATM deployment and maintenance. We have installed 247 cash dispensers under the new RFP, as at the end of March 13.
- **Internet Banking :** Bank has home-grown Internet Banking suite, which has contemporary offerings; Opening of Term Deposits, Funds Transfer using NEFT through Internet Banking have been enabled.
- E-PAYMENT of following state VAT has been made online.



- i)Lucknow, ii)Delhi, iii)Maharashtra (GRAS) (Multi Dept. Portal), iv) Pondichery, v)Karnataka, vi) Andhra Pradesh, vii) Tamilnadu, viii) Jharkhand and ix) West Bengal which ensures float funds for the Bank.
- E-payment of West Bengal GRIPS (Govt. Receipt Portal System) for collection of Tax and Non-Tax revenue systems such as Professional Tax, Land and Land reforms, Registration and Stamp Revenue, Excise, Commercial Taxes, VAT, Motor Vehicle Tax etc., are made online. Ours is the first Bank to provide this service in West Bengal.
- Payment of port charges has been enabled for Chennai and Tuticorin Ports which ensures float funds for the Bank.
- Multiple scheduling of payments to SB/CDCC/RD/ loan accounts on the lines of branches has been introduced in internet banking. This is a unique feature and not available in most banks
- E-Accounting system for electronic remittance to customs by Importers is enabled through our Internet Banking.
- Average number of registrations per month during 2012-13 is 9100 and the cumulative registrations upto March 2013 is 5,27,712.
- **Payment Gateway** : Payment Gateway for payment of utility bills like mobile payment, insurance premium, other banks' credit cards, telephone bill payments etc., using debit cards has been implemented. Loyola College, Chennai, Madras Christian College, Amet University and TN MGR Medical University has been brought under payment gateway with netbanking, debit and credit cards and other bank VISA cards for payment of college fees. The average number of transactions per month during 2012-13 is 41000.
- **Mobile Banking** : Our Mobile banking enables funds transfer between accounts, payment of credit card dues, booking of air and movie tickets, payments to post paid mobiles / DTH, suspension of ATM/Debit cards and demat services in addition to the query services like transaction status, balance enquiry in SB, deposit and Loan accounts. ATM and branch locators are also enabled.

The cumulative number of accounts registered since inception is 21,534 and 1,29,490 transactions have been put through. We have launched mobile android app for displaying our branch products. It also has ATM/branch locator. Customer complaint through Mobile implemented.

- Online opening of Savings Bank accounts and Deposit has been enabled through our website [www.ioab.in](http://www.ioab.in).
- **Infrastructure Space**
- Our Bank is the first bank to establish 3 Data Centres setup to ensure Zero data loss among the Public Sector Banks.
- Our Bank has provided alternate connectivity to all our Data Centres and also to the branches wherever feasible through alternate service providers/medium.
- Connectivity for Ultra Small Branches is provided through a WAN based broadband 3G modem/ Data cards. 420 branches in 32 Regional Offices started using data cards.
- **Product Space**
- With a view to increase Security, Biometric solutions were procured and implemented across all our branches facilitating foolproof operational safety at all our branches. The solution envisages capturing biometric information of all CBS branch users storing the same in a database and authenticating the user every time he logs into the CBS. **We are one of the first bank to implement biometric authentication successfully.**
- **GENNEXT** Branch to cater to the needs of techsavvy younger generation of customers has been opened in Chennai, Bangalore and Manipal.
- **CTS** : Cheque truncation system has been implemented in Chennai, NCR, Delhi, Coimbatore, Bangalore, Trivandrum, Puducherry, Hyderabad, Chandigarh, Salem, Erode and Trichy covering 575 branches upto March 2013.
- **Aadhar** registration through our branches has been enabled. Aadhar Bridge payments have also been enabled.



- **Financial Inclusion Project** : Our Financial inclusion application enables funds transfer, deposits and remittances towards advances in real time and it is also interoperable enabling any customer to transact through any Business Correspondent.
- e-BRC (e bills realization certificates) for Director General of Foreign Trade is being uploaded directly from the system.
- **Online Loan Processing** : Upgradation of RAM Rating facility from CRISIL along with integration of Loan Appraisal Software has been implemented.
- **City Back Office** : For centralized opening of accounts and centralized processing of inward clearing, so far 31 CBOs have been opened as on March 2013 for processing of inward clearing cheques.
- Central Plan Schemes Monitoring System (CPSMS) : CPSMS is a project initiated by Department of Expenditure, Ministry of Finance, Government of India, primarily to track the disbursement of funds to the ultimate beneficiaries. Our Software for processing and accepting these funds through our Bank is already in place.
- **GePG** (Government E-Payment Gateway) has been implemented to disburse bulk payments from Central Government departments to Central Govt. employees/vendors through our bank's NEFT platform.
- Our Bank has 442 POS terminals installed till March 2013 and number of monthly average POS transactions up to March 2013 is 5000 and average monthly amount of transaction is Rs.1.95 crores. The POS transactions using our debit cards have been 3.43 lacs average per month and average amount of POS transactions using our Debit cards is 75.21 cr. Per month.
- Our Bank has introduced e-kiosks and installed 102 kiosks in branches and ATMs.
- We have launched VISA international Gold / Platinum / signature cards for high net worth customers and have so far issued more than 1500 such cards to our customers.



- We have also launched kisan debit cards to our agricultural customers to enable them to draw the loan proceeds through ATMs. We have as at the end of March issued more than 91000 cards to various customers.
- Student cards have also been introduced.
- Corporate connectivity has been introduced with SAP-ERP solution, which enables corporate to reconcile online, authorize on-line transfer of funds, e-presentment of bills, on-line trade finance etc., The Pilot run has been completed.
- We are the only Nationalized Bank to collect Chennai Corporate tax across counters.
- We have introduced direct remittance facility at our overseas branches.
- **Data Warehousing** : Data relating to 12 years have been ware-housed and moved to Oracle-Essbase.
- **Business Intelligence** : We have introduced Oracle-Business Intelligence Suite, reportedly first Bank to do so, which gives interactive Dash Boards, alerts, analytics etc., Many returns have been generated using BI tool to reduce the work load of the branches.
- **Other Initiatives** :
- **IT Governance Initiatives** :
- **IT Organization Structure** : For effective IT Governance, a Board level IT Strategy Committee and a Top Management level IT Steering Committee have been formed in addition to the existing IT security Committee headed by the Executive Director of the Bank and an IT Technology Committee with external consultant from IIT, Chennai.

- Policies like Information Security Policy, IT Outsourcing Policy, IT Purchase Policy and Manual , Disaster Recovery and Business Continuity Plan, IS Audit Policy , Data Ownership Policy, Data Retention Policy and Data Archival Policy have been put in place.
- **Knowledge Portal :**
- A knowledge Management Kit is deployed in our Bank's intranet which facilitates all employees to have direct access to all latest RBI guidelines / Circulars, important enactments, Court Judgment etc., Many public websites are also linked to through portal.
- **Green Initiatives :**
- Paperless Banking Initiatives : As a step towards paperless banking initiative, we have implemented Microsoft SharePoint which enables the members to access the Agenda papers through their IPADs using Wi-Fi. All agenda papers are ported on the website and no notes need be carried by the members.
- Introduction of Internet Banking / Mobile Banking, Debit and Credit Cards, remittance through RTGS /NEFT have effectively reduced/ dispensed with vouchers at the branches.
- We have provided IP telephones which has effectively cut down our Phone Bills.
- RTGS/NEFT implemented in all branches. Straight Thru Processing introduced. Account number based credit is given.
- NEFT implemented in both RRBs sponsored by the Bank.
- The Bank has been taking various initiatives towards saving precious natural resources and energy by adopting the latest technological advances. Video Conferencing is very widely used – both for Top Management level meetings / promotion interviews / performance reviews and for virtual classrooms.



- Payment made by the Bank to its various vendors are effected electronically.
- Open Communication System (OCS) has been rolled out in 343 district headquarters, 50 Regional Offices and RCCs across the country, enabling them to interact live.
- All staff members can submit Asset Liability Statement & Annual Performance Appraisal report (APAR) online as registered login users provided in the bank's intranet.
- Leave Online Module for supervisory employees has been made online in CHRIS package on pilot basis for PAD,IRD, HRDD and ITD. On stabilization it will be extended to others.
- Telephone and mobile bills at Central Office are reimbursed through online application utility ported in the bank's intranet.
- **How the initiative contributed to the success of the organization :**
- Developing software in-house resulted in perfect alignment of business and IT aspirations, reduced cost, increased agility and nimble footedness and the all-important flavor of domain knowledge.
- 3-way DR has revolutionalized the BCP-DR readiness of the bank.
- Apart from introducing network redundancy, this has given us double-bandwidth at half the cost, because of the competition.
- The excess bandwidth has been tapped to introduce Video Conferencing and IP – Video / Audio telephony thereby enhancing reach, at reduced cost. Since, IP telephony is introduced to 3 of our overseas branches, the benefit is absolute.
- Bank has all the products in its repertoire, as USP for the Bank.
- Business Intelligence has enhanced the quality in Decision Making. Our Bank's implementation of Business Intelligence application has been awarded the Skoch Digital Inclusion Gold Award during September 2012.

- **IT Security :**
- Information System Security Policy conforms to ISO Standards.

# Major Business Parameters

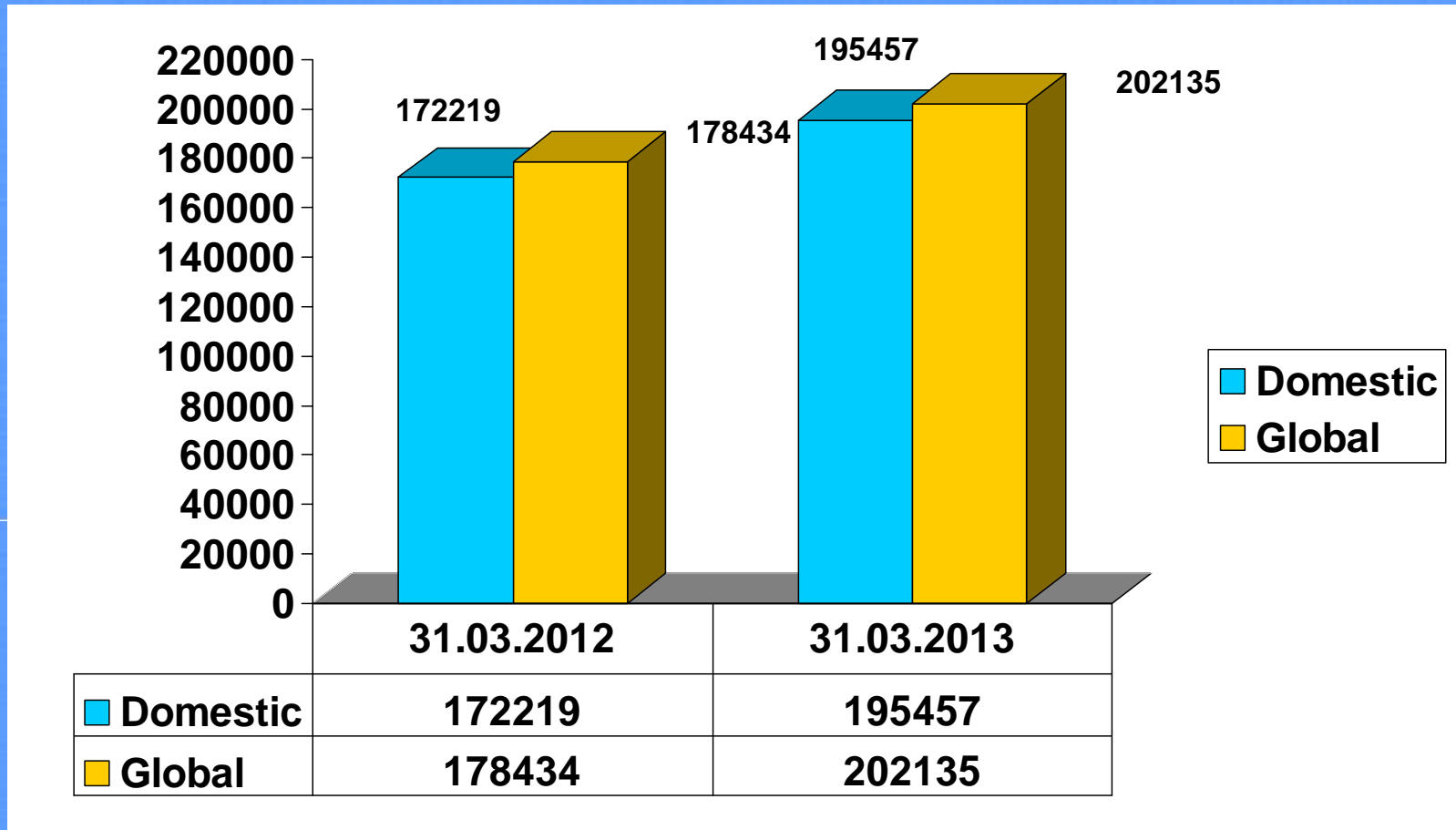
Quarter ending

INR Crs

Key performance indicators	Mar 2012	June 2012	Sep 2012	Dec 2012	Mar 2013
Business Mix	3,21,707	3,33,250	3,42,508	3,43,186	3,66,501
Deposits	1,78,434	1,84,884	1,89,115	1,85,573	2,02,135
Advances (Gross)	1,43,273	1,48,366	1,53,393	1,57,613	1,64,366
Operating Profit	1,002	847	807	1,017	1,146
Net Profit	529	233	158	116	59
NIM (%)	2.74	2.59	2.33	2.51	2.30
Gross NPA	3,920	4,410	5,930	6,516	6,608
Net NPA	1,907	2,152	3,378	3,595	4,027
Return on Assets (%)	0.72	0.41	0.27	0.19	0.09
Return on Equity (%)	24.13	9.41	6.32	4.62	2.23
Book Value (INR)	123.05	125.98	125.79	127.25	117.68

# Deposits

INR Crs

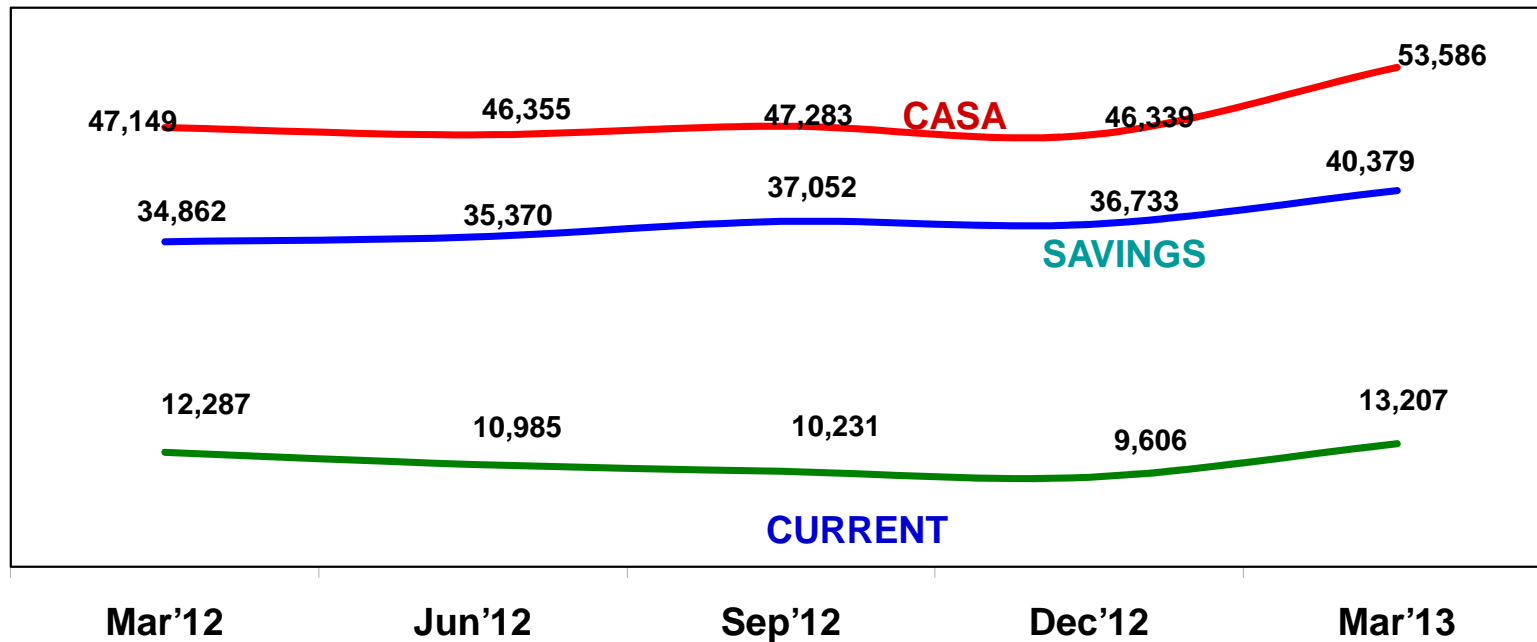


<p><b>Domestic Deposits</b> ❖ Y-o-Y Growth:13.49%</p>	<p><b>Global Deposits</b> ❖ Y-o-Y Growth:13.28%</p>
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# Deposits - CASA



INR Crs



## Current Deposits

❖ Y-o-Y Growth: 7.49%

## Savings Bank

❖ Y-o-Y Growth: 15.83%

## CASA

❖ Y-o-Y Growth: 13.65%

## Share of CASA to Aggregate Deposits

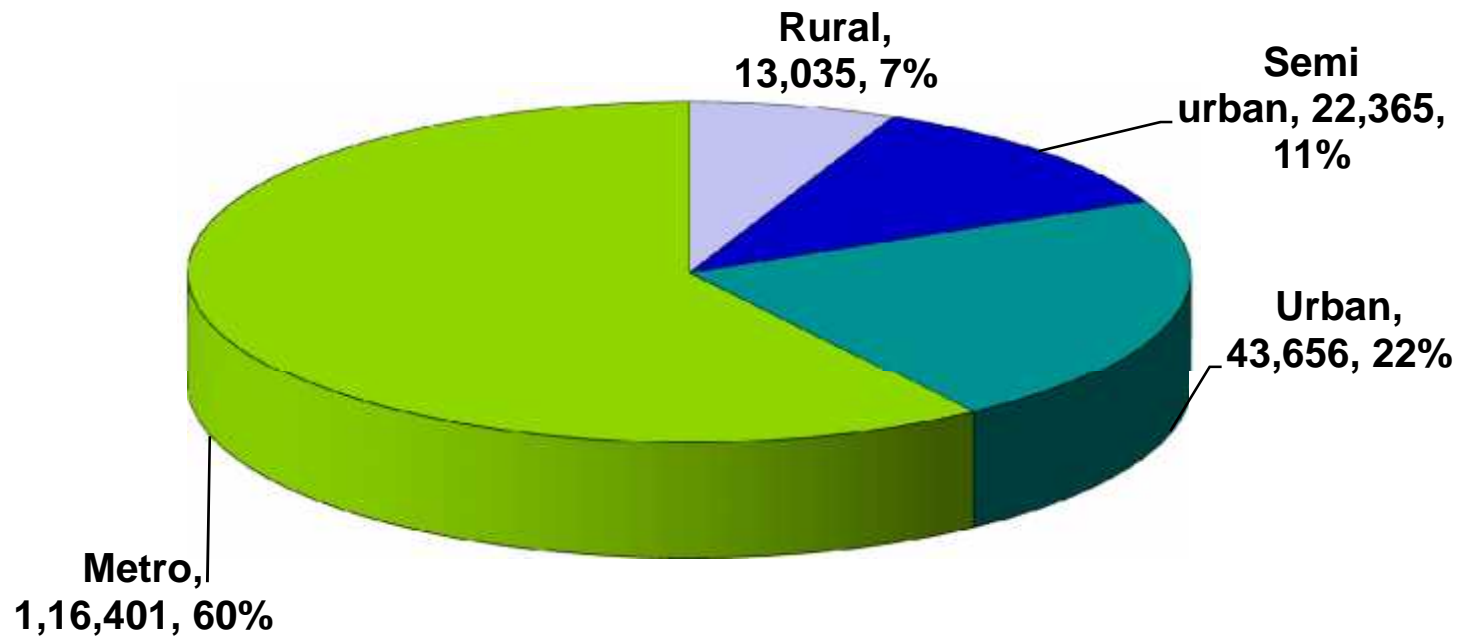
Mar'12 : 26.42%

Mar'13 : 26.51%

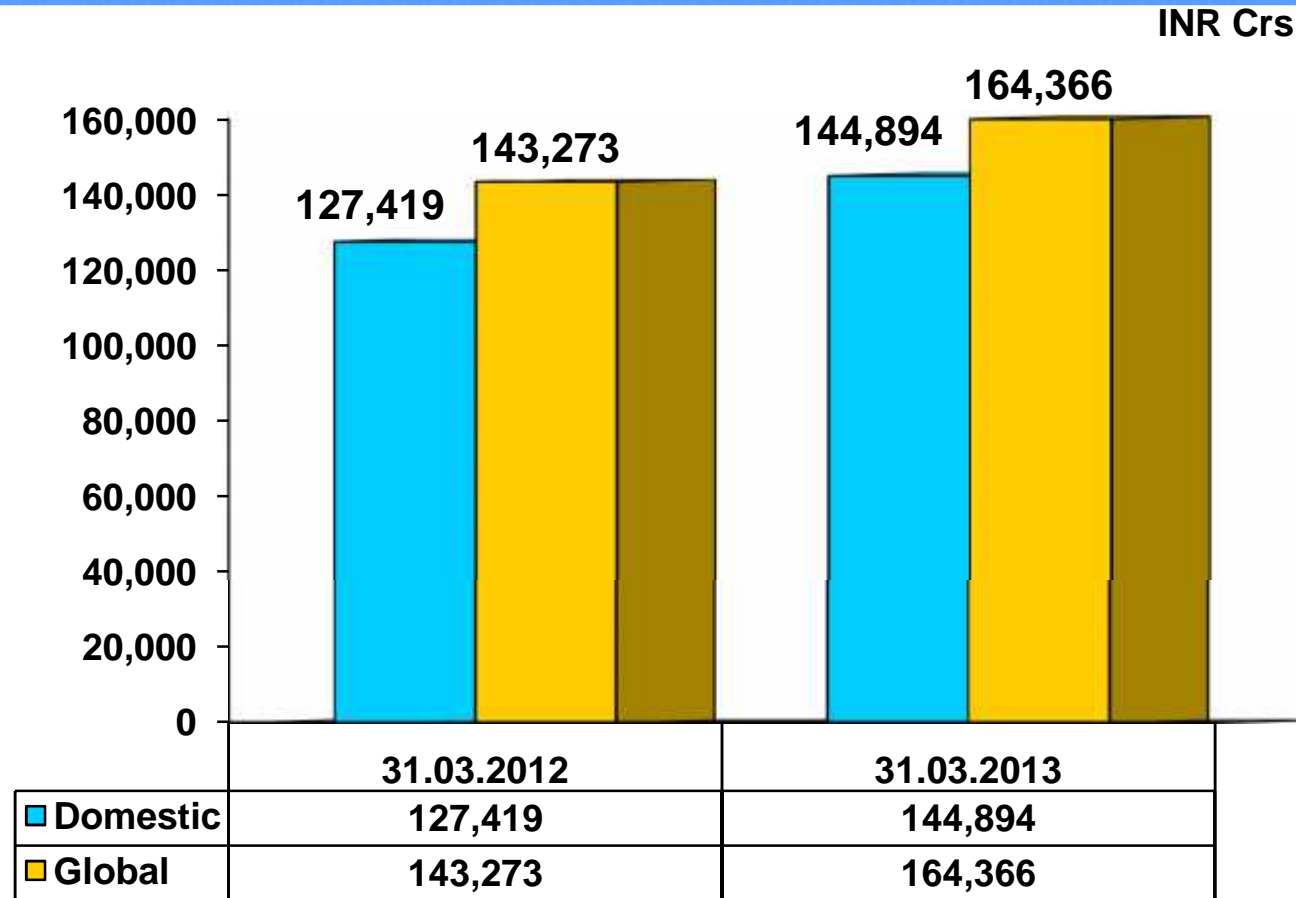
# Domestic Deposit-Category Wise

March 2013

INR Crs



# Gross Advances



## Domestic Advances

❖ Y-o-Y Growth:13.71%

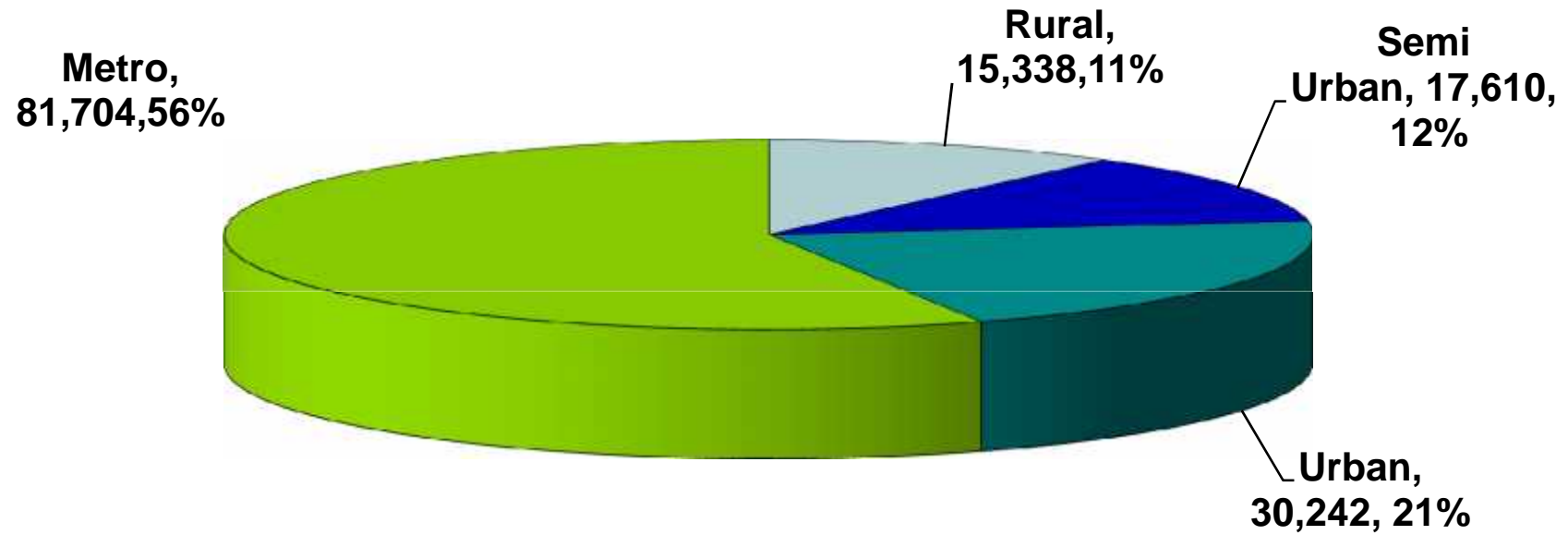
## Global Advances

❖ Y-o-Y Growth: 14.72%

# Domestic Advances-Category Wise

March 2013

INR Crs





# Key Sectors (Domestic Credits)

INR Crs

Sector	Mar 2012	Mar 2013
<b>1.Agriculture</b>	<b>19,240</b>	<b>23,393</b>
<b>2.SME</b>	<b>14,883</b>	<b>19,976</b>
<b>of which Micro</b>	<b>6,144</b>	<b>8,342</b>
<b>3.Retail Credit</b>	<b>9,431</b>	<b>15,060</b>

# Retail Credit (Breakup)

INR Crs

Sector	Mar 2012	Mar 2013
Retail Credit	9,431	15,060
Of which		
- Housing Loans	4,175	5,041
- Misc.CC	1,162	1,320
- Pushpaka	688	782
- Educational Loan	2,469	2,978
- Others	937	1,008
Jewel Loan to Others		3,931

Jewel Loan to Others portfolio included in Retail Credit from 2<sup>nd</sup> Half of 2012-13

# Advances to Sensitive Sectors - Domestic

(FUND + NON FUND)

INR Crs

Sector	Mar 2012	Mar 2013
CAPITAL MARKET	990	1,034
REAL ESTATE	16,783	17,599
of which		
HOUSING LOAN *	4,828	5,658
COMMERCIAL REAL ESTATE	7,856	7,548
OTHERS (DIRECT & INDIRECT)	4,099	4,393

\* Includes Non-Priority Housing Loans

# Overseas Advances - Breakup

INR Crs

	Mar 2012	Mar 2013
<b>Trade</b>	6,095	6,237
<b>Manufacturing</b>	4,517	6,269
<b>Real Estate</b>	303	288
<b>Buyers Credit</b>	3,798	4,895
<b>Others</b>	1,141	1,783
<b>Total</b>	15,854	19,472

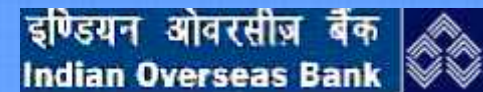
# RESTRUCTURED ACCOUNTS (INCLUDES ALL F.B. FACILITIES OF THE BORROWER)

INR Crs

	Domestic			Foreign	Global
	> 1 crore	< 1 crore	Total		
As on 31.03.2012	11,469	178	11,647	993	12,640
Addition during Q1 of 12-13	747	3	750	84	834
Less: Repayment in Restructured A/Cs	98	8	106		106
As on 30.06.2012	12,118	173	12,291	1077	13,368
Addition during Q2 of 12-13	1575	6	1581	-	1581
Less: Repayment in Restructured A/Cs	105	9	114	60	174
As on 30.09.2012	13,588	170	13,758	1,017	14,775
Addition during Q3 of 12-13	1,254	2	1,256	36	1,292
Less: Repayment in Restructured A/Cs	450	8	458	1	459
As on 31.12.2012	14,392	164	14,556	1,052	15,608
Addition during Q4 of 12-13	2,967	28	2,995	11	3,006
Less: Repayment in Restructured A/Cs	442	7	449	115	564
As on 31.03.2013	16,917	185	17,102	948	18,050

# Restructured Accounts Outstanding Position As On 31.03.2013

INR Crs



Sector	31.03.2012 Accounts	31.03.2012 Amount	31.03.2012 %	31.03.2013 Accounts	31.03.2013 Amount	31.03.2013 %
Chemical & Pharma	5	65	0.51	8	99	0.55
Sugar	7	330	2.61	7	264	1.46
Textile	62	1064	8.42	64	1238	6.86
Rubber & Plastics	4	106	0.84	3	131	0.72
Iron & Steel	24	1072	8.48	29	1634	9.05
Auto & Ancillary	9	453	3.59	6	152	0.84
Paper	18	479	3.79	15	404	2.24
Wood	1	57	0.45			
Engineering	2	33	0.26	9	719	3.98
Telecom	3	1217	9.63	4	1018	5.64
Glass Ind	1	74	0.58			
Power	10	1336	10.57	21	4549	25.20
Airways	3	1368	10.82	2	897	4.98
Petroleum	2	308	2.43	1	39	0.22
Entertainment & Media	1	100	0.79	1	39	0.22
Electronic & Software				2	58	0.32
Cement				1	56	0.32
Foot Wear						
Other industries	6	90	0.71	23	666	3.68
<b>Sub Total</b>	<b>158</b>	<b>8152</b>	<b>64.48</b>	<b>196</b>	<b>11963</b>	<b>66.28</b>

Contd.....

Restructured Accounts Outstanding Position As On 31.03.2013 .. contd

INR Crs



Sector	31.03.2012 Accounts	31.03.2012 Amount	31.03.2012 %	31.03.2013 Accounts	31.03.2013 Amount	31.03.2013 %
Sub Total	158	8152	64.48	196	11963	66.28
SME	666	706	5.58	611	1033	5.72
Micro Finance	-	-	-	9	168	0.93
Infrastructure	26	1639	12.97	31	1924	10.67
Comm. Real Estate(CRE)	19	299	2.37	17	789	4.37
Trade	112	1285	10.17	96	1171	6.49
Agriculture	871	390	3.08	943	483	2.67
HL/EDU/Others	2451	152	1.20	1963	94	0.52
Real Estate (other than CRE)	10	18	0.15	12	425	2.35
<b>GRAND TOTAL</b>	<b>4313</b>	<b>12641</b>	<b>100</b>	<b>3878</b>	<b>18050</b>	<b>100</b>

## Asset Classification wise details of Restructured Accounts Outstanding

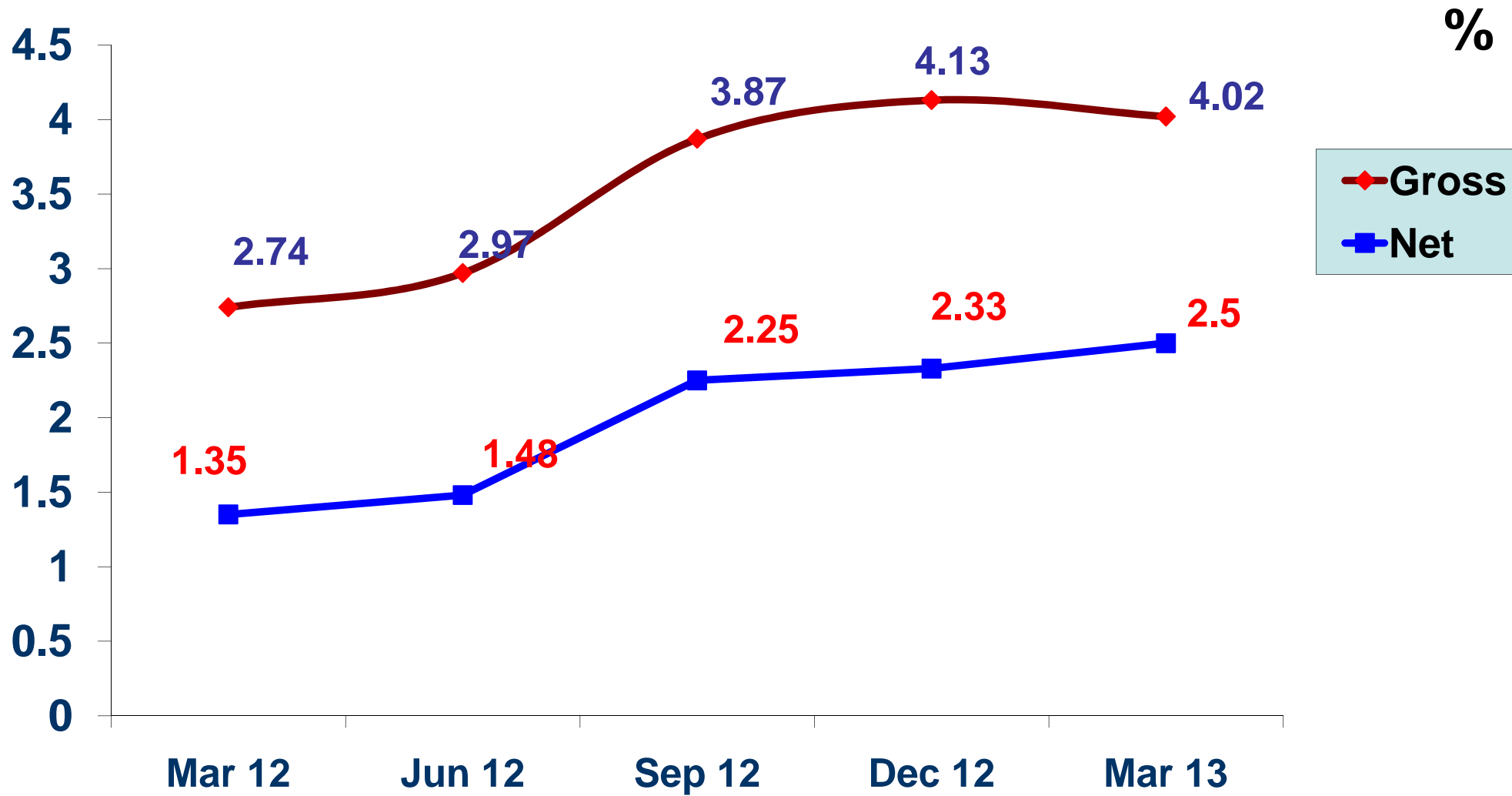
Asset Classification	No. of Accounts (31.3.2012)	Amount (INR Crs) (31.3.2012)	% to Total	No. of Accounts (31.03.2013)	Amount (INR Crs) (31.03.2013)	% to Total
Standard Assets	3886	12249	96.90	3472	17507	97.00
Sub-Standard Assets	342	235	1.86	314	266	1.47
Doubtful Assets	85	157	1.24	92	277	1.53
<b>Total</b>	<b>4313</b>	<b>12641</b>		<b>3878</b>	<b>18050</b>	

### RESTRUCTURED Accounts slipped - ( INR 1 Crore & above)-Domestic

	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
No. of A/cs slipped during the quarter	16	10	9	7	3
Amount in INR Crs	313	130	173	209	60



# NPA Ratio



# NPA SEQUENTIAL MOVEMENT

INR Crs

	Mar 2012	June 2012	Sep 2012	Dec 2012	Mar 2013
OPENING GROSS NPA	3972	3920	4410	5930	6516
ADD Slippages	1017	865	1854	1093	1788
LESS	231	107	103	199	221
Cash Recovery	217	84	70	163	324
Upgradation	621	185	161	145	1151
Write Off					
Total Reduction in NPA	1069	376	334	507	1696
Total Nettable Credits	2013	2258	2552	2921	2581
NPA Provision	1992	2237	2531	2899	2558
Other Credits	21	21	21	22	23
CLOSING GROSS NPA	3,920	4,410	5930	6516	6608
Net NPA	1,907	2,152	3378	3595	4027
Gross NPA Ratio	2.74%	2.97%	3.87%	4.13%	4.02%
Net NPA Ratio	1.35%	1.48%	2.25%	2.33%	2.50%
Provision Coverage Ratio	67.68%	67.11%	58.53%	59.00%	58.89%
NPA of Overseas Branches (included in Gross NPA above)	366	402	629	606	987

## Sector Wise Break Up of NPAs as of 31.03.2013 (Domestic)

INR Crs

Category	NPA as of 31.03.2013	% to total Domestic NPA
Agriculture	709.25	12.62
Industry	3113.14	55.39
Services	1538.41	27.37
Personal	259.91	4.62
Total	5620.71	100.00
Of which		
Commercial Real Estate	157.96	2.81

# NPAs-Industry Wise-Domestic

INR Crs

Sl. No	Industry	NPA as of 31.03.2013	Outstanding under each category as of 31.03.2013	% of NPA to the respective outstanding	% to the total Domestic NPA
1	Cotton Textiles/Other Textiles	559.24	6460.53	8.66	9.95
2	Iron and Steel	350.30	9936.59	3.53	6.23
3	Infrastructure	142.04	22340.71	0.64	2.53
4	Chemicals,Dyes,Paints etc.	188.91	2268.08	8.33	3.36
5	Gems and Jewellery	165.78	995.04	16.66	2.95
6	Construction	69.62	2050.75	3.39	1.24
7	Other Metal & Metal Products	365.93	2193.59	16.68	6.51
8	Paper & Paper Products	212.03	1770.44	11.98	3.77
9	Food Processing	75.31	3165.91	2.38	1.34
10	Sugar	199.80	962.22	20.76	3.55
	All Other Industries	784.18	14590.59	5.37	13.95
	<b>Sub Total</b>	<b>3113.14</b>	<b>66734.45</b>	<b>4.66</b>	<b>55.39</b>
	Others	2507.57	78159.98	3.21	44.61
	<b>Total Domestic</b>	<b>5620.71</b>	<b>144894.43</b>	<b>3.88</b>	

# Sectoral Slippages during the quarter ended 31.03.2013

Category	Amount(In Crs)
Agriculture	202
Services( Other than Commercial Real Estate)	389
Personal	56
Commercial Real Estate	21
<b>Sub Total</b>	<b>668</b>
Industry	
Other Metals	210
Gem and Jewellery	1
Leather	1
Food Processing(Other than sugar, Vegetable Oil , Vanaspathi & Tea)	3
Textile	42
Steel	187
Mining	4
Chemicals, Dyes, Drugs & Pharma	41
Paper	3
Rubber and Rubber Products	3
All Engineering/All other Industries	169
<b>Sub Total (Industry)</b>	<b>664</b>
<b>Total Slippages – Domestic</b>	<b>1332</b>
Overseas	456
<b>Total-Global</b>	<b>1788</b>

# Overseas NPAs

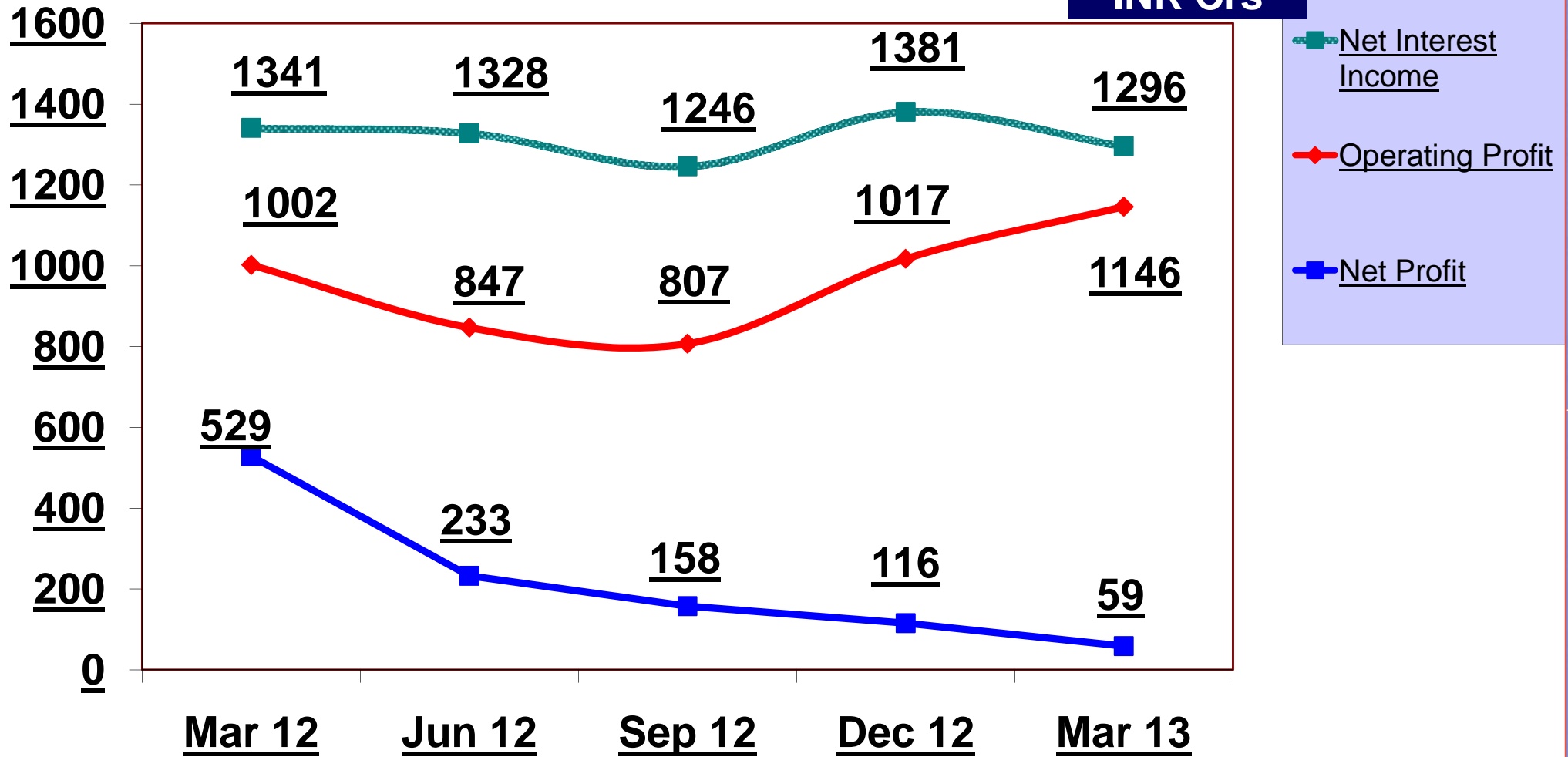
INR Crs

	Mar 2012	Mar 2013
Trade	214.15	469.78
Manufacturing	102.33	248.01
Real Estate	8.71	58.91
Others	41.22	210.55
<b>TOTAL</b>	<b>366.41</b>	<b>987.25</b>

# Profitability (Quarter Sequential)



INR Crs



# PROFIT - SUMMARY

INR Crs

## Quarter Ending

	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Interest Earned	4,911	5,026	5,104	5,333	5,227
Interest Expended	3,571	3,698	3,858	3,952	3,931
Net Interest Income	1,341	1,328	1,246	1,381	1,296
Non Interest Income	504	377	411	514	671
Total Operating Income	1,844	1,705	1,657	1,895	1,967
Operating Expenses	842	858	850	878	821
Operating Profit	1,002	847	807	1,017	1,146
Total Provision	474	613	649	901	1,087
Net Profit	529	234	158	116	59



# PROFITABILITY - Q4

INR Crs

Particulars	Q4 11-12	Q4 12-13	Variance %
<b>TOTAL INCOME</b>	<b>5415.09</b>	<b>5897.89</b>	<b>8.92</b>
Interest Earned	4911.47	5226.80	6.42
Other Income	503.62	671.09	33.26
<b>TOTAL EXPENDITURE (excl. provisions and contingencies)</b>	<b>4412.74</b>	<b>4752.01</b>	<b>7.69</b>
Interest Expended	3570.89	3930.87	10.08
Operating Expenses	841.85	821.14	
i) Payments to and provisions for employees	508.21	517.53	1.83
ii) Other Operating Expenses	333.64	303.61	
<b>OPERATING PROFIT (profit bef. provisions and contingencies)</b>	<b>1002.35</b>	<b>1145.88</b>	
Total Provisions and Contingences	<b>473.54</b>	<b>1087.28</b>	<b>129.61</b>
Of which Provisions for NPAs	276.91	815.18	194.38
Provision for Taxes	85.95	300.05	249.10
Others	110.68	-27.95	
<b>NET PROFIT</b>	<b>528.81</b>	<b>58.60</b>	

# PROFIT – Geographical Distribution – Q4

INR Crs

Particulars	Q4 11-12	Q4 12-13
<b>OPERATING PROFIT</b>		
<b>Global</b>	<b>1002.35</b>	<b>1145.88</b>
Domestic	902.85	1041.91
Overseas	99.50	103.97
<b>PROVISIONS</b>		
<b>Global</b>	<b>473.54</b>	<b>1087.28</b>
Domestic	442.83	943.79
Overseas	30.71	143.49
<b>NET PROFIT</b>		
<b>Global</b>	<b>528.81</b>	<b>58.60</b>
Domestic	460.03	98.12
Overseas	68.78	-39.52

# PROFIT - NET INTEREST INCOME

Quarter Ending

INR Crs

Particulars	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
<b>Total Interest Income</b>	<b>4,911</b>	<b>5,026</b>	<b>5,104</b>	<b>5,333</b>	<b>5,227</b>
Of which					
Int Income from Advances	3,740	3,909	3,868	4135	4,000
Int. Income from Investments	1,050	1,034	1,093	1123	1,122
Other Interest Income	121	83	143	75	105
<b>Total Interest Expended</b>	<b>3,571</b>	<b>3,698</b>	<b>3,858</b>	<b>3952</b>	<b>3,931</b>
Of which					
Int. Expended on Deposits	3,122	3,333	3,493	3548	3,499
Int. Expended on borrowings	449	365	212	251	432
Other Int. Expenses	0	0	153	153	0
<b>NET INTEREST INCOME</b>	<b>1,340</b>	<b>1,328</b>	<b>1,246</b>	<b>1381</b>	<b>1296</b>
<b>NET INTEREST MARGIN</b>	<b>2.74%</b>	<b>2.59%</b>	<b>2.33%</b>	<b>2.51%</b>	<b>2.30%</b>
Domestic	2.80%	2.65%	2.42%	2.61%	2.36%
Overseas	2.08%	1.97%	1.54%	1.53%	1.74%

# PROFIT - NET INTEREST INCOME

INR Crs

Particulars	FY 11-12	FY 12-13	Variance %
<b>Total Interest Income</b>	<b>17897.08</b>	<b>20676.73</b>	<b>15.53</b>
Of which			
Int Income from Advances	13589.86	15909.44	17.07
Int. Income from Investments	3941.36	4372.29	10.93
Other Interest Income	365.86	395.00	7.96
<b>Total Interest Expended</b>	<b>12880.91</b>	<b>15424.78</b>	<b>19.75</b>
Of which			
Int. Expended on Deposits	11234.34	13872.98	23.49
Int. Expended on borrowings	1646.47	1551.72	
Other Int. Expenses	0.10	0.08	
<b>NET INTEREST INCOME</b>	<b>5016.17</b>	<b>5251.95</b>	<b>4.70</b>
<b>NET INTEREST MARGIN in % (on avg. earning assets)</b>	<b>2.75%</b>	<b>2.43</b>	
<b>Domestic</b>	<b>2.84%</b>	<b>2.51</b>	
<b>Overseas</b>	<b>1.82%</b>	<b>1.69</b>	

# Non Interest Income (Quarterly Comparison)

**INR Crs**

Particulars	Quarter Ending				
	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
<b>Total Non Interest Income</b>	<b>504</b>	<b>377</b>	<b>411</b>	<b>514</b>	<b>671</b>
Of which					
Exchange / Commission	268	230	201	217	248
Profit on Sale of Investments	67	44	36	59	173
Profit on Revaln. Of Investments	0	(68)	0	0	0
Recovery in written off Accounts	56	58	64	99	109
Other Non interest Income	113	113	110	139	141

# Non Interest Income -FY

INR Crs

Particulars	FY 11-12	FY 12-13	Variance %
<b>Total Non Interest Income</b>	<b>1681.04</b>	<b>1972.90</b>	<b>17.36</b>
Of which			
Exchange / Commission	899.88	895.33	
Profit on Sale of Investments	171.38	311.42	81.71
Profit on Revaln. Of Investments	-34.98	-68.34	
Recovery in written off accounts	241.00	330.00	36.93
Other Non interest Income	403.76	504.49	24.95

# NET PROFIT (Quarterly Comparison)

INR Crs

इण्डियन ओवरसीज़ बैंक  
Indian Overseas Bank



Particulars	Quarter Ending				
	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
OPERATING PROFIT	1002.30	846.80	807.00	1017.10	1145.88
Total Provision	473.50	613.30	649.00	900.60	1087.28
Of which					
NPA	226.90	331.50	454.41	436.40	779.57
Countercyclical Provisioning Buffer	50.00	75.00	25.00	50.00	47.00
Standard Advances	74.90	18.60	18.83	119.20	102.56
Depreciation on Investments	-64.40	51.20	-57.78	48.80	131.59
Staff Welfare Fund	7.00	5.00	5.00	5.00	5.00
Deferred Tax Liability	330.20	0.00	0.00	0.00	-399.33
Income Tax	-244.70	92.90	97.03	89.60	299.55
Wealth Tax	0.50	0.00	0.00	0.00	0.5
Contingencies	0.40	0.10	0.11	0.90	0.03
Other General Provisions	0.30	0.00	0.00	0.00	-11.39
Non Performing Investments	0.00	0.00	-5.84	-4.20	7.88
Provision for SSSBL	82.10	0.00	0.00	0.00	0.00
Diminution of Securities	7.30	-2.10	5.63	0.00	0.00
Restructured accounts	2.70	39.50	105.52	155.70	128.29
Other Assets	0.10	1.00	0.24	-0.80	-0.75
Country-wise risk	0.20	0.60	0.45	0.00	-3.21
NET PROFIT	528.80	233.40	158.43	116.50	58.60

## Cost & Yield Ratios (Quarterly Comparison)

	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Avg. Cost of Deposits (%)	7.49	7.55	7.68	7.58	7.55
Avg. Yield on Advances(%)	10.94	10.69	10.21	10.53	9.90
Avg. Yield on Investments(%)	7.38	7.30	7.31	7.33	7.28
Avg. Cost of Funds(%)	7.36	7.32	7.36	7.27	7.18
Avg. Yield on Funds(%)	10.03	9.77	9.56	9.68	9.28
Net Interest Margin(%)	2.74	2.59	2.33	2.51	2.30

	Mar 12 (Annual)	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13 (Annual)
Cost to Income Ratio (%)	47.23	45.65	50.33	51.30	46.34	47.17
Return on Assets (%)	0.52	0.72	0.41	0.27	0.19	0.24
Return on Equity (%)	12.39	24.13	9.41	6.32	4.62	5.49
Earning Per share (INR)	*13.18	19.80	11.72	7.95	5.85	6.14
Book Value per Share (INR)	123.05	123.05	125.98	125.79	127.25	117.68



# INVESTMENTS - Domestic

**INR Crs**

	31.3.2012				TOTAL	31.03.2013			
	AFS	HTM	HFT	TOTAL		AFS	HTM	HFT	TOTAL
SLR Investments	11,398.62	38,772.63		50,171.25	9659.71	44370.18	293.94	54323.83	
Of which									
Government. Securities	11,332.74	38,770.57		50,103.31	9599.31	44368.14	293.94	54261.39	
Other Approved Securities	65.88	2.06		67.94	60.40	2.04	0.00	62.44	
M Duration (for SLR)				5.56				5.92	
Non SLR Investments	4,419.08	139.85	5.95	4,564.88	5729.37	134.26	7.39	5871.02	
M Duration (Non SLR)				2.16				1.97	
M Duration (Entire Portfolio)				5.36	4.14	6.13	7.25	5.67	
Total	15,817.70	38,912.48	5.95	54,736.13	15389.08	44504.44	301.33	60194.85	

# INVESTMENTS – Foreign -31.03.2013

**INR Crs**

Type of Investment	Book Value	Total Provision
G - Sec	1,157.33	2.33
Bonds - Others	15.18	0.00
MTN,FCCB	436.24	56.36
Shares	0.08	0.00
Joint Venture - Malaysia	186.31	0.00
<b>Total</b>	<b>1,795.14</b>	<b>58.69</b>

# CAPITAL ADEQUACY

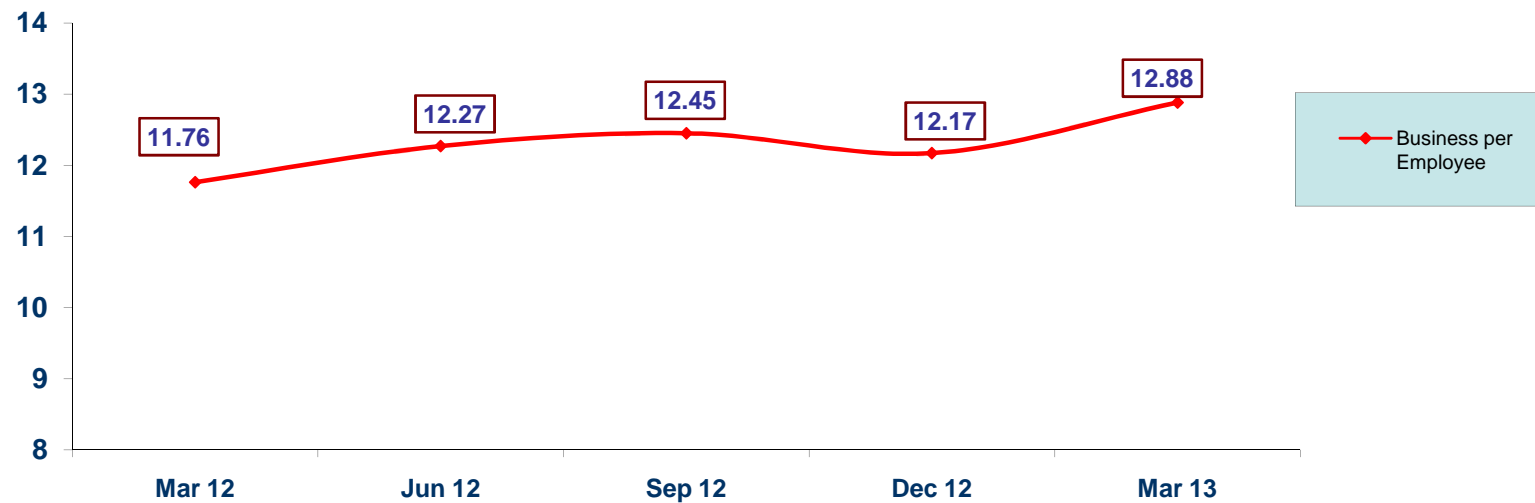
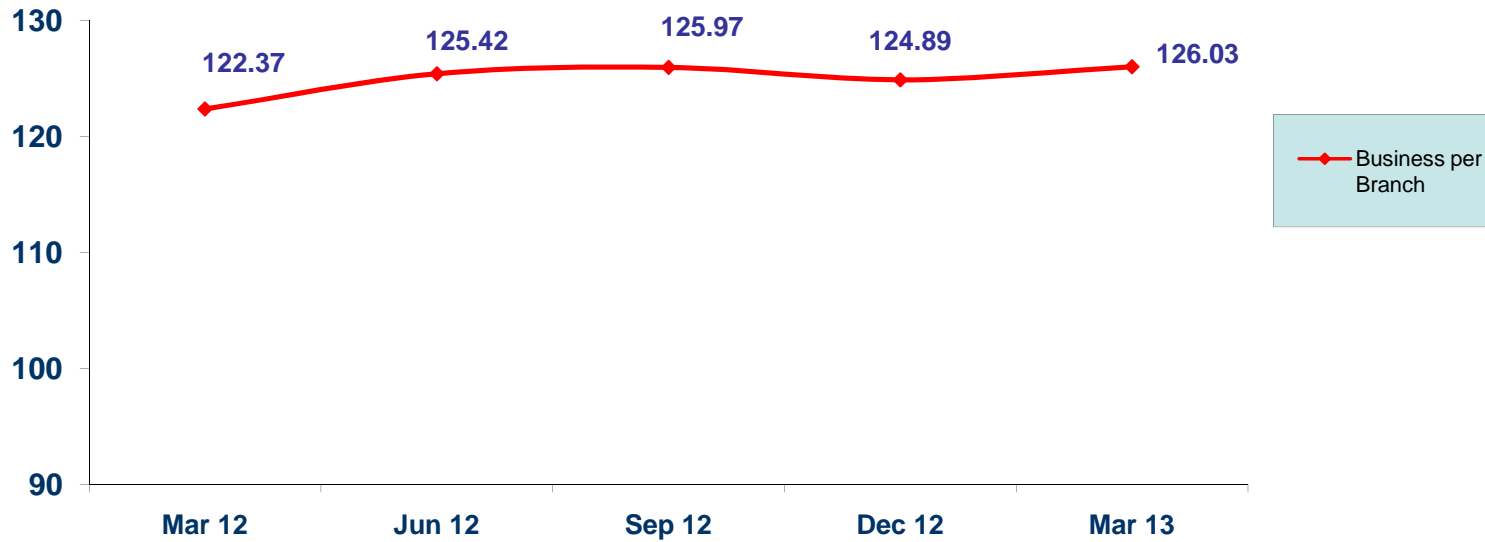
INR Crs

	Mar 12	Jun 12	Sep 12	Dec 12	Mar 13
Tier I Capital	11,042.20	11,042.28	10,833.24	10,833.28	12,088.45
Tier II Capital	6,561.37	6,506.94	6,304.59	6,386.66	6,277.58
Total Capital	17,603.57	17,549.22	17,137.83	17,219.94	18,366.03
Total Net Assets (Terminal)	2,19,648.18	2,25,837.22	2,28,316.44	2,31,328.36	2,44,607.03
Risk Weighted Assets					
BASEL I	1,47,363.43	1,53,036.70	1,55,546.36	1,59,763.33	1,70,944.53
BASEL II	1,32,184.11	1,39,396.22	1,42,044.52	1,47,727.79	1,55,016.14
CRAR – TIER I (%)					
BASEL I	7.49	7.22	6.97	6.78	7.07
BASEL II	8.35	7.92	7.63	7.33	7.80
CRAR – TIER II (%)					
BASEL I	4.46	4.25	4.05	4.00	3.67
BASEL II	4.97	4.67	4.44	4.32	4.05
CRAR (%)					
BASEL I	11.95	11.47	11.02	10.78	10.74
BASEL II	13.32	12.59	12.07	11.65	11.85

# PRODUCTIVITY



INR Crs



- ◆ **No Frills Savings Bank Accounts:** As per the guidelines issued by Reserve Bank of India, our branches open No-Frills Savings Bank Accounts under simplified Know Your Customer norms to bring the excluded segment of population into banking fold. General Purpose Credit Cards are granted to meet their credit requirements.
- ◆ **Smart Card:** To extend banking service to the villages and provide banking outlet in un-banked centers, our Bank is introducing Smart Card Banking. Under this method villagers can operate their account with Bio-metric Smart Card at the Hand Held Device with a Business Correspondent

**Progress under Financial Inclusion Furnished below:**

Sl. No.	Particulars	31.03.2012 (Nos.)	31.03.2013 (Nos.)
1	No-Frills SB Accounts Opened	24,44,032	43,70,173
2	General Purpose Credit Cards Granted	11,153	12,765
3	Branches Under Smart Card Banking	613	804
4	Villages Covered Under Smart Card Banking	1,398	2,880
5	Business Correspondents engaged	1,304	2,287
6	Bio-Metric Smart Card issued	1,66,237	5,19,174
7	Smart Card Banking Coverage- Regions	42	54
8	Smart Card Banking Coverage-States/Union Territory	20/2	21/2

- The main factors which have determined the profitability of the bank and our performances are as under:
- **The cost and yield factor:** Performed well.
- **The increased NPAs and Interest reversal on certain restructured accounts:** Fairly well performed under recovery management as well as credit monitoring under restructured account.
- **Amount of additional and backlog provisions:** Reached the saturation limit during the current year and the constrains are likely to be flexible in the near future.
- The cost and yield factors are now favorable, Bank expects to earn definitely higher profits in the coming years.
- **Interest Income & Interest Expenses:**
- Global interest income growth stands at 15.53% for the year 2012-13 as against 47.90% for 2011-12.
- Increase in interest expenses 19.75% during 2012-13 as against 63.20% for the year 2011-12.
- Several steps were taken during 2012-13 to reduce the level of bulk deposit to reach the desired level of 14.95% as against 34% of the total deposits for the year 2011-12.
- The growth in average domestic core term deposits was stood at 34.6% as against the negative growth of 1.37% during the last year.
- The margin between the growth of interest expenses and interest income has come down to 3.67% during Q4 of 2012-13 despite reduction in base rate to 10.25% and higher interest reversal on NPA and certain restructured accounts.
- Cost of Deposit stood at 7.59% for 2012-13 and 7.55% for Q4 of 2012-13 which is well contained.
- Cost of Domestic borrowing has come down to 9.17% during 2012-13 as compared to 8.87% during the previous year due to reduction in REPO rate.
- Cost of funds was contained at 7.28% in 2012-13 as compared to

- 7.11 % in the last year.
- Constrains on NIM continued during the financial year due to increase in provisions on restructured advances / system generated Non Performing Assets (NPAs).
- The impact was higher as the bank reduced its base rate from 10.75 % to 10.50% (effective 01.05.2012) and further to 10.25% with effect from 18.02.2013.
- The Bank's domestic yield on advances has come down to 11.27% for the year 2012-13 as compared to 11.65% during last year. This has reduced the Bank's domestic interest spread at branch level to 3.47% compared to 4.26% of last year.
- Domestic Net Interest Margin was maintained at 2.51% during 2012-13 despite the impact of additional interest reversals during the last quarter as well as base rate reduction in the current year.
- The Bank target for NIM of 3% during next year .
- **Other Income and Operating expenses**
- Bank has made a significant growth under treasury gains. The profit on sale of investments amounted to
- Rs. 311 crores during the current fiscal compared to Rs.172 crores in the last year, registering a growth of 81%.
- Under Non Interest Income such as exchange commission/LC LG commission/Processing charges and recoveries increased to Rs.1730 crores during the year compared to Rs.1543 crores earned last year, with a growth of 12.12%.
- The Bank had a good control on the operating expenses., i.e under staff cost plus non staff expenditure.
- Staff cost to income ratio was managed at 31.11% compared to our target of 30%.
- Overheads to Income ratio are very favorable at 16.06% against our target of 16%.
- The growth in operating expenses was contained at 7.78% during the year under review compared to 22.89% incurred in the last year.

- Bank is able to achieve MOU target of 19.25% under fee based income to total net income this year also.
- **Business Growth/NPA Management/Credit Monitoring**
- The total business improved significantly by Rs.44,794 crore to Rs. 3,66,501 crore with a growth of 13.92% over last year. This resulted the bank to enter into the group of Big banks entity of business mix of over Rs. 350000 crore. It is noteworthy that this achievement is well recorded in average terms with a business growth of 19.01% surpassing the terminal growth. (Growth in average deposits 16.88%/ Growth in average advances 21.64%)
- The average Credit Deposit ratio reached 84.25% compared to terminal CD ratio of 81.31%, as against 80.29% last year.
- Slow down in the domestic economy coupled with global slowdown; the restructured advances mainly under power, infrastructure, iron & steel, real estate & textiles had a drastic impact on the profitability.
- However the bank has contained the restructured advances to total advances ratio well below 10 %( 9.20%) during this year compared to last year level of 8.82%.
- Banks average earnings assets reported a substantial growth of 18.62%. Also its non earning assets as a % to total assets (excluding CRR) have favorably come down to 4.80% during the current fiscal compared to last year level of 6.40%. **This indicates banks improvement in credit monitoring as well as control on other non earning assets.**
- Rapid branch expansion yielded favorable results in terms of CASA, Financial Inclusion, Better coverage in unbanked rural areas, better customer relations with improved productivity. The no. of Employee per branch has been contained at 9.75 compared to the earlier higher level of 10.35 during 2012, 11.73 in 2011 & 13.35 in 2010. This achievement was possible through constant HR initiatives and with sufficient recruitment of young force of probationary officers/clericals. **This all indicates the improvement in operational efficiency at the field level.**

Prepared by Costing Cell



Thank You

