



INDIAN OVERSEAS BANK
CENTRAL OFFICE
CHENNAI

PRESS RELEASE

7.11.2017

Performance Highlights – 30.09.2017



Top Line – Milestones (Rs. Crores)

- Deposits Rs. 2,11,548
- Advances Rs. 1,52,664
- Business Mix Rs. 3,64,212
- CASA Rs. 75,321
- CASA (%) 35.60

Bottom Line (Rs. Crores)

- Operating Profit Rs. 1,038.56 (3M)
- Net Loss Rs. 1,222.50 (3M)
- Operating Profit Rs. 1,815.16 (6M)
- Net Loss Rs. 1,721.59 (6M)
- Gross NPA Rs.34,709 22.73 %
- Decreased by 87 bps
- Net NPA Rs. 18,950 13.88 %
- Decreased by 111 bps

Key Performance indicators:

	Global	Domestic
CASA Ratio	35.60	36.26
Net Interest Margin	2.05	2.12
Cost of Deposit	5.57	5.70
Yield on Advances	7.81	8.24

Loss is due to provisions and not due to operations

- (1) **TOTAL BUSINESS:** Total business stood at Rs. 3,64,212 crore as on 30th September 2017 as against Rs. 3,60,986 crore as on 30th June 2017.
- (2) **DEPOSITS:** Total deposits stood at Rs. 2,11,548 crore as on 30th September 2017 as against Rs. 2,10,748 crore as on 30th June 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 is 36.26% as on 30th September 2017 as against 31.50% as on 30th September 2016 with YoY growth at 476 bps.





- (4) **ADVANCES:** Gross Advances stood at Rs. 1,52,664 crore as on 30th September 2017 as against Rs. 1,50,238 crore as on 30th June 2017. The increase in advances is due to the Bank rebalancing the credit portfolio with focus on Mid Corporate, Retail & MSME.
- (5) **CORE RETAIL** advances grew by 26.51% YoY (September '17 over September '16) and 7.12% QoQ (September '17 over June '17). Housing loan segment sanctions grew by 118.21% in H1 FY18 over H1 FY17.
- (6) **MSME SEGMENT** grew by 10.09% YoY (September '17 over September '16) with a fresh disbursement growth of 90% in H1 FY18 over H1 FY17.
- (7) **OPERATING PROFIT:** Operating Profit for Quarter ended 30th September 2017 stood at Rs. 1038.56 crore as against Rs. 776.60 crore for the quarter ended 30th June 2017 registering a growth of 33.73%.

Operating Profit for H1 (2017-18) is Rs. 1815.16 crore as against Rs.1754.59 crore for the corresponding period of the previous year (2016-17) registering a growth of 3.45%.

- (8) **NET PROFIT:** Net loss for H1 (2017-18) is Rs. 1721.59 crore as against Rs. 2215.64 crore for H1 of 2016-17. Net Loss decreased by **22.30% YoY**.

Net loss is due to increase in the provision by 77.3% over June '17 and 23.6% over September '16 and the quantum of additional provision made was **Rs. 985.04 crore** during September '17.

- (9) **TOTAL INCOME:** Total income for the quarter ended 30th September 2017 is Rs. 5610.35 crore as against Rs. 5174.50 crore for the quarter ended 30th June 2017, registering a growth of 8.4%.

Total income for half year ended 30th September 2017 is Rs. 10784 crore as against Rs. 11830 crore for the corresponding half year of the previous year (2016-17) on account of reduction in interest rates.

- (10) **INTEREST INCOME:** Interest income stood at Rs. 4645.77 crore for the quarter ended 30th September 2017 as against Rs. 4187.20 crore for the quarter ended 30th June 2017, registering a growth of 11%.





Interest income stood at Rs. 8833 crore for the half year ended 30th September 2017 as against Rs. 10208 crore for the half year ended 30th September 2016 on account of reduction in interest rates.

(11) NON INTEREST INCOME: Non-interest income is Rs. 1952 crore for the half year ended 30th September 2017 as against Rs. 1623 crore for the half year ended 30th September 2016 registering a growth of 20.27%.

Non-interest income is Rs. 964.58 crore for the quarter ended 30th September 2017 as against Rs. 987.30 crore for the quarter ended 30th June 2017.

(12) TOTAL EXPENDITURE : Total Expenditure declined by 10.98% YoY.

(13) NPA MANAGEMENT: **Gross NPA** as at 30th September 2017 is at Rs. 34708.59 crore with ratio of 22.73% as against Rs. 35453.12 crore with ratio of 23.60% as on 30th June 2017. There has been a reduction in Gross NPA by Rs. 744.53 crore in quarter ended September 2017 (QoQ). Gross NPA as at 30th September 2017 is lower than Gross NPA of March '17 and September '16.

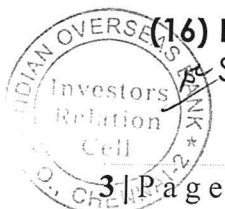
Net decrease in Gross NPA over June '17 (QoQ) was 2.10% and GNPA as a percentage has decreased by 87 bps over June '17.

(14) RECOVERY IN NPA ACCOUNTS for the half year ended 30th September 2017 is significantly higher at Rs. 6749.57 crore as against Rs. 3534.76 crore for the corresponding half year of the previous year. Recovery achieved is higher than slippages during the period.

Total recovery of Rs. 3965 crore achieved for quarter ended September '17 as against the recovery of Rs. 2784 crore during quarter ended June '17 while the total slippage for quarter ended September '17 was restricted to Rs. 2693 crore as against Rs. 2720 crore for quarter ended June '17. NNPA as a percentage has decreased by 111 bps.

(15) Net NPA is contained to Rs. 18949.55 crore with ratio of 13.86% as on 30th September 2017 as against Rs. 20765.31 crore with ratio of 14.30% as on 30th September 2016. Net NPA has reduced both in quantum and as a percentage of Net Advances.

(16) PROVISION COVERAGE RATIO is improved to 55.88% as on 30th September 2017 as against 50.19% as on 30th September 2016.





(17) CAPITAL ADEQUACY RATIO (CRAR):

	Basel III
CET 1	7.08%
Tier I	7.80%
Tier II	2.52%
Total	10.32%

(18) KEY FINANCIAL RATIOS:

18.1. Credit Deposit Ratio is 72.16% as on 30.09.2017 as against 76.67% as on 30.09.2016.

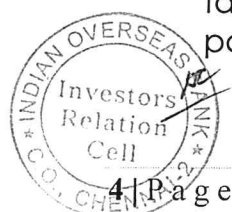
18.2. Average Cost of Deposit is 5.58% as on 30.09.2017 as against 6.29% as on 30.09.2016.

18.3. Average Yield on Advances is 8.51% as on 30.09.2017 as against 8.65% as on 30.09.2016.

18.4. Cost to Income Ratio improved from 61.40% as on 30.06.2017 to 58.21% as on 30.09.2017.

(19) IT AND DIGITAL BANKING INITIATIVES:

- **Core Banking Solution:** The Bank has successfully migrated all the branches including Overseas Branches to Finacle 10.2.17 version.
- **CBS Developments and customizations :** "Aadhaar validation" enabling authentication of Aadhaar number through biometric and through mobile OTP has been facilitated.
- **Developments in Internet Banking:**
Several security features were introduced to give better protection to customers using net banking including increasing OTP to 6 digits, setting of daily transaction limit for corporate customers, option for resending OTP through alternate service providers if the first request fails, GSTIN Registration Online, Suspending debit card online, TNEB payment session fixation etc.






- **Digital Initiatives**



- **Payment Initiatives**

- **IOB Bazaar** : Online Market Place - Portal for MUDRA and MSME customers to sell their products online
- **UPI Merchant QR** : Customer can Scan the QR code from any UPI
- **RuPay**  **RuPay Enabled Payment Gateway** : Bank's Payment gateway was accepting Master/VISA. RuPay acceptance enabled across all merchants of bank's Payment Gateway
- **IOB Pay** : is targeted towards enabling online fees collection of schools & colleges No technical changes needed at the Institution end as all the data and transaction is captured at IOB end itself
- **BBPS** - All types of Utility Payments can be done through Bharat Bill Payment System (BBPS) in www.iob.in and our Internet banking www.iobnet.co.in

- **Mobility Initiatives**

-  **IOB Nanban** : Customer Mobile App
- **IOB mPassbook** : Digital passbook to individual and corporate customers available for Android/Apple/ Windows Mobiles Platforms - Offline view of the transactions can be customized by user
- **Mobile Banking Registration in ATM** : IOB ATMs are now enabled for Mobile Banking Registration. Customers can Register for Mobile Banking Services through IOB ATMs. No Need to visit Branches
- **Chat bot**: designed to simulate conversation with human useful to generate Leads and convert to Business - Customers to get real time chat feeling
- **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

- **ATM Value Additions**

-  **Green PIN** Now ATM card pin is provided as green pin as a paper-Less green initiative
-  **IOB Rewardz** : Reward Points for Spends through IOB ATM Debit Card can be redeemed from www.iobrewardz.com website - IOB Rewardz Android mobile app enabled
- **Prepaid Card** : Customer portal to enable the customers to fix the limit, Pin change, top-up, card blocking and unblocking, statement generation, complaint lodgement etc





Awards & Accolades

- ❖ Our Bank was chosen as one of the winners (out of 36 banks) of Intelligent Enterprise Award (Category-Enterprise Apps) presented by Indian Express group for the year 2017 for the product **IOB PAY** which is an online integration.
- ❖ 2nd Prize for in-house Hindi magazine **VANI** for 2016-17 received by our MD & CEO on the occasion of Hindi Diwas ie. 14.09.2017 from Hon'ble President of India
- ❖ **Achievement under Atal Pension Yojana (APY)** : In July '17 Pension Fund Regulatory & Development Authority (PFRDA) appreciated and honored :
 - Mumbai Region of Indian Overseas Bank in recognition of their outstanding performance and achievement of the target under the APY Campaign "**Freedom for Life**" from 09.01.2017 to 21.01.2017.
 - 3 Branches of Indian Overseas Bank in recognition of their outstanding performance and achievement of the target under the APY campaign "Fortune 100" from 26.12.2016 to 31.12.2016.
- ❖ Our Bank has received the most coveted award for the year 2015-16 from MoRD, GOI in recognition of the Leadership and Direction given to Rural Self Employment Training Institutes (RSETIs) sponsored by our Bank during RSETI Diwas. Out of our 13 RSETIs, 9 RSETIs have been awarded with AA grading and 4 RSETIs have been awarded with AB grading for the year 2015-16.

