



# इण्डियन ओवरसीज़ बैंक Indian Overseas Bank

## PERFORMANCE ANALYSIS Q1 FY 2019-20

*Analyst Presentation*  
23.07.2019



Indian Overseas Bank



@IobIndia



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Indian Overseas Bank

- Indian Overseas Bank (IOB) was founded on 10th February 1937 by **Shri.M.Ct.M. Chidambaram Chettyar**.
- Objective was to specialize in foreign exchange business and take Bank across the globe.
- IOB started business simultaneously – at Karaikudi, Chennai and Rangoon in Burma (presently Myanmar) followed by a branch in Penang, Malaysia.
- At the dawn of Independence IOB had 38 branches in India and 7 branches abroad –and Deposits stood at Rs.6.64 crores and Advances at Rs.3.23 crores at that time.
- IOB was one of the 14 major banks that were nationalized in 1969. On the eve of Nationalization in 1969, IOB had 195 branches in India with aggregate deposits of Rs.67.70 crores and Advances of Rs.44.90 crores.
- IOB sponsor Regional Rural Bank- Odisha Gramya Bank in Odisha.
- Bank's overseas presence in 4 countries namely Singapore, Hongkong, Thailand and Sri Lanka.

# KEY STRENGTHS - QUALITATIVE

**82** years of Banking Expertise

**Customer Touch Points:**  
**3274** Domestic Branches, **4** Overseas Branches, **3011** ATMs, **2705** BCs

Trust of 35 million active customers

Digital initiative and strong technology penetration



Special Focus on Improving CASA, Housing Loan, Jewel Loan & reduction of Non Performing Assets

Sustained growth in low cost CASA deposits

More than **50%** of Corporate loans are rated A & above

**57%** branches in Rural and SU centres

# HIGHLIGHTS – QUANTITATIVE – JUNE 19

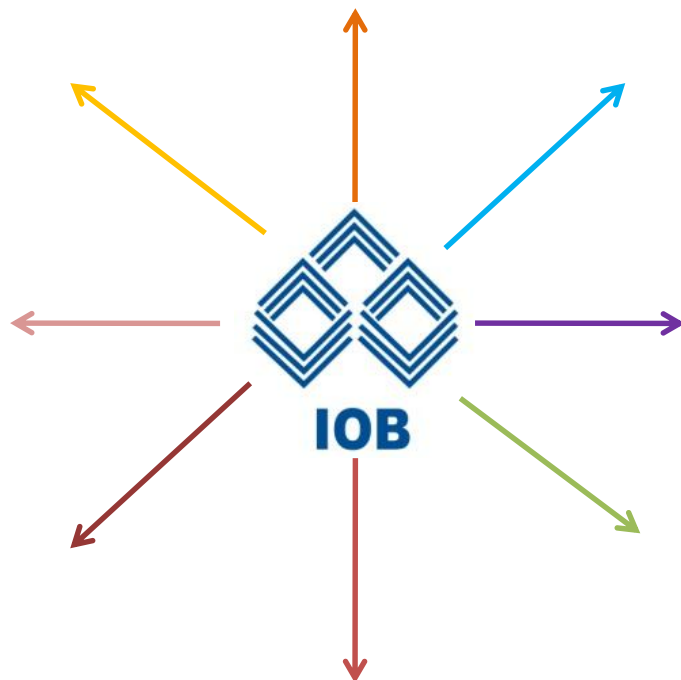


Provision Coverage Ratio(PCR) improved to **72.24%** from **61.10%** in June'18

Maintains Healthy CASA of **38.05%** with a Y-o-Y growth of **7.11%**

RAM portfolio grew by **5.87%** (Y-o-Y) aided by growth in retail of **11.17%**

Business per Employee Improved from **Rs 13.20 crs** to **Rs 14.28 crs** (Y-o-Y)



Net Interest Income for Q1 2019-20 grew by **6.65%** on Y-o-Y basis & NIM moved up by **9 bps**

GNPA Ratio reduced by **311 bps** and Net NPA reduced by **406 bps** on Y-o-Y basis

Operating Profit for Q1 FY 2019-20 stood at **Rs.828 crs**

Loss Incurring Branches to Total Branches decreased to **5.89%** from **11.66%** in June'18 (**50%** Reduction in number of loss branches)

# TOP LINE MOVEMENT– JUN-19



	<b>June 2019</b>	<b>June 2018</b>	<b>Y-o-Y Growth</b> Jun-19 over Jun-18
<b>Savings Bank</b>	<b>Rs.70,502 Crs</b>	<b>Rs.66,634Crs</b>	<b>5.81%</b>
<b>Current Account</b>	<b>Rs.13,643 Crs</b>	<b>Rs.11,926 Crs</b>	<b>14.39%</b>
<b>CASA Deposits</b>	<b>Rs.84,145 Crs</b>	<b>Rs.78,560 Crs</b>	<b>7.11%</b>
<b>Term Deposits</b>	<b>Rs.1,37,026 Crs</b>	<b>Rs.1,34,608 Crs</b>	<b>1.80%</b>
<b>Deposits</b>	<b>Rs.2,21,171 Crs</b>	<b>Rs.2,13,168 Crs</b>	<b>3.75%</b>

# TOP LINE MOVEMENT– JUN-19



	June 2019	June 2018	Y-o-Y Growth Jun-19 over Jun-18
Retail credit	Rs.31,053 Crs	Rs.27,934 Crs	11.17%
Agri credit	Rs.33,337 Crs	Rs.31,557 Crs	5.64%
MSME credit	Rs.32,345 Crs	Rs.31,881 Crs	1.46%
Corporate/Others	Rs.45,375 Crs	Rs.46,985 Crs	-3.43%
Overseas	Rs.5,496 Crs	Rs.10,403 Crs	-47.17%
Global Advances	Rs.1,47,606 Crs	Rs.1,48,760 Crs	-0.78%

# P & L MOVEMENT– JUN-19



	June 2019	June 2018	Y-o-Y Growth Jun-19 over Jun-18
Interest Income	Rs.4,336 Crs	Rs.4,249 Crs	2.07%
Non Interest Income	Rs.670 Crs	Rs.1,078 Crs	-37.85%
Interest Expenditure	Rs.3,048 Crs	Rs.3,041 Crs	0.24%
Operating Expenses	Rs.1,130 Crs	Rs.1,154 Crs	-2.06%
Operating Profit	Rs.828 Crs	Rs.1,132 Crs	-26.84%
Net Interest Income	Rs.1,288 Crs	Rs.1,208 Crs	6.65%

# HIGHLIGHTS



- Maintains healthy Global CASA Ratio of **38.05%** and Domestic CASA Ratio of **38.38%** as at June 2019.
- Global Deposits recorded a growth of **3.75%** on Y-o-Y basis and ended at Rs. **2,21,171** crores.
- Global Advances ended at Rs. **1,47,606** crores with RAM concentration of Rs. **96,735** crores.
- Retail Credit recorded a growth of **11.17%** & Agri grew by **5.64%** on Y-o-Y basis.
- Better NPA Management, Slippages lesser than Recovery in Q1 19-20.
- Provision Coverage Ratio improved from **61.10%** in June'18 to **72.24%** in June'19.



- Interest Income grew by **2.07%** (Y-o-Y).
- **Total Expenditure reduced by 3.78%** from Rs. 4342 crore for the quarter ended 31<sup>st</sup> March 2019 to Rs.4178 crore for the quarter ended 30<sup>th</sup> June 2019.
- Operating Profit for Q1 2019-20 stood at **Rs. 828** crores.
- Net Loss stood at Rs. **342** crores for Q1 19-20 as against loss of Rs.919 crores for Q1 18-19(Reduction of **63%**).
- Yield on Advances increased by **10** basis points and ended at 7.22% for Q1 19-20. (Y-o-Y)
- Net Interest Income grew by **6.65%** on Y-O-Y basis.
- NIM has improved by **9 bps** from **1.92** in June'18 to **2.01** for June'19.
- Cost to Income Ratio stood at **57.72%**

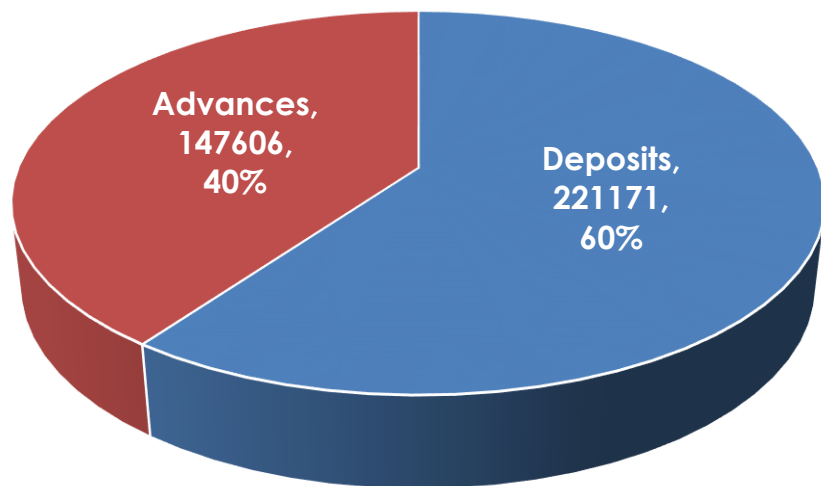
# BUSINESS PERFORMANCE - GLOBAL



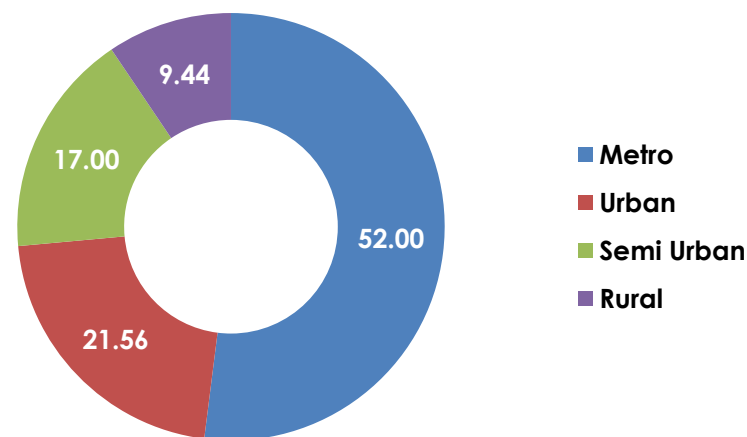
Rs in Crores

Particulars	Mar-17	Mar-18	Jun-18	Mar-19	Jun-19	YoY(%)	QoQ(%)
CASA Deposits	76269	79678	78560	85227	84145	7.11	-1.27
Total Deposits	211343	216832	213168	222534	221171	3.75	-0.61
Advances	156776	150999	148760	151996	147606	-0.78	-2.89
<b>Business Mix</b>	<b>368118</b>	<b>367831</b>	<b>361928</b>	<b>374530</b>	<b>368777</b>	<b>1.89</b>	<b>-1.54</b>
CASA%	36.09	36.75	36.85	38.30	38.05	1.19	-0.25
CD Ratio%	74.18	69.64	69.79	68.30	66.74	-3.05	-1.56

Business Mix



Deposit Composition - Domestic

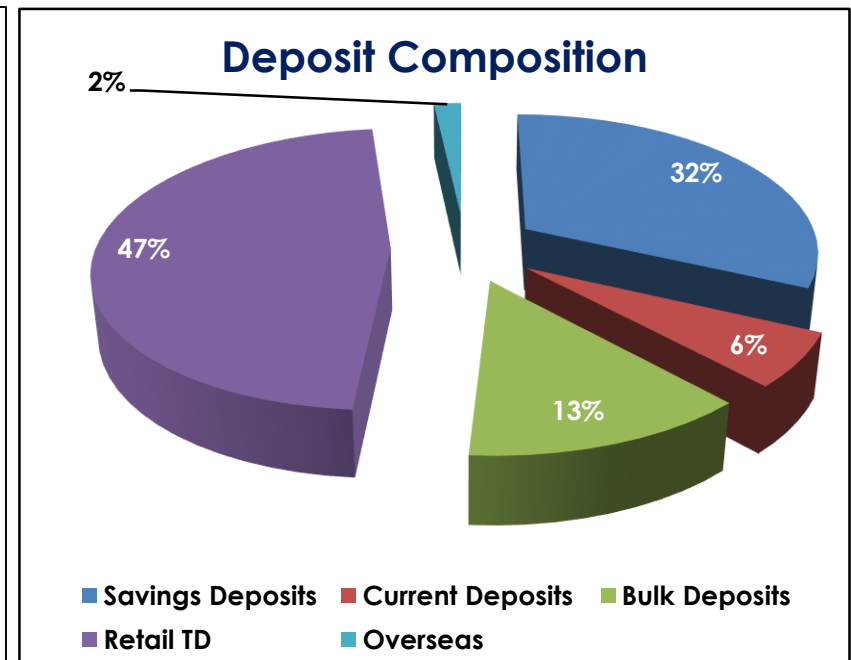
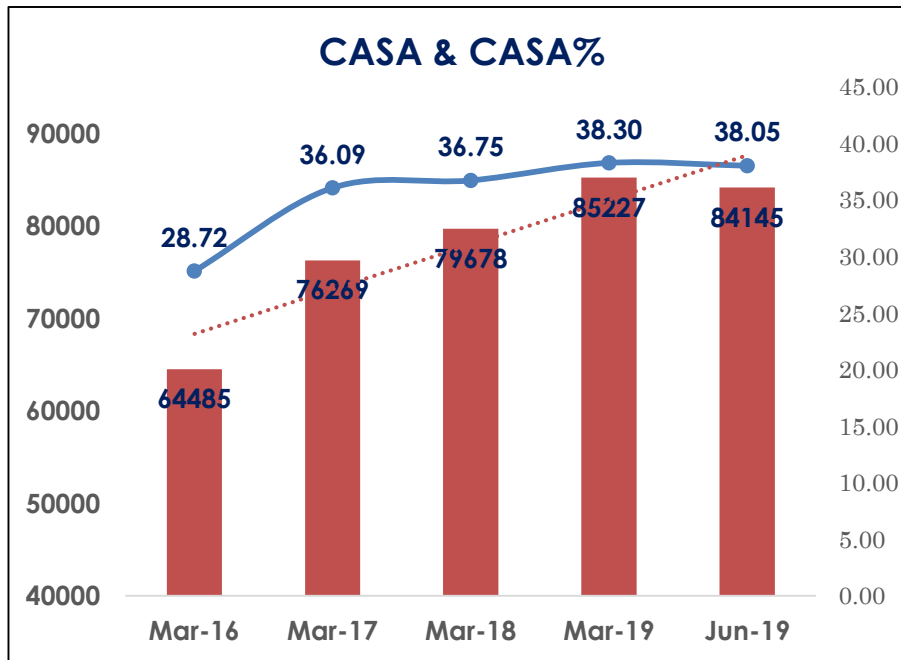


# DEPOSIT COMPOSITION



Rs in Crores

Parameters	Mar-17	Mar-18	Jun-18	Mar-19	Jun-19
Savings Deposits	63232	66742	66634	70652	70502
Current Deposits	13037	12936	11926	14575	13643
Bulk Deposits	29195	27906	26418	28285	28958
Retail Term Deposits	100514	103743	103526	105284	104834
Overseas Term Deposits	5366	5505	4664	3738	3234
Term Deposits	135074	137154	134608	137307	137026
<b>Total Deposits</b>	<b>211343</b>	<b>216832</b>	<b>213168</b>	<b>222534</b>	<b>221171</b>
CASA%	36.09	36.75	36.85	38.30	38.05

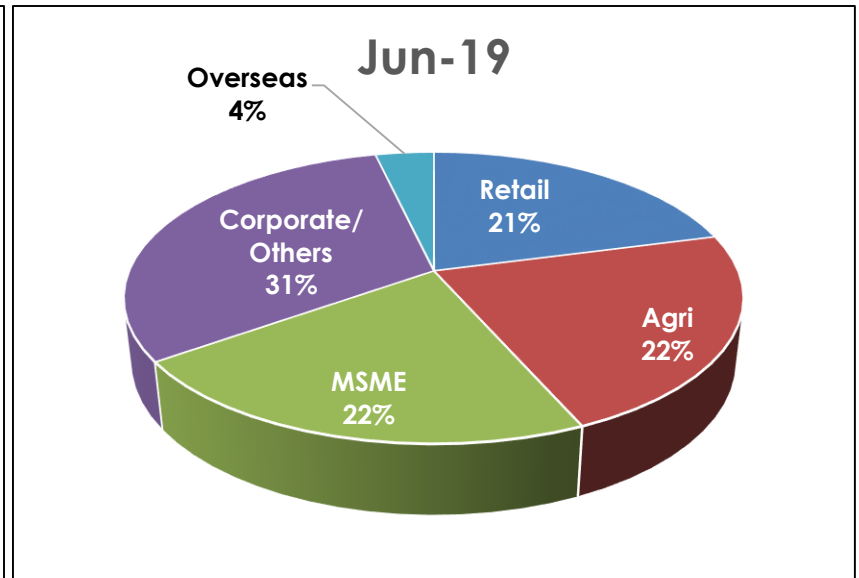
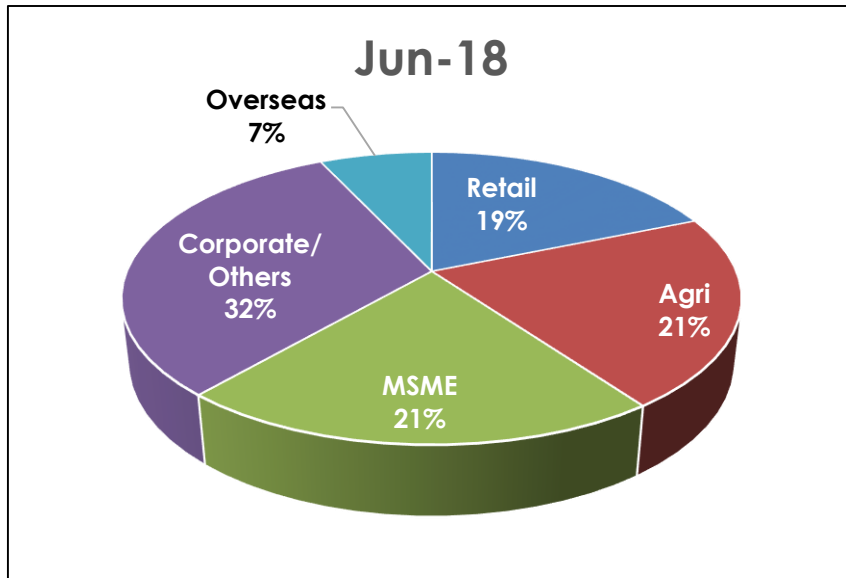


# RISK SPREAD - ASSETS



Rs in Crores

Details	Mar-15	Mar-16	Mar-17	Mar-18	Jun-18	Mar-19	Jun-19
Retail	18033	22653	23887	28183	27934	31588	31053
Agri	29236	30237	29348	30820	31557	33353	33337
MSME	32251	31804	30564	32615	31881	33164	32345
Corporate/Others	83317	70734	58852	46898	46985	47895	45375
<b>Domestic</b>	<b>162837</b>	<b>155428</b>	<b>142651</b>	<b>138516</b>	<b>138357</b>	<b>146001</b>	<b>142110</b>
Overseas	16204	17299	14125	12483	10403	5996	5496
<b>Global</b>	<b>179041</b>	<b>172727</b>	<b>156776</b>	<b>150999</b>	<b>148760</b>	<b>151996</b>	<b>147606</b>

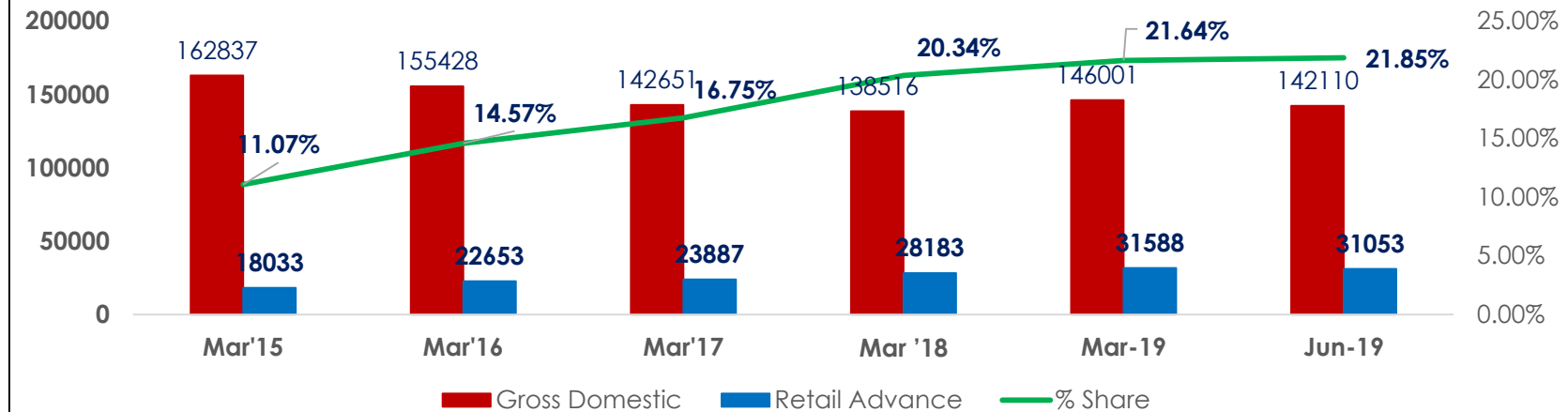


# RETAIL PERFORMANCE

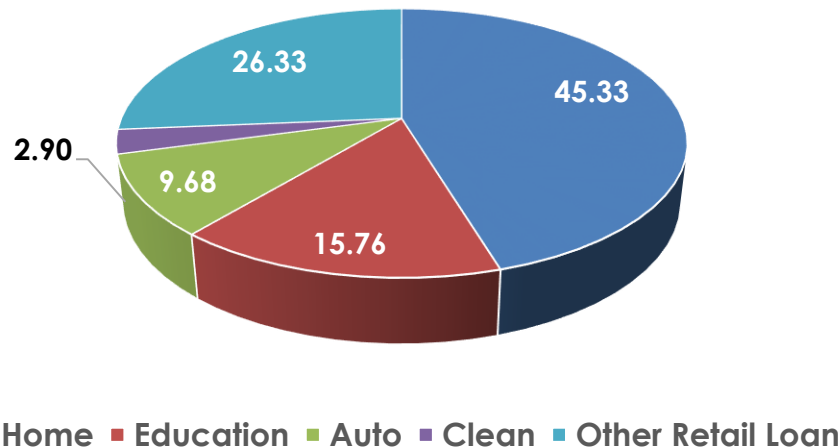
Rs in Crores



## Share of Retail on Domestic Advances



## Retail Advances Breakup

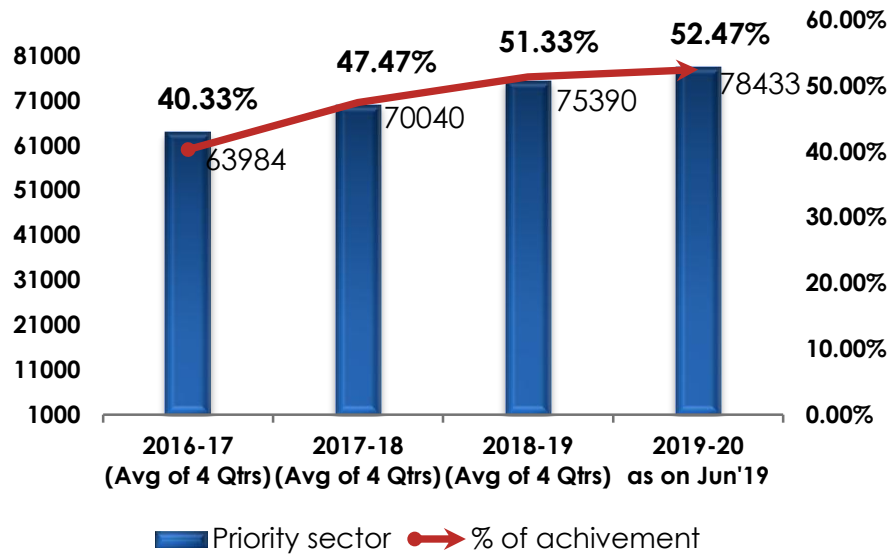


## Details

## June-2019

Home	14075
Education	4895
Auto	3006
Clean	901
Other Retail Loans	8177
<b>Total</b>	<b>31053</b>

# PRIORITY SECTOR ADVANCES - OVERVIEW



Financial Year	Priority sector Achievement	% of achievement
2016-17 (Avg of 4 Qtrs)	63984	<b>40.33%</b>
2017-18 (Avg of 4 Qtrs)	70040	<b>47.47%</b>
2018-19 (Avg of 4 Qtrs)	75390	<b>51.33%</b>
2019-20 as on Jun'19	78433	<b>52.47%</b>

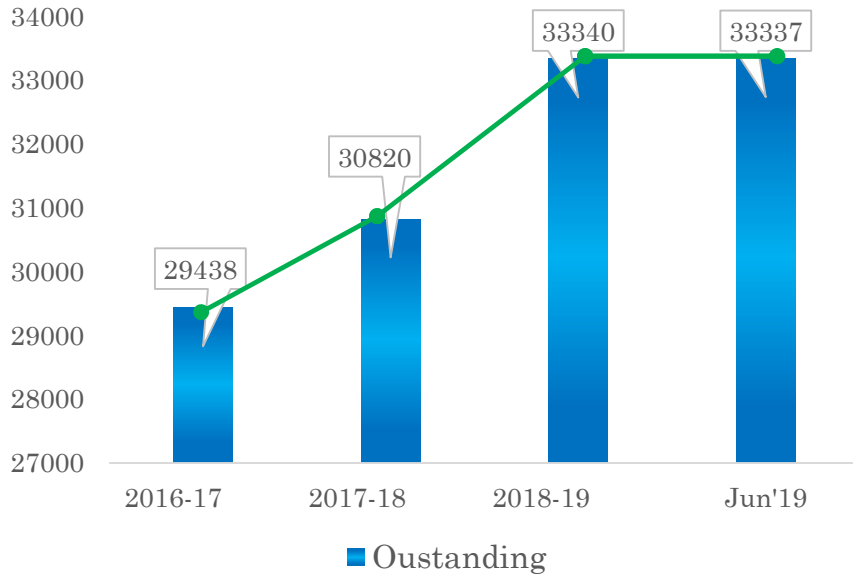
## PRIORITY SECTOR EXPOSURE AS ON 30.06.2019



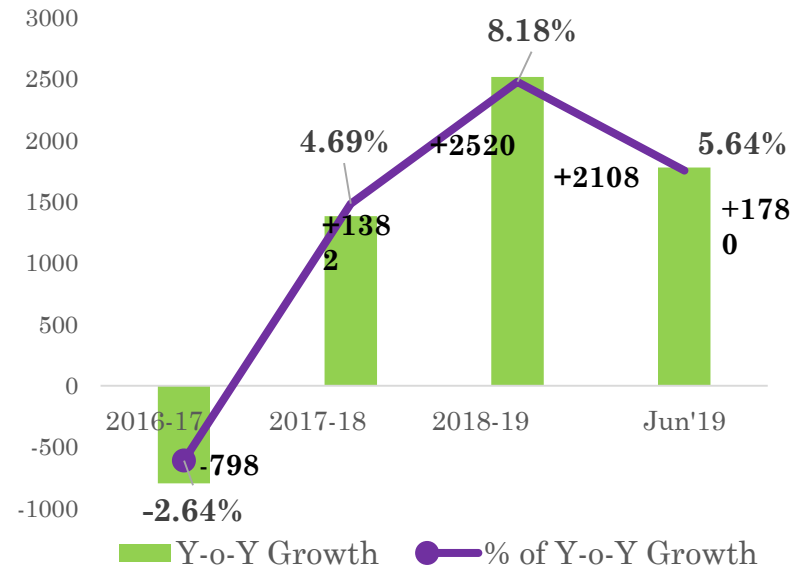
Priority sector exposure	O/s as on 30.06.2019	% Share
Agriculture	<b>32840</b>	<b>41.87%</b>
MSME	33118	42.22%
Education	4569	5.83%
Housing	7791	9.93%
Other Priority Sector	115	0.15%
Total	78433	100.00%

# AGRICULTURE ADVANCE PERFORMANCE

### Oustanding

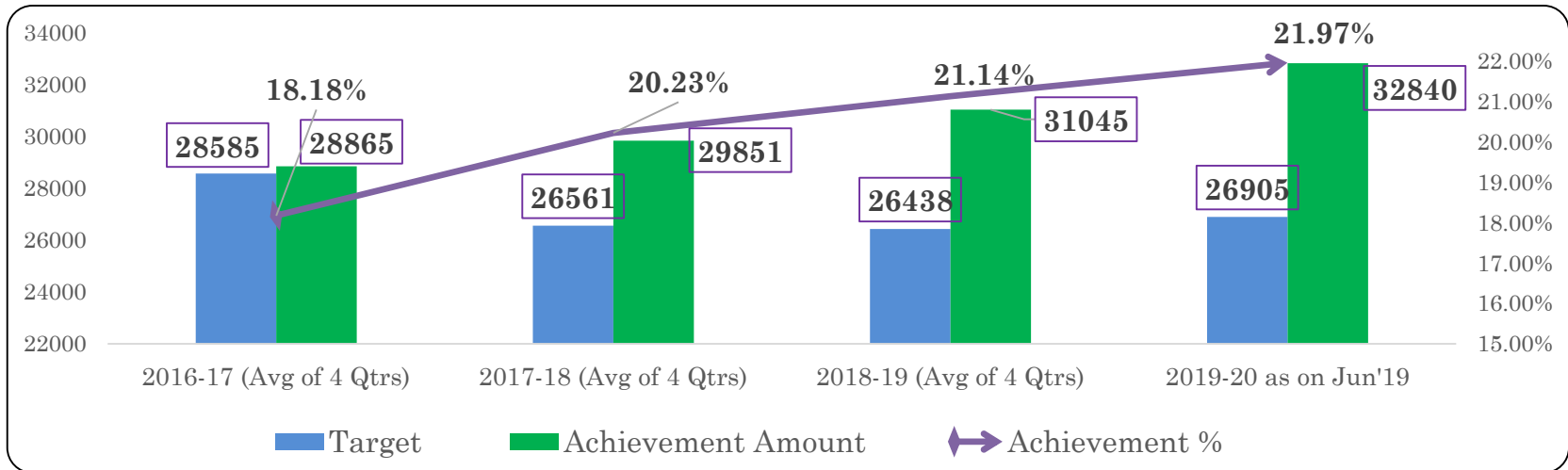


### % of Y-o-Y Growth



Financial Year	Outstanding	Y-o-Y Growth	% of Y-o-Y Growth
2016-17	29438	-798	<b>-2.64%</b>
2017-18	30820	+1382	<b>4.69%</b>
2018-19	33340	+2520	<b>8.18%</b>
Jun'18	31557	+2108	<b>7.16%</b>
Jun'19	33337	+1780	<b>5.64%</b>

# AGRI ADVANCES – PRIORITY SECTOR



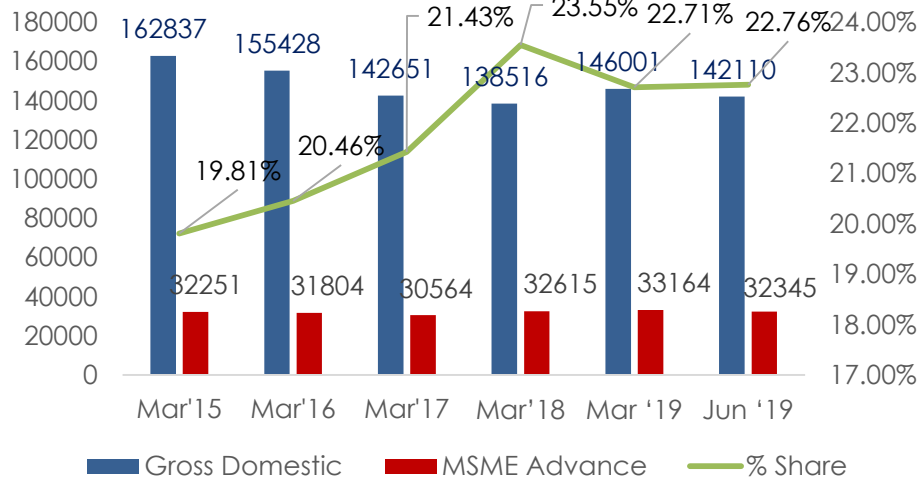
Financial Year	ANBC	Target (18% of ANBC)	Achievement	
			Amount	%
2016-17 (Avg of 4 Qtrs)	158808	28585	28865	18.18%
2017-18 (Avg of 4 Qtrs)	147560	26561	29851	20.23%
2018-19 (Avg of 4 Qtrs)	146878	26438	31045	21.14%
Jun'18	144121	25942	31057	21.55%
2019-20 as on Jun'19	149475	26905	32840	21.97%



# MSME PERFORMANCE

Rs in Crores

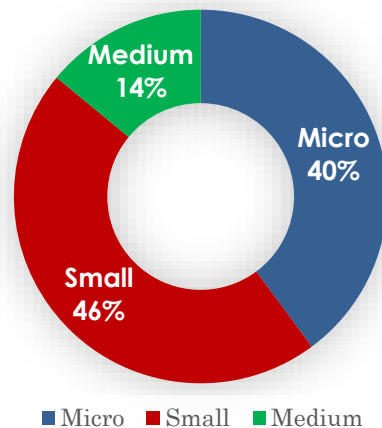
### Share of MSME on Domestic Advances



Year	Gross Domestic	MSME Advance	% Share
Mar'15	162837	32251	19.81%
Mar'16	155428	31804*	20.46%
Mar'17	142651	30564*	21.43%
Mar'18	138516	32615*	23.55%
Mar '19	146001	33164	22.71%
Jun '19	142110	32345	22.76%

\* Netting of Rs. 7500 crores related to Food & Agro processing units migrated and classified under Agriculture

### % Share of MSME Credit



### % Share of MSME Credit (O/S as on June '19) Rs. In Crores

Category	No of Accounts	Amount in Crores	% Share
Micro	444193	12893	39.86%
Small	27716	14917	46.12%
Medium	1470	4535	14.02%
<b>Total</b>	<b>473379</b>	<b>32345</b>	<b>100%</b>

# INCOME & EXPENSES

Rs in Crores



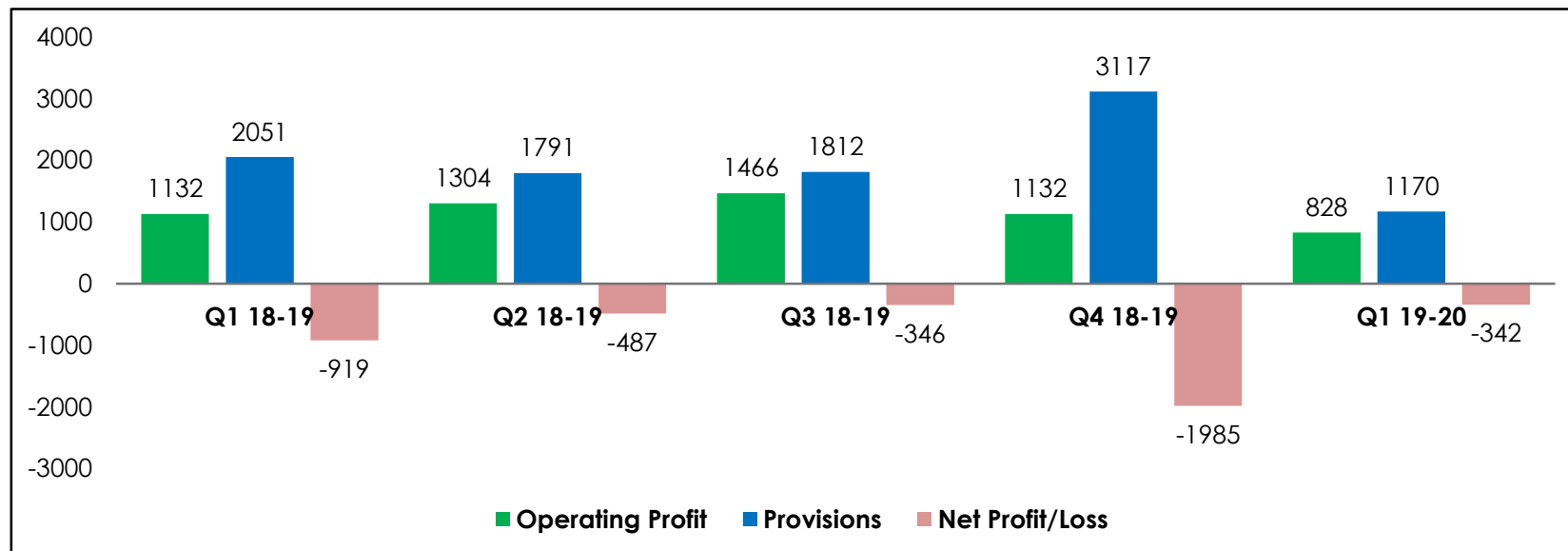
Particulars	Q1 18-19	Q4 18-19	Q1 19-20	YoY (%)	QoQ (%)
Interest Income	4249	4556	4336	2.07	-4.83
Non Interest Income	1078	917	670	-37.85	-26.96
<b>Total Income</b>	<b>5327</b>	<b>5474</b>	<b>5006</b>	<b>-6.01</b>	<b>-8.54</b>
Interest Expended	3041	3077	3048	0.24	-0.96
Staff Expenses	769	706	736	-4.24	4.31
Other Expenses	386	559	394	2.29	-29.49
<b>Total Expenses</b>	<b>4195</b>	<b>4342</b>	<b>4178</b>	<b>-0.39</b>	<b>-3.78</b>
<b>Operating Profit</b>	<b>1132</b>	<b>1132</b>	<b>828</b>	<b>-26.84</b>	<b>-26.81</b>

# PROFITABILITY

Rs in Crores



Particulars	Q1 18-19	Q4 18-19	Q1 19-20	YoY (%)	QoQ (%)
Operating Profit	1132	1132	828	-26.84	-26.81
Provisions	2051	3117	1170	-42.96	-62.45
of which					
NPA Provisions	2294	3961	1259	-45.11	-68.21
Other Provisions	-242	-844	-89	-63.31	-89.46
<b>Net Profit/Loss</b>	<b>-919</b>	<b>-1985</b>	<b>-342</b>	<b>-62.79</b>	<b>-82.77</b>



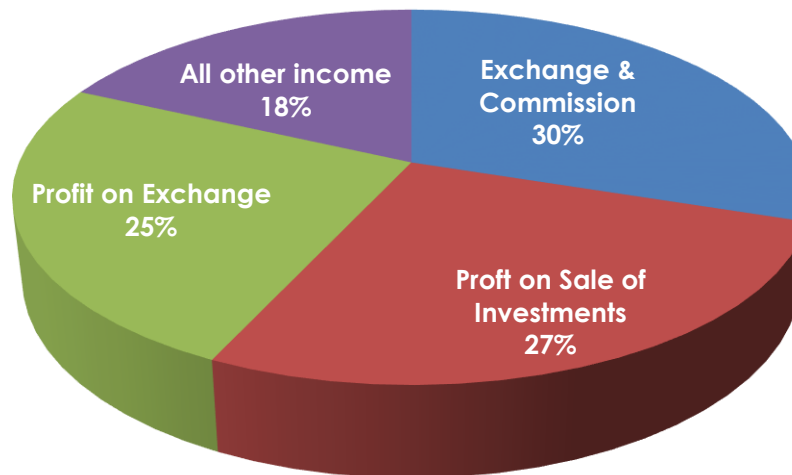
# OTHER INCOME

Rs in Crores

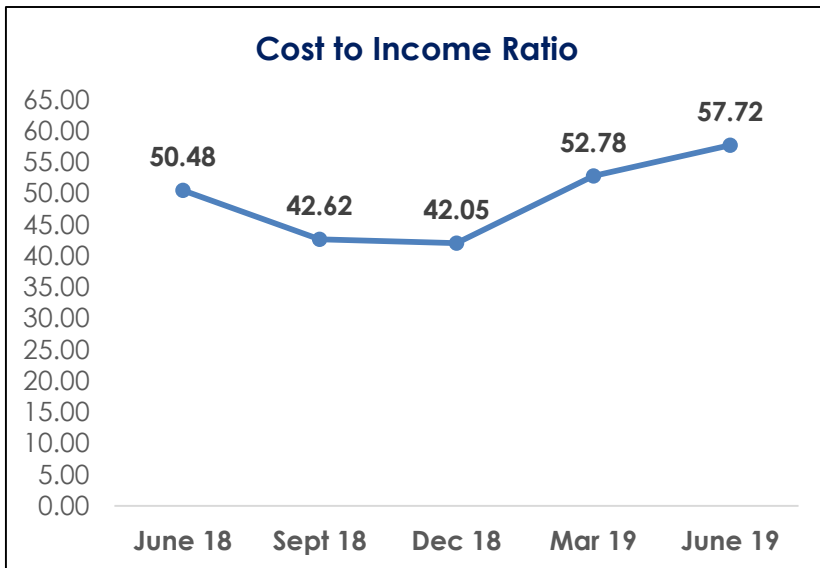
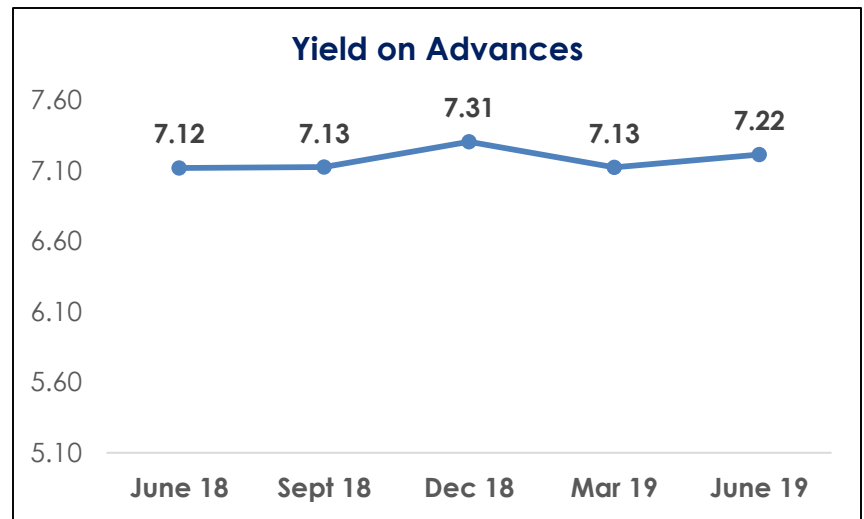
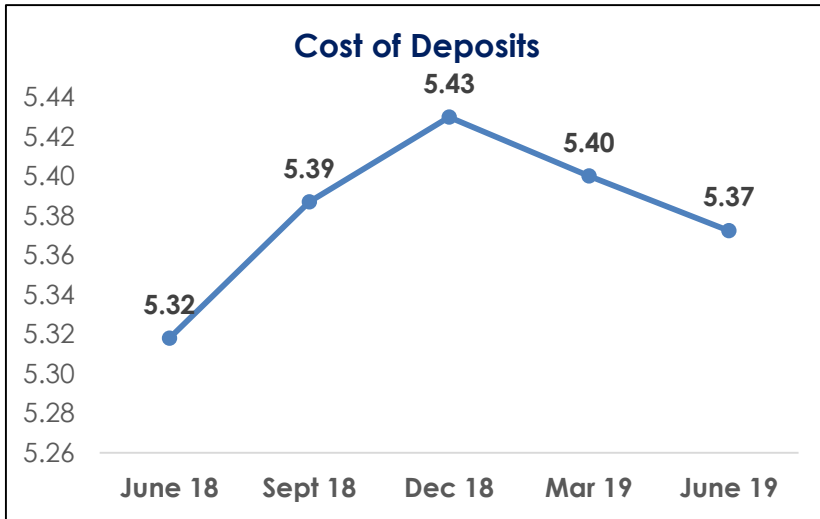


Particulars	Q1 18-19	Q4 18-19	Q1 19-20	YoY (%)	QoQ (%)
Exchange & Commission	211	281	201	-4.77	-28.54
Profit on Sale of Investments	72	110	181	150.44	64.05
Profit on Exchange	119	144	167	40.31	16.09
All other income	676	382	122	-82.02	-68.20
<b>Total Other Income</b>	<b>1078</b>	<b>917</b>	<b>670</b>	<b>-37.85</b>	<b>-26.96</b>

Other Income – Q1 2019-20



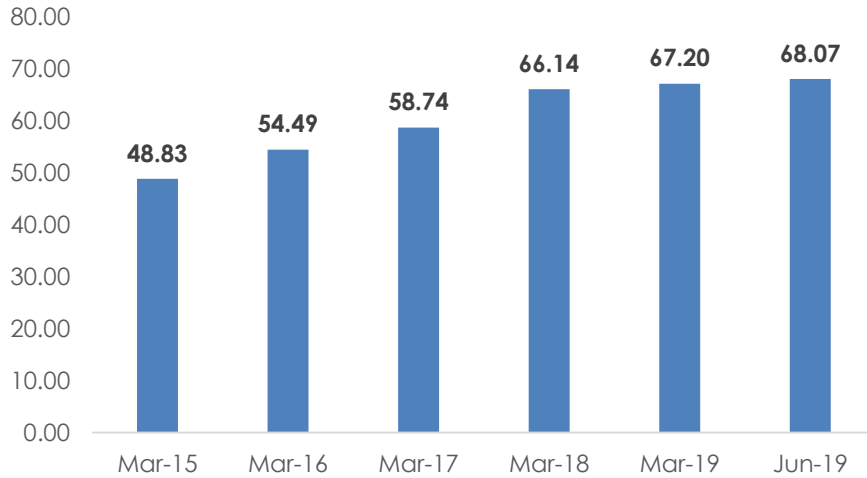
# PERFORMANCE RATIO



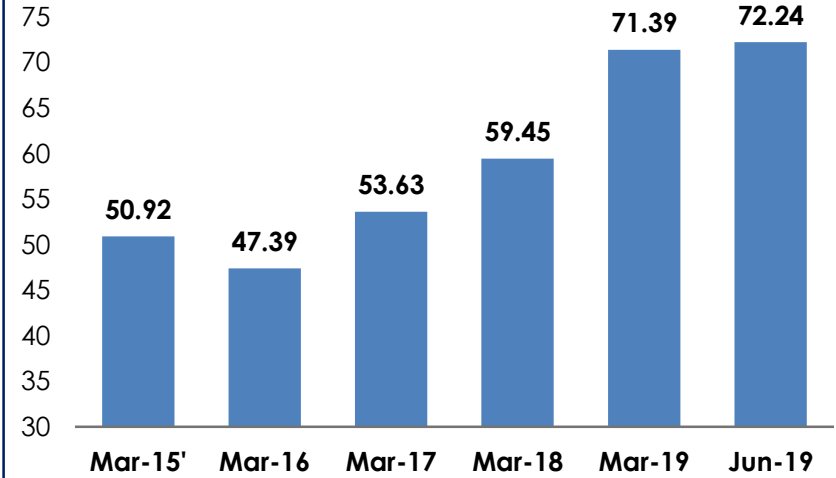
# REBALANCED ASSET PORTFOLIO



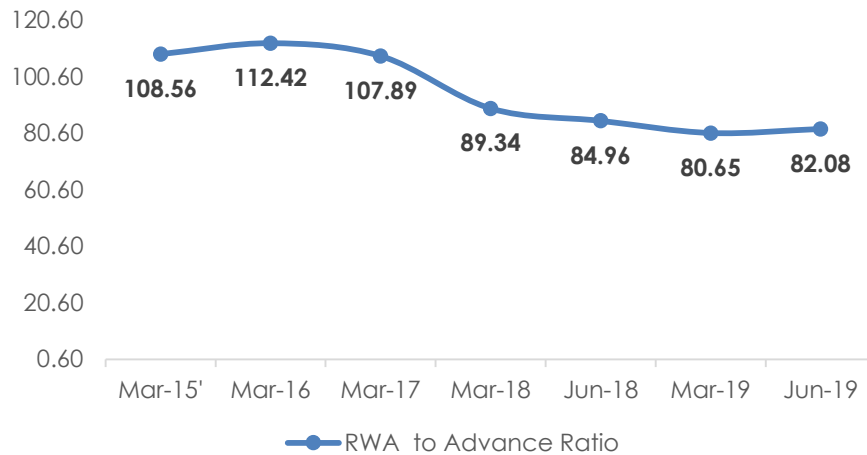
### RAM Share to Domestic Advances



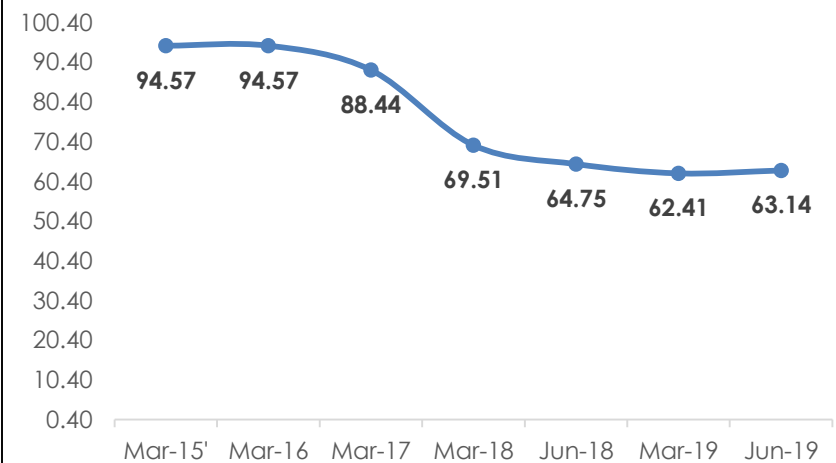
### Provision Coverage Ratio



### RWA to Advances Ratio

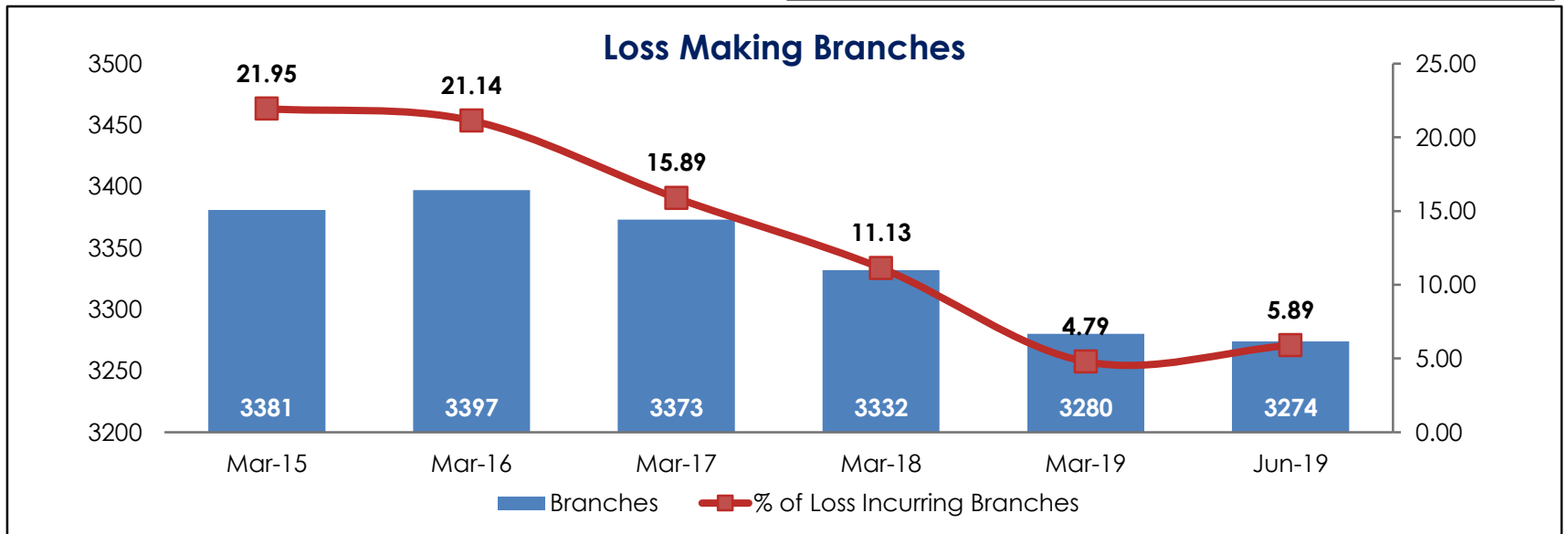
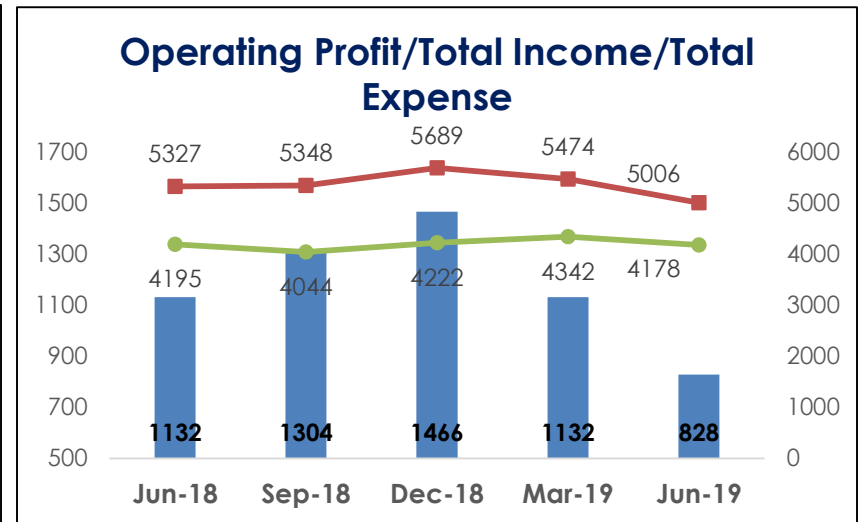
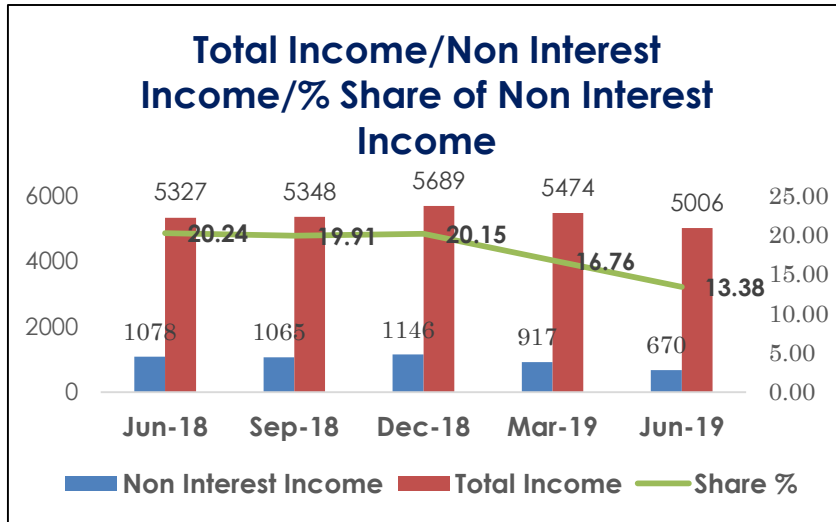


### Credit RWA to Advance Ratio



# PROFITABILITY METRICS

Rs in Crore



# NPA MANAGEMENT

Rs in Crores



Details	FY 2017-18	Q1 2018-19	Q2 2018-19	Q3 2018-19	Q4 2018-19	FY 2018-19	Q1 2019-20
i) Opening Gross NPAs	35098	38180	38146	37110	35787	38180	33398
a. Cash Recoveries	1105	565	1723	750	635	3673	483
b. Upgradation	2330	467	342	197	446	1452	431
c. Write-Offs	7018	1262	1425	2294	2701	7683	1171
d. Sale to ARCs	3254	268	289	150	0	708	0
e. Other Reductions	36	0	0	86	25	111	0
ii) Total Reductions (a+b+c+d+e)	13743	2563	3779	3477	3807	13627	2084
iii) Fresh Slippages to NPA category + Other Debits	16825	2529	2743	2154	1419	8845	1948
Closing Gross NPAs (i-ii+iii)	38180	38146	37110	35787	33398	33398	33262
Gross NPA (%)	25.28	25.64	24.73	23.76	21.97	21.97	22.53
Net NPAs (Absolute)	20400	19642	18876	17988	14368	14368	14173.8
Net NPA (%)	15.33	15.10	14.34	13.56	10.81	10.81	11.04
Provision Coverage Ratio	59.45	61.10	61.97	64.23	71.39	71.39	72.24



# MOVEMENT OF RWA & CRAR

Rs in Crores



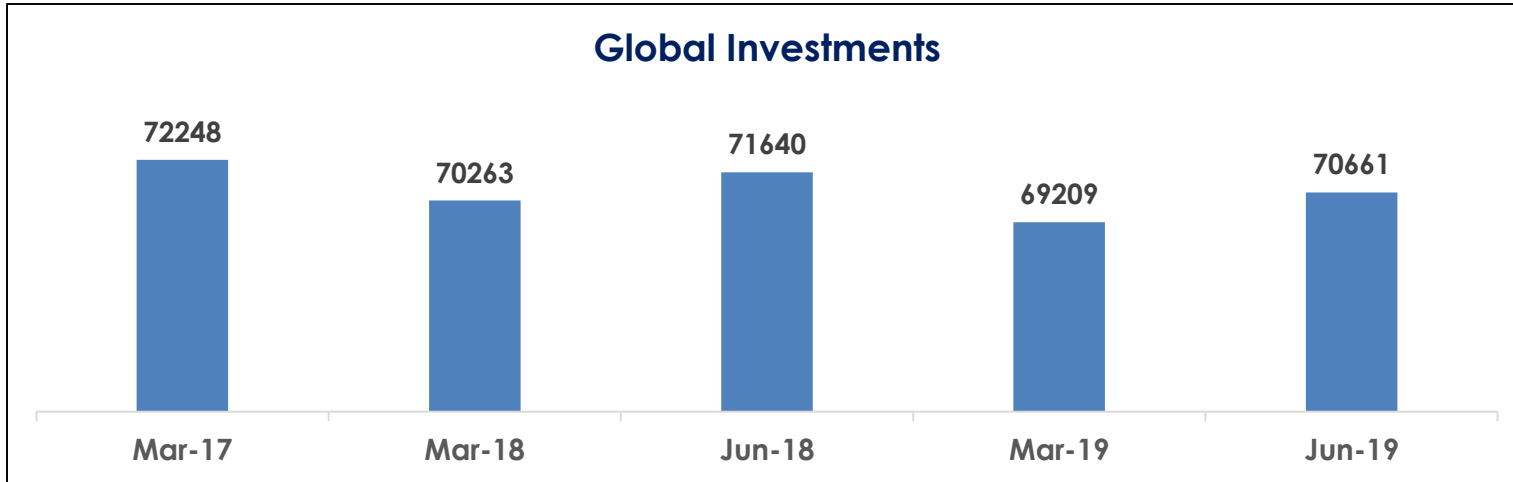
Particulars	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
Market Risk RWA	15189	15189	14859	12538	11944	11320
Operational Risk RWA	14759	14759	15779	15779	15779	16642
Credit Risk RWA	104960	104960	96903	96770	94862	93196
<b>Total RWA (A)</b>	<b>134909</b>	<b>134909</b>	<b>127541</b>	<b>125086</b>	<b>122585</b>	<b>121158</b>
CET 1	8626	8626	9072	8376	9586	9194
<b>CET 1%</b>	<b>6.39%</b>	<b>6.39%</b>	<b>7.11%</b>	<b>6.70%</b>	<b>7.82%</b>	<b>7.59%</b>
Tier 1	9666	9666	9112	8416	9626	9234
<b>Tier 1%</b>	<b>7.17%</b>	<b>7.17%</b>	<b>7.15%</b>	<b>6.73%</b>	<b>7.85%</b>	<b>7.62%</b>
Tier 2	2817	2817	2567	2666	2889	2909
<b>Tier 2%</b>	<b>2.08%</b>	<b>2.08%</b>	<b>2.01%</b>	<b>2.13%</b>	<b>2.36%</b>	<b>2.40%</b>
<b>Total Capital (B)</b>	<b>12483</b>	<b>12483</b>	<b>11678</b>	<b>11082</b>	<b>12516</b>	<b>12142</b>
<b>CRAR (B/A)</b>	<b>9.25%</b>	<b>9.25%</b>	<b>9.16%</b>	<b>8.86%</b>	<b>10.21%</b>	<b>10.02%</b>
Total RWA to Advance Ratio	<b>89.34%</b>	<b>89.34%</b>	<b>85.00%</b>	<b>83.06%</b>	<b>80.65%</b>	<b>82.08%</b>
<b>Credit RWA to Advance Ratio</b>	<b>69.51%</b>	<b>69.51%</b>	<b>64.58%</b>	<b>64.26%</b>	<b>62.41%</b>	<b>63.14%</b>

# INVESTMENTS

Rs in Crores



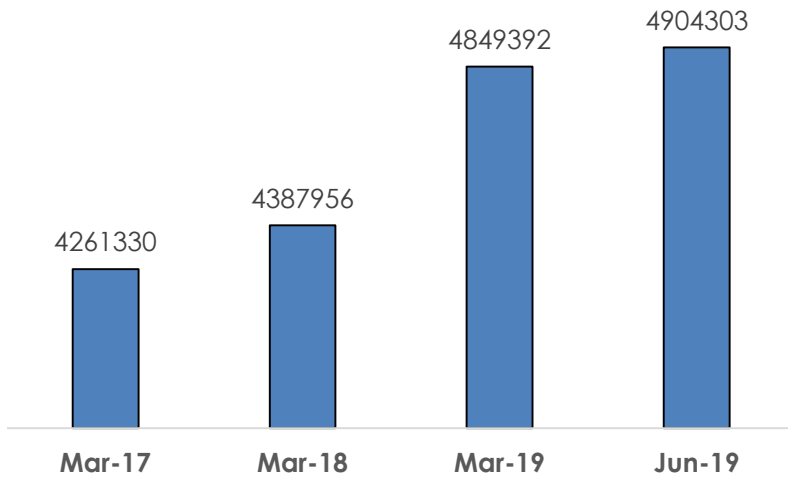
## Global Investments



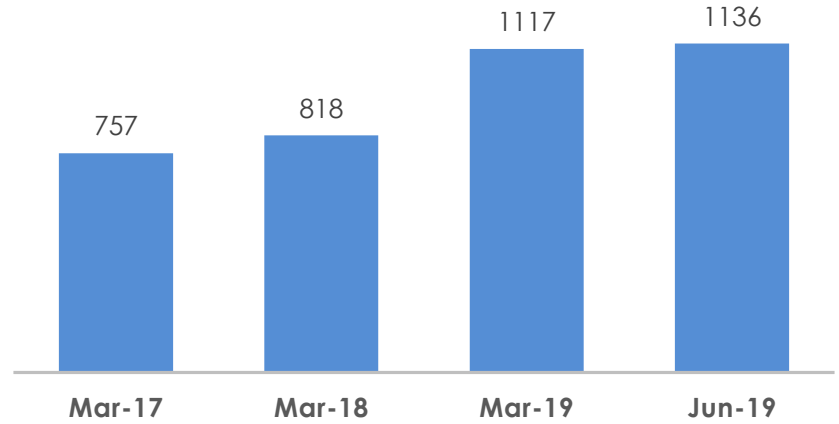
Parameters	Mar-16	Mar-17	Mar-18	June-18	Mar-19	June-19
<b>Domestic Investments</b>	<b>76155</b>	<b>68627</b>	<b>66619</b>	<b>66854</b>	<b>65380</b>	<b>67031</b>
SLR	64028	58009	53019	53604	47858	49073
Non SLR	12127	10618	13600	13248	17522	17958
Held to Maturity	50862	45709	46543	46659	45975	44958
Available for Sale	25273	22816	20076	19993	19345	21883
Held for Trading	20	102	0	202	60	190
<b>Investment by Overseas Branches</b>	<b>3471</b>	<b>3621</b>	<b>3644</b>	<b>4786</b>	<b>3829</b>	<b>3630</b>
<b>Global Investments</b>	<b>79626</b>	<b>72248</b>	<b>70263</b>	<b>71640</b>	<b>69209</b>	<b>70661</b>

# FINANCIAL INCLUSION

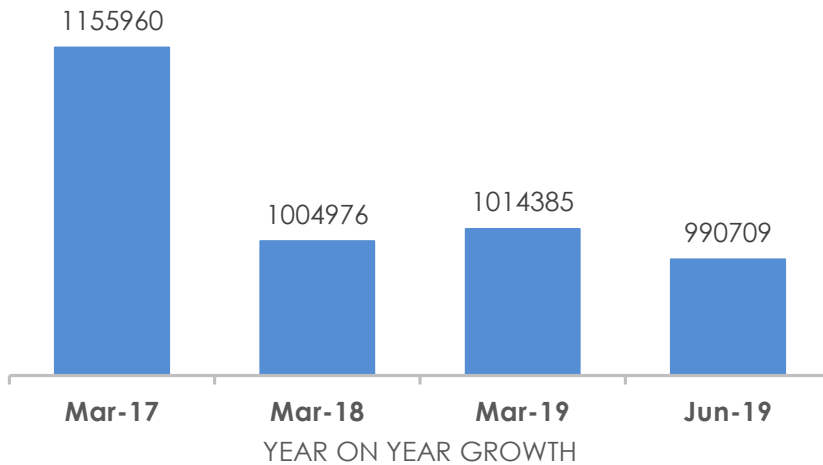
## PMJDY ACCOUNTS



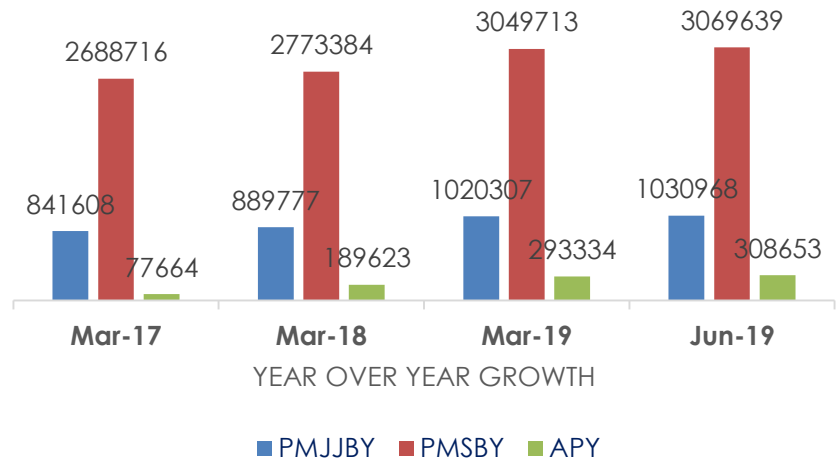
## PMJDY Account Balance – Rs in crores



## PMJDY ZERO BALANCE ACCOUNTS



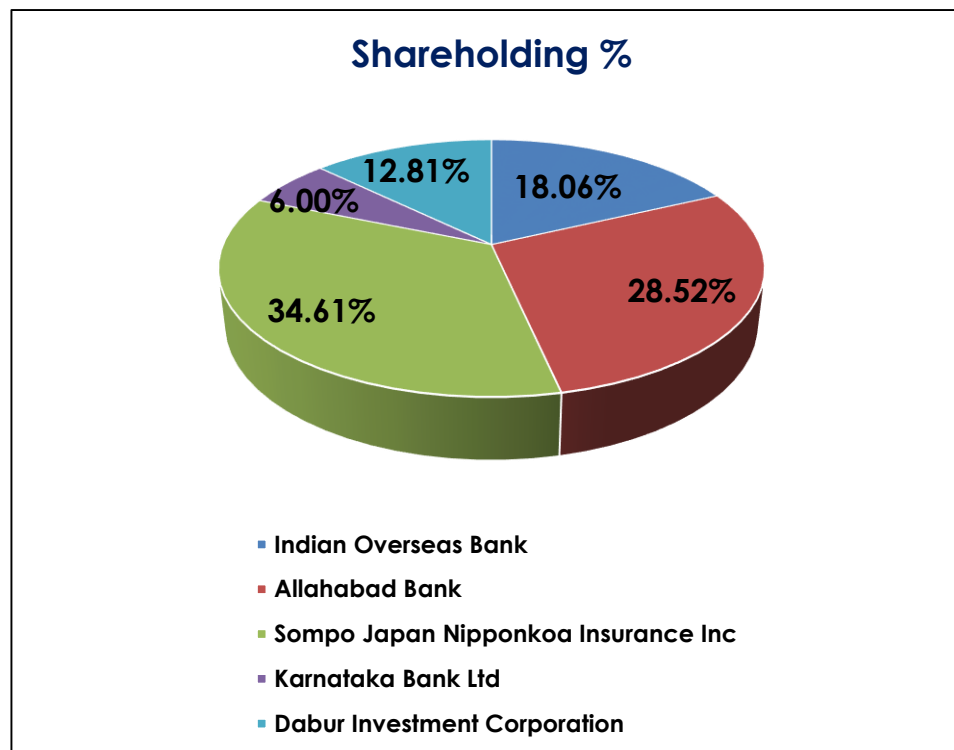
## Jan Suraksha & APY Enrolments – Cumulative - Nos



# STRATEGIC INVESTMENTS – JOINT VENTURE

**IOB** entered into Non Life Insurance Business with Universal Sampo General Insurance (USGI) Company Limited with equity participation of **18%** along with the other Banks and Institutions

Name of Entity	Shareholding %	Investment
Indian Overseas Bank	18.06%	66
Allahabad Bank	28.52%	105
Sampo Japan Nipponkoa Insurance Inc	34.61%	127
Karnataka Bank Ltd	6.00%	22
Dabur Investment Corporation	12.81%	47
<b>Total</b>	<b>100.00%</b>	<b>368</b>



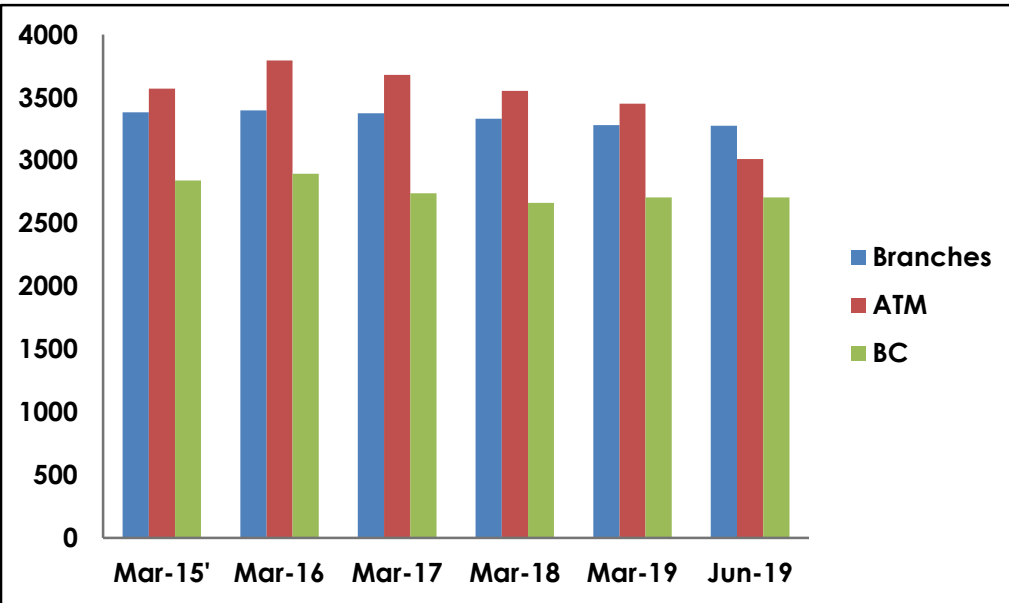
- USGIC has entered into Bancassurance tie up with Allahabad Bank, IOB & Karnataka Bank.
- IOB entered into Corporate Agency arrangements with effect from 20<sup>th</sup> December 2008 for distribution of USGI products.

# VALUATIONS

Particulars (Rs. Crs)	Q1 2018-19	Q4 2018-19	Q1 2019-20
Earning per Share (₹)	-1.88	-3.06	-0.37
Book Value per Share (₹)	8.43	6.43	6.05
Adjusted Book Value per Share (₹) [(Net Worth - Net NPA)/No of Shares]	-ve	-ve	-ve
Price/Book Value (₹)	1.67	2.25	2.01
Price/Adjusted Book Value (₹)	-Ve	-Ve	-Ve
PE Ratio	-ve	-ve	-ve

\* Price as on 28.06.2019 Rs. 12.15 (NSE)

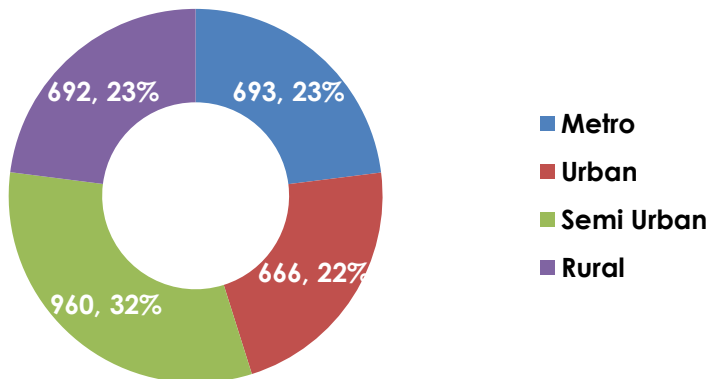
# CUSTOMER TOUCH POINTS



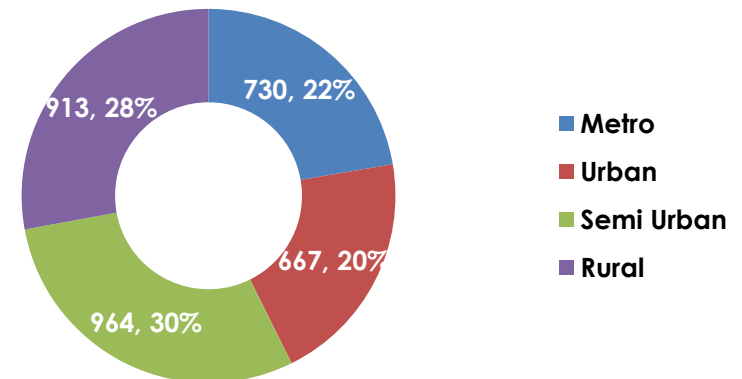
Year	Branches	ATM/CR	IOB Mitra
Mar-15	3381	3571	2841
Mar-16	3397	3793	2894
Mar-17	3373	3679	2738
Mar-18	3332	3552	2663
Mar-19	3280	3450	2705
<b>Jun-19</b>	<b>3274</b>	<b>3011</b>	<b>2705</b>

BC: IOB Mitra  
CR: Cash Recyclers

## ATM Network - June-19



## Branch Network - June-19



Note: Merged 6 branches during Q1 2019-20

# GLOBAL FOOTPRINTS – FOREIGN BRANCHES



## Branches

- Singapore
- Hong Kong Main
- Colombo
- Bangkok

## Representative Office

- Dubai

## JV Subsidiary

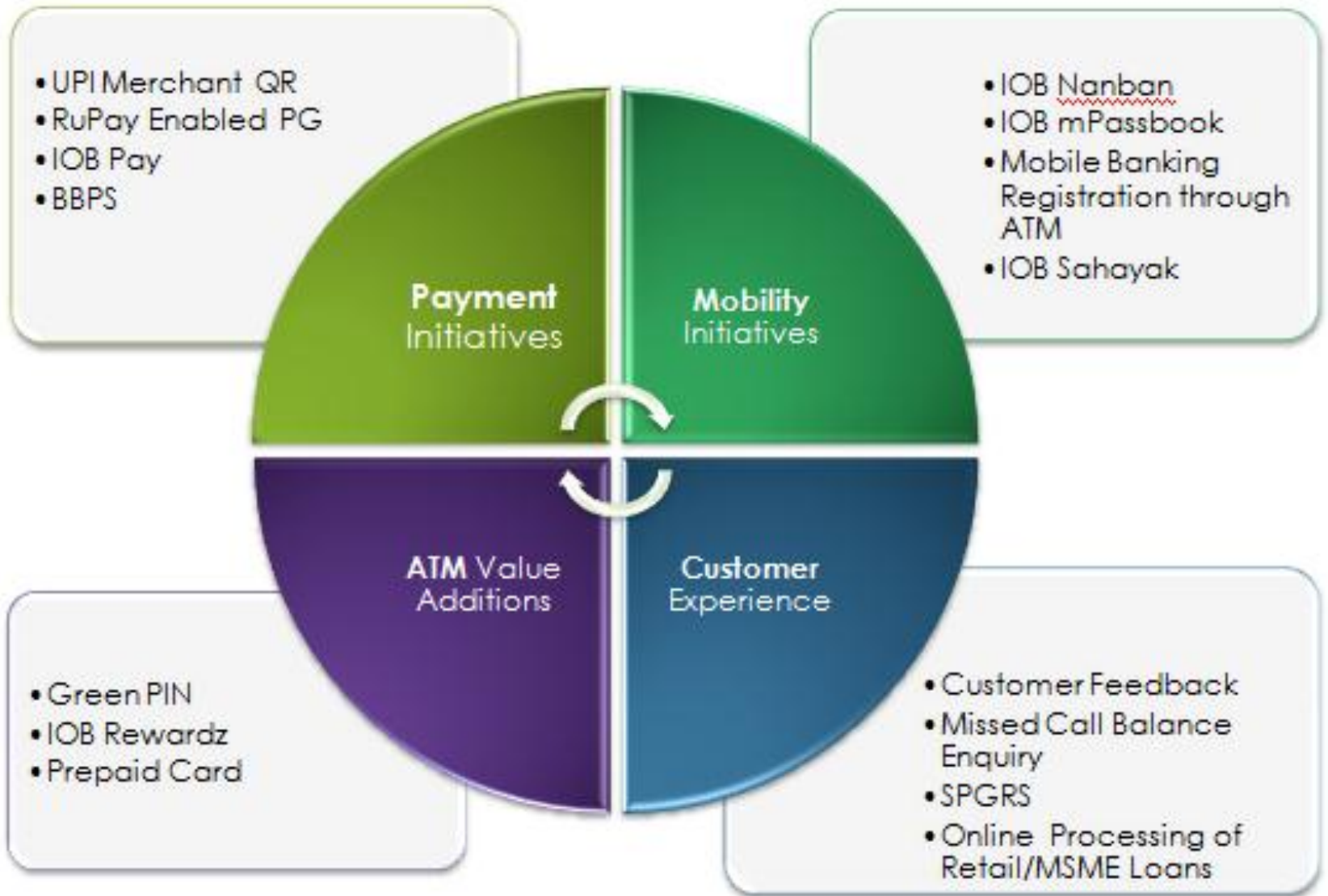
- Malaysia

## Remittance Centres

- Singapore – Serangoon Road

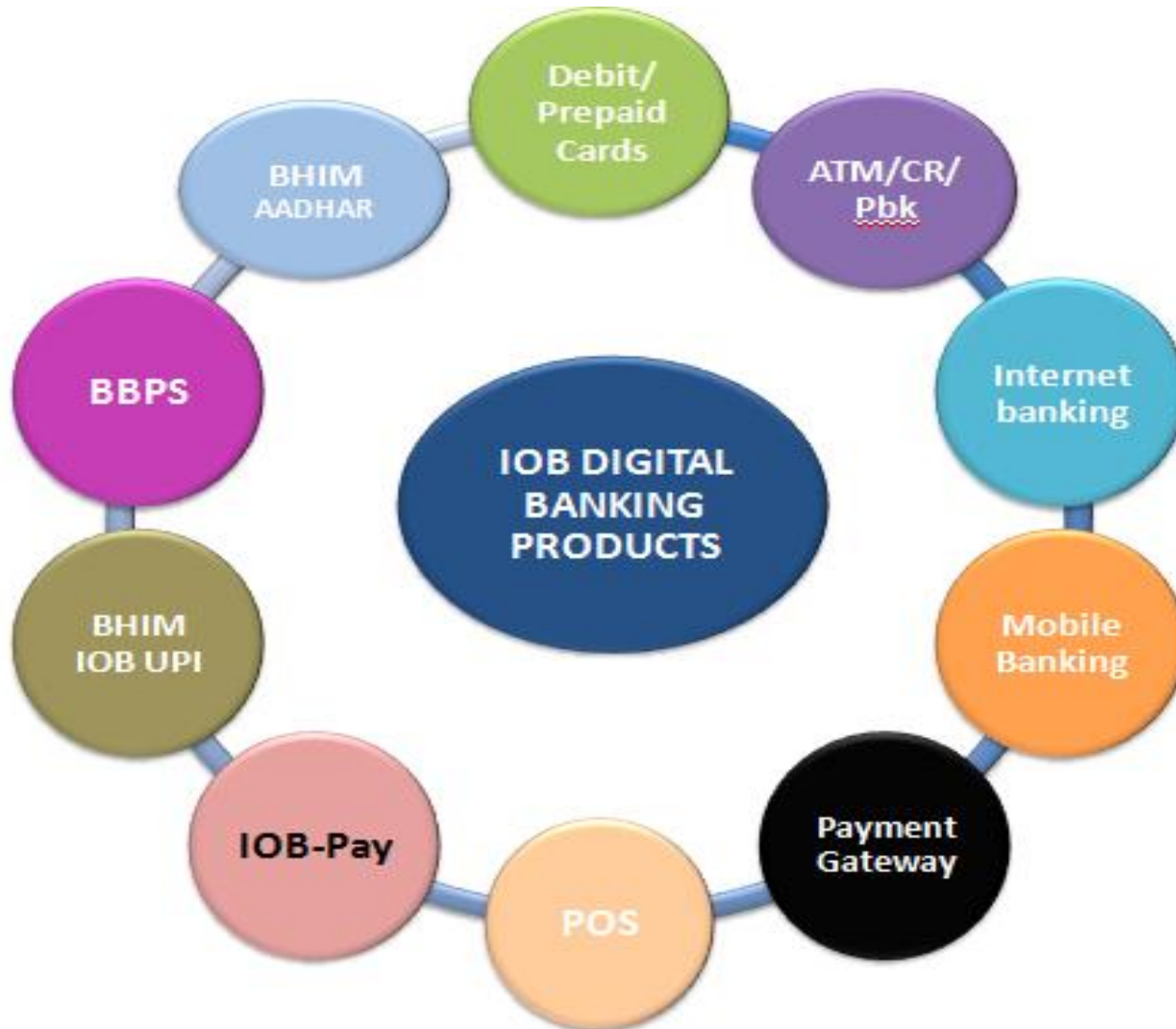
**Joint Venture in Malaysia:** Joint Venture with Bank of Baroda (40%) and Andhra Bank (25%) with IOB share of 35%

# DIGITAL INITIATIVES





# DIGITAL INITIATIVES





**BANKING ON WHEELS:** Bank in its quest for enhancing customer service with its committed “**Customer First**” concept has brought Banking Services on wheels to rural and Semi-Urban areas of Tamil Nadu and Kerala.

The Mobile van contains ATM, Passbook Kiosk and also an LED display to educate the customer on the services offered by Bank.

## **PROCESS AUTOMATION:**

- End to end Automation of online Credit Proposals Processing from Sourcing to Disbursal in Retail and MSME loans.
- NCMC- Integration through Net Banking implemented.
- Integration in Finacle for Account Opening through E-KYC.

# CUSTOMER EXPERIENCE INITIATIVES



- ✓ Customer can call to the specified number for to provide a feedback about our service
- ✓ If you are unhappy with our service please call **8828846220**
- ✓ If you are happy with our service please call **8828846225**



- ✓ Customer can give missed call to **9210622122** to know your account balance
- ✓ All account balance linked to the mobile number will be sent as SMS



- ✓ Automated voice call wishes for HNI customers On their Birthdays

# 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.

# THANK YOU