




Indian Overseas Bank

Central Office
Chennai

Press Release

27.07.2018

Performance Highlights – 30.06.2018



Top Line – Milestones (Rs. Crores)	
➤ Deposits	Rs. 213,168
➤ Advances	Rs. 148,760
➤ Business Mix	Rs. 361,928
➤ CASA	Rs. 78,560
➤ CASA (%)	36.85

Bottom Line (Rs. Crores)	
➤ Operating Profit	Rs. 1,132
➤ Net Loss	Rs. 919
➤ Gross NPA	Rs. 38,146
➤ Net NPA	Rs. 19,642

Key Performance indicators:		
	Global	Domestic
CASA Ratio	36.85	37.44
Net Interest Margin	1.92	1.98
Cost of Deposit	5.32	5.43
Yield on Advances	7.13	7.55

- Operating Profit Growth 45.77 % YoY
- Non-Interest Inc. Growth 9.20 % YoY
- Total Expenditure decreased by 4.62 % YoY
- Retail Loan Growth 24.11 % YoY
- NPA Recovery increased by 21.7 % YoY
- PCR improved to 61.10 %
(8.01% increase YoY)
- Cost to Income Ratio 50.48 %
(10.92 % reduction YoY)

Net Loss is due to provisions and not due to operations

Performance Highlights For The Quarter Ended June 30, 2018 – YoY (Year on Year)

- Total business** stood at Rs.3,61,928 crore as on 30th June 2018 as against Rs. 3,60,986 crore as on 30th June 2017.
- Total deposits** increased to Rs. 2,13,168 crore as on 30th June 2018 as against Rs. 2,10,748 crore as on 30th June 2017. The Bank has reduced the concentration of Bulk Deposits and high cost deposits and increased Retail Term Deposits to have a stable and sustainable deposit profile and reduce the cost of funds.



3. **CASA of the Bank improved to 36.85% as on 30th June 2018 as against 35.85% as on 30th June 2017. Total CASA has increased from Rs.75561 crores as on 30.06.2017 to Rs. 78560 crores as on 30.06.2018, SB (Savings Bank) registered 7.35% YoY growth as at 30th June '18 over 30th June '17.**
4. **Gross Advances** stood at Rs. 1,48,760 crore as on 30th June 2018 as against Rs. 1,50,238 crore as on 30th June 2017. The Bank has evolved a policy of not taking fresh exposures in stressed sectors, below hurdle rated accounts and BB and below rated accounts. The Bank has also exited from accounts in the stressed sectors.

The Bank has rebalanced the credit portfolio with RAM's (Retail, Agri and MSME) share of total domestic advances improving from 59.96 % to 66.04 % YoY (June '18 over June '17). Bank also increased its share of A and above rated accounts by 46.93% over June '17.
5. **MSME Segment** grew by 4.16% YoY (June '18 over June '17).
6. **Retail Segment** grew by 24.11% YoY (June '18 over June '17).
7. **Core Retail Advances (Housing Loans, Vehicle Loans, Clean Loans, Education Loans, Mortgage Loans) grew by 23.68% YoY.**
8. **Operating Profit for Quarter ended 30th June 2018 stood at Rs. 1132.03 crore as against Rs. 776.60 crore for the quarter ended 30th June 2017, registering growth of 45.77%.**
9. **Provisions & Contingencies** for quarter ended June '18 is Rs.2051.47 crore as against Rs.1275.69 crore for quarter ended June '17 with an increase of Rs. 775.78 crore (60.8%) YoY.
10. **Net Profit:** Net Loss for the quarter ended 30th June 2018 is Rs.919.44 crore as against Rs. 499.09 crore for the quarter ended 30th June 2017 mainly due to provisioning increase of 60.80% YoY.
11. **Total income for the quarter ended 30th June 2018 is Rs. 5326.71 crore as against Rs. 5174.50 crore for the quarter ended 30th June 2017 registering a growth of 2.94% YoY.**
12. **Interest income** increased to Rs. 4248.60 crore for the quarter ended 30th June 2018 as against Rs.4187.20 crore for the quarter ended 30th June 2017, **registering a growth of 1.47% YoY.**
13. **Non-interest income** is Rs.1078.11 crore for the quarter ended 30th June 2018 as against Rs.987.30 crore for the quarter ended 30th June 2017 **registering a growth of 9.20% YoY.**



14. **Total Expenditure decreased by 4.62%** from Rs. 4397.90 crore for the quarter ended 30th June 2017 to Rs. 4194.68 crore for the quarter ended 30th June 2018.
15. **NPA MANAGEMENT: Gross NPA** as at 30th June 2018 is at Rs. 38146 crore with ratio of 25.64% as against Rs. 35453 crore with ratio of 23.60 % as on 30th June 2017.
16. **Total recovery** of Rs. 3389 crore achieved for quarter ended June '18 as against the recovery of Rs. 2784 crore during quarter ended June '17 registering an increase of 21.73% over June'17 while the total slippage for quarter ended June '18 stood at Rs. 1994 crore. Recovery achieved is substantially higher than slippages during the quarter mainly due to resolutions in NCLT accounts coupled with focused efforts towards recovery.

The Bank has recovered Rs. 454 crore in three NCLT accounts during the quarter ended June '18. Further, the Bank expects recovery aggregating Rs. 950 crore in the current quarter in four NCLT accounts where resolution is at an advanced stage.
17. **Net NPA** is at Rs. 19642 crore with ratio of 15.10% as on 30th June 2018 as against Rs.20166 crore with ratio of 14.97% as on 30th June 2017, reducing it by Rs.524 crore in absolute terms.
18. **Provision Coverage Ratio is improved to 61.10% as on 30th June 2018 as against 53.09% as on 30th June 2017.**

Performance Highlights for the Quarter ended June 30, 2018 QoQ (Sequential)

1. **Total business** stood at Rs. 3,61,928 crore as on 30th June 2018 as against Rs. 3,67,831 crore as on 31st March 2018.
2. **Total deposits** stood at Rs. 2,13,168 crore as on 30th June 2018 as against Rs. 2,16,832 crore as on 31st March 2018.
3. **CASA** of the Bank has improved to 36.85% as on 30th June 2018 as against 36.75% as on 31st March 2018, registering a growth of 0.10%.
4. **Gross Advances** stood at Rs. 1,48,760 crore as on 30th June 2018 as against Rs.1,50,999 crore as on 31st March 2018, as part of consolidation and reducing concentration risk.



5. **Operating Profit for Quarter ended 30th June 2018 stood at Rs. 1132.03 crore as against Rs.1129.15 crore for the quarter ended 31st March 2018.**
6. **Net Profit: Net loss** for quarter ended 30th June 2018 is Rs. 919.44 crore as against Rs.3606.73 crore for quarter ended 31st March 2018, mainly due to higher provisioning.
7. **Total income for the quarter ended 30th June 2018 is Rs. 5326.71 crore as against Rs.5814 crore for the quarter ended 31st March 2018.**
8. **Interest income stood at Rs. 4249 crore for the quarter ended 30th June 2018 as against Rs. 4828 crore for the quarter ended 31st March 2018 mainly due to one time interest earned of Rs. 672 crore on IT refunds in March '18.**
9. **Non-interest income is Rs. 1078 crore for the quarter ended 30th June 2018 as against Rs. 987 crore for the quarter ended 31st March 2018 registering a growth of 9.22% QoQ.**
10. **Total Expenditure reduced by 10.46%** from Rs. 4685 crore for the quarter ended 31st March 2018 to Rs.4195 crore for the quarter ended 30th June 2018.
11. **NPA MANAGEMENT: Gross NPA** as at 30th June 2018 is at Rs. 38146 crore with ratio of 25.64% as against Rs. 38180 crore with ratio of 25.28% as at 31st March 2018. Although GNPA reduced in quantum, GNPA ratio is slightly high due to contraction of advances by Rs.2239 crore.
12. **Total recovery** of Rs. 3389 crore achieved for quarter ended June '18 as against Rs. 5726 crore achieved for quarter ended March '18 while the total slippage for quarter ended June '18 was contained at Rs.1994 crore as against Rs. 9868 crore for quarter ended March '18.
13. **Net NPA as at 30th June 2018 stood at Rs. 19642 crore with ratio of 15.10% as against Rs.20400 crore with ratio of 15.33% as on 31st March 2018 thus reducing NNPA by 23 bps in term of ratio & by Rs.758 crore in absolute terms.**
14. **Provision Coverage Ratio is improved to 61.10% as against 59.45% as on 31st March 2018.**



➤ **CAPITAL ADEQUACY RATIO (CRAR):**

Particulars	Basel III	Position after Gol Capital Infusion of Rs. 2157 crore	Regulatory Requirement*
CET I	5.73%	7.44%	5.50%
Tier I	5.77%	7.47%	7.00%
Total CRAR	7.98%	9.69%	9.00%

* Excluding CCB

The Bank has on 23.07.2018 received capital infusion of Rs. 2157 crore from Government of India towards contribution of the Central Government in the preferential allotment of equity shares (Special Securities/Bonds) of the Bank during the financial year 2018-19, as Government's investment, which is pending for allotment as of date. With the Gol infusion, our CET1 (without CCB) and CRAR position will be above the regulatory minimum.

During the quarter ended 30.06.2018, the Bank has exercised Regulatory Call in respect of Basel III Compliant Additional Tier I Perpetual Bonds aggregating to Rs.1000 crore issued by the Bank on 04.02.2015 and has made payment of principal of Rs.1000 crore alongwith broken period interest of Rs.35.34 crore.

➤ **KEY FINANCIAL RATIOS:**

- **Credit Deposit Ratio** is 69.79% as on 30.06.2018 as against 69.64% as on 31.03.2018 and 71.29% as on 30.06.2017.
- **Average Cost of Deposit** is 5.32% for quarter ended 30.06.2018 as against 5.57% for quarter ended 30.06.2017, reduced by 25 bps.
- **Average Yield on Advances** is 7.13% for quarter ended 30.06.2018 as against 7.12% for quarter ended 30.06.2017.
- **Cost to Income Ratio** is 50.48% for quarter ended 30.06.2018 as against 61.40% for quarter ended 30.06.2017, improved by 10.92%.
- **Net Interest Margin** is 1.92% for quarter ended 30.06.2018 as against 1.65% for quarter ended 30.06.2017 improving by 27 bps.



➤ **Digital Banking – initiatives**

- The implementation of Retail End to End Digitalization from loan sourcing to documentation and disbursement also called as REAPS has advanced the retail loan processing for Housing, Vehicle and Clean loans to a greater extent as it is more TAT driven. We are in the process of bringing other Retail schemes also under REAPS. Under digitilisation processing we have introduced Retail Credit scoring to ensure quality of proposals being sanctioned at various layers.
- Online processing of MSME loans upto Rs. 10 lakhs was launched recently.
- The Bank has been participating as member with RXIL in TReDS platform for financing against receivables to MSME suppliers since May 2018.
- First PSB to onboard a biller (TNEB) in Bharat Bill Payment System (BBPS).
- Online OTS settlement upto Rs.10.00 lakhs with end to end digitalization introduced.
