



Indian Overseas Bank
Central Office
Chennai

Press Release

06.11.2020

Performance Highlights - 30.09.2020

	30.09.2020 (Q)	30.09.2019 (Q)	
Operating Profit	1346	746	↑
Net Profit / Loss	148	-2254	↑
Deposits	229607	222258	↑
Gross Advances	135469	143350	↓
Investments	94958	79697	↑
Business Mix	460034	445305	↑
CASA	92436	84595	↑
CASA Ratio	40.26%	38.06%	↑
Gross NPA	17660	28674	↓
Net NPA	5291	12508	↓
Net Interest Margin	2.27%	1.86%	↑
Gross NPA Ratio	13.04%	20.00%	↓
Net NPA Ratio	4.30%	9.84%	↓
Cost to Income Ratio	48.80%	61.79%	↓
PCR	89.36%	75.85%	↑
CRAR	10.90%	11.86%	↓
RoE	9.80%	-203.09%	↑
CD Ratio	59%	64.50%	↓



Performance Highlights for the Quarter ended September 30, 2020 Q o Q (Sequential)

1. **Total business** stood at Rs.460034 crore as on 30th September 2020 as against Rs.440609 crore as on 30th June 2020.
2. **Total deposits** stood at Rs.229607 crore as on 30th September 2020 as against Rs.225546 crore as on 30th June 2020.
3. CASA of the Bank stood at 40.26% as on 30th September 2020 against 41.02% as on 30th June 2020.
4. **Gross Advances** stood at Rs.135469 crore as on 30th September 2020 as against Rs.131565 crore as on 30th June 2020. The Bank has grown under retail and agri sector and rebalanced the advance balance by consciously reduced the stressed sector in corporate segment.
5. Operating Profit as on 30th September 2020 stood at Rs.1346 crore as against Rs.1094 crore for the quarter ended 30th June 2020. Other income improved under commission on exchange and miscellaneous income over June 2020.
6. Net profit for quarter ended 30th September 2020 stood at Rs.148 crore as against Rs.121 crore for quarter ended 30th June 2020.
7. Total income for the quarter ended 30th September 2020 is Rs.5431 crore as against Rs.5234 crore for the quarter ended 30th June 2020.
8. Interest income stood at Rs.4363 crore for the quarter ended 30th September 2020 as against Rs.4302 crore for the quarter ended 30th June 2020.
9. Non-interest income stood at Rs.1068 crore for the quarter ended 30th September 2020 as against Rs.932 crore for the quarter ended 30th June 2020.
10. **NPA MANAGEMENT: Gross NPA as at 30th September 2020 stood at Rs.17660 crore with ratio of 13.04% as against Rs.18291 crore with**



ratio of 13.90% as at 30th June 2020. GNPA has reduced both in quantum and as a percentage of Gross Advances QoQ.

11. **Reduction in NPA for the quarter ended September 2020** stood at Rs.504 crore as against Rs.1969 crore achieved for quarter ended June '20 while the total fresh slippage (other debits to existing NPA accounts) for quarter ended September'20 was contained at Rs.292 crore.
12. Total cash recovery for September 2020 was Rs.513 crore (including Cash Recovery to P&L) as against Rs.172 crore in June 2020.
13. Net NPA at 30th September 2020 stood at Rs.5291 crore with ratio of 4.30% as against Rs.6081 crore with ratio of 5.10% as on 30th June 2020 thus reducing NPA by Rs.790 crore in absolute terms.
14. **Provision Coverage Ratio improved to 89.36% as against 87.97% as on 30th June 2020. Bank has made required provisioning in advances in specific Accounts so as to improve Net NPA.**

Performance Highlights for the Quarter ended September 30, 2020 - YoY

1. **CASA of the Bank improved to 40.26% as on 30th September 2020 as against 38.06% as on 30th September 2019 with YoY growth at bps. Total CASA has increased from Rs.84595 crores as on 30.09.2019 to Rs.92436 crores as on 30.09.2020, SB (Savings Bank) registered 2.20% YoY growth as at 30th September '20 over 30th September '19.**
2. **Gross Advances** stood at Rs.1,35,469 crore as on 30th September 2020 as against Rs.1,43,350 crore as on 30th September 2019. 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, wherever feasible.
3. **Operating Profit for quarter ended 30th September 2020 was Rs.1346 crore as against Rs.746 crore for the quarter ended 30th September 2019, thus increase of Rs.600 crores.**



4. Net Profit for the quarter ended 30th September 2020 stood at Rs.148 crore against loss of Rs.2254 crore for the quarter ended 30th September 2019.
5. **Interest income** stood at Rs.4363 crore for the quarter ended 30th September 2020 as against Rs.4276 crore for the quarter ended 30th September 2019.
6. **Provision Coverage Ratio improved to 89.36% as on 30th September 2020 as against 75.85% as on 30th September 2019.**

Performance Highlights for the Half Year ended September 30, 2020

1. **Operating Profit** for the half year ended 30.09.2020 stood at Rs.2440 crore as against Rs.1574 crore for the half year ended 30.09.2019.
2. **Net profit** for the half year ended 30.09.2020 stood at Rs.269 crore as against Net Loss of Rs.2596 crore for the half year ended 30.09.2019.
3. **Interest income** stood at Rs.8664 crore for the half year ended 30.09.2020 as against Rs.8612 crore for the corresponding half year of the previous year (2019-20)

➤ CAPITAL ADEQUACY RATIO (CRAR):

Particulars	Basel III	Regulatory Requirement*
CET I	8.36%	5.50%
Tier I	8.36%	7.00%
Total CRAR	10.90%	9.00%

* Excluding CCB

➤ KEY FINANCIAL RATIOS:

- **Average Cost of Deposit** is 4.89% as on 30.09.2020 as against 5.41% as on 30.09.2019.
- **Average Yield on Advances** stood at **6.86%** as on 30.09.2020.
- **Net Interest Margin** stood at 2.27% for quarter ended 30.09.2020 as against 1.86% as on 30.09.2019.
- **Credit Deposit Ratio** is 58.90% as on 30.09.2020 as against 58.33% as on 30.06.2020.



Developments in ITD

Strengthening of IT Security:

As part of continuous upgradation of IT Security features, Bank has replaced its existing perimeter firewall to a new gen firewall with revised security architecture thereby making it more robust.

AWARDS and ACCOLADES received during the quarter ended September 2020:

1. Award from Pension Fund Regulatory and Development Authority to our MD & CEO for the Special APY Campaign “Leadership Capital 2.0” for FY 2019-20 received during August 2020.
2. Award from Pension Fund Regulatory and Development Authority to our ED for the Special APY Campaign “Makers of Excellence 3.0” for FY 2019-20 received during August 2020.
3. Certificate from District collector to RSETI Tiruvarur / RSETI Perambalur for best performance.

New Developments in H1 of FY 2020-21 (SAMD)

As the unexpected COVID 19 pandemic struck during Q4 of FY 2019-20 throughout the country and continues to affect most parts of the country till now in some way or the other, the same has also made significant impact on the Recovery Front during H1 of FY 2020-21.

Realising the same, Bank had made the need based requirements by making flexible repayment option to the already sanctioned OTS borrowers during FY 2019-20 which were live as on as on 29th Feb 2020 by providing a scheme with which the balance amount without payment of interest upto 30th September 2020 was enabled. Further, if the OTS borrowers inclined to extend their payment commitments still further, Bank have formulated a Board approved Scheme with which the NPA borrowers can extend the period for payment of OTS dues upto 15th March 2021 without any interest commitment upto 30th September 2020 and interest at the applicable rate for the delayed period from 1st October 2020 till the final payment is made.

Further to provide certain flexibility and lessen the burden on the borrowers / guarantors for settlement of NPA accounts due to erosion of their securities on certain genuine business failures, Bank have increased the hair-cut on the unsecured portion in case of Doubtful and Loss accounts in a moderate way under Special OTS Scheme upto Rs.25 Crores. The relaxations in repayment of OTS dues coupled with additional haircut on the unsecured portion has enabled the Bank to post a total recovery of more than Rs.1000 Crores in H1 despite the economic strain prevailing among the business community at large.



On noticing that the lockdown is being relaxed due to the moderation in COVID 19 impact, Bank have started the Mega E Auction PANINDIA process for sale of properties and first of such E auction was conducted fetching countable recovery by sale of properties and such E auctions are planned to be conducted every month as being done in FY 2019-20.
