



**Indian Overseas Bank**  
 Central Office  
 Chennai  
Press Release

25.06.2020

**Performance Highlights – 31.03.2020**

**Top Line – Milestones (Rs. in Crore)**

- Deposits Rs. 222,952
- Gross Advances Rs. 134,771
- Business Mix Rs. 357,723
- CASA Rs. 89,751
- CASA Ratio 40.26 %

**Bottom Line (Rs. in Crore)**

- Operating Profit Rs. 1,197 (3 M)
- Net Profit Rs. 144 (3 M)
- Operating Profit Rs. 3,534 (12 M)
- Net Loss Rs. 8,527 (12 M)
- Gross NPA Rs. 19,913 (14.78 %)  
Decrease by 719 bps Y-o-Y
- Net NPA Rs. 6,603 (5.44 %)  
Decrease by 537 bps Y-o-Y

**Key Performance Indicators:**

Particulars	Global
CASA Ratio	40.26%
Net Interest Margin	2.30 (Q4)
Gross NPA Ratio	14.78%
Net NPA Ratio	5.44%
PCR	86.94%

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- ❖ CASA all time high at 40.26%
- ❖ Audited net profit of Rs 144 crore for the Q4





## Performance Highlights for the Financial Year ended March 31, 2020

1. **CASA of the Bank improved to 40.26 % (Domestic 40.67%) as on 31<sup>st</sup> March 2020 as against 38.30% (Domestic 38.72%) as on 31<sup>st</sup> March 2019 with YoY growth at 196 bps . Total CASA has increased from Rs.85227 crores as on 31.03.2019 to Rs.89751 crores as on 31.03.2020, SB (Savings Bank) registered 6.96 % YoY growth as at 31<sup>st</sup> March '20 over 31<sup>st</sup> March '19.**
2. **Total business** stood at Rs.3,57,723 crore as on 31<sup>st</sup> March 2020 as against Rs.3,74,530 crore as on 31<sup>st</sup> March 2019.
3. **Total deposits** increased to Rs. 2,22,952 crore as on 31<sup>st</sup> March 2020 as against Rs.2,22,534 crore as on 31<sup>st</sup> March 2019. 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.
4. **Gross Advances** stood at Rs. 1,34,771 crore as on 31<sup>st</sup> March 2020 as against Rs.1,51,996 crore as on 31<sup>st</sup> March 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.
5. **Operating Profit for the year ended 31.03.2020 stood at Rs.3534 crore.**
6. **Total income** for the year ended 31.03.2020 stands at Rs.20766 crore as against Rs.21838 crore for the previous year (2018-19).
7. **Interest income** stands at Rs. 17406 crore for the year ended 31.03.2020.
8. **Non-interest Income stands at Rs 3360 crore which is 16% of total income**



9. Total Expenditure stands at Rs 17232 crore for the year ended 31.03.2020 as against Rs.16804 crore for the year ended 31<sup>st</sup> March 2019.

Staff expenses stands at Rs 3241 crore as on 31.03.2020 as against Rs. 2647 cr as at March 2019 on account of wage arrears (part) paid.

Cost to Income Ratio increased from 46.93 % as at March 2019 to 59.21% as at March '20.

10. Recovery in NPA accounts for the year ended 31.03.2020 is Rs. 21430 crore as compared to Rs.14669 crore for the year ended 31.03.2019 against the fresh slippage of Rs. 7225 crore for the year ended March'20 and debits in existing NPA accounts of Rs. 438 crore for the year ended March '20.

- GNPA reduced from 21.97% as at March '19 to 14.78 % as at March '20.
- NNPA reduced from 10.81% as at March '19 to 5.44 % as at March'20
- Provision Coverage Ratio (PCR) improved by from 71.39% as at March '19 to 86.94 % as at March '20

**Performance Highlights for the Quarter ended March 31, 2020 QoQ (Sequential)**

1. **Total business** stood at Rs.3,57,723 crore as on 31<sup>st</sup> March 2020
2. **Total deposits** stood at Rs. 2,22,952 crore as on 31<sup>st</sup> March 2020
3. **CASA of the Bank** stood at 40.26 % as on 31<sup>st</sup> March 2020 as against 39.10 % as on 31<sup>st</sup> December 2019.
4. **Gross Advances stands** at Rs.1,34,771 crore as on 31<sup>st</sup> March 2020 as against Rs. 1,38,643 crore as on 31<sup>st</sup> December 2019. Bank focused on re-aligning its loan book for efficient capital utilization.
5. **Operating Profit** stood at Rs. 1197 crore for quarter ended 31<sup>st</sup> March 2020 as against Rs. 762 crore for the quarter ended 31<sup>st</sup> December 2019.





6. Net profit for quarter ended 31<sup>st</sup> March 2020 is Rs.144 crore.
7. Total income is Rs. 5,537 crore for the quarter ended 31<sup>st</sup> March 2020 as against Rs.5198 crore for the quarter ended 31<sup>st</sup> December 2019.  
It is due to increase in profit on sale of the property by Rs 132 crore misc income of Rs 80 crore and Rs 52 crore by way of interest on investments
8. Interest income stood at Rs. 4,442 crore for the quarter ended 31<sup>st</sup> March 2020 as against Rs. 4352 crore for the quarter ended 31<sup>st</sup> December 2019.
9. Non-interest income stood at Rs. 1,095 crore for the quarter ended 31<sup>st</sup> March 2020 as against Rs. 846 crore for the quarter ended 31<sup>st</sup> December 2019.
10. **Total Expenditure** stood at Rs. 4,340 crore for the quarter ended 31<sup>st</sup> March 2020 as against Rs. 4435 crore for the quarter ended 31<sup>st</sup> December 2019. thereby reduced by Rs. 95 crore
11. **NPA MANAGEMENT:** Gross NPA as at 31<sup>st</sup> March 2020 stands at Rs. 19913 as against Rs. 23734 crore as at 31<sup>st</sup> December 2019. GNPA has reduced both in quantum and as a percentage of Gross Advances QoQ.
12. **Total Recovery** stood at Rs. 5386 crore achieved for quarter ended March '20 as against Rs. 7085 crore achieved for quarter ended December '19. The total fresh slippage (other than debits to existing NPA accounts) for quarter ended March '20 was Rs. 1293 crore as against Rs.1648 crore for quarter ended December '19.
13. Net NPA as on 31<sup>st</sup> March 2020 stood at Rs.6603 crore with ratio of 5.44 % as against Rs.7087 crore with ratio of 5.81 % as on 31<sup>st</sup> December 2019 thus reducing NNPA by Rs.484 crore in absolute terms.
14. Provision Coverage Ratio improved to 86.94 % as on 31<sup>st</sup> March 2020 as against 86.20 % as on 31<sup>st</sup> December 2019.





**Performance Highlights for the Quarter ended March 31, 2020 - Q4 March'20 over Q4 March'19**

1. **Operating Profit** for quarter ended 31<sup>st</sup> March 2020 registered growth of 5.83 % and stands at Rs.1197 crore as against Rs.1131.50 crore for the quarter ended 31<sup>st</sup> March 2019.
2. **Net profit** for the quarter ended 31<sup>st</sup> March 2020 stands at Rs.144 crore from net loss of Rs. 1985.16 crore for the quarter ended 31<sup>st</sup> March 2019.
3. **Total income** stood at Rs. 5,537 crore for the quarter ended 31<sup>st</sup> March 2020 as against Rs.5474 crore for the quarter ended 31<sup>st</sup> March 2019.
4. **Interest income** stood at Rs. 4,442 crore for the quarter ended 31<sup>st</sup> March 2020 as against Rs. 4556 crore for the quarter ended 31<sup>st</sup> March 2019.
5. **Non-interest income** stood at Rs. 1,095 crore for the quarter ended 31<sup>st</sup> March 2020 as against Rs. 917 crore for the quarter ended 31<sup>st</sup> March 2019.
6. **Total Expenditure for the quarter ended 31<sup>st</sup> March 2020 continued to remain at Rs.4340 crore.** Operating expenses stands at Rs. 1430 crore for the quarter ended 31<sup>st</sup> March 2020 as against Rs. 1265 crore for the quarter ended 31<sup>st</sup> March 2019.
7. **NPA MANAGEMENT: Gross NPA** as at 31<sup>st</sup> March 2020 stood at Rs. 19913 crore with ratio of 14.78 % as against Rs. 33398 crore with ratio of 21.97% as at 31<sup>st</sup> March 2019.
8. **Total recovery** stands at to Rs. 5386 crore achieved for quarter ended March '20 while the total fresh slippage for quarter ended March '20 stood at Rs. 1350 crore. Recovery achieved is substantially higher than slippages during the quarter mainly due to focused priority action on arresting slippages and improving recovery in NPA / OTS accounts.





9. **Net NPA** is contained to Rs. 6603 crore with ratio of 5.44 % as at 31<sup>st</sup> March '20 as against Rs. 14368 crore with ratio of 10.81% as on 31<sup>st</sup> March '19.
10. **Provision Coverage Ratio** is improved to **86.94 %** as on **31<sup>st</sup> March 2020** as against **71.39%** as on **31<sup>st</sup> March 2019**.

❖ **CAPITAL ADEQUACY RATIO (CRAR):**

Particulars	Basel III as on 31.03.2020	Regulatory Requirement
CET I	8.21%	5.50%
Tier I	8.21%	7.00%
Tier II	2.51%	2.00%
<b>Total CRAR</b>	<b>10.72%</b>	<b>9.00%*</b>

Total Capital includes Capital infusion by GOI in 2 tranches of Rs.3857 cr and Rs. 4360 cr received during FY 2019-20. Tier II Capital raised through issue of Basel III compliant Tier II bonds aggregating Rs. 500 cr.

- RWA to Total Advances as on 31.03.2020 which is 84.32 %
- Credit RWA to Total Advances as on 31.03.2020 stands at 62.83%

❖ **KEY FINANCIAL RATIOS:**

- **Credit Deposit Ratio** is 60.45 % as on 31.03.2020 as against 68.32% as on 31.03.2019
- **Average Cost of Deposit** is **5.33 %** for the year ended **31.03.2020** as against **5.39%** for the year ended **31.03.2019**
- **Average Yield on Advances** is 7.01 % for the year ended 31.03.2020 as against 7.18% for the year ended 31.03.2019.
- **Cost to Income Ratio** is **59.21%** for the year ended **31.03.2020** as against **46.93%** for the year ended **31.03.2019**





- **Net Interest Margin** is 2.30 % for the quarter ended 31.03.2020 and 2.03 % for the year ended 31.03.2020.

❖ **CAPITAL INFUSION BY GOVERNMENT OF INDIA**

During the quarter ended 31.03.2020, the Bank has received Rs. 4360 crore on 27.02.2020 as capital infusion by the Government of India for which the Bank has allotted 385,15,90,106 equity shares of Rs.10/- each for cash at Issue Price of Rs. 11.32 per equity share (including premium of Rs. 1.32 per equity share) on preferential basis, to Government of India. GOI's shareholding has increased to 95.84%.

❖ **REDUCTION OF LOSS INCURRING BRANCHES:**

The movement of Loss Incurring branches for the last six years is given below.

Details	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20
Branches	3381	3397	3373	3332	3280	3270
Loss Incurring Branches	742	718	536	371	157	115
% of Loss Incurring Branches	21.95	21.14	15.89	11.13	4.79	3.52

The Bank had 772 loss incurring branches in March 2014 which was one of the immediate effects of rapid branch expansion. The continuous follow up from the administrative layers and efforts taken at the branch level has helped to reduce the number of loss incurring branches from 772 branches in March 2014 to 115 branches in March 2020. Higher thrust on Retail and MSME lending is laid down to improve the yield level apart from diversification of the risk. The Bank would continue to focus closely on the loss incurring branches towards reporting a profitable trend.

Developments/ initiatives / Accolades and awards / implementation of new programmes

**Digital Banking Department-Initiatives FY 2019-20**

**ATM & Cash Recyclers:**

The total number of ATMs/Cash Recyclers of the Bank stood at 3,032 as on 31<sup>st</sup> March 2020. During the year 110 Branch managed ATMs/Cash Recyclers and 48 vendor managed Cash Recyclers were deployed. ATM transactions have improved by 23% from 8.42 crore to 10.34 crore and ATM uptime which was 88.00% in 2018-19 has increased to 91.50% in 2019-2020.





### Pass Book Kiosks:

- Three hundred eighty Passbook Kiosks have been added during the year 2019-2020 and our total Pass Book Kiosk portfolio stands at 2351 installed in branches across Pan India as on 31.03.2020.

### Bank On Wheels (Mobile ATM):

- Our Bank has launched "Bank on Wheels" (Mobile ATMs) in 13 districts of Tamilnadu, one district in Kerala and one in Andhra Pradesh under EASE.
- Each Bank on Wheel is equipped with One ATM, Passbook Kiosk and LED with display.

### Debit Cards:

- To promote the 'one nation one card' our Bank has implemented **National Common Mobility Card (NCMC)** under Rupay category. Rolling out of NCMC cards under Visa and Master networks are planned in the ensuing period.

### Internet Banking/Mobile Banking:

- New user interface of Internet Banking and Mobile banking application with additional services and functionalities with flavour of ten languages including eight Regional languages has been introduced.

### IOB-Pay:

- The in-house developed integrated online payment gateway platform offers Online fees collection for schools & colleges, merchant payments, donations for charitable institutions etc with / without their websites. No technical changes required at the merchant side.
- More than 256 Institutions including TNHRNCE, IENS etc have been registered under this utility.

### BBPS:

- Pondicherry Electricity Board has been on boarded as a new biller under Bharat Bill Payment System (BBPS), an integrated bill payment system, which offers inter operable bill payment service to customers online.







## WEB SITE :

- Bank has revamped web site [www.ioab.in](http://www.ioab.in) with new design, trendy outlook with enhanced customer friendly features.

## Retail Banking Division FY 2019-20

Housing Loan Cell was formed in our Bank in the month of July 2019 with a focus to increase Housing Loan Portfolio of Bank.

1. Direct Selling Agents – introduced in the month of September 2019: To improve our competitive edge in the market and to enable Branches to double the performance, the following lead sources were introduced:
  1. Housing Loan Counselors- (Individual DSAs)
  2. Direct Selling Agents (Non Individuals like Firms, Companies etc.)Total 196 DSA/HLC have been registered so far.
2. Miss Call Facility for Housing Loans: **Missed Call facility** has been successfully launched for Housing loans with end to end digitalization. Lead is being sourced by customer giving miss call to 7039166269. Under Missed call facility for Housing Loans, 5309 leads generated by Lead Management System and 567 leads converted into sanctions.
3. Staff Referral Program – Housing Loans : . Total 2839 leads were generated for Housing Loans of which 1927 loans were sanctioned for Rs. 291.21 crores.

## Marketing Department during FY 2019-20

### 1) Loan secure Policy- Launched

Our Bank has launched IOB Loan Secure Insurance policy during the year 2019-20. This policy serves as safety net for repayment of the loan in the event of borrower suffers unfortunate diagnose of 18 Major illness or death due to Accident. This Policy provides coverage to all Loans from Rs.50,000 to Rs. 3.00 Crores to our IOB Customers.





## 2) IOB Healthcare Plus=- Revised Launched

During the financial year 2019-20 Our Bank has launched revised IOB healthcare Policy providing coverage up to Rs.15 Lakhs from existing Rs.5 Lakhs with lifelong renewal and value added features with end to end automation.

### **Official Language Department FY 2019-20**

Central Office has received Second Prize from Chennai Town Official Language Implementation Committee, Chennai for doing commendable work in implementation of Official Language.

### **Compliance Department FY 2019-20**

IBA released the EASE 1.0 index for Q4 of FY 2018-19 on 22<sup>nd</sup> May 2019, Our Bank Ranked **5th position as on March 2019 under EASE 1.0.**

IBA continued the EASE Reform agenda for FY 2019-20 and named as EASE 2.0. EASE 2.0 has shifted the focus on new Metrics IDs. Our Bank started with 13th position for under EASE 2.0 as on June 2019 Index with 48% score. Our Bank improved to 9th position for September 2019 with 58% score. IBA published the EASE 2.0 Index for December 2019 on February 26, 2020 and **our Bank has improved the rank to 7th out of 19 PSBs with 70.8% score."**

### **Information Security Department FY 2019-20**

Bank has received Information security management system (ISMS) ISO 27001:2013 certification for Bank's Information Technology Department which is a recognition for following the information security best practice.

This certification is awarded to the Bank by BSI – The British Standards Institution on 07.03.2020.



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