



## PRESS RELEASE

### FINANCIAL RESULTS FOR THE QUARTER/HALF YEAR ENDED 30.09.2024

#### Indian Overseas Bank Reports 24.32% increase in Net Profit for Q2FY25, Driven by consistent & strong Business growth and Asset Quality Improvement

Chennai, India, [Date] – Indian Overseas Bank (IOB) has announced robust financial results for the quarter ending September 30, 2024 (Q2FY25), reflecting strong growth across key financial metrics and a continued focus on asset quality improvement.

#### Key Highlights:

- ❖ **Total Business** saw a significant year-on-year (Y-o-Y) growth of 12.20%, reaching ₹5,40,801 Crore, up from ₹4,82,006 Crore.
- ❖ **Total Deposits** rose by 13.75% Y-o-Y to ₹3,10,652 Crore.
- ❖ **Gross Advances** increased by 10.16% to ₹2,30,149 Crore.
- ❖ **Operating Profit** grew substantially by 26.89% Y-o-Y to ₹2,128 Crore, up from ₹1,677 Crore.
- ❖ **Net Profit** also saw a notable increase, rising by 24.32% Y-o-Y to ₹777 Crore.

#### Strong Asset Quality and Profitability

IOB has demonstrated exceptional progress in reducing non-performing assets:

- ❖ **Gross NPA Ratio** decreased by 202 basis points (bps) to 2.72% from 4.74% a year ago.
- ❖ **Net NPA Ratio** improved by 21 bps to 0.47% from 0.68% Y-o-Y.
- ❖ **Provision Coverage Ratio (PCR)** improved to 97.06%, reflecting an increase of 30 bps Y-o-Y.
- ❖ The **Return on Assets (ROA)** for Q2FY25 reached 0.82%, showing an improvement of 7 bps from the previous year, while **Return on Equity (ROE)** increased to 16.90%, up by 74 bps Y-o-Y.

## Income and Margin Growth

IOB's income generation remained strong:

- ❖ **Total Income** increased by 22.34% Y-o-Y to ₹8,484 Crore.
- ❖ **Interest Income** grew by 17.69% Y-o-Y to ₹6,851 Crore.
- ❖ **Non-Interest Income** saw an impressive Y-o-Y growth of 46.59%, reaching ₹1,633 Crore.
- ❖ Additionally, the **Net Interest Margin (NIM)** stood at 3.08% for the quarter.

## Capital Adequacy

The bank's **Capital Adequacy Ratio (CRAR)**, under Basel III, remained robust at 17.45%, with a Tier I component of 14.75%.

## Enhanced CASA and CD Ratios

- ❖ **CASA deposits** improved by 10.61% Y-o-Y, totaling ₹1,31,856 Crore, with a CASA ratio of 42.44% as of September 30, 2024.
- ❖ The **Credit to Deposit (CD) Ratio** stood at 74.09% for the quarter.

## About Indian Overseas Bank

Founded on February 10, 1937, by Shri M.Ct.M. Chidambaram Chettyar, Indian Overseas Bank (IOB) has a rich heritage and a strong presence in the banking industry. Nationalized in 1969, IOB today operates 3,277 branches, 3,501 ATMs, and has 8194 business correspondents across India. The bank also has an international footprint in four countries: Singapore, Hong Kong, Thailand, and Sri Lanka, serving over 41 million active customers.

IOB is renowned for its pioneering digital solutions aimed at enhancing customer experience and convenience. The bank's robust technology infrastructure includes:

- ❖ Top-rated Core Banking Solution Suite
- ❖ State-of-the-art Private Cloud for On-demand Resource Provisioning
- ❖ Container Orchestration Platform for Building and Scaling Modern Applications
- ❖ API Hub for Seamless Collaboration and Frictionless Delivery
- ❖ Integrated Payment Hub for Handling Diverse Payment Types and Large Transaction Volumes
- ❖ Innovative services introduced by IOB include:
  - ❖ Tab Banking: Delivering services anytime, anywhere by bank staff.
  - ❖ My Account My Name: Allowing customers to name their accounts as they wish.
  - ❖ Instant Safe Deposit Locker: Accessible through a web-based portal.
  - ❖ Instant Account Number Portability
  - ❖ Instant Jansuraksha Policy Enrolment: Available via the bank's website.

These advancements and strategic measures underscore IOB's commitment to providing comprehensive banking and financial solutions while fostering customer satisfaction and loyalty.

## PERFORMANCE HIGHLIGHTS (Y-O-Y) (QUARTER ENDED 30.09.2024 OVER 30.09.2023)

- ❖ **Total Business** grew by 12.20% to ₹5,40,801 Crore from ₹4,82,006 Crore.
- ❖ **Total Deposits** raised up by 13.75% to ₹3,10,652 Crore from ₹2,73,093 Crore.
- ❖ **Gross Advances** increased by 10.16% to ₹2,30,149 Crore from ₹2,08,913 Crore.
- ❖ **Gross Investments** increased to ₹1,08,517 Crore from ₹97,891 Crore.
- ❖ **Operating Profit** grew by 26.89 % to ₹2,128 Crore from ₹1,677 Crore.
- ❖ **Net Profit** up by 24.32% to ₹777 Crore from ₹625 Crore.
- ❖ **Gross NPA Ratio** recorded at 2.72% as on 30.09.2024 as against 4.74% as on 30.09.2023, with a reduction of 202 bps.
- ❖ **Net NPA Ratio** stood at 0.47% as on 30.09.2024 as against 0.68% as on 30.09.2023, with a reduction of 21 bps.
- ❖ **CASA** improved to ₹1,31,856 Crore from ₹1,19,206 Crore, reflecting Y-o-Y growth of 10.61%
- ❖ **CASA Ratio** stood at 42.44% for the quarter ended 30.09.2024.
- ❖ **Credit to Deposit (CD) Ratio** stood at 74.09% for the quarter ended 30.09.2024.
- ❖ **Net Interest Margin** stood at 3.08% for the quarter ended 30.09.2024.
- ❖ **Provision Coverage Ratio** improved to 97.06%, registering an improvement of 30 bps.
- ❖ **CRAR** stood at 17.45% of which Tier I is 14.75%.
- ❖ **Return on Assets (ROA)** improved to 0.82%, registering an improvement of 7bps.
- ❖ **Return on Equity (ROE)** improved to 16.90% from 16.16% with an improvement of 74bps Y-o-Y.

## PROFITABILITY (Y-O-Y) (QUARTER ENDED 30.09.2024 OVER 30.09.2023)

- ❖ **Net Profit** has increased to ₹777 Crore for the Q2FY25 from ₹625 Crore for the Q2FY24, registering a growth of ₹152 Crore at 24.32% Y-o-Y basis.
- ❖ **Operating Profit** has increased to ₹2,128 Crore for Q2FY25 from ₹1,677 Crore for Q2FY24, registering a growth of ₹451 Crore at 26.89% Y-o-Y basis.
- ❖ **Total Income** improved by 22.34% to ₹8,484 Crore for Q2FY25 from ₹6,935 Crore for Q2FY24.

- ❖ **Interest Income** grew by 17.69% on Y-o-Y basis to ₹6,851 Crore in Q2FY25 as against ₹5,821 Crore for Q2FY24.
- ❖ **Non-Interest Income** grew by 46.59% on Y-o-Y basis to ₹1,633 Crore in Q2FY25 as against ₹1,114 Crore for Q2FY24.
- ❖ **Return on Assets (ROA)** improved to 0.82% for Q2FY25 as against 0.75% for Q2FY24.
- ❖ **Return on Equity (ROE)** also improved to 16.90% for Q2FY25 as against 16.16% for Q2FY24.

### ASSET QUALITY

(QUARTER ENDED 30.09.2024 OVER 30.06.2024 & 30.09.2023)

- ❖ **Gross Non-Performing Assets (GNPA) ratio** recorded at 2.72% as of 30.09.2024 as against 2.89% as of 30.06.2024 and 4.74% as of 30.09.2023.
- ❖ **Net Non-Performing Assets (NNPA) ratio** stood at 0.47% as of 30.09.2024 as against 0.51% as of 30.06.2024, 0.68% as of 30.09.2023.
- ❖ **Provision Coverage Ratio (PCR)** improved to 97.06% as of 30.09.2024 from 96.76% as of 30.09.2023. (As on 30.06.2024, PCR was 96.96%).

### RECOVERY

- ❖ **Total Recovery** for the quarter ended 30.09.2024 stood at ₹1,482 Crore.
- ❖ **Recovery from the written off accounts** for the quarter ended 30.09.2024 is ₹1,118 Crore.

### CAPITAL ADEQUACY

- ❖ **BASEL III Capital Adequacy Ratio (CRAR)** stood at 17.45 % as of 30.09.2024, out of which CET1 is 14.75% and Tier-II is 2.70%.

## KEY SUMMARY OF 30.09.2024 RESULTS

Particulars	Q2FY25	Q1FY25	Q2HY24	Q-o-Q	Y-o-Y	H1FY25	H1FY24	Y-o-Y
Operating Profit	2,128	1,676	1,677	26.97%	26.89%	3,804	3,022	25.88%
Net Profit / Loss	777	633	625	22.75%	24.32%	1,410	1,125	25.33%
Deposits	3,10,652	2,98,681	2,73,093	4.01%	13.75%	3,10,652	2,73,093	13.75%
Gross Advances	2,30,149	2,30,092	2,08,913	0.02%	10.16%	2,30,149	2,08,913	10.16%
Gross Investments	1,08,517	1,03,029	97,891	5.33%	10.85%	1,08,517	97,891	10.85%
Business Mix	5,40,801	5,28,773	4,82,006	2.27%	12.20%	5,40,801	4,82,006	12.20%
CASA	1,31,856	1,25,947	1,19,206	4.69%	10.61%	1,31,856	1,19,206	10.61%
CASA Ratio	42.44%	42.17%	43.65%	27bps	(121bps)	42.44%	43.65%	(121bps)
Gross NPA	6,249	6,649	9,893	Reduced by 6.02%	Reduced by 36.83%	6,249	9,893	Reduced by 36.83%
Net NPA	1,059	1,154	1,364	Reduced by 8.23%	Reduced by 22.36%	1,059	1,364	Reduced by 22.36%
Net Interest Margin	3.08%	3.06%	3.12%	2bps	(4bps)	3.06%	3.18%	(12bps)
Gross NPA Ratio	2.72%	2.89%	4.74%	Reduced by 17bps	Reduced by 202bps	2.72%	4.74%	Reduced by 202bps
Net NPA Ratio	0.47%	0.51%	0.68%	Reduced by 4bps	Reduced by 21bps	0.47%	0.68%	Reduced by 21bps
Cost to Income Ratio	48.97%	51.76%	51.53%	(279bps)	(256bps)	50.24%	54.11%	(387bps)
PCR	97.06%	96.96%	96.76%	10bps	30bps	97.06%	96.76%	30bps
CRAR	17.45%	17.82%	17.00%	(37bps)	45bps	17.45%	17.00%	45bps
RoE	16.90%	14.10%	16.16%	280bps	74bps	15.23%	14.79%	44bps
CD Ratio	74.09%	77.04%	76.50%	(295bps)	(241bps)	74.09%	76.50%	(241bps)
RoA	0.82%	0.70%	0.75%	12bps	7bps	0.76%	0.69%	7bps

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