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इण्डियन ओवरसीज़ बैंक

केंद्रीय कार्यालय- पोस्ट बॉक्स सं 3765, 763 अण्णा सालै, चेन्नै 600 002

Indian Overseas Bank

Central Office: P.B.No.: 3765, 763 Anna Salai, Chennai 600 002

Investor Relations Cell

IRC/ 43 /19-20

09.05.2019

The General Manager,
Department of Corporate Services
BSE Limited
Floor 1, P.J. Towers, Dalal Street
Mumbai 400 001

The Vice President
National Stock Exchange Ltd.
"Exchange Plaza", C-1 Block G
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051

Dear Sir/Madam,

**Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015- Audited Financial Results of the Bank for the
Financial Year ended 31st March 2019**

We refer our letter no. IRC/33/2019-20 dated 02.05.2019 and inform that the Unaudited (Reviewed) Financial Results of the Bank for the Quarter and Year ended 31st March, 2019 was approved by the Board at its meeting held today (i.e., 09.05.2019).

The Meeting of the Board of Directors commenced at 2:45 p.m. and concluded at 5:00 p.m.

In this connection, we enclose the following:

1. the Audited Financial Results of the Bank for the Quarter and Year ended 31st March, 2019
2. Press Release – Performance Highlights for the Quarter and Year ended 31st March, 2019
3. Independent Auditor's Report

The above information pursuant to Regulation 33 of SEBI (LODR) Regulation 2015 may be taken on record.

Thanking you.
Yours faithfully,


Radha Venkatakrishnan
General Manager & CFO
Encl: As above





Indian Overseas Bank

Central Office, 763, Anna Salai Chennai - 600 002

Audited Standalone Financial Results for the Quarter / Year ended 31st March 2019

(Rs. in Lakhs)

S No.	Particulars	Quarter ended			Year ended	
		31.03.2019 (Audited)	31.12.2018 (Reviewed)	31.03.2018 (Audited)	31.03.2019 (Audited)	31.03.2018 (Audited)
1	Interest Earned (a) + (b) + (c) + (d)	4,55,650	4,54,242	4,82,755	17,63,126	17,91,521
	(a) Interest/discount on advances/bills	293,000	2,98,801	2,80,943	11,72,701	11,96,083
	(b) Income on Investments	121,544	1,26,183	1,17,586	4,92,228	4,79,704
	(c) Interest on Balances with Reserve Bank of India and other Inter Bank Funds	16,912	16,669	16,861	61,415	48,369
	(d) Others	24,194	12,589	67,365	36,783	67,365
2	Other Income	91,742	1,14,617	98,687	4,20,632	3,74,644
3	TOTAL INCOME (1+2)	5,47,392	5,68,859	5,81,442	21,83,758	21,66,165
4	Interest Expended	3,07,749	3,15,871	3,09,453	12,35,213	12,44,764
5	Operating Expenses (i) + (ii)	126,493	1,06,374	1,59,074	4,45,158	5,58,493
	(i) Employees Cost	70,551	65,196	74,457	2,64,685	2,99,414
	(ii) Other Operating expenses	55,942	41,178	84,617	1,80,473	2,59,079
6	TOTAL EXPENDITURE (4+5)	434,242	4,22,245	4,68,527	16,80,371	18,03,257
	(excluding Provisions & Contingencies)					
7	OPERATING PROFIT before Provisions & Contingencies(3-6)	1,13,150	1,46,614	1,12,915	5,03,387	3,62,908
8	Provisions (other than tax) and Contingencies	450,192	2,07,528	6,77,455	10,99,442	12,26,078
9	Exceptional Items	0	0	0	0	0
10	Profit (+)/Loss(-) from Ordinary Activities before tax(7-8-9)	(337,042)	(60,914)	(564,540)	(596,054)	(863,170)
11	Tax expenses	(138,526)	(26312)	(203,867)	(222,266)	(233,221)
12	Net Profit (+) / Loss(-) from Ordinary Activities after tax (10-11)	(198,516)	(34,602)	(360,673)	(373,788)	(629,949)
13	Extraordinary items (net of tax expense)	0	0	0	0	0
14	Net Profit (+) / Loss (-) for the period (12-13)	(198,516)	(34,602)	(360,673)	(373,788)	(629,949)
15	Paid up equity share capital (Face value of each share - Rs.10/-)	9,14,165	6,26,378	4,89,077	9,14,165	4,89,077
16	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	4,73,324	6,27,996	6,27,996	4,73,324	6,27,996
17	Analytical Ratios					
	(i) Percentage of shares held by Govt. of India	92.52	91.99	89.74	92.52	89.74
	(ii) Capital Adequacy Ratio (%) (Basel III)	10.20	8.86	9.25	10.20	9.25
	(a) CET 1 Ratio	7.82	6.7	6.39	7.82	6.39
	(b) Additional Tier 1 Ratio	0.03	0.03	0.78	0.03	0.78
	(iii) Earning Per Share (EPS) - in Rupees					
	a) Basic and diluted EPS before Extraordinary items (Net of tax expense) for the period, for the year to date and for the previous year (not annualized)	(3.06)	(1.16)	(12.25)	(6.83)	(23.25)
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized)	(3.06)	(1.16)	(12.25)	(6.83)	(23.25)
	(iv) NPA Ratios					
	a) Gross NPA	33,39,812	35,78,657	38,18,015	33,39,812	38,18,015
	b) Net NPA	14,36,830	17,98,792	20,39,966	14,36,830	20,39,966
	c) % of Gross NPA	21.97	23.76	25.28	21.97	25.28
	d) % of Net NPA	10.81	13.56	15.33	10.81	15.33
	e) Return on assets (Annualised) (%)	(2.82)	(0.50)	(5.26)	(1.35)	(2.33)

Place: Chennai
Date : 09.05.2019

AJAY KUMAR SRIVASTAVA
EXECUTIVE DIRECTOR

K SWAMINATHAN
EXECUTIVE DIRECTOR

KARNAM SEKAR
OFFICER ON SPECIAL DUTY

R SUBRAMANIKUMAR
MD & CEO



Summarised Balance Sheet		(Rs. In lakhs)	
		As at 31.03.2019 (Audited)	As at 31.03.2018 (Audited)
Capital & Liabilities			
Capital		9,14,165	4,89,077
Reserve & Surplus		7,21,823	8,38,321
Deposits		2,22,53,408	2,16,83,181
Borrowings		6,14,604	9,22,808
Other Liabilities & Provisions		4,96,752	8,63,416
Total		2,50,00,752	2,47,96,803
Assets			
Cash & Balances with RBI		10,29,253	11,57,945
Balances with Banks and Money at Call and Short Notice		20,59,897	14,96,554
Investments		66,93,227	68,64,594
Advances		1,32,59,763	1,32,48,881
Fixed Assets		3,33,690	2,89,343
Other Assets		16,24,921	17,39,486
Total		2,50,00,752	2,47,96,803

Indian Overseas Bank

Central Office, 763, Anna Salai Chennai 600 002

Notes forming part of the Audited Standalone Financial Results of the Bank for the Quarter/Year ended March 31, 2019

- The above Standalone Financial Results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors in the meeting held on **09th May, 2019**. The results have been subjected to audit by the Statutory Central Auditors of the Bank in line with the guidelines issued by the Reserve Bank of India and as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Statutory Central Auditors have issued Unmodified Opinion on the Standalone Financial Results for the Year 2018-19.
- The above standalone financial results have been prepared following the same accounting policies and practices as those followed in the Annual Financial Statements for the year ended March 31, 2018, except for the treatment of MTM losses as stated in Note No 5 below.
- The figures of the last quarter in each of the financial years are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the respective financial year.
- The working results for the Quarter/Year ended 31st March 2019 have been arrived at after considering provision for NPAs, Standard Assets, Unhedged Foreign Currency Exposure, Depreciation on Investments & Non - Performing Investments on the basis of prudential norms and specific guidelines issued by Reserve Bank of India, Provision for taxes (after adjustment for Deferred Taxes), Provision for Contingencies, Employee Benefits (including wage revision), Depreciation on Fixed Assets and other usual and necessary provisions.
- RBI vide its Circular DBR.No.BP.BC.113/21.04.048/2017-18 dated June 15, 2018 granted an Option to spread Mark to Market loss on AFS and HFT Investments for the Quarter ended June 30, 2018, equally over the four Quarters commencing from the quarter in which the loss is incurred. The Bank has availed the option to spread provisioning over four quarters and accordingly charged Rs 146.50 crore to the Profit & Loss account for the quarter ended March 31, 2019 and there is no unamortised balance as on March 31, 2019.
- In accordance with RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated 1st July, 2015, banks are required to make Quarterly Pillar 3 disclosures including Leverage Ratio and Liquidity Coverage Ratio under Basel III Framework. The disclosures are being made available on Bank's website at the following link http://www.ioib.in/investor_cell.aspx. The disclosures are not subjected to verification by the Statutory Central Auditors of the Bank.
- In accordance with Accounting Standard : 10 - "Property, Plant and Equipment", depreciation of Rs. 137.50 crore for the year on the revalued portion of the fixed assets has been charged to Profit and Loss account. Equivalent amount has been transferred from the Revaluation Reserve to the Revenue Reserve.
- Based on the available financial statements and the declaration from borrowers, the Bank has estimated the liability towards Unhedged Foreign Currency Exposure to their constituents in terms of RBI circular DBOD.NO.BP.BC.85/21.06.200/2013-14 dated January 15, 2014 at Rs 6.09 crore. However the Bank holds a provision of Rs.11.08 crores against the said liability as on 31.03.2019.
- In accordance with Accounting Standard : 22 - "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India and the extant guidelines, Bank has recognised net Deferred Tax Assets of Rs.2236.80 crore during the year ended 31st March 2019 (including Rs 1327.19 crore for the quarter ended 31st March 2019) on timing differences and unabsorbed depreciation losses.
- During the Financial Year ended 31.03.2019, the Bank has successfully raised Basel III Complaint Tier II Bonds Series II to the tune of Rs. 300 crore.
- During the Financial Year ended 31.03.2019,
a. Bank has allotted 137,30,10,821 equity shares of Rs 10 each (Rupees Ten Only) for cash at the Issue Price of Rs 15.71 per share (Including Premium of Rs 5.71 per equity share) on preferential basis to GOI on 12.11.2018 for Capital Infusion of Rs. 2157 crore.
b. Bank has allotted 269,54,67,422 equity shares of Rs. 10/- (Rupees Ten Only) for Cash at Issue Price of Rs 14.12 per equity share (Including Premium of Rs. 4.12 per equity share) on 28.03.2019 for capital infusion of Rs 3806 crore.
c. Bank has allotted 18,24,00,000 equity shares of Rs 10/- each (Rupees Ten only) for cash at issue price of Rs 11.90 per share (including premium of Rs 1.90 per equity share) to Employees under Employees Stock Purchase Scheme (IOB - ESPS 2018) on 04.02.2019 augmenting capital to the extent of Rs. 260.47 crore.
- The Bank has exercised Regulatory Call Option on its AT1 Bonds aggregating Rs. 1000 crore on 13.06.2018 and the Bonds were redeemed at par, in whole, at a redemption price equal to principal amount thereof along with interest for the intervening period upto 13.06.2018. During the Annual Audit 2018-19 the coupon payment of Rs 35.34 crore remains adjusted against Revenue Reserves.
- In terms of RBI Circular No.DBR.BP.BC.No.63/21.04.018/2016-17 dated 18.04.2017, banks are required to disclose the divergence in asset classification and provisioning consequent to RBI's Risk Assessment Report in their notes to accounts to the financial statements. Divergence in the Asset Classification and Provisioning for NPAs in compliance to Risk Assessment Report (RAR) of RBI for the Year 2017-18 are reported as under :

S. No.	Particulars	31.03.2018 (in Crore)
i	Gross NPA as on March 31, 2018 as reported by the Bank	38,180
ii	Gross NPA as on March 31, 2018 as assessed by RBI	38,518
iii	Divergence in Gross NPA (2-1)	338
iv	Net NPA as on March 31, 2019 as reported by the Bank	20,400
v	Net NPA as on March 31, 2019 as assessed by RBI	20,737
vi	Divergence in Net NPAs (5-4)	338
vii	Provision for NPA as on March 2018 as reported by the Bank	17,334
viii	Provision for NPA as on March 31, 2018 as assessed by RBI	19,113
ix	Divergence in Provisioning (8-7)	1,779
x	Reported Net Profit after Tax (NPAT) for the year ended March 31, 2018	-6,299
xi	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2018 after taking into account the divergence in provisioning.	-8,407



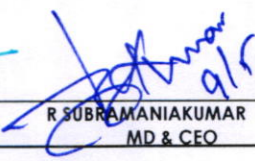
14	In accordance with RBI Circular DBR.No.BP.BC.108/21.04.048/2017-18 dated 6th June, 2018, the bank has retained advances of Rs 424.28 crore as standard asset as on 31st March 2019, and the Bank has not recognised Interest Income of Rs 1.43 crore and maintained provision of Rs 21.21 crore on such standard asset borrowers as on 31st March 2019. In addition to the above, the Bank has restructured 8403 MSME accounts and treated them as standard assets amounting to Rs.373.88 crore during the F Y 2018-19 as per RBI Circular 2018-19 DBR No BP.BC. 18/21.04.048/2018-19 dated January 1, 2019 and maintained provision of Rs 19.63 crore on such standard assets.
15	Pending Bipartite settlement, the Bank has during the year 2018-19 made an adhoc provision of Rs. 69.96 crore towards revision of wages due with effect from November 2017.
16	The position of Investors' Complaints for the period from 01.01.2019 to 31.03.2019 is as under: Pending complaints at the beginning of the Quarter - 0 Complaints received during the Quarter - 6 Complaints redressed during the Quarter - 6 Closing balance at the end of the Quarter - 0
17	The Provision Coverage Ratio of the Bank as on 31st March, 2019 stood at 71.39% as against 59.45% as on 31.03.2018.
18	Previous period/year figures have been regrouped /reclassified/rearranged wherever necessary.

Place: Chennai
Date : 09.05.2019


AJAY KUMAR SRIVASTAVA
EXECUTIVE DIRECTOR


K. SWAMINATHAN
EXECUTIVE DIRECTOR


KARNAM SEKAR
OFFICER ON SPECIAL DUTY


R. SUBRAMANIAM
MD & CEO



 INDIAN OVERSEAS BANK CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600002 SEGMENT RESULTS FOR THE QUARTER / YEAR ENDED 31ST MARCH 2019					
Rs. in lakh					
Particulars	Quarter ended			Year ended	
	31.03.2019 (Audited)	31.12.2018 (Reviewed)	31.03.2018 (Audited)	31.03.2019 (Audited)	31.03.2018 (Audited)
1) Segment Revenue					
a) Treasury Operations	1 57 821	2 02 744	1 45 243	6 52 771	6 09 326
b) Corporate / Wholesale Banking	1 65 134	1 81 111	2 09 836	7 01 945	8 15 926
c) Retail Banking	1 79 764	1 59 497	1 48 271	7 41 775	6 36 763
d) Other Banking Operations	10 521	12 901	10 632	40 427	36 603
e) Unallocated	34 153	12 606	67 460	46 842	67 545
Total	5 47 393	5 68 859	5 81 442	21 83 760	21 66 163
Less: Inter segment Revenue	0	0	0	0	0
Income from Operations	5 47 393	5 68 859	5 81 442	21 83 760	21 66 163
2) Segment Results Before Provisions & Before Tax					
a) Treasury Operations	27 681	71 072	20 772	1 45 535	1 31 411
b) Corporate / Wholesale Banking	(12,929)	9 813	4 553	13 511	5 214
c) Retail Banking	56 075	41 820	11 024	2 65 051	1 28 411
d) Other Banking Operations	8 279	11 338	9 110	33 578	30 352
e) Unallocated	34 044	12 570	67 455	45 709	67 520
Operating Profit	1 13 150	1 46 613	1 12 914	5 03 384	3 62 908
Less: Provisions and Contingencies	4 50 192	2 07 528	6 77 455	10 99 442	12 26 078
Profit After Provisions and before Tax	(337,042)	(60,915)	(564,541)	(596,058)	(863,170)
3) Segment Assets					
a) Treasury Operations	77 51 307	78 80 210	79 62 880	77 51 307	79 62 880
b) Corporate / Wholesale Banking	87 93 605	87 38 854	90 76 116	87 93 605	90 76 116
c) Retail Banking	74 79 978	70 57 215	71 01 676	74 79 978	71 01 676
d) Other Banking Operations	15 978	40 002	14 953	15 978	14 953
e) Unallocated	9 59 969	7 44 001	6 41 178	9 59 969	6 41 178
Total	2 50 00 837	2 44 60 282	2 47 96 803	2 50 00 837	2 47 96 803
4) Segment Liabilities					
a) Treasury Operations	75 30 039	77 72 116	77 19 758	75 30 039	77 19 758
b) Corporate / Wholesale Banking	85 30 873	84 48 697	88 30 120	85 30 873	88 30 120
c) Retail Banking	72 62 801	68 30 116	69 09 933	72 62 801	69 09 933
d) Other Banking Operations	35 519	24 661	7 557	35 519	7 557
e) Unallocated	5 616	1 835	2 038	5 616	2 038
Total	2 33 64 848	2 30 77 425	2 34 69 406	2 33 64 848	2 34 69 406
5) Capital Employed : Segment Assets - Segment Liabilities					
a) Treasury Operations	2 21 268	1 08 094	2 43 122	2 21 268	2 43 122
b) Corporate / Wholesale Banking	2 62 732	2 90 157	2 45 996	2 62 732	2 45 996
c) Retail Banking	2 17 177	2 27 099	1 91 743	2 17 177	1 91 743
d) Other Banking Operations	(19,541)	15 341	7 396	(19,541)	7 396
e) Unallocated	9 54 353	7 42 166	6 39 140	9 54 353	6 39 140
Total	16 35 989	13 82 857	13 27 397	16 35 989	13 27 397

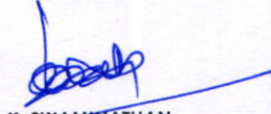
Notes on Segment Reporting

1. Segment expenses and liabilities have been apportioned on the basis of average segment assets, wherever direct allocation is not possible.

2. Figures of the previous years/Current year/quarters have been regrouped / reclassified / rearranged wherever considered necessary to correspond with the current year /quarters classification / presentation

Chennai
09.05.2019


AJAY KUMAR SRIVASTAVA
EXECUTIVE DIRECTOR


K. SWAMINATHAN
EXECUTIVE DIRECTOR


KARNAM SEKAR
OFFICER ON SPECIAL DUTY


R. SUBRAMANIAKUMAR
MD & CEO



Independent Auditor's Report on the Standalone Financial Results of Indian Overseas Bank pursuant to Regulation 33 of the Security and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015

To
**The Board of Directors,
Indian Overseas Bank,
Chennai.**

1. We have audited the accompanying Standalone Financial Results of **Indian Overseas Bank**, ('the Bank') for the Quarter ended March 31, 2019 and the year to date Standalone Financial Results for the year ended **March 31, 2019** ("the Standalone Financial Results") attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The disclosures relating to "Pillar 3 under Basel III Capital Regulations", "Leverage Ratio" and "Liquidity coverage ratio" as have been disclosed in the Bank's website and in respect of which the link has been provided in the aforesaid Standalone Financial Results have not been audited by us.
2. These Standalone Financial Results are the responsibility of the Bank's management and has been approved by the Board of Directors. These Standalone Financial Results are prepared in accordance with the Banking Regulation Act, 1949, accounting principles generally accepted in India along with recognition and measurement principles laid down in the Accounting Standards issued by the Institute of Chartered Accountants of India so far as they are applicable to the Bank and Reserve Bank of India Guidelines issued from time to time. Our responsibility is to express an opinion on this Standalone Financial Results, based on our audit of such Standalone Financial Results.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Standalone Financial Results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as Financial Results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that the audit evidences obtained by us is sufficient and appropriate to provide a reasonable basis for our opinion.
4. These Standalone Financial Results incorporate the relevant returns of 20 branches audited by us , 1614 branches (including 4 overseas branches and 15 Regional Offices) audited by statutory branch auditors and one Overseas branch reviewed by Independent Auditor. The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also incorporated in the Statement are the returns from 1709 branches (Including 33 Regional Offices and 7 Zonal Offices) which have not been subjected to audit. These unaudited branches account for 11.64% of advances, 26.06% of deposits, 8.23% of interest income and 24.65% of interest expenses.
5. In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results:
 - (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the relevant prudential norms issued by the Reserve Bank of India in respect of Income recognition, Asset classification, Provisioning and Other related matters; and
 - (ii) gives a true and fair view of the net loss and other financial information of the Bank for the year ended March 31, 2019.



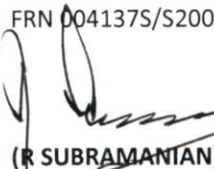
6. Emphasis of Matter

We draw attention to:

- a) Note No.9 to the statement relating to recognition of Deferred Tax Asset for the year aggregating to Rs.2236.80 Crore.
 - b) Note No 14 to the statement relating to MSME restructuring.
- Our Opinion is not modified in respect of the above matters.

7. The Standalone Financial Results includes the results for the Quarter ended March 31, 2019 and Quarter ended March 31, 2018, being the balancing figure between audited figures in respect of full financial year and the published year-to-date figures up to the third quarter of the respective financial year which were subject to limited review by us.

For **R SUBRAMANIAN AND COMPANY LLP**
Chartered Accountants
FRN 004137S/S200041


(R SUBRAMANIAN)
Partner
(M. No.08460)



For **SAR C & ASSOCIATES**
Chartered Accountants
FRN 006085N


(CHETAN THAKKAR)
Partner
(M. No.114196)

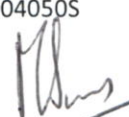


For **PATRO & CO**
Chartered Accountants
FRN 310100E


(N ANANDA RAO)
Partner
(M. No. 051656)



For **M. SRINIVASAN & ASSOCIATES**
Chartered Accountants
FRN 004050S


(M. SRINIVASAN)
Partner
(M. No.022959)



Place : Chennai
Date : 09.05.2019



Indian Overseas Bank

Central Office

Chennai

Press Release

09.05.2019

Performance Highlights - 31.03.2019



Top Line - Milestones (Rs. Crores) (Global)

> Deposits	Rs. 2,22,534
> Advances	Rs. 1,51,996
> Business Mix	Rs. 3,74,530
> CASA	Rs. 85,227 (YoY ↑ 6.96%)
> CASA Ratio	38.30 (YoY ↑ 155 bps)

Bottom Line (Rs. Crores)

> Operating Profit for the year	Rs. 5,034 ↑ 38.71% (Highest ever)
> Net Loss for the year	Rs. 3,738 ↓ 40.66%
> Net Loss Q4	Rs. 1,985 ↓ YoY 44.96%
> Provisions	Rs. 8,772
> Gross NPA	Rs. 33,398 ↓ 21.97% (Decrease by 331 bps YoY)
> Net NPA	Rs. 14,368 ↓ 10.81% (Decrease by 452 bps YoY)

Key Performance Indicators

> Net Interest Margin	2.08%
> Cost of Deposits	5.39% (Reduction of 10 bps)
> Yield on Advances	7.18%
> Cost to Income Ratio	46.93% (Reduction by 1368 bps)
> Provision Coverage Ratio at	71.39% (Increase by 1194 bps YoY)
> Non interest income to Total income	19.26%
> RAM % to Total Domestic Advances	67.20%
> Expenses reduced by	7.32% YoY
> Staff expenses reduced by	11.60% YoY

- ❖ CASA all time high at 38.30%
- ❖ Provision Coverage Ratio (PCR) increased by 1194 bps YoY
- ❖ Increase in Operating Profit by 38.71% for the year ended 31.03.2019 as against the previous year – Highest in IOB history
- ❖ Reduction in Net Loss by 40.66% for the year ended 31.03.2019 as against the previous year
- ❖ Annual Operating Expenses reduced by Rs. 1116 crore (20.29%) decline)
- ❖ Net loss only due to additional provision in the existing NPA to the tune of Rs.1,400 cr and one fraud account 100% provision to the extent of Rs.700 cr



Performance Highlights for the Financial Year ended March 31, 2019

1. **CASA of the Bank improved to 38.30% (Domestic 38.72%) as on 31st March 2019 as against 36.75% (Domestic 37.43%) as on 31st March 2018 with YoY growth at 155 bps (129 bps). Total CASA has increased from Rs.79678 crores as on 31.03.2018 to Rs. 85227 crores as on 31.03.2019, SB (Savings Bank) registered 5.86% YoY growth as at 31st March '19 over 31st March '18. Cost of deposits reduced by 10 bps to 5.39% for the year ended 31.03.2019.**
2. **Total business** stood at Rs. 3,74,530 crore as on 31st March 2019 as against Rs. 3,67,831 crore as on 31st March 2018 (Increase of 1.82%).
3. **Total deposits registered an increase of 2.63%** and increased to Rs.2,22,534 crore as on 31st March 2019 as against Rs. 2,16,832 crore as on 31st March 2018. 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. 1,51,996 crore as on 31st March 2019 as against Rs. 1,50,999 crore as on 31st March 2018. 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.

The Bank has rebalanced the credit portfolio with RAM's (Retail, Agri and MSME) share of total domestic advances improving from 66.14% to 67.20% YoY (March '19 over March '18) of which Retail is 21.64%, Agri 22.84% and MSME 22.72%. Bank's share of A and above rated accounts as a % of rated advances is 48.12% as of 31st March '19.
5. Average deposits improved from Rs. 2,09,418 cr as at March '18 to Rs.2,14,409 cr as at March '19 and average advances improved from Rs.159434 cr as at March '18 to Rs.1,63,451 cr as at March '19, indicating that the unit level business is growing constantly
6. **Operating Profit increased by 38.71% for the year ended 31.03.2019 and stood at Rs. 5033.87 crore as against Rs. 3629.08 crore for the year ended 31.03.2018.**
IOB's operating profit of Rs.5033.87 cr is the highest in its history.



7. **Net loss decreased by 40.66% for the year ended 31.03.2019 and stood at Rs. 3737.88 crore as against Rs. 6299.49 crore for the year ended 31.03.2018. The loss is due to increased provisions on NPAs and fraud accounts especially due to back dating of NPAs and one big account declared as fraud, impact on account of these two events is around Rs. 2150 cr on Provision.**
8. **Total income increased marginally by 0.81% for the year ended 31.03.2019 and is Rs. 21838 crore as against Rs. 21662 crore for the previous year (2017-18).**
9. **Interest income stood at Rs. 17631 crore for the year ended 31.03.2019 as against Rs. 17915 crore for the previous year (2017-18).**
10. **Non-interest Income registered a growth of 12.28% and stood at Rs. 4206 crore for the year ended 31.03.2019 as against Rs. 3746 crore for the year ended 31.03.2018.**

Non-interest income is 19.26% of total income and it improved from 8.20% in March 2015 to 17.30% as at March 2018 and further to 19.26% as at March 2019
11. **Total Expenditure declined by 6.82% from Rs. 18033 crore for the year ended 31st March 2018 to Rs. 16804 crore for the year ended 31st March 2019.**

Staff expenses declined by 11.60% from Rs. 2994 cr as at March '18 to Rs.2647 cr as at March '19.

Cost to Income Ratio reduced by 1368 bps from 60.61% as at March '18 to 46.93% as at March '19.
12. **Recovery in NPA accounts for the year ended 31.03.2019 is Rs.14669 crore as compared to Rs. 15496 crore for the year ended 31.03.2018 against the fresh slippage of Rs. 6071 crore for the year ended March'19 and debits in existing NPA accounts of Rs. 2774 crore for the year ended March '19. Recovery is higher by 66% over total NPA debits (slippage + debits).**
 - **GNPA reduced by 331 bps from 25.28% as at March '18 to 21.97% as at March '19.**



- **NNPA reduced by 275 bps from 13.56% as at March '18 to 10.81% as at March '19**
- **Provision Coverage Ratio (PCR) improved by 1194 bps from 59.45% as at March '18 to 71.39% as at March '19**

The Bank has recovered Rs. 757 crore in NCLT accounts during the year ended March '19. Further, the Bank expects recovery aggregating Rs. 1247 crore in the current quarter in NCLT accounts where resolution is at an advanced stage, which will reduce GNPA by Rs. 2868 crore (approx). Bank expects NPA reduction of Rs. 6300 cr (approx) in FY20 (subject to Court resolution).

13. Credit cost for FY19 due to fresh slippages 0.53%, due to migration provision and debits in existing NPA accounts is 4.95%. Fresh slippage is being contained effectively.

Performance Highlights for the Quarter ended March 31, 2019 QoQ (Sequential)

1. **Total business** stood at Rs. 3,74,530 crore as on 31st March 2019 as against Rs. 3,70,901 crore as on 31st December 2018.
2. **Total deposits** stood at Rs. 2,22,534 crore as on 31st March 2019 as against Rs. 2,20,311 crore as on 31st December 2018 (1.01% growth)
3. **CASA of the Bank increased by 104 bps** and stood at 38.30% as on 31st March 2019 as against 37.26% as on 31st December 2018.
4. **Gross Advances registering a marginal growth of 0.93%** stood at Rs. 1,51,996 crore as on 31st March 2019 as against Rs. 1,50,590 crore as on 31st December 2018. Bank focused on re-aligning its loan book for efficient capital utilization.
5. **Operating Profit stood at Rs. 1132 crore for quarter ended 31st March 2019 as against Rs. 1466 crore for the quarter ended 31st December 2018.**
6. **Net loss for quarter ended 31st March 2019 is Rs.1985 crore. The loss is due to increased provisions on NPAs and fraud accounts especially due to back dating of NPAs and one big account declared as fraud,**



impact on account of these two events is around Rs. 2150 cr on Provision.

7. **Total income** is Rs. 5474 crore for the quarter ended 31st March 2019 as against Rs. 5689 crore for the quarter ended 31st December 2018.
8. **Interest income** stood at Rs. 4556 crore for the quarter ended 31st March 2019 as against Rs. 4542 crore for the quarter ended 31st December 2018.
9. **Non-interest income** stood at Rs. 917 crore for the quarter ended 31st March 2019 as against Rs. 1146 crore for the quarter ended 31st December 2018.
10. **Total Expenditure** stood at Rs. 4342 crore for the quarter ended 31st March 2019 as against Rs. 4222 crore for the quarter ended 31st December 2018.
11. **NPA MANAGEMENT:** Gross NPA as at 31st March 2019 reduced by 179 bps and stood at Rs. 33398 crore with ratio of 21.97% as against Rs.35787 crore with ratio of 23.76% as at 31st December 2018. GNPA has reduced both in quantum and as a percentage of Gross Advances QoQ.
12. **Total Recovery** registered an increase of 10.18% stood at Rs. 4102 crore achieved for quarter ended March '19 as against Rs. 3723 crore achieved for quarter ended December '18. The total fresh slippage (other than debits to existing NPA accounts) for quarter ended March '19 was Rs. 1402 crore as against Rs. 1790 crore for quarter ended December '18.
13. **Net NPA** reduced by 275 bps as at 31st March 2019 and stood at Rs. 14368 crore with ratio of 10.81% as against Rs. 17988 crore with ratio of 13.56% as on 31st December 2018 thus reducing NNPA by Rs. 3620 crore in absolute terms.
14. **Provision Coverage Ratio** improved to 71.39% as on 31st March 2019 as against 64.23% as on 31st December 2018.



Performance Highlights for the Quarter ended March 31, 2019 - Q4 March'19 over Q4 March'18

1. **Operating Profit** for quarter ended 31st March 2019 registered growth of 0.21% and stood at Rs. 1131.50 crore as against Rs.1129.15 crore for the quarter ended 31st March 2018.
2. **Net Loss** for the quarter ended 31st March 2019 reduced by 44.96% to Rs. 1985.16 crore from Rs. 3606.73 crore for the quarter ended 31st March 2018.
3. **Total income** stood at Rs. 5474 crore for the quarter ended 31st March 2019 as against Rs.5814 crore for the quarter ended 31st March 2018.
4. **Interest income** stood at Rs. 4556 crore for the quarter ended 31st March 2019 as against Rs. 4828 crore for the quarter ended 31st March 2018.
5. **Non-interest income** stood at Rs. 917 crore for the quarter ended 31st March 2019 as against Rs. 987 crore for the quarter ended 31st March 2018.
6. **Total Expenditure decreased by 7.32% from Rs. 4685 crore for the quarter ended 31st March 2018 to Rs. 4342 crore for the quarter ended 31st March 2019.** Operating expenses reduced by 20.48% and stood at Rs. 1265 crore for the quarter ended 31st March 2019 as against Rs. 1591 crore for the quarter ended 31st March 2018.
7. **NPA MANAGEMENT: Gross NPA** as at 31st March 2019 stood at Rs. 33398 crore with ratio of 21.97% as against Rs. 38180 crore with ratio of 25.28% as at 31st March 2018.
8. **Total recovery** stood at to Rs. 4102 crore achieved for quarter ended March '19 during quarter ended March '18 while the total fresh slippage for quarter ended March '19 stood at Rs. 1402 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. 14368 crore with ratio of 10.81% as at 31st March '19 as against Rs. 20400 crore with ratio of 15.33% as on 31st March '18.
10. **Provision Coverage Ratio is improved to 71.39% as on 31st March 2019 as against 59.45% as on 31st March 2018.**

❖ **CAPITAL ADEQUACY RATIO (CRAR):**

Particulars	Basel III as on 31.03.2019	Regulatory Requirement
CET I	7.82%	5.50%
CCB in CETI	2.32%	1.875%
Tier I	7.85%	7.00%
Tier II	2.36%	2.00%
Total CRAR	10.21%	9.00%*

* Excluding CCB

Total Capital includes Capital infusion by GOI in 2 tranches of Rs.2157 cr and Rs. 3806 cr received during FY 2018-19, capital raised by the Bank to the extent of Rs. 260.47 cr by issue of shares to employees under ESPS and Tier II Capital raised through issue of Basel III compliant Tier II bonds aggregating Rs. 300 cr.

- RWA to Total Advances reduced from 89.34% as on 31.03.2018 to 80.65% as on 31.03.2019
- Credit RWA to Total Advances reduced from 69.51% as on 31.03.2018 to 62.41% as on 31.03.2019
- RWA reduced by Rs. 12,323 cr (from Rs. 1,34,908 cr as on 31.03.2018 to Rs. 1,22,585 cr as on 31.03.2019)

❖ **KEY FINANCIAL RATIOS:**

- **Credit Deposit Ratio** is 68.30% as on 31.03.2019 as against 69.64% as on 31.03.2018
- **Average Cost of Deposit is 5.39% for the year ended 31.03.2019 as against 5.49% for the year ended 31.03.2018 (Reduction of 10 bps).**
- **Average Yield on Advances** is 7.18% for the year ended 31.03.2019 as against 7.50% for the year ended 31.03.2018.



- **Cost to Income Ratio is 46.93% for the year ended 31.03.2019 as against 60.61% for the year ended 31.03.2018 (Reduction of 1368 bps).**
- **Net Interest Margin** is 2.31% for the quarter ended 31.03.2019 and 2.08% for the year ended 31.03.2019.

❖ **CAPITAL INFUSION BY GOVERNMENT OF INDIA**

During the quarter ended 31.03.2019, the Bank has received Rs. 3806 crore as capital infusion by the Government of India for which the Bank has allotted 269,54,67,422 equity shares of Rs.10/- each for cash at Issue Price of Rs. 14.12 per equity share (including premium of Rs. 4.12 per equity share) on preferential basis, to Government of India. GOI's shareholding has increased to 92.52%.

❖ **EMPLOYEE STOCK PURCHASE SCHEME**

As employees are major players in the Bank's progress and service delivery, Bank launched ESPS (Employee Stock Purchase Scheme). The Issue was fully subscribed and a grand success, which is an indicator of the commitment and confidence in the Bank by its employees.

The Bank's ESPS was launched for subscription on 31.12.2018 and the Issue was closed on 21.01.2019 as scheduled. While the ESPS issue offer was for upto 18.24 crore equity shares at a discounted price of Rs. 11.90, the overwhelming response of the employees with many of the employees applying for more than the number of shares offered to them under the Scheme, resulted in oversubscription and has made IOB – ESPS 2018 a great success. In this process the Bank augmented its capital funds to the extent of Rs. 260.47 crores. IOB has scripted history by becoming **the first Public Sector Bank to record 100% subscription to ESPS**. 24023 employees contributed towards share capital to become proud co-owners of the Bank.



❖ REDUCTION OF LOSS INCURRING BRANCHES :

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

Details	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19
Branches	3265	3381	3397	3373	3332	3280
Loss Incurring Branches	772	742	718	536	371	157
% of Loss Incurring Branches	23.64	21.95	21.14	15.89	11.13	4.79

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 157 branches in March 2019. 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.

❖ IT and Digital Banking Initiatives

- Integrated Online processing of MSME Mudra Loans upto Rs.10 lakhs end-to-end from application to documentation stage reducing the Turn Around Time for processing.
- End to end CTS Solution developed in-house which will result in substantial savings to the Bank.
- Implementation of EASE parameters in Internet and Mobile Banking for enhancing customer service and delivery.
- Lead generation implemented to enable customers to submit queries and product enquiries.
- Introduction of Enterprise General Ledger - Consolidating Schedules for Domestic and Overseas Balance Sheets.
- Complete end to end automation of **ESPS** process for issue of shares to employees.
- Extending **BBPS** (Bharat Bill Payment System) facility for Corporate Users through Net Banking.



- **EASE :** Features added to Internet Banking and Mobile Banking to facilitate customers to send their request for various services . Four Regional languages, in addition to English and Hindi have been added in Mobile Banking.
- IOB has implemented its online payment system IOBPAY in the website of **Tamil Nadu HRCE** (Hindu Religious & Charitable Endowments Department) (<https://tnhrce.gov.in>) for collection of various receipts of temples such as Online Donations, Annadhanam etc. Similar arrangement has also been entered into with **Directorate of Medical Services** for various types of collection through digital mode.
- **Bank has completed necessary certification for NCMC (National Common Mobility Card) as an Issuer and IOB is the first Bank which has been certified on International platform with multiple CVN functionality (NFC).**
- Conversion of all the Magstripe cards under usage into EMV Chip based cards has been completed (for all operative accounts) to provide a secured environment for digital banking.
- **SGPRS:** Enhanced experience for the customers through Centralized Standardized Public Grievance Redressal System (SPGRS) launched

➤ **ACCOLADES AND AWARDS**

❖ **Vigilance Excellence Award 2018**

The Central Vigilance Commission has awarded our Bank with “Vigilance Innovation Award” with an Excellent Grade for various initiatives taken in the Bank such as

- REAP System for automated retail loan processing.
- IOB Sahayak app
- An internal portal for whistle blower
- Online tracking of complaints
- Real time reporting of RVO's branch visit and compliance reports



The award was presented to our MD & CEO and CVO by our Hon'ble President of India in the presence of CVC and VCs at Vigyan Bhavan, New Delhi on 31.10.2018.

❖ **Enhanced Access & Service Excellence (EASE) Awards**

The transformation reforms of Responsible and Responsive Banking aimed at EASE – Enhanced Access and Service Excellence for Public Sector Banks was launched by Government of India in January 2018.

Reforms Agenda covers the following themes

1. Customer Responsiveness
2. Responsible Banking
3. Credit Off-take
4. PSBs as Udyami Mitras for MSMEs
5. Deepening Financial Inclusion & Digitalization
6. Developing Personnel for Brand PSB

The EASE Report and EASE Reforms Index is a result of Indian Banks Association's partnership with the Boston Consulting Group (BCG) that aimed to identify parameters to be improved upon on the basis of PSBs Reforms Agenda. The BCG-IBA Report measures the performance of each PSB on 140 objective metrics across the aforesaid 6 themes and provides a comparative evaluation showing where banks stand vis-à-vis benchmarks and peers on the reforms agenda. Awards have been given in various categories to the best performing Public Sector Banks.

Indian Overseas Bank (IOB) has been awarded

1. **Winner for "Reforms Excellence" among all Public Sector Banks**
2. **Winner for theme "Deepening Financial Inclusion and Digitalization"**

It is indeed a matter of great pride that **our Bank has bagged 2 awards by emerging a clear winner in 2 out of 8 winner category awards.**

Honorable Union Minister for Finance & Corporate Affairs Shri. Arun Jaitley gave away the awards at the event organized by IBA at Delhi on 28.02.2019 and the awards were received by MD & CEO Shri R Subramaniakumar and ED Shri. Ajay Kumar Srivastava.



Our Centralized Standardized Public **Grievance Redressal System (SPGRS)** has been identified as one out of 8 Best Practices among PSBs at the Event's presentation.

Overall, IOB ranked at 7th Place with 66.7 score as on December 2018 over March '18 amongst 21 PSBs.

❖ **Best Use of Data and Analytics for Business Outcome Award**

Our Bank has been adjudged the '**WINNER**' in the category of the **Best Use of Data and Analytics for Business Outcome amongst Medium Banks** by Indian Banks' Association in the IBA Banking Technology Conference, Expo & Awards 2019 held in Mumbai on 20th February 2019.

❖ **Special Award for Implementation of SHG-Bank Linkage in the state of Tamilnadu**

Our Bank, Convenor of SLBC – Tamil Nadu, received a Special Award for Implementation of SHG-Bank Linkage in the state of Tamil Nadu during the State Level SHG Bank Linkage function at Salem on 25.02.2019, organized by Tamil Nadu State Rural Livelihood Mission, in recognition of our spearheading the implementation of SHG Bank linkage which witnessed tremendous growth under the sector in the State of Tamil Nadu during the last two years.

Shri R Subramaniakumar, MD & CEO received the Special Award from the Hon'ble Chief Minister of Tamil Nadu, Thiru. Edappadi K. Palaniswami. Members of Parliament, Ministers of State Government, MLAs, various State Government officials and Senior Bank officials were among those present in the function.

❖ **Perform for Pride**

During the "Perform for Pride" campaign organized by PFRDA, 7 of the Bank's branches have received awards and 4 branches have received Certificate of Appreciation on 11.02.2019 in the meeting organized by PFRDA.

❖ **Sports**

Hockey: The Bank's hockey team won the prestigious Indian Bank Trophy at Chennai in March '19.
