



Analyst Presentation

June 2017



Indian Overseas Bank

इण्डियन ओवरसीज़ बैंक

Good People to Grow with

Disclaimer

Except for the historical information contained herein, statements in this release which contain words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “strategy”, “philosophy”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions may constitute “forward-looking statements”.

These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion, the adequacy of our allowance for credit losses, our provisioning policies, technological changes, investment income, cash flow projections, our exposure to market risks as well as other risks. Indian Overseas Bank undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

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Financial Performance

Overview

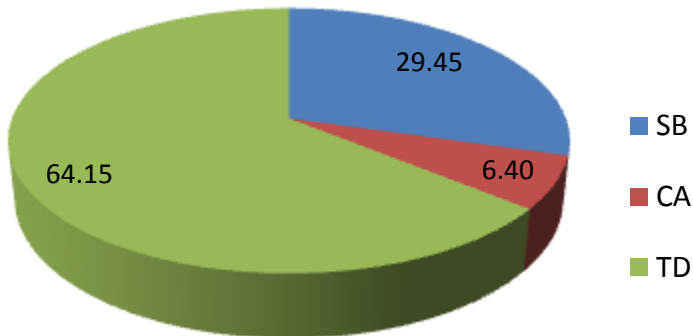
Indian Overseas Bank



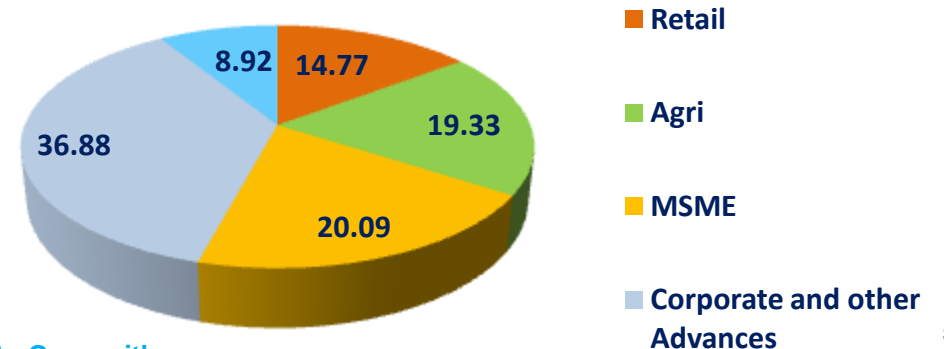
| | Rs.in Crs. |
|------------------|------------|
| Business Mix | 360986 |
| Deposits | 210748 |
| Advances | 150238 |
| Operating Profit | 776.60 |
| Net Profit/Loss | -499.09 |
| Gross NPA | 35453 |
| Net NPA | 20165 |
| CRAR (%) | 10.64 |
| CET 1 (%) | 7.57 |

| | Global | Domestic |
|-------------------|--------|----------|
| CASA Ratio | 35.85 | 36.52 |
| NIM | 1.65 | 1.68 |
| Cost Of Deposit | 5.57 | 5.70 |
| Yield on Advances | 7.12 | 7.52 |

Deposits (%)



Advances (%)



Highlights

- **Total Business** stood at Rs. 3,60,986 crore as on 30th June 2017 as against Rs. 3,84,040 crore as on 30th June 2016.
- **Total deposits** stood at Rs. 2,10,748 crore as on 30th June 2017 as against Rs. 2,18,484 crore as on 30th June 2016. The Bank has reduced the concentration of Bulk Deposits to have a stable deposit profile and reduce the cost of funds.
- **Gross Advances** stood at Rs. 1,50,238 crore as on 30th June 2017 as against Rs. 1,65,556 crore for the quarter ended 30th June 2016. The decline in advances is due to the Bank rebalancing the credit portfolio with focus on Mid & Retail & MSME segment.
- **CASA** of the Bank is 36.52% as on 30th June 2017 increased from 30.70% as on 30th June 2016 with YOY growth at 582 bps.
- **Operating Profit** for the quarter ended 30th June 2017 is Rs. 776.60 crore as against Rs. 690.55 crore for the quarter ended 30th June 2016 registering a growth of 12.46%.
- **Non Interest Income** is Rs. 987.30 crore for the quarter ended 30th June 2017 as against Rs. 652.90 crore for the quarter ended 30th June 2016 registering a growth of 51.22% y-o-y.
- **Recovery in NPA** for the quarter ended 30th June 2017 is significantly higher at Rs. 2784 crore as against Rs. 1465 crore for the corresponding quarter of last year.
- **Provision Coverage Ratio** is improved to 53.09% as on 30th June 2017 as against 47.61% as on 30th June 2016.
- **CRAR: 10.64%**
- **Cost to Income Ratio** is 61.40% as on 30.06.2017 reduced from 63.62% as on 30.06.2016.

Major Business Parameters

INR Crs

| Key Performance Indicators | Jun-16 | Sep-16 | Dec-16 | Mar-17 | Jun-17 |
|----------------------------|----------|----------|----------|----------|----------|
| Business Mix | 3,84,040 | 3,67,580 | 3,64,736 | 3,68,119 | 3,60,986 |
| Deposits | 2,18,484 | 2,08,058 | 2,10,861 | 2,11,343 | 2,10,748 |
| Advances (Gross) | 1,65,556 | 1,59,522 | 1,53,875 | 1,56,776 | 1,50,238 |
| Operating Profit | 691 | 1,064 | 855 | 1,041 | 777 |
| Net Profit / Net Loss | (1451) | (765) | (554) | (647) | (499) |
| N I M (%) | 1.87 | 2.02 | 2.14 | 2.09 | 1.65 |
| Gross NPA | 33,913 | 34,724 | 34,502 | 35,098 | 35,453 |
| Net NPA | 21,321 | 20,765 | 19,901 | 19,749 | 20,166 |
| Return on Assets (%) | -ve | -ve | -ve | -ve | -ve |
| Return on Equity (%) | -ve | -ve | -ve | -ve | -ve |
| Book Value (INR) | 48.57 | 40.65 | 38.39 | 34.52 | 30.70 |

Business Mix-Geographical

INR Crs

| Particulars | Q1 17-18 | Q1 16-17 | Mar-17 |
|---------------------|----------|----------|---------|
| DEPOSITS | | | |
| Domestic | 204,567 | 211,818 | 205,154 |
| Overseas | 6,181 | 6,666 | 6,189 |
| Global | 210,748 | 218,484 | 211,343 |
| ADVANCES | | | |
| Domestic | 137,693 | 149,217 | 142,651 |
| Overseas | 12,545 | 16,339 | 14,125 |
| Global | 150,238 | 165,556 | 156,776 |
| BUSINESS MIX | | | |
| Domestic | 342,261 | 361,035 | 347,804 |
| Overseas | 18,726 | 23,004 | 20,314 |
| Global | 360,986 | 384,040 | 368,118 |

Deposits & Advances

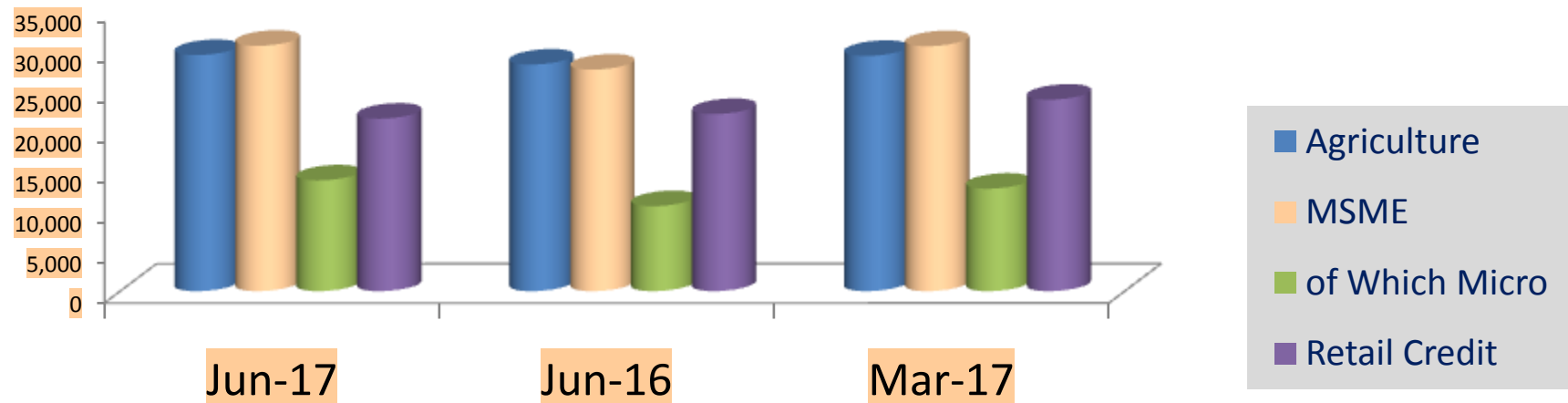
| | | INR Crs | | |
|---------------------|--------------|-----------------|-----------------|-----------------|
| Particulars | | Jun-17 | Jun-16 | Mar-17 |
| DEPOSITS | | 2,10,748 | 2,18,484 | 2,11,343 |
| | Current | 13,488 | 13,117 | 13,037 |
| | Savings | 62,073 | 52,799 | 63,232 |
| | Term Deposit | 1,35,188 | 1,52,567 | 1,35,074 |
| CASA | | 75,561 | 65,916 | 76,269 |
| CASA RATIO | Global | 35.85 | 30.17 | 36.09 |
| | Domestic | 36.52 | 30.70 | 36.78 |
| ADVANCES | | 1,50,238 | 1,65,556 | 1,56,776 |
| BUSINESS MIX | | 3,60,986 | 3,84,039 | 3,68,118 |
| CD Ratio | | 71.29 | 75.77 | 74.18 |

INR Crs

Key Sectors (Domestic Credits)

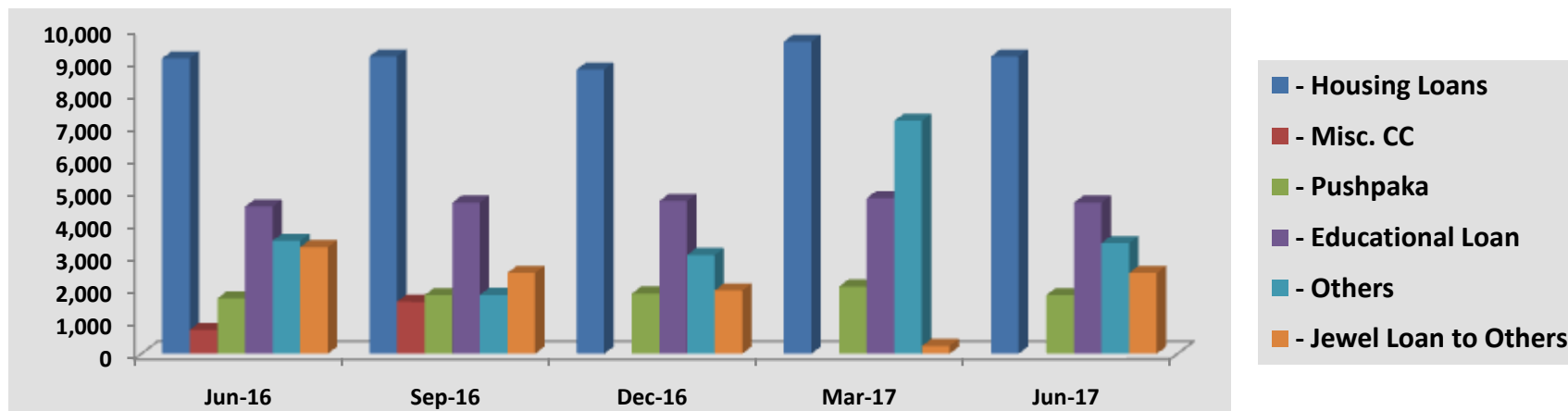
INR Crs

| Sector | Jun-17 | Jun-16 | Mar-17 |
|-----------------------|--------|--------|--------|
| Agriculture | 29,449 | 28,274 | 29,348 |
| MSME | 30,608 | 27,638 | 30,564 |
| <i>of Which Micro</i> | 13,813 | 10,598 | 12,781 |
| Retail Credit | 21,513 | 22,095 | 23,887 |



Retail Credit (Breakup)

| | INR Crs | | | | |
|------------------------|---------------|---------------|---------------|---------------|---------------|
| Sector | Jun-16 | Sep-16 | Dec-16 | Mar-17 | Jun-17 |
| Retail Credit | 22,828 | 21,513 | 20,304 | 23,887 | 21,513 |
| <i>of Which</i> | | | | | |
| - Housing Loans | 9,099 | 9,157 | 8,755 | 9,614 | 9,157 |
| - Misc. CC | 733 | 1599 | | | |
| - Pushpaka | 1,703 | 1804 | 1,851 | 2,068 | 1,804 |
| - Educational Loan | 4,532 | 4655 | 4,708 | 4,792 | 4,655 |
| - Others | 3,480 | 1810 | 3,042 | 7,157 | 3,409 |
| - Jewel Loan to Others | 3,282 | 2,488 | 1,947 | 236 | 2,488 |



Status of Priority Sector

INR Crs

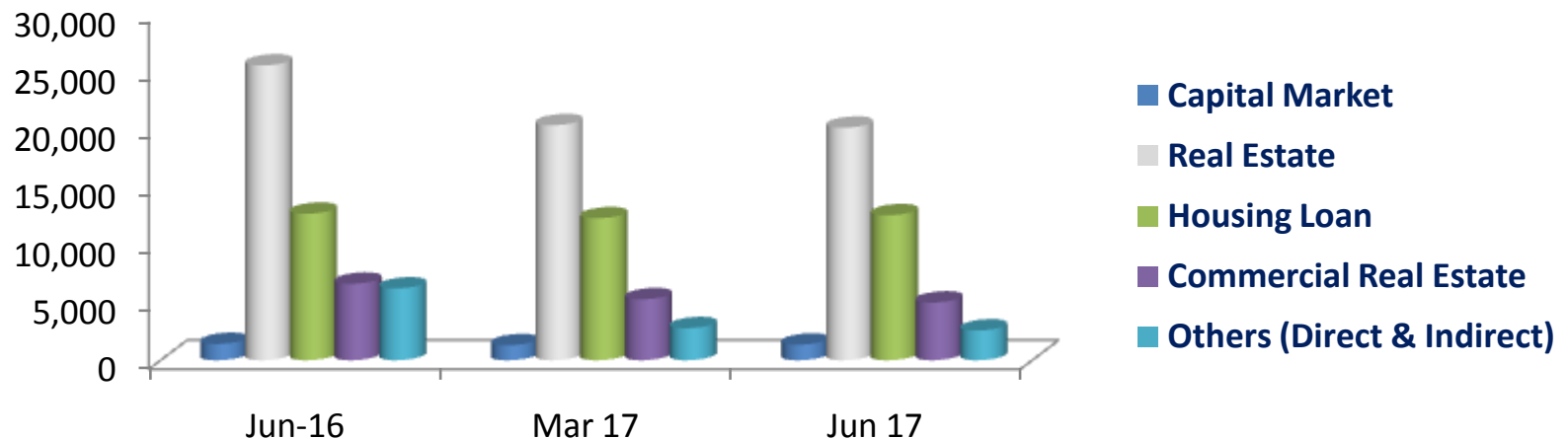
| Details | 31.03.2016 | | 31.03.2017 | | 30.06.2017 | | Mandatory Target to ANBC (%) | Status |
|---------------------------------------|---------------|--------------|---------------|--------------|--------------|--------------|------------------------------|-----------------|
| | Amt o/s | % to ANBC | Amt o/s | % to ANBC | Amt o/s | % to ANBC | | |
| Priority Sector | 67615 | 40.29 | 67401 | 43.10 | 66558 | 44.54 | 40 | Achieved |
| Sub-targets : | | | | | | | | |
| Agriculture | 30236 | 18.02 | 29348 | 18.76 | 29449 | 19.71 | 18 | Achieved |
| Small & Marginal Farmers | 11783 | 7.02 | 15332 | 9.80 | 15604 | 10.44 | 8 | Achieved |
| Loans to Non-corporate farmers | 20,710 | 12.34 | 18,665 | 11.93 | 19365 | 12.96 | 11.70 | Achieved |
| Weaker Section | 21824 | 13.01 | 19088 | 12.20 | 19365 | 12.96 | 10 | Achieved |
| Micro Entps under MSME | 11746 | 6.80 | 12162 | 7.78 | 12181 | 8.15 | 7.50 | Achieved |

Advances to Sensitive Sectors - Domestic

(FUND + NON FUND)

INR Crs

| Sector | Jun 17 | Jun-16 | Mar 17 |
|--|--------|--------|--------|
| Capital Market | 1,355 | 1,413 | 1,301 |
| Real Estate | 20,145 | 25,541 | 20,369 |
| <i>of Which</i> | | | |
| Housing Loan * | 12,563 | 12,693 | 12,304 |
| Commercial Real Estate | 5,005 | 6,630 | 5,286 |
| Others (Direct & Indirect) | 2,577 | 6,218 | 2,779 |
| <i>* Includes Non-Priority Housing Loans</i> | | | |



Financial Inclusion

- 3,04,884 SB accounts were opened by 2751 Business Correspondents through their Micro ATM using e-KYC
 - 21,52,457 smart cards were issued by BCs as on 30.06.2017.
 - Cumulative number of transactions undertaken in the smart card terminal is 6,65,32,521.
 - The total number of transactions as on 30.06.2017 is 64,83,711 for the FY 2017-18
 - 60,56,496 AEPS ON-US and 4,98,585 AEPS OFF-US transactions were carried out by BCs.
 - 4,92,649 RuPay ON-US, 1,85,949 RuPay OFF-US (Acquirer) and 1,39,410 RuPay OFF-US(Issuer) transactions were carried out by our BCs.
 - Out of 13 RSETIs set-up by the Bank, 9 were awarded AA grade and 4 with AB grade. They have trained 1895 unemployed youth through 87 training programme during FY 2017-18
- FY 2017-18**
- Bank has established Financial Literacy Centers (SNEHA) at 23 centres under Corporate social responsibility.
 - Our FLCs are conducting Financial Literacy Camps, periodically in various places.
 - During current year, they have handled sessions on Financial Literacy to 2079 student centers and various schools in the state of Tamil Nadu and Kerala.



Financial Inclusion (Contd.)

JanSuraksha Schemes

| Schemes | Status of renewal as on 31.05.2017 | Status of Active Policies as on 30.06.2017 (cumulative) | Status of Enrollment during the Year 2016-2017 (01.06.2017 – 30.06.2017) |
|--------------|------------------------------------|---|--|
| PMJJBY | 5,91,097 | 5,95,138 | 4,041 |
| PMSBY | 23,67,107 | 23,72,944 | 5,837 |
| Total | 29,58,204 | 29,68,082 | 9,878 |

Atal Pension Yojana

| | |
|-----------------------------|---------------|
| 2015-2016 (cumulative) | 17,744 |
| 2016- 2017 (cumulative) | 59,989 |
| 2017- 2018 (cumulative) | 12,732 |
| Total APY Enrolments | 90,465 |



PROFIT - Q1

INR Crs

| Particulars | Q1 17-18 | Q1 16-17 | inc/dec | Growth | FY 16-17 |
|--|----------------|-----------------|----------------|----------------|-----------------|
| TOTAL INCOME | 5174.50 | 5868.44 | -693.94 | (11.82) | 23091.24 |
| Interest Earned | 4187.20 | 5215.54 | -1028.34 | (19.72) | 19718.60 |
| Other Income | 987.30 | 652.90 | 334.40 | 51.22 | 3372.64 |
| TOTAL EXPENDITURE (Excl. Provisions and Contingencies) | 4397.90 | 5177.89 | -779.99 | (15.06) | 19441.03 |
| Interest Expended | 3162.59 | 3970.47 | -807.88 | (20.35) | 14529.02 |
| Operating Expenses | 1235.31 | 1207.42 | 27.89 | 2.31 | 4912.01 |
| 1) Payments to and Prov for Employees | 791.04 | 820.08 | -29.04 | (3.54) | 3044.67 |
| 2) Other Operating Expenses | 444.27 | 387.34 | 56.93 | 14.70 | 1867.34 |
| OPERATING PROFIT (Profit before Provisions and Contingencies) | 776.60 | 690.55 | 86.05 | 12.46 | 3650.21 |
| Total Provisions and Contingences of Which | 1275.69 | 2141.05 | -865.36 | (40.42) | 7066.94 |
| Provision for NPAs | 1799.69 | 2064.92 | -265.23 | (12.84) | 6948.26 |
| Provision for Taxes | -332.19 | 3.24 | -335.43 | ##### | 35.81 |
| Others | -191.81 | 72.89 | -264.7 | (363.15) | 82.87 |
| NET PROFIT | -499.09 | -1450.50 | 951.41 | -65.59 | -3416.73 |

Profit – Net Interest Income

INR Crs

| Particulars | Q1 17-18 | Q1 16-17 | inc/dec | Growth | FY 16-17 |
|--|----------------|----------------|-----------------|----------------|-----------------|
| TOTAL INTEREST INCOME | 4187.20 | 5215.54 | -1028.34 | (19.72) | 19718.60 |
| of which | | | | | |
| Int Income from Advances | 2819.11 | 3740.68 | -921.57 | (24.64) | 14045.62 |
| Int Income from Investments | 1287.75 | 1374.32 | -86.57 | (6.30) | 5613.79 |
| Other Interest Income | 80.34 | 100.54 | -20.2 | (20.09) | 59.19 |
| TOTAL INTEREST EXPENDED | 3162.59 | 3970.47 | -807.88 | (20.35) | 14529.02 |
| of Which | | | | | |
| Int Expended on Deposits | 2876.65 | 3504.18 | -627.53 | (17.91) | 13025.93 |
| Int Expended on Borrowings | 285.93 | 466.28 | -180.35 | (38.68) | 1503.05 |
| Other Int. Expenses | 0.01 | 0.01 | 0.00 | - | 0.04 |
| NET INTEREST INCOME | 1024.61 | 1245.07 | -220.46 | -17.71 | 5189.58 |
| NET INTEREST MARGIN (on Avg. Earning Assests) | 1.65% | 1.87% | | | 2.03% |
| Domestic | 1.68% | 1.92% | | | 2.08% |
| Overseas | 1.19% | 1.36% | | | 1.41% |

OPERATING PROFIT Q1

INR Crs

| Particulars | Q1 17-18 | Q1 16-17 | inc/dec | Growth | FY 16-17 |
|--|----------------|----------------|---------------|--------------|----------------|
| TOTAL NON INTEREST INCOME | 987.30 | 652.90 | 334.40 | 51.22 | 3372.64 |
| of which | | | | | |
| Exchange/Commission | 204.71 | 200.95 | 3.76 | 1.87 | 950.00 |
| Profit on Sale of Investment | 426.39 | 155.34 | 271.05 | 174.49 | 638.16 |
| Loss on Revaluation of Investment | 0.00 | -15.92 | 15.92 | (100) | -16.19 |
| Other Non Interest Income | 356.20 | 312.53 | 43.67 | 13.97 | 1800.67 |
| Operating Income (Net Int Income + Non Interest Income) | 2011.91 | 1897.97 | 113.94 | 6.00 | 8562.22 |
| Operating Expenses | 1235.31 | 1207.42 | 27.89 | 2.31 | 4912.01 |
| of which | | | | | |
| Staff Cost | 791.04 | 820.08 | -29.04 | (3.54) | 3,044.67 |
| Other Operating Expenses | 444.27 | 387.34 | 27.18 | 7.55 | 1867.34 |
| OPERATING PROFIT | 776.60 | 690.55 | 86.05 | 12.46 | 3650.21 |
| Staff to Total Operating Cost % | 64.04 | 67.92 | -4.54 | (6.26) | 61.98 |

PROFIT – Domestic / Overseas Operations- Q1

INR Crs

| Particulars | Q1 17-18 | Q1 16-17 | inc/dec | Growth | FY 16-17 |
|-------------------------|----------|----------|---------|--------|----------|
| OPERATING PROFIT | | | | | |
| Global | 776.60 | 690.55 | 86.05 | 12.46 | 3650.21 |
| Domestic | 676.85 | 619.62 | 57.23 | 9.24 | 3370.67 |
| Overseas | 99.75 | 70.93 | 28.82 | 40.63 | 279.54 |
| PROVISIONS | | | | | |
| Global | 1275.69 | 2141.05 | -865.36 | -40.42 | 7066.94 |
| Domestic | 1192.28 | 2073.49 | -881.21 | -42.50 | 6831.57 |
| Overseas | 83.41 | 67.56 | 15.85 | 23.46 | 235.37 |
| NET PROFIT/LOSS | | | | | |
| Global | -499.09 | -1450.50 | 951.41 | -65.59 | -3416.73 |
| Domestic | -515.43 | -1453.87 | 938.44 | -64.55 | -3460.90 |
| Overseas | 16.34 | 3.37 | 12.97 | 384.87 | 44.17 |

RATIOS

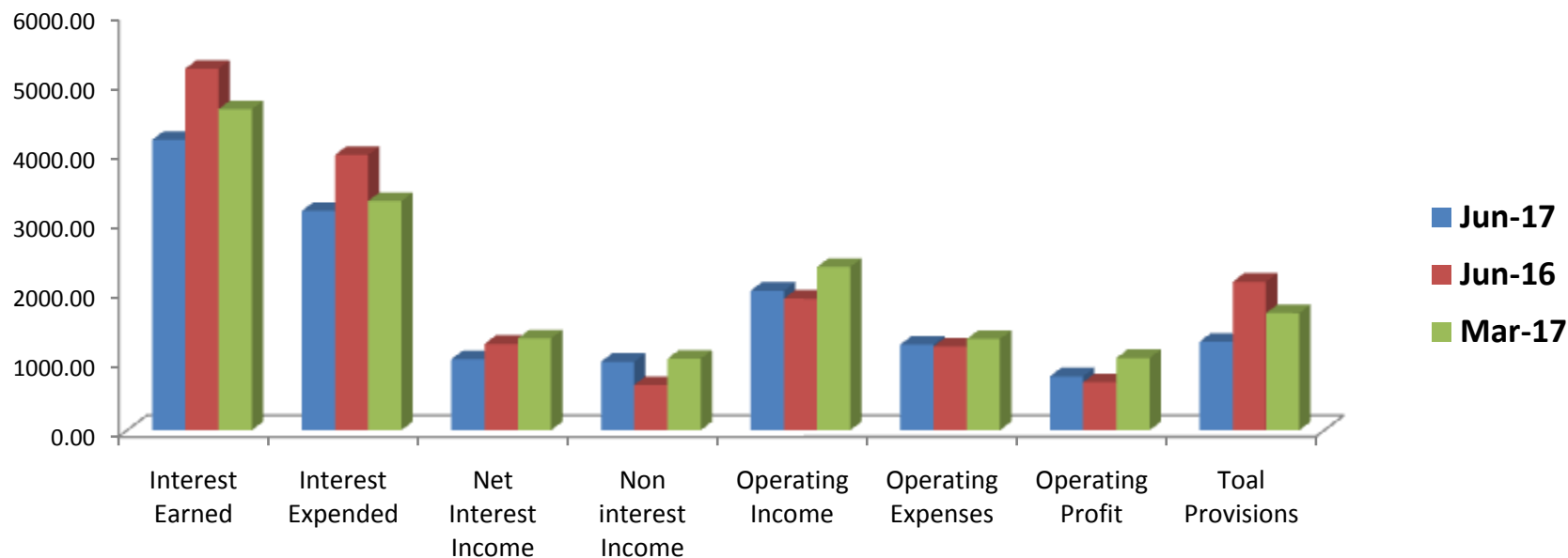
| Particulars | Q1 17-18 | Q1 16-17 | FY 16-17 |
|------------------------------|----------|----------|----------|
| Average Cost of Deposits | 5.57 | 6.42 | 6.17 |
| Average Yield on Advances | 7.12 | 8.53 | 8.43 |
| Average Cost of Funds | 5.66 | 6.45 | 6.17 |
| Average Yield on Funds | 6.73 | 7.85 | 7.70 |
| Average Yield on Investments | 8.10 | 7.15 | 7.17 |
| Cost to Income Ratio | 61.40 | 63.62 | 57.37 |
| Return on Average Assets | -ve | -ve | -ve |
| Return on Average Equity | -ve | -ve | -ve |
| Credit Deposit Ratio | 71.29 | 75.77 | 74.18 |
| CASA Ratio | 35.85 | 30.17 | 36.09 |
| Net Interest Margin | 1.65 | 1.84 | 2.03 |
| Domestic | 1.68 | 1.92 | 2.08 |
| Overseas | 1.19 | 1.36 | 1.41 |

Revenue Analysis

Statistics - Movement of Income Earned

INR Crs

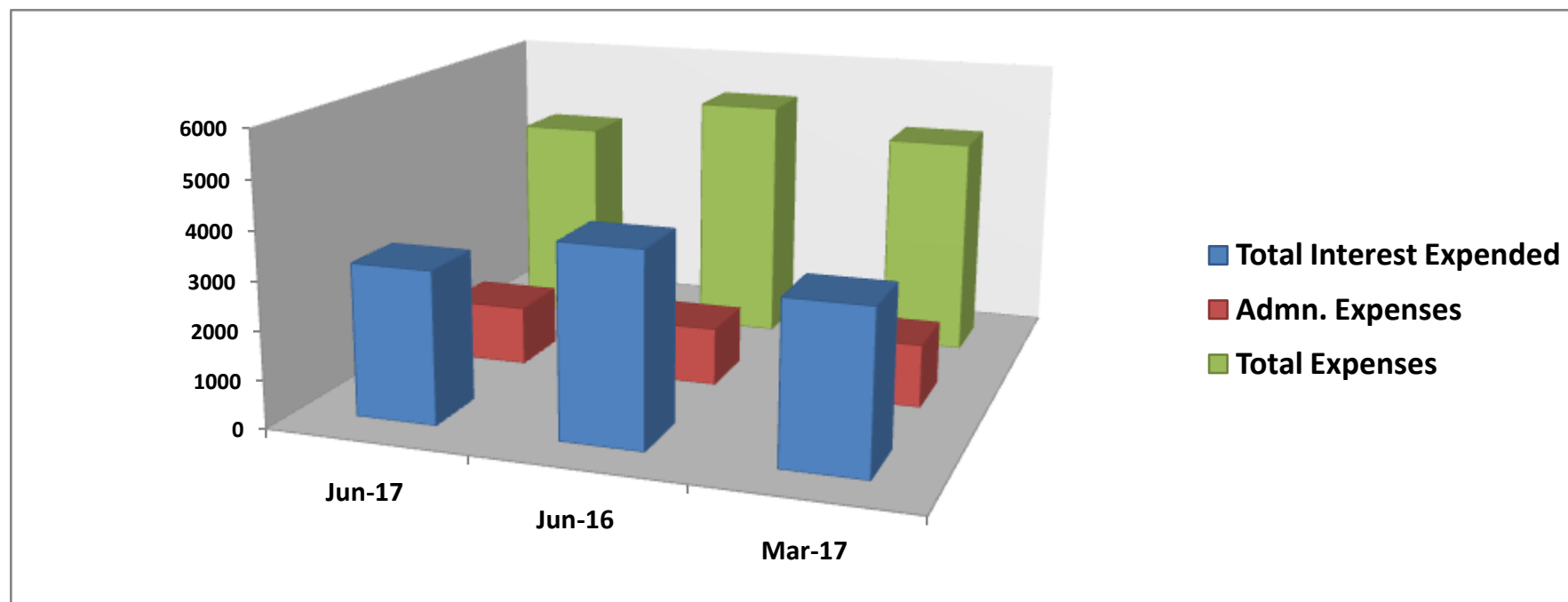
| Particulars | Jun-17 | Jun-16 | Mar-17 |
|---------------------|---------|---------|---------|
| Interest Earned | 4187.20 | 5215.54 | 4629.58 |
| Interest Expended | 3162.59 | 3970.47 | 3305.64 |
| Net Interest Income | 1024.61 | 1245.07 | 1323.94 |
| Non interest Income | 987.30 | 652.90 | 1032.10 |
| Operating Income | 2011.91 | 1897.97 | 2356.04 |
| Operating Expenses | 1235.31 | 1207.42 | 1315.06 |
| Operating Profit | 776.60 | 690.55 | 1040.98 |
| Toal Provisions | 1275.69 | 2141.05 | 1687.64 |



Movement of Expenses

INR Crs

| Particulars | Jun-17 | Jun-16 | Mar-17 |
|-------------------------|---------|---------|---------|
| Total Interest Expended | 3162.59 | 3970.47 | 3305.64 |
| Admn. Expenses | 1235.31 | 1207.42 | 1315.06 |
| of which Staff Expenses | 791.04 | 820.08 | 687.52 |
| Total Expenses | 4397.90 | 5177.89 | 4620.70 |

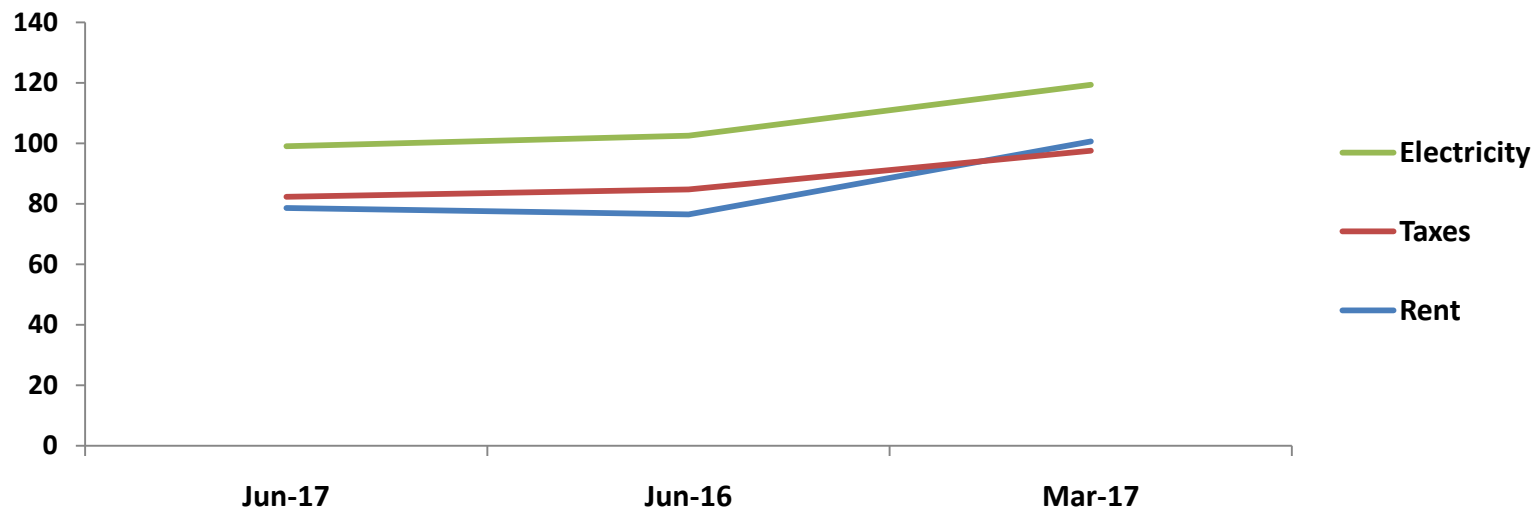


Administrative Expenses

Movement of Rent, Taxes and Electricity

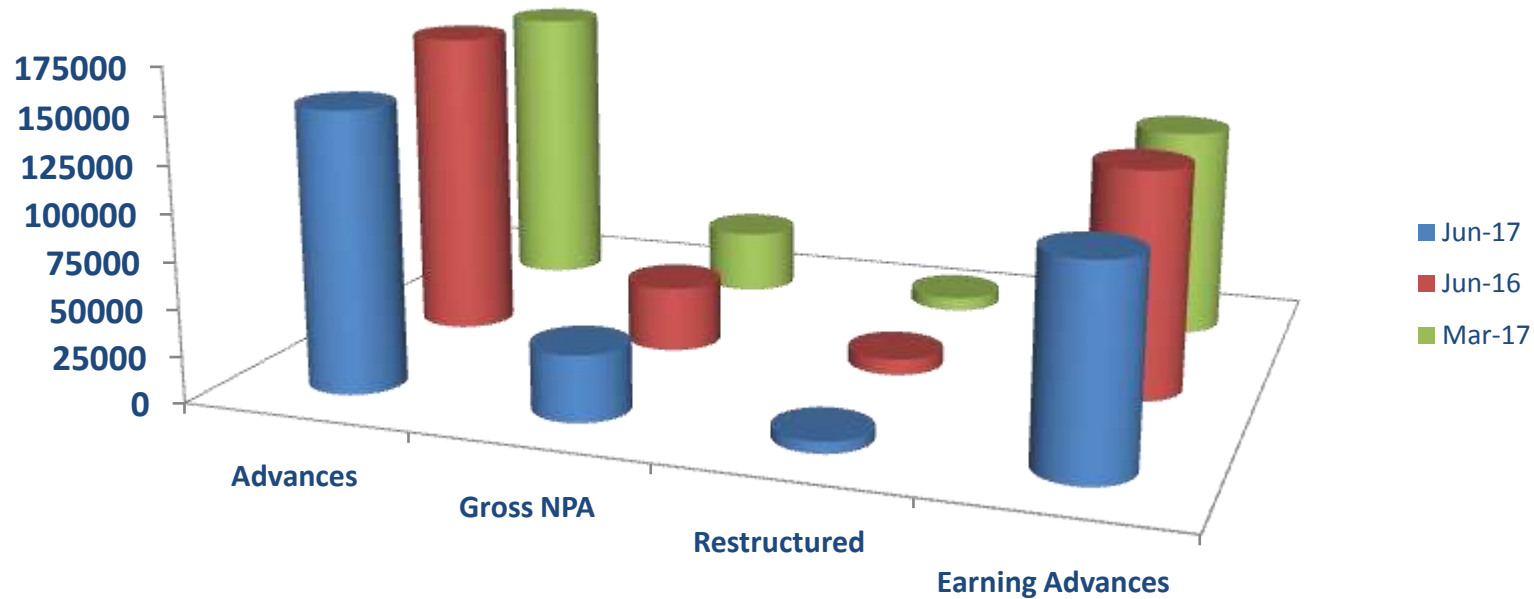
INR Crs

| Expenses Head | Jun-17 | Jun-16 | Mar-17 |
|---------------|--------|--------|--------|
| Rent | 78.58 | 76.45 | 100.65 |
| Taxes | 3.72 | 8.24 | -3.10 |
| Electricity | 16.76 | 17.84 | 21.79 |

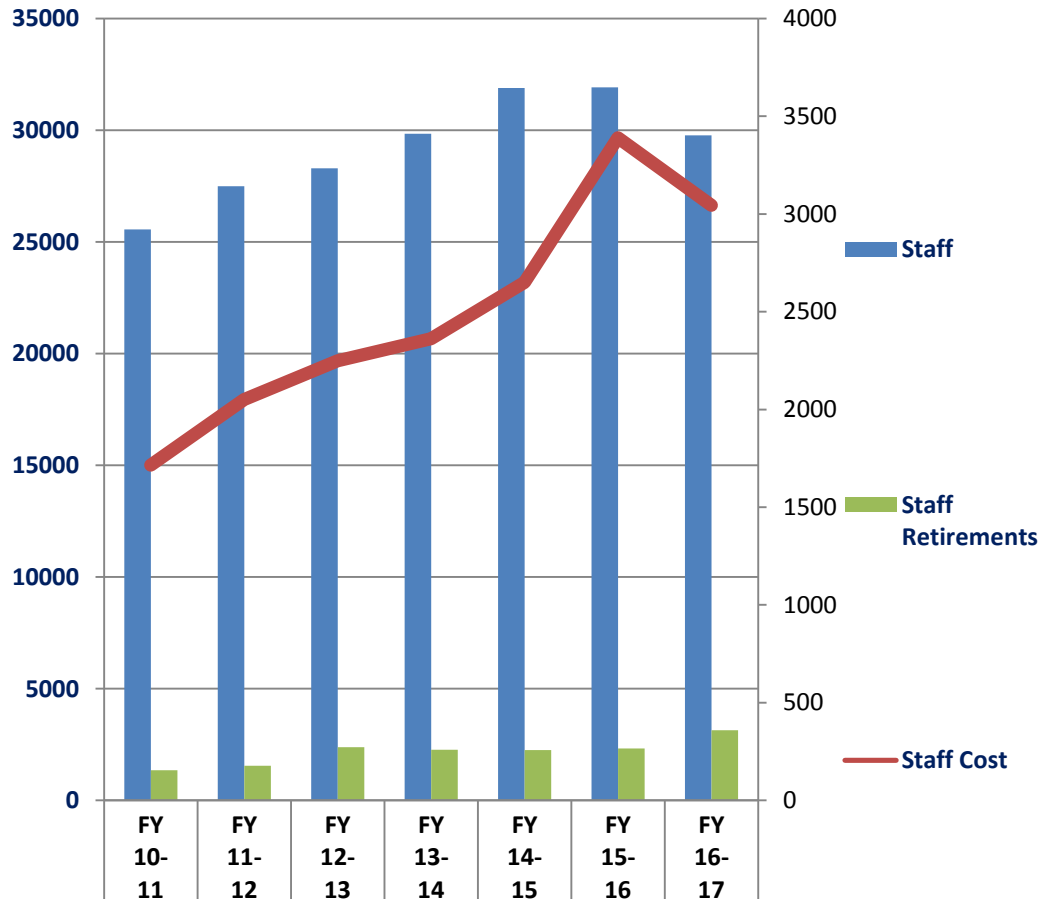


Deployment and income

| Particulars | Jun-17 | Jun-16 | Mar-17 |
|-------------------|--------|--------|--------|
| Advances | 150238 | 165556 | 156776 |
| Gross NPA | 35453 | 35098 | 34502 |
| Restructured | 6152 | 8545 | 7367 |
| Earning Advances | 108633 | 121913 | 114907 |
| Yield on Advances | 7.12 | 8.53 | 8.43 |
| Yield on Funds | 5.66 | 6.45 | 6.17 |



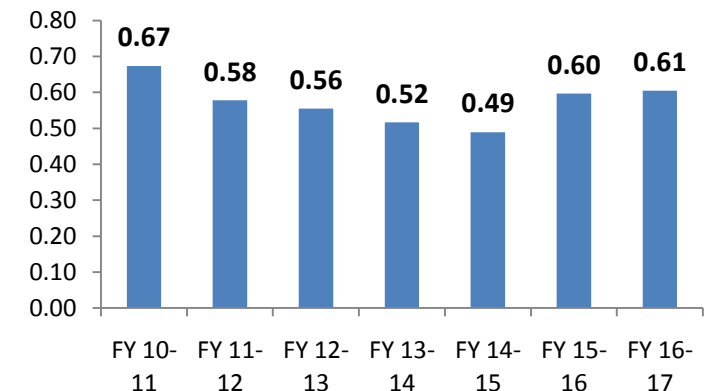
Impact on Staff Cost



| | | | | | | | |
|-------------------|-------|-------|-------|-------|-------|-------|-------|
| Staff | 25554 | 27491 | 28291 | 29845 | 31895 | 31916 | 29767 |
| Staff Retirements | 1346 | 1544 | 2382 | 2257 | 2252 | 2320 | 3136 |
| Staff Cost | 1715 | 2050 | 2248 | 2362 | 2650 | 3390 | 3045 |

- Considering the ideal staff of 3 per new Branches and retirements, till 2014-15, 8435 staff should have been recruited.
- However during 2011 to 2015 12026 staff were added. The same has started being absorbed from 15-16 onwards since no recruitment.
- Taking an average of 3 lacs per new incumbent around Rs. 108 Crore per annum extra staff cost was incurred during the period.

Ratio of RO Staff to Branches



Asset Quality

NPA Sequential Movement – 30.06.2017

INR Crs

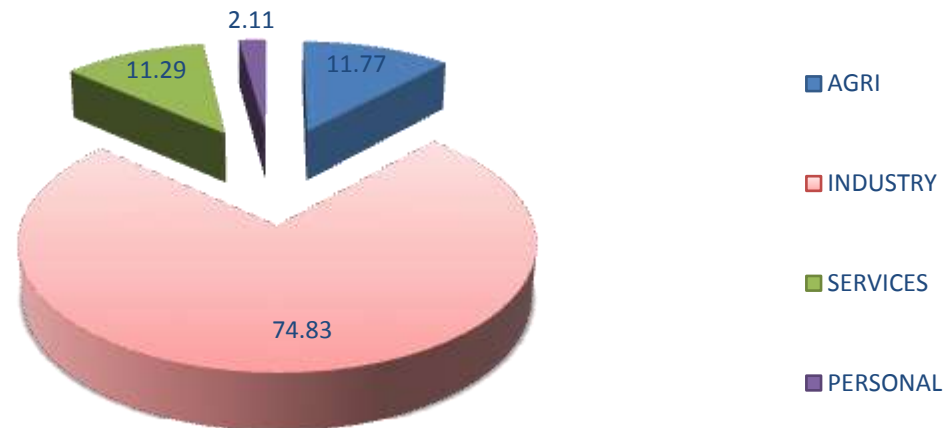
| Particulars | Jun-16 | Sep-16 | Dec-16 | Mar-17 | Jun-17 |
|---|--------|--------|--------|--------|--------|
| OPENING GROSS NPA | 30049 | 33913 | 34724 | 34502 | 35098 |
| ADD Slippages | 5330 | 2881 | 1892 | 3019 | 2720 |
| LESS | | | | | |
| Cash Recovery | 458 | 574 | 324 | 320 | 529 |
| Upgradation | 346 | 917 | 1106 | 955 | 758 |
| Write Off | 408 | 528 | 648 | 710 | 1343 |
| Sale to ARC | 253 | 0 | 0 | 172 | 0 |
| of which Tech. Write off Sale | | | | | 152 |
| Exchange Fluctuation | 0 | 51 | 0 | 148 | 2 |
| De-recog. Interest | 0 | 0 | 36 | 118 | 0 |
| Total Reduction in NPA | 1465 | 2070 | 2114 | 2423 | 2365 |
| Provision for Bad & Doubtful Debts | 11100 | 12393 | 13130 | 13812 | 14115 |
| CLOSING GROSS NPA | 33913 | 34724 | 34502 | 35098 | 35453 |
| Net NPA | 21321 | 20765 | 19901 | 19749 | 20165 |
| Gross NPA Ratio % | 20.48 | 21.77 | 22.42 | 22.39 | 23.60 |
| Net NPA Ratio % | 13.97 | 14.30 | 14.32 | 13.99 | 14.97 |
| Provision Coverage Ratio % | 47.61 | 50.19 | 52.17 | 53.63 | 53.09 |
| NPA of Overseas Branches (Included in Gross NPA above) | 3675 | 3651 | 3484 | 2577 | 1552 |
| Gross Advances | 165556 | 159522 | 153875 | 156776 | 150238 |

Sectorwise Breakup of NPA

INR Crs

| CATEGORY | NPA | % TO TOTAL DOMESTIC NPA |
|--|-----------------|-------------------------|
| AGRI | 3988.75 | 11.77 |
| INDUSTRY | 25361.17 | 74.83 |
| SERVICES | 3827.59 | 11.29 |
| PERSONAL | 715.66 | 2.11 |
| TOTAL | 33893.17 | 100 |
| <i>OF WHICH COMMERCIAL REAL ESTATE</i> | <i>182.46</i> | <i>0.54</i> |

% TO TOTAL DOMESTIC NPA



Sectoral Slippages during the quarter 30.062017

INR Crs

| | |
|----------------------------------|----------------|
| AGRI & ALLIED ACTIVITIES | 132.03 |
| SERVICES | 318.61 |
| PERSONAL LOANS | 141.2 |
| COMMERCIAL REAL ESTATE | 42.38 |
| SUB TOTAL(A) | 634.23 |
| INDUSTRY | |
| OTHER METAL & METAL PRODUCTS | 12.56 |
| GEMS & JEWELLERY | 0.97 |
| Other Food Processing | 0.08 |
| TEXTILES | 13.66 |
| STEEL | 288.99 |
| MINNING | 5.02 |
| CHEMICALS,DYES,PHARMA& DRUGS | 3.59 |
| Paper & Paper Products | 3.06 |
| RUBBER, PLASTIC & THEIR PRODUCTS | 3.46 |
| All Engineering | 897.89 |
| OTHER INDUSTRIES | 1112.18 |
| SUB TOTAL(B) | 2341.45 |
| TOTAL SLIPPAGES DOMESTIC(A+B) | 2975.68 |
| OVERSEAS SLIPPAGES | 5.03 |
| TOTAL | 2980.71 |

NPA – Industrywise - Domestic

INR Crs

| INDUSTRY | GROSS NPA | % TO TOTAL DOMESTIC NPA |
|------------------------------|-----------------|-------------------------|
| COTTON/OTHER TEXTILES | 1574.94 | 4.65 |
| Iron & Steel | 9926.98 | 29.29 |
| Infrastructure | 4254.28 | 12.55 |
| Chemical Dyes Paints | 696.55 | 2.06 |
| Construction | 246.45 | 0.73 |
| Gems & Jewellery | 174.97 | 0.52 |
| Other Metal & Metal Products | 680.45 | 2.01 |
| Paper & Paper Products | 376.23 | 1.11 |
| Food Processing | 252.54 | 0.75 |
| Sugar | 0 | 0 |
| all other industries | 7177.78 | 21.18 |
| TOTAL INDUSTRY | 25361.17 | 74.83 |

Restructured Standard A/cs Sector-wise As On 30.06.2017

INR Crs

| Sector | 31.03.2017 | 31.03.2017 | 31.03.2017 | 30.06.2017 | 30.06.2017 | 30.06.2017 |
|-----------------------|------------|----------------|--------------|------------|----------------|--------------|
| | Accounts | Amount | % | Accounts | Amount | % |
| Chemical & Pharma | 2 | 168.51 | 2.29 | 2 | 164.66 | 2.68 |
| Sugar | 1 | 15.86 | 0.22 | 1 | 15.75 | 0.26 |
| Textile | 1 | 53.75 | 0.73 | 0 | 0 | 0.00 |
| Iron & Steel | 10 | 824.29 | 11.19 | 8 | 627.10 | 10.19 |
| Auto & Ancillary | 0 | 0.00 | 0.00 | 1 | 21.48 | 0.35 |
| Paper | 1 | 47.94 | 0.65 | 1 | 46.45 | 0.76 |
| Food Processing | 1 | 159.00 | 2.16 | 1 | 161.58 | 2.63 |
| Engineering | 3 | 904.88 | 12.28 | 2 | 270.98 | 4.40 |
| Telecom | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 |
| Metal Processing | 0 | 0.00 | 0.00 | 1 | 67.20 | 1.09 |
| Power | 16 | 3829.11 | 51.98 | 14 | 3602.73 | 58.56 |
| Airways | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 |
| Electronic & Software | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 |
| Cement | 2 | 123.26 | 1.67 | 2 | 108.65 | 1.77 |
| Logistics | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 |
| Other industries | 1 | 3.82 | 0.05 | 1 | 3.90 | 0.06 |
| Sub Total | 38 | 6130.42 | 83.22 | 34 | 5090.48 | 82.75 |

Restructured Standard A/cs Sector-wise As On 30.06.2017 (Contd.,)

INR Crs

| Sector | 31.03.2017 7 Accounts | 31.03.2017 Amount | 31.03.2017 % | 30.06.2017 Accounts | 30.06.2017 Amount | 30.06.2017 % |
|-------------------------------------|-----------------------------|----------------------|-----------------|------------------------|----------------------|-----------------|
| Sub Total | 38 | 6130.42 | 83.88 | 34 | 5090.48 | 82.75 |
| SME | 17 | 129.79 | 1.76 | 12 | 113.03 | 1.84 |
| Micro Finance | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 |
| Infrastructure | 10 | 878.50 | 11.93 | 8 | 800.39 | 13.01 |
| Comm. Real Estate(CRE) | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 |
| Trade | 2 | 7.38 | 0.10 | 1 | 8.71 | 0.14 |
| Agriculture | 8 | 56.39 | 0.77 | 7 | 55.70 | 0.91 |
| HL/EDU/Others | 2 | 11.31 | 0.15 | 2 | 11.01 | 0.18 |
| Real Estate (other than CRE) | 2 | 109.65 | 1.49 | 1 | 30.06 | 0.49 |
| Ceramic,Granite,marble | 1 | 1.42 | 0.02 | 0 | 0.00 | 0.00 |
| Rubber & Plastic | 1 | 41.69 | 0.57 | 1 | 42.39 | 0.69 |
| Gem & Jewels | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 |
| GRAND TOTAL | 81 | 7366.55 | 100.00 | 66 | 6151.76 | 100.00 |

Restructured A/cs Asset Classificationwise

INR Crs

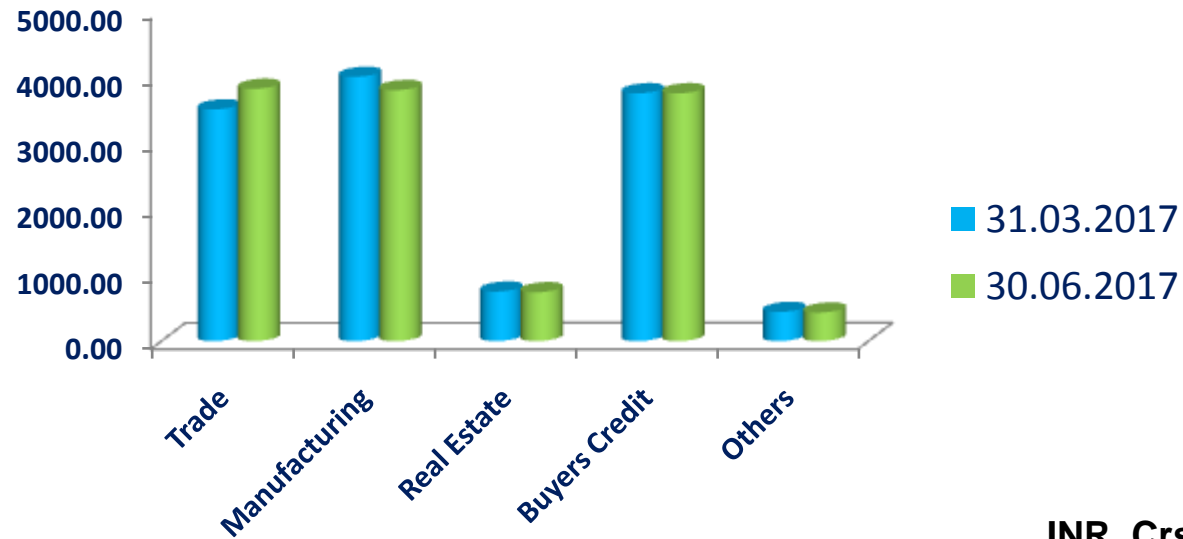
| Asset Classification | No. of Accounts (31.03.2017) | Amount (INR Crs) (31.03.2017) | % to Total | No. of Accounts (30.06.2017) | Amount (INR Crs) (30.06.2017) | % to Total |
|----------------------|---------------------------------|-------------------------------------|---------------|---------------------------------|-------------------------------------|---------------|
| Standard Assets | 81 | 7366.54 | 52 | 66 | 6151.76 | 44 |
| Sub-Standard Assets | 32 | 1646.07 | 12 | 37 | 1228.08 | 9 |
| Doubtful Assets | 173 | 5091.24 | 36 | 195 | 6752.76 | 48 |
| Loss Assets | 1 | 0.47 | 0 | 1 | 0.46 | 0 |
| Total | 287 | 14104.32 | 100 | 299 | 14133.06 | 100 |

| | Jun 16 | Sep 16 | Dec 16 | Mar 17 | Jun 17 |
|--|--------|--------|--------|--------|--------|
| No. of A/cs slipped during the quarter | 34 | 9 | 6 | 5 | 4 |
| Amount in INR Crs | 1115 | 463 | 136 | 182.87 | 868.34 |

**Movement of Restructured Accounts as on 30.06.2017
(Includes All F.B. Facilities of the Borrower)**

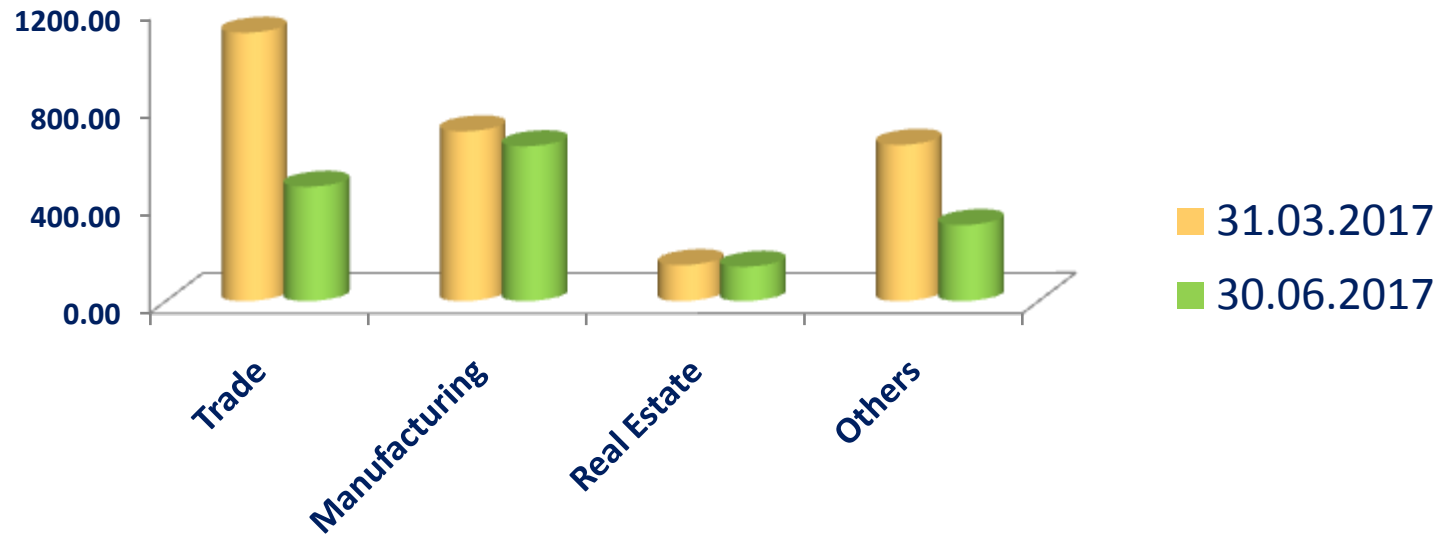
| | INR Crs | | | | |
|---|----------------|-------------|----------------|---------------|----------------|
| | Domestic | | | Foreign | Global |
| | > 1 crore | < 1 crore | Total | | |
| As on 31.03.2017 O/S | 7364.90 | 1.64 | 7366.54 | 200.84 | 7567.38 |
| Additions during Q1 FY 2017-18 | 186.25 | 3.27 | 189.52 | 53.28 | 242.80 |
| Less: Recovery / Slippages During Q1 2017-18 | 1400.15 | 4.15 | 1404.30 | 0.00 | 1404.30 |
| As on 30.06.2017 O/S | 6151.00 | 0.76 | 6151.76 | 254.12 | 6405.88 |

Overseas Advances - Breakup



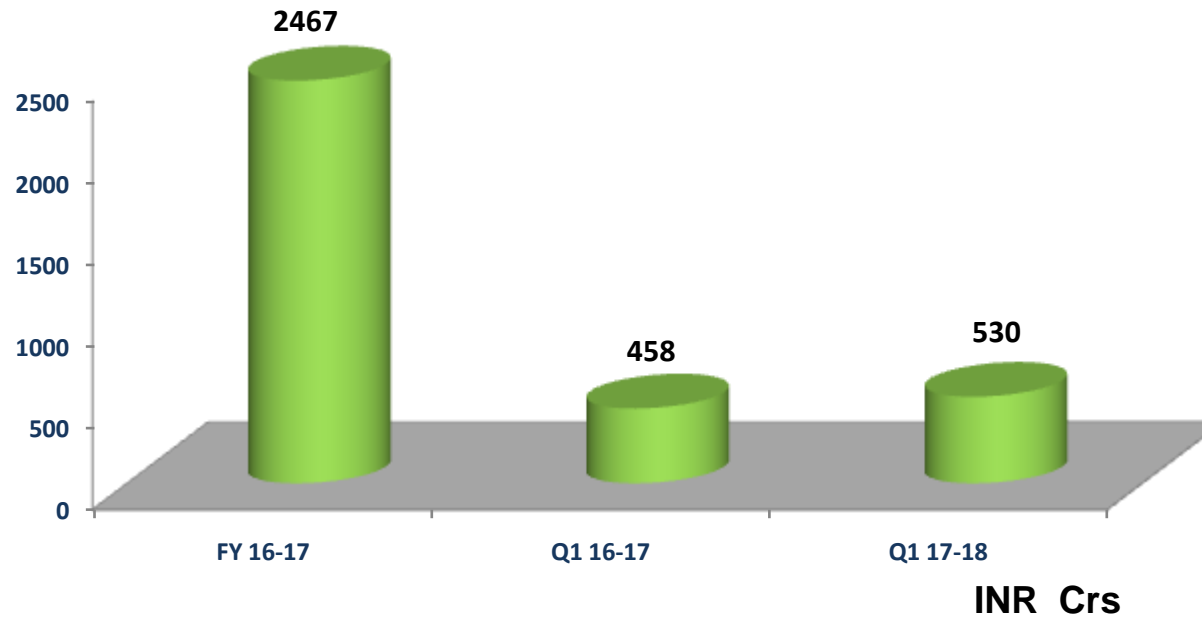
| | INR Crs | |
|---------------|-----------------|-----------------|
| | 31.03.2017 | 30.06.2017 |
| Trade | 3508.33 | 3821.11 |
| Manufacturing | 4002.07 | 3800.84 |
| Real Estate | 749.44 | 739.23 |
| Buyers Credit | 3752.32 | 3752.61 |
| Others | 440.54 | 431.85 |
| Total | 12452.70 | 12545.64 |

Overseas NPA – Breakup



| | INR Crs | |
|---------------|----------------|----------------|
| | 31.03.2017 | 30.06.2017 |
| Trade | 1097.06 | 467.54 |
| Manufacturing | 694.04 | 633.16 |
| Real Estate | 146.91 | 140.42 |
| Others | 638.85 | 310.84 |
| Total | 2576.87 | 1551.95 |

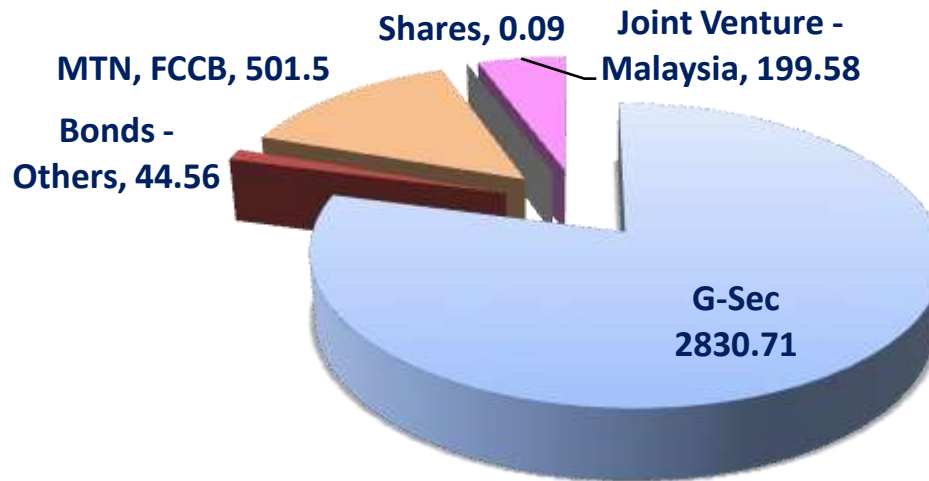
Cash Recovery in NPA A/C



| Particulars | Q1 17-18 | Q1 16-17 | FY 16-17 |
|--------------------------------------|-------------|-------------|-------------|
| (12 Mths) | | | |
| Cash Recovery in NPA A/C | 530 | 458 | 2467 |
| <i>of which</i> | | | |
| Credit to P & L | 106 | | 275 |
| Cash Recovery in Tech. Write off A/C | 161 | 103 | 787 |
| Cash Recovery in Write off A/C | 0 | 1 | 7 |
| Upgradation | 758 | 346 | 3324 |
| Write Off | 1343 | 409 | 2295 |
| Sale to A R C | 152 | 253 | 425 |
| Exchange Fluctuation | 2 | 0 | 199 |
| Total | 2784 | 1465 | 8710 |

Investments

INVESTMENTS - Foreign As On 30.06.2017



| Type of Investment | Book Value (Gross) | Rs. In Crores | |
|--------------------------|--------------------|---------------|-----------|
| | | Total | Provision |
| G-Sec | 2830.71 | 0.51 | |
| Bonds - Others | 44.56 | 0 | |
| MTN, FCCB | 501.5 | 63.64 | |
| Shares | 0.09 | 0 | |
| Joint Venture - Malaysia | 199.58 | 0 | |
| Total | 3576.44 | 64.15 | |

INVESTMENTS - Domestic

INR Crs

| | AS ON 31.03.2017 | | | | As on 30.06.2017 | | | |
|--------------------------------|------------------|------------------|---------------|------------------|------------------|------------------|---------------|------------------|
| | AFS | HTM | HFT | TOTAL | AFS | HTM | HFT | TOTAL |
| SLR Investments | 15,128.38 | 42,779.48 | 101.59 | 58,009.45 | 8,919.27 | 35,226.14 | 635.14 | 44,780.55 |
| <i>of which</i> | | | | | | | | |
| G-Sec | 15,128.36 | 42,776.37 | 101.59 | 58,006.32 | 8,919.27 | 35,224.78 | 635.14 | 44,779.19 |
| Other Approve Sec. | 0.02 | 3.11 | 0.00 | 3.13 | 0.00 | 1.36 | 0.00 | 1.36 |
| M Duration | | | ■ | 6.09 | | | | 6.50 |
| Non SLR Investments | 7,840.10 | 2,929.77 | 0.00 | 10,769.87 | 7,921.94 | 1,759.88 | 0.00 | 9,681.82 |
| M Duration (Non SLR) | | | | 4.89 | | | | 4.32 |
| M Duration (Entire Portfolio) | | | | 5.97 | | | | 6.30 |
| Total | 22,968.48 | 45,709.25 | 101.59 | 68,779.32 | 16,841.21 | 36,986.02 | 635.14 | 54,462.37 |

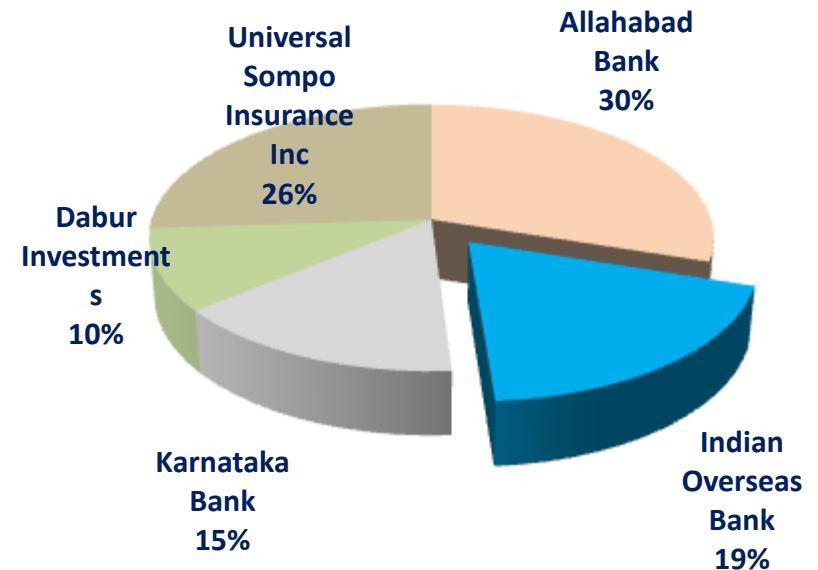
INVESTMENTS – Domestic Q1 FY 2017-18

| Net Investments (Domestic) | 30.06.17 (Rs. Crores) | % of Total Investment | Regulatory % |
|---|--------------------------|--------------------------|--|
| SLR | 44780.55 | 82.22 | Total Non-SLR should not exceed 30 % of total Investments |
| Non-SLR | 9681.82 | 17.78 | |
| HTM | 36986.02 | 67.91 | |
| AFS | 16841.21 | 30.92 | |
| | HFT | 635.14 | 1.17 |
| Portfolio Duration (in Years) | 6.52 | | Limit : 6.80 |
| AFS & HFT (Trading Book) Duration (in Years) | 3.49 | | Limit : 5.00 |

Strategic Investments – Joint Ventures

IOB entered into Non Life Insurance Business with Universal Sampo General Insurance (USGI) Company Limited with equity participation of 19% along with the Following Banks and Institutions

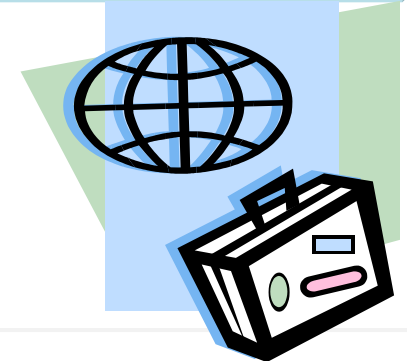
| Joint venture Equity Contributors | % | INR Crs |
|-----------------------------------|------------|---------------|
| Allahabad Bank | 30 | 105.00 |
| Indian Overseas Bank | 19 | 66.50 |
| Karnataka Bank | 15 | 52.50 |
| Dabur Investments | 10 | 35.00 |
| Universal Sampo Insurance Inc | 26 | 91.00 |
| Total | 100 | 350.00 |



- The Company has entered into Bancassurance tie up with Allahabad Bank, IOB and Karnataka Bank.
- Our Bank has entered into Corporate Agency arrangements with effect from 20.12.08 for distribution of USGI products
- Bank earned net commission of Rs. 2.99 crore on Health Care Policy in the current financial year .

Global Footprints – Foreign Branches of the Bank

| Branches | Representative Office | J V Subsidiary | Remittance Centres |
|--|---|--|--|
| <ul style="list-style-type: none"> ❖ Singapore ❖ Hong Kong Main ❖ Hong Kong TST ❖ Colombo ❖ Bambalapitiya ❖ Seoul ❖ Bangkok ❖ Sukhumvit, Bangkok | <ul style="list-style-type: none"> ❖ Dubai | <ul style="list-style-type: none"> ❖ Malaysia | <ul style="list-style-type: none"> ❖ Singapore - Serangoon Road ❖ Singapore - Boon Lay |

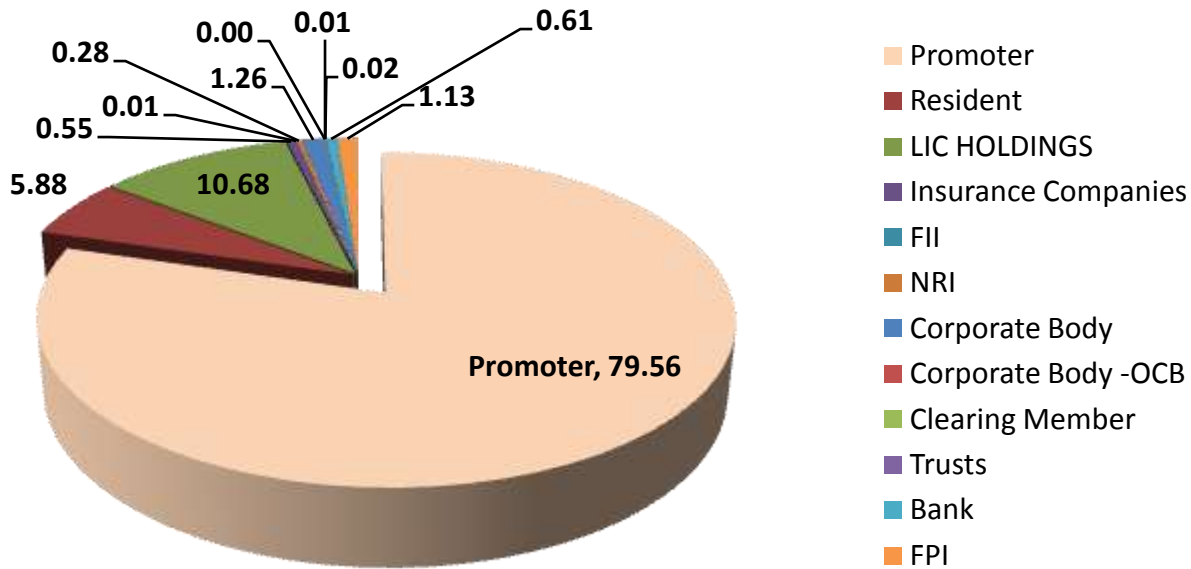


■ Malaysia: Joint Venture with Bank of Baroda (40%) and Andhra Bank (25%) with our Bank share of 35%

Capital Structure

Shareholding Pattern as on 30.06.2017

(In %)



Government of India has infused a capital of Rs.1100 Crore in March 2017 For which funds are received and allotment is pending. With this GOI holding is Increased to 82.41%

DIVIDEND DECLARED AND PAID

| YEAR | Interim Dividend | Final Dividend |
|---------|------------------|----------------|
| 2000-01 | | 10% |
| 2001-02 | | 12% |
| 2002-03 | | 16% |
| 2003-04 | 12% | 8% |
| 2004-05 | 14% | 10% |
| 2005-06 | | 26% |
| 2006-07 | | 30% |
| 2007-08 | | 35% |
| 2008-09 | | 45% |
| 2009-10 | | 35% |
| 2010-11 | | 50% |
| 2011-12 | | 45% |
| 2012-13 | | 20% |
| 2013-14 | 7% | 5% |
| 2014-15 | - | - |
| 2015-16 | - | - |
| 2016-17 | - | - |

VALUATIONS

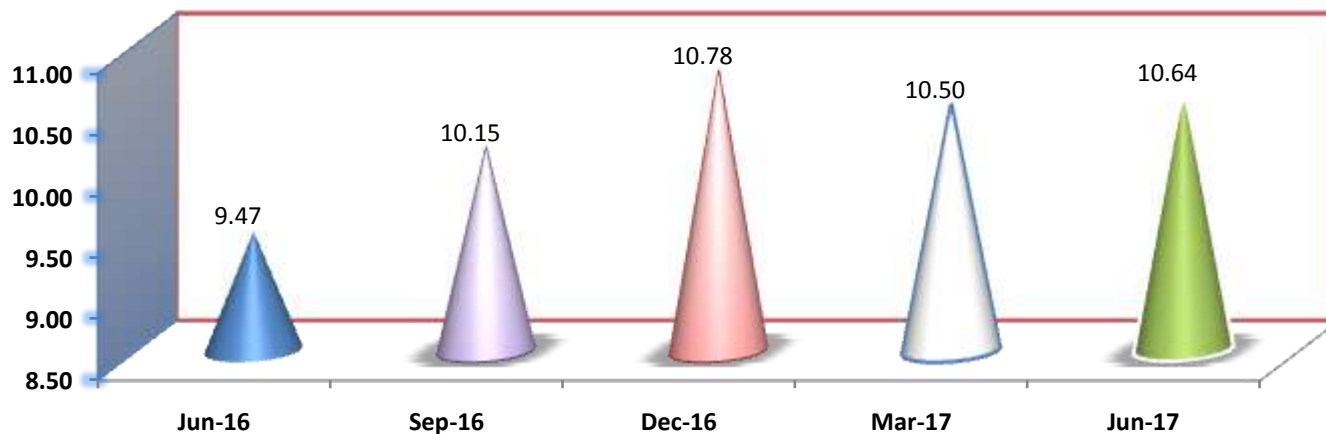
| Particulars | Q1 17-18 | Q1 16-17 | FY 16-17 |
|---|----------|----------|----------|
| Earning Per Share (₹) (Annualised for Q3 & 9m) | -ve | -ve | -ve |
| Book Value Per Share (₹) | 30.70 | 48.57 | 34.52 |
| Adjusted Book Value per Share (₹) ([Net Worth - Net NPA]/No of Shares) | -51.45 | -ve | -ve |
| Price / Book Value (₹) | 0.80 | 1.35 | 0.77 |
| Price / Adj. Book Value (₹) | -ve | -ve | -ve |
| PE RATIO | -ve | -ve | -ve |

* Price as on 30.06.2017 ₹ 24.70

CAPITAL ADEQUACY

| Particulars | INR Crs | | | | |
|-----------------------------|---------|-----------|--------|--------|--------|
| | Jun-16 | Sep-16 | Dec-16 | Mar-17 | Jun-17 |
| Common Equity Tier I | 12472 | 13319.00 | 12699 | 12822 | 11891 |
| Tier I Capital | 13587 | 14419.00 | 13799 | 13892 | 12961 |
| Tier II Capital | 3823 | 3288.00 | 4153 | 3861 | 3746 |
| Total Capital | 17410 | 17707.00 | 17952 | 17753 | 16707 |
| Total Net Assets (Terminal) | 268312 | 251900.00 | 255085 | 247167 | 251782 |
| Risk Weighted Assets | 183871 | 174432.00 | 166567 | 169148 | 157010 |
| CET I(%) | 6.78 | 7.64 | 7.62 | 7.58 | 7.57 |
| CRAR – TIER I (%) | 7.39 | 8.27 | 8.28 | 8.21 | 8.25 |
| CRAR – TIER II (%) | 2.08 | 1.88 | 2.49 | 2.28 | 2.39 |
| CRAR (%) | 9.47 | 10.15 | 10.78 | 10.50 | 10.64 |

CRAR (%)



Turnaround Strategy

Strategies for MSME

- **Introduced a “New Scoring Model for MSME”** on a pilot basis for the NEW MSME proposals amount ranging from Rs.2.00 lacs to Rs.2.00 crores, to facilitate the branches for selection of good entrepreneurs at the initial stage of processing itself.
- Implemented the **“Policy on Revival and Rehabilitation of MSME”** under the New Framework effective from 01.07.2016.
- We have designed a new scheme **“IOB SME 300- DAILY”** which facilitates **Hassle free loan to the Micro entrepreneurs under MSME**. Borrowers can repay the loan in petty amounts on a daily basis through the Business Correspondents of the banks at their door step.
- **Activated all the SME Specialized branches** and advised them to improve the business under the MSME sector.

Strategies to arrest slippages

| Existing tools | Newly introduced tools |
|--|--|
| Daily report of SMA accounts with Exposure of Rs 5.00 Crs and above | SMA Portal with colour coding of all SMA accounts. |
| Online monthly review of SMA 1 and SMA2 accounts with exposure of Rs 5.00 Crs and above. | Using JAWS (Job Accessory With Speech) software |
| Monthly review of SMA 1 and SMA 2 accounts with exposure of Rs 40 Crs and above by GMs' Committee. | Follow up through call centers |
| Weekly report on probable slippages for the quarter | SMS Alert to SMA 0, SMA1 and SMA2 borrowers |
| Stock Audit / ERI / Overdue / Excess Reports | Report on limit expired. made available online. |
| | Letters to individual SMA 0, SMA1 and SMA2 borrowers followed by personal visits |
| | Capturing certain EWS through system (under development) |
| | Report on non financial issues prompting slippage (under development) |

Major Initiatives taken and its Impact

Compliance

- Full fledged compliance team formed and RBI RBS stand addressed
- ADF (automated data flow)and the data submission to RBI automated
- level of compliance improved with increased oversight at every level including the Board by introducing effective monitoring and reporting mechanism
- PCA achievement has improved with monthly monitoring by Board.
- ACE has been made mandatory and it enhanced the ACB oversight

Credit expansion

- Retail vertical created in the bank with Retail loan scoring model and end to end digital processing of retail loans
- MSME strengthened and branch level sanctions introduced

IT Initiatives

Core Banking Solution

- The Bank has successfully migrated all the Overseas Branches except Seoul to Finacle 10.2.17 version.

Developments in CBS

- Online Retail Loan Processing in Intranet
- Clean Loan & Vehicle loan – online credit processing implemented.
- Data Archival Solution for CBS(Domestic) Implemented
- Finacle menu for generation of CRCC reports enabled

IT Initiatives – Cont..d - 2

Digital Banking



- IOB PAY - a comprehensive fee payment platform made live which onboards merchants and educational institutions for e-Payments.
- USSD(*99#) – IMPS Using Aadhaar: Currently, IMPS in USSD can be done in any of the following ways : Using Account number (or) Using MMID
- UPI - Bank has gone live as issuer in BHIM app of GOI. UPI mobile app of the bank has been implemented in Closed User Group
- PrePaid Card: VISA Prepaid Cards are launched
- BBPS - All types of Utility Payments can be done through BBPS in www.iob.in and our Internet banking www.iobnet.co.in
- E-TDS/ Interest Certificate/Account statement-Customers can download E-statement for SB and Current account. Deposit TDS and interest details, Interest certificate for loan accounts can also be downloaded. Suitable authentication mechanism has been put in place.

IT Initiatives – Cont..d - 3

Payment Gateway

- Our bank's Payment gateway is offered through M/s FSS under OPEX model. The payment gateway switch is connected to our YSE switch for validation. Around 80 direct merchants and 4 merchant aggregators are connected to our payment gateway. The payment gateway application is PCIDSS compliant.



Mobile Banking

- Both for Windows OS mobiles and Android OS mobiles.
- USSD by dialing *99#
- Funds transfer thro' IMPS (Immediate Payment Service) is made available to customers through USSD.
- Mobile POS at 13000 Plus merchant locations across the country
- Currently, GPRS POS terminals has been launched with the following variants.
 - Digital GPRS POS – receipt will be sent as SMS
 - Non-Digital GPRS POS – printed receipt will be generated
- With the recent less-cash thrust, GPRS POS terminals are being deployed across the country in an aggressive manner.
- Deposit Opening through Mobile Enabled.
- IOB Connect an all-in-one Android Mobile app has been launched.

IT Initiatives – Cont..d - 4

Other Developments



- **Biometric attendance implemented PAN India**
- **In house developed FINS for forex transactions has been developed for overseas and is deployed in Bangkok, Hong Kong and Singapore for testing. Post confirmation and testing the same will made online.**
- **SOC infrastructure put in place and has implemented majority of the products for monitoring.**
- **A comprehensive standard grievance redressal portal is developed and made available with all the Alternate Delivery Channels (ADC)**

Strategies to achieve targets

| CREDIT | NON CREDIT |
|--|--|
| Focus to sanction capital efficient growth (A, AA, AAA rated accounts) | To insist on maintaining Escrow accounts to get CASA |
| Increased exposure in Government guaranteed accounts (20% Risk Weight) | To tap wallet share of clients (Retail, insurance, Digital Products) |
| Tap quality Assets in Liquirent / Residential Projects. | To insist for fair share of NFB and Forex Business |
| Cautious approach in stressed sectors/ industry. | Branch wise targets fixed taking into account the present exposure and scope available in the command area |
| Bring down the TAT of proposals | 47 additional branches with potential identified to improve lending under the Mid Corporate segment |

