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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/298 /17-18

13.02.2018

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- Unaudited (Reviewed) Financial Results of the Bank for the
Quarter ended 31st December 2017**

We refer our letter No.IRC/290/2017-18 dated 05.02.2018 and inform that the Unaudited (Reviewed) Financial Results of the Bank for the quarter ended 31st December 2017 was approved by the Board at its meeting held today (i.e., 13.02.2018).

The Meeting of the Board of Directors commenced at 10.30 a.m. and concluded at 1.00 p.m.

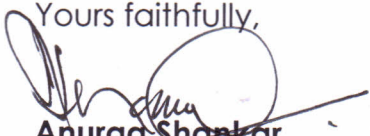
In this connection, we enclose the following:

1. Unaudited (Reviewed) Financial Results for the quarter ended 31st December 2017
2. Press Release dated 13.02.2018
3. Auditors' Limited Review Report

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

Thanking you.

Yours faithfully,


Anurag Shankar
General Manager & CFO
Encl: As above





INDIAN OVERSEAS BANK

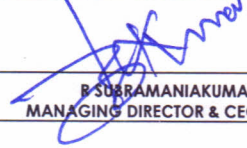
CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600 002

UNAUDITED (REVIEWED) FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER 2017

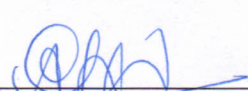
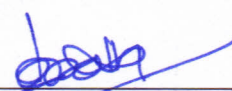
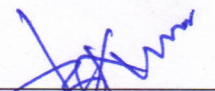
Rs. in lakh

SL. NO.	Particulars	Quarter ended			9 Months ended		Year ended
		31.12.2017 (Reviewed)	30.09.2017 (Reviewed)	31.12.2016 (Reviewed)	31.12.2017 (Reviewed)	31.12.2016 (Reviewed)	31.03.2017 (Audited)
1	Interest Earned (a) + (b) + (c) + (d)	4,25,468	4,64,577	4,88,149	13,08,766	15,08,901	19,71,861
	(a) Interest/discount on advances/bills	2,99,710	3,33,557	3,50,035	915,140	10,88,683	14,05,304
	(b) Income on Investments	1,11,897	1,21,446	1,25,403	362,118	3,84,952	5,20,948
	(c) Interest on Balances with Reserve Bank of India and other Inter Bank Funds	13,861	9,574	12,711	31,508	35,266	41,655
	(d) Others	0	0	0	0	0	3,954
2	Other Income	80,770	96,458	71,801	275,957	2,34,054	3,37,264
3	TOTAL INCOME (1+2)	5,06,238	5,61,035	5,59,950	15,84,723	17,42,955	23,09,125
4	Interest Expended	3,06,514	3,12,539	3,54,673	935,311	11,22,338	14,52,902
5	Operating Expenses (i) + (ii)	1,31,247	1,44,640	1,19,813	3,99,419	3,59,694	4,91,202
	(i) Employees Cost	74,919	70,933	80,729	224,957	2,35,715	3,04,467
	(ii) Other Operating expenses	56,328	73,707	39,084	174,462	1,23,979	1,86,735
6	TOTAL EXPENDITURE (4+5)	4,37,761	4,57,179	4,74,486	13,34,730	14,82,032	19,44,104
	(excluding Provisions & Contingencies)						
7	OPERATING PROFIT before Provisions & Contingencies (3-6)	68,477	1,03,856	85,464	2,49,993	2,60,923	3,65,021
8	Provisions (other than tax) and Contingencies	1,64,025	2,23,809	1,40,603	548,623	5,24,140	7,03,114
9	Exceptional Items	0	0	0	0	0	0
10	Profit (+)/Loss(-) from Ordinary Activities before tax(7-8-9)	(95,548)	(119,953)	(55,139)	(298,630)	(263,217)	(338,093)
11	Tax expenses	1,569	2,297	305	(29,354)	13,790	3,581
12	Net Profit (+) / Loss(-) from Ordinary Activities after tax (10-11)	(97,117)	(122,250)	(55,444)	(269,276)	(277,007)	(341,674)
13	Extraordinary items (net of tax expense)	0	0	0	0	0	0
14	Net Profit (+) / Loss (-) for the period (12-13)	(97,117)	(122,250)	(55,444)	(269,276)	(277,007)	(341,674)
15	Paid up equity share capital (Face value of each share - Rs.10/-)	2,85,256	2,85,256	2,45,473	2,85,256	2,45,473	2,45,473
16	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	9,12,438	9,12,438	10,62,128	9,12,438	10,62,128	9,12,438
17	Analytical Ratios						
	(i) Percentage of shares held by Govt. of India	82.41	82.41	79.56	82.41	79.56	79.56
	(ii) Capital Adequacy Ratio (%) (BASEL III)	9.74	10.32	10.78	9.74	10.78	10.50
	(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)	(3.40)	(4.72)	(2.26)	(10.23)	(13.39)	(15.78)
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized)	(3.40)	(4.72)	(2.26)	(10.23)	(13.39)	(15.78)
	(iv) NPA Ratios						
	a) Gross NPA	33,26,688	34,70,859	34,50,213	33,26,688	34,50,213	35,09,825
	b) Net NPA	17,76,122	18,94,955	19,90,075	17,76,122	19,90,075	19,74,932
	c) % of Gross NPA	21.95	22.73	22.42	21.95	22.42	22.39
	d) % of Net NPA	13.08	13.86	14.32	13.08	14.32	13.99
	e) Return on assets (Annualised) (%)	(1.45)	(1.82)	(0.79)	(1.34)	(1.31)	(1.21)

Place: Chennai
Date : 13.02.2018AJAY KUMAR SRIVASTAVA
EXECUTIVE DIRECTORK SWAMINATHAN
EXECUTIVE DIRECTORR SUBRAMANIAMAN
MANAGING DIRECTOR & CEO

INDIAN OVERSEAS BANK	
CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600 002	
Notes forming part of the Unaudited Financial Results (Reviewed) of the Bank for the Quarter/Nine months ended December 31, 2017	
1	The above financial results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors in the meeting held on February 13, 2018. The results have been subjected to limited review 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.
2	The above financial results are drawn in accordance with the accounting policies consistently followed by the Bank.
3	The working results for the Quarter/Nine months ended 31 st December, 2017 have been arrived at after considering provision for NPAs, Standard Assets, Unhedged Foreign Currency Exposure, Restructured Advances, Depreciation on Investments & Non - Performing Investments, as per RBI guidelines and Provision for taxes, Depreciation on Fixed Assets and other usual and necessary provisions.
4	In accordance with RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated 1 st 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 our 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.
5	During the Financial Year 2015-16, the Bank has migrated to a new Operating system viz., 'Finacle' and has got the Migration Audit of Top 20 Branches done by engaging an external consultant and has resolved the issues pointed out by them. During the course of audit certain other issues were identified, most of which also have been resolved, except with regard to balances lying in interest receivable account which are in the process of reconciliation. The Management has taken adequate steps in this regard to address the technical issues and intends to conduct a system audit in the near future to address all issues connected therewith. However, the Management does not anticipate any material impact emanating out of such exercise on the financial statements of the Bank.
6	For the quarter ended 30.06.2017, in computing Gross Advances as required vide para 3.5 Annex-1, Part A, of RBI Master Circular on IRAC norms, the Bank has considered Interest Receivable on Restructured Debts (IRRd) of Rs.614.46 crores on Funded Interest Term Loan (FITL) of failed restructured accounts, where restructuring package is no longer in force, for which other recovery measures have been initiated. The Bank has treated the aforesaid amount at par with Interest Suspense Account and netted off while computing Gross Advances / Gross NPA.
7	In terms of RBI directions vide letter No.DBR.No.BP.15199/21.04.048/2016-17 dated June 23, 2017, in respect of accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), in respect of outstanding as at 31.12.2017, the Bank is required to make additional provision of Rs. 718.09 crore by 31.03.2018, of which the Bank has already provided Rs.524.80 crore (including Rs.170.13 crore till 30.09.2017) upto 31.12.2017 and the balance will be provided by 31.03.2018.
8	As per RBI letter No. DBR.No.BP.BC.1890/21.04.048/2017-18 dated August 28, 2017, in respect of accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), in respect of outstanding as at 31.12.2017, the Bank is required to make additional provision of Rs.653.04 crore by 31.03.2018, of which the Bank has already provided Rs.326.52 crore upto 31.12.2017 and the balance will be provided by 31.03.2018.
9	The position of Investors' Complaints for the period from 01.10.2017 to 31.12.2017 is as under: Pending complaints at the beginning of the Quarter - 0 Complaints received during the Quarter - 26 Complaints redressed during the Quarter - 26 Closing balance at the end of the Quarter - 0
10	The Provision Coverage Ratio of the Bank as on 31 st December, 2017 stood at 57.83%.
11	Previous period/year figures have been regrouped /reclassified/rearranged wherever necessary.
 AJAY KUMAR SRIVASTAVA EXECUTIVE DIRECTOR  K SWAMINATHAN EXECUTIVE DIRECTOR  R SUBRAMANIAKUMAR MANAGING DIRECTOR & CEO	
Place: Chennai Date : 13.02.2018	



INDIAN OVERSEAS BANK						
CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600002						
SEGMENT REPORTING FOR THE QUARTER ENDED 31ST DECEMBER 2017						
Rs. in lakh						
Particulars	Quarter ended			9 Months ended		Year ended
	31.12.2017 (Reviewed)	30.09.2017 (Reviewed)	31.12.2016 (Reviewed)	31.12.2017 (Reviewed)	31.12.2016 (Reviewed)	31.03.2017 (Audited)
1) Segment Revenue						
a) Treasury Operations	1 26 058	1 47 299	1 47 039	4 38 522	4 87 344	6 45 398
b) Corporate / Wholesale Banking	2 22 498	2 01 629	2 22 483	6 17 329	7 51 970	9 41 737
c) Retail Banking	1 46 496	2 04 534	1 82 521	5 02 816	4 84 520	6 87 673
d) Other Banking Operations	11 153	7 527	7 883	25 971	19 038	30 238
e) Unallocated	33	46	24	84	83	4 077
Total	5 06 238	5 61 035	5 59 950	15 84 722	17 42 955	23 09 123
Less: Inter segment Revenue	0	0	0	0	0	0
Income from Operations	5 06 238	5 61 035	5 59 950	15 84 722	17 42 955	23 09 123
2) Segment Results: Profit (+) / Loss (-)						
a) Treasury Operations	20 530	46 460	27 447	1 25 846	1 20 069	1 57 331
b) Corporate / Wholesale Banking	15 652	- 23 203	- 12 426	- 30 178	17 260	- 20 084
c) Retail Banking	23 245	74 706	63 830	1 33 019	1 08 328	1 98 097
d) Other Banking Operations	9 025	5 853	6 593	21 238	15 198	25 619
e) Unallocated	25	40	20	67	68	4 057
Operating Profit	68 477	1 03 856	85 464	2 49 992	2 60 923	3 65 020
Less: Provisions and Contingencies	1 64 025	2 23 810	1 40 603	5 48 623	5 24 140	7 03 114
Profit After Provisions and before Tax	- 95 548	- 1 19 954	- 55 139	- 2 98 631	- 2 63 217	- 3 38 094
3) Segment Assets						
a) Treasury Operations	69 97 623	64 46 983	81 37 728	70 58 247	81 37 728	71 86 795
b) Corporate / Wholesale Banking	104 26 625	105 99 711	112 68 750	103 98 436	112 68 750	112 00 813
c) Retail Banking	71 90 522	71 59 360	57 54 453	72 75 224	57 54 453	60 39 902
d) Other Banking Operations	25 018	23 097	1 06 029	55 071	1 06 029	19 188
e) Unallocated	3 29 700	3 19 567	2 41 494	3 32 042	2 41 494	2 70 051
Total	249 69 488	245 48 718	255 08 454	251 19 020	255 08 454	247 16 749
4) Segment Liabilities						
a) Treasury Operations	67 83 308	61 66 486	75 32 178	68 13 575	75 32 178	66 38 298
b) Corporate / Wholesale Banking	100 34 436	101 63 792	110 89 613	99 60 042	110 89 613	107 50 691
c) Retail Banking	69 29 437	68 78 492	56 86 842	69 77 880	56 86 842	58 18 698
d) Other Banking Operations	749	28 742	- 2 66 370	1 923	- 2 66 370	22 303
e) Unallocated	7 943	2 275	2 599	7 943	2 599	1 12 304
Total	237 55 873	232 39 787	240 44 862	237 61 363	240 44 862	233 42 294
5) Capital Employed :						
Segment Assets - Segment Liabilities						
a) Treasury Operations	2 14 315	2 80 497	6 05 550	2 44 672	6 05 550	5 48 497
b) Corporate / Wholesale Banking	3 92 189	4 35 919	1 79 137	4 38 394	1 79 137	4 50 122
c) Retail Banking	2 61 085	2 80 868	67 611	2 97 344	67 611	2 21 204
d) Other Banking Operations	24 269	- 5 645	3 72 399	53 148	3 72 399	- 3 115
e) Unallocated	3 21 757	3 17 292	2 38 895	3 24 099	2 38 895	1 57 747
Total	12 13 615	13 08 931	14 63 592	13 57 657	14 63 592	13 74 455
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 year's/nine months/quarters have been regrouped / reclassified / rearranged wherever considered necessary to correspond with the current nine months /quarters classification / presentation						
 AJAY KUMAR SRIVASTAVA EXECUTIVE DIRECTOR  K SWAMINATHAN EXECUTIVE DIRECTOR  R SUBRAMANIAKUMAR MANAGING DIRECTOR & CEO						
Place: Chennai						
Date: 13.02.2018						





**INDIAN OVERSEAS BANK
CENTRAL OFFICE
CHENNAI**

PRESS RELEASE

13.02.2018

Performance Highlights – 31.12.2017

Top Line – Milestones (Rs. Crores)

- Deposits Rs. 2,16,592
- Advances Rs. 1,51,536
- Business Mix Rs. 3,68,128
- CASA Rs. 76,526
- CASA Ratio 35.33

Bottom Line (Rs. Crores)

- Operating Profit Rs. 685 (3M)
- Net Loss Rs. 971 (3M)
- Provisions Rs. 1656 (3M)
- Rs. 5193 (9M)
- Operating Profit Rs. 2500 (9M)
- Net Loss Rs. 2693 (9M)
- Gross NPA Rs. 33,267 (21.95%)
- Net NPA Rs. 17,761 (13.08%)

Key Performance indicators:

	Global	Domestic
CASA Ratio	35.33	36.00
Net Interest Margin	1.92	1.96
Cost of Deposit	5.39	5.51
Yield on Advances	7.52	7.85
Cost to Income Ratio	65.71	67.16

Loss is due to provisions and not due to operations

Performance Highlights For The Quarter Ended December 31, 2017 - YoY

- (1) **Total business** increased to Rs. 3,68,128 crore as on 31st December 2017 as against Rs. 3,64,736 crore as on 31st December 2016. ↑
- (2) **Total deposits** increased to Rs. 2,16,592 crore as on 31st December 2017 as against Rs. 2,10,861 crore as on 31st December 2016. The Bank has reduced the concentration of Bulk Deposits and increased Retail Term Deposits to have a stable deposit profile and reduce the cost of funds. ↑





- (3) **CASA** of the Bank is 36.00% as on 31st December 2017 as against 36.19% as on 31st December 2016. Minor reduction in CASA (%) is due to increase in Term Deposits. However, total CASA has increased from Rs 76304 crores as on 31.12.2016 to Rs 76526 crores as on 31.12.2017.
- (4) **Gross Advances** stood at Rs.1,51,536 crore as on 31st December 2017 as against Rs. 1,53,875 crore as on 31st December 2016. The Bank has rebalanced the credit portfolio with RAM's (Retail, Agri and MSME) share of total domestic advances improving from 54.18% to 64.75% YoY (December '17 over December '16).
- (5) **MSME Segment** grew by 14.14% YoY (December '17 over December '16). ↑
- (6) **Retail Segment** grew by 31.86% YoY (December '17 over December '16). ↑
- (7) **Priority Sector lending** as a % of ANBC is 48.84% as against the requirement of 40%. Agriculture as a % of ANBC is 21.11% as against the requirement of 18%. ↑
- (8) **Operating Profit** for Quarter ended 31st December 2017 stood at Rs. 684.77 crore.
- (9) **Net Profit:** Net Loss for the quarter ended 31st December 2017 is Rs. 971.17 crore.
- (10) **Total income** for the quarter ended 31st December 2017 is Rs. 5062.38 crore as against Rs. 5599.50 crore for the quarter ended 31st December 2016, mainly due to less treasury income and contraction of credit.
- (11) **Interest income** stood at Rs. 4254.69 crore for the quarter ended 31st December 2017 as against Rs. 4878.40 crore for the quarter ended 31st December 2016.
- (12) **Non-interest income** is Rs. 807.70 crore for the quarter ended 31st December 2017 as against Rs. 721.11 crore for the quarter ended 31st December 2016. ↑
- (13) **Total Expenditure** declined by 7.74% - YoY. ↓



(14) **NPA MANAGEMENT:** **Gross NPA** as at 31st December 2017 is at Rs. 33266.88 crore with ratio of 21.95% as against Rs. 34502.13 crore with ratio of 22.42% as on 31st December 2016. There has been a reduction in Gross NPA by Rs. 1235.25 crore with reduction of 47 bps YoY in quarter ended December 2017. **Gross NPA as at 31st December 2017 is lower than Gross NPA of March '17 and December '16.**



(15) **Total recovery** of Rs. 3020.53 crore achieved for quarter ended December '17 as against the recovery of Rs. 2446 crore during quarter ended December '16 while the total slippage for quarter ended December '17 was restricted to Rs. 1431.77 crore.



(16) **Net NPA** is contained to Rs. 17761.22 crore with ratio of 13.08% as on 31st December 2017 as against Rs. 19900.75 crore with ratio of 14.32% as on 31st December 2016. NNPA as a percentage has decreased by 124 bps on YoY basis. Net NPA has reduced both in quantum and as a percentage of Net Advances and it is less than March '17 and December '16 both in terms of quantum and as a % of net advances.



(17) **Provision Coverage Ratio** is improved to 57.83% as on 31st December 2017 as against 52.17% as on 31st December 2016.



Performance Highlights For The Quarter Ended December 31, 2017 QoQ

(1) **Total business** stood at Rs. 3,68,128 crore as on 31st December 2017 as against Rs. 3,64,212 crore as on 30th September 2017.



(2) **Total deposits** stood at Rs. 2,16,592 crore as on 31st December 2017 as against Rs. 2,11,548 crore as on 30th September 2017.



(3) **CASA** of the Bank is 36.00% as on 31st December 2017 as against 36.26% as on 30th September 2017.

(4) **Gross Advances** stood at Rs. 1,51,536 crore as on 31st December 2017 as against Rs. 1,52,664 crore as on 30th September 2017.

(5) **Core Retail** advances grew by 11.67% QoQ (December '17 over September '17).



(6) **MSME Segment** grew by 7.26% QoQ (December '17 over September '17).



(7) **Operating Profit** for Quarter ended 31st December 2017 stood at Rs. 684.77 crore as against Rs. 1038.56 crore for the quarter ended 30th September 2017.





- (8) **Net Profit: Net loss** for quarter ended 31st December 2017 is Rs. 971.17 crore as against Rs.1222.50 crore for quarter ended 30th September 2017. **Net Loss decreased by 20.56% Q-o-Q.** ↓

Net loss is due to provisions. However, **the provisions have reduced substantially by 26.76% over September '17** and the quantum of reduction in provision made was Rs. 605.12 crore Q-o-Q.

- (9) **Total income** for the quarter ended 31st December 2017 is Rs. 5062.38 crore as against Rs. 5610.35 crore for the quarter ended 30th September 2017.

- (10) **Interest income** stood at Rs. 4254.69 crore for the quarter ended 31st December 2017 as against Rs. 4645.77 crore for the quarter ended 30th September 2017.

- (11) **Non-interest income** is Rs.807.70 crore for the quarter ended 31st December 2017 as against Rs.964.58 crore for the quarter ended 30th September 2017.

- (12) **NPA MANAGEMENT: Gross NPA** as at 31st December 2017 is at Rs. 33266.88 crore with ratio of 21.95% as against Rs. 34708.59 crore with ratio of 22.73% as on 30th September 2017. There has been a reduction in Gross NPA by Rs. 1441.71 crore in quarter ended December 2017 (QoQ). ↓

Net decrease in Gross NPA over September '17 (QoQ) was 4.15% and GNPA as a percentage has decreased by 78 bps over September '17.

- (13) **Total recovery** of Rs. 3020.53 crore achieved for quarter ended December '17 as against the recovery of Rs. 3965.10 crore during quarter ended September '17 while the total slippage for quarter ended December '17 was restricted to Rs. 1431.77 crore as against Rs. 2098.59 crore for quarter ended September '17.

- (14) **Net NPA** is contained to Rs. 17761.22 crore with ratio of 13.08% as on 31st December 2017 as against Rs. 18949.55 with ratio of 13.86% as on 30th September 2017. NNPA is less by Rs. 1188.33 crore with 78 bps reduction. Net NPA has reduced both in quantum and as a percentage of Net Advances. ↓

- (15) **Provision Coverage Ratio** is improved to 57.83% as on 31st December 2017 as against 55.88% as on 30th September 2017. ↑





Performance Highlights for the Nine months ended December 31, 2017

- **Operating Profit** for Nine months ended 31.12.2017 is Rs. 2499.93 crore as against Rs. 2609.23 crore for the corresponding period of the previous year (2016-17).
- **NET PROFIT: Net loss** for Nine months period ended 31.12.2017 is Rs.2692.76 crore as against Rs.2770.07 crore for the corresponding period of the previous year (2016-17). Net Loss decreased by 2.79% YoY. 
- **Total income** for Nine months ended 31st December 2017 is Rs.15847.23 crore as against Rs.17429.55 crore for the corresponding period of the previous year (2016-17) on account of reduction in interest rates.
- **Interest income** stood at Rs. 13087.66 crore for the Nine months ended 31st December 2017 as against Rs. 15089.01 crore for the corresponding period of the previous year (2016-17) on account of reduction in interest rates.
- **NON INTEREST INCOME:** Non-interest income is Rs. 2759.57 crore for the Nine months ended 31st December 2017 as against Rs.2340.54 crore for the corresponding period of the previous year (2016-17) registering a growth of 17.90%. 
- **RECOVERY IN NPA ACCOUNTS** for the Nine months ended 31st December 2017 is significantly higher at Rs. 9770.10 crore as against Rs. 5981 crore for the corresponding period of the previous year while the total slippage for the Nine months ended 31st December 2017 is Rs. 6511.07 crore. Recovery achieved is substantially higher than slippages during the period. 
- **CAPITAL ADEQUACY RATIO (CRAR):**

Particulars	Basel III	Regulatory Requirement
CET 1	6.54%	5.50%
CCB in CET1	1.04%	1.25%
Tier I	7.27%	7.00%
Tier II	2.47%	2.00%
Total	9.74%	9.00%
CCB in CRAR	0.74%	1.25%



➤ **KEY FINANCIAL RATIOS:**

- **Credit Deposit Ratio** is 69.96% as on 31.12.2017
- **Average Cost of Deposit** is 5.39% for Q3 FY 2017-18 as against 5.58% for Q2 FY 2017-18. 
- **Average Yield on Advances** is 7.52% as on 31.12.2017.
- **Cost to Income Ratio** is 65.71% as on 31.12.2017.
- **Net Interest Margin** is 1.92% for the quarter ended 31.12.2017.

➤ **CAPITAL INFUSION BY GOVERNMENT OF INDIA**

Gol infused capital of Rs.173.06 crore in January 2018. Gol has also announced capital infusion of Rs. 4694 crore for FY 2017-18 for our Bank as part of the Recapitalisation Plan.

➤ **RATINGS OUTLOOK UPGRADE**

- ✓ **International Credit Rating Agency, Moody's Investors Service, Singapore has revised their rating outlook on our Bank and our Hong Kong Branch to "POSITIVE" from "STABLE" (09.02.2018)**

The positive outlook reflects Moody's view on the expected evolution of the Bank's balance sheet, including a stabilization in asset quality, a moderate improvement in profitability metrics, and a stable funding and liquidity position.

- ✓ **CRISIL Limited has revised its outlook on the long term debt instruments of Indian Overseas Bank (IOB) to 'STABLE' from 'NEGATIVE', while reaffirming the ratings at CRISIL A+/A-/FAA. The rating on the certificates of deposits programme of the bank has been reaffirmed at 'CRISIL A1+'. (25.01.2018)**

The revision in Outlook is primarily driven by Government's PSB recapitalisation programme for this fiscal which is expected to improve the financial risk profile of IOB, help in meeting Basel III regulatory capital norms, and provide a cushion against expected rise in provisioning for non-performing assets (NPAs). Additionally, CRISIL believes that asset quality issues are peaking with incremental slippages to NPAs expected to taper in fiscal 2018 and 2019 and that this coupled with likely revival of credit growth in medium term will support IOB's performance.





➤ **SET OFF OF SHARE PREMIUM ACCOUNT AGAINST ACCUMULATED LOSSES**

The Bank had, after obtaining the approval of the shareholders for utilizing the balance available in the Share Premium account as at 31.03.2017 to set off the accumulated losses as at 31.03.2017 by way of a Special Resolution at the EGM held on 30.01.2018, so as to present a true and fair picture of the state of affairs of the Bank, effected the set off and the accumulated losses stand reduced to that extent.

➤ **IT AND DIGITAL BANKING INITIATIVES:**

CBS – Major developments:

- ❖ Online processing of retail loans viz., Housing Loans, Vehicle Loans and Clean loans, with digitalization right from sourcing of loan, credit rating, standardized documentation and loan disbursement.
- ❖ Customized menu provided to branches for linking the Aadhaar with customer ID.
- ❖ SMS Alert facility to Deposit Customers on TDS deduction, submission of Form 15G/15H, exemption of Form 15 G/H when crossing the threshold limit enabled.

ITIL Process:

- ❖ Bank has initiated implementation of Information Technology Infrastructure Library (ITIL) process in order to have improved IT Service delivery and satisfaction with reduced cost through improved utilization of resources for better management of risk and service. This will enable strong alignment between IT and business.

Digital Initiatives

Indian Overseas Bank has always been a pioneer in launching various digital products and schemes that benefit customers the most along with utmost convenience.

The following are some of the latest Digital Initiatives:

1. IOB Nanban

IOB Nanban Customer mobile application, a One-Stop app that benefits our customers to know everything about his account on a single tap





Through IOB Nanban customers can locate ATM, CDM, Cash Deposit machines. Enquiries on their transactions, Products of the bank, Artificial intelligence enabled Chatbot, all these and much more are available in IOB Nanban with ever increasing features.

2. IOB Sahayak – Launched mobile application for staff to recover and follow up NPA accounts

3 Merchant QR code - Launched merchant QR code for our customers to receive payments in their shops.

4. IOB Pay - Online Payment services provided to

- Institute of Hotel Management
- Delhi College of Arts & Commerce- Gode
- Vishwa Bharti Public School- NCRDEL Nithari
- Keswick Public School-Koodal Nagar, Madurai,
- Loyola College-Academic International
- Chinmaya Vidhyalaya

Awards, Accolades and Achievements

- ❖ Eye the Sky Campaign (07.07.2017 to 19.07.2017) – Our Erode Region has received the award for "Best Performing Regional Head" from Pension Fund Regulatory and Development Authority (PFRDA).
- ❖ Gift a Glory Campaign (03.10.2017 to 07.10.2017) – Our Tiruvannamalai Branch has received the "Best Performing Branch" from PFRDA.
- ❖ We for Victory Campaign (08.01.2018 to 20.01.2018)- Our Mumbai, Coimbatore, Kolkata, Bangalore and Chennai Zones have enrolled more than the target set for the campaign (5 accounts per branch) and qualified for the award.
- ❖ People First (Tamil Nadu) Campaign (22.01.2018 to 03.02.2018) - Our Bank has enrolled 7683 accounts and secured top position amongst all other Banks.
- ❖ Bank's quarterly Hindi Magazine "VANI" has received prize in Bronze category from Association of Business Communicators, Mumbai.
- ❖ Central Office has received II Prize from Chennai TOLIC for commendable work in the area of Official Language Implementation.
- ❖ Our Bank's Basketball team were the proud winners of the 4th Mulki Sunder Ram Shetty All India Basketball Tournament at Bangalore on 04.02.2018



AUDITORS' LIMITED REVIEW REPORT

To

**The Board of Directors
Indian Overseas Bank
Chennai**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Indian Overseas Bank ('the Bank') for the quarter ended December 31, 2017 ("the Statement"), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015. The disclosures relating to "Pillar 3 under Basel III Capital Regulations", "Leverage Ratio" and "Liquidity Coverage Ratio" as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid statements have not been reviewed by us. This Statement which is the responsibility of the Bank's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. The statement incorporates the relevant returns of 20 branches reviewed by us, 2 foreign branches reviewed by other auditors specially appointed for this purpose and unreviewed returns in respect of 3377 branches. In the conduct of our Review, we have relied on the review reports in respect of non-performing assets received from Inspection Officials of bank of 89 branches. These review reports cover 57.82 percent (of which 32.46 percent has been covered by us) of the advances portfolio of the bank. Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from the branches of the bank.



Contd...2

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies have not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

5. Emphasis of Matter

We draw attention to:

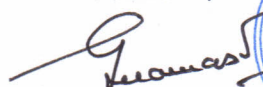
- a) Note no. 5 of the Statement, with regards to migration to new Operating System during the financial year 2015-16 and to the relevant issues relating to it.
- b) Note no. 6 of the Statement, with regard to treatment of Interest Receivable on Restructured Debts (IRRD) of Rs. 614.46 crores on Funded Interest Term Loan (FITL) of failed Restructured Accounts at par with Interest Suspense Account and netted off while computing Gross Advances / Gross NPA.

Our opinion is not qualified in respect of the above matters.

For **HARIBHAKTI & Co LLP**

Chartered Accountants

FRN 103523W/W100048


(G.N.RAMASWAMI)

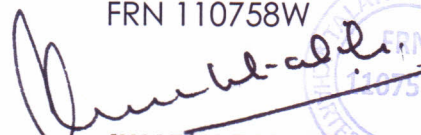
Partner

M.No.202363

For **TALATI & TALATI**

Chartered Accountants

FRN 110758W


(UMESH TALATI)

Partner

M.No.034834

For **R SUBRAMANIAN AND COMPANY LLP**

Chartered Accountants

FRN 004137S/S200041


(R PRAKASH)

Partner

M.No.205869

For **S A R C & ASSOCIATES**

Chartered Accountants

FRN 006085N


(SUNIL KUMAR GUPTA)

Partner

M.No.084884

Place : Chennai

Date : 13.02.2018