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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/ 105/17-18

10.08.2017

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,

Sub: Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- Unaudited (Reviewed) Financial Results of the Bank for the Quarter ended 30th June 2017

We refer our letter No.IRC/102/2017-18 dated 28.07.2017 and confirm that the Board Meeting for consideration of Unaudited (Reviewed) Financial Results of the Bank for the quarter ended 30th June 2017 was held today (i.e., 10.08.2017) and the Board approved the same. The Meeting of the Board of Directors commenced at 11:30 am and concluded at 4.15 pm.

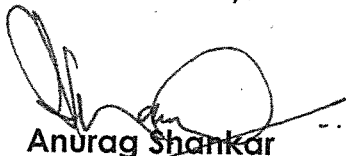
In this connection, we enclose the following:

1. Unaudited (Reviewed) Financial Results for the quarter ended 30th June 2017
2. Press Release dated 10.08.2017 and
3. Auditors' Limited Review Report

Please take the above information 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

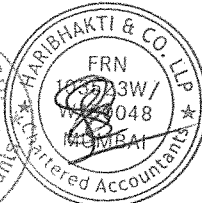
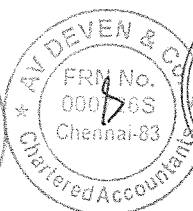
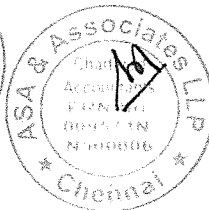
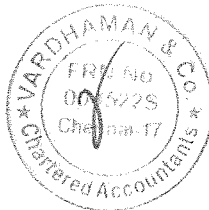
UNAUDITED(REVIEWED) FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2017

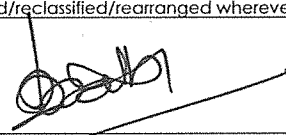
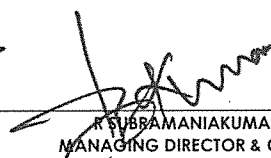
SL. NO.	Particulars	Quarter ended			Year ended
		30.06.2017 (Reviewed)	31.03.2017 (Audited)	30.06.2016 (Reviewed)	31.03.2017 (Audited)
1	Interest Earned (a) + (b) + (c) + (d)	4,18,720	4,62,960	5,21,554	19,71,861
	(a) Interest/Discount on Advances/Bills	2,81,873	3,16,621	3,73,722	14,05,304
	(b) Income on Investments	1,28,775	1,35,996	1,37,432	5,20,948
	(c) Interest on Balances with Reserve Bank of India and other Inter Bank Funds	8,072	6,389	10,400	41,655
	(d) Others	0	3,954	0	3,954
2	Other Income	98,730	1,03,210	65,290	3,37,264
3	Total Income (1+2)	5,17,450	5,66,170	5,86,844	23,09,125
4	Interest Expended	3,16,259	3,30,564	3,97,047	14,52,902
5	Operating Expenses (i) + (ii)	1,23,531	1,31,507	1,20,742	4,91,202
	(i) Employees Cost	79,104	68,753	82,008	3,04,467
	(ii) Other Operating Expenses	44,427	62,754	38,734	1,86,735
6	Total Expenditure (4+5) (excluding Provisions & Contingencies)	4,39,790	4,62,071	5,17,789	19,44,104
7	Operating Profit (3-6) (before Provisions & Contingencies)	77,660	1,04,099	69,055	3,65,021
8	Provisions (other than tax) and Contingencies	1,60,788	1,78,974	2,13,781	7,03,114
9	Exceptional Items	0	0	0	0
10	Profit (+)/Loss(-) from Ordinary Activities before tax(7-8-9)	(83,128)	(74,875)	(1,44,726)	(3,38,093)
11	Tax expenses	(33,219)	(10,209)	324	3,581
12	Net Profit (+) / Loss(-) from Ordinary Activities after tax (10-11)	(49,909)	(64,666)	(1,45,050)	(3,41,674)
13	Extraordinary items (Net of Tax Expense)	0	0	0	0
14	Net Profit (+) / Loss (-) for the period (12-13)	(49,909)	(64,666)	(1,45,050)	(3,41,674)
15	Paid up Equity Share capital (Face value of each share - Rs.10/-)	2,45,473	2,45,473	1,89,901	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
17	Analytical Ratios				
	(i) Percentage of shares held by Government of India	79.56	79.56	73.58	79.56
	(ii) Capital Adequacy Ratio (%) (Basel III)	10.64	10.50	9.47	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)	(2.03)	(2.63)	(7.86)	(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)	(2.03)	(2.63)	(7.86)	(15.78)
	(iv) NPA Ratios				
	a) Gross NPA	35,45,312	35,09,825	33,91,315	35,09,825
	b) Net NPA	20,16,561	19,74,932	21,32,124	19,74,932
	c) % of Gross NPA	23.60	22.39	20.48	22.39
	d) % of Net NPA	14.97	13.99	13.97	13.99
	e) Return on Assets (Annualised) (%)	(0.74)	(0.93)	(2.00)	(1.21)

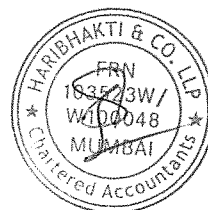
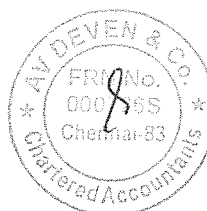
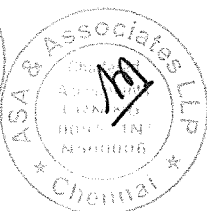
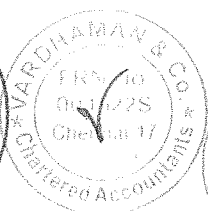
Place: Chennai
Date : 10.08.2017

K SWAMINATHAN
EXECUTIVE DIRECTOR

R SUBRAMANIKUMAR
MANAGING DIRECTOR & CEO



NOTES:	
1	The above financial results are drawn in accordance with the accounting policies consistently followed by the Bank.
2	The working results for the quarter ended 30.06.2017 have been arrived at after considering provision for NPAs, Standard Assets, Unhedged Forex Exposures, Restructured Advances, Depreciation on Investments & Non - Performing investments, as per RBI guidelines, Provision for taxes, Depreciation on Fixed Assets and other usual and necessary provisions.
3	Pursuant to RBI Circular No.DBR. No.BP.BC.83/21.06.201/2015-16 dated 01.03.2016, the Bank has since 31.03.2016 considered the Revaluation Reserve and Foreign Currency Translation Reserve for CET I Capital as prescribed by RBI in the said circular.
4	In accordance with RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated 01.07.2015, 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 have not been subjected to verification by the Statutory Central Auditors of the Bank.
5	The Authorised capital of the Bank is increased from Rs.3,000 crore to Rs.10,000 crore vide Government of India, Ministry of Finance Notification dated 27.02.2017 in confirmation with Section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.
6	During the year ended 31.03.2017, Lower Tier II Bonds, aggregating to Rs.250 crore and Rs.500 crore issued on 09.01.2006 and 26.07.2006 respectively were redeemed on its due dates 09.04.2016 and 26.07.2016 respectively. Upper Tier II Bonds issued on 05.09.2006 for Rs.500 crore with call option, due on 05.09.2016 were redeemed on the due date. Tier I Perpetual Bond issued on 18.05.2006 and 30.09.2006 aggregating to Rs.200 crore and Rs.80 crore respectively, were redeemed on 18.05.2016 and 30.09.2016 respectively.
7	In the Financial year ended 31.03.2017 Bank has allotted 9,17,48,448 equity shares of Rs.10/- each at a premium of Rs.18.55 per equity share to Qualified Institutional Buyers (QIBs) on 23.05.2016. Further on 30.09.2016, Bank has allotted 55,57,14,797 equity shares of Rs.10/- each at a premium of Rs.17.91 per equity share on preferential basis to Government of India.
8	During the year ended 31.03.2017, Bank has raised capital funds by way of issue of Basel III Compliant Tier II Bonds for Rs.800 crore on 03.11.2016 at a coupon rate of 9.24% per annum.
9	Coupon Payment of Rs.100 crore on Basel III Compliant Additional Tier I Bonds due for payment on 04.02.2017, was made on the due date. Similarly Coupon payment on Tier I and Tier II Bonds were also made on the respective due dates.
10	During the year ended 31.03.2017, Bank had received Rs. 1,100 crores from Government of India as a part of Turnaround Linked Capital Infusion Plan, allotment of equity shares against the same is pending as on 30.06.2017. This fund has been treated as a part of Common Equity Tier I (CET-I) capital for the Quarter ended 30.06.2017 in accordance with GOI letter dated 23.03.2017 and RBI letter dated 30.03.2017.
11	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.
12	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.
13	The position of Investors' Complaints for the period from 01-04-2017 to 30-06-2017 is as under: Pending complaints at the beginning of the Quarter - 0 Complaints received during the Quarter - 23 Complaints redressed during the Quarter - 23 Closing balance at the end of the Quarter - 0
14	The above financial results, have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meeting held on 10.08.2017. The results have been subjected to a "Limited Review" by the Statutory Central Auditors of the Bank.
15	The Provision Coverage Ratio of the Bank as on 30.06.2017 stood at 53.09%
16	Previous period/year figures have been regrouped/reclassified/rearranged wherever necessary.
Place: Chennai Date : 10.08.2017  K SWAMINATHAN EXECUTIVE DIRECTOR  K SUBRAMANIAKUMAR MANAGING DIRECTOR & CEO	





INDIAN OVERSEAS BANK
CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600002
SEGMENT RESULTS FOR THE QUARTER ENDED 30TH JUNE 2017

Rs in Lakhs

Particulars	Quarter ended 30.06.2017 (Reviewed)	Quarter ended 31.03.2017 (Audited)	Quarter ended 30.06.2016 (Reviewed)	Year ended 31.03.2017 (Audited)
1) Segment Revenue				
a) Treasury Operations	1 65 165	1 58 054	1 61 403	6 45 398
b) Corporate / Wholesale Banking	1 93 202	1 89 767	2 41 560	9 41 737
c) Retail Banking	1 51 786	2 03 153	1 78 426	6 87 673
d) Other Banking Operations	7 291	11 200	5 438	30 238
e) Unallocated	6	3 994	17	4 077
Total	5 17 450	5 66 168	5 86 844	23 09 123
Less: Inter segment Revenue	0	0	0	0
Income from Operations	5 17 450	5 66 168	5 86 844	23 09 123
2) Segment Results after Provisions & Before Tax				
a) Treasury Operations	58 856	37 262	28 333	1 57 331
b) Corporate / Wholesale Banking	- 22 627	- 37 344	- 12 269	- 20 084
c) Retail Banking	35 068	89 769	48 574	1 98 097
d) Other Banking Operations	6 360	10 421	4 405	25 619
e) Unallocated	2	3 989	12	4 057
Operating Profit	77 659	1 04 097	69 055	3 65 020
Less: Provisions and Contingencies	1 60 788	1 78 974	2 13 780	7 03 114
Profit After Provisions and before Tax	- 83 129	- 74 877	- 1 44 725	- 3 38 094
3) Capital Employed : Segment Assets-Segment Liabilities				
a) Treasury Operations	4 21 006	5 48 497	5 15 760	5 48 497
b) Corporate / Wholesale Banking	4 19 419	4 50 122	4 63 315	4 50 122
c) Retail Banking	2 58 448	2 21 204	2 20 628	2 21 204
d) Other Banking Operations	22 614	- 3 115	11 009	- 3 115
e) Unallocated	2 00 897	1 57 747	2 35 483	1 57 747
Total	13 22 384	13 74 455	14 46 195	13 74 455

Notes on Segment Reporting

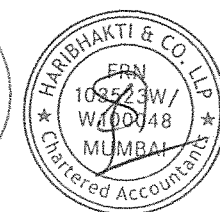
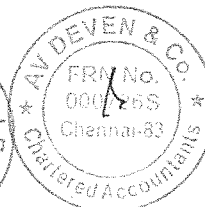
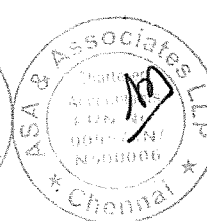
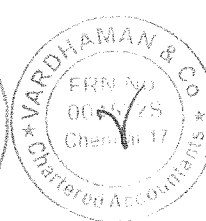
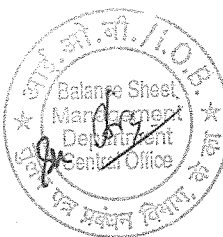
1. Segment expenses and liabilities have been apportioned on the basis of average segment assets, wherever direct allocation is not possible.

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

Place: Chennai
Date : 10.08.2017

K SWAMINATHAN
EXECUTIVE DIRECTOR

R SUBRAMANIAKUMAR
MANAGING DIRECTOR & CEO





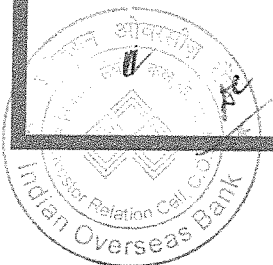
**INDIAN OVERSEAS BANK
CENTRAL OFFICE
CHENNAI**

PRESS RELEASE

10.08.2017

FINANCIAL PERFORMANCE HIGHLIGHTS AS ON 30th June 2017

- (1) **TOTAL BUSINESS:** 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.
- (2) **DEPOSITS:** 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.
- (3) **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.
- (4) **ADVANCES:** 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.
- (5) **CORE RETAIL** advances grew by 19.95% YOY (June'17 over June'16)
- (6) **MSME SEGMENT** grew by 9.26% YOY (June'17 over June'16)
- (7) **OPERATING PROFIT:** 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%.
- (8) **NET PROFIT:** Net loss for the quarter ended 30th June 2017 is Rs 499.09 crore as against Rs. 1450.50 crore for the quarter ended 30th June 2016. Net Loss decreased by 65.59% YOY.
- (9) **TOTAL INCOME:** Total income for the quarter ended 30th June 2017 is Rs. 5174.50 crore as against Rs. 5868.44 crore for the corresponding quarter of last year on account of reduction in interest rates.
- (10) **INTEREST INCOME:** Interest income stood at Rs. 4187.20 crore for the quarter ended 30th June 2017 as against Rs. 5215.54 crore for the quarter ended 30th June 2016 on account of reduction in interest rates .
- (11) **NON INTEREST INCOME:** 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% YOY.
- (12) **TOTAL EXPENDITURE:** Total Expenditure declined by 15.06% YOY.





- (13) NPA MANAGEMENT:** Gross NPA as at 30th June 2017 is at Rs. 35453.12 crore with ratio of 23.60% as against Rs. 33913.15 crore as on 30th June 2016 with ratio of 20.48% and against GNPA of Rs. 35098 crore as at March'17 (GNPA ratio 22.39%). Accretion to Gross NPA is contained to Rs.355 crore in quarter ended June 2017. One of the main reasons for higher Gross NPA ratio is the contraction of credit by 9.26% YOY.

Net increase in Gross NPA over March'17 (QOQ) was just 1.01% and over June'16 (YOY) was 4.54% only despite contraction of advances by 4.36% over March'17 and 9.26% over June'16.

- (14) RECOVERY IN NPA ACCOUNTS** 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.

- (15) NET NPA** is contained to Rs. 20165.61 crore at 14.97% as on 30.06.2017 against Rs. 21321.24 crore at 13.97% as on 30.06.2016. Net NPA has reduced in quantum and the higher NNPA is due to contraction of credit by 9.26% YOY.

- (16) PROVISION COVERAGE RATIO** is improved to 53.09% as on 30th June 2017 as against 47.61% as on 30th June 2016.

- (17) CAPITAL ADEQUACY RATIO (CRAR):**

	Basel III
CET I	7.57%
Tier I	8.25%
Tier II	2.39%
Total	10.64%

- (18) KEY FINANCIAL RATIOS:**

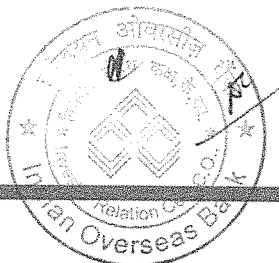
18.1 NET INTEREST MARGIN is 1.65% for the quarter ended 30.06.2017 as against 1.87% for the quarter ended 30.06.2016.

18.2 CREDIT DEPOSIT RATIO is 71.29% as on 30.06.2017 as against 75.77% as on 30.06.2016.

18.3 AVERAGE COST OF DEPOSIT is 5.57% as on 30.06.2017 as against 6.42% as on 30.06.2016.

18.4 YIELD ON ADVANCES is 7.12% as on 30.06.2017 as against 8.53% as on 30.06.2016.

18.5 COST TO INCOME RATIO is 61.40% as on 30.06.2017 reduced from 63.62% as on 30.06.2016.





(19) IT AND DIGITAL BANKING INITIATIVES:

- IOB PAY – a comprehensive fee payment platform made live which onboards merchants and educational institutions for e-Payments.
- Bharat Bill Payment System (BBPS): Our Bank is one of the 3 Banks approved by RBI to offer BBPS.
- As on 30.6.2017 our Bank has 3486 ATMs/CDs, 400 cash recyclers and 700 epassbook kiosks spread across the country.
- We have launched Green Pin for ATM Card Holders so that Customers themselves can change their Pin through any of our ATMs by entering the OTP sent to the Registered Mobile Number.
- All Credit Cards moved to Credit Card Web Based Module
- We have implemented Mobile POS at around 13000 merchant locations.
- Bilingual (English and Hindi) Internet Banking Site launched.
- Biometric Attendance System implemented.
- Security Operations Centre is operational to ensure secured internet and mobile transactions.
- Cyber Crime Monitoring & Customer Grievances Cell set up to address customer complaints and for quick resolution.

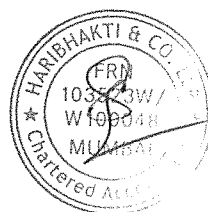
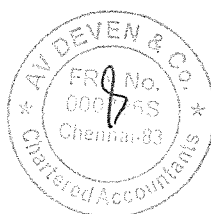
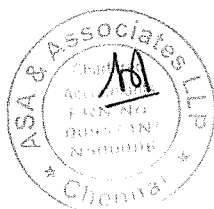


AUDITORS' LIMITED REVIEW REPORT

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 June 30, 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, 3 foreign branches reviewed by other auditors specially appointed for this purpose and unreviewed returns in respect of 3261 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 92 branches. These review reports cover 59.46 percent (of which 30.98 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

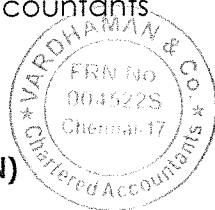
We draw attention to:

- a) Note no. 11 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. 12 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.

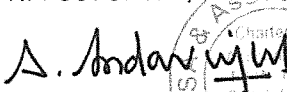
Our opinion is not qualified in respect of the above.

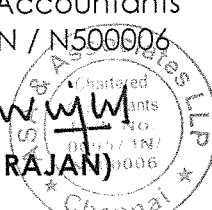
For **VARDHAMAN & Co**
Chartered Accountants
FRN 004522S


(**V. BASKARAN**)
Partner
M.No. 012202



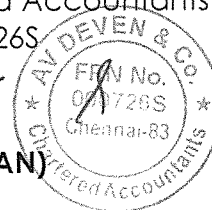
For **ASA & ASSOCIATES LLP**
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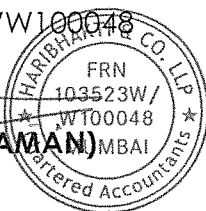
For **A V DEVEN & Co**
Chartered Accountants
FRN 000726S


(**P. KANNAN**)
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M.No.023283



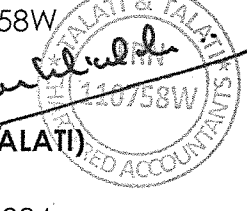
For **HARIBHAKTI & Co LLP**
Chartered Accountants
FRN 103523W/W100048


(**S SUNDARARAMAN**)
Partner
M.No.028423



For **TALATI & TALATI**
Chartered Accountants
FRN 110758W


(**UMESH TALATI**)
Partner
M.No.034834



Place : Chennai
Date : 10.08.2017