



INDIAN OVERSEAS BANK

CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600002

UNAUDITED (REVIEWED) FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2018

Rs. in lakhs

SL. NO.	Particulars	Quarter ended 30.09.2018 (Reviewed)	Quarter ended 30.06.2018 (Reviewed)	Quarter ended 30.09.2017 (Reviewed)	Half year ended 30.9.2018 (Reviewed)	Half year ended 30.9.2017 (Reviewed)	Year ended 31.3.2018 (Audited)
1	Interest Earned (a) + (b) + (c) + (d)	4,28,374	4,24,860	4,64,577	853,234	8,83,297	17,91,521
	(a) Interest/discount on advances/bills	2,90,508	2,90,391	3,33,557	5,80,899	6,15,430	11,96,083
	(b) Income on Investments	1,23,729	1,20,772	1,21,446	2,44,501	2,50,221	4,79,704
	(c) Interest on Balances with Reserve Bank of India and other Inter Bank Funds	14,137	13,697	9,574	27,834	17,646	48,369
	(d) Others	0	0	0	0	0	67,365
2	Other Income	1,06,461	1,07,811	96,458	2,14,272	1,95,188	3,74,644
3	<b>TOTAL INCOME (1+2)</b>	<b>5,34,835</b>	<b>5,32,671</b>	<b>5,61,035</b>	<b>1,067,506</b>	<b>10,78,485</b>	<b>21,66,165</b>
4	Interest Expended	3,07,543	3,04,050	3,12,539	6,11,593	6,28,798	12,44,764
5	Operating Expenses (i) + (ii)	96,873	1,15,418	1,44,640	2,12,291	2,68,171	5,58,493
	(i) Employees Cost	52,081	76,856	70,933	1,28,937	1,50,037	2,99,414
	(ii) Other Operating expenses	44,792	38,562	73,707	83,354	1,18,134	2,59,079
6	<b>TOTAL EXPENDITURE (4+5) (excluding Provisions &amp; Contingencies)</b>	<b>4,04,416</b>	<b>4,19,468</b>	<b>4,57,179</b>	<b>8,23,884</b>	<b>8,96,969</b>	<b>18,03,257</b>
7	<b>OPERATING PROFIT before Provisions &amp; Contingencies(3-6)</b>	<b>1,30,419</b>	<b>1,13,203</b>	<b>1,03,856</b>	<b>2,43,622</b>	<b>1,81,516</b>	<b>3,62,908</b>
8	Provisions (other than tax) and Contingencies	2,01,660	2,40,060	2,23,809	4,41,720	3,84,597	12,26,078
9	Exceptional Items	0	0	0	0	0	0
10	Profit (+)/Loss(-) from Ordinary Activities before tax(7-8-9)	(71,241)	(126,857)	(119,953)	(198,098)	(203,081)	(863,170)
11	Tax expenses	(22,515)	(34,913)	2,297	(57,428)	-30,922	(233,221)
12	Net Profit (+) / Loss(-) from Ordinary Activities after tax (10-11)	(48,726)	(91,944)	(122,250)	(140,670)	(172,159)	(629,949)
13	Extraordinary items (net of tax expense)	0	0	0	0	0	0
14	<b>Net Profit (+) / Loss (-) for the period (12-13)</b>	<b>(48,726)</b>	<b>(91,944)</b>	<b>(122,250)</b>	<b>(140,670)</b>	<b>(172,159)</b>	<b>(629,949)</b>
15	Paid up equity share capital (Face value of each share - Rs.10/-)	4,89,077	4,89,077	2,85,256	2,85,256	2,85,256	4,89,077
16	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)						6,27,996
17	Analytical Ratios						
	(i) Percentage of shares held by Govt. of India	89.74	89.74	82.41	89.74	82.41	89.74
	(ii) Capital Adequacy Ratio (%) ( Basel III)	9.16	7.98	10.32	9.16	10.32	9.25
	(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)	(1.00)	(1.88)	(4.72)	(2.88)	(6.83)	(23.25)
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized)	(1.00)	(1.88)	(4.72)	(2.88)	(6.83)	(23.25)
	(iv) NPA Ratios						
	a) Gross NPA	37,10,996	38,14,605	34,70,859	37,10,996	34,70,859	38,18,015
	b) Net NPA	18,87,605	19,64,181	18,94,955	18,87,605	18,94,955	20,39,966
	c) % of Gross NPA	24.73	25.64	22.73	24.73	22.73	25.28
	d) % of Net NPA	14.34	15.10	13.86	14.34	13.86	15.33
	e) Return on assets (Annualised) (%)	(0.71)	(1.35)	(1.82)	(1.02)	(1.28)	(2.33)

Place: Chennai  
Date : 26.10.2018

AJAY KUMAR SRIVASTAVA  
EXECUTIVE DIRECTOR

K SWAMINATHAN  
EXECUTIVE DIRECTOR

SUBRAMANIKUMAR  
MANAGING DIRECTOR & CEO






INDIAN OVERSEAS BANK CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600002			
UNAUDITED (REVIEWED) FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 <sup>TH</sup> SEPTEMBER 2018			
SUMMARISED BALANCE SHEET			
	(Rs. In Lakhs)		
	As at 30.09.2018 (Reviewed)	As at 30.09.2017 (Reviewed)	As at 31.03.2018 (Audited)
<b>Capital &amp; Liabilities</b>			
Capital	4,89,077	2,85,256	4,89,077
Reserves and Surplus	7,17,924	10,23,675	8,38,321
Deposits	2,23,16,906	2,11,54,836	2,16,83,181
Borrowings	4,27,561	13,94,586	9,22,808
Other Liabilities & Provisions	6,09,987	6,90,365	8,63,416
<b>Total</b>	<b>2,45,61,455</b>	<b>2,45,48,718</b>	<b>2,47,96,803</b>
<b>Assets</b>			
Cash & Balances with Reserve Bank of India	6,33,174	10,29,442	11,57,945
Balances with Banks & Money at call and Short Notice	12,67,592	23,32,192	14,96,554
Investments	74,55,776	59,89,702	68,64,594
Advances	1,31,41,318	1,36,50,244	1,32,48,882
Fixed Assets	2,96,238	2,98,450	2,89,343
Other Assets	17,67,357	12,48,688	17,39,485
<b>Total Assets</b>	<b>2,45,61,455</b>	<b>2,45,48,718</b>	<b>2,47,96,803</b>

**NOTES**

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 October 26, 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 have been prepared following the same accounting policies and practices as those followed in the Annual Financial Statements for the year ended March 31, 2018, except the treatment of MTM Losses as stated in Note No. 5.
3	The working results for the Quarter ended September 30, 2018 have been arrived at after considering provision for NPAs, Standard Assets, Unhedged Foreign Currency Exposure, Depreciation on Investments & Non - Performing Investments, as per RBI guidelines, Provision for taxes (after adjustment for Deferred Taxes), Provision for Contingencies, Employee Benefits, 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 July 1, 2015, banks are required to make Quarterly Pillar 3 disclosures including Leverage Ratio and Liquidity Coverage Ratio under Basel III Framework. The disclosures are being made available on bank website at the following link <a href="http://www.ioib.in/investor_cell.aspx">http://www.ioib.in/investor_cell.aspx</a> . The disclosures are not subjected to verification by the Statutory Central Auditors of the Bank.
5	RBI vide its Circular DBR.No.BP.BC.113/21.04.048/2017-18 dated June 15, 2018 granted an option to spread mark to market loss on AFS & HFT investments for quarter ended June 30, 2018, equally over the four quarters commencing with the quarter in which the loss is incurred. The Bank has availed the option to spread provisioning over four quarters, and accordingly charged Rs.146.50 Crore to the profit and loss account for the quarter ended September 30, 2018 and the unamortised depreciation amount as on September 30, 2018 is Rs.293.02 crores
6	Based on the available financial statements and the declaration from borrowers, the Bank has estimated the liability towards Unhedged Foreign Currency Exposure to their constituents in terms of RBI circular DBOD.NO.BP.BC.85/21.06.200/2013-14 dated January 15, 2014 and holds a provision of Rs. 11.08 crores as on September 30, 2018.





7	The Bank has on July 23, 2018 received infusion to the tune of Rs. 2157 crore from Government of India towards contribution of the Central Government in the preferential allotment of equity shares (Special Securities/Bonds) of the bank, as Government's investment, which is pending for allotment as on date and reflected under share application money. Based on the permission received from Reserve Bank of India vide letter dated July 30, 2018, the Bank has considered the same for the purpose of CET1 capital. An Extraordinary General Meeting of Shareholders is scheduled on 02.11.2018 to obtain the approval of shareholders for issue of equity shares to Govt. of India on preferential basis.		
8	During the quarter ended September 30, 2018, the Bank has redeemed Lower Tier II Bonds aggregating Rs.300 cores on 22.08.2018 issued by the Bank on 22.08.2008. The Bank has also exercised call option on Upper Tier II Bonds aggregating Rs.655.30 crores on 17.09.2018 issued by the Bank on 17.09.2008.		
9	The Management in relation to System Migration has implemented action plan including System Audit to address significant areas. Reconciliation of certain Inter Branch Transactions are being addressed and the Management does not anticipate any material impact emanating out of such exercise on the financial statements of the Bank.		
10	Based on latest actuarial valuation relating to gratuity, the Bank has reworked the present value of obligation for the financial year 2018-19. Accordingly, the excess contribution of Rs.69 crores accounted in previous quarter stand credited to the Profit and Loss account.		
11	The position of Investors' Complaints for the period from July 1, 2018 to September 30, 2018 is as under: Pending complaints at the beginning of the Quarter - 0 Complaints received during the Quarter - 17 Complaints redressed during the Quarter - 17 Closing balance at the end of the Quarter - 0		
12	The Provision Coverage Ratio of the Bank as on September 30, 2018 stood at 61.97%.		
13	The conversion of shares application money into equity, if made, would have the effect of reducing the loss per share and would therefore be anti-dilutive. Hence, such conversion has not been considered for the purpose of calculating diluted earning per share.		
14	Previous period/year figures have been regrouped /reclassified/rearranged wherever necessary.		
			
Place: Chennai Date : 26.10.2018	<b>AJAY KUMAR SRIVASTAVA</b> EXECUTIVE DIRECTOR	<b>K SWAMINATHAN</b> EXECUTIVE DIRECTOR	<b>R SUBRAMANIKUMAR</b> MANAGING DIRECTOR & CEO





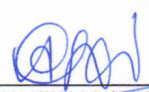
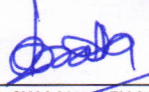

**INDIAN OVERSEAS BANK**  
**CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600002**  
**SEGMENT REPORTING FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER 2018**

Rs. in lakh						
Particulars	Quarter ended 30.09.2018 (Reviewed)	Quarter ended 30.06.2018 (Reviewed)	Quarter ended 30.09.2017 (Reviewed)	Half Year ended 30.09.2018 (Reviewed)	Half Year ended 30.09.2017 (Reviewed)	Year ended 31.03.2018 (Audited)
<b>1) Segment Revenue</b>						
a) Treasury Operations	1 45 437	1 46 769	1 50 267	2 92 206	3 20 817	6 09 326
b) Corporate / Wholesale Banking	1 69 844	1 85 856	1 98 742	3 55 700	3 86 610	8 15 926
c) Retail Banking	2 10 861	1 91 653	2 04 452	4 02 514	3 56 187	6 36 763
d) Other Banking Operations	8 631	8 374	7 527	17 005	14 818	36 603
e) Unallocated	62	19	47	81	53	67 547
<b>Total</b>	<b>5 34 835</b>	<b>5 32 671</b>	<b>5 61 035</b>	<b>10 67 506</b>	<b>10 78 485</b>	<b>21 66 165</b>
Less: Inter segment Revenue	-	-	-	-	-	-
<b>Income from Operations</b>	<b>5 34 835</b>	<b>5 32 671</b>	<b>5 61 035</b>	<b>10 67 506</b>	<b>10 78 485</b>	<b>21 66 165</b>
<b>2) Segment Results after Provisions &amp; Before Tax</b>						
a) Treasury Operations	22 869	23 913	36 064	46 782	86 517	1 31 411
b) Corporate / Wholesale Banking	4 685	11 942	- 12 074	16 627	- 25 949	5 214
c) Retail Banking	95 560	71 596	73 973	1 67 156	1 08 693	1 28 411
d) Other Banking Operations	7 266	6 695	5 853	13 961	12 213	30 352
e) Unallocated	39	- 944	40	- 905	41	67 520
<b>Operating Profit</b>	<b>1 30 419</b>	<b>1 13 203</b>	<b>1 03 856</b>	<b>2 43 621</b>	<b>1 81 516</b>	<b>3 62 908</b>
<b>Less: Provisions and Contingencies</b>	<b>2 01 660</b>	<b>2 40 060</b>	<b>2 23 809</b>	<b>4 41 721</b>	<b>3 84 597</b>	<b>12 26 078</b>
<b>Profit After Provisions and before Tax</b>	<b>- 71 241</b>	<b>- 1 26 857</b>	<b>- 1 19 953</b>	<b>- 1 98 100</b>	<b>- 2 03 081</b>	<b>- 8 63 170</b>
<b>3) Segment Assets</b>						
a) Treasury Operations	83 60 094	78 78 349	72 41 005	83 60 094	72 41 005	79 62 880
b) Corporate / Wholesale Banking	85 80 485	85 46 128	98 52 187	85 80 485	98 52 187	90 76 116
c) Retail Banking	68 80 116	67 74 014	71 12 861	68 80 116	71 12 861	71 01 676
d) Other Banking Operations	39 690	46 548	23 098	39 690	23 098	14 953
e) Unallocated	7 01 070	6 77 756	3 19 567	7 01 070	3 19 567	6 41 178
<b>Total</b>	<b>245 61 455</b>	<b>239 22 795</b>	<b>245 48 718</b>	<b>245 61 455</b>	<b>245 48 718</b>	<b>247 96 803</b>
<b>4) Segment Liabilities</b>						
a) Treasury Operations	80 66 498	76 85 255	69 09 124	80 66 498	69 09 124	77 19 758
b) Corporate / Wholesale Banking	83 39 532	83 52 537	94 57 902	83 39 532	94 57 902	88 30 120
c) Retail Banking	66 94 378	66 28 508	68 41 741	66 94 378	68 41 741	69 09 933
d) Other Banking Operations	36 523	21 902	28 745	36 523	28 745	7 557
e) Unallocated	2 17 523	2 041	2 275	2 17 523	2 275	2 038
<b>Total</b>	<b>233 54 454</b>	<b>226 90 243</b>	<b>232 39 787</b>	<b>233 54 454</b>	<b>232 39 787</b>	<b>234 69 406</b>
<b>5) Capital Employed : Segment Assets - Segment Liabilities</b>						
a) Treasury Operations	2 93 596	1 93 094	3 31 881	2 93 596	3 31 881	2 43 122
b) Corporate / Wholesale Banking	2 40 953	1 93 591	3 94 285	2 40 953	3 94 285	2 45 996
c) Retail Banking	1 85 738	1 45 506	2 71 120	1 85 738	2 71 120	1 91 743
d) Other Banking Operations	3 167	24 646	- 5 647	3 167	- 5 647	7 396
e) Unallocated	4 83 547	6 75 715	3 17 292	4 83 547	3 17 292	6 39 140
<b>Total</b>	<b>12 07 001</b>	<b>12 32 552</b>	<b>13 08 931</b>	<b>12 07 001</b>	<b>13 08 931</b>	<b>13 27 397</b>

**Notes on Segment Reporting**

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

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

Chennai      **AJAY KUMAR SRIVASTAVA**      **K. SWAMINATHAN**      **R. SUBRAMANIAKUMAR**  
 26.10.2018      EXECUTIVE DIRECTOR      EXECUTIVE DIRECTOR      MANAGING DIRECTOR & CEO





**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 / half year ended September 30, 2018 ("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 making inquiries of the bank's personnel and applying analytical and other review 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, 1 foreign branch reviewed by other auditors specially appointed for this purpose and unreviewed returns in respect of 3342 branches (including 48 Regional Offices and 7 Zonal Offices). 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 80 branches. These review reports cover 55.73 percent (of which 33.75 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.



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4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Statements together with the Notes thereon, 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 relating to spreading over the mark to market loss on AFS and HFT investments amounting to Rs. 586.02 crore equally over four quarters commencing from June 30, 2018.

b) Note No.9 relating to reconciliation of certain inter branch transactions.

Our opinion is not qualified in respect of the above.

For **HARIBHAKTI & Co LLP**

Chartered Accountants

FRN 103523W/W100048



(**G. N. RAMASWAMI**)

Partner

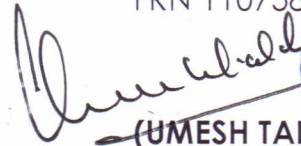
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For **TALATI & TALATI**

Chartered Accountants

FRN 110758W



(**UMESH TALATI**)

Partner

M.No.034834



For **R SUBRAMANIAN AND COMPANY LLP**

Chartered Accountants

FRN 004137S/S200041



(**R KUMARASUBRAMANIAN**)

Partner

M.No.021888



For **S A R C & ASSOCIATES**

Chartered Accountants

FRN 006085N



(**CHETAN THAKKAR**)

Partner

M.No.114196



Place : Chennai

Date : 26.10.2018