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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/ 156 /18-19

27.07.2018

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 30th June 2018**

We refer our letter No.IRC/143/2018-19 dated 20.07.2018 and inform that the Unaudited (Reviewed) Financial Results of the Bank for the quarter ended 30th June 2018 was approved by the Board at its meeting held today (i.e., 27.07.2018).

The Meeting of the Board of Directors commenced at 11.30 a.m. and concluded at 4.00 p.m.

In this connection, we enclose the following:

1. Unaudited (Reviewed) Financial Results for the quarter ended 30th June 2018
2. Press Release – Performance Highlights for the quarter ended 30th June 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,

Radha Venkatakrishnan
General Manager & CFO

Encl: As above



**Indian Overseas Bank**

Central Office 763, Anna Salai Chennai - 600 002

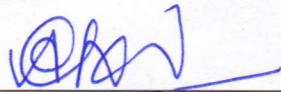


Unaudited (Reviewed) Financial Results for the Quarter ended 30th June 2018

(Rs. in Lakhs)

SL. NO.	Particulars	Quarter ended			Year ended
		30.06.2018 (Reviewed)	31.03.2018 (Audited)	30.06.2017 (Reviewed)	31.03.2018 (Audited)
1	Interest Earned (a) + (b) +(c)+ (d)	4,24,860	4,82,755	418,720	17,91,521
	(a) Interest/Discount on Advances/Bills	290,391	280,943	281,873	11,96,083
	(b) Income on Investments	120,772	117,586	128,775	4,79,704
	(c) Interest on Balances with Reserve Bank of India and other Inter Bank Funds	13,697	16,861	8,072	48,369
	(d) Others*	0	67,365	0	67,365
2	Other Income	107,811	98,687	98,730	3,74,644
3	Total Income (1+2)	532,671	5,81,442	517,450	21,66,165
4	Interest Expended	304,050	309,453	316,259	12,44,764
5	Operating Expenses (i) + (ii)	115,418	159,074	123,531	5,58,493
	(i) Employees Cost	76,856	74,457	79,104	2,99,414
	(ii) Other Operating Expenses	38,562	84,617	44,427	2,59,079
6	Total Expenditure (4+5) (excluding Provisions & Contingencies)	419,468	4,68,527	439,790	18,03,257
7	Operating Profit (3-6) (before Provisions & Contingencies)	113,203	1,12,915	77,660	3,62,908
8	Provisions (other than tax) and Contingencies	240,060	677,455	160,788	12,26,078
9	Exceptional Items	0	0	0	0
10	Profit (+)/Loss(-) from Ordinary Activities before tax(7-8-9)	(126,857)	(564,540)	(83,128)	(863,170)
11	Tax expenses	(34,913)	(203,867)	(33,219)	(233,221)
12	Net Profit (+) / Loss(-) from Ordinary Activities after tax (10-11)	(91,944)	(360,673)	(49,909)	(629,949)
13	Extraordinary items (Net of Tax Expense)	0	0	0	0
14	Net Profit (+) / Loss (-) for the period (12-13)	(91,944)	(360,673)	(49,909)	(629,949)
15	Paid up Equity Share capital (Face value of each share - Rs.10/-)	4,89,077	4,89,077	245,473	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 Government of India	89.74	89.74	79.56	89.74
	(ii) Capital Adequacy Ratio (%) (Basel III)	7.98	9.25	10.64	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)	(1.88)	(12.25)	(2.03)	(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)	(1.88)	(12.25)	(2.03)	(23.25)
	(iv) NPA Ratios				
	a) Gross NPA	3,814,605	38,18,015	3,545,312	38,18,015
	b) Net NPA	1,964,181	20,39,966	2,016,561	20,39,966
	c) % of Gross NPA	25.64%	25.28%	23.60%	25.28%
	d) % of Net NPA	15.10%	15.33%	14.97%	15.33%
	e) Return on Assets (Annualised) (%)	(1.35)	(5.26)	(0.74)	(2.33)

*Represents interest on income tax refund.

Place: Chennai
Date : 27.07.2018AJAY KUMAR SRIVASTAVA
EXECUTIVE DIRECTORK SWAMINATHAN
EXECUTIVE DIRECTORR SUBRAMANIAKUMAR
MANAGING DIRECTOR & CEO

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 July 27, 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 June 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 http://www.iofb.in/investor_cell.aspx . 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 June 30, 2018 and the unamortised depreciation amount as on June 30, 2018 is Rs.439.52 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 June 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.												
8	During the quarter ended June 30, 2018, the Bank has exercised Regulatory Call in respect of Basel III Compliant Additional Tier I Perpetual Bonds aggregating to Rs.1000 crore issued by the Bank on February 4, 2015 and has made payment of principal of Rs.1000 crore alongwith broken period interest of Rs.35.34 crores.												
9	The Management in relation to 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	The position of Investors' Complaints for the period from April 1, 2018 to June 30, 2018 is as under: <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Pending complaints at the beginning of the Quarter</td> <td style="text-align: right;">-</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Complaints received during the Quarter</td> <td style="text-align: right;">-</td> <td style="text-align: right;">22</td> </tr> <tr> <td>Complaints redressed during the Quarter</td> <td style="text-align: right;">-</td> <td style="text-align: right;">22</td> </tr> <tr> <td>Closing balance at the end of the Quarter</td> <td style="text-align: right;">-</td> <td style="text-align: right;">0</td> </tr> </table>	Pending complaints at the beginning of the Quarter	-	0	Complaints received during the Quarter	-	22	Complaints redressed during the Quarter	-	22	Closing balance at the end of the Quarter	-	0
Pending complaints at the beginning of the Quarter	-	0											
Complaints received during the Quarter	-	22											
Complaints redressed during the Quarter	-	22											
Closing balance at the end of the Quarter	-	0											
11	The Provision Coverage Ratio of the Bank as on June 30, 2018 stood at 61.10%.												
12	The figures of quarter ended March 31, 2018 are the balancing figures between audited figures in respect of full financial year (2017-18) and the unaudited published year to the date figures up to the third quarter of the financial year 2017-18, period, which was subject to limited review.												
13	Previous period/year figures have been regrouped /reclassified/rearranged wherever necessary.												
Place: Chennai Date : July 27, 2018	 AJAY KUMAR SRIVASTAVA EXECUTIVE DIRECTOR	 K SWAMINATHAN EXECUTIVE DIRECTOR	 R SUBRAMANIKUMAR MANAGING DIRECTOR & CEO										





INDIAN OVERSEAS BANK
CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600002
SEGMENT RESULTS FOR THE QUARTER ENDED 30TH JUNE 2018

Rs in Lakh

Particulars	Quarter ended 30.06.2018 (Reviewed)	Quarter ended 31.03.2018 (Audited)	Quarter ended 30.06.2017 (Reviewed)	Year ended 31.03.2018 (Audited)
1) Segment Revenue				
a) Treasury Operations	1 46 769	1 45 243	1 70 550	6 09 326
b) Corporate / Wholesale Banking	1 85 856	2 09 836	1 87 868	8 15 926
c) Retail Banking	1 91 653	1 48 271	1 51 735	6 36 763
d) Other Banking Operations	8 374	10 632	7 291	36 603
e) Unallocated	19	67 460	6	67 547
Total	5 32 671	5 81 442	5 17 450	21 66 165
Less: Inter segment Revenue	0	0	0	0
Income from Operations	5 32 671	5 81 442	5 17 450	21 66 165
2) Segment Results after Provisions & Before Tax				
a) Treasury Operations	23 913	20 772	50 453	1 31 411
b) Corporate / Wholesale Banking	11 942	4 553	- 13 875	5 214
c) Retail Banking	71 596	11 024	34 720	1 28 411
d) Other Banking Operations	6 695	9 110	6 360	30 352
e) Unallocated	- 944	67 455	1	67 520
Operating Profit	1 13 203	1 12 915	77 660	3 62 908
Less: Provisions and Contingencies	2 40 060	6 77 455	1 60 788	12 26 078
Profit After Provisions and before Tax	- 1 26 857	- 5 64 540	- 83 128	- 8 63 170
3) Segment Assets				
a) Treasury Operations	78 78 349	79 62 880	71 81 316	79 62 880
b) Corporate / Wholesale Banking	85 46 128	90 76 116	103 70 229	90 76 116
c) Retail Banking	67 74 014	71 01 676	72 76 003	71 01 676
d) Other Banking Operations	46 548	14 953	37 463	14 953
e) Unallocated	6 77 756	6 41 178	3 13 173	6 41 178
Total	239 22 795	247 96 803	251 78 184	247 96 803
4) Segment Liabilities				
a) Treasury Operations	76 85 255	77 19 758	66 94 890	77 19 758
b) Corporate / Wholesale Banking	83 52 537	88 30 120	100 01 230	88 30 120
c) Retail Banking	66 28 508	69 09 933	70 32 552	69 09 933
d) Other Banking Operations	21 902	7 557	14 853	7 557
e) Unallocated	2 041	2 038	1 12 275	2 038
Total	226 90 243	234 69 406	238 55 800	234 69 406
5) Capital Employed : Segment Assets-Segment Liabilities				
a) Treasury Operations	1 93 094	2 43 122	4 86 426	2 43 122
b) Corporate / Wholesale Banking	1 93 591	2 45 996	3 68 999	2 45 996
c) Retail Banking	1 45 506	1 91 743	2 43 451	1 91 743
d) Other Banking Operations	24 646	7 396	22 610	7 396
e) Unallocated	6 75 715	6 39 140	2 00 898	6 39 140
Total	12 32 552	13 27 397	13 22 384	13 27 397

Notes on Segment Reporting

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

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

Chennai
27.07.2018

(Signature)
AJAY KUMAR SRIVASTAVA
EXECUTIVE DIRECTOR

(Signature)
K. SWAMINATHAN
EXECUTIVE DIRECTOR

(Signature)
R. SUBRAMANIKUMAR
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 ended June 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" 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 3376 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 81 branches. These review reports cover 53.37 percent (of which 32.93 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 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 modified 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


(CHETAN THAKKAR)
Partner
M.No.114196



Place : Chennai
Date : 27.07.2018



Indian Overseas Bank

Central Office
Chennai

Press Release

27.07.2018

Performance Highlights – 30.06.2018



Top Line – Milestones (Rs. Crores)

- Deposits Rs. 213,168
- Advances Rs. 148,760
- Business Mix Rs. 361,928
- CASA Rs. 78,560
- CASA (%) 36.85

Bottom Line (Rs. Crores)

- Operating Profit Rs. 1,132
- Net Loss Rs. 919
- Gross NPA Rs. 38,146
- Net NPA Rs. 19,642

Key Performance indicators:

	Global	Domestic
CASA Ratio	36.85	37.44
Net Interest Margin	1.92	1.98
Cost of Deposit	5.32	5.43
Yield on Advances	7.13	7.55

- Operating Profit Growth 45.77 % YoY
- Non-Interest Inc. Growth 9.20 % YoY
- Total Expenditure decreased by 4.62 % YoY
- Retail Loan Growth 24.11 % YoY
- NPA Recovery increased by 21.7 % YoY
- PCR improved to 61.10 %
(8.01% increase YoY)
- Cost to Income Ratio 50.48 %
(10.92 % reduction YoY)

Net Loss is due to provisions and not due to operations

Performance Highlights For The Quarter Ended June 30, 2018 – YoY (Year on Year)

1. **Total business** stood at Rs.3,61,928 crore as on 30th June 2018 as against Rs. 3,60,986 crore as on 30th June 2017.
2. **Total deposits** increased to Rs. 2,13,168 crore as on 30th June 2018 as against Rs. 2,10,748 crore as on 30th June 2017. The Bank has reduced the concentration of Bulk Deposits and high cost deposits and increased Retail Term Deposits to have a stable and sustainable deposit profile and reduce the cost of funds.





3. **CASA of the Bank improved to 36.85% as on 30th June 2018 as against 35.85% as on 30th June 2017. Total CASA has increased from Rs.75561 crores as on 30.06.2017 to Rs. 78560 crores as on 30.06.2018, SB (Savings Bank) registered 7.35% YoY growth as at 30th June '18 over 30th June '17.**
4. **Gross Advances** stood at Rs. 1,48,760 crore as on 30th June 2018 as against Rs. 1,50,238 crore as on 30th June 2017. The Bank has evolved a policy of not taking fresh exposures in stressed sectors, below hurdle rated accounts and BB and below rated accounts. The Bank has also exited from accounts in the stressed sectors.

The Bank has rebalanced the credit portfolio with RAM's (Retail, Agri and MSME) share of total domestic advances improving from 59.96 % to 66.04 % YoY (June'18 over June'17). Bank also increased its share of A and above rated accounts by 46.93% over June '17.
5. **MSME Segment** grew by 4.16% YoY (June'18 over June'17).
6. **Retail Segment** grew by 24.11% YoY (June '18 over June '17).
7. **Core Retail Advances (Housing Loans, Vehicle Loans, Clean Loans, Education Loans, Mortgage Loans) grew by 23.68% YoY.**
8. **Operating Profit for Quarter ended 30th June 2018 stood at Rs. 1132.03 crore as against Rs. 776.60 crore for the quarter ended 30th June 2017, registering growth of 45.77%.**
9. **Provisions & Contingencies** for quarter ended June'18 is Rs.2051.47 crore as against Rs.1275.69 crore for quarter ended June'17 with an increase of Rs. 775.78 crore (60.8%) YoY.
10. **Net Profit:** Net Loss for the quarter ended 30th June 2018 is Rs.919.44 crore as against Rs. 499.09 crore for the quarter ended 30th June 2017 mainly due to provisioning increase of 60.80% YoY.
11. **Total income for the quarter ended 30th June 2018 is Rs. 5326.71 crore as against Rs. 5174.50 crore for the quarter ended 30th June 2017 registering a growth of 2.94% YoY.**
12. **Interest income** increased to Rs. 4248.60 crore for the quarter ended 30th June 2018 as against Rs.4187.20 crore for the quarter ended 30th June 2017, **registering a growth of 1.47% YoY.**
13. **Non-interest income** is Rs.1078.11 crore for the quarter ended 30th June 2018 as against Rs.987.30 crore for the quarter ended 30th June 2017 **registering a growth of 9.20% YoY.**





14. **Total Expenditure decreased by 4.62%** from Rs. 4397.90 crore for the quarter ended 30th June 2017 to Rs. 4194.68 crore for the quarter ended 30th June 2018.
15. **NPA MANAGEMENT: Gross NPA** as at 30th June 2018 is at Rs. 38146 crore with ratio of 25.64% as against Rs. 35453 crore with ratio of 23.60 % as on 30th June 2017.
16. **Total recovery** of Rs. 3389 crore achieved for quarter ended June '18 as against the recovery of Rs. 2784 crore during quarter ended June '17 registering an increase of 21.73% over June '17 while the total slippage for quarter ended June '18 stood at Rs. 1994 crore. Recovery achieved is substantially higher than slippages during the quarter mainly due to resolutions in NCLT accounts coupled with focused efforts towards recovery.

The Bank has recovered Rs. 454 crore in three NCLT accounts during the quarter ended June '18. Further, the Bank expects recovery aggregating Rs. 950 crore in the current quarter in four NCLT accounts where resolution is at an advanced stage.

17. **Net NPA** is at Rs. 19642 crore with ratio of 15.10% as on 30th June 2018 as against Rs.20166 crore with ratio of 14.97% as on 30th June 2017, reducing it by Rs.524 crore in absolute terms.
18. **Provision Coverage Ratio is improved to 61.10% as on 30th June 2018 as against 53.09% as on 30th June 2017.**

Performance Highlights for the Quarter ended June 30, 2018 QoQ (Sequential)

1. **Total business** stood at Rs. 3,61,928 crore as on 30th June 2018 as against Rs. 3,67,831 crore as on 31st March 2018.
2. **Total deposits** stood at Rs. 2,13,168 crore as on 30th June 2018 as against Rs. 2,16,832 crore as on 31st March 2018.
3. **CASA** of the Bank has improved to 36.85% as on 30th June 2018 as against 36.75% as on 31st March 2018, registering a growth of 0.10%.
4. **Gross Advances** stood at Rs. 1,48,760 crore as on 30th June 2018 as against Rs.1,50,999 crore as on 31st March 2018, as part of consolidation and reducing concentration risk.





5. **Operating Profit for Quarter ended 30th June 2018 stood at Rs. 1132.03 crore as against Rs.1129.15 crore for the quarter ended 31st March 2018.**
6. **Net Profit: Net loss** for quarter ended 30th June 2018 is Rs. 919.44 crore as against Rs.3606.73 crore for quarter ended 31st March 2018, mainly due to higher provisioning.
7. **Total income for the quarter ended 30th June 2018 is Rs. 5326.71 crore as against Rs.5814 crore for the quarter ended 31st March 2018.**
8. **Interest income stood at Rs. 4249 crore for the quarter ended 30th June 2018 as against Rs. 4828 crore for the quarter ended 31st March 2018 mainly due to one time interest earned of Rs. 672 crore on IT refunds in March '18.**
9. **Non-interest income is Rs. 1078 crore for the quarter ended 30th June 2018 as against Rs. 987 crore for the quarter ended 31st March 2018 registering a growth of 9.22% QoQ.**
10. **Total Expenditure reduced by 10.46%** from Rs. 4685 crore for the quarter ended 31st March 2018 to Rs.4195 crore for the quarter ended 30th June 2018.
11. **NPA MANAGEMENT: Gross NPA** as at 30th June 2018 is at Rs. 38146 crore with ratio of 25.64% as against Rs. 38180 crore with ratio of 25.28% as at 31st March 2018. Although GNPA reduced in quantum, GNPA ratio is slightly high due to contraction of advances by Rs.2239 crore.
12. **Total recovery** of Rs. 3389 crore achieved for quarter ended June '18 as against Rs. 5726 crore achieved for quarter ended March '18 while the total slippage for quarter ended June '18 was contained at Rs.1994 crore as against Rs. 9868 crore for quarter ended March '18.
13. **Net NPA as at 30th June 2018 stood at Rs. 19642 crore with ratio of 15.10% as against Rs.20400 crore with ratio of 15.33% as on 31st March 2018 thus reducing NNPA by 23 bps in term of ratio & by Rs.758 crore in absolute terms.**
14. **Provision Coverage Ratio is improved to 61.10% as against 59.45% as on 31st March 2018.**





➤ **CAPITAL ADEQUACY RATIO (CRAR):**

Particulars	Basel III	Position after Gol Capital Infusion of Rs. 2157 crore	Regulatory Requirement*
CET 1	5.73%	7.44%	5.50%
Tier I	5.77%	7.47%	7.00%
Total CRAR	7.98%	9.69%	9.00%

* Excluding CCB

The Bank has on 23.07.2018 received capital infusion 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 during the financial year 2018-19, as Government's investment, which is pending for allotment as of date. With the Gol infusion, our CET1 (without CCB) and CRAR position will be above the regulatory minimum.

During the quarter ended 30.06.2018, the Bank has exercised Regulatory Call in respect of Basel III Compliant Additional Tier I Perpetual Bonds aggregating to Rs.1000 crore issued by the Bank on 04.02.2015 and has made payment of principal of Rs.1000 crore alongwith broken period interest of Rs.35.34 crore.

➤ **KEY FINANCIAL RATIOS:**

- **Credit Deposit Ratio** is 69.79% as on 30.06.2018 as against 69.64% as on 31.03.2018 and 71.29% as on 30.06.2017.
- **Average Cost of Deposit** is 5.32% for quarter ended 30.06.2018 as against 5.57% for quarter ended 30.06.2017, reduced by 25 bps.
- **Average Yield on Advances** is 7.13% for quarter ended 30.06.2018 as against 7.12% for quarter ended 30.06.2017.
- **Cost to Income Ratio** is 50.48% for quarter ended 30.06.2018 as against 61.40% for quarter ended 30.06.2017, improved by 10.92%.
- **Net Interest Margin** is 1.92% for quarter ended 30.06.2018 as against 1.65% for quarter ended 30.06.2017 improving by 27 bps.





➤ **Digital Banking – initiatives**

- The implementation of Retail End to End Digitalization from loan sourcing to documentation and disbursement also called as REAPS has advanced the retail loan processing for Housing, Vehicle and Clean loans to a greater extent as it is more TAT driven. We are in the process of bringing other Retail schemes also under REAPS. Under digitilisation processing we have introduced Retail Credit scoring to ensure quality of proposals being sanctioned at various layers.
- Online processing of MSME loans upto Rs. 10 lakhs was launched recently.
- The Bank has been participating as member with RXIL in TReDS platform for financing against receivables to MSME suppliers since May 2018.
- First PSB to onboard a biller (TNEB) in Bharat Bill Payment System (BBPS).
- Online OTS settlement upto Rs.10.00 lakhs with end to end digitalization introduced.

