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इण्डियन ओवरसीज 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/ 237 /16-17

11.11.2016

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- Financial Results of the Bank for the
Quarter ended 30th September 2016**

We refer our letter No. IRC/ 232/2016-17 dated 04.11.2016 and confirm that the Board Meeting for consideration of unaudited (Reviewed) Financial Results of the Bank for the quarter ended 30th September 2016 was held today (i.e., 11.11.2016) and the Board approved the same.

In this connection, we enclose the following:

1. Unaudited (Reviewed) Financial Results for the quarter ended 30.09.2016
2. Press Release dated 11.11.2016 and
3. Auditors' Review Report

Please take the above information on record.

Thanking you.

Yours faithfully,

Y C Jain
General Manager & CFO

Encl: As above





INDIAN OVERSEAS BANK
CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600002
UNAUDITED (REVIEWED) FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2016

SL. NO.	Particulars	Rs. in lacs					
		Quarter ended 30.09.2016 (Reviewed)	Quarter ended 30.06.2016 (Reviewed)	Quarter ended 30.09.2015 (Reviewed)	Half year ended 30.9.2016 (Reviewed)	Half year ended 30.9.2015 (Reviewed)	Year ended 31.3.2016 (Audited)
1	Interest Earned (a) + (b) + (c) + (d)	499,199	521,554	599,573	1,020,753	1,213,300	2,351,729
	(a) Interest/discount on advances/bills	364,926	373,722	428,388	738,648	867,054	1,666,231
	(b) Income on Investments	122,118	137,432	161,926	259,550	326,024	648,351
	(c) Interest on Balances with Reserve Bank of India and other Inter Bank Funds	12,155	10,400	9,259	22,555	20,222	37,147
	(d) Others		0	0	0	0	0
2	Other Income	96,963	65,290	77,421	162,253	130,905	252,826
3	TOTAL INCOME (1+2)	596,162	586,844	676,994	1,183,006	1,344,205	2,604,555
4	Interest Expended	370,618	397,047	459,767	767,665	940,592	1,813,460
5	Operating Expenses (i) + (ii)	119,140	120,742	118,210	239,882	248,965	502,550
	(i) Employees Cost	72,978	82,008	76,913	154,986	171,653	339,040
	(ii) Other Operating expenses	46,162	38,734	41,297	84,896	77,312	163,510
6	TOTAL EXPENDITURE (4+5) (excluding Provisions & Contingencies)	489,758	517,789	577,977	1,007,547	1,189,557	2,316,010
7	OPERATING PROFIT before Provisions & Contingencies(3-6)	106,404	69,055	99,017	175,459	154,648	288,545
8	Provisions (other than tax) and Contingencies	169,756	213,781	155,776	383,537	222,133	678,356
9	Exceptional Items (Refer Note No.6 on Counter Cyclical Provision)	0	0	-17,000	0	-17,000	-17,000
10	Profit (+)/Loss(-) from Ordinary Activities before tax(7-8-9)	-63,352	-144,726	-39,759	-208,078	-50,485	-372,811
11	Tax expenses	13,161	324	15,324	13,485	3,122	-83,078
12	Net Profit (+) / Loss(-) from Ordinary Activities after tax (10-11)	-76,513	-145,050	-55,083	-221,563	-53,607	-289,733
13	Extraordinary items (net of tax expense)			0		0	0
14	Net Profit (+) / Loss (-) for the period (12-13)	-76,513	-145,050	-55,083	-221,563	-53,607	-289,733
15	Paid up equity share capital (Face value of each share - Rs.10/-)	245,473	189,901	123,535	245,473	123,535	180,726
16	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	1,062,128	1,062,128	1,315,346	1,062,128	1,315,346	1,062,128
17	Analytical Ratios						
	(i) Percentage of shares held by Govt. of India	79.56	73.58	73.80	79.56	73.80	77.32
	(ii) Capital Adequacy Ratio (%) (Basel III)	10.15	9.47	9.09	10.15	9.09	9.66
	(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)	-4.02	-7.86	-4.46	-11.81	-4.34	-19.86
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized)	-4.02	-7.86	-4.46	-11.81	-4.34	-19.86
	(iv) NPA Ratios						
	a) Gross NPA	3,472,412	3,391,315	1,942,375	3,472,412	1,942,375	3,004,863
	b) Net NPA	2,076,531	2,132,124	1,253,923	2,076,531	1,253,923	1,921,257
	c) % of Gross NPA	21.77	20.48	11.00	21.77	11.00	17.40
	d) % of Net NPA	14.30	13.97	7.41	14.30	7.41	11.89
	e) Return on assets (Annualised) (%)	-1.10	-2.00	-0.74	-1.56	-0.36	-0.97

PLACE: CHENNAI
DATE: 11.11.2016

[Signature]
P. S. BRAMANIAKUMAR
MANAGING DIRECTOR & CEO (Additional Charge)



SUMMARISED BALANCE SHEET			Rs. in lacs		
			As at 30.09.2016 (Reviewed)	As at 30.09.2015 (Reviewed)	As at 31.03.2016 (Audited)
Capital & Liabilities					
Capital			245,473	123,535	180,726
Reserves and Surplus			1,275,864	1,381,772	1,385,855
Deposits			20,805,790	23,302,610	22,451,424
Borrowings			2,252,996	2,984,458	2,718,331
Other Liabilities & Provisions			609,912	694,391	707,340
Total			25,190,035	28,486,766	27,443,676
Assets					
Cash & Balances with Reserve Bank of India			1,402,526	1,355,933	1,403,349
Balances with Banks & Money at call and Short Notice			1,895,631	1,030,965	821,274
Investments			6,217,020	8,261,939	7,918,955
Advances			14,472,595	16,825,385	16,086,067
Fixed Assets			321,355	247,476	327,046
Other Assets			880,908	765,068	886,985
Total Assets			25,190,035	28,486,766	27,443,676

INDIAN OVERSEAS BANK
CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600002
UNAUDITED (REVIEWED) FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2016

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 30/09/2016 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 In accordance with RBI circular DBOD.No.BP.BC.2/21.06.201/2015-16 dated 1st 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 of the following link http://www.iob.in/investor_cell.aspx. The disclosures have not been subjected to verification by the Statutory Central Auditors of the Bank.
- 4 During the Quarter ended 30.09.2016, Lower Tier II Bonds of Rs.500 crore issued on 26.07.2006 were redeemed on their due date on 26.07.2016 and Upper Tier II Bonds of Rs.500 crore issued on 05.09.2006 were redeemed on their due date on 05.09.2016. Perpetual Tier I Basel II bonds for Rs 80 crore issued on 30.09.2006 were redeemed by exercising call option on 30.09.2016.
- 5 The Bank has allotted 55,57,14,797 equity shares of Rs.10/- each at a premium of Rs.17.91 per share on preferential basis to Government of India on 30.09.2016 after obtaining requisite approvals.
- 6 As permitted by RBI vide its circular No.DBOD.BP.BC.79/21.04.048/2014-15 dated 30.03.2015 and also in pursuance to Bank's Board approved policy, the bank has utilised a sum of Rs.17000 lacs from Floating Provisions / Counter Cyclical Provisioning Buffer towards specific provision for non performing assets during the financial year 2015-16.
- 7 During the previous year the bank has migrated to a new Operating system viz., 'Finacle'. The Bank 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 inter-branch reconciliation, migration account and interest receivable account which are in the process of reconciliation. Considering the nature of issues identified, there could be some more unidentified issues as well. The Management has taken adequate steps in this regard to address the technical issues and intend to conduct a System Audit in the near future to address all issues connected with such migration. However, the management does not anticipate any material impact emanating out of such exercise on the financial statements of the bank.
- 8 Pursuant to RBI Circular No. DBR. No. BP.BC.83/21.06.201/2015-16 dated 01.03.2016, the Bank has as at 30.09.2016 considered the revaluation reserve and Foreign Currency Translation Reserve for CET I capital as prescribed by RBI in the said Circular
- 9 The Provision Coverage Ratio of the Bank as on 30.09.2016 stood at 50.19 %
- 10 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 11.11.2016.
- 11 Previous period/year figures have been regrouped/reclassified wherever necessary.

PLACE : CHENNAI
DATE: 11.11.2016

[Signature]
R. SUBRAMANIKUMAR
MANAGING DIRECTOR & CEO (Additional Charge)





INDIAN OVERSEAS BANK
CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600002
SEGMENT REPORTING FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER 2016

Rs. in lacs

Particulars	Quarter ended 30.09.2016 (Reviewed)	Quarter ended 30.06.2016 (Reviewed)	Quarter ended 30.09.2015 (Reviewed)	Half Year ended 30.09.2016 (Reviewed)	Half Year ended 30.09.2015 (Reviewed)	Year ended 31.03.2016 (Audited)
1) Segment Revenue						
a) Treasury Operations	178,902	1 61 403	186,812	3 40 305	3 71 493	7 27 900
b) Corporate / Wholesale Banking	287,927	2 41 560	282,751	5 29 487	5 77 596	11 31 431
c) Retail Banking	123,573	1 78 426	201,410	3 01 999	3 82 759	7 17 221
d) Other Banking Operations	5,717	5 438	5,989	11 155	12 269	27 879
e) Unallocated	43	17	32	60	88	124
Total	5 96 162	5 86 844	6 76 994	11 83 006	13 44 205	26 04 555
Less: Inter segment Revenue						
Income from Operations	5 96 162	5 86 844	6 76 994	11 83 006	13 44 205	26 04 555
2) Segment Results after Provisions & Before Tax						
a) Treasury Operations	64,289	28 333	16,971	92 622	20 331	61 014
b) Corporate / Wholesale Banking	41 955	(12,269)	19 910	29 686	41 169	54 051
c) Retail Banking	(4,076)	48 574	57 212	44 498	82 720	1 49 887
d) Other Banking Operations	4 200	4 405	4 896	8 605	10 347	23 491
e) Unallocated	36	12	28	48	81	102
Operating Profit	1 06 404	69 055	99 017	1 75 459	1 54 648	2 88 545
Less: Provisions and Contingencies	1 69 756	2 13 781	1 38 776	3 83 537	2 05 133	6 61 356
Profit After Provisions and before Tax	(63,352)	(144,726)	(39,759)	(208,078)	(50,485)	(372,811)
3) Capital Employed : Segment Assets - Segment Liabilities						
a) Treasury Operations	4 85 728	5 15 760	8 78 995	4 85 728	8 78 995	7 86 944
b) Corporate / Wholesale Banking	5 08 110	4 63 315	4 59 524	5 08 110	4 59 524	4 17 855
c) Retail Banking	2 40 177	2 20 628	2 11 191	2 40 177	2 11 191	1 79 157
d) Other Banking Operations	48 817	11 009	31 560	48 817	31 560	(45,976)
e) Unallocated	2 38 505	2 35 483	(75,963)	2 38 505	(75,963)	2 28 601
Total	15 21 337	14 46 195	15 05 307	15 21 337	15 05 307	15 66 581

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

(Signature)
 (R SUBRAMANIAKUMAR)
 MANAGING DIRECTOR & CEO (Additional Charge)

Place: Chennai

Date: 11.11.2016





INDIAN OVERSEAS BANK
CENTRAL OFFICE
CHENNAI

PRESS RELEASE

11.11.2016

FINANCIAL PERFORMANCE HIGHLIGHTS AS ON 30th SEPTEMBER 2016

- (1) **TOTAL BUSINESS:** Total business stood at Rs.3,67,580 crore as on 30th September 2016.
- (2) **DEPOSITS:** Total deposits stood at Rs.2,08,058 crore as on 30th September 2016 as against Rs. 2,18,483 crore as on 30.06.2016. The decrease in deposits is on account of reduction in high cost Deposits and bulk deposits.
- (3) **ADVANCES:** Gross Advances stood at Rs.1,59,522 crore as on 30th September 2016 as against Rs 1,65,556 crore as on 30.06.2016, as the Bank was in consolidation mode.
- (4) **OPERATING PROFIT:** Operating Profit for the quarter ended 30th September 2016 was Rs. 1064 crore as against Rs. 690.55 crore as on 30.06.2016 registering a growth of 54.08%. The operating profit also increased y-o-y basis by 7.47%.
- (5) **NET PROFIT:** Net loss for the quarter ended 30.09.2016 contained at Rs.765.14 crore as against Rs.1450.50 crore for Q1 of 2016-17 registering a reduction of 52.75%.
- (6) **TOTAL INCOME:** Total income for the quarter ended 30.09.2016 is Rs.5961.61 crore as against at Rs. 5868.44 crore as on 30.06.2016 registering a growth of 1.59%
- (7) **INTEREST INCOME:** Interest income stood at Rs. 4991.99 crore for the quarter ended 30th September 2016.
- (8) **NON INTEREST INCOME:** Non-interest income was Rs.969.63 crore for the quarter ended 30th September 2016 as against Rs.652.90 crore as on 30th June 2016 registering a growth of 48.51%.
- (9) **NPA MANAGEMENT:** **Gross NPA** as at 30th Sep 2016 was at Rs. 34,724.12 crore with ratio 21.77% as against 33,913.15 crore with Gross NPA ratio of 20.48% as on 30.06.2016. The increase in percentage is mainly on account of reduction in asset size. Recovery in NPA accounts for the half year ended 30th





September 2016 is Rs 3534 crore and during the quarter ended 30.09.2016 is RS 2069 crore.

(10) Net NPA stood at Rs.20765.31 crore with ratio 14.30% as against Rs.21321.24 crore with Net NPA ratio 13.97%. as on 30.06.2016. The increase in ratio is due to containment of credit growth during the quarter though Net NPA amount is reduced by Rs.555.93 crore.

(11) PROVISION COVERAGE RATIO is improved to 50.19% as on 30.09.2016 as against 47.61% as on 30.06.2016.

(12) CAPITAL ADEQUACY RATIO (CRAR):

	Basel III
CET I	7.64%
Tier I	8.27%
Tier II	1.88%*
Total	10.15%

*Our Bank has issued Tier II bonds for Rs 800 crore during first week of November 2016 which will improve the Tier II capital and thereby capital adequacy ratio further.

13. KEY FINANCIAL RATIOS:

13.1. Net Interest Margin: For the quarter ended 30.09.2016 is 2.02% as against 1.87% as on 30.06.2016.

13.2. Credit Deposit Ratio is 76.67% as on 30.09.2016 against 75.77% as on 30.06.2016.

13.3. CASA Ratio: The ratio improved to 30.93% as on 30.09.2016 as against 30.17% as on 30.06.2016.

13.4. Cost to Income Ratio improved from 63.62% as on 30.06.2016 to 52.82% as on 30.09.2016.

14. IT INITIATIVES: Bank has completed Technology Upgrade and IT Transformation to new CBS (Finacle), to improve the operational efficiency and customer service. We have also installed Self Pass Book Printers and Bulk Note acceptors besides hosting lot of other services through alternate delivery channels.



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 half year ended September 30, 2016 ("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. 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. We have not performed an audit and accordingly, we do not express an audit opinion.
3. The statement incorporate 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 2990 branches. In the conduct of our Review, we have relied on the review reports in respect of non-performing assets received from concurrent auditors of 390 branches, specifically appointed for this purpose. These review reports cover 64.77 percent (of which 29.39 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 Note no 7 of the Statement, with regards to migration to new Operating System during the previous year and to the relevant issues relating to it.

Our opinion is not qualified in respect of the above.

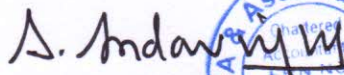
For **VARDHAMAN & Co**
Chartered Accountants
FRN 004522S



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



For **ASA & ASSOCIATES LLP**
Chartered Accountants
FRN 009571N / N500006



(CA. S. SUNDAR RAJAN)
Partner
M.No.211414



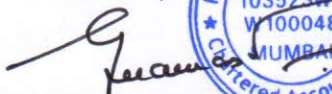
For **A V DEVEN & Co**
Chartered Accountants
FRN 000726S



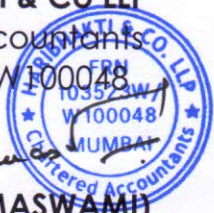
(CA. R. MURALIDHARAN)
Partner
M.No.023283



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



(CA. G. N. RAMASWAMI)
Partner
M.No.202363



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



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



Place : Chennai
Date : 11.11.2016