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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

Balance Sheet Management Department

BSMD/IRC/ 303 /2014-15

05.02.2015

To

The Vice President

National Stock Exchange Limited

"Exchange Plaza", C-1, Block G

Bandra-Kurla Complex, Bandra (E)

Mumbai 400 051

Dear Sir,

Attention: Shri K. Hari

**Sub: Board Meeting: Intimation under Clause 41 of Listing Agreement
Unaudited (Reviewed) Financial Results of the Bank
For the quarter ended 31st December 2014**

Further to our letter dated BSMD/IRC/282/2014-15 dated 23.01.2015 on the above subject, we advise that the Board of Directors of our Bank in their meeting held today i.e., Thursday, 05th February 2015, have considered and approved the Unaudited (Reviewed) Financial Results of the bank for the quarter ended 31st December 2014.

We enclose the following for your records:

1. Unaudited (Reviewed) Financial Results for the quarter ended 31st December 2014 duly signed by the Managing Director & Chief Executive Officer and Executive Director
2. Press Release
3. Auditor's Review Report

Thanking you,

Yours faithfully,

**[Radha Venkatakrishnan]
GENERAL MANAGER**

Encl(s): As above



INDIAN OVERSEAS BANK							
CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600 002							
UNAUDITED (REVIEWED) FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER 2014							
Rs. in lacs							
SL. NO.	Particulars	Quarter ended			9 Months ended		Year ended
		31.12.2014 (Reviewed)	30.09.2014 (Reviewed)	31.12.2013 (Reviewed)	31.12.2014 (Reviewed)	31.12.2013 (Reviewed)	31.03.2014 (Audited)
1	Interest Earned (a) + (b) + (c) + (d)	6,05,923	5,96,231	5,73,752	18,02,858	16,80,898	22,68,373
	(a) Interest/discount on advances/bills	4,53,335	4,50,408	4,33,775	13,60,204	12,85,960	17,28,245
	(b) Income on Investments	1,39,806	1,32,410	1,28,128	4,01,314	3,69,296	4,99,020
	(c) Interest on Balances with Reserve Bank of India and other Inter Bank Funds	12,782	13,413	7,831	35,623	21,624	37,090
	(d) Others	0	0	4,018	5,717	4,018	4,018
2	Other Income	58,822	47,846	45,274	1,34,433	1,56,817	2,16,934
3	TOTAL INCOME (1+2)	6,64,745	6,44,077	6,19,026	19,37,291	18,37,715	24,85,307
4	Interest Expended	4,70,237	4,61,785	4,33,939	13,90,038	12,64,283	17,10,692
5	Operating Expenses (i) + ii)	1,21,876	1,09,348	89,014	3,33,036	2,92,817	3,74,891
	(i) Employees Cost	85,120	71,127	58,756	2,24,681	1,96,150	2,36,261
	ii) Other Operating expenses	36,756	38,221	30,258	1,08,355	96,667	1,38,630
6	TOTAL EXPENDITURE (4+5) (excluding Provisions & Contingencies)	5,92,113	5,71,133	5,22,953	17,23,074	15,57,100	20,85,583
7	OPERATING PROFIT before Provisions & Contingencies(3-6)	72,632	72,944	96,073	2,14,217	2,80,615	3,99,724
8	Provisions (other than tax) and Contingencies	1,18,304	89,238	81,124	2,37,469	2,27,414	3,47,840
9	Exceptional Items (Refer Note 10)	0	0	0	0	0	-32,420
10	Profit (+)/Loss(-) from Ordinary Activities before tax(7-8-9)	-45,672	-16,294	14,949	-23,252	53,201	84,304
11	Tax expenses	5,931	8,257	7,442	25,730	19,860	24,130
12	Net Profit (+) / Loss(-) from Ordinary Activities after tax (10-11)	-51,603	-24,551	7,507	-48,982	33,341	60,174
13	Extraordinary items (net of tax expense)	0	0	0	0	0	0
14	Net Profit (+) / Loss (-) for the period (12-13)	-51,603	-24,551	7,507	-48,982	33,341	60,174
15	Paid up equity share capital (Face value of each share - Rs.10/-)	1,23,535	1,23,535	1,15,385	1,23,535	1,15,385	1,23,535
16	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	13,28,910	13,28,910	10,88,866	13,28,910	10,88,866	13,28,910
17	Analytical Ratios						
	(i) Percentage of shares held by Govt. of India	73.80	73.80	79.01	73.80	79.01	73.80
	(a) Capital Adequacy Ratio (%) (Basel II)	NA	NA	NA	NA	NA	11.15
	(b) Capital Adequacy Ratio (%) (Basel III)	10.15	10.30	10.99	10.15	10.99	10.78
	(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)	-4.18	-1.99	0.78	-3.95	3.56	6.05
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized)	-4.18	-1.99	0.78	-3.95	3.56	6.05
	(iv) NPA Ratios						
	a) Gross NPA	14,50,051	13,33,375	9,16,808	14,50,051	9,16,808	9,02,048
	b) Net NPA	9,51,115	9,10,869	5,48,111	9,51,115	5,48,111	5,65,812
	c) % of Gross NPA	8.12	7.35	5.27	8.12	5.27	4.98
	d) % of Net NPA	5.52	5.17	3.24	5.52	3.24	3.20
	e) Return on assets (Annualised) (%)	-0.72	-0.35	0.11	-0.23	0.17	0.23
18	Public Shareholding						
	- No. of Shares	32 36 37 467	32 36 37 467	24 21 37 467	32 36 37 467	24 21 37 467	32 36 37 467
	- Percentage of share holding	26.20	26.20	20.99	26.20	20.99	26.20
19	Promoters and Promoter Group Shareholding						
	(a) Pledged/Encumbered						
	- Number of Shares						
	- Percentage of Shares (as a % of the total shareholding of promoter & promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total share capital of the company)						
	(b) Non-encumbered						
	- Number of Shares	91 17 10 848	91 17 10 848	91 17 10 848	91 17 10 848	91 17 10 848	91 17 10 848
	- Percentage of Shares (as a % of the total shareholding of promoter & promoter group)	100.00	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the company)	73.80	73.80	79.01	73.80	79.01	73.80



NOTES:

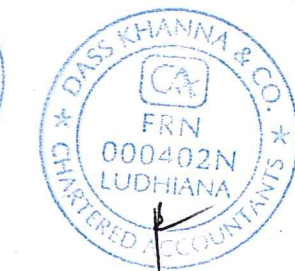
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|----|--|
| 1 | The above financial results are drawn in accordance with the accounting policies consistently followed by the Bank. |
| 2 | The working results for the Quarter/nine months ended 31/12/2014 have been arrived at after considering provision 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 have been estimated and apportioned on proportionate basis and are subject to adjustment, if any, at the year end. |
| 3 | Based on the available data, financial statements and the declaration from borrowers where ever received, the Bank has estimated the liability of Rs.19.54 Crore (Rs.15.85 crore as on 30.09.2014) on Unhedged Foreign Currency Exposure to their constituents in terms of RBI circular dated January 15, 2014. The estimated amount has been fully provided. |
| 4 | In accordance with the RBI circular no. DBOD.BP.BC.80/21.04.018/2010-11 dated 09.02.2011, an amount of Rs.12.33 crore has been charged to Profit & Loss Account for the quarter (Rs.36.99 crore for the nine months) towards the additional Gratuity fund requirement of Rs. 246.56 crore arising on account of amendment made to Payment of Gratuity Act, 1972, which is being amortized over a period of five years from financial year 2010-11. Remaining unamortized gratuity fund liability carried forward as on 31/12/2014 is Rs.12.33 crore. |
| 5 | Additional Pension Fund Liability crystallised as a result of exercise of second pension option of serving employees was Rs. 758.65 crore. In accordance with RBI circular no. DBOD.BP.BC. 80/21.04.018/2010-11 dated 09/02/2011, this liability is to be amortized over a period of five years from the financial year 2010-11 and an amount of Rs.37.93 crore has been reckoned during this quarter (Rs.113.79 crore for the nine months). Remaining unamortized Pension Fund liability carried forward as on 31/12/2014 is Rs.37.94 crore. |
| 6 | In accordance with RBI circular DBOD.No.BP.BC.2/21.06.201/2013-14 dated 1st July, 2013, banks are required to make Pillar 3 disclosures under Basel III capital requirements with effect from 30th September, 2013. The disclosures are being made available on our website at the following link http://www.iob.in/investor_cell.aspx . The disclosures have not been subjected to limited review. |
| 7 | Provision of Rs.33 Crore has been made during the quarter towards arrears for wage revision, which will be effective from 1st November 2012, pending negotiation by IBA, to make an aggregate provision of Rs.286 crore up to 31.12.2014 (up to 30.09.2014 Rs.253 crore) |
| 8 | The Provision Coverage Ratio of the Bank as on 31.12.2014 stood at 50.03%. |
| 9 | Previous period/year figures have been regrouped /reclassified/rearranged wherever necessary to make these comparable. |
| 10 | As permitted by RBI vide its circular No.DBOD.BP.95/21.04.048/2013-14 dated 07.02.2014 and also in pursuance to Bank's Board approved policy, the bank has utilised a sum of Rs.324.20 crore from Floating Provisions/Counter Cyclical Provisioning Buffer towards specific provision for non performing assets during the quarter / financial year ended 31.03.2014. |
| 11 | 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 5th February, 2015. These financial 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 Listing Agreement with the Stock Exchanges. |

Pending complaints at the beginning of the Quarter	-	3
Complaints received during the Quarter	-	67
Complaints redressed during the Quarter	-	70
Closing balance at the end of the Quarter	-	0

PLACE : CHENNAI
05.02.2015

(ATUL AGARWAL)
EXECUTIVE DIRECTOR

(R. KOTEESWARAN)
MANAGING DIRECTOR & CEO



INDIAN OVERSEAS BANK
CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600002
SEGMENT REPORTING FOR THE QUARTER ENDED 31ST DECEMBER 2014

Rs. in lacs

Particulars	Quarter ended			9 Months ended		Year ended
	31.12.2014 (Reviewed)	30.09.2014 (Reviewed)	31.12.2013 (Reviewed)	31.12.2014 (Reviewed)	31.12.2013 (Reviewed)	31.03.2014 (Audited)
1) Segment Revenue						
a) Treasury Operations	1,65,051	1 50 799	1 28 491	4 39 824	4 43 183	5 92 049
b) Corporate / Wholesale Banking	2,97,250	3 01 007	2 91 252	8 86 893	8 51 994	11 51 642
c) Retail Banking	1,93,698	1 86 332	1 63 323	5 84 984	5 10 248	7 13 605
d) Other Banking Operations	8,727	5 901	16 870	19 789	28 143	23 806
e) Unallocated	19	38	39	5 801	4 147	4 205
Total	6 64 745	6 44 077	5 99 975	19 37 291	18 37 715	24 85 307
Less: Inter segment Revenue	0	0	0	0	0	0
Income from Operations	6 64 745	6 44 077	5 99 975	19 37 291	18 37 715	24 85 307
2) Segment Results: Profit (+) / Loss (-)						
a) Treasury Operations	- 2 712	- 6 823	4 714	- 21 024	39 871	51 485
b) Corporate / Wholesale Banking	28,215	38 848	41 492	84 672	1 39 025	1 61 363
c) Retail Banking	39,098	35 709	34 873	1 26 928	73 637	1 63 371
d) Other Banking Operations	8,026	5 186	10 930	17 883	23 979	19 366
e) Unallocated	5	24	4 064	5 758	4 103	4 139
Operating Profit	72 632	72 944	96 073	2 14 217	2 80 615	3 99 724
Less: Provisions & Contingencies	1,18,304	89 238	81 124	2 37 469	2 27 414	3 47 840
Less: Income Tax	5,931	8 257	7 442	25 730	19 860	24 130
Less: Exceptional items (Refer Note 10)	-	-	-	-	-	- 32 420
Net Profit / Loss	- 51 603	- 24 551	7 507	- 48 982	33 341	60 174
3) Capital Employed :						
Segment Assets - Segment Liabilities						
a) Treasury Operations	5 74 448	5 77 583	5 29 515	5 74 448	5 29 515	5 56 594
b) Corporate / Wholesale Banking	6 60 389	7 05 473	6 55 818	6 60 389	6 55 818	7 31 069
c) Retail Banking	1 99 118	2 19 652	1 24 143	1 99 118	1 24 143	1 83 553
d) Other Banking Operations	50 381	41 459	33 342	50 381	33 342	8 907
e) Unallocated	75 834	70 220	1 55 232	75 834	1 55 232	1 36 896
Total	15 60 170	16 14 387	14 98 050	15 60 170	14 98 050	16 17 019
GEOGRAPHIC SEGMENTS						
Revenue						
Domestic	6,40,959	6 17 411	5 71 319	18 58 771	17 55 036	23 74 507
Overseas	23,786	26 666	28 656	78 520	82 679	1 10 800
Total	6 64 745	6 44 077	5 99 975	19 37 291	18 37 715	24 85 307
Assets						
Domestic	2 56 26 142	2 58 14 777	2 40 32 001	2 56 26 142	2 40 32 001	2 52 27 104
Overseas	20 68 755	22 76 100	25 05 252	20 68 755	25 05 252	22 63 380
Total	2 76 94 897	2 80 90 877	2 65 37 253	2 76 94 897	2 65 37 253	2 74 90 484

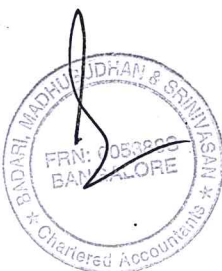
Notes on Segment Reporting

1. Segment expenses and liabilities have been apportioned on the basis of average segment assets, wherever direct allocation is not possible.
2. Figures of the previous year's/nine months/quarters have been regrouped / reclassified / rearranged wherever considered necessary to correspond with the current nine months /quarters classification / presentation

PLACE : CHENNAI
05.02.2015

(ATUL AGARWAL)
EXECUTIVE DIRECTOR

(R. KOTESWARAN)
MANAGING DIRECTOR & CEO





**INDIAN OVERSEAS BANK
CENTRAL OFFICE
CHENNAI**

05.02.2015

PRESS RELEASE

FINANCIAL PERFORMANCE HIGHLIGHTS AS ON 31.12.2014

1. TOTAL BUSINESS: Total Business grew from ₹. 3,87,406 crore as on 31.12.2013 to ₹. 4,11,354 crore as on 31.12.2014 recording a year on year growth of 6.18%.

2. DEPOSITS: Total Deposits grew from ₹. 2,13,319 crore as on 31.12.2013 to ₹. 2,32,822 crore as on 31.12.2014 recording a year on year growth of 9.14%.

3. ADVANCES: Total Gross Advances increased from ₹. 1,74,087 crore as on 31.12.2013 to ₹. 1,78,532 crore as on 31.12.2014 registering a year on year growth of 2.55%.

4. OPERATING PROFIT: Operating Profit for the Q3 of 2014-15 is Rs.726.31 crore.

5. NET LOSS: Net loss for Q3 of 2014-15 stood at Rs.516.03 crore. The net loss is due to the increased provisions for Domestic and Overseas Advances and also due to the conscious decision by the Bank in containing its credit growth.

6. TOTAL INCOME: Total income for the quarter ended 31.12.2014 stood at Rs.6,647.45 crore as against Rs.6,440.77 crore for the previous quarter ended 30.09.2014 with a growth of 3.21%.

7. INTEREST INCOME: Interest income for the quarter ended 31.12.2014 stood at Rs.6,059.23 crore as against Rs.5,962.30 crore for the previous quarter ended 30.09.2014, registering an increase of 1.63%.

8. NON INTEREST INCOME: Non-interest income (including profit on sale of investments) for the quarter ended 31.12.2014 stood at Rs.588.22 crore as against Rs.478.47 crore for the quarter ended 30.09.2014, recording a growth of 22.94%, due to improved performance of Treasury.

9. NET INTEREST INCOME: Net interest income increased marginally to Rs.1356.85 crore for Q3 of 2014-15 as against Rs.1344.45 crore for Q2 (2014-15).

10.NET INTEREST MARGIN: NIM stood at 2.05% during the quarter ending 31.12.2014.

11. CAPITAL ADEQUACY RATIO (CRAR) as per Basel III

	Basel III (30.09.2014)	Basel III (31.12.2014)
Tier I	7.30%	7.24%
Tier II	3.00%	2.91%
Total	10.30%	10.15%
CET 1	7.01%	6.95%

During February 2014-15, Bank has issued Basel III Compliant Additional Tier I Perpetual Bonds for Rs.1000 crore to augment further the capital requirements of the Bank under Basel III

12. BUSINESS PER EMPLOYEE: Business per employee for the quarter ending 31.12.2014 stood at Rs.12.61 crore.

13. CREDIT DEPOSIT RATIO: CD ratio for Q3 of 2014-15 stood at 76.68%.

14. CASA RATIO: CASA ratio improved to stood at 23.98% as on 31.12.2014 as against 23.76% as on 30.09.2014.

15. BOOK VALUE PER SHARE: Book value per share is ₹. 101.65 as on 31.12.2014.

16. NPA Management: Gross NPA as on 31.12.2014 stood at ₹. 14501 as against Rs.13,334 crore as on 30.09.2014 with Gross NPA ratio of 8.12% and 7.35% respectively.

Net NPA as on 31.12.2014 stood at Rs.9511.15 crore as against Rs.9108.81 crore as on 30.09.2014 with Net NPA ratio of 5.52% and 5.17% respectively.

The Bank's slippages, during the quarter were reduced by 50% due to focused efforts towards recovery / upgradation.

17. PROVISION COVERAGE RATIO: Provision Coverage Ratio (PCR) improved to 50.03% as on 31.12.2014, as against 48.74% as on 30.09.2014

AUDITORS' 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 for the period ended December 2014 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Bank's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these Financial Results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information* 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 financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. In the conduct of our Review, besides the 20 branches reviewed by us, we have relied on the review reports in respect of non performing assets received from concurrent auditors of 565 branches and other firm of auditors of 2 overseas branches specifically appointed for this purpose. These review reports cover 68.16 percent 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 statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement 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.

For Badari, Madhusudhan
& Srinivasan
Chartered Accountants
FRN 005389S

(N.SRINIVASAN)
Partner
M.No.027887



For B. Thiagarajan & Co
Chartered Accountants
FRN 004371S

(B.THIAGARAJAN)
Partner
M.No.018270



For Sankar & Moorthy
Chartered Accountants
FRN 003575S

(K.V.VINEETH KRISHNAN)
Partner
M.No.232371



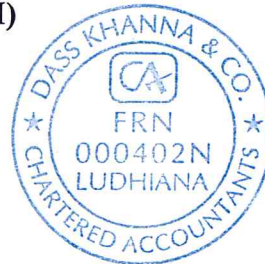
For P R Mehra & Co
Chartered Accountants
FRN 000051N

(ASHOK MALHOTRA)
Partner
M.No.082648



For Dass Khanna & Co
Chartered Accountants
FRN 000402N

(RAKESH SONI)
Partner
M.No.083142



Place: Chennai
Date: 05.02.2015