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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/ /16-17

09.08.2016

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 June 2016**

We refer our letter No. IRC/134/2016-17 dated 01.08.2016 and confirm that the Board Meeting for consideration of unaudited (Reviewed) Financial Results of the Bank for the quarter ended 30th June 2016 was held today (i.e., 09.08.2016) and the Board approved the same.

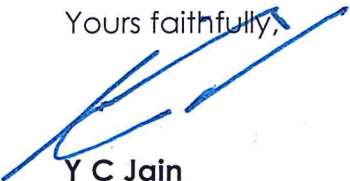
In this connection, we enclose the following:

1. Unaudited (Reviewed) Financial Results for the quarter ended 30.06.2016
2. Press Release dated 09.08.2016 and
3. Auditors' Review Report

Please take the above information on record.

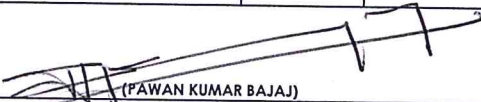
Thanking you.

Yours faithfully,


Y C Jain
General Manager & CFO

Encl: As above

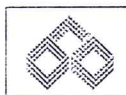


 INDIAN OVERSEAS BANK CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600002 UNAUDITED (REVIEWED) FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2016					
Sl.No.	Particulars	Three months ended 30.06.2016	Quarter ended 31.03.2016 (Audited)	Quarter ended 30.06.2015 (Reviewed)	Rs. in Lacs Year ended 31.03.2016 (Audited)
1	Interest Earned (a) + (b) +(c)+ (d)	5,21,554	5,47,169	6,13,727	23,51,729
	(a)Interest/discount on advances/bills	3,73,722	3,79,426	4,38,667	16,66,231
	(b) Income on Investments	1,37,432	1,59,427	1,64,097	6,48,351
	(c) Interest on Balances with Reserve Bank of India and other Inter Bank Funds	10,400	8,316	10,963	37,147
	(d) Others	0	0	0	0
2	Other Income	65,290	68,603	53,484	2,52,826
3	TOTAL INCOME (1+2)	5,86,844	6,15,772	6,67,211	26,04,555
4	Interest Expended	3,97,047	4,16,383	4,80,825	18,13,460
5	Operating Expenses (i) + (ii)	1,20,742	1,27,961	1,30,755	5,02,550
	(i) Employees Cost	82,008	78,234	94,739	3,39,040
	(ii) Other Operating Expenses	38,734	49,727	36,016	1,63,510
6	TOTAL EXPENDITURE (4+ 5) excluding Provisions & Contingencies	5,17,789	5,44,344	6,11,580	23,16,010
7	OPERATING PROFIT (before provisions & contingencies (3-6))	69,055	71,428	55,631	2,88,545
8	Provisions (other than tax) and Contingencies	2,13,781	2,66,616	66,357	6,78,356
9	Exceptional Items (Refer Note No. 6)	0	0	0	-17,000
10	Net Profit(+) / Loss(-) from Ordinary Activities before Tax (7-8-9)	-1,44,726	-1,95,188	-10,726	-3,72,811
11	Tax Expenses	324	-1,01,569	-12,202	-83,078
12	Net Profit(+) / Loss(-) from Ordinary Activities after Tax (10-11)	-1,45,050	-93,619	1,476	-2,89,733
13	Extraordinary Items (net of tax expense)		0	0	0
14	Net Profit(+) / Loss(-) for the period (12-13)	-1,45,050	-93,619	1,476	-2,89,733
15	Paid-up Equity Share Capital (Face Value of each share - Rs.10/-)	1,89,901	1,80,726	1,23,535	1,80,726
16	Reserves excluding Revaluation Reserves (As per Balance Sheet of Previous Accounting Year)	10,62,128	10,62,128	13,15,346	10,62,128
17	Analytical Ratios				
	(i) Percentage of shares held by Govt. of India	73.58	77.32	73.80	77.32
	(ii) Capital Adequacy Ratio (%) (Basel III)	9.47	9.66	9.75	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	-7.86	-5.56	0.12	-19.86
	b) Basic and Diluted EPS after Extraordinary items (Net of tax expense) for the period, for the year to date and for the	-7.86	-5.56	0.12	-19.86
	(iv) NPA Ratios				
	(a) Gross NPA	33,91,315	30,04,863	16,45,120	30,04,863
	(b) Net NPA	21,32,124	19,21,257	10,64,043	19,21,257
	(c) % of Gross NPA	20.48%	17.40%	9.40	17.40%
	(d) % of Net NPA	13.97%	11.89%	6.31	11.89%
	(e) Return on Assets (Annualized)	-2.00	-1.25	0.02	-0.97
PLACE : CHENNAI Date : 09.08.2016  (PAWAN KUMAR BAJAJ) EXECUTIVE DIRECTOR  (ATUL AGARWAL) EXECUTIVE DIRECTOR					



INDIAN OVERSEAS BANK	
CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600002	
UNAUDITED (REVIEWED) FINANCIAL RESULTS FOR THE QUARTER ENDED 30 th JUNE 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 30/06/2016 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 30.06.2016, Tier II Bonds of Rs.250 crore issued on 09.01.2006 were redeemed on their due date on 09.04.2016 and Perpetual Tier I Basel II bonds for Rs 200 crore issued on 18.5.2006 were redeemed by exercising call option on 18.05.2016.
5	The Bank has allotted 9,17,48,448 equity shares of Rs.10/- each at a premium of Rs.18.55 per share on preferential basis to Qualified Institutional Buyers on 23.05.2016 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 have not been reconciled. Considering the nature of issues identified, there could be some more unidentified issues as well. Hence the management intends to conduct a comprehensive migration 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	Persuant to RBI Circular No. DBR. No. BP.BC.83/21.06.201/2015-16 dated 01.03.2016, the Bank has as at 30.06.2016 considered the revaluation reserve and Foreign Currency Translation Reserve for CET 1 capital as prescribed by RBI in the said Circular
9	The Provision Coverage Ratio of the Bank as on 30.06.2016 stood at 47.61%
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 09.08.2016.
11	Previous period/year figures have been regrouped/reclassified wherever necessary.
PLACE : CHENNAI Date : 09.08.2016  (PAWAN KUMAR BAJAJ) EXECUTIVE DIRECTOR  (ATUL AGARWAL) EXECUTIVE DIRECTOR	





INDIAN OVERSEAS BANK
CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600002
SEGMENT RESULTS FOR THE QUARTER ENDED 30TH JUNE 2016

Rs in Lacs

Particulars	Quarter ended 30.06.2016 (Reviewed)	Quarter ended 31.03.2016 (Audited)	Quarter ended 30.06.2015 (Reviewed)	Year ended 31.03.2016 (Audited)
1) Segment Revenue				
a) Treasury Operations	1 61 403	1 83 596	1 84 681	7 27 900
b) Corporate / Wholesale Banking	2 41 560	2 85 385	2 94 845	11 31 431
c) Retail Banking	1 78 426	1 40 811	1 81 349	7 17 221
d) Other Banking Operations	5 438	5 960	6 280	27 879
e) Unallocated	17	20	56	124
Total	5 86 844	6 15 772	6 67 211	26 04 555
Less: Inter segment Revenue	0	0	0	0
Income from Operations	5 86 844	6 15 772	6 67 211	26 04 555
2) Segment Results after Provisions & Before Tax				
a) Treasury Operations	28 333	32 847	3 360	61 014
b) Corporate / Wholesale Banking	- 12 269	23 953	21 259	54 051
c) Retail Banking	48 574	10 099	25 508	1 49 887
d) Other Banking Operations	4 405	4 515	5 451	23 491
e) Unallocated	12	14	53	102
Operating Profit	69 055	71 428	55 631	2 88 545
3) Capital Employed : Segment Assets-Segment Liabilities				
a) Treasury Operations	5 15 760	7 86 944	5 67 304	7 86 944
b) Corporate / Wholesale Banking	4 63 315	4 17 855	6 08 556	4 17 855
c) Retail Banking	2 20 628	1 79 157	2 29 322	1 79 157
d) Other Banking Operations	11 009	(45 976)	45 696	- 45 976
e) Unallocated	2 35 483	2 28 602	1 12 075	2 28 602
Total	14 46 195	15 66 582	15 62 953	15 66 582

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 : 09.08.2016

(PAWAN KUMAR BAJAJ)
EXECUTIVE DIRECTOR

(ATUL AGARWAL)
EXECUTIVE DIRECTOR





INDIAN OVERSEAS BANK
CENTRAL OFFICE
CHENNAI

PRESS RELEASE

09.08.2016

FINANCIAL PERFORMANCE HIGHLIGHTS AS ON 30TH JUNE 2016

(1) TOTAL BUSINESS: Total business stood at Rs.3,84,040 crore as on 30th June 2016

(2) DEPOSITS: Total deposits stood at Rs.2,18,484 crore as on 30th June 2016 as against Rs.2,32,064 crore as on 30th June 2015. The reduction of deposits on account of reduction of high cost Deposits.

(3) ADVANCES: Gross Advances stood at Rs.1,65,556 crore as on 30th June 2016 as against Rs 1,74,963 crore as on 30th June 2015. As the Bank was in consolidation mode, credit growth was contained consciously, in the backdrop of low credit off-take.

(4) OPERATING PROFIT: Operating Profit for the quarter ended 30th June 2016 was Rs. 690.55 crore as against Rs.556.31 crore in June 2015 thereby registering a growth of 24.13%

(5) NET PROFIT: Net loss for the quarter ended 30.06.2016 stood at Rs.1450.50 crore on account of higher provisions.

(6) TOTAL INCOME: Total income for the quarter ended 30.06.2016 stood at Rs. 5868.44 crore

(7) INTEREST INCOME: Interest income stood at Rs. 5215.54 crore for the quarter ended 30th June 2016.

(8) NON INTEREST INCOME: Non-interest income was Rs.652.90 crore for the quarter ended 30th June 2016 as against Rs.534.84 crore as on 30th June 2015.

(9) NPA MANAGEMENT: Gross NPA as at 30th June 2016 was at Rs. 33,913.15 crore with Gross NPA ratio of 20.48%

Net NPA stood at Rs.21321.24 crore with Net NPA ratio 13.97%. as on 30.06.2016

(10) PROVISION COVERAGE RATIO stood at 47.61% as of 30.06.2016





(11). CAPITAL ADEQUACY RATIO (CRAR):

	Basel III	Position after GOI Capital infusion of Rs. 1551 crore
CET I	6.78%	7.69%
Tier I	7.39%	8.30%
Tier II	2.08%	2.07%
Total	9.47%	10.37%

During the quarter ended 30th June 2016 the Bank has raised capital of Rs 261.94 crore by issue of 9.17 crore equity shares by way of Qualified Institutions Placements (including share premium).

GOI has advised their decision to allocate funds to the tune of Rs.3101 crore in our Bank by way of preferential allotment of equity in favour of GOI, 50% of the above indicated amount, Rs.1551 crore is marked for immediate infusion. With the GOI infusion, our CRAR position will be above the Regulatory minimum of 9.625%

12. KEY FINANCIAL RATIOS:

12.1. Net Interest Margin: For the quarter ended 30.06.2016: 1.87%

12.2. Credit Deposit Ratio: Stood at 75.77% as on 30.06.2016

12.3. CASA ratio: The ratio improved to 30.17% as on 30.06.2016 as against 29.10% as on 31.03.2016.

12.4. Cost to income ratio stood at 63.62% as on 30.06.2016.

13. IT INITIATIVES: Bank has completed Technology Upgrade and IT Transformation to new outsourced 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 quarter ended June 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 2888 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 499 branches, specifically appointed for this purpose. These review reports cover 69.29 percent (of which 31.56 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.

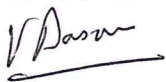
5. Emphasis of Matter

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. AJAY R. THAKKAR KOTECHA)

Partner

M.No.110837



Place : Chennai

Date : 09.08.2016