ORIENTAL BANK OF COMMERCE

CORPORATE OFFICE, GURGAON

Audited Financial Results for the Quarter/ Financial Year ended March 31st, 2014

(₹ in lakhs)

S.No.	Particulars	Quarter ended 31.03.2014	Quarter ended 31.12.2013	Quarter ended 31.03.2013	Year ended 31.03.2014	Year ended 31.03.2013
		(Audited)	(Reviewed)	(Audited)	(Audited)	(Audited)
1	**Interest earned (a+b+c+d)**	**490082**	**472317**	**453430**	**1901748**	**1770478**
a)	Interest/discount on advances/bills	371651	362168	349376	1456400	1375806
b)	Income on Investments	111474	107506	96863	431104	385381
c)	Interest on balances with Reserve Bank of India and other inter Bank funds	2257	2079	1188	8259	3146
d)	Others	4700	564	6003	5985	6145
2	**Other Income**	**75454**	**34081**	**46171**	**194527**	**165471**
3	**Total Income (1+2)**	**565536**	**506398**	**499601**	**2096275**	**1935949**
4	**Interest Expended**	**359212**	**349274**	**332053**	**1389038**	**1300362**
5	**Operating Expenses (i)+(ii)+(iii)**	**67950**	**71284**	**72895**	**291688**	**266518**
(i)	Employees cost	38641	39373	44278	167670	157609
(ii)	Rent Taxes & Lighting	7276	7312	7208	28874	26398
(iii)	Other operating expenses	22033	24599	21409	95144	82511
6	**Total Expenditure (4) + (5) (Excluding Provisions and Contingencies)**	**427162**	**420558**	**404948**	**1680726**	**1566880**
7	**OPERATING PROFIT before provisions and contingencies (3-6)**	**138374**	**85840**	**94653**	**415549**	**369069**
8	Provisions(other than tax) and Contingencies	93071	56110	75878	257507	215461
9	Exceptional Items	0	0	0	0	0
10	**Profit (+)/loss(-) from Ordinary Activities before tax (7-8-9)**	**45303**	**29730**	**18775**	**158042**	**153608**
11	Tax Expense- Current Year	14271	7300	-12019	44101	20813
12	**Profit (+)/loss(-) from Ordinary Activities after Tax(10-11)**	**31032**	**22430**	**30794**	**113941**	**132795**
13	Extraordinary items(net of tax expense)	0	0	0	0	0
14	**Net Profit (+)/ Loss (-) for the period(12-13)**	**31032**	**22430**	**30794**	**113941**	**132795**
15	**Paid-up equity share capital (Face value of each share -₹ 10/-)**	29985	29985	29176	29985	29176
16	**Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)**	**1247950**	**1180715**	**1180715**	**1247950**	**1180715**

(₹ in lakhs)

S.No.	Particulars	Quarter ended 31.03.2014	Quarter ended 31.12.2013	Quarter ended 31.03.2013	Year ended 31.03.2014	Year ended 31.03.2013
17	**Analytical Ratios**					
(i)	**Percentage of shares held by Government of India**	59.13	59.13	58.00	59.13	58.00
(ii)	Capital Adequacy Ratio (%) - **BASEL II**	11.85	11.59	12.04	11.85	12.04
	Capital Adequacy Ratio (%) - **BASEL III**	11.01	11.00	NA	11.01	NA
(iii)	**Earning Per Share (in ₹)**					
	a) Basic and diluted EPS before Extraordinary items (net of tax expense) for the quarter - not annualised	10.36	7.64	10.55	38.73	45.51
	b) Basic and diluted EPS after Extraordinary items for the quarter - not annualised	10.36	7.64	10.55	38.73	45.51
(iv)	**NPA RATIOS**					
	(a) Gross NPA	561786	518411	418396	561786	418396
	(b) Net NPA	390442	383345	290266	390442	290266
	(c) % of Gross NPA	3.99	3.87	3.21	3.99	3.21
	(d) % of Net NPA	2.82	2.91	2.27	2.82	2.27
	Return on Assets (Annualised)(%)	0.58	0.44	0.65	0.56	0.71
18	**Public shareholding**					
	- Number of shares	122539700	122539700	122539700	122539700	122539700
	- Percentage of shareholding	40.87	40.87	42.00	40.87	42.00
19	**Promoters and Promoter Group Shareholding**					
	a) Pledged/ Encumbered					
	Number of Shares	Nil	Nil	Nil	Nil	Nil
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil
	Percentage of Shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil
	b) Non- Encumbered					
	Number of Shares	177309043	177309043	169221482	177309043	169221482
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100	100.00
	Percentage of Shares (as a % of the Total share capital of the Company)	59.13	59.13	58.00	59.13	58.00

ORIENTAL BANK OF COMMERCE

SEGMENT REPORTING FOR THE QUARTER/ YEAR ENDED 31.03.2014

(₹ In Lakhs)

	Part A : Business Segments	Quarter ended			Year ended	
		31.03.2014 (Audited)	31.12.2013 (Reviewed)	31.03.2013 (Audited)	31.03.2014 (Audited)	31.03.2013 (Audited)
1	**Segment Revenue**					
	(a) Treasury Operations	120437	116925	107346	480394	417677
	(b) Corporate/Wholesale Banking	295534	265538	259966	1096008	1068026
	(c) Retail Banking	238294	216315	209965	886181	779638
	(d) Other Banking Business	10488	7692	6741	31187	22187
	(e) Unallocated	0	0	0	0	0
	Total	**664753**	**606470**	**584018**	**2493770**	**2287528**
	Less: Inter Segment Revenue	105130	100623	92485	404694	359856
	Net sales/Income from operations	**559623**	**505847**	**491533**	**2089076**	**1927672**
2	**Segment Results (Profit) + Loss (-) before tax and interest**					
	(a) Treasury Operations	7091	6380	9108	45721	60078
	(b) Corporate/Wholesale Banking	15223	11001	191	51465	45564
	(c) Retail Banking	12275	8961	154	41560	31878
	(d) Other Banking Business *	5115	2885	2285	12879	8963
	(e) Unallocated	0	0	0	0	0
	Total	**39704**	**29227**	**11738**	**151625**	**146483**
	Less:					
	(i) interest	0	0	0	0	0
	(ii) Other Un-allocable Expenditure net off unall	-5599	-503	-7037	-6417	-7125
	(iv) Taxes	14271	7300	-12019	44101	20813
	Total Profit after Tax	**31032**	**22430**	**30794**	**113941**	**132795**
3	**Capital Employed**(Segment Assets-Segment Liabilities)					
	(a) Treasury Operations	91412	90550	83875	91412	83875
	(b) Corporate/Wholesale Banking	623189	625702	582338	623189	582338
	(c) Retail Banking	502488	509716	470334	502488	470334
	(d) Other Banking Business	11945	11817	9989	11945	9989
	(e) Unallocated	114033	136005	131019	114033	131019
	Total	**1343067**	**1373790**	**1277554**	**1343067**	**1277554**

* Based on allocation of direct cost only.

Part B : Geographical Segments

Bank does not have foreign operations (Branches in foreign country) and hence no disclosure.

(₹ in lacs)

STATEMENT OF ASSETS AND LIABILITIES	Sch No.	As on 31.03.2014	As on 31.03.2013
CAPITAL & LIABILITIES			
Capital	1	29985	29176
Reserves & Surplus	2	1313082	1248378
Deposits	3	19348896	17589752
Borrowings	4	786361	767933
Other Liabilities and Provisions	5	551926	434481
Total		**22030250**	**20069720**
ASSETS			
Cash & Balances with Reserve Bank of India	6	998115	817194
Balances with Banks and Money at Call & Short Notice	7	428777	41768
Investments	8	6147223	5855466
Advances	9	13907984	12895506
Fixed Assets	10	125557	122741
Other Assets	11	422594	337045
Total		**22030250**	**20069720**

Notes:-

1. The Bank has followed the same Accounting Policies in preparation of this financial results as were followed in the Annual Financial Statements for the year ended 31.03.2013.
2. The working results of the Bank for the year ended March 31, 2014 have been arrived at after considering provision for non-performing advances, non-performing investments, depreciation on investments, standard advances and other usual and necessary provisions.
3. In terms of RBI circular DBOD. BP. BC.80/21.04.018/ 2010-11 dated 09.02.2011, the Bank has opted to amortise pension liability with respect to second pension optees for a period of 5 years commencing from FY 2010-11. Accordingly, out of the balance unamortized amount of Rs.341.80 crore as on 01.04.2013, the Bank has amortised Rs 170.90 crore being amount for the year ended 31.03.2014.
4. The Provisioning Coverage Ratio as at 31st March, 2014 works out to 60.15%.
5. No. of Investor Complaints:- (i) Outstanding at the beginning of the quarter- 20, (ii) Received during the Quarter- 128, (iii) Disposed-off during the quarter- 107 and (iv) Outstanding at the end of the quarter- 41.
6. The above financial results were recommended by the audit committee and approved by the Board of Directors of the Bank in their meeting held on 30.04.2014.
7. The figures of the previous year have been regrouped/ rearranged, wherever necessary.

(Suresh N Patel)
(Executive Director)

(Bhupinder Nayyar)
(Executive Director)

(S. L. Bansal)
(Chairman & Managing Director)

Place: Gurgaon
Date: 30th April, 2014

JAIN KAPILA ASSOCIATES
Chartered Accountants
C-4, First Floor, Jangpura Extension,
NEW DELHI-110014

P. L. TANDON & CO.
Chartered Accountants
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P.O. Box No.113,
KANPUR-208001

SHAH & TAPARIA
Chartered Accountants
12, Navjeevan Wadi,
Dhobi Talao,
MUMBAI-400002

BANSAL R. KUMAR & ASSOCIATES
Chartered Accountants
G-7 & 8, Namdhari Chambers, 9/54,
D.B. Gupta Road, Karol Bagh,
NEW DELHI-110005

R.S. SIPAYYA & CO.
Chartered Accountants
110, Shivlok House-1,
Karampura Complex
NEW DELHI-110015

INDEPENDENT AUDITORS' REPORT

To

The President of India,

Report on the Financial Statements

1. We have audited the accompanying financial statements of the **Oriental Bank of Commerce** as at 31st March, 2014, which comprise the Balance Sheet as at 31st March, 2014, the Profit & Loss account and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of 20 branches audited by us and 1100 branches audited by branch auditors. The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also incorporated in the Balance Sheet and the Profit and Loss Account are the returns from 1007 branches which have not been subjected to audit. These unaudited branches account for 4.97% of advances, 15.69% of deposits, 3.24% of interest income and 14.11% of interest expenses.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with the Banking Regulation Act, 1949. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified opinion:

6. We draw attention to note no. 15 (d) of Schedule – 18 wherein the plan assets of the pension fund and gratuity fund includes an amount of Rs.117.51 crore and Rs.59.20 crore respectively invested by the trust in the Bank's own Bonds / Deposits which is not in accordance with Accounting Standard – 15 " Employee's Benefits" issued by the Institute of Chartered Accountant of India.

Opinion

7. Except for the matter described in the basis for qualified opinion paragraph 6, in our opinion, as shown by books of bank, and to the best of our information and according to the explanations given to us -

   (i) the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of state of affairs of the Bank as at 31st March, 2014, in conformity with accounting principles generally accepted in India;

   (ii) the Profit and Loss Account, read with the notes thereon shows a true balance of profit, in conformity with accounting principles generally accepted in India, for the year covered by the account; and

   (iii) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Emphasis of Matter

8. We draw attention to-

   (i) Note no. 15(e) of schedule 18 regarding deferment of pension liability to the extent of Rs. 170.90 Crores (previous year Rs 341.80 Crores) pursuant to exemption granted by the Reserve Bank of India to the public sector banks from application of the provisions of Accounting Standards (AS) 15, "Employee Benefits" vide its circular no. DBOD. BP.BC/80/21.04.018/2010-11 dated 09.02.2011 on Re-opening of Pension Option to Employees of Public Sector Banks and Enhancement in Gratuity Limits – Prudential Regulatory Treatment.

   (ii) Note No.15(l) of Schedule 18 regarding funds of M/s JNPT and pending investigation of matter by Central Bureau of Investigation. Due to uncertainty relating to future outcome of the investigation, we are unable to comment on claim on bank which may arise on finalisation of investigation.

Our opinion is not qualified in respect of above matters.

Report on Other Legal and Regulatory Requirements

9. The Balance Sheet and the Profit and Loss Account have been drawn up in Forms "A" and "B" respectively of the Third Schedule to the Banking Regulation Act, 1949.

10 Subject to the limitations of the audit indicated in paragraph 1 to 5 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, and subject also to the limitations of disclosure required therein, we report that: -

(i) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of audit and have found them to be satisfactory.

(ii) The transactions of the Bank, which have come to our notice have been within the powers of the Bank.

(iii) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

11 In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable Accounting Standards.

For JAIN KAPILA ASSOCIATES
Chartered Accountants
FRN 000287-N

(D.K. Kapila)
Partner
M.No.016905

For P.L. TANDON & CO.
Chartered Accountants
FRN 000186-C

(Rajendra Kumar Gupta)
Partner
M.No.073250

For SHAH & TAPARIA
Chartered Accountants
FRN 109463-W

(Nand Lal Shah)
Partner
M.No.006936

For BANSAL R. KUMAR & ASSOCIATES
Chartered Accountants
FRN 008186-N

(R.K. Gupta)
Partner
M.No.086851

For R.S. SIPAYYA & Co.
Chartered Accountants
FRN 000321-N

(R.S. Sipayya)
Partner
M.No.017762

Place: Gurgaon

Date: 30th April, 2014