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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/ /2014-15

30.10.2014

To

The Vice President

National Stock Exchange Limited

"Exchange Plaza", C-1, Block G

Bandra-Kurla Complex, Bandra (E)

Mumbai 400 051

Attn : Shri K. Hari

Fax : 022-26598237/38

Dear Sir,

**Sub: Board Meeting: Intimation under Clause 41 of Listing Agreement
Unaudited (Reviewed) Financial Results of the Bank
for the quarter ended 30th September 2014**

Further to our letter dated BSMD/IRC/164/2014-15 dated 20.10.2014 on the above subject, we advise that the Board of Directors of our Bank in their meeting held today i.e. Thursday, 30th October 2014, have considered and approved the Unaudited (Reviewed) Financial Results of the bank for the quarter ended 30th September 2014.

We enclose the following for your records:

1. Unaudited (Reviewed) Financial Results for the quarter ended 30th September 2014 duly signed by Executive Directors.
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 600002
UNAUDITED (REVIEWED) FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2014

SL. NO.	Particulars	Quarter ended 30.09.2014 (Reviewed)	Quarter ended 30.06.2014 (Reviewed)	Quarter ended 30.09.2013 (Reviewed)	Half year ended 30.9.2014 (Reviewed)	Half year ended 30.9.2013 (Reviewed)	Year ended 31.3.2014 (Audited)
Rs. in lacs							
1	Interest Earned (a) + (b) + (c) + (d)	5,96,231	6,00,704	5,66,884	11,96,935	11,07,147	22,68,373
	(a) Interest/discount on advances/bills	4,50,408	4,56,461	4,36,861	9,06,869	8,52,185	17,28,245
	(b) Income on Investments	1,32,410	1,29,098	1,23,923	2,61,508	2,41,167	4,99,020
	(c) Interest on Balances with Reserve Bank of India and other Inter Bank Funds	13,413	9,428	6,100	22,841	13,795	37,090
	(d) Others	0	5,717	0	5,717	0	4,018
2	Other Income	47,846	27,765	33,091	75,611	1,11,543	2,16,934
3	TOTAL INCOME (1+2)	6,44,077	6,28,469	5,99,975	12,72,546	12,18,690	24,85,307
4	Interest Expended	4,61,785	4,58,016	4,21,702	9,19,801	8,30,343	17,10,692
5	Operating Expenses (i) + (ii)	1,09,348	1,01,812	99,173	2,11,160	2,03,805	3,74,891
	(i) Employees Cost	71,127	68,434	66,848	1,39,561	1,37,394	2,36,261
	(ii) Other Operating expenses	38,221	33,378	32,325	71,599	66,411	1,38,630
6	TOTAL EXPENDITURE (4+5) (excluding Provisions & Contingencies)	5,71,133	5,59,828	5,20,875	11,30,961	10,34,148	20,85,583
7	OPERATING PROFIT before Provisions & Contingencies(3-6)	72,944	68,641	79,100	1,41,585	1,84,542	3,99,724
8	Provisions (other than tax) and Contingencies	89,238	29,927	61,990	1,19,165	1,46,290	3,47,840
9	Exceptional Items (refer note no.11-cyclical provision)	0	0	0	0	0	-32,420
10	Profit (+)/Loss(-) from Ordinary Activities before tax(7-8-9)	-16,294	38,714	17,110	22,420	38,252	84,304
11	Tax expenses	8,257	11,542	3,855	19,799	12,418	24,130
12	Net Profit (+) / Loss(-) from Ordinary Activities after tax (10-11)	-24,551	27,172	13,255	2,621	25,834	60,174
13	Extraordinary items (net of tax expense)	0	0	0	0	0	0
14	Net Profit (+) / Loss (-) for the period (12-13)	-24,551	27,172	13,255	2,621	25,834	60,174
15	Paid up equity share capital (Face value of each share - Rs.10/-)	1,23,535	1,23,535	92,410	1,23,535	92,410	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	73.80	73.80	73.80	73.80
	(ii) (a) Capital Adequacy Ratio (%) (Basel II)	NA	NA	NA	NA	NA	11.15
	(ii) (b) Capital Adequacy Ratio (%) (Basel III)	10.30	10.61	10.66	10.30	10.66	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)	-1.99	2.20	1.43	0.21	2.80	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)	-1.99	2.20	1.43	0.21	2.80	6.05
	(iv) NPA Ratios						
	a) Gross NPA	13,33,375	10,35,083	8,20,156	13,33,375	8,20,156	9,02,048
	b) Net NPA	9,10,869	6,64,362	4,87,494	9,10,869	4,87,494	5,65,812
	c) % of Gross NPA	7.35	5.84	4.65	7.35	4.65	4.98
	d) % of Net NPA	5.17	3.85	2.83	5.17	2.83	3.20
	e) Return on assets (Annualised) (%)	-0.35	0.39	0.20	0.02	0.20	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	26.20	26.20	26.20	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	68 19 57 833	91 17 10 848	68 19 57 833	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	73.80	73.80	73.80	73.80



SUMMARISED BALANCE SHEET				₹ in lacs
	As at 30.09.2014 (Reviewed)	As at 30.09.2013 (Reviewed)	As at 31.03.2014 (Audited)	
Capital & Liabilities				
Capital	1,23,535	92,410	1,23,535	
Reserves and Surplus	14,90,850	12,78,517	15,10,301	
Deposits	2,39,22,358	2,12,70,547	2,27,97,609	
Borrowings	19,19,880	28,25,725	24,45,603	
Other Liabilities & Provisions	6,34,254	5,09,816	6,13,436	
Total	2,80,90,877	2,59,77,015	2,74,90,484	
Assets				
Cash & Balances with Reserve Bank of India	11,78,405	8,81,219	11,73,510	
Balances with Banks & Money at call and Short Notice	10,57,237	2,90,118	7,27,368	
Investments	74,39,404	67,81,538	70,23,680	
Advances	1,75,18,127	1,71,26,395	1,75,88,776	
Fixed Assets	2,56,450	1,92,793	2,60,438	
Other Assets	6,41,254	7,04,952	7,16,712	
Total Assets	2,80,90,877	2,59,77,015	2,74,90,484	



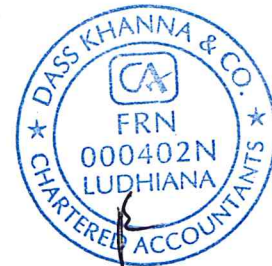
Notes:

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/Half year ended 30/09/2014 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 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, available financial statements and the declaration from borrowers wherever received, the Bank has estimated the liability of Rs.15.85 Crore(Rs.29.35 crore as on 30.06.2014) 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.24.66 crore for the Half Year) 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 30/09/2014 is Rs.24.66 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 financial year 2010-11 and an amount of Rs.37.93 crore has been reckoned during this quarter(Rs.75.86 crore for the Half Year). Remaining unamortized Pension Fund liability carried forward as on 30/09/2014 is Rs.75.87 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 . These 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.253 crore up to 30.09.2014 (up to 30.06.2014 Rs.220 crore).	
8	During the quarter, Non-Performing Financial Assets aggregating to Rs.1.75 crore (net of NPA provisions) were assigned to Asset Reconstruction Companies for an aggregate consideration of Rs. 51.41crore	
9	The Provision Coverage Ratio of the Bank as on 30.09.2014 stood at 48.74%.	
10	Previous period/year figures have been regrouped/reclassified wherever necessary to confirm to current period's classification.	
11	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.	
12	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 30th October, 2014.	
13	The position of Investors' Complaints for the period 01.07.2014 to 30.09.2014 is as under:	
	Pending complaints at the beginning of the Quarter	- Nil
	Complaints received during the Quarter	- 63
	Complaints redressed during the Quarter	- 60
	Closing balance at the end of the Quarter	- 3*
	* Of the three complaints, one complaint was resolved on 01.10.2014 and the other two were resolved on 07.10.2014	

PLACE : CHENNAI
DATE: 30.10.2014

(ATUL AGARWAL)
EXECUTIVE DIRECTOR

(A D M CHAVALA)
EXECUTIVE DIRECTOR



INDIAN OVERSEAS BANK
CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600002
SEGMENT REPORTING FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER 2014

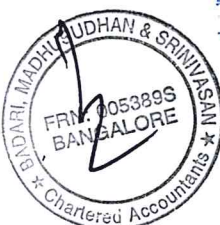
Rs. in lacs

Particulars	Quarter ended 30.09.2014 (Reviewed)	Quarter ended 30.06.2014 (Reviewed)	Quarter ended 30.09.2013 (Reviewed)	Half Year ended 30.09.2014 (Reviewed)	Half Year ended 30.09.2013 (Reviewed)	Year ended 31.03.2014 (Audited)
1) Segment Revenue (Refer Note 10)						
a) Treasury Operations	1,50,799	1 23 974	1 28 492	2 74 773	2 98 015	5 92 049
b) Corporate / Wholesale Banking	3,01,007	2 88 636	2 91 241	5 89 643	5 79 322	11 51 642
c) Retail Banking	1,86,332	2 04 954	1 71 089	3 91 286	3 25 397	7 13 605
d) Other Banking Operations	5,901	5 161	9 114	11 062	15 888	23 806
e) Unallocated	38	5 744	39	5 782	68	4 205
Total	6 44 077	6 28 469	5 99 975	12 72 546	12 18 690	24 85 307
Less: Inter segment Revenue	-	-	-	-	-	-
Income from Operations	6,44,077	6 28 469	5 99 975	12 72 546	12 18 690	24 85 307
2) Segment Results after Provisions & Before Tax (Refer Note 10)						
a) Treasury Operations	893	(19 205)	(4,220)	(18 312)	35 157	1 05 764
b) Corporate / Wholesale Banking	33 948	22 509	53 371	56 457	97 533	1 79 472
c) Retail Banking	32 893	54 937	22 533	87 830	38 764	90 983
d) Other Banking Operations	5 186	4 671	7 391	9 857	13 049	19 366
e) Unallocated	24	5 729	25	5 753	39	4 139
Operating Profit	72 944	68 641	79 100	1 41 585	1 84 542	3 99 724
Less: Provisions & Contingencies	89 238	29 927	61 990	1 19 165	1 46 290	3 47 840
Less: Income tax	8 257	11 542	3 855	19 799	12 418	24 130
Less: Exceptional items	-	-	-	-	-	(32,420)
Net Profit / (Loss)	(24,551)	27 172	13 255	2 621	25 834	60 174
3) Capital Employed : Segment Assets - Segment Liabilities						
a) Treasury Operations	5 71 147	5 89 715	4 64 415	5 71 147	4 64 415	5 51 363
b) Corporate / Wholesale Banking	7 10 223	7 45 544	5 85 417	7 10 223	5 85 417	7 38 465
c) Retail Banking	2 21 238	2 24 642	1 34 213	2 21 238	1 34 213	1 86 098
d) Other Banking Operations	41 558	28 725	37 198	41 558	37 198	4 198
e) Unallocated	70 219	52 940	1 49 987	70 219	1 49 987	1 36 896
Total	16 14 385	16 41 566	13 71 230	16 14 385	13 71 230	16 17 020
GEOGRAPHIC SEGMENTS						
Revenue						
Domestic	6 17 411	6 00 400	5 71 319	12 17 811	11 64 516	23 74 507
Overseas	26 666	28 069	28 656	54 735	54 174	1 10 800
Total	6 44 077	6 28 469	5 99 975	12 72 546	12 18 690	24 85 307
Assets						
Domestic	2 58 14 777	2 53 06 056	2 33 70 571	2 58 14 777	2 33 70 571	2 52 27 104
Overseas	22 76 100	22 33 468	26 06 444	22 76 100	26 06 444	22 63 380
Total	2 80 90 877	2 75 39 524	2 59 77 015	2 80 90 877	2 59 77 015	2 74 90 484

PLACE : CHENNAI
30.10.2014

(ATUL AGARWAL)
EXECUTIVE DIRECTOR

(A D M CHAVALI)
EXECUTIVE DIRECTOR





**INDIAN OVERSEAS BANK
CENTRAL OFFICE
CHENNAI**

PRESS RELEASE

30.10.2014

**FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE QUARTER
ENDED 30th September 2014**

(1) TOTAL BUSINESS: Total business grew from Rs.3,99,188 crore as on 30.06.2014 to Rs.4,20,739 crore as on 30th September 2014 recording a **growth of 5.4%**

(2) DEPOSITS: Total deposits grew from Rs. 2,21,879 crore as on 30.06.2014 to Rs.2,39,224 crore as on 30th September 2014 recording a **growth of 7.8%**.

(3) ADVANCES: Gross Advances increased from Rs. 1,77,309 crore as on 30.06.2014 to Rs.1,81,515 crore as on 30th September 2014 registering a **growth of 2.4%**.

(4) OPERATING PROFIT: Operating Profit for the three months period ended 30th September 2014 stood at Rs.729.44 crore as against Rs.791.01 crore for Q2 of last year. The bank consciously contained its credit growth, resulting in lower operating profit.

(5) NET PROFIT: Increased provisions for Domestic and Overseas Advances and provision for Treasury operations resulted in Net Loss for the three months period ended 30th September 2014 is Rs.245.51 crore as against Net Profit of Rs.132.55 crore in Q2 of last year. For the first Half year ended September 2014, the bank ended with a Net Profit of Rs.26.21 crore.

(6) TOTAL INCOME: Total income for the quarter ended 30.09.2014 stood at Rs.6,440.77 crore as against Rs.6,284.69 crore for the previous quarter ended 30.06.2014.

(7) INTEREST INCOME: Interest income for the quarter ended 30.09.2014 stood at Rs.5,962.30 crore as against Rs.6,007.04 crore for the previous quarter ended 30.06.2014.



(8) NON INTEREST INCOME: Non-interest income (including profit on sale of investments) for the quarter ended 30.09.2014 stood at Rs.478.47 crore.

(9) INTEREST EXPENSES: The interest expenses for the quarter ended 30.09.2014 stood at Rs.4,617.85 crore as against Rs. 4,580.16 crore for the previous quarter ended 30.06.2014.

(10) NET INTEREST INCOME: Net interest income stood at Rs.1,344.45 crore for Q2 of 2014-15 as against Rs.1,426.88 crore as on 30.06.2014.

(11) NET INTEREST MARGIN: NIM stood at 2.07 during the quarter ending 30.09.2014.

(12) CAPITAL ADEQUACY RATIO (CRAR):

	Basel III (30.06.2014)	Basel III (30.09.2014)
Tier I	7.40%	7.30%
Tier II	3.21%	3.00%
Total	10.61%	10.30%
CET 1	7.11%	7.01%

Total **Capital funds** of the Bank stands at Rs.19,619.48 crore under Basel III as on 30.09.2014 as against Rs.19,937.40 crore as on 30.06.2014.

(13) BUSINESS PER EMPLOYEE: Business per employee for the quarter ending 30.09.2014 stood at Rs.12.85 crore as against Rs.12.77 crore for the previous quarter.

(14) PROFIT PER EMPLOYEE: Due to loss reported for the Q2 of 2014-15 the profit per employee is negative against Rs. 0.86 lacs as on 30.06.2014.

(15) CREDIT DEPOSIT RATIO: CD Ratio for Q2 of 2014-15 stood at 75.87% as against 79.91% for the quarter ended 30.06.2014.

(16) CASA RATIO: CASA Ratio stood at 23.76% as on 30.09.2014 as against 24.50% as on 30.06.2014.

(17) BOOK VALUE PER SHARE: Book value per share stood at Rs.105.66 as on 30.09.2014 as against Rs. 107.86 as on 30.06.2014.

(18) EARNINGS PER SHARE (ANNUALIZED): EPS for the quarter ended 30.09.14 is negative.



(19) NPA MANAGEMENT: Gross NPA as on 30.09.2014 stood at Rs.13,334 crore as against Rs.10,351 crore as on 30.06.2014 with Gross NPA ratio of 7.35% and 5.84% respectively.

Net NPA as on 30.09.2014 stood at Rs.9,108.81 crore as against Rs.6643.62 crore as on 30.06.2014 with Net NPA ratio of 5.17% and 3.85% respectively.

(20) PROVISION COVERAGE RATIO: Provision Coverage Ratio (PCR) stood at 48.74% as on 30.09.2014.

(21) Return on Assets Ratio: Return on Assets for 3 Months (Q2 of 2014-15) is negative as against 0.39% as on 30.06.2014.

(22) Cost to income ratio: The ratio for the quarter ended 30.09.2014 stood at 59.99%.

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 September 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 555 branches and other firm of auditors of 2 overseas branches specifically appointed for this purpose. These review reports cover 73.37 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**

**(M.SRINIVASAN)
Partner
M.No.027887**



**For B. Thiagarajan & Co
Chartered Accountants
FRN 004371S**

**(B.THAGARAJAN)
Partner
M.No.018270**



**For Sankar & Moorthy
Chartered Accountants
FRN 003575S**

**(R RAVIKUMAR)
Partner
M.No.019021**



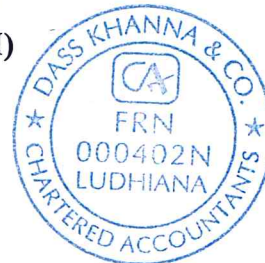
**For P R Mehra & Co
Chartered Accountants
FRN 000051N**

**(ASHOK MALHOTRA)
Partner
M.No.082648**



**For Dass Khanna & Co
Chartered Accountants
FRN 000402N**

**(RAKESH SONI)
Partner
M.No.083142**



**Place: Chennai
Date: 30.10.2014**