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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/ 268 /16-17

24.01.2017

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- Unaudited (Reviewed) Financial Results of the Bank for the Quarter ended 31st December 2016

We refer our letter No.IRC/267/2016-17 dated 18.01.2017 and confirm that the Board Meeting for consideration of Unaudited (Reviewed) Financial Results of the Bank for the quarter ended 31st December 2016 was held today (i.e., 24.01.2017) and the Board approved the same. The Meeting of the Board of Directors commenced at 4.00 pm and concluded at 6.30 pm.

In this connection, we enclose the following:

1. Unaudited (Reviewed) Financial Results for the quarter ended 31st December 2016
2. Press Release dated 24.01.2017 and
3. Auditors' Limited 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 600 002

UNAUDITED (REVIEWED) FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER 2016

Rs. in lacs

Sl. NO.	Particulars	Quarter ended			9 Months ended		Year ended
		31.12.2016 (Reviewed)	30.09.2016 (Reviewed)	31.12.2015 (Reviewed)	31.12.2016 (Reviewed)	31.12.2015 (Reviewed)	31.03.2016 (Audited)
1	Interest Earned (a) + (b) + (c) + (d)	4,88,149	4,99,199	5,91,260	15,08,901	18,04,560	23,51,729
	(a) Interest/discount on advances/bills	3,50,035	3,64,926	4,19,751	10,88,683	12,86,805	16,66,231
	(b) Income on investments	1,25,403	1,22,118	1,62,901	3,84,952	4,88,924	6,48,351
	(c) Interest on Balances with Reserve Bank of India and other Inter Bank Funds	12,711	12,155	8,608	35,266	28,831	37,147
	(d) Others	0	0	0	0	0	0
2	Other Income	71,801	96,963	53,318	2,34,054	1,84,223	2,52,826
3	TOTAL INCOME (1+2)	5,59,950	5,96,162	6,44,578	17,42,955	19,88,783	26,04,555
4	Interest Expended	3,54,673	3,70,618	4,56,483	11,22,338	13,97,076	18,13,460
5	Operating Expenses (i) + (ii)	1,19,813	1,19,140	1,25,625	3,59,694	3,74,589	5,02,550
	(i) Employees Cost	80,729	72,978	89,152	2,35,715	2,60,805	3,39,040
	(ii) Other Operating expenses	39,084	46,162	36,473	1,23,979	1,13,784	1,63,510
6	TOTAL EXPENDITURE (4+5) (excluding Provisions & Contingencies)	4,74,486	4,89,758	5,82,108	14,82,032	17,71,665	23,16,010
7	OPERATING PROFIT before Provisions & Contingencies(3-6)	85,464	1,06,404	62,470	2,60,923	2,17,118	2,88,545
8	Provisions (other than tax) and Contingencies	1,40,603	1,69,756	1,89,606	5,24,140	3,94,739	6,78,356
9	Exceptional Items (Refer Note No.4)	0	0	0	0	0	-17,000
10	Profit (+)/Loss(-) from Ordinary Activities before tax(7-8-9)	-55,139	-63,352	-1,27,136	-2,63,217	-1,77,621	-3,72,811
11	Tax expenses	305	13,161	15,370	13,790	18,492	-83,078
12	Net Profit (+) / Loss(-) from Ordinary Activities after tax (10-11)	-55,444	-76,513	-1,42,506	-2,77,007	-1,96,113	-2,89,733
13	Extraordinary items (net of tax expense)	0	0	0	0	0	0
14	Net Profit (+) / Loss (-) for the period (12-13)	-55,444	-76,513	-1,42,506	-2,77,007	-1,96,113	-2,89,733
15	Paid up equity share capital (Face value of each share - Rs.10/-)	2,45,473	2,45,473	1,72,097	2,45,473	1,72,097	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	13,15,346	10,62,128
17	Analytical Ratios						
	(i) Percentage of shares held by Govt. of India	79.56	79.56	81.19	79.56	81.19	77.32
	(ii) Capital Adequacy Ratio (%)	10.78	10.15	9.73	10.78	9.73	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)	-2.26	-4.02	-8.67	-13.39	-14.30	-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)	-2.26	-4.02	-8.67	-13.39	-14.30	-19.86
	(iv) NPA Ratios						
	a) Gross NPA	34,50,213	34,72,412	22,67,240	34,50,213	22,67,240	30,04,863
	b) Net NPA	19,90,075	20,76,531	14,17,375	19,90,075	14,17,375	19,21,257
	c) % of Gross NPA	22.42	21.77	12.64	22.42	12.64	17.40
	d) % of Net NPA	14.32	14.30	8.32	14.32	8.32	11.89
	e) Return on assets (Annualised) (%)	-0.79	-1.10	-1.89	-1.31	-0.87	-0.97

PLACE : CHENNAI
DATE: 24.01.2017R. SUBRAMANIKUMAR
Executive Director Addl. Charge MD & CEO



INDIAN OVERSEAS BANK

CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600 002

NOTES FOR THE QUARTER ENDED 31st DECEMBER, 2016

- 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 31st December, 2016 have been arrived at after considering provision for NPAs, Standard Assets, Unhedged Foreign Currency Exposure, 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 In accordance with RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated 1st July, 2015, banks are required to make Pillar 3 disclosures including Leverage Ratio and Liquidity Coverage Ratio under Basel III Framework. The disclosures are being made available on our website at the following link http://www.ioab.in/investor_cell.aspx. The disclosures are not subjected to verification by the Statutory Central Auditors of the Bank.
- 4 As permitted by RBI vide its circular No.DBOD.BP.BC.79/21.04.048/2014-15 dated 30th March, 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.
- 5 Pursuant to RBI Circular No. DBR. No. BP.BC.83/21.06.201/2015-16 dated 1st March, 2016, the Bank has as at 31st December, 2016 considered the revaluation reserve and Foreign Currency Translation Reserve for CET 1, capital as prescribed by RBI in the said Circular.
- 6 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 24th January, 2017.
- 7 During the Quarter, Bank has raised capital funds by way of issue of Basel III Compliant Tier II Bonds to the tune of Rs.80,000 lacs at a coupon of 9.24% per annum.
- 8 During the Financial Year 2015-16, 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 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 intends 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.
- 9 The Provision Coverage Ratio of the Bank as on 31st December, 2016 stood at 52.17%.
- 10 Previous period/year figures have been regrouped /reclassified/rearranged wherever necessary.

PLACE : CHENNAI

DATE : 24.01.2017


R. SUBRAMANIKUMAR

Executive Director Addl. Charge MD & CEO





INDIAN OVERSEAS BANK
CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600002
SEGMENT REPORTING FOR THE QUARTER ENDED 31ST DECEMBER 2016

Rs. in lacs

Particulars	Quarter ended			9 Months ended		Year ended
	31.12.2016 (Reviewed)	30.09.2016 (Reviewed)	31.12.2015 (Reviewed)	31.12.2016 (Reviewed)	31.12.2015 (Reviewed)	31.03.2016 (Audited)
1) Segment Revenue						
a) Treasury Operations	147,039	178,902	172,811	4 87 344	5 44 304	7 27 900
b) Corporate / Wholesale Banking	222,483	287,927	268,450	7 51 970	8 46 046	11 31 431
c) Retail Banking	182,521	123,573	193,651	4 84 520	5 76 410	7 17 221
d) Other Banking Operations	7,883	5,717	9,650	19 038	21 919	27 879
e) Unallocated	24	43	16	83	104	124
Total	5 59 950	5 96 162	6 44 578	17 42 955	19 88 783	26 04 555
Less: Inter segment Revenue	0	0	0	0	0	0
Income from Operations	5 59 950	5 96 162	6 44 578	17 42 955	19 88 783	26 04 555
2) Segment Results: Profit (+) / Loss (-)						
a) Treasury Operations	27 447	64,289	7 836	1 20 069	28 167	61 014
b) Corporate / Wholesale Banking	(12,426)	41 955	(11,071)	17 260	30 098	54 051
c) Retail Banking	63,830	(4,076)	57,068	1 08 328	1 39 788	1 49 887
d) Other Banking Operations	6,593	4 200	8,629	15 198	18 976	23 491
e) Unallocated	20	36	8	68	89	102
Operating Profit	85 464	1 06 404	62 470	2 60 923	2 17 118	2 88 545
Less: Provisions and Contingencies	1 40 603	1 69 756	1 89 606	5 24 140	3 94 739	6 61 356
Profit After Provisions and before Tax	(55,139)	(63,352)	(127,136)	(263,217)	(177,621)	(372,811)
3) Capital Employed :						
Segment Assets - Segment Liabilities						
a) Treasury Operations	6 05 550	4 85 728	8 87 167	6 05 550	8 87 167	7 86 944
b) Corporate / Wholesale Banking	1 79 137	5 08 110	3 67 564	1 79 137	3 67 564	4 17 855
c) Retail Banking	67 611	2 40 177	1 54 398	67 611	1 54 398	1 79 157
d) Other Banking Operations	3 72 399	48 817	30 730	3 72 399	30 730	(45,976)
e) Unallocated	2 38 895	2 38 505	1 21 150	2 38 895	1 21 150	2 28 601
Total	14 63 592	15 21 337	15 61 009	14 63 592	15 61 009	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 year's/nine months/quarters have been regrouped / reclassified / rearranged wherever considered necessary to correspond with the current nine months /quarters classification / presentation

(Signature)
(R SUBRAMANIKUMAR)

Place: Chennai
Date: 24.01.2017

EXECUTIVE DIRECTOR Addl. Charge MD & CEO





**INDIAN OVERSEAS BANK
CENTRAL OFFICE
CHENNAI**

PRESS RELEASE

24.01.2017

FINANCIAL PERFORMANCE HIGHLIGHTS AS ON 31st December 2016

- (1) **TOTAL BUSINESS:** Total business stood at Rs. 3,64,736 crore as on 31st December 2016.
- (2) **DEPOSITS:** Total deposits increased to Rs. 2,10,861 crore as on 31st December 2016 as against Rs.2,08,058 crore as on 30th September 2016.
- (3) **CASA** of the Bank is 36.19% and it improved from 30.93% as at 30th September 2016 to 36.19% as at 31st December 2016 with y-o-y growth is at 9.87%
- (4) **ADVANCES:** Gross Advances stood at Rs.1,53,875 crore as on 31st December 2016, as against Rs.1,59,522 crore as on 30th September 2016.
- (5) **OPERATING PROFIT:** Operating Profit for the quarter ended 31st December 2016 is Rs 854.64 crore as against Rs.1064 crore as on 30th September 2016. Operating Profit for the three months period ended 31.12.2015 stood at Rs.625 crore and Y-o-Y growth of 36.74%
- (6) **NET PROFIT:** Net loss for the quarter ended 31st December 2016 is Rs 554.44 crore as against Rs.765.14 crore for Q2 of 2016-17 registering a reduction of 27.54% and the reduction on y-o-y is 61.09%
- (7) **TOTAL INCOME:** Total income for the quarter ended 31.12.2016 is Rs.5599.50 crore as against Rs. 5961.62 crore as on 30.09.2016
- (8) **INTEREST INCOME:** Interest income stood at Rs. 4881.49 crore for the quarter ended 31st December 2016.
- (9) **NON INTEREST INCOME:** Non-interest income is Rs.718.01 crore for the quarter ended 31st December 2016.
- (10) **NPA MANAGEMENT: Gross NPA** as at 31st December 2016 is at Rs. 34502.13 crore with ratio of 22.42% as against Rs. 34,724.12 crore as on 30th September 2016 with ratio 21.77%. Gross NPA slightly reduced during the quarter. However the increase in percentage is mainly on account of reduction in asset size.





(11) Recovery in NPA accounts for the nine months period 31st December 2016 is Rs. 5981 crore and during the quarter ended 31st December 2016 is Rs. 2446 crore.

(12) **Net NPA** contained to Rs.19,900.75 crore with ratio of 14.32% as against Rs. 20,765.31 crore with ratio 14.30% as on 30.09.2016. Net NPA reduced in absolute term during the period. Net NPA ratio slightly increased despite reduction in credit during the quarter and Net NPA amount is reduced by Rs.864.56 crore.

(13) **PROVISION COVERAGE RATIO** is improved to 52.17% as on 31st December 2016.

(14) **CAPITAL ADEQUACY RATIO (CRAR):**

	Basel III
CET 1	7.62%
Tier I	8.28%
Tier II	2.49%
Total	10.78%

(15) **KEY FINANCIAL RATIOS:**

15.1 Net Interest Margin: For the quarter ended 31.12.2016 is improved to 2.14% as against 2.02% as on 30.09.2016.

15.2 Credit Deposit Ratio is 72.97% as on 31.12.2016 against 76.67% as on 30.09.2016.

15.3. CASA Ratio: The ratio improved to 36.19% as on 31.12.2016 as against 30.93% as on 30.09.2016.

15.4 Cost to Income Ratio is 58.37% as on 31.12.2016 against 66.79% as on 31.12.2015.

15.5 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.

Overseas Branches are being brought under single CBS- Platform, Finacle. As part of Digital Push / Cashless Economy, Bank has implemented UPI, Pre-paid Cards and increased the installation of POS machines to more than 9000. Further, Bank has launched Twitter Account '@iobindia' for customers and Facebook Account 'IOB-My-Pride' for employees.



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 December 31, 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. The disclosures relating to "Pillar 3 under Basel III Capital Regulations" as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid statements have not been reviewed by us. 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. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. The statement incorporates the relevant returns of 20 branches reviewed by us, 3 foreign branches reviewed by other auditors specially appointed for this purpose and unreviewed returns in respect of 3294 branches. In the conduct of our Review, we have relied on the review reports in respect of non-performing assets received from Inspection Officials of bank of 85 branches. These review reports cover 61.57 percent (of which 32.29 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. 8 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


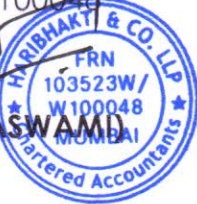


(CA. S. SUNDARAJAN)
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For **A V DEVEN & Co**
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(CA. P. KANNAN)
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For **HARIBHAKTI & Co LLP**
Chartered Accountants
FRN 103523W/W100048



(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 : 24.01.2017