

**INDIAN OVERSEAS BANK  
INCOME STATEMENT  
FOR THE PERIOD ENDED 31.03.2026**

In Rupees Millions	Bank		Group	
	Current Period From 01.04.2025 to 31.03.2026 in LKR	Previous Period From 01.04.2024 to 31.03.2025 in LKR	Current Period From 01.04.2025 to 31.03.2026 in INR	Previous Period From 01.04.2024 to 31.03.2025 in INR
	Audited	Audited	Audited	Audited
Interest Income	2,835	2,446	318,957	281,310
Interest expenses	879	652	193,220	172,408
<b>Net Interest income</b>	<b>1,956</b>	<b>1,794</b>	<b>125,737</b>	<b>108,902</b>
Fee and Commission income	198	264	17,057	14,714
Fee and Commission expenses	-	-	-	-
<b>Net fee and Commission income</b>	<b>198</b>	<b>264</b>	<b>17,057</b>	<b>14,714</b>
Net gains/(losses) from trading	329	203	319	310
Net fair value gains/(losses) from financial instruments at fair value through profit or loss				
Net gains/(losses) from derecognition of financial assets	-	-	-	-
Net gains/(losses) on derecognition of financial assets :				
Net other operating income	3	3	38,988	40,427
<b>Total operating income</b>	<b>2,486</b>	<b>2,264</b>	<b>182,101</b>	<b>164,353</b>
Impairment charges	15	(9)	37,581	41,763
<b>Net Operating income</b>	<b>2,471</b>	<b>2,273</b>	<b>144,520</b>	<b>122,590</b>
Personal expenses	96	92	46,888	46,664
Depreciation and amortization expenses	3	3	18,347	15,913
Other expenses	101	88	16,605	14,896
<b>Operating profit / (loss) before VAT &amp; NBT on financial services</b>	<b>2,271</b>	<b>2,090</b>	<b>62,680</b>	<b>45,117</b>
Value added tax (VAT) on financial services	390	383	-	-
National building tax (VAT) on financial services	-	-	-	-
<b>Operating profit / (loss) after VAT &amp; NBT on financial services</b>	<b>1,881</b>	<b>1,707</b>	<b>62,680</b>	<b>45,117</b>
Share of profits of associates and joint ventures	-	-	-	-
<b>Profit / (loss) before tax</b>	<b>1,881</b>	<b>1,707</b>	<b>62,680</b>	<b>45,117</b>
Income Tax expenses	337	478	10,600	11,770
<b>Profit / (loss) for the period</b>	<b>1,544</b>	<b>1,229</b>	<b>52,080</b>	<b>33,347</b>
<b>Profit attributable to :</b>				
Equity Holders of the parent	1,544	1,229	52,080	33,347
Non-controlling interests				
<b>Earnings per share on profit</b>				
Basic earnings per ordinary share				
Diluted earnings per ordinary share				

**INDIAN OVERSEAS BANK**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31.03.2026**

In Rupees Millions	Bank		Group	
	Current Period From 01.04.2025 to 31.03.2026 in LKR	Previous Period From 01.04.2024 to 31.03.2025 in LKR	Current Period From 01.04.2025 to 31.03.2026 in INR	Previous Period From 01.04.2024 to 31.03.2025 in INR
<b>Profit (loss) for the period</b>	<b>1,544</b>	<b>1,229</b>	<b>52,080</b>	<b>33,347</b>
<b>Items that will be reclassified to income statement</b>				
Exchange differences on translation of foreign operations	-	-	-	-
Net gains/(losses) on cash flow hedges	-	-	-	-
Net gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income	-	-	-	-
Share of profits of associates and joint ventures	-	-	-	-
Debt instruments at fair value through other comprehensive income	-	-	-	-
Others (specify)	-	-	-	-
Less : Tax expense relating to items that will be reclassified to income statement	-	-	-	-
<b>Items that will not be reclassified to income statement</b>				
Change in fair value on investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-
Change in fair value attributable to change in the Bank's own credit risk on financial liabilities designated at fair value through profit or loss	-	-	-	-
Re-measurement of post-employment benefit obligations	-	-	-	-
Changes in revaluation surplus	-	34	-	-
Share of profits of associates and joint ventures	-	-	-	-
Others - Foreign Exchange gain from FCBU	605	(120)		
Less: Tax expense relating to items that will not be reclassified to income statement	(9)	(3)	-	-
<b>Other Comprehensive Income (OCI) for the period, net of taxes</b>	<b>596</b>	<b>(89)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period attributable to :</b>	<b>2,140</b>	<b>1,140</b>	<b>52,080</b>	<b>33,347</b>
Equity holders of the parent	2,140	1,140	52,080	33,347
Non-controlling interests	-	-	-	-

**INDIAN OVERSEAS BANK**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31.03.2026**

In Rupees Millions	Bank		Group	
	Current Period As at 31.03.2026 in LKR (Audited)	Previous Period As at 31.03.2025 in LKR (Audited)	Current Period As at 31.03.2026 in INR (Audited)	Previous Period As at 31.03.2025 in INR (Audited)
<b>Assets</b>				
Cash and cash equivalents	1,354	1,560	168,035	182,975
Balances with central banks	166	365	2,214	2,327
Placements with banks	-	-	84,191	27,728
Derivative financial instruments	-	-	-	-
Financial assets recognized through profit or loss				
- measured at fair value				
- designated at fair value				
Financial assets at amortised cost				
- loans and advances	29,893	25,758	3,066,218	2,455,551
- debt and other instruments	10,334	8,049	1,147,509	1,075,981
Financial assets measured at fair value through other comprehensive income	2	2	48,372	32,140
Investments in subsidiaries	-	-	-	-
Investments in associates and joint ventures				
Property, plant and equipment	300	303	50,745	46,548
Investment properties				
Goodwill and intangible assets				
Deferred tax assets			27,813	
Other assets	253	152	138,101	126,899
<b>Total assets</b>	<b>42,302</b>	<b>36,189</b>	<b>4,733,198</b>	<b>3,950,149</b>
<b>Liabilities</b>				
Due to banks	6,846	5,705	185,480	157,084
Derivative financial instruments	-	-	-	-
Financial liabilities recognized through profit or loss				
- measured at fair value	-	-	-	-
- designated at fair value	-	-	-	-
Financial liabilities at amortised cost				
- due to depositors	12,948	10,261	3,674,335	3,103,805
- due to debt securities holders	-	-	-	-
- due to other borrowers	-	-	-	-
Debts securities issued	-	-	-	-
Retirement benefit obligations	12	7	31	28
Current tax liabilities	249	111	-	-
Deffered tax liabilities	-	-	3	-
Other provisions	147	146	-	-
Other liabilities	-	-	498,196	363,823
Due to subsidiaries	-	-	-	-
<b>Total liabilities</b>	<b>20,202</b>	<b>16,230</b>	<b>4,358,045</b>	<b>3,624,740</b>
<b>Equity</b>				
Stated capital / Assigned capital	2,289	2,289	192,566	192,566
Statutory reserve fund	824	747	68,863	55,843
OCI reserve	3,216	2,610	-	-
Retained earnings	15,310	13,852	-	-
Other reserves	461	461	113,724	77,000
<b>Total shareholders' equity</b>	<b>22,100</b>	<b>19,959</b>	<b>375,153</b>	<b>325,409</b>
Non-controlling interests	-	-	-	-
<b>Total equity</b>	<b>22,100</b>	<b>19,959</b>	<b>375,153</b>	<b>325,409</b>
<b>Total equity and liabilities</b>	<b>42,302</b>	<b>36,189</b>	<b>4,733,198</b>	<b>3,950,149</b>
<b>Contingent liabilities and commitments</b>	<b>7,866</b>	<b>6,639</b>	<b>1,532,827</b>	<b>1,594,052</b>
<b>Memorandum Information</b>				
Number of Employees	21	19	21,035	20,965
Number of Branches	1	1	3,498	3,339

Note: Amounts stated are net of impairment and depreciation.

**INDIAN OVERSEAS BANK**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31.03.2026**

**Bank**

In Rupees Millions	LKR	Stated capital/Assigned capital			Reserves					Total	Non controlling interest	Total equity
		Ordinary voting shares	Ordinary non-voting shares	Assigned capital	Statutory Reserve fund	OCI reserve	Revaluation reserve	Retained earnings	Other reserves			
<b>Balance as at 01.04.2025 (Opening balance)</b>		-	-	2,289	747	2,610	117	13,852	344	19,959	-	19,959
<b>Total comprehensive income for the period</b>												
Profit/(loss) for the year (net of tax)		-	-	-	-	-	-	1,544	-	1,544	-	1,544
Other comprehensive income (net of tax)		-	-	-	-	605	-	(9)	-	596	-	596
<b>Total comprehensive income for the period</b>		-	-	2,289	747	3,215	117	15,387	344	22,099	-	22,099
<b>Transactions with equity holders, recognised directly in equity</b>												
Share issue/increase of assigned capital		-	-	-	-	-	-	-	-	-	-	-
Share options exercised		-	-	-	-	-	-	-	-	-	-	-
Bonus issue		-	-	-	-	-	-	-	-	-	-	-
Rights issue		-	-	-	-	-	-	-	-	-	-	-
Transfers to reserve during the period		-	-	-	77	-	-	(77)	-	-	-	-
Dividends to equity holders		-	-	-	-	-	-	-	-	-	-	-
Profit transferred to head office		-	-	-	-	-	-	-	-	-	-	-
Gain / (loss) on revaluation of Property, Plant and Equipment (if cost method is adopted)		-	-	-	-	-	-	-	-	-	-	-
Others (Please specify)		-	-	-	-	-	-	-	-	-	-	-
<b>Total transactions with equity holders</b>		-	-	-	77	-	-	(77)	-	-	-	-
<b>Balance as at 31.03.2026 (Closing balance)</b>		-	-	2,289	824	3,215	117	15,310	344	22,099	-	22,099

Group												
In Rupees Millions	INR	Stated capital/Assigned capital			Reserves				Other reserves	Total	Non controlling interest	Total equity
		Ordinary voting shares	Ordinary non-voting shares	Assigned capital	Statutory Reserve fund	OCI reserve	Revaluation reserve	Retained earnings				
		<b>192,566</b>	-	-	<b>55,843</b>	-	<b>33,730</b>	<b>(125,334)</b>	<b>168,604</b>	<b>325,409</b>	-	<b>325,409</b>
		<b>Total comprehensive income for the period</b>										
		-	-	-	-	-	-	52,080	-	<b>52,080</b>	-	<b>52,080</b>
		-	-	-	-	-	-	-	-	-	-	-
		<b>192,566</b>	-	-	<b>55,843</b>	-	<b>33,730</b>	<b>(73,254)</b>	<b>168,604</b>	<b>377,489</b>	-	<b>377,489</b>
		<b>Transactions with equity holders, recognised directly in equity</b>										
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	(14,080)	5,637	<b>(8,443)</b>	-	<b>(8,443)</b>
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	3,019	-	-	<b>3,019</b>	-	<b>3,019</b>
		-	-	-	13,020	-	(2,410)	-	(7,522)	<b>3,088</b>	-	<b>3,088</b>
		-	-	-	<b>13,020</b>	-	<b>609</b>	<b>(14,080)</b>	<b>(1,885)</b>	<b>(2,336)</b>	-	<b>(2,336)</b>
		<b>192,566</b>	-	-	<b>68,863</b>	-	<b>34,339</b>	<b>(87,334)</b>	<b>166,719</b>	<b>375,153</b>	-	<b>375,153</b>

**INDIAN OVERSEAS BANK  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31.03.2026**

In Rupees Millions	Bank (in LKR)		Group(in INR)	
	Current Period 31.03.2026 (Audited)	Previous Period 31.03.2025 (Audited)	Current Period 31.03.2026 (Audited)	Previous Period 31.03.2025 (Audited)
<b>Cash flows from operating activities</b>				
Interest receipts	2,835	2,446	318,957	281,310
Interest payments	(879)	(652)	(193,220)	(172,408)
Net commission receipts	198	264	17,057	14,714
Trading income	329	203	319	310
Payments to employees	(96)	(92)	(46,888)	(46,664)
VAT & NBT on financial services	(390)	(383)	-	-
Receipts from other operating activities	3	3	38,988	40,427
Payments on other operating activities	(120)	(83)	(72,534)	(72,573)
<b>Operating profit before change in operating assets &amp; liabilities</b>	<b>1,880</b>	<b>1,706</b>	<b>62,679</b>	<b>45,116</b>
<b>(Increase) / decrease in operating assets</b>				
Balances with Central Bank of Sri Lanka	-	-	-	-
Financial assets at amortised cost – loans & advances	-	-	-	-
Other assets (please specify)	(4,030)	(4,992)	(642,840)	(430,324)
<b>Increase / (decrease) in operating liabilities</b>				
Financial liabilities at amortised cost – due to depositors	-	-	-	-
Financial liabilities at amortised cost – due to debt securities holders	-	-	-	-
Financial liabilities at amortised cost – due to other borrowers	-	-	-	-
Other liabilities (please specify)	2,684	387	640,614	395,258
<b>Net cash generated from operating activities before income tax</b>	<b>534</b>	<b>(2,899)</b>		
Income tax paid	(206)	(507)	(5,440)	19,581
<b>Net cash (used in) / from operating activities</b>	<b>328</b>	<b>(3,406)</b>	<b>55,014</b>	<b>29,631</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant & equipment	-	(8)	(6,459)	(6,150)
Proceeds from the sale of property, plant & equipment	-	-	70	497
Purchase of financial investments	(2,284)	2,273	-	-
Proceeds from the sale and maturity of financial investments	-	-	-	-
Net purchase of intangible assets	-	-	-	-
Net cash flow from acquisition of investment in subsidiaries, joint ventures and associates	-	-	-	-
Net cash flow from disposal of subsidiaries, associates and joint ventures	-	-	-	-
Dividends received from investment in subsidiaries & associates	3	3	-	-
Others (please specify)	-	-	-	-
<b>Net cash (used in) / from investing activities</b>	<b>(2,281)</b>	<b>2,268</b>	<b>(6,389)</b>	<b>(5,653)</b>
<b>Cash flows from financing activities</b>				
Net proceeds from the issue of ordinary share capital	-	-	-	-
Net proceeds from the issue of other equity instruments	-	-	-	-
Net proceeds from the issue of subordinated debt	-	-	-	-
Repayment of subordinated debt	-	-	-	-
Interest paid on subordinated debt	-	-	-	(13,148)
Dividend paid to non-controlling interest	-	-	-	-
Dividend paid to shareholders of the parent company	-	-	-	-
Dividend paid to shareholders of othr equity instruments	-	-	-	-
Others (please specify)	1,140	2,749	(90,003)	14,328
<b>Net cash (used in) / from financing activities</b>	<b>1,140</b>	<b>2,749</b>	<b>(90,003)</b>	<b>1,180</b>
<b>Net increase/(decrease) in cash &amp; cash equivalentes</b>	<b>(813)</b>	<b>1,611</b>	<b>(41,378)</b>	<b>25,158</b>
Cash & cash equivalentants at the beginning of the period	1,560	69	209,414	184,256
Exchange difference in respect of cash & cash equivalent	606	(120)	-	-
<b>Cash &amp; cash equivalentants at the end of the period</b>	<b>1,353</b>	<b>1,560</b>	<b>168,035</b>	<b>209,414</b>

**INDIAN OVERSEAS BANK**  
**SELECTED PERFORMANCE INDICATORS (BASED ON REGULATORY REPORTING)**  
**31.03.2026**

Financial Parameters	Bank		Group	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	in LKR million (Audited)	in LKR million (Audited)	in INR million (Audited)	in INR million (Audited)
<b>Regulatory Capital Adequacy (LKR in Millions)</b>				
Common Equity Tier 1	21,981	19,841	335,245	289,722
Tier 1 Capital	21,981	19,841	335,245	289,722
Total Regulatory Capital	22,251	20,086	391,440	333,842
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier 1 Capital (%) (Minimum Requirement - 7.00%)	61.80%	62.47%	16.94%	17.13%
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.50%)	61.80%	62.47%	16.94%	17.13%
Total Capital Ratio (%) (Minimum Requirement - 12.50%)	62.56%	63.24%	19.78%	19.74%
<b>Base III Leverage Ratio (Minimum Requirement - 3%)</b>	43.58%	46.05%	6.60%	6.90%
<b>Regulatory Liquidity Requirement</b>				
Liquidity Coverage Ratio (%) (Minimum Requirement - 100%)				
Rupee (%)	2816%	7416%		
All Currency (%)	454.58%	260.80%	126.27%	126.27%
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	127%	126%	133.78%	133.78%
<b>Assets Quality</b>				
Impaired Loans (Stage 3) to Total Loans, Ratio (%)	0.08%	0.12%	-	-
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	84.70%	80.58%	-	-
<b>Income and Profitability</b>				
Net Interest Margin %	4.71%	5.35%	3.21%	3.25%
Return on Assets (befor Tax) %	4.55%	5.08%	1.48%	1.25%
Return on Equity %	8.94%	8.83%	20.42%	16.28%
Cost to Income Ratio%	8.10%	28.44%	-	-
<b>Memorandum Information</b>				
Credit Ratings	IND AA	IND AA	-	-
Number of Employees	21	19	21,035	20,965
Number of Branches	1	1	3,498	3,339

\*Including Undrawn Portion of Credit

## **Corporate Governance**

The Bank facilitates good Corporate Governance by its commitments for ethical practices in the conduct of its business to ensure transparency and efficiency. Objectives can be summarized as, to protect and enhance shareholder value, to protect the interest of all shareholders. This will ensure transparency and integrity in communication and to make available full accurate and clear information to all stakeholders concerned, to ensure accountability for excellent customer service levels.

Bank's full statement on Corporate Governance can be found in the Bank's Annual Report at [https://www.iofb.in/Annual\\_Reports.aspx](https://www.iofb.in/Annual_Reports.aspx)

## **Compliance with Prudential Requirements**

As a licensed commercial bank incorporated outside Sri Lanka, Indian Overseas Bank – Sri Lanka Branch continued to comply with the prudential requirements, regulations, and directives issued by the Central Bank of Sri Lanka, including the provisions of the Banking Act, Corporate Governance Directions, Risk Management Directions, and Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) regulatory framework.

The Bank ensured the timely and accurate submission of all regulatory returns and statutory disclosures as required by the regulatory authorities.

## **Internal Control Measures**

The Bank maintains a comprehensive internal control framework, which is subject to periodic review by the Head Office in India. Independent internal and external audits are conducted regularly to assess the adequacy and effectiveness of internal controls, identify areas for improvement, and strengthen the Bank's governance and compliance framework.

## **Details of Penalty Imposed During the Financial Year**

During the financial year, the Director of the Financial Intelligence Unit (FIU), Central Bank of Sri Lanka, imposed a monetary penalty of LKR 1.0 million for non-compliance with certain provisions of the Financial Transaction Reporting Act, No. 6 of 2006 (FTRA) and the rules and regulations issued thereunder. The observations related primarily to:

- Delay in reporting 13 financial transactions exceeding the prescribed threshold of LKR 1.0 million; and
- Failure to maintain updated screening lists of designated persons, groups, and entities under the United Nations Regulations No. 1 of 2012 and United Nations Regulations No.2 of 2012.

## **Corrective Measures Undertaken**

The matter has reviewed by the Senior Management. The Bank has implemented corrective measures to address the identified deficiencies, including strengthening regulatory reporting processes, enhancing sanctions screening controls, updating screening databases, reinforcing internal monitoring mechanisms, and improving oversight to ensure timely reporting and full compliance with applicable AML/CFT regulatory requirements going forward.

## **Risk Management**

Risk taking is an integral part of the banking business. Banks assume various types of risks in its activities, while providing different kinds of services based on its risk appetite. In the normal course of business, a bank is exposed to various risks including Credit Risk, Market Risk and Operational Risk. With a view to manage such risks efficiently and strengthen its risk management systems, bank has put in place various risk management measures and practices which includes policies, tools, techniques, monitoring mechanism and Management Information System.

The Bank has adopted the new Capital Adequacy Framework (Basel II) with effect from January 2008. In line with Regulator's guidelines, the Bank adopted the Standardized Approach (SA) for computation of Credit Risk Capital, Basic Indicator approach for calculating the capital for Operational Risk and Standardized Measurement Method (SMM) for Market Risk Capital computation. The Bank has put in place a Board approved Policy on Internal Capital Adequacy Assessment Process (ICAAP) to address second pillar requirements.

## **Certification**

We, the undersigned, being the Chief Executive Officer and the Compliance Officer of Indian Overseas Bank jointly certify that:

- (a) The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka;
- (b) The information contained in these statements have been extracted from the audited financial statements of the bank unless indicated as audited.

**H.A.Sonwalkar**

Country Head

Date: 23.06.2026

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**R J W N Chathurani**

Compliance Officer

Date: 23.06.2026



