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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/ 182/2018-19

24.08.2018

Dept. of Corporate Services
BSE Limited
Floor 1, P J Towers
Dalal Street
Mumbai – 400 001

National Stock Exchange Limited
"Exchange Plaza", C-1, Block G
Bandra-Kurla Complex
Bandra (E)
Mumbai 400 051

Dear Sir / Madam,

Sub: Disclosure as per Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Re-affirmation of Ratings and Assignment of Counterparty Risk Rating by Moody's

The International Credit Rating Agency, Moody's Investors Service, Singapore has re-affirmed the ratings assigned to our Bank and has assigned a new rating ie. Counterparty Risk Rating (CRR) for our Bank. Counterparty Risk Rating (CRR) for banks is a new rating class introduced by Moody's.

INDIAN OVERSEAS BANK

| | |
|-------------------------------------|----------------|
| Outlook | Positive |
| Counterparty Risk Rating - Dom Curr | Ba2/NP |
| Bank Deposits - Fgn Curr | Ba3/NP |
| Bank Deposits - Dom Curr | Ba3/-- |
| Baseline Credit Assessment | b3 |
| Adjusted Baseline Credit Assessment | b3 |
| Counterparty Risk Assessment | Ba2(cr)/NP(cr) |
| Senior Unsecured MTN | (P)Ba3 |
| Subordinate MTN | (P)B3 |
| Jr Subordinate MTN | (P)Caa1 |
| Other Short Term | (P)NP |

INDIAN OVERSEAS BANK, HONG KONG BRANCH

| | |
|-------------------------------------|----------------|
| Outlook | Positive |
| Counterparty Risk Rating - Dom Curr | Ba2/NP |
| Counterparty Risk Assessment | Ba2(cr)/NP(cr) |
| Senior Unsecured MTN | (P)Ba3 |
| Subordinate MTN | (P)B3 |
| Jr Subordinate MTN | (P)Caa1 |
| Other Short Term | (P)NP |

Source: Moody's Investors Service

Credit Considerations :

New impaired loan formation has slowed after the recognition of legacy stressed assets; asset quality to gradually improve as the resolution of stressed assets gets underway.





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The net NPL formation rate (gross NPLs less recoveries and upgrades) improved to 4.0% (annualised) as of June 2018 compared with 8.9% in fiscal 2018 given the recognition of legacy stressed assets in the last quarter of fiscal 2018.

Moody's expects the Bank's asset quality to gradually improve over the next 12-18 months, largely driven by recoveries on NPL accounts referred to the National Company Law Tribunal process. As of 31 March 2018, about 21% of the total NPLs were related to accounts undergoing resolution at the National Company Law Tribunal.

IOB has also been gradually building its loan-loss reserves to strengthen its buffer against potential losses.

Capitalisation remains stable supported by the Government's recapitalisation plan.

Moody's continues to position IOB in the very high Government support bucket, reflecting the systemic importance of IOB as a PSB in India.

This is for your information and record in compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Yours faithfully,

Radha Venkatakrishnan
General Manager & CFO

