



Date: 12th February 2018

The Listing Department
Singapore Exchange
11 North Buona Vista Drive
#06-07 The Metropolis Tower 2,
Singapore 138589

Dear Sir,

**Rating Action: Change in Outlook of the Bank to POSITIVE from STABLE BY
M/s. Moody's Investors Service**

The International Credit Rating Agency, M/s Moody's Investors Service, Singapore has changed the outlook on the Bank and our Hong Kong Branch to POSITIVE from Stable while affirming the ratings as follows:

Indian Overseas Bank

Change in Outlook

- Outlook for the Bank changed to **Positive** from Stable.
- Long-term Local and Foreign currency Bank Deposit Ratings is affirmed at Ba3 and outlook is changed to **Positive** from Stable.

Affirmation of Ratings

- Short term foreign currency bank deposit ratings affirmed at NP.
- Foreign Currency other short term program rating affirmed at (P)(NP)
- Foreign Currency Senior Unsecured MTN Program Rating affirmed at (P) Ba3
- Foreign Currency Subordinate MTN Program rating affirmed at (P)B3
- Foreign Currency Junior Subordinate MTN Program rating affirmed at (P)Caa1.
- Baseline Credit Assessment and Adjusted Baseline Credit Assessment affirmed at b3.
- Long-term Credit Risk Assessment affirmed at Ba2(cr)
- Short-term Credit Risk Assessment affirmed at NP(cr)

Indian Overseas Bank, Hong Kong Branch

Change in Outlook

- Outlook for the Branch changed to **Positive** from stable





Affirmation of Ratings

- Foreign Currency other short term program rating affirmed at (P)NP
- Foreign currency Senior Unsecured MTN Program Rating affirmed at (P) Ba3
- Foreign Currency subordinate MTN program rating affirmed at (P)B3.
- Foreign Currency Junior subordinate MTN Program rating affirmed at (P)Caa1
- Long-term Credit Risk Assessment affirmed at Ba2(cr)
- Short-term Credit Risk Assessment affirmed at NP(cr)

Rating Rationale:

The positive outlook reflects the upward pressure that could develop on the Bank's Long-term Ratings, if credit fundamentals of the Bank - namely capital position - continue to improve over the next 12-18 months due to capital infusion from the Indian Government.

The positive outlook also reflects Moody's view on the expected evolution of the Bank's Balance sheet, including a stabilization in Asset Quality, a moderate improvement in profitability metrics and a stable funding and liquidity position.

In view of the recapitalization plan announced by the Government for infusion of capital into public sector banks including our Bank by March 2019, Moody's continues to assume a very high probability of Government support for the Bank, resulting in three-notch uplift to Deposit Rating of the Bank from its Baseline Credit Assessment.

The positive outlook on the Deposit rating of the Bank reflects a likely rating if the standalone BCA move up over the next 12-18 months.

The revision in outlook is being conveyed in order to comply with continuing listing obligations.

This is for your information and record.

Yours faithfully

(R Rangarajan)
Deputy Chief Executive and Authorised User

