



Date: 05th March 2015

The listing Department
Singapore Exchange
11 North Buona Vista Drive
#06-07, The Metro Polis Tower 2,
Singapore 138589

Dear Sir,

Sub: Revision in Ratings of IOB by M/s. Moody's Investors Service

International Credit Rating Agency, M/s Moody's Investors Service has revised its rating on our Bank, vide its communication dated 03rd March 2015 as follows:

The full list of ratings for Indian Overseas Bank (IOB):

- Bank Financial Strength Rating of E+, with a stable outlook; which is equivalent to a BCA of b2, remains unchanged.
- Long-term local currency bank deposit rating was downgraded to Ba1 from Baa3, outlook maintained at stable.
- Long-term foreign currency bank deposit rating was downgraded to Ba1 from Baa3, outlook maintained at stable.
- Short-term foreign currency bank deposit rating was downgraded to NP from P-3.
- Foreign Currency Senior Unsecured MTN program was downgraded to (P) Ba1 from (P) Baa3.
- Foreign currency other short term program was downgraded to (P) NP from (P) P-3.
- Foreign Currency subordinate MTN program remains unchanged at (P) B2.
- Foreign currency junior subordinate MTN program remains unchanged at (P) B3.

The full list of ratings for Indian Overseas Bank, Honkong branch:

- Foreign currency Senior unsecured Medium Term Notes (MTN) program was downgraded (P) Ba1 from (P) Baa3.
- Foreign Currency other short term program was downgraded to (P) NP from (P) P-3.
- Foreign Currency senior unsecured debt rating was downgraded to Ba1 from Baa3, outlook maintained at stable.





इण्डियन ओवरसीज़ बैंक Indian Overseas Bank

- Foreign Currency subordinate MTN program remains unchanged at (P) B2.
- Foreign Currency junior subordinate MTN program remains unchanged at (P) B3.

The revision in rating (down by one notch) is being done by M/s. Moody's Investors Service, based on the following rationale:

- Government's preference in allocating capital to banks whose average return on assets over the past three years and whose return on equity over the past one year surpass the corresponding weighted average ratios of State Owned Enterprise (SOE) banks overall.
- The new approach of the Government is reflected in the capital allocations earmarked for the fiscal years ending March 2015 and March 2016.
- IOB has the weakest standalone credit profiles among Moody's rated Indian banks, as indicated by their baseline credit assessment of b2.
- Previous supported senior ratings of Baa3 relied on more notches of government support relative to other rated SOE banks.
- To reflect the impact of the government's establishment of more selective criteria, Moody's has lowered the notches of support provided to IOB.

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

This is for your information and record.

Yours faithfully

(Anurag Shankar)

Deputy Chief Executive and Authorised User

