

Indian Overseas Bank

June 28, 2018

Ratings

Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Basel III Compliant Additional Tier I Bonds	-	-	Withdrawn

Details of instruments/facilities in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the rating assigned to the Basel III compliant Additional Tier I bonds of Indian Overseas Bank (IOB) with immediate effect, as the bank has exercised regulatory call option and has repaid the aforementioned bond issue and there is no amount outstanding under the issue as on date.

Analytical approach:

Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

Indian Overseas Bank (IOB) was established in 1937 in Chennai and is one of the larger public sector banks with a sizeable footprint in South India. As on March 31, 2018, GoI held 89.74% stake in IOB. Mr. R. Subramaniakumar is the MD & CEO of the bank.

During FY17 (refers to the period April 01 to March 31), IOB reported a net loss of Rs.3,417 crore on a total income of Rs.23,091 crore. During FY18, IOB reported a net loss of Rs.6,299 crore on a total income of Rs.21,662 crore.

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	26,046	23,091
PAT	(2,897)	(3,417)
Total Assets	272,025	245,002
Net NPA (%)	11.89	13.99

A: Audited

Status of non-cooperation with previous CRA:

Not Applicable

Any other information:

Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Bonds-Tier I Bonds	-	-	-	0.00	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Bonds-Lower Tier II	LT	-	-	-	-	-	1)Withdrawn (27-Jul-15)
2.	Bonds-Lower Tier II	LT	-	-	-	-	1)Withdrawn (06-Oct-16)	1)CARE A+ (21-Oct-15) 2)CARE AA- (27-Jul-15)
3.	Bonds-Lower Tier II	LT	-	-	-	-	1)Withdrawn (06-Oct-16) 2)CARE A+ (29-Jul-16)	1)CARE A+ (21-Oct-15) 2)CARE AA- (27-Jul-15)
4.	Bonds-Tier I Bonds	LT	-	-	-	1)CARE BBB (Under Credit watch with Negative Implications) (22-Dec-17)	1)CARE BBB (29-Jul-16)	1)CARE BBB (01-Mar-16) 2)CARE A- (21-Oct-15) 3)CARE A (27-Jul-15)
5.	Bonds-Tier I Bonds	LT	-	-	-	-	1)Withdrawn (06-Oct-16) 2)CARE BBB (29-Jul-16)	1)CARE BBB (01-Mar-16) 2)CARE A- (01-Feb-16)

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