

HO: CORPORATE COMMUNICATIONS DEPT
IV FLOOR, 66, RAJAJI SALAI, CHENNAI-600 001
PH: 044-25231508 E-Mail: ibccd@dataone.in
Web: www.indianbank.in

PRESS RELEASE

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Indian Bank assigned BBB- rating by S&P

Standard and Poor's the international Rating Agency has assigned BBB- long term and A-3 short term counterparty rating to Indian Bank. The rating assigned to the Bank is the same as sovereign rating. This is an indicator of the performance of the Bank in the areas of Capital Adequacy, Asset Quality and Risk management.

As per the agency's assessment "the rating on Indian Bank reflects the Bank's sound capitalization, adequate earnings and comfortable liquidity and funding profile".

Indian Bank with an asset base of about Indian rupee (INR) 700 billion as at March 31, 2008 and about 1.8% market share of deposits, is one of the leading banks with headquarters in Chennai, Tamil Nadu, where it has a sizeable market share of deposits and advances.

"Indian Bank's capital position is sound. The Bank's profitability, primarily driven by an above-average net interest income/margin, is relatively better than its peers. Recovery of bad debt contributes a significant portion (10%) of net revenue. For the past four years, Indian Bank's return on average assets has improved steadily to 1.65% for fiscal year ended March 31, 2008. We believe that the volatility and slowdown in the economy will negatively affect the Bank's profitability by raising credit cost and reducing market sensitive income. Nevertheless, we expect the Bank's profitability to remain higher than the industry average" the agency added. The agency further stated that Indian Bank is well positioned to absorb the increase in NPAs due to its prudent reserving.

The rating will help the Bank in its global operations and also facilitate raising of resources on competitive terms.