

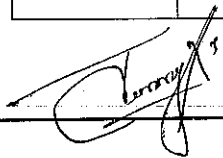
National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. SCRIP CODE: SOUTHBANK	BSE Ltd. Department of Corporate Services (Listing), First Floor, New Trading Wing, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai – 400 001. SCRIP CODE: 532218
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Dear Sir/Madam,

**Sub: Intimation of revision in Credit Rating**

Pursuant to Regulation 30(6) read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), we would like to inform that based on Care Ratings press release dated October 1, 2020, the ratings of the debt instruments issued by the Bank has been revised. The instrument-wise rating are as follows:

Credit rating agency	Instruments	Existing rating	Revised rating	Reason
CARE Ratings Limited	Lower tier II subordinated debt (INR 1290 Crore)	CARE A+ (Single A Plus; Outlook: Negative)	WD	Withdrawn (paid in full)
	Basel III Tier II debt (INR 15 Billion)	CARE A+; Negative (Single A Plus; Outlook: Negative)	CARE A; Negative (Single A; Outlook: Negative)	The continuous moderation in asset quality and profitability in the past three years ended March 31, 2020. GNPA has moderated from 2.45% as on March 31, 2017 to 4.98% as on March 31, 2020, with majority of the slippages coming from the corporate segment and ROTA has declined from 0.57% in FY17 to 0.11% in FY20 (refers to the period April 1 to March 31). The advances portfolio of the bank witnessed CAGR of 11% during the period from FY17-FY20 along with reduction in corporate loan portfolio from 38% as on March 31, 2017 to 28% as on March 31, 2020. Though same has resulted in significant improvement in pre-provisioning profit, PAT has declined from Rs.393 crore in FY17 to Rs.105 crore in FY20 due to increase in



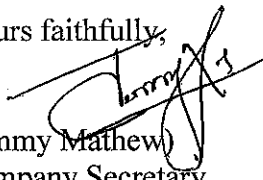
The South Indian Bank Ltd., Regd. Office: Thrissur, Kerala

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				<p>provisions. The ratings also take note of the decline in market capitalization of SIBL over the last two years ended March 31, 2020.</p> <p>The rating continues to factor in the bank's long track record of operations, diversified loan portfolio with relatively higher share of retail loans, current capitalisation levels with CAR, Tier I CAR and CET 1 of 13.49%, 10.82% and 9.88%, respectively, as on June 30, 2020, which are above regulatory requirement. The ratings are constrained by regional concentration of its business, moderate asset quality and moderate profitability.</p>
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Kindly take the same on record.

Yours faithfully,



(Jimmy Mathew)  
Company Secretary