

DEPT.: SECRETARIAL

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DATE : August 01, 2023

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 Madam/Sir,

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 'India Ratings and Research Pvt Ltd' intimation dated 1st August 2023, please find below the details of the revision in outlook of the Debt Instruments of the Bank:

Credit rating agency	Instruments	Existing rating/ Outlook	Revised rating/ Outlook	Rating Action	Reason
India Ratings and Research Pvt. Ltd.	Basel III Tier 2 debt (INR 15 Billion)	IND A/ Stable	IND A+/Stable	Upgraded	The Rating was Upgraded based on the improvement in Bank's systems and processes, profitability buffers, strengthened provision cover for stressed assets and improved capitalisation through a combination of reducing risk weight assets and consolidation of loan portfolio. The Bank has calibrated its loan book towards higher rated credits in corporate book, calibrating exposure towards micro, small & medium enterprises (MSME) and growing its agriculture gold loan book, thereby reducing the overall risk weighted asset and improving its capitalisation levels. The bank's newly originated loan book (61.1% of the overall book since October 2020) has been showing lower
	Basel III Additional Tier 1 (AT1) perpetual bonds (INR 5 Billion)	IND A- / Stable	IND A/Stable	Upgraded	

					<p>delinquencies; although, the portfolio is yet to be reasonably Seasoned.</p> <p>For AT1 instruments, the agency considered discretionary component, coupon omission risk and write-down/conversion risk as the key parameters to arrive at the rating. The agency recognised the unique going-concern loss absorption features that these bonds carry and differentiates them from the Bank's senior debt, factoring in a higher probability of an ultimate loss for investors in these bonds.</p>
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The rating rationale has been published and can be accessed at the below link:

<https://www.indiaratings.co.in/pressrelease/62865>

This information is also being uploaded on the Bank's website at www.southindianbank.com.

Kindly take the same on record.

Yours faithfully,

(JIMMY MATHEW)
COMPANY SECRETARY