Serial No. _____

Private & Confidential – For Private Circulation Only

(This Disclosure Document is neither a Prospectus nor a statement in Lieu of Prospectus)

Dated: 20th January 2020

THE SOUTH INDIAN BANK LIMITED

Head Office: SIB House, T.B. Road, Mission Quarters, Thrissur 680 001, Kerala, India.
CIN: L65191KL1929PLC001017 | Tel: +91 487 2420020, 2420058, 2420113; Fax: +91 487 2442021
E-mail: sibcorporate@sib.co.in | Website: www.southindianbank.com

Our Bank is a private sector banking company incorporated under the Indian Companies Act, 1913 and included in the second schedule of the Reserve Bank of India Act, 1934, ("RBI Act"), pursuant to Section 42(6)(a) of the RBI Act with effect from January 6, 1958.

PRIVATE & CONFIDENTIAL – FOR PRIVATE CIRCULATION ONLY

THIS DISCLOSURE DOCUMENT IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS. THIS DISCLOSURE DOCUMENT DATED 20th JANUARY 2020 IS PREPARED IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2008/13/127878 DATED JUNE 06, 2008 AS AMENDED AND SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2012 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2012-13/19/5392 DATED OCTOBER 12, 2012 AS AMENDED FROM TIME TO TIME AND COMPANIES ACT, 2013, AS AMENDED READ WITH COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014.

DISCLOSURE DOCUMENT

DISCLOSURE DOCUMENT FOR THE PRIVATE PLACEMENT OF RATED, UNSECURED, NON-CONVERTIBLE, PERPETUAL, BASEL III COMPLIANT TIER 1 BONDS, FOR INCLUSION IN TIER 1 CAPITAL OF THE SOUTH INDIAN BANK LIMITED IN THE NATURE OF DEBENTURES OF THE FACE VALUE OF RS. 1,00,000 (RUPEES ONE LAKH) EACH ("**DEBENTURES**" / "**NCDs**" / "**BONDS**") AT PAR AGGREGATING TO RS. 500 CRORES (RUPEES FIVE HUNDRED CRORES ONLY) INCLUDING AN OPTION TO RETAIN OVERSUBSCRIPTION OF UP TO RS. 200 CRORES (RUPEES TWO HUNDRED CRORES ONLY) (THE "**ISSUE**") BY THE SOUTH INDIAN BANK LIMITED ("**ISSUER**" / "**BANK**") AS PER THE SECURITIES AND EXCHANGE BOARD OF INDIA ("**SEBI**") CIRCULAR NO. SEBI/HO/DDHS/CIR/P/2018/122 DATED AUGUST 16, 2018 AND ANY AMENDMENTS THERETO ("**SEBI EBP CIRCULAR**") READ WITH THE "UPDATED OPERATIONAL GUIDELINES FOR ISSUANCE OF SECURITIES ON PRIVATE PLACEMENT BASIS THROUGH AN ELECTRONIC BOOK MECHANISM" ISSUED BY BSE VIDE THEIR NOTICE NO. 20180928-24 DATED SEPTEMBER 28, 2018 AND ANY AMENDMENTS THERETO ("**BSE EBP GUIDELINES**", TOGETHER WITH THE SEBI EBP CIRCULAR REFERRED TO AS THE "**OPERATIONAL GUIDELINES**"). THE COMPANY INTENDS TO USE THE BSE BOND-EBP PLATFORM FOR THIS ISSUE AND AN OFFER WILL BE MADE BY ISSUE OF THE PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER ("**PPOAL**") AFTER COMPLETION OF THE BIDDING PROCESS ON ISSUE / BID CLOSING DATE, TO SUCCESSFUL BIDDERS IN ACCORDANCE WITH THE PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED, TO THE EXTENT IT REPEALS THE 1956 ACT (THE "**2013 ACT**" or THE "**COMPANIES ACT**") AND RULES ISSUED THEREUNDER.

GENERAL RISK

Investments in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instrument, unless they can afford to take risks attached to such investments. For taking an investment decision, investors must rely on their own examination of the Bank and the Issue including the risks involved. The Debentures have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Disclosure Document. The Bond is different from fixed deposit particularly that it is not covered by deposit insurance. In addition, the loss absorbency features of the instrument have been enumerated in the Term Sheet below in this Disclosure Document

BANK'S ABSOLUTE LIABILITY

The Bank, having made all reasonable inquiries, accepts responsibility for and confirms that this disclosure document contains all information with regard to the Bank and the Issue, which is material in the context of the Issue, that the information contained in the Disclosure Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which would make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

The Debentures have been rated as "IND A" with negative outlook by India Ratings & Research Private Limited (**"India Ratings"**) vide its letter dated December 11, 2019 and re-validated vide letter dated January 14, 2020. The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other ratings. Please refer to **Annexure I & II** for the above ratings.

LISTING

The Debentures are proposed to be listed on the Wholesale Debt Market (WDM) segment of the BSE Limited ("**BSE**").

ISSUE OPENS ON	**ISSUE CLOSES ON**	**PAY-IN DATE AND DEEMED DATE OF ALLOTMENT**
22.01.2020	**22.01.2020**	**24.01.2020**
DEBENTURE TRUSTEE	**REGISTRAR TO THE ISSUE**	**SOLE ARRANGER TO THE ISSUE**
IDBI trustee IDBI Trusteeship Services Ltd **IDBI TRUSTEESHIP SERVICES LIMITED** Registered Office Asian Building, Ground, 17, R Kamani Marg, Ballard EstateMumbai – 400 001 Tel: (022) 6631 1771-3 Fax: 91-22-66311776 E-mail: itsl@idbitrustee.co.in	**BTS CONSULTANCY SERVICES PVT. LTD.** Registered Office M S Complex, 1st Floor,Plot No.8, SastriNagar,Near RTO / 200 Feet Road,Kolathur, Chennai–600099 Tel: 044 2556 5121 Fax: 044 2556 5131 E-mail: helpdesk@btsindia.com	TRUST In Partnership. With Trust. Trust Investment Advisors Pvt.Ltd. 1101, Naman, Centre, BKC Mumbai 51 +91-22 4084 5000 www.trust group.in

The Bank reserves the right to prepone the Issue earlier from the aforesaid date or postpone the Issue, or change the Issue schedule including the Date of Allotment, at its sole and absolute discretion without giving any reasons to prior notice. In the event of any change in the above issue programme, the Bank will intimate the investors about the revised issue programme. The Issue will be open for subscription at the commencement of banking hours and close at the close of banking hours in accordance with the Issue Schedule.

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1. DISCLAIMERS

1.1 General Disclaimer

This Disclosure Document is neither a prospectus nor a statement in lieu of prospectus and has been prepared in accordance with extant applicable provisions of Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time. The Bonds that are to be listed on the WDM segment of the BSE on a private placement basis do not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the debentures to the public in general. This Disclosure Document is for the exclusive use of the addressee and should not be circulated or distributed to third party (ies). Apart from this Disclosure Document, no offer document or prospectus has been prepared in connection with this Issue or in relation to the Issuer. Accordingly, this Disclosure Document has neither been delivered for registration nor is it intended to be registered.

The Bonds are not meant to be issued to retail investors and the Disclosure Document shall not be circulated to anyone other than the Identified Investors. The Issuer can at its sole and absolute discretion change the terms of the offer. The Issuer reserves the right to close, recall, extend or modify the terms of the Issue at its absolute discretion at any time prior to allotment.

This Disclosure Document is not intended to form the basis of evaluation for the prospective subscribers to whom it is addressed and who are willing and eligible to subscribe to the Bonds issued by the Issuer. This Disclosure Document has been prepared to give general information regarding parties proposing to invest in this issue of Bonds and it does not purport to contain all the information that any such party may require. The Issuer believes that the information contained in this Disclosure Document is true and correct as of the date hereof.

The Issuer does not undertake to update this Disclosure Document to reflect subsequent events and thus prospective subscribers must confirm about the accuracy and relevancy of any information contained herein with the Issuer. However, the Issuer reserves its right for providing the information at its absolute discretion. The Issuer accepts no responsibility for statements made in any advertisement or any other material and anyone placing reliance on any other source of information would be doing so at his own risk and responsibility.

Eligible Participants must make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in the Bonds. It is the responsibility of the prospective subscriber to have obtained all consents, approvals or authorizations required by them to make an offer to subscribe for and purchase the Bonds. It is the responsibility of the prospective subscriber to verify if they have necessary power and competence to apply for the Bonds under the relevant laws and regulations in force. Eligible Participants should conduct their own investigation, due diligence and analysis before bidding for the Bonds. Nothing in this Disclosure Document should be construed as advice or recommendation by the Bank or by the Arranger to the Issue to subscribers to the Bonds. The Eligible Participants bidding on the BSE-EBP should also acknowledge that the Arranger to the Issue does not owe the Eligible Participants any duty of care in respect of this bidding for the Bonds. Eligible Participants should also consult their own advisors on the implications of application, allotment, sale, holding and ownership of these Bonds and matters incidental thereto. This Disclosure Document is not intended for distribution. It is meant for the consideration of the person to whom it is addressed and should not be reproduced by the recipient and the contents of this Disclosure Document shall be kept utmost confidential. The Debentures mentioned herein are being issued on private placement basis and this offer does not constitute a public offer/ invitation.

Eligible Participants agree that the Bonds are different from fixed deposit instruments particularly that it is not covered by deposit insurance. In addition, any investment by an Eligible Investor would be after they have read and understood the terms including the loss absorbency features of the Bonds which have been explained in the Term Sheet herein.

The Bank reserves the right to withdraw the private placement of the bond issue prior to the Issue closing date(s) in the event of any unforeseen development adversely affecting the economic and regulatory environment or any other force majeure condition including any change in applicable law. In such an event, the Bank will refund the application money, if any, along with interest payable on such application money, if any.

This Disclosure Document does not purport to contain all the information that any Eligible Participant may require. Neither this Disclosure Document nor any other information supplied in connection with the Bonds is intended to provide the basis of any credit or other evaluation and any recipient of this Disclosure Document should not consider such receipt a recommendation to purchase any Bonds. Each Identified Investor contemplating the purchase of any Bonds should make its own independent investigation of the financial condition and affairs of the Company, and its own appraisal of the creditworthiness of the Issuer. Eligible Participants should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Bonds and should possess the appropriate resources to analyse such investment and the suitability of such investment to such Identified Investor's particular circumstances. it is the responsibility of Identified Investors to also ensure that they will sell these Bonds in strict accordance with the terms and conditions of this Disclosure Document and other Applicable Laws, so that the sale does not constitute an offer to the public within the meaning of the Companies Act, 2013. None of the intermediaries or their agents or advisors associated with this Issue undertake to review the financial condition or affairs of the Company or the factors affecting the Bonds during the life of the arrangements contemplated by this offer document or have any responsibility to advise the identified investor in the debentures of any information available with or subsequently coming to the attention of the intermediaries, agents or advisors.

No person has been authorized to give any information or to make any representation not contained in this Disclosure Document or in any material made available by the Issuer to any Identified Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Company. The intermediaries and their agents or advisors associated with this Disclosure Document have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any such intermediary, agent or advisor as to the accuracy or completeness of the information contained in this Disclosure Document or any other information provided by the Issuer. Accordingly, all such intermediaries, agents or advisors associated with this issue shall have no liability in relation to the information contained in this disclosure document or any other information provided by the Issuer in connection with this Issue.

The Company, can at its sole and absolute discretion, change the terms of its offer. The Issuer will issue to the Identified Investors, along with this signed Disclosure Document (prepared and circulated in compliance with section 42 of the 2013 Act read with Rule 14 of the PAS Rules), the Application Form in Annexure IV. This Disclosure Document has been prepared in conformity with the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (“SEBI Debt Regulations”) and the 2013 Act and the rules thereunder. Pursuant to Section 42 of the 2013 Act and Rule 14(3) of the PAS Rules.

The person who is in receipt of this Disclosure Document shall maintain utmost confidentiality regarding the contents of this Disclosure Document and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding its contents, without the prior written consent of the Company.

Each Person receiving this Disclosure Document acknowledges that:

(a) Such person has been afforded an opportunity to request and to review and has received all additional information considered by an individual to be necessary;

(b) to verify the accuracy of or to supplement the information herein; and

(c) to understand the nature of the Bonds and the risks involved in investing in them; and such person has not relied on any intermediary or agent or advisory or underwriter that may be associated with issuance of the Bonds in connection with its investigation of the accuracy of such information or its investment decision.

Nothing in this Disclosure Document constitutes an offer of securities for sale in the United States of America or any other jurisdiction where such offer or placement would be in violation of any law, rule or regulation. No action is being taken to permit an offering of the bonds in the nature of debentures or the distribution of this Disclosure Document in any jurisdiction where such action is required. The distribution/taking/sending/ dispatching/transmitting of this Disclosure Document and the offering and sale of the Bonds may be restricted by law in certain jurisdictions, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

1.2 Disclaimer of Securities & Exchange Board of India:

The Debentures have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Disclosure Document. It is to be distinctly understood that this Disclosure Document should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Disclosure Document. The Issue of Bonds being made on private placement basis, filing of this Disclosure Document is not required with SEBI. However, SEBI reserves the right to take up at any point of time, with the Bank, any irregularities or lapses in this Disclosure Document.

1.3 Disclaimer of Sole Arranger to the Issue

1.3.1 The role of the Sole Arranger in the assignment is confined to marketing and placement of the Bonds on the basis of this Disclosure Document as prepared by the Bank. The Sole Arranger has neither scrutinized nor vetted nor reviewed nor has it done any due-diligence for verification of the contents of this Disclosure Document. The Sole Arranger shall use this Disclosure Document for the purpose of soliciting subscription(s) from Eligible Investors in the Bonds to be issued by the Bank on a private placement basis. It is to be distinctly understood that the aforesaid use of this Disclosure Document by the Sole Arranger should not in any way be deemed or construed to mean that the Disclosure Document has been prepared, cleared, approved, reviewed or vetted by the Sole Arranger; nor should the contents to this Disclosure Document in any manner be deemed to have been warranted, certified or endorsed by the Sole Arranger so as to the correctness or completeness thereof.

1.3.2 The Bank has prepared this Disclosure Document and the Bank is solely responsible and liable for its contents. The Bank will comply with all laws, rules and regulations and has obtained all regulatory, governmental, corporate and other necessary approvals for the issuance of the Bonds. The Bank confirms that all the information contained in this Disclosure Document has been provided by the Bank or is from publicly available information, and such information has not been independently verified by the Sole Arranger. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Sole Arranger or their Affiliates for the accuracy, completeness, reliability, correctness or fairness of this Disclosure Document or any of the information or opinions contained therein, and the Sole Arranger hereby expressly disclaims any responsibility or liability to the fullest extent for the contents of this Disclosure Document, whether arising in tort or contract or otherwise, relating to or resulting from this Disclosure Document or any information or errors contained therein or any omissions there from. Neither Sole Arranger and its affiliates, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of this Disclosure Document. By accepting this Disclosure Document, the Eligible Investor accepts terms of this Disclaimer Clause of Sole Arranger, which forms an integral part of this Disclosure Document and agrees that the Sole Arranger will not have any such liability.

1.3.3 The Eligible Investors should carefully read this Disclosure Document. This Disclosure Document is for general information purposes only, without regard to specific objectives, suitability, financial situations and needs of any particular person and does not constitute any recommendation and the Eligible Investors are not to construe the contents of this Disclosure Document as investment, legal, accounting, regulatory or Tax advice, and the Eligible Investors should consult with its own advisors as to all legal, accounting, regulatory, Tax, financial and related matters concerning an investment in the Bonds. This Disclosure Document should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities mentioned therein, and neither this Disclosure Document nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

1.3.4 This Disclosure Document is confidential and is made available to potential investors in the Bonds on the understanding that it is confidential. Recipients are not entitled to use any of the information contained in this Disclosure Document for any purpose other than in assisting to decide whether or not to participate in the Bonds. This Disclosure Document and information contained herein or any part of it does not constitute or purport to constitute investment advice in publicly accessible media and should not be printed, reproduced, transmitted, sold, distributed or published by the recipient without the prior written approval from the Sole Arranger and the Bank. This Disclosure Document has not been approved and will or may not be reviewed or approved by any statutory or regulatory authority in India or by any Stock Exchange in India. This document may not be all inclusive and may not contain all of the information that the recipient may consider material.

1.3.5 Each person receiving this Disclosure Document acknowledges that:

a. Such person has been afforded an opportunity to request and to review and has received all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein; and
b. Has not relied on the Sole Arranger and/or its affiliates that may be associated with the Bonds in connection with its investigation of the accuracy of such information or its investment decision.

1.3.6 The Bank hereby declares that the Bank has exercised due-diligence to ensure complete compliance of applicable disclosure norms in this Disclosure Document. The Sole Arranger: (a) is not acting as trustee or fiduciary for the investors or any other person; and (b) is under no obligation to conduct any "know your customer" or other procedures in relation to any person. The Sole Arranger is not responsible for (a) the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Bank or any other person in or in connection with this Disclosure Document; or (b) the legality, validity, effectiveness, adequacy or enforceability of this Disclosure Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with this Disclosure Document; or (c) any determination as to whether any information provided or to be provided to any investor is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

1.3.7 The Sole Arranger or any of their directors, employees, affiliates or representatives do not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this Disclosure Document. By accepting this Disclosure Document, investor(s) agree(s) that the Sole Arranger will not have any such liability.

1.3.8 **Please note that:**

a. The Sole Arranger and/or its affiliates may, now and/or in the future, have other investment and commercial banking, trust and other relationships with the Bank and with other persons ("**Other Persons**");
b. As a result of those other relationships, the Sole Arranger and/or its affiliates may get information about Other Persons, the Bank and/or the Issue or that may be relevant to any of them. Despite this, the Sole Arranger and/or their affiliates will not be required to disclose such information, or the fact that it is in possession of such information, to any recipient of this Disclosure Document;
c. The Sole Arranger and/or its Affiliates may, now and in the future, have fiduciary or other relationships under which it, or they, may exercise voting power over securities of various persons. Those securities may, from time to time, include securities of the Bank; and
d. The Sole Arranger and/or its Affiliates may exercise such voting powers, and otherwise perform its functions in connection with such fiduciary or other relationships, without regard to its relationship to the Bank and/or the securities.

1.4 Disclaimer of Stock Exchange:

As required, a copy of this Disclosure Document will be submitted to BSE for hosting the same on its website. It is to be distinctly understood that such submission of the Disclosure Document with BSE or hosting the same on its website should not in any way be deemed or construed that the Disclosure Document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Disclosure Document; nor does it warrant that this Bank's securities will be listed or continue to be listed on the Exchange; nor does it take responsibility for the financial or other soundness of this Bank, its promoters, its management or any scheme or project of the Bank. Every person who desires to apply for or otherwise acquire any securities of this Bank may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

1.5 Disclaimer of Rating Agencies:

Disclaimer of India Ratings:

All credit ratings assigned by India Ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: https://www.indiaratings.co.in/rating-definitions. In addition, rating definitions and the terms of use of such ratings are available on the agency's public website www.indiaratings.co.in.

Published ratings, criteria, and methodologies are available from this site at all times. India Ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site.

1.6 Disclaimer of Debenture Trustee:

The Debenture Trustee *ipso facto* does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the Bonds. Each Eligible Investor should make its own independent assessment of the merit of the investment in the Bonds and the Issuer. Eligible Participants are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments.

1.7 DISCLAIMER IN RESPECT OF JURISDICTION

The bidding for the Bonds is made in India on the BSE-EBP to various classes of investors. The Disclosure Document does not, however, constitute an offer to sell or an invitation to subscribe to the Bonds for bidding hereby in any other jurisdiction to any person to whom it is unlawful to bid in such jurisdiction. Any person into whose possession this Disclosure Document comes is required to inform him about and to observe any such restrictions. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts in Thrissur. All information considered adequate and relevant about the Bank has been made available in this Disclosure Document for the use and perusal of the Eligible Participants and no selective or additional information would be available for a section of investors in any manner whatsoever.

1.8 DISCLAIMER BY THE RESERVE BANK OF INDIA

The Bonds have not been recommended or approved by the RBI nor does the RBI guarantee the accuracy or adequacy of this Disclosure Document. It is to be distinctly understood that this Disclosure Document should not, in any way, be deemed or construed that the Bonds have been recommended for investment by the RBI. RBI does not take any responsibility either for the financial soundness of the Bank, or the Bonds being issued by the Bank or for the correctness of the statements made or opinions expressed in this Disclosure Document. Eligible Participants may make investment decision in the Bonds in terms of the signed PPOAL after reading the disclosures under this Disclosure Document solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/ repayment of such investment.

2. FORWARD LOOKING STATEMENTS

The Bank has included statements in this Disclosure Document which contain words or phrases such as "will", "would", "aim", "aimed", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will achieve", "anticipate", "estimate", "estimating", "intend", "plan", "contemplate", "seek to", "seeking to", "trying to", "target", "propose to", "future", "objective", "goal", "project", "should", "can", "could", "may", "will pursue", "our judgement" and similar expressions or variations of such expressions, that are "forward-looking statements". Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with the Bank's expectations with respect to, but not limited to, the actual growth in demand for banking and other financial products and services, its ability to successfully implement its strategy, including its use of the Internet and other technology and its rural expansion, its ability to integrate recent or future mergers or acquisitions into its operations, its ability to manage the increased complexity of the risks the Bank faces following its rapid international growth, future levels of impaired loans, its growth and expansion in domestic and overseas markets, the adequacy of its allowance for credit and investment losses, technological changes, investment income, its ability to market new products, cash flow projections, the outcome of any legal, tax or regulatory proceedings in India and in other jurisdictions the Bank is or will become a party to, the future impact of new accounting standards, its ability to implement its dividend policy, the impact of changes in banking regulations and other regulatory changes in India and other jurisdictions on the Bank, including on the assets and liabilities of SIB, , its ability to roll over its short-term funding sources and its exposure to credit, market and liquidity risks. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated.

In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this Disclosure Document include, but are not limited to, the monetary and interest rate policies of India and the other markets in which the Bank operates, natural calamities, general economic, financial or political conditions, instability or uncertainty in India, southeast Asia, or any other country, caused by any factor including terrorist attacks in India or elsewhere, military armament or social unrest in any part of India, inflation, deflation, unanticipated turbulence in interest rates, changes or volatility in the value of the rupee, instability in the subprime credit market and liquidity levels in the foreign exchange rates, equity prices or other market rates or prices, the performance of the financial markets in general, changes in domestic and foreign laws, regulations and taxes, changes in the competitive and pricing environment in India, and general or regional changes in asset valuations.

3. DEFINITIONS AND ABBREVIATIONS

AY	Assessment Year
Affiliates	Subsidiaries, associate companies, affiliates and joint ventures of a company
Applicable Law	Any statute, national, state, provincial, local, municipal, foreign, international, multinational or other law, treaty, code, regulation, ordinance, rule, judgment, order, decree, bye-law, approval of any governmental authority, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question
Allotment/ Allot/	The issue and allotment of the Bonds to the successful Applicants in the Issue

Allotted	
Allottee	A successful Applicant to whom the Bonds are allotted pursuant to the Issue, either in full or in part
Applicant/ Investor	A person who makes an offer to subscribe the Bonds pursuant to the terms of this Disclosure Document and the Application Form
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the Bonds and which will be considered as the application for allotment of Bonds in the Issue
Basel III	Basel III framework was drafted by the Basel Committee on Banking Supervision, which is a Committee of Bank of International Settlements. It is the risk-based capital framework to be followed by banks across countries and it has been designed to be risk sensitive across various types of banking assets, including securitization exposure. Basel III is based on the following three mutually reinforcing pillars that allow banks and supervisors to evaluate properly the various risks that banks face: i. minimum capital requirements, which seek to refine the present measurement framework; ii. supervisory review of an institution's capital adequacy and internal assessment process; and iii. market discipline through effective disclosure to encourage safe and sound banking practices.
Bondholder(s) / Debenture holder(s)	Any person or entity holding the Bonds and whose name appears in the list of Beneficial Owners provided by the Depositories
Beneficial Owner(s)	Bondholder(s) holding Bond(s) in dematerialized form (Beneficial Owner of the Bond(s) as defined in clause (a) of sub-section of Section 2 of the Depositories Act, 1996)
BSE EBP	Electronic Book Provider mechanism for issuance of debt securities on private placement basis (also known as Electronic Bidding Platform or Electronic Book Provider Platform or BSE EBP) as guided by the SEBI through its circulars bearing no. SEBI/HO/ DDHS/ CIR/P/ 2018/05 issued on January 05, 2018 read with SEBI circular No. SEBI/HO/ DDHS/ CIR/P/2018/122 issued on August 16, 2018, and the BSE EBP Guidelines
BSE EBP Guidelines	Operating Guidelines for BSE Electronic Bidding Platform issued by BSE dated September 28, 2018 and any amendments thereto
Board/ Board of Directors	The Board of The South Indian Bank Limited or Committee thereof, unless otherwise specified
Bond(s) / Debenture(s)	Rated, unsecured, non-convertible, perpetual, Basel III compliant Tier 2 Bonds, in the nature of debentures of the face value of Rs. 1,00,000 (Rupees One Lakh) each at par aggregating to Rs. 500 crores (Rupees Five hundred crores only) including an option to retain oversubscription of up to Rs.200 crores (Rupees Two hundred crores only) by the Bank.
CARE	CARE ratings Ltd. (Formerly known as Credit Analysis & Research Limited)
CAR	Capital Adequacy Ratio
CDSL	Central Depository Services (India) Limited
Companies Act/ 2013 Act	The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013, as amended, restated or substituted from time to time
Coupon / Interest Payment Date	The date as may be specified in the Summary Term Sheet of this Disclosure Document
Debt Securities	Non-Convertible debt securities which create or acknowledge indebtedness and include debenture, bonds and such other securities of a body corporate or any statutory body constituted by virtue of a legislation, whether constituting

	a charge on the assets of the Bank or not, but excludes security bonds issued by Government or such other bodies as may be specified by SEBI, security receipts and securitized debt instruments
Deemed Date of Allotment	The cut-off date declared by the Bank from which all benefits under the Bonds including interest on the Bonds shall be available to the Bondholder(s). The actual allotment of Bonds (i.e. approval from the Board of Directors or a Committee thereof) may take place on a date other than the Deemed Date of Allotment
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A Depository participant as defined under Depositories Act
Disclosure Document	This information memorandum dated 17th January 2020
DIN	Director Identification Number
DRR	Bond/ Debenture Redemption Reserve
Eligible Participants / Eligible Investors	All QIBs, and any non-QIB Investors specifically mapped by the Issuer on the BSE EBP platform, are eligible to bid / invest / apply for this Issue. Eligible Participants shall not include the following investors: • Trusts constituted wholly for charitable or religious purposes; • Foreign Portfolio Investor or Foreign Institutional Investor; • Non-Resident Indians (NRIs); • Limited Liability Partnership firms, Partnership Firms or their nominees; and • Overseas Corporate Bodies (OCBs). All participants are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue.
EPS	Earnings Per Share
FIs	Financial Institutions
FIIs	Foreign Institutional Investors
Financial Year/ FY	Period of twelve months ending March 31, of that particular year
GoI	Government of India/ Central Government
Trustees/ Debenture Trustee	Trustees for the Bondholders in this case being IDBI Trusteeship Services Limited
Issuer / SIB / Bank / we / us/ our	The South Indian Bank Limited
Identified Investor	The successful bidders who shall be identified by the Board / capital augmentation committee of the Board and to whom the signed PPOAL will be issued after completion of the bidding and shall not include a trust, as defined under the Indian Trusts Act, 1882 (as amended), wholly constituted for charitable or religious purposes. Such trusts shall not be eligible to invest in these Bonds.
I.T. Act	The Income Tax Act, 1961, as amended from time to time
IFSC	Indian Financial System Code
Listing Agreement	Listing Agreement for Debt Securities issued by SEBI vide circular no. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 and amendments to Simplified Debt Listing Agreement for Debt Securities issued by SEBI vide circular no. SEBI/IMD/DOF-1/BOND/Cir-5/2009 dated November

	26, 2009 and amendments to Simplified Debt Listing Agreement for Debt Securities issued by Securities and Exchange Board of India vide circular no. SEBI/IMD/DOF-1/BOND/Cir-1/2010dated January 07, 2010 and amendments to Simplified Debt Listing Agreement for Debt Securities issued by SEBI vide vide Circular no.CIR/IMD/DF/18/2013 dated October 29 2013.
Loss Absorbency	The Bonds shall be subject to loss absorbency features applicable for non-equity capital instruments as per the Master Circular issued by the Reserve Bank of India on Basel III capital regulations covering terms and conditions for perpetual debt instruments in additional Tier 1 capital (Annex 4 of the Master Circular) and minimum requirement to ensure loss absorbency of non-equity regulatory capital instruments at the Point of Non Viability (PONV) (Annex 16 of the Master Circular) read along with the Master Circular. Accordingly, the Bonds may, at the option of the RBI, be permanently written off upon occurrence of the trigger event called the "Point of Non Viability Trigger" or other pre-specified trigger events. PONV trigger event shall be as defined in the RBI Regulations and shall be determined by the RBI. The write-down will have the following effects: (a) reduce the claim of the instrument in liquidation; (b) reduce the amount re-paid when a call is exercised; c) partially or fully reduce coupon/dividend payments on the instrument. The write down in case of pre-specified trigger point will be temporary and in case of PONV trigger event will be permanent.
MF	Mutual Fund
MoF	Ministry of Finance
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time
Special Feature: PONV	The Bonds may, at the option of the RBI, be permanently written off upon occurrence of the trigger event called the "Point of Non Viability Trigger" ("**PONV Trigger**")
PONV Trigger Event	The PONV Trigger event shall be the earlier of: a) a decision that the write off, without which the Bank would become non-viable, is necessary, as determined by the RBI; and b) the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the relevant authority. Such a decision would invariably imply that the write-off consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted. For the purpose of these guidelines, a non-viable bank will be a bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the RBI unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by a bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 capital of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable. Such measures may include write off of the Bonds in combination with or

	without other measures as considered appropriate by the RBI. In rare situations, a bank may also become non-viable due to non-financial problems, such as conduct of affairs of the bank in a manner which is detrimental to the interest of depositors, serious corporate governance issues, etc. In such situations raising capital is not considered a part of the solution and therefore, may not attract provisions of this framework. For details, please refer to Summary Term Sheet.
GAAP	Generally Accepted Accounting Principles
GIR	General Index Registration Number
Rs. / INR	Indian National Rupee
RBI	Reserve Bank of India
RBI Norms / RBI Guidelines/Master Circular	Master Circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on Basel III Capital Regulations issued by the RBI on Basel III capital regulations covering terms and conditions for issue of perpetual debt instruments in additional Tier 1 capital as updated / modified / amended from time to time
RTGS	Real Time Gross Settlement
Record Date	As may be specified in the Summary Term Sheet
Registrar	Registrar to the Issue, in this case being BTS Consultancy Services Private Limited
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time
Special Features	Has the meaning set forth in "Issue Details" section of this Disclosure Document
Stock Exchange / Exchange	BSE
TDS	Tax Deducted at Source
CCB	Capital Conservation Buffer
The Issue/ The Offer/ Private Placement	Private Placement of the Bonds.

4. RISK FACTORS

Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Disclosure Document before making any investment decision relating to the Bonds. The occurrence of any of the following events, or the occurrence of other risks that are not currently known or are now deemed immaterial, could cause our business, results of operations, cash flows, financial condition and prospects to suffer and which may lead to point of non-viability ("**PONV**") and you may lose all or part of your investment.

Prior to making an investment decision, prospective investors should carefully consider this section in conjunction with the information contained in this Disclosure Document.

These risks and uncertainties are not the only issues that the Bank faces. Additional risks and uncertainties not presently known to the Bank or that the Bank currently believes to be immaterial may also have a material adverse effect on its financial condition or business. Unless specified or quantified in the relevant risk factors, the Bank is not in a position to quantify the financial or other implications of any risk mentioned herein below.

If any one of the following stated risks actually occurs, the Bank's business, financial conditions and results of operations could suffer and, therefore, the value of the Bank's Bonds could decline and/or the Bank's ability to meet its obligations in respect of the Bonds could be affected. More than one risk factor may have simultaneous effect with regard to the Bonds such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the Bonds and/or the Bank's ability to meet its obligations in respect of the Bonds. Potential investors should perform their own independent investigation of the financial condition and affairs of the Bank, and their own appraisal of the creditworthiness of the Bank. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations with respect to the Bonds. Potential investors should thereafter reach their own views prior to making any investment decision.

The Bank believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the inability of the Bank, as the case may be, to pay principal or other amounts on or in connection with any Bonds may occur for other reasons and the Bank does not represent that the statements below regarding the risks of holding any Bonds are exhaustive.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.

Risks Relating to our Business

Our results of operations and cash flows depend to a great extent on our net interest income. Volatility in interest rates and other market conditions could materially and adversely impact our cash flows and results of operations.

Our results of operations largely depend on our net interest income. For the Financial Year 2019, our net interest income (i.e. gross interest income minus interest expense) represented 26.57 % of our total income. Our interest-earning assets comprised both fixed interest rate assets and floating interest rate assets, while the majority of our interest-bearing liabilities had fixed interest rates. Any decrease in the interest rates applicable to our assets, without a corresponding decrease in the interest rates applicable to our liabilities, will result in a decline in our net interest income and consequently reduce our net interest margin.

Interest rates are sensitive to many factors beyond our control, including India's GDP growth, inflation, liquidity, the RBI's monetary policy, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. We cannot assure you that we will be able to adequately manage our interest rate risk in the future. Volatility and changes in market interest rates could disproportionately affect the interest we earn on our assets as compared to the interest we pay on our liabilities.

Furthermore, in the event of rising interest rates, our borrowers may not be willing to pay correspondingly higher interest rates on their borrowings and may choose to repay their loans from us if they are able to switch to more competitively priced advances. In the event of falling interest rates, we may face more challenges in retaining our customers if we are unable to switch to more competitive rates as compared to other banks in the market. Any inability to retain customers as a result of changing interest rates may also adversely impact our earnings and cash flows in future periods.

In addition, under the regulations of RBI, we are required to maintain a minimum specified percentage, currently 18.25 % statutory liquidity ratio ("**SLR**"), of our net demand and time liabilities in Government or other approved securities. Yields on these investments, as well as yields on our other interest earning assets, are dependent to a large extent on interest rates. In a rising interest rate environment, especially if the increase was sudden or sharp, we could be adversely affected by the decline in the market value of our Government securities portfolio and other fixed income securities and may be required to further provide for depreciation in the "available for sale" ("**AFS**") and "held for trading" ("**HFT**") categories.

The value of collateral may decrease or we may experience delays in enforcing the sale of collateral when borrowers default on their obligations to us, which may result in failure to recover the expected value of collateral security, exposing us to a potential loss.

As of 31 March 2019, 91.64% of our loans to corporate customers were secured by assets, including property, plant and equipment. Our loans to corporate customers also include working capital credit facilities that are typically secured by a first lien on inventory, receivables and other current assets. In some cases, we may have taken further security of a first or second lien on fixed assets or a pledge of financial assets like marketable securities. As of 31 March 2019, 97.17% of our loans to retail customers were also secured by assets, predominantly gold, property and vehicles.

We use a technology-based risk management system and follow strict internal risk management guidelines on portfolio monitoring, which include periodic assessment of loan to security value on the basis of conservative market price levels, limits on the amount of margin, ageing analysis and pre-determined margin call thresholds. However, we may not be able to realize the full value of our collateral as a result of, among other factors:

- delays in bankruptcy and foreclosure proceedings;
- defects or deficiencies in the perfection of collateral (including due to inability to obtain approvals that may be required from third parties);
- fraud by borrowers;
- decreases in value of the collateral, which may be particularly relevant in the case of gold and traded securities;
- an illiquid market for the sale of the collateral; and
- Current legislative provisions or changes thereto and past or future judicial pronouncements.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, (the "**SARFAESI Act**"), the Recovery of Debts Due to Bank and Financial Institutions Act, 1993 , Insolvency Act/proceedings and the RBI's corporate debt restructuring ("**CDR**") mechanism have strengthened the ability of lenders to resolve NPAs by granting them greater rights to enforce security and recover amounts owed from secured borrowers. Although special tribunals have been set up for expeditious recovery of debts due to banks, any proceedings brought may be subject to delays and administrative requirements that may result in, or be accompanied by, a decrease in the value of the collateral.

As a result of the foregoing factors, we may not be able to realise the full value of collateral, which could have an adverse effect on our financial condition and results of operations.

If we are not able to control the level of NPAs in our portfolio effectively or if we are unable to improve our provisioning coverage as a percentage of gross NPA, our business may be adversely affected.

Various factors, including a rise in unemployment, a sharp and sustained rise in interest rates, developments in the Indian economy, movements in global commodity markets and exchange rates and global competition may cause an increase in the level of NPAs and have an adverse impact on the quality of our loan portfolio. The RBI regulates some aspects of the recovery of non-performing loans, such as the use of recovery agents. Any limitation on our ability to recover, control and reduce non-performing and restructured loans as a result of these guidelines or otherwise may affect our collections and ability to foreclose on existing NPAs.

As of 31 March 2019, our provision coverage as a percentage of NPAs was 42.46 %. However, there can be no assurance that there will be no deterioration in the provisioning coverage as a percentage of gross NPAs or otherwise or that the percentage of NPAs that we will be able to recover will be similar to our past NPA recovery experience. If we are not able to control or reduce the level of our NPAs, the overall quality of our loan portfolio may deteriorate, which may have a material adverse effect on our financial condition and results of operations.

A portion of our advances are unsecured. If we are unable to recover such advances in a timely manner or at all, our financial condition and results of operations may be adversely affected.

While we have been selective in our lending policies and strive to satisfy ourselves with the credit worthiness and repayment capacities of our customers, there can be no assurance that we will be able to recover the interest and principal advanced by us in a timely manner. Any failure to recover the unsecured advances given to our customers would expose us to a potential loss, which could adversely affect our financial condition and results of operations.

The level of restructured advances in our portfolio may increase and the failure of such restructured advances to perform as expected could adversely affect our financial condition and results of operations.

In May 2013, the RBI issued final guidelines on the restructuring of advances. Pursuant to those guidelines, advances that are restructured (other than due to delays in project implementation under certain conditions and up to specified periods) from April 1, 2015 onwards would be classified as non-performing.

The Government of India has enacted the Insolvency and Bankruptcy code, 2016 in order to consolidate and amend the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximization of value of assets of such persons to promote entrepreneurship, availability of credit and balance the interest of all stakeholders including alteration in the order of priority of payment of secured creditors made at par with Government dues and to establish an Insolvency and Bankruptcy Board of India, and for matters connected therewith or incidental thereto.

As per the code National Company Law Tribunal (NCLT) will be the adjudicating authority in case of Companies and LLPs whereas in case of Individuals and Partnership Firms it shall be Debt Recovery Tribunal. The Central Government has also introduced amendments to Banking Regulations Act, 1949 through Ordinance and notification thereafter empowering RBI to issue directions to any banking company(ies) to initiate insolvency resolution process in respect of a default, under the provisions of IBC 2016. Accordingly, RBI may issue directions with respect to stressed assets and specify one or more authorities or committees with such members as the

Bank may appoint or approve for appointment to advise banking companies on resolution of stressed assets.

The combination of changes in regulations regarding unstructured advances, provisioning, and any substantial increase in the level of restructured assets and the failure of these restructured advances to perform as expected, could adversely affect our financial condition and results of operations.

With a view to facilitate meaningful restructuring of MSME accounts that have become stressed, RBI vide their circular No. DBR.No.BP.BC.18/21.04.048/2018-19 Dated January 1, 2019 has permitted a one-time restructuring of existing loans to MSMEs classified as 'standard' without a downgrade in the asset classification, subject to compliance of certain conditions stipulated in the said circular.

Hon'ble Supreme Court, vide its order dated April 2, 2019, had held the RBI Circular dated February 12, 2018 on Resolution of Stressed Assets as ultra vires. In light of the same Reserve Bank of India has issued a revised circular No. DBR.No.BP.BC.45/21.04.048/2018-19 Dated June 7, 2019 on the prudential framework for resolution of stressed assets by banks for expeditious and effective resolution of stressed. The fundamental principles underlying the revised regulatory approach for resolution of stressed assets include Early recognition and reporting of default in respect of large borrowers, Complete discretion to lenders with regard to design and implementation of resolution plans, system of disincentives in the form of additional provisioning for delay in implementation of resolution plan or initiation of insolvency proceedings, Withdrawal of asset classification dispensations on restructuring and future upgrades to be contingent on a meaningful demonstration of satisfactory performance for a reasonable period, aligning the definition of 'financial difficulty' with the guidelines issued by the Basel Committee on Banking Supervision; and making the signing of inter-creditor agreement (ICA) by all lenders as mandatory, which will provide for a majority decision making criteria.

We are required to lend a minimum percentage of our adjusted net bank credit ("ANBC") to certain "priority sectors" and if we fail to meet these requirements, we must place the allocated amount by RBI based on shortfall in an account with Government-sponsored Indian development banks or with other financial institutions specified by the RBI. These deposits typically carry interest rates lower than market rates, which would result in reduced interest income on such advances. Any change in the RBI's regulations relating to priority sector lending could have a material adverse impact on our financial condition and results of operations.

In accordance with current RBI guidelines, all banks in India, including us, are subject to directed lending regulations. We are required to lend 40.00% of our ANBC or credit equivalent amount of off-balance sheet exposure, whichever is higher, to "priority sectors". Out of the advances we are required to lend under the "priority sector", at least 18.0% of our ANBC or credit equivalent amount of off-balance sheet exposure, whichever is higher, must be lent to the agricultural sector and at least 10.0% of our ANBC or credit equivalent amount of off-balance sheet exposure, whichever is higher, target for Advance to Micro Enterprises 7.5 per cent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher must be lent to weaker sectors.

In case of any shortfall by us in meeting the priority sector lending requirements, we would subsequently be required to place the allocated amount by RBI based on shortfall in priority sector lending in an account with the National Bank for Agriculture and Rural Development ("**NABARD**") or with other financial institutions specified by the RBI. These deposits typically carry interest rates lower than market rates, which would result in reduced interest income on such advances. We have experienced instances of shortfalls in our directed lending to the priority sectors in the past and we cannot assure you that we will be able to meet the lending targets towards priority sectors in the future.

Further, any change in the RBI's guidelines may require us to increase our lending to the priority sectors.

Banking is a heavily regulated industry and material changes in the regulations that govern us could cause our business to suffer.

Banks in India are subject to detailed supervision and regulation by the RBI. In addition, banks are generally subject to changes in Indian law, as well as to changes in regulation and government policies and accounting principles. Since 2005, the RBI has made several changes in regulations applicable to banking companies, including:

- risk-weights on certain categories of loans for computation of capital adequacy;
- general provisioning requirements for various categories of assets;
- capital requirements and accounting norms for securitisation;
- policy interest rates, cash reserve ratio, cessation of payment of interest on cash reserve balances;
- limits on investments in financial sector enterprises and venture capital funds; and
- Directed lending requirements.

The Banking Regulation Act imposes a number of restrictions, which affect our operating flexibility and investors' rights, including:

- We are subject to restrictions in the incorporation of subsidiaries, which may prevent us from exploiting emerging business opportunities in areas other than banking. We may not open branches in new places of business and transfer our existing places of business, which may hamper our operational flexibility.
- Our ability to build overseas asset portfolios and exploit business opportunities overseas is limited by the requirement to maintain assets in India of at least 75.0% of our demand and time liabilities in India.
- Our ability to produce documents and records for inspection is regulated.
- The RBI is empowered to direct and generally advise us and may prohibit us from entering into certain transactions and agreements.
- We are required to obtain prior approval of the RBI before we appoint our Chairman, Managing Director and CEO and any other full-time Directors and fix their remuneration. The RBI has powers to remove managerial and other persons from office, and to appoint additional directors. We are also required to obtain approval of the RBI for the creation of floating charges for our borrowings, thereby hampering leverage.

Any changes in the regulatory environment under which we operate, or our inability to comply with the regulations, could adversely affect our business, financial condition and results of operations.

Our Bank has a regional concentration in Southern India and any adverse change in the economy of states in Southern India could impact our results of operations and cash flows. Additionally, we may not be successful in expanding our operations to other parts of India.

SIB has 870 branches as of 31 December 2019 of which 727 branches or 83.56% are located in Southern India (comprising the states of Andhra Pradesh, Telangana, Karnataka, Kerala, Tamil Nadu and the union territory of Pondicherry). As of 31 December, 2018 and 31 December, 2019 70%, 74% respectively, of our total advances and 80%, 79% respectively, of our total deposits were from Southern India.

As on 31st March 2019, SIB has 870 branches out of which 727 branches or 83.56% are located in Southern India (comprising the states of Andhra Pradesh, Telangana, Karnataka, Kerala, Tamil Nadu and the union territory of Pondicherry). The branch distribution in south India as on 31 March, 2018 and 31 March 2017 was 712 (83.37%) out of 854 and 701 (83.41%) out of 850 respectively. As of 31 March 2017, March 31 2018, March 2019, 70%, 71%, 71% respectively, of our total advances and 77%, 80%, 81% respectively, of our total deposits were from Southern India.

Any disruption, disturbance or sustained downturn in the economy of or any adverse geological, ecological or political circumstances in, the states in Southern India could adversely affect our business, financial condition and results of operations

Additionally, while we continue to expand our operation outside of Southern India, we face risks with our operations in geographic areas in which we do not possess the same level of familiarity with the economy, consumer base and commercial operations. In addition, our competitors may already have established operations in such areas and we may find it difficult to attract customers in such new areas. We may not be able to successfully manage the risks of such an expansion, which could have an adverse effect on our business, financial conditions and results of operations.

We may not be able to renew or maintain our statutory and regulatory permits and approvals required to operate our business.

We require certain statutory and regulatory permits and approvals to operate our business. We have a licence from the RBI, which requires us to comply with certain terms and conditions for us to continue our banking operations. In the event that we are unable to comply with any or all of these terms and conditions, or seek waivers or extensions of time for complying with these terms and conditions, it is possible that the RBI may revoke this licence or may place stringent restrictions on our operations. This may result in the interruption of all or some of our operations.

Further, under certain of our contractual arrangements, we are required to hold all necessary and applicable approvals and licences from authorities such as the RBI and the IRDA.

Failure by us to renew, maintain or obtain the required permits or approvals, including those set out above, may result in the interruption of our operations or delay or prevent our expansion plans and may have a material adverse effect on our business, financial condition and results of operations

If we are unable to comply with the capital adequacy requirements stipulated by the RBI, our business, financial condition and results of operations may be materially and adversely affected.

We are subject to regulations relating to the capital adequacy of banks, which determine the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio, or Capital to Risk Weighted Asset Ratio ("**CRAR**"). Although we have been maintaining a CRAR under the Basel III standards, which was 12.61% as of 31 March, 2019 and 12.17% as of 30 June, 2019, 12.08% as of 30 September 2019 and 12.02% as of 31 December 2019, as compared to the regulatory minimum requirement of 10.875% (including CCB of 1.875%), we cannot assure you that we will be able to maintain our CRAR above the regulatory requirements. Further, any adverse developments could affect our ability to continue to satisfy the capital adequacy requirements, including deterioration in our asset quality, decline in the values of our investments or increase in applicable risk weight for different asset classes.

The RBI has issued the guidelines on Basel III capital regulations on 2 May, 2012, pursuant to the Monetary Policy Statement 2012-13. These guidelines become effective from 1 April, 2013 in a phased manner. The Basel III capital ratios was initially planned to fully implement as of 31 March, 2019, which was subsequently deferred by RBI to 31 March 2020. The RBI Basel III Capital Regulations require, among other things, higher levels of Tier 1 capital, including common equity, capital conservation buffer, deductions from common equity Tier 1 capital for investments in subsidiaries (with minority interest), changes in the structure of debt instruments eligible for inclusion in Tier 1 and Tier 2 capital and preference shares in Tier 2 capital, criteria for classification as common equity, methods to deal with credit risk and reputational risk, introduction of a leverage ratio and criteria for investments in capital of the Banks, financial and insurance entities (including where ownership is less than 10.0%). The RBI Basel III Capital Regulations also stipulate that additional Tier 1 and Tier 2 capital should have loss absorbency characteristics, which require them to be written down or be converted into common equity upon the occurrence of a pre-specified trigger event.

With the implementation of the Basel III guidelines, we may be required to improve the quality, quantity and transparency of Tier 1 capital, which will now have to be predominantly equity shares. We may be required to apply regulatory deductions against core capital as opposed to Tier 1 and Tier 2 capital and a minimum capital ratio may be set, among other suggested changes. In addition, these changes may result in the incurrence of substantial compliance and monitoring costs. Furthermore, with the implementation of Basel III guidelines, our ability to support and grow our business could be limited by a declining capital adequacy ratio, if we are unable to access or face difficulty in accessing the capital or have difficulty in obtaining capital in any other manner.

If we fail to meet capital adequacy requirements, the RBI may take certain actions, including restricting our lending and investment activities and the payment of dividends by us. These actions could materially and adversely affect our business, financial condition and results of operations.

We are required to maintain cash reserve and statutory liquidity ratios and any increase in these requirements could materially and adversely affect our business, financial condition and results of operations.

Under the RBI regulations, we are subject to a CRR requirement under which we are currently required to keep 4.0% of our net demand and time liabilities in a current account with the RBI. We do not earn interest on cash reserves maintained with the RBI. The RBI may further increase the CRR requirement as a monetary policy measure and has done so on numerous occasions. Increases in the CRR requirement could materially and adversely affect our business, financial condition and results of operations.

In addition, under the Banking Regulation Act and the RBI regulations, our liabilities are subject to an SLR requirement, according to which 18.25% of our net demand and time liabilities need to be invested in Government securities, state government securities and other securities approved by the RBI from time to time. In our experience, these securities generally carry fixed coupons. When interest rates rise, the value of these fixed coupon securities depreciates. We cannot assure you that investments in such securities will provide returns better than other market instruments. Further, any increase in the CRR and SLR requirements would reduce the amount of cash available for lending, which may materially and adversely affect our business, financial condition and results of operations.

We face maturity mismatches between our assets and liabilities. Our funding is primarily through short-term and medium-term deposits, and if depositors do not roll over deposited funds on maturity or if we are unable to continue to increase our deposits, our business could be adversely affected.

Most of our funding requirements are met through short-term and medium-term funding sources, primarily in the form of deposits. A portion of our assets have long-term maturities, creating a possibility for funding mismatches.

In our experience, a substantial portion of our customer deposits have been rolled over on maturity and have been, over time, a stable source of funding. However, if a significant portion of our depositors do not roll over deposited funds upon maturity or do so for a shorter maturity than that of our assets, which tend to have medium to long-term maturities, our liquidity position could be adversely affected. We may be forced to pay higher interest rates in order to attract or retain further deposits.

Our ability to raise fresh deposits and grow our deposit base depends in part on our ability to expand our network of branches. Branch expansion plans can be undertaken subject to the fulfilment of the conditions stipulated by RBI. There is no assurance that we will be able to comply with conditions to meet our requirement of branch expansion to achieve the desired growth in deposit base.

If we fail to sustain or achieve the growth rate of our deposit base, including our CASA base, our business, liquidity position and financial condition may be adversely affected

We have concentrations of loans to and deposits from certain customers, which expose us to risk of defaults by these borrowers and premature withdrawal of deposits by these depositors that could materially and adversely affect our business, financial condition and results of operations.

As of 31 March, 2019 our advances to the 20 largest borrowers accounted for approximately 8.07% (i.e. 5,957.21 Crores) compared to 31 March, 2018 our advances to the 20 largest borrowers accounted for approximately 8.77% (i.e. 5,816.42 Crores). We cannot assure you that there will not be any default or delay in payments of interest or principal from these borrowers.

As of 31 March, 2019 our deposits from the 20 largest depositors accounted for approximately 9.92% (i.e. 7,979.89 Crores) of our total deposits, compared to March 31, 2018 our deposits from the 20 largest depositors accounted for approximately 8.60% (i.e. 6,194.33 Crores) of our total deposits respectively. We cannot assure you that there will not be any premature withdrawals or non-renewal of deposits from these depositors.
In the event that any of the above risks materialise, our financial condition and results of operations may be adversely affected.

Deterioration in the performance of any industry sector in which we have significant exposure may materially and adversely affect our financial condition and results of operations.

Our total exposure to borrowers is dispersed across various industry sectors, the most significant of which are infrastructure; basic metal and metal products; and textiles
Despite monitoring our level of exposure to sectors and borrowers, any significant deterioration in the performance of a particular sector driven by events not within our control, such as natural calamities, regulatory action or policy announcements by central or state government authorities, would adversely impact the ability of borrowers within that industry to service their debt obligations to us. As a result, we would experience increased delinquency risk, which may materially and adversely affect our business, financial condition and results of operations.

We cannot assure you that we will be able to diversify our exposure over different industry sectors in the future. Failure to maintain diverse exposure resulting in industry sector concentration may adversely impact our business, financial condition and results of operations, in case of any significant deterioration in performance of such industry sector.

Materialization of contingent liabilities could adversely affect our financial condition.

The contingent liabilities have arisen in the normal course of our business and are subject to the prudential norms as prescribed by the RBI. If any of these contingent liabilities materialize, our business, financial condition and results of operations could be materially and adversely affected.

We could be subject to volatility in income from our treasury operations, which could have a material adverse effect on our results of operations, cash flows and our business.

Our treasury operations contributed 19.53%, of our total income during the Financial Year 2019. Our income from treasury operations comprises interest and dividend income from investments, profit from sale of investments and income from our foreign exchange operations. Our treasury operations are vulnerable to changes in interest rates, exchange rates, equity prices and other factors. Although we have operational controls and procedures in place for our treasury operations, such as counterparty limits, position limits, stop loss limits and exposure limits, that are designed to mitigate the extent of such losses, there can be no assurance that we will not incur losses in the course of our proprietary trading on our fixed income book held in the HFT and AFS portfolios. Any such losses could adversely affect our business, financial condition and results of operations.

Internal or external fraud and misconduct by our employees could adversely affect our reputation, business, results of operations and financial condition.

In the past, we have experienced acts of fraud and misconduct committed by our employees. For further details in relation to the fraud and misconduct please refer page of this Disclosure Document. Misconduct by our employees could include binding us to transactions that exceed authorised limits or present unacceptable risks or hiding unauthorised or unlawful activities from us.

Employee misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our brand. It is not always possible to deter misconduct by employees and the precautions we take and the systems we have put in place to prevent and deter such activities may not be effective in all cases. Any instances of such misconduct or fraud could adversely affect our reputation, business, results of operations and financial condition.

Weaknesses, disruption or failures in IT systems could adversely impact our business.

We are heavily reliant on IT systems in connection with financial controls, risk management and transaction processing. The increasing size of our operations, which use automated control and recording systems for record keeping, exposes us to the risk of errors in control and record keeping. Given our high volume of transactions, certain errors may be repeated or compounded before they are discovered and successfully rectified. Our dependence upon automated IT systems to record and process transactions may further increase the risk that technical system flaws will result in losses that are difficult to detect. As a result, we face the risk that the design of our controls and procedures may prove inadequate thereby causing delays in detection or errors in information.

Our on-line delivery channels are subject to various risks such as network connectivity failure, information security issues and browser compatibility issues. We may also be subject to disruptions of our IT systems, arising from events that are wholly or partially beyond our control (including, for example, damage or incapacitation by human error, natural disasters, electrical or telecommunication outages, sabotage, computer viruses, hacking, cyber-attacks or similar events, or loss of support services from third parties such as internet backbone providers). So far, we have not experienced widespread disruptions of service to our customers, but there can be no assurance that we will not encounter disruptions in the future due to substantially increased number of customers and transactions, or for other reasons. In the event we experience systems interruptions, errors or downtime (which could result from a variety of causes, including changes in customer use patterns, technological failure, changes to systems, linkages with third party systems and power failures), this may give rise to deterioration in customer service and to loss or liability to us and may materially and adversely affect our business, financial condition and results of operations.

We have established and maintain a comprehensive disaster recovery centre in Bengaluru as part of our risk management measures. However, if for any reason the switch over to the back-up system does not take place or if a calamity occurs in both Kochi and Bengaluru such that our business is compromised at both centres, our operations would be materially and adversely affected.

Further, we are dependent on various external vendors for certain non-core elements of our operations, including implementing IT infrastructure and hardware, branch roll-outs, networking, managing our data centre and back-up support for disaster recovery and are exposed to the risk that external vendors or service providers may be unable to fulfil their contractual obligations to us (or will be subject to the same risk of fraud or operational errors by their respective employees) and the risk that their (or their vendors') business continuity and data security systems prove to be inadequate. Failure to perform any of these functions by our external vendors or service providers could materially and adversely affect our business, financial condition and results of operations.

Our risk management policies and procedures may not adequately address unidentified or unanticipated risks.

We have devoted significant resources to develop our risk management policies and procedures and aim to continue to do so in the future. Despite this, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our risk management systems are not automated and are subject to human error. Some of our methods of managing risks are based upon the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures.

To the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures in particular market environments or against particular types of risk. Further, some of our risk management strategies may not be effective in a difficult or less liquid market environment, where other market participants may be attempting to use the same or similar strategies to deal with the difficult market conditions. In such circumstances, it may be difficult for us to reduce our risk positions due to the activity of such other market participants. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated.

Our investment and interest rate risk are dependent upon our ability to properly identify, and mark-to-market changes in the value of financial instruments caused by changes in market prices or rates. Our earnings are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses.

To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. See also "−If we are not able to control the level of NPAs in our portfolio effectively or if we are unable to improve our provisioning coverage as a percentage of gross NPA, our business may be adversely affected" above.

Management of operations, legal and regulatory risks requires, among other things, policies and procedures to properly record and verify a large number of transactions and events, and these policies and procedures may not be fully effective. As we seek to expand our operations, we also face the risk that we may be unable to develop risk management policies and procedures that are properly designed for new business areas or to manage the risks associated with the growth of our existing businesses. Implementation and monitoring may prove challenging with respect to businesses that we plan on developing. If we are unable to develop and implement effective risk management policies, it could materially and adversely affect our business, financial condition and results of operations.

If we fail to effectively manage our growth, it may adversely impact our business.

In the past, we have witnessed rapid growth in both our business and our branch network. The number of branches has grown from 850 as of March 31, 2017 to 854 as of 31 March, 2018 and to 870 as of 31 March, 2019. Our total assets have grown from 74,312.15 crores as of 31 March, 2017 to 82,685.87 crores as of 31 March, 2018 and to 92,279.22 crores as of 31 March, 2019.

Our ability to effectively manage our growth depends primarily upon our ability to manage key issues, such as selecting and retaining skilled manpower, establishing additional branches, achieving cost efficiencies, maintaining an effective technology platform that can be continually upgraded, developing profitable products and services to cater to the needs of our existing and potential customers, improving our risk management systems, developing a knowledge base to face emerging challenges and ensuring a high standard of customer service.

A significant reduction in our credit rating could adversely affect our business, financial condition, cash flows and results of operations.

Our debt is rated by various agencies. The Bonds proposed to be issued by the Bank have been assigned a rating of "IND A/Negative" by India Ratings. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis, which may adversely affect our business, financial condition, cash flows and results of operations.

The Indian banking industry is intensely competitive and our inability to compete effectively may adversely affect our business.

We face intense competition from Indian and foreign commercial banks in all our products and services. Some Indian banks have larger customer and deposit bases, larger branch networks and wider capital base than we have. Further, some banks have recently experienced higher growth, achieved better profitability and increased their market shares relative to us. We also face competition in some or all of our products and services from NBFCs, mutual funds and other entities operating in the financial sector.

Liberalisation of the Indian financial sector could also lead to a greater presence or new entries of Indian and foreign banks offering a wider range of products and services, which could adversely affect our competitive environment. The RBI has in recent past issued licence to new banks, small finance banks and payment banks. It has also announced possible issue of further licence in future. Consequent increase in competition in the banking industry could adversely affect our profitability.

We also compete with foreign banks with operations in India. These competitors include a number of large multinational banks and financial institutions. In November 2013, the RBI released a framework for the setting up of wholly owned subsidiaries in India by foreign banks. The framework encourages foreign banks to establish a presence in India by granting rights similar to those received by Indian banks, subject to certain restrictions and safeguards. Under the current framework, wholly-owned subsidiaries of foreign banks are allowed to raise Rupee resources through issue of non-equity capital instruments. Further, wholly-owned subsidiaries of foreign banks may be allowed to open branches in Tier 1 to Tier 6 centres (except at a few locations considered sensitive on security considerations) without having the need for prior permission from RBI in each case, subject to certain reporting requirements. The guidelines may result in increased competition from foreign banks.

In addition, the moderation of growth in the Indian banking sector is leading to greater competition for business opportunities. We may face attrition and difficulties in hiring at senior management and other levels due to competition from existing Indian and foreign banks, as well as new banks entering the market. Due to such intense competition, we may be unable to execute our growth strategy successfully and offer competitive products and services, which may materially and adversely affect our business, financial condition and results of operations.

We are involved in various legal proceedings, which if determined against us, could have an adverse impact on our financial condition, cash flows and results of operations.

Our Bank is involved in various civil, criminal, taxation and regulatory proceedings. Most of these proceedings are incidental to our business and banking operations and have generally arisen in relation to recovery of dues from our borrowers, claims and consumer complaints from our customers and in relation to certain claims from dismissed employees.
We cannot assure you that these legal proceedings will be decided in our favour. In addition, should any developments arise, such as changes in Indian law or rulings against us by the regulators, courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and current liabilities. If we fail to successfully defend our claims or if our provisions prove to be inadequate, our financial condition and results of operations could be adversely affected.

We are exposed to fluctuations in foreign exchange rates.

We undertake various foreign exchange transactions to hedge our customers' business and for proprietary trading, which exposes us to various kinds of risks, including credit risk, market risk and exchange risk. We have adopted a market risk management policy, which is also articulated in our asset liability management policy, to mitigate risks through various risk limits such as counterparty limits, country wide exposure limits, daylight limits, overnight open position limits, aggregate gap limits and value at risk limits. Adverse movements in foreign exchange rates may also impact our borrowers negatively, which may in turn impact the quality of our exposure to these borrowers. Volatility in foreign exchange rates could materially and adversely affect our financial condition and results of operations.

We are exposed to possible losses arising out of derivative transactions, which could have a material adverse effect on our financial condition and results of operations.

We undertake foreign exchange forward contracts for our customers and hedge them with other banks. We are also engaged in the proprietary trading of foreign exchange forward contracts.
Our proprietary derivative transactions are subject to regular monitoring by our risk assessment committee to ensure compliance with limits prescribed by the RBI. However, we cannot assure you that we will be able to anticipate the movement in foreign exchange or at all. Failure to anticipate the foreign exchange movement could cause us to incur losses in such derivatives or forward contracts, thereby adversely affecting our financial condition and results of operations.

We lease most of our business premises and any failure to renew such leases or their renewal on terms unfavourable to us may affect our business, financial condition and results of operations.

Most of our business premises are leased. A failure to renew these lease agreements or a failure to renew these lease agreements on terms favourable to us may require us to relocate operations. If we are required to relocate operations, this may cause a disruption in our operations or result in increased costs, or both, which may adversely affect our business, financial condition and results of operations.
We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease agreements. This may cause a disruption in our operations or result in increased costs, or both, which may adversely affect our business, financial condition and results of operations.

We may face labour disruptions that would interfere with our operations and have an adverse impact on our business, financial condition, cash flows and results of operations.

We are exposed to the risk of strikes and other industrial actions. Most of our employees up to Scale IV are unionised and are members of South Indian Bank Officer's Association and South Indian Bank Employees Association. While our relations have been good with our employees, we cannot guarantee that our employees will not undertake or participate in strikes, work stoppage or other industrial action in the future. Any such event could disrupt our operations, possibly for a significant period of time, result in increased wages and other benefits or otherwise have an adverse effect on our business, financial condition, cash flows and results of operations.

We depend on the accuracy and completeness of information about customers and counterparties and any misrepresentation, errors or incompleteness of such information could cause our business to suffer.

In deciding whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information furnished to us by or on behalf of customers and counterparties, including financial statements and other financial information. We may also rely on certain representations as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors. For example, in deciding whether to extend credit, we may assume that a customer's audited financial statements conform to generally accepted accounting principles and present fairly, in all material respects, the financial condition, results of operations and cash flows of the customer.

The difficulties associated with the inability to accurately assess the value of collateral and to enforce rights in respect of collateral, along with the absence of such accurate statistical, corporate and financial information, may decrease the accuracy of our assessments of credit risk, thereby increasing the likelihood of borrower default on our loan and decreasing the likelihood

that we would be able to enforce any security in respect of such a loan or that the relevant collateral will have a value commensurate to such a loan.
Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our non-performing and restructured assets, which could materially and adversely affect our business, financial condition and results of operations.

Our introduction of new products and services may not be successful and, as a result our reputation could be harmed.

We may incur substantial costs to expand our range of products and services and cannot guarantee that such new products will be successful once they are offered as a result of circumstances beyond our control, such as general economic conditions, or due to inherent shortcomings of such products and services. In addition, we may not correctly anticipate our customers' needs or desires, which may change over time. In the event that we fail to develop and launch new products or services successfully, we may lose any or all of the investments that we have made in promoting them, and our reputation with our customers would be harmed. In addition, if our competitors are better able to anticipate the needs of those individuals in our target market, our market share could decrease and our business could be adversely affected.

Our insurance coverage could prove inadequate to satisfy potential claims. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our financial condition and results of operations.

We have taken out insurance within a range of coverage consistent with industry practice in India to cover certain risks associated with our business. We cannot assure you that our current insurance policies will insure us fully against all risks and losses that may arise in the future. Even if such losses are insured, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss.

In addition, our insurance policies are subject to annual review, and we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, or at all. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our financial condition and results of operations.

We are subject to Risk Based Supervision ("RBS") by RBI. Non-compliance with RBI guidelines could result in penalties which may adversely affect our business, financial condition or results of operations.

We are subject to Risk Based Supervision by RBI, in the past certain observations were made by RBI during the RBS regarding our business and operations in its RBS reports. Similar observations could also be made by the RBI during RBS in future. Inspection by the RBI is a regular exercise and is carried out periodically by the RBI for all banks and financial institutions. While we attempt to be in compliance with all regulatory provisions applicable to us, in the event we are not able to comply with the observations made by the RBI, we may be subject to penalties by the RBI. Imposition of any penalty by RBI may have a material adverse effect on our reputation, financial condition and results of operations.

The proposed adoption of IND AS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.

The Institute of Chartered Accountants of India has issued Ind AS (a revised set of accounting standards) which largely converges the Indian accounting standards with International Financial Reporting Standards (IFRS). The Ministry of Corporate Affairs (MCA) has notified these

accounting standards (Ind AS) for adoption. The Reserve Bank of India (RBI) through vide notification DBR. BP. BC. No. 29/ 21.07.001/ 2018-19 dated March 22, 2019, has deferred the implementation of Indian Accounting Standards (Ind AS) till further notice.
If we need to prepare our financials from any financial year going forward according to these revised standards, our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IND AS than under Indian GAAP. This may have a material effect on the amount of income recognised during that period and in the corresponding period in the comparative period. In addition, in our transition to IND AS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems.

Economic instability and volatility in securities markets in other countries may also impact the price of the Bonds.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. In the recent past, the currencies of a few Asian countries including India suffered depreciation against the US Dollar owing to amongst other, the announcement by the US government that it may consider reducing its quantitative easing measures. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, future financial performance and the prices of the Bonds.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Since September 2008, liquidity and credit concerns and volatility in the global credit and financial markets increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major US and European financial institutions. These and other related events, such as the European sovereign debt crisis, have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, the trading volume and price of the Bonds may be adversely affected.

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely affect us

A decline or future material decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our borrowing rates and future financial performance.

Failure to obtain or renew regulatory approvals required in the ordinary course of our business, in a timely manner or at all, may adversely affect our operations.

We require certain statutory and regulatory permits, licenses and approvals, including for change of land use, in the ordinary course of our business, including approval, licenses and registrations from the RBI. We may encounter problems or delays in obtaining these approvals or licenses in fulfilling the conditions to any required approvals. There may also be delays on the part of administrative bodies in reviewing applications and granting approvals. Any failure to obtain or renew required approvals on acceptable terms or in a timely manner may disrupt the schedule of development or sale or leasing of our projects and, in turn, adversely affect our business, results of operation and financial condition.

RISKS RELATING TO THE ISSUE AND THE BONDS

We cannot assure you that our Bonds issued in this Private Placement will be listed on the Stock Exchange in a timely manner or at all, which may restrict your ability to dispose of the Bonds

In accordance with Indian law and practice, permission for listing of the Bonds will not be granted by the Stock Exchange until after the Bonds offered in this Issue have been allotted. There could be a failure or delay in listing the Bonds on the Stock Exchange which would restrict your ability to dispose of the Bonds.

After this Placement, active trading market for our Bonds may not develop

The Bonds are a new issue of securities for which there is currently no trading. No assurance can be given that an active trading market for the Bonds will develop, or as to the liquidity or sustainability of any such market, the ability of holders to sell their Bonds or the price at which holders of the Bond will be able to sell their Bond. If an active market for the Bonds fails to develop or be sustained, the trading price of the Bonds could fall. If an active trading market were to develop, the Bonds could trade at prices that may be lower than the initial offering price of the Bonds. Whether or not the Bonds will trade at lower prices depends on many factors, including: (i) prevailing interest rates and the market for similar securities, (ii) general economic conditions and (iii) the Issuer's financial condition, financial performance and future prospects.

We may not be in a position to redeem or repay the Bonds

Upon occurrence of a material adverse change or acceleration following an event of default or delisting of the Issuer's securities from BSE, the Bond holders may require the Issuer to repurchase all (or a portion of) such Bonds. Following acceleration of the repayment of the Bonds, the Issuer would be required to pay all amounts then due under the Bonds. The Issuer may not be able to repurchase all or any of such Bonds or pay all amounts due under the Bonds if the Issuer does not have sufficient cash flow to repurchase or repay the Bonds.

Compounding of Risks on investment in our Bonds

An investment in the Bonds involves multiple risks and such investment should only be made after assessing the direction, timing and magnitude of potential future changes in the interest rates, the risks associated with such investments and the terms and conditions of the Bonds. More than one risk factor may have simultaneous effects with regard to the Bonds such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect, which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Bonds.

The Bonds may not be a suitable investment for all purchasers

Potential Investors should ensure that they understand the nature of the Bonds and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers to make their own legal, tax, accounting and financial evaluation of the merits and risks of investment in the Bonds and that they consider the suitability of the Bonds as an investment in the light of their own circumstances and financial condition.

Changes in interest rates may affect the price of the Bonds

All securities where a fixed rate of interest is offered, such as the Bonds, are subject to price risk. Interest rates are highly sensitive and fluctuations thereof are dependent upon many factors which are beyond the Issuer's control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic and international economic and political conditions, inflation and other factors. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing interest, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of the Bonds.

We are not required to create a debenture redemption reserve

As per the Companies (Share Capital and Debentures) Rules, 2014, save and except certain companies governed by RBI and banking companies, every company is required to create DRR for the purpose of redemption of debentures. Hence, we are not required to create DRR. Accordingly, we may not consider it necessary to create DRR. Consequently, the Investor may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the Bonds.

The Bonds are being issued in compliance with RBI Guidelines/ RBI Norms, in terms of which the Bondholders may be exposed to the risk of losing their investment amount under certain specified conditions.

The present Issue of Bonds is being made in pursuance of master circular no. DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 issued by the Reserve Bank of India on Basel III Capital Regulations ("**Master Circular**") covering terms and conditions for issue of perpetual debt instruments in additional Tier 1 capital (Annex 4 of the Master Circular) and minimum requirements to ensure loss absorbency of all non-equity regulatory capital instruments at the point of non-viability (Annex 16 of the Master Circular). In the event of any inconsistency in terms of the Bonds as laid down in the Disclosure Document/ Summary Term Sheet/ or any other Transaction Document and terms of Master Circular, the provisions of Master Circular shall prevail.

The Bonds, at the option of the Reserve Bank of India, may be written off upon the occurrence of the trigger event, called the 'Point of Non-Viability (PONV) Trigger' stipulated below. The amount of Bonds to be written-off will be determined by the RBI.

The PONV Trigger event is the earlier of:

a) a decision that a full and permanent write-off, without which the Bank would become non-viable, is necessary, as determined by the Reserve Bank of India; and
b) the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the relevant authority.

The write-off of any Common Equity Tier 1 capital shall not be required before the write-off of any Non-equity (Additional Tier 1 and Tier 2) regulatory capital instrument

Such a decision would invariably imply that the write-off consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted. As such, the contractual terms and conditions of an instrument must not provide for any residual claims on the Issuer which are senior to ordinary shares of the Bank (or banking group entity where applicable), following a trigger event and when write-off is undertaken.

The provisions with respect to (a) determination of a non-viable Bank; (b) restoring viability; (c) replenishment of equity; (d) treatment of Bonds in the event of winding-up, amalgamation, acquisition, re-constitution etc. of the Bank; (e) order of write-off/ seniority of claims of the Bondholders and (f) criteria to determine the PONV have been set forth in details in the Summary Term Sheet.

5. REGULATORY DISCLOSURE

The Disclosure Document is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this section, the Bank has set out the details required as per Schedule I of the SEBI Debt Regulations and Form No. PAS-4 (*Private Placement Offer cum Application Letter*) pursuant to the PAS Rules.

5.1. Documents Submitted to the Exchanges

The following documents have been / shall be submitted to the Stock Exchanges along with the listing application:

- Memorandum and Articles of Association of the Bank and necessary resolution(s) for the allotment of the Bonds;
- Copy of the audited Annual Reports for the last three years;
- Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- Copy of the resolution passed by the shareholders of the Bank held on July 17, 2019, authorizing the issue / offer of non-convertible debentures by the Bank;
- Copy of the Board resolution dated January 16, 2020 authorizing the borrowing and list of authorized signatories;
- An undertaking from the Bank stating the debenture trust deed would be executed within the time frame prescribed in the relevant regulations / acts / rules, etc. and the same would be uploaded on the website of the BSE, where the debt securities have been listed, within 5 (five) working days of execution of the same; and
- Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

As the Bonds are unsecured, creation of charge is not applicable.

5.2. Documents Submitted to Trustee

The following documents have been / shall be submitted to the Trustee:

(a) Memorandum and Articles of Association of the Bank and necessary resolution(s) for the allotment of the Bonds;

(b) Copy of the audited Annual Reports for the last three years;

(c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;

(d) Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit and loss statement, balance sheet and cash flow statement) and auditor qualifications, if any.

(e) An undertaking to the effect that the Bank would, submit the details mentioned in point (d) above to the Trustee within the timelines as mentioned in Simplified Listing

Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Bank shall within 180 (One Hundred and Eighty) calendar days from the end of the financial year, submit a copy of the latest annual report to the Trustee and the Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' and other existing debenture-holders within 2 (two) Business Days of their specific request.

5.3. Bank Information

a. Name and address of the following:-

(i) Registered office of the Issuer:

THE SOUTH INDIAN BANK LIMITED

Address	:	SIB HOUSE, T.B. ROAD, MISSION QUARTERS, THRISSUR- 680 001, KERALA, INDIA
Ph	:	+91-487-2420020, 2420058, 2420113
Fax	:	+91 487 2442021
Email	:	sibcorporate@sib.co.in

(ii) Corporate Office of the Bank

ADDRESS	:	SIB HOUSE, T.B. ROAD, MISSION QUARTERS, THRISSUR- 680 001, KERALA, INDIA
Ph	:	+91-487-2420020, 2420058, 2420113
Fax	:	+91 487 2442021
Email	:	sibcorporate@sib.co.in

(iii) Compliance Officer of the Bank

SHRI. JIMMY MATHEW

ADDRESS	:	SIB HOUSE, T.B. ROAD, MISSION QUARTERS, THRISSUR- 680 001, KERALA, INDIA
Ph	:	0487 – 2429333
Fax	:	0487 - 2424760
Email	:	ho2006@sib.co.in

(iv) CFO of the Bank

SMT. CHITHRA.H

ADDRESS	:	SIB HOUSE, T.B. ROAD, MISSION QUARTERS, THRISSUR- 680 001, KERALA, INDIA
Ph	:	0487 – 2429343
Fax	:	0487 - 2442021
Email	:	ho2008@sib.co.in

(v) Sole Arranger

TRUST INVESTMENT ADVISORS PVT.LTD

ADDRESS	:1101, Naman Centre, BKC, Mumbai-51.
PH	: +91 22 4084 5000
Website	: www.trustgroup.in

(vi) Trustee of the Issue

IDBI TRUSTEESHIP SERVICES LIMITED

ADDRESS	:	Asian Building, Ground Floor, 17, R.Kamani Marg, Ballard Estate, Mumbai-400001
Ph	:	+91-22-4080 7000
Fax	:	+91-22-6631 1776
Email	:	itsl@idbitrustee.com
Website	:	www.idbitrustee.com
SEBI Registration No:		IND000000460

(vii) Registrar of the Issue

BTS CONSULTANCY SERVICES PRIVATE LIMITED.

ADDRESS	:	M S Complex, 1st Floor,Plot No.8, SastriNagar, Near RTO / 200 Feet Road, Kolathur, Chennai–600099
Ph	:	044 2556 5121
Fax	:	044 2556 5131
Email	:	helpdesk@btsindia.com
Website	:	www.btsindia.com
SEBI Registration No:		INR200004031

(viii) Credit Rating Agency of the Issue

INDIA RATINGS & RESEARCH PRIVATE LIMITED

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5.4. A brief summary of the business/ activities of the Bank and its line of business containing at-least following information:-

5.4.1. Overview

We were incorporated on January 25, 1929 in Thrissur, Kerala, with the goal of providing a safe, efficient and service-oriented repository of savings to the local community and to reduce the dependence of the business community on moneylenders by providing need-based credit at a reasonable rate of interest. We became a scheduled bank in 1946.

We are one of the leading scheduled commercial banks in South India and offer a wide range of products and services to corporate and retail customers through a variety of delivery channels. We have a pan-India presence and as of 31 December, 2019, we had 870 branches and 1407 ATMs/CRMs/CDMs/BNAs, located in 26 states and 4 union territories. As on 31 March 2019 we had no subsidiaries.

We have three main business lines:

- Retail Banking;
- Corporate Banking; and
- Treasury Operations.

Our retail banking portfolio consists of savings, demand and time deposit services, housing loans, auto loans, educational loans, other personal loans, loans backed by gold, and other personal banking products. We also provide agricultural loans, loans to traders and Micro, Small and Medium Enterprises ("MSME"). We offer our customers a suite of technological products, including global debit cards, "anywhere banking" facilities, mobile banking, RTGS, National Electronic Fund Transfer ("**NEFT**") and Internet banking. We also distribute third party financial products, such as insurance (life and non-life) and mutual fund products. In addition, we provide depository services and are a depository participant for CDSL. We are also accredited by NPS to act as point of presence under various schemes for enrolling by general public.

Our customer base is geographically and economically diverse, although most of our customers are in South India. We also serve the NRI market. We have remittance facilities for NRIs by way of draft-drawing arrangements and speed remittance facilities under the name SIB EXPRESS. We have received permission from Central Bank of Dubai and from RBI to open a representative office in Dubai and we are also providing managerial support to an exchange house in UAE to facilitate instantaneous credit of remittances from overseas by electronic transmission. Our SIB Pravasi Swagath loan scheme caters for NRIs returning to India on a permanent basis.

We offer various banking products to our corporate and commercial customers, including term loans, short term loans, cash credit, working capital finance, export credit, bill discounting, line of credit, letters of credit and guarantees.

Our treasury operations comprise liquidity management by seeking to maintain an optimum level of liquidity, while complying with the CRR and the SLR. We maintain the SLR through a portfolio of central Government, state Government and Government-guaranteed securities that we actively manage to optimise yield and benefit from price movements. We are also involved in the trading of debt securities, equity securities and foreign exchange within permissible limits.

We have received numerous awards. Some of our more recent awards include Best MSME Bank-Runner Up, instituted by Chamber of Indian Micro, Small & Medium Enterprises, National Payments Excellence Award for RuPay instituted by NPCI, Kerala Management Association (KMA)-Corporate Social Responsibility CSR) Award and 'Best Performing Primary Lending Institution (PLI) of HUDCO' under Credit Linked Subsidy Scheme (CLSS). This prestigious award is a recognition of the Bank's contribution to promote credit under CLSS in 2017-18 , "Best Technology Bank of the Year" in IBA Technology Awards 2018 for its Payment initiatives and use of Digital & Channel Technologies. The Bank also won the Social Banking Excellence Award from ASSOCHAM under the Priority Sector Lending. The Bank bagged the Award for Best Financial Services & Foreign Exchange Earner in South Region (Gold) 2015-16 from FIEO (Federation of Indian Export Organisations), prestigious Digital India Excellence award 2017 for innovation in Mobile app. "Digital E-lock" in the 5th Pan IIM World Management Awards 2017, Best Bank Award for Digital Banking among Small Banks and Best Bank Award for High performance IT Ecosystem among Small Bank in the thirteenth edition of the IDRBT Banking Technology Excellence Awards 2016-17, Dun & Bradstreet, India's Top Banks & Banking Awards 2017, in the category Best Private Sector Bank – Priority Sector Lending (Agriculture), IBA Banking Technology award for the category "Best Technology Bank of the year", Finnoviti Award – 2017 by Banking Frontiers in association with Deloitte for Best Innovation in Banking Technology, National Payments Excellence Award – 2016 by NPCI for the performance, efforts and contribution on NPCI products, Bank received the FIEFO Export Excellence Award 2014-15 in the Best Financial Institution Category (Southern Region) from Hon'ble Minister of State (Independent Charge) for Commerce & Industry, Govt of India, SIB Mirror our mobile banking App has been chosen as a winner in "Finnoviti 2017" award, by Banking Frontiers which honours innovation in Banking Technology, "SIB Mirror" mobile banking application have Won Award in IDBRT Banking Application Contest – IBAC-2016 conducted by IDBRT, Hyderabad, Best Bank (Private Sector) in the BFSI (Banking, Financial Services and Insurance) Awards 2015 instituted by ABP News, prestigious Banking Technology Excellence Award (tenth Edition - 2014) for "Best It Team' from IDBRT, Inspiring Work Places award from Banking Frontiers in 2014.

Performance:

Our gross advances plus deposits aggregated were Rs. 1,27,138.58 crores, Rs. 1,44,056.04 crores and total assets were Rs. 82,685.87 crores, Rs. 92,279.22 crores as of March 2018 and 2019 respectively. Our total income was Rs. 7,030.06 crores and Rs. 7,602.74 crores for the financial years 2018 and 2019 respectively. Our net profit (after tax) was Rs. 334.89 crores and Rs. 247.53 crores for the financial years 2018 and 2019, respectively.

Deposits:

The total deposits of the bank have increased from Rs. 72,029.59 crores as on (31 March 2018) to Rs. 80,420.12 crores (as on 31 March 2019) registering a growth by Rs. 8,390.53 crores equivalent to 11.65% in one financial year. Out of the total growth in deposits, term deposit have increased from Rs. 54,887.85 crores (as on 31 March 2018) to Rs. 60,952.97 crores (as on 31 March 2019), being a growth by Rs. 6,065.12 crores equivalent to 11.05% in percentage terms and CASA Deposits increased from Rs. 17,141.74 crores as on 31 March 2018 to Rs. 19,467.15 crores as at 31 March 2019 registering a growth by Rs. 2,325.41 crores equivalent to 13.57%.

Advances:

Gross Advances of the Bank have also experienced a moderate growth, reflecting an increase by Rs. 8,526.93 crores from Rs. 55,108.99 crores (as on 31 March 2018) to Rs. 63,635.92 crores as on 31 March 2019 registering by a growth of 15.47%.

Income:

Total Income. Our total income increased by 8.15% to Rs. 7,602.74 crores for the financial year 2019 from Rs. 7,030.05 crores for the financial year 2018 as a result of a 11.04% increase in interest income.

Interest Earned. Our interest earned increased by 11.04% to Rs. 6,876.52 crores for the financial year 2019 from Rs. 6,192.81 crores for the financial year 2018. The primary reasons for this increase are discussed below.

Interest received and discounts on advances and bills increased by 13.15% to Rs. 6,272.65 crores for the financial year 2019 from Rs. 4,769.18 crores for the financial year 2018, due to a 17.31% increase in average advances to Rs. 56,581.08 crores for the financial year 2019 from Rs. 48,230.76 crores for the financial year 2018, which was partially offset by a decrease in average yield on advances to 9.54% during the financial year 2019 from 9.89% during the financial year 2018.

- Income from investments increased by 1.31% to Rs. 1,286.14 crores for the financial year 2019 from Rs. 1,269.50 crores for the financial year 2018, which was mainly due to a 1.15% increase in average investments to Rs. 19,194.08 crores for the financial year 2018 from Rs. 18,975.62 crores for financial year 2018, futher the average yield on investments improved from 6.69% for the financial year 2018 to 6.70% for the financial year 2019.
- Interest on other inter-bank funds increased by 86.20% to Rs. 1,6.44 crores for the financial year 2019 from Rs. 19.07 crores for the financial year 2018. This increase was primarily due to increase in average call lending to Rs. 236.30 crores for the financial year 2019 from Rs. 34.95 crores for the financial year 2018.

Other Income. Our other income decreased by 13.26% to Rs. 726.21 crores for the financial year 2019 from Rs. 837.24 crores for the financial year 2018. The primary reasons for this decrease was decrease in income from PSLC by Rs.56.52 Cr, Treasury income by Rs.60.05 Cr etc.

Expenditure:

Our total expenditure including provision increased by 9.86% to Rs. 7,355.20 crores for the financial year 2019 from Rs. 6,695.16 crores for the financial year 2018 as a result of 14.89% increase in interest expended, 13.99% increase in operating expenses which was partially offset by decrease in provisions (including tax) by 13.48%.

Interest Expended. Our interest expended increased by 14.89% to Rs 4,856.82 crores for the financial year 2019 from Rs. 4,227.29crores for the financial year 2018. The primary reasons for this increase are discussed below.

- Interest paid on deposits increased by 13.24% to Rs. 4549.90 crores for the financial year 2019 from Rs. 4018.00 crores for the financial year 2018, which was primarily due to a 11.92% increase in average deposits to Rs. 73,949.06 crores for the financial year 2019 from Rs. 66,073.83 crores for the financial year 2018, further the average cost of deposits moved from 6.08% for the financial year 2018 to 6.15% for the financial year 2018.
- Interest paid on RBI / inter-bank and other borrowings increased by 65.85% to Rs. 306.92 crores for the financial year 2019 from Rs. 209.28 crores for the financial year 2018, which was mainly due to increase in average cost of borrowings from 6.14% for the financial year 2018 to 7.40% for the financial year 2019.

Operating Expenses. Our operating expenses increased by 13.99% to Rs. 1506.93 crores for the financial year 2019 from Rs. 1321.98 crores for the financial year 2018. The primary reasons for this increase are discussed below.

- Payments to and provisions for employees increased by 15.17% to Rs.821.43 crores for the financial year 2019 from Rs. 713.22 crores for the financial year 2018. The primary reasons for this decrease was due to increase in the number of employees to 8,440 as of March 31, 2019 from 7,946 as of March 31, 2018 and incremental gratuity liability due to enhancement of gratuity ceiling payable to an employee under Payment of Gratuity Act, 1972 to Rs.20 lakhs from earlier limit of Rs.10 Lakhs.
- Our other operating expenses increased by 12.61% to Rs. 685.50 crores for the financial year 2019 from Rs. 608.76 crores for the financial year 2018, which was mainly due to increase in communication cost by Rs.15.51 crores, Repairs and maintenance by Rs.13.33 crores and Rs.22.02 Crore on other expenditure.

Provisions and Contingencies. Our provisions and contingencies increased by 39.39% to Rs. 1,145.90 crores for the financial year 2018 from Rs. 822.09 crores for the financial year 2017. The primary reasons for this increase are discussed below

Our Provisions (Other than Taxes) and Contingencies. Our provisions (other than tax) and contingencies decreased by 12.48% to Rs. 858.48 crores for the financial year 2019 from Rs. 980.90 crores for the financial year 2018. The primary reasons for this increase are discussed below.

- Our provision for NPAs/NPI's increased by 0.20% to Rs. 687.71 crores for the financial year 2019 from Rs. 686.32 crores for the financial year 2018. Our gross NPA ratio has increased to 4.92% as of March 31, 2019 from 3.59% as of March 31, 2018 and our net NPA ratio has also increased to 3.45% as of March 31, 2019 from 2.60% as of March 31, 2018.
- Other impaired assets provision decreased to Rs. -10.02 crores for the financial year 2019 from Rs. 21.25 crores for the financial year 2018. The primary reason for this decrease was due to write back in provision made for certain irregularities in the nature of fraud at one of the branches due to insurance claim receipt.
- The provision for funded interest term loan increased by 136.04% to Rs. 2.19 crores for the financial year 2019 from write back of Rs. 6.08 crores for the financial year 2018.
- Our provision for depreciation in the value of investments in the financial year 2019 has decreased to Rs 140.23 crores, compared to Rs. 316.11 crore during the financial year 2018, the 2018 figures was higher due to depreciation of Rs. 252.39 Crore on account of diminution in net asset value (NAV) of investments in Security Receipts on the basis of NAV declared by Asset Reconstruction Company.

Provision for Tax. Our total provision for tax decreased by 19.41% to Rs. 132.97 crores for the financial year 2019 from Rs. 165.00 crores for the financial year 2018. This was primarily due to decrease in our profit before tax to Rs. 380.50 crores for the financial year 2019 from Rs. 499.89 crores for the financial year 2018.

Profit:

As a result of the above, our net profit decreased by 26.09% to Rs.247.53 crores for the financial year 2019 from Rs. 334.89 crores for the financial year 2018.

Capital Adequacy:

The Bank is subject to the capital adequacy guidelines stipulated by RBI, which are based on the framework of the Basel Committee on Banking Supervision. As per Basel III guidelines, the Bank is required to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 9% {11.5% including Capital Conservation Buffer (CCB)}, with minimum Common Equity Tier 1 (CET1) of 5.5% (8% including CCB) as on 31st March 2020. These guidelines on Basel III are to be implemented beginning 1st April 2013 in a phased manner, the minimum total capital including CCB required to be maintained by the Bank for the year ended 31st March 2020 is 10.875% with minimum Common Equity Tier 1 (CET1) plus CCB of 7.375%.

The bank is following standardized approach, Standardized Duration approach and Basic Indicator approach for measurement of capital charge in respect of credit risk, market risk and operational risk respectively. Besides, computation of CRAR under the Pillar I requirement, the Bank also periodically undertakes stress testing in various risk areas to assess the impact of stressed scenario or plausible events on asset quality, liquidity, profitability and capital adequacy. The bank conducts Internal Capital Adequacy Assessment Process (ICAAP) on quarterly basis to assess the sufficiency of its capital funds to cover the risks specified under Pillar- II of Basel guidelines. The adequacy of banks‟ capital funds to meet the future business growth is also assessed in the ICAAP document.

CRAR of the Bank:

CRAR of the Bank under Basel III Guidelines decreased to 12.61% as on 31 March, 2019 from 12.70% as on 31 March, 2018 this was mainly due to increase in advance during the financial year 2019.

5.4.2. Brief Particulars of the Management of the Bank

Please refer to section titled “Following details regarding the directors of the Issuer”

5.4.3. Corporate Structure

Please see **Annexure VII**.

5.4.4. Key Operational and Financial Parameters for the last 3 audited years (Without restatements)

Key Operational and Financial Parameters of the Bank for the last 3 Audited years and Unaudited Results up to December 31, 2019 on a standalone basis are as under:

Particulars	Up to 30 December 2019	For	For	For
	(in crores)	FY 2018-19	FY 2017-18	FY 2016-17
		(in crores)	(in crores)	(in crores)
Net worth	5181.17	4946.13	4741.81	4379.47
Total Debt				
- Non-current maturities of long term borrowings	2787.86	3540.00	2278.30	816.79
- Short term borrowings	1523.48	1363.20	1765.08	1140.97
- current maturities of long term borrowings				
Net Fixed Assets	793.91	654.10	634.89	614.60
Non-current Assets	85242.52	81484.99	72247.65	62471.54
Cash and Cash Equivalents	4559.84	4822.75	4221.05	3887.72
Current Investments	3821.66	3628.89	3941.17	5702.84
Other Current Assets	2043.85	1592.41	1524.12	1500.13
Non-current Liabilities	84873.70	80420.12	72029.59	66117.49
Other Current Liabilities	1696.33	1620.57	1371.68	1391.45
Assets under management				
Off balance Sheet Assets	8546.15	9669.37	11507.65	7215.15
Interest Income	5816.13	6876.52	6192.81	5847.08
Interest Expense	4094.39	4856.82	4227.29	4171.64
Provisioning & write- offs	863.94	991.45	1145.90	822.09
PAT	248.27	247.53	334.89	392.50
Gross NPA (%)	4.96	4.92	3.59	2.45
Net NPA (%)	3.44	3.45	2.60	1.45
Tier 1 Capital Adequacy Ratio (%)	9.58	9.97	10.41	10.88
Tier 2 Capital Adequacy Ratio (%)	2.44	2.64	2.29	1.49

5.4.5. Profits of the Bank, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of Disclosure Document

Particulars	2018-2019	2017-2018	2016-2017
Profit Before Tax	380.50	499.89	600.22
Profit after Tax	247.53	334.89	392.50

5.4.6. Dividends declared by the Bank in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid):

Particulars	**2018-2019**	**2017-2018**	**2016-2017**
Dividend Declared	25%	40%	40%
Interest coverage Ratio	106.53%	109.43%	110.98%

5.4.7. Gross Debt: Equity Ratio of the Issuer as on December 31 2019

BEFORE THE ISSUE OF DEBT SECURITIES	0.83
AFTER THE ISSUE OF DEBT SECURITIES	0.93

Note: Borrowings does not include deposits

5.4.8. Audited cash flow statement for the three years immediately preceding the Issue:

Please refer to Annexure V

5.4.9. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.

In the FY 2016-17, with effect from 1 April 2016, in respect of accounting of swap cost pertaining to FCNR Deposits/ Overseas Borrowings, the Bank has adopted amortisation method over the period of swap tenure, as against the mark-to-market method. This change in policy does not have any financial impact over the full period of the swap. Except as disclosed above, there is no other change in accounting policies during the last three years

5.4.10. Project Cost and means of financing, in case of funding of new projects

The funds being raised by the Bank through present issue of Bonds are not meant for financing any particular project. The Bank shall utilize the proceeds of the issue for augmenting additional Tier 1 capital, under Basel III Capital Regulations as laid out by RBI and overall capital of the Bank for strengthening its capital adequacy and for enhancing its long-term resources

5.5. A brief history of the Issuer since its incorporation giving details of its activities

The South Indian Bank Limited was incorporated on 25 January, 1929, under the Companies Act 1913 at Thrissur town in Kerala. The Bank came into being during the Swadeshi movement. The establishment of the Bank was the fulfilment of the dreams of a group of enterprising men who joined together at Thrissur, a major town (now known as the Cultural Capital of Kerala), in the erstwhile State of Cochin to provide for the people a safe, efficient and service oriented repository of savings of the community on one hand and to free the business community from the clutches of greedy money lenders on the other by providing need based credit at a reasonable rates of interest.

It is one of the leading scheduled commercial banks in the Private Sector, with a good track record and pan India presence. In 1960, when there was crisis in the banking industry, SIB took over 15 other banks. Over the years, SIB has steadily grown and as on 31 December 2019 the Bank has a network of 870 branches and 1407 ATMs/CRMs/CDMs/BNAs spanning 26 states and 4 Union Territories. SIB has been following a policy of upgrading technologies, expanding and modernizing its network of branches to meet the growing demands of customer service and reach. SIB is the first amongst all the Private Sector banks in Kerala to open a currency chest on behalf of Reserve Bank of India.

A team of dedicated and qualified staff is managing the day-to-day affairs of SIB. In order to keep its employees abreast of the changes in banking and trade scenario, SIB regularly conducts staff training programs through its own staff training college. In addition, SIB deputes its officers for training at Banker's Training College, RBI Training College (College of agriculture banking, Pune), National Institute of Bank Management, Pune etc.

SIB has successfully completed its public issue in October 1998, and rights issue during September 2004, which led to its paid up capital expanding to Rs.47.68 crores. During 2005-06, 2.27 crores equity shares were issued by way of FPO on account of which the paid up share capital was increased to Rs.70.40 crores. In 2007-08, Qualified Institutional Placement of equity shares aggregating to 2 crores took the share capital to 90.41 crores. In 2008-09, the Bank had issued 2.26 crores bonus shares to raise the capital to Rs. 113.01crores. During FY 2012-13, the bank again raised its paid up share capital by Rs.20 crores by way of qualified Institutional Placement, on account of this the paid up share capital increased to Rs.133.85 crores. During 2016-17, the Bank has raised capital by way of issue of 45.07 crore Equity shares aggregating to Rs.630.99 crores on account of which the Bank's issued and paid up capital increased to Rs.180.88 crore as on 31 March, 2018. The paid up share capital of the Bank as on 31 December, 2019 was Rs.180.97 Crores.

Translating the vision of the founding fathers as its corporate mission, the bank has during its long sojourn been able to project itself as a vibrant, fast growing, service oriented and trend setting financial intermediary.

Milestones

1929	South Indian Bank was established at Trichur, Kerala State.
1941	First branch outside Kerala (Coimbatore) was opened.
1946	First private sector Bank in Kerala to become a scheduled Bank.
1963	The Bank took over the assets and liabilities of the Kshemavilasam Banking Co., Ltd., Trichur, and the Ambat Bank Private Ltd., Chittur, Cochin.
1964	The following banks were taken over: Public Bank, Ltd., Pudukad; Subarban Bank (P) Ltd., Trichur; Vijaya Lakshmi Bank (P) Ltd., N. Parur; Chalakudy Bank, Ltd., Chalakudy; Mukkattukara Catholic Bank, Ltd., Mukkattukara; Assyrian Charities Banking Co., Ltd., Trichur; Catholic Syrian Christian Bank, Ltd., Kanjany; Malabar Bank, Ltd., Trichur; Bharatha Union Bank, Ltd., Trichur; Kozhuvanal Bank, Ltd., Kozhuvanal. The business of the Bank crosses Rs. 10 Crore.
1970	The business of the Bank crossed Rs. 25 Crores

1977	The business of the Bank crossed Rs. 100 Crores mark
1986	Total business crossed Rs. 500 Crores.
1990	The Bank made an entry into merchant banking activities by supporting underwriting to 99 New Issues.
1992	The Bank was selected by RBI to open and operate a currency chest on its behalf, the first private sector bank in Kerala. The FIRST bank in Kerala to develop an in-house, a fully integrated branch automation software in addition to the in-house partial automation solution operational. The first private sector bank to open NRI Branch. The first among the Kerala based banks to offer Credit Card to customers. Total business crossed Rs. 1000 crores mark
1993	The first bank in the private sector to start an Industrial Finance Branch.
	The FIRST among the private sector banks in Kerala to open an "Overseas Branch" to cater exclusively to the export and import business.
1998	Bank went Public with an IPO.
2000	The business of the Bank crossed Rs. 5000 Crores
2001	The Bank launched its comprehensive and centralised banking solution, Sibertech, which will was operated through the Finacle platform provided by Infosys Technologies of Bangalore.
	The Bank entered into new alliances with three exchange houses in the Gulf.
2002	Ties up with insurance player for the distribution of the products of the insurance company.
	Offers VRS to permanent eligible employees of the bank.
	Sets up an ATM in Kovai, which is its first online ATM outside its home, Kerala.
2003	Launches its Internet Banking Facility, Sibernet, to provide better services for customers.
	Enters into an agreement with Master Card International to Launch Maestro, the global ATM - Debit card. The total business crosses Rs.10000 crores mark.
2006	Raised capital through Follow on Public Offer 13
2007	Achieved 100% implementation of Core Banking Solution among branches.
2008	Raised capital by way of Qualified Institutional Placement
2009	Completes successful existence of 80 years and crossed Rs.30000 Crores business.
2009	Raised capital by issue of Tier 2 Debentures Rs.200 Crores by way of private placement.
2010	The face value of shares was sub divided from Rs.10 each to 10 equity shares of Rs.1 each
2011	Total Business crossed the land mark of Rs.50,000 crores.
2012	Networth Crossed Rs.2000 Crores and Equity offering of Rs.442.60 Crores to QIBS through the QIP route
2013	Achieved target of Rs.500 crores in Net Profit, Business exceeded Rs.75,000 Crores
2014	Authorised Capital increased from Rs.160 Crores to Rs. 250 Crores.
2015	Raised capital by issue of Basel III compliant Tier 2 Debentures Rs. 300 Crores by way of private placement.
2016	Total Business crossed the land mark of Rs.100,000 crores
2017	Raised capital by way of Rights Issue

	Raised capital by issue of Basel III compliant Tier 2 Debentures Rs. 490 Crores by way of private placement.
2018	Raised capital by issue of Basel III compliant Tier 2 Debentures Rs. 250 Crores by way of private placement.

The growth of the Bank over the years is given below:

Year ended	No. of Branches	Deposits (in crores)	Net Advances (in crores)
1929	1	0.03	N.A
1939	5	0.06	N.A
1950	15	1.21	N.A
1960	29	4.97	3.25
1970	83	14.48	10.62
1975	149	39.51	24.25
1980	257	124.58	70.82
1985	286	287.48	168.46
1990	300	492.40	247.18
1995	333	1515.53	742.77
2000	369	3885.36	2021.08
2001	368	4668.55	2468.36
2002	376	5919.70	3231.05
2003	386	6861.27	3612.94
2004	405	8280.02	4196.82
2005	425	8492.31	5365.26
2006	446	9578.66	6370.23
2007	471	12239.21	7918.91
2008	496	15156.12	10453.75
2009	526	18092.33	11852.03
2010	580	23012.00	15822.92
2011	641	29721.07	20488.73
2012	700	36500.53	27280.74
2013	750	44262.30	31815.53
2014	794	47491.09	36229.86
2015	822	51912.49	37391.64
2016	834	55720.73	41805.75
2017	850	66117.49	46389.47
2018	854	72029.59	54562.89
2019	870	80420.12	62693.74

5.5.1. Details of Share Capital as on December 31 2019

Share Capital	Rs in actuals
Authorized Share Capital	250,00,00,000
Issued, Subscribed and Paid-up Share Capital	180,97,22,151

5.5.2. Changes in its capital structure as on 31 December 2019, for the last five years:

Date of Change (AGM)/EGM)*	Amount (Increase) (in crores)		Particulars
2013-14	Capital	0.54	Increase in Issued, Subscribed and paid-up share Capital pursuant to allotment of Equity shares in various tranches under SIB ESOS Scheme 2008.
	Premium	7.24	
16 July, 2014	Capital	90.00	Authorized Capital of the Bank is increased from Rs.160 Crore (Rupees One hundred and sixty Crore only) to Rs.250 Crore (Rupees Two hundred and Fifty crore only) by creation of additional 90 crore shares of Rs. 1/- each.
2014-15	Capital	0.62	Increase in Issued, Subscribed and paid-up share Capital pursuant to allotment of Equity shares in various tranches under SIB ESOS Scheme 2008.
	Premium	8.34	
2015-16	Capital	1.57	Increase in Issued, Subscribed and paid-up share Capital pursuant to allotment of Equity shares in various tranches under SIB ESOS Scheme 2008.
	Premium	31.68	
2016-17	Capital	0.18	Increase in Issued, Subscribed and paid-up share Capital pursuant to allotment of Equity shares in various tranches under SIB ESOS Scheme 2008.
	Premium	3.56	
2016-17	Capital	45.07	Increase in Issued, Subscribed and paid-up share Capital pursuant to allotment of Equity shares by way of Rights Issue.
	Premium	585.92	
2017-18	Capital	0.60	Increase in Issued, Subscribed and paid-up share Capital pursuant to allotment of Equity shares in various tranches under SIB ESOS Scheme 2008.
	Premium	11.98	

2018-19	Capital	0.09	Increase in Issued, Subscribed and paid-up share Capital pursuant to allotment of Equity shares in various tranches under SIB ESOS Scheme 2008.
	Premium	1.71	
Upto 31st December 2019	Capital	0.004	Increase in Issued, Subscribed and paid-up share Capital pursuant to allotment of Equity shares in various tranches under SIB ESOS Scheme 2008.
	Premium	0.092	

5.5.3. Equity Share Capital History of the Issuer as on last quarter end i.e. December 31 2019, for the last five years

Date of Allotment	No. Of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, other than cash, etc.)	Cumulative			Remarks
					No. of Equity Shares	Equity Share Capital (Rs. Crore)	Equity Share Premium (Rs. Crore)	
8 August 2014	1860690	1	14.37	Cash	1347914601	134.79	957.77	ESOS
8 August 2014	6750	1	27.75	Cash	1347921351	134.79	957.78	ESOS
8 August 2014	9250	1	26.80	Cash	1347930601	134.79	957.81	ESOS
8 August 2014	600	1	23.50	Cash	1347931201	134.79	957.81	ESOS
11 November 2014	2205350	1	14.37	Cash	1350136551	135.01	960.76	ESOS
11 November 2014	3650	1	27.75	Cash	1350140201	135.01	960.77	ESOS
11 November 2014	2700	1	26.80	Cash	1350142901	135.01	960.77	ESOS
11 November 2014	1500	1	20.80	Cash	1350144401	135.01	960.78	ESOS
9 February 2015	3560	1	27.75	Cash	1350147961	135.01	960.79	ESOS

9 February 2015	2575	1	26.80	Cash	1350150536	135.02	960.79	ESOS
9 February 2015	1500	1	20.80	Cash	1350152036	135.02	960.80	ESOS
5 May 2015	3800	1	26.80	Cash	1350155836	135.02	960.81	ESOS
5 May 2015	3875	1	24.05	Cash	1350159711	135.02	960.82	ESOS
5 May 2015	7800	1	20.80	Cash	1350167511	135.02	960.83	ESOS
6 August 2015	250	1	27.75	Cash	1350167761	135.02	960.83	ESOS
6 August 2015	500	1	26.80	Cash	1350168261	135.02	960.83	ESOS
6 August 2015	300	1	23.50	Cash	1350168561	135.02	960.83	ESOS
6 August 2015	4975	1	24.05	Cash	1350173536	135.02	960.84	ESOS
9 November 2015	600	1	24.05	Cash	1350174136	135.02	960.84	ESOS
9 February 2016	134905	1	20.80	Cash	1350309041	135.03	961.11	ESOS
11 May 2016	8105	1	20.80	Cash	1350317146	135.03	961.13	ESOS
1 August 2016	300114	1	20.80	Cash	1350617260	135.06	961.72	ESOS
	3750	1	24.05	Cash	1350621010	135.06	961.73	ESOS

3 November 2016								
3 November 2016	1112740	1	20.80	Cash	1351733750	135.17	963.94	ESOS
29 November 2016	4500	1	20.80	Cash	1351738250	135.17	963.94	ESOS
1 February 2017	150	1	22.65	Cash	1351738400	135.17	963.95	ESOS
1 February 2017	389507	1	19.72	Cash	1352127907	135.21	964.68	ESOS
27 March 2017	450708052	1	14.00	Cash	1802835959	180.28	1550.59	Rights Issue
8 May 2017	6050	1	24.05	Cash	1802842009	180.28	1550.61	ESOS
8 May 2017	535806	1	20.80	Cash	1,803,377,815	180.33	1551.67	ESOS
8 May 2017	40960	1	24.05	Cash	1,803,418,775	180.34	1551.76	ESOS
3 August 2017	26800	1	24.05	Cash	1,803,445,575	180.34	1551.83	ESOS
3 August 2017	889178	1	20.80	Cash	1,804,334,753	180.43	1553.58	ESOS
3 August 2017	42550	1	24.05	Cash	1,804,377,303	180.44	1553.69	ESOS
2 November 2017	42572	1	24.05	Cash	1,804,419,875	180.44	1553.78	ESOS
2 November 2017	1304904	1	20.80	Cash	1,805,724,779	180.57	1556.36	ESOS
2 November 2017	67270	1	24.05	Cash	1,805,792,049	180.58	1556.52	ESOS

6 February 2018	38328	1	24.05	Cash	1,805,830,377	180.58	1556.51	ESOS
6 February 2018	2940573	1	20.80	Cash	1,808,770,950	180.88	1562.43	ESOS
6 February 2018	60130	1	24.05	Cash	1,808,831,080	180.88	1562.57	ESOS
4 May 2018	588930	1	20.80	Cash	1,809,420,010	180.94	1563.74	ESOS
4 May 2018	79175	1	24.05	Cash	1,809,499,185	180.95	1563.92	ESOS
4 August 2018	176466	1	20.80	Cash	1,809,675,651	180.97	1564.27	ESOS
4 August 2018	6500	1	24.05	Cash	1,809,682,151	180.97	1564.28	ESOS
5 August 2019	40000	1	24.05	Cash	1809722151	180.97	1564.37	ESOS

5.5.4. Details of any Acquisition or Amalgamation in the last one year
NIL

5.5.5. Details of any Reorganization or Reconstruction in the last one year
NIL

5.5.6. Details of the shareholding of the Company as on December 31 2019

Sr. no	Particulars	Number of shareholders	Total no. Of Equity Shares	No. of shares held in demat form	% to total no. of Equity Shares
A.	Shareholding of Promoter & Promoter Group	NIL	NIL	NIL	NIL
B.	**Public Shareholding**				
1	**Institutions**				
a.	Mutual Funds	10	77974247	77974247	4.31
b.	Venture capital				0.00
c.	Alternate Investment Funds	1	1128700	1128700	0.06
d.	Foreign Venture Capital Investors				0.00
e.	Foreign Portfolio Investors (FPIs)	84	404373430	404373430	22.34
f.	Financial Institutions /Banks	4	7577403	7577403	0.42
g.	Insurance Companies	1	58319232	58319232	3.22

h.	Central Government/State Govt				
	SUBTOTAL (B1)	100	549373012	549373012	30.36
2					
a.	**Individuals**				
i.	Individual shareholders holding nominal share capital up to Rs. 1 lakh	411938	692490488	633922739	38.27
ii.	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	762	249102836	244795445	13.76
	SUBTOTAL (B2)	412700	941593324	878718184	52.03
b.	NBFCs registered with RBI				
c.	Employee trusts				
d.	Overseas Depositories (holding DRs)				
e.					
	Bodies Corporate	1642	99507831	96715316	5.50
	Clearing Members	204	6693215	6693215	0.37
	Trusts	17	50792	50792	0.00
	Foreign Nationals/NRI	8235	165338794	156013678	9.14
	Unclaimed or Suspense or Escrow account				
	IEPF A/c.	1	7613889	7613889	0.42
	Huf	5388	28982348	28981982	1.60
	QIB	3	8262798	8262798	0.46
	Directors & Relatives	28	2169600	1688904	0.12
	Foreign Portfolio Investors (FPIs)-Indicidual	1	136548	136548	
	SUBTOTAL (B3)	15519	318755815	306157122	17.61
	Total Public Shareholding (B1 + B2 + B3)	428319	1809722151	1734248318	100.00

(a) **Details of shares pledged or encumbered by the promoters (if any): NIL**

(b) **Pre-Issue and post-Issue shareholding pattern of the Bank:**

Sr. No.	Category	Pre Issue		Post Issue -31.12.2019	
		No. of Shares held	% of shareholding	No. of Shares held	% of shareholding
A	**Promoters'holding :**				
1	Indian :	0	0.00	0	0.00
	Individual	0	0.00	0	0.00
	Bodies Corporate	0	0.00	0	0.00
	Sub Total	**0**	**0.00**	**0**	**0.00**
2	Foreign Promoters	0	0	0	0
	Sub Total (A)	**0**	**0.00**	**0**	**0.00**
B	**Non- Promoters'holding:**				
1	Institutional Investors	64600069	3.57	64600069	3.57
2	**Non Institution:**				
	Private Corporate Bodies	99507831	5.50	99507831	5.50
	Director and Relatives	2169600	0.12	2169600	0.12
	Indian Public	941593324	52.03	941593324	52.03
	Others (Including NRIs,Clearing Member,Mutual Fund,Trust,Banks,QFI Corporate,HUF & Foreign Portfolio Investor (corp)),IEPF Authority MCA	701851327	38.78	701851327	38.78
	Sub Total (B)	**1809722151**	**100.00**	**1809722151**	**100.00**
	GRAND TOTAL	**1809722151**	**100.00**	**1809722151**	**100.00**

(c) **List of top 10 holders of equity shares of the Company as on December 31 2019**

Sr. No	Name	Total no. of equity shares	No. of shares in demat form	Total Shareholding as % of total no. of equity shares
1	YUSUFFALI MUSALIAM VEETTIL ABDUL KADER	90059249	90059249	4.98
2	LAVENDER INVESTMENTS LIMITED	88836000	88836000	4.91
3	PEAR TREE POLARIS FOREIGN VALUE SMALL CAP FUND	72656800	72656800	4.01
4	LIFE INSURANCE CORPORATION OF INDIA	58319232	58319232	3.22

5	ICICI PRUDENTIAL BANKING AND FINANCIAL SERVICES FUND	41970557	41970557	2.32
6	IVA INTERNATIONAL FUND	33329161	33329161	1.84
7	ACACIA BANYAN PARTNERS	31210267	31210267	1.72
8	ASHISH DHAWAN	28000000	28000000	1.55
9	L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSINESSES FUND	25175703	25175703	1.39
10	ACACIA PARTNERS LP	24985520	24985520	1.38

5.5.7. Following details regarding the directors of the Issuer:

(a) **Details of the current directors of the Issuer**

Name, Designation and DIN	Age (yrs.)	Address	Director of the Bank since	Details of other directorships
Sri Salim Gangadharan Non-Executive Part Time Chairman , DIN–06796232 Occupation: Retired (Ex-Principal Chief General Manager, RBI)	66	C-26, RNP Lane, Sasthamangalam P.O, Vellayambalam, Trivandrum, 695010, Kerala,	16 January 2014	1. NSE Clearing Limited 2. Kerala Infrastructure Investment Fund Board
Sri. V. G. Mathew (Managing Director & CEO) DIN–05332797 Occupation: Service	66	Plot No.264, 2nd Gate, Hill Garden, Kuttanellur, Thrissur – 680006	1 October 2014	NIL
Dr. John Joseph Alapatt Non-Executive Independent Director, DIN– 00021735 Occupation: Professional Service	66	No. 406, Devaprag, Tristar Regency Enclave, Avinashi Road, Coimbatore 641037 Tn In	24 September 2012	Janakshemam Kuries Pvt Ltd.
Sri. Palathingal Antony Francis Non-Executive Independent Director, DIN–01419486	67	H.No.37/3166, Palathingal, Bank Road KaloorErnakulam,	1 November 2013	1. CII Guardian International Limited 2. Alapatt Properties Private Limited

Occupation: Business		682017, Kerala, India		
Smt. Ranjana Sivanand Salgaocar Non-Executive Independent Director, DIN–00120120 Occupation: Business	65	House No. 186/1, Sagar Vilas Samudra Darshan Colony Cacra 403206 Goa	1 October 2014	1. Achintya Real Estate Private Limited. 2. Amona Shipyard Private Limited 3. Cauvery Mining Company Private Limited 4. Dhanistha Real Estates Private Limited. 5. Ganadev Real Estate Private Limited 6. Ganapal Real Estates Private Limited. 7. Ganaraj Real Estates Private Limited 8. Medini Real Estates Private Limited. 9. Pyramid Metallics Private Limited. 10. Sandstone Real Estates Private Limited. 11. Sumedha Plantations Private Limited
Sri. Parayil George John Tharakan Non-Executive Independent Director, DIN–07018289 Occupation: Agriculture	59	AyanatParayil, Thykattussery Post, Alleppey District Kerala – 688 528	25 November 2014	NIL
Sri. Achal Kumar Gupta Non-Executive Director DIN–02192183 Occupation: Banking	66	Flatc1503, Near Ashima Mall Hoshangabad Road Bhopal 462026 Madhya Pradesh	11 January 2017	NIL
Sri. V J Kurian Non-Executive Independent Director DIN- 01806859 Occupation: Retired IAS	62	Vattavayalil House, Pappali Lane, Vazhakkala,	23 March 2018	1. Cochin International Airport Limited

		Kakkanadu (W) P.O, Ernakulam 682030		2. CIAL Infrastructures Limited 3. CIAL Duty free and Retail Services Limited 4. Air Kerala International Services Limited 5. Cochin International Aviation Services Limited 6. Kerala Waterways and Infrastructures Limited
Sri. M George Korah Non-Executive Independent Director DIN-08207827 Occupation: Chartered Accountant	59	3 DD Village May First Road Thammanam, Cochin 682032	31 August 2018	Nil
Sri.Pradeep M Godbole Non-Executive Director DIN: 08259944 Occupation : Chartered Accountant	55	601/602 B Wing, Dheeraj Jamuna Chincholi Bandar Road Malad West Mumbai 400064	26 March 2019	1.Riskintellect Solutions Private Limited 2. Risk And Compliance Professionals Association

Note: None of the current Directors of the Bank appear in the RBI's Defaulters' List or ECGC's Default List

5.5.8. Details of change in directors since last three years

Sr. no.	Name, Designation and DIN	Date of Appointment / Cessation / Resignation	Director of the Bank since (in case of Cessation / Resignation)	Reason / Remarks
1.	Smt. Ranjana S. Salgaocar Non-Executive Independent Director, DIN - 00120120	1 October 2014		Appointed as Additional Director on 1 October, 2014. Appointed as Independent Director w.e.f. 15 July , 2015.
2.	Sri. Parayil George John Tharakan Non-Executive Independent Director, DIN - 07018289	24 November 2014		Appointed as Additional Director on 24 November, 2014. Appointed as Independent Director w.e.f. 15 July, 2015.
3.	Sri. AmitabhaGuha, Part-time Non-Executive Chairman DIN- 02836707	1 November 2016	31 August 2010	Appointed as Additional Director on 31 August, 2010. Appointed as Part-time Non-Executive Chairman w.e.f. 2 November, 2010. Ceased to be director w.e.f 2 November 2016.
4.	Sri SalimGangadharan Non-Executive Part-time Chairman, DIN– 06796232	2.November,2016	16 Janurary, 2014	Appointed as Additional Director on 16 January 2014. Appointed as Part-time Non-Executive Chairman w.e.f 2 November, 2016
5.	Sri. Achal Kumar Gupta Non-Executive Director, DIN -02192183	11 January 2017		Appointed as Additional Director on 11 January, 2017. Appointed as Non-Executive Director w.e.f. 11 July , 2017.
6.	Sri. CheryanVarkey Non-Executive Director, DIN-06884551	11 July 2017	28 May 2014	Demitted office of Directorship w.e.f. 11 July, 2017 whose period of office is liable to retire by rotation,

				and who does not offer himself for re-appointment.
7.	Sri. V.G. Mathew, Managing Director & CEO, DIN - 05332797	1 October 2017	1 October 2014	Re-appointed as Managing Director & CEO of the Bank for a further period of 3 (three) years w.e.f. October 01, 2017.
8.	Sri. Mohan E Alapatt Non-Executive Independent Director, DIN–00025594	28 February 2018	1 March 2010	Demitted office of Directorship on 28th February 2018 upon completion of his 8 year term, in accordance with Section 10A(2A) of Banking Regulations Act 1949
9.	Sri. V J Kurian Non-Executive Independent Director DIN- 01806859	23 March 2018	-	Appointed as Additional Director on 23 March 2018. Appointed as Independent Director w.e.f. 11 July, 2018.
10.	Sri. K. Thomas Jacob Non-Executive Independent Director, DIN–00812892	30 August 2018	31 August 2010	Demitted office of Directorship on 30th August 2018 upon completion of his 8 year term, in accordance with Section 10A(2A) of Banking Regulation Act 1949
11	Sri. M George Korah Non-Executive Independent Director DIN-08207827	31 August 2018	-	Appointed as Additional Independent Director on 31 August 2018. Appointed as Independent Director w.e.f. 17 July, 2019
12	Sri.Pradeep M Godbole Non-Executive Director DIN: 08259944	26 March 2019	-	Appointed as Additional Director on 26 March 2019

5.5.9. Disclosures with regard to interest of directors, litigation etc

<table>
<tr><td>i</td><td>Any financial or other material interest of the directors, promoters or key managerial personnel in the Offer/Issue and the effect of such interest in so far as it is different from the interests of other persons.</td><td>All our Directors, including our Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, their shareholding, if any as well as to the extent of other remuneration and reimbursement of expenses payable to them, if any and thus bear no financial or other material interest in the Issue.

All Key Managerial Personnel, may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them, as well as to the extent of shareholding held by them in the Bank, if any.</td></tr>
<tr><td>ii</td><td>Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Bank during the last three years immediately preceding the year of the circulation of this offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.</td><td>NIL</td></tr>
<tr><td>iii</td><td>Remuneration of directors (during the current year and last three financial years)</td><td>DETAILS OF REMUNERATION PAID TO DIRECTORS during Current Year and last three FY
<table>
<tr><td>Particulars</td><td>Current Year upto 31st December (in INR)</td><td>2018-19(in INR)</td><td>2017-18(in INR)</td><td>2016-17(in INR)</td></tr>
<tr><td>Gross Salary paid to MD & CEO</td><td>8772399</td><td>11809110</td><td>12884934</td><td>10766600</td></tr>
<tr><td>Honorarium paid to Chairman (Gross)</td><td>450000</td><td>600000</td><td>600000</td><td>600000</td></tr>
<tr><td>Sitting Fee paid to Directors</td><td>11680000</td><td>14850000</td><td>10580000</td><td>11215000</td></tr>
<tr><td>Total</td><td>20902399</td><td>27259110</td><td>24064934</td><td>22581600</td></tr>
</table></td></tr>
</table>

iv	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.	**NIL**
v	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.	Please see Annexure V
vi	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also, if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries.	**NIL**
vii	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.	i) During the quarter ended 30 September, 2017, the Bank had identified certain acts of fraud committed by its employee at one of the Branches amounting to Rs.28.50 Crores (Net of recoveries). The Police case has been taken over by CBI and the staff side action have been completed by the Bank. ii) We have experienced acts of fraud and misconduct (as defined under the applicable RBI guidelines) committed by or involving our customers. Based on forensic audits we have recently reported frauds under "Diversion of funds" in three accounts involving Rs. 92.25 crores under consortium / Multiple Banking arrangements and in one account with amount Rs. 73.66 crores under sole banking. Frauds were perpetrated by customers by depositing fake title deeds and we have reported six such cases with amount involved Rs. 21.18 crores. Some

		customers of the bank have perpetrated fraud by submitting fake document/ financial statements for availing loans and in such instance, we have reported four cases with amount involved Rs. 17.85 crores. Further, a fraud by pledging of spurious gold ornaments in the name of a customer and his family members involving an amount of Rs. 4.15 crores was also reported. Police complaint has been lodged against the perpetrators of the frauds in all cases and recovery measures also have been initiated. Wherever staff lapses observed, action have been initiated and in some cases it is completed.

5.5.10. Following details regarding the auditor of the Issuer:-

(a) **Details of the auditor of the Issuer as on December 31, 2019:**

Name	**Address**	**Auditor since**
Varma & Varma Chartered Accountants	Kerala Varma Tower, Building No.53/600 B,C,D &E Off. Kunjanbava Road, Vyttila Kochi – 682 019, India +91 484 230 2223 +91 484 230 6046	June 2019

(b) **Details of change in auditor since last three years**

Name	Address	Date of appointment	Auditor of the company since (in case of resignation)	Remarks
M/s. Deloitte Haskins & Sells, Chartered Accountant	Deloitte Haskins & Sells 9th Floor, Prestige TMS Square, Opposite Oberon Mall, NH 66 Bypass (formerly NH 47), Edappally, Kochi – 682 024.	15.07.2015		M/s. Deloitte Haskins & Sells, Chartered Accountant as they have completed 10 years relationship without continuous cooling period of 5 years

				stipulated under the Companies Act, 2013.
S.R Batliboi & Co. LLP	12th Floor, The Ruby, 29 Senapati Marg, Dadar (West) Mumbai – 400 028 (India) Tel : +91 22 6192 0000 Fax : +91 22 6192 0001	11.07.2017		The Bank during 91st AGM held on 17.07.2019 had appointed Varma and Varma Chartered Accountants as the statutory auditors of the Bank in place of S.R Batliboi & Co. LLP, Chartered Accountant as they are not eligible to be appointed as per the RBI direction.
Varma & Varma Chartered Accountants	Building No.53/600 B,C,D &E Off. Kunjanbava Road, Vyttila Kochi – 682 019, India +91 484 230 2223 +91 484 230 6046	17.07.2019		

The Bank during 89th AGM held on 11.07.2017 had appointed S.R Batliboi & Co. LLP, Chartered Accountants as the statutory auditors of the Bank in place of M/s. Deloitte Haskins & Sells, Chartered Accountant as they have completed 10 years relationship without continuous cooling period of 5 years stipulated under the Companies Act, 2013.

The Bank during 91st AGM held on 17.07.2019 had appointed Varma and Varma Chartered Accountants as the statutory auditors of the Bank in place of S.R Batliboi & Co. LLP, Chartered Accountant as they are not eligible to be appointed as per the RBI direction.

5.5.11. Details of borrowings of the Company, as on December 31 2019

(a) Details of secured loan facilities:

NIL

(b) Details of Unsecured Loan Facilities

LENDER'S NAME	TYPE OF FACILITY	AMOUNT SANCTIONED (IN RS.)	PRINCIPAL AMOUNT OUTSTANDING	REPAYMENT DATE/ SCHEDULE	SECURITY
SIDBI	SIDBI Refinance	4,00,00,00,000	4,00,00,00,000	17-11-2020	Unsecured
SIDBI	SIDBI Refinance	205,00,00,000	205,00,00,000	10-05-2021	Unsecured
SIDBI	SIDBI Refinance	125,00,00,000	125,00,00,000	10-05-2021	Unsecured
SIDBI	SIDBI Refinance	7,00,00,00,000	7,00,00,00,000	14-06-2020	Unsecured

(c) Details of Certificate of Deposits : Please refer point (h) below

(d) Details of existing Bonds:

The existing Rated, Unsecured, Redeemable, Non-convertible, Lower Tier 2 Subordinated Bonds in the nature of debentures issued in the past on different dates by the Bank as on December 31, 2019 are as under:

Debenture Series	Tenor / Period of Maturity	Coupon (%p.a.)	Amount (Rs. In Cr)	Date of Allotment	Redemption Date	Credit Rating	Secured / Unsecured
SIB Bond 2009	10 Year 8 Months (128 Months)	9.75%	200.00	20-08-2009	20-04-2020	CARE A+ and IND A+	Unsecured
SIB Bond 2015	10 Year 1 month (121 months)	10.25%	300.00	30-09-2015	31-10-2025	CARE A+ and IND A+	Unsecured
SIB Bond 2017	10 years 6 months (126 months)	9.50%	490.00	28-11-2017	28-05-2028	CARE A+ and IND A+	Unsecured
SIB Bond 2018	10 years	11.75	250.00	26-03-2019	26-06-2029	CARE A+ and	Unsecured

	3 Months (126 months)					IND A+	

(e) **List of Top 10 Debenture Holders as on 31 December 2019**

Sr. No.	Name of Holders	Amount	Series
1	L AND T FINANCE LIMITED	3875900000.00	BONDS 2017
2	LIFE INSURANCE CORPORATION OF INDIA	3000000000.00	BONDS 2015
3	LIFE INSURANCE CORPORATION OF INDIA	1350000000.00	BONDS 2009
4	INDIAN INLAND MISSION	400000000.00	BONDS 2019
5	THE KARUR VYSYA BANK LTD	300000000.00	BONDS 2019
6	THE SOUTH INDIAN BANK EMPLOYEES' PROVIDENT FUND	250000000.00	BONDS 2009
7	SANJEEV VADILAL SHAH	150000000.00	BONDS 2017
8	CITY UNION BANK LIMITED - MOUNT BRANCH	100000000.00	BONDS 2019
9	BANGIYA GRAMIN VIKASH BANK	100000000.00	BONDS 2009
10	CORPORATION BANK	100000000.00	BONDS 2009

(f) **Number of persons to whom allotment on preferential basis/private placement/rights issue has already been made during the year, in terms of number of securities as well as price.**

NIL

(g) **The amount of corporate guarantee issued by the Bank along with name of the counterparty (like name of the subsidiary, JV entity, Group Company, etc.) on behalf of whom it has been issued.**

There are no corporate guarantees issued by the Bank to counterparties including the Bank's Subsidiaries, Joint Ventures, Group Companies, etc.; except Non Fund based facilities granted to its constituents in the form of bank guarantees, during the normal course of business operations.

(h) **Details of Certificate of Deposit and Commercial paper: -**

The total face value of certificate of deposit Outstanding as on 31 December 2019

Counterparty	**Face Value (in Rs.)**
TATA MUTUAL FUND	4000000000.00
TATA MUTUAL FUND	1000000000.00
CORPORATION BANK	3000000000.00
HSBC MUTUAL FUND	1000000000.00
UNITED BANK	500000000.00
ICICI PRUDENTIAL MUTUAL FUND	6000000000.00
INDIABULLS MUTUAL FUND	500000000.00
CSB BANK LTD	250000000.00
ADITYA BIRLA SUNLIFE MUTUAL FUND	3250000000.00
KARUR VYSYA BANK	3000000000.00
ADITYA BIRLA SUNLIFE MF	5000000000.00
SYNDICATE BANK	3000000000.00
CSB BANK LTD	250000000.00
BANK OF INDIA	3000000000.00
INDIABULLS MUTUAL FUND	250000000.00
ICICI PRUDENTIAL MUTUAL FUND	4000000000.00
HSBC MUTUAL FUND	1000000000.00
KARUR VYSYA BANK	2750000000.00
CORPORATION BANK	1000000000.00
JM FINANCIAL MUTUAL FUND	750000000.00
UNITED BANK OF INDIA	1000000000.00
	44500000000.00

(i) **The total Face Value of Commercial Papers Outstanding as on December 31 2019:**
NIL

(j) **Details of Rest of the borrowings (including hybrid debt like FCCB, Optionally Convertible Debentures /Preference Shares) as on December 31 2019:**

NIL

(k) **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company and including any statutory dues, in the past 5 years.**

NIL

(l) **Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.**

Save and except as disclosed in this Disclosure Document, the Bank has not issued any debt securities or agreed to issue any debt securities or availed any borrowings for a consideration other than cash, whether in whole or in part, at a premium or discount or in pursuance of an option since inception.

5.5.12. Details of Promoters of the Issuer

(a) **Details of Promoter Holding in the Bank as on December 312019**

The Bank has no identifiable promoter and the share holding pattern is well diversified with major holding by FPIs at 22.34 % % as on 31 December, 2019

5.5.13. Abridged version of Audited Consolidated (wherever available) and Standalone Financial Information (Profit & Loss statement, Balance Sheet and Cash Flow statement) for last three years and auditor qualifications:

Please see **Annexure V**. The qualifications, reservations or adverse remarks made by the auditor in their reports are also recorded in **Annexure V**

5.5.14. Abridged version of Latest audited / Limited Review half yearly consolidated (wherever applicable) and Standalone Financial Information (like Profit & Loss statement, and Balance Sheet) and auditor's qualifications, if any.

Please see **Annexure VI**. The qualifications, reservations or adverse remarks made by the auditor in their reports are also recorded in **Annexure VI**

5.5.15. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Bank/Promoters, Tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.

The Bank had been served with show cause notices relating to alleged wrong availment of CENVAT credit for payment of service tax and taxability of certain transactions treated as non-taxable/exempted from service tax. The Bank has also been served with assessment orders wherein certain disallowances were made which added the total taxable income The Bank has taken appropriate action against the notices that are prejudicial to them. As per legal opinion, these notices are likely to be quashed. The total contingent liability that is disclosed by the Bank in respect of these matters amounts to INR 56.96 crore. The Bank does not expect the outcome of these proceedings to have a material adverse impact on their financial position.

5.5.16. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the company and its future operations

NIL

5.5.17. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of

i)	statutory dues;	NIL
ii)	debentures and interest thereon;	NIL
iii)	deposits and interest thereon; and	NIL
iv)	loan from any bank or financial institution and interest thereon;	NIL

5.5.18. Details of any default in annual filing of the Bank under Companies Act, 2013 or the rules made thereunder.

Nil

5.5.19. Names of the Debentures Trustees and Consents thereof

The Debenture Trustee for the Issue proposed to be issued under this Disclosure Document shall be IDBI Trusteeship Services Limited. The Debenture Trustee has given its written consent for its appointment and inclusion of its name in the form and context in which it appears in this Disclosure Document for the Issue of Debentures. The Debenture Trustee has given their consent to the Issuer to act as trustee for the Debenture holders under Regulation 4(4) of the SEBI Debt Regulations.

A copy of the consent letter dated December 10, 2019 from the Debenture Trustee is attached as **Annexure II**

5.5.20. The detailed rating rationale(s) adopted
Please refer to **Annexure I** to this Disclosure Document for rating letters and rating rationales adopted by the Credit Rating Agency.

5.5.21. If the security is backed by a guarantee or letter of comfort or any other document /letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines)

NIL

5.5.22. Name and address of the valuer who performed the valuation of the security offered

NIL

5.5.23. Names of all the Recognized Stock Exchanges where Securities are proposed to be Listed clearly indicating the Designated Stock Exchange
BSE Limited being the Designated Stock Exchange.

5.5.24. Other Details pertaining to the Issue

Debenture Redemption Reserve
As per the Companies (Share Capital and Debentures) Rules, 2014, save and except certain companies governed by RBI and banking companies every company is required to create DRR to which adequate amounts shall be credited out of the profits of the Issuer for the purpose of redemption of debentures. Hence, the Bank is not required to create DRR.

Regulations pertaining to the Issue

The present issue of Bonds is being made in pursuance of RBI Master Circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 on Basel III Capital Regulations issued by the RBI, covering Prudential Guidelines on Implementation of Basel III Capital Regulations in India covering Criteria for inclusion of Perpetual Debt Instruments (PDI) in Additional Tier 1 capital (Annex 4) and Minimum Requirements to ensure loss absorbency of Additional Tier 1 instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the PONV(Annex 16).

6. ISSUE DETAILS

PARTICULARS OF THE OFFER:

<table>
<tr><td>a</td><td>Date of passing of board resolution</td><td>16 January 2020</td></tr>
<tr><td>b</td><td>Date of passing of resolution in the general meeting, authorizing the offer of securities</td><td>17 July 2019</td></tr>
<tr><td>c</td><td>Kinds of securities offered (i.e. whether share or debenture) and class of security</td><td>Non-convertible, fully paid-up, unsecured, Basel III Compliant, Tier Bonds in the nature of debentures for augmenting Tier 1 capital at par aggregating to Rs. 500 crores (Rupees Five hundred crores only) including an option to retain oversubscription of up to Rs. 200 crores (Rupees Two Hundred Crore only).</td></tr>
<tr><td>d</td><td>Price at which the security is being offered including the premium, if any, along with justification of the price</td><td>Face Value: INR 1,00,000
Issue Price: INR 1,00,000 at par
Justification: Premium – NIL</td></tr>
<tr><td>e</td><td>Name and address of the valuer who performed valuation of the security offered</td><td>NIL</td></tr>
<tr><td>f</td><td>Amount which the Bank intends to raise by way of the securities</td><td>INR 500 crores</td></tr>
<tr><td>G</td><td>Terms of raising of securities: duration, if applicable, rate of dividend or rate of interest, mode of payment and mode of repayment</td><td><table>
<tr><td>Duration</td><td>The Bonds are perpetual and there is no maturity date and there are no step ups or other incentives to redeem.</td></tr>
<tr><td>Deemed Date of Allotment</td><td>24.01.2020</td></tr>
<tr><td>Final Maturity Date</td><td>Not Applicable</td></tr>
<tr><td>First Call Option Due Date</td><td>On fifth anniversary from the Deemed Date of Allotment or any anniversary date thereafter with prior approval of RBI, subject</td></tr>
</table></td></tr>
</table>

<table>
<tr><td></td><td></td><td><table>
<tr><td></td><td>to tax call/regulatory call.

In case of tax call or regulatory call, the date may be specified in the notice to Trustees.</td></tr>
<tr><td>Coupon Rate</td><td>13.75% p.a</td></tr>
<tr><td>Coupon Payment Date(s)</td><td>Annual</td></tr>
<tr><td>Default Interest</td><td>Not Applicable</td></tr>
<tr><td>Mode of Payment</td><td>NEFT or RTGS</td></tr>
<tr><td>Rating of Bonds</td><td>“IND A” with negative outlook by India Ratings vide its letter dated December 11, 2019 and re-validated vide letter dated January 14, 2020</td></tr>
</table></td></tr>
<tr><td>H</td><td>Proposed time schedule for which the offer letter is valid</td><td>Issue Open date: 22.01.2020
Issue Closing date: 22.01.2020
Pay-In Date & Deemed Date of Allotment: 24.01.2020</td></tr>
<tr><td>I</td><td>Purposes and objects of the Offer</td><td>Augmenting Additional Tier 1 Capital, under Basel III Capital Regulations as laid out by RBI and Overall capital of the Bank for strengthening its capital adequacy and for enhancing its long-term resources.</td></tr>
<tr><td>J</td><td>Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects</td><td>NIL</td></tr>
<tr><td>K</td><td>Principle terms of assets charged as security</td><td>The Issue is unsecured.</td></tr>
</table>

7. FINANCIAL POSITION OF THE COMPANY

Sr. No.	Particulars	Information
(i)	The capital structure of the company in the following manner in a tabular form: (a) The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value) (b) Size of the present offer (c) Paid up capital (i) After the offer; (ii) after conversion of convertible instruments (if applicable)	**AUTHORISED:** Rs. 250,00,00,000 **Total Value of Authorised - INR** 250,00,00,000 **ISSUED, SUBSCRIBED, CALLED AND PAID UP:** 180,97,22,151 **Total Value of Issued, Subscribed, Called and Paid up - INR** 180,97,22,151 NA NA

<table>
<tr><td></td><td>(d) Share premium account
(i) (before the offer)
(ii) (after the offer)</td><td>Rs. 180,97,22,151

NA

Rs. 1555,19,83,595.09
Rs. 1555,19,83,595.09</td></tr>
<tr><td>(ii)</td><td>Details of the existing share capital of the Issuer in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration
Number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case.</td><td>Please refer para 5.5.3</td></tr>
<tr><td>(iii)</td><td>Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter.</td><td><table><tr><th>Sr. No</th><th>2018-19 (INR Crores)</th><th>2017-18 (INR Crores)</th><th>2016-17 (INR Crores)</th></tr><tr><td>1</td><td>380.50</td><td>499.89</td><td>600.22</td></tr><tr><td>2</td><td>247.53</td><td>334.89</td><td>392.5</td></tr></table></td></tr>
<tr><td>(iv)</td><td>A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter;</td><td>Please refer to Annexure V</td></tr>
<tr><td>(v)</td><td>Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter; and</td><td>Please refer to Annexure V</td></tr>
<tr><td>(vi)</td><td>Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.</td><td>Please refer para 5.4.9</td></tr>
</table>

8. ISSUE DETAILS

8.1. Summary term sheet:

Security Name	SIB Basel III Tier 1 Bonds – Series I
Issuer	The South Indian Bank Limited ("**SIB**"/the "**Issuer**"/the "**Bank**")
Type of Instrument	Non-convertible, Fully Paid-Up, Unsecured, Perpetual, Basel III compliant Tier 1 Bonds in the nature of debentures for augmenting Tier 1 capital of the Issuer with face value of Rs. 1,00,000 each (**"Bonds"**)
Nature of Instrument and status of the Bonds	Unsecured. The Bonds are neither secured nor covered by a guarantee of the Issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim of the holders of the Bondholders vis- à-vis other creditors of the Issuer. Bondholders will not be entitled to receive notice of or attend or vote at any meeting of shareholders of the Issuer or participate in the management of the Issuer.
Seniority of the Instrument	Claims of the Bondholders shall be: i. Superior to the claims of investors in equity shares and perpetual non-cumulative preference shares, if any, of the Bank whether currently outstanding or issued at any time in the future and any other securities of the Bank that are subordinated to additional Tier 1 Capital of the Bank in terms of the Basel III Guidelines whether currently outstanding or issued at any time in the future; ii. Subordinated to the claims of depositors, general creditors and any other securities of the Bank that are senior to additional Tier 1 Capital of the Bank in terms of Basel III Guidelines whether currently outstanding or issued at any time in the future; iii. *Pari passu* without preference amongst themselves and other subordinated debt classifying as additional Tier 1 Capital in terms of Basel III Guidelines, whether currently outstanding or issued at any time in the future; and iv. Neither secured nor covered by a guarantee of the Bank or any of its related entities or any other arrangement that legally or economically enhances the seniority of such claim vis-à-vis creditors of the Bank. Tier 1 Capital and Tier 2 Capital shall have the meaning ascribed to such terms in the Basel III Guidelines. The claims of the Bondholders shall be subject to the provisions mentioned in the point "Special Features" in the Summary Term Sheet, including but not limited to Coupon Discretion and Loss Absorbency.
Mode of Issue	Private Placement
Eligible Investors	The following class of investors are eligible to participate in the offer: Mutual Funds, Public Financial Institutions as defined under Section 2(72) of the Companies Act, 2013, Scheduled Commercial Banks, Insurance Companies, Provident Funds, Gratuity Funds, Superannuation Funds and Pension Funds, Co-operative Banks, Regional Rural Banks authorized to invest in bonds/debentures, Companies and Bodies Corporate authorized to invest in bonds/debentures, Societies authorized to invest in bonds/debentures, Trusts authorized to invest in bonds/debentures, Statutory Corporations/Undertakings established by Central/State legislature authorized to invest in bonds/debentures etc., Resident Indian Individuals, Partnership Firms in the name of the partners, Limited Liability Partnership firms registered under Limited Liability Partnership Act, 2018, Hindu Undivided Families through Karta and any other person authorised and eligible to invest in the Issue as per regulatory guidelines. This being a private placement Issue, the Eligible Investors who have been addressed through this communication directly, are only eligible to apply. Prior to making any investment in these Bonds, each investor should satisfy and assure

	himself/herself/itself that he/she/it is authorized and eligible to invest in these Bonds. The Bank shall be under no obligation to verify the eligibility/authority of the investor to invest in these Bonds. Further, mere receipt of this Disclosure Document by a person shall not be construed as any representation by the Bank that such person is authorized to invest in these Bonds or eligible to subscribe to these Bonds. If after applying for subscription to these Bonds and/or allotment of Bonds to any person, such person becomes ineligible and/or is found to have been ineligible to invest in/hold these Bonds, the Bank shall not be responsible in any manner.
Re-capitalization	Nothing contained in this term-sheet or in any transaction documents shall hinder recapitalization by the Issuer.
Prohibition on Purchase/Funding in Bonds	Neither the Bank nor any related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor would the Bank directly or indirectly fund the purchase of the Bonds. The Bank shall not grant advances against the security of the Bonds issued by it.
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	Proposed on the Wholesale Debt Market ("**WDM**") Segment of BSE Limited ("**BSE**"). BSE Listing application shall be filed with the Stock Exchange within 20 days from the Deemed Date of Allotment.
Rating of the Instrument	"IND A/ Outlook (Negative)" by India Ratings
Trustees to the Issue	IDBI Trusteeship Services Limited
Registrars of the Issue	BTS Consultancy Services Private Limited.
Issue Size	Aggregate Total Issue size not exceeding Rs. 500 Crore with a base issue size of Rs. 300 Crore and a Green Shoe option to retain oversubscription upto to Rs. 200 Crore
Option to retain oversubscription (Amount)	Upto Rs. 200 crores
Objects of the Issue	Augmenting Tier 1 Capital, under Basel III Capital Regulations as laid out by RBI and overall capital of the Bank for strengthening its capital adequacy and for enhancing its long-term resources.
Details of the utilization of the proceeds	The proceeds of the issue are being raised to augment Tier 1 Capital under Basel III Capital Regulations as laid out by RBI. The proceeds of issue shall be utilized for its regular business activities. The funds being raised by the Bank through the present Issue are not meant for financing any particular project. The Bank shall utilize the proceeds of the Issue for its regular business activities. The Bank shall not utilize proceeds of the Issue for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the RBI/ SEBI/ Stock Exchange.
Coupon Rate	13.75%
Step Up/Step Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Annually, subject to "Special Features" mentioned below
Coupon Payment Frequency and	Refer to table on illustrative cash flows for dates and subject to "**Special Features**" mentioned below.

Dates	
Coupon Type	Fixed Rate
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	Not Applicable
Coupon Discretion	• The Bank shall have full discretion at all times to cancel distributions/payments. Consequence of full discretion at all times to cancel distributions/payments is that "dividend pushers" are prohibited. An instrument with a dividend pusher obliges the issuing bank to make a dividend/coupon payment on the instrument if it has made a payment on another (typically more junior) capital instrument or share. This obligation is inconsistent with the requirement for full discretion at all times. On cancellation of distributions /payments these payments will be extinguished and the Bank shall have no obligation to make distributions / payments in kinds as well. • Cancellation of discretionary payments will not be an event of default. • The Bank will have full access to cancelled payments, to meet obligations as they fall due. • Cancellation of distributions/payments will not impose any restriction on the Bank except in relation to distributions to common stakeholders. • (e) Coupons shall be paid out of 'distributable items' i.e. coupon shall be paid out of current year profits. However, if current year profits are not sufficient, coupon may be paid subject to availability of: (i) Profits brought forward from previous years; and/or (ii) Reserves representing appropriation of net profits, including statutory reserves, and excluding share premium, revaluation reserve, foreign currency translation reserve, investment reserve and reserves created on amalgamation. The accumulated losses and deferred revenue expenditure, if any, shall be netted off from (i) and (ii) to arrive at the available balances for payment of coupon. If the aggregate of: (a) profits in the current year; (b) profits brought forward from the previous years and (c) permissible reserves as at (ii) above, excluding statutory reserves, net of accumulated losses and deferred revenue expenditure are less than the amount of coupon, only then the Bank shall make appropriation from the statutory reserves. In such a case, the Banks shall be required to report to the Reserve Bank of India within 21 days from the date of such appropriation in compliance with Section 17(2) of the Banking Regulation Act 1949. However, prior approval of the Reserve Bank of India for appropriation of reserves as above, in terms of circular no. DBOD.BP.BCNo.31/21.04.018/2006-07 dated September 20, 2006 on 'Section 17(2) of Banking Regulation Act, 1949 on 'Appropriation from Reserve Fund' shall not be required in this regard. However, payment of coupon on the Bonds from the reserves are subject to the Bank meeting minimum regulatory requirements for common equity Tier 1, Tier 1 and Total Capital ratios at all times and subject to the requirements of capital buffer frameworks in terms of Basel III Guidelines (i.e. capital conservation buffer, counter cyclical capital buffer and Domestic Systemically Important Banks). • The Bonds shall not have a credit sensitive coupon feature, i.e. a coupon that is reset periodically based in whole or in part on the Banks' credit standing. For

	this purpose, any reference rate including a broad index which is sensitive to changes to the Bank's own creditworthiness and/ or to changes in the credit worthiness of the wider banking sector will be treated as a credit sensitive reference rate. • The coupon on the Bonds shall be non-cumulative. If coupon is not paid or paid at a rate lessor than the coupon rate, the unpaid coupon will not be paid in future years. • In the event that the Bank determines that it will be cancelling a payment of coupon on the Bonds, the Bank will notify the Debenture Trustee not less than 21 calendar days prior to the relevant Coupon Payment Date of that fact and of the amount that shall not be paid.
Dividend Stopper Clause	Dividend Stopper Clause will be applicable to these instruments and it may stop dividend payments on common shares in the event the holders of additional tier 1 instruments are not paid dividend/coupon. However, dividend stoppers will not impede the full discretion that Bank has at all times to cancel distributions/payments on these instruments, nor can it act in a way that could hinder the re-capitalisation of the Bank. For example, it would not be permitted for a stopper on an Additional Tier 1 instrument to: (a) attempt to stop payment on another instrument where the payments on this other instrument were not also fully discretionary; (b) prevent distributions to shareholders for a period that extends beyond the point in time that dividends/coupons on the Additional Tier 1 instrument are resumed; (c) impede the normal operation of the bank or any restructuring activity (including acquisitions/disposals). A stopper may act to prohibit actions that are equivalent to the payment of a dividend, such as the bank undertaking discretionary share buybacks, if otherwise permitted.
Day Count Basis	Interest for each of the interest periods shall be computed as per Actual/ Actual day count convention on the face value of principal outstanding at the coupon rate rounded off to the nearest rupee. In case of a leap year, if February 29 falls during the tenor of the Bonds, then the number of days shall be reckoned as 366 days (Actual/Actual day count convention) for a whole one year period, irrespective of payment of coupon on half yearly basis. Thus for half yearly coupon payment, 366 days would be reckoned twice as the denominator. Interest Period means each period beginning on (and including) the deemed date(s) of allotment or any coupon payment date and ending on (but excluding) the next coupon payment date.
Interest on Application Money	Interest at the coupon rate (subject to deduction of income tax/withholding tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds for the period starting from and including the date of realization of application money in Issuer's bank account up to one day prior to the Deemed Date of Allotment. For the application amount that has been refunded, the interest on application money will be paid along with the refund orders and for the application amount against which Bonds have been allotted, the interest on application money will be paid within ten working days

	from the Deemed Date of Allotment. Where an applicant is allotted lesser number of Bonds then applied for, the excess amount paid on application will be refunded to the applicant along with the interest on refunded money, and Income Tax at Source (TDS) will be deducted at the applicable rate on interest on application money.
Default Interest Rate	In case of a default in payment of interest and/or principal redemption on the respective due dates (except in circumstances as mentioned in the RBI Norms/RBI Guidelines/ Basel III Guidelines), additional interest @ 2.00% per annum over the documented Coupon Rate will be payable by the Bank (subject to prevailing regulatory environment) for the defaulting period i.e. from the date of occurrence of such default up to the date on which the defaulted amounts together with default interest is paid.
Maturity/Tenor	Perpetual
Redemption Date	Not Applicable
Redemption Amount	Not Applicable. However in case of redemption due to exercise of call option in accordance with Basel III Guidelines, the Bonds shall be redeemed at par along with interest accrued till one day prior to the Call Option date subject to adjustments and/ or write-off on account of "Loss Absorbency" as mentioned in this Summary Term Sheet.
Premium/Discount on Redemption	Nil
Issue Price, Along with justification of price	At par (Rs. 1.00 lac per Bond)
Discount at which security is issued and the effective yield as a result of such discount	Nil
Put Option	Not Applicable
Put Option Price	Not Applicable
Put Option Date	Not Applicable
Put Notification Time	Not Applicable
Call Option	The Bonds may be called upon, at the initiative of the Bank only after a minimum period of five years post allotment of the Bonds, subject to the below conditions: (a) To exercise a Call Option Bank must receive prior approval of RBI (Department of Banking Regulation); and (b) Bank must not do anything which creates an expectation that the call will be exercised. For example, to preclude such expectation of the instrument being called, the dividend/ coupon reset date need not be co-terminus with the call date. Banks may, at their discretion, consider having an appropriate gap between dividend/coupon reset date and call date; and (c) Banks must not exercise a call unless: (i) They replace the called instrument with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the Bank; or (ii) The bank demonstrates that its capital position is well above the minimum capital requirements after the Call Option is exercised.

	The use of tax event and regulatory event calls may be permitted. However, exercise of the calls on account of these events is subject to the requirements set out in points (a) to (c) above. RBI will permit the Bank to exercise the call only if the RBI is convinced that the Bank was not in a position to anticipate these events at the time of issuance of the Bonds. To illustrate, if there is a change in tax treatment which makes the capital instrument with tax deductible coupons into an instrument with non-tax deductible coupons, then the bank would have the option (not obligation) to repurchase the instrument. In such a situation, a bank may be allowed to replace the capital instrument with another capital instrument that perhaps does have tax deductible coupons. Similarly, if there is a downgrade of the instrument in regulatory classification (e.g. if it is decided by the RBI to exclude an instrument from regulatory capital) the bank has the option to call the instrument and replace it with an instrument with a better regulatory classification, or a lower coupon with the same regulatory classification with prior approval of RBI. However, banks may not create an expectation / signal an early redemption / maturity of the regulatory capital instrument.
Call Option Date	On fifth anniversary from the Deemed Date of Allotment or any anniversary date thereafter with prior approval of RBI, subject to tax call/regulatory call. In case of tax call or regulatory Call, the date may be specified in the notice to Trustees.
Call Option Price	At par (Rs. 1.00 lac per Bond)
Call Notification Time	21 calendar days prior to the date of exercise of call option, ie. Issuer call, tax call or regulatory call
Repurchase/ buy-back/ redemption	(i) Principal of the instruments may be repaid (e.g. through repurchase or redemption) only with prior approval of RBI and banks should not assume or create market expectations that supervisory approval will be given (this repurchase / buy-back /redemption of the principal is in a situation other than in the event of exercise of call option by the bank). One of the major differences is that in the case of the former, the option to offer the instrument for repayment on announcement of the decision to repurchase / buy-back /redeem the instrument, would lie with the investors whereas, in case of the latter, it lies with the bank). (ii) Bank may repurchase / buy-back / redemption only if: • Bank replaces such instrument with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the bank; or • The bank demonstrates that its capital position is well above the minimum capital requirements after the repurchase / buy-back / redemption.
Face Value	Rs. 1.00 lac per Bond as adjusted for the provisions mentioned in "**Special Features**" in the Summary Term Sheet
Minimum Application and in multiples of Bonds thereafter	10 (ten) Bonds and in multiples of 10 (ten) Bond thereafter
Issue Timing: 1. Issue Opening Date	22.01.2020
2. Issue Closing Date	22.01.2020
3. Pay-in Date	24.01.2020

4. Deemed Date of Allotment	24.01.2020
The Bank reserves the right to modify the above Issue Schedule or keep multiple deemed date(s) of allotment at its sole and absolute discretion. In case the Issue Closing Date/ Pay-In Dates is/are changed, the Deemed Date(s) of Allotment may also stand changed accordingly and consequent to such change, the Coupon Payment Dates, Redemption Date, Call Option Due Date may also be changed accordingly.	
Issuance mode	In Demat mode only
Trading mode	In Demat mode only
Settlement	Payment of interest and repayment of principal shall be made by way of cheque(s)/interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ NECS/RTGS/ NEFT mechanism in INR.
Depository	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)
Business Day Convention	"**Business Day**" means a day (other than a Sunday and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) or a Bank holiday) on which banks are open for general business in Mumbai. For the purpose of coupon/ redemption payments, Business Days shall be all days when the money market is functioning in Mumbai. As per SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016: If any Coupon Payment Date falls on a day that is not a Business Day, the payment may be made on the following Business Day. However the dates of the future coupon payments shall be as per the schedule originally stipulated at the time of issuing Bonds. Thus the subsequent coupon schedule shall not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday. If the Call Option Due Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the Call Option Price shall be paid by the Bank on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.
Record Date	15 days prior to each Coupon Payment Date, and Call Option Due Date. In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day shall be considered as the Record Date.
Security	Unsecured
Transaction Documents	The Bank has executed/ shall execute the documents including but not limited to the following in connection with the Issue: a. Letter appointing Trustee to the Bondholders; b. Debenture Trusteeship Agreement; c. Letter appointing Registrar; d. Tripartite Agreement between the Bank, Registrar and NSDL for issue of Bonds in dematerialized form; e. Tripartite Agreement between the Bank, Registrar and CDSL for issue of Bonds in dematerialized form; f. Rating Letters and Rating Rationales from India Ratings; g. Application made to BSE for seeking its in-principle approval for listing of Bonds; h. Listing Agreement with BSE; i. Certified true copy of resolution of the shareholders of the Issuer dated July 17, 2019 passed in accordance with Section 180(1)€ of the Companies Act; j. Certified true copy of resolution of the shareholders of the Issuer dated July 17, 2019

	passed in accordance with Sections 42 of the Companies Act.
Conditions precedent to subscription of Bonds	The subscription from applicants shall be accepted for allocation and allotment by the Bank, subject to the following: a. Rating letters and rating rationales from India Ratings not being more than one month old from the date of issue opening date; b. Consent letter from the Trustees to act as Trustee to the Bondholder(s); c. Letter from BSE conveying in-principle approval for listing and trading of Bonds.
Conditions subsequent to subscription of Bonds	The Bank shall ensure that the following documents are executed/activities are completed, as per terms of this Disclosure Document: a. Credit of Demat Account(s) of the Allottee(s) by number of Bonds allotted within 2 (two) working days from the Deemed Date of Allotment; b. Making application to BSE within 15 (fifteen) days from the Deemed Date of Allotment to list the Bonds and seek listing permission within 20 (twenty) days from the Deemed Date of Allotment; and c. Neither the Bank nor any related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor would the Bank directly or indirectly fund the purchase of the Bonds. The Bank shall not grant advances against the security of the Bonds issued by it.
Cross Default	Not Applicable
Events of Default	Not Applicable. The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation.
Role and Responsibilities of Trustees to the Issue	The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the laws of India, as modified or amended from time to time. Any dispute arising thereof will be subject to the sole jurisdiction of courts of Thrissur, Kerala.
Additional Covenants	1. <u>Delay in Listing</u>: The Issuer shall complete all the formalities and seek listing permission within 15 days from the Deemed Date of Allotment. In the event of delay in listing of Bonds beyond 20 days from the Deemed Date of Allotment, the Issuer shall pay penal interest of 1.00% per annum over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of Bonds to the Bondholder(s). 2. <u>Refusal for Listing:</u> If listing permission is refused before the expiry of the 20 days from the Deemed Date of Allotment, the Issuer shall forthwith repay all monies received from the applicants in pursuance of the Disclosure Document along with penal interest of 1.00% per annum over the Coupon Rate from the expiry of 20 days from the Deemed Date of Allotment till the date the Bonds are listed on the WDM of the BSE. 3. <u>Default in payment of interest and principal:</u> In relation to the principal amount and coupon payable in respect of the Bonds, in case the same is not paid on the respective Due Dates, the defaulted amounts shall carry further interest at the rate of 2.00% per

	annum over and above the Coupon Rate, from the date of occurrence of such default up to the date on which the defaulted amounts together with default interest is paid 4. Delay in execution of the Debenture Trust Deed: In case of failure of the Bank to execute the Debenture Trust Deed within 60 (sixty) days after the allotment of the debentures, without prejudice to the provisions of the Companies Act 2013 and the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the Issuer shall also pay an additional interest of at least 2% per annum over and above the agreed Coupon rate, to the debenture holders till the execution of the Debenture Trust Deed.
Loss Absorption at the Pre-Specified Trigger	(1) If a pre-specified Trigger Event (as described below) occurs, the Issuer shall: (i) notify the Debenture Trustee; (ii) cancel any coupon which is accrued and unpaid to as on the Trigger event date; and (iii) without the need for the consent of Bondholders or the Debenture Trustee, write down the outstanding principal of the Bonds by such amount as the Issuer may in its absolute discretion decide. However, the aggregate amount to be written-off for all additional tier 1 instruments on breaching the trigger level must be at least the amount needed to immediately return the Bank's Common Equity Tier 1 to the trigger level or, if this is not possible, the full principal value of the instruments. Further, the Bank will have full discretion to determine the amount of additional tier 1 instruments to be written-down subject to the amount of write-down not exceeding the amount which would be required to bring the Common Equity Tier 1 1 to 8% of risk weighted assets (minimum Common Equity Tier 1 of 5.5% + capital conservation buffer of 2.5%). **Level of Pre- Specified Trigger and amount of Equity to be created by writedown** (2) The pre-specified trigger for loss absorption through write-down of these bonds is Common Equity Tier 1 capital of 6.125% of RWAs. (3) The write-down of any Common Equity Tier 1 capital shall not be required before a write-down of any Additional Tier 1 capital instrument. (4) The write-down mechanism (temporary) which allocates losses to the Additional Tier 1 instruments (additional tier 1 instruments) must generate Common Equity Tier 1 ("CET1") under Indian Accounting Standards. 4. When The Bank breaches the pre-specified trigger of loss absorbency of additional tier 1 and the equity is replenished through write-down, such replenished amount of equity will be excluded from the total equity of the bank for the purpose of determining the proportion of earnings to be paid out as dividend in terms of rules laid down for maintaining capital conservation buffer. However, once the bank has attained total Common Equity ratio of 8% without counting the replenished equity capital, that point onwards, the bank may include the replenished equity capital for all purposes (If the total CET1 ratio of the bank falls again below the 8%, it would include the replenished capital for the purpose of applying the capital conservation buffer framework). (5) The write-down may be allowed more than once in case Bank hits the prespecified trigger level subsequent to the first write-down which was partial. (6) The write-down of additional tier 1 instruments are primarily intended to replenish the equity in the event it is depleted by losses. Therefore, Bank will not use writedown of additional tier 1 instruments to support expansion of balance sheet by incurring further obligations / booking assets.

	(7) If Bank goes into liquidation before the additional tier 1instruments have been writtendown, these instruments will absorb losses in accordance with the order of seniority indicated in this term sheet and as per usual legal provisions governing priority of charges. (8) If Bank goes into liquidation after the additional tier 1 instruments have been writtendown, the holders of these instruments will have no claim on the proceeds of liquidation. **(a) Amalgamation of a banking company: (Section 44 A of BR Act, 1949)** (9) If Bank is amalgamated with any other bank before the additional tier 1 instruments have been written-down, these instruments will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger. (10) If Bank is amalgamated with any other Bank after the additional tier 1 instruments have been written-down temporarily, the amalgamated entity can write-up these instruments as per its discretion. **(b) Scheme of reconstitution or amalgamation of a banking company: (Section 45 of BR Act, 1949)** (11) If the relevant authorities decide to reconstitute Bank or amalgamate Bank with any other Bank under the Section 45 of BR Act, 1949, such a Bank will be deemed as non-viable or approaching non-viability and both the pre-specified trigger and the trigger at the point of non-viability write off of these instruments will be activated. Accordingly, these instruments will be fully written-off permanently before amalgamation / reconstitution in accordance with these rules. (12) The order of write down of these instruments will be same as mentioned in the Seniority clause of this termsheet or elsewhere in the Term sheet/ disclosure document. (13) Reinstatement: Following a write-down pursuant to above conditions (temporary write-down), the outstanding principal amount of the Bonds may be increased in accordance with RBI guidelines. Bonds may be subject to more than one Reinstatement.
Special Features: Minimum requirements to ensure Loss Absorbency of Non-equity Regulatory Capital Instruments at the Point of Non-Viability	
Mode of Loss Absorption and Trigger Event	The Bonds, at the option of the Reserve Bank of India, may be written off upon the occurrence of the trigger event, called the 'Point of Non-Viability (PONV) Trigger' stipulated below. The amount of Bonds to be written-off will be determined by the RBI. i. The PONV Trigger event is the earlier of: a) a decision that a full and permanent write-off, without which the Bank would become non-viable, is necessary, as determined by the Reserve Bank of India; and b) the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the relevant authority. The write-off of any Common Equity Tier 1 capital shall not be required before the write-off of any Non-equity (Additional Tier 1 and Tier 2) regulatory capital instrument. Such a decision would invariably imply that the write-off consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted. As such, the contractual terms and conditions of an instrument must not provide for any residual claims on the Bank which are senior to ordinary shares of the Bank (or banking group entity where applicable), following a

<table>
<tr><td></td><td>trigger event and when write-off is undertaken.</td></tr>
<tr><td>A Non-viable bank</td><td>A non-viable bank will be a bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the RBI unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by a bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 capital of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable. Such measures would include write-off of the Bonds in combination with or without other measures as considered appropriate by the RBI.

In rare situations, a bank may also become non-viable due to non- financial problems, such as conduct of affairs of the bank in a manner which is detrimental to the interest of depositors, serious corporate governance issues, etc. In such situations raising capital is not considered a part of the solution and therefore, may not attract provisions of this framework.</td></tr>
<tr><td>Restoring Viability</td><td>In case of the Bank facing financial difficulties and approaching a PONV will be deemed to achieve viability if within a reasonable time in the opinion of the RBI, it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including augmentation of equity capital through write-off/public sector injection of funds are likely to:

a) Restore depositors'/investors' confidence;
b) Improve rating /creditworthiness of the bank and thereby improve its borrowing capacity and liquidity and reduce cost of funds; and
c) Augment the resource base to fund balance sheet growth in the case of fresh injection of funds.</td></tr>
<tr><td>Replenishment of Equity</td><td>In case the Bank breaches the PONV trigger and the equity is replenished either through write-off of Bonds, such replenished amount of equity will be excluded from the total equity of the bank for the purpose of determining the proportion of earnings to be paid out as dividend in terms of rules laid down for maintaining capital conservation buffer. However, once the bank has attained total Common Equity ratio of 8% without counting the replenished equity capital, that point onwards, the bank may include the replenished equity capital for all purposes. If the total CET1 ratio of the bank falls again below the total Common Equity ratio of 8%, it would include the replenished capital for the purpose of applying the capital conservation buffer framework.</td></tr>
<tr><td>Treatment of Bonds in the event of winding-up, amalgamation, acquisition, re-constitution etc. of the Bank</td><td>The following provisions regarding treatment of Bonds in the event of winding-up, amalgamation, acquisition, re-constitution etc. of the bank shall be applicable to the Bonds when these events take place after write-off at the PONV:

(a) If the Bank goes into liquidation before the Bonds have been written-down, the Bonds will absorb losses in accordance with the order of seniority indicated in the Disclosure Document and as per usual legal provisions governing priority of charges.
(b) If the Bank goes into liquidation after the Bonds have been written-down, the Bondholders will have no claim on the proceeds of liquidation.

(c) Amalgamation of a banking company: (Section 44 A of BR Act, 1949
(i) If the Bank is amalgamated with any other bank before the Bonds have been written-down, the Bonds will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger.

(ii) If the Bank is amalgamated with any other bank after the Bonds have been written-down temporarily, the amalgamated entity can write-up these Bonds as per its discretion.

(iii) If the Bank is amalgamated with any other bank after the Bonds have been written-down permanently, the Bonds cannot be written-up by the</td></tr>
</table>

	amalgamated entity (d) Scheme of reconstitution or amalgamation of a banking company: (Section 45 of BR Act, 1949) If the relevant authorities decide to reconstitute the Bank or amalgamate the Bank with any other bank under the Section 45 of BR Act, 1949, the Bank will be deemed as non-viable or approaching non-viability and both the pre-specified trigger and the trigger at the point of non-viability for write-down of Bonds will be activated. Accordingly, the Bonds will be fully written-down permanently before amalgamation/ reconstitution in accordance with the RBI Norms/ RBI Guidelines.
Order of write-off/ Seniority of claims	The order of write-off of the Bonds vis-a-€vis other regulatory capital instruments which the Bank has already issued or may issue in future, will be in accordance with clause on "Seniority of the Instrument" as mentioned earlier in this Summary Term Sheet and per usual legal provisions governing priority of charges. Write-off of any Common Equity Tier 1 (CET-1) capital shall not be required before the write off of any Non-Equity (Additional Tier-I and Tier 2) regulatory capital instrument. The decision of write-off shall be exercised across all Bondholders of the Bonds; Once the Bonds are written-off, the Bondholders shall have no claim on the proceeds of liquidation.
Criteria to Determine the PONV	a) The framework with respect to write-off of the Bonds will be invoked when the Bank is adjudged by Reserve Bank of India to be approaching the point of non-viability, or has already reached the point of non-viability, but in the views of RBI: i. there is a possibility that a timely intervention in form of capital support, with or without other supporting interventions, is likely to rescue the Bank; and ii. if left unattended, the weaknesses would inflict financial losses on the Bank and, thus, cause decline in its common equity level. b) The purpose of write-off of non-equity regulatory capital elements will be to shore up the capital level of the bank. RBI would follow a two-stage approach to determine the non-viability of a bank. The Stage 1 assessment would consist of purely objective and quantifiable criteria to indicate that there is a prima facie case of the Bank approaching non-viability and, therefore, a closer examination of the Bank's financial situation is warranted. The Stage 2 assessment would consist of supplementary subjective criteria which, in conjunction with the Stage 1 information, would help in determining whether the Bank is about to become non-viable. These criteria would be evaluated together and not in isolation. c) Once the PONV is confirmed, the next step would be to decide whether rescue of the Bank would be through write-off alone or write-off in conjunction with a public sector injection of funds. d) The trigger at PONV will be evaluated both at consolidated and solo level and breach at either level will trigger conversion / write-off. e) As the capital adequacy is applicable both at solo and consolidated levels, the minority interests in respect of capital instruments issued by subsidiaries of banks including overseas subsidiaries can be included in the consolidated capital of the banking group only if these instruments have pre-specified triggers (in case of additional tier 1 capital instruments) / loss absorbency at the PONV (for all non-common equity capital instruments). In addition, where a bank wishes the instrument

	issued by its subsidiary to be included in the consolidated group's capital in addition to its solo capital, the terms and conditions of that instrument must specify an additional trigger event. The cost to the parent of its investment in each subsidiary and the parent's portion of equity of each subsidiary, at the date on which investment in each subsidiary is made, is eliminated as per AS-21. So, in case of wholly-owned subsidiaries, it would not matter whether or not it has same characteristics as the bank's capital. However, in the case of less than wholly owned subsidiaries (or in the case of non-equity regulatory capital of the wholly owned subsidiaries, if issued to the third parties), minority interests constitute additional capital for the banking group over and above what is counted at solo level; therefore, it should be admitted only when it (and consequently the entire capital in that category) has the same characteristics as the bank's capital. Electronic book mechanism for issuance of debt securities on private placement basis. This additional trigger event is the earlier of: 1. a decision that a write-off, without which the bank or the subsidiary would become non-viable, is necessary, as determined by the Reserve Bank of India; and 2. the decision to make a public sector injection of capital, or equivalent support, without which the bank or the subsidiary would have become non-viable, as determined by the Reserve Bank of India. Such a decision would invariably imply that the write-off consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted. In such cases, the subsidiary should obtain its regulator's approval/ no-objection for allowing the capital instrument to be converted/written-off at the additional trigger point referred to in clause (e) above. Any common shares paid as compensation to the holders of the instrument must be common shares of either the issuing subsidiary or the parent bank (including any successor in resolution).
Electronic Bid Mechanism	SEBI vide its circular no. SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018, and any amendments thereto read with "Operational Guidelines for issuance of securities on private placement basis through an electronic book mechanism" issued by the BSE Limited vide their notice no. 20180328-53 dated March 28, 2018 and updated by notice no. 20180928-24 dated September 28, 2018 and any amendments thereto ("**BSE EBP guidelines**"). (The SEBI EBP circular and the BSE EBP Guidelines are hereinafter collectively referred to as the "Operational Guidelines") made electronic book mechanism mandatory for all private placements of debt securities in primary market with an issue size of Rs. 200 crores and above, inclusive of green shoe option, if any. The issue shall be made through Electronic Bidding Process ("EBP") as specified by SEBI and applicable for issuance of debt securities on private placement basis.
Treatment in Insolvency	The instrument cannot contribute to liabilities exceeding assets if such a balance sheet test forms part of a requirement to prove insolvency under any law or otherwise.
Treatment in case of Winding up	(i) If the bank goes into liquidation before the additional tier 1 Instruments have been written-down/written off, these instruments will absorb losses as per usual legal provisions governing priority of charges;

	(ii) If the bank goes into liquidation after the additional tier 1 instruments have been written down/written off, the holders of these instruments will have no claim on the proceeds of liquidation.
Prohibition on Purchase/ Funding of Bonds	Neither the Issuer nor a related party over which the Issuer exercises control or significant influence (as defined under relevant accounting standards) shall purchase the Bonds, nor shall the Issuer directly or indirectly fund the purchase of the Bonds. The Issuer shall also not grant advances against the security of the Bonds issued by it.
Reporting of Non-payment of Coupons	All instances of non-payment of coupon shall be notified by the Bank to the Chief General Managers-in-Charge of Department of Banking Operations and Development and Department of Banking Supervision of the Reserve Bank of India, Mumbai.
Regulatory Guidelines	The present issue of Bonds is being made in pursuance of Master circular no. DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 issued by the Reserve Bank of India on Basel III Capital Regulations and clarifications issued thereof vide circular nos. DBR.No.BP.BC.71/ 21.06.201/2015-16 dated January 14, 2016 and DBR. BP.BC.No.50/21.06.201/2016-17 dated February 02, 2017 ("Master Circular") covering terms and conditions for issue of Perpetual Debt Instruments ("PDIs") for inclusion in Additional Tier 1 Capital (Annex 4 of the Master Circular) and minimum requirements to ensure loss absorbency of Additional Tier 1 instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the point of non-viability (Annex 16 of the Master Circular). In the event of any inconsistency in terms of the Bonds as laid down in any of the transaction document(s) and terms of the BASEL III Guidelines, the provisions RBI Circular on BASEL III Guidelines shall prevail.

Note: The Bank reserves its sole and absolute right to modify (pre-pone/ postpone) the above issue schedule without giving any reasons or prior notice. The Bank also reserves its sole and absolute right to change the deemed date of allotment and issue size of the above issue without giving any reasons or prior notice. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates may also be changed at the sole and absolute discretion of the Issuer

8.2. ISSUE PROCEDURE

Bidding Process

This Disclosure Document has been drafted in compliance with the SEBI ILDS Regulations, the Memorandum and Articles of Association of the Bank and all other Applicable Laws. This section applies to all Eligible Participants. Please note that all Eligible Participants are required to make payment of the full application amount in accordance with the Operational Guidelines.

Pursuant to resolutions of the Board dated 16 January 2020 the Issuer has been authorised to Issue the Bonds and a Capital Planning and Infusion Committee resolution dated 16 January, 2020, the Issuer has been authorised to *inter alia* invite bids in relation to the issue of Bonds pursuant to this Disclosure Document.

Who can bid?

All Eligible Participants comprising of investors specifically mapped by the Issuer on the BSE EBP platform, are eligible to bid for this Issue.

All Eligible Participants are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue in accordance with the norms approved by the Government of India, RBI or any other statutory body from time to time, including but not limited to the Operational

Guidelines for investing in this Issue.

Right to Accept or Reject Bids

The Issuer reserves its full, unqualified and absolute right to accept or reject any application for bid, in part or in full, without assigning any reason thereof in accordance with the Operational Guidelines.

Manner of Bidding

The Issue will be through Closed Book Bidding on the EBP platform in line with EBP Guidelines vide SEBI circular SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018.

Manner of settlement

Settlement of the Issue will be done through the ICCL account of the Stock exchange and the account details are given in the section on 'Payment Mechanism' of this Disclosure Document.

Provisional or Final Allocation

Allocation shall be made on a pro rata basis in the multiples of the bidding lot size, i.e., in multiples of ₹ 10,00,000 (Rupees Ten Lakh Only). Post completion of bidding process, the Issuer will upload the provisional allocation on the BSE EBP platform. Post receipt of details of the successful bidders, the Issuer will upload the final allocation file on the BSE-EBP platform.

Method of Allotment

The allotment will be done on uniform pricing in line with EBP Guidelines vide SEBI circular SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018.

Settlement cycle

The process of pay-in of funds by investors and pay-out to Issuer will be done on T+2 day, where T is the Issue day. For further, details, please see below section named 'Settlement Process'**.**

How to bid?

All Eligible Participants will have to register themselves as a one-time exercise (if not already registered) under the BSE EBP platform offered by BSE for participating in the electronic book mechanism. Eligible Participants will also have to complete the mandatory KYC verification process. Eligible Participants should refer to the Operational Guidelines.

The details of the Issue shall be entered on the BSE EBP platform by the Issuer at least 2 (two) working days prior to the Issue / Bid Opening Date, in accordance with the Operational Guidelines. The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer's bidding announcement on the BSE – EBP platform, at least 1 (one) working day before the start of the Issue / Bid Opening Date.

A bidder will only be able to enter the amount while placing their bids in the BSE – EBP platform, since the proposed issue is a fixed rate/coupon issue.

Application Size

Applications for the Bonds are required to be for a minimum of 10 (ten) Bonds and multiples of 10 (ten) Bond thereafter.

All Eligible Participants under the Operational Guidelines and subsequent Bondholders (who shall purchase the Bonds in the secondary market) are required to consult their own advisors in investing in the Bonds and comply with the relevant rules, regulations, guidelines or notifications applicable to them for investing in the Bonds.

Offer or Issue of PPOAL to Identified Investors

The PPOAL along with the Application Form will be issued to the successful bidders who are the Identified Investors. Identified Investors will be required to complete and submit the Application Form and Part B of the PPOAL to the Issuer in order to accept the offer of Bonds.

No person other than the Identified Investors to whom the PPOAL has been issued by Issuer may apply for the Issue through the PPOAL and any Application Form received from a person other than those specifically addressed will be invalid.

Minimum Subscription

The requirement of minimum subscription shall not be applicable to the Issue and therefore the Issuer shall not be liable to refund the subscription(s) or proceed(s) in respect of Issue in the event of the total Issue collection falling short of the proposed Issue size or certain percentage of the proposed Issue size.

Payment Mechanism

Payment of subscription money for the Bonds should be made by the Identified Investors as notified by the Issuer (to whom the Issuer has issued given the offer by issue of PPOAL).

Identified Investors should do the funds pay-in as per the e-bidding procedure.

Name of the Banker	ICICI BANK	YES BANK	HDFC BANK
Beneficiary Name	INDIAN CLEARING CORPORATION LTD	INDIAN CLEARING CORPORATION LTD	INDIAN CLEARING CORPORATION LIMITED
Credit into Current A/c No.	ICCLEB	ICCLEB	ICCLEB
IFS Code	ICIC0000106	YESB0CMSNOC	HDFC0000060
Mode	NEFT/RTGS	NEFT/RTGS	NEFT/RTGS

Successful bidders must do the subscription amount payment to the Designated Bank Account on or before 10:30 a.m. on the Pay-in Date ("**Pay-in Time**"). Identified Investors should ensure to make payment of the subscription amount for the Bonds from their same bank account which is updated by them in the BSE EBP platform while placing the bids. In case of mismatch in the bank account details between BSE - EBP platform and the bank account from which payment is done by the successful bidder, the payment would be returned.

Note: In case of failure of any Identified Investor to complete the subscription amount payments by the Pay-in Time or the funds are not received in the Designated Bank Account by the Pay-in Time for any reason whatsoever, the bid will liable to be rejected and the Issuer shall not be liable to issue Bonds to such Identified Investors.

Retention of oversubscription

The Issuer shall have an option at its sole discretion to retain over-subscription up to the Issue Size.

Date of Subscription

The date of subscription shall be the date of realisation of proceeds of subscription money in the Designated Bank Account.

Settlement Process

Upon final allocation by the Issuer, the Issuer or the Registrar on behalf of the Issue shall instruct the Depositories on the Pay In Date, and the Depositories shall accordingly credit the allocated Bonds to the demat account of the successful bidder.

The Company shall give the instruction to the Registrar for crediting the Bonds by 12:00 p.m. on the Pay-In Date. The Registrar shall provide corporate action file along with all requisite documents to Depositories by 12:00 p.m. on the Pay-In Date. On the Pay-In Date, the Depositories shall confirm to the Issuer the transfer of Bonds in the demat account(s) of the successful bidder(s).

Post-Allocation Disclosures by the EBP

Upon final allocation by the Issuer, the Issuer shall disclose the Issue Size, coupon rate, ISIN, number of successful bidders, category of the successful bidder(s), etc., in accordance with the Operational Guidelines. The EBP shall upload such data, as provided by the Issuer, on its website to make it available to the public.

General:
Applications for the Bonds must be in the prescribed form and completed in BLOCK LETTERS in English and as per the instructions contained therein. Applications complete in all must be submitted on the day of completion of bid itself to either the Bank's Compliance Officer or to any other person authorized to collect the application in any of the locations informed in due course.

Applications should be for the number of Bonds applied by the Applicant. Applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be used for remitting the interest/ redemption in future. In case of any change in the bank account details of the applicant, the bank account details as provided by the Depositories with respect of the concerned demat account number under which the bonds are held shall be considered by the Bank for remittance of interest/redemption purposes.

The applicant should mention Permanent Account Number (PAN) allotted under the Income-tax Act, 1961. Application Forms without this information will be considered incomplete and are liable to be rejected.

Applications by the Companies
A certified true copy of the Board Resolution stating authorization to subscribe to the Bonds along with name of person who are authorized to apply on behalf of such company and along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/document, if any, must be lodged along with the submission of the completed Application Form.

Applications under Power of Attorney
A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the

Bank or to the Registrars or to such other person(s) at such other address(es) as may be specified by the Bank from time to time through a suitable communication.

Application by Provident Funds, Superannuation Funds and Gratuity Funds
The applications must be accompanied by certified true copies of

- Trust Deed / Bye Laws /Resolutions
- Resolution authorizing Investment
- Specimen Signatures of the Authorized Signatories

Those desirous of claiming tax exemptions on interest payments, such certificates have to be submitted periodically.

Application by Mutual Funds
In case of applications by Mutual Funds, a separate application must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the Asset Management Company/ Trustees/ Custodian clearly indicate their intention as to the scheme for which the application has been made.

For further instructions about how to make an application for applying for the Bonds and procedure for remittance of application money, please refer to the Term Sheet *and the Application Form.*

Future Borrowings
The Bank shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue Bonds or other securities in any manner with ranking as *pari-passu* basis or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as the Bank may think appropriate, without the consent of, or intimation to, the Bondholder(s) or the Trustees in this connection.

Terms of Payment
The full face value of the Bonds applied for is to be remitted once the bid is accepted under BSE EBP Mechanism. Investor(s) need to send in the Application Form and the details of RTGS for the full value of Bonds applied for.

Rights of Bondholder(s)
Bondholder is not a shareholder. The Bondholders will not be entitled to any other rights and privilege of shareholders other than those available to them under statutory requirements. The Bonds allotted under this issue are also subject to RBI Directions with respect to BASEL norms. The Bond(s) shall not confer upon the holders the right to receive notice, or to attend and vote at the general meetings of the Bank. The principal amount and interest on the Bonds will be paid to the registered Bondholders only, and in case of Joint holders, to the one whose name stands first.

Besides the above, the Bonds shall be subject to the provisions of the terms of this bond issue and the other terms and conditions as may be incorporated in the Bond Trusteeship Agreement and other documents that may be executed in respect of these Bonds.

Procedure and Time Schedule for Allotment/Refund
As per the operating instructions of the BSE EBP mechanism. Subject to the completion of all legal formalities within 3 months from the Date of Allotment, or such extended period as may be approved by the Appropriate Authorities, the initial credit akin to a Letter of Allotment in the Beneficiary Account of the investor would be replaced with the number of Bonds allotted which will be akin to a Bond Certificate.

Over-subscription and Basis of Allotment
In the event of issue being oversubscribed, the Bank reserves its full, unqualified and absolute right of allotment/ rejection in full or pro-rata at its discretion without assigning any reason thereof.

Right to Accept or Reject Applications
The Bank reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the direct credit/RTGS/NEFT or refund warrant as the case may be, if applicable. The Application Forms that are not complete in all respects are liable to be rejected. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- Number of bonds applied for is less than the minimum application size;
- Applications exceeding the issue size;
- Bank account details not given;
- Details for issue of Bonds in electronic/ dematerialized form not given;
- PAN/GIR and IT Circle/Ward/District not given;
- In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;
- In the event, if any Bond(s) applied for is/ are not allotted in full, the excess application monies of such Bonds will be refunded, as may be permitted.

Force Majeure
The Issuer reserves the right to withdraw the Issue prior to the Issue Closing Date in the event of any unforeseen development adversely affecting the economic and regulatory environment.

Signatures
Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/ Notary Public under his/her official seal.

Fictitious Applications
Any person who makes, in fictitious name, any application to a body corporate for acquiring, or subscribing to, the bonds, or otherwise induced a body corporate to allot, register any transfer of bonds therein to them or any other person in a fictitious name, shall be punishable under the extant laws.

Depository Arrangements
The Bank has appointed Integrated Registry Management Services Pvt Ltd, as the Registrar for the present Bond Issue. The Bank has entered into necessary depository arrangements with National Securities Depository Limited ("**NSDL**") and Central Depository Services (India) Limited ("**CDSL**") for dematerialization of the Bonds offered under the present Issue, in accordance with the Depositories Act, 1996 and regulations made there under. In this context, the Bank has signed two tripartite agreements as under:

1. Tripartite Agreement between the Bank, NSDL and the Registrar for dematerialization of the Bonds offered under the present Issue.
2. Tripartite Agreement between the Bank, CDSL and the Registrar for dematerialization of the Bonds offered under the present Issue.
3. Bondholders can hold the bonds only in dematerialized form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time.

Modification of Rights
The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent, in writing, of those holders of the Bonds who hold at least three fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a resolution passed at a meeting of the Bondholders, provided that nothing in such consent or resolution shall be operative against the Bank where such consent or resolution modifies or varies the terms and conditions of the Bonds, if the same are not acceptable to the Bank.

Notices

All notices required to be given by the Bank or by the Trustees to the Bondholders shall be deemed to have been given if sent by ordinary post/ courier to the original sole/ first allottees of the Bonds and/ or if published in one English daily newspaper having nation-wide circulation and one regional language newspaper.

All notices required to be given by the Bondholder(s), shall be sent by registered post or by hand delivery to the Bank or to such persons at such address as may be notified by the Bank from time to time.

Letter(s) of Allotment / Bond Certificate(s) /Issue of Letter(s) of Allotment
The beneficiary account of the investor(s) with NSDL/ CDSL/ Depository Participant will be given initial credit within 15 working days from the Date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On completion of the all statutory formalities, such credit in the account will be akin to a Bond Certificate.

Issue of Bond Certificate(s)
Subject to the completion of all statutory formalities within time frame prescribed in the relevant Regulations/Act/ Rules etc., the initial credit akin to a Letter of Allotment in the Beneficiary Account of the investor would be replaced with the number of Bonds allotted. The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of the Depository Act, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof. The Bonds shall be allotted in dematerialized form only.

Mode of Transfer of Bonds
The Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/CDSL/Depository Participant of the transferor/transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Bank.

Interest on Application Money
Since the application process is governed by the BSE EBP, interest on application money is not payable.

Deduction of Tax at Source
As applicable in terms of Income Tax Act, 1961 or as may be amended from time to time.

Payment on Redemption: Not Applicable

List of Beneficial Owners
The Bank shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

Investor Relations and Grievance Redressal
Arrangements have been made to redress investor grievances expeditiously as far as possible. The Bank shall endeavor to resolve the investor's grievances within 30 days of its receipt. All grievances related to the issue quoting the Application Number (including prefix), number of Bonds applied for, amount paid on application and details of collection centre where the Application was submitted, may be addressed to the Compliance Officer at registered office of the Bank. All investors are hereby informed

that the Bank has designated a Compliance Officer who may be contacted in case of any pre-issue/ post-issue related problems such as non-credit of letter(s) of allotment/ bond certificate(s) in the demat account, non-receipt of refund order(s), interest warrant(s)/ cheque(s) etc. Contact details of the Compliance Officer are given elsewhere in this Disclosure Document.

Trading of Bonds
The marketable lot for the purpose of trading of Bonds shall be 1 (one) Bond of face value of INR 1 lakh each. Trading of Bonds would be permitted in demat mode only in standard denomination of INR 1 lakh and such trades shall be cleared and settled in recognized stock exchange(s) subject to conditions specified by SEBI. In case of trading in Bonds which has been made over the counter, the trades shall be reported on a recognized stock exchange having a nationwide trading terminal or such other platform as may be specified by SEBI.

Mode of Transfer of Bonds
The Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/Depository Participant of the transferor/transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Bank.

Transfer of Bonds to and from NRIs/ OCBs, in case they seek to hold the Bonds and are eligible to do so, will be governed by the then prevailing guidelines of RBI.

Common Form of Transfer
The Issuer undertakes that it shall use a common form/procedure for transfer of Bonds issued under terms of this Disclosure Document.

Sharing of Information
The Bank may, at its option, use on its own, as well as exchange, share or part with any financial or other information about the Bondholders available with the Bank, affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Bank nor their agents shall be liable for use of the aforesaid information.

Disputes & Governing Law
The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof will be subject to the sole jurisdiction of courts of Thrissur, Kerala.

Deduction of Tax at Source
Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source out of interest payable on Bonds.

Interest payable subsequent to the Deemed Date of Allotment of Bonds shall be treated as "Interest on Securities" as per Income Tax Rules. Bondholders desirous of claiming exemption from deduction of income tax at source on the interest payable on Bonds should submit tax exemption certificate/ document, under Section 193 of the Income-tax Act, 1961, if any, with the Registrars, or to such other person(s) at such other address (es) as the Issuer may specify from time to time through suitable communication, at least 45 days before the payment becoming due. Regarding deduction of tax at source and the requisite declaration forms to be submitted, applicants are advised to consult their own tax consultant(s).

List of Beneficial Owners
The Issuer shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

Succession
In the event of the demise of the sole/first holder of the Bond(s) or the last survivor, in case of joint holders for the time being, the Issuer shall recognize the executor or administrator of the deceased Bondholder or the holder of succession certificate or other legal representative as having title to the Bond(s).The Issuer shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, wherever it is necessary, or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Bond(s) standing in the name of the deceased Bondholder on production of sufficient documentary proof or indemnity.

Where a non-resident Indian becomes entitled to the Bond by way of succession, the following steps have to be complied:

- Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Bond was acquired by the NRI as part of the legacy left by the deceased holder.
- Proof that the NRI is an Indian National or is of Indian origin.
- Such holding by the NRI will be on a non -repatriation basis

8.3. Illustrative Cash Flows:

B. Details of the Bonds

Face Value per Bond (Rs.)	100000
Issue Price per Bond (Rs.)	100000
Redemption Price per Bond (Rs.)	Not Applicable. However, in case of redemption due to exercise of call option in accordance with Basel III Guidelines, the Bonds shall be redeemed at par along with interest accrued till one day prior to the Call Option Date subject to adjustments and/or write off on account of “Loss Absorbency” as mentioned in this Summary Term Sheet.
Deemed Date of Allotment	24.01.2020
First Call Option Due Date	24.01.2025
Tenor	Not Applicable
Redemption/ Maturity Date	Not Applicable
Coupon Rate	13.75%
Coupon Payment Dates	Annually

C. Illustrative cash flows assuming call option is exercised by the Bank at the end of 5 years:

Coupon Payment Date and Redemption Date	Modified Coupon Payment Date/ Redemption Date as per Business Day Convention	No. of Days	Day Count Convention	Subscription/ Coupon/ Redemption Amount (Rs.)

Friday, January 24, 2020	Friday, January 24, 2020			-1,00,000.00
Sunday, January 24, 2021	Monday, January 25, 2021	366	Actual/Actual	13,750.00
Monday, January 24, 2022	Monday, January 24, 2022	365	Actual/Actual	13,750.00
Tuesday, January 24, 2023	Tuesday, January 24, 2023	365	Actual/Actual	13,750.00
Wednesday, January 24, 2024	Wednesday, January 24, 2024	365	Actual/Actual	13,750.00
Friday, January 24, 2025	Friday, January 24, 2025	366	Actual/Actual	13,750.00
Friday, January 24, 2025	Friday, January 24, 2025	0		1,00,000.00

D. **Assumptions and Notes:**

a. Call Option has been assumed after 5 years under table (C) above, for illustrative purpose only.

b. In accordance with SEBI Circular no CIR/IMD/DF-1/122/2016 dated November 11, 2016:

i. For the purpose of coupon/ redemption payments, Business Days shall be all days when the money market is functioning in Mumbai.

ii. In case of a leap year, if February 29 falls during the tenor of Debentures, then the number of days shall be reckoned as 366 days (Actual/Actual day count convention) for a whole one year period, irrespective of interest being payable on half yearly basis. Thus for a half yearly interest payment, 366 days would be reckoned twice as the denominator;

iii. If any Coupon Payment Date falls on a day that is not a Business Day, the payment may be made on the following Business Day. However the dates of the future coupon payments shall be as per the schedule originally stipulated at the time of issuing Debentures. Thus the subsequent coupon schedule shall not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday.

iv. If the Redemption Date / Call Option Due Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the Redemption Price/ Call Option Price shall be paid by the Bank on the immediately preceding Business Day along with interest accrued on the Debentures until but excluding the date of such payment.

c. For the purpose of above illustrations, only Sundays and 2nd & 4th Saturdays have been assumed as non Business Days.

d. The above illustrations do not capture the impact of provisions mentioned in "Special Features" in the Summary Term Sheet.

e. The Coupon Payment Date(s) and principal repayment date (either on redemption or on exercise of Call Option) may further undergo change(s) in case of any scheduled and unscheduled holiday(s) and/or changes in money market settlement day conventions by the Reserve bank of India/ SEBI.

f. The coupon payable to each Bondholder shall be rounded off to the nearest rupee as per the Fixed Income Money Market and Derivatives Association ("FIMMDA") handbook on market practices.

g. In case of revision in the Deemed Date of Allotment or in case of multiple allotment(s), the Coupon Payment Dates may also be revised accordingly by the Bank at its sole & absolute discretion.

9.0 DISCLOSURES RELATING TO WILFUL DEFAULT

Name of Bank declaring entity to be wilful defaulter	Year in which entity is declared as wilful defaulter	Outstanding amount at the time of declaration	Name of entity declared as wilful defaulter	Steps taken for removal from list of wilful defaulters	Other disclosures	Any other disclosures
NIL	NIL	NIL	NIL	NIL	NIL	NIL

DECLARATION

DECLARATION

10.1 Declaration by the Issuer:

The Issuer hereby declares that this Disclosure Document contains full disclosure in accordance with SEBI Debt Regulations and the Companies Act read with rules thereunder.

The Issuer also confirms that this Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in the light of the circumstances under which they are made, misleading. The Disclosure Document also does not contain any false or misleading statement. The Issuer accepts no responsibility for the statements made otherwise than in this Disclosure Document or in any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information would be doing so at his own risk.

The Issuer declares that all the relevant provisions of the relevant regulations or guidelines issued by SEBI including SEBI(Listing Obligations and Disclosure Requirements) regulations, 2015 and other Applicable Laws have been complied with and no statement made in this Disclosure Document is contrary to the provisions of the regulations or guidelines issued by SEBI and other applicable law, as the case may be.

10.2 Declaration by the Directors

10.2.1 The Bank has complied with the provisions of the Companies Act and the rules made thereunder;

10.2.2 The compliance with the Companies Act and the rules made thereunder does not imply that payment of interest or repayment of any Debentures, if applicable, is guaranteed by the Central Government; and

10.2.3 The monies received under the offer shall be used only for the purposes and objects indicated in this Disclosure Document.

I am authorized by the Board of Directors of the Bank vide resolution dated 20 November 2017 to sign this form and declare that all the requirements of Companies Act and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

NAME	: V. G. MATHEW
Designation	: Managing Director & CEO
DIN	: 05332797
Date	: 20th January 2020
Place	: Thrissur (Kerala)

The South Indian Bank Ltd.
CFM DEPT.
H.O. Thrissur

ANNEXURES

Annexure – I: Credit Rating Letter from India Rating

India Ratings & Research

Fitch Group

Mrs. Chithra H
Chief Financial Officer,
South Indian Bank,
CFM Department, SIB House,
2nd floor, Mission Quarters,
T.B.Road,
Thrissur 680001, Kerala.

January 17, 2020

Dear Ma'am,

Re: Ratings of South Indian Bank's (SIB) Instruments:

India Ratings (see definition below) communicates the following ratings of SIB:-

- INR5billion Basel III AT1 perpetual bonds: 'IND A/Negative'
- INR15billion Basel III Tier 2 debt: 'IND A+/Negative'
- INR2billion Lower Tier II subordinated debt: 'IND A+/Negative'

Out of total rated limit, bank has already utilized INR10.4billion of Basel III Tier 2 debt, INR2billion of Lower Tier II subordinated debt and Basel III AT1 perpetual bonds are yet to be issued.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

J.Z.H

India Ratings & Research Private Limited A Fitch Group Company
Wockhardt Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra (E), Mumbai 400 051
Tel: +91 22 4000 1700 | Fax: +91 22 4000 1701 | CIN/LLPIN: U67100MH1995FTC140049 | www.indiaratings.co.in

India Ratings & Research   Fitch Group

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings' ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating to investors.

It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact us at +91 22 4000 1700.

Sincerely,
India Ratings

Rakesh Valecha
Senior Director

Jindal Haria
Director

India Ratings & Research

Fitch Group

Mrs. Chithra H
Chief Financial Officer,
South Indian Bank,
CFM Department, SIB House,
2nd floor, Mission Quarters,
T.B.Road,
Thrissur 680001, Kerala.

December 11, 2019

Dear Ma'am,

Re: Ratings of South Indian Bank's (SIB) Instruments:

India Ratings (see definition below) assigns the following ratings of SIB:-

- INR5billion Basel III AT1 perpetual bonds: 'IND A/Negative'

India Ratings (see definition below) affirms the following ratings of SIB:-

- INR15billion Basel III Tier 2 debt: 'IND A+/Negative'
- INR2billion Lower Tier II subordinated debt: 'IND A+/Negative'

Out of total rated limit, bank has already utilized INR10.4billion of Basel III Tier 2 debt and INR2billion of Lower Tier II subordinated debt.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

J.Z.H

India Ratings & Research

Fitch Grou

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

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It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact us at +91 22 4000 1700.

Sincerely,
India Ratings

Rakesh Valecha
Senior Director

Jindal Haria
Director

India Ratings & Research
A Fitch Group Company

India Ratings Revises The South Indian Bank's Outlook to Negative; Affirms 'IND A+'; Rates AT1 Bonds

09

DEC 2019

By Jinay Gala

India Ratings and Research (Ind-Ra) has revised The South Indian Bank Limited's (SIB) Outlook to Negative from Stable while affirming its Long-Term Issuer Rating at 'IND A+'. The instrument-wise rating actions are as follows:

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook	Rating Action
Lower Tier II subordinated debt*	-	-	-	INR2	IND A+/Negative	Affirmed; Outlook Revised to Negative from Stable
Basel III Tier 2 debt*	-	-	-	INR15	IND A+/Negative	Affirmed; Outlook Revised to Negative from Stable
Basel III AT1 perpetual bonds#	-	-	-	INR5	IND A/Negative	Assigned

* Details in annexure
#yet to be issued

The Outlook revision reflects SIB's higher proportion of stressed assets to net worth, subdued profitability along with lower provision coverage compared to peer banks, which has been exerting additional pressure on the bank's already weakened capital buffers, thereby increasing the importance of raising tier 1 capital in the medium term. The affirmation reflects SIB's stable liability and funding franchise, improved diversification of its loan book, and its sizable presence in terms of size and scale in key southern geographies.

For Additional Tier 1 (AT1) bonds, Ind-Ra considers discretionary component, coupon omission risk and write-down/conversion risk as the key parameters to arrive at the ratings. The agency recognises the unique going-concern loss-absorption feature of these bonds that differentiates them from the bank's senior debt, factoring in a higher probability of an ultimate loss for the investors. The AT1 bonds' rating reflects the bank's deteriorated standalone credit profile along with its ability to service coupons and its equity requirement to avoid write-down triggers compared with other public sector banks. At FYE19, SIB's distributable reserves were at 2.7% of risk weighted assets, which, in Ind-Ra's view, is adequate to cover coupon servicing.

KEY RATING DRIVERS

Weakened Provisions and Capital Buffers: Ind-Ra expects SIB's slippages to moderate to 2.5-3% over FY20-FY21from the 4% levels witnessed over FY16-FY19. However, the fall in the provision coverage ratio (30% at end-September 2019 against about 60% for most banks), excluding technical write-offs, could increase the incidence of credit costs in FY20 and FY21. The stressed asset (net non-performing assets (NNPA)+ standard restructured asset(SRA) + net security receipts(NSR)) to net worth ratio for SIB stood at 66.9% in 2QFY20 compared to 56.2% in 2QFY19. There could be further pressure on asset quality from slippages from below 'BBB'-rated corporate borrowers and SMA2 accounts in 2HFY20.

Ind-Ra believes SIB might see a moderation in capital buffers, considering the bank's growth plans, lower internal accruals, and its subdued ability to raise capital, especially below the book value, which could lead to significant dilution for existing investors. As per Ind-Ra's estimates, incremental tier 1 capital requirements would be to tune of INR10 billion for FY20-FY21 to maintain above-system-average growth rates and improve provision cover on corporate exposures, especially in cases where the recovery could be moderate.

Moderating Profitability and Operational Efficiency: The operating expense of bank has remained stable in the range of 1.7%-1.8% of average asset during FY17-FY19. However, the margin could incrementally remain under pressure, owing to rising competition from small finance banks in the local market and the existing competition in the retail segment. The NIM along with other income (fees and treasury) as a percentage of average assets moderated by 30bp-35bp over FY16-FY19. In addition, the increase in credit costs (1HFY20:1.1% annualised; FY19:1.1%) has adversely impacted profitability (RoA FY19:0.5%; 1HFY20:0.34% annualised). SIB's branch network remains skewed towards Kerala, which housed 54.4% of its total branches in 2QFY20.

Stable Funding Franchise: SIB's current account saving account (CASA) has been stable and stood at 24.9% in 2QFY20 (FY19: 24.2%). The NRI deposit to the total deposit ratio stood at 27.3% in 2QFY20 (FY15: 21.9%). SIB's share in the overall remittance market in Kerala increased to 10.2% in FY19 from 9.9% in FY18. However, any pressure emanating from the uncertainty on remittances from the Gulf could pose challenges. Moroever, Ind-Ra expects the bank to face incremental competition from small finance banks for deposits over the near-to-medium term. The exposure of bank to the top 20 depositors stood at 9.92% in FY19 (FY18: 8.6%).

Moderate Capitalisation: SIB's capitalisation has weakened over the last 11 quarters (1HY20 Basel III Tier 1: 9.6%, FY13: 12.0%), driven by a decline in internal accruals (FY19: 2.6%, FY13: 18%), on account of increasing credit cost and the falling proportion of non-agri and SME gold loans (2HFY20: 3.4%, FY13: 17.4%), which carry a lower risk weight. As per Ind-Ra's analysis, considering the ageing provisions and provisions that need to be done over FY20-FY21 on some of its corporate exposures rated below 'BBB' and expected to slip in 2HFY20, Ind-Ra expects the adjusted tier 1 capital at end September 2019 to be lower by about 110-120bp.

Liquidity Indicator – Adequate: SIB's short-term (one year) asset liability profile remains matched; furthermore, the liquidity coverage ratio stood at 200% in 1HFY20, well above the regulatory requirement of 100%. Also, the bank had excess SLR to the tune of INR12 billion (around 1.4% of deposits) in 1HFY20.

Sizeable Franchise with Retail and SME Key Focus Areas: SIB has a strong presence in the southern region of India, with Kerala accounting for 41.6% of its advances and 54.7% of deposits as on 30 September 2019. The bank has a well-diversified business profile, with retail (excluding gold), corporates and SMEs accounting for 26.7%, 30.8% and 24.3%, respectively, of the overall book. Home loan and loan against property accounted for around 52% of retail loans in 2QFY20.

The bank aims to record incremental loan growth from the SME and retail (including gold) segments (54.4% of total loan book in 2QFY20), while leveraging existing relationships for cross-selling and new marketing initiatives by appointing business development officers. The bank plans to increase focus on smaller exposure than large consortium accounts to reduce concentration risk. SIB's initiative to improve its internal credit standards by assigning risk-based evaluation on internally classified stressed sectors is a positive.

RATING SENSITIVITIES

Positive: A consistent improvement in the low-cost retail liability franchise, an improvement in the branch utilisation with improvement in margins, moderation of slippages along with credit cost and substantial improvement in the profitability, followed by adequate provision coverage and capital buffers could result in a positive rating action.

Negative: Inability of the bank to raise tier 1 capital as per the agency's expectations, material decline in tier 1 capital ratio or the absence of a substantial increase in provision cover by 1HFY21, could lead to a negative rating action. Substantial negative mismatches on asset-liability tenors would also be negative for the ratings.

COMPANY PROFILE

SIB is a major private sector bank headquartered in Thrissur, Kerala India. As on 30 September 2019, it had 870 branches, four service branches, 52 extension counters and 20 regional offices spread across more than 27 states and three union territories in India.

FINANCIAL SUMMARY

Particulars	FY19	FY18
Total assets (INR billion)	922.8	826.8
Total net worth (INR billion)	53.3	52.4
Net profit (INR billion)	2.48	3.35
Return on assets (%)	0.28	0.43
CET1 ratio (%)	10.0	10.4
Capital adequacy ratio (%)	12.6	12.7
Source: SIB, Ind-Ra		

RATING HISTORY

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook		
	Rating Type	Rated Limits (billion)	Rating	13 December 2018	9 November 2017	26 October 2016
Issuer rating	Long-term	-	IND A+/Negative	IND A+/Stable	IND A+/Stable	IND A+/Stable
Lower Tier II subordinated debt	Long-term	INR2	IND A+/Negative	IND A+/Stable	IND A+/Stable	IND A+/Stable
Basel III Tier 2 debt	Long-term	INR15	IND A+/Negative	IND A+/Stable	IND A+/Stable	IND A+/Stable
Basel III AT1 perpetual bonds#	Long-term	INR5	IND A/Negative			

ANNEXURE

Instrument Type	ISIN	Date of Allotment	Maturity Date	Coupon rate (%)	Size of Issue (billion)	Rating/Outlook
Basel III Compliant Tier 2 Debt	INE683A08028	30 September 2015	31 October 2025	10.25	INR3	IND A+/Negative
Basel III Compliant Tier 2 Debt	INE683A08036	28 September 2018	28 May 2028	9.50	INR4.9	IND A+/Negative
Basel III Compliant Tier 2 Debt	INE683A08044	26 March 2019	26 June 2029	11.75	INR2.5	IND A+/Negative
Unutilised limit					INR4.6	IND A+/Negative

Total Basel III Compliant Tier 2 Debt					INR 15	
Lower Tier II subordinated debt	INE683A09091	20 August 2009	20 April 2020	9.75	INR2	IND A+/Negative
Total Lower Tier II subordinated debt					INR2	

COMPLEXITY LEVEL OF INSTRUMENTS

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

SOLICITATION DISCLOSURES

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

ABOUT INDIA RATINGS AND RESEARCH

About India Ratings and Research: India Ratings and Research (Ind-Ra) is India's most respected credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

India Ratings is a 100% owned subsidiary of the Fitch Group.

For more information, visit www.indiaratings.co.in.

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Applicable Criteria

Financial Institutions Rating Criteria
Rating FI Subsidiaries and Holding Companies

Analyst Names

Primary Analyst

Jinay Gala

Senior Analyst
India Ratings and Research Pvt Ltd Wockhardt Towers, 4th floor, West Wing Plot C-2, G Block.
Bandra Kurla Complex Bandra (East), Mumbai 400051
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Secondary Analyst

Ruhi Pabari

Analyst
+91 22 40001757

Committee Chairperson

Jindal Haria

Director
+91 22 40001750

Media Relation

Namita Sharma

Manager – Corporate Communication
+91 22 40356121

Annexure - II: Letter of Consent from Debenture Trustee

IDBI Trusteeship Services Ltd
CIN : U65991MH2001GOI131154

IDBI trustee

No.10486/ITSL/OPR/ CL/19-20/BT/1046
December 10, 2019

To,
Ms. Chithra H
Chief Financial Officer
The South Indian Bank Ltd
CFM Department, Head Office,
SIB House, T B Road, Mission Quarters, Thrissur 680001, Kerala

Dear Sir,

Sub: Consent to act as Debenture Trustee for Unsecured, Listed, Non-Convertible, Redeemable, Unsecured, Basel III Compliant Tier I Bonds aggregating Rs.500 crore

This is with reference to your email dated 10.12.2019 on appointment of IDBI Trusteeship Services Limited (ITSL) as Debenture Trustee for Unsecured, Listed, Non-Convertible, Redeemable, Unsecured, Basel III Compliant Tier I Bonds aggregating Rs.500 crore.

It would indeed be our pleasure to be associated with your esteemed organization as Debenture Trustee for the NCD issuance on trusteeship remuneration as under.

Acceptance fee: Rs.50,000 (plus applicable taxes); payable on appointment.

Service charges: Rs.50,000 Per annum (plus applicable taxes); First such payment would become payable immediately for pro-rata period from date of execution of the Debenture Trustee agreement till 31.03.2020; there after service charges are payable on annual basis in advance on 1st April each year till full redemption of NCDs.

Delay Payment Charges	In case the payment of service charges not received within a period of 30 days from the date of the bill, ITSL reserves the right to charge "delayed payment charges" @ 12% p.a. on the outstanding amount.
Out of Pocket Expenses & Statutory Dues	Would be reimbursable on actual basis within 30 days of the claim.
Validity:	i) This Consent Letter shall not be construed as giving rise to any obligation on the part of IDBI Trusteeship Services Ltd.to act as Debenture Trustees unless the Bank communicates acceptance to IDBI Trusteeship Services Ltd within 3 days from the date of issuance of this letter. ii) This Consent letter is valid for a period of three (3) months from the date of this letter unless the validity of the same is extended by ITSL iii) the Issuer Bank executes Trusteeship documents within the stipulated time as per the offer document or as per applicable law.
Reset Clause	Service charges on expiry of 3 years from the date of this consent letter shall be reviewed mutually by the Bank and the trustee for the upward revision in fees
Any enforcement consequent to the event of default (EOD) would attract separate charges	

Regd. Office : Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001.
Tel. : 022-4080 7000 • Fax : 022-6631 1776 • Email : itsl@idbitrustee.com • response@idbitrustee.com
Website : www.idbitrustee.com

Annexure – III: Letter of consent from Registrar

BTS Consultancy Services Pvt. Ltd.

BTS/SIB-HO/1144
Date: 10.01.2020

Mr. Jimmy Mathew - Company Secretary
The South Indian Bank Ltd
Head office: SIB House
T B Road, Mission Quarters
Thrissur - 680 001

Dear Sir,

Sub: **Complaint Redressal System – Bond Issue of your Company**

We furnish the details of Complaint Redressal System followed by us:

Infrastructure:-We have an office at Chennai with latest infrastructures in place. Investor Complaints are attended through tele-con, e-mail and letter correspondence. All investor correspondence will be routed through an integrated inward system, wherein a system generated inward number is allocated to each and every correspondence. All particulars are entered at the time of inward itself. In case of tracking the complaint at any point, it is very easy to attend to this from any system. After redressal, the outward details are also captured in the system. A daily reconciliation as to number of complaints received and resolved is generated.

Manpower:- We have an adequate Investor Grievances Cell consisting of a team attending to telephone calls, written correspondence, electronic mails, etc., from investors. On receipt of complaints, this team immediately verifies the signature of the complainants and attends to the query immediately. This team is headed by an experienced person and overseen by the Director (Operations) On a daily basis, a status report as to the number of complaints received, sorted out and pending for disposal is prepared and continuous follow up action is being followed. Apart from client servicing desk, we have other support functions such as EDP, Despatch, Legal Cell. In case of complicated issues, the same will be referred to legal cell.

Systems:- A full fledged EDP Section is in place. Back up procedure is followed on a daily basis. Weekly back up is also taken. The back-up data is available for the past 52 weeks. An additional back up is maintained at a remote site. Daily reconciliation of shares in NSDL / CDSIL / Physical in respect of each client is done and separate reconciliation registers are being maintained.

Average Time Taken in solving the complaints:- Normally, it takes two weeks time from the receipt of investor complaints to the date of redressal. Average time taken for replying telephonic queries is 2 days and replies to the letters are given in average time of 7 days.

Certificate:- We further certify that as on date, there are no complaints lying unresolved in connection with your Bond Issue.

Consent:- We hereby give our consent to include our name as Registrars to the issue of proposed Bond Issue (Private Placement) of The South Indian Bank Ltd.

For **BTS Consultancy Services Pvt. Ltd**

C T Gopalakrishnan
Director & Compliance Officer

Regd. Office: M S Complex, 1st Floor, Plot No.8, Sastri Nagar, Near 200 Feet Road / RTO North, Kolathur, Chennai–600099
Phone: 044 – 2556 5121, 2556 0142 Fax No:044 – 2556 5131, email: helpdesk@btsindia.co.in, btschennai@gmail.com
CIN: U74999TN2005PTC055403 GST: 33AACCB8463B1Z1

Annexure –IV: Application Form

THE SOUTH INDIAN BANK LIMITED
Head Office: SIB House, T.B. Road, Mission Quarters, Thrissur 680 001, Kerala, India
CIN: L65191KL1929PLC001017
Tel: +91 487 2420020, 2420058, 2420113; Fax: +91 487 2442021
E-mail: sibcorporate@sib.co.in; Website: www.southindianbank.com

Application Form Sr. No. _____

Dear Sirs,

By making this application, I/we acknowledge that I/we have understood the terms and conditions of the issue of The South Indian Bank Limited (**"Bank"**) as disclosed in the disclosure document for private placement dated 20th January 2020 (**"Disclosure Document"**). I/We apply for allotment of the Non-convertible, Perpetual, Fully Paid-Up, Unsecured, Basel III compliant Tier 1 Bonds in the nature of Debentures (**"Debentures"**). The amount payable on application as shown below is remitted herewith. On allotment, please place my/our name on the Register of Bondholders. I/We bind ourselves to the terms and conditions as contained in the Disclosure Document. I/We note that the Bank is entitled in its absolute discretion to accept or reject this application whole or in part without assigning any reason whatsoever.

(PLEASE READ THE INSTRUCTIONS CAREFULLY BEFORE FILLING THIS FORM)

1. APPLICATION DETAILS

First Applicant's Name in Full (IN BLOCK LETTERS)													
Second Applicant's Name in Full (IN BLOCK LETTERS)													
Third Applicant's Name in Full (IN BLOCK LETTERS)													
Mailing Address in Full (IN BLOCK LETTERS) (Do not repeat name. Post Box No. alone is not sufficient)													

Pin:	Telephone/Mobile:	Fax:

2. TAX DETAILS

PAN or GIR No.	**IT Circle / Ward / District**	**Not Allotted**

3. DETAILS OF BANK ACCOUNT OF THE FIRST APPLICANT

Name of the Bank	
Branch	
Account No.	
Nature of Account (SB/ CA)	
IFSC Code of Bank/ Branch	

4. TAX DEDUCTION STATUS *(Please tick one)*

Fully Exempt	[ ] (please furnish tax exemption certificate)
Tax to be deducted at source	[ ]

5. SPECIMEN SIGNATURE(S)

Sr. No.	**Name of the Authorised Signatory**	**Designation**	**Signature**
1.			
2.			
3.			
4.			
5.			

6. DETAILS OF DEMAT ACCOUNT WHERE BONDS SHALL BE CREDITED

Depository's Name (tick one)	**[ ] NSDL**	**[ ] CDSL**
Depository Participant's Name		
DPID		
Client ID		

I/We understand that in case of allotment of Debentures to me/us, my/our Beneficiary Account as mentioned above would be credited to the extent of Debentures allotted.

7. DETAILS OF BONDS APPLIED FOR AND REMITTANCE OF APPLICATION MONEY

Face Value per Bond is Rs. 1,00,000 and the Debentures are being issued at par. Entire face value of Debentures applied for is payable on application. The application shall be for a minimum of 1 Debenture (Rs. and in multiples of 1 (one) Bond thereafter.

No. of Debentures applied for (in	
No. of Debentures applied for (in words)	
Amount (Rs. in figures)	
Amount (Rs. in words)	
Particulars of remittance through RTGS mode	
UTR No.	
Name of remitting bank and branch	
Date of remittance	

I/We undertake that the remittance of application money against my/our subscription in the issue as per application form has been remitted from a bank account in my/our own name.

8. CATEGORY OF APPLICANT

I/We are applying as: *(please tick whichever is applicable)*

	Company/ Body Corporate		Scheduled Commercial Bank		Regional Rural Bank
	Co-operative Bank		Financial Institution		Insurance Company
	Mutual Fund		Provident/ Superannuation/ Gratuity/ Pension Fund		Port Trust
	NBFC & Residuary NBFC		Association of Persons		Society/ Trust
	Statutory Corporation/ Undertaking		Resident Indian Individual		Partnership Firm in the name of the partner
	Limited Liability Partnership Firm		Hindu Undivided Family through Karta		Others (please specify)

ACKNOWLEDGEMENT SLIP

THE SOUTH INDIAN BANK LIMITED
Head Office: SIB House, T.B. Road, Mission Quarters, Thrissur 680 001, Kerala, India
CIN: L65191KL1929PLC001017
Tel: +91 487 2420020, 2420058, 2420113; Fax: +91 487 2442021
E-mail: sibcorporate@sib.co.in; Website: www.southindianbank.com

Application Form Sr. No. ______

Received from:

Address:

Application for:

No. of Debentures applied for (in figures)	
No. of Debentures applied for (in words)	
Amount (Rs. in figures)	
Amount (Rs. in words)	
Particulars of Remittance through RTGS mode	
UTR No.	
Name of remitting bank and branch	
Date of remittance	

INSTRUCTIONS

1. This being a private placement Issue, only those Eligible Investors who have been addressed through a specific communication containing the Disclosure Document are eligible to apply.
2. Application Forms must be completed in **BLOCK LETTERS IN ENGLISH**. A blank space must be kept between two or more parts of the name. For example:

A	B	C	D	E		L	T	D			

3. Applications complete in all respects must be submitted before the last date indicated in the issue time table or such extended time as decided by the Bank, accompanied by details of remittance of the application money.
4. The original Applications Forms (along with all necessary documents as detailed in the Disclosure Document), payment details and other necessary documents should be sent to the Issuer, on the same day.
5. Cheque(s), demand draft(s), money orders, postal orders will not be accepted. The Bank assumes no responsibility for any applications lost in mail.
   Remittance of application money should be made by electronic transfer of funds through RTGS mechanism for credit as per details given hereunder:

Name of the Banker	ICICI BANK	YES BANK	HDFC BANK
Beneficiary Name	INDIAN CLEARING CORPORATION LTD	INDIAN CLEARING CORPORATION LTD	INDIAN CLEARING CORPORATION LIMITED
Credit into Current A/c No.	ICCLEB	ICCLEB	ICCLEB
IFS Code	ICIC0000106	YESB0CMSNOC	HDFC0000060
Mode	NEFT/RTGS	NEFT/RTGS	NEFT/RTGS

6. Applications should be for the number of Debentures applied by the Applicant. Applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/redemption warrants.
7. The applicant or in the case of an application in joint names, each of the applicant, should mention his/her Permanent Account Number (PAN) allotted under the Income-Tax Act, 1961. As per the provision of Section 139A (5A) of the Income Tax Act, PAN needs to be mentioned on the TDS certificates. Hence, the investors should mention his PAN. In case no PAN has been allotted, the applicant shall mention "Applied for" nor in case the applicant is not assessed to income tax, the applicant shall mention 'Not Applicable' (stating reasons for non-applicability) in the appropriate box provided for the purpose. Application Forms without this information will be considered incomplete and are liable to be rejected.
8. All applicants are requested to tick the relevant column "Category of Investor" in the Application Form. Public/Private/Religious/Charitable Trusts, Provident Funds and Other Superannuation Trusts and other investors requiring "approved security" status for making investments.
9. Receipt of the application will be acknowledged by Sole Arranger in the "Acknowledgement Slip" appearing below the Application Form. No separate receipt will be issued.
10. Signatures should be made in English or in any other Indian language included in Schedule VIII of the Constitution of India. Thumb impression must be attested by an authorized official of a Bank or by a Magistrate/Notary Public under his/her official seal.
11. Those desirous of claiming tax exemptions on interest on Application Money are compulsorily required to submit a certificate issued by the Income Tax Officer / relevant declaration forms as per Income Tax Act, 1961 along with the Application Form. In case the above documents are not enclosed with the application forms, TDS will be deducted on interest on Application Money.
12. By making this application, the applicant(s) acknowledge that they have understood the features, terms, conditions and risks associated with the Debentures as detailed in the Disclosure Document.
13. The Application would be accepted as per the terms and conditions of the Debentures outlined in the Disclosure Document.

Annexure V

Abridged version of Audited Consolidated (wherever available) and Standalone Financial Information (Profit & Loss statement, Balance Sheet and Cash Flow statement) for last three years and auditor qualifications:

(a) Balance Sheet of the bank for the last three years:

Capital & Liabilities	As on 31st March 2019	As on 31st March 2018	As on 31st March 2017
Capital	180.97	180.88	180.28
Reserves and Surplus	5154.36	5060.34	4665.19
Deposits	80,420.12	72,029.59	66,117.49
Borrowings	4,903.20	4,043.38	1,957.76
Other Liabilities and Provisions	1,620.57	1,371.68	1,391.43
TOTAL	**92279.22**	**82685.87**	**74312.15**
Assets			
Cash & Balances with Reserve Bank of India	3,661.82	3,258.24	3,077.98
Balances with banks & money at call & short notice	1,160.94	962.81	809.74
Investments	19,081.38	18,363.08	19,429.67
Advances	62,693.74	54,562.89	46,389.47
Fixed Assets	708.66	680.78	656.10
Other Assets	4,972.68	4,858.08	3,949.19
TOTAL	**92,279.22**	**82,685.87**	**74,312.15**
Contingent Liabilities	9,669.37	11,507.65	7,215.15
Bills for Collection	1,436.09	1,192.87	980.10

(b) Profit & Loss Account Statement for the last three years.

<table>
<tr><th colspan="2">Particulars</th><th>Year ended 31st March 2019</th><th>Year ended 31st March 2018</th><th>Year ended 31st March 2017</th></tr>
<tr><td colspan="2">Income</td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Interest earned</td><td>6,876.52</td><td>6,192.81</td><td>5,847.08</td></tr>
<tr><td colspan="2">Other Income</td><td>726.21</td><td>837.24</td><td>715.56</td></tr>
<tr><td colspan="2">TOTAL</td><td>7,602.74</td><td>7,030.06</td><td>6,562.64</td></tr>
<tr><td colspan="2">Expenditure</td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Interest expended</td><td>4,856.82</td><td>4,227.29</td><td>4,171.65</td></tr>
<tr><td colspan="2">Operating Expenses</td><td>1,506.93</td><td>1,321.98</td><td>1,176.40</td></tr>
<tr><td colspan="2">Provisions and contingencies</td><td>991.45</td><td>1,145.90</td><td>822.09</td></tr>
<tr><td colspan="2">TOTAL</td><td>7,355.20</td><td>6,695.16</td><td>6,170.14</td></tr>
<tr><td colspan="2">Profit</td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Net Profit for the year</td><td>247.53</td><td>334.89</td><td>392.50</td></tr>
<tr><td colspan="2">Profit brought forward</td><td>354.03</td><td>355.66</td><td>173.71</td></tr>
<tr><td colspan="2">TOTAL</td><td>601.56</td><td>690.55</td><td>566.21</td></tr>
<tr><td colspan="2">Appropriations</td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Transfer to Statutory Reserves</td><td>61.89</td><td>83.73</td><td>98.13</td></tr>
<tr><td colspan="2">Transfer to Revenue and Other Reserve</td><td>0.00</td><td>50.00</td><td>50.00</td></tr>
<tr><td colspan="2">Transfer to Capital Reserves</td><td>36.37</td><td>29.88</td><td>39.55</td></tr>
<tr><td colspan="2">Dividend Paid for FY 17-18 (including Tax thereon)</td><td>87.26</td><td>86.36</td><td>0.00</td></tr>
<tr><td colspan="2">Transfer to/from Investment Reserve Account</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td colspan="2">Transfer to Investment Fluctuation Reserve</td><td>22.15</td><td>0.00</td><td>0.00</td></tr>
<tr><td colspan="2">Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act</td><td>70.00</td><td>73.05</td><td>22.87</td></tr>
<tr><td rowspan="3">Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act pertaining to earlier years including corresponding Deferred Tax Liability</td><td>FY 14-15</td><td>0.00</td><td>13.50</td><td>0.00</td></tr>
<tr><td>FY 15-16</td><td>32.37</td><td>0.00</td><td>0.00</td></tr>
<tr><td>FY 16-17</td><td>14.80</td><td>0.00</td><td>0.00</td></tr>
<tr><td colspan="2">Balance Carried over to Balance Sheet</td><td>276.72</td><td>354.03</td><td>355.66</td></tr>
<tr><td colspan="2">TOTAL</td><td>601.56</td><td>690.55</td><td>566.21</td></tr>
</table>

(c) Cash Flow Statement of the bank for the last three years

PARTICULARS	31.03.2019	31.03.2019	31.03.2018	31.03.2018	31.03.2017	31.03.2017
Cash Flow from Operating Activity		1677.92		792.86		1956.58
Cash Flow from Investing Activity		-1174.53		-823.77		-1841.53
Cash Flow from Financing Activity		98.31		364.25		498.20
Net Change in Cash & Cash Equivalent		**601.71**		**333.33**		**613.25**
Cash & Cash Equivalent at the beginning of the year		4221.05		3887.72		3274.47
Cash & Cash Equivalent at the end of the year		4822.75		4221.05		3887.72
Net Change in Cash & Cash Equivalent		**601.71**		**333.33**		**613.25**
Cash Flow from Operating Activity						
Net Profit After Tax		247.53		334.89		392.50
Add:						
Provision debited to P&L A/c :						
Provision for Taxes	132.97		165.00		207.72	
Provision on Non-Performing Assets	684.30		693.46		621.78	
Provision on Standard Assets	27.36		7.38		-1.72	
Provision for Depreciation on Investment	143.65		308.97		42.16	
Other Provisions	3.17		-27.95		-47.85	
Provision for Amortisation - debited to Int. Income	46.44		40.27		28.78	
Employee Benefit Provisions	0.00		0.00		0.00	
Depreciation on Fixed Assets	69.64		63.73		65.38	
ESOS Employee Compensation Expense Amortised	0.99		0.97		0.86	
Deferred Employee Benefits	20.45					
(Profit)/Loss on sale of Land, Building and Other Assets	-0.02		-0.61		0.85	
Add: Interest Paid on Bonds (being Financing Activity)	97.28	1226.24	66.06	1317.28	50.22	968.18
Less						
Tax Paid		-137.13		-116.82		-312.66
Add:						
(Increase)/ Decrease in Advances	-8813.94		-8728.32		-6006.25	

(Increase)/ Decrease in Investment	203.01		1418.31		-3036.76	
(Increase)/ Decrease in Other Assets	-212.36		-1001.27		91.81	
Increase/ (Decrease) in Deposits	8390.52		5912.10		10396.76	
Increase/ (Decrease) in Borrowings	609.82		1595.62		-657.20	
Increase/ (Decrease) in Other Liability & Provisions	164.23	341.29	61.05	-742.49	120.20	908.56
Net cash Flow from Operating Activity		**1677.92**		**792.86**		**1956.58**
Cash Flow From Investing Activity						
Purchase of fixed Assets	-97.83		-88.98		-122.97	
Sale of fixed Assets	0.32		0.55		1.37	
(Purchase)/Sale of Investments (Held to Maturity)	-1077.02	**-1174.53**	-735.34	**-823.77**	-1719.93	**-1841.53**
Cash Flow From Financing Activity						
Issue of Share Capital	1.62		11.32		634.40	
Share issue expenses	0.00		0.00		-4.73	
Dividend paid including tax	-87.26		-86.82		-81.26	
Interest Paid on Bonds	-66.05		-50.25		-50.21	
Issue/(Repayment) of Subordinate Bonds	250.00	**98.31**	490.00	**364.25**	0.00	**498.20**

(d) Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.

- ***Extracts from Audit Report of Financial Year – 2018-19***

Our Statutory Auditor have included the following matters of emphasis in their audit report with respect to our financial statements for the financial year 2019:
We draw attention to Schedule 18.A.31(a)(i) to the financial statements regarding deferment of additional provision requirement on account of Debt Asset Swap transactions ("DAS") entered into by the Bank in earlier years pursuant to the Reserve Bank of India's letter dated May 2, 2019 ref.DBS(T) No./424/02.02.006/2018-19 to the bank prescribing asset classification and provisioning norms for DAS transactions and the unamortized balance of Rs.33 crores as at March 31, 2019.

Our opinion is not qualified in respect of this matter.

Opinion

We have audited the accompanying financial statements of The South Indian Bank Limited ("the Bank"), which comprise the Balance sheet as at March 31, 2019, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended on that date audited by the branch auditors of the Bank's branches located at across India.
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 and the Companies Act, 2013 ("the Act") in the manner so required for the banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2019, its profit and its cash flows for the year ended on that date.

- ***Extracts from Audit Report of Financial Year – 2017-18***

Our Statutory Auditor have included the following matters of emphasis in their audit report with respect to our financial statements for the financial year 2018:

i. Note no 18.B.6 (d) regarding deferment of additional provision requirement on account of the enhancement in gratuity limits as per the amendment dated March 29, 2018 in Payment of Gratuity Act, 1972 in terms of the Reserve Bank of India approval vide letter no. DBR. BP.9730/21.04.018/2017-18 dated April 27, 2018, and the unamortised balance as at March 31, 2018 of Rs.20.45 crores.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements together with the notes thereon give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013, in the manner so required for the banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Bank as at March 31, 2018, its profit and its cash flows for the year ended on that date.

- ***Extracts from Audit Report of Financial Year – 2016-17***

Our Statutory Auditor have included the following matters of emphasis in their audit report with respect to our financial statements for the financial year 2017:

i) Note No.B.11.A of Schedule 18 regarding deferment of shortfall arising from the sale of certain non-performing assets in terms of RBI Master Circular DBOD.No.BP.BC.9/21.04.048/2014-15 on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to advances, dated 1 July , 2014, as amended and the unamortised balance as at 31 March, 2017 of Rs. 76.05 Crore.

ii) Note No.C.13 of Schedule 18 regarding deferment of provisioning pertaining to a fraud account identified during the quarter ended 31 December, 2016, in terms of RBI Circular DBR.No.BP.BC.92/21.04.048/2015-16 dated 18 April, 2016 and the unamortised balance as on 31 March, 2017 of Rs.57.82 Crore.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the branch auditors on separate financial statements / financial information of the branches/ offices referred to in the Other Matters paragraph below, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 and the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as on 31 March, 2017, and its profit and its cash flows for the year ended on that date.

- ***Extracts from Audit Report of Financial Year – 2015-16***

Our Statutory Auditors have included the following matters of emphasis in ***their*** audit report with respect to our financial statements for the financial year 2016:
Attention is drawn to Note No. A. 10.A of Schedule 18 regarding spreading over the shortfall arising from the sale of certain non-performing assets during the year ended 31st March, 2015 and 2016 over a period of 2 years, in terms of RBI Master Circular DBOD.No.BP.BC.9/21.04.048/2014-15 on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to advances, dated 1 July, 2014, as amended and the balance outstanding of such cumulative shortfall as on 31 March, 2016 of Rs. 23.74 crore.

Opinion

In our opinion and to the best of our information and according to the ***explanations*** *given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Act, in the manner so required for Banking Companies and give a true and fair view in conformity with the accounting principles generally accepted in India, in so far as they apply to banks and Guidelines issued by the Reserve Bank of India, of the state of affairs of the Bank as on 31 March, 2016, and its profit and its cash flows for the year ended on that date.*

- ***Extracts from Audit Report of Financial Year – 2014-15***

  Unqualified report for the FY 14-15

ANNEXURE VI

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND ENDED 31 DECEMBER 2019

(₹ in Lakhs)

Particulars	Quarter ended			Nine Months ended		Year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a) + (b) + (c) + (d)	196,731	195,397	173,516	581,613	508,558	687,652
(a) Interest/discount on advances/bills	155,682	155,031	136,533	461,410	398,363	539,644
(b) Income on investments	35,033	35,306	31,850	104,339	95,803	128,614
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	1,511	918	1,161	3,295	2,443	3,552
(d) Others	4,505	4,142	3,972	12,569	11,949	15,842
2. Other income	22,042	24,921	18,677	65,154	49,056	72,621
3. Total income (1+2)	218,773	220,318	192,193	646,767	557,614	760,273
4. Interest expended	136,553	136,967	121,554	409,439	356,524	485,682
5. Operating expenses (i) + (ii)	43,906	42,206	37,438	126,106	109,947	150,693
(i) Employees cost	23,956	23,316	20,220	69,634	60,952	82,143
(ii) Other operating expenses	19,950	18,890	17,218	56,472	48,995	68,550
6. Total expenditure (4) + (5) excluding provisions and contingencies	180,459	179,173	158,992	535,545	466,471	636,375
7. Operating profit before provisions and contingencies (3) - (6)	38,314	41,145	33,201	111,222	91,143	123,898
8. Provisions (other than tax) and Contingencies	26,094	30,634	20,312	77,229	63,933	85,848
9. Exceptional items	-	-	-	-	-	-
10. Profit from ordinary activities before tax (7)-(8)-(9)	12,220	10,511	12,889	33,993	27,210	38,050
11. Tax expense	3,166	2,063	4,504	9,165	9,508	13,297
12. Net profit from ordinary activities after tax (10)-(11)	9,054	8,448	8,385	24,828	17,702	24,753
13. Extra ordinary items (Net of tax expense)	-	-	-	-	-	-
14. Net profit for the period (12-13)	9,054	8,448	8,385	24,828	17,702	24,753
15. Paid-up equity share capital (Face Value ₹ 1)	18,097	18,097	18,097	18,097	18,097	18,097
16. Reserves excluding revaluation reserves						491,577
17. Analytical ratios						
i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii) Capital adequacy ratio (%) - BASEL III	12.02	12.08	11.81	12.02	11.81	12.61
iii) Earning per share (EPS)						
(a) Basic EPS - before and after extraordinary items (₹) *	0.50	0.47	0.46	1.37	0.98	1.37
(b) Diluted EPS - before and after extraordinary items (₹) *	0.50	0.47	0.46	1.37	0.98	1.37
iv) NPA Ratios (a) Gross NPA	324,369	314,520	293,000	324,369	293,000	313,167
Net NPA	221,188	219,315	209,967	221,188	209,967	216,362
(b) % of Gross NPA	4.96	4.92	4.88	4.96	4.88	4.92
% of Net NPA	3.44	3.48	3.54	3.44	3.54	3.45
v) Return on Assets (Annualised)	0.37	0.35	0.39	0.35	0.28	0.29

** Quarterly/Nine months numbers are not annualised*

Segmentwise Results

(₹ in Lakhs)

Particulars	Quarter ended			Nine Months ended		Year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
a) Treasury	40,761	45,534	36,436	127,352	106,554	148,482
b) Corporate/ Wholesale Banking	85,050	82,309	84,923	251,027	247,646	330,228
c) Retail Banking	83,671	85,794	64,600	246,507	185,140	256,470
d) Other Banking Operations	9,291	6,681	6,234	21,881	18,274	25,093
Total	218,773	220,318	192,193	646,767	557,614	760,273
Less : Inter segment Revenue	-	-	-	-	-	-
Net Income from Operations	218,773	220,318	192,193	646,767	557,614	760,273
2. Segment Results (net of provisions)						
a) Treasury	(1,300)	4,608	3,114	4,656	(6,234)	(4,197)
b) Corporate/ Wholesale Banking	(4,876)	(17,315)	(6,193)	(29,187)	(8,748)	(12,664)
c) Retail Banking	10,953	17,817	10,948	40,909	27,521	34,792
d) Other Banking Operations	7,443	5,401	5,020	17,615	14,671	20,119
Total	12,220	10,511	12,889	33,993	27,210	38,050
Less: unallocated expenditure (exceptional item)	-	-	-	-	-	-
Profit Before Tax	12,220	10,511	12,889	33,993	27,210	38,050
3. Segment Assets						
a) Treasury	2,159,744	2,170,072	1,957,772	2,159,744	1,957,772	2,016,258
b) Corporate/ Wholesale Banking	3,890,465	3,872,325	3,857,392	3,890,465	3,857,392	4,032,712
c) Retail Banking	3,316,278	3,186,691	2,761,802	3,316,278	2,761,802	2,944,695
d) Other Banking Operations	1,324	1,330	1,199	1,324	1,199	1,396
e) Un allocated	285,204	265,117	246,694	285,204	246,694	232,861
Total	9,653,015	9,495,535	8,824,859	9,653,015	8,824,859	9,227,922
4. Segment Liabilities						
a) Treasury	2,056,447	2,062,588	1,856,959	2,056,447	1,856,959	1,912,833
b) Corporate/ Wholesale Banking	3,733,790	3,708,505	3,688,473	3,733,790	3,688,473	3,857,688
c) Retail Banking	3,182,727	3,051,876	2,640,860	3,182,727	2,640,860	2,816,893
d) Other Banking Operations	-	-	-	-	-	-
e) Un allocated	115,174	117,844	105,199	115,174	105,199	106,975
Total	9,088,138	8,940,813	8,291,491	9,088,138	8,291,491	8,694,389
5. Capital Employed (Segment Assets-Segment Liabilities)						
a) Treasury	103,297	107,484	100,813	103,297	100,813	103,425
b) Corporate/ Wholesale Banking	156,675	163,820	168,919	156,675	168,919	175,024
c) Retail Banking	133,551	134,815	120,942	133,551	120,942	127,802
d) Other Banking Operations	1,324	1,330	1,199	1,324	1,199	1,396
e) Un allocated	170,030	147,273	141,495	170,030	141,495	125,886
Total	564,877	554,722	533,368	564,877	533,368	533,533

For the above segment reporting, the reportable segments are identified into Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations in Compliance with the revised RBI Guidelines. The Bank operates in India.

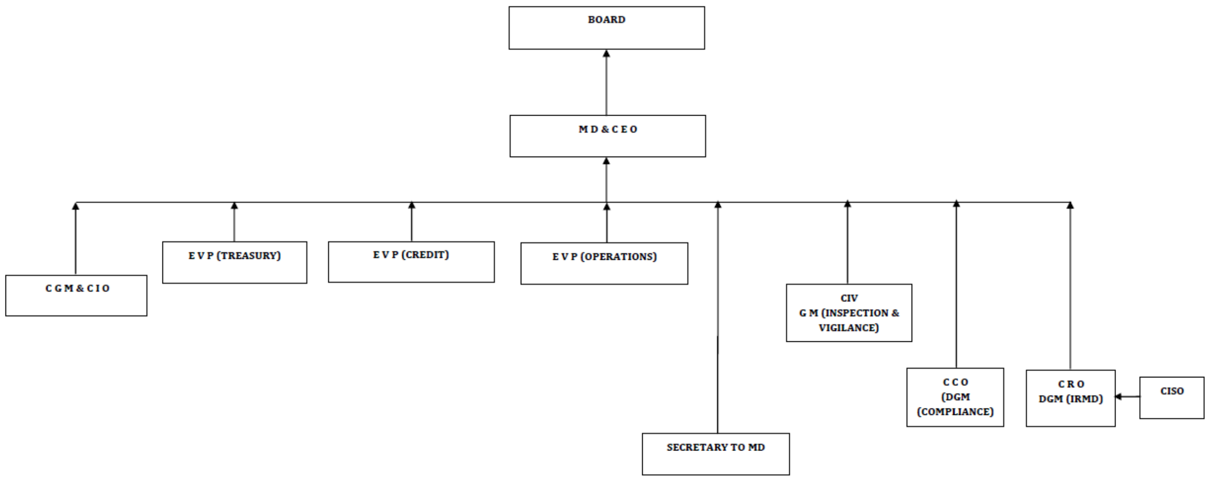
Notes of even date form an integral part of these financial results

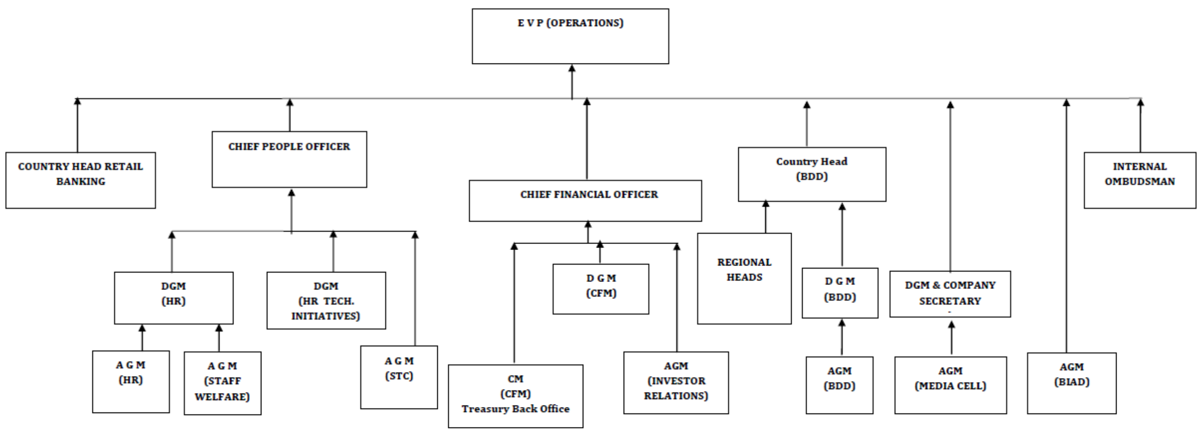
Note: The detailed financials are uploaded on the website of the Bank and can be accessed at https://www.southindianbank.com/content/financial-results/904

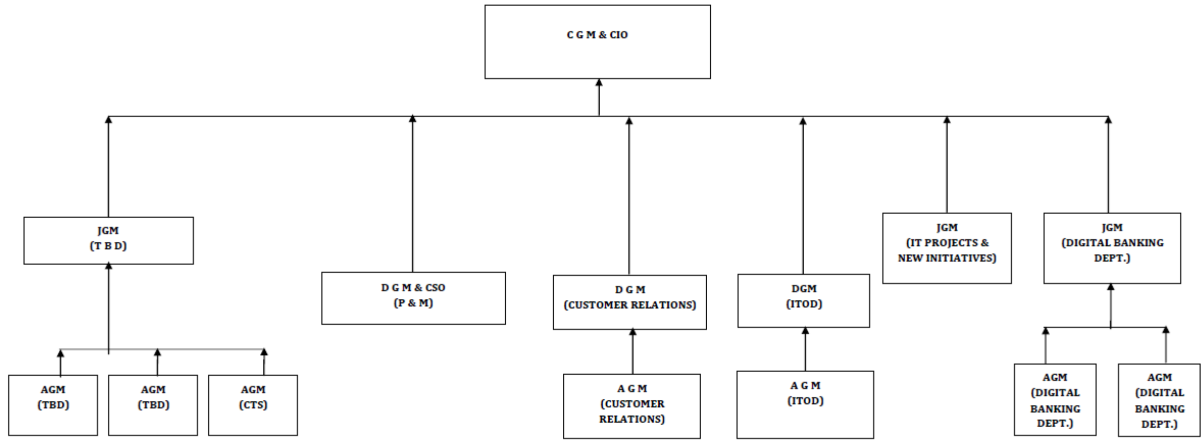
ANNEXURE VII

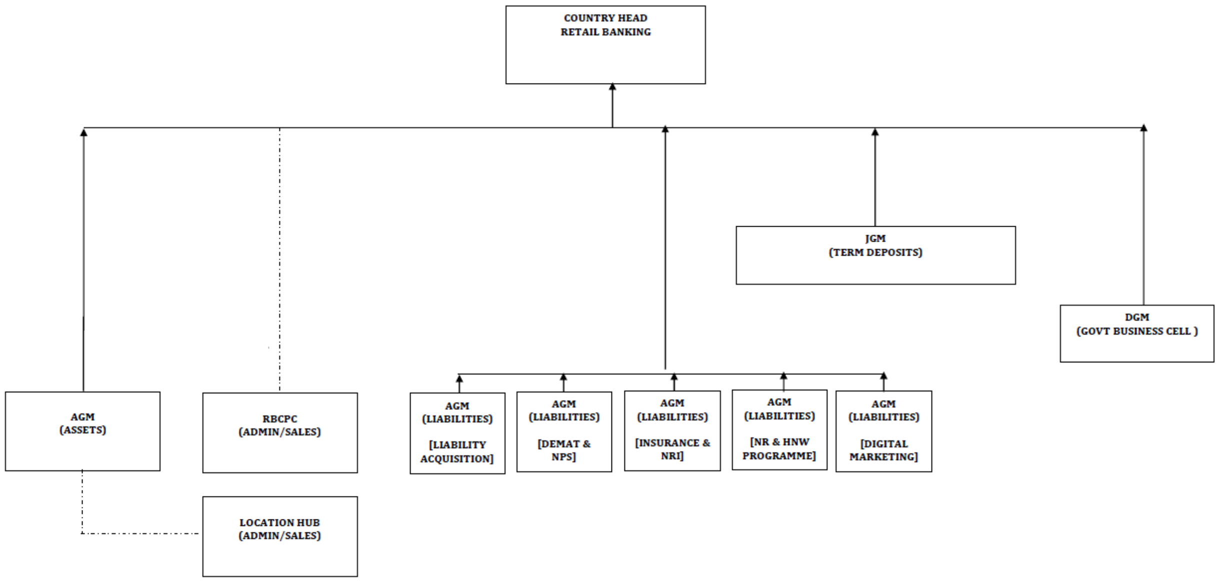
ORGANISATIONAL CHART

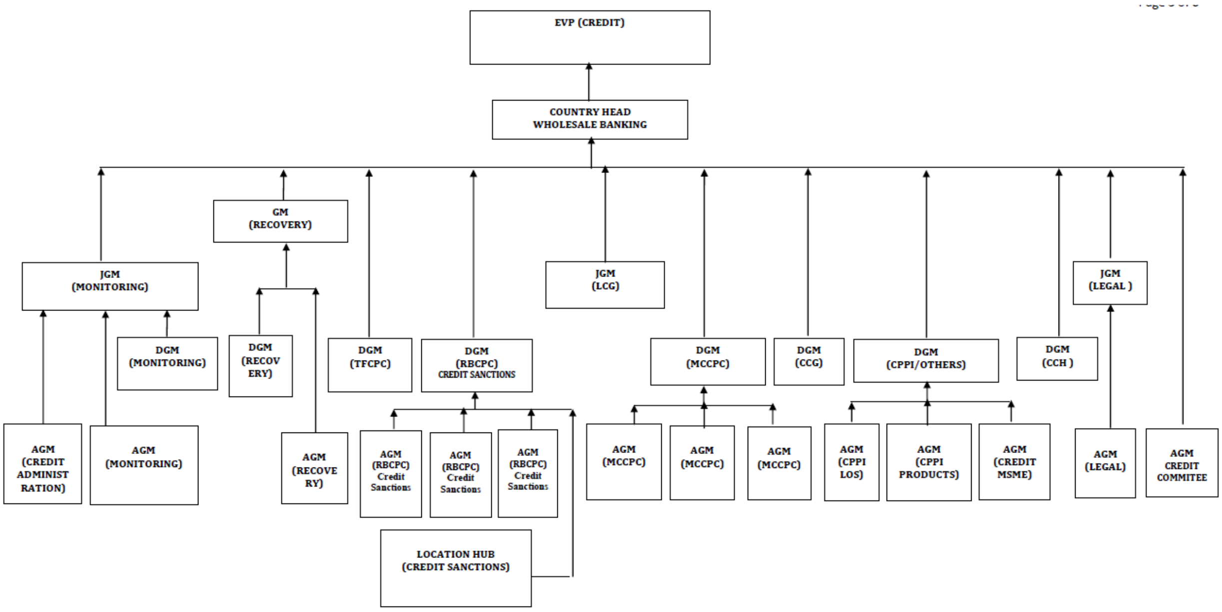
ORGANISATION CHART 2019 - 20

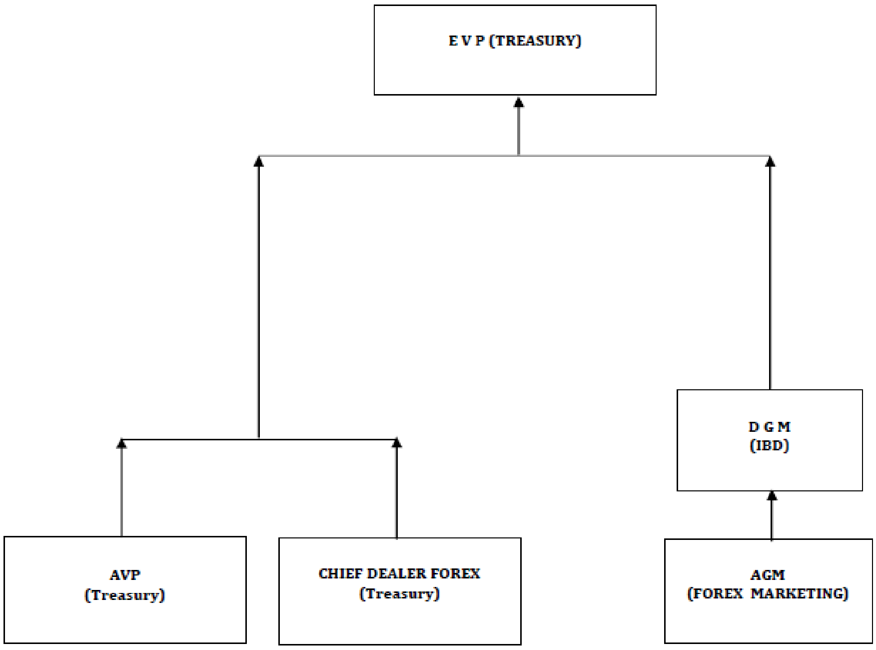





C G M & CIO
JGM (T B D)
D G M & CSO (P & M)
D G M (CUSTOMER RELATIONS)
DGM (ITOD)
JGM (IT PROJECTS & NEW INITIATIVES)
JGM (DIGITAL BANKING DEPT.)
AGM (TBD)
AGM (TBD)
AGM (CTS)
A G M (CUSTOMER RELATIONS)
A G M (ITOD)
AGM (DIGITAL BANKING DEPT.)
AGM (DIGITAL BANKING DEPT.)


COUNTRY HEAD RETAIL BANKING
JGM (TERM DEPOSITS)
DGM (GOVT BUSINESS CELL)
AGM (ASSETS)
RBCPC (ADMIN/SALES)
AGM (LIABILITIES) [LIABILITY ACQUISITION]
AGM (LIABILITIES) [DEMAT & NPS]
AGM (LIABILITIES) [INSURANCE & NRI]
AGM (LIABILITIES) [NR & HNW PROGRAMME]
AGM (LIABILITIES) [DIGITAL MARKETING]
LOCATION HUB (ADMIN/SALES)


EVP (CREDIT)
COUNTRY HEAD WHOLESALE BANKING
GM (RECOVERY)
JGM (MONITORING)
JGM (LCG)
JGM (LEGAL)
DGM (MONITORING)
DGM (RECOVERY)
DGM (TFCPC)
DGM (RBCPC) CREDIT SANCTIONS
DGM (MCCPC)
DGM (CCG)
DGM (CPPI/OTHERS)
DGM (CCH)
AGM (CREDIT ADMINISTRATION)
AGM (MONITORING)
AGM (RECOVERY)
AGM (RBCPC) Credit Sanctions
AGM (RBCPC) Credit Sanctions
AGM (RBCPC) Credit Sanctions
AGM (MCCPC)
AGM (MCCPC)
AGM (MCCPC)
AGM (CPPI LOS)
AGM (CPPI PRODUCTS)
AGM (CREDIT MSME)
AGM (LEGAL)
AGM CREDIT COMMITEE
LOCATION HUB (CREDIT SANCTIONS)


E V P (TREASURY)
D G M
(IBD)
AVP
(Treasury)
CHIEF DEALER FOREX
(Treasury)
AGM
(FOREX MARKETING)

EXPERIENCE THE NEW

DCS/COMP/AA/IP-PPDI/619/19-20
January 20, 2020

The Company Secretary
The South Indian Bank Limited
SIB House, T.B. Road,
Mission Quarters, Thrissur - 680 001
Kerala, India.

Dear Sir,

Re: Private Placement of Rated, Unsecured, Non-Convertible, Perpetual, Basel III Compliant Tier 1 Bonds, for inclusion in Tier 1 capital in the nature of Debentures of the face value of Rs. 1,00,000/- each ("Debentures" / "NCDs" / "Bonds") at par aggregating to Rs.500 Crores including an option to retain oversubscription of up to Rs. 200 Crores

We acknowledge receipt of your application on the online portal on January 18, 2020 seeking In-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant in-principle approval for listing subject to fulfilling the following conditions:

1. Filing of listing application.
2. Payment of fees as may be prescribed from time to time.
3. Compliance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended 2012, and submission of Disclosures and Documents as per Regulations 21, in the format specified in Schedule I of the said Regulations and also Compliance with provisions of Companies Act 2013.
4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.
5. Compliance with change in the guidelines, regulations directions of the Exchange or any statutory authorities, documentary requirements from time to time

This In Principle Approval is valid for a period of 1 year from the date of issue of this letter. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/ incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter.

Yours faithfully,
For BSE Limited

Rupal Khandelwal

Rupal Khandelwal | **Akshay Arolkar**
Senior Manager | **Assistant Manager**