

DEPT: SECRETARIAL

REF No. SEC/ST EX.STT/ 76 /2020-21

October 05, 2020

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

**Sub: Corrigendum to the Corporate Announcement made vide letter dated 01.10.2020 for intimation of revision in Credit Rating**

We would like to draw your attention to the Corporate Announcement made vide letter dated October 01, 2020, whereby we had informed the Exchanges the particulars of intimation of revision in Credit Rating.

In the reason for revision of credit rating of Basel III Tier II debt (INR 15 Billion), in second paragraph of the table, date was erroneously mentioned as June 30, 2030 in our communication sent. The actual date was June 30, 2020 and the first row of the table is also to be replaced as given below for more clarity.

Credit rating agency	Instruments	Existing rating	Revised rating	Reason
CARE Ratings Limited	Lower tier II subordinated debt (INR 200 Crore)	CARE A+ (Single A Plus; Outlook: Negative)	-	Withdrawn (The Bank has repaid the bonds in full on maturity and there is no amount outstanding under the issue as on date.)

Therefore, we hereby submit the revised particulars of revision in Credit Rating for your information and dissemination.

Credit rating agency	Instruments	Existing rating	Revised rating	Reason
CARE Ratings Limited	Lower tier II subordinated debt (INR 200 Crore)	CARE A+ (Single A Plus; Outlook: Negative)	-	Withdrawn (The Bank has repaid the bonds in full on maturity and there is no amount outstanding under the issue as on date.)

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

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 e-mail: sibcorporate@sib.co.in, CIN: L65191KL 1929PLC001017, Toll Free (India) 1800-102-9408, 1800-425-1809 (BSNL)

[www.southindianbank.com](http://www.southindianbank.com)

CARE Ratings Limited	Basel III Tier II debt (INR 15 Billion)	CARE A+; Negative (Single A Plus; Outlook: Negative)	CARE A; Negative (Single A; Outlook: Negative)	<p>The continuous moderation in asset quality and profitability in the past three years ended March 31, 2020. GNPA has moderated from 2.45% as on March 31, 2017 to 4.98% as on March 31, 2020, with majority of the slippages coming from the corporate segment and ROTA has declined from 0.57% in FY17 to 0.11% in FY20 (refers to the period April 1 to March 31). The advances portfolio of the bank witnessed CAGR of 11% during the period from FY17-FY20 along with reduction in corporate loan portfolio from 38% as on March 31, 2017 to 28% as on March 31, 2020. Though same has resulted in significant improvement in pre-provisioning profit, PAT has declined from Rs.393 crore in FY17 to Rs.105 crore in FY20 due to increase in provisions. The ratings also take note of the decline in market capitalization of SIBL over the last two years ended March 31, 2020.</p> <p>The rating continues to factor in the bank's long track record of operations, diversified loan portfolio with relatively higher share of retail loans, current capitalization levels with CAR, Tier I CAR and CET 1 of 13.49%, 10.82% and 9.88%, respectively, <b>as on June 30, 2020</b>, which are above regulatory requirement. The ratings are constrained by regional concentration of its business, moderate asset quality and moderate profitability.</p>
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Kindly take the information on record. We apologize for the inconvenience caused in this regard.

Yours faithfully,



(Jimmy Mathew)  
Company Secretary

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