

# Siblink

Corporate Family Magazine of The South Indian Bank Ltd.



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# Momentum

Building the Future Faster

## Highlights

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**Winning Figures!**  
**Q3 FY 2025-26**

**Profit After Tax**  
**₹374 Crore**

**Gross Advances**  
**₹96,764 Crore**

**Deposits**  
**₹1,44,777 Crore**

**Branches**  
**948**

**Digital Transactions**  
**98.49%**

**CASA**  
**31.84%**

**Net Interest Margin**  
**2.86%**

**Employees**  
**9239**



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## From the desk of MD & CEO

**Dear SIBians,**

Strong institutions are built through continuity, not isolated peaks. In Q3 of FY 2025–26, South Indian Bank continued to build on the progress of recent quarters, delivering another period of steady and disciplined performance. **What we are seeing now is momentum that has been earned through consistent execution, not short-term acceleration.**

We closed the quarter with a net profit of ₹374 crore, reflecting a 9% year-on-year growth. This outcome reinforces the stability we have restored to the Bank and the predictability with which our strategy is now translating into results. Our advances grew to ₹96,764 crore, supported by sustained traction in retail and MSME portfolios. Retail lending continued to perform well across home, gold, vehicle, and personal loan products, while MSME advances crossed ₹14,000 crore, driven by sector-focused lending, product revamps, and faster, technology-enabled renewals. The deliberate shift towards a more granular and diversified loan book remains firmly on track.

On the liabilities side, deposits increased to ₹1,18,211 crore, with retail deposits at ₹1,15,563 crore. CASA balances rose to ₹37,640 crore, maintaining a healthy CASA ratio of 31.84%. Growth in NRI deposits at stable cost of funds further reflects the strength of our franchise and customer confidence in the Bank.

Asset quality continued to improve during the quarter. Gross NPA declined to 2.67% and Net NPA to 0.45%, both now well below pre-pandemic levels. Provision Coverage Ratio strengthened to 91.57%. Low slippages and strong collection efficiency underline the robustness of our credit processes and recovery framework.

Profitability metrics remained resilient despite a competitive operating environment. Net Interest Margin stood at 2.86%, Return on Assets at 1.07%, and Return on Equity at 13.49%. Capital adequacy remained comfortable, with a CRAR of 17.84%. Improvements in branch productivity and business per employee reflect the cumulative impact of process simplification, technology adoption, and focused capability building.

Our digital initiatives continue to enhance efficiency and service delivery. More than 98% of transactions are now conducted through digital channels. Investments in CRM, automation, AI-enabled processes, and loan origination systems are improving turnaround times and enabling our teams to spend more time on customer engagement and relationship building.

As we move into the final quarter of FY26, the responsibility is clear: convert momentum into consistency. We will continue to deepen customer relationships, grow retail and MSME portfolios with discipline, protect asset quality, and improve productivity across the network.

The progress we are seeing is the result of consistent effort across branches, regions, and support functions. Sustaining it will depend on maintaining the same standards of execution, accountability, and prudence in the quarters ahead.

Let us continue to build on this foundation and close FY26 with the same sense of purpose and discipline.

Regards,

**P R Seshadri**  
MD & CEO



## From the desk of ED

**Dear SIBians,**

Every quarter leaves behind a clear signal of what we stand for as an institution.

Q3 of FY 2025–26 reinforces a simple truth - when direction is clear and execution is consistent, progress compounds. The results this quarter reflect the strength of steady effort and deliberate choices. When teams across the Bank focus on doing the right things consistently, momentum builds.

Our advances have grown in a balanced manner, with retail and MSME segments contributing strongly. This improves portfolio diversification and resilience. Asset quality has strengthened further, with Gross NPA at 2.67% and Net NPA at 0.45%, supported by a Provision Coverage Ratio of over 91%. These outcomes are not the result of short-term corrections, they come from discipline in underwriting, monitoring, and recovery.

On the liability side, our foundation continues to strengthen, supported by healthy deposit growth, a stable CASA ratio, and a resilient NRI franchise.

At the same time, improvements in branch productivity, business per employee, and operating efficiency are beginning to show the impact of better processes, technology adoption, and stronger capabilities across teams.

As we move ahead, we must recognise an important shift in our journey. Cost discipline will always remain a defining strength of our Bank. It has helped us build resilience and stability over time. But the next phase of our transformation must increasingly focus on value creation.

Protecting margins - improving yields - and maintaining pricing discipline must become a natural instinct across businesses. Sustainable growth cannot be defined by volumes alone - but by the quality of decisions behind those volumes.

Our priorities remain clear - quality-led growth, deeper customer engagement, intelligent use of digital capabilities.. and expansion through partnerships.

Ultimately, what differentiates strong institutions is execution at the last mile. Strategy has meaning only when it translates into everyday actions across our branches, regions, and support functions.

As we move through the second half of the year, three anchors should guide us:

- **Judgement** - ensuring every credit, pricing, and partnership decision strengthens the Bank over the long term.
- **Responsiveness** - engaging customers and markets with relevance and speed.
- **Ownership** - where accountability is immediate.. not deferred to consequence.

When these anchors come together with clarity of purpose and collective accountability.. progress becomes durable and self-reinforcing.

Let us continue strengthening our Bank with focus and discipline.. and convert today's progress into lasting institutional strength. Because institutions grow stronger not through ambition alone, but through consistent execution.

Warm regards,

**Dolphy Jose**  
Executive Director



## From the desk of COO

**Dear SIBians,**

For any organization, there comes a time when the focus must shift from fixing the past to architecting the future. At South Indian Bank, we have officially entered that phase. The work of the last few years has been about strengthening our foundations and closing legacy gaps. Today, our priority is Readiness - the ability to scale our business, move with agility, and operate with a level of consistency that sets us apart in the industry.

To reach this goal, we are zeroing in on two pillars: Inter-departmental Cooperation and Operational Efficiency.

### **One Bank, One Goal: Breaking the Silos**

In a modern banking environment, "silos" are the greatest enemy of speed. A customer does not experience a single department; they experience a brand. Whether they are walking into a branch, using a digital platform, or waiting for a credit decision, they expect a seamless journey.

The future rewards banks that function as one single, cohesive organization. Strong coordination across branches, regions, and back-end functions is no longer optional - it is essential. When departments cooperate seamlessly, we eliminate the friction that causes delays and service gaps. Ultimately, our performance as a bank will be determined by how well we work together as a unified team.

### **Efficiency: Making Change Routine**

We often talk about "change," but change only matters when it becomes a habit. While we have introduced new products, platforms, processes, and operating models, these must not be treated as "special initiatives" or temporary projects. To achieve true operational efficiency, these new ways of working must become our daily routine.

By embedding change deeply into our culture, we ensure that decisions are made faster through reliable data, processes are simplified to save time for both employees and customers, and response times are shortened to give us a clear competitive edge. Efficiency is not about working harder; it is about making the work we do simpler and more effective through the consistent use of the tools we have built.

### **The Discipline of Balance**

As we accelerate, we must maintain a steady hand. The quality of our progress will be defined by how we manage three critical balances:

- First, we must increase our speed without sacrificing accuracy, ensuring our commitment to precision remains non-negotiable.
- Second, we must push for innovation while maintaining reliability, so our customers can always depend on our stability.
- Finally, we must pursue growth guided by responsibility, ensuring every decision is rooted in the principles of sound banking.

What gives me the most confidence is the shift I see in our people. There is a visible increase in ownership and a sharper focus on outcomes rather than just tasks. The future of South Indian Bank is being written by these everyday actions, repeated with discipline across the entire organization. The road ahead will demand focus and an execution-led mindset, but it also offers us a unique opportunity to lead. If we stay aligned and work as One SIB, our potential is limitless.

Best regards,

**Anto George T**

Chief Operating Officer

## Message from CS & Head HR



**Dear SIBians,**

As South Indian Bank moves into its next phase of growth, one truth stands out clearly: **transformation succeeds only when people grow with it.**

Over the past few years, the way we work has changed significantly. Roles have evolved, expectations have risen, and the pace of work has increased. In this environment, our focus in HR is simple and firm, to ensure that every Sibian has the capability, confidence, and support to perform well and grow with the Bank.

Learning is no longer an event. It is part of daily work. Through on-the-job learning, mentoring, digital modules, and shared experiences, we are building skills that are relevant, practical, and future-ready. The emphasis is on application, not just knowledge.

Equally important is ownership. **Across the organisation, we see Sibians stepping up, taking responsibility, and making decisions with integrity.** This behaviour matters. Strong institutions are built when people feel trusted to act and are accountable for outcomes.

At the same time, performance cannot come at the cost of well-being. Creating a respectful, inclusive, and supportive workplace is not optional. It is essential for sustaining energy, collaboration, and long-term commitment. When people feel valued, they contribute more meaningfully and work better together.

In this context, Siblink plays an important role. It is a platform where ideas, experiences, and creative expression come together. In the last edition, **we introduced awards for the first time to recognise the two best entries.** My congratulations to the winners, and my appreciation to everyone who shared their ideas and stories. Your voices strengthen our culture and keep it grounded.

The journey ahead will demand continuous learning, stronger collaboration, and a mindset of shared responsibility. HR will continue to support this journey by focusing on capability building, leadership development, and employee well-being.

When Sibians grow with clarity and purpose, the Bank grows with strength and confidence.

Best regards,

**Jimmy Mathew**

General Manager - Head HR & CS

## Editor's Note



**Dear SIBians,**

Every edition of Siblink reflects the heart of South Indian Bank, its people, their ideas, creativity, and shared purpose.

As we continue our journey of change, this magazine remains a space where work meets expression and learning meets imagination, capturing the spirit of a community that moves forward together.

Regards,

**Vijay Korath**

AGM - HR (L&D)

# Congratulations!

## Regional Office Achievement

Congratulations to our Regional Offices for achieving **100%** of Core Parameters!

Regional Office	RO Head	% of Core Parameter Achieved
Kottayam	Mr.Pradeep V.N	100% ✓
Coimbatore	Mr.Joyal John	100% ✓
Irinjalakuda	Ms.Rani Zacharias	100% ✓
Mumbai	Mr.Prajin Varghese K.V.	100% ✓
Palakkad	Mr.Abhilash P.	100% ✓
Ernakulam	Ms.Tinu Eden Ambatt	100% ✓

## Cluster Achievement

Congratulations to our Clusters for achieving **100%** of Core Parameters!

Cluster Name	Cluster Head	% of Core Parameter Achieved
Angamaly North	Ms.Dimple Dixon	100% ✓
Ernakulam Market Road	Mr.Renjith G.P.	100% ✓
Erode	Mr.Vignesh Raja T	100% ✓
Tirupur Avinashi Road	Ms.Geetha Kalyani P.	100% ✓
Irinjalakuda Main	Mr.Pius P.Ignatious	100% ✓
Kottakkal	Mr.Nowfal M.K.	100% ✓

## Branch Achievement

Congratulations to our Branches for achieving **100%** of Core Parameters!

Branch Name	Regional Office	Branch Incharge	Cluster Name	% of Core Parameter Achieved
Cherthala	Tiruvalla	Mr.Umesh P K	Alappuzha	100%
Vakathanam	Kottayam	Ms.Bettina Siby	MC Road Changanacherry	100%
Kalady	Irinjalakuda	Mr.Sreerag P.S	Angamaly North	100%
Vatakara	Kozhikode	Mr.Binunath T.	Kozhikode	100%
Thirunavaya	Kozhikode	Mr.Nithin M.	Edappal	100%
Peringathur	Kannur	Mr.Sreesanth K.T.	Kannur Main	100%
Murikkassery	Kottayam	Mr.Chinjal George	Kattappana	100%
Melamuri,Palakkad	Palakkad	Mr.Rajesh K.	Palakkad Main	100%
Panamaram	Kannur	Mr.Anand K	Mananthavady	100%
Kattakada	Trivandrum	Mr.Suraj	Trivandrum Chalai	100%
Christ Academy, Bangalore	Bangalore	Ms.Angel Veena Chirayath	Bangalore-Jayanagar	100%
Ambattur	Chennai	Mr.Midhun Sunny	Chennai T Nagar	100%
Erumapetty	Thrissur	Mr.Antony Dhill Paul	Kunnamkulam Main	100%
Kanjoor	Irinjalakuda	Mr.Rahul M.	Angamaly North	100%
Peramballur	Madurai	Mr.Prasanna Venkatesh K	Kumbakonam	100%
Kongad	Palakkad	Mr.Tony. K. Augustine	Palakkad Main	100%
Seethangoli	Kannur	Mr.Sunny Thankachan	Kanhangad	100%
Kottakkal	Kozhikode	Mr.Abin Jomy	Kottakkal	100%
Kudasan	Ahmedabad	Mr.Yagnik Falgun Anilkumar	Rajkot	100%
Rajagiri Hospital	Ernakulam	Ms.Rodha George	Ernakulam M.G Road	100%

Branch Name	Regional Office	Branch Incharge	Cluster Name	% of Core Parameter Achieved
Thiruvambady	Kozhikode	Mr.Alan George	Kozhikode	100%
Tripunithura	Ernakulam	Mr.Bastin K Paul	Vytilla	100%
Banjara Hills, Hyderabad	Hyderabad	Mr.Jobin P Kurien	Ameerpet	100%
Belladi	Coimbatore	Mr.Karthikeyan N.	Saibaba Colony	100%
Mapranam	Irinjalakuda	Mr.Ento J Puthooran	Irinjalakuda Main	100%
Chennai Neelankarai	Chennai	Ms.Lavanya R	Nungambakkam	100%
Arunapuram	Kottayam	Mr.Siju Kurian	Palai	100%
Nemmara	Palakkad	Mr.Amaljith A	Koduvayur	100%
Kuttipuram	Kozhikode	Mr.Anoop Jacob	Edappal	100%
Perumthuruthy	Tiruvalla	Ms.Chitrlekha	Thiruvalla	100%
Edapally	Ernakulam	Ms.Sruthi A R	Ernakulam M.G Road	100%
Thrikkakara	Ernakulam	Mr.Dail Joy	Ernakulam M.G Road	100%
Ramapuram	Kottayam	Ms.Greeshma. S	Thodupuzha Main	100%
Pariyaram	Irinjalakuda	Mr.Febin Rappai	Chalaky Main	100%
Thiruvankulam	Ernakulam	Ms.Gigi George	Vytilla	100%
Poochakulam	Irinjalakuda	Ms.Pooja V.C	Irinjalakuda Main	100%
Kizhissery	Kozhikode	Mr.Cineesh Lal B	Kottakkal	100%
Peermade	Kottayam	Mr.Suresh Kumar A.	Kattappana	100%
Karanchira	Irinjalakuda	Ms.Helga Simon	Irinjalakuda Main	100%
Chennamangalam	Irinjalakuda	Mr.Nighil Babu	Angamaly North	100%
Pappampatti	Coimbatore	Mr.Ranjith C C	Pallapalayam	100%
Madinaguda, Serilingampal	Hyderabad	Ms.Sreekeerthi Gavini	Secunderabad	100%
Manjeri	Kozhikode	Ms.Shahina V.J.	Malappuram	100%
Manchirevula	Hyderabad	Mr.Jino Jose	Ameerpet	100%
Karukutty	Irinjalakuda	Mr.Jose Joy	Angamaly North	100%
Puthupally	Kottayam	Mr.Ajeesh Jacob	MC Road Changanacherry	100%
Kumbalam	Ernakulam	Mr.Chandresh M C	Vytilla	100%
Padur	Chennai	Mr.Loganathan K	Pondicherry	100%
Kongalnagaram	Coimbatore	Mr.Namachivayam S	Tirupur Avinashi Road	100%
Hari pad	Tiruvalla	Mr.Sanjeev Soman K.	Alappuzha	100%
Ollur, Holy Angels Road	Thrissur	Ms.Deepa Antony	Thrissur Mission Quarters	100%
Mala	Irinjalakuda	Ms.Nimmy Rose Mani V.	Angamaly North	100%
Padhuvanchery	Chennai	Ms.Vaishnavi J. S.	Nungambakkam	100%
Gudalur	Coimbatore	Mr.Bajith Balakrishnan	Pallapalayam	100%
Chenthrappinni	Irinjalakuda	Mr.Thomas M V	Irinjalakuda Main	100%
Pothencode	Trivandrum	Mr.Jijesh G.R.	Trivandrum Main	100%
Cheranalloor	Irinjalakuda	Mr.Pritto M. Thomas	Angamaly North	100%
Wandoor	Kozhikode	Mr.Shibu K R	Malappuram	100%
Uppatti	Coimbatore	Mr.Raguramajayan M	Pallapalayam	100%
Nagpur	Mumbai	Mr.Tinu P.Chummar	Mumbai-Bandra	100%
Kinattukadavu	Coimbatore	Mr.Kalimuthu P	Tirupur Avinashi Road	100%
Ayyampettai	Chennai	Mr.Vinoj Nagarajan P	Sriperumbudur	100%
Jln Stadium Link Road	Ernakulam	Ms.Neethu Raveendran	Ernakulam Market Road	100%
Kunnathukal	Trivandrum	Mr.Abhilash M S	Trivandrum Chalai	100%
Purulia Road, Ranchi	Kolkata	Mr.Ajan Mohan	Bhuvaneshwar	100%
Kalpetta	Kannur	Mr.Savio Antony K	Mananthavady	100%
Pampakuda	Ernakulam	Mr.Varun Has K K.	Muvattupuzha Main	100%
Ballur	Bangalore	Mr.Anantha Padmanaban V	Bangalore-Jayanagar	100%

# 97th Foundation Day Celebrations

29-January-2026, Thrissur





**Easwaran S**

DGM - RH Chennai



## Trade Based Money Laundering

*Economic crime through free trade and third country structures*

Trade Based Money Laundering has evolved significantly in recent years. Earlier methods such as simple over invoicing or under invoicing have gradually shifted toward complex multi jurisdictional trade routing that appears legally compliant on the surface. These structures are carefully designed to create the impression of genuine international trade while actually enabling layering and movement of illicit funds. For bankers handling export import transactions, understanding this transformation is essential to protect the institution from regulatory, reputational, and compliance risks.

### How the New Age Modus Operandi Works

A typical structure begins with the formation of a newly incorporated Indian entity that has very low paid up capital and limited operating history. In many cases, the directors may only be name lenders without real trade expertise or financial strength. Despite this weak foundation, the entity quickly reports large turnover through international commodity or goods trading.

In these arrangements, goods do not physically enter India. Instead, they are purchased from one country, stored in a free trade zone, bonded warehouse, or another third country, and then resold to a buyer in a different country. All documentation such as invoices, bills of lading, bills of entry copies, shipping bills, and regulatory declarations appear technically correct and compliant.

Payments are generally structured through advance remittances on both the import and export sides. The customer avoids using credit facilities and maintains a clean banking trail. To create additional comfort for the bank, large balances are kept in the current account, and fixed deposits may be voluntarily placed. Simultaneously, urgency is created to push transactions for immediate processing, discouraging deeper scrutiny.

The underlying objective of this structure is the layering and movement of illicit funds under the cover of apparently genuine trade.

### Why this structure is dangerous for banks

Even when documentation is perfect, significant risks remain. There may be no real linkage to India's domestic economy. Circular trading becomes possible, invoice value manipulation may remain hidden, and the ultimate beneficiary can be concealed across jurisdictions. Such arrangements expose the bank to anti money laundering and foreign exchange regulatory violations, along with the possibility of failure to report suspicious transactions. Importantly, the absence of credit exposure does not mean the absence of risk.

### Detailed Case Study

Consider a company incorporated eight months earlier with a paid up capital of ten lakh rupees. Within its first year, it declares a turnover of eighteen crore rupees under the description of global commodity trading. The transaction pattern shows imports from a supplier in the United Arab Emirates, storage of goods in a Singapore free trade zone, and immediate resale to a buyer in an African country. Advance payments are received for both legs of the transaction. The company does not request any working capital limits and maintains two to three crore rupees as balance in its current account. All supporting documents appear technically compliant.

Subsequent investigation reveals that the supplier, buyer, and Indian entity are controlled by the same group. Goods never physically moved, and the same consignment was re invoiced multiple times. The true purpose was layering of illicit overseas funds, artificial creation of trade turnover, and evasion of tax and foreign exchange regulations. In such a situation, the bank faces risks related to failure in suspicious transaction reporting, potential regulatory penalties, and reputational damage.

### **Key Red Flags in Such Structures**

Customer profile indicators include newly incorporated entities reporting disproportionately large turnover, low capital compared to trade volume, directors without relevant business background, and multiple firms operating from the same address.

Transaction behaviour indicators include goods never touching India, repeated routing through third countries, advance payments on both import and export sides, absence of genuine price risk, and abnormal or extremely thin profit margins.

### **Additional High Risk Scenarios**

Circular commodity trading may occur where the same goods appear to move across multiple countries and eventually return to the origin, while only invoices circulate. Phantom logistics may involve genuine looking transport documents but reused container numbers or freight forwarders linked to the same group. Value parking through advances may involve large export advances with repeated shipment delays while funds are rotated elsewhere. Free trade zones may be used to avoid customs visibility, enable multiple paper resales, and inflate turnover artificially.

### **Banker's Defensive Approach**

Effective customer due diligence must include evaluation of capital versus turnover logic, verification of ultimate beneficial ownership, independent site and management checks, and analysis of director linkages through corporate records.

Trade validation should confirm actual cargo movement, verify container details through independent sources, check warehouse records in free trade zones, and conduct independent counterparty verification.

Transaction monitoring should focus on rapid fund inflow and outflow, absence of inventory cycles, and repeated advance based structures without commercial justification.

From a regulatory protection perspective, bankers must document the economic rationale of the trade, explain why the Indian entity is necessary in the transaction chain, record anti money laundering risk assessment, and escalate concerns to compliance whenever doubt arises. Proper documentation remains the strongest safeguard during regulatory inspection.

### **Key Learning for Bankers**

Customers involved in trade based money laundering often appear ideal. They maintain excellent conduct, hold high balances, avoid borrowing, and provide perfect documentation. However, the real risk lies not in the paperwork but in the underlying purpose of the trade.

In trade finance, the most dangerous customer is rarely the defaulter. Instead, it is the perfectly behaving customer who may not have a genuine underlying business. Recognising this distinction is essential for every banker involved in international trade transactions. Vigilance, independent verification, and disciplined documentation are the true safeguards that protect both the institution and the financial system.



**Katyayini A**

AGM, BOG

*Emergent thoughts after attending a MDP on **Strategic Sales Management** at IIM Kozhikode, Kochi campus*



## Customer Lifetime Value - Perspectives

*Rethinking Customer Lifetime Value Through Multiple Lenses*

Customer Lifetime Value is often treated as a marketing metric. That is a mistake. CLV is better understood as a multi-disciplinary framework that forces long-term, value-based decision-making. Seen through six lenses, it shifts customer management away from volume chasing toward disciplined value creation.

### I. Corporate Finance Lens

*Customers as Valued Assets*

Finance is fundamentally about valuation. Decisions improve when resources are allocated to opportunities where expected value exceeds cost. Applied to customers, this reframes them as long-term economic assets. They generate future cash flows but also require ongoing investment. The goal of customer strategy is therefore not scale, activity, or loyalty in isolation, but the identification and management of customers whose lifetime value is positive.

A customer relationship resembles a project. There are upfront costs such as acquisition, onboarding, compliance, and servicing, followed by future inflows from interest, fees, cross-sell, and indirect benefits. Hidden costs like operational complexity, complaints, and management attention must be treated as real economic costs.

Once customer cash flows are estimated and discounted for risk and time, the discipline of capital budgeting applies. Customers with negative net present value destroy value, regardless of how numerous or loyal they appear. Some relationships must be repriced, redesigned, deprioritised, or exited. Sentiment does not cancel economics.

### II. Microeconomics Lens

*Incentives Shape Behaviour*

People respond to incentives. Employees and customers are no exception.

Volume-based employee incentives encourage predictable distortions: low-quality acquisition, short-termism, and mis-selling. Customer incentives that reward activity without regard to profitability or cost-to-serve encourage behaviour that erodes value.

Loyalty itself has no economic meaning unless it translates into profitable behaviour. Tenure and frequency are weak proxies for value. What matters are behaviours such as stable balances, responsible credit usage, and low servicing intensity.

Effective incentive design aligns employee rewards with long-term customer value and customer rewards with value-creating behaviour. Alignment reduces friction, supervision, and regret.

### III. Behavioural Finance Lens

*Habit Beats Intention*

Customer behaviour is shaped more by structure than by intention. Defaults, friction, reminders, and rewards quietly create habits. Profitability emerges not from isolated satisfaction but from sustained, aligned behaviour over time. Customers who form good financial habits generate predictable returns and require less effort to manage. Customers with poor habits destroy value even if they are "satisfied."

The objective of customer engagement is therefore habit formation, not appeasement. CRM shifts from reactive problem-solving to proactive behavioural design.

#### IV. Marketing Lens

*Perceived Value and Selective Personalisation*

In banking, products are largely commoditised. Differentiation comes from perceived value, not features. Perceived value is shaped by trust, ease, clarity, and reduced friction. Customers respond emotionally before they calculate rationally. Demographic segmentation is insufficient; behavioural and value-based segmentation is more predictive.

Personalisation should follow economic logic. A small proportion of customers creates most of the value. These customers warrant differentiated experiences. Others can be served efficiently through standardised models. Marketing effectiveness improves when attention follows value.

#### V. Strategy Lens

*Customer Value Is Capital Allocation*

Customer centricity is not a cultural slogan. It is a strategic discipline.

Shareholder value is downstream of customer value. Growth without regard to customer quality raises costs, risk, and complexity. A value-based strategy makes explicit choices about whom to acquire, retain, prioritise, and deprioritise. Customer management is capital allocation by another name. Institutions that apply financial discipline to customer decisions build durable competitive advantage.

#### VI. Philosophy Lens

*Preya vs Shreya*

The Kathopanishad distinguishes between Preya (the immediately pleasant) and Shreya (the long-term good). Much of customer strategy favours Preya: rapid acquisition, visible activity, short-term revenue, and easy satisfaction metrics. These feel rewarding but often weaken long-term value.

CLV aligns decision-making with Shreya. It privileges valuation, sustainable behaviour, and compounding benefit over short-term comfort. The challenge is not intellectual. It is behavioural. Knowing the difference is easy. Choosing Shreya consistently is the real work.

*Customer Lifetime Value is ultimately a framework for better judgement. It encourages decisions that prioritise long-term value over short-term comfort, and discipline over convenience, in how customer relationships are built and managed.*



In a significant milestone for emergency medical care, **Shri Paul Antony IAS** officially flagged off Kerala's most advanced AI-governed ambulance at Rajagiri Hospital, marking a new era for the state's healthcare infrastructure.

This inaugural ceremony highlighted the integration of cutting-edge technology in life-saving services, with the event further graced by Guest of Honour Dr. Vasanth Bethala, Medical Director of ATIAN AI (USA), and Fr. Johnson Vazhappilly, CEO of Rajagiri Hospital.





**Anand Kuriakose**

AGM, IRMD

## When words handle money

*The etymology of banking and finance*

Etymology is the study of where words come from, how their meanings evolved, and what those original meanings still quietly reveal about how we think and act today. Banking and finance like to pretend they are hyper-modern disciplines. Yet, much of the language in banking still comes from medieval Italy, ancient Rome, and Greek geometry, which explains a lot about the industry's personality. Let's examine.

### **Bank**

The word bank comes from the Italian banca, meaning a bench or counter. Early bankers sat on benches in marketplaces to exchange money. If a banker failed, his bench was literally broken. Hence bankrupt. Finance began as a very physical activity. No abstractions. Just wood, coins, and reputation. Lose trust, lose your seat.

### **Capital**

From Latin caput, meaning head. Originally, capital referred to the number of heads of cattle someone owned. Wealth was counted in living things that could walk away or die. Risk was baked in from day one. Even today, capital is about what you can afford to lose without losing your head.

### **Credit**

From Latin credere, meaning to believe or trust. Credit is not money. It never was. It is belief, formalized and priced. Interest rates are just a polite way of charging for doubt. This is why credit collapses faster than balance sheets. Once belief goes, the math becomes irrelevant.

### **Debt**

From Latin debitum, meaning something owed. The word carries moral weight because it always has. Debt is not neutral. It implies obligation, imbalance, and eventual reckoning. Entire religions have rules about it for a reason. Modern finance tries to neutralize debt with jargon. The word refuses to cooperate.

### **Risk**

From Italian risico / rischio, likely meaning danger at sea. Risk entered finance from maritime trade. Ships disappeared. Weather changed. Insurance was invented because reality was inconvenient. This is why risk is still talked about as something you "take," "hedge," or "manage," not eliminate. The sea never promised safety.

### **Salary**

From Latin salarium, derived from sal, meaning salt. Roman soldiers were paid in salt or given allowances to buy it. Salt preserved food. It meant survival. A salary is still, at its core, a subsistence guarantee, no matter how motivational it sounds.

### **Liquidity**

From Latin liquidus, meaning flowing. Liquidity is about movement, not value. Assets are only comforting if they can flow when panic arrives. That metaphor is brutally honest. Frozen assets are dangerous. Illiquid markets suffocate. Finance still speaks in bodily terms because it understands fragility, even when it denies it.

Interesting?

# Cluster Heads' Leadership Program

Highlights of the Annual Cluster Heads meet (12-13 Nov 2025) at SIB Tower, Kochi





## Vinay Pisharody

Chief Manager, CH Coimbatore

# A Pathway to Leadership Excellence

*The Cluster Head Development Program*

The Branch Banking Department recently arranged for a Leadership Camp / Management Program for Cluster Head at SIB Administrative building, Kochi on November 12-13. This was the second of the kind training for Cluster Heads for the FY post one in February 2025. The main agenda for the training was imparting and inculcating best leadership traits, structured team management tactics, best practices etc. The team was addressed by Senior Management including Mr Dolphy Jose(Executive Director), Mr Anto George T(COO), Ms Biji SS(SGM & Branch Banking Head), Mr Madhu M(JGM & Zonal Business Manager and Head MBG).

The core highlight of the program was the training imparted by BYGC team under Mr Sreekumar and Mr Vinod. The training aimed to strengthen leadership capacities, enhance field coordination, and improve the quality of implementation. The training also brought together cluster heads for focused discussions as well as practical learning. There was a clear direction and guidance provided by the trainers in execution of the Cluster Head role at par with the industry standards. Even though it was meant for the Cluster Heads, these may be adopted by leaders of a team of any size, since all of you may be leaders at some point of time and hence I thought I may pen down some of the key points of the discussions during the meeting.

- As leaders, we need to critically align our strategies at par with the Bank goals and do goal cascading
- Ensure Structured performance management of the team and target achievement
- Improving operational efficiency of the team and strive to develop more innovative processes to ease business
- Risk management and compliance
- Leaders should be problem solvers and should be the key for issue resolution
- Nurture and develop talent among the team and coach them since they are future leaders
- Be accountable for your team while be a strong motivator for them

There were strong insights given on other quality metrics to improve and enhance customer delight. Branches should monitor their customer wait time, teller txn cycle time, analyse the rejection ratio of any workitems submitted and leaders should ensure the best staff utilization ratio in ensuring adequate grooming for their team. TAT for each process to be monitored and leaders should also ensure that all staffs are equipped with knowledge about products and features.

Leaders should also use data driven approach for driving growth and efficiency. There should be performance action plans which clearly set specific and clearly defined goals with timeline, and team should be followed up for clearly owning each action plan and be a team player. The training also stressed on structured review formatting which was equally impactful. Participants learned how to conduct meaningful review meetings, what questions to ask, and how to use data to drive decisions. This practical approach made the learning immediately relevant to their daily responsibilities.

The training led to several positive changes among the cluster heads:

- **Greater clarity on roles and responsibilities:** Participants understood their role more deeply, which will help ensure smoother coordination and stronger leadership in the field.
- **Improved data analysis skills:** They learned how to interpret data more effectively and use insights to strengthen planning and monitoring.
- **Better understanding of review questions:** The training equipped them with the right questions to ask during reviews, making the process more structured, meaningful, and result-oriented.

These improvements are expected to significantly enhance the quality of field supervision and overall program performance. With this enhanced clarity and confidence, cluster heads are well-prepared to support their teams and contribute to better business outcomes in the months ahead.



## Shetty Harish Nagaraj

Sr. Manager, Br. Bhubaneswar

### A Cafe Conversation

*Lessons in Commitment from an Extraordinary Customer*

In the fast-paced world of banking, some client meetings transcend transactions they become profound reminders of human resilience and loyalty.

We recently had a referral call for a savings account and investment discussion from an existing customer. Eager to accommodate, we chose a cozy cafe near the prospect's office. We arrived early, prepared and eager, settling into a quiet corner of the café. The aroma of freshly brewed coffee mingled with the soft hum of conversation a calm backdrop to what we assumed would be a routine client meeting.

Just then, my phone rang. It was the prospective customer we had been waiting for. *"Hello,"* I answered with a smile. *"Where are you seated?"* Before the voice could finish, I spotted a man in his early thirties waving from across the room. Dressed neatly, calm and courteous, he walked towards us with a polite smile that instantly created ease. That simple wave, that unassuming presence it set the tone for what would become one of the most memorable meetings of my career.

We exchanged pleasantries, and soon, the conversation turned to banking. I spoke about our values, the personalized approach we take, and how we partner with customers in their financial journey. He listened carefully, asked thoughtful questions, and in no time, we had opened his savings account right there in the café not out of persuasion, but out of genuine trust and comfort. Encouraged by his interest, we discussed our investment plans. Midway through, his wife joined us. She greeted us warmly, and as the three of us talked, I could sense the shared respect and calm understanding between them. They reviewed every suggestion carefully, deliberating with clarity. When I proposed a joint investment plan, he grew pensive. After a pause, he looked at his wife, then back at us, and quietly said, *"I don't usually share this, but I feel I can trust you."* His words carried a sincerity that made the atmosphere still.



Then came his story one that would stay with me long after that day. He told us about their arranged marriage how everything had been planned with excitement and joy. But just before the wedding, his fiancée was diagnosed with ovarian cancer. *"I couldn't tell my parents,"* he said softly. *"They would've stopped everything. But I asked myself - if this were my sister, what would I do?"* That one question changed everything. He decided to stand by her, to face the uncertainty with courage and love. He supported her through treatment, married her quietly, and continues to walk beside her every day. Even after knowing they couldn't have children, his devotion never wavered. *"This wasn't a love marriage,"* he said with a faint, heartfelt smile. *"But I think it became one, forged in heaven."*

For a long moment, none of us spoke. The noise of the café faded - all that remained was admiration for his strength and purity of spirit. We spent the next hour talking about her treatment, available facilities in different cities, and ways to support recovery. I shared my mother-in-law's similar journey, and the exchange turned deeply personal, far beyond business. As the meeting drew to a close, I stood up, extended my hand, and said sincerely, *"Sir, I salute your courage and commitment. May God grant you more strength and peace."* He smiled, and that moment of quiet dignity stayed with me long after we parted.

That day was a revelation. In a profession often driven by targets and numbers, this meeting reminded me of what truly matters empathy, integrity, and human connection. Some customers walk in for a service; a few, like him, leave behind a lesson in life. His story was not just about loyalty, but about the kind of unwavering faith that defines both love and trust the very values that guide us every day at our bank.

Hats off to customers like him, whose stories remind us why we serve.

In the quiet of that café, between routine forms and financial discussions, a simple customer meeting turned into a mirror for what truly matters in life. His courage, his sense of responsibility, and his choice to stay when it would have been easier to walk away, reminded me that real commitment is not tested in comfort, but in crisis.

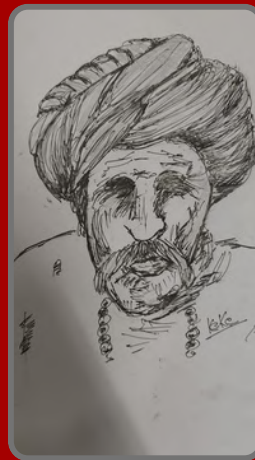
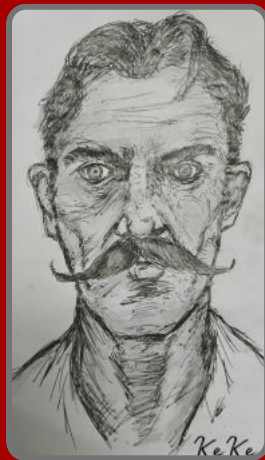
As bankers, numbers may define our targets, but stories like his define our purpose. Every account we open, every investment we suggest, is ultimately built on trust, empathy, and respect for the human journey behind the balance sheet. And on days when the work feels mechanical, it is customers like him who gently remind us why we serve, and how deeply our role can touch lives.

People like him remind us what real commitment looks like.

## Artiste



**Dasari Sunayana**  
CSA, Br. Karunagiri



**Vinod Kumaran Kodapully**  
Manager, DTD

# Accolades

A standout performance by  
South Indian Bank at the IBA Banking  
Technology Awards 2024-25



Best Tech Talent-Winner | Best AI-ML Adoption-RunnerUp | Best Tech Bank-RunnerUp | Best Digital Sales-Runner Up | Best Fintech & Digital Payment Index Adoption-Special Mention | Best IT & Risk Management-Special Mention

*Sri. Rabi Sankar, Deputy Governor, Reserve Bank of India, presented the prestigious awards in the presence of Sri. Deepak Phatak, Prof. Emeritus, IIT Mumbai and Jury Chairman, and Sri. A. K. Goel, Chief Executive, IBA. Representing South Indian Bank, Mr. Vinod A. N., SGM, Treasury; Mr. Ritesh Bhusari, JGM, Treasury; Ms. Ramya Udayan, AGM, MSME; Mr. Avanish Pius, AGM, Credit Department; and Mr. Raghunath A, AGM, DTD, received six awards at a grand ceremony held in Mumbai on 9th January 2026.*

## Vigilance Champions



**Ms. Aditi Vyas**, At Br. Bhopal, an urgent Rs.20 lakh gold loan request led Assistant Manager Ms. Aditi Vyas (PPC 13315) to uncover an online “IPO Investment Plan” scam after sensing inconsistencies and escalating to Branch Manager Mr. Arjun P. Kumar; their timely counselling prevented the customer from pledging her gold and falling victim to major fraud.



**Mr. Vishnu Venugopal**, A senior citizen at Br. Chethipuzha was saved from a Rs.15 lakh “virtual arrest” scam after Assistant Manager Mr. Vishnu Venugopal identified the fraud, escalated it to Branch Manager Mr. Mintu Jose and Cluster Head Ms. Sunit Mathew, coordinated with the Cyber Cell, Changanacherry Police, and prevented the fraud through timely action, earning recognition in leading dailies.



**Mr. Blesson P Jose**, an NTB customer, opened an SB account at Br. Mandiram and returned the next day seeking a gold loan against ornaments weighing 62.30 grams. In the absence of a full-time appraiser, the initial verification was carried out by Mr. Blesson P. Jose (PPC: 12593), Gold Loan Officer. Noticing that the ornament did not resemble genuine gold, he conducted a stone and acid test, which indicated it was spurious. This was later confirmed by the appraiser during the purity test. His alertness and due diligence prevented a fake gold pledge and protected the bank from potential financial loss, exemplifying vigilance as a shared responsibility.



**Mr. Neeraj Sreekumar**, A customer of Br. Malviya Nagar visited Faridabad NIT Branch to request an RTGS transfer of Rs. 8.80 lakhs. During interaction, Mr. Neeraj Sreekumar (PPC 19067) observed that the customer appeared anxious and reluctant to explain the purpose. On reviewing the account, he noticed multiple FDs had been prematurely closed the previous day. Suspecting a risk, he counselled the customer, who revealed she had been threatened by unknown callers claiming “digital arrest” and demanding payment using fabricated warrants and documents. Branch officials immediately stopped the RTGS, explained the scam, and educated the customer on cyber safety. Mr. Neeraj’s timely vigilance and professionalism prevented a potential loss of Rs. 8.80 lakhs and protected the Bank’s reputation.



**Mr. Robin Joy**, Br. Panachipara recently received a vehicle loan request for Rs. 9.88 lakh. During processing, the dealing officer, Mr. Robin Joy (PPC: 14347), noticed inconsistencies in the salary certificate submitted by the applicant. The salary credited overseas did not match the declared income, and the passport number on the certificate differed from the current passport on record. A detailed review revealed that the company mentioned had already closed in 2021 and the certificate had been obtained when the applicant previously worked in the company and had been fraudulently altered to avail the loan. Thus, the vigilance and diligence of the officer Mr. Robin Joy at the Credit Hub detected a potential vehicle-loan fraud early — safeguarding the Bank from financial loss and reinforcing the importance of careful scrutiny in our lending processes.



**Mr. Jithurag U J**, A Senior Citizen customer from our Br. Mannamaruthi visited the branch seeking a Gold Loan of Rs. 5.00 lakhs against a Chain, weighing 25.00 Grams. During the preliminary verification, Gold Loan Officer Mr. Jithurag U J (PPC 15507) noticed that the make and colour of the ornaments appeared unusual and raised doubts about their purity. Acting prudently, he immediately handed the ornaments over to the Gold Appraiser. On conducting the acid stone tests, the ornaments were confirmed to be spurious. The Branch had lodged a formal complaint and handed over the subject ornaments to the police officials. Mr. Jithurag U J’s vigilance, professionalism and timely action obviated a potential fraud, protecting the bank from financial loss.

Highlights of SIB  
Hi Flyer Campaign  
Fulfilment  
at Udaipur  
(09-11 Jan, 2026)





## Branch Launch



Inauguration of Relocated Br. Avadi by Mr. Rajendra Prasad Sharma, Venkateshwara Jewellers, in the presence of Mr. Senthil Kumar, SGM and Head Credit Department; Mr. Easwaran, RH Chennai, Mr. Nagarajan H, Cluster Head; and Mr. Harikrishnanath R, Branch Head.



Inauguration of relocated Br. Tripayar in the presence of Mr. Anto George T, Chief Operating Officer, Mr. Radha Krishnan E, RH Thrissur, Ms. Jisha Deena John, Cluster Head and, Mr. Nahab N, Branch Head.



Inauguration of Relocated Br. Angamaly by Rev. Fr. Jacob G. Palackapilly, Director, Little Flower Hospital & Research Centre, Angamaly, along with Mr. Johnson K. A., Kerala State Chairman, Builders Association of India. The ceremony was held in the presence of Ms. Biji S. S., Senior General Manager & Head – Branch Banking, Ms. Rani Zacharias, RH Irinjalakuda, Ms. Dimple Dixon, Cluster Head, and Ms. Manjula C., Branch Head.

## Branch Launch



Inauguration of rededicated Br. Kattappana by Mr. Roshi Augustine ,Honorable Minister for Water Resource, Government of Kerala, in the presence of Mr. Joy Vettikuzhy , Kattappana Municipal Chairman, Mr. Sajan George , Kattappana Merchants Association President, Smt. Athulya Gopesh ,Ward Councillor, Mr. Pradeep V. N ,DGM and RH Kottayam, Mr. Rijo Augustine ,Kattappana Cluster Head, and Mr. Jijo Varghese ,Branch Head



Inauguration of Cluster Office Kattappana by Mr. Sajan George , Kattappana Merchants Association President, in the presence of Mr. Roshi Augustine ,Honorable Minister for Water Resource, Government of Kerala, Mr. Joy Vettikuzhy , Kattappana Municipal Chairman, Mr. Pradeep V. N ,DGM and Regional Head Kottayam, and Mr. Rijo Augustine ,Kattappana Cluster Head, on 15-01-2026.



Inauguration of relocated branch at Medical College Kottayam by Dr. T K Jayakumar ,Medical Superintendent Medical College Kottayam, ATM Inaugurated by Mr. Anand Panjikaran ,President Arpookara Grama Panchayath, and Mr. P U Thomas ,Founder and Managing Director Navajeevan Trust Kottayam, in the presence of Mr. Pradeep V N, Regional Head , Mr. Pramod M, Cluster Head, and Mr. Sujin V Mohan , Branch Head



Inauguration of branch at Kaloor by Rev. Fr. (Dr.) Paul Karedan, Director, Lissie Medical Institutions. ATM inagurated by A. R. Arathy Varma & Mr. Vaisakh Varma, Vice President, Varma Homes in presence of Mr. Anto George T, COO.





## Vinod Kumaran Kodapully

Manager, DTD

April

## Today Holiday

This story happened about twenty-five years ago, a few years after I joined the bank as a clerk, posted in one of our branches in western India.

Those were the early, experimental days of computerisation in banking. Computers had entered the branch - but only partially and very cautiously. Savings Bank, Current Account, and the Day Book were computerised; Loans and Deposits remained completely manual, guarded faithfully by ledgers, vouchers, and carbon copies. As a result, every quarter-end turned into a test of patience, perseverance, and eyesight.

Tallying deposit schedules was nothing short of a herculean task. A schedule would refuse to tally for the smallest reason - a minor mistake in a debit or credit slip in the Depositors' Interest Account, or worse, a slip that never existed at all. Those who began their banking careers straightaway with Finacle may not even know what these entries were. For them, a short explanation may sound like banking folklore.

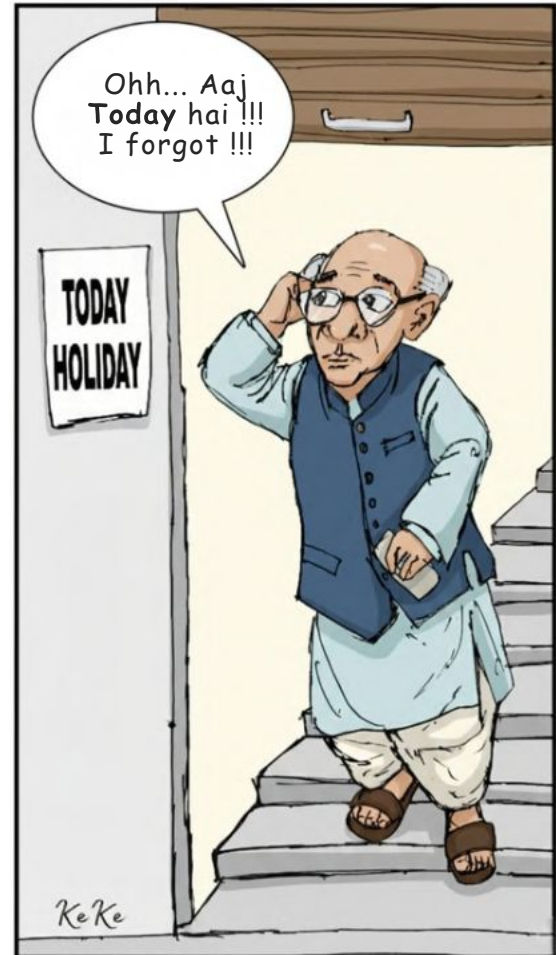
### The Art of Manual Interest

In KND deposits, every March quarter-end, the accrued interest up to 31st March was debited from the Depositors' Interest Account and credited to the KND Account. On maturity, the remaining interest up to the maturity value was again transferred in the same manner, after which the maturity value was debited from the KND Account and credited to the customer's account. Miss even one debit or credit slip, and it would not enter the Day Book. And if it didn't enter the Day Book, the KND Schedule would never tally - no matter how long you stared at it.

Fixed Deposits were even more demanding. Two schedules had to be reconciled - the FD Account and the Interest Payable FD Account. At every quarter-end, accrued interest moved from the Depositors' Interest Account to the Interest Payable FD Account. On the interest pay-out date, the remaining balance followed, and finally, the total interest was paid to the customer.

Any missing slip here ensured only one thing - the Interest Payable FD Schedule would remain stubbornly non-tallying, often till late evening.

Yet, strangely, we enjoyed this work. It was tedious, yes - but the moment when figures finally agreed with each other, the happiness was pure and priceless, something only bankers of that era would understand.



## The Holiday That Wasn't

Among all quarter-ends, March was special. And its aftermath was 1st April - a bank holiday, but only for customers. For bank employees, it was a full working day meant for:

- tallying schedules, and
- preparing for the inevitable statutory audit.

We came to the office as usual. Our branch was located on the first floor, with a separate entrance from the ground floor - a rolling shutter followed by a steep staircase. On such days, we would pull the shutter almost fully down and hang a simple board outside: TODAY HOLIDAY

The idea was to save customers the effort of climbing up, only to be politely told to climb back down.

## The Visitor Who Missed the Obvious

On one such 1st of April, while we were deeply immersed in year-end work, we heard someone lifting the shutter. Assuming it to be the postman or a courier person - who respected no holidays - we didn't pay much attention. But to our surprise, it was Saxena Sir (name changed).

He lived very close to the branch and was one of our prime customers, with a considerable amount of deposits. About 70 years old, slim, frail-looking, bald, and wearing thick spectacles, he was a familiar and respected face. His entire family banked with us.

Since he had taken the effort to climb the steep staircase, we greeted him warmly - despite the disruption to our year-end battle. He had come to renew one of his deposits. Those were the days when automatic renewal existed only for Fast Cash Deposits, and even that was done manually. Being a holiday, renewal was not possible. So we decided to collect the deposit receipt, renew it the next day, and personally deliver it to his residence.

Still, curiosity got the better of us. "Sir," we asked politely, "why did you climb all the way up? Aaj Chutti Hai Sir, aur ham baahar Today Holiday ka board be lagaya hua hai" (Today is a holiday and we have also put a board outside saying Today Holiday.)

Saxena Sir looked at us. Then he looked up. Paused. Thought deeply - as if reconciling language, logic, and calendar. Then he smiled sheepishly and said:

"Ohh... Aaj TODAY hai!!! I forgot!!!"

## Winnings



South Indian Bank clinched the Kerala Merchants Association Cricket Tournament title for the 4th consecutive time, defeating FACTS in the final. Vishnu VS (AGRI BUSINESS GROUP (ABG) delivered an outstanding performance and was awarded Man of the Match in the final. A proud and dominant run by the SIB team!



South Indian Bank emerged as the champions of the KCCL Legends Cup – All Kerala Corporate Legends Cricket Tournament held at the United Sports Center, Kakkanaad. The team displayed outstanding teamwork and determination to secure a well-deserved victory.





### Antony Rajan M

Manager, RSM CASA, RO Madurai

## Human Dividend

When we sit with our friends and reminisce about the *"good old days"* of our careers, we often find ourselves saying, *"We were so happy back then, weren't we?"* But if we pause and think deeply what was the actual source of that happiness?

Was it the moment we won a massive campaign? Was it the day we received a long-awaited promotion? Or was it the satisfaction of seeing a hefty incentive reflect in our bank accounts? While those moments certainly bring a flash of joy, they are often not the ones that linger in our hearts. When we look back, something far more profound stands out.

#### The Power of Contentment:

Throughout our careers, we work with countless customers, some bring positivity, others bring challenges. But among all those interactions, there is a specific kind of moment that defines our purpose. It's the moment someone looks you in the eye and says:

*"The advice you gave me at exactly the right time about financials is the reason my family and I are in such a great position today. Your financial guidance changed our lives, and my family will forever be grateful to you."*

When you hear those words, the sense of fulfilment that washes over you is far superior to any bonus or title. Knowing that your work your expertise actually uplifted a human life is the highest form of "pay" one can receive. It is more vital, more alive, than any corporate achievement.

#### A Tale of Two Perspectives:

This difference in mind-set is best explained by a classic story: Two stonemasons were busy carving stone. When asked, *"What are you doing?"* the first man replied wearily, *"I am breaking rocks to earn a living."*

The second man, however, replied with a smile, *"I am creating a masterpiece that will eventually become a great temple."*

Both were doing the exact same physical labour. Yet, only one possessed true job satisfaction. Happiness in our work doesn't lie in the task itself, but in the perspective through which we view it.

#### The Ingredients of a Fulfilling Career:

How do we cultivate this sense of contentment even further? It happens when we integrate three key habits into our professional lives:

##### Continuous Learning:

When we never stop growing, our work remains a journey of discovery rather than a stagnant routine.

##### Meaningful Relationships:

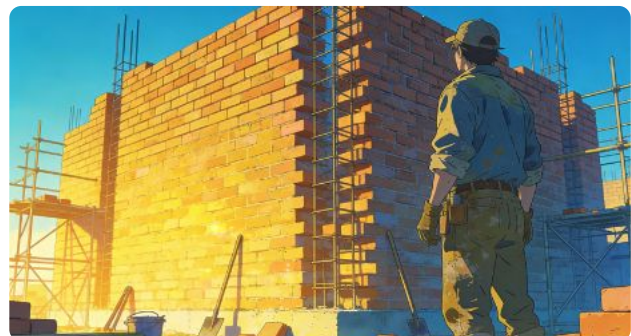
Maintaining a high level of empathy and connection with both colleagues and customers transforms a workplace into a community.

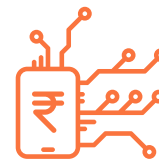
##### Celebrating Small Wins:

When we take a moment to appreciate the small victories, our environment becomes vibrant and encouraging.

##### The Ultimate Reward

If we manage to do these things perfectly, we achieve something far greater than just "success." We gain the ability to reach incredible heights in our careers and most importantly, at the end of a long day, we gain the rarest gift of all, a night of deep, peaceful sleep.





## Hrishikesh R Nampoothiri

Asst. Manager (CMA), IVD

### RBI's Warning Signals: A Wake-Up Call for Banks

The financial system of any country plays a pivotal role in its economic development. In the words of former Prime Minister of India and veteran economist, Dr. Manmohan Singh:

*"If you don't have a functioning financial system the world economy won't be revived. All the major economies have their responsibility to assist at a pace which is required to clean up the balance sheet of the banking system and to ensure that credit flows are resumed."*

These words underline a simple truth: economic growth is impossible without a stable, trusted, and efficient financial system. India is no exception. As the country aspires to become the world's third-largest economy, the Indian financial system, particularly banks and regulated financial institutions, remains central to this ambition. Since independence, the organised banking sector has been instrumental in mobilising savings, allocating credit, and supporting economic expansion across sectors.

#### Digital Transformation of Indian Banking

With the advent of digitalisation, the Indian banking sector has undergone a fundamental transformation. Banking today is no longer confined to brick-and-mortar branches. Digital platforms, APIs, and real-time systems have expanded the reach, speed, and scale of financial services.

India has emerged as a global leader in digital public financial infrastructure. Initiatives such as the Unified Payment Interface (UPI), Unified Lending Interface (ULI), and the Central Bank Digital Currency (CBDC) demonstrate how India is setting benchmarks for the world. While many economies still struggle with card-based and cheque-based payments, India has revolutionised retail payments through instant, low-cost, mobile-based transfers.

UPI, in particular, can be regarded as one of the most significant financial innovations of the 21st century. Its scale, interoperability, and adoption have attracted global attention, with several countries exploring collaborations with the Government of India to replicate the model.



## **Emerging Risk: Operational Risk Over Credit Risk**

Alongside these advancements, a less visible but more dangerous risk has been steadily emerging: operational risk. Through supervisory reviews, speeches, and annual reports, the Reserve Bank of India (RBI) has consistently highlighted that the primary threat to the banking system today is no longer credit risk alone, but failures in internal controls and the rising incidence of operational lapses.

Despite the presence of well-documented SOPs, RBI observations repeatedly point to:

- Weak execution at branch level
- Poor monitoring and follow-through
- Behavioural lapses
- Mechanical compliance without understanding risk

These failures have resulted in regulatory penalties, customer complaints, and reputational damage.

### **Key Areas of Concern Highlighted by RBI**

#### **1. Weak Customer Due Diligence and KYC Practices**

KYC was introduced to ensure banks understand who they are dealing with and the risks they are exposed to. However, RBI inspections have revealed that KYC is often treated as a form-filling exercise rather than a risk assessment process.

Key concerns include:

- Use of deepfake documents, AI-altered images, and manipulated backgrounds
- Re-KYC conducted merely for task completion, not risk reassessment
- Failure to correctly identify beneficial owners, especially in MSME accounts
- Delays or failures in reporting Suspicious Transaction Reports (STRs)

These gaps significantly increase exposure to fraud, money laundering, and regulatory action.

#### **2. Weak Monitoring of Digital Transactions**

Digital transactions have become a top supervisory priority for RBI, particularly in FY 2025, due to the sharp rise in digital frauds.

Common issues observed include:

- Inadequate review of UPI returns, chargebacks, and quick reversals
- New-to-bank accounts showing high transaction frequency with low-value credits
- Structuring and split transactions to bypass system limits
- Ignoring system alerts despite clear behavioural red flags

The problem is not the absence of systems, but the failure to act on what those systems flag.

#### **3. Poor Quality of Exception Closure**

One of the most frequently highlighted weaknesses across banks is the approach to audit exception closure.

RBI has observed that:

- Observations are closed to improve audit scores, not to eliminate risk
- Root causes are rarely addressed
- The same observations recur across audit cycles

This reflects a weak compliance culture, where audits are treated as events to be managed rather than tools to strengthen controls.

#### **4. Overdependence on Individuals and Breakdown of Maker–Checker**

Another serious concern is the dilution of segregation of duties due to overdependence on specific individuals.

Examples include:

- One person sourcing, verifying, and approving loans
- Informal merging of Teller and DCC roles during rush hours
- System overrides to exceed delegated authority
- New or inexperienced staff handling sensitive functions without supervision

Such practices undermine the very foundation of internal controls.

#### **5. CASA, Cross-Selling, and Third-Party Product Misconduct**

RBI has also flagged widespread misconduct driven by aggressive targets, including:

- Opening of dummy CASA accounts
- Selling insurance and investment products without informed customer consent
- Use of indirect or misused OTPs
- Transactions reversed or cancelled post target achievement

#### **Lessons from the NPA Cycle**

India's banking system has already experienced the consequences of weak controls and aggressive growth. Between 2008 and 2014, gross advances of Scheduled Commercial Banks more than doubled, driven by aggressive lending and weak risk assessment.

As a result:

- Gross NPAs rose from 4.1% in March 2014 to 11.46% in March 2018
- Recovery mechanisms were slow and inefficient
- Governance failures and willful defaults became widespread

Subsequent reforms, including the Insolvency and Bankruptcy Code (IBC), strengthened provisioning norms, risk-based supervision, and early warning systems, helped reduce NPAs to 2.79% by March 2025.

With credit risk now relatively stabilised, operational risk has clearly emerged as the next systemic threat.

#### **What Should the Organisation Do?**

The internal audit function serves as the third line of defence in the banking system. However, safeguarding the bank is not the responsibility of auditors alone. It is a collective responsibility of every staff member.

Three fundamental questions must guide action:

- How can failures be prevented before they occur?
- How can failures be detected once they enter the system?
- How can the system be strengthened to ensure failures do not recur?

#### **Preventive Actions**

Preventive actions focus on stopping control failures before they materialise.

Key measures include:

- Risk-based and thematic audits that focus on why lapses occur, not just what failed
- Dynamic audit planning using analytics to flag abnormal account behaviour before branch visits
- Early-warning dashboards at branch level covering excess cash, pending KYC, and transaction anomalies
- Clear communication of SOPs with emphasis on intent, not mere compliance

### Detective Actions

Even strong preventive controls cannot eliminate all risks. Detective actions help identify failures that have already entered the system.

Effective detective measures include:

- Surprise and theme-based checks in high-risk areas such as gold loans, cash handling, and KYC
- Customer-level transaction analytics to identify abnormal patterns
- Monitoring behavioural red flags such as excessive overrides or reliance on specific individuals
- Treating customer complaints as early warning signals, not closure tasks

### Corrective and Reinforcement Actions

Once a failure is detected, the focus must shift to ensuring it never happens again.

Key reinforcement measures include:

- Structured, centrally monitored Corrective Action Plans with clear timelines
- Mandatory staff rotation in sensitive roles
- Tightening IT controls on access, overrides, and off-hour transactions
- Strengthening whistleblower mechanisms
- Post-incident training focused on lessons learned rather than blame
- Sharing anonymised case studies internally to build institutional learning



### CAIIB Achievers



**Lijomon James**  
Manager, Br. Chandra Nagar



**Soumya Mathew**  
Asst. Manager, Br. Kottayam



**Krishna Priya K**  
Asst. Manager, Br. Irinjalakuda



**Avhinay Lohagan**  
CSA, Br. G.C Avenue



**Leela Antony**  
Asst. Manager, HR L&D



# Dates & Nuts Ladoo

Healthy No Sugar Rich in Fiber & Iron

## Ingredients



10-12  
Seedless Dates



½ cup  
Mixed Nuts



1 tbsp  
Grated Coconut  
(optional)



Pinch of  
Cardamom  
Powder

## Steps



1. Dry roast the nuts & let cool.



2. Grind nuts & blend  
with chopped dates.



3. Add grated coconut  
& cardamom.



4. Shape into ladoos.

**Store in the fridge  
for up to 1 week.**



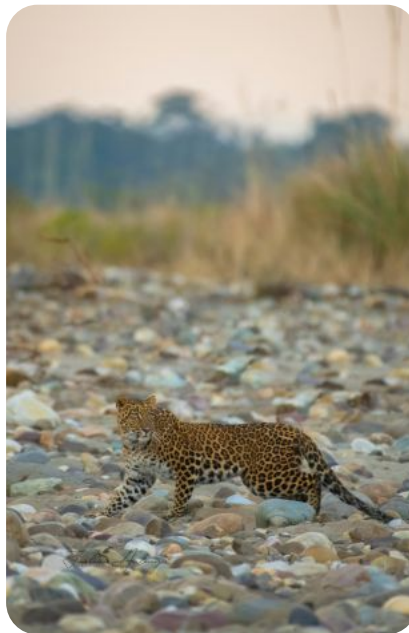


**Justin Antony**

Asst. Manager, Br. Agra

## Through the Wild Lens

In the quiet heart of the forest, every movement becomes a story. Each passing moment unfolds slowly, shaped by light, shadow, and silence. As the colours of the day change, the land reveals a delicate rhythm one that exists best when left undisturbed. Through these frames, I seek to capture the quiet beauty of a world we are privileged to observe.



CSR



Financial assistance under CSR facilitated the **Centre for Social Action Trust, Palamaner** to provide educational assistance to 1,239 disadvantaged children from Scheduled Tribe, Scheduled Caste, and Backward Caste families in Palamaner, Chittoor District – a drought-prone area notified by the Government of Andhra Pradesh.



Financial assistance under CSR facilitated the **Neyyar-Peppara Forest Development Agency** to purchase a vehicle to be used for transportation of patients in remote tribal settlement and for dealing casualties during Agasthyakoodam trekking.



Financial assistance under CSR was provided to set up seating arrangement at public places and parks under the jurisdiction of the **Hirapur Gram Panchayat, Sanand, Gujarat.**



Financial assistance under CSR was provided to **St. James Hospital, Chalakudy** set up a mobile Blood Bank collection unit for the hospital.

## Kaleidoscope



**Jesil Jose**  
Manager, RSM TPP, RO Kannur



**Rakhi M Eswaran**  
Manager IT, DTD

**Brijesh Balagopal**  
Sr. Manager IT, DTD

**Kaleidoscope**

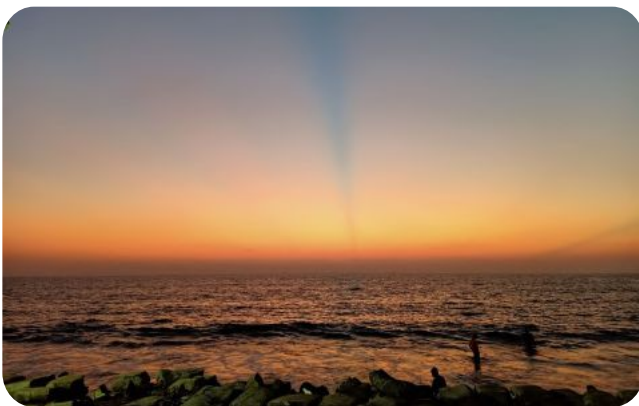


**Rithvika Jesil**  
D/o Jesil Jose, Manager, RSM TPP, RO Kannur

**Shwetha Wilson**  
Manager, HR L&D



**Gayathry K R**  
Sr. Manager IT, DTD



**Priya Prince**  
Manager, CBG



**Shetty Harish Nagaraj**  
Sr. Manager, Br. Bhubaneswar

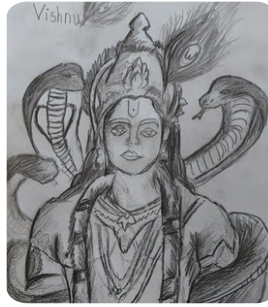
## Kids' Corner



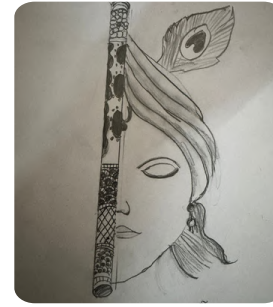
**Ian Chris Jaison**  
S/o Jaison James,  
Sr. Manager, Br. Peroorkada



**Iva Raeann Jaison**  
D/o Jaison James,  
Sr. Manager, Br. Peroorkada



**Sidharth Sreekanth**  
S/o Sreekanth A V,  
Chief Manager, RO Kannur



**Puniya P Kartha**  
D/o Anjali Nair,  
Manager IT, DSD



**Jovin Francis Divyan J**  
S/o Maria Josephine,  
Manager, Madurai RO



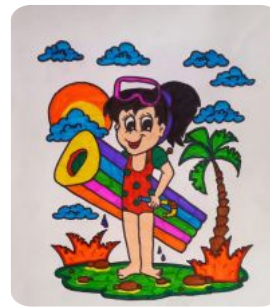
**Saahil Sanoop**  
S/o Soumya S Nair,  
Asst. Manager, RO Irinjalakuda



**Manusruthi B**  
D/o Balaji H,  
Manager, RO Chennai



**Neha S. Krishnan**  
D/o Parvathy U S,  
Asst. Manager, Br. Adoor



**Bineeta Grace Binoj**  
D/o Leela Antony  
Asst. Manager, HR L&D



**Aditi John**  
D/o Priya Prince,  
Manager, CBG



**Jisha J Kamath**  
D/o Jnanesh J Kamath, Manager,  
Br. Chhatrapathi Sambhajnagar



**Swapna Sajnu**  
D/o Sajnu Jose Poothokaran,  
CSA, Br. Vatanapally



**Alakananda V Nair**  
D/o Vishnu Prakash,  
Asst. Manager, BOG



## Kids' Corner



**Aayushman Iyer**  
S/o Sandhya G R,  
Sr. Manager, CBG



**Rithul**  
S/o Ranjith N,  
Asst. Manager, Br. Kankole



**Parthiv Pramod**  
S/O Archana P,  
Manager IT, DTD



**Zaasha Zubin Matheikal**  
D/o Sheeba Joseph,  
Manager, Credit Department



**Pranav Radhakrishnan Nair**  
S/o Ramya Radhakrishnan Nair,  
Manager, Br. Kalyan



**Bhavayami V Pillai**  
D/o Jeena G Kumar,  
Sr. Manager IT, DTD



**Bhadra Rajith**  
D/o Aarathy Sobha Rajeev,  
Asst. Manger, Br. Thrissur Main



**Ahaan John Ray**  
S/o Ray John Thomas,  
Manager, RO Thrissur



**Nolan Melric Dsouza**  
S/o Nikhil Dsouza,  
Manager, RAD



## Kids' Acheivments



**Nitara**, D/o Aruna J, Manager IT, DTD bagged Second prize in painting competition @chinmaya fest 2025-2026



**K.Thanaya**, D/o Kurra Venkatesh, Asst. Manager Br. Mancherial, participated in Science Expo and won 1st prize.



**Neha S. Krishnan**, D/o Parvathy U S, Asst. Manager, Br. Adoor, won the Performer Award at the SIP Abacus International Prodigy 2025, Chennai, competing with over 6,000 students from 11 countries.



**Bhavayami V Pillai**, D/o Jeena G Kumar, Sr. Manager, IT, DTD was recognised by the India Book of Records for her exceptional abilities at an early age. At just 2½ years, she demonstrated advanced learning skills across multiple categories, earning an Appreciation in 2021. She also set a national record by identifying 30 creatures in one minute at the age of 2 years and 9 months, showcasing remarkable memory and recognition skills.



**Ahaana Akhil**, D/o Shapna S, Manager, BOG, has now set her second official record at just 4 years, 8 months, and 21 days. She has been recognized as the youngest to solve the maximum number of single-digit addition problems using an abacus. She completed 50 three term single-digit addition sums in one continuous go, finishing in 5 minutes and 55 seconds, with 100% accuracy. This accomplishment follows her first record at just three years old, when she became the youngest child to count backward from 100 to 0.

# Wedding Bells



Akash Chandran C S, Br. Vashi married Athira S S



Amal Mohan, BBD married Athira Jayan, Br. Kanjoor



Akanksha Bhadauria, HLBG married Ashish Singh Tomar



Vignesh Kumar, Br. Thavittupalayam, married Shilpa R, CFM Dept



Aadhilakshmi S, Br. G.T Chennai Married Rajagopal S



Manju Menon, Br. Vandithavalam married Aravind Krishnan



## Letter to the Editor

About July 2026 Siblinc

*"Informative and well-curated content."*

**Anand Jayan**

ECG

*"Together We Grow."*

**Sanak Haridas**

ALBG

*"A motivating read showcasing our collective journey."*

**Pradeep B R**

Collection and Recovery

*"A thoughtful blend of insight, inspiration, and impact."*

**Yadiki Vyshnavi**

DTD

*"The articles highlighting the Bank's recent business initiatives and performance milestones were both informative and motivating."*

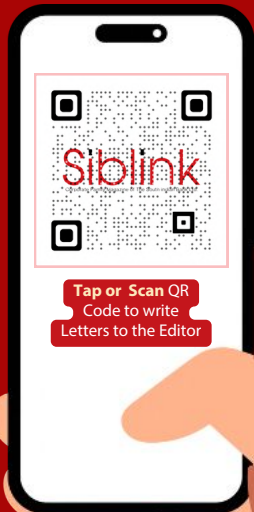
**Anoop KV**

HLBG



## BEST ARTICLE WINNERS

Congratulations to our Best Article Winners!  
A special gift is on its way to the winners!



**Gourishankar T M**

AGM, HLBG



**Hrishikesh R Nampoothiri**

Asst. Manager (CMA), IVD

# **Share your talent, Win a prize!**



**The best two Siblinc entries (articles or creative contributions) will win prizes.**

