Chairman's Speech at the 98th Annual General Meeting

Dear Shareholders,

A very good morning to all of you.

On behalf of the Board of Directors, I welcome you to the 98th Annual General Meeting of “The South Indian Bank Limited” for the Financial Year 2025-26, being held today through Video Conference. It is a privilege to address you for the first time as Chairman of this esteemed institution, and I thank you for your participation.

Since joining the Bank as an Independent Director in 2024, and assuming the office of Chairman in March 2026, I have had the privilege of being part of an institution whose journey extends back to 1929 shaped through nearly a century of India's economic and financial evolution. That legacy is not merely one of longevity; it is a testament to enduring values of trust, resilience and service. It is in that spirit that I place before you the performance of the Bank for the year gone by.

The Directors' Report, the Management Discussion and Analysis Report, and the Standalone and Consolidated Audited Financial Statements for the year ended March 31, 2026, together with their annexures, have already been circulated to you. With your permission, I shall take them as read.

Economic and Banking Scenario

Before turning to the Bank's performance, I would like to briefly touch upon the macroeconomic and banking backdrop against which Financial Year 2025-26 unfolded.

The global economy showed resilience through the year, even as it navigated tariff uncertainty, elevated geopolitical tension, particularly the conflict in West Asia, high public debt and volatile capital flows. The IMF's April 2026 World Economic Outlook projected global growth at 3.1 per cent for 2026 and 3.2 per cent for 2027. For Indian banks, this environment transmitted risk through four principal channels: higher energy, fertiliser and logistics costs feeding into domestic inflation and corporate input costs; weaker global trade weighing on export-oriented and trade-linked sectors; the prospect of foreign portfolio outflows, currency depreciation, higher bond yields and asset-market volatility; and elevated sovereign debt abroad sustaining global monetary divergence.

Against this backdrop, India delivered an exceptional performance. As per MoSPI's provisional estimates, real GDP growth accelerated to 7.7 per cent in FY26 from 7.1 per cent in FY25, sustaining India's position as the fastest-growing major economy, underpinned by strong consumption, sustained investment, sound macroeconomic management and a buoyant services sector. Encouragingly, the credit cycle turned more balanced across MSMEs, services, retail and agriculture, rather than remaining concentrated in large corporate lending, while UPI consolidated its position as the dominant retail payment rail, accounting for nearly 86 per cent of retail transactions during the year.

Performance of the Bank

Against this macro backdrop, our Bank delivered a strong and well-rounded performance in FY 2025-26, continuing the transformation journey it embarked upon over the last few years. Let me place before you the key indicators.

Business growth

- Gross business increased from ₹1,95,104.12 crore to ₹2,23,620.37 crore.
- Deposits grew from ₹1,07,525.60 crore to ₹1,23,346.32 crore, with CASA rising 17.47 per cent to ₹39,620.92 crore from ₹33,729.72 crore.
- Gross advances increased from ₹87,578.52 crore to ₹1,00,274.05 crore.

Asset quality

- Gross NPA to Gross Advances stood at 1.43 per cent, and Net NPA to Net Advances at 0.29 per cent, as on March 31, 2026.
- The Provision Coverage Ratio (including write-offs) improved to 94.10 per cent, from 85.03 per cent in FY 2024-25.

Profitability

- Operating profit rose to ₹2,373.36 crore, from ₹2,270.08 crore in FY 2024-25.
- Net Profit increased to ₹1,455.14 crore, from ₹1,302.88 crore in FY 2024-25.
- Net Interest Income moderated marginally, from ₹3,485.64 crore to ₹3,437.36 crore, with Net Interest Margin at 2.91 per cent.

- Net profit margin improved by 66 basis points, from 11.61 per cent to 12.27 per cent.

Capital strength

- Net worth increased by ₹1,357.48 crore, from ₹9,646.15 crore to ₹11,003.63 crore.
- Capital Adequacy Ratio stood at 19.66 per cent under Basel III- well above the RBI-mandated 11.50 per cent.
- Book value per share rose from ₹38.60 to ₹43.57.

Treasury and network

- Gross revenue from Treasury Operations increased from ₹2,204.18 crore to ₹2,596.37 crore.
- The Bank's network stood at 953 banking outlets - 948 branches, 3 satellite branches and 2 ultra-small branches (USB) - along with 1,147 ATMs and 126 CRMs, spanning 26 States and 4 Union Territories. During the year, the Bank opened a new Regional Office at Vijayawada and 8 new ATMs and 2 CRMs, while closing 16 ATMs and 1 CRM.

Recognition and dividend

- The Bank won six awards at the IBA Banking Technology Awards - the highest in its segment - continuing a multi-year record of recognition at the industry's premier technology platform.
- The Board has recommended a dividend of 45 per cent, i.e. ₹0.45 per equity share of face value ₹1 each, subject to your approval at this meeting.

This performance reflects the Bank's robust business model and the dedication of its employees. We have continued to strategically diversify the loan book toward high-quality, granular assets: the personal loan portfolio grew 29 per cent to ₹28,901 crore, mortgage loans grew 43 per cent to ₹5,435 crore, auto loans grew 21 per cent to ₹2,412 crore, and the total gold loan portfolio, including agriculture gold, surged 46 per cent to ₹24,729 crore.

Business Initiatives and Digital Transformation

During the year, the Bank launched several segment-specific offerings to deepen its presence and address evolving customer needs. 'SIB HER' - a premium, lifestyle-focused savings account for women, bundled with life and health insurance cover was among the notable launches, alongside new products across Gold Loans, MSME and Retail, including SIB Power CONSOL, SIB Loan Against Mutual Fund (SIBLAMF), SIB Solar Roof Top Finance, Credit Line on UPI (Secured FD), Gold Aureate, SIB Gold Xpress, Finance Scheme for Harvesting and Transport, KCC Gold-ULI, and Agri TL Gold-ULI.

Technology remained central to this progress. The Bank rolled out an end-to-end digital loan origination and customer on-boarding system within a short span, and has built strong in-house API capabilities that support a more personalised digital experience, consistent with data privacy and regulatory standards. As a result, over 98 per cent of the Bank's total transactions are now conducted digitally.

Our People

A skilled, motivated and strategically aligned workforce remains central to the Bank's ability to meet the evolving needs of its customers. Our efforts through the year focused on three areas - optimising the tooth-to-tail ratio, empowering customer-facing roles, and strengthening employee productivity — which together form the bedrock of the Bank's operational efficiency and competitive advantage.

Risk Management, Internal Controls and Compliance

The Bank's Integrated Risk Management Department identifies and assesses risks across the organisation, works with business teams to build ownership of risk at the first line of defence, and supports risk mitigation at the strategic, policy and operational levels. This is overseen by the Risk Management Committee of the Board, which reviews portfolio behaviour and provides strategic guidance, with all risk policies approved by the Board on the Committee's recommendation.

This is reinforced by extensive internal controls, including maker-checker authentication of Core Banking Solution transactions, centralised processing of account opening, modification and loan sanctioning, dual custody for cash and other secure items, finger-scan authentication in addition to login passwords, and secure transmission protocols between the CBS and payment interfaces. In line with the Companies Act, 2013, the Bank has documented risks and controls for each process under its Internal Financial Controls Framework, with control effectiveness tested by the Inspection and Vigilance Department.

ESG and Corporate Social Responsibility

Environmental, Social and Governance principles remain central to the Bank's operating ethos, guided by its ESMS Policy, Green Deposit Policy, Green Financing Framework and ESG Policy, which together promote green and sustainable investment and embed ESG considerations into our business practices, decision-making and product offerings.

The Bank also continued to prioritise its Corporate Social Responsibility obligations. During FY 2025-26, it spent ₹32.35 crore on CSR activities in accordance with the Companies Act, 2013, spanning education, healthcare, environmental conservation, community development and support for persons with disabilities — delivered in partnership with credible institutions and local bodies.

Looking Ahead

We look to the future with calibrated ambition. We will accelerate our digital lending and on-boarding capabilities to reduce turnaround times and deepen customer stickiness, while strengthening technology governance and cybersecurity architecture in line with RBI's evolving expectations. On credit, our focus remains on granular, well-collateralised growth across retail, MSME and gold loans, while staying disciplined on asset quality and provisioning. We will continue to diversify our liability franchise, improve CASA, and optimise our branch network to serve both our traditional Kerala heartland and our growing presence in other geographies.

Equally, we recognise that resilient banking rests on strong governance and people. We will continue to strengthen Board oversight, our risk management framework and compliance culture to stay ahead of the regulatory curve, even as we invest in leadership depth and capability building across the organisation. Capital adequacy will remain a priority, ensuring we are well positioned to support future growth without compromising on prudence.

I would also like to share that the Bank is approaching a remarkable milestone, its 100th anniversary in 2029. As we near this milestone, our endeavour is to present a Bank that has not merely endured for a century, but one that has continually reinvented itself, ready to serve the next generation of customers with the same trust and considerably greater ambition.

Acknowledgements

I extend my sincere thanks to my fellow Board members, and would like to record the Board's and my own deep appreciation for my predecessor, Sri V. J. Kurian, who served this institution as an Independent Director since 2018 and as Chairman through some of its most consequential years, retiring on March 22, 2026, on completion of his term. Under his stewardship, the Bank navigated a demanding credit cycle with prudence, on which the results we report today now rest. I am equally grateful to our Managing Director & CEO, Mr. P. R. Seshadri, who retires next month on completion of his term, for his immense contribution to the Bank's growth over the years. The bank owes the hard-fought gains of an excellent asset quality, particularly in the last three years, to his sagacious leadership.

I am also grateful to the Government of India, the Government of Kerala and other State Governments where we operate, the Reserve Bank of

India, the Securities and Exchange Board of India, IRDAI and other regulatory authorities and the stock exchanges where the Bank's shares are listed, our Joint Statutory Auditors M/s. M. P. Chitale & Co. and M/s. Borkar & Muzumdar, our Secretarial Auditors M/s. SVJS & Associates, and our correspondent banks, for their continued guidance and support through the year.

Above all, the Board places on record its gratitude to our shareholders and customers for their continued confidence, and to our employees- the single most important pillar of any institution, and more so of a service entity like a bank - for their tireless effort and commitment at every level.

In Closing

Over the years, this institution has turned challenges into stepping stones, building a reputation for trust and innovation that few can match. I am confident that with a clear strategy, a resilient financial foundation and a workforce united in its commitment to excellence, Bank is well placed to convert emerging opportunities into enduring growth and lasting value for every stakeholder.

Thank you all, and I wish every one of you a happy and joyful festival season ahead.

Jai Hind.

Jose Joseph Kattoor
CHAIRMAN
20-08-2026

Note: This does not purport to be a record of the proceedings of the Annual General Meeting.