Disclosure under Basel III norms as on 31st December 2025

1: Scope of Application

The South Indian Bank Limited is a commercial bank, which was incorporated on January 25, 1929 in Thrissur, Kerala.

As per capital adequacy guidelines under Basel III, insurance and non-financial subsidiaries / joint ventures / associates etc. of banks are not to be consolidated. Bank's Subsidiary, M/s SIB Operations and Services Limited, is a non-financial entity, and hence not consolidated for capital adequacy purpose.

Name of the entity / country of incorporation	Whether entity is included in the accounting scope of consolidation	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
M/s SIB Operations and Services Limited/India	Yes	AS-21	No	NA	NA	The Bank's Subsidiary, is a non-financial entity, and hence not consolidated for capital adequacy purpose

2: Capital Adequacy

I. Qualitative Disclosure

RBI Guidelines on 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 and RBI 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) of 2.5%}, with minimum Common Equity Tier I (CET1) of 5.5% (8% including CCB). These guidelines on Basel III have been implemented completely. Thus the minimum CRAR required to be maintained by the Bank as on is 11.50 %.

The bank's approach in assessment of capital adequacy

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.

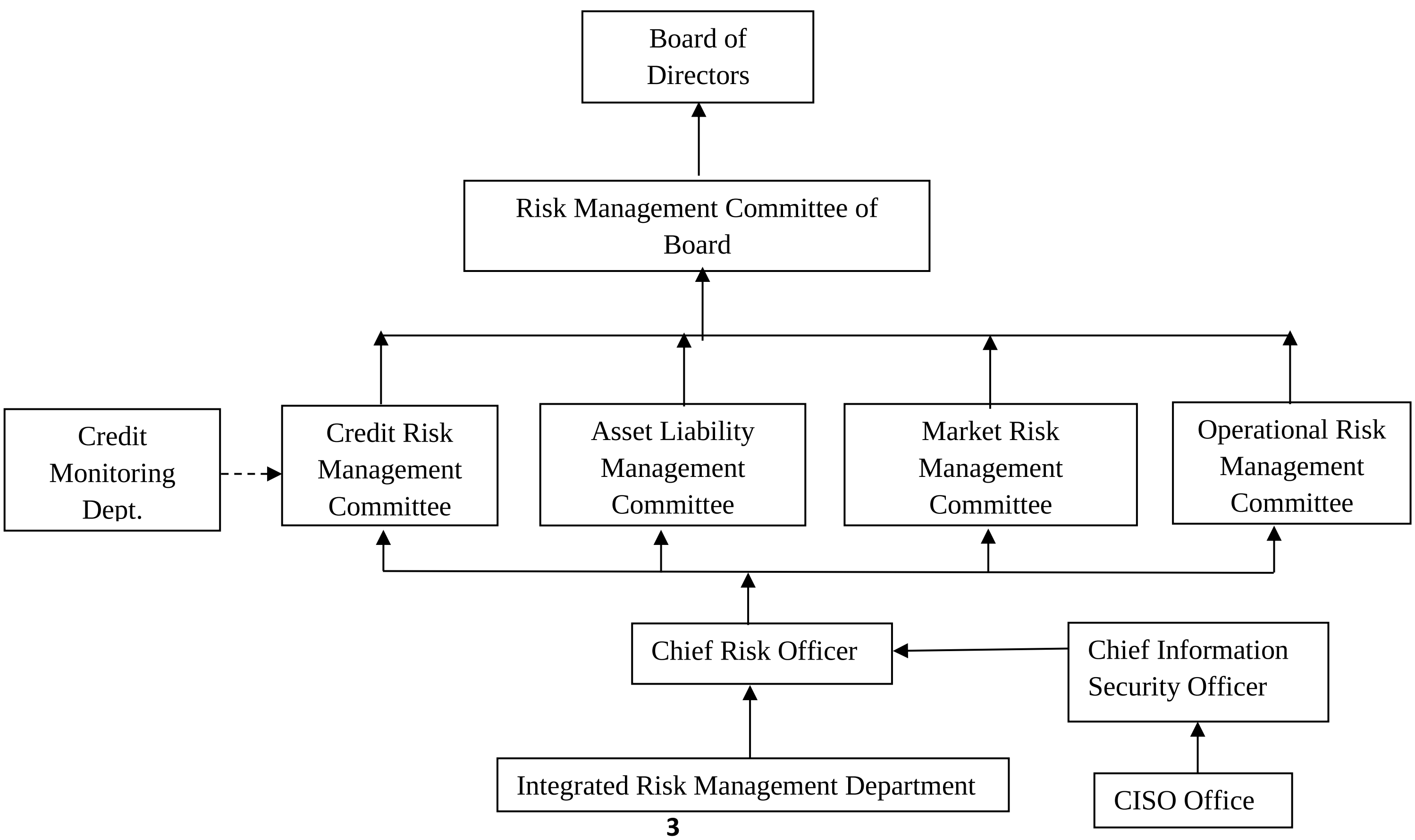
Quantitative Disclosure

	Particulars	*(Amount ₹ in crore*)
(a)	Capital requirements for Credit Risk	5,161.98
	Portfolios subject to standardized approach	5,161.09
	Securitization exposures	0.89
(b)	Capital requirements for Market Risk (Standardised duration approach)	176.05
	Interest Rate Risk	30.94
	Foreign Exchange Risk (including gold)	10.67
	Equity Risk	134.44
(c)	Capital requirements for Operational Risk (Basic Indicator Approach)	972.39
	Total Capital Requirement at 11.50%{ (a)+ (b)+(c) }	6,310.43
	Total Capital Fund	9,789.10
	Common Equity Tier- I CRAR %	16.88%
	Total Tier- I CRAR %	16.88%
	Additional Tier I CRAR %	0.00%
	Tier- II CRAR %	0.96%
	Total CRAR %	17.84%

Risk Management: Objectives and Organisation Structure

Risk is an integral part of banking business in an ever dynamic environment, which is undergoing radical changes both on the technology front and product offerings. The main risks faced by the bank are credit risk, market risk and operational risk. The bank aims to achieve an appropriate trade-off between risk and return to maximize shareholder value. The relevant information on the various categories of risks faced by the bank is given in the ensuing sections. This information is intended to give market participants a better idea on the risk profile and risk management practices of the bank.

The bank has a comprehensive risk management system set up to address various risks and has set up an Integrated Risk Management Department (IRMD), which is independent of operational departments. Bank has a Risk Management Committee functioning at apex level for formulating, implementing and reviewing bank's risk management measures pertaining to credit, market and operational risk. Apart from the Risk Management Committee of the Board at apex level, the Bank has a strong Bank-wide risk management structure comprising of Asset Liability Management Committee, Credit Risk Management Committee, Market Risk Management Committee and Operational Risk Management Committee at senior management level, risk-cum-compliance officers in all Regional Offices/branches and dedicated mid office at Treasury Department and International Banking Division (IBD) at operational level. The structure and organization of Risk Management functions of the bank is as follows:



3. Credit Risk: General Disclosures

I. Qualitative Disclosure

Definition of Non-Performing Assets

The bank follows extant guidelines of the RBI on income recognition, asset classification and provisioning.

a) An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank.
b) A non-performing asset (NPA) is a loan or an advance where;

i. Interest and / or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan,

ii. the account remains 'out of order', in respect of an Overdraft / Cash Credit (OD/ CC), (out of order - An account is treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power. In cases where the outstanding balance in the principal operating account is less than the sanctioned limit / drawing power, but there are no credits continuously for 90 days or credits are not enough to cover the interest debited during the same period, these accounts are treated as "out of order".)

iii. the bill remains overdue for a period of more than 90 days in the case of bills Purchased and discounted, (overdue - Any amount due to the bank under any credit facility is "overdue" if it is not paid on the due date fixed by the bank.)

iv. The instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops, (overdue - Any amount due to the bank under any credit facility is "overdue" if it is not paid on the due date fixed by the bank.)

v. The instalment of principal or interest thereon remains overdue for one crop season for long duration crops, (overdue - Any amount due to the bank under any credit facility is 'Overdue' if it is not paid on the due date fixed by the bank.)

vi. Any amount to be received remains overdue for a period of more than 90 days in respect of other accounts.

vii. the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of the Reserve Bank of India (Commercial

Banks –Securitisation Transactions) Directions, 2025.

viii. In respect of derivative transactions, the overdue receivables representing positive Mark-to-Market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.

ix. A credit card account will be treated as non-performing asset if the minimum amount due, as mentioned in the statement, is not paid fully within 90 days from the payment due date mentioned in the statement.

Special Mention Accounts

As prescribed by RBI, the Bank is required to identify incipient stress in the account by creating a Sub Asset category named as 'Special Mention Accounts' (SMA). It is considered as a corrective action plan to arrest slippages of standard assets to NPA. Accordingly, Bank is identifying three sub categories under SMA as below:

1. SMA-0 (for loans other than revolving facilities)- Principal or interest payment or any other amount wholly or partly overdue between 1-30 days.
2. SMA-1- Principal or interest overdue between 31-60 days.
3. SMA-2- Principal or interest overdue between 61-90 days.

Credit Risk Management Practices of our Bank

The bank has a comprehensive credit risk management policy which deals with identification, assessment, measurement and mitigation of credit risk. The policy has defined credit risk as the possibility of losses associated with the diminution in the credit quality of the borrower or the counter party or the failure on its part to meet its obligations in accordance with the agreed terms. The Credit Risk Management Committee, an executive level committee is entrusted with the task of overseeing various risk management measures envisaged in the policy. The Credit Risk Management Committee also deals with issues relating to Credit Risk Management Policy and procedures and analyse, manage and control credit risk on a bank wide basis. Credit Risk Management Policy primarily addresses the credit risk inherent in advances. The principal aspects covered under this policy include credit risk rating, credit risk monitoring, credit risk mitigation and country risk management.

The major specific credit risk management measures followed by bank, as listed out in the Credit Risk Management Policy are given in following points.

- The credit/country risk associated with exposures, like inter-bank deposits and export bill discounting, to different countries are consolidated regularly and monitored by the Board.

- Bank uses a robust risk rating framework for evaluating credit risk of the borrowers. The bank uses segment-specific rating models that are aligned to target segment of the borrowers.

- Risks on various counter-parties such as corporates, banks, are monitored through counter-party exposure limits, also governed by country risk exposure limits in case of international transactions.

- The bank manages risk at the portfolio level too, with portfolio level prudential exposure limits to mitigate concentration risk.

II. Quantitative Disclosure

a) Gross Credit Risk Exposures as on 31st December 2025

(₹ in crore)

Category	**Exposure**
Fund Based	1,74,929.07
Non Fund Based	3,014.01
Total	**1,77,943.08**

Note:

1. Non-fund based exposure includes Letter of Credit, Bank Guarantee exposures and Forward Contracts. The value of forward contracts is arrived based on Current Exposure Method (CEM).

b) Geographic Distribution of Credit Risk Exposure as on 31st December 2025

(₹ in crore)

Category	**Exposure**	
	Fund based	Non-fund based
Domestic	1,70,965.54	3,014.01
Overseas	3,963.53	0.00

c) Industry wise Distribution of Exposure as on 31st December 2025

(₹ in crore)

Industry Name	Total Funded Exposure (including Investment)	Total Non Funded Exposure	Total Credit Exposure
A. Mining and Quarrying	**202.74**	**0.74**	**203.48**
A.1 Coal	57.41	-	57.41
A.2 Others	145.33	0.74	146.07
B. Food Processing	**180.33**	**6.25**	**186.57**
B.1 Sugar	0.39	-	0.39
B.2 Edible Oils and Vanaspati	14.44	-	14.44
B.3 Tea	7.28	0.15	7.43
B.4 Coffee	5.93	-	5.93
B.5 Others	152.29	6.10	158.39
C. Beverages (excluding Tea & Coffee) and Tobacco	**300.31**	**1.77**	**302.08**
C.1 Tobacco and tobacco products	62.46	-	62.46
C.2 Others	237.85	1.77	239.62
D. Textiles	**2,022.12**	**108.16**	**2,130.28**
D.1 Cotton	694.64	36.49	731.13
D.2 Jute	63.93	20.00	83.93
D.3 Man-made	15.68	-	15.68
D.4 Others	1,247.87	51.68	1,299.55
Out of D (i.e., Total Textiles) to Spinning Mills	1,159.43	55.13	1,214.56
E. Leather and Leather products	**46.38**	**0.38**	**46.76**
F. Wood and Wood Products	**91.01**	**6.19**	**97.20**
G. Paper and Paper Products	**373.80**	**83.70**	**457.49**
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	**3,687.32**	**-**	**3,687.32**
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	**951.38**	**37.51**	**988.89**
I.1 Fertilizers	29.42	-	29.42
I.2 Drugs and Pharmaceuticals	246.41	0.51	246.92
I.3 Petro-chemicals (excluding under Infrastructure)	-	-	-
I.4 Others	675.54	37.00	712.54

J. Rubber, Plastic and their Products	**953.83**	**59.45**	**1,013.28**
K. Glass & Glassware	**9.82**	**-**	**9.82**
L. Cement and Cement Products	**510.07**	**-**	**510.07**
M. Basic Metal and Metal Products	**4,969.08**	**123.49**	**5,092.57**
M.1 Iron and Steel	3,134.85	51.69	3,186.54
M.2 Other Metal and Metal Products	1,834.23	71.80	1,906.03
N. All Engineering	**2,026.87**	**265.41**	**2,292.28**
N.1 Electronics	9.20	-	9.20
N.2 Others	2,017.67	265.41	2,283.08
O. Vehicles, Vehicle Parts and Transport Equipments	**368.38**	**31.05**	**399.43**
P. Gems and Jewellery	**630.95**	**1.65**	**632.61**
Q. Construction	**310.78**	**66.13**	**376.91**
R. Infrastructure	**2,406.24**	**172.19**	**2,578.43**
R.a Transport (a.1 to a.8)	74.41	2.05	76.46
R.a.1 Roads and Bridges	74.41	2.05	76.46
R.a.2 Ports	-	-	-
R.a.3 Inland Waterways	-	-	-
R.a.4 Airport	-	-	-
R.a.5 Railway Track, tunnels, viaducts, bridges	-	-	-
R.a.6 Urban Public Transport (except rolling stock in case of urban road transport)	-	-	-
R.a.7 Shipyards	-	-	-
R.a.8 Logistics Infrastructure	-	-	-
R.b. Energy (b.1 to b.6)	1,717.66	11.29	1,728.95
R.b.1 Electricity Generation	1,569.74	-	1,569.74
R.b.1.1 Central Govt PSUs	-	-	-
R.b.1.2 State Govt PSUs (incl. SEBs)	28.86	-	28.86
R.b.1.3 Private Sector	1,540.88	-	1,540.88
R.b.2 Electricity Transmission	12.89	4.60	17.49
R.b.2.1 Central Govt PSUs	-	-	-
R.b.2.2 State Govt PSUs (incl. SEBs)	-	-	-
R.b.2.3 Private Sector	12.89	4.60	17.49
R.b.3 Electricity Distribution	135.03	6.69	141.72
R.b.3.1 Central Govt PSUs	-	-	-
R.b.3.2 State Govt PSUs (incl. SEBs)	-	-	-
R.b.3.3 Private Sector	135.03	6.69	141.72

R.b.4 Oil Pipelines	-	-	-
R.b.5 Oil/Gas/Liquefied Natural Gas (LNG) storage facility	-	-	-
R.b.6 Gas Pipelines	-	-	-
R.c. Water and Sanitation (c.1 to c.7)	5.87	60.00	65.87
R.c.1 Solid Waste Management	-	-	-
R.c.2 Water supply pipelines	-	-	-
R.c.3 Water treatment plants	5.87	60.00	65.87
R.c.4 Sewage collection, treatment and disposal system	-	-	-
R.c.5 Irrigation (dams, channels, embankments etc)	-	-	-
R.c.6 Storm Water Drainage System	-	-	-
R.c.7 Slurry Pipelines	-	-	-
R.d. Communication (d.1 to d.3)	-	-	-
R.d.1 Telecommunication (Fixed network)	-	-	-
R.d.2 Telecommunication towers	-	-	-
R.d.3 Telecommunication and Telecom Services	-	-	-
R.e. Social and Commercial Infrastructure (e.1 to e.12)	-	-	-
R.e.1 Education Institutions (capital stock)	-	-	-
R.e.2 Hospitals (capital stock)	-	-	-
R.e.3 Tourism - Three-star or higher category classified hotels located outside cities with population of more than 1 million	-	-	-
R.e.4 Common infrastructure for industrial parks, SEZ, tourism facilities and agriculture markets	-	-	-
R.e.5 Fertilizer (Capital investment)	-	-	-
R.e.6 Post harvest storage infrastructure for agriculture and horticultural produce including cold storage	-	-	-
R.e.7 Terminal markets	-	-	-
R.e.8 Soil-testing laboratories	-	-	-
R.e.9 Cold Chain	-	-	-

R.e.10 Sports Infrastructure	-	-	-
R.e.11 Tourism - Ropeways and Cable Cars	-	-	-
R.e.12 Affordable Housing	-	-	-
R.f. Others, if any, please specify	608.30	98.85	707.14
Social Infrastructure	608.30	98.85	707.14
S. Other Industries, pl.specify	**758.76**	**8.41**	**767.17**
Other industries	758.76	8.41	767.17
All Industries (A to S)	**20,800.18**	**972.47**	**21,772.65**
Residuary other exposure (to tally with gross exposure)	**75,964.27**	**1,759.54**	**77,723.81**
Total	**96,764.45**	**2,732.01**	**99,496.46**

Industries contributing more than 5 per cent to the total credit exposure

(₹ in crore)

Industry Name	**Total credit exposure**	**Exposure proportion (in %)**
Basic Metal and Metal Products	5,092.57	5.12%

d) Major Industry breakup of NPA

(₹ in crore)

Industry	**Gross NPA**	**Specific Provision**
Top 5 Industries	2,436.46	2,025.71

e) **Residual Contractual Maturity breakdown of Assets as on 31st December 2025**

(₹ in crores)

Time band	Cash and Balance with RBI	Balance with Banks	Investments	Loans & Advances	Fixed Asset	Other Assets
Next Day	440.95	1,186.13	8,835.70	443.93	-	11.20
2 - 7 Days	52.74	1,464.96	414.84	1,166.94	-	84.39
8 - 14 Days	61.00	136.01	328.62	1,233.77	-	58.22
15 - 30 Days	119.64	763.94	644.51	3,838.88	-	67.20
31 days- 2 Months	224.25	810.38	1,257.51	7,175.12	-	96.62
2 - 3 Months	258.47	244.75	1,447.96	6,719.12	-	109.82
3 - 6 Months	706.37	25.00	4,126.16	15,399.15	-	188.95
6 - 12 Months	1,671.32	134.81	9,202.96	9,568.40	-	320.78
1 - 3 Years	334.05	0.25	2,407.23	8,916.83	-	995.29
3 - 5 Years	42.97	-	684.02	4,968.93	-	572.08
Over 5 Years	21.57	-	760.02	34,751.87	1,025.80	1,445.25
Total	**3,933.33**	**4,766.23**	**30,109.53**	**94,182.94**	**1,025.80**	**3,949.80**

f) **The composition of Gross NPAs and NPIs, Net NPAs, NPA ratios and provision for GNPAs and GNPIs as on 31st December 2025 and movement of gross NPAs and provisions during the quarter ended 31st December 2025 are given in following table:**

(₹ in crores)

1	**Amount of Gross NPAs**	**2,581.50**
	• Substandard	445.30
	• Doubtful-I	408.90
	• Doubtful-2	619.44
	• Doubtful-3	699.43
	• Loss	408.43
2	**Net NPA**	**425.90**
3	**NPA Ratios**	
	• Gross NPA to Gross Advance (%)	**2.67**

	• Net NPA to Net Advance (%)	**0.45**
	Movement of N PA (Gross)	
	• **Opening Gross NPA (balance as on 01.04.2025)**	**2,799.83**
	• Additions to Gross NPA	570.69
	Reductions to Gross NPA	
	• Up gradations	91.24
	• Recoveries (excluding recoveries made from upgraded accounts)	463.55
	• Technical/prudential write offs	191.13
	• Reduction by sale of assets to ARCs	43.10
	• **Closing Balance of Gross NPA**	**2,581.50**

<u>Movement of Specific & General Provision – Position as on 31st December 2025</u>

(₹ in crore)

Movement of Provision	**Specific Provision**	**General Provision**
• **Opening Balance as on 01.04.2025**	**1,896.17**	0.00
• Provision made in 2025-26	819.78	0.00
• Write off/ Write back of excess provision	664.24	0.00
• **Closing Balance as on 31.12.2025**	**2,051.71**	0.00

NPIs and Movement of Provision for Depreciation on Investments
Position as on 31st December 2025

(₹ in crore)

1	**Amount of Non Performing Investments (Gross)**	**40.76**
2	**Amount of Provisions held Non Performing Investments**	**40.76**
3	**Movement of Provisions for Depreciation on Investments**	
	• Opening Balance (as on 01.04.2025)	38.56
	• Provision made in 2025-26	45.87
	• Write-offs / Write-back of excess provisions during the period	62.74
	• Closing Balance (as on 31.12.2025)*	21.69

*MTM loss in FVTPL ₹ **(10.54)** crore
*MTM loss Transferred to AFS Reserves ₹ **(11.14)** crore

Geographical Distribution of NPA and Provision (*₹ in crore)*

Geography	Gross NPA	Specific Provision	General Provision
Domestic	2,581.70	2,051.71	0.00
Overseas	0.00	0.00	0.00
Total	**2,581.70**	**2,051.71**	**0.00**

4: Credit Risk: Disclosure for Portfolios under Standardized Approach

I. Qualitative Disclosure

a. Names of credit rating agencies used

Bank has approved all the seven External Credit Rating Agencies accredited by RBI for the purpose of credit risk rating of domestic borrower accounts that forms the basis for determining risk weights under Standardized Approach. External Credit Rating Agencies approved are:

1. Credit Rating Information Services of India Limited (CRISIL)
2. Credit Analysis and Research Limited (CARE)
3. India Ratings and Research Private Limited (Formerly FITCH INDIA)
4. ICRA Limited (ICRA)
5. Acuite Ratings and Research Ltd
6. Infomerics Valuation and Rating Pvt Limited
7. Brickwork Ratings India Private Limited

The Bank computes risk weight on the basis of external rating assigned, both Long Term and Short Term, for the facilities availed by the borrower. The external ratings assigned are generally facility specific. The Bank follows below mentioned procedures as laid down in the Basel III guidelines for use of external ratings:

- The external rating assigned by an agency is considered if it fully takes into account the credit exposure of the bank.
- If an issuer has a long- term exposure with an external long term rating that warrants a risk weight of 150 percent, all unrated claims on the same counter-party, whether short term or long-term, should also receive a 150 percent risk weight, unless the bank uses recognized credit risk mitigation techniques for such claims.

- If an issuer has a short-term exposure with an external short term rating that warrants a risk weight of 150 per cent, all unrated claims on the same counter-party, whether long-term or short-term, should also receive a 150 per cent risk weight, unless the bank uses recognized credit risk mitigation techniques for such claims.
- The unrated short term claim of counterparty will attract a risk weight of at least one level higher than the risk weight applicable to the rated short term claim on that counter-party. If a short-term rated facility to counterparty attracts a 20 per cent or a 50 per cent risk weight, unrated short-term claims to the same counter-party cannot attract a risk weight lower than 30 per cent or 100 per cent respectively.

b. Process used to transfer public issue ratings onto comparable assets in the banking book

(i) In circumstances where the borrower has a specific assessment for an issued debt - but the bank's claim is not an investment in this particular debt - the rating applicable to the specific debt (where the rating maps into a risk weight lower than that which applies to an unrated claim) may be applied to the bank's un-assessed claim only if this claim ranks pari passu or senior to the specific rated debt in all respects and the maturity of the un-assessed claim is not later than the maturity of the rated claim, except where the rated claim is a short term obligation. If not, the rating applicable to the specific debt cannot be used and the un-assessed claim will receive the risk weight for unrated claims.

(ii) If either the issuer or single issue has been assigned a rating which maps into a risk weight equal to or higher than that which applies to unrated claims, a claim on the same counterparty, which is unrated by any chosen credit rating agency, will be assigned the same risk weight as is applicable to the rated exposure, if this claim ranks pari-passu or junior to the rated exposure in all respects.

II. Quantitative Disclosures

a) Amount of exposure (after risk mitigation) outstanding as on 31st December 2025 under major three risk buckets:

Description of risk bucket	**₹ in crores**
Below 100% Risk Weight	94,841.28
Risk Weight at 100%	11,558.73
More than 100% Risk Weight	8,930.69
Deducted if any	Nil

(Amount of exposures includes cash in hand, balance with RBI, investments, loans and advances, Fixed and other assets, off balance sheet items and forward contracts)

Leverage Ratio:

Leverage ratio is a non-risk based measure of exposure over capital. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements.

The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage.

$$\text{Leverage Ratio} = \frac{\text{Capital Measure (Tier I Capital)}}{\text{Exposure Measure}}$$

	December 2025	September 2025	June 2025	March 2025
Leverage Ratio	6.41%	6.49%	7.06%	7.33%