



INDSMART

इंडियन बैंकIndian Bank

A YEAR OF PROGRESS A FUTURE OF POSSIBILITIES WITH YOUR TRUSTED BANK

20th ANNUAL GENERAL MEETING

Held on June 17, 2026

Speech Delivered by Binod Kumar, MD & CEO

Dear Esteemed Stakeholders,

It is with a deep sense of responsibility and optimism, on behalf of the Board of Directors, the Management Team, and entire Indian Bank family, I present, the Bank's performance for the year (FY) 2025-26.

Amidst the global uncertainty during FY26, our focus has been on sustainable and compliant business growth. This Report showcases the Bank's financial performance while highlighting our initiatives in sustainability and governance. These efforts aim to create lasting value for stakeholders, investors and society, reflecting upon our broader contribution to the financial services sector. Anchored in prudent risk management and operational discipline, the Bank has navigated a challenging operating environment with agility. Before outlining the performance highlights of the Bank, it is useful to briefly revisit the Global and Domestic Macroeconomic conditions that shaped the year.

Macroeconomic Overview

Global Economy: Navigating Renewed Headwinds



In FY26, the global economy entered a more uncertain phase amid renewed geopolitical shocks and rising macroeconomic risks from the Middle East conflicts. After recent resilience, economic activities now face headwinds from higher commodity prices, firmer inflation expectations, and tighter financial conditions. The IMF has lowered its forecast by 0.2 points, projecting global growth at 3.1 percent in 2026 and 3.2 percent in 2027, below the 2000-19 average of 3.7 percent. Growth is expected to slow more sharply in emerging markets, especially commodity importers, while advanced economies will see moderation.

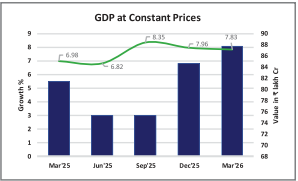
Global headline inflation is expected to increase to 4.4 percent in 2026 before easing to 3.7 percent in 2027, reflecting supply-side pressures emanating from energy and transport disruptions. Inflation risks are more pronounced for emerging market and developing economies, particularly commodity-importing countries with existing macroeconomic vulnerabilities.

Major central banks continue to face difficult trade-offs between containing renewed inflationary pressures and supporting growth amid elevated uncertainty. Overall, the global growth outlook remains weak but broadly stable, notwithstanding significant downside risks from prolonged geopolitical tensions, tighter financial conditions, and high public debt.

Indian Economy: Strength Sustained by Domestic Drivers

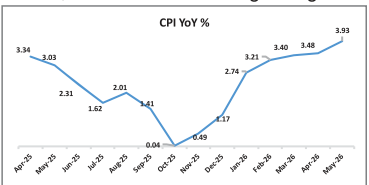


Amid heightened global uncertainty and geopolitical tensions, the Indian economy continued to exhibit resilience, supported by strong domestic demand and investment momentum. As per latest NSO estimates, real GDP growth stood at 7.8% in Q4 FY26, with full-year growth at 7.7%, reflecting broad-based strength across sectors.



Domestic growth drivers remain robust, supported by strong services activity, improving manufacturing capacity utilisation, healthy corporate and banking sector balance sheets. Continued policy focus on strengthening the domestic economy, including initiatives such as the Emergency Credit Line Guarantee Scheme (ECLGS) 5.0 to support affected sectors, is further reinforcing the growth momentum.

On the inflation front, headline CPI inflation remained below the targeted level by RBI during January-March 2026, aided by easing food prices and benign underlying pressures. While near-term inflation risks have risen due to higher global energy prices, the food inflation outlook remains comfortable, supported by adequate reservoir levels, robust rabi output, and sufficient buffer stocks. The RBI has projected CPI inflation for FY27 at 5.1%, reflecting upward pressure from global factors, potential El Nino-led monsoon variability and supply-side price pressures.



External forex markets witnessed heightened volatility during FY26. The Indian rupee depreciated against the US dollar, touching a record low of around ₹97 per US dollar as on 20th May 2026 compared to around ₹84 per US dollar as on 5th May 2025, driven by foreign investor outflows, elevated crude oil prices, and geopolitical tensions in West Asia.

High-frequency indicators such as expansionary PMIs, strong GST collections, and sustained credit growth in FY26 reflect steady momentum. Backed by sound fundamentals and supportive policies, India is well-placed to withstand external headwinds and sustain growth.

Banking Sector: Resilience Amid Policy Easing and Volatility



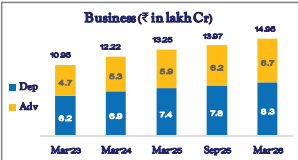
During FY26 amid heightened global uncertainty and volatile capital flows, the domestic banking sector operated well. In response to easing inflation, the Reserve Bank of India (RBI) undertook a calibrated policy easing, delivering cumulative 125 basis points repo rate cut in 2025. Thereafter, the RBI maintained a pause to assess evolving inflation and external risks, with policy transmission progressing gradually.

Liquidity conditions remained uneven during the year. In June 2025, the RBI cut the Cash Reserve Ratio by 100 bps to 3.00% to inject durable liquidity in the system. Despite this, systemic liquidity moved from moderate surplus to periodic deficits, driven by heavy tax outflows and strong credit demand. By March 2026, liquidity tightened sharply, marking the first major deficit of the year. The RBI responded with Open Market Operations, Variable Rate Repo auctions, and forex interventions to stabilise money markets.

Supported by policy measures, regulatory reforms, and strong domestic demand, the banking sector remained resilient despite liquidity stress and external volatility. In this context, I now present an overview of your Bank's financial performance during FY26.

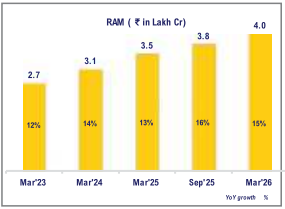
Bank's Performance - FY26

I am pleased to share that Indian Bank delivered yet another strong and resilient performance in FY26. Marked by sustained profitability, good asset quality, robust growth, and continued striding of digital transformation along with financial inclusion, the Bank's achievement reflected unwavering strength and forward momentum. The Bank recorded healthy expansion across key business parameters.



The Bank recorded healthy expansion across key parameters. Total business touched ₹14.95 lakh Crore, registering a robust year-on-year growth of 12.79 percent. The deposit base grew strongly to ₹8.28 lakh Crore, reflecting an increase of 12.29 percent, supported by focused efforts on liability mobilisation and customer engagement. Gross advances expanded to ₹6.67 lakh Crore, recording a healthy growth of 13.43 percent, underpinned by broad-based credit demand.

The Bank maintained a credit-deposit ratio of nearly 81 percent, indicating efficient deployment of resources while preserving liquidity comfort. Growth continued to be driven by the Bank's Strategic Focus on the Retail, Agriculture, and MSME (RAM) segments, which together now account for over 65 percent of the domestic credit portfolio. Retail advances grew by 19 percent, agriculture credit by 11 percent, and MSME advances by 16 percent, reflecting a balanced and inclusive growth strategy aligned with national priorities. Further strengthening digital MSME lending, IND MSME DIGI (New Credit Assessment Model – NCAM) was launched during FY26 to cover loans up to ₹5 Crore. Under this initiative, 12,339 accounts were on-boarded, creating a portfolio of ₹2,558 Crore with zero NPA (Non-Performing Assets).



The Bank continued to demonstrate firm commitment to deliver priority sector lending during FY26. Priority Sector Advances reached 41 percent of Adjusted Net Bank Credit (ANBC), exceeding the regulatory requirement of 40 percent. Credit to agriculture formed over 19 percent of ANBC, reinforcing the Bank's focus on supporting the farming community and allied activities.

The Bank maintained its emphasis on inclusive finance through targeted lending to small and marginal farmers, weaker sections, Self-Help Groups (SHGs), and micro-enterprises. During FY26, disbursements to SHGs amounted to ₹17,800 Crore, supporting 5,03,000 SHGs and positively impacting approximately 56 lakh members across the country. The Bank assisted 19,527 women-led units with credit support of ₹280 Crore under the "Lakshpati Didi" scheme.

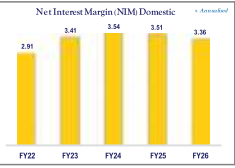
The Bank's MSME portfolio witnessed sustained traction during the year, supported by digital lending initiatives, simplified processes, and targeted outreach. Under the PM Mudra Yojana (including RRBs), the Bank achieved 100 percent of its annual target, disbursing ₹15,718 Crore against a target of ₹15,700 Crore. Under the PM Vishwakarma scheme, cumulative disbursements since inception amounted to ₹115 crore to 13,497 beneficiaries, while under PM SVANidhi, ₹1,226 crore was extended to 7.82 lakh beneficiaries.

Financial inclusion remained a central pillar of the Bank's strategy. As of March 2026, the Bank is having 247 lakh PMJDY accounts, with 17.89 lakh new accounts added during the year.

Under social security schemes, cumulative enrolments reached to 109 lakhs under PMJJBY and 223 lakhs under PMSBY. Under the Atal Pension Yojana, the Bank enrolled 6.05 lakh new members during FY26, achieving an Average Accounts Per Branch of 104 against the proportionate target of 100 per branch.

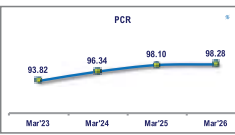
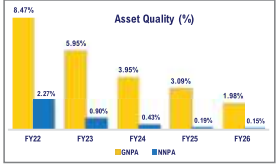
Through INDSETis, 42,593 aspiring entrepreneurs were trained against a target of 37,600, achieving 113 percent through 1,386 training programmes. The Bank's 44 Financial Literacy Centres (FLCs) expanded outreach to over 2.3 lakh participants.

The Bank reported steady improvement in profitability despite margin pressures witnessed across the industry. Net profit increased by 11 percent to ₹12,156 crore. Operating profit rose by 5 percent to ₹19,916 Crore, while net interest income grew by 7 percent to ₹26,915 Crore, reflecting stable core income performance and effective cost management.



The cost of deposits moderated to 4.97 percent and Yield on advances moderated to 8.33 percent, while yield on investments stood at 6.99 percent for FY26. Despite a competitive interest rate environment and industry-wide margin pressures, the Bank sustained a healthy domestic Net Interest Margin (NIM) of 3.36 percent, demonstrating our balance sheet resilience.

Asset quality improved significantly during FY26, reflecting the Bank's disciplined underwriting standards, effective monitoring mechanisms, and strong recovery performance. Gross Non-Performing Assets (GNPA) declined to 1.98 percent, while Net Non-Performing Asset (NNPA) reduced further to a record low of 0.15 percent.

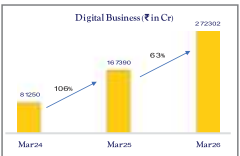


The Provision Coverage Ratio (PCR) of the Bank, including technical write-offs, improved to 98.28 percent, among the highest in the public sector banking space, highlighting the Bank's strengthened balance sheet and proactive approach to the risk management.

Key profitability and shareholder return indicators remained healthy during FY26. Return on Assets stood at 1.31 percent, while Return on Equity (RoE) moderated to 19.53 percent, reflecting higher capital base and stable earnings. Earnings Per Share (EPS) increased to ₹90.24, and book value per share rose to ₹487.23, demonstrating consistent value creation. In line with improved financial performance, the Board recommended a dividend of ₹18.25 per share for FY26. The Bank's Capital Adequacy Ratio (CAR) remained strong at 17.93 percent, providing adequate headroom for growth.



FY26 marked another significant year in the Bank's digital transformation journey. Total digital business expanded to ₹2.72 lakh Crore. The Bank has developed 153 digital journeys, utilities, and processes, with strong growth in digital users, transactions, and business volumes, reflecting rising customer engagement.



During FY26, 42 lakh new customers were onboarded under the IndSMART Mobile App, taking the total mobile banking user base to 2.36 crore.

Under Cross Bank Training, 18 officers from other banks/FLs were trained under the "ELLeVate - Leadership Training for Women" programme. The Bank continued to invest in employee development and institutional capacity building, with 35,675 employees trained through 3,923 programmes during the year.

Indian Bank's efforts have been recognized by external organisation with numerous awards and accolades:

- The Bank received the "Best PSB Award 2024-25" from the Financial Express.
- The MD & CEO of the Bank received the "CEO of the Year" award at the Tamil Nadu Business Leader of the Year 2025.
- The Bank was declared the winner of the "Golden Peacock Award for Excellence in Artificial Intelligence" for the year 2026.
- The Bank received prestigious SKOCH Golden Award for "IB SAATHI" and Silver Award for "Security Operations".
- The Bank received "Red Hat APAC Innovation Award 2025" for Cloud Native Development.
- Indian Bank received the ET Edge BFSI Tech Leader Award as Architects of Bharat's Financial Future for excellence in innovation and technology transformation in the BFSI sector.
- Indian Bank has been awarded the IBEX India 2026 BFSI Tech Award (Bronze) in recognition of its achievements as a Digital CX Trailblazer (PSU).
- Kolkata North and Varanasi Zones of Indian Bank received the First Prize, while Patna Zone received the Second Prize under the Regional Official Language Awards 2024-25 by the Ministry of Home Affairs, in recognition of outstanding implementation of the Official Language Policy.
- Indian Bank received the Digital Leadership Award at the 5th Edition of 'Connect Future Ready Leaders – Viksit Bharat 2047', organized by ENQUBE Collaborations.
- The Bank received the APY Annual Award for Excellence for achieving 104% of APY target in FY26.
- The Bank received the BAANKNET Excellence in Asset Value Maximisation Award.

The Bank continued its commitment to social responsibility through focused CSR (Corporate Social Responsibility) during FY26. Key initiatives included support to the National Health Mission, Maharashtra by providing bicycles to girl students of Zilla Parishad schools and supplying essential medical equipment in Kolhapur and Ratnagiri districts. The Bank also supported King George's Medical University (KGMU), Lucknow, in undertaking heavily subsidised robotic surgeries for economically weaker patients, reinforcing its focus on healthcare access and community well-being.

As of March 2026, the Bank's physical infrastructure comprised 6,005 branches, 3,094 ATMs, 2,563 BNAs, 3,295 passbook kiosks, and a network of 17,032 Business Correspondents (BCs) across the country. During FY26, the Bank expanded its branch network by opening 102 new branches, and for FY27, it has set a target of opening 100 additional branches.

Ongoing Initiatives:

The Bank continued to advance a focused transformation agenda during the year to strengthen its competitive position across business growth, digital enablement, risk management, and organisational capability. These initiatives were aimed at enhancing customer acquisition, improving turnaround times, reinforcing asset quality, and embedding sustainability and governance across operations.

On the business front, the Bank launched several targeted products and campaigns to deepen customer engagement and support deposit and credit growth. Specialised deposit offerings such as Ind Supreme 2.0, salary account packages for government employees, and niche products for women entrepreneurs, gig workers, NRIs, and seafarers expanded the customer base and supported stable deposit mobilisation. Credit growth was driven through thematic retail campaigns, focused initiatives in housing and mortgage lending, and tailored solutions in agriculture and MSME segments, including dairy, tractor, cluster-based financing, and secured working capital products. The Bank also strengthened its presence in champion and green sectors, including infrastructure and renewable energy financing under its Environmental, Social and Governance (ESG) initiatives.

Digital transformation remained central to execution. The Bank expanded end-to-end digital loan journeys, enhanced IND MSME DIGI for high ticket lending, rolled out the IND Connect RM App, and strengthened IndSMART and IndSMART BIZ mobile banking app and corporate platforms. Enterprise-wide initiatives such as the Next Generation Contact Centre, CRM-based customer engagement, and digital tracking of credit proposals improved service quality, transparency, and governance. Advanced analytics and AI/ML-based models were deployed across MSME underwriting, fraud prevention, early warning systems, and collections, significantly strengthening risk management.

The Bank also sharpened its focus on asset quality, recovery, and compliance through structured resolution strategies, SARFAESI asset fairs, Lok Adalats, Pre-Packaged Insolvency Resolution Process (PIRP), and Withdrawal of Formal Debt (WFD) processes, supported by robust digital monitoring and legal enablement tools, including coordination with National Asset Reconstruction Company Limited (NARCL). Sustainability initiatives such as ESG scorecards, climate risk evaluation, and green building certification were embedded into the Bank's operating framework.

Recognising the importance of people and capability building, the Bank continued to invest in employee welfare, leadership development, digital learning platforms, and data-driven training tools, strengthening institutional readiness to support sustainable growth and long-term value creation.

Way Forward:

In the year ahead, the Bank will sharpen its focus on AI-driven digital innovation on banking product and services. Our priorities include deepening customer trust through seamless digital product penetration and embedding compliance as a cornerstone of operations.

The Bank will continue to champion inclusive growth by extending stronger support to retail, agriculture and MSME (RAM) customers, sectors that form the backbone of the economy. With disciplined executions of directions from regulators and customer-centricity, and performing employees' incentivisation, the Bank is poised to deliver sustainable progress and long-term value creation.

Acknowledgement

I extend my heartfelt thanks to our customers, stakeholders, and employees whose trust and commitment continue to shape the Bank's journey. I am equally grateful for the guidance and support of the Government of India, the RBI, and regulatory authorities, which enable us to strengthen our foundations and pursue new opportunities.

Looking ahead, I deeply value your continued partnership in driving innovation, resilience, and inclusive growth. With integrity and excellence, the Bank remains committed to achieving our shared goals.

With best wishes,
Yours sincerely,
Binod Kumar
MD & CEO

Disclaimer: This Statement does not purport to be the proceedings of the Annual General Meeting of the Bank.

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