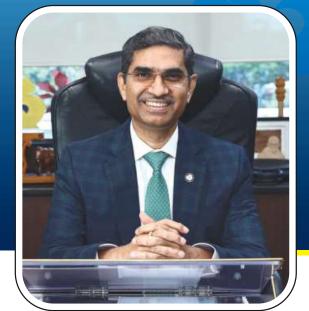
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Turning Challenges into Capabilities

19TH ANNUAL GENERAL MEETING

Held on June 17, 2025

Speech Delivered by Binod Kumar, MD & CEO

Dear Esteemed Stakeholders,

It is with great pride, on behalf of the Board of Directors, the Management team and the dedicated members of Indian Bank, that I present our Bank's performance for the financial year 2024-25. Amidst the backdrop of global challenges characterised by shifting policy landscapes and lingering vulnerabilities - the Bank has delivered strong performance - demonstrating resilience and growth.

Before we delve into the performance highlights of the Bank, let us first take a look at the global and domestic macroeconomic scenario.

Macroeconomic Overview

Global Economy: Uncertainty Prevails

The global economic outlook for 2025 remains clouded due to heightened Geopolitical tensions, policy uncertainties and weak consumer sentiments. The IMF projects global growth at 2.8% in 2025 and 3.0% in 2026, which is below historical (2000-19) average of 3,7%. Headline inflation remains above target in many economies, and inflation expectations now exceeds Central Banks' targets in most Advanced Economies (AEs) as well as in Emerging Market Economies (EMEs).

Geopolitical conflicts, uncertainty surrounding tariffs, individual policy responses and financial market volatility can lead to lower investment spending, subdued consumer confidence and a slowdown in global trade. Going ahead, this may weaken global

Indian Economy: Remains Resilient

Despite global headwinds, the Indian economy remained resilient in FY25, supported by robust domestic demand. Aggregate demand stayed strong, and the country's economic growth (GDP) accelerated to 7.38% year-on-year (YoY) in the fourth quarter of FY25. However, this is slightly lower than the revised YoY growth rate of 8.35% recorded in the same period last year. For the year the GDP growth is at 6.49%.

International and Indian forecasting agencies anticipate that the proposed tariffs by the United States-targeting several trading partners, including India, may negatively impact India's real GDP growth in the current fiscal year. Considering these developments, the Reserve Bank of India (RBI) projected India's real GDP growth for FY26 at 6.5%.

On the inflation front, Consumer Price Index (CPI)-based inflation eased to 2,82% in May'25, marking the lowest reading since Jul'19. This decline was primarily driven by a reduction in food inflation.

Looking ahead, the forecast of an above-normal monsoon, coupled with its early onset, bodes well for the upcoming Kharif crop season. Easing international commodity prices, expectations of a global economic slowdown, and a favourable monsoon outlook have contributed to a softer inflationary trend. Consequently, the Reserve Bank of India (RBI) has revised its CPI inflation projection downward from 4.0% to 3.7% for FY26.

During FY25, high-frequency indicators presented a mixed picture. While industrial growth, as measured by the Index of Industrial Production (IIP) showed a deceleration, several other indicators suggested an uptick in production activity. Notable improvements were observed in the manufacturing Purchasing Managers' Index (PMI), e-way bill generation, and higher Goods and Services Tax (GST) collections.

Looking forward, the impending US tariff hike is expected to pose a significant down risk to industrial performance. Slower global growth, along with expected reciprocal tariffs on Indian goods, is likely to impact exports. Moreover, uncertainty surrounding the duration and frequency of tariff changes could dampen investment sentiments.

Nevertheless, domestic factors provide a cushion. Interest rate cuts, income tax relief and easing inflation are likely to stimulate consumption. Furthermore, a favourable monsoon is expected to support agricultural income. Collectively, these factors are expected to shield the Indian economy from severe global disruptions and lay the foundation for sustainable and inclusive growth.

Global factors such as the pause in rate cuts by the U.S. and the ongoing tariff war led to a flight of FDI, resulting in tight liquidity conditions in the country. However, the Reserve Bank of India (RBI) responded proactively with a range of measures, including a reduction in the Cash Reserve Ratio (CRR), repo rate cuts, adjustments in regulatory norms, Open Market Operations (OMO), Variable Repo Rate (VRR), and currency swaps. These timely interventions effectively stabilize the situation and will improve the

The Reserve Bank of India (RBI)'s Monetary Policy Committee (MPC) cut the reporate by 50 basis points in Jun'25, bringing it to 5.50%. This marks the third consecutive reduction this year, totalling 100 bps, aimed at boosting economic growth and managing inflation. The stance has shifted from "accommodative" to "neutral", signalling a balanced approach ahead. This move is expected to benefit real estate, infrastructure, and MSMEs by lowering borrowing costs, improving liquidity, and enhancing buyers' sentiments.

In addition, the Government's strong push for infrastructure development and tax reliefs in the budget are fuelling credit growth and deposit mobilization.

Against this background of the macroeconomic scenario, I would like to highlight the Bank's financial performance during FY25.

Bank's Performance - FY25

I am happy to share that despite the challenging market scenario, the Bank delivered a strong and healthy performance in the financial year 2024-25, marked by record highest net profit and exceptional asset quality.

Our total business crossed ₹13.25 lakh crore, reflecting a strong year-on-year growth of 8.5 percent. Our deposit base expanded to ₹7.37 lakh crore, up by 7 percent, while gross advances stood at ₹5.88 lakh crore, registering a healthy 10 percent growth.

We maintained a robust credit-deposit ratio of nearly 80 percent, underscoring efficient fund deployment. This growth was primarily driven by our focused thrust on the Retail, Agriculture, and MSME (RAM) sectors, which now contribute over 64 percent of our domestic credit portfolio. Retail and Agriculture credit grew by 14 percent each, while MSME credit rose by 12 percent, showcasing our inclusive and balanced growth

Under priority sector lending, Indian Bank has once again exceeded expectations. Our Priority Sector advances reached 44 percent of the Adjusted Net Bank Credit (ANBC) exceeding the mandated 40 percent by Reserve Bank of India (RBI). Credit to agriculture formed over 19.5 percent of ANBC. We maintained our strong commitment to inclusive finance through focused lending to small and marginal farmers, weaker

Notably, our total disbursement to Self Help Groups and Joint Liability Groups during FY25 stood at ₹15,210 crore, supporting 3.22 lakh SHG/JLGs and positively impacting 37.96 lakh members. As part of the Government's "Lakhpati Didi" initiative, Indian Bank

launched a tailor-made scheme to finance women-led Agri and MSME enterprises. As of March 2025, 17,931 women-led units have been supported with ₹191 crore under this initiative, making us the top-performing public sector bank under the scheme in terms of disbursed amount.

Our MSME portfolio also saw robust traction, with the Bank achieving 104 percent of its annual target in Mudra loan, disbursing ₹8,760 crore against the target of ₹8,400 crore. Under the Stand-Up India scheme, we achieved 118 percent of the allocated target, reaffirming our commitment for fostering entrepreneurship at the grassroots level.

This year, we registered the record highest profit. Net profit surged by 35 percent to ₹10,918 crore, Operating profit grew 13 percent to ₹18,998 crore, and net interest income increased by 8 percent to ₹25,176 crore. These results reflect our sound fundamentals and prudent risk management.

Our cost of deposits rose moderately to 5.12 percent amidst tight liquidity conditions but this was balanced by an improved yield on advances at 8.75 percent and yield on investments at 7.17 percent. Despite industry-wide margin pressures, we sustained a healthy domestic net interest margin of 3.51 percent.

Asset quality improved remarkably. Gross NPA declined to 3.09 percent and net NPA fell to a record low of 0.19 percent. Our provision coverage ratio, including technical write-offs, rose to 98.1 percent-one of the best among public sector banks-underscoring our strengthened balance sheet.

Return on Assets improved to 1.32 percent and Return on Equity jumped to 20.76 percent. Earnings per share reached ₹81.06, while the book value per share increased to ₹423.39, reflecting the value we consistently deliver to shareholders. In line with our improved performance, the Board has recommended a dividend of ₹16.25 per share for

Our capital adequacy ratio stood strong at 17.94 percent, ensuring ample headroom for growth. During the year, we raised ₹10,000 crore in two tranches through the issuance of long-term infrastructure bonds, further strengthening our long-term resources.

FY25 has also been transformative on the digital front. Our total digital business has more than doubled to ₹1.67 lakh crore. We launched 121 digital journeys, utilities & processes covering retail, agriculture, MSME, and corporate segments. At present, 95 percent of new savings accounts are opened digitally, and 92 percent of all transactions are conducted through digital channels.

Our mobile banking app IndSMART, has further upgraded with more than 280 functionalities with more than 1.94 crore users and a 4.3 rating on app stores. We launched a dedicated mobile banking platform for Corporate clients and expanded our fintech partnership network with 167 firms, which significantly enhanced our digital lending, payments, and analytics capabilities.

We have invested in AI chatbots, cloud migration, CRM platforms, and integration with RBIH's Unified Lending Interface, which processed over ₹5,000 crore of business. All these initiatives are part of "Project WAVE"- our vision to build a World of Advanced Virtual Experience for our customers.

We have been focussing on strengthening our core IT infrastructure and this was further reinforced with the successful deployment of a dual private cloud infrastructure. This enabled seamless year-end operations and allowed for temporary infrastructure provisioning without incurring additional costs-showcasing our agility and cost

The Bank's strategy for Financial Inclusion sets forth a vision of universal access to formal financial services. It emphasizes making financial services available, accessible, and affordable in a safe and transparent manner. This multi-dimensional approach is supported by key initiatives like Pradhan Mantri Jan Dhan Yojana (PMJDY). Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and crucially, the Atal Pension Yojana (APY)-a flagship pension scheme for

As of March 2025, we were having 235.29 lakh PMJDY accounts, with 18.52 lakh new accounts added during the year. Under Social Security Schemes, Bank enrolled 21.02 Lakh Customers in PMJJBY and 33.05 Lakh Customers in PMSBY till 31st Mar'25. In Micro Pension Scheme – APY, during FY25 Bank has added 6.38 lakh fresh enrolments with an Average Account Per Branch (AAPB) of 106 against proportionate target of 90

Indian Bank remains steadfast in its mission to empower communities by fostering financial literacy and enhancing employability. The Bank is providing training and awareness programs to help individuals (particularly in rural areas), in acquiring skills and knowledge for better financial decisions and improved livelihoods.

Our skill development initiatives through Indian Bank Self Employment Training Institutes (INDSETIs) trained 36,565 candidates against a target of 35,601, achieving 103 percent through 1,203 training programmes. Our 42 Financial Literacy Centres reached over 1.6 lakh citizens.

At Indian Bank, we believe that the growth of the Bank is deeply rooted in the growth of its employees. Recognizing this, we continue to invest in robust learning and development programmes that build capabilities across all levels. Special emphasis has also been placed on nurturing women leaders, fostering an inclusive and empowered workforce that drives sustainable success.

In this direction, we launched special program "Rising Star" to support leadership grooming and create the future leadership pipeline. The Bank has two Centres of Excellence for skill building wherein capacity build-up was done in 'Credit & Collections' and 'Human Resources'. We also initiated a Leadership Board under the Rewards & Recognition Scheme, trained 217 women leaders in 7 batches, and conducted 81 cross-bank training programmes with 1,959 participants. Altogether, 23,196 unique employees were trained through 1,392 training programmes during the year.

Our efforts have been recognized with numerous accolades.

- The Bank was honoured with the "Best Public Sector Bank" award in the organisational category and the MD & CEO of the Bank received "CEO of the Year" award at Tamil Nadu Leadership Awards 2024.
- The Bank received prestigious SKOCH Award for "Project WAVE", Indian Bank's digital transformation journey and for "SMA Collection Proclivity Predictor"- a model built to predict the probability of default for Special Mention Accounts (SMA) and reduce risks by outlining a targeted collection journey.
- At the EASE 6.0 Reforms Index awards, the Bank was awarded as the second-best improver in the Top Improver category and it secured the third position in the People & HR Operations category.
- The Chief Financial Officer of Indian Bank was honoured with the prestigious Best CFO Award at the ASSOCHAM 3rd Vibrant Bharat CFO Summit & Awards held in

- The Bank was recognized at ASSOCHAM's 11th MSME Excellence Award & Conference in New Delhi, receiving accolades for Excellent Customer Service for MSMEs and being named the Best Technology Enabler of the Year for MSMEs.
- Indian Bank was honoured during the ET Now Best BFSI Brands 2025 Conclave.
- The Bank has received The Economic Times CIO Award for Enterprise IT Excellence 2025 for its exceptional achievement in implementing cutting-edge technology for a future-proof digital infrastructure.
- The Bank won the 5th edition of Most Trusted Brands in India 2025-26 by Marksmen Daily.

Indian Bank is committed to more than just financial success-we actively give back to the community through impactful CSR initiatives. This year, we donated an ambulance to Rajiv Gandhi Government General Hospital and provided computers, lab infrastructure etc to schools in Perambur, Karnal and Mylapore. We sponsored cervical cancer vaccines in Meerut, supported physically challenged women and girls, funded 750 dialysis procedures in Mumbai and constructed a 200-meter athletic track at IBEA School, Kurichi. Additionally, we contributed to environmental sustainability by sponsoring sapling plantations around the Jagannath Shrine in Chennai. Through these efforts, we continue to promote social responsibility, inclusion, and sustainable

Under our environmental sustainability efforts, we installed rooftop solar panels in 80 of 85 identified premises, expected to save ₹1.25 crore in electricity costs annually. We also installed rainwater harvesting systems in 39 locations and implemented a Records Management System in 3,537 branches, with work progressing in 2,319 additional

As of March 2025, our physical infrastructure includes 5,901 brick and mortar branches, 3,078 ATMs, 2,190 BNAs, and 3,102 passbook kiosks across the country. We serve customers through 20 Corporate Business Correspondents and a total of 14 667 BCs out of which 3,725 were deployed in FY25, supporting ease of banking across urban

Additionally, we incorporated Indbank Global Support Services Limited as a Wholly Owned Subsidiary with the strategic objective of providing operational support and sourcing services to the Bank.

Our Bank is actively working on several projects that will strengthen our competitive edge in both business and operational capabilities. These initiatives span across specialised verticals, digitisation, process & product enhancements, operational transformation and HR transformation.

One of our key focus areas is the expansion of Resource Acquisition Centre (RACs). Currently, we have 100 RACs functioning with 403 dedicated Relationship Managers (RMs), and we plan to add 25 new RACs in FY26 to further strengthen our CASA portfolio and customer reach.

We are embracing digital transformation to provide seamless banking solutions to our customers. One of the key upcoming initiatives is the MSME Customer App, which will serve as a comprehensive omni-channel platform catering to all banking requirements of MSMEs, including lending and beyond-lending services. To streamline MSME loan renewals, we are introducing MSME Auto Renewal, ensuring efficiency and ease for our

The Bank is also focused on leveraging new-age tech such as AI/ Gen-AI and has developed a Knowledge Engine to assist the Employees. Additionally, we are in the process of developing an AI powered collections and recovery agent using Agentic AI.

Indian Bank has embarked on a digital transformation journey through the implementation of a cloud based NGCC platform in partnership with Teleperformance. The initiative enhances customer service across voice and digital channels, integrates advanced CRM and analytics, and supports multilingual 24x7 operations from multiple locations. NGCC is poised to significantly improve response time, service quality, and customer satisfaction at scale.

Our focus on financial inclusion will be further strengthened by introduction of four variants of MUDRA schemes in digital mode which will simplify the credit accessibility for micro and small enterprises. The renewal process for Kisan Credit Card holders will also be made more efficient through Digi-KCC Renewal. Our employees will be benefitted with digital loan processing of Staff Vehicle Loan and Staff Housing Loan

Supporting affordable housing and agricultural financing remains a priority, with initiatives such as PMAY and Agri Stack. We are also strengthening financial support for agricultural and allied sectors through Supply Chain Finance and the Agro Processing Module (OD/TL). Tailored financing solutions for agro-processing and storage infrastructure will be available through IB Star Agro Mill and Cold Storage (OD/TL).

To expand credit accessibility for professionals and businesses, we are introducing Loan Against Warehouse Receipts and Ind Professional Special. Additionally, PMEGP and Personal Loan in seven variants will offer diverse loan products to meet varied customer needs. Loan Against Security, including NSC, KVP, and Shares, along with IB Health Care, will enhance financial flexibility for individuals.

Further, for supporting equipment financing and agricultural development, we are launching IND Equip & Wheels and Agri Term Loan, ensuring that our customers have access to the financial resources they need to grow and succeed.

Going ahead, the Bank's emphasis will be to adopt a multi-pronged approach focusing on Sustainable Business Growth, Customer Service Excellence, Digital Onboarding and Compliance Culture. This will include strengthening regulatory frameworks, leveraging technology for better customer outreach and operational efficiency, and supporting key sectors like Retail, Agriculture and MSME.

I will take this opportunity to express my gratitude to all the members of Indian Bank family, our esteemed customers and various stakeholders for their support and contributions to the Bank's performance and success. I would also like to acknowledge the support and guidance given by the Government of India, Reserve Bank of India (RBI) and other regulatory bodies.

We look forward to your continued support in achieving future 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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